



DREAM UNLIMITED CORP. REPORTS FIRST QUARTER RESULTS & EXPANDS

ASSET MANAGEMENT EXECUTIVE TEAM

TORONTO, MAY 12, 2020, Dream Unlimited Corp. (TSX: DRM and DRM.PR.A) (“Dream”, “the Company” or “we”) today announced its financial results for the three months ended March 31, 2020 (“first quarter”).

Key Operational Highlights for the Quarter:

During the first quarter, we sold our 480-acre Glacier Ridge residential community to Qualico, a neighbouring property owner for the purposes of co-developing the land. The aggregate sale price of \$84 million generated net margin of \$44.0 million in the period. Upon closing, we retained an indirect 27% interest in the development and received \$23.9 million in cash, with the remaining \$50.4 million in a venter take back mortgage, providing us increased liquidity at this key time. In addition to the margin generated on this acre sale, co-developing the lands will continue to provide us with the opportunity to participate in profits as the land is developed.

Dream has indirectly entered into a binding agreement to sell its interest in a renewable power portfolio. The transaction is subject to various closing conditions and is expected to close in 2020. On close, we expect to generate approximately \$60 million in net after-tax proceeds for Dream, while also eliminating approximately \$150 million of term debt, associated with the renewable power non recourse credit facilities. The transaction proceeds will be used to increase our liquidity and pay down debt.

We are pleased to announce the launch of Dream Equity Partners, our asset management business for private real estate clients, including institutional and retail clients such as pensions funds, sovereign wealth funds and family offices. Rahul Idnani has joined us as the President of Dream Equity Partners. Mr. Idnani was formerly the Global Chief Operating Officer for Nuveen Real Estate which has \$127 billion of assets under management. At Nuveen Real Estate, Mr. Idnani oversaw \$90 billion of assets under management across various property types and investment strategies for the firm's institutional and retail clients. Prior to this, he held senior leadership positions at TIAA and was instrumental in the acquisition of Nuveen Investments and build-out of its global real assets platform.

“Over the last 12 months we have generated \$700 million in cash after debt from recycling capital including the sale of a partial interest of Glacier Ridge in Calgary and the agreement to sell our renewable assets, while increasing our interest in or developing best in class assets,” said Michael Cooper, President and Chief Responsible Officer. “We expect to continue to increase the cash flow from, and quality of, our recurring income generating assets over time. We have spent the last four years making our company safer by increasing the quality of our assets, diversifying our balance sheet and substantially reducing corporate debt. We are prudently managing our capital to weather the current global challenges and emerge as an even stronger business through initiatives like growing our asset management platform. We are committed to helping our communities, customers and colleagues as best we can to manage through this unprecedented environment.”

A summary of our consolidated results for the three months ended March 31, 2020 is included in the table below.

<i>(in thousands of Canadian dollars, except per share amounts)</i>	Three months ended March 31,	
	2020	2019
Revenue	\$ 176,455	\$ 56,957
Net margin	\$ 58,627	\$ 18,968
Net margin % ⁽¹⁾	33.2%	33.3%
Earnings (loss) before income taxes	\$ 232,779	\$ (36,591)
Earnings (loss) for the period ⁽²⁾	\$ 185,830	\$ (33,524)
Basic earnings (loss) per share ⁽³⁾	\$ 1.89	\$ (0.31)
Diluted earnings (loss) per share	\$ 1.86	\$ (0.31)
	March 31, 2020	December 31, 2019
Total assets	\$ 2,905,747	\$ 3,034,033
Total liabilities	\$ 1,408,031	\$ 1,601,424
Shareholders' equity (excluding non-controlling interest) ⁽⁴⁾	\$ 1,471,893	\$ 1,410,960
Total issued and outstanding shares	94,790,595	105,318,501

- ⁽¹⁾ Net margin % (see the “Non-IFRS Measures” section of our Management’s Discussion and Analysis (“MD&A”) for the three months ended March 31, 2020) represents net margin as a percentage of revenue.
- ⁽²⁾ Earnings (loss) for the period for the three months ended March 31, 2020 includes a gain of \$174.2 million on Dream Alternatives units held by other unitholders (three months ended March 31, 2019 – loss of \$61.9 million). Refer to the “Additional Information – Consolidated Dream” section of our MD&A for results on a Dream standalone basis.
- ⁽³⁾ Basic EPS is computed by dividing Dream’s earnings attributable to owners of the parent by the weighted average number of Class A Subordinate Voting Shares and Class B common shares outstanding during the period. Refer to Management’s discussion below on consolidated results for the three months ended March 31, 2020.
- ⁽⁴⁾ Shareholders’ equity (excluding non-controlling interest) excludes \$25.8 million of non-controlling interest as at March 31, 2020 (\$21.6 million as at December 31, 2019).

Basic earnings per share (“EPS”) for the first quarter was \$1.89, up from a loss per share of \$0.31 in the comparative quarter, which includes the consolidated results of Dream Hard Asset Alternatives Trust (TSX: DRA.UN) (“Dream Alternatives”). Adjusting for fair value gains/losses taken on Dream Alternative units held by other unitholders, earnings before income taxes for the period was \$58.6 million, an increase of \$33.5 million relative to the prior year. The increase was primarily due to the sale of 480 acres in Glacier Ridge, income from our condominium projects in Toronto and Ottawa, partially offset by certain non-recurring transactional costs. In addition, prior period results included fair value gains and distribution income from our previously held Dream Global REIT units, with no comparable activity in the current period.

In the first quarter the Company recognized earnings of \$185.8 million, relative to losses of \$33.5 million in the prior year. In addition to our operational results, the increase of \$219.4 million in consolidated earnings was due to the impact of fair value changes on the Dream Alternatives trust units held by other unitholders of \$236.1 million.

Expansion of Asset Management Team

Through the launch of Dream Equity Partners, we intend to leverage our core competencies in managing and developing office, multi-family, industrial and mixed-use assets in Canada, the United States and Europe focused on core, core-plus and value-add investments.

Jane Gavan, President of our Asset Management division, which includes our public and private management business, will become the Executive Chair of Dream Equity Partners and will have oversight of the new business.

“I am very pleased to expand our asset management business focus to investing private capital in real estate. Rahul is a great addition to our team with his deep knowledge of the business and his global relationships,” said Ms. Gavan “We believe that globally the allocation of capital to real estate will continue to grow and our unique track record, operating platform and core strengths, position us well to attract investors, especially given the successful sale of the Dream Global business in late 2019, our track record of developing large scale innovative mixed-use projects and our asset management of our public vehicles.”

“I am very excited to join Dream and collaborate with their management team to leverage their expertise to provide private real estate offerings and solutions to clients,” said Mr. Idnani. “I am confident that Dream’s vertically-integrated operating platform, investment track record and history of astute capital allocation positions them as an ideal investment partner.”

Results of Operations

Effective this quarter we have redefined our segment information to better reflect how we view and manage our business. Our operating results have been defined as follows:

- *Recurring income* is comprised of our asset management and development management agreements with Dream Industrial REIT, Dream Office REIT and various development partners, a 29% equity interest in Dream Office REIT, Dream Alternatives' lending portfolio, and our stabilized income producing assets in the Greater Toronto Area (“GTA”), Western Canada and Colorado.
- *Development* is comprised of mixed-use developments in the GTA and Ottawa/Gatineau, land, housing and retail/commercial development in the Saskatchewan and Alberta regions, and Dream Alternatives' investment in the Hard Rock/Virgin Hotel in Las Vegas.

For further details by asset class and geography, refer to the “Summary of Dream’s Assets & Holdings” section of our MD&A.

Highlights: Recurring Income

- In the three months ended March 31, 2020, our recurring income segment generated revenue and net operating income of \$36.6 million and \$16.3 million, respectively, compared to \$48.6 million and \$24.3 million in the prior year. The decrease was driven by

the closure of Arapahoe Basin and reduced contributions from Dream Alternatives due to asset dispositions and repayments on the Trust's lending portfolio in the prior year. At this point in time, it remains uncertain whether Arapahoe Basin will remain closed for the remainder of the ski season which typically ends mid-June.

- Included in recurring income are fees generated from our asset management contracts. In the current period, total asset management and development management fees generated from contracts with Dream Industrial REIT, Dream Office REIT and our partnerships was \$5.7 million. We expect these fees to grow once the global impact of COVID-19 stabilizes and are actively pursuing new asset management opportunities. Fees earned on the asset management contract with Dream Alternatives are eliminated from the Company's consolidated financial results.
- Across the Dream group platform, which includes assets held through the Company, Dream Alternatives and Dream Office REIT, we have approximately 6.7 million square feet ("sf") of gross leasable area ("GLA") in stabilized retail and commercial properties, in addition to our recreational properties. As at May 11, 2020, the Company had a 24% interest in Dream Alternatives and 29% interest in Dream Office REIT.
- Subsequent to March 31, 2020, the Company closed on the acquisition of the Gladstone Hotel, in downtown Toronto's west end. The Gladstone Hotel will be the sister to our Broadview Hotel which is located in downtown Toronto, just east of the Don Valley Parkway. The vibrant and dynamic environment in both properties make a significant impact on their respective neighbourhoods. Managing both hotels will allow for efficiencies which we expect will increase the margin generated from each hotel. Both the Gladstone and Broadview hotel are owned in 50/50 partnership with Streetcar Developments.

Highlights: Development

- Across the Dream group platform, we have approximately 5.2 million sf of GLA in retail or commercial properties and over 12,300 condominium or purpose-built rental units (at the project level) in our development pipeline.
- Our development segment generated revenue and net margin of \$139.8 million and \$43.9 million, respectively, in the quarter up by \$131.4 million and \$47.7 million from the prior year. These increases were primarily driven by condominium unit occupancies at Riverside Square, BT Towns and Kanaal at Zibi, as well as our 480 acre sale in Calgary, Alberta. Earnings from equity accounted investments were \$5.0 million in the quarter due to condominium unit occupancies at Canary Block, with no comparable activity in 2019. Due to the impact of COVID-19, final closings at Riverside Square, BT Towns, Kanaal and Canary Block have been temporarily delayed. At this point in time, we anticipate further occupancy income to be recognized for the remaining units in 2020.
- Zibi is a 34-acre mixed-use waterfront development along the Ottawa River in Gatineau, Quebec and Ottawa, Ontario, consisting of 4 million sf of density expected to consist of 1,800 residential units (inclusive of purpose-built rental units), over 2 million sf of commercial space and nearly 8 acres of riverfront parks and plazas. Zibi will be one of Canada's most sustainable communities and the country's first One Planet community. In partnership with a utility company, we have developed the District Thermal Energy System, the first post-industrial waste heat recovery system in a master-planned community in North America, which will provide net-zero heating and cooling for all tenants, residents and visitors at Zibi.

We have commenced with site servicing to allow for development to commence on the individual blocks as soon as we are ready. In total, there is over 630,000 sf of residential rental, retail and commercial space in various planning/development stages at Zibi, of which 83% of the retail and commercial space has been pre-leased as of March 31, 2020. Kanaal is the first condominium unit building on the Ontario lands. In the three months ended March 31, 2020, over 50% of the 71-unit building occupied with 10% of the remaining units pre-sold.

COVID-19 - Update

- The COVID-19 outbreak has had a pervasive impact on our economy and communities. In response to COVID-19, government mandates have required us to cease construction on certain development sites and close operations of Arapahoe Basin, our ski hill in Colorado. In addition, a number of our restaurants, non-essential retail and hotel have either closed or significantly reduced their operating hours. Some of these temporary restrictions have now been lifted and we are continuing to assess the long-term implications on our business. We are working closely with our tenants who have been significantly impacted by COVID-19,

assessing rent deferrals on a case-by-case basis. As of today, over 85% of April rent has been collected from the Company's investment property tenants.

- As at March 31, 2020, the Company had \$174.7 million of cash as well as \$261.1 million of funds available under its Western Canada operating line and margin facility. Our debt to total asset ratio as at March 31, 2020 was 274%. The majority of debt maturing in 2020 is project specific and will be funded through proceeds generated from condominium unit closings. Subsequent to March 31, 2020, we executed on an amendment to our operating line, extending the maturity date to January 31, 2023. The amendment and anticipated renewable sale in 2020 will generate an additional \$90.0 million of liquidity for the Company.

Share Repurchase Activity & Return to Shareholders

- In the three months ended March 31, 2020, the Company completed a substantial issuer bid ("SIB") and purchased for cancellation 10.0 million Class A Subordinate Voting Shares ("Subordinate Voting Shares") at a price of \$11.75 per share. Inclusive of the SIB and units repurchased through our normal course issuer bid, 10.7 million Subordinate Voting Shares were purchased for cancellation for total proceeds of \$125.4 million in the quarter.
- On February 25, 2020, the Company announced an increase to the annual dividend from \$0.10 to \$0.12 per Subordinate Voting Share and Class B common share ("Class B Share").

Select financial operating metrics for Dream's segments for the three months ended March 31, 2020 are summarized in the table below.

	Three months ended March 31, 2020					
<i>(in thousands of dollars except outstanding share amounts)</i>	Recurring income		Development	Corporate and other	Total	
Revenue	\$	36,633	\$	139,822	\$	176,455
% of total revenue		20.8%		79.2%		100.0%
Net margin	\$	14,678	\$	43,949	\$	58,627
Net margin (%) ⁽¹⁾		40.1%		31.4%		n/a

	As at March 31, 2020							
Segment assets	\$	1,155,850	\$	1,605,261	\$	144,636	\$	2,905,747
Segment liabilities	\$	247,882	\$	505,722	\$	654,427	\$	1,408,031
Segment shareholders' equity	\$	907,968	\$	1,073,716	\$	(509,791)	\$	1,471,893
Book equity per share ⁽²⁾	\$	9.58	\$	11.33	\$	(5.38)	\$	15.53

	Three months ended March 31, 2019							
<i>(in thousands of dollars except outstanding share amounts)</i>	Recurring income		Development	Corporate and other	Total			
Revenue	\$	48,573	\$	8,384	\$	—	\$	56,957
% of total revenue		85.3%		14.7%		—%		100.0%
Net margin	\$	22,708	\$	(3,740)	\$	—	\$	18,968
Net margin (%) ⁽¹⁾		46.8%		n/a		n/a		33.3%

	As at December 31, 2019							
Segment assets	\$	1,133,201	\$	1,546,373	\$	354,459	\$	3,034,033
Segment liabilities	\$	255,863	\$	444,407	\$	901,154	\$	1,601,424
Segment shareholders' equity	\$	877,338	\$	1,080,317	\$	(546,695)	\$	1,410,960
Book equity per share ⁽²⁾	\$	8.33	\$	10.26	\$	(5.19)	\$	13.40

⁽¹⁾ Net margin (%) is a non-IFRS measure. Refer to the "Non-IFRS Measures" section of our MD&A for further details.

⁽²⁾ Book equity per share represents shareholders' equity divided by total number of share outstanding at period end.

Other Information

Information appearing in this press release is a select summary of results. The financial statements and MD&A for the Company are available at www.dream.ca and on www.sedar.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 \$9 billion of assets under management across three Toronto Stock Exchange ("TSX") listed trusts and numerous partnerships. We also develop land and residential assets in Western Canada for immediate sale. 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 & Holdings" section of our MD&A.

Dream Unlimited Corp.

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Non-IFRS Measures

Dream's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, Dream discloses and discusses certain non-IFRS financial measures, including: Dream standalone, net margin %, assets under management, net operating income and debt to total assets ratio, as well as other measures discussed elsewhere in this release. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Dream has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to comparable metrics determined in accordance with IFRS as indicators of Dream's performance, liquidity, cash flow and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-IFRS Measures" section in Dream's MD&A for the three months ended March 31, 2020.

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, 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 the launch of our asset management business for private real estate clients; our ability to weather the COVID-19 pandemic and resulting disruptions; our development plans and proposals for future retail and condominium and mixed-use projects and future stages of current retail and condominium and mixed-use projects, including projected sizes, density, uses and tenants; development timelines and anticipated returns or yields on current and future retail and condominium and mixed-use projects, including timing of construction, marketing, leasing, completion, occupancies and closings; anticipated current and future unit sales and occupancies of our condominium and mixed-use projects; our pipeline of retail, commercial, condominium and mixed-use developments projects; our anticipated ownership levels of proposed investments; the development plans and proposals for Dream Alternatives' current and future projects, including projected sizes, timelines, density, uses and tenants; anticipated levels of development, asset management and other management fees in future periods; and our overall financial performance, profitability and liquidity for future periods and years. 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, 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, uncertainties surrounding the COVID-19 pandemic, employment levels, regulatory risks, mortgage rates and regulations, 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 May 12, 2020. 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.sedar.com).