

Q3 2016

EPRA Key Metrics



SELECTED EPRA KEY METRICS

The European Public Real Estate Association (EPRA) is a not-for-profit association based in Brussels that represents the interests of both listed real estate companies in Europe as well as investors. EPRA is committed to the transparency, comparability, consistency and relevance of published results for European listed companies.

Dream Global REIT became a member of EPRA in September 2016, and is publishing selected key figures in line with the Best Practices Recommendations of EPRA⁽¹⁾ concurrently with its financial information for the period ended September 30, 2016. The following non-GAAP measures are not defined by IFRS, do not have a standardized meaning under IFRS, and may not be comparable with similar measures presented by other income trusts.

Where applicable, we provide information in this document in both Canadian dollars and Euros. The table below summarizes the average and period-end exchange rates used.

	Nine months ended September 30,		
	2016	2015	Change in %
Average exchange rate (CAD dollars to one Euro)	1.476	1.404	(5.1)
Exchange rate at period-end (CAD dollars to one Euro)	1.474	1.495	(1.4)

Overview of key EPRA figures – in Euros (€)

In EUR k	Nine months ended		Change	Change in %
	September 30, 2016	September 30, 2015		
EPRA Earnings	44,145	43,920	225	0.5
EPRA Earnings per unit	0.38	0.39	-0.01	(2.9)
Company specific Adjusted EPS	0.41	0.41	0.00	0.0

In EUR k	September 30,		Change	Change in %
	2016	2015		
EPRA NAV	972,820	861,039	111,781	13.0
EPRA NAV per unit	7.78	7.65	0.13	1.7
EPRA Vacancy Rate (%)	8.3%	10.2%	-1.9%	(19.0)

Overview of key EPRA figures – in CAD (\$)

In CAD k	Nine months ended		Change	Change in %
	September 30, 2016	September 30, 2015		
EPRA Earnings	65,149	61,677	3,472	5.6
EPRA Earnings per unit	0.56	0.55	0.01	2.1
Company specific Adjusted EPS	0.60	0.58	0.02	3.4

In CAD k	September 30,		Change	Change in %
	2016	2015		
EPRA NAV	1,434,034	1,287,339	146,695	11.4
EPRA NAV per unit	11.46	11.43	0.03	0.3

(1) For further details on EPRA Best Practices Recommendations please refer to http://www.epra.com/media/EPRA_Best_Practices_Recommendations_BPR_-_Dec2014_1436191395537.pdf

EPRA EARNINGS

EPRA Earnings is a key measure of a company's underlying operating results and serves as an indication of the extent to which its distributions are supported by its earnings. EPRA earnings is an indicator of sustainable performance of a real estate platform and in management's view, is fundamentally comparable to its funds from operations or "FFO" calculation. Similar to FFO, EPRA Earnings do not factor in income components that have no impact on the long-term performance of a real estate platform. This includes, for example, revaluation of investment properties and the result from property dispositions.

Unlike the FFO calculation presented by Dream Global REIT, EPRA Earnings are not adjusted for internal direct leasing costs or amortization of lease incentives.

EPRA Earnings for the nine months ended September 30, 2016 was €44.1 million, an increase of €0.2 million over the prior year comparative period. The increase mainly reflects the impact of completed acquisitions net of dispositions, and lower effective interest costs. The reduction in EPRA earning per unit from 0.39 for the nine months ended September 30, 2015 to 0.38 for the nine months ended September 30, 2016 is mainly attributable to the timing of deployment of the net proceeds from the equity raise completed on August 05, 2016.

EPRA Earnings – in Euros (€)

In EUR k	Nine months ended		Change	Change in %
	September 30 2016	September 30 2015		
Net Income	74,955	77,083	(2,128)	(2.8)
Fair value adjustments to investment properties	(40,368)	(31,433)	(8,935)	28.4
Loss on sale of investment properties	1,988	1,983	5	0.3
Fair value adjustments on financial instruments	(2,580)	4,466	(7,046)	(157.8)
Debt settlement costs, net	13,580	-	13,580	100.0
Deferred and actual taxes in respect of EPRA adjustments	11,688	13,212	(1,524)	(11.5)
Adjustments in respect of Joint Ventures	(14,695)	(21,016)	6,321	(30.1)
Non-controlling interests	(512)	(491)	(22)	4.4
Net impact attributable to non-controlling interests	88	115	(27)	(23.2)
EPRA Earnings	44,144	43,919	225	0.5
Weighted average number of units outstanding (in thousands)	116,090	112,162		
EPRA Earnings per unit (in EUR)	0.38	0.39		
Company specific adjustments				
(a) Amortization of leasing incentives	1,532	1,232	300	24.4
(b) Internal direct leasing costs	1,670	1,364	306	22.5
Company specific Adjusted Earnings	47,346	46,515		
Company specific Adjusted EPS	0.41	0.41		

EPRA Earnings – in CAD (\$)

In CAD k	Nine months ended		Change	Change in %
	September 30 2016	September 30 2015		
Net Income	110,619	108,248	2,371	2.2
Fair value adjustments to investment properties	(59,575)	(44,141)	(15,434)	35.0
Loss on sale of investment properties	2,935	2,785	150	5.4
Fair value adjustments on financial instruments	(3,808)	6,272	(10,080)	(160.7)
Debt settlement costs, net	20,042	-	20,042	100.0
Deferred and actual taxes in respect of EPRA adjustments	17,249	18,554	(1,305)	(7.0)
Adjustments in respect of Joint Ventures	(21,687)	(29,513)	7,826	(26.5)
Non-controlling interests	(756)	(689)	(67)	9.7
Net impact attributable to non-controlling interests	130	161	(31)	(19.3)
EPRA Earnings	65,149	61,677	3,472	5.6
Weighted average number of units outstanding (in thousands)	116,090	112,162		
EPRA Earnings per unit (in CAD)	0.56	0.55		
Company specific adjustments				
(a) Amortization of leasing incentives	2,261	1,730	531	30.7
(b) Internal direct leasing costs	2,465	1,915	550	28.7
Company specific Adjusted Earnings	69,875	65,322		
Company specific Adjusted EPS	0.60	0.58		

EPRA NET ASSET VALUE (EPRA NAV)

The EPRA NAV calculation is used to present net asset value on a consistent, comparable basis and to present the fair value of net assets on an ongoing, long-term basis. EPRA NAV makes certain adjustments to IFRS NAV to exclude certain items not expected to crystallize in a long-term investment property business model such as deferred tax assets/liabilities and mark-to-market adjustments on financial instruments. The EPRA NAV is a key performance indicator for Dream Global REIT.

The EPRA NAV increased by €111.8 million to €972.8 million for the nine months ended September 30, 2016 compared to September 30, 2015. On a per unit basis, EPRA NAV per unit was €7.78 as at September 30, 2016, an increase of €0.13 over the prior year comparative period. The increase was a result of the impact of property acquisitions net of dispositions; fair value increase from a compression in capitalization rates, strong leasing performance, and repositioning efforts; and the repayment of convertible debentures through the use of proceeds from equity issuance and mortgage refinancing.

EPRA Net Asset Value (EPRA NAV) – in Euros (€)

In EUR k	September 30, 2016	September 30, 2015	Change	Change in %
Equity	945,810	837,873	107,937	12.9
Fair value of financial instruments	(678)	9,567	(10,244)	(107.1)
Deferred tax liabilities	19,904	8,265	11,639	140.8
Adjustments in respect of Joint Ventures	7,783	5,334	2,449	45.9
EPRA Net Asset Value (EPRA NAV)	972,820	861,039	111,781	13.0
Weighted average number of units outstanding (in thousands)	125,080	112,624		
EPRA NAV per unit (in EUR)	7.78	7.65		

EPRA Net Asset Value (EPRA NAV) – in CAD (\$)

In CAD k	September 30, 2016	September 30, 2015	Change	Change in %
Equity	1,394,219	1,252,704	141,515	11.3
Fair value of financial instruments ⁽¹⁾	(999)	14,303	(15,302)	(107.0)
Deferred tax liabilities	29,341	12,357	16,984	137.4
Adjustments in respect of Joint Ventures ⁽¹⁾	11,473	7,975	3,498	43.9
EPRA Net Asset Value (EPRA NAV)	1,434,034	1,287,339	146,695	11.4
Weighted average number of units outstanding (in thousands)	125,080	112,624		
EPRA NAV per unit (in CAD)	11.46	11.43		

⁽¹⁾ Adjustments are calculated using information disclosed within Dream Global REIT's Financial Statements.

EPRA VACANCY RATE

The EPRA Vacancy Rate represents the ratio between estimated market rent for vacant properties and the estimated market rent for the overall portfolio as at the balance sheet date. This metric is recommended by EPRA, to provide greater comparability and consistency in vacancy rates across various real estate companies. The market rents used in this calculation represent management's best estimate of the net rental rate that would be achieved in a new arm's length lease in the event a unit becomes vacant after a reasonable marketing period with an inducement and lease term appropriate for the particular space. The year over year reduction of the EPRA Vacancy Rate from 10.2% as of September 30, 2015 to 8.3% as of September 30, 2016 is due to a combination of strong leasing performance, property acquisitions and dispositions.

EPRA Vacancy Rate – in Euros (€)⁽¹⁾

In EUR k	Period ended		
	September 30, 2016	June 30, 2016	September 30, 2015
Market rent for vacant properties	899	1,031	1,069
Total market rent	10,846	11,154	10,451
EPRA Vacancy Rate (%)	8.3	9.2	10.2

⁽¹⁾ Metric is computed using market rents, gross leasable area, committed occupancy and vacancy rates disclosed in Dream Global REIT's Management's discussion and analysis.