



DREAM GLOBAL REIT DELIVERS STRONG SECOND QUARTER PERFORMANCE AND ENHANCES GROWTH POTENTIAL

TORONTO, AUGUST 9, 2017 DREAM GLOBAL REIT (TSX:DRG.UN, FRA:DRG) today reported its financial results for the quarter ended June 30, 2017. Dream Global REIT's management team will be holding a conference call tomorrow, August 10, 2017 at 3:30 pm (ET).

HIGHLIGHTS

- **Strong operating results with continued year-over-year improvement in FFO and comparable property NOI**
 - **Basic Funds from Operations ("FFO") increased to 22 cents per unit** in Q2 2017, an increase of 2 cents year-over-year compared to Q2 2016, reflecting the effect of the Trust's key initiatives put in place over the last year, including proactive refinancing of mortgages, leasing growth and capital recycling;
 - **Basic Adjusted Funds from Operations ("AFFO") increased to 21 cents per unit** in Q2 2017, up 1 cent year-over-year from 20 cents in Q2 2016;
 - **Comparable property net operating income ("NOI") increased to \$46.0 million** in Q2 2017, up 2.8% from Q2 2016, reflecting the continuing leasing momentum in the Trust's portfolio.
- **Transformational growth initiatives with the expansion into Belgium and the Netherlands**
 - **Transformational portfolio investment in the Netherlands** subsequent to the end of Q2 with a gross asset value of over \$900 million at a capitalization rate of 8.0%. The transaction was mainly financed with a \$300.0 million bought deal public offering of units in Canada, a \$548.3 million debt financing through an inaugural offering of unsecured notes in Europe and the issuance of 7.9 million units to the vendors of the portfolio;
 - **Expansion into Brussels, Belgium** with the acquisition of Airport Plaza on May 15, 2017, a \$143.2 million, multi-tenant office complex in the sixth-largest office market in Europe;
 - **New addition to the core German portfolio** with the acquisition of Bollwerk subsequent to the end of Q2, a \$133.8 million multi-tenant office property located in central Stuttgart, one of the best performing markets in Germany.
- **Exceptional leasing performance supported by strong market conditions in the Trust's key markets**
 - **Major leasing achievement** with respect to Deutsche Post's 2018 lease expiry of 2.8 million square feet of space, resulting in the renewal of 2.5 million square feet in 70 of the 75 affected buildings, representing a retention ratio of 90%;
 - **Occupancy continues to improve**, reaching 90.7% as of June 30, 2017, the highest occupancy level in Trust's history;
 - **New record-low in Germany's office vacancy rate** with vacancy rates in the seven largest office markets declining by 100 basis points year-over-year to 5.1% at the end of Q2 2017.

"Dream Global has a track record of astute asset management – entering a market at the right part of the cycle, recycling assets into higher quality ones and driving operational excellence," said Jane Gavan, Chief Executive Officer of Dream Global REIT. "With our recent investment in the Netherlands, we intend to replicate that success with a management team who shares our approach to real estate to produce meaningful NAV and income growth."

KEY PERFORMANCE INDICATORS

Year-over-year, the business of the Trust has been transformed through an active capital recycling program. Some of the operating metrics, including net operating income, are therefore not directly comparable year-over-year.

	June 30, 2017	March 31, 2017	June 30, 2016
Portfolio			
Number of properties ⁽¹⁾	151	169	197
Gross leasable area ("GLA") (in square feet) ⁽¹⁾	12,513,163	12,918,089	13,239,808
Occupancy rate – including committed (period-end) ⁽¹⁾	90.7%	90.1%	88.3%
Occupancy rate – in-place (period-end) ⁽¹⁾	89.9%	89.5%	86.0%
Average in-place net rent per square foot (period-end) ⁽¹⁾	€ 10.87	€ 10.36	€ 9.95
Market rents above in-place net rents ⁽¹⁾	2.3%	3.2%	4.4%
Total annualized Deutsche Post gross rental income ("GRI") as % of total GRI	14.4%	18.6%	22.2%
Operating results – in € ⁽²⁾			
Net operating income ("NOI") ⁽³⁾	€ 29,708	€ 29,064	€ 27,480
Operating results – in \$ ⁽²⁾			
Net operating income ("NOI") ⁽³⁾	\$ 43,985	\$ 40,970	\$ 39,991
Funds from operations ("FFO") ⁽³⁾	\$ 30,080	29,055	23,003
Adjusted funds from operations ("AFFO") ⁽³⁾	\$ 28,914	27,448	22,675
Average exchange rate (Canadian dollars to one euro)	1.479	1.410	1.455
Distributions			
Declared distributions	\$ 27,713	\$ 25,962	\$ 22,744
DRIP participation ratio (for the period)	17%	16%	14%
Per unit amounts⁽⁴⁾			
Distribution	\$ 0.20	0.20	\$ 0.20
Cash Distribution (net of DRIP)	0.17	0.17	0.17
Basic FFO	0.22	0.23	0.20
Basic AFFO	0.21	0.22	0.20
Diluted FFO	0.21	0.22	0.20
Financing			
Weighted average face rate of interest on debt (period-end) ⁽²⁾	1.74%	1.76%	2.49
Interest coverage ratio ⁽²⁾⁽³⁾	4.11 times	4.02 times	2.74 times
Level of debt (net debt-to-gross book value, net of cash) ⁽²⁾⁽³⁾	50%	48%	53%
Average level of debt (net debt-to-gross book value, net of cash) ⁽²⁾⁽³⁾	50%	50%	54%
Debt – average term to maturity (years) ⁽²⁾⁽³⁾⁽⁵⁾	5.7	5.8	4.5

(1) Includes the REIT's owned share of joint ventures, but excludes properties classified as assets held for sale.

(2) Includes the REIT's owned share of joint ventures.

(3) Net operating income, FFO, AFFO, interest coverage ratio, level of debt (net debt-to-gross book value, net of cash) and average level of debt (net-debt-to-gross book value, net of cash) are non-GAAP measures used by Management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-GAAP Measures" in this press release.

(4) A description of the determination of basic and diluted amounts per unit can be found in section "Non-GAAP measure and other disclosures" under the heading "Weighted average number of Units" of the MD&A.

(5) This metric excludes amounts outstanding under the revolving credit facility.

PORTFOLIO TRANSFORMATION

Investment in portfolio of 135 properties in the Netherlands — On July 27, 2017, the Trust closed its investment in a portfolio of 135 office and industrial assets in the Netherlands, with a fair value of over \$900 million. The transaction, which has a capitalization rate of 8.0%, is expected to be accretive by over 10% to both the REIT's estimated 2018 FFO and AFFO per unit. With this investment, Dream Global established a sizeable new real estate platform in the most densely populated country in Europe and gained strategic exposure to the Netherlands office market in addition to achieving immediate scale in its industrial market. As part of this transaction, a fully integrated management team located in five offices across the Netherlands has joined Dream Global REIT.

Acquisitions of Airport Plaza in Brussels, Belgium — On May 15, 2017, the Trust acquired Airport Plaza, a \$143.2 million, multi-tenant office complex in Brussels, Belgium. Brussels, ranked as the sixth-largest office market in Europe, serves as the headquarters for both NATO and the European Union.

Acquisition of Bollwerk in Stuttgart, Germany — On July 17, 2017, the Trust acquired a fully occupied multi-tenant office property located in central Stuttgart with excellent transportation access for approximately \$133.8 million, representing a going in capitalization rate of 5.3%. With this transaction, the Trust increased its exposure in one of the best office markets in Europe with the lowest vacancy rate among all major German office markets.

Capital recycling — Five properties from the Trust's initial portfolio were disposed of during Q2 2017 as part of the Trust's continuing capital recycling program for an aggregate sales price of \$27.7 million, increasing sales completed during the first six months of 2017 to \$56.0 million and reflecting the assets' approximate fair value.

LEASING INITIATIVES

Successful outcome of renewal negotiations with Deutsche Post — In June 2017, the Trust finalized its lease negotiations with Deutsche Post with respect to the tenant's upcoming 2018 lease expiry, which resulted in the renewal of 2.5 million square feet of space and represents a tenant retention rate of 90%. This exceptional renewal result represents the Trust's largest lease renewal and is expected to improve the stability of the Trust's portfolio.

"The highly anticipated outcome of our negotiations with our largest tenant has removed any remaining uncertainty with respect to Deutsche Post's 2018 lease expiry and enhances the quality of Dream Global's cash flows," said Alexander Sannikov, Senior Vice President, Commercial Properties of Dream Global REIT.

Additional leasing initiatives — In Q2 2017, the Trust completed approximately 248,000 square feet of new leases and renewals in addition to its lease renewal with Deutsche Post and continued selling non-core assets with generally lower occupancy rates, resulting in a positive absorption of 112,426 square feet.

Occupancy — As a result of the Trust's active leasing and asset management program, overall in-place and committed occupancy of the portfolio increased to 90.7% at the end of Q2 2017, up 240 basis points from 88.3% at June 30, 2016. This is the Trust's tenth consecutive quarterly occupancy increase, resulting in the highest occupancy rate in its six-year history.

In-place rents — In Q2 2017, in-place rents increased to €10.87, a 9.2% increase year-over-year from €9.95 at the end of Q2 2016, largely due to strong market conditions, dispositions of Initial Properties with below-average in-place rents and acquisitions of high quality properties.

FINANCIAL HIGHLIGHTS

Funds from operations — FFO for the three months ended June 30, 2017 was \$30.1 million compared to \$23.0 million for the three months ended June 30, 2016. On a per unit basis, basic FFO for the quarter ended June 30, 2017 was \$0.22/unit, an increase of 2 cents compared to the quarter ended June 30, 2016.

Adjusted funds from operations — AFFO was \$28.9 million for the three months ended June 30, 2017, compared to \$22.7 million for the three months ended June 30, 2016. On a per unit basis, basic AFFO for three months ended June 30, 2017 was \$0.21/unit, compared to \$0.20/unit for the three months ended June 30, 2016.

The increase in FFO and AFFO in 2017 compared to 2016 reflects the impact of acquisitions completed since Q2 2016, a strong leasing market and lower interest costs.

Comparative properties NOI — For the three months ended June 30, 2017, NOI from comparative properties increased by \$1.3 million, or 2.8%, on a year-over-year basis. The increase was due to leasing activities in the Initial Properties, where same property NOI was up \$0.5 million, or 5.5%. Similarly, the Acquisition Properties benefited from higher rents and improved leasing with same property NOI increasing by \$0.8 million year-over-year, or 2.1%, in Q2 2017.

“We are pleased with the strong performance of our existing portfolio. Our recent key initiatives, coupled with exceptional market conditions, resulted in a 10% year-over-year FFO/unit growth, in addition to strong AFFO and comparative NOI results,” said Tamara Lawson, Chief Financial Officer of Dream Global REIT. “With the investment in our Dutch portfolio, we expect additional accretion of over 10% to our FFO and AFFO per unit, as well as further improvements to our balance sheet with the addition of unencumbered assets.”

CAPITAL INITIATIVES

Financing of the portfolio investment in the Netherlands — Financing of this milestone transaction was finalized on July 27, 2017 and was satisfied in cash and in units of the REIT, including

- **\$300.0 million bought deal public offering** of units in Canada at a price of \$10.50;
- **\$548.3 million (€375 million) debt financing** through an inaugural offering of senior unsecured notes in Europe. The notes bear a coupon rate of interest of 1.375% per annum and will mature in December 2021. Moody's Investor Services assigned a rating to the notes of Baa3 with a stable outlook; and
- **\$87.2 million (€60 million) of units issued** based on the July 17, 2017 closing price of \$10.99 per unit to the vendors of the portfolio on a private placement basis.

Mortgage financings — Subsequent to quarter end, the Trust completed the financings of a seven-year €54.0 million mortgage at a fixed interest rate of 1.86% for Airport Plaza in Brussels and a 10-year €55.3 million mortgage at a fixed interest rate of 1.83% for Bollwerk in Stuttgart. The weighted average loan-to-value for these two financings was approximately 58%.

During the quarter, the Trust refinanced a \$34.4 million mortgage maturing in Q2 2017, replacing it with a new \$49.9 million mortgage and reducing the face interest rate of the mortgage from 2.45% to 1.34% for a term of 7.0 years.

Revolving credit facility renewal — On June 6, 2017, the Trust finalized a renewal of its revolving credit facility, resulting in a reduction of the margin paid by the REIT by 100 basis points and extending the term to maturity to June 2019. The interest rate on Canadian dollar advances is now prime plus 100 basis points or bankers' acceptance rates plus 200 basis points. The interest rate for euro advances is 200 basis points over the three-month EURIBOR rate. The revised terms also allow the REIT to enter swap arrangements with an effective borrowing rate at the EURIBOR rate plus swap spread, further reducing borrowing costs.

Equity — On July 31, 2017, the Trust had 175,365,484 units outstanding, including 36,510,395 units issued in connection with its bought deal public offering and private placement for the financing of the Netherlands transaction. At the August 8, 2017 closing price of \$10.47 per unit, the Trust's market capitalization is \$1.8 billion.

CONFERENCE CALL DETAILS

Dream Global REIT's management team will be holding a conference call tomorrow, August 10, 2017 at 3:30 p.m. (ET). To access the conference call, please dial 1-888-465-5079 in Canada and the United States or 416-216-4169 elsewhere and use passcode 6194 616#. A taped replay of the call will be available for ninety days. For access details, please go to Dream Global REIT's website at www.dreamglobalreit.ca and click on the News & Events link, then click on Calendar of Events.

Information appearing in this news release is a select summary of results. The financial statements and management's discussion and analysis for the Trust are available at www.dreamglobalreit.ca and on SEDAR at www.sedar.com.

Dream Global REIT is an unincorporated, open-ended real estate investment trust that provides investors with the opportunity to invest in commercial real estate exclusively outside of Canada. Dream Global REIT's portfolio currently consists of approximately 21.2 million square feet of gross leasable area of office, industrial and mixed-use properties across Germany, the Netherlands, Austria and Belgium. For more information, please visit www.dreamglobalreit.ca.

Non-GAAP Measures

The Trust's condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-GAAP financial measures, including net operating income, funds from operations, adjusted funds from operations, interest coverage ratio, level of debt (net debt-to-gross book value, net of cash), and average level of debt (net debt-to-gross book value, net of cash) as well as other measures discussed elsewhere in this release. These non-GAAP measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such non-GAAP measures as Management believes they are relevant measures of the Trust's underlying operating performance and debt management. Non-GAAP measures should not be considered as alternatives to net income, cash generated from (utilized in) operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-GAAP Measures and Other Disclosures" in Dream Global REIT's Management's Discussion and Analysis for the three and six months ended June 30, 2017.

Forward-looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements regarding the effect of our investment in the Netherlands on our balance sheet and 2018 FFO and AFFO. Forward looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dream Global REIT's control that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, global and local economic and business conditions; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; and interest and currency rate functions. Our objectives and forward-looking statements are based on certain assumptions, including that the Canadian and European economies remain stable, interest rates remain stable, conditions within the real estate market remain consistent, competition for acquisitions remains consistent with the current climate and that the capital markets continue to provide ready access to equity and/or debt. All forward-looking information in this press release speaks as of the date of this press release. Dream Global REIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in Dream Global REIT's filings with securities regulators, including its latest annual information form and MD&A. These filings are also available at Dream Global REIT's website at www.dreamglobalreit.ca.

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