



DREAM UNLIMITED CORP. REPORTS STRONG SECOND QUARTER RESULTS

This press release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release. All amounts are in Canadian dollars.

TORONTO, August 13, 2024, Dream Unlimited Corp. (TSX: DRM) (“Dream”, “the Company” or “we”) today announced its financial results for the three and six months ended June 30, 2024 (“second quarter”).

“The first half of 2024 was one of our most profitable in recent years,” said Michael Cooper, Chief Responsible Officer. “To date, we have secured significant land pre-sales in Western Canada, with an additional \$185 million in sales for the remainder of 2024 and 2025, on top of our strong performance thus far. We continue to build out our residential rental pipeline in the GTA, adding another 2,000 units to our portfolio at Birch House and Cherry House at Canary Landing, Dream LeBreton, and a variety of offerings in our Brighton neighbourhood in Saskatoon. Our asset management business continues to increase its profitability and we are actively pursuing new opportunities to grow. The diversity of our business allows us to weather market softness across certain asset classes and our decision to focus on growing our recurring income and Western Canada business lines is one that will generate near and long-term benefits for our Company and shareholders.”

Dream has published a supplemental information package on our website concurrent with the release of our second quarter results.

Highlights: Recurring Income

- In the second quarter, our portfolio of stabilized properties⁽¹⁾ generated revenue and net operating income⁽¹⁾ of \$34.1 million and \$13.9 million, respectively, up by \$3.2 million and \$2.1 million over the comparative period. The increase is primarily attributable to the stabilization of three retail properties in Western Canada in late 2023, increased occupancy at the Distillery District and improved yields and lower operating costs at Arapahoe Basin. Similarly on a year-to-date basis, revenue and net operating income⁽¹⁾ increased by \$6.6 million and \$5.1 million, respectively.
- We continue to lease up our recently completed residential rentals, including Maple House at Canary Landing (68% occupied as of August 12, 2024), Aalto II at Zibi (69% occupied) and The Teal and Brighton Towns on Delaney in Saskatoon (100% of available units occupied), all of which will be added to our portfolio of stabilized properties and continue to grow that business. Our stabilized residential rentals maintained strong occupancy of 95% as of quarter-end and we expect to add nearly 1,700 residential rental units to our portfolio through 2026 (at 100% project level). This includes Birch House and Cherry House at Canary Landing, as well as several developments at Brighton in Saskatoon that are currently under construction. In aggregate, we expect to commence occupancy for 437 units in 2024, 261 units in 2025 and 980 units in 2026 as these are completed.
- Our asset management division had a very successful quarter, generating revenue and net margin of \$28.6 million and \$20.5 million this quarter, up by \$11.6 million and \$12.3 million from 2023 due to \$15.7 million in carried interest earned this quarter, partially offset by lower transactional and development fees this year. The carried interest earned this quarter relates to Dream U.S. Industrial Fund, a U.S. \$1.1 billion private fund that invests in high-quality core, core+, value-add and development industrial assets across the U.S. Since the end of 2022, we have seen our fee earning assets under management⁽¹⁾ grow by \$7.5 billion, demonstrating the strength of our platform. As of June 30, 2024, assets under management⁽¹⁾ totaled \$25 billion, up 44% over the last 18 months.
- Across the Dream group platform, which includes assets held through the Company, Dream Impact Trust, Dream Impact Fund, Dream Office REIT and Dream Residential REIT, we have a growing portfolio of over 8,800 stabilized apartment units, over 400 units in lease up and 7.0 million square feet (“sf”) of gross leasable area (“GLA”) in stabilized retail and commercial properties, in addition to our recreational properties.

Highlights: Development

- In the second quarter, our development segment generated \$108.6 million in revenue and \$24.0 million in net margin, an increase of \$86.2 million and \$27.9 million over 2023. On a year-to-date basis, revenue and net margin were up \$170.3 million and \$27.3 million, respectively. Results were driven by two parcel sales in Edmonton, higher lot sales and condominium occupancies at Ivy Condos in Toronto, with no comparable parcel sales or condominium occupancies in 2023.

- In the second quarter of 2024, we achieved 80 lot sales, 146 acre sales and 28 housing occupancies primarily across our Alpine Park, Eastbrook, Maple, Elan and Vista Crossing communities in Regina, Edmonton and Calgary. The 146 acre sales were previously communicated and included in the division's funds from operations⁽¹⁾ for the first quarter. In addition to Western Canada land revenues recognized in the first half of the year of \$59.2 million, we currently have a further \$133.5 million and \$51.7 million in land commitments for sales in the second half of 2024 and 2025, respectively, and we are on track for one of our best years in Western Canada in nearly a decade.
- Subsequent to quarter-end, the Company acquired 75 acres of raw land in southwest Calgary for \$11.3 million, or \$150,000 per acre. We consider this to be a strategic acquisition that allows us to connect our current 558-acre development area in Providence East (Alpine Park) with our 995 acres held in Providence West.
- During the second quarter, the Company broke ground on construction for Dream LeBreton. Dream LeBreton is adjacent to the light rail station and is in close proximity to the Zibi development. Upon completion in 2027, the net zero carbon development will comprise 608 multi-family rental units, including an affordable component. Subsequent to June 30, 2024, first draws were made on the government affiliated construction loan secured with a fixed interest rate carrying a ten-year term.
- Subsequent to June 30, 2024, Toronto City Council approved zoning for phase 1 of Quayside's development plans, which includes over 2,800 residential units, inclusive of 458 affordable rental units. Quayside is located in Toronto's downtown waterfront and is planned to transform the 12-acre site into a vibrant community featuring 4,600 residential units, including over 800 affordable housing units, and extensive public space. Dream has an effective ownership interest of 18.9% in Quayside, via Dream Impact Fund and Dream Impact Trust.
- Last September with the announcement of the HST waiver by the federal government and province of Ontario, Dream announced that we expected to start 5,000 units within the next four years as a result of the change. Since then, we have started 800 units in Western Canada and the National Capital region. We expect to start another 1,200 units in these cities in 2025. To hit our target of 5,000 units we need to start our Toronto developments. We are making progress in zoning and financing and are working with the City of Toronto to make our projects viable and start building right away. We expect to have meaningful updates over the next three to six months.
- In July, CMHC announced a new program, the Frequent Builder framework, to accelerate the construction of affordable rental homes by expediting the application process for established housing providers. Dream has a longstanding track-record of supporting public and private partnerships, and has been successful with a number of government affiliated financing programs such as CMHC's apartment construction loan program and MLI select in the past. We were extremely pleased to be identified as a Frequent Builder eligible for the program and will continue to pursue financing opportunities with CMHC for the development of much needed rental supply in our communities.

Consolidated Results Overview

A summary of our consolidated results for the three and six months ended June 30, 2024 is included in the table below.

<i>(in thousands of dollars, except number of shares and per share amounts)</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 178,272	\$ 74,381	\$ 336,523	\$ 146,577
Net margin	\$ 61,042	\$ 14,541	\$ 80,206	\$ 32,276
Net margin (%) ⁽¹⁾	34.2%	19.5%	23.8%	22.0%
Earnings (loss) before income taxes	\$ 59,541	\$ (87,955)	\$ 71,638	\$ (46,305)
Dream standalone funds from operations per share ⁽¹⁾	\$ 0.55	\$ 0.12	\$ 1.54	\$ 0.39
Dream consolidated funds from operations per share ⁽¹⁾	\$ 1.08	\$ 0.08	\$ 1.30	\$ 0.16
			June 30, 2024	December 31, 2023
Total assets			\$ 3,861,784	\$ 3,875,522
Total liabilities			\$ 2,411,648	\$ 2,471,463
Total equity			\$ 1,450,136	\$ 1,404,059
Total issued and outstanding shares			42,026,324	42,240,010

- Earnings before income taxes for the three and six months ended June 30, 2024 was \$59.5 million and \$71.6 million, respectively, up from losses before income taxes of \$88.0 million and \$46.3 million, respectively, in the comparative period. The increase is attributable to two

parcels of land sold in Edmonton with no comparable activity and carried interest earned in the second quarter of 2024 related to the Dream US Industrial Fund. The comparative period included accounting losses of \$88.2 million on the sale of 7.0 million Dream Office REIT units.

- Dream standalone funds from operations⁽¹⁾ ("FFO") for the three and six months ended June 30, 2024 was \$0.55 and \$1.54 per share, respectively, on a pre-tax basis, up from \$0.12 and \$0.39 per share, respectively, in the comparative period, due to the aforementioned factors. This was partially offset by changes to Dream Office REIT's and Dream Impact Trust's distribution policies.
- As of June 30, 2024 the Company has ample available liquidity⁽¹⁾ of \$280.8 million. Maintaining strong liquidity remains a top priority with fast changing economic conditions and allows us to be well positioned for new investments on an opportunistic basis.
- In the six months ended June 30, 2024, 0.4 million Subordinate Voting Shares were purchased for cancellation by the Company at an average price of \$21.24 under a normal course issuer bid ("NCIB") for total proceeds of \$8.0 million.
- Dividends of \$6.3 million and \$12.6 million, respectively, were declared and paid on our Subordinate Voting Shares and Class B Shares in three and six months ended June 30, 2024 (three and six months ended June 30, 2023 - \$5.4 million and \$10.7 million).

Conference Call

Senior management will host a conference call to discuss the financial results on Wednesday, August 14, 2024, at 11:00 AM (ET). To access the conference call, please dial 1-844-763-8274 (toll free) or 647-484-8814 (toll). To access the conference call via webcast, please go to Dream's website at www.dream.ca and click on the link for News, then click on Events. A taped replay of the conference call and the webcast will be available for ninety (90) days following the call.

Other Information

Information appearing in this press release is a select summary of results. The financial statements and MD&A for the second quarter of 2024 for the Company are available at www.dream.ca and on www.sedarplus.com.

About Dream Unlimited Corp.

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⁽¹⁾ 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 urban 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 our MD&A for the second quarter of 2024.

Dream Unlimited Corp.

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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 press release, there are references to certain non-GAAP financial measures and ratios and supplementary financial measures, including Dream standalone FFO per share, Dream consolidated FFO per share, Dream standalone FFO, Dream consolidated FFO, Dream Impact Trust & consolidation and fair value adjustments, available liquidity, net operating income, fee earning assets under management and portfolio of stabilized properties, 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. Certain additional disclosures such as the composition, usefulness and changes, as applicable, of the non-GAAP financial measures and ratios included in this press release have been incorporated by reference from the management's discussion and analysis of Dream for the three and six months ended June 30, 2024, dated August 13, 2024 (the "MD&A for the second quarter of 2024") and can be found under the section "Non-GAAP Ratios and Financial Measures", subheadings "Dream standalone FFO" and "Dream consolidated FFO", "Dream standalone FFO per share" and "Dream consolidated FFO per share", "Net operating income" and "Dream Impact Trust & Consolidation and fair value adjustments". The composition of supplementary financial measures included in this press release has been incorporated by reference from the MD&A for the second quarter of 2024 and can be found under the section "Supplementary and Other Financial Measures". The MD&A for the second quarter of 2024 is available on SEDAR+ at www.sedarplus.com under Dream's profile and on Dream's website at www.dream.ca under the Investors section.

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 June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and December 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 FFO**" and "**Dream consolidated FFO**", are non-GAAP financial measures and are key measures of our financial performance. We use Dream standalone FFO and Dream consolidated FFO to assess operating results and the pre-tax performance of our businesses on a divisional 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 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. The most directly comparable measure to Dream standalone FFO and Dream consolidated FFO is net income.

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

<i>(in thousands of dollars, unless otherwise noted)</i>	For the three months ended June 30,		For the six months ended June 30,	
FFO by division:	2024	2023	2024	2023
Asset management ⁽ⁱ⁾	\$ 19,828	\$ 9,404	\$ 25,871	\$ 16,696
Dream group unit holdings ⁽ⁱⁱ⁾	5,357	5,509	10,849	14,266
Stabilized assets - GTA/Ottawa	176	1,310	(563)	(1,091)
Stabilized assets - Western Canada	1,251	1,073	1,815	1,292
Arapahoe Basin	4,219	2,293	18,452	14,108
Development - GTA/Ottawa	151	(2,630)	(731)	(4,417)
Development - Western Canada	1,483	(1,961)	27,357	(5,776)
Corporate & other	(9,156)	(9,819)	(18,221)	(18,371)
Dream standalone FFO	\$ 23,309	\$ 5,179	\$ 64,829	\$ 16,707
Dream Impact Trust & consolidation adjustments ⁽ⁱⁱⁱ⁾ & other adjustments	22,163	(1,564)	(9,873)	(9,826)
Dream consolidated FFO	\$ 45,472	\$ 3,615	\$ 54,956	\$ 6,881
Shares outstanding, weighted average	42,151,148	42,801,680	42,152,205	42,738,729
Dream standalone FFO per share	\$ 0.55	\$ 0.12	\$ 1.54	\$ 0.39
Dream consolidated FFO per share	\$ 1.08	\$ 0.08	\$ 1.30	\$ 0.16

⁽ⁱ⁾ 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 and six months ended June 30, 2024 are asset management fees from Dream Impact Trust received in the form of units of \$302 and \$792, respectively (three and six months ended June 30, 2023 - \$762 and \$2,141, respectively). 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 and six months ended June 30, 2024 would have been \$3,593 and \$7,210, respectively (three and six months ended June 30, 2023 - \$3,369 and \$6,664).

⁽ⁱⁱⁱ⁾ Dream group unit holdings includes our proportionate share of funds from operations from our 31.3% effective interest in Dream Office REIT and 11.9% effective interest in Dream Residential REIT, along with distributions from our 35.8% interest in Dream Impact Trust. Included in Dream group unit holdings for the three and six months ended June 30, 2024 are distributions from Dream Impact Trust received in the form of units of \$nil and \$653, respectively (three and six months ended June 30, 2023 - \$877 and \$2,530, respectively).

⁽ⁱⁱⁱ⁾ Included within consolidation adjustments in the three and six months ended June 30, 2024 is income of \$362 and \$821, respectively, attributable to non-controlling interest (three and six months ended June 30, 2023 - \$368 and \$439, respectively, in losses).

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

<i>(in thousands of dollars, unless otherwise noted)</i>	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Dream consolidated net income (loss)	\$ 64,195	\$ (74,253)	\$ 73,729	\$ (39,652)
Financial statement components not included in FFO:				
Fair value changes in investment properties	11,692	9,028	9,146	6,035
Fair value changes in financial instruments	—	(308)	—	(401)
Share of earnings from Dream Office REIT and Dream Residential REIT	(4,991)	108,584	(6,375)	107,268
Fair value changes in equity accounted investments	(6,193)	1,530	4,521	1,438
Adjustments related to Dream Impact Trust units	(13,378)	(36,047)	(30,694)	(77,455)
Adjustments related to Impact Fund units	(6,431)	(266)	(5,263)	156
Depreciation and amortization	(125)	2,116	1,787	4,029
Income tax recovery	(4,654)	(13,702)	(2,091)	(6,653)
Share of Dream Office REIT FFO	4,792	6,394	9,066	11,015
Share of Dream Residential REIT FFO	565	539	1,130	1,101
Dream consolidated FFO	\$ 45,472	\$ 3,615	\$ 54,956	\$ 6,881

“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 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 for the three and six months ended June 30, 2024 and 2023 are shown in the table included under the "Funds From Operations" section of the MD&A for the second quarter of 2024.

“Net operating income” is a non-GAAP measure and 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 and six months ended June 30, 2024 and 2023 is calculated and reconciled to net margin as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Net margin	\$ 37,060	\$ 18,508	\$ 62,022	\$ 41,435
Add: Depreciation	120	1,537	1,616	3,007
Add: General and administrative expenses	409	837	1,136	1,699
Net operating income	\$ 37,589	\$ 20,882	\$ 64,774	\$ 46,141

“Portfolio of stabilized properties” is a non-GAAP measure and represents recurring income assets, less (i) asset and development management contracts with the Dream group of companies and management fees from our private asset management business and (ii) Dream Impact Trust & Consolidation and fair value adjustments. The most directly comparable measure to the portfolio of stabilized properties is the recurring income reporting segment. This non-GAAP financial measure is an important measure used to assess the Company's portfolio of stabilized properties. Revenue and net operating income from our portfolio of stabilized properties for the three and six months ended June 30, 2024 and 2023 is reconciled to revenue and net operating income for the recurring income segment and is calculated as follows:

	For the three months ended June 30,			For the six months ended June 30,		
	2024	2023		2024	2023	
Revenue	\$ 69,651	\$ 51,981	\$	\$ 131,188	\$ 111,519	
Less: asset management revenue	28,635	17,077		41,623	31,429	
Less: Dream Impact Trust & Consolidation and fair value adjustments	6,911	4,012		11,801	8,975	
Portfolio of stabilized properties revenue	\$ 34,105	\$ 30,892	\$	\$ 77,764	\$ 71,115	
Net operating income	\$ 37,589	\$ 20,882	\$	\$ 64,774	\$ 46,141	
Less: asset management net operating income	20,204	8,143		25,360	14,006	
Less: Dream Impact Trust & Consolidation and fair value adjustments	3,496	985		4,710	2,492	
Portfolio of stabilized properties net operating income	\$ 13,889	\$ 11,754	\$	\$ 34,704	\$ 29,643	

Forward-Looking Information

This press release may contain 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 our expectations regarding our ability to pursue opportunities to grow; our expectations regarding the performance of Western Canada division in 2024; our development plans, including sizes, uses, density, number of units, and amenities; our expectations about our liquidity in future periods; our ability to opportunistically pursue new investments. 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 Dream's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These assumptions include, but are not limited to: the nature of development lands held and the development potential of such lands, interest rates and inflation remaining in line with management expectations, our ability to bring new developments to market, anticipated positive general economic and business conditions, including low unemployment and interest rates, 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 Western Canada land and housing markets. Risks and uncertainties include, but are not limited to, general and local economic and business conditions, the impact of public health crises and epidemics, employment levels, 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, inflation or stagflation, regulatory risks, mortgage and interest rates and regulations, 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, environmental risks, consumer confidence, seasonality, adverse weather conditions, reliance on key clients and personnel and competition. All forward-looking information in this press release speaks as of August 13, 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 law. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR+ (www.sedarplus.com).

Endnotes:

- (1) Dream standalone FFO per share and Dream consolidated FFO per share are non-GAAP ratios. Dream Impact Trust, consolidation and fair value adjustments, Dream standalone FFO, Dream consolidated FFO, portfolio of stabilized properties and net operating income are non-GAAP financial measures. The most directly comparable financial measures to Dream Impact Trust and consolidation and fair value adjustments, Dream standalone FFO and Dream consolidated FFO is net income. The most directly comparable financial measures to portfolio of stabilized properties and net operating income is net margin. Assets under management, fee earning assets under management, net margin (%), and available liquidity are supplementary financial measures. Refer to the "Non-GAAP Measures and Other Disclosures" section of this press release for further details.
- (2) Shareholders' equity per share represents shareholders' equity divided by total number of shares outstanding at period end.