Dream Unlimited Corp.

Q1 Report 2024

Table of Contents

Management's Discussion and Analysis

The Management's Discussion and Analysis ("MD&A") is intended to assist readers in understanding Dream Unlimited Corp. (the "Company" or "Dream"), its business environment, strategies, performance and risk factors. This MD&A should be read in conjunction with the audited consolidated financial statements ("consolidated financial statements") of Dream, including the notes thereto, as at and for the year ended December 31, 2023 and the condensed consolidated financial statements as at and for the three months ended March 31, 2024, which can be found under the Company's profile on the System for Electronic Document Analysis and Retrieval+ ("SEDAR+") (www.sedarplus.com). Such financial statements underlying this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Certain disclosures included herein are specified financial measures, including non-GAAP financial measures and supplementary and other financial measures. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

All dollar amounts in tables within this MD&A are in thousands of Canadian dollars, unless otherwise specified. For simplicity, throughout this discussion, we may make reference to the following:

- “Subordinate Voting Shares”, meaning subordinate voting shares in the capital of Dream;
- “Class B Shares”, meaning Class B common shares in the capital of Dream;
- "Dream Impact Fund units” meaning units of Dream Impact Fund LP;
- “Dream Impact Trust units”, meaning units of Dream Impact Trust; and
- “Dream Office REIT units” meaning REIT units, Series A of Dream Office REIT.

Unless otherwise specified, all references to "we", "us", "our" or similar terms refer to Dream and its subsidiaries. All references to the "Dream group of companies" represent Dream and the four publicly traded trusts that Dream provides asset management or development management services to and includes Dream, Dream Office Real Estate Investment Trust ("Dream Office REIT"), Dream Impact Trust, Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT"), and Dream Residential Real Estate Investment Trust ("Dream Residential REIT") collectively "the Dream Entities". This MD&A is dated as of, and reflects all material events up to, May 14, 2024.

The "Forward-Looking Information" section of this MD&A includes important information concerning certain information found in this MD&A that contains or incorporates statements that constitute forward-looking information within the meaning of applicable securities laws. Readers are encouraged to read the "Forward-Looking Information" and "Risk Factors" sections of this MD&A for a discussion of the risks and uncertainties regarding this forward-looking information as there are a number of factors that could cause actual results to differ materially from those disclosed or implied by such forward-looking information.

Business Overview

Dream is a leading developer of exceptional office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established and successful asset management business, inclusive of $25 billion of assets under management* as at March 31, 2024 across four Toronto Stock Exchange ("TSX") listed trusts, our private asset management business and numerous partnerships. We also develop land, residential, and income generating assets in Western Canada. Dream expects to generate more recurring income in the future as its development properties are completed and held for the long-term. Dream has a proven track record for being innovative and for our ability to source, structure and execute on compelling investment opportunities. A comprehensive overview of our holdings is included in the "Summary of Dream's Assets and Holdings" section of this MD&A.

As at May 14, 2024, the Company had a 12% interest in Dream Residential REIT, a 35% interest in Dream Impact Trust and a 31% interest in Dream Office REIT.

Summary of Results – First Quarter of 2024

Overview of Results

Earnings before income taxes for the three months ended March 31, 2024 was $12.1 million, down from $41.7 million in the comparative period. The decrease is attributable to lower fair value gains on Dream Impact Trust units held by other unitholders and fair value losses on investment properties, inclusive of those held in equity accounted investments.

Dream standalone funds from operations* (“FFO”) for the three months ended March 31, 2024 was $0.98 per share on a pre-tax basis, up from $0.26 per share in the comparative period, primarily due to the timing of land sales in Western Canada, higher net operating income* at Distillery from an increase in our ownership interest and occupancy rates and increased skier visits, improved yields on the IKON pass and lower operating costs at Arapahoe Basin. This was partially offset by lower transactional activity from the asset management platform and lower distributions from the Dream Group unit holdings.

On June 16, 2023, Dream Impact Trust completed a unit consolidation of all issued and outstanding units of Dream Impact Trust on the basis of one (1) post-consolidation unit for every four (4) pre-consolidation units. All Dream Impact Trust unit amounts disclosed herein reflect the post-unit consolidation units for all periods presented, unless otherwise specified.

In the three months ended March 31, 2024, the fair value gain on the liability for Dream Impact Trust units was $17.3 million (as a result of the Dream Impact Trust unit price decreasing to $4.62 at March 31, 2024 from $6.15 at December 31, 2023, partially offset by $0.3 million in distributions to Dream Impact Trust unitholders), compared to a fair value gain of $41.4 million in the comparative period (as a result of the Dream Impact Trust unit price

*Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

decreasing to $12.36 at March 31, 2023 from $16.12 at December 31, 2022, partially offset by $2.4 million in distributions to Dream Impact Trust unitholders).

Our Operating Segments and Strategy

As an asset manager, owner and developer of real estate, our objectives are to:

- Develop best-in-class properties and communities that attract exceptional businesses, residents and visitors;
- Own our newly developed income producing assets for the long term;
- Grow our assets under management* through both our public and private platforms;
- Maintain a conservative balance sheet and liquidity position;
- Create positive and lasting impacts through our impact dedicated vehicles;
- Work with exceptional partners and stakeholders to maximize the value of our assets and developments;
- Manage our asset mix and profile to maximize long-term value to shareholders; and
- Generate solid returns for our shareholders over the long-term.

We have achieved our goals in the past as a result of our expertise and high-quality asset base, combined with a track record in our ability to source, structure and execute on compelling investment opportunities while maintaining conservative debt levels. Over the last few years, we have actively focused on differentiating our asset base by growing assets that contribute to recurring income and investing in development assets and real estate in Toronto, with the goal of improving the safety, value and earnings quality of our business. Inclusive of assets held by Dream Impact Fund LP ("Dream Impact Fund"), Dream Impact Trust, Dream Office REIT and Dream Residential REIT, our portfolio totals 34,632 residential units and 10.6 million square feet ("sf") of commercial/retail gross leasable area ("GLA") as at March 31, 2024 (at 100% project level).

Recurring income is important to our business as it provides stable cash flows in order to fund our ongoing interest expense, fixed operating costs and dividends. This provides enhanced stability and financial flexibility as we continue to execute on our development pipeline. Assets held at March 31, 2024 that contribute to recurring income include our asset and development management contracts, our 30% equity ownership in Dream Office REIT, our 12% equity ownership in Dream Residential REIT, management fees from our private asset management business and our stabilized income generating assets, such as the Distillery District in Toronto, Arapahoe Basin, our ski hill in Colorado which is pending its sale, and our multi-family purpose-built rentals including those shared with Dream Impact Trust. Our future recurring income properties will include those that are currently being developed within our mixed-use developments in Toronto, Ottawa, and Western Canada in addition to future potential acquisitions.

Our development assets, comprised of residential, commercial and retail buildings, and raw land, are located across the Greater Toronto Area ("GTA"), Ottawa/Gatineau and Western Canada. We believe our development pipeline includes exceptional assets that will contribute to income and cash flow over time as they are developed and completed. Income and cash flow generated from these assets can vary from period to period, due to a variety of factors including the timing of construction, availability of inventory, achievement of project milestones, timing of completion and end customer occupancy. As we execute on completing our development properties, we anticipate our recurring income assets will increase over time.

While not considered an individual reportable segment, Corporate and other includes: corporate-level cash and other working capital, consolidated tax balances and expense, our term facility and related interest expense, general and administrative expenses not allocated to a particular segment and the liability and fair value adjustments to Dream Impact Trust and Dream Impact Fund units held by other unitholders. Refer to the "Additional Information - Consolidated Dream" section of this MD&A for segmented assets and liabilities and the segmented statement of earnings.

Timing of Income Recognition and Impact of Seasonality

The Company's housing and condominium operations recognize revenue at the time of occupancy and, as a result, revenue and direct costs vary depending on the number of units occupied in a particular reporting period. The Company's land operations revenue relating to sales of land is recognized when control over the property has been transferred to the customer - typically when the customer can begin construction on the property. Until this criterion is met, any proceeds received are accounted for as customer deposits. Revenue is measured based on the transaction price agreed to under the contract and is typically recognized upon receipt of 15% of the transaction price. Revenue from land is deferred until occupancy by a third-party customer, when the land is sold as part of a home constructed by our housing division. Certain marketing expenses for condominiums and homes are incurred prior to the occupancy of these units and accordingly are not tied to the number of units occupied in a particular period as they are expensed as incurred. Commissions are capitalized as contract assets, and expensed when condominium and housing revenue is recognized.

Based on our geographic location, most of our development activity in Western Canada takes place between April and October due to weather constraints, while sales orders vary depending on the rate at which builders work through inventory, which is affected by weather, supply chain constraints and market conditions. Traditionally, our highest sales volume for our land and housing divisions has been in the second half of the year.

Our recurring segment, which includes our purpose-built multi-family rentals, retail and office properties and boutique hotels, is relatively flat throughout the year with the exception of our recreational property, Arapahoe Basin, which typically has the highest visitor volume during the winter ski season.

As a result, the Company's results can vary significantly from quarter to quarter.

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Key Financial Information and Performance Indicators

Selected Financial Information

(in thousands of dollars, except per share and outstanding share amounts)		For the three months ended March 31, 2024		2023
Revenue	**$**	**158,251**	$	72,196
Earnings for the period	**$**	**9,534**	$	34,601
Basic earnings per share(1)	**$**	**0.23**	$	0.81
Diluted earnings per share(1)	**$**	**0.22**	$	0.78
Dream standalone funds from operations per share*	**$**	**0.98**	$	0.26
Dream consolidated funds from operations per share*	**$**	**0.22**	$	0.08
Weighted average number of shares outstanding, basic		**42,153,263**		42,675,079
Total earnings for the period attributable to:				
Shareholders	**$**	**9,534**	$	34,601

		March 31, 2024		December 31, 2023
Total assets	**$**	**3,907,584**	$	3,875,522
Total liabilities	**$**	**2,498,233**	$	2,471,463
Total equity	**$**	**1,409,351**	$	1,404,059
Total issued and outstanding shares		**42,156,379**		42,240,010

(1) See Note 22 of the Company's condensed consolidated financial statements for the three months ended March 31, 2024 for further details on the calculation of basic and diluted earnings per share.

Funds from Operations*

Dream standalone funds from operations ("FFO") and Dream consolidated FFO are non-GAAP financial measures that we consider key measures of our financial performance on a pre-tax basis. Dream standalone FFO and Dream consolidated FFO are further defined in the "Non-GAAP Measures and Other Disclosures" section of the MD&A. We use Dream standalone FFO and Dream consolidated FFO to assess operating results and the performance of our businesses on a divisional basis.

Dream standalone FFO per share and Dream consolidated FFO per share are non-GAAP ratios. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

The following table defines and illustrates how Dream standalone FFO is calculated by division:

FFO by division:

(in thousands of dollars, except per share and outstanding share amounts)		For the three months ended March 31, 2024		2023
Asset management(1)	**$**	**6,043**	$	6,340
Dream group unit holdings(2)		**5,492**		8,757
Stabilized assets - GTA/Ottawa		**(739)**		(1,941)
Stabilized assets - Western Canada		**564**		219
Arapahoe Basin		**14,233**		11,815
Development - GTA/Ottawa		**(882)**		(1,705)
Development - Western Canada		**25,874**		(3,815)
Corporate & other		**(9,065)**		(8,552)
Dream standalone FFO	**$**	**41,520**	$	11,118
Dream Impact Trust & consolidation adjustments(3) & other adjustments		**(32,036)**		(7,853)
Dream consolidated FFO	**$**	**9,484**	$	3,265
Shares outstanding, weighted average		**42,153,263**		42,675,079
Dream standalone FFO per share	**$**	**0.98**	$	0.26
Dream consolidated FFO per share	**$**	**0.22**	$	0.08

(1) Asset management includes our asset and development management contracts with the Dream group of companies and management fees from our private asset management business, along with associated costs. Included in asset management for the three months ended March 31, 2024 are asset management fees from Dream Impact Trust received in the form of units of $490 (three months ended March 31, 2023 - $1,379). These fees have been received in the form of units since April 1, 2019. Had the asset management fees been paid in cash, rather than in units, the fees earned for the three months ended March 31, 2024 were $3,617 (three months ended March 31, 2023 - $3,295).

(2) Dream group unit holdings includes our proportionate share of funds from operations from our 30.3% effective interest in Dream Office REIT and 11.9% effective interest in Dream Residential REIT, along with distributions from our 35.2% interest in Dream Impact Trust. Included in Dream group unit holdings for the three months ended March 31, 2024 are distributions from Dream Impact Trust received in the form of units of $653 (three months ended March 31, 2023 - $1,653).

(3) Included within consolidation adjustments in the three months ended March 31, 2024 is income of $459 attributable to non-controlling interest (three months ended March 31, 2023 - $71 in losses), as well as net margin of $28,139 related to the sale of 146 raw acres to two development ventures in Edmonton. This income is expected to be recognized in the second quarter of 2024.

*Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

The following table reconciles Dream consolidated FFO and Dream Consolidated FFO to net income (loss):

	For the three months ended March 31,	
(in thousands of dollars)	**2024**	2023
Dream consolidated net income	**$ 9,534**	$ 34,601
Add/(deduct) financial statement components not included in FFO:		
Fair value changes in investment properties	**(2,546)**	(2,993)
Fair value changes in financial instruments	**—**	(93)
Share of loss from Dream Office REIT and Dream Residential REIT	**(1,384)**	(1,316)
Fair value changes in equity accounted investments	**10,714**	(93)
Adjustments related to Dream Impact Trust units	**(17,316)**	(41,408)
Adjustments related to Impact Fund units	**1,168**	422
Depreciation and amortization	**1,912**	1,913
Income tax expense	**2,563**	7,049
Share of Dream Office REIT FFO	**4,274**	4,621
Share of Dream Residential REIT FFO	**565**	562
Dream consolidated FFO	**$ 9,484**	$ 3,265

An overview of the composition of each operating division and a description of the changes in Dream standalone FFO for the three months ended March 31, 2024 is included below:

Asset Management
Asset management includes our asset and development management contracts with the Dream group of companies and management fees from our private asset management business, along with associated costs.

Dream standalone FFO for the division for the three months ended March 31, 2024 decreased by $0.3 million from the comparative period primarily due to higher acquisition activity in 2023, partially offset by an increase in asset management fees from growth in the fee earning assets under management.

Dream Group Unit Holdings
Dream group unit holdings includes our proportionate share of funds from operations from our 30.3% effective interest in Dream Office REIT and 11.9% effective interest in Dream Residential REIT, along with distributions from our 35.2% interest in Dream Impact Trust, when applicable.

Dream standalone FFO for the division in the three months ended March 31, 2024 decreased by $3.3 million from 2023 due to a reduction in ownership interest of Dream Office REIT in 2023 and changes to distribution policies by Dream Office REIT and Dream Impact Trust over the past 12 months.

Stabilized Assets - GTA/Ottawa
Stabilized assets - GTA/Ottawa is comprised of our retail, commercial, hotel and multi-family properties in the GTA and National Capital Region, including the Distillery District and completed buildings at Zibi at our proportionate ownership.

Dream standalone FFO for the division in the three months ended March 31, 2024 increased by $1.2 million from the comparative period. The increase is primarily driven by higher ownership interest and net operating income from Distillery District.

Stabilized Assets - Western Canada
Stabilized assets - Western Canada is comprised of our retail, commercial, recreational and multi-family properties in Alberta and Saskatchewan.

Dream standalone FFO for the division in the three months ended March 31, 2024 increased by $0.3 million primarily from higher occupancy rates across the portfolio and the addition of two residential rental properties in Saskatoon.

Arapahoe Basin
Arapahoe Basin is our 1,428 acre ski hill located in Dillon, Colorado and features seven distinct mountain areas, with 73% of our terrain rated black or double-black diamond. The hill also features several dining options and a growing number of summer activities.

Dream standalone FFO generated by Arapahoe Basin in the three months ended March 31, 2024 increased by $2.4 million from 2023 primarily due to increased skier visits, improved yields on the IKON pass and a reduction in operating costs.

Development - GTA/Ottawa
Development - GTA/Ottawa is comprised of our development projects in various planning and construction phases across Toronto and the National Capital Region, including condominium, purpose-built rental and mixed-use developments.

Dream standalone FFO for the division in the three months ended March 31, 2024 improved by $0.8 million primarily driven by condominium occupancies at Ivy Condos and Phase 2 of Riverside Square, with minimal activity in the prior period.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Development - Western Canada
Development - Western Canada is comprised of our land, housing, multi-family and retail/commercial assets under development within our master-planned communities in Saskatchewan and Alberta.

Dream standalone FFO for the division in the three months ended March 31, 2024 increased by $29.7 million from 2023. In the first quarter of 2024, two parcels of land in Edmonton were sold with 20% interest retained with no comparable activity in the prior year. Refer to the Development section of this MD&A for further details.

Corporate & Other
Corporate & other is not considered a separate division and includes general and administrative expenses and interest on our term facility.

The change in FFO for the division was nominal as both general and administrative expenses and interest expense on our term facility remained consistent period over period.

Recurring Income

The recurring income segment is comprised of our asset management, stabilized assets and Arapahoe Basin divisions, as described in the "Funds From Operations" section of this MD&A. In addition, this segment includes results from Dream Impact Trust's recurring income business, net of consolidation and fair value adjustments.

Asset management fees, development management services and equity interests in Dream Impact Trust and Dream Impact Fund are eliminated on consolidation. It is important to note that fees earned on transactional activity in a period are not recurring in nature and accordingly will impact related margins. Fees related to development activities and partnerships included within this segment may fluctuate depending on the number of active projects and on Dream achieving certain milestones as the development manager. We expect that development and other management fees will continue to increase in future years as our existing developments progress through construction milestones.

Dream's assets under management* as of March 31, 2024 was $25 billion (December 31, 2023 – $24 billion), including fee earning assets under management* of approximately $18 billion (December 31, 2023 - $17 billion).

As of March 31, 2024, we held approximately 14.0 million sf of GFA in residential and GLA in office and retail, and mixed-use properties across the Dream platform and we expect assets in this segment to grow over time, as we intend to hold stabilized investment properties that are developed by Dream in the core markets in which we operate in addition to sourced transactions in those markets.

Selected Segment Key Operating Metrics

	For the three months ended March 31,	
(in thousands of dollars, unless otherwise noted)	**2024**	2023
Revenue	**$ 61,537**	$ 59,538
Net operating income*	**27,185**	25,259
Net margin	**24,962**	22,927
Net margin (%)*	**40.6%**	38.5%
Fair value changes in investment properties	**$ (4,509)**	$ 2,076
Share of earnings from equity accounted investments	**1,797**	2,344

Results of Operations
Revenue and net operating income for the three months ended March 31, 2024 were $61.5 million and $27.2 million, respectively, up by $2.0 million and $1.9 million, respectively, from 2023. The increase is primarily attributable to higher earnings from Arapahoe Basin ski hill in Colorado and increased rental income at our recurring income retail at the Distillery District located in Toronto, Ontario, partially offset by lower asset management fee earnings as there was less transactional activity in 2024.

In the three months ended March 31, 2024, the Company recognized fair value losses on investment properties of $4.5 million driven by an expansion of terminal cap rates primarily on certain commercial/retail properties located in the National Capital Region.

Over the next four years, an additional 2,305 apartment units comprising 1.9 million sf of residential gross floor area ("GFA") are expected to be added to our recurring income portfolio (at project level) primarily relating to Canary Landing, Zibi, LeBreton Flats and Western Canada. We continue to focus on increasing our recurring income through growing our asset management business and completing purpose-built rentals within our development pipeline.

*Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Development

The development segment is comprised of our development divisions in the GTA, the National Capital Region, Saskatchewan and Alberta. In addition, this segment includes results of Dream Impact Trust's development business, net of consolidation and fair value adjustments.

A large proportion of assets carried within this segment are being developed for sale and are held at cost. These are expected to contribute meaningfully to the Company's earnings in future periods as properties and land are developed and sold. In addition, through our equity ownership in Dream Impact Trust, we have indirect investments in high-quality assets located in the GTA with significant redevelopment potential.

The developments that we hold today do not require a significant amount of equity and are financed primarily through project-specific debt including land loans, construction financing and our Western Canada operating line, providing us with additional financial flexibility. In cases where we are developing investment properties to hold, fair value gains are recognized as key milestones are achieved through the development period over the time frame to stabilization and/or completion.

As at March 31, 2024, our GTA and National Capital Region pipeline across the Dream portfolio is comprised of over 25,400 residential units and approximately 3.9 million sf of commercial/retail GLA.

We currently own approximately 8,900 acres of land in Western Canada, of which 8,300 acres are in nine large master-planned communities at various stages of approval. With our land bank, market share, liquidity position and extensive experience as a developer, we are able to closely monitor and have the flexibility to increase or decrease our inventory levels to adjust to market conditions in any year. In the first quarter of 2024 we completed two transactions in which we sold an interest in two parcels of land totaling 146 raw acres in Edmonton to builders so that they can secure a pipeline of future building lots. We sold 80% and retained a 20% interest and we continue to be the development manager. The transactions generated revenue of $39.5 million and net margin of $28.1 million, reflected in our FFO for the quarter. We expect that the sale will be reflected in income in the second quarter of 2024. These sales allowed us to recognize income on lands that were in our long-term development pipeline for the next 5-10 years.

Selected Segment Key Operating Metrics

	For the three months ended March 31,			
(in thousands of dollars, except lot, acre, house and average selling price per lot, house and acre amounts)		**2024**		2023
DIRECTLY OWNED				
Revenue	**$**	**96,714**	$	12,658
Gross margin		**4,524**		1,874
Gross margin (%)*		**4.7%**		14.8%
Net margin	**$**	**(5,798)**	$	(5,192)
Net margin (%)*		**n/a**		n/a
Fair value change on investment properties	**$**	**7,055**	$	917
Condominium occupancy units (project level) - Toronto & Ottawa		**187**		—
Condominium occupancy units (Dream's share) - Toronto & Ottawa		**171**		—
Lots sold - Western Canada		**23**		30
Average selling price per lot - Western Canada	**$**	**163,000**	$	113,000
Acres sold - Western Canada		**11**		—
Average selling price per acre - Western Canada	**$**	**258,000**	$	—
Housing units sold		**12**		25
Average selling price per housing unit	**$**	**637,000**	$	433,000
EQUITY ACCOUNTED INVESTMENTS				
Share of earnings (loss) from equity accounted investments	**$**	**(5,002)**	$	820
Condominium occupancy units (project level) - Toronto		**98**		—
Condominium occupancy units (Dream's share) - Toronto		**30**		—

Results of Operations

In the three months ended March 31, 2024, our development business generated $96.7 million in revenue and negative net margin of $5.8 million, in comparison to $12.7 million and $5.2 million, respectively, in 2023. Results were driven by condominium occupancies at Phase 2 of Riverside Square and Ivy Condos in Toronto. Upon closing next quarter, the Company expects to repay a $76.9 million construction loan relating to Ivy Condos.

Results from equity accounted investments in the three months ended March 31, 2024 was a loss of $5.0 million compared to earnings of $0.8 million in the comparative period, due to fair value losses on an investment property under development recognized in the period, partially offset by condominium occupancy income at Brightwater II in Port Credit.

Our development team remains focused on building out our exceptional development pipeline, including The Mason at Brightwater, Cherry House, Canary House and Birch House at Canary Landing as well as a number of rental developments in Western Canada, which are expected to occupy between 2024 and 2025.

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Active Projects

Alpine Park

Alpine Park is a 646 acre next-generation greenfield development located along the recently completed Southwest Ring Road in Calgary between downtown and the mountains. With over two decades of anticipation, Alpine Park broke ground in 2020. The master-planned community is expected to take 15 years for full build out. The community will be home to about 10,000 residents with a variety of home styles. A Village Centre is also planned for Alpine Park which will include a grocery anchor and other curated retailers. Alpine Park will include multi-family residences and apartments, urban plaza spaces and parkland. Residential occupancies commenced for Alpine Park phase 1 in 2023 and construction continues on Alpine Park phases 2 and 3.

Brightwater

Brightwater, a 72 acre waterfront development in Mississauga's Port Credit area, is expected to transform the site to a complete, vibrant and diverse community, which will include an elementary school, YMCA and 18 acres of parks and outdoor space. The development won the Building Industry and Land Development Association Pinnacle Award in 2020 for Best New Community. Occupancies continue in Brightwater I & II with 172 of the 311 units (55%) occupied to date with anticipated closing in the third quarter 2024. The retail and commercial component of Brightwater Phase I (CDH) LP is expected to be completed in 2024. Currently, 47% of the space is leased.

Canary Landing

Maple House at Canary Landing, the first building in our purpose-built rental community in the West Don Lands neighbourhood, is 50% leased to date. Maple House is comprised of 770 rental units, of which 30% are affordable. Construction on Cherry House (West Don Lands Block 3/4/7) is progressing and will comprise of an additional 855 rental units (30% affordable), with initial occupancies planned for 2026. Construction has also commenced on Canary House and Birch House, which comprises 206 condominium units, 238 purpose-built rentals, 26,000 sf of heritage retail and an Indigenous Hub, with initial occupancies in late-2024. This area is a significant development hub for Dream, as it includes the 35 acre Canary District, the adjacent West Don Lands and Distillery District development assets, in addition to the future Lakeshore East and Quayside developments.

Dream LeBreton

Dream LeBreton will have a total of 608 new housing units, of which approximately 40% will be affordable, and of which 31% will be accessible. The units will be integrated alongside market units, creating an inclusive, equitable, and richly diverse community. The affordable units are to be earmarked for five target populations as defined by the national housing strategy: Indigenous communities; veterans; women and children; immigrants and newcomers; and adults with cognitive disabilities.

Holmwood

Holmwood is an 867 acre master planned community transforming the east end of Saskatoon, with an innovative community form, thriving retail marketplace, future school site and inclusive public spaces. Holmwood has seen the community grow every year since initial construction, resulting in a thriving neighbourhood. Anticipated to be home to nearly 15,000 people by 2030, Holmwood is a community building on a scale never seen before in Saskatchewan, combining over 6,400 sustainable, mixed-use homes with 82 acres of parkland and an intricate network of ponds, wetlands and sports facilities. Holmwood welcomed its first residential tenants into the Wren (Brighton Village Rentals I) in 2021 and Underhill Road (Block 135, which comprises 136 rental condominiums and 21 single family rentals) in 2023. Furthermore, construction is well underway with 400 additional rental units expected to occupy over the next three years.

Zibi

The Zibi project is a multi-phase development that includes over 4 million sf of density consisting of approximately 1,900 residential units (inclusive of purpose-built rental units), over 2 million sf of commercial space and 8 acres of riverfront parks and plazas. We believe that Zibi will be one of Canada's most sustainable communities and the country's first "One Planet Master-Planned Community". In partnership with Hydro Ottawa, we developed the District Energy System, the first post-industrial waste heat recovery system in a master-planned community in North America, which provides net-zero heating and cooling for all tenants, residents and visitors at Zibi. In the three months ended March 31, 2024 vertical construction at Zibi continued on all active blocks.

Other Items

Interest Expense

In the three months ended March 31, 2024, interest expense was $17.1 million compared to $18.6 million in the prior period. The decrease is primarily due to a reduction in our operating line - Western Canada drawings and lower average interest rates on variable debt as a result of fixed interest rate swaps entered into throughout 2023.

Income Tax Expense

The Company's effective income tax rate was 21.2% for the three months ended March 31, 2024 (three months ended March 31, 2023 – 16.9%). The effective income tax rate for the three months ended March 31, 2024 is different than the statutory combined federal and provincial tax rate of 26.0% mainly due to the non-taxable portion of capital gains, partially offset by a combination of non-deductible expenses and other items.

We are subject to income taxes in Canada, both federally and provincially, and the United States. Significant judgments and estimates are required in the determination of the Company's tax balances. Our income tax expense and deferred tax liabilities reflect management's best estimate of current and future taxes to be paid. The Company is subject to tax audits from various government and regulatory agencies on an ongoing basis. As a result, from time to time, taxing authorities may disagree with the interpretation and application of tax laws taken by the Company in its tax filings.

Liquidity and Capital Resources

Our capital consists of debt facilities and shareholders' equity. Our objectives in managing our capital are to ensure adequate operating funds are available to fund development costs, to cover leasing costs, overhead and capital expenditures for income generating assets, to provide for resources needed to fund capital calls for existing developments, to generate a target rate of return on investments and to cover dividend payments. There have been no material changes in future contractual obligations since March 31, 2024.

A summary of our working capital, recurring assets and liabilities, and financial assets and liabilities as at March 31, 2024 and December 31, 2023 is presented below. Project-specific inventory and debt balances in our development segment are excluded from the table below as the proceeds from the sale of inventory fund the repayment of project-specific construction facilities. Please refer to Note 27 of the condensed consolidated financial statements for the Company's full classification of items in the condensed consolidated statements of financial position.

	March 31, 2024				December 31, 2023			
(in thousands of Canadian dollars)	Less than 12 months	Greater than 12 months	Non-determinable	**Total**	Less than 12 months	Greater than 12 months	Non-determinable	Total
Cash and cash equivalents	$ 70,516	$ —	$ —	**$ 70,516**	$ 60,203	$ —	$ —	$ 60,203
Accounts receivable	284,914	58,520	—	**343,434**	188,761	85,280	—	274,041
Other financial assets[1]	33,589	16,486	—	**50,075**	46,886	13,280	—	60,166
Investment properties within recurring income	—	1,524,795	—	**1,524,795**	—	1,522,148	—	1,522,148
Recreational properties	—	38,954	—	**38,954**	—	82,898	—	82,898
Investment in Dream Office REIT[2]	—	—	377,156	**377,156**	—	—	379,368	379,368
Investment in Dream Residential REIT[2]	—	—	42,746	**42,746**	—	—	41,371	41,371
Assets held for sale	49,901	—	—	**49,901**	—	—	—	—
Subtotal assets	438,920	1,638,755	419,902	**2,497,577**	295,850	1,703,606	420,739	2,420,195
Accounts payable and accrued liabilities	168,120	11,859	42,882	**222,861**	150,123	12,360	70,893	233,376
Income and other taxes payable	83,579	—	—	**83,579**	79,964	—	—	79,964
Provision for real estate development costs	59,248	—	—	**59,248**	61,069	—	—	61,069
Project-specific debt within recurring income	81,495	1,019,858	—	**1,101,353**	138,758	956,292	—	1,095,050
Corporate debt facilities	—	294,686	—	**294,686**	—	291,306	—	291,306
Dream Impact Trust units	—	—	53,281	**53,281**	—	—	70,779	70,779
Dream Impact Fund units	—	—	114,573	**114,573**	—	—	113,405	113,405
Liabilities associated with assets held for sale	15,487	—	—	**15,487**	—	—	—	—
Subtotal liabilities	407,929	1,326,403	210,736	**1,945,068**	429,914	1,259,958	255,077	1,944,949
Net excess (deficiency)	$ 30,991	$ 312,352	$ 209,166	**$ 552,509**	$ (134,064)	$ 443,648	$ 165,662	$ 475,246

(1) Other financial assets as at March 31, 2024 excludes $39.5 million in project-specific investment holdings (December 31, 2023 – $39.7 million).
(2) The Company's holdings of Dream Office REIT and Dream Residential REIT have been measured at book equity per share as of March 31, 2024 and December 31, 2023. Dream Office REIT and Dream Residential REIT are included in our equity accounted investments. See Note 9 of the Company’s condensed consolidated financial statements for the three months ended March 31, 2024 and 2023 for further details.

As at March 31, 2024, there were adequate resources to address the Company's short-term liquidity requirements. Certain financial instruments that are callable or due on demand are presented as due within 12 months, which is inconsistent with the repayment timing expected by management. Due to the nature of our development business, in addition to the above resources, the Company expects to fund a portion of our current liabilities through sales of housing, condominium and land inventories, which cannot be classified and accordingly are not presented above. Management continuously reviews the timing of expected debt repayments and actively pursues refinancing opportunities as they arise.

The Company uses a combination of existing cash, cash generated from operations and unit distributions, corporate debt facilities and project-specific debt to finance its activities. As at March 31, 2024, the Company had $320.3 million in available liquidity*, down slightly from $325.1 million as at December 31, 2023. Available liquidity is comprised of $45.0 million in cash at a standalone corporate level and within wholly-owned projects and $275.3 million available under our revolving credit facilities (December 31, 2023 - $22.4 million and $300.2 million, respectively).

The Company has $218.8 million of debt maturing in 2024, comprising of $97.9 million we expect to be able to refinance or extend, $114.6 million in construction facilities we expect to repay with proceeds from sales, and $6.3 million we expect to repay through future operating cash flows. Generally, we expect to increase our available liquidity over the next several years to fund our fixed operating costs and our dividends, to participate in discretionary investments as they arise, and to withstand sudden adverse changes in economic conditions.

Cash Requirements

The nature of the real estate business is such that we require capital to fund non-discretionary expenditures with respect to existing assets, as well as to fund growth through acquisitions and developments. As at March 31, 2024, on a consolidated basis, we had $70.5 million in cash and cash equivalents (December 31, 2023 – $60.2 million). Our intention is to meet short-term liquidity requirements through cash on hand, cash from operating activities,

* Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

working capital reserves and operating debt facilities. We anticipate that cash from operations and recurring income will continue to provide the cash necessary to fund operating expenses and debt service requirements for our stabilized income assets.

Consolidated Statements of Cash Flows

The Company's consolidated statement of cash flows is as follows:

	For the three months ended March 31,	
(in thousands of Canadian dollars)	**2024**	2023
Net cash flows provided by (used in) operating activities	**$ (37,179)**	$ (32,521)
Net cash flows provided by (used in) investing activities	**(3,169)**	(56,732)
Net cash flows provided by (used in) financing activities	**50,661**	126,106
Change in cash and cash equivalents	**10,313**	36,853
Cash and cash equivalents, beginning of period	**60,203**	47,633
Cash and cash equivalents, end of period	**$ 70,516**	$ 84,486

Operating Activities

Cash flows used in operating activities in the three months ended March 31, 2024 totaled $37.2 million compared to $32.5 million in the prior period. Changes in cash flows from operating activities are primarily driven by timing of cash collections of working capital, acquisition activity of land and development spend on condominium, housing and land inventory.

Investing Activities

Cash flows used in investing activities in the three months ended March 31, 2024 totaled $3.2 million, a decrease in cash used of $53.6 million.

For the three months ended March 31, 2024 cash flows used in investing activities is primarily attributable to development spend on investment properties at Zibi and our multi-family portfolio in Toronto. The prior period comparative included the acquisition of a 50% interest in Quayside.

Financing Activities

Cash flows provided by financing activities in the three months ended March 31, 2024 decreased by $75.4 million compared to the prior year.

The cash flows from financing activities in the three months ended March 31, 2024 included lower borrowing on our mortgages and term debt facilities, partially offset by share repurchases and our quarterly dividend payment.

Debt

As at March 31, 2024, debt was $1,866.1 million (December 31, 2023 – $1,810.5 million). A breakdown of project-specific and corporate debt facilities is detailed in the table below.

	Weighted average effective interest rates		Debt amount	
(in thousands of Canadian dollars)	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023
Project-specific debt				
Operating line - Dream Impact Fund	**7.04%**	7.20%	**$ 14,319**	$ 10,500
Operating line - Western Canada	**7.79%**	n/a	**20,000**	—
Construction loans	**6.17%**	6.18%	**480,072**	449,540
Mortgages and term debt	**4.22%**	4.23%	**1,056,999**	1,059,203
Total project-specific debt	**4.88%**	4.89%	**1,571,390**	1,519,243
Corporate debt facilities				
Non-revolving term facility	**5.51%**	5.51%	**223,928**	223,769
Operating line - Dream Impact Trust	**7.54%**	n/a	**3,052**	—
Convertible debentures (host instruments) - Dream Impact Trust	**6.10%**	6.10%	**67,706**	67,530
Convertible debentures (conversion features) - Dream Impact Trust	**n/a**	n/a	**—**	7
Total corporate debt facilities	**5.67%**	5.65%	**294,686**	291,306
Total debt	**4.99%**	5.02%	**$ 1,866,076**	$ 1,810,549

As at March 31, 2024, $1,371.4 million (December 31, 2023 – $1,370.6 million) of aggregate development loans and term debt were subject to a fixed, weighted average interest rate of 4.05% (December 31, 2023 – 4.15%) and will mature between 2024 and 2052. A further $494.7 million (December 31, 2023 – $440.0 million) of real estate debt was subject to a weighted average variable interest rate of 6.69% (December 31, 2023 – 7.71%) and will mature between 2024 and 2026. Included within total debt is $506.5 million (December 31, 2023 – $465.2 million) of variable debt that the Company has hedged through fixed interest rate swaps. All of the Company's interest rate swaps are being used to mitigate risk of rising interest rates. Effective interest rate swaps have been accounted for using hedge accounting.

*Represents a specified financial measure. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

Contractual Obligations

Our liquidity is impacted by contractual debt commitments as follows:

	2024	2025	2026	2027	2028 and thereafter	**Total**
Project-specific debt[1]	$ 218,844	$ 564,762	$ 35,700	$ 329,963	$ 422,121	**$ 1,571,390**
Corporate debt facilities[1]	—	226,980	29,432	38,274	—	**294,686**
	$ 218,844	$ 791,742	$ 65,132	$ 368,237	$ 422,121	**$ 1,866,076**

[1] The amounts presented are shown consistent with the contractual terms of repayment, which may be due on demand.

In addition to the commitments above, we may be required to fund capital to our development projects as part of the Company's normal course of operations.

Shareholders' Equity

Dream is authorized to issue an unlimited number of Subordinate Voting Shares and an unlimited number of Class B Shares. As at March 31, 2024, there were 40,599,057 Subordinate Voting Shares and 1,557,322 Class B Shares outstanding (December 31, 2023 - 40,682,688 Subordinate Voting Shares and 1,557,322 Class B Shares).

As at May 14, 2024, there were 40,615,926 Subordinate Voting Shares, 1,557,322 Class B Shares, 810,845 stock options, 982,315 performance share units, 432,811 restricted share units and 352,896 deferred share units outstanding.

Including the Subordinate Voting Shares of Dream and Class B Shares held or controlled directly or indirectly, the Company's President and Chief Responsible Officer ("CRO") owned an approximate 51% economic interest and 88% voting interest in the Company as at March 31, 2024.

Share Repurchases

The Company renewed its Normal Course Issuer Bid ("NCIB"), which commenced on September 21, 2023, under which the Company has the ability to purchase for cancellation up to a maximum number of 2,223,383 Subordinate Voting Shares through the facilities of the TSX at prevailing market prices and in accordance with the rules and policies of the TSX. The actual number of Subordinate Voting Shares that may be purchased, and the timing of any such purchases as determined by the Company, are subject to a maximum daily purchase limitation of 8,986 shares, except where purchases are made in accordance with block purchase exemptions under applicable TSX rules.

In connection with the renewal of the NCIB, the Company has established an automatic securities purchase plan (the "Plan") with its designated broker to facilitate the purchase of Subordinate Voting Shares under the NCIB at times when the Company would ordinarily not be permitted to purchase its Subordinate Voting Shares due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by the Company's broker based on the parameters prescribed by the TSX and the terms of the parties' written agreement. Outside of such restricted or blackout periods, the Subordinate Voting Shares may also be purchased in accordance with management's discretion. The Plan was pre-cleared by the TSX and will terminate on September 20, 2024.

In the three months ended March 31, 2024, 0.2 million Subordinate Voting Shares were purchased for cancellation by the Company under its NCIB at an average price of $22.88 (year ended December 31, 2023 – 0.6 million Subordinate Voting Shares at an average price of $19.28).

Off-Balance Sheet Arrangements, Commitments and Contingencies

We conduct our real estate activities from time to time through joint arrangements with third-party partners. A discussion of our off-balance sheet arrangements, commitments and contingencies is included in Note 23 of the condensed consolidated financial statements for the three months ended March 31, 2024, which is incorporated by reference into this MD&A.

Transactions with Related Parties

The Company has agreements for services and transactions with related parties, which are discussed and outlined in Note 24 of our financial statements for the three months ended March 31, 2024, which is incorporated by reference into this MD&A.

Dream Industrial REIT

In the periods ended March 31, 2024 and 2023, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Industrial REIT:

	For the three months ended March 31,	
	2024	2023
Asset management fees charged by Dream[1]	**$ 5,385**	$ 7,955
Cost recoveries charged by Dream	**451**	278

[1] Included in asset management fees charged to Dream Industrial REIT for the three months ended March 31, 2024 and 2023 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Industrial REIT related to asset management agreements and cost sharing agreements of $5,807 (December 31, 2023 - $6,505).

Dream Office REIT

Amounts earned/recovered under the shared services and property management agreements with Dream Office REIT during the periods ended March 31, 2024 and 2023 are as follows:

	For the three months ended March 31,	
	2024	2023
Cost recoveries charged by Dream to Dream Office REIT	**$ 370**	$ 320
Cost recoveries charged by Dream Office REIT to Dream	**3,063**	2,647
Cost recoveries charged by Dream Office REIT to Dream Impact Trust	**241**	212
Fees charged by Dream to Dream Office REIT	**143**	538
Fees charged by Dream Office REIT to Dream	**109**	93
Fees charged by Dream Office REIT to Dream Impact Trust	**601**	623

The amount owing to Dream Office REIT as of March 31, 2024 was $604 (December 31, 2023 – owing to Dream Office REIT $416).

Dream Residential REIT

In the periods ended March 31, 2024 and 2023, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Residential REIT:

	For the three months ended March 31,	
	2024	2023
Asset management fees charged by Dream[1]	**$ 171**	$ 201
Cost recoveries charged by Dream	**46**	79

(1) Included in asset management fees charged to Dream Residential REIT for the three months ended March 31, 2024 and 2023 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Residential REIT related to asset management agreements and cost sharing agreements of $214 (December 31, 2023 - $332).

Critical Accounting Estimates

The preparation of the condensed consolidated financial statements in accordance with IFRS requires the Company to make judgments in applying its accounting policies, estimates and assumptions about the future. These judgments, estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosure of contingent assets and liabilities included in the Company's condensed consolidated financial statements. The Company evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that we believe are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from those estimates under different assumptions or conditions. A detailed summary of the most significant accounting judgments, estimates and assumptions made by management in the preparation and analysis of our financial results is included in our Annual Report for the year ended December 31, 2023.

Internal Control over Financial Reporting

As at March 31, 2024, the President and Chief Responsible Officer and the Chief Financial Officer (the "Certifying Officers"), with the assistance of senior management, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to Dream is made known to the Certifying Officers in a timely manner and information required to be disclosed by Dream is recorded, processed, summarized and reported within the time periods specified in securities legislation, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the condensed consolidated financial statements in accordance with IFRS.

There were no changes in the Company’s internal control over financial reporting in the three months ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company’s internal controls over financial reporting.

Risk Factors

We are exposed to various risks and uncertainties, many of which are beyond our control and could have an impact on our business, financial condition, operating results and prospects. Shareholders should consider those risks and uncertainties when assessing our outlook in terms of investment potential.

In addition to the risks and uncertainties described below, please also refer to our Annual Report for the year ended December 31, 2023 and our most recent Annual Information Form filed on SEDAR+ (www.sedarplus.com) under the Company's profile for a discussion on risks and uncertainties applicable to the Company. For a discussion of the risks and uncertainties identified specific to Dream Impact Trust, please refer to the Annual Report for the year ended December 31, 2023 and the most recent Annual Information Form filed by Dream Impact Trust on SEDAR+ under Dream Impact Trust's profile.

Forward-Looking Information

Certain information herein contains or incorporates statements that constitute forward-looking information within the meaning of applicable securities legislation, including, but not limited to, statements regarding our objectives and strategies to achieve those objectives; our beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth, expected net proceeds from sales or transactions, results of operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, vacancy and leasing assumptions, litigation and the real estate industry in general; as well as specific statements in respect of: anticipated levels and fluctuation of development, asset management and other management fees, and fees related to development activities and partnerships, in future periods; our development and redevelopment plans and proposals for current and future projects, including the quality of our assets, projected sizes, density, timelines, uses and tenants; the redevelopment potential of our assets and the assets held by Dream Impact Trust; anticipated current and future unit sales and occupancies of our condominium and mixed-use projects, including anticipated timing of closings of condominium unit sales, and resulting revenue; the contribution of our development segment to our earnings and income in future periods; our expectation that recurring income will increase in the future, including as development properties are completed and held for the long term, and the future composition of our recurring income portfolio; expected benefits from recurring income and developments, including stability and financial flexibility; the supplementary information in relation to the development and redevelopment projects in our portfolio, including the projects that we expect to be completed and added to our recurring income segment over the next three years, total units at completion, square footage, residential GFA, rental, commercial and retail GLA, occupancy/stabilization dates, sustainability features, and future GLA under development and other project features; our expectation that we will add 2,305 apartment units comprising 1.9 million square feet of residential GFA to our recurring income portfolio over the next four years; expectations regarding our development plans (including occupancy status) for Alpine Park, Zibi, Riverside Square, Canary Landing, Canary District, LeBreton, Brightwater, Maple House, Quayside and Forma projects, as well as other projects; Quayside becoming Canada's largest all-electric, zero-carbon master-planned community; the approval of our master-planned communities; our acquisition and development pipeline, including in respect of the Dream group of companies; our ability to monitor and adjust our inventory levels and development projects based on market conditions; our capital management objectives; our ability to mitigate certain risks; Dream's intention to hold stabilized income properties in core markets and expectations that such assets will grow over time; Dream's ability to source, structure and execute investment opportunities; the goal of improving Dream's business' safety, value and earnings quality; expectations regarding our sustainability and impact targets, including in respect of characteristics of our projects and affordable units; Zibi's sustainability and it becoming the first One Planet Master-Planned community in Canada; expectations regarding the sale of assets, including assets being developed for sale; our expected sources of funding of current liabilities, including the sale of assets including Arapahoe Basin, and of short-term liquidity requirements, including through cash on hand, cash from operating activities, working capital reserves and operating debt facilities; Dream's ability to maintain a conservative debt level; planned debt repayments, expected sources of funding for maturing debt and timing of maturities; our expectation that cash from operations and recurring income will provide cash needed to fund operating expenses and debt service requirements; and our overall financial performance, profitability and liquidity for future periods and years. Forward-looking statements generally can be identified by words such as "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "could", "likely", "plan", "forecast", "project", "continue", "target", "outlook" or similar expressions suggesting future outcomes or events.

Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from those disclosed in or implied by such forward-looking information. There can be no assurance that actual results will be consistent with these forward-looking statements. The assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein as well as assumptions relating to: that no unforeseen changes in the legislative and operating framework for the respective businesses will occur; that there will be no material change to environmental regulations that may adversely impact our business; that we will meet our future objectives, priorities and growth targets; that we will receive the licenses, permits or approvals necessary in connection with our projects; our expectations regarding the impact of the COVID-19 pandemic and government measures to contain it, including the impact of COVID-19 on our operations, liquidity, financial condition or results; our expectation regarding ongoing remote working; that we will have access to adequate capital to fund our future projects, plans and any potential future acquisitions; that our future projects and plans will proceed as anticipated; that we are able to identify high-quality investment opportunities; that we will find suitable partners with which to enter into joint ventures or partnerships; that we do not incur any material environmental liabilities and that future market, demographic and economic conditions will develop as expected; and the nature of development lands held and the development potential of such lands, including our ability to bring new developments to market, general economic and business conditions remaining in line with expectations, including low unemployment, interest rates and inflation remaining in line with management expectations, positive net migration, oil and gas commodity prices, our business strategy, including geographic focus, anticipated sales volumes, performance of our underlying business segments and conditions in the GTA and Western Canada land, commercial and housing markets. All the forward-looking statements contained in this MD&A are based on what we believe are reasonable assumptions; there can be no assurance that actual results will be consistent with these forward-looking statements. Factors or risks that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, adverse changes in general and local economic and business conditions; inflation or stagflation; the impact of public health crises and epidemics; risks associated with unexpected or ongoing geopolitical events, including disputes between nations, terrorism or other acts of violence, international sanctions and the disruption of movement of goods and services across jurisdictions; risks related to a potential economic slowdown in certain of the jurisdictions in which we operate and the effect inflation and any such economic slowdown may have on market conditions and lease rates; employment levels; regulatory risks, mortgage and interest rates and regulations; environmental risks; consumer confidence; seasonality; adverse weather conditions; reliance on key clients and personnel and competition; and other risks and factors referenced under "Risk Factors" in this MD&A and described from time to time in the documents filed by the Company with the securities regulators.

All forward-looking information is as of May 14, 2024. Dream does not undertake to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information about these assumptions and risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our website at www.dream.ca.

Additional Information - Consolidated Dream

Segmented Assets and Liabilities

							March 31, 2024
	Recurring income	Development	Corporate and other	**Consolidated Dream**	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	**Dream standalone[1]**
Assets							
Cash and cash equivalents	$ 37,790	$ 15,679	$ 17,047	**$ 70,516**	$ 4,337	$ 1,372	**$ 64,807**
Accounts receivable	44,449	292,684	6,301	**343,434**	2,919	2,237	**338,278**
Other financial assets[2]	48,949	20,589	20,080	**89,618**	19,850	44,232	**25,536**
Housing inventory	—	51,816	—	**51,816**	—	—	**51,816**
Condominium inventory	—	317,431	—	**317,431**	—	(21,932)	**339,363**
Land inventory	—	467,565	—	**467,565**	—	—	**467,565**
Investment properties	1,524,795	225,579	—	**1,750,374**	277,227	732,333	**740,814**
Recreational properties	38,954	—	—	**38,954**	—	—	**38,954**
Equity accounted investments	399,248	270,929	—	**670,177**	388,748	173,117	**108,312**
Capital and other operating assets	6,298	37,907	13,593	**57,798**	3,298	(5,128)	**59,628**
Intangible asset	—	—	—	**—**	—	(43,000)	**43,000**
Dream Group Holdings[3]	—	—	—	**—**	—	(370,961)	**370,961**
Assets held for sale	49,901	—	—	**49,901**	—	—	**49,901**
Total assets	$ 2,150,384	$ 1,700,179	$ 57,021	**$ 3,907,584**	$ 696,379	$ 512,270	**$ 2,698,935**
Liabilities							
Accounts payable and other liabilities	$ 44,984	$ 171,942	$ 5,935	**$ 222,861**	$ 6,983	$ (25,430)	**$ 241,308**
Income and other taxes payable[4]	—	—	83,579	**83,579**	—	—	**83,579**
Provision for real estate development costs	—	59,248	—	**59,248**	—	(1,114)	**60,362**
Debt	1,101,353	470,037	294,686	**1,866,076**	273,370	570,213	**1,022,493**
Dream Impact Trust units[4]	—	—	53,281	**53,281**	—	53,281	**—**
Dream Impact Fund units[4]	—	—	114,573	**114,573**	—	114,573	**—**
Deferred income taxes[4]	—	—	83,128	**83,128**	(10,684)	30,843	**62,969**
Liabilities associated with assets held for sale	15,487	—	—	**15,487**	—	—	**15,487**
Total liabilities	$ 1,161,824	$ 701,227	$ 635,182	**$ 2,498,233**	$ 269,669	$ 742,366	**$ 1,486,198**
Total equity	$ 988,560	$ 998,952	$ (578,161)	**$ 1,409,351**	$ 426,710	$ (230,096)	**$ 1,212,737**

(1) Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for the definition of Dream Impact Trust and consolidation and fair value adjustments, Dream standalone adjustments and Dream standalone, which are non-GAAP financial measures.
(2) Other financial assets on a Dream standalone basis includes the Company's investment in Dream Impact Trust of $104.8 million, which is eliminated on a consolidated basis.
(3) Dream Group Holdings contains investments in Dream Impact Trust, Dream Office REIT and Dream Residential REIT. The earnings (loss) is presented under share of earnings (loss) from equity accounted investments on the consolidated statement of earnings.
(4) Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

December 31, 2023

	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	Dream standalone[1]
Assets							
Cash and cash equivalents	$ 33,506	$ 20,214	$ 6,483	$ 60,203	$ 6,176	$ 4,043	$ 49,984
Accounts receivable	46,168	221,227	6,646	274,041	3,710	(33,606)	303,937
Other financial assets[2]	46,033	33,490	20,299	99,822	18,250	43,791	37,781
Housing inventory	—	52,747	—	52,747	—	—	52,747
Condominium inventory	—	383,829	—	383,829	—	33,439	350,390
Land inventory	221	458,330	—	458,551	—	—	458,551
Investment properties	1,522,148	197,024	—	1,719,172	278,980	726,840	713,352
Recreational properties	82,898	—	—	82,898	—	—	82,898
Equity accounted investments	395,295	275,735	—	671,030	387,027	177,364	106,639
Capital and other operating assets	9,608	51,663	11,958	73,229	3,717	9,748	59,764
Intangible asset	—	—	—	—	—	(43,000)	43,000
Dream Group Holdings[4]	—	—	—	—	—	(368,577)	368,577
Total assets	$ 2,135,877	$ 1,694,259	$ 45,386	$ 3,875,522	$ 697,860	$ 550,042	$ 2,627,620
Liabilities							
Accounts payable and other liabilities	$ 63,144	$ 159,071	$ 11,161	$ 233,376	$ 8,713	$ 16,701	$ 207,962
Income and other taxes payable[3]	—	—	79,964	79,964	—	—	79,964
Provision for real estate development costs	17	61,052	—	61,069	—	(946)	62,015
Debt	1,097,068	422,175	291,306	1,810,549	270,114	564,385	976,050
Dream Impact Trust units[3]	—	—	70,779	70,779	—	70,779	—
Dream Impact Fund units[3]	—	—	113,405	113,405	—	113,405	—
Deferred income taxes[3]	—	—	102,321	102,321	(9,624)	30,961	80,984
Total liabilities	$ 1,160,229	$ 642,298	$ 668,936	$ 2,471,463	$ 269,203	$ 795,285	$ 1,406,975
Total equity	$ 975,648	$ 1,051,961	$ (623,550)	$ 1,404,059	$ 428,657	$ (245,243)	$ 1,220,645

(1) Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for the definition of Dream Impact Trust and consolidation and fair value adjustments, Dream standalone adjustments and Dream standalone, which are non-GAAP financial measures.

(2) Other financial assets on a Dream standalone basis includes the Company's investment in Dream Impact Trust of $98.0 million, which is eliminated on a consolidated basis.

(3) Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

(4) Dream Group Holdings contains investments in Dream Impact Trust, Dream Office REIT and Dream Residential REIT. The earnings (loss) is presented under share of earnings (loss) from equity accounted investments on the consolidated statement of earnings.

Segmented Statement of Earnings

For the three months ended March 31, 2024

	Recurring income	Development	Corporate and other	**Consolidated Dream**	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	**Dream standalone[1]**
Revenue	$ 61,537	$ 96,714	$ —	**$ 158,251**	$ 4,665	$ 58,584	**$ 95,002**
Direct operating costs	(34,352)	(92,190)	—	**(126,542)**	(2,482)	(59,359)	**(64,701)**
Gross margin	27,185	4,524	—	**31,709**	2,183	(775)	**30,301**
Selling, marketing, depreciation and other operating costs	(2,223)	(10,322)	—	**(12,545)**	—	2,119	**(14,664)**
Net margin	24,962	(5,798)	—	**19,164**	2,183	1,344	**15,637**
Fair value changes in investment properties	(4,509)	7,055	—	**2,546**	(2,853)	1,508	**3,891**
Investment and other income	297	835	(243)	**889**	2,566	(3,091)	**1,414**
Interest expense	(10,665)	(1,896)	(4,503)	**(17,064)**	(4,200)	(3,955)	**(8,909)**
Fair value changes in financial instruments	—	—	—	**—**	—	—	**—**
Share of earnings from equity accounted investments	1,797	(5,002)	—	**(3,205)**	(3,725)	1,143	**(623)**
Net segment earnings (loss)	11,882	(4,806)	(4,746)	**2,330**	(6,029)	(3,051)	**11,410**
General and administrative expenses[2]	—	—	(6,381)	**(6,381)**	(1,583)	1,175	**(5,973)**
Adjustments related to Dream Impact Trust units[2]	—	—	17,316	**17,316**	—	17,316	**—**
Adjustments related to Dream Impact Fund units[2]	—	—	(1,168)	**(1,168)**	—	(1,168)	**—**
Income tax (expense) recovery[2]	—	—	(2,563)	**(2,563)**	2,190	118	**(4,871)**
Net earnings (loss)	$ 11,882	$ (4,806)	$ 2,458	**$ 9,534**	$ (5,422)	$ 14,390	**$ 566**

For the three months ended March 31, 2023

	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	Dream standalone[1]
Revenue	$ 59,538	$ 12,658	$ —	$ 72,196	$ 4,806	$ 4,878	$ 62,512
Direct operating costs	(34,279)	(10,784)	—	(45,063)	(2,413)	(4,080)	(38,570)
Gross margin	25,259	1,874	—	27,133	2,393	798	23,942
Selling, marketing, depreciation and other operating costs	(2,332)	(7,066)	—	(9,398)	—	(136)	(9,262)
Net margin	22,927	(5,192)	—	17,735	2,393	662	14,680
Fair value changes in investment properties	2,076	917	—	2,993	(457)	935	2,515
Investment and other income	(501)	1,853	554	1,906	129	(413)	2,190
Interest expense	(10,035)	(3,906)	(4,699)	(18,640)	(3,798)	(4,758)	(10,084)
Fair value changes in financial instruments	—	—	93	93	93	—	—
Share of earnings (loss) from equity accounted investments	2,344	820	—	3,164	(882)	2,888	1,158
Net segment earnings (loss)	16,811	(5,508)	(4,052)	7,251	(2,522)	(686)	10,459
General and administrative expenses[2]	—	—	(6,587)	(6,587)	(2,188)	1,473	(5,872)
Adjustments related to Dream Impact Trust units[2]	—	—	41,408	41,408	—	41,408	—
Adjustments related to Dream Impact Fund units[2]	—	—	(422)	(422)	—	(422)	—
Income tax (expense) recovery[2]	—	—	(7,049)	(7,049)	1,353	(4,929)	(3,473)
Net earnings (loss)	$ 16,811	$ (5,508)	$ 23,298	$ 34,601	$ (3,357)	$ 36,844	$ 1,114

(1) Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for the definition of Dream Impact Trust and consolidation and fair value adjustments, Dream standalone adjustments and Dream standalone, which are non-GAAP financial measures.
(2) Certain line items are included in Corporate and other as balances are reviewed on a consolidated basis.

Quarterly Business Trends

A summary of consolidated revenue, earnings (loss), and basic and diluted earnings (loss) per share for the previous eight quarters is presented below.

(in thousands of dollars, except per share amounts)	**Mar 31, 2024**	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022
Revenue	**$ 158,251**	$ 107,858	$ 132,512	$ 74,381	$ 72,196	$ 167,692	$ 55,057	$ 67,805
Earnings (loss) for the period	**9,534**	(81,352)	3,925	(74,253)	34,601	(51,211)	96,742	76,741
Basic earnings (loss) per share	**0.23**	(1.91)	0.09	(1.73)	0.81	(1.20)	2.27	1.80
Diluted earnings (loss) per share	**0.22**	(1.91)	0.09	(1.73)	0.78	(1.20)	2.20	1.74
Dividends declared	**6,323**	5,285	5,336	5,350	5,349	25,553	4,259	4,259

Non-GAAP Measures and Other Disclosures

In addition to using financial measures determined in accordance with IFRS, we believe that important measures of operating performance include certain financial measures that are not defined under IFRS. Throughout this MD&A, there are references to certain non-GAAP measures and other specified financial measures, including those described below, which management believes are relevant in assessing the economics of the business of Dream. These performance and other measures are not financial measures under IFRS and may not be comparable to similar measures disclosed by other issuers. However, we believe that they are informative and provide further insight as supplementary measures of financial performance, financial position or cash flow, or our objectives and policies, as applicable.

Non-GAAP Ratios and Financial Measures

"Dream Impact Trust & Consolidation and fair value adjustments" represent certain IFRS adjustments required to reconcile Dream standalone and Dream Impact Trust results to the consolidated results as at March 31, 2024 and December 31, 2023 and for the three months ended March 31, 2024 and March 31, 2023. Management believes Dream Impact Trust & Consolidation and fair value adjustments provides investors useful information in order to reconcile it to the Dream Impact Trust financial statements.

Consolidation and fair value adjustments relate to business combination adjustments on acquisition of Dream Impact Trust on January 1, 2018 and related amortization, elimination of intercompany balances including the investment in Dream Impact Trust units, adjustments for co-owned projects, fair value adjustments to the Dream Impact Trust units held by other unitholders, and deferred income taxes.

"Dream standalone" represents the results of Dream, excluding the impact of Dream Impact Trust's consolidated results and adjustments to reflect Dream's direct ownership of our partnerships. Refer to the "Segmented Assets and Liabilities" and "Segmented Statement of Earnings" sections of this MD&A for a reconciliation of Dream standalone to the results in the condensed consolidated financial statements. The most direct comparable financial measure to Dream standalone is consolidated Dream. This non-GAAP measure is an important measure used by the Company to evaluate earnings against historical periods, including results prior to the acquisition of control of Dream Impact Trust.

"Dream standalone adjustments" represents certain adjustments required to reflect the Company's direct interest in net assets and earnings of our partnerships. Management believes Dream standalone adjustments provides investors useful information in order to view Dream's statement of financial position and statement of earnings in a presentation that reflects the Company's interest in net assets and earnings from our direct interest in those partnerships. The adjustments included in the calculation of Dream standalone adjustments have been listed below.

1. Proportionately consolidates all material equity accounted investments held directly by Dream with the exception of our ownership in Dream Impact Trust, Dream Office REIT and Dream Residential REIT;
2. Adjusts for the full consolidation of our interest in Dream Impact Fund to equity accounting investments; and
3. Adjusts for the defeased portion of Distillery District mortgage debt and eliminates the associated bond portfolio.

"Dream standalone FFO" and "Dream consolidated FFO", are non-GAAP financial measures that we consider key measures of our financial performance on a pre-tax basis. Dream standalone FFO is calculated as the sum of FFO for all of our divisions, excluding Dream Impact Trust and consolidation adjustments, and Dream consolidated FFO is calculated as Dream standalone FFO (a non-GAAP financial measure) plus Dream Impact Trust and consolidation adjustments. We use Dream standalone FFO and Dream consolidated FFO to assess operating results and the performance of our businesses on a divisional basis. Dream standalone FFO is a component of Dream standalone FFO per share, a non-GAAP ratio, and Dream consolidated FFO is a component of Dream consolidated FFO per share, a non-GAAP ratio.

We use FFO to assess our performance as an asset manager and separately as an investor in our divisions on a pre-tax basis. FFO includes the fees that we earn from managing capital as well as our share of revenues earned and costs incurred within our operations, which include interest expense and other costs. Specifically, FFO includes the impact of contracts that we enter into to generate revenue, including asset management agreements, contracts that our operating businesses enter into such as leases, operational results at our recreational properties and sales of inventory. FFO also includes the impact of changes in borrowings or the cost of borrowings as well as other costs incurred to operate our business.

We exclude depreciation and amortization from FFO as we believe that the value of most of our assets typically increases over time, provided we make the necessary maintenance expenditures, the timing and magnitude of which may differ from the amount of depreciation recorded in any given period. In addition, the depreciated cost base of our assets is reflected in the ultimate realized disposition gain or loss on disposal. As noted above, unrealized fair value changes are excluded from FFO until the period in which the asset is sold. We also exclude income tax expense from FFO as management reviews divisional performance on a pre-tax basis given the diversified nature of our business.

FFO is a commonly used measure of performance of real estate operations; however, it does not represent net income or cash flows generated from operating activities, as defined by IFRS, and it is not necessarily indicative of cash available for the Company's needs. Our definition of FFO differs from the definition used by other organizations, as well as the definition of FFO used by the Real Property Association of Canada ("REALPAC"). We do not use FFO as a measure of cash generated from our operations.

Dream standalone FFO and Dream consolidated FFO are not financial measures under IFRS and may not be comparable to similar measures disclosed by other issuers. Refer to the "Funds From Operations" section of this MD&A for a reconciliation of these non-GAAP measures to net income, in each case the most directly comparable financial measure and for further details on the components of Dream standalone FFO and Dream consolidated.

"*Dream standalone FFO per share*" and *"Dream consolidated FFO per share"* are non-GAAP ratios. Dream standalone FFO per share is calculated as Dream standalone FFO divided by the weighted average number of Dream shares outstanding. Dream consolidated FFO per share is calculated as Dream consolidated FFO divided by the weighted average number of Dream shares outstanding. We use these ratios to assess operating results and the pre-tax performance of our businesses on a per share basis.

Dream standalone FFO per share and Dream consolidated FFO per share are not financial measures under IFRS and may not be comparable to similar measures disclosed by other issuers. Dream standalone FFO per share and Dream consolidated FFO per share for the years ended March 31, 2024 and 2023 are shown in the table included under the "Funds From Operations" section of this MD&A.

"Net operating income" represents revenue, less (i) direct operating costs and (ii) selling, marketing, depreciation and other indirect costs, but including: (iii) depreciation; and (iv) general and administrative expenses. The most directly comparable financial measure to net operating revenue is net margin. This non-GAAP measure is an important measure used by management to assess the profitability of the Company's recurring income segment. Net operating income for the recurring income segment for the three months ended March 31, 2024 and 2023 is calculated and reconciled to net margin as follows:

	For the three months ended March 31,			
		2024		2023
Net margin	**$**	**24,962**	$	22,927
Add: Depreciation		**1,496**		1,470
Add: General and administrative expenses		**727**		862
Net operating income	**$**	**27,185**	$	25,259

Supplementary and Other Financial Measures

"Assets under management ("AUM")" is the respective carrying value of gross assets managed by the Company on behalf of its clients, investors or partners under asset management agreements, development management agreements and/or management services agreements at 100% of the client's total assets. All other investments are reflected at the Company's proportionate share of the investment's total assets without duplication. Assets under management is a measure of success against the competition and consists of growth or decline due to asset appreciation, changes in fair market value, acquisitions and dispositions, operations gains and losses, and inflows and outflows of capital.

"Available liquidity" represents Dream's standalone corporate and wholly-owned project-level cash and revolving debt facilities, including the operating line – Western Canada and margin loan, to cover the Company's capital requirements including acquisitions and working capital. This financial measure is used by the Company to forecast and plan to hold adequate amounts of available liquidity to allow for the Company to settle obligations as they come due.

"Fee earning assets under management" represents assets under management that are managed under contractual arrangements that entitle the Company to earn asset management revenue calculated as the total of: (i) 100% of the purchase price of client properties, assets and/or indirect investments subject to asset management agreements; (ii) 100% of the carrying value of gross assets of the underlying development project subject to development management agreements; and (iii) 100% of the carrying value of specific Dream Office REIT redevelopment properties subject to a development management addendum under the shared services agreement with Dream Office REIT, without duplication.

"Gross margin %" is an important measure of operating earnings in each business segment of Dream and represents gross margin as a percentage of revenue. Gross margin represents revenue, less direct operating costs, excluding selling, marketing, depreciation and other operating costs.

"Net margin %" is an important measure of operating earnings in each business segment of Dream and represents net margin as a percentage of revenue.

Additional Information

Additional information relating to Dream, including the Company's Annual Information Form and condensed consolidated financial statements and accompanying notes, is available on SEDAR+ at www.sedarplus.com. The Subordinate Voting Shares trade on the TSX under the symbol **"DRM"**.

Summary of Dream Group of Companies' Assets and Holdings

Project/property	Entity[3]	Dream effective ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
RECURRING INCOME SEGMENT								
Downtown Toronto & GTA								
Commercial:								
Adelaide Place	D.UN	30.3%	Income property	—	—	662,000	80.5%	
Sussex Centre	D.UN/MPCT	32.7%	Income property	—	—	327,000	77.5%	
2200-2206 Eglinton Avenue East & 1020 Birchmount Road	D.UN	30.3%	Income property	—	—	442,000	56.1%	
State Street Financial Centre	D.UN	30.3%	Income property	—	—	414,000	99.9%	
Distillery District	DRM	62.5%	Income property	—	—	395,000	88.9%	
438 University Avenue	D.UN	30.3%	Income property	—	—	323,000	93.1%	
655 Bay Street	D.UN	30.3%	Income property	—	—	309,000	99.3%	
74 Victoria Street/137 Yonge Street	D.UN	30.3%	Income property	—	—	266,000	98.9%	
36 Toronto Street	D.UN	30.3%	Income property	—	—	214,000	83.3%	
330 Bay Street	D.UN	30.3%	Income property	—	—	165,000	81.1%	
20 Toronto Street/33 Victoria Street	D.UN	30.3%	Income property	—	—	159,000	95.9%	
250 Dundas Street West	D.UN	30.3%	Income property	—	—	121,000	72.0%	
Victory Building	D.UN	30.3%	Income property	—	—	102,000	65.2%	
49 Ontario	MPCT	35.2%	Redevelopment	TBD	TBD	88,000	87.7%	
425 Bloor Street East	D.UN	30.3%	Income property	—	—	83,000	96.2%	
212 King Street West	D.UN	30.3%	Income property	—	—	73,000	91.5%	
357 Bay Street	D.UN	30.3%	Income property	—	—	65,000	100.0%	
10 Lower Spadina	MPCT	35.2%	Income property	—	—	61,000	100.0%	
100 Steeles Avenue West	DRM/MPCT	25.7%	Redevelopment	TBD	TBD	59,000	97.1%	
360 Bay Street	D.UN	30.3%	Income property	—	—	58,000	65.6%	
6 Adelaide Street East	D.UN	30.3%	Income property	—	—	55,000	79.4%	
350 Bay Street	D.UN	30.3%	Income property	—	—	53,000	52.1%	
Plaza Imperial	MPCT	14.1%	Income property	—	—	35,000	100.0%	
349 Carlaw	MPCT	35.2%	Income property	—	—	34,000	64.4%	
56 Temperance Street	D.UN	30.3%	Income property	—	—	33,000	100.0%	
Canary District	DRM	50.0%	Income property	—	—	32,000	90.0%	
68-70 Claremont Street	MPCT	35.2%	Income property	—	—	30,000	100.0%	
76 Stafford Street	MPCT	35.2%	Income property	—	—	25,000	100.0%	
Plaza Bathurst	MPCT	14.1%	Income property	—	—	24,000	100.0%	
220 King Street West	D.UN	15.2%	Income property	—	—	22,000	100.0%	
Berkeley Properties	MPCT	35.2%	Income property	—	—	14,000	55.3%	
Other GTA retail	DRM	30.0%-50.0%	Income property	—	—	142,755	31.4%	
Residential Rentals:								
Weston Common	DRM/DIF/MPCT	57.8%	Income property	841	692,000	52,000	95.6%	
Maple House at Canary Landing (WDL Block 8)	DIF/MPCT	12.0%	In occupancy	770	624,000	4,000	50.0%	
70 Park	DIF/MPCT	36.7%	Income property	210	257,000	—	95.2%	
Robinwood Portfolio	DRM/DIF/MPCT	57.8%	Income property	285	156,000	—	93.4%	
262 Jarvis	DRM/DIF/MPCT	57.8%	Income property	71	35,000	—	88.7%	
111 Cosburn	DIF/MPCT	36.7%	Income property	23	14,000	—	95.7%	
786 Southwood	DIF/MPCT	36.7%	Income property	24	37,000	—	100.0%	
Other:								
Broadview Hotel	DRM	50.0%	Hospitality	58	—	—		
Gladstone House	DRM	50.0%	Hospitality	55	—	27,745		
Postmark Hotel	DRM	50.0%	Hospitality	55	—	39,000		Q2 2024
Total Downtown Toronto & GTA				**2,392**	**1,815,000**	**4,941,755**	**82.5%**	
Zibi (Ottawa/Gatineau)								
Commercial:								
Natural Sciences Building (Zibi Block 211)	DRM/DIF/MPCT	39.8%	Income property	—	—	186,000	93.4%	
15 Rue Jos-Montferrand (Zibi Block 2/3)	DRM/MPCT	67.6%	Income property	—	—	53,000	81.2%	
310 Miwate Private (Zibi Block 208)	DRM/MPCT	67.6%	Income property	—	—	33,000	100.0%	
Residential Rentals:								
Aalto Suites (Zibi Block 10)	DIF/MPCT	36.7%	Income property	162	135,000	1,000	90.1%	
Aalto II (Zibi Block 11)	DIF/MPCT	36.7%	In occupancy	148	127,000	4,000	40.2%	
Other:								
Zibi Community Utility	DIF/MPCT	14.7%	Energy utility					
Total Zibi (Ottawa/Gatineau)				**310**	**262,000**	**277,000**	**69.1%**	

Project/property	Entity[3]	Dream effective ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
U.S.								
Commercial:								
12800 Foster Street, Overland Park, Kansas	D.UN	30.3%	Income property	—	—	185,000	100.0%	
Residential Rentals:								
Private Fund - Texas	DRM	5.0%	Income property	2,497	2,065,000		93.4%	
Private Fund - Arizona	DRM	5.0%	Income property	347	223,000		90.3%	
DRR - Greater Oklahoma City, Oklahoma	DRR	11.9%	Income property	1,299	952,000		94.8%	
DRR - Greater Dallas-Fort Worth, Texas	DRR	11.9%	Income property	1,049	1,005,000		92.1%	
DRR - Greater Cincinnati, Ohio	DRR	11.9%	Income property	952	866,000		94.8%	
Other:								
Arapahoe Basin ski hill, Colorado	DRM	100.0%	Recreational	—	—			
Total U.S.				**6,144**	**5,111,000**	**185,000**	**93.5%**	
Western Canada								
Commercial:								
444 - 7th Building, Calgary	D.UN	30.3%	Income property	—	—	261,000	89.6%	
Vendasta Square, Saskatoon	D.UN	30.3%	Income property	—	—	229,000	58.5%	
Brighton Marketplace, Saskatoon	DRM	50.0%	Income property	—	—	217,000	100.0%	
Co-operators Place, 1900 Sherwood Place, Regina	D.UN	30.3%	Income property	—	—	206,000	83.0%	
606 - 4th Building & Barclay Parkade, Calgary	D.UN	30.3%	Income property	—	—	126,000	77.7%	
Kensington House, Calgary	D.UN	30.3%	Income property	—	—	77,000	89.7%	
Shops of South Kensington, Saskatoon	DRM	100.0%	Income property	—	—	72,000	100.0%	
Harbour Landing Commercial Campus, Regina	DRM	100.0%	Income property	—	—	41,000	90.8%	
Montrose Plaza High River, Calgary	DRM	100.0%	Income property	—	—	24,000	93.2%	
Hampton Heights, Saskatoon	DRM	100.0%	Income property	—	—	22,000	91.0%	
234 - 1st Avenue South, Saskatoon	D.UN	30.3%	Income property	—	—	10,000	53.0%	
Brighton Recreation, Saskatoon	DRM	100.0%	Income property	—	—	7,000	100.0%	
Residential Rentals:								
The Wren (Brighton Village Rentals I), Saskatoon	DRM	100.0%	Income property	136	117,000	—	100.0%	
Underhill Road (Block 135 Single Family Rentals), Saskatoon	DRM	100.0%	Income property	21	25,000	—	100.0%	
Other:								
Willows, Saskatoon	DRM	100.0%	Recreational	—	—			
Total Western Canada				**157**	**142,000**	**1,292,000**	**83.9%**	
Total Recurring Income Segment				**9,003**	**7,330,000**	**6,695,755**	**86.3%**	

Project/property	Type	Entity[3]	Dream effective ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
DEVELOPMENT SEGMENT									
Downtown Toronto & GTA									
Residential and Mixed-Use:									
Brightwater I and II	Sell	DRM/MPCT	15.9%	In occupancy	139	244,000	97,000	48.4%	Q2 2024
Ivy	Various	DRM/MPCT	67.6%	In occupancy	93	124,000	—		Q1 2024
Brightwater Towns	Sell	DRM/MPCT	15.9%	Construction	106	237,000	—		Q2 2024
Canary House at Canary Landing (Block 10 - Condominium)	Sell	DIF	19.1%	Construction	206	153,000	26,000		Q3 2024
Birch House at Canary Landing (Block 10 - Rental)	Hold	DIF/MPCT	12.0%	Construction	238	182,000	—		Q4 2024
The Mason, Brightwater	Sell	DRM/MPCT	15.9%	Construction	158	128,000	5,000		2025
Queen & Mutual	Sell	DRM	9.0%	Construction	369	243,000	7,000		2025
Main Street Townhomes	Sell	DRM	50.0%	Planning	68	85,000	—		2025
Cherry House at Canary Landing (WDL Block 3/4/7)	Hold	DIF/MPCT	12.0%	Construction	855	811,000	32,000		2026
Bridge House, Brightwater	Sell	DRM/MPCT	15.9%	Planning	468	392,000	—		2027
Forma - East Tower	Sell	DRM/MPCT	17.1%	Construction	864	590,000	1,000		2028
Brightwater future blocks	Various	DRM/MPCT	15.9%	Planning	2,050	2,441,000	258,000		2025-2032
Forma - West Tower	Sell	DRM/MPCT	17.1%	Planning	1,170	885,000	223,000		2032
Quayside	Various	DIF/MPCT	18.7%	Planning	4,600	3,220,000	240,000		2031-2035
Canary Block 13	Hold	DRM	50.0%	Planning	879	618,000	9,000		TBD
Scarborough Junction	Sell	MPCT	15.8%	Planning	6,619	5,270,000	165,000		TBD
Victory Silos	TBD	DRM/MPCT	25.7%	Planning	1,500	1,200,000	100,000		TBD
WDL Block 20	Hold	DRM/MPCT	22.5%	Planning	653	571,000	255,000		TBD
Distillery District - 31A Parliament	Hold	DRM	62.5%	Planning	515	389,000	342,000		TBD
Seaton	Sell	MPCT	2.5%	Planning	TBD	TBD	TBD		TBD
BlackTusk Partnership	Various	DIF/MPCT	1.8%-28.7%	Various	TBD	TBD	8,000		TBD
Other	Sell	Various	Various	Various	1,057	1,109,000	58,000		TBD
Commercial:									
67 Richmond Street West		D.UN	30.3%	Redevelopment	—	—	51,000	23.7%	Q2 2024
366 Bay Street		D.UN	30.3%	Redevelopment	—	—	40,000	100.0%	Q4 2024
Total Downtown Toronto & GTA					**22,607**	**18,892,000**	**1,917,000**	**66.9%**	

Project/property	Type	Entity[3]	Dream effective ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
Ottawa/Gatineau									
Common at Zibi (Zibi Block 206)	Hold	DRM/MPCT	67.6%	Construction	207	196,000	11,000		Q2 2024
Zibi Block 207	Hold	DRM/MPCT	67.6%	Construction	—	—	76,000		Q2 2024
Dream LeBreton	Hold	DRM/DIF/MPCT	57.8%	Planning	608	410,000	26,000		2027
Zibi future blocks	Various	DRM/MPCT	67.6%	Planning	1,978	1,292,000	1,891,000		TBD
Total Ottawa/Gatineau					**2,793**	**1,898,000**	**2,004,000**		
Western Canada									
Residential:									
The Teal (Brighton Village Rentals II), Saskatoon	Hold	DRM	100.0%	Construction	120	75,000	9,000	43.8%	Q3 2024
Brighton Towns on Delainey (Block 124 Townhome Rentals), Saskatoon	Hold	DRM	100.0%	Construction	95	115,000	—		2024-25
Block 166 Detached Home Rentals, Saskatoon	Hold	DRM	100.0%	Planning	42	46,000	—		2024-25
Block JK Townhome Rentals, Saskatoon	Hold	DRM	100.0%	Planning	15	22,000	—		2024-25
Brighton Village Rentals III, Saskatoon	Hold	DRM	100.0%	Planning	125	82,000	—		2026
Total Western Canada					**397**	**340,000**	**9,000**	**43.8%**	
Total Development Segment					**25,797**	**21,130,000**	**3,930,000**	**63.6%**	
Total Dream Platform					**34,800**	**28,460,000**	**10,625,755**	**86.0%**	

Western Canada Land Holdings

City	Acre equivalents
Calgary	1,757
Edmonton	857
Saskatoon	2,985
Regina	3,261
Total	**8,860**

Summary by Geography

Location	Current GLA	Future GLA under development[2]	In-place and committed occupancy	Residential/ hotel units at completion[2]	Residential GFA[2]
Downtown Toronto & GTA	4,941,755	1,917,000	82.2%	24,999	20,707,000
Ottawa/Gatineau	277,000	2,004,000	69.1%	3,103	2,160,000
U.S.	185,000	—	93.5%	6,144	5,111,000
Western Canada	1,292,000	9,000	83.3%	554	482,000
Total	**6,695,755**	**3,930,000**	**86.0%**	**34,800**	**28,460,000**

(1) Dream holdings at fully consolidated ownership. Dream Impact Fund at 38.3% ownership, Dream Impact Trust at 35.2% ownership, Dream Office at 30.3% ownership and Dream Residential REIT at 11.9% ownership, respectively, as of March 31, 2024.

(2) Residential units, GFA and GLA are at 100% project level and include planned units, GFA and GLA, which are subject to change pending various development approvals. Planned residential units may be developed as condominium units or purpose-built rentals as supported by market demand, targeted studies and return objectives. For projects currently in occupancy, residential units reflect remaining units in inventory to be occupied in future periods.

(3) DRM refers to Dream Standalone. DIF refers to Dream Impact Fund. MPCT refers to Dream Impact Trust. D.UN refers to Dream Office REIT. DRR refers to Dream Residential REIT.

Condensed Consolidated Statements of Financial Position

(unaudited)

(in thousands of Canadian dollars)	Note	**March 31, 2024**	December 31, 2023
Assets			
Cash and cash equivalents	25	**$ 70,516**	$ 60,203
Accounts receivable		**343,434**	274,041
Other financial assets	5	**89,618**	99,822
Housing inventory		**51,816**	52,747
Condominium inventory	6	**317,431**	383,829
Land inventory	7	**467,565**	458,551
Investment properties	8	**1,750,374**	1,719,172
Recreational properties		**38,954**	82,898
Equity accounted investments	9	**670,177**	671,030
Capital and other operating assets	10	**57,798**	73,229
Assets held for sale	11	**49,901**	—
Total assets		**$ 3,907,584**	$ 3,875,522
Liabilities			
Accounts payable and other liabilities	12	**$ 222,861**	$ 233,376
Income and other taxes payable	16	**83,579**	79,964
Provision for real estate development costs		**59,248**	61,069
Debt	13	**1,866,076**	1,810,549
Dream Impact Trust units	14	**53,281**	70,779
Dream Impact Fund units	15	**114,573**	113,405
Deferred income taxes	16	**83,128**	102,321
Liabilities associated with assets held for sale	11	**15,487**	—
Total liabilities		**2,498,233**	2,471,463
Shareholders' equity			
Share capital	17	**959,198**	962,027
Reorganization adjustment		**(944,577)**	(944,577)
Contributed surplus	21	**20,079**	20,984
Retained earnings		**1,349,689**	1,346,678
Accumulated other comprehensive income		**24,962**	18,947
Total equity		**1,409,351**	1,404,059
Total liabilities and equity		**$ 3,907,584**	$ 3,875,522

See accompanying notes to the condensed consolidated financial statements.

Commitments and contingencies (Note 23)

On behalf of the Board of Directors of Dream Unlimited Corp.:

"Michael J. Cooper"
Michael J. Cooper
Director

"Joanne Ferstman"
Joanne Ferstman
Chair

Condensed Consolidated Statements of Earnings

(unaudited)

(in thousands of Canadian dollars, except for per share amounts)	Note	For the three months ended March 31, **2024**	2023
Revenue	18	**$ 158,251**	$ 72,196
Direct operating costs		**(126,542)**	(45,063)
Gross margin		**31,709**	27,133
Selling, marketing, depreciation and other operating costs		**(12,545)**	(9,398)
Net margin		**19,164**	17,735
Other income (expenses):			
General and administrative expenses		**(6,381)**	(6,587)
Fair value changes in investment properties	8	**2,546**	2,993
Share of earnings (loss) from equity accounted investments	9	**(3,205)**	3,164
Investment and other income		**889**	1,999
Interest expense	19	**(17,064)**	(18,640)
Adjustments related to Dream Impact Trust units	14	**17,316**	41,408
Adjustments related to Dream Impact Fund units	15	**(1,168)**	(422)
Earnings before income taxes		**12,097**	41,650
Income tax expense	16	**(2,563)**	(7,049)
Earnings for the period		**$ 9,534**	$ 34,601
Basic earnings per share	22	**$ 0.23**	$ 0.81
Diluted earnings per share	22	**$ 0.22**	$ 0.78

See accompanying notes to the condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income

(unaudited)

	For the three months ended March 31,	
(in thousands of Canadian dollars)	**2024**	2023
Earnings for the period	**$ 9,534**	$ 34,601
Other comprehensive income (loss)		
Items that will be reclassified subsequently to net income:		
Unrealized gain (loss) on interest rate hedge, net of tax	**1,939**	(3,409)
Unrealized gain (loss) from foreign currency translation (will be reclassified to earnings on partial or full disposal of foreign operation)	**2,248**	(33)
Share of other comprehensive income from equity accounted investments	**1,828**	505
Total other comprehensive income (loss)	**6,015**	(2,937)
Total comprehensive income	**$ 15,549**	$ 31,664

See accompanying notes to the condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity

(unaudited)

(in thousands of Canadian dollars)	Dream share capital (Note 17)	Contributed surplus	Reorganization adjustment	Retained earnings	Accumulated other comprehensive income	Total equity
Balance, January 1, 2024	**$ 962,027**	**$ 20,984**	**$ (944,577)**	**$ 1,346,678**	**$ 18,947**	**$ 1,404,059**
Earnings for the period	**—**	**—**	**—**	**9,534**	**—**	**9,534**
Other comprehensive income for the period	**—**	**—**	**—**	**—**	**6,015**	**6,015**
Shares repurchased (Note 17)	**(5,129)**	**—**	**—**	**—**	**—**	**(5,129)**
Dividends paid (Note 17)	**—**	**—**	**—**	**(6,323)**	**—**	**(6,323)**
Share-based compensation (Note 21)	**2,300**	**(905)**	**—**	**(200)**	**—**	**1,195**
Balance, March 31, 2024	**$ 959,198**	**$ 20,079**	**$ (944,577)**	**$ 1,349,689**	**$ 24,962**	**$ 1,409,351**

(in thousands of Canadian dollars)	Dream share capital	Contributed surplus	Reorganization adjustment	Retained earnings	Accumulated other comprehensive income	Total equity
Balance, January 1, 2023	$ 968,076	$ 18,082	$ (944,577)	$ 1,485,636	$ 26,475	$ 1,553,692
Earnings for the period	—	—	—	34,601	—	34,601
Other comprehensive loss for the period	—	—	—	—	(2,937)	(2,937)
Dividends paid	—	—	—	(5,349)	—	(5,349)
Share-based compensation	4,778	(3,268)	—	(120)	—	1,390
Balance, March 31, 2023	$ 972,854	$ 14,814	$ (944,577)	$ 1,514,768	$ 23,538	$ 1,581,397

See accompanying notes to the condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows

(unaudited)

(in thousands of Canadian dollars)	Note	For the three months ended March 31, 2024	2023
Operating activities			
Earnings for the period		**$ 9,534**	$ 34,601
Adjustments for non-cash items:			
Depreciation and amortization		**1,912**	1,913
Fair value changes in investment properties	8	**(2,546)**	(2,993)
Share of earnings (loss) from equity accounted investments	9	**3,205**	(3,164)
Deferred income tax recovery	16	**(19,816)**	(20,523)
Fair value adjustment on Dream Impact Trust units	14	**(17,607)**	(43,815)
Fair value adjustment on Dream Impact Fund units	15	**1,168**	422
Other adjustments	25	**4,414**	379
Changes in non-cash working capital	25	**(73,592)**	19,295
Development of housing inventory, net of cost of sales		**(584)**	1,936
Cost of sales condominium inventory, net of development	6	**66,398**	(17,878)
Acquisitions of condominium inventory	6	**—**	(4,241)
Acquisition of land inventory	7	**(1,648)**	—
Development of land inventory, net of cost of sales	7	**(8,017)**	1,547
Net cash flows used in operating activities		**(37,179)**	(32,521)
Investing activities			
Acquisitions and additions to investment properties	8	**(26,995)**	(36,825)
Additions to recreational properties		**(2,162)**	(2,968)
Contributions to equity accounted investments		**(2,632)**	(34,506)
Distributions and disposals of equity accounted investments		**15,715**	9,950
Acquisitions and additions of financial assets and other assets		**(1,061)**	(10,062)
Distributions of financial assets and other assets		**1,394**	1,489
Loans receivable repayments and lender fees, net of advances		**12,572**	16,190
Net cash flows used in investing activities		**(3,169)**	(56,732)
Financing activities			
Borrowings from mortgages and term debt facilities	13	**363**	125,206
Repayments of mortgages and term debt facilities	13	**(2,303)**	(31,329)
Advances of operating lines and revolving credit facilities, net of repayments	13	**26,919**	21,300
Advances on construction loans	13	**41,871**	32,161
Repayments of construction loans	13	**(11,372)**	(13,900)
Advances from equity accounted investments		**6,750**	—
Dream Impact Trust units repurchased from other unitholders	14	**—**	(1,829)
Dividends paid	17	**(6,323)**	(5,349)
Repayments of lease obligations		**(115)**	(154)
Shares repurchased	17	**(5,129)**	—
Net cash flows provided by financing activities		**50,661**	126,106
Change in cash and cash equivalents		**10,313**	36,853
Cash and cash equivalents, beginning of period		**60,203**	47,633
Cash and cash equivalents, end of period	25	**$ 70,516**	$ 84,486

See accompanying notes to the condensed consolidated financial statements.

1. Business and structure

Dream Unlimited Corp. ("Dream" or "the Company"), through its wholly owned subsidiary, Dream Asset Management Corporation ("DAM"), is a leading developer of office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established asset management business, inclusive of assets under management across four Toronto Stock Exchange ("TSX") listed trusts, our private asset management business and numerous partnerships. The Company also develops land, residential and income generating assets in Western Canada.

The principal office and centre of administration of the Company is 30 Adelaide Street East, Suite 301, State Street Financial Centre, Toronto, Ontario, M5C 3H1. The Company is listed on the TSX and is domiciled in Canada. The ultimate controlling party of Dream is Michael Cooper, President and Chief Responsible Officer of Dream.

2. Basis of preparation

The condensed consolidated financial statements are prepared in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and are in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34"), on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the year ended December 31, 2023. Accordingly, certain information and footnote disclosures normally provided in annual consolidated financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed.

The condensed consolidated financial statements should be read in conjunction with the most recently issued Annual Report of the Company, which includes information necessary to understand the Company's business and financial statement presentation.

All dollar amounts discussed herein are in thousands of Canadian dollars, unless otherwise stated.

The condensed consolidated financial statements for the three months ended March 31, 2024 were approved by the Board of Directors for issue on May 14, 2024, after which date they may be amended only with the Board of Directors' approval.

3. Summary of significant accounting policies

The condensed consolidated financial statements have been prepared using the same significant accounting policies and methods as those used in the Company's annual consolidated financial statements for the year ended December 31, 2023.

4. Critical accounting estimates, judgments and assumptions

The preparation of these condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities and the recognitions of revenues and expenses. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the affected asset or liability and the recognition of revenues and expenses in the future. The critical accounting judgments, estimates and assumptions applied during the three months ended March 31, 2024 are consistent with those set out in Note 4 of the Company's audited annual consolidated financial statements for the year ended December 31, 2023.

5. Other financial assets

Other financial assets consisted of the following:

		March 31, 2024		December 31, 2023
Investment holdings[1]	**$**	**46,099**	$	46,753
Loans receivable		**30,656**		43,047
Participating mortgages		**4,060**		4,060
Interest rate swaps		**8,803**		5,962
	$	**89,618**	$	99,822

[1] Included are portfolio bonds of $39,543 that are recorded at amortized cost (December 31, 2023 - $39,656).

(in thousands of Canadian dollars, except number of shares and per share amounts)

6. Condominium inventory

The movement in condominium inventory is as follows:

		March 31, 2024		December 31, 2023
Balance, beginning of period	$	**383,829**	$	346,979
Acquisitions		**—**		13,222
Development		**17,303**		75,824
Condominium units occupied		**(83,701)**		(38,885)
Transfers to investment properties (Note 8)		**—**		(13,311)
Balance, end of period	$	**317,431**	$	383,829

7. Land inventory

The movement in land inventory is as follows:

		March 31, 2024		December 31, 2023
Balance, beginning of period	$	**458,551**	$	470,148
Acquisitions		**1,648**		4,485
Development		**10,967**		69,902
Lot and acre sales		**(2,950)**		(59,146)
Transfers from (to) housing inventory		**1,515**		(15,880)
Transfers to investment properties (Note 8)		**(1,945)**		(10,958)
Transfer to assets held for sale (Note 11)		**(221)**		—
Balance, end of period	$	**467,565**	$	458,551

8. Investment properties

The movement in investment properties by segment is as follows:

		Recurring income		Development		Total March 31, 2024		Total December 31, 2023
Balance, beginning of period	$	1,522,148	$	197,024	$	**1,719,172**	$	1,558,511
Additions/dispositions and transfers to/from investment properties:								
Properties acquired		—		—		**—**		42,121
Land and building additions		7,440		19,555		**26,995**		159,361
Transfers from inventory (Note 6 and 7)		—		1,945		**1,945**		24,269
Dispositions		—		—		**—**		(9,500)
Gains (losses) included in earnings:								
Fair value changes in investment properties		(4,509)		7,055		**2,546**		(57,279)
Amortization of tenant incentive and other		(283)		—		**(283)**		(2,181)
Change in straight-line rent		(1)		—		**(1)**		3,870
Balance, end of period	$	1,524,795	$	225,579	$	**1,750,374**	$	1,719,172

Fair Value of Investment Properties

Fair values of investment properties are determined using valuations prepared by management using inputs that are Level 3 on the fair value hierarchy. To supplement the assessment of fair value, management obtains valuations of selected investment properties on a rotational basis from qualified external valuation professionals and verifies the results of such valuations with the external appraisers. As at March 31, 2024, three investment properties with a fair value of $400,933 were externally appraised (December 31, 2023 - eight investment properties with a total fair value of $367,085).

During the three months ended March 31, 2024, the Company recorded a fair value gain of $2,546 (year ended December 31, 2023 - loss of $57,279) in the condensed consolidated statements of earnings. Fair values of investment properties were calculated using a discounted cash flow method or the direct capitalization method. Included in the fair value loss was one asset valued based on highest and best use, which is considered to be the asset's redevelopment potential. The asset was valued using the direct comparison approach, with density and price per square foot as significant assumptions. Generally, an increase in density and price per square foot would result in an increase in fair values.

The discount rate is based on the weighted average cost of capital of the Company and is used to determine the net present value of cash flows. The terminal capitalization rate is based on the location, size and quality of the investment property and takes into account any available market data at the valuation date.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The following are the significant assumptions in the valuation of investment properties using the discounted cash flow method:

- Terminal capitalization rate – capitalization rates used to estimate the resale value of the property at the end of the holding period
- Discount rate – reflecting current market assessments of the uncertainty in the amount and timing of cash flows
- Market rents – year one rates in the discounted cash flow

Significant unobservable inputs were as follows for March 31, 2024 and December 31, 2023:

		March 31, 2024		December 31, 2023	
	Input	**Range**	**Weighted average**	Range	Weighted average
Recurring income	Discount rate	**5.50%-8.00%**	**6.4%**	5.50%-8.00%	6.3%
	Terminal capitalization rate	**5.00%-7.50%**	**5.9%**	4.88%-7.50%	5.8%
	Market rents (in dollars per square foot)(1)	**\$16.00-\$41.47**	**\$26.39**	\$16.00-\$41.47	\$27.27
Development	Discount rate	**5.50%**	**5.5%**	5.50%	5.5%
	Terminal capitalization rate	**4.00%**	**4.0%**	4.00%	4.0%
	Market rents (in dollars per square foot)(1)(2)	**\$49.44**	**\$49.44**	\$49.50	\$49.50

(1) Market rents represent year one rates in the discounted cash flow method. Market rents represent base rents only and do not include the impact of lease incentives.
(2) Market rents as at March 31, 2024 include one multi-family rental property under development, which will transition to the direct capitalization method of valuation upon stabilization.

Fair values of investment properties, which include commercial, retail and other properties held for the long term, are calculated using the direct capitalization method or a discounted cash flow (“DCF”) model, plus a terminal value based on the estimated cash flow in the final year. The DCF model incorporates, among other things, expected rental income from current leases, assumptions about rental income from future leases and implied vacancy rates, general inflation and projections of required cash outflows with respect to such leases. The significant unobservable inputs for the fair value of the Company’s investment properties are provided above.

Fair values of the Company's investment properties are most sensitive to changes in the discount and terminal capitalization rates. An increase in these rates will result in a decrease in the fair value of an investment property and vice versa.

	Increase (decrease) in value	
Input sensitivity	**+25 bps**	**-25 bps**
Impact of changes to weighted average discount rate	\$ (8,769)	\$ 9,216
Impact of changes to weighted average terminal capitalization rate	(17,094)	19,175

The following are the significant assumptions in the valuation of investment properties using the direct capitalization method:

- Capitalization rate – capitalization rates used to estimate the fair value of the investment properties

Significant unobservable inputs were as follows for March 31, 2024 and December 31, 2023:

		March 31, 2024		December 31, 2023	
	Input	**Range**	**Weighted average**	Range	Weighted average
Recurring income	Capitalization rate	**3.50%-5.25%**	**3.8%**	3.50%-5.25%	3.8%

Fair values of the Company's investment properties are most sensitive to changes in the capitalization rate. An increase in this rate will result in a decrease in the fair value of an investment property and vice versa.

	Increase (decrease) in value	
Input sensitivity	**+25 bps**	**-25 bps**
Impact of changes to weighted average capitalization rate	\$ (48,805)	\$ 55,779

Investment properties with a fair value of \$1,351,131 as at March 31, 2024 (December 31, 2023 - \$1,347,284) are pledged as security for mortgages, term debt and the Dream Impact Trust operating line. Investment properties with a fair value of \$382,637 as at March 31, 2024 (December 31, 2023 - \$350,837) are pledged as security for construction loans.

(in thousands of Canadian dollars, except number of shares and per share amounts)

9. Equity accounted investments

The Company has entered into certain arrangements in the form of jointly controlled entities for various businesses. These arrangements include restrictions on the ability to access assets without the consent of all partners and include distribution conditions outlined in partnership agreements. These arrangements are accounted for under the equity method. The equity method of accounting is also applicable to investments in which the Company is deemed to be able to exercise significant influence over the investee company. As at March 31, 2024, the carrying value of these arrangements was $670,177 (December 31, 2023 - $671,030).

In determining if an entity is a subsidiary of the Company, the Company makes significant judgments about whether it has control over such an entity. In addition to voting rights, the Company considers the contractual rights and obligations arising from other arrangements, and other relevant factors relating to an entity in determining if the Company has the power and ability to affect returns from an investee, among other factors. The contractual rights and obligations considered by the Company include, among others, the approvals and decision-making process over significant operating, financing and investing activities, the responsibilities and scope of decision-making power of the Company, the termination provisions of applicable agreements, the types and determination of fees paid to the Company and the significance, if any, of any investment made by the Company.

The following tables summarize the Company's proportionate share of assets and liabilities in equity accounted investments (segregated between development and recurring income investments) as at March 31, 2024 and December 31, 2023.

						March 31, 2024
At Dream's share	Ownership interest	Assets	Liabilities	Net assets	Difference between net assets and deemed cost of investments[1]	Total
Development investments						
Canary District	33%-50%	$ 132,970	$ (99,287)	$ 33,683	$ —	**$ 33,683**
Forma	33%	205,833	(129,902)	75,931	—	**75,931**
Brightwater	31%	223,447	(171,870)	51,577	—	**51,577**
Victory Silos	50%	104,920	(75,186)	29,734	—	**29,734**
Canary Landing	33%	120,521	(91,952)	28,569	—	**28,569**
Quayside	50%	133,574	(91,786)	41,788	—	**41,788**
Other development investments	7%-78%	96,763	(87,116)	9,647	—	**9,647**
Total development investments		$ 1,018,028	$ (747,099)	$ 270,929	$ —	**$ 270,929**
Recurring income investments						
Dream Office REIT[2]	30%	$ 806,796	$ (429,640)	$ 377,156	$ (156,067)	**$ 221,089**
Dream Residential REIT[2]	12%	65,822	(23,076)	42,746	—	**42,746**
Brighton Marketplace	50%	45,465	(25,532)	19,933	(2,286)	**17,647**
Maple House at Canary Landing	33%	154,765	(123,446)	31,319	—	**31,319**
Other recurring income investments	5%-50%	143,178	(56,776)	86,402	45	**86,447**
Total recurring income investments		$ 1,216,026	$ (658,470)	$ 557,556	$ (158,308)	**$ 399,248**
Total		**$ 2,234,054**	**$ (1,405,569)**	**$ 828,485**	**$ (158,308)**	**$ 670,177**

(1) The difference between net assets and the deemed cost of investments is due to the Company's proportionate share of the joint venture's net assets being either higher or lower than the Company's cost of the investment at the end of the period.
(2) As at March 31, 2024, the fair value of the Company's unit holdings in Dream Office REIT and Dream Residential REIT were $93,285 and $22,228, respectively.

(in thousands of Canadian dollars, except number of shares and per share amounts)

						December 31, 2023
At Dream's share	Ownership interest	Assets	Liabilities	Net assets	Difference between net assets and deemed cost of investments[1]	Total
Development investments						
Canary District	33%-50%	$ 127,684	$ (93,690)	$ 33,994	$ —	$ 33,994
Forma	33%	202,530	(126,946)	75,584	—	75,584
Brightwater	31%	219,563	(164,672)	54,891	—	54,891
Victory Silos	50%	104,239	(75,169)	29,070	—	29,070
Canary Landing	33%	109,107	(82,104)	27,003	—	27,003
Quayside	50%	132,448	(91,074)	41,374	—	41,374
Other development investments	7%-78%	89,992	(76,173)	13,819	—	13,819
Total development investments		$ 985,563	$ (709,828)	$ 275,735	$ —	$ 275,735
Recurring income investments						
Dream Office REIT[2]	30%	$ 807,917	$ (428,549)	$ 379,368	$ (158,222)	$ 221,146
Dream Residential REIT[2]	12%	64,382	(23,011)	41,371	—	41,371
Brighton Marketplace	50%	45,111	(25,693)	19,418	(2,286)	17,132
Maple House at Canary Landing	33%	151,253	(120,068)	31,185	—	31,185
Other recurring income investments	5%-50%	128,670	(43,754)	84,916	(455)	84,461
Total recurring income investments		$ 1,197,333	$ (641,075)	$ 556,258	$ (160,963)	$ 395,295
Total		$ 2,182,896	$ (1,350,903)	$ 831,993	$ (160,963)	$ 671,030

[1] The difference between net assets and the deemed cost of investments is due to the Company's proportionate share of the joint venture's net assets being either higher or lower than the Company's cost of the investment at the end of the period.
[2] As at December 31, 2023, the fair value of the Company's unit holdings in Dream Office REIT and Dream Residential REIT were $120,324 and $20,833, respectively.

The following tables summarize the Company’s proportionate share of revenue, earnings (loss) and earnings (loss) before depreciation in equity accounted investments for the three months ended March 31, 2024 and 2023.

				March 31, 2024
At Dream's share	**Ownership interest**	**Revenue**	**Earnings (loss)**	**Earnings (loss) before depreciation**
Development investments	7%-78%	$ 21,963	$ (5,002)	$ (4,983)
Recurring income investments				
Dream Office REIT	30%	14,700	984	991
Dream Residential REIT	12%	1,067	400	400
Brighton Marketplace	50%	1,075	515	541
Maple House at Canary Landing	33%	621	299	299
Other recurring income investments	5%-50%	3,534	(401)	(345)
Total recurring income investments		$ 20,997	$ 1,797	$ 1,886
Total		**$ 42,960**	**$ (3,205)**	**$ (3,097)**

				March 31, 2023
At Dream's share	Ownership interest	Revenue	Earnings	Earnings before depreciation
Development investments	7%-78%	$ 2,025	$ 820	$ 855
Recurring income investments				
Dream Office REIT	37%	17,388	371	387
Dream Residential REIT	12%	1,135	945	945
Other recurring income investments	5%-50%	870	1,028	1,098
Total recurring income investments		$ 19,393	$ 2,344	$ 2,430
Total		$ 21,418	$ 3,164	$ 3,285

(in thousands of Canadian dollars, except number of shares and per share amounts)

10. Capital and other operating assets

Capital and other operating assets consisted of the following:

		March 31, 2024		December 31, 2023
Restricted cash	$	**6,627**	$	18,346
Goodwill		**13,576**		13,576
Prepaid expenses[1]		**17,678**		20,295
Capital assets		**10,409**		10,622
Right-of-use assets		**742**		829
Other		**8,766**		9,561
Total capital and other operating assets	$	**57,798**	$	73,229

		March 31, 2024		December 31, 2023
Capital assets	$	**26,798**	$	26,603
Accumulated depreciation		**(16,389)**		(15,981)
Total capital assets	$	**10,409**	$	10,622

(1) Included in prepaid expenses as at March 31, 2024 is $2,532 of capitalized sales commissions relating to housing and condominium sales to be recognized in future periods (December 31, 2023 - $4,282).

Restricted cash represents cash advanced by the Company to secure letters of credit provided to various government agencies to support development activity, certain customer deposits on land, housing and condominium sales required for specific statutory requirements before closing, and cash held as security.

Right-of-Use Assets

The movement in right-of-use assets relating to property and equipment is as follows:

		March 31, 2024		December 31, 2023
Balance, beginning of period	$	**828**	$	1,931
Additions		**—**		144
Depreciation		**(86)**		(392)
Disposition		**—**		(854)
Balance, end of period	$	**742**	$	829

11. Assets held for sale

In the three months ended March 31, 2024, management had committed to a plan of sale of Arapahoe Basin, which is considered highly probable.

Assets held for sale		March 31, 2024		December 31, 2023
Balance, beginning of period	$	**—**	$	—
Transfer from recreational properties		**45,203**		—
Transfer from land inventory (Note 7)		**221**		—
Transfer from accounts receivable		**2,556**		—
Transfer from capital and other assets (Note 10)		**1,921**		—
Balance, end of period	$	**49,901**	$	—

Liabilities associated with assets held for sale		March 31, 2024		December 31, 2023
Balance, beginning of period	$	**—**	$	—
Transfer from debt (Note 13)		**7,792**		—
Transfer from accounts payable (Note 12)		**7,695**		—
Balance, end of period	$	**15,487**	$	—

(in thousands of Canadian dollars, except number of shares and per share amounts)

12. Accounts payable and other liabilities

The details of accounts payable and other liabilities are as follows:

		March 31, 2024		December 31, 2023
Accrued liabilities	$	**69,058**	$	70,461
Customer deposits		**42,882**		70,893
Trade payables[1]		**64,515**		73,310
Lease obligation		**9,533**		10,088
Deferred revenue		**35,797**		8,040
Interest rate swaps		**1,076**		584
	$	**222,861**	$	233,376

[1] Included in trade payables were bank overdraft balances of $2,241 as at March 31, 2024 (December 31, 2023 - $1,779).

Lease Obligation

		March 31, 2024		December 31, 2023
Maturity analysis - contractual undiscounted cash flows				
Less than one year	$	**1,500**	$	1,526
One to five years		**4,635**		4,663
More than five years		**7,651**		7,427
Total undiscounted lease obligation as at end of period	$	**13,786**	$	13,616
Discounted using the lessee's incremental borrowing rate as at end of period		**(4,253)**		(3,528)
Total discounted lease obligation as at end of period	$	**9,533**	$	10,088
Current portion of lease obligation		**1,408**		1,462
Non-current portion of lease obligation		**8,125**		8,626
Total lease obligation	$	**9,533**	$	10,088

There are no material future cash outflows to which the Company is potentially exposed that are not reflected in the measurement of lease obligations.

13. Debt

	Weighted average effective interest rates					Debt amount
	March 31, 2024	December 31, 2023		March 31, 2024		December 31, 2023
Project-specific debt						
Operating line - Dream Impact Fund	**7.04%**	7.20%	$	**14,319**	$	10,500
Operating line - Western Canada	**7.79%**	n/a		**20,000**		—
Construction loans	**6.17%**	6.18%		**480,072**		449,540
Mortgages and term debt	**4.22%**	4.23%		**1,056,999**		1,059,203
Total project-specific debt	**4.88%**	4.89%		**1,571,390**		1,519,243
Corporate debt facilities						
Non-revolving term facility	**5.51%**	5.51%		**223,928**		223,769
Operating line - Dream Impact Trust	**7.54%**	n/a		**3,052**		—
Convertible debentures (host instruments) - Dream Impact Trust	**6.10%**	6.10%		**67,706**		67,530
Convertible debentures (conversion features) - Dream Impact Trust	**n/a**	n/a		**—**		7
Total corporate debt facilities	**5.67%**	5.65%		**294,686**		291,306
Total debt	**4.99%**	5.02%	$	**1,866,076**	$	1,810,549

Construction Loans and Mortgages and Term Debt

Construction loans relate to housing and commercial projects under development, project-specific financing and land servicing and may be due on demand with recourse provisions and/or hold security against the underlying property. Mortgages and term debt are property-specific and may hold security against the underlying property with or without recourse provisions.

Operating Line - Western Canada

The Company's revolving term credit facility (the "operating line") is primarily used to finance land servicing activity in Saskatchewan and Alberta. The operating line is available up to a formula-based maximum not to exceed $320,000, with a syndicate of Canadian financial institutions. The operating line bears interest, at the Company's option, at a rate per annum equal to either the bank's prime lending rate plus 1.25% or at the bank's then prevailing bankers' acceptance rate plus 2.50%. The operating line is secured by a general security agreement and a first charge against various real estate assets in Western Canada.

(in thousands of Canadian dollars, except number of shares and per share amounts)

As at March 31, 2024, funds available under this facility were $320,000, as determined by the formula-based maximum calculation, with $47,235 of letters of credit issued against the facility (December 31, 2023 - $320,000, with $46,493 of letters of credit issued against the facility).

Operating Line - Dream Impact Trust

Dream Impact Trust has a demand revolving term credit facility available, up to a formula-based maximum not to exceed $25,000, with a Canadian financial institution. The facility bears interest at the bankers' acceptance rate plus 2.25%, or at the bank's prime rate plus 1.25%, payable monthly, and is secured by a general security agreement over certain of Dream Impact Trust's income properties.

As at March 31, 2024, $3,100 was drawn on the facility (December 31, 2023 - $nil) and funds available under this facility were $15,690 (December 31, 2023 – $16,700), net of $300 of letters of credit issued against the facility (December 31, 2023 – $300).

Margin Loan

Subsequent to March 31, 2024, the Company amended its revolving margin facility reducing it from $150,000 to $100,000. The margin loan bears interest, at the Company's option, at a rate per annum equal to either the bank's prime lending rate plus 1.25% or at the Canadian Overnight Repo Rate Average ("CORRA") rate plus 2.50%. As of March 31, 2024, $nil was drawn on the facility (December 31, 2023 - $nil).

Covenants

The Company's debt agreements contain a number of covenants with which the Company must comply and meet certain financial ratios. The Company's non-revolving term facility and operating line - Western Canada set out a combination of four main covenants which are tested quarterly following each reporting date based on the results of Dream Asset Management Corporation, prepared on a non-IFRS basis as prescribed by the related agreements. A failure to meet these tests could result in default and, if not cured or waived, could result in an acceleration of the repayment in the underlying financing.

These covenants are:

- Debt to Total Asset Ratio – the Company is required to maintain a maximum specified ratio of its total debt obligations and its total assets, each as defined in the agreement.
- Interest Coverage Ratio – the Company is required to maintain a minimum specified ratio of earnings before interest, taxes, depreciation and amortization ("EBITDA"), as defined in the agreement, to total interest expense.
- Adjusted Net Worth – the Company is required to maintain a minimum amount of equity, as defined in the agreement.
- Asset Coverage Value – the Company is required to maintain a minimum level of certain assets, as defined in the agreement.

The majority of the Company's remaining project-level debt with covenants reference, or are consistent with, these corporate covenants in the respective agreements. Should the Company fail a project-specific debt covenant test, the Company generally has cure mechanisms in the related debt agreements that allow the Company to post a letter of credit or other collateral in order to bring the Company in compliance with the covenant test. As a result, a failure to meet a covenant test would not immediately constitute an event of default.

The Company is in compliance with these financial covenants as of March 31, 2024. The carrying amount of the Company's debt subject to periodic compliance with financial covenants as at March 31, 2024 is $864,292. There are no indications that the Company may have difficulties complying with the covenants when they will be next tested as at the June 30, 2024 interim reporting date.

Interest Rate Swaps

The Company is exposed to interest rate risk primarily through its variable rate debt obligations. Variable rate debt represented 27% (December 31, 2023 - 26%) of the Company's total debt obligation as at March 31, 2024. In order to manage the interest rate risk on certain variable rate debt, the Company has entered into interest rate swaps as detailed below.

Maturity date(s)	Notional amount hedged	Weighted average fixed interest rate	**Fair value of hedging instruments**
May 31, 2024 to March 18, 2029	$ 465,230	5.30%	**$ 8,803**
August 31, 2028	41,250	7.26%	**(1,076)**

The Company applied hedge accounting to these relationships, whereby the change in fair value of the effective portion of the hedging derivatives was recognized in accumulated other comprehensive income. Settlements of both the fixed and variable portions of the interest rate swaps occur on a monthly basis. The full amounts of the hedges were determined to be effective as at March 31, 2024 as all critical terms matched during the period.

(in thousands of Canadian dollars, except number of shares and per share amounts)

14. Dream Impact Trust units

The Company accounts for the 65% interest in Dream Impact Trust held by other unitholders as a financial liability measured at FVTPL (December 31, 2023 - 65%). As at March 31, 2024, the trust units had a fair value of $53,281 based on the trading price on the TSX. The movement in Dream Impact Trust units is as follows:

	March 31, 2024			December 31, 2023		
	Units		**Total**	Units		Total
Balance, beginning of period	**11,508,852**	**$**	**70,779**	11,686,387	$	188,385
Units acquired by the Company in the period	**—**		**—**	(102,850)		(1,403)
Units issued to other unitholders through distribution reinvestment plan	**10,050**		**57**	21,987		190
Units repurchased and cancelled by Dream Impact Trust	**—**		**—**	(111,937)		(1,187)
Deferred units exchanged for Dream Impact Trust units	**13,696**		**52**	15,265		196
Fair value adjustment	**—**		**(17,607)**	—		(115,402)
Balance, end of period	**11,532,598**	**$**	**53,281**	11,508,852	$	70,779

In the three months ended March 31, 2024, the Company recognized a gain related to Dream Impact Trust units of $17,316 in the condensed consolidated statements of earnings, comprising a fair value gain of $17,607 due to a decrease in Dream Impact Trust's trading price offset by cash distributions to other unitholders of $291 (three months ended March 31, 2023 - gain of $41,408 comprising a fair value gain of $43,815 due to a decrease in Dream Impact Trust's trading price offset by distributions to other unitholders of $2,407).

15. Dream Impact Fund units

The Company accounts for the 62% interest (December 31, 2023 - 62%) in Dream Impact Fund held by other unitholders as a financial liability and this amount is remeasured to fair value each period based on the Dream Impact Fund unit's closing net asset value. The movement in Dream Impact Fund units is as follows:

	March 31, 2024			December 31, 2023		
	Units		**Total**	Units		Total
Balance, beginning of period	**9,744,416**	**$**	**113,405**	6,213,941	$	69,919
Units issued to other unitholders	**—**		**—**	3,530,475		39,925
Fair value adjustment	**—**		**1,168**	—		3,561
Balance, end of period	**9,744,416**	**$**	**114,573**	9,744,416	$	113,405

In the three months ended March 31, 2024, third-party investors contributed $nil to Dream Impact Fund (year ended December 31, 2023 - $39,925).

In the three months ended March 31, 2024, the Company recognized a loss of $1,168 related to Dream Impact Fund units (three months ended March 31, 2023 - $422) in the condensed consolidated statements of earnings due to a change in net asset value attributable to Dream Impact Fund's non-controlling interest.

16. Income taxes

In the three months ended March 31, 2024, the Company recognized an income tax expense of $2,563 (three months ended March 31, 2023 – $7,049), the major components of which include the following items:

	For the three months ended March 31,			
		2024		2023
Current income taxes:				
Current income taxes with respect to profits during the period	**$**	**20,590**	$	26,271
Current tax adjustments with respect to prior period		**—**		1
Other items affecting current income tax expense		**1,789**		1,300
Current income tax expense		**22,379**		27,572
Deferred income taxes:				
Origination and reversal of temporary differences		**(20,362)**		(20,747)
Impact of changes in income tax rates		**546**		224
Deferred income tax recovery		**(19,816)**		(20,523)
Income tax expense	**$**	**2,563**	$	7,049

(in thousands of Canadian dollars, except number of shares and per share amounts)

Due to non-coterminous tax years of the Company's partnership and trust interests, income of approximately $338 for the three months ended March 31, 2024 (three months ended March 31, 2023 – $6,728) relating to such partnership and trust interests will be included in computing the Company's taxable income for its 2025 and 2024 taxation years.

The income tax expense amount on pre-tax earnings differs from the income tax expense amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26.0% (March 31, 2023 - 26.2%) as presented in the table below. Cash paid, net of refunds, for income taxes for the three months ended March 31, 2024 was $18,798 (three months ended March 31, 2023 – $1,564).

	For the three months ended March 31, 2024	2023
Earnings (loss) before tax at statutory rate of 26.0% (2023 - 26.2%)	**$ 3,145**	$ 10,912
Effect on taxes of:		
Non-deductible expenses	**2,399**	755
Adjustment in expected future tax rates	**546**	224
Tax adjustments in respect of prior years	**625**	304
Non-taxable portion of capital gains	**(5,579)**	(5,957)
Other items	**1,427**	811
Income tax expense	**$ 2,563**	$ 7,049

The movement in the deferred income taxes in the three months ended March 31, 2024 and the year ended December 31, 2023, and the net components of the Company's net deferred income tax liabilities, are presented in the following table:

Asset (Liability)	Accounts receivable	Real estate and assets held for sale	Non-coterminous tax year	Financial instruments/ equity accounted investments	Loss carry-forwards	Total
Balance, January 1, 2023	$ (13,884)	$ (66,941)	$ (25,573)	$ (53,570)	$ 27,438	$ (132,530)
(Charged) credited to:						
Loss (earnings) for the period	1,710	3,333	9,926	7,463	6,096	28,528
Other comprehensive income (loss)	—	(90)	—	1,771	—	1,681
Balance, December 31, 2023	$ (12,174)	$ (63,698)	$ (15,647)	$ (44,336)	$ 33,534	$ (102,321)
(Charged) credited to:						
Loss (earnings) for the period	(1,877)	8,008	15,560	(67)	(1,808)	19,816
Other comprehensive income	—	(45)	—	(578)	—	(623)
Balance, March 31, 2024	**$ (14,051)**	**$ (55,735)**	**$ (87)**	**$ (44,981)**	**$ 31,726**	**$ (83,128)**

As at March 31, 2024, the Company had tax losses of $13,824 (December 31, 2023 – $13,586) that expire between 2025 and 2042 and tax losses of $17,393 (December 31, 2023 - $15,339) that do not expire. Deferred income tax assets have not been recognized in respect of these losses, as it is not probable that the Company will be able to utilize all of the losses against taxable profits in the future.

17. Share capital

The Company is authorized to issue an unlimited number of Subordinate Voting Shares and an unlimited number of Class B Shares. Holders of Subordinate Voting Shares and Class B Shares are entitled to one vote and 100 votes, respectively, for each share held. The Class B Shares are convertible into Subordinate Voting Shares on a one-for-one basis at any time. Holders of Subordinate Voting Shares and Class B Shares are entitled to receive and participate equally as to dividends, share for share, as and when declared by the directors of the Company. In the event of a liquidation, dissolution or winding up of the Company, holders of Subordinate Voting Shares and Class B Shares will be entitled to the remaining property and assets of the Company.

	March 31, 2024		December 31, 2023	
Issued and outstanding	**Number of shares**	**Amount**	Number of shares	Amount
Subordinate Voting Shares	**40,599,057**	**$ 920,416**	40,682,688	$ 923,245
Class B Shares	**1,557,322**	**38,782**	1,557,322	38,782
	42,156,379	**$ 959,198**	42,240,010	$ 962,027

(in thousands of Canadian dollars, except number of shares and per share amounts)

The following table summarizes the changes in the Subordinate Voting Shares issued:

	March 31, 2024			December 31, 2023		
	Number of shares		**Amount**	Number of shares		Amount
Issued and outstanding, beginning of period	**40,682,688**	**$**	**923,245**	41,030,346	$	929,294
Class B Shares converted into Subordinate Voting Shares	**—**		**—**	34		—
Performance share units exercised, net of withholding taxes	**23,768**		**513**	9,896		247
Subordinate Voting Shares issued under the Restricted Share & Restricted Share Unit Plan	**116,801**		**1,787**	204,082		4,531
Subordinate Voting Shares repurchased	**(224,200)**		**(5,129)**	(561,670)		(10,827)
Issued and outstanding, end of period	**40,599,057**	**$**	**920,416**	40,682,688	$	923,245

The following table summarizes the changes in the Class B Shares issued:

	March 31, 2024			December 31, 2023		
	Number of shares		**Amount**	Number of shares		Amount
Issued and outstanding, beginning of period	**1,557,322**	**$**	**38,782**	1,557,356	$	38,782
Class B Shares converted into Subordinate Voting Shares	**—**		**—**	(34)		—
Issued and outstanding, end of period	**1,557,322**	**$**	**38,782**	1,557,322	$	38,782

Share Repurchases

The Company renewed its normal course issuer bid ("NCIB"), which commenced on September 21, 2023, under which the Company has the ability to purchase for cancellation up to a maximum number of 2,223,383 Subordinate Voting Shares through the facilities of the TSX at prevailing market prices and in accordance with the rules and policies of the TSX. The actual number of Subordinate Voting Shares that may be purchased, and the timing of any such purchases as determined by the Company, are subject to a maximum daily purchase limitation of 8,986 shares, except where purchases are made in accordance with block purchase exemptions under applicable TSX rules.

In connection with the renewal of the NCIB, the Company has established an automatic securities purchase plan (the “Plan”) with its designated broker to facilitate the purchase of Subordinate Voting Shares under the NCIB at times when the Company would ordinarily not be permitted to purchase its Subordinate Voting Shares due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by the Company's broker based on the parameters prescribed by the TSX and the terms of the parties’ written agreement. Outside of such restricted or blackout periods, the Subordinate Voting Shares may also be purchased in accordance with management’s discretion. The Plan was pre-cleared by the TSX and will terminate on September 20, 2024.

In the three months ended March 31, 2024, 224,200 Subordinate Voting Shares were purchased for cancellation by the Company under its NCIB at an average price of $22.88 (year ended December 31, 2023 – 561,670 Subordinate Voting Shares at an average price of $19.28).

Dividends

In the three months ended March 31, 2024, the Company declared dividends of $6,323 on its Subordinate Voting Shares and Class B Shares (three months ended March 31, 2023 - $5,349).

18. Revenue

Revenue consisted of the following:

	For the three months ended March 31,			
		2024		2023
Revenue from contracts with customers	**$**	**139,631**	$	55,332
Revenue from other sources - loans receivable		**164**		395
Revenue from other sources - rental income		**18,456**		16,469
Total revenue	**$**	**158,251**	$	72,196

(in thousands of Canadian dollars, except number of shares and per share amounts)

Revenue from Contracts with Customers

The following table disaggregates revenue by major revenue stream and timing of revenue recognition:

For the three months ended March 31, 2024	Land	Housing and condominium	Investment properties	Recreational properties	Asset management	**Total**
Revenue	$ 5,417	$ 92,994	$ 3,627	$ 27,578	$ 12,988	**$ 142,604**
Less: Intercompany revenue	—	(1,853)	—	—	(1,120)	**(2,973)**
Revenue from external customers	$ 5,417	$ 91,141	$ 3,627	$ 27,578	$ 11,868	**$ 139,631**
Timing of revenue recognition						
At a point in time	$ 5,417	$ 91,141	$ —	$ 23,098	$ 72	**$ 119,728**
Over time	—	—	3,627	4,480	11,796	**19,903**
	$ 5,417	$ 91,141	$ 3,627	$ 27,578	$ 11,868	**$ 139,631**

For the three months ended March 31, 2023	Land	Housing and condominium	Investment properties	Recreational properties	Asset management	Total
Revenue	$ 3,401	$ 9,815	$ 3,452	$ 26,680	$ 14,352	$ 57,700
Less: Intercompany revenue	—	(1,350)	—	—	(1,018)	(2,368)
Revenue from external customers	$ 3,401	$ 8,465	$ 3,452	$ 26,680	$ 13,334	$ 55,332
Timing of revenue recognition						
At a point in time	$ 3,401	$ 8,465	$ —	$ 23,205	$ 3,659	$ 38,730
Over time	—	—	3,452	3,475	9,675	16,602
	$ 3,401	$ 8,465	$ 3,452	$ 26,680	$ 13,334	$ 55,332

19. Interest expense

Interest expense consisted of the following:

	For the three months ended March 31,	
	2024	2023
Interest on project-specific debt	**$ 18,418**	$ 18,983
Interest on corporate debt facilities	**3,651**	3,279
Amortization of deferred financing costs and accretion of effective interest	**574**	626
Project-specific interest capitalized to real estate development projects	**(5,579)**	(4,248)
Total	**$ 17,064**	$ 18,640

20. Financial instruments fair value and risk management

Fair Value of Financial Instruments

The following table categorizes financial assets or liabilities measured or disclosed at fair value by level according to the significance of inputs used in making measurements. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The Company recognizes transfers into and transfers out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There were no transfers between hierarchy levels during the period.

(in thousands of Canadian dollars, except number of shares and per share amounts)

	Fair value hierarchy	March 31, 2024		December 31, 2023	
		Carrying value	**Fair value**	Carrying value	Fair value
Recurring measurement					
Financial assets					
Participating mortgages	Level 3	**$ 4,060**	**$ 4,060**	$ 4,060	$ 4,060
Interest rate swaps	Level 2	**8,803**	**8,803**	5,962	5,962
Investment holdings	Level 3	**46,099**	**46,099**	46,753	46,753
Loans receivable	Level 3	**28,120**	**27,331**	4,611	4,611
Financial liabilities					
Dream Impact Trust units	Level 1	**53,281**	**53,281**	70,779	70,779
Dream Impact Fund units	Level 3	**114,573**	**114,573**	113,405	113,405
Interest rate swaps	Level 2	**1,076**	**1,076**	584	584
Convertible debentures (conversion features) - Dream Impact Trust	Level 3	**—**	**—**	7	7
Fair values disclosed					
Lease obligation	Level 3	**9,533**	**9,533**	10,088	10,088
Loans receivable	Level 3	**2,536**	**2,536**	38,436	36,075
Operating line - Dream Impact Fund	Level 3	**14,319**	**14,319**	10,500	10,500
Construction loans	Level 3	**480,072**	**455,510**	449,540	427,597
Mortgages and term debt	Level 3	**1,056,999**	**991,048**	1,059,203	1,003,596
Operating line - Western Canada	Level 3	**20,000**	**20,000**	—	—
Operating line - Dream Impact Trust	Level 3	**3,052**	**3,100**	—	—
Non-revolving term facility	Level 3	**223,928**	**225,000**	223,769	225,000
Convertible debentures (host instruments) - Dream Impact Trust	Level 3	**67,706**	**66,161**	67,530	65,675

The fair values of cash and cash equivalents, accounts receivable, loans receivable, deposits, restricted cash and certain financial instruments included in accounts payable and other liabilities, with the exception of lease obligations, are carried at amortized cost, which approximates their fair values due to their short-term nature.

The fair value of the Dream Impact Trust units is based on the listed market price on the TSX as at March 31, 2024 of $4.62 per unit for the 11,532,598 outstanding trust units not held by the Company.

Level 3 Fair Value Measurements

The Company used the following techniques to determine the fair value measurements categorized in Level 3:

Dream Impact Fund Units

The fair value of the Dream Impact Fund units liability is remeasured to fair value each period based on the Dream Impact Fund unit's closing net asset value.

Loans Receivable

The fair value of loans receivable as at March 31, 2024 was determined by discounting the expected cash flows of each loan using a market interest rate. The market interest rates were determined taking into consideration similar instruments with corresponding maturity dates, plus a credit adjustment in accordance with the borrower's creditworthiness as well as considering the risk characteristic of the underlying development.

Project-Specific Debt, Non-Revolving Term Facilities and Revolving Term Facilities, Convertible Debentures and Lease Obligation

The fair value of the operating line - Western Canada, construction loans, mortgages and term debt, non-revolving term facilities and revolving term facilities and convertible debentures (host instruments) has been calculated by discounting the expected cash flows of each loan using a discount rate specific to each individual loan or obligation. The discount rate is determined using the bond yield for similar instruments of similar maturity adjusted for each individual project’s specific credit risk. In determining the adjustment for credit risk, the Company considers current market conditions and other indicators of the Company’s creditworthiness.

Convertible Debentures (Conversion Features) - Dream Impact Trust

The significant unobservable inputs used in the fair value measurement of the conversion features on the convertible debentures is the volatility. The Company calculated the expected volatility of the conversion features using historical pricing of Dream Impact Trust and other similar companies in the industry. The volatility used as at March 31, 2024 was 29.4%. If the volatility used in the fair value calculation were to increase or decrease by 5%, the value of the conversion features would have a nominal impact.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Valuation Process

The Company's finance department is responsible for either determining the fair value measurements directly or reviewing the fair value measurements provided by third-party appraisers. On a quarterly basis, management will review the valuation policies, procedures and analysis of changes in fair value measurements. Refer to Note 15 for a continuity of the Company's Dream Impact Fund units.

		Loans receivable		Investment holdings		Convertible debentures (conversion features)		Interest rate swaps		Participating mortgages
Balance, December 31, 2023	$	43,047	$	46,753	$	(7)	$	5,378	$	4,060
Issued or acquired during the period:										
Contributions/borrowings/advances		28		120		—		—		—
Distributions		—		(774)		—		—		—
Repayments		(12,600)		—		—		—		—
Interest capitalized, amortization and other		181		—		—		—		—
Total gains or losses for the period included in net earnings:										
Change in fair value		—		—		7		—		—
Included in other comprehensive income:										
Change in fair value		—		—		—		2,349		—
Balance, March 31, 2024	**$**	**30,656**	**$**	**46,099**	**$**	**—**	**$**	**7,727**	**$**	**4,060**

21. Share-based compensation

Stock Option Plan

The Company has a stock option plan under which key officers and employees are granted options to purchase Subordinate Voting Shares. Each option granted can be exercised for one Subordinate Voting Share.

	March 31, 2024			December 31, 2023		
	Options		**Weighted average exercise price**	Options		Weighted average exercise price
Options outstanding, beginning of period	**810,845**	**$**	**16.23**	865,845	$	16.96
Expired	**—**		**—**	(55,000)		27.76
Options outstanding, end of period	**810,845**	**$**	**16.23**	810,845	$	16.23
Options exercisable, end of period	**810,845**	**$**	**16.23**	790,836	$	16.17

As at March 31, 2024, 810,845 options were outstanding under the stock option plan collectively. The fair value of the stock option grants is estimated on the historical grant date using the Black Scholes option pricing model.

Performance Share Unit Plan

PSUs may be granted to current employees and are subject to either time vesting only, or time and performance vesting. PSUs subject to performance vesting provide the holder with a minimum of 0 and a maximum of 1.5 Subordinate Voting Shares based on the achievement of predetermined Company performance goals. In lieu of receiving Subordinate Voting Shares on vesting, PSU holders have the right to request a cash payment equal to the five-day trailing weighted average share price of the Company's Subordinate Voting Shares on the vesting date or settlement date, when applicable; however, the form of payment on vesting is ultimately the decision of the Company.

	March 31, 2024			December 31, 2023		
	Units		**Weighted average fair value at grant date**	Units		Weighted average fair value at grant date
Units outstanding, beginning of period	**849,317**	**$**	**22.11**	705,856	$	20.10
Granted	**163,520**		**21.25**	149,804		28.66
Forfeited	**—**		**—**	(14,920)		38.10
PSUs added by performance factor	**3,754**		**21.56**	7,501		24.94
Reinvested	**7,661**		**21.98**	19,751		22.19
Exercised	**(23,768)**		**21.56**	(18,675)		24.94
Units outstanding, end of period	**1,000,484**	**$**	**21.98**	849,317	$	22.11

In the three months ended March 31, 2024, compensation expense of $260 (three months ended March 31, 2023 – $1,072) related to this plan was recognized in general and administrative expenses.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The fair value of PSUs granted in the three months ended March 31, 2024 was estimated on the historical grant date with the following assumptions:

Risk-free interest rate	4.0%
Expected life	3 years
Contractual life	10 years

Deferred Share Unit Plan

The Company has a DSU incentive plan pursuant to which DSUs may be granted to eligible directors, senior management and certain service providers. As at March 31, 2024, there were 352,896 units outstanding (December 31, 2023 – 343,891 units outstanding). In the three months ended March 31, 2024, compensation expense of $123 (three months ended March 31, 2023 – $117) related to this plan was recognized in general and administrative expenses.

	March 31, 2024	December 31, 2023
Units outstanding, beginning of period	**343,891**	298,896
Granted	**6,352**	37,479
Reinvested	**2,653**	7,516
Units outstanding, end of period	**352,896**	343,891

Restricted Share & Restricted Share Unit Plan

The Company has an RS & RSU Plan that grants to participants an amount of cash (a "Restricted Share Award") to be used exclusively to subscribe for Subordinate Voting Shares ("Restricted Shares") in accordance with the terms of the RS & RSU Plan.

In the three months ended March 31, 2024, $1,787 in Restricted Share Awards was granted to be used to subscribe for Subordinate Voting Shares and 116,801 Restricted Shares were issued to be held in escrow until February 2034 (year ended December 31, 2023 - $4,531 in Restricted Share Awards and 204,082 Restricted Shares were held in escrow until February 2033). In the three months ended March 31, 2024, compensation expense of $797 (three months ended March 31, 2023 – $534) related to this plan was recognized in general and administrative expenses.

The net changes in contributed surplus relating to share-based compensation were as follows:

		March 31, 2024		December 31, 2023
Balance, beginning of period	**$**	**20,984**	$	18,082
Granted and added by performance factor, net of forfeitures		**(593)**		2,809
Dividends reinvested		**200**		559
Exercised		**(512)**		(466)
Balance, end of period	**$**	**20,079**	$	20,984

22. Earnings per share

Basic earnings per share is calculated by dividing the Company's earnings attributable to shareholders of the Company by the weighted average number of shares outstanding in the period.

Diluted earnings per share is calculated by dividing the Company's earnings attributable to the shareholders of the Company by the weighted average number of shares outstanding after the dilutive effect of the stock options, performance share units and deferred share units. The diluted weighted average number of shares used in the diluted earnings per share calculation is determined by assuming that the total proceeds received for the conversion of such units is used to repurchase Subordinate Voting Shares at the average selling price of such publicly traded units over the term of the calculation.

(in thousands of Canadian dollars, except number of shares and per share amounts)

The following table summarizes the basic and diluted earnings per share and the weighted average number of shares outstanding:

	For the three months ended March 31,	
	2024	2023
Earnings attributable to the shareholders of the Company, basic and diluted	**$ 9,534**	$ 34,601
Weighted average number of shares outstanding:		
Dream Subordinate Voting Shares	**40,595,941**	41,117,726
Dream Class B Shares	**1,557,322**	1,557,353
Total weighted average number of shares	**42,153,263**	42,675,079
Effect of dilutive securities on weighted average number of shares outstanding at the end of the period:		
Share-based compensation[1]	**1,470,378**	1,459,031
Total weighted average number of shares outstanding after dilution	**43,623,641**	44,134,110
Basic earnings per share	**$ 0.23**	$ 0.81
Diluted earnings per share	**0.22**	0.78

[1] For the three months ended March 31, 2024, 206,927 stock options and PSUs were considered anti-dilutive (three months ended March 31, 2023 – 157,504 PSUs).

23. Commitments and contingencies

Letters of Credit and Surety Bonds

The Company is contingently liable for letters of credit and surety bonds that have been provided to support land developments, equity accounted investments and other activities in the amount of $130,600 (December 31, 2023 – $109,024). The Company is also contingently liable for bonds that have been provided to support certain urban development condominium partnerships that expire at the end of a specified warranty period.

The Company is committed to pay levies in the future of up to $11,499 (December 31, 2023 – $11,499) relating to signed municipal agreements on commencement of development of certain real estate assets. Additional development costs may also be required to satisfy the requirements of these municipal agreements.

Joint Operations, Co-ownerships, Joint Ventures and Associates

The Company may conduct its real estate activities from time to time through joint operations and joint ventures with third-party partners. The Company was contingently liable for the obligations of the other owners of the unincorporated joint operations and joint ventures in the amount of $350,255 as at March 31, 2024 (December 31, 2023 – $343,560). These guarantees include contingent liabilities for certain obligations of our joint venture partners, which are exclusive of our share of those guarantees that are included in our equity accounted investments on the condensed consolidated statements of financial position. However, the Company would have available to it the other co-venturers' share of assets to satisfy any obligations that may arise. From time to time, the Company may be required to fund capital contributions to its various investments.

Legal and Other Contingencies

The Company and its operating subsidiaries may become liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the condensed consolidated financial statements of the Company.

24. Asset management and management services agreements and related party transactions

Dream Industrial REIT

In the three months ended March 31, 2024 and 2023, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Industrial REIT:

	For the three months ended March 31,	
	2024	2023
Asset management fees charged by Dream[1]	**$ 5,385**	$ 7,955
Cost recoveries charged by Dream	**451**	278

[1] Included in asset management fees charged to Dream Industrial REIT for the three months ended March 31, 2024 and 2023 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Industrial REIT related to asset management agreements and cost sharing agreements of $5,807 (December 31, 2023 - $6,505).

(in thousands of Canadian dollars, except number of shares and per share amounts)

Dream Office REIT
Amounts earned/recovered under the shared services and property management agreements during the three months ended March 31, 2024 and 2023 are as follows:

	For the three months ended March 31, 2024	2023
Cost recoveries charged by Dream to Dream Office REIT	**$ 370**	$ 320
Cost recoveries charged by Dream Office REIT to Dream	**3,063**	2,647
Cost recoveries charged by Dream Office REIT to Dream Impact Trust	**241**	212
Fees charged by Dream to Dream Office REIT	**143**	538
Fees charged by Dream Office REIT to Dream	**109**	93
Fees charged by Dream Office REIT to Dream Impact Trust	**601**	623

The amount owing to Dream Office REIT as of March 31, 2024 was $604 (December 31, 2023 – $416).

Dream Residential REIT
In the years ended March 31, 2024 and 2023, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Residential REIT:

	For the three months ended March 31, 2024	2023
Asset management fees charged by Dream[(1)]	**$ 171**	$ 201
Cost recoveries charged by Dream	**46**	79

[(1)] Included in asset management fees charged to Dream Residential REIT for the years ended March 31, 2024 and 2023 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Residential REIT related to asset management agreements and cost sharing agreements of $214 (December 31, 2023 - $332).

Industrial Joint Ventures
Amounts earned under the various agreements with the Company's industrial-focused joint ventures during the three months ended March 31, 2024 and 2023 are as follows:

	For the three months ended March 31, 2024	2023
Fees earned under the fund/asset management agreements	**$ 5,221**	$ 2,880
Fees earned under the development management agreements	**176**	72

Included in accounts receivable are balances due from the Industrial joint ventures related to various agreements of $5,387 (December 31, 2023 - $6,353).

Distributions Earned from Investments
The Company earned distributions from Dream Residential REIT and Dream Office REIT (Note 9).

25. Supplementary cash flow information

Components of other adjustments include:

	March 31, 2024	March 31, 2023
Accrued interest on loans receivable and other expenses	**$ 1,818**	$ (24)
Share-based compensation expense	**(905)**	(3,268)
Fair value changes in financial instruments	**7**	93
Other	**3,494**	3,578
	$ 4,414	$ 379

(in thousands of Canadian dollars, except number of shares and per share amounts)

Components of changes in non-cash working capital include:

		March 31, 2024		March 31, 2023
Accounts receivable	$	(72,424)	$	38,205
Accounts payable and other liabilities		(16,172)		(32,805)
Income and other taxes payable		3,615		25,850
Provision for real estate development costs		(1,821)		(11,184)
Deposits		(1,198)		(930)
Restricted cash		9,412		1,312
Prepaid expenses and other assets		4,996		(1,153)
	$	(73,592)	$	19,295

The breakdown of cash and cash equivalents is as follows:

		March 31, 2024		December 31, 2023
Cash	$	70,400	$	60,087
Money market funds, term deposits and GICs		116		116
	$	70,516	$	60,203

26. Segmented information

The Company's segment reporting considers how the Company presents information for financial reporting and management decision-making.

The Company's operating segments are as follows:

- *Recurring income*: Comprised of our asset management and development management agreements with Dream Industrial REIT, Dream Residential REIT and various development partners, fees earned through our private asset management business, a 30% equity interest in Dream Office REIT, a 12% equity interest in Dream Residential REIT, and our stabilized income producing assets in the Greater Toronto Area ("GTA"), National Capital Region, Western Canada and Colorado.
- *Development*: Comprised of mixed-use developments in the GTA and National Capital Region, land, housing, retail/commercial, hospitality asset and multi-family rental developments in Saskatchewan and Alberta.

While not considered an individual reportable segment, Corporate and other includes: corporate-level cash and other working capital, consolidated tax balances and expense, our term facility and related interest expense, general and administrative expenses not allocated to a particular segment and the liability and fair value adjustments to Dream Impact Trust units and Dream Impact Fund units held by other unitholders.

Management has determined the operating segments based on how the President and Chief Responsible Officer and senior management review the business and manage risk. Gross margin represents revenue, less direct operating costs, excluding selling, marketing and other operating costs. Net margin represents gross margin, as defined above, including selling, marketing and other operating costs. Used as a percentage of revenue to evaluate operational efficiency, these margins are employed as fundamental business considerations in updating budgets, forecasts and strategic planning. The allocation of other components of earnings would not assist management in the evaluation of the segments' contributions to earnings and are categorized as Corporate and other.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Segmented Statement of Earnings

Segmented revenue and expenditures for the three months ended March 31, 2024 and 2023 are as follows:

March 31, 2024

	Recurring income	Development	Corporate and other	**Consolidated Dream**
Revenue	$ 61,537	$ 96,714	$ —	**$ 158,251**
Direct operating costs	(34,352)	(92,190)	—	**(126,542)**
Gross margin	27,185	4,524	—	**31,709**
Selling, marketing, depreciation and other operating costs	(2,223)	(10,322)	—	**(12,545)**
Net margin	24,962	(5,798)	—	**19,164**
Fair value changes in investment properties	(4,509)	7,055	—	**2,546**
Share of earnings (loss) from equity accounted investments	1,797	(5,002)	—	**(3,205)**
Investment and other income	297	835	(243)	**889**
Interest expense	(10,665)	(1,896)	(4,503)	**(17,064)**
Net segment earnings (loss)	$ 11,882	$ (4,806)	$ (4,746)	**$ 2,330**
General and administrative expenses[1]	—	—	(6,381)	**(6,381)**
Adjustments related to Dream Impact Trust units[1]	—	—	17,316	**17,316**
Adjustments related to Dream Impact Fund units[1]	—	—	(1,168)	**(1,168)**
Income tax expense[1]	—	—	(2,563)	**(2,563)**
Net earnings	$ 11,882	$ (4,806)	$ 2,458	**$ 9,534**

March 31, 2023

	Recurring income	Development	Corporate and other	Consolidated Dream
Revenue	$ 59,538	$ 12,658	$ —	$ 72,196
Direct operating costs	(34,279)	(10,784)	—	(45,063)
Gross margin	25,259	1,874	—	27,133
Selling, marketing, depreciation and other operating costs	(2,332)	(7,066)	—	(9,398)
Net margin	22,927	(5,192)	—	17,735
Fair value changes in investment properties	2,076	917	—	2,993
Share of earnings from equity accounted investments	2,344	820	—	3,164
Investment and other income	(501)	1,853	647	1,999
Interest expense	(10,035)	(3,906)	(4,699)	(18,640)
Net segment earnings (loss)	$ 16,811	$ (5,508)	$ (4,052)	$ 7,251
General and administrative expenses[1]	—	—	(6,587)	(6,587)
Adjustments related to Dream Impact Trust units[1]	—	—	41,408	41,408
Adjustments related to Dream Impact Fund units[1]	—	—	(422)	(422)
Income tax expense[1]	—	—	(7,049)	(7,049)
Net earnings	$ 16,811	$ (5,508)	$ 23,298	$ 34,601

[1] Certain line items are included in Corporate and other as balances are reviewed on a consolidated basis.

(in thousands of Canadian dollars, except number of shares and per share amounts)

Segmented Assets and Liabilities

Segmented assets and liabilities as at March 31, 2024 and December 31, 2023 were as follows:

				March 31, 2024
	Recurring income	Development	Corporate and other	**Consolidated Dream**
Assets				
Cash and cash equivalents	$ 37,790	$ 15,679	$ 17,047	**$ 70,516**
Accounts receivable	44,449	292,684	6,301	**343,434**
Other financial assets	48,949	20,589	20,080	**89,618**
Housing inventory	—	51,816	—	**51,816**
Condominium inventory	—	317,431	—	**317,431**
Land inventory	—	467,565	—	**467,565**
Investment properties	1,524,795	225,579	—	**1,750,374**
Recreational properties	38,954	—	—	**38,954**
Equity accounted investments	399,248	270,929	—	**670,177**
Capital and other operating assets	6,298	37,907	13,593	**57,798**
Assets held for sale	49,901	—	—	**49,901**
Total assets	$ 2,150,384	$ 1,700,179	$ 57,021	**$ 3,907,584**
Liabilities				
Accounts payable and other liabilities	$ 44,984	$ 171,942	$ 5,935	**$ 222,861**
Income and other taxes payable[1]	—	—	83,579	**83,579**
Provision for real estate development costs	—	59,248	—	**59,248**
Debt	1,101,353	470,037	294,686	**1,866,076**
Dream Impact Trust units[1]	—	—	53,281	**53,281**
Dream Impact Fund units[1]	—	—	114,573	**114,573**
Deferred income taxes[1]	—	—	83,128	**83,128**
Liabilities associated with assets held for sale	15,487	—	—	**15,487**
Total liabilities	$ 1,161,824	$ 701,227	$ 635,182	**$ 2,498,233**
Shareholders' equity	988,560	998,952	(578,161)	**1,409,351**
Total equity	$ 988,560	$ 998,952	$ (578,161)	**$ 1,409,351**

[1] Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

(in thousands of Canadian dollars, except number of shares and per share amounts)

	Recurring income	Development	Corporate and other	Consolidated Dream
				December 31, 2023
Assets				
Cash and cash equivalents	$ 33,506	$ 20,214	$ 6,483	$ 60,203
Accounts receivable	46,168	221,227	6,646	274,041
Other financial assets	46,033	33,490	20,299	99,822
Housing inventory	—	52,747	—	52,747
Condominium inventory	—	383,829	—	383,829
Land inventory	221	458,330	—	458,551
Investment properties	1,522,148	197,024	—	1,719,172
Recreational properties	82,898	—	—	82,898
Equity accounted investments	395,295	275,735	—	671,030
Capital and other operating assets	9,608	51,663	11,958	73,229
Total assets	$ 2,135,877	$ 1,694,259	$ 45,386	$ 3,875,522
Liabilities				
Accounts payable and other liabilities	$ 63,144	$ 159,071	$ 11,161	$ 233,376
Income and other taxes payable[1]	—	—	79,964	79,964
Provision for real estate development costs	17	61,052	—	61,069
Debt	1,097,068	422,175	291,306	1,810,549
Dream Impact Trust units[1]	—	—	70,779	70,779
Dream Impact Fund units[1]	—	—	113,405	113,405
Deferred income taxes[1]	—	—	102,321	102,321
Total liabilities	$ 1,160,229	$ 642,298	$ 668,936	$ 2,471,463
Shareholders' equity	975,648	1,051,961	(623,550)	1,404,059
Total equity	$ 975,648	$ 1,051,961	$ (623,550)	$ 1,404,059

[1] Certain liabilities are included in Corporate and other as balances are reviewed on a consolidated basis.

(in thousands of Canadian dollars, except number of shares and per share amounts)

27. Classification of items in condensed consolidated statements of financial position

A summary of the classification of assets and liabilities to be recovered or settled within or over twelve months is presented below.

				March 31, 2024
	Less than 12 months	Greater than 12 months	Non-determinable	**Total**
Assets				
Cash and cash equivalents	$ 70,516	$ —	$ —	**$ 70,516**
Accounts receivable	284,914	58,520	—	**343,434**
Other financial assets	73,132	16,486	—	**89,618**
Housing inventory	—	—	51,816	**51,816**
Condominium inventory	—	—	317,431	**317,431**
Land inventory	—	—	467,565	**467,565**
Investment properties	—	1,750,374	—	**1,750,374**
Recreational properties	—	38,954	—	**38,954**
Equity accounted investments	—	—	670,177	**670,177**
Capital and other operating assets	20,375	37,423	—	**57,798**
Assets held for sale	49,901	—	—	**49,901**
Total assets	$ 498,838	$ 1,901,757	$ 1,506,989	**$ 3,907,584**
Liabilities				
Accounts payable and accrued liabilities	$ 168,120	$ 11,859	$ 42,882	**$ 222,861**
Income and other taxes payable	83,579	—	—	**83,579**
Provision for real estate development costs	59,248	—	—	**59,248**
Debt[1]	421,824	1,444,252	—	**1,866,076**
Dream Impact Trust units[2]	—	—	53,281	**53,281**
Dream Impact Fund units[2]	—	—	114,573	**114,573**
Deferred income taxes	—	83,128	—	**83,128**
Liabilities associated with assets held for sale	15,487	—	—	**15,487**
Total liabilities	$ 748,258	$ 1,539,239	$ 210,736	**$ 2,498,233**

(1) The amounts presented are shown consistent with the contractual terms of repayment, which may be due on demand.
(2) Dream Impact Trust units and Dream Impact Fund units may be redeemed at the option of the holder with no expiry date.

(in thousands of Canadian dollars, except number of shares and per share amounts)

				December 31, 2023
	Less than 12 months	Greater than 12 months	Non-determinable	Total
Assets				
Cash and cash equivalents	$ 60,203	$ —	$ —	$ 60,203
Accounts receivable	188,761	85,280	—	274,041
Other financial assets	49,914	49,908	—	99,822
Housing inventory	—	—	52,747	52,747
Condominium inventory	—	—	383,829	383,829
Land inventory	—	—	458,551	458,551
Investment properties	—	1,719,172	—	1,719,172
Recreational properties	—	82,898	—	82,898
Equity accounted investments	—	—	671,030	671,030
Capital and other operating assets	23,224	50,005	—	73,229
Total assets	$ 322,102	$ 1,987,263	$ 1,566,157	$ 3,875,522
Liabilities				
Accounts payable and accrued liabilities	$ 150,123	$ 12,360	$ 70,893	$ 233,376
Income and other taxes payable	79,964	—	—	79,964
Provision for real estate development costs	61,069	—	—	61,069
Debt[1]	224,763	1,585,786	—	1,810,549
Dream Impact Trust units[2]	—	—	70,779	70,779
Dream Impact Fund units[2]	—	—	113,405	113,405
Deferred income taxes	—	102,321	—	102,321
Total liabilities	$ 515,919	$ 1,700,467	$ 255,077	$ 2,471,463

(1) The amounts presented are shown consistent with the contractual terms of repayment, which may be due on demand.
(2) Dream Impact Trust units and Dream Impact Fund units may be redeemed at the option of the holder with no expiry date.

Corporate Information

HEAD OFFICE
Dream Unlimited Corp.
30 Adelaide Street East, Suite 301
Toronto, Ontario M5C 3H1
Phone: 416.365.3535
Fax: 416.365.6565
Website: www.dream.ca

INVESTOR RELATIONS
Phone: 416.365.3535
Toll free: 1 877.365.3535
Email: info@dream.ca
Website: www.dream.ca

TRANSFER AGENT
(for change of address, registration or other unitholder enquiries)

Computershare Trust Company of Canada
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Phone: 514.982.7555 or
1 800.564.6253
Fax: 416.263.9394 or
1 888.453.0330
Website: www.computershare.com
Email: service@computershare.com

AUDITOR
PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2500
Toronto, Ontario M5J 0B2

CORPORATE COUNSEL
Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place, Suite 6200
Toronto, Ontario M5X 1B8

STOCK EXCHANGE LISTING
The Toronto Stock Exchange
Listing Symbols:
Subordinate Voting Shares: DRM

For more information, please visit
www.dream.ca

Corporate Office

30 Adelaide Street East, Suite 301
Toronto, Ontario M5C 3H1
Phone: 416.365.3535
Fax: 416.365.6565
Website: www.dream.ca
Email: info@dream.ca

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