Management's Discussion and Analysis

The Management's Discussion and Analysis ("MD&A") is intended to assist readers in understanding Dream Unlimited Corp. (the "Company" or "Dream"), its business environment, strategies, performance and risk factors. This MD&A should be read in conjunction with the audited consolidated financial statements ("consolidated financial statements") of Dream, including the notes thereto, as at and for the years ended December 31, 2023 and December 31, 2022, which can be found under the Company's profile on the System for Electronic Document Analysis and Retrieval+ ("SEDAR+") (www.sedarplus.com). Such financial statements underlying this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Certain disclosures included herein are specified financial measures, including non-GAAP financial measures and supplementary and other financial measures. Refer to the "Non-GAAP Measures and Other Disclosures" section of this MD&A for further details.

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

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

Unless otherwise specified, all references to "we", "us", "our" or similar terms refer to Dream and its subsidiaries. All references to the "Dream group of companies" represent Dream and the four publicly traded trusts that Dream provides asset management or development management services to and includes Dream, Dream Office Real Estate Investment Trust ("Dream Office REIT"), Dream Impact Trust, Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT"), and Dream Residential Real Estate Investment Trust ("Dream Residential REIT") collectively "the Dream Entities". This MD&A is dated as of, and reflects all material events up to, February 21, 2024.

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

Business Overview

Dream is a leading developer of exceptional office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established and successful asset management business, inclusive of $24 billion of assets under management* as at December 31, 2023 across four Toronto Stock Exchange ("TSX") listed trusts, our private asset management business and numerous partnerships. We also develop land, residential, and income generating assets in Western Canada. Dream expects to generate more recurring income in the future as its development properties are completed and held for the long-term. Dream has a proven track record for being innovative and for our ability to source, structure and execute on compelling investment opportunities. A comprehensive overview of our holdings is included in the "Summary of Dream's Assets and Holdings" section of this MD&A.

As at February 21, 2024, the Company had a 12% interest in Dream Residential REIT, a 35% interest in Dream Impact Trust and a 30% interest in Dream Office REIT.

Summary of Results – Fourth Quarter and Year Ended 2023

Overview of Results

Loss before income taxes for the three months ended December 31, 2023 was $77.6 million, up from loss before taxes of $57.5 million in the comparative period. The increase in losses is attributable to accounting losses taken on Dream Office REIT units as a result of the sustained lower unit price, fair value losses on our investment property portfolio and the timing of lot sales activity in Western Canada, partially offset by growth of our asset management platform and fair value gains on Dream Impact Trust units held by other unitholders.

Loss before income taxes for the year ended December 31, 2023 was $119.8 million, down from earnings before taxes of $197.3 million in the comparative period due to accounting losses taken on Dream Office REIT, including the loss on sale of units in the second quarter, an $86.4 million net gain on land settlement in 2022, fair value losses on investment properties, higher interest expense on our variable rate debt and fewer lot and acres sales in Western Canada. The decrease was partially offset by growth of our asset management platform and fair value gains on Dream Impact Trust units held by other unitholders.

Adjusted Dream standalone funds from operations* ("FFO") for the three months ended December 31, 2023 was $0.48 per share on a pre-tax basis, down from $0.72 per share in the comparative period, primarily due to fewer lot and acre sales from Western Canada partially offset by growth of our asset management platform. Adjusted Dream standalone FFO for the year ended December 31, 2023 was $1.29 per share on a pre-tax basis, down from $2.36 per share in the comparative period, which included occupancies at Canary Commons.

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

Subsequent to December 31, 2023, the Company announced an agreement to sell Arapahoe Basin to Alterra Mountain Company. Arapahoe Basin was purchased in 1997 and we have invested significantly in the ski hill, including the installation of snowmakers, its first six-person chair lift, six restaurants and an aerial adventure park. The sale is expected to increase the Company's liquidity by $150 million and focus the Company's business on its core asset base.

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

In the three months ended December 31, 2023, the fair value gain on the Dream Impact Trust units was $16.3 million (as a result of the Dream Impact Trust unit price decreasing to $6.15 at December 31, 2023 from $7.73 at September 30, 2023, partially offset by $1.8 million in distributions to Dream Impact Trust unitholders), compared to a fair value loss of $1.9 million in the comparative period (as a result of the Dream Impact Trust unit price decreasing to $16.12 at December 31, 2022 from $16.36 at September 30, 2022, partially offset by $4.4 million in distributions to Dream Impact Trust unitholders).

In the year ended December 31, 2023, the fair value gain on the Dream Impact Trust units was $107.4 million (as a result of the Dream Impact Trust unit price decreasing to $6.15 at December 31, 2023 from $16.12 at December 31, 2022, partially offset by $8.0 million in distributions to Dream Impact Trust unitholders), compared to a fair value gain of $80.4 million in the comparative period (as a result of the Dream Impact Trust unit price decreasing to $16.12 at December 31, 2022 from $24.60 at December 31, 2021, partially offset by $18.7 million in distributions to Dream Impact Trust unitholders).

Our Operating Segments and Strategy

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

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

We have achieved our goals in the past as a result of our expertise and high-quality asset base, combined with a track record in our ability to source, structure and execute on compelling investment opportunities while maintaining conservative debt levels. Over the last few years, we have actively focused on differentiating our asset base by growing assets that contribute to recurring income and investing in development assets and real estate in Toronto, with the goal of improving the safety, value and earnings quality of our business. Inclusive of assets held by Dream Impact Fund LP ("Dream Impact Fund"), Dream Impact Trust, Dream Office REIT and Dream Residential REIT, our portfolio totals 34,795 residential units and 11.0 million square feet ("sf") of commercial/retail gross leasable area ("GLA") as at December 31, 2023 (at 100% project level).

Recurring income is important to our business as it provides stable cash flows in order to fund our ongoing interest expense, fixed operating costs and dividends. This provides enhanced stability and financial flexibility as we continue to execute on our development pipeline. Assets held at December 31, 2023 that contribute to recurring income include our asset and development management contracts, our 30% equity ownership in Dream Office REIT, our 12% equity ownership in Dream Residential REIT, management fees from our private asset management business and our stabilized income generating assets, such as the Distillery District in Toronto, Arapahoe Basin, our ski hill in Colorado, and our multi-family purpose-built rentals including those shared with Dream Impact Trust. Our future recurring income properties will include those that are currently being developed within our mixed-use developments in Toronto, Ottawa, and Western Canada in addition to future potential acquisitions.

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

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

Timing of Income Recognition and Impact of Seasonality

The Company's housing and condominium operations recognize revenue at the time of occupancy and, as a result, revenue and direct costs vary depending on the number of units occupied in a particular reporting period. The Company's land operations revenue relating to sales of land is recognized when control over the property has been transferred to the customer - typically when the customer can begin construction on the property. Until this criterion is met, any proceeds received are accounted for as customer deposits. Revenue is measured based on the transaction price agreed to under the contract and is typically recognized upon receipt of 15% of the transaction price. Revenue from land is deferred until occupancy by a third-party customer,

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

when the land is sold as part of a home constructed by our housing division. Certain marketing expenses for condominiums and homes are incurred prior to the occupancy of these units and accordingly are not tied to the number of units occupied in a particular period as they are expensed as incurred. Commissions are capitalized as contract assets, and expensed when condominium and housing revenue is recognized.

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

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

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

Key Financial Information and Performance Indicators

Selected Financial Information

(in thousands of dollars, except per share and outstanding share amounts)		**For the three months ended December 31,**				**For the year ended December 31,**		
		2023		2022		**2023**		2022
Revenue	**$**	**107,858**	$	167,692	**$**	**386,947**	$	343,768
Net margin	**$**	**26,380**	$	43,729	**$**	**85,870**	$	79,135
Net margin (%)*		**24.5%**		26.1%		**22.2%**		23.0%
Earnings (loss) before income taxes	**$**	**(77,557)**	$	(57,525)	**$**	**(119,790)**	$	197,291
Adjusted earnings (loss) before income taxes*	**$**	**(4,622)**	$	(27,798)	**$**	**61,625**	$	105,313
Earnings (loss) for the period	**$**	**(81,352)**	$	(51,211)	**$**	**(117,079)**	$	164,445
Basic earnings (loss) per share[1]	**$**	**(1.91)**	$	(1.20)	**$**	**(2.74)**	$	3.86
Diluted earnings (loss) per share[1]	**$**	**(1.91)**	$	(1.20)	**$**	**(2.74)**	$	3.74
Dream standalone funds from operations per share*	**$**	**0.48**	$	0.72	**$**	**1.29**	$	4.39
Dream consolidated funds from operations per share*	**$**	**0.43**	$	0.68	**$**	**0.91**	$	3.99
Weighted average number of shares outstanding, basic		**42,437,858**		42,587,702		**42,667,235**		42,601,025
Weighted average number of shares outstanding, diluted		**42,437,858**		42,587,702		**42,667,235**		43,974,731

		December 31, 2023		December 31, 2022
Total assets	**$**	**3,875,522**	$	3,956,494
Total liabilities	**$**	**2,471,463**	$	2,402,802
Total equity	**$**	**1,404,059**	$	1,553,692
Total issued and outstanding shares		**42,240,010**		42,587,702

[1] See Note 30 of the Company's consolidated financial statements for the year ended December 31, 2023 for further details on the calculation of basic and diluted earnings per share.

Funds from Operations*

Dream standalone funds from operations ("FFO")*, Dream consolidated funds from operations ("Dream consolidated FFO")*, Adjusted Dream standalone funds from operations ("Adjusted Dream standalone FFO")* and Adjusted Dream consolidated funds from operations ("Adjusted Dream consolidated FFO")* are non-GAAP financial measures that we consider key measures of our financial performance on a pre-tax basis. Dream standalone FFO, Dream consolidated FFO, Adjusted Dream standalone FFO and Adjusted Dream consolidated FFO are further defined in the "Non-GAAP Measures and Other Disclosures" section of the MD&A and Dream consolidated FFO, Adjusted Dream standalone FFO and Adjusted Dream consolidated FFO are reconciled as applicable to earnings (loss) for the period, their most directly comparable financial measure. We use Dream standalone FFO, Dream consolidated FFO, Adjusted Dream standalone FFO and Adjusted Dream consolidated FFO to assess operating results and the performance of our businesses on a divisional basis.

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

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

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

FFO by division:	For the three months ended December 31,		For the year ended December 31,	
(in thousands of dollars, except per share and outstanding share amounts)	**2023**	2022	**2023**	2022
Asset management[1]	**$ 15,459**	$ 8,201	**$ 39,047**	$ 21,081
Dream group unit holdings[2]	**6,248**	8,405	**26,145**	36,805
Stabilized assets - GTA/Ottawa	**3,243**	3,357	**3,165**	3,657
Stabilized assets - Western Canada	**160**	(53)	**3,414**	2,858
Arapahoe Basin	**(2,258)**	(294)	**7,284**	13,495
Development - GTA/Ottawa	**5,835**	(4,670)	**2,264**	118,834
Development - Western Canada	**4,117**	36,186	**15,836**	30,897
Corporate & other	**(12,432)**	(20,301)	**(42,239)**	(40,803)
Dream standalone FFO	**$ 20,372**	$ 30,831	**$ 54,916**	$ 186,824
Dream Impact Trust & consolidation adjustments[3]	**(2,026)**	(2,078)	**(15,889)**	(16,988)
Dream consolidated FFO	**$ 18,346**	$ 28,753	**$ 39,027**	$ 169,836
Less: Net gain on land settlement	**—**	—	**—**	(86,420)
Adjusted Dream standalone FFO	**$ 20,372**	$ 30,831	**$ 54,916**	$ 100,404
Adjusted Dream consolidated FFO	**$ 18,346**	$ 28,753	**$ 39,027**	$ 83,416
Shares outstanding, weighted average	**42,437,858**	42,587,702	**42,667,235**	42,601,025
Dream standalone FFO per share	**$ 0.48**	$ 0.72	**$ 1.29**	$ 4.39
Dream consolidated FFO per share	**$ 0.43**	$ 0.68	**$ 0.91**	$ 3.99
Adjusted Dream standalone FFO per share	**$ 0.48**	$ 0.72	**$ 1.29**	$ 2.36
Adjusted Dream consolidated FFO per share	**$ 0.43**	$ 0.68	**$ 0.91**	$ 1.96

(1) Asset management includes our asset and development management contracts with the Dream group of companies and management fees from our private asset management business, along with associated costs. Included in asset management for the three months and year ended December 31, 2023 are asset management fees from Dream Impact Trust received in the form of units of $472 and $3,454, respectively (three months and year ended December 31, 2022 - $1,423 and $6,308, respectively). These fees are received in the form of units effective April 1, 2019. Had the asset management fees been paid in cash, rather than in units, the fees earned for the three months and year ended December 31, 2023 were $3,618 and $13,980, respectively (three months and year ended December 31, 2022 - $3,224 and $12,633, respectively). In addition, included in the year ended December 31, 2022 are advisory fees from Dream Residential REIT received in the form of units of $2,834.

(2) Dream group unit holdings includes our proportionate share of funds from operations from our 30.3% effective interest in Dream Office REIT and 11.9% effective interest in Dream Residential REIT, along with distributions from our 34.5% interest in Dream Impact Trust. Included in Dream group unit holdings for the three months and year ended December 31, 2023 are distributions from Dream Impact Trust received in the form of units of $947 and $4,386, respectively (three months and year ended December 31, 2022 - $1,982 and $2,325).

(3) Included within consolidation adjustments in the three months and year ended December 31, 2023 is $116 and $495 in losses, respectively, attributable to non-controlling interest (three months and year ended December 31, 2022 - $631 and $345 of income, respectively).

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

	For the three months ended December 31,		For the year ended December 31,	
(in thousands of dollars)	**2023**	2022	**2023**	2022
Dream consolidated net income (loss)	**$ (81,352)**	$ (51,211)	**$ (117,079)**	$ 164,445
Add/(deduct) financial statement components not included in FFO:				
Fair value changes in investment properties	**29,450**	(15,582)	**57,279**	(31,219)
Fair value changes in financial instruments	**1,138**	59,777	**691**	54,821
Share of (earnings) loss from Dream Office REIT and Dream Residential REIT	**74,824**	29,428	**183,098**	(11,507)
Fair value changes in equity accounted investments	**(6,090)**	521	**(8,261)**	(295)
Adjustments related to Dream Impact Trust units	**(16,312)**	1,879	**(107,427)**	(80,411)
Adjustments related to Impact Fund units	**5,925**	1,485	**3,561**	4,524
Depreciation and amortization	**2,034**	2,378	**8,117**	7,525
Income tax expense (recovery)	**3,795**	(6,314)	**(2,711)**	32,846
Share of Dream Office REIT FFO	**4,424**	5,946	**19,568**	27,886
Share of Dream Residential REIT FFO	**510**	446	**2,191**	1,221
Dream consolidated FFO	**$ 18,346**	$ 28,753	**$ 39,027**	$ 169,836
Less: Net gain on land settlement	**—**	—	**—**	(86,420)
Adjusted Dream consolidated FFO	**$ 18,346**	$ 28,753	**$ 39,027**	$ 83,416

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

An overview of the composition of each operating division and a description of the changes in Dream standalone FFO for the three months and year ended December 31, 2023 is included below:

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

Dream standalone FFO for the division for the three months ended December 31, 2023 increased by $7.3 million from the comparative period primarily from growth in fee-earning assets under management, including our acquisition of Summit Industrial REIT in February 2023 and the timing of development fees recognized based on certain milestones. On a year-to-date basis, Dream standalone FFO increased by $18.0 million from the aforementioned Dream Summit Industrial LP closing, partially offset by a one-time fee earned in 2022 relating to the Dream Residential REIT's initial public offering and higher platform costs to support our growing asset management base.

Dream Group Unit Holdings
Dream group unit holdings includes our proportionate share of funds from operations from our 30.3% effective interest in Dream Office REIT and 11.9% effective interest in Dream Residential REIT, along with distributions from our 34.5% interest in Dream Impact Trust.

Dream standalone FFO for the division in the three months and year ended December 31, 2023 decreased by $2.2 million and $10.7 million, respectively, from 2022 due to a reduction in ownership interest in Dream Office REIT in the second quarter of 2023, lower funds from operations generated by Dream Office REIT primarily driven by higher interest expense and lower net rental income and a reduction in Dream Impact Trust's distribution policy. This was partially offset by the launch of Dream Residential REIT in May 2022 and increased unit holdings in Dream Impact Trust from the settlement of asset management fees and monthly distributions in the form of units.

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

Dream standalone FFO for the division in the three months and year ended December 31, 2023 decreased by $0.1 million and $0.5 million, respectively, from the comparative period. The decrease is primarily driven by increases in project level variable debt, including projects within our equity accounted investment portfolio, partially offset by higher net operating income from improved occupancy rates at Aalto Suites, which achieved over 90% occupancy in 2023 and the launch of Aalto II which began occupancy in the fourth quarter of 2023.

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

Dream standalone FFO for the division in the three months and year ended December 31, 2023 increased by $0.2 million and $0.6 million, respectively, primarily by higher occupancy across the portfolio, including our 157 rental units in our Brighton community in Saskatoon which commenced occupancy in 2023.

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

Dream standalone FFO generated by Arapahoe Basin in the three months and year ended December 31, 2023 decreased by $2.0 million and $6.2 million, respectively, from 2022 primarily due to higher compensation costs and operational costs associated with lower than historical snowfall levels.

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

Dream standalone FFO for the division in the three months ended December 31, 2023 increased by $10.5 million primarily driven by condominium occupancies at Riverside Square Phase 2. Dream standalone FFO for the division in the year ended December 31, 2023 decreased by $116.6 million primarily driven by a one-time gain on land settlement of an expropriated property and timing of condominium occupancies in the period. Prior year results included 376 condominium unit occupancies at Canary Commons (188 units at Dream's share).

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

Dream standalone FFO for the division in the three months and year ended December 31, 2023 decreased by $32.1 million and $15.1 million, respectively, from 2022 due to 304 fewer lots and 32 less acres sold in 2023. This year we recognized the majority of lot sales in the third quarter, while we recognized most of our 2022 lot sales in the fourth quarter.

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

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

Dream standalone FFO in the three months ended December 31, 2023 increased by $7.9 million from prior period. General and administrative expenses includes certain outstanding legal claims and one time compliance costs which were $7.0 million lower than 2022.

Dream standalone FFO in the year ended December 31, 2023 decreased by $1.4 million from 2022, as the aforementioned changes were offset by higher interest on our corporate term facility as well as an increase in non-cash share based compensation costs partially offset by lower one time compliance costs.

Recurring Income

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

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

Dream's assets under management* as of December 31, 2023 was $24 billion (December 31, 2022 – $18 billion), including fee earning assets under management* of approximately $17 billion (December 31, 2022 - $11 billion).

As of December 31, 2023, we held approximately 14.5 million sf of GLA in office and retail, residential and mixed-use properties across the Dream platform and we expect assets in this segment to grow over time, as we intend to hold stabilized investment properties that are developed by Dream in the core markets in which we operate in addition to sourced transactions in those markets.

Selected Segment Key Operating Metrics

	For the three months ended December 31,		For the year ended December 31,	
(in thousands of dollars, unless otherwise noted)	**2023**	2022	**2023**	2022
Revenue	**$ 57,982**	$ 42,705	**$ 213,343**	$ 167,985
Net operating income*	**25,628**	14,343	**84,802**	63,574
Net margin	**23,299**	11,119	**75,732**	55,116
Net margin (%)*	**40.2%**	26.0%	**35.5%**	32.8%
Fair value changes in investment properties	**$ (27,218)**	$ 16,286	**$ (52,619)**	$ 32,078
Share of earnings (loss) from equity accounted investments	**(64,290)**	(26,176)	**(170,627)**	12,688

Results of Operations
Revenue and net operating income for the three months ended December 31, 2023 were $58.0 million and $25.6 million, respectively, up from $42.7 million and $14.3 million, respectively, in 2022. The increase is primarily attributable to higher fees earned in our asset management business as the fee-earning asset base has grown to $17 billion in 2023 from $11 billion in the comparative year and increases in development fees as a result of completed developments at Zibi. This was partially offset by lower net operating income from Arapahoe Basin due to reduced skier visits in the early season.

Similarly, revenue and net operating income for the year ended December 31, 2023 were $45.4 million and $21.2 million higher, respectively, than the comparative year due to an increase in fees earned by our asset management business, improved occupancy rates at Aalto Suites, which achieved over 90% occupancy in 2023 and the launch of Aalto II which began occupancy in the fourth quarter of 2023.

In the three and twelve months ended December 31, 2023, the Company recognized fair value losses on investment properties of $27.2 million and $52.6 million, respectively, driven by an expansion of cap rates across our portfolio of 6 to 50 basis points over the twelve month period.

Share of earnings (loss) from equity accounted investments for the three months and year ended December 31, 2023 decreased by $38.1 million and $183.3 million, respectively, from the comparative period. The decrease is primarily driven by losses taken on Dream Office units as a result of the sustained decline in market prices. Adjusting for losses from Dream Office units, share of earnings (loss) from equity accounted investments for the three months and year ended December 31, 2023 was $8.6 million and $10.8 million, respectively, up from $3.6 million and $7.1 million in 2022. The increase is attributable to occupancies and fair value gains at Maple House at Canary Landing, which commenced occupancy in September 2023.

Over the next four years, an additional 2,305 apartment units comprising 2.0 million sf of residential gross floor area ("GFA") are expected to be added to our recurring income portfolio (at project level) primarily relating to Canary Landing, Zibi, LeBreton Flats and Western Canada. We continue to focus on increasing our recurring income through growing our asset management business and completing purpose-built rentals within our development pipeline.

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

Development

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

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

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

As at December 31, 2023, our GTA and National Capital Region pipeline across the Dream portfolio is comprised of over 25,500 residential units and approximately 3.9 million sf of commercial/retail GLA.

We currently own approximately 8,900 acres of land in Western Canada, of which 8,300 acres are in nine large master-planned communities at various stages of approval. With our land bank, market share, liquidity position and extensive experience as a developer, we are able to closely monitor and have the flexibility to increase or decrease our inventory levels to adjust to market conditions in any year. As at December 31, 2023, our Western Canada pipeline across the Dream portfolio is comprised of 397 purpose-built rental units in addition to $146 million in sales commitments secured for 2024 and 2025.

Selected Segment Key Operating Metrics

	For the three months ended December 31,		For the year ended December 31,	
(in thousands of dollars, except lot, acre, house and average selling price per lot, house and acre amounts)	**2023**	2022	**2023**	2022
DIRECTLY OWNED				
Revenue	**$ 49,876**	$ 124,987	**$ 173,604**	$ 175,783
Gross margin	**10,916**	38,711	**40,393**	50,033
Gross margin (%)*	**21.9%**	31.0%	**23.3%**	28.5%
Net margin	**$ 3,081**	$ 32,610	**$ 10,138**	$ 24,019
Net margin (%)*	**6.2%**	26.1%	**5.8%**	13.7%
Condominium occupancy units (project level) - Toronto & Ottawa	**64**	2	**199**	4
Condominium occupancy units (Dream's share) - Toronto & Ottawa	**21**	2	**65**	4
Lots sold - Western Canada	**102**	690	**554**	858
Average selling price per lot - Western Canada	**$ 142,000**	$ 144,000	**$ 153,000**	$ 141,000
Acres sold - Western Canada	**5**	25	**7**	39
Average selling price per acre - Western Canada	**$ 1,065,000**	$ 649,000	**$ 982,000**	$ 600,000
Housing units sold	**26**	20	**101**	74
Average selling price per housing unit	**$ 577,000**	$ 445,000	**$ 502,000**	$ 436,000
EQUITY ACCOUNTED INVESTMENTS				
Share of earnings (loss) from equity accounted investments	**$ (2,505)**	$ 5,980	**$ 5,321**	$ 43,405
Condominium occupancy units (project level) - Toronto	**39**	—	**85**	376
Condominium occupancy units (Dream's share) - Toronto	**3**	—	**11**	188

Results of Operations

In the three months ended December 31, 2023, our development business generated $49.9 million in revenue and net margin of $3.1 million, a decrease of $75.1 million and $29.5 million, respectively, from the comparative period. Results were driven by the timing of lot sales in Western Canada, partially offset by increases in housing and condominium occupancies, including Riverside Square Phase 2.

Included in results for the fourth quarter is $4.0 million relating to the sale of our remaining interest in a non-core condominium building in Saskatoon that was completed in 2017.

In the year ended December 31, 2023, our development business generated $173.6 million in revenue and $10.1 million in net margin, a decrease of $2.2 million and $13.9 million, respectively from the comparative period as the aforementioned condominium occupancies were offset by fewer lot and acre sales.

Results from equity accounted investments in the three months ended December 31, 2023 was a loss of $2.5 million compared to earnings of $6.0 million in the comparative period, due to fair value gains on an investment property under development recognized in the prior period.

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

Earnings from equity accounted investments in the year ended December 31, 2023 were $5.3 million compared to $43.4 million in the comparative period. The comparative period included 376 condominium unit occupancies at Canary Commons (188 units at Dream's share). Current year results include 85 initial occupancies (11 at Dream's share) at Brightwater I in Port Credit.

Our development team remains focused on building out our exceptional development pipeline, including The Mason at Brightwater, Cherry House, Canary House and Birch House at Canary Landing as well as a number of rental developments in Western Canada, which are expected to occupy between 2024 and 2025; however, as the development manager for our projects, we are able to adjust, in real time, should adverse changes to the market arise.

Active Projects

Alpine Park

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

Brightwater

Brightwater, a 72 acre waterfront development in Mississauga's Port Credit area, is expected to transform the site to a complete, vibrant and diverse community, which will include an elementary school, YMCA and 18 acres of parks and outdoor space. The development won the Building Industry and Land Development Association Pinnacle Award in 2020 for Best New Community Planned/Under Development. Occupancy of the first condominium building at Brightwater commenced in the third quarter of 2023 and is expected to be fully occupied by mid-2024.

Canary Landing

Maple House at Canary Landing, the first building in our purpose-built rental community in the West Don Lands neighbourhood commenced occupancy in the third quarter of 2023. Maple House is comprised of 770 rental units, of which 30% are affordable. Construction on Cherry House (West Don Lands Block 3/4/7) is progressing and will comprise of an additional 855 rental units (30% affordable), with initial occupancies planned for 2025. Construction has also commenced on Canary House and Birch House (Block 10), which comprises 206 condominium units, 238 purpose-built rentals, 26,000 sf of heritage retail and an Indigenous Hub. This area is a significant development hub for Dream, as it includes the 35 acre Canary District, the adjacent West Don Lands and Distillery District development assets, in addition to the future Lakeshore East and Quayside developments.

Forma

Designed by visionary architect and Toronto native, Frank Gehry, Forma will consist of two towers and comprise over 2,000 units in Toronto's downtown core. Upon completion, the two towers will stand at 73 and 84 storeys tall and will include seven levels of office space, three levels of retail including a mezzanine, and two levels for the Ontario College of Art and Design University. Construction commenced in the fourth quarter of 2022. We have presold 87% of units in the East Tower.

Quayside

On March 1, 2023, Dream Impact Fund, Dream Impact Trust and Great Gulf Group acquired phase one of the Quayside development site in downtown Toronto. Dream's consolidated interest in the development is 50%, split 37.5%/12.5% between Dream Impact Fund and Dream Impact Trust and Dream holds an indirect interest in the development through our 38% ownership interest in Dream Impact Fund. Waterfront Toronto has approved a project agreement for the development of a 12 acre site at the east end of downtown Toronto's waterfront to build Canada's largest all-electric, net-zero greenhouse gas emissions master-planned community. The community will comprise of approximately 4,600 units, including over 800 affordable housing units and 3.5 acres of public space with a car-free green oasis from Parliament Street to Bonnycastle Street that will connect projects further west towards Jarvis Street.

Zibi

The Zibi project is a multi-phase development that includes over 4 million sf of density consisting of approximately 1,900 residential units (inclusive of purpose-built rental units), over 2 million sf of commercial space and 8 acres of riverfront parks and plazas. We believe that Zibi will be one of Canada's most sustainable communities and the country's first "One Planet Master-Planned Community". In partnership with Hydro Ottawa, we developed the District Energy System, the first post-industrial waste heat recovery system in a master-planned community in North America, which provides net-zero heating and cooling for all tenants, residents and visitors at Zibi. In the year ended December 31, 2023, vertical construction at Zibi continued on all active blocks.

Other Items

Interest Expense

In the three and twelve months ended December 31, 2023, interest expense was $14.9 million and $68.3 million, respectively, compared to $16.2 million and $51.8 million, respectively, in the prior periods.

The decrease in the three months ended December 31, 2023 is primarily due to the repayment of the Western Canada operating line. The increase in interest expense in the year ended December 31, 2023 is primarily due to higher interest rates on project-level variable rate debt and the issuance of the second tranche of Dream Impact Trust's convertible debentures in 2022.

General and Administrative Expenses

In the three and twelve months ended December 31, 2023, general and administrative expenses were $10.2 million and $31.2 million, respectively, compared to $17.7 million and $33.6 million, respectively, in the comparative period. The decrease in general and administrative expenses is primarily due to lower one-time legal costs, partially offset by increased non-cash share-based compensation expense.

Income Tax Expense

The Company's effective income tax rate was 4.9% and 2.3% for the three and twelve months ended December 31, 2023, respectively (three and twelve months ended December 31, 2022 – 11.0% and 16.6%). The effective income tax rate for the year ended December 31, 2023 is different than the statutory combined federal and provincial tax rate of 25.9% mainly due to the non-taxable portion of capital gains, partially offset by a combination of non-deductible expenses and other items.

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

Liquidity and Capital Resources

Our capital consists of debt facilities and shareholders' equity. Our objectives in managing our capital are to ensure adequate operating funds are available to fund development costs, to cover leasing costs, overhead and capital expenditures for income generating assets, to provide for resources needed to fund capital calls for existing developments, to generate a target rate of return on investments and to cover dividend payments. There have been no material changes in future contractual obligations since December 31, 2023.

A summary of our working capital, recurring assets and liabilities, and financial assets and liabilities as at December 31, 2023 and December 31, 2022 is presented below. Project-specific inventory and debt balances in our development segment are excluded from the table below as the proceeds from the sale of inventory fund the repayment of project-specific construction facilities. Please refer to Note 36 of the consolidated financial statements for the Company's full classification of items in the consolidated statements of financial position.

	December 31, 2023				December 31, 2022			
(in thousands of Canadian dollars)	Less than 12 months	Greater than 12 months	Non-determinable	**Total**	Less than 12 months	Greater than 12 months	Non-determinable	Total
Cash and cash equivalents	$ 60,203	$ —	$ —	**$ 60,203**	$ 47,633	$ —	$ —	$ 47,633
Accounts receivable	188,761	85,280	—	**274,041**	207,363	60,674	—	268,037
Other financial assets[1]	46,886	13,280	—	**60,166**	36,134	45,864	—	81,998
Investment properties within recurring income	—	1,522,148	—	**1,522,148**	—	1,410,271	—	1,410,271
Recreational properties	—	82,898	—	**82,898**	—	80,300	—	80,300
Investment in Dream Office REIT[2]	—	—	379,368	**379,368**	—	—	578,230	578,230
Investment in Dream Residential REIT[2]	—	—	41,371	**41,371**	—	—	45,835	45,835
Subtotal assets	295,850	1,703,606	420,739	**2,420,195**	291,130	1,597,109	624,065	2,512,304
Accounts payable and accrued liabilities	150,123	12,360	70,893	**233,376**	205,929	15,613	46,330	267,872
Income and other taxes payable	79,964	—	—	**79,964**	57,363	—	—	57,363
Provision for real estate development costs	61,069	—	—	**61,069**	74,162	—	—	74,162
Project-specific debt within recurring income	138,758	956,292	—	**1,095,050**	153,144	753,591	—	906,735
Corporate debt facilities	—	291,306	—	**291,306**	41,421	290,410	—	331,831
Dream Impact Trust units	—	—	70,779	**70,779**	—	—	188,385	188,385
Dream Impact Fund units	—	—	113,405	**113,405**	—	—	69,919	69,919
Subtotal liabilities	429,914	1,259,958	255,077	**1,944,949**	532,019	1,059,614	304,634	1,896,267
Net excess (deficiency)	$ (134,064)	$ 443,648	$ 165,662	**$ 475,246**	$ (240,889)	$ 537,495	$ 319,431	$ 616,037

(1) Other financial assets as at December 31, 2023 excludes $39.7 million in project-specific investment holdings (December 31, 2022 – $34.1 million).

(2) The Company's holdings of Dream Office REIT and Dream Residential REIT have been measured at book equity per share as of December 31, 2023 and December 31, 2022. Dream Office REIT and Dream Residential REIT are included in our equity accounted investments. See Note 12 of the Company's consolidated financial statements for the years ended December 31, 2023 and 2022 for further details.

As at December 31, 2023, there were adequate resources to address the Company's short-term liquidity requirements. Certain financial instruments that are callable or due on demand are presented as due within 12 months, which is inconsistent with the repayment timing expected by management. Due to the nature of our development business, in addition to the above resources, the Company expects to fund a portion of our current liabilities through sales of housing, condominium and land inventories, which cannot be classified and accordingly are not presented above. Management continuously reviews the timing of expected debt repayments and actively pursues refinancing opportunities as they arise.

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

The Company uses a combination of existing cash, cash generated from operations and unit distributions, corporate debt facilities and project-specific debt to finance its activities. As at December 31, 2023, the Company had $325.1 million in available liquidity*, up from $302.6 million as at December 31, 2022. Available liquidity is comprised of $22.4 million in cash at a standalone corporate level and within wholly-owned projects and $300.2 million available under our revolving credit facilities (December 31, 2022 - $22.0 million and $278.2 million, respectively).

The Company has $224.8 million of debt maturing in 2024, comprising of $104.9 million we expect to be able to refinance or extend, $110.7 million in construction facilities we expect to repay with proceeds from sales, and $9.2 million we expect to repay through operating cash flows. Generally, we expect to increase our available liquidity over the next several years to fund our fixed operating costs and our dividends, to participate in discretionary investments as they arise, and to withstand sudden adverse changes in economic conditions.

Cash Requirements

The nature of the real estate business is such that we require capital to fund non-discretionary expenditures with respect to existing assets, as well as to fund growth through acquisitions and developments. As at December 31, 2023, on a consolidated basis, we had $60.2 million in cash and cash equivalents (December 31, 2022 – $47.6 million). Our intention is to meet short-term liquidity requirements through cash on hand, cash from operating activities, working capital reserves and operating debt facilities. We anticipate that cash from operations and recurring income will continue to provide the cash necessary to fund operating expenses and debt service requirements for our stabilized income assets.

Consolidated Statements of Cash Flows

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

	For the three months ended December 31,		For the year ended December 31,	
(in thousands of Canadian dollars)	**2023**	2022	**2023**	2022
Net cash flows provided by (used in) operating activities	**$ 18,054**	$ (39,166)	**$ (82,003)**	$ (79,026)
Net cash flows provided by (used in) investing activities	**(43,392)**	35,795	**(66,821)**	(137,046)
Net cash flows provided by (used in) financing activities	**21,227**	(6,543)	**161,394**	211,141
Change in cash and cash equivalents	**(4,111)**	(9,914)	**12,570**	(4,931)
Cash and cash equivalents, beginning of period	**64,314**	57,547	**47,633**	52,564
Cash and cash equivalents, end of period	**$ 60,203**	$ 47,633	**$ 60,203**	$ 47,633

Operating Activities

Cash flows from operating activities in the three months ended December 31, 2023 totaled $18.1 million compared to cash flows used in operating activities totaled $39.2 million in the prior year. Cash flows used in operating activities in the twelve months ended December 31, 2023 totaled $82.0 million compared to $79.0 million in the prior year. Changes in cash from operating activities are primarily driven by timing of cash collections of our working capital, acquisition activity of land and development spend on condominium, housing and land inventory.

Investing Activities

Cash flows used in investing activities in the three months ended December 31, 2023 totaled $43.4 million, an increase in cash used of $79.2 million. Cash flows used in investing activities in the year ended December 31, 2023 totaled $66.8 million, a decrease in cash used of $70.2 million.

For the three months ended December 31, 2023 cash flows used in investing activities is primarily attributable to development spend on investment properties at Zibi and our multi-family rental buildings in Toronto.

Cash outflows in the year ended December 31, 2023 relate to additions to our investment properties under development, the acquisition of an additional 12.5% interest in the Distillery District, the acquisition of a 50% interest in Quayside and the aforementioned development spend on investment properties, partially offset by proceeds from the sale of 7,032,649 Dream Office REIT units.

Financing Activities

Cash flows from financing activities in the three months and year ended December 31, 2023 increased by $27.8 million and decreased by $49.7 million, respectively, compared to the prior year.

The cash flows from financing in the three months ended December 31, 2023 included increased borrowings on our construction loans and mortgages, partially offset by our share repurchases and dividend payment.

The change in cash inflow from financing activities is primarily due to drawings on our project-level debt facilities in connection with the acquisition of our multi-family properties in 2022, partially offset by an increase in drawings on our construction loans used to develop our investment properties and condominium and housing inventory in the current year.

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

Debt

As at December 31, 2023, debt was $1,810.5 million (December 31, 2022 – $1,612.6 million). A breakdown of project-specific and corporate debt facilities is detailed in the table below.

	Weighted average effective interest rates			Debt amount		
(in thousands of Canadian dollars)	**December 31, 2023**	December 31, 2022		**December 31, 2023**		December 31, 2022
Project-specific debt						
Operating line - Dream Impact Fund	**7.20%**	6.47%	**$**	**10,500**	$	9,400
Operating line - Western Canada	**n/a**	7.22%		**—**		73,796
Construction loans	**6.18%**	5.78%		**449,540**		328,139
Mortgages and term debt	**4.23%**	4.03%		**1,059,203**		869,405
Total project-specific debt	**4.89%**	4.65%		**1,519,243**		1,280,740
Corporate debt facilities						
Non-revolving term facility	**5.51%**	5.59%		**223,769**		223,128
Operating line - Dream Impact Trust	**n/a**	6.97%		**—**		41,421
Convertible debentures (host instruments) - Dream Impact Trust	**6.10%**	6.12%		**67,530**		66,833
Convertible debentures (conversion features) - Dream Impact Trust	**n/a**	n/a		**7**		449
Total corporate debt facilities	**5.65%**	5.77%		**291,306**		331,831
Total debt	**5.02%**	4.89%	**$**	**1,810,549**	$	1,612,571

As at December 31, 2023, $1,370.6 million (December 31, 2022 – $935.3 million) of aggregate development loans and term debt were subject to a fixed, weighted average interest rate of 4.15% (December 31, 2022 – 3.61%) and will mature between 2024 and 2052. A further $440.0 million (December 31, 2022 – $677.3 million) of real estate debt was subject to a weighted average variable interest rate of7.71% (December 31, 2022 – 6.61%) and will mature between 2024 and 2026. Included within total debt is $465.2 million (December 31, 2022 – $340.6 million) of variable debt that the Company has hedged through fixed interest rate swaps. All of the Company's interest rate swaps are being used to mitigate risk of rising interest rates and have been accounted for using hedge accounting.

Contractual Obligations

Our liquidity is impacted by contractual debt commitments as follows:

		2024		2025		2026		2027		2028 and thereafter		**Total**
Project-specific debt[1]	$	224,763	$	350,339	$	168,428	$	292,815	$	482,899	**$**	**1,519,244**
Corporate debt facilities[1]		—		—		223,769		29,372		38,164		**291,305**
Leases		1,462		1,078		918		891		5,739		**10,088**
	$	226,225	$	351,417	$	393,115	$	323,078	$	526,802	**$**	**1,820,637**

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

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

Shareholders' Equity

Dream is authorized to issue an unlimited number of Subordinate Voting Shares and an unlimited number of Class B Shares. As at December 31, 2023, there were 40,682,688 Subordinate Voting Shares and 1,557,322 Class B Shares outstanding (December 31, 2022 - 41,030,346 Subordinate Voting Shares and 1,557,356 Class B Shares).

As at February 21, 2024, there were 40,518,488 Subordinate Voting Shares, 1,557,322 Class B Shares, 810,845 stock options, 849,317 performance share units, 432,811 restricted share units and 343,891 deferred share units outstanding.

Including the Subordinate Voting Shares of Dream and Class B Shares held or controlled directly or indirectly, the Company's President and Chief Responsible Officer ("CRO") owned an approximate 50% economic interest and 88% voting interest in the Company as at December 31, 2023.

Share Repurchases

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

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

Shares may also be purchased in accordance with management's discretion. The Plan was pre-cleared by the TSX and will terminate on September 20, 2024.

In the year ended December 31, 2023, 0.6 million Subordinate Voting Shares were purchased for cancellation by the Company under its NCIB at an average price of $19.28 (year ended December 31, 2022 – 0.4 million Subordinate Voting Shares at an average price of $39.53).

Off-Balance Sheet Arrangements, Commitments and Contingencies

We conduct our real estate activities from time to time through joint arrangements with third-party partners. A discussion of our off-balance sheet arrangements, commitments and contingencies is included in Note 32 of the consolidated financial statements for the year ended December 31, 2023, which is incorporated by reference into this MD&A.

Transactions with Related Parties

The Company has agreements for services and transactions with related parties, which are discussed and outlined in Note 33 of our financial statements for the year ended December 31, 2023, which is incorporated by reference into this MD&A.

Dream Industrial REIT

In the years ended December 31, 2023 and 2022, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Industrial REIT:

	For the three months ended December 31,		For the year ended December 31,	
	2023	2022	**2023**	2022
Asset management fees charged by Dream[1]	**$ 6,076**	$ 5,281	**$ 25,930**	$ 21,146
Cost recoveries charged by Dream	**412**	243	**1,767**	1,428

(1) Included in asset management fees charged to Dream Industrial REIT for the years ended December 31, 2023 and 2022 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Industrial REIT related to asset management agreements and cost sharing agreements of $6,505 (December 31, 2022 - $5,593).

Dream Office REIT

Amounts earned/recovered under the shared services and property management agreements with Dream Office REIT during the years ended December 31, 2023 and 2022 are as follows:

	For the three months ended December 31,		For the year ended December 31,	
	2023	2022	**2023**	2022
Cost recoveries charged by Dream to Dream Office REIT	**$ 539**	$ 417	**$ 1,867**	$ 1,626
Cost recoveries charged by Dream Office REIT to Dream	**3,265**	2,998	**12,055**	11,407
Cost recoveries charged by Dream Office REIT to Dream Impact Trust	**633**	683	**2,551**	2,585
Fees charged by Dream to Dream Office REIT	**359**	595	**1,795**	2,367
Fees charged by Dream Office REIT to Dream	**135**	133	**426**	409
Fees charged by Dream Office REIT to Dream Impact Trust	**231**	278	**939**	1,032

The amount owing to Dream Office REIT as of December 31, 2023 was $416 (December 31, 2022 – owing to Dream Office REIT $566).

Dream Residential REIT

In the years ended December 31, 2023 and 2022, the Company earned/recovered the following amounts pursuant to the asset management and shared services agreements with Dream Residential REIT:

	For the three months ended December 31,		For the year ended December 31,	
	2023	2022	**2023**	2022
Asset management fees charged by Dream[1]	**$ 288**	$ 295	**$ 1,071**	$ 642
Advisory fees charged by Dream	**—**	—	**—**	2,834
Cost recoveries charged by Dream	**48**	170	**281**	278

(1) Included in asset management fees charged to Dream Residential REIT for the years ended December 31, 2023 and 2022 were incentive fees of $nil.

Included in accounts receivable are balances due from Dream Residential REIT related to asset management agreements and cost sharing agreements of $332 (December 31, 2022 - $423).

Critical Accounting Estimates

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make judgments in applying its accounting policies, estimates and assumptions about the future. These judgments, estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosure of contingent assets and liabilities included in the Company's consolidated financial statements. The Company evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that we believe are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and expenses that are not readily apparent from other sources. Actual results may differ from those estimates under different assumptions or conditions. A detailed summary of the most significant accounting judgments, estimates and assumptions made by management in the preparation and analysis of our financial results is included in Note 4 of our consolidated financial statements for the year ended December 31, 2023, which is incorporated by reference into this MD&A.

Changes in Accounting Policies and Disclosures and Future Accounting Policy Changes

A detailed summary of the most significant accounting policies and disclosures made by management in the preparation and analysis of our financial results is included in Note 3 of our consolidated financial statements for the year ended December 31, 2023, which is incorporated by reference into this MD&A.

Internal Control over Financial Reporting

As at December 31, 2023, the President and Chief Responsible Officer and the Chief Financial Officer (the "Certifying Officers"), with the assistance of senior management, have evaluated the design and effectiveness of the Company's disclosure controls and procedures ("DC&P"), as defined in National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings" ("NI 52-109"). Based on that evaluation, the Certifying Officers have concluded that, as at December 31, 2023, the DC&P are adequate and effective in order to provide reasonable assurance that material information has been accumulated and communicated to management, to allow timely decisions of required disclosures by the Company and its consolidated subsidiary entities, within the required time periods.

The Company's internal control over financial reporting ("ICFR") (as defined by NI 52-109) is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. Using the framework established in "2013 Committee of Sponsoring Organizations (COSO) Internal Control Framework", published by the Committee of Sponsoring Organizations of the Treadway Commission, the Certifying Officers, together with other members of management, have evaluated the design and operation of the Company's ICFR. Based on that evaluation, the Certifying Officers have concluded that the Company's ICFR was effective as at December 31, 2023.

There were no changes in the Company’s internal control over financial reporting in the year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company’s internal controls over financial reporting.

Risk Factors

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

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

Ownership of Real Estate

Development Risk

The development industry is cyclical in nature and is significantly affected by changes in general and local economic and industry conditions, such as employment levels, availability of financing for homebuyers, government regulations, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends, housing demand and competition from other real estate companies.

An oversupply of alternatives to new homes and condominium units, such as resale properties, including properties held for sale by investors and speculators, foreclosed homes and rental properties, may reduce the Company's ability to sell new homes and condominium units and may depress prices and reduce margins from the sale of new homes and condominium units. Depending on market conditions, the Company may not be able, or may not wish, to develop its land holdings. Development of land holdings and properties that are to be constructed are subject to a variety of risks, not all of which are within the Company's control. Such risks include lack of funding, variability in development costs, construction delays, potential delays in occupancy and/or rent commencement and other unforeseeable delays.

Real estate assets, particularly raw land, are relatively illiquid in down markets. Such illiquidity tends to limit the Company's ability to vary its real estate portfolio promptly in response to changing economic or investment conditions. If there are significant adverse changes in economic or real estate market conditions, the Company may have to sell properties at a loss or hold undeveloped land or developed properties in inventory longer than planned. Inventory carrying costs can be significant and may result in losses in a poorly performing project or market.

The Company's and the other Dream Entities' assets may include interests in real estate under construction or held for development. We may commit to making further investments in respect of our interest in these types of properties, including through the provision of construction and completion guarantees by the co-owners to project lenders or otherwise. Our involvement in such development activity is subject to related risks that include: (i) construction or other unforeseen delays including municipal approvals; (ii) the potential insolvency of a developer; (iii) the developer's failure to use advanced funds in payment of construction costs; (iv) construction or unanticipated delays; (v) incurring construction costs before ensuring rental revenues will be earned from a project; (vi) cost overruns on a project; and (vii) the failure of purchasers to close on purchase transactions or the failure of tenants to occupy and pay rent in accordance with lease arrangements. Such risks are minimized, but not avoided, by generally not commencing construction until satisfactory levels of preleasing or sales, as applicable, are achieved. Dream also seeks to undertake such projects with other established developers. In addition, Dream uses a staggered approach in its development program to avoid unnecessary concentration of development projects in a single period of time so as to manage our development risk exposure and properly allocate our capital and personnel resources.

Delays and Cost Over-Runs
Delays and cost over-runs may occur in completing the construction of development projects, prospective projects and future projects that may be undertaken. A number of factors that could cause such delays or cost over-runs include, but are not limited to, permitting delays, changing engineering and design requirements, the performance of contractors, labour disruptions, adverse weather conditions and the availability of financing.

Permitting
Our development of real estate projects is subject to various regulations requiring us to obtain building permits and other authorizations. We may be unable to obtain or face significant delays in obtaining such permits or authorizations, which could result in increased development costs or the cancellation of parts or entire projects.

Supply of Materials and Services
The construction industry has from time to time experienced significant difficulties in the supply of materials and services, including with respect to shortages of skilled and experienced contractors and tradespeople, labour disputes, shortages of building materials, unforeseen environmental and engineering problems, and increases in the cost of certain materials. If any of these difficulties should occur, we may experience delays and increased costs in the construction of homes and condominiums.

Competition
The residential home and condominium and rental building industry is highly competitive. Residential home and condominium and rental builders compete for buyers, desirable properties, building materials, labour and capital. We compete with other local, regional and national builders. Any improvement in the cost structure or service of these competitors will increase the competition we face. We also compete with sellers of existing homes, housing speculators and investors in rental housing. Competitive conditions in the residential home and condominium and rental building industries could result in: difficulty in acquiring desirable land at acceptable prices, increased selling incentives, lower sales volumes and prices, lower profit margins, impairments in the value of our inventory and other assets, increased construction costs and delays in construction.

Our ability to successfully expand asset management activities in the future is dependent on our reputation with clients. We believe that our track record, the expertise of our asset management team and the performance of the assets currently under management will enable us to continue to develop productive relationships with these companies and to grow the assets under management. However, if we are not successful in doing so, our business and results of operations may be adversely affected.

Joint Venture Risks
Real estate investments are often made as joint ventures or partnerships with third parties. These structures involve certain additional risks, including the possibility that the co-venturers/partners may, at any time, have economic or business interests inconsistent with ours, the risk that such co-venturers/ partners could experience financial difficulties that could result in additional financial demands on us to maintain and operate such properties or repay debt in respect of such properties, and the need to obtain the co-venturers'/partners' consent with respect to certain major decisions in respect of such properties. Under most of our joint venture arrangements the Company has the discretion to elect to continue or discontinue funding of such joint venture activities at various points in time; however, under certain of the Company's joint venture arrangements, a decision to discontinue funding may result in penalties against non-funding investors, such as dilution or above market interest rates. Should the Company determine to discontinue the funding of any such joint venture, the value of the Company's investment may be adversely affected.

Our co-venturers/partners may, at any time, have economic or business interests inconsistent with ours and we may be required to take actions that are in the interest of the partners collectively, but not in the Company's sole best interests. Accordingly, we may not be able to favourably resolve issues with respect to such decisions or we could become engaged in a dispute with any of them that might affect our ability to develop or operate the business or assets in question efficiently. Any failure of the Company or our co-venturers and partners to meet their obligations, or disagreements with respect to strategic decision making, could have an adverse effect on the joint ventures or partnerships, which may have an adverse effect on the Company. In addition, we face the risk that any interests that we directly or indirectly hold in any joint venture may be diluted in the event that additional capital is required from the partners of the joint venture and we are, or the entity holding such interests is, unable to participate in such capital raise. We cannot guarantee that we nor any entity in which we hold an interest will be able to access sufficient capital to perform any obligations in connection with any joint venture commitments.

We attempt to mitigate these risks by performing due diligence procedures on potential partners and contractual arrangements, and by closely monitoring and supervising the joint ventures or partnerships.

Expropriation Risk
We are subject to laws and regulations governing the ownership and leasing of real property and are subject to the possibility that our assets may be expropriated. Should any assets that we hold for development or other assets be expropriated, there is a risk that we may not realize the profit that we expected upon planning the development, sale or lease of such asset. Expropriation of our assets may also affect the value of any assets that we have in physical proximity to the expropriated asset, including as a result of disruption of our community planning initiatives. These factors may have adverse effects on our business and may negatively impact our expected development project and other returns.

Geographic Concentration
Our land development and housing operations are concentrated in Saskatchewan and Alberta. Some or both of these regions could be affected by severe weather; natural disasters; shortages in the availability or increased costs of obtaining land, equipment, labour or building supplies; changes to the population growth rates and therefore the demand for homes in these regions; and changes in the regulatory and fiscal environment. Due to the concentrated nature of our expected land development and housing operations, negative factors affecting one or a number of these geographic regions at the same time could result in a greater impact on our financial condition or results of operations than they might have on other companies that have a more diversified portfolio of operations.

Given the prominence of the oil and gas industry in Alberta and Saskatchewan, the economies of these provinces can be significantly impacted by the price of oil. Similarly, because of our substantial land and housing development operations in Alberta and Saskatchewan, any substantial decline in the price of oil could also adversely affect the Company's operating results. We continuously evaluate the economic health of the markets in which we operate through various means to ensure that we have identified and, where possible, mitigated risks to the Company, including the potential impacts of changes in the price of oil. Additionally, the land development process is longer term in nature, which, to some extent, mitigates the impacts of short-term fluctuations in the health of the economies in which we operate. As of December 31, 2023, the Company had not identified any material adverse effect on our business as a result of oil prices.

Our Saskatchewan and Alberta operations have historically focused on the Company's land and housing businesses, as well as a golf course reported under our recreational properties. The Company has also recognized the potential of our substantial land holdings in these markets for retail and multi-family residential development opportunities, and we expect to continue to increase the activity for these types of developments in the future. Our retail developments utilize the Company's existing land inventory to develop assets that will derive cash flows over a longer term.

In addition to our holdings in Saskatchewan and Alberta, a substantial portion of the projects in our Development segment are located in and around the GTA and we have invested significantly in this region through both our Development segment and our investment in Dream Office REIT and Dream Impact Trust, whose portfolios are concentrated in Toronto. Accordingly, any negative fluctuation in Toronto market fundamentals could result in a greater impact on our financial condition or results of operations than they might have on other companies that have a more diversified portfolio of operations.

Risks Related to Acquisitions
Our external growth prospects depend in large part on our ability to identify suitable investment opportunities, pursue such opportunities and consummate acquisitions, including direct or indirect acquisitions of real estate. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as our ability to realize our anticipated growth opportunities and synergies from our newly acquired investments. Integrating acquired investments and businesses also involves a number of risks that could materially and adversely affect our business, including: (i) failure of the acquired investment or businesses to achieve expected results; (ii) risks relating to the integration of the acquired investment or businesses and the retention and integration of key personnel relating to the acquired investment or businesses; and (iii) the risk that major tenants or clients of the acquired investment or businesses may not be retained.

Notwithstanding pre-acquisition due diligence, it is not possible to fully understand a property before it is owned and operated for an extended period of time and there may be undisclosed or unknown liabilities concerning the acquired properties. The Company may not be indemnified for some or all of these liabilities. To mitigate this risk, we conduct an appropriate level of due diligence and investigation in connection with acquisition of properties and seek, through contractual arrangements, to ensure that risks lie with the appropriate party. For example, we could directly or indirectly acquire a property that contains undisclosed environmental contamination. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. Thus, we could have overlooked or misjudged legal and/or economic liabilities. These circumstances could lead to additional costs and could have a material adverse effect on our proceeds from sales and development or rental income of the relevant properties, for which we may not be entitled to any recourse against the vendor, and any contractual, legal, insurance or other remedies may be insufficient. In addition, after the acquisition of a property by us, the market in which the acquired property is located may experience unexpected changes that materially adversely affect the property’s value. For these reasons, among others, our property acquisitions may cause us to experience significant losses. The occupancy of rental properties that we acquire may decline during our ownership, and rents that are in effect at the time a rental property is acquired may decline thereafter. For these reasons, among others, our property acquisitions may cause us to experience significant losses. If we are unable to manage our growth and integrate our acquisitions effectively, our investments, operating results and financial condition could be materially adversely affected.

Risks Related to Master-Planned Communities
Before a master-planned community generates any revenues, material expenditures are incurred to acquire land, obtain development approvals and construct significant portions of project infrastructure, amenities, model homes and sales facilities. It generally takes several years for a master-planned community development to achieve cumulative positive cash flow. If we are unable to develop and market our master-planned communities successfully and generate positive cash flows from these operations in a timely manner, this may have a material adverse effect on our business and results of operations.

Real Estate Ownership

An investment in real estate is relatively illiquid. Such illiquidity tends to limit our ability to vary our commercial property portfolio promptly in response to changing economic or investment conditions. In recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and during an economic recession we may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary to dispose of properties at lower prices in order to generate sufficient cash for operations.

Certain significant expenditures (e.g., property taxes, maintenance costs, mortgage payments, insurance costs and related charges) must be made regardless of whether or not a property is producing sufficient income to pay such expenses. In order to retain desirable rentable space and to generate adequate revenue over the long term, properties must be maintained or, in some cases, improved to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which may not be able to be passed on to tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction, or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization. Any failure by us to ensure appropriate maintenance and refurbishment work is undertaken could materially adversely affect the rental income that we earn from such properties; for example, such a failure could entitle tenants to withhold or reduce rental payments or even terminate existing leases. Any such event could have an adverse effect on our cash flows, financial condition and results of operations.

Returns on real estate and real estate related assets and investments are generally subject to a number of factors and risks, including changes in general economic conditions (which could affect the availability, terms and cost of mortgage financings and other types of credit), changes in local economic conditions (such as an oversupply of properties or a reduction in demand for real estate in a particular area), the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs. These factors and risks could cause fluctuations in the value of the real estate and real estate related assets and investments owned by us, or in the value of the real estate securing mortgages and other loans our subsidiaries may issue. These fluctuations could materially adversely affect us.

The revenue properties in the various Dream Entities' investment portfolios generate income through rent received from tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than those of the existing lease. The Dream Entities’ income and cash flows could be adversely affected if tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in any particular property could not be leased on economically favourable lease terms. In the event of default by a tenant, they may experience delays or limitations in enforcing their rights as lessor and incur substantial costs in protecting their investments. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws, which could result in the rejection and termination of the lease of the tenant and, thereby, cause a reduction in the cash flows available to the other Dream Entities that may adversely affect the asset management revenue or distributions we receive from the other Dream Entities.

Rollover of Leases

Revenue properties generate income through rent received from tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than those of the existing lease. Our cash flows and financial position could be adversely affected if tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in our revenue properties could not be leased on economically favourable lease terms. In the event of default by a tenant, we may experience delays or limitations in enforcing our rights as lessor and incur substantial costs in protecting our investment. In addition, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws, which could result in the rejection and termination of the lease of the tenant and, thereby, cause a reduction in the cash flows available to us.

Market Conditions

Revenue properties are subject to economic and other factors affecting the real estate markets in the geographic areas where we own and manage properties. These factors include government policies, demographics and employment patterns, the affordability of rental properties, competitive leasing rates and long-term interest and inflation rates. These factors may differ from those affecting the real estate markets in other regions. If real estate conditions in areas where these properties are located decline relative to real estate conditions in other regions, our cash flows and financial condition may be more adversely affected than those of companies that have more geographically diversified portfolios of properties.

Residential Rental Business Risk

Purchaser demand for residential rentals is cyclical and is affected by changes in general market and economic conditions, such as consumer confidence, employment levels, availability of financing for home buyers, interest rates, demographic trends, housing supply and housing demand. As a landlord in its properties that include rental apartments, the Company is subject to the risks inherent in the multi-unit residential rental business, including, but not limited to, fluctuations in occupancy levels, individual credit risk, heightened reputation risk, tenant privacy concerns, potential changes to rent control regulations, increases in operating costs including the costs of utilities and the imposition of new taxes or increased property taxes. In addition, multi-family rental properties are subject to rent control legislation in Ontario. The legislation in various degrees imposes restrictions on the ability of a landlord to increase rents above an annually prescribed guideline or requires the landlord to give tenants sufficient notice prior to an increase in rent, or restricts the frequency of rent increases permitted during the year. The lack of availability of affordable housing and related housing policy and regulations is continuing to increase in prominence as a topic of concern at the various levels of government. The Company may be exposed to the risk of the implementation of, or amendments to, existing legislative rent controls in the markets in which it operates, which may have an adverse impact on our operations and we may incur costs that will not be fully recoverable from rents charged to tenants. Multi-family rental business risk may result in a significant loss of earnings to the Company; however, to mitigate these risks, the Company portfolio includes well located and professionally managed properties.

Sales Risks
Home and condominium buyers typically finance their home or condominium acquisitions through lenders providing mortgage financing. Increases in mortgage rates or decreases in the availability of mortgage financing could depress the market for new condominiums because of the increased monthly mortgage costs to potential buyers. In addition, increases in mortgage rates and other economic factors may negatively impact the capacity of prospective buyers to close on the acquisition of our units, resulting in buyers defaulting on their purchase agreements and providing us with a gain limited to the purchase agreement deposit. In such cases, we face the risk that we may need to sell the units at lower prices than expected, and that the deposit that we withheld from any defaulting buyers will not cover the loss in sales price of such units. Even if potential customers do not need financing, changes in mortgage interest rates and mortgage availability could make it harder for them to sell their existing homes to potential buyers who need financing, which would result in reduced demand for new homes. As a result, rising mortgage rates and reduced mortgage availability could adversely affect the Company's ability to sell new condominiums and the price at which it can sell them.

Regulatory Risks
The real estate development process is subject to a variety of laws and regulations. In particular, governmental authorities regulate such matters as zoning and permitted land uses, levels of density and building standards. We will have to continue to obtain approvals from various governmental authorities and comply with local, provincial and federal laws, including laws and regulations concerning the protection of the environment in connection with such development projects. Obtaining such approvals and complying with such laws and regulations may result in delays which, may cause us to incur additional costs that impact the profitability of a development project, or may restrict development activity altogether with respect to a particular project.

In addition, certain private funds that operate in the United States in which we hold interests are registered with the Securities and Exchange Commission ("SEC"), and are therefore subject to the regulations of the SEC. Any failure of such private funds to adhere to or abide by such applicable securities regulations may result in fines or other enforcement action by the SEC, which could result in significant financial and reputational costs for such funds and adversely affect the value of our investment in such funds.

Environmental and Climate Change Risks
As an owner of real property, we are subject to various federal, provincial or state, and municipal laws relating to environmental matters. Such laws provide a range of potential liability, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous substances. The presence of such substances, if any, could adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral and, potentially, could also result in civil claims against us. In order to obtain financing for the purchase of a new property through traditional channels, we may be requested to arrange for an environmental audit to be conducted. Although such an audit provides us and our lenders with some assurance, we may become subject to liability for undetected pollution or other environmental hazards on our properties against which we cannot insure, or against which we may elect not to insure where premium costs are disproportionate to our perception of relative risk.

We have formal policies and procedures to review and monitor environmental exposure. In 2021, we became an official supporter of the Task Force on Climate-related Financial Disclosures ("TCFD"), and will develop a plan to systematically assess climate change-related risk around the four TCFD core reporting areas, being governance, strategy, risk management, and metrics and targets.

Climate change continues to attract the focus of governments, investors, and the general public as an important threat, given that the emission of greenhouse gases and other activities continue to negatively impact the planet. We face the risk that our properties or tenants will be subject to government initiatives aimed at countering climate change, such as reduction of greenhouse gas emissions, which could impose constraints on our operational flexibility or cause us or our tenants to incur financial costs to comply with various reforms. Any failure to adhere and adapt to climate change reform could result in fines or adversely affect our reputation, operations, or financial performance. Furthermore, our properties or tenants may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions. Such events could interrupt our operations and activities, damage our properties, and potentially decrease our property values or require us to incur additional expenses including an increase in insurance costs to insure our properties against natural disasters and severe weather.

Home Warranty and Construction Defect Claims
As a homebuilder, we are subject to construction defect and home warranty claims arising in the ordinary course of our business. These claims are common in the homebuilding industry and can be costly. Where we act as the general contractor, we will be responsible for the performance of the entire contract, including work assigned to subcontractors. Claims may be asserted against us for construction defects, personal injury or property damage caused by the subcontractors, and if successful these claims give rise to liability. Where we hire a general contractor, if there are unforeseen events such as the bankruptcy of, or an uninsured or under-insured loss claimed against our general contractor, we will sometimes become responsible for the losses or other obligations of the general contractor. The costs of insuring against construction defect and product liability claims are high, and the amount of coverage offered by insurance companies may be limited. There can be no assurance that this coverage will not be further restricted and become more costly. If we are not able to obtain adequate insurance against these claims in the future, our business and results of operations may be adversely affected.

Seasonality
The nature of our land development and housing business is inherently seasonal as it depends on sales of specific projects dictated by the marketplace and the availability of buyers as well as weather-related delays. We have historically experienced, and we expect that we will continue to experience, variability in our results on a quarterly basis. We generally have more homes under construction, close more home sales and have greater revenues and operating income from our housing business in the fourth quarter of our fiscal year. Therefore, although new home contracts are obtained throughout the period, a significant portion of our home closings occur in the second fiscal quarter. Our revenues from our land and housing development business therefore may fluctuate significantly on a quarterly basis, and we must maintain sufficient liquidity to meet short-term operating requirements.

Asset Management Risks
Our ability to successfully expand our asset management activities is dependent on a number of factors, including certain factors that are outside our control. In the event that the asset base of our funds were to decline, our management fees could decline as well. In addition, we could experience losses on our investments of our own capital in our funds as a result of poor performance by our funds. Termination of an asset management agreement in accordance with its terms by any of our funds would also result in a decline in our management fees.

Our ability to successfully expand asset management activities is dependent on our reputation with clients. We believe that our track record, the expertise of our asset management team and the performance of the assets currently under management will enable us to continue to develop productive relationships with these companies and to grow the assets under management. However, if we are not successful in doing so, our business and results of operations may be adversely affected.

Our revenues from the asset management segment are dependent on agreements with a few key clients. Although we have long-term, stable management contracts with clients that may only be terminated in limited circumstances, any such termination could have a material adverse effect on our revenue from management fees.

Loans Receivable and Investment Holdings

Default Risk
If a borrower under a loan defaults under any terms of the loan, we may have the ability to exercise our enforcement remedies in respect of the loan. Exercising enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact our cash flow. In addition, as a result of potential declines in real estate values, there is no assurance that we will be able to recover all or substantially all of the outstanding principal and interest owed to us in respect of such loans by exercising our enforcement remedies. Our inability to recover the amounts owed to us in respect of such loans could materially adversely affect us.

There can be no assurance that any of the loans comprising our borrowers' portfolio can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. The lenders, the borrowers or both may elect to not renew any loan. If loans are renewed, the principal balance, the interest rates and the other terms and conditions will be subject to negotiation between the lenders and the borrowers at the time of renewal.

In addition, the composition of our loans receivable may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in it being less diversified during certain periods. A lack of diversification may result in exposure to economic downturns or other events that have an adverse and disproportionate effect on particular types of securities, industries or geographies.

Credit Risk and Concentration Risk
There is a risk that a borrower or issuer of an investment security will not make a payment on debt or that an originating lender will not make its payment on a loan participation interest purchased by us or that an issuer or an investment security or an originating lender retaining the original loan in which it grants participation may suffer adverse changes in financial condition, lowering the credit quality of its security or participation and increasing the volatility of the security or participation price. Such changes in the credit quality of a security or participation can affect its liquidity and make it more difficult to sell if we wish to do so. In addition, with respect to loans made or held by us, a change in the financial condition of a borrower could have a negative financial impact on us.

While we intend to diversify our investments to ensure that we do not have excessive concentration in any single borrower or counterparty, or related group of borrowers or counterparties, the Company currently holds various lending instruments and investments with the same counterparty or related counterparties within its lending portfolio and development and investment holdings portfolio. A change in the financial condition of a single borrower or counterparty or related group of borrowers or counterparties to which the Company has concentrated exposure could significantly and adversely affect the overall performance of the Company.

Financial and Liquidity Risk

Interest Rate Risk
When negotiating or amending and extending financing agreements and instruments, we depend on our ability to agree on terms, including in respect of interest payments and amortization. In addition, we have entered into, and we may continue to enter into, financing agreements with variable interest rates. There is a risk that interest rates will continue to increase. To the extent the Company utilizes variable rate debt, this will result in fluctuations in our cost of borrowing and further increases in interest rates could result in a significant increase in the amount paid by us to service debt that could materially adversely affect our cash flows.

We have entered into certain interest rate hedging arrangements to mitigate the impact of rising interest rates on our business, including project-level debt in our equity accounted investments, which under IFRS, is not explicitly consolidated on our balance sheet. Hedging transactions involve the risk that counterparties, which are generally financial institutions, may be unable to satisfy their obligations. If any counterparties default on their obligations under the hedging contracts or seek bankruptcy protection, it could have an adverse effect on the Company’s cost of borrowing on variable rate loans. Our obligations under hedging arrangements may be secured by all or a portion of our assets or cash, the value of which generally must cover the fair value of the transactions outstanding under the facility by some multiple. If we are unable to provide adequate security to support hedging arrangements, the Company will remain exposed to interest rate fluctuations. We may from time to time implement other hedging programs in order to offset the risk of revenue losses and to provide more certainty on our cash flows, should current variable interest rates increase. However, to the extent that we fail to adequately manage these risks, our financial results and our ability to make interest payments under future financings may be adversely affected. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by financial institutions, could have a material adverse effect on our ability to sell any of our investments.

Financing Risk

Ownership of certain of our assets and the industries in which we operate are capital intensive. We will require access to capital to ensure properties are maintained, as well as to fund our growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms. Our access to third-party financing will be subject to a number of factors, including general market conditions, the market's perception of our growth potential, our current and expected future earnings and our cash flows and dividends and cash interest payments, and the market price of our shares. Upon the expiry of the term of the financing of any particular property, refinancing may not be available or may not be available on reasonable terms. Our failure to access required capital and access such capital on favourable terms could materially adversely impact our investments, cash flows, operating results or financial condition, our ability to make distributions on the shares and our ability to implement our growth strategy.

The degree to which we are leveraged could have important consequences to our operations. A high level of debt will reduce the amount of funds available for the payment of dividends to shareholders; limit our flexibility in planning for and reacting to changes in the economy and in the industry, and increase our vulnerability to general adverse economic and industry conditions; limit our ability to borrow additional funds, dispose of assets, encumber our assets and make potential investments; place us at a competitive disadvantage compared to other owners of similar assets that are less leveraged and, therefore, may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing; make it more likely that a reduction in our borrowing base following a periodic valuation (or redetermination) could require us to repay a portion of then outstanding borrowings; and impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other purposes.

Liquidity Risk

Our ability to meet our financial obligations as they become due represents our exposure to liquidity risk. Our principal liquidity needs are to ensure adequate operating funds are available to fund development costs, to cover leasing costs, overhead and capital expenditures for income generating assets, to provide for resources needed to fund capital calls for existing developments, to generate a target rate of return on investments and to cover dividend payments. As at December 31, 2023, there were adequate resources to address the Company's short-term liquidity requirements.

Our ability to meet our future obligations may be impacted by the liquidity risk associated with receiving repayments of our loans, distributions from equity accounted investments, amounts receivable and other deposits, and cash equivalents on time and in full and the realization of fair value on any disposition of our non-core properties and investments. If we are unable to meet our obligations as they come due or otherwise renegotiate such obligations, our ability to continue as a going concern may be adversely affected.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. In recent years, the level of transaction activity and general liquidity in the Company's primary markets has decreased considerably. Such illiquidity may limit our ability to vary our portfolio promptly in response to changing economic or investment conditions and may impact our ability to successfully execute on our business strategies. If we were required to liquidate our real property investments, the proceeds to us might be significantly less than the aggregate carrying value of our properties.

Management manages liquidity risk by monitoring actual and projected cash flows and liquidity requirements of the Company. Management seeks to ensure that it has sufficient cash to meet operational needs by maintaining sufficient cash, ensuring availability under its credit facilities and its ability to lease out vacant properties. The Company mitigates liquidity risk by staggering the maturity date of its borrowing, maintaining borrowing relationships with different lenders and maintaining sufficient availability on its credit facilities. The failure of the Company to adequately manage its liquidity risk could have an adverse effect on our financial condition and results of operation and decrease the amount of cash available for distribution to shareholders and cause the price of our Subordinate Voting Shares to decrease.

Ability to Obtain Performance, Payment, Completion and Surety Bonds and Letters of Credit

We may often be required to provide performance, payment, completion and surety bonds or letters of credit to secure the completion of our construction contracts, development agreements and other arrangements. We have obtained facilities to provide the required volume of performance, payment, completion and surety bonds and letters of credit for our expected growth in the medium term; however, unexpected growth may require additional facilities. Our ability to obtain further performance, payment, completion and surety bonds and letters of credit primarily depends on our perceived creditworthiness, capitalization, working capital, past performance and claims record, management expertise and certain external factors, including the capacity of the performance bond markets. If our future claims record or our providers' requirements or policies are different, if we cannot obtain the necessary consent from lenders to renew or amend our existing facilities, or if the market's capacity to provide performance and completion bonds is not sufficient, we could be unable to obtain further performance, payment, completion and surety bonds or letters of credit when required, which could have a material adverse effect on our business, financial condition and results of operations.

Financial Covenants

Our credit facilities and other financial instruments contain customary covenants and conditions, including, among others, compliance with various financial ratios and restrictions upon the incurrence of additional indebtedness and liens on our properties. These covenants may limit our flexibility in conducting our operations. Furthermore, the terms of some of this indebtedness may adversely affect our ability to consummate transactions that result in a change of control. Existing mortgages may also contain customary negative covenants such as those that limit our or our affiliates' ability, without the prior consent of the lender, to further mortgage the applicable property. If we or our affiliates were to breach covenants in these debt agreements, the lender could declare a default and require us to repay the debt immediately. If we fail to make such repayment in a timely manner, the lender may be entitled to take possession of any property securing the loan. If the lenders declared a default under our credit facilities, all amounts outstanding thereunder would become due and payable and our ability to borrow in future periods could be restricted. In addition, any such default on indebtedness in excess of a stipulated amount, unless waived, could constitute a default under other facilities or financial instruments, giving rise to the acceleration of such indebtedness.

Other Applicable Risks

Economic Environment

Uncertainty over whether the economy will be adversely affected by inflation or stagflation, and the systemic impact of volatile energy costs and geopolitical issues, may contribute to increased market volatility. Such economic uncertainties and market challenges, which may result from a continued or exacerbated general economic slowdown, and their effects could materially and adversely affect the Company's ability to generate revenues, thereby reducing its earnings. A difficult operating environment could also have a material adverse effect on the ability of the Company to maintain occupancy rates at its properties, which could harm the Company's financial condition. Under such economic conditions, the Company's tenants may be unable to meet their rental payments and other obligations due to the Company, which could have a material adverse effect on the Company's financial position.

Increased inflation could have a more pronounced negative impact on any variable rate debt the Company is subject to or incurs in the future and on its results of operations. Similarly, during periods of high inflation, annual rent increases may be less than the rate of inflation on a continual basis. Substantial inflationary pressures and increased costs may have an adverse impact on the Company's tenants if increases in their operating expenses exceed increases in revenue. This may adversely affect the tenants' ability to pay rent, which could negatively affect the Company's financial condition.

The Company is also subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of its real estate purchases, or the number of investors seeking to acquire properties decreases, the value of the Company's investments may not appreciate or may depreciate. Accordingly, the Company's operations and financial condition could be materially and adversely affected to the extent that an economic slowdown or downturn occurs, is prolonged or becomes more severe.

Public Health Risk

Public health crises, pandemics and epidemics, such as those caused by new strains of viruses such as the novel coronavirus ("COVID-19"), could adversely impact our and our customers' businesses, and thereby our and our customers' ability to meet payment obligations, by disrupting supply chains and transactional activities, causing reduced traffic at our properties, leading to mobility restrictions and other quarantine measures, precipitating increased government regulation and negatively impacting local, national or global economies. Public health crises, pandemics and epidemics may also increase the volatility in financial markets and impact debt and equity markets, which could affect our ability to access capital. All of these factors may have a material adverse effect on our business, results of operations and our ability to make cash distributions to unitholders.

Cyber Security Risk

Cyber security has become an increasing area of focus for issuers and businesses in Canada and globally, as reliance on digital technologies to conduct business operations has grown significantly. As we continue to increase our dependence on information technologies to conduct our operations, the risks associated with cyber security also increase. We rely on management information systems and computer control systems. Business disruptions, utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm our operations and materially adversely affect our operating results. Cyber-attacks against organizations are increasing in sophistication and can include but are not limited to intrusions into operating systems, theft of personal or other sensitive data and/or cause disruptions to business operations. Such cyber-attacks could compromise the Company's confidential information as well as that of the Company's employees, customers and third parties with whom the Company interacts and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage.

Our exposure to cyber security risks includes exposure through third parties on whose systems we place significant reliance for the conduct of our business. We have implemented security procedures and measures in order to protect our systems and information from being vulnerable to cyber attacks. However, we may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to our information and control systems could have severe financial and other business implications.

Tax Risk

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

The determination of our income and other tax liabilities requires interpretation of complex laws and regulations, often involving multiple jurisdictions. Judgment is required in determining whether deferred income tax assets should be recognized on the consolidated statements of financial position. Deferred income tax assets are recognized to the extent that we believe it is probable that the assets can be recovered. Furthermore, deferred income tax balances are recorded using enacted or substantively enacted future income tax rates. Changes in enacted income tax rates are not within the control of management. However, any such changes in income tax rates may result in actual income tax amounts that may differ significantly from estimates recorded in deferred tax balances.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Certain proposed amendments to the Tax Act would have the effect of denying the deductibility of net interest expense and financing expenses in certain circumstances, including the computation of taxable income by a corporation, partnership or a trust. If these proposed amendments are enacted as proposed, the amount of interest and finance expenses deductible by the Company and subsidiaries owned by the Company may be reduced and/or the

Company and subsidiaries owned by the Company may be required to include in its income its share of denied net interest and financing expenses of its subsidiary partnerships.

Adverse Weather Conditions and Natural Disasters
Adverse weather conditions and natural disasters such as hurricanes, tornadoes, earthquakes, droughts, floods, fires, extreme cold, snow and other natural occurrences could have a significant effect on our ability to develop land. These adverse weather conditions and natural disasters could cause delays and increase costs in the construction of new homes and the development of new communities. If insurance is unavailable to us or is unavailable on acceptable terms, or if the insurance is not adequate to cover business interruption or losses resulting from adverse weather or natural disasters, our business and results of operations could be adversely affected. In addition, damage to new homes caused by adverse weather or a natural disaster could cause our insurance costs to increase.

Adverse weather conditions and natural disasters could also limit the ability to generate or sell power. In certain cases, some events may not excuse us from performing obligations pursuant to agreements with third parties, and we may be liable for damages or suffer further losses as a result. In addition, many of our power generation assets are located in remote areas, which makes access for repair of damage difficult.

Uninsured Losses
The Company carries comprehensive general liability, environmental, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (including, but not limited to, environmental contamination or catastrophic events such as war or acts of terrorism), which are either uninsurable, in whole or in part, or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and the Company would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Key Personnel
The Company's executive and other senior officers have a significant role in our success and oversee the execution of our strategy. Our ability to retain our management team or attract suitable replacements should any members of the management group leave is dependent on, among other things, the competitive nature of the employment market. The Company has experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on its ability to achieve its objectives. The loss of services from key members of the management team or a limitation in their availability could adversely impact our financial condition and cash flow. We rely on the services of key personnel on our executive team, including our President and CRO, Chief Financial Officer, President of Asset Management, and the Company's directors. The loss of their services could have an adverse effect on the Company. We mitigate key personnel risk through succession planning, but do not maintain key personnel insurance.

Changes in Law
We are subject to laws and regulations governing the ownership and leasing of real property (including the expropriation thereof), employment standards, environmental matters, taxes and other matters. It is possible that future changes in such laws or regulations or changes in their application, enforcement or regulatory interpretation could result in changes in the legal requirements affecting commercial properties (including with retroactive effect). Any changes in the laws to which we are subject or in the political environment in the jurisdictions where the commercial properties in which we have an interest are operated could adversely affect us and the revenues we are able to generate from our investments.

Impact Investment Strategy Risk
Dream Impact Trust has deployed its capital into impact investment opportunities that are aligned with Dream Impact Trust’s three impact verticals. Dream Impact Trust's ability to achieve its impact investment objectives will be dependent on its ability to successfully identify and realize investment opportunities that align with its investment framework. There can be no assurance that Dream Impact Trust will achieve these objectives or that its impact investments or developments will generate positive returns in a timely manner. In addition, Dream Impact Trust has implemented its own impact investing framework, which it believes is aligned with existing frameworks in this field. However, these may or may not be interpreted differently from other issuers or other participants in the impact investing space. While Dream Impact Trust intends to responsibly create positive social and environmental change in its communities, the success of its impact investment strategy and its ability to generate market returns will be based on various and unpredictable factors, including investor perceptions and reactions and future economic or investment conditions.

Adverse Global Market, Economic and Political Conditions
Adverse Canadian, U.S., European and global market, economic and political conditions, including dislocations and volatility in credit markets and general global economic uncertainty, unexpected geopolitical events, including disputes between nations, war, terrorism or other acts of violence, and international sanctions, could have a material adverse effect on our business, results of operations and financial condition with the potential to impact, among others: (i) the value of our properties; (ii) the availability or the terms of financing that we have or may anticipate utilizing; (iii) our ability to make principal and interest payments on, or refinance any outstanding debt when due; (iv) the occupancy rates in our properties; and (v) the ability of our tenants to enter into new leasing transactions or to satisfy rental payments under existing leases.

Continued concerns about the uncertainty over whether the economy will be adversely affected by geopolitical events may contribute to increased market volatility and weakened business and consumer confidence. The occurrence of war or hostilities between countries, including the conflict between Russia and Ukraine, or threat of terrorist activities and the responses to and results of these activities, could adversely impact the Company, its facilities, the financial markets and general economic conditions. In response to the conflict between Russia and Ukraine, countries in which we operate have implemented economic sanctions against Russia and may impose further sanctions or other restrictive actions against governmental or other entities in Russia or elsewhere. Any of the above factors, including sanctions and other governmental actions, could affect the financial condition of our tenants and may have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our Subordinate Voting Shares to decline.

Competition for Investment Opportunities
Our performance depends on our ability to source or acquire assets, including real estate and development assets, real estate, renewable power projects, mortgage and other loans and other investment opportunities at favourable yields or potential rates of return. We will compete with other investors, managers, corporations, institutions, developers and owners of real estate for investment opportunities in the financing and/or acquisition of assets, including real estate development, real estate and other lending. Certain competitors may have a higher risk tolerance, greater financial and other resources and greater operating flexibility than us, allowing these competitors to more aggressively pursue investment opportunities. Accordingly, we may be unable to acquire sufficient real property, real property lending assets, renewable power projects or other assets or investment opportunities at favourable yields or terms or at all.

Ability to Source Suitable Investments
Our strategy involves investing in,and sourcing for our asset management clients, suitable investment opportunities, pursuing such opportunities, consummating investments and, in the case of real estate property, and renewable power projects effectively operating and leasing such properties and assets. There can be no assurance as to the pace of growth through investments and/or acquisitions or that we or the other Dream Entities will be able to acquire assets on an accretive basis, which could adversely impact our financial performance. There can be no assurance that we will be able to find attractive opportunities toward which to deploy capital or the proceeds of dispositions, or that we will be able to replace the revenue from disposed investments with revenue from newly acquired investments on satisfactory terms.

Acquisitions are subject to commercial risks and satisfaction of closing conditions. Such acquisitions may not be completed or, if completed, may not be on terms that are as favourable as initially negotiated. In the event that we do not complete an announced acquisition, it may have an adverse effect on our operating results.

Market Price of Shares
The trading price of our Subordinate Voting Shares in the open market is subject to volatility and cannot be predicted. Our shareholders may not be able to resell their Subordinate Voting Shares at or above the price at which they purchased their Subordinate Voting Shares due to such trading price fluctuations. The trading price could fluctuate significantly in response to factors both related and unrelated to our operating performance and/or future prospects, including, but not limited to: (i) variations in our quarterly or annual operating results and financial condition; (ii) changes in government laws, rules or regulations affecting our businesses; (iii) material announcements by our competitors; (iv) market conditions and events specific to the industries in which we operate; (v) changes in general economic conditions; (vi) differences between our actual financial and operating results and those expected by investors and analysts; (vii) changes in analysts' recommendations or earnings projections; (viii) changes in the extent of analysts' interest in covering the Company; (ix) the depth and liquidity of the market for our shares; (x) dilution from the issuance of additional equity; (xi) investor perception of our businesses and industries; (xii) investment restrictions; (xiii) our dividend policy; (xiv) the departure of key executives; (xv) sales of Subordinate Voting Shares by senior management or significant shareholders; and (xvi) the materialization of other risks described in this section.

Dividends
The payment of dividends is dependent on cash flows of the business and subject to change. Whether Dream will pay dividends on its shares, and the timing and amount of those dividends, will be subject to approval and declaration by the Board, and will depend on a variety of factors, including the projected earnings and cash flow, cash requirements and financial condition of Dream and other factors deemed relevant by the Board. Although we intend to make and pay dividends in accordance with our policies, there can be no assurance that Dream will be in position to pay dividends in the future.

Forward-Looking Information

Certain information herein contains or incorporates statements that constitute forward-looking information within the meaning of applicable securities legislation, including, but not limited to, statements regarding our objectives and strategies to achieve those objectives; our beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth, expected net proceeds from sales or transactions, results of operations, performance, business prospects and opportunities, acquisitions or divestitures, tenant base, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, vacancy and leasing assumptions, litigation and the real estate industry in general; as well as specific statements in respect of: anticipated levels and fluctuation of development, asset management and other management fees, and fees related to development activities and partnerships, in future periods; our development and redevelopment plans and proposals for current and future projects, including the quality of our assets, projected sizes, density, timelines, uses and tenants; the redevelopment potential of our assets and the assets held by Dream Impact Trust; anticipated current and future unit sales and occupancies of our condominium and mixed-use projects, including anticipated timing of closings of condominium unit sales, and resulting revenue; the contribution of our development segment to our earnings and income in future periods; our expectation that recurring income will increase in the future, including as development properties are completed and held for the long term, and the future composition of our recurring income portfolio; our intention of investing to grow our platform; expected benefits from recurring income and developments, including stability and financial flexibility; the supplementary information in relation to the development and redevelopment projects in our portfolio, including the projects that we expect to be completed and added to our recurring income segment over the next three years, total units at completion, square footage, residential GFA, rental, commercial and retail GLA, occupancy/stabilization dates, sustainability features, and future GLA under development and other project features; our expectation that we will add 2,305 apartment units comprising 2.0 million square feet of residential GFA to our recurring income portfolio over the next four years; expectations regarding our development plans (including occupancy status) for Alpine Park, Zibi, Riverside Square, Canary Landing, Canary District, LeBreton, Brightwater, Maple House, Quayside and Forma projects, as well as other projects; Quayside becoming Canada's largest all-electric, zero-carbon master-planned community; the approval of our master-planned communities; our acquisition and development pipeline, including in respect of the Dream group of companies; our ability to monitor and adjust our inventory levels and development projects based on market conditions; our capital management objectives; our ability to mitigate certain risks; Dream's intention to hold stabilized income properties in core markets and expectations that such assets will grow over time; Dream's ability to source, structure and execute investment opportunities; the goal of improving Dream's business' safety, value and earnings quality; expectations regarding our sustainability and impact targets, including in respect of characteristics of our projects and affordable units; Zibi's sustainability and it becoming the first One Planet Master-Planned community in Canada; expectations regarding the sale of assets, including assets being developed for sale; our expected sources of funding of current liabilities, including the sale of assets including Arapahoe Basin, and of short-term liquidity requirements, including through cash on hand, cash from operating activities, working capital reserves and operating debt facilities; Dream's ability to maintain a conservative debt level; expected sources of funding for maturing debt; our anticipation that cash from operations and recurring income will provide cash needed to fund operating expenses and debt service requirements; and our overall financial performance, profitability and liquidity for future periods and years. Forward-looking statements generally can be identified by words such as "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "could", "likely", "plan", "forecast", "project", "continue", "target", "outlook" or similar expressions suggesting future outcomes or events.

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

All forward-looking information is as of February 21, 2024. Dream does not undertake to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information about these assumptions and risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our website at www.dream.ca.

Additional Information - Consolidated Dream

Segmented Assets and Liabilities

							December 31, 2023
	Recurring income	Development	Corporate and other	**Consolidated Dream**	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	**Dream standalone[1]**
Assets							
Cash and cash equivalents	$ 33,506	$ 20,214	$ 6,483	**$ 60,203**	$ 6,176	$ 4,043	**$ 49,984**
Accounts receivable	46,168	221,227	6,646	**274,041**	3,710	(33,606)	**303,937**
Other financial assets[2]	60,033	37,550	2,239	**99,822**	18,250	43,791	**37,781**
Housing inventory	—	52,747	—	**52,747**	—	—	**52,747**
Condominium inventory	—	383,829	—	**383,829**	—	33,439	**350,390**
Land inventory	221	458,330	—	**458,551**	—	—	**458,551**
Investment properties	1,522,148	197,024	—	**1,719,172**	278,980	726,840	**713,352**
Recreational properties	82,898	—	—	**82,898**	—	—	**82,898**
Equity accounted investments	395,295	275,735	—	**671,030**	387,027	177,364	**106,639**
Capital and other operating assets	9,608	51,663	11,958	**73,229**	3,717	9,748	**59,764**
Intangible asset	—	—	—	**—**	—	(43,000)	**43,000**
Dream Group Holdings[3]	—	—	—	**—**	—	(368,577)	**368,577**
Total assets	$ 2,149,877	$ 1,698,319	$ 27,326	**$ 3,875,522**	$ 697,860	$ 550,042	**$ 2,627,620**
Liabilities							
Accounts payable and other liabilities	$ 63,144	$ 159,071	$ 11,161	**$ 233,376**	$ 8,713	$ 16,701	**$ 207,962**
Income and other taxes payable[4]	—	—	79,964	**79,964**	—	—	**79,964**
Provision for real estate development costs	17	61,052	—	**61,069**	—	(946)	**62,015**
Debt	1,097,068	422,175	291,306	**1,810,549**	270,114	564,385	**976,050**
Dream Impact Trust units[4]	—	—	70,779	**70,779**	—	70,779	**—**
Dream Impact Fund units[4]	—	—	113,405	**113,405**	—	113,405	**—**
Deferred income taxes[4]	—	—	102,321	**102,321**	(9,624)	30,961	**80,984**
Total liabilities	$ 1,160,229	$ 642,298	$ 668,936	**$ 2,471,463**	$ 269,203	$ 795,285	**$ 1,406,975**
Total equity	$ 989,648	$ 1,056,021	$ (641,610)	**$ 1,404,059**	$ 428,657	$ (245,243)	**$ 1,220,645**

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

December 31, 2022

	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	Dream standalone[1]
Assets							
Cash and cash equivalents	$ 27,739	$ 15,270	$ 4,624	$ 47,633	$ 2,244	$ 15,087	$ 30,302
Accounts receivable	26,436	233,564	8,037	268,037	3,353	(32,708)	297,392
Other financial assets[2]	52,229	59,055	4,854	116,138	21,230	37,516	57,392
Housing inventory	—	48,146	—	48,146	—	—	48,146
Condominium inventory	—	346,979	—	346,979	—	13,197	333,782
Land inventory	206	469,942	—	470,148	—	—	470,148
Investment properties	1,410,271	148,240	—	1,558,511	304,830	597,292	656,389
Recreational properties	80,300	—	—	80,300	—	—	80,300
Equity accounted investments	644,700	317,037	—	961,737	386,111	489,105	86,521
Capital and other operating assets	16,259	31,390	11,216	58,865	6,401	(3,719)	56,183
Intangible asset	—	—	—	—	—	(43,000)	43,000
Dream Group Holdings	—	—	—	—	—	(673,459)	673,459
Total assets	$ 2,258,140	$ 1,669,623	$ 28,731	$ 3,956,494	$ 724,169	$ 399,311	$ 2,833,014
Liabilities							
Accounts payable and other liabilities	$ 64,506	$ 175,463	$ 27,903	$ 267,872	$ 18,980	$ (58,074)	$ 306,966
Income and other taxes payable[3]	—	—	57,363	57,363	—	—	57,363
Provision for real estate development costs	262	73,900	—	74,162	—	(731)	74,893
Debt	916,137	364,603	331,831	1,612,571	220,889	526,499	865,183
Dream Impact Trust units[3]	—	—	188,385	188,385	—	188,385	—
Dream Impact Fund units[3]	—	—	69,919	69,919	—	69,919	—
Deferred income taxes[3]	—	—	132,530	132,530	5,568	10,587	116,375
Total liabilities	$ 980,905	$ 613,966	$ 807,931	$ 2,402,802	$ 245,437	$ 736,585	$ 1,420,780
Total equity	$ 1,277,235	$ 1,055,657	$ (779,200)	$ 1,553,692	$ 478,732	$ (337,274)	$ 1,412,234

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

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

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

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

Segmented Statement of Earnings

For the three months ended December 31, 2023

	Recurring income	Development	Corporate and other	**Consolidated Dream**	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	**Dream standalone[1]**
Revenue	$ 57,982	$ 49,876	$ —	**$ 107,858**	$ 5,026	$ 4,359	**$ 98,473**
Direct operating costs	(32,354)	(38,960)	—	**(71,314)**	(2,635)	(2,615)	**(66,064)**
Gross margin	25,628	10,916	—	**36,544**	2,391	1,744	**32,409**
Selling, marketing, depreciation and other operating costs	(2,329)	(7,835)	—	**(10,164)**	—	259	**(10,423)**
Net margin	23,299	3,081	—	**26,380**	2,391	2,003	**21,986**
Fair value changes in investment properties	(27,218)	(2,232)	—	**(29,450)**	(11,015)	(14,556)	**(3,879)**
Investment and other income	393	8,361	(527)	**8,227**	134	(141)	**8,234**
Interest expense	(9,934)	(607)	(4,379)	**(14,920)**	(4,150)	(2,686)	**(8,084)**
Fair value changes in financial instruments	—	(1,133)	(5)	**(1,138)**	(1,138)	—	**—**
Share of earnings from equity accounted investments	(64,290)	(2,505)	—	**(66,795)**	(10,432)	25,008	**(81,371)**
Net segment earnings (loss)	(77,750)	4,965	(4,911)	**(77,696)**	(24,210)	9,628	**(63,114)**
General and administrative expenses[2]	—	—	(10,248)	**(10,248)**	(1,249)	973	**(9,972)**
Adjustments related to Dream Impact Trust units[2]	—	—	16,312	**16,312**	—	16,312	**—**
Adjustments related to Dream Impact Fund units[2]	—	—	(5,925)	**(5,925)**	—	(5,925)	**—**
Income tax (expense) recovery[2]	—	—	(3,795)	**(3,795)**	5,753	(12,295)	**2,747**
Net earnings (loss)	$ (77,750)	$ 4,965	$ (8,567)	**$ (81,352)**	$ (19,706)	$ 8,693	**$ (70,339)**

For the three months ended December 31, 2022

	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	Dream standalone[1]
Revenue	$ 42,705	$ 124,987	$ —	$ 167,692	$ 4,689	$ 5,269	$ 157,734
Direct operating costs	(28,362)	(86,276)	—	(114,638)	(2,290)	(2,822)	(109,526)
Gross margin	14,343	38,711	—	53,054	2,399	2,447	48,208
Selling, marketing, depreciation and other operating costs	(3,224)	(6,101)	—	(9,325)	—	(1,713)	(7,612)
Net margin	11,119	32,610	—	43,729	2,399	734	40,596
Fair value changes in investment properties	16,286	(704)	—	15,582	11,545	2,864	1,173
Investment and other income	(1,066)	2,084	(554)	464	40	(5,169)	5,593
Interest expense	(9,385)	(1,766)	(5,096)	(16,247)	(3,092)	(4,278)	(8,879)
Fair value changes in financial instruments	—	(59,673)	(104)	(59,777)	(60,455)	678	—
Share of earnings (loss) from equity accounted investments	(26,176)	5,980	—	(20,196)	5,938	7,226	(33,360)
Net segment earnings (loss)	(9,222)	(21,469)	(5,754)	(36,445)	(43,625)	2,055	5,123
General and administrative expenses[2]	—	—	(17,716)	(17,716)	(2,946)	1,817	(16,585)
Adjustments related to Dream Impact Trust units[2]	—	—	(1,879)	(1,879)	—	(1,879)	—
Adjustments related to Dream Impact Fund units[2]	—	—	(1,485)	(1,485)	—	(1,485)	—
Income tax (expense) recovery[2]	—	—	6,314	6,314	1,708	6,615	(2,009)
Net earnings (loss)	$ (9,222)	$ (21,469)	$ (20,520)	$ (51,211)	$ (44,863)	$ 7,123	$ (13,471)

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

For the year ended December 31, 2023

	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	Dream standalone[1]
Revenue	$ 213,343	$ 173,604	$ —	$ 386,947	$ 19,484	$ 15,346	$ 352,117
Direct operating costs	(128,541)	(133,211)	—	(261,752)	(9,707)	(10,773)	(241,272)
Gross margin	84,802	40,393	—	125,195	9,777	4,573	110,845
Selling, marketing, depreciation and other operating costs	(9,070)	(30,255)	—	(39,325)	—	(1,289)	(38,036)
Net margin	75,732	10,138	—	85,870	9,777	3,284	72,809
Fair value changes in investment properties	(52,619)	(4,660)	—	(57,279)	(31,388)	(20,308)	(5,583)
Investment and other income	(57)	12,675	588	13,206	729	(1,173)	13,650
Interest expense	(40,036)	(10,280)	(17,985)	(68,301)	(16,324)	(15,199)	(36,778)
Fair value changes in financial instruments	—	(1,133)	442	(691)	(691)	—	—
Share of earnings (loss) from equity accounted investments	(170,627)	5,321	—	(165,306)	(13,997)	34,176	(185,485)
Net segment earnings (loss)	(187,607)	12,061	(16,955)	(192,501)	(51,894)	780	(141,387)
General and administrative expenses[2]	—	—	(31,155)	(31,155)	(6,785)	5,559	(29,929)
Adjustments related to Dream Impact Trust units[2]	—	—	107,427	107,427	—	107,427	—
Adjustments related to Dream Impact Fund units[2]	—	—	(3,561)	(3,561)	—	(3,561)	—
Income tax (expense) recovery[2]	—	—	2,711	2,711	14,535	(20,612)	8,788
Net earnings (loss)	$ (187,607)	$ 12,061	$ 58,467	$ (117,079)	$ (44,144)	$ 89,593	$ (162,528)

For the year ended December 31, 2022

	Recurring income	Development	Corporate and other	Consolidated Dream	Less: Dream Impact Trust[1]	Less: Consolidation and fair value adjustments[1] and Dream standalone adjustments[1]	Dream standalone[1]
Revenue	$ 167,985	$ 175,783	$ —	$ 343,768	$ 18,427	$ (104,815)	$ 430,156
Direct operating costs	(104,411)	(125,750)	—	(230,161)	(9,142)	70,187	(291,206)
Gross margin	63,574	50,033	—	113,607	9,285	(34,628)	138,950
Selling, marketing, depreciation and other operating costs	(8,458)	(26,014)	—	(34,472)	—	(2,098)	(32,374)
Net margin	55,116	24,019	—	79,135	9,285	(36,726)	106,576
Fair value changes in investment properties	32,078	(859)	—	31,219	11,247	14,143	5,829
Investment and other income	(791)	9,325	190	8,724	215	(8,806)	17,315
Interest expense	(27,845)	(7,915)	(16,043)	(51,803)	(9,286)	(11,219)	(31,298)
Fair value changes in financial instruments	4	(55,238)	413	(54,821)	(55,503)	678	4
Share of earnings (loss) from equity accounted investments	12,688	43,405	—	56,093	8,658	45,524	1,911
Net segment earnings (loss)	71,250	12,737	(15,440)	68,547	(35,384)	3,594	100,337
General and administrative expenses[2]	—	—	(33,563)	(33,563)	(10,613)	7,170	(30,120)
Net gain on land settlement	—	—	86,420	86,420	—	—	86,420
Adjustments related to Dream Impact Trust units[2]	—	—	80,411	80,411	—	80,411	—
Adjustments related to Dream Impact Fund units[2]	—	—	(4,524)	(4,524)	—	(4,524)	—
Income tax (expense) recovery[2]	—	—	(32,846)	(32,846)	2,443	(2,300)	(32,989)
Net earnings (loss)	$ 71,250	$ 12,737	$ 80,458	$ 164,445	$ (43,554)	$ 84,351	$ 123,648

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

Quarterly Business Trends

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

(in thousands of dollars, except per share amounts)	**Dec 31, 2023**	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Revenue	**$ 107,858**	$ 132,512	$ 74,381	$ 72,196	$ 167,692	$ 55,057	$ 67,805	$ 53,214
Earnings (loss) for the period	**(81,352)**	3,925	(74,253)	34,601	(51,211)	96,742	76,741	42,173
Basic earnings (loss) per share	**(1.91)**	0.09	(1.73)	0.81	(1.20)	2.27	1.80	0.99
Diluted earnings (loss) per share	**(1.91)**	0.09	(1.73)	0.78	(1.20)	2.20	1.74	0.96
Dividends declared	**5,285**	5,336	5,350	5,349	25,553	4,259	4,259	4,257

Selected Annual Information

	Year ended December 31,		
(in thousands of dollars, except per share amounts)	**2023**	2022	2021
Revenue	**$ 386,947**	$ 343,768	$ 325,922
Earnings before income taxes	**(119,790)**	197,291	125,875
Earnings for the year	**(117,079)**	164,445	110,661
Earnings for the year attributable to shareholders	**(117,079)**	164,445	110,030
Basic earnings per share	**(2.74)**	3.86	2.52
Diluted earnings per share	**(2.74)**	3.74	2.46
Dividends declared	**21,320**	38,328	13,475
Total assets	**3,875,522**	3,956,494	3,488,674
Total liabilities	**2,471,463**	2,402,802	2,066,461
Total equity	**1,404,059**	1,553,692	1,422,213

Non-GAAP Measures and Other Disclosures

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

Non-GAAP Ratios and Financial Measures

"Adjusted earnings before income taxes" represents pre-tax earnings excluding earnings (loss) from equity accounted investments attributable to Dream Office REIT per Note 12 and net gain on land settlement per Note 26 of the consolidated financial statements. The most directly comparable measure to adjusted earnings before income taxes is earnings (loss) before income taxes. This non-GAAP financial measure is an important measure used to assess the Company's pre-tax earnings excluding certain non-cash amounts and a one time gain on land settlement. Adjusted earnings before income taxes for the three and nine months ended December 31, 2023 and 2022 is reconciled to earnings (loss) before income taxes calculated as follows:

	For the three months ended December 31,		**For the year ended December 31,**	
	2023	2022	**2023**	2022
Earnings (loss) before income taxes	**$ (77,557)**	$ (57,525)	**$ (119,790)**	$ 197,291
Less: Share of earnings (loss) from Dream Office REIT	**(72,935)**	(29,727)	**(181,415)**	5,558
Less: Net gain on land settlement	—	—	—	86,420
Adjusted earnings before income taxes	**$ (4,622)**	$ (27,798)	**$ 61,625**	$ 105,313

"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 December 31, 2023 and December 31, 2022 and for the years ended December 31, 2023 and December 31, 2022. Management believes Dream Impact Trust & Consolidation and fair value adjustments provides investors useful information in order to reconcile it to the Dream Impact Trust financial statements.

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

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

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

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

"Dream standalone FFO", "Dream consolidated FFO", "Adjusted Dream standalone FFO" *and* ***"Adjusted Dream consolidated FFO"*** are non-GAAP financial measures that we consider key measures of our financial performance on a pre-tax basis. Dream standalone FFO is calculated as the sum of FFO for all of our divisions, excluding Dream Impact Trust and consolidation adjustments, and Dream consolidated FFO is calculated as Dream standalone FFO (a non-GAAP financial measure) plus Dream Impact Trust and consolidation adjustments. Adjusted Dream standalone FFO is calculated as Dream standalone FFO excluding one-time transactions that are not recurring in nature and Adjusted Dream consolidated FFO is calculated as Dream consolidated FFO excluding one-time transactions that are not recurring in nature. We use Dream standalone FFO, Dream consolidated FFO, Adjusted Dream standalone FFO and Adjusted Dream consolidated FFO to assess operating results and the performance of our businesses on a divisional basis. Dream standalone FFO is a component of Dream standalone FFO per share, a non-GAAP ratio, and Dream consolidated FFO is a component of Dream consolidated FFO per share, a non-GAAP ratio.

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

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

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

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

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

Dream standalone FFO per share, Dream consolidated FFO per share, Adjusted Dream standalone FFO per share and Adjusted Dream consolidated FFO per share are not financial measures under IFRS and may not be comparable to similar measures disclosed by other issuers. Dream standalone FFO per share, Dream consolidated FFO per share, Adjusted Dream standalone FFO per share and Adjusted Dream consolidated FFO per share for the years ended December 31, 2023 and 2022 are shown in the table included under the "Funds From Operations" section of this MD&A.

"Net operating income" represents revenue, less (i) direct operating costs and (ii) selling, marketing, depreciation and other indirect costs, but including: (iii) depreciation; and (iv) general and administrative expenses. The most directly comparable financial measure to net operating revenue is net margin. This non-GAAP measure is an important measure used by management to assess the profitability of the Company's recurring income segment. Net operating income for the recurring income segment for the years ended December 31, 2023 and 2022 is calculated and reconciled to net margin as follows:

	For the three months ended December 31,		For the year ended December 31,	
	2023	2022	**2023**	2022
Net margin	**$ 23,299**	$ 11,119	**$ 75,732**	$ 55,116
Add: Depreciation	**1,361**	1,349	**5,895**	5,020
Add: General and administrative expenses	**968**	1,875	**3,175**	3,438
Net operating income	**$ 25,628**	$ 14,343	**$ 84,802**	$ 63,574

Supplementary and Other Financial Measures

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

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

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

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

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

Additional Information

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

Summary of Dream Group of Companies' Assets and Holdings

Project/property	Entity[3]	Dream effective ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
RECURRING INCOME SEGMENT								
Downtown Toronto & GTA								
Commercial:								
Adelaide Place	D.UN	30.3%	Income property	—	—	662,000	83.0%	
Sussex Centre	D.UN/MPCT	32.4%	Income property	—	—	655,000	73.1%	
2200-2206 Eglinton Avenue East & 1020 Birchmount Road	D.UN	30.3%	Income property	—	—	442,000	72.9%	
State Street Financial Centre	D.UN	30.3%	Income property	—	—	414,000	99.9%	
Distillery District	DRM	62.5%	Income property	—	—	395,000	88.9%	
438 University Avenue	D.UN	30.3%	Income property	—	—	323,000	97.6%	
655 Bay Street	D.UN	30.3%	Income property	—	—	309,000	99.7%	
74 Victoria Street/137 Yonge Street	D.UN	30.3%	Income property	—	—	266,000	98.9%	
36 Toronto Street	D.UN	30.3%	Income property	—	—	214,000	83.3%	
330 Bay Street	D.UN	30.3%	Income property	—	—	165,000	79.8%	
20 Toronto Street/33 Victoria Street	D.UN	30.3%	Income property	—	—	159,000	90.2%	
250 Dundas Street West	D.UN	30.3%	Income property	—	—	121,000	79.1%	
Victory Building	D.UN	30.3%	Income property	—	—	102,000	62.6%	
49 Ontario	MPCT	34.5%	Redevelopment	TBD	TBD	88,000	87.7%	
425 Bloor Street East	D.UN	30.3%	Income property	—	—	83,000	96.2%	
212 King Street West	D.UN	30.3%	Income property	—	—	73,000	91.5%	
357 Bay Street	D.UN	30.3%	Income property	—	—	65,000	100.0%	
10 Lower Spadina	MPCT	34.5%	Income property	—	—	61,000	100.0%	
100 Steeles Avenue West	DRM/MPCT	25.4%	Redevelopment	TBD	TBD	59,000	97.1%	
360 Bay Street	D.UN	30.3%	Income property	—	—	58,000	52.8%	
6 Adelaide Street East	D.UN	30.3%	Income property	—	—	55,000	79.4%	
350 Bay Street	D.UN	30.3%	Income property	—	—	53,000	59.8%	
Plaza Imperial	MPCT	13.8%	Income property	—	—	35,000	89.0%	
349 Carlaw	MPCT	34.5%	Income property	—	—	34,000	64.4%	
56 Temperance Street	D.UN	30.3%	Income property	—	—	33,000	91.0%	
Canary District	DRM	50.0%	Income property	—	—	32,000	90.0%	
68-70 Claremont Street	MPCT	34.5%	Income property	—	—	30,000	100.0%	
76 Stafford Street	MPCT	34.5%	Income property	—	—	25,000	100.0%	
Plaza Bathurst	MPCT	13.8%	Income property	—	—	24,000	100.0%	
220 King Street West	D.UN	15.2%	Income property	—	—	22,000	100.0%	
Berkeley Properties	MPCT	100.0%	Income property	—	—	14,000	77.4%	
Other GTA retail	DRM	30.0%-50.0%	Income property	—	—	142,755	31.4%	
Residential Rentals:								
Weston Common	DRM/DIF/MPCT	57.6%	Income property	841	692,000	52,000	96.4%	
Maple House at Canary Landing (WDL Block 8)	DIF/MPCT	11.8%	In occupancy	770	624,000	4,000	27.8%	
70 Park	DIF/MPCT	36.4%	Income property	210	257,000	—	95.7%	
Robinwood Portfolio	DRM/DIF/MPCT	57.6%	Income property	285	156,000	—	95.5%	
262 Jarvis	DRM/DIF/MPCT	57.6%	Income property	71	35,000	—	91.5%	
111 Cosburn	DIF/MPCT	36.4%	Income property	23	14,000	—	100.0%	
786 Southwood	DIF/MPCT	36.4%	Income property	24	37,000	—	100.0%	
Other:								
Broadview Hotel	DRM	50.0%	Hospitality	58	—	—		
Gladstone House	DRM	50.0%	Hospitality	55	—	—		
Postmark Hotel	DRM	50.0%	Hospitality	55	—	—		Q1 2024
Total Downtown Toronto & GTA				**2,392**	**1,815,000**	**5,269,755**	**81.4%**	
Zibi (Ottawa/Gatineau)								
Commercial:								
Natural Sciences Building (Zibi Block 211)	DRM/DIF/MPCT	39.4%	Income property	—	—	186,000	93.4%	
15 Rue Jos-Montferrand (Zibi Block 2/3)	DRM/MPCT	67.3%	Income property	—	—	53,000	81.2%	
310 Miwate Private (Zibi Block 208)	DRM/MPCT	67.3%	Income property	—	—	33,000	100.0%	
Residential Rentals:								
Aalto Suites (Zibi Block 10)	DIF/MPCT	36.4%	Income property	162	135,000	1,000	90.1%	
Aalto II (Zibi Block 11)	DIF/MPCT	36.4%	In occupancy	148	127,000	4,000	33.1%	
Other:								
Zibi Community Utility	DIF/MPCT	14.5%	Energy utility					
Total Zibi (Ottawa/Gatineau)				**310**	**262,000**	**277,000**	**69.1%**	

Project/property	Entity[3]	Dream effective ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
U.S.								
Commercial:								
12800 Foster Street, Overland Park, Kansas	D.UN	30.3%	Income property	—	—	185,000	100.0%	
Residential Rentals:								
Private Fund - Texas	DRM	5.0%	Income property	2,497	2,065,000		88.8%	
Private Fund - Arizona	DRM	5.0%	Income property	347	223,000		93.2%	
DRR - Greater Oklahoma City, Oklahoma	DRR	11.9%	Income property	1,299	1,074,000		93.8%	
DRR - Greater Dallas-Fort Worth, Texas	DRR	11.9%	Income property	1,049	1,005,000		92.4%	
DRR - Greater Cincinnati, Ohio	DRR	11.9%	Income property	952	866,000		95.1%	
Other:								
Arapahoe Basin ski hill, Colorado	DRM	100.0%	Recreational	—	—			
Total U.S.				**6,144**	**5,233,000**	**185,000**	**92.0%**	
Western Canada								
Commercial:								
444 - 7th Building, Calgary	D.UN	30.3%	Income property	—	—	261,000	78.9%	
Vendasta Square, Saskatoon	D.UN	30.3%	Income property	—	—	229,000	55.5%	
Brighton Marketplace, Saskatoon	DRM	50.0%	Income property	—	—	222,000	98.6%	
Co-operators Place, 1900 Sherwood Place, Regina	D.UN	30.3%	Income property	—	—	206,000	83.0%	
606 - 4th Building & Barclay Parkade, Calgary	D.UN	30.3%	Income property	—	—	126,000	83.3%	
Kensington House, Calgary	D.UN	30.3%	Income property	—	—	77,000	87.0%	
Shops of South Kensington, Saskatoon	DRM	100.0%	Income property	—	—	72,000	100.0%	
Harbour Landing Commercial Campus, Regina	DRM	100.0%	Income property	—	—	41,000	90.8%	
Montrose Plaza High River, Calgary	DRM	100.0%	Income property	—	—	24,000	93.2%	
Hampton Heights, Saskatoon	DRM	100.0%	Income property	—	—	22,000	91.0%	
234 - 1st Avenue South, Saskatoon	D.UN	30.3%	Income property	—	—	10,000	53.0%	
Brighton Recreation, Saskatoon	DRM	100.0%	Income property	—	—	7,000	100.0%	
Residential Rentals:								
Brighton Village Rentals I, Saskatoon	DRM	100.0%	Income property	136	117,000	—	100.0%	
Block 135 Single Family Rentals, Saskatoon	DRM	100.0%	Income property	21	25,000	—	100.0%	
Other:								
Willows, Saskatoon	DRM	100.0%	Recreational	—	—			
Total Western Canada				**157**	**142,000**	**1,297,000**	**81.7%**	
Total Recurring Income Segment				**9,003**	**7,452,000**	**7,028,755**	**84.9%**	

Project/property	Type	Entity[3]	Dream effective ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
DEVELOPMENT SEGMENT									
Downtown Toronto & GTA									
Residential and Mixed-Use:									
Brightwater I and II	Sell	DRM/MPCT	15.8%	In occupancy	237	244,000	98,000	40.2%	Q1 2024
Ivy	Various	DRM/MPCT	67.3%	Construction	268	193,000	—		Q1 2024
Brightwater Towns	Sell	DRM/MPCT	15.8%	Construction	106	237,000	—		Q2 2024
Canary House at Canary Landing (Block 10 - Condominium)	Sell	DIF	19.1%	Construction	206	153,000	26,000		Q3 2024
Birch House at Canary Landing (Block 10 - Rental)	Hold	DIF/MPCT	11.8%	Construction	238	182,000	—		Q4 2024
The Mason, Brightwater	Sell	DRM/MPCT	15.8%	Construction	158	128,000	5,000		2025
Cherry House at Canary Landing (WDL Block 3/4/7)	Hold	DIF/MPCT	11.8%	Construction	855	811,000	32,000		2025
Queen & Mutual	Sell	MPCT	3.1%	Construction	369	243,000	7,000		2025
Main Street Townhomes	Sell	DRM	50.0%	Planning	68	85,000	—		2025
Bridge House, Brightwater	Sell	DRM/MPCT	15.8%	Planning	484	392,000	—		2027
Forma - East Tower	Sell	DRM/MPCT	17.0%	Construction	864	590,000	1,000		2028
Brightwater future blocks	Various	DRM/MPCT	15.8%	Planning	1,936	2,441,000	257,000		2025-2032
Forma - West Tower	Sell	DRM/MPCT	17.0%	Planning	1,170	885,000	223,000		2032
Quayside	Various	DIF/MPCT	18.6%	Planning	4,600	3,220,000	240,000		2031-2035
Canary Block 13	Hold	DRM	50.0%	Planning	879	618,000	9,000		TBD
Scarborough Junction	Sell	MPCT	15.5%	Planning	6,619	5,270,000	165,000		TBD
Victory Silos	TBD	DRM/MPCT	25.4%	Planning	1,500	1,200,000	100,000		TBD
WDL Block 20	Hold	DRM/MPCT	22.4%	Planning	653	571,000	255,000		TBD
Distillery District - 31A Parliament	Hold	DRM	62.5%	Planning	515	389,000	342,000		TBD
Seaton	Sell	MPCT	2.4%	Planning	TBD	TBD	TBD		TBD
BlackTusk Partnership	Various	DIF/MPCT	1.8%-28.7%	Various	TBD	TBD	8,000		TBD
Other	Sell	Various	Various	Various	1,045	1,099,000	58,000		TBD
Commercial:									
67 Richmond Street West		D.UN	30.3%	Redevelopment	—	—	51,000	23.7%	Q2 2024
366 Bay Street		D.UN	30.3%	Redevelopment	—	—	40,000	100.0%	Q4 2024
Total Downtown Toronto & GTA					**22,770**	**18,951,000**	**1,917,000**	**61.4%**	

Project/property	Type	Entity[3]	Dream effective ownership[1]	Status/type	Total residential/ hotel units at completion[2]	Residential GFA[2] (at 100%)	Total commercial and retail GLA[2]	In-place/ committed occupancy	Occupancy/ stabilization date
Ottawa/Gatineau									
Common at Zibi (Zibi Block 206)	Hold	DRM/MPCT	67.3%	Construction	207	196,000	11,000		Q1 2024
Zibi Block 207	Hold	DRM/MPCT	67.3%	Construction	—	—	76,000		Q1 2024
Dream LeBreton	Hold	DRM/DIF/MPCT	57.6%	Planning	608	410,000	26,000		2027
Zibi future blocks	Various	DRM/MPCT	67.3%	Planning	1,978	1,292,000	1,891,000		TBD
Total Ottawa/Gatineau					**2,793**	**1,898,000**	**2,004,000**		
Western Canada									
Residential:									
Brighton Village Rentals II, Saskatoon	Hold	DRM	100.0%	Construction	120	108,000	9,000		Q3 2024
Block 124 Townhome Rentals, Saskatoon	Hold	DRM	100.0%	Construction	95	115,000	—		2025
Block 166 Detached Home Rentals, Saskatoon	Hold	DRM	100.0%	Planning	42	46,000	—		2025
Block JK Townhome Rentals, Saskatoon	Hold	DRM	100.0%	Planning	15	22,000	—		2025
Brighton Village Rentals III, Saskatoon	Hold	DRM	100.0%	Planning	125	82,000	—		2026
Total Western Canada					**397**	**373,000**	**9,000**	**100.0%**	
Total Development Segment					**25,960**	**21,222,000**	**3,930,000**	**66.9%**	
Total Dream Platform					**34,963**	**28,674,000**	**10,958,755**	**84.7%**	

Western Canada Land Holdings

City	Acre equivalents
Calgary	1,760
Edmonton	854
Saskatoon	2,969
Regina	3,272
Total	**8,855**

Summary by Geography

Location	Current GLA	Future GLA under development[2]	In-place and committed occupancy	Residential/ hotel units at completion[2]	Residential GFA[2]
Downtown Toronto & GTA	5,269,755	1,917,000	81.0%	25,162	20,766,000
Ottawa/Gatineau	277,000	2,004,000	69.1%	3,103	2,160,000
U.S.	185,000	—	92.0%	6,144	5,233,000
Western Canada	1,297,000	9,000	82.0%	554	515,000
Total	**7,028,755**	**3,930,000**	**84.7%**	**34,963**	**28,674,000**

(1) Dream holdings at fully consolidated ownership. Dream Impact Fund at 38.2% ownership, Dream Impact Trust at 34.5% ownership, Dream Office at 30.3% ownership and Dream Residential REIT at 11.9% ownership, respectively, as of December 31, 2023.

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

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