



## DREAM UNLIMITED CORP. REPORTS THIRD 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.

**TORONTO, November 10, 2020, Dream Unlimited Corp. (TSX: DRM) (“Dream”, “the Company” or “we”)** today announced its financial results for the three and nine months ended September 30, 2020 (“third quarter”).

Throughout our history, Dream has a proven track record of building better communities, creating unique and inclusive assets which have lasting positive impacts on the lives of our residents, customers and stakeholders that generate strong financial returns. Often, we have done this in partnership with various levels of government to support individuals in underserved groups. On October 13, 2020 we were pleased to announce Dream Hard Asset Alternatives Trust’s refocused strategy to become a pure-play impact investment vehicle under the name Dream Impact Trust (TSX: MPCT.UN). Impact investing is the allocation of capital to generate a positive social and environmental benefit while achieving attractive financial returns and is one of the fastest growing segments of the \$3.2 trillion sustainable investing market.

Dream Unlimited has now become a signatory to the Operating Principles for Impact Management, acting in our capacity as the asset manager for Dream Impact Trust. Over time, further assets or entities under our asset management umbrella may be added to the assets that align with this standard for impact investors. As required by the Principles, Dream Impact Trust will publish an annual disclosure statement describing the alignment of our impact management systems and processes with the Principles. The Principles are a standard for systems and processes for the management of investments targeting the achievement of positive social and environmental impact. We will also have this disclosure statement verified by a third party and are committed to being transparent and systematic in our approach to impact management. For the full press release outlining the Trust’s impact strategy, refer to the following [link](#).

“Despite challenges presented in 2020, we have made significant progress across our business lines this year,” said Michael Cooper, President and Chief Responsible Officer. “We broke ground in Alpine Park in Calgary, one of our most prized landholdings in Western Canada, entered into the U.S. multi-family asset class through the acquisition of our Dallas multi-family portfolio and continue to make progress on our developments in Toronto & Ottawa, executing on key zoning and construction milestones. Our asset management business continues to evolve both from a public as well as private perspective and narrowing Dream Impact Trust’s focus is a natural fit for what we have been doing for many years.”

A summary of our consolidated results for the three and nine months ended September 30, 2020 is included in the table below.

	For the three months ended September 30,			For the nine months ended September 30,		
(in thousands of Canadian dollars, except per share amounts)	2020	2019	2020	2019	2020	2019
Revenue	\$ 60,485	\$ 64,069	\$ 298,984	\$ 197,070		
Net margin	\$ 2,195	\$ 10,754	\$ 67,075	\$ 49,203		
Net margin % <sup>(1)</sup>	3.6%	16.8%	22.4%	25.0%		
Earnings (loss) before income taxes	\$ (6,640)	\$ 30,255	\$ 228,801	\$ (17,903)		
Earnings (loss) for the period <sup>(2)</sup>	\$ (4,653)	\$ 27,167	\$ 191,953	\$ (17,446)		
Basic earnings (loss) per share <sup>(3)(4)</sup>	\$ (0.11)	\$ 0.51	\$ 4.01	\$ (0.34)		
Diluted earnings (loss) per share <sup>(4)</sup>	\$ (0.11)	\$ 0.50	\$ 3.94	\$ (0.34)		
			<b>September 30, 2020</b>	<b>December 31, 2019</b>		
Total assets		\$	2,877,666	\$ 3,034,033		
Total liabilities		\$	1,415,891	\$ 1,601,424		
Shareholders’ equity (excluding non-controlling interest) <sup>(5)</sup>		\$	1,446,658	\$ 1,410,960		
Total issues and outstanding shares <sup>(4)</sup>			45,976,730	52,658,860		

<sup>(1)</sup> Net margin % (see the “Non-IFRS Measures” section of our Management’s Discussion and Analysis (“MD&A”) for the three and nine months ended September 30, 2020) represents net margin as a percentage of revenue.

<sup>(2)</sup> Earnings (loss) for the period for the three and nine months ended September 30, 2020 includes a loss of \$10.9 million and a gain of \$137.9 million on Dream Impact Trust units held by other unitholders, respectively (three and nine months ended September 30, 2019 – gain of \$2.8 million and loss of \$94.9 million, respectively). Refer to the “Additional Information – Consolidated Dream” section of our MD&A for results on a Dream standalone basis.

<sup>(3)</sup> 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 post Share Consolidation. Refer to Management’s discussion below on consolidated results for the three and nine months ended September 30, 2020.

<sup>(4)</sup> Shares and per share amounts reflect the Share Consolidation for all periods presented. Refer to Note 2 of our condensed consolidated financial statements for the three and nine months ended September 30, 2020 for further information.

<sup>(5)</sup> Shareholders’ equity (excluding non-controlling interest) excludes \$15.1 million of non-controlling interest as at September 30, 2020 (\$21.6 million as at December 31, 2019).

Earnings before income taxes for the nine months ended was \$90.9 million, up from \$77.0 million in the prior year after adjusting for fair value gains/losses on Dream Impact Trust units. The increase was primarily due to the gain on sale of the renewable power portfolio in the second quarter

of 2020, the sale of 480 acres in Glacier Ridge in the first quarter of 2020 and lower interest expense as a result of reduced interest rates and lower debt levels. This was partially offset by reduced earnings from Arapahoe Basin due to COVID-19 closures, our asset management business and Dream Impact Trust's investment portfolio, as well as the timing of condominium occupancies. Prior period results included fair value gains and distribution income from our Dream Global REIT units, with no comparable activity in 2020.

Earnings before income taxes after adjusting for fair value gains/losses taken on Dream Impact Trust units held by other unitholders for the third quarter was \$4.3 million, a decrease of \$23.1 million relative to the prior year. The change is primarily attributable to fair value gains and distributions from our previously held Dream Global REIT units recorded in the prior period, with no comparable activity in 2020. Prior period results also included earnings from our previously held renewables portfolio and fair value gains within certain equity accounted investments.

As of September 30, 2020, the Company had a conservative leverage position with a debt to total assets ratio of 28.0% and \$374.9 million available under its revolving credit facilities.

#### **Highlights: Development**

- In the third quarter our development segment generated revenue and net margin of \$44.3 million and \$3.6 million, respectively, up by \$11.6 million and \$4.4 million from the prior year. The increase was primarily driven by higher acre sales volumes in Western Canada and the specific condominium occupancy mix relative to the comparative period.
- At the end of September 2020, we successfully launched sales for the first two condominium buildings comprising 311 units, referred to as Brightwater I and II, at our 72-acre waterfront community in Port Credit. The site was originally home to an oil refinery and required significant remediation work along with re-zoning. As of November 6, 2020, 96% of the units brought to market have been sold, with first occupancies expected in 2023, and the remainder of launched units currently under contract, subject to rescission. In aggregate, between 2023 and 2032, Brightwater will generate over 3,000 residential units and nearly 300,000 sf of retail and commercial space. A key feature of the community will be more than 15 acres of new green spaces, including a new nine-plus acre waterfront park, with walking and cycling promenades, pedestrian mews and public plazas that weave throughout the site. Dream, along with Dream Impact Trust, holds a 31.0% interest in Brightwater.
- In the third quarter, Zibi, our 34-acre mixed-use waterfront community along the Ottawa River, received loan proceeds of \$10.0 million from the CMHC Innovation Fund. The goal of the CMHC Innovation Fund is to encourage new funding models and innovative building techniques in the affordable housing sector. The funding received will be used to support affordable housing units for various blocks within the multi-phase development that includes over 4.0 million sf of density consisting of over 1,000 residential units and over 2.0 million sf of commercial space.
- Subsequent to September 30, 2020, the Province of Ontario approved zoning for West Don Lands Blocks 3/4/7 and 20 through a Municipal Zoning Order ("MZO") which provides for approximately 1,516 rental units including 445 affordable and 260,000 sf of commercial space in downtown Toronto. This is in addition to the 770 rental units including 231 affordable currently under construction on Block 8. The MZO approval is a significant milestone as it provides timing and density certainty to deliver one of the largest affordable housing programs in Canada and assists all three levels of government to achieve their affordable policy objectives.

Upon completion, the West Don Lands will deliver under the Province's Affordable Housing Lands Program an aggregate 2,286 purpose built rental units including 686 affordable and 300,000 sf of commercial space. Dream is the co-development manager for this project alongside its partners, and including Dream Impact Trust's ownership, has a 33% interest in the site. The West Don Lands is adjacent to the Distillery District, Canary District and future Lakeshore East development which in aggregate comprise over 60 acres owned by Dream and its various partners. The area includes amenities such as the 18-acre Corktown Common Park, the 82,000 sf Cooper-Koo YMCA and numerous retail amenities and restaurants.

- Across the Dream group platform, we have approximately 5.0 million sf of GLA in retail or commercial properties and over 13,000 condominium or purpose-built rental units (at the project level) in our development pipeline.

#### **Highlights: Recurring Income**

- With the exception of the Broadview Hotel, one of our boutique hotels in Toronto, results for the quarter were minimally impacted by the ongoing COVID-19 pandemic. We continue to work with our retail and commercial tenants on a case-by-case basis providing temporary rent deferrals and by participating in the Canada Emergency Commercial Rent Assistance program ("CECRA"), which provides qualifying small businesses a 75% rent abatement from landlords. The net impact of this program was not material to Dream's results. Inclusive of

retail in Western Canada, Dream's average monthly rent collection in the three months ended September 30, 2020 exceeded 83% and we have collected 73% of previously deferred rent due to the pandemic.

- In the third quarter our recurring income segment generated revenue and net operating income of \$16.2 million and \$0.5 million, respectively, compared to \$31.5 million and \$13.2 million in the prior period. The decrease was driven by restricted operations at the Broadview Hotel, reduced income from Dream Impact's portfolio due to prior year non-core asset dispositions and scheduled loan repayments, and lower contribution from our asset management business primarily due to the sale of Dream Global REIT in 2019.
- Included in revenue for the quarter was \$3.6 million relating to asset management and development contracts with Dream Industrial REIT, Dream Office REIT and our partnerships, which is expected to grow over time as we actively pursue new asset management opportunities. We continue to execute on Dream Industrial REIT's expansion strategy, having now closed on approximately \$490 million of assets to date in 2020 primarily in Europe, with an additional \$102 million of assets either firm or in exclusivity. Subsequent to September 30, 2020, Dream Industrial REIT was assigned an issuer rating of BBB with stable trend by DBRS Limited. The credit rating provides the REIT with access to new sources of capital to continue executing on their growth strategy.
- Arapahoe Basin, our ski hill in Colorado, opened for summer operations in June with our new Aerial Adventure Park open to the public. Over the past 18 months, we have invested US \$4.4 million in capital expenditures to support a new ski lift and expanded summer activities including a climbing course, the Aerial Adventure Park and extended mountain biking trails. We remain committed to maintaining the appropriate social distancing measures while providing a safe and enjoyable customer experience and are pleased to announce that on November 9, 2020, Arapahoe Basin opened for the 2020/2021 ski season.
- Across the Dream group platform, which includes assets held through the Company, Dream Impact and Dream Office REIT, we have approximately 8.1 million sf of gross leasable area in stabilized rental, retail and commercial properties, in addition to our recreational properties. As at November 6, 2020, the Company had a 26% interest in Dream Impact and 31% interest in Dream Office REIT.

#### **Share Capital & Return to Shareholders**

- Effective July 6, 2020, the Company completed a share consolidation of all issued and outstanding Class A subordinate voting shares ("Subordinate Voting Shares") of Dream on the basis of one post-consolidation Subordinate Voting Share for every two pre-consolidation Subordinate Voting Shares, and all of the issued and outstanding Class B common shares ("Class B Shares") of Dream on the basis of one post-consolidation Class B Share for every two pre-consolidation Class B Shares ("the Share Consolidation"). Upon completion of the Share Consolidation, the number of Subordinate Voting Shares issued and outstanding as of July 6, 2020 was consolidated from 91,641,438 to 45,820,395, and the number of Class B Shares issued and outstanding was consolidated from 3,114,845 to 1,557,356.
- In the nine months ended September 30, 2020, 6.8 million Subordinate Voting Shares were purchased for cancellation by the Company at an average price of \$22.37 under a substantial issuer bid and a normal course issuer bid for total proceeds of \$151.1 million.

Select financial operating metrics for Dream's segments for the three and nine months ended September 30, 2020 are summarized in the table below.

<b>Three months ended September 30, 2020</b>								
<i>(in thousands of dollars except outstanding share amounts)</i>	Recurring income		Development	Corporate and other		Total		
Revenue	\$	16,231	\$	44,254	\$	—	\$	60,485
% of total revenue		26.8%		73.2%		—%		100.0%
Net margin	\$	(1,407)	\$	3,602	\$	—	\$	2,195
Net margin (%) <sup>(1)</sup>		n/a		8.1%		n/a		3.6%

<b>Nine months ended September 30, 2020</b>								
<i>(in thousands of dollars except outstanding share amounts)</i>	Recurring income		Development	Corporate and other		Total		
Revenue	\$	72,471	\$	226,513	\$	—	\$	298,984
% of total revenue		24.2%		75.8%		—%		100.0%
Net margin	\$	16,040	\$	51,035	\$	—	\$	67,075
Net margin (%) <sup>(1)</sup>		22.1%		22.5%		n/a		22.4%

<b>As at September 30, 2020</b>								
Segment assets	\$	1,166,007	\$	1,556,568	\$	155,091	\$	2,877,666
Segment liabilities	\$	342,156	\$	446,656	\$	627,079	\$	1,415,891
Segment shareholders' equity	\$	823,851	\$	1,094,795	\$	(471,988)	\$	1,446,658
Shareholders' equity per share <sup>(2)</sup>	\$	17.93	\$	23.81	\$	(10.27)	\$	31.47

<b>Three months ended September 30, 2019</b>								
<i>(in thousands of dollars except outstanding share amounts)</i>	Recurring income		Development	Corporate and other		Total		
Revenue	\$	31,452	\$	32,617	\$	—	\$	64,069
% of total revenue		49.1%		50.9%		—%		100.0%
Net margin	\$	11,505	\$	(751)	\$	—	\$	10,754
Net margin (%) <sup>(1)</sup>		36.6%		n/a		n/a		16.8%

<b>Nine months ended September 30, 2019</b>								
<i>(in thousands of dollars except outstanding share amounts)</i>	Recurring income		Development	Corporate and other		Total		
Revenue	\$	121,865	\$	75,205	\$	—	\$	197,070
% of total revenue		61.8%		38.2%		—%		100.0%
Net margin	\$	53,760	\$	(4,557)	\$	—	\$	49,203
Net margin (%) <sup>(1)</sup>		44.1%		n/a		n/a		25.0%

<b>As at December 31, 2019</b>								
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
Shareholders' equity per share <sup>(2)</sup>	\$	16.66	\$	20.52	\$	(10.38)	\$	26.79

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

<sup>(2)</sup> Shareholders' 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](http://www.dream.ca) and on [www.sedar.com](http://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 \$8 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 and 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: 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 and nine months ended September 30, 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 uncertainties surrounding the COVID-19 pandemic and resulting disruptions; additional assets or entities that may be brought under the Operating Principles for Impact Management; our development plans and proposals, including projected sizes, density, uses and tenants; development timelines; anticipated timing of closings of condominium unit sales, and resulting revenue and debt repayments; our acquisition and development pipelines; our expected use of funds received from the CMHC Innovation Fund; anticipated levels of development, asset management and other management fees in future periods; and the expansion of our asset management business. 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 November 10, 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](http://www.sedar.com)).*