MPCT.UN-TSX

DREAM IMPACT TRUST REPORTS THIRD QUARTER 2024 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 dollar amounts in our tables are presented in thousands of Canadian dollars, except unit and per unit amounts, unless otherwise stated.

TORONTO, November 4, 2024, DREAM IMPACT TRUST (TSX: MPCT.UN) ("Dream Impact", "we", "our" or the "Trust") today reported its financial results for the three and nine months ended September 30, 2024 ("third quarter").

During the third quarter, the Trust closed on the sale of two office buildings, 10 Lower Spadina and 349 Carlaw, for net proceeds of $30.1 million. Funds were immediately used to repay the Trust's credit facility balance, with the remaining proceeds slated for operating costs and capital spend. Completing these asset sales was important to the Trust's liquidity goals, as we make further advancements on stabilizing our multi-family portfolio.

During the third quarter, CMHC announced a new program, the Frequent Builder Framework, to accelerate the construction of affordable rentals by expediting the application process for established housing providers. As part of the Dream group of companies, the Trust has been identified as eligible for the program. The Trust will continue to pursue financing opportunities with CMHC for the development of our existing and future pipeline of multi-family rental assets.

As previously reported, the Trust has a wholly owned 88,000 square foot ("sf") property in downtown Toronto, referred to as 49 Ontario. The asset, including the adjacent land assembly, is slated for re-development with re-zoning that allows for 800,000 sf of residential density or approximately 1,200 rental units. Over the course of the year, the Trust has been working closely with various levels of government to better position the site for construction commencement and to bring in a partner for re-development. In light of policy changes, interest rate adjustments and favourable financing terms, the project could start construction within the next 12 months. We are continuing to evaluate opportunities to bring in a partner for the $700 million redevelopment and best position the Trust to unlock value from the asset while supporting our liquidity needs. Further updates will be provided as milestones progress.

"Over the last year we have made significant progress leasing up the completed apartment buildings, raising capital from asset sales and paying off our revolving credit facility," said Michael Cooper, Portfolio Manager. "We are pleased with our progress on raising capital from asset sales and completing loan renewals. We have also made progress on the pre-development of Quayside and 49 Ontario. While the environment for residential development in Toronto is very challenging, we continue to make progress and are working towards commencement of these two large developments over the next 18 months."

Selected financial and operating metrics for the three and nine months ended September 30, 2024 are summarized below:

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of dollars, except per Unit amounts)	**2024**	2023	**2024**	2023
Condensed consolidated results of operations				
Net loss	**$ (7,550)**	$ (12,418)	**$ (17,728)**	$ (24,438)
Net operating income ("NOI") - recurring income ("NOI-recurring income")(1)	**4,213**	4,191	**14,412**	12,866
Net income (loss) per unit(1)	**(0.42)**	(0.72)	**(0.99)**	(1.43)
Units outstanding – end of period	**18,110,940**	17,287,196	**18,110,940**	17,287,196
Units outstanding – weighted average	**18,106,406**	17,260,369	**17,891,403**	17,074,952

As at	**September 30, 2024**	December 31, 2023
Condensed consolidated financial position		
Total assets	**$ 691,074**	$ 707,426
Total liabilities	**282,554**	278,769
Total unitholders' equity	**408,520**	428,657
Total unitholders' equity per unit(1)	**22.56**	24.39

In the third quarter, the Trust reported a net loss of $7.6 million compared to $12.4 million in the prior year. The improvement in earnings was driven by the magnitude and composition of fair value adjustments in each period ($7.7

million), partially offset by normal course transaction costs related to the sale of 10 Lower Spadina and 349 Carlaw ($0.9 million), fluctuation in the deferred income tax recovery ($1.3 million) and interest expense recognized on multi-family assets in the lease-up phase which were previously capitalized ($0.5 million). Per the Trust's accounting policy, interest is no longer capitalized once development assets are substantially complete.

Liquidity Update

As at September 30, 2024, the Trust had total cash-on-hand of $23.8 million and a debt-to-asset value[(2)] of 39.7%, which was consistent with prior quarter due to offsetting movements.

As of period end, the Trust's debt profile included $271.9 million of consolidated debt and its proportionate share of debt from equity accounted investments of $866.3 million. Of these amounts, $25.7 million matures in 2024 relating to two passive investments. Extensions for both facilities are in progress. A further $320.7 million of debt will mature in 2025, down significantly from the prior quarter as $122.3 million of refinancing activity was completed in the period. As of November 1, 2024, the Trust is in active discussions for extensions planned for $195.0 million of 2025 debt maturities.

For further details refer to the "Capital Resources and Liquidity" section of the Trust's management's discussion and analysis ("MD&A") for the three and nine months ended September 30, 2024.

Recurring Income

During the third quarter, the Trust's recurring income segment generated a net loss of $7.0 million compared to $17.1 million in the prior year. Net fair value losses of $4.9 million were recognized in the period, driven by discount and cap rate expansion on a commercial property in Ottawa, partially offset by gains at Aalto Suites, Aalto II and Maple House at Canary Landing due to leasing progress. In addition, earnings for the third quarter included $0.9 million in transaction costs related to the sale of 10 Lower Spadina and 349 Carlaw. Fair value adjustments were not directly comparable to prior year.

Multi-family rental properties

In the third quarter, same property NOI[(1)] was $1.7 million compared to $1.4 million in the prior year driven by higher monthly rents, lower operating expenses and a reversal of bad debt expense provided for earlier in the year.

Leasing continues to steadily progress at Aalto II and Maple House at Canary Landing which generated NOI[(1)] of $0.3 million for the Trust in the third quarter. As at September 30, 2024, in-place and committed occupancy was 76.4% at Aalto II and 74.4% at Maple House at Canary Landing. NOI[(1)] contribution from these assets will continue to increase as the assets achieve stabilization, anticipated by the end of 2025. In addition, Zibi Block 206 is in lease-up and is 50% leased as at September 30, 2024. The asset is expected to be transferred to the Trust's recurring income segment in early 2025.

Over the course of the third quarter, construction continued to progress well at Birch House (238 multi-family units) and Cherry House (855 multi-family units) at Canary Landing in downtown Toronto. Leasing of units at Birch House launched in September and first occupancies are anticipated in the fourth quarter of 2024. Based on current construction timelines, we anticipate leasing at Cherry House to launch by the second half of 2025. The Trust has a 25% interest in the Canary Landing rental buildings.

Debt from the Trust's multi-family portfolio carries a weighted average term of 4.9 years at a weighted average interest rate of 2.7%.

Commercial

In the third quarter, NOI[(1)] from commercial properties was $2.2 million compared to $2.7 million in the prior year. The decrease in NOI[(1)] was driven by lease terminations in specific office properties, in addition to the sale of 10 Lower Spadina and 349 Carlaw which closed mid-quarter. Partially offsetting this was NOI[(1)] contribution from the occupancy of the anchor tenant at 68-70 Claremont earlier in the year.

Development

In the third quarter, the development segment reported a nominal net loss compared to income of $3.1 million in the prior year. Prior year results included a fair value gain on Maple House at Canary Landing as the building achieved leasing milestones in the latter half of 2023 prior to its transfer to the recurring income segment.

In October 2024, the construction loan for Brightwater I and II was repaid using closing proceeds from units occupied. Subsequent to quarter end, occupancies at Brightwater Towns (106 units) commenced. The building is 98% sold and expected to close by mid 2025. Construction continues at the Mason (158 units) which is expected to occupy in the first half of 2025.

In the third quarter, the Trust transferred 98,000 sf of retail from Brightwater Phase I into the recurring income segment. As of November 1, 2024, approximately 52,000 sf of retail and commercial tenants have occupied at Brightwater, including LCBO, Farm Boy, Rexall, and BMO, with a further 3,000 sf expected to take possession by mid-2025.

During the third quarter, the Trust, alongside Dream Unlimited ("Dream"), launched the marketing of 3.27 acres of land at the 34-acre Zibi development, referred to as the Capital View Lands. The land, which has construction potential for approximately one million sf of space, is expected to be near the planned future Ottawa Senators arena site. The Capital View Lands are located in Gatineau, Quebec, adjacent to the Ottawa River. By bringing in a partner for the marketed site, we are able to accelerate the development pace for Zibi and reduce the in-place land loan for the project. The Trust has a 50% ownership interest in the Zibi development.

Income from this segment will fluctuate period to period and not contribute meaningfully to earnings until development milestones are achieved and/or project inventory is available for occupancy. While mindful of our capital spend and liquidity needs, on a strategic basis we continue to make advancements for select assets in the pre-development stage.

Other

In the third quarter, the other segment recognized a net loss of $0.5 million compared to net income of $1.5 million in the prior year. The fluctuation was driven by the income tax recovery due to the earnings composition in the period.

Footnotes

(1) Net income (loss) per unit, total unitholders' equity per unit, total liquidity, NOI - recurring income, NOI - commercial properties, and Same Property NOI -multi-family rental, are supplementary financial measures. Please refer to the cautionary statements under the heading "Specified Financial Measures and Other Measures" in this press release and the "Specified Financial Measures and Other Disclosures" section of the Trust's MD&A for the three and nine months ended September 30, 2024.

(2) Debt-to-asset value is a non-GAAP ratio, which is calculated as total debt payable, a non-GAAP financial measure, divided by the total asset value of the Trust as at the applicable reporting date. The most directly comparable financial measure to total debt payable is total debt.

Conference Call

Senior management will host a conference call on Tuesday, November 5, 2024 at 9:00 am (ET). To access the call, please dial 1-844-763-8274 (toll free) or 647-484-8814. To access the conference call via webcast, please go to the Trust's website at www.dreamimpacttrust.ca and click on Calendar of Events in the News and Events section. A taped replay of the conference call and the webcast will be available for 90 days.

About Dream Impact

Dream Impact is an open-ended trust dedicated to impact investing. Dream Impact's underlying portfolio is comprised of exceptional real estate assets reported under two operating segments: development and recurring income, that would not be otherwise available in a public and fully transparent vehicle, managed by an experienced team with a successful track record in these areas. The objectives of Dream Impact are to create positive and lasting impacts for our stakeholders through our three impact verticals: environmental sustainability and resilience, attainable and affordable housing, and inclusive communities, while generating attractive returns for investors. For more information, please visit: www.dreamimpacttrust.ca.

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Specified Financial Measures and Other Measures

The Trust's condensed consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). In this press release, as a complement to results provided in accordance with IFRS Accounting Standards, the Trust discloses and discusses certain specified financial measures, including total liquidity, debt-to-asset value, total debt payable, net income (loss) per unit, NOI — commercial properties, Same Property NOI - multi-family rental and debt-to-total asset value, as well as other measures discussed elsewhere in this release. These specified financial measures are not defined by or recognized measures under IFRS Accounting Standards, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such specified financial measures as management believes they are relevant measures of our underlying operating performance. Specified financial measures should not be considered as alternatives to unitholders' equity, net income, total comprehensive income or cash flows generated from operating activities, or comparable metrics determined in accordance with IFRS Accounting Standards as indicators of the Trust's performance, liquidity, cash flow and profitability. Certain additional disclosures such as the composition, usefulness and changes as applicable are expressly incorporated by reference from the Trust's MD&A for the three and nine months ended September 30, 2024, dated November 4, 2024 in the section titled "Specified Financial Measures and Other Disclosures", subsection "Non-GAAP Ratios", heading "Debt-to-asset value", subsection "Supplementary Financial Measures and Other Measures", headings "Net income (loss) per unit", "total liquidity", "NOI — commercial properties", and "Same Property NOI - multi-family rental" and subsection "Non-GAAP Financial Measures", heading "Total debt payable", which has been filed and is available on SEDAR+ under the Trust's profile.

"Total debt payable" is defined by the Trust as the balance due at maturity for its debt instruments. Total debt payable is a non-GAAP measure and is included as part of the definition of debt-to-asset value, a non-GAAP ratio. Total debt payable is an important measure used by the Trust in evaluating the amount of debt leverage; however, it is not defined by IFRS Accounting Standards, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Total debt payable is reconciled to total debt, the most directly comparable financial measure, below.

As at	September 30, 2024	December 31, 2023
Total debt	**$ 271,889**	$ 270,056
Unamortized discount on host instrument of convertible debentures	**620**	820
Conversion feature	**—**	(7)
Unamortized balance of deferred financing costs	**1,821**	2,196
Total debt payable	**$ 274,330**	$ 273,065

Forward-Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “would”, “could”, “expect”, “intend”, “estimate”, “anticipate”, "timeline", "potential", "strategy", "targets", “believe”, “should”, “plans”, or “continue”, or similar expressions suggesting future outcomes or events.

Some of the specific forward-looking information in this press release may include, among other things, statements relating to the Trust’s objectives and strategies to achieve those objectives; the Trust’s leasing activities and the expected results thereof; expectations regarding the Trust’s disposition of commercial assets and their expected impact on the Trust’s asset class exposure and liquidity; the Trust’s expectations regarding upcoming debt maturities; the Trust's ability to secure CMHC financing through the Frequent Builder Framework, the status of the Trust’s ongoing active development projects and the projected completion dates; remaining occupancies; Brightwater's and Dream LeBreton's construction status including units and GLA under construction; the Trust's ability to attract suitable partners for its projects and the terms and impacts of such arrangements; and the Trust's plans and proposals for current and future development and redevelopment projects, construction initiation, rezoning, completion and occupancy dates, stabilization timelines, number of units, square footage and planned GLA. 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 Trust’s control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to: adverse changes in general economic and market conditions; liquidity risk; financing and risks relating to access to capital; interest rate risks; public health risks; risks associated with unexpected or ongoing geopolitical events, including disputes between nations, terrorism or other acts of violence, and international sanctions; inflation; the disruption of free movement of goods and services across jurisdictions; the risk of adverse global market, economic and political conditions and health crises; risks inherent in the real estate industry; risks relating to investment in development projects; impact investing strategy risk; risks relating to geographic concentration; risks inherent in investments in real estate, mortgages and other loans and development and investment holdings; credit risk and counterparty risk; competition risks; environmental and climate change risks; risks relating to access to capital; interest rate risk; the risk of changes in governmental laws and regulations; tax risks; foreign exchange risk; the risk that corporate activities and reviews will not have the desired impact; acquisitions risk; and leasing risks. Our objectives and forward-looking statements are based on certain assumptions, including that the general economy remains stable; the gradual recovery and growth of the general economy continues in 2024; that no unforeseen changes in the legislative and operating framework for our business 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 receive the licenses, permits or approvals necessary in connection with our projects; that we will have access to adequate capital to fund our future projects, plans and any potential acquisitions; that we are able to identify high-quality investment opportunities and find suitable partners with which to enter into joint ventures or partnerships; that we do not incur any material environmental liabilities; there will not be a material change in foreign exchange rates; that the impact of the current economic climate and global financial conditions on our operations will remain consistent with our current expectations and that inflation and interest rates will not materially increase beyond current market expectations; our expectations regarding the availability and competition for acquisitions remains consistent with the current climate.

All forward-looking information in this press release speaks as of November 4, 2024, unless otherwise noted. The Trust 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 the Trust’s filings with securities regulators filed on the System for Electronic Document Analysis and Retrieval+ (www.sedarplus.com), including its latest annual information form and MD&A. These filings are also available at the Trust’s website at www.dreamimpacttrust.ca.