



DREAM GLOBAL ANNOUNCES THIRD QUARTER RESULTS

TORONTO, NOVEMBER 8, 2018 DREAM GLOBAL REIT (TSX:DRG.UN, FRA:DRG) (or “Dream Global”, the “Trust” or “we”) today reported its financial results for the third quarter of 2018. Dream Global REIT’s management team will be holding a conference call Friday, November 9, 2018 at 8:00am (EDT).

HIGHLIGHTS

- ***Strong operating performance drives Dream Global’s Q3 results***
 - **Fully diluted Funds from Operations (“FFO”) was 25.3 cents per unit** in the quarter, compared to 26.5 cents per unit in Q2 2018. As expected, Q3 FFO per unit was impacted by dilution from timing of deployment of funds from the June 2018 equity offering;
 - **Cash generated from operating activities increased to \$29.0 million** in Q3 2018, an increase of \$1.2 million, or 4.3%, compared to Q3 2017;
 - **Comparative properties net operating income (“NOI”) increased by 3.8%** year-over-year from Q3 2017, reflecting the continuing leasing momentum, indexation and rental growth in the German portfolio;
 - **In-place and committed occupancy rate increased by 245 basis points from September 30th, 2017** in comparative properties, including 310 basis points occupancy growth in comparative Dutch properties. The Trust’s value-add properties had a 10.7% occupancy gain contributing to the overall occupancy growth;
 - **Net rental income increased by 19%** in Q3 2018 from Q3 2017, reflecting both the Trust’s external growth initiatives and organic growth driven by occupancy gains and rental increases in the Trust’s portfolio;
 - **Deutsche Post 2018 indexation;** Rental income under Deutsche Post leases is subject to automatic adjustments in relation to German CPI. During August 2018, CPI index reached 111.7 index points resulting in an increase of 4.1%, or approximately €540 thousand in gross rental income on an annualized basis.
- ***Proceeds from the June equity offering fully deployed***
 - **Four acquisitions for €138.9 million (\$209.2 million)**, excluding transaction costs, were closed in the quarter. In addition, the Trust entered into a purchase agreement for Innovum, in Nuremberg, Germany for a purchase price of €79.6 million. The Trust expects to close Innovum, as well as the previously announced acquisition of Handwerkstrasse, in Stuttgart, Germany in November;
 - **Weighted average going-in cap rate was 5.5%** on the acquisitions completed in the quarter; including the two aforementioned assets currently under contract, the weighted average going-in cap rate for all acquisitions completed in 2018 is expected to be 5.8%;
 - **Dispositions totaling €30.9 million (\$46.6 million) closed during Q3** with over €95 million additional dispositions expected to close in Q4, which includes our share of proceeds on the disposition of our joint venture interest in Werfthaus, in Frankfurt, Germany for €37.2 million, or €74.3 million at 100%.
- ***Capital structure provides solid foundation***
 - **The portfolio had €37.4 million (\$56.8 million) of fair value increases** in Q3 2018 as a result of completion of certain value add initiatives, continuing strength of the German occupier markets, and market rent growth as well as capitalization rate compression in key German office markets;
 - **Level of debt declined to 41.9%** at the end of Q3 2018 from 46.3% at the end of 2017; including the Trust’s share of joint ventures, the ratio declined to 44.7% at the end of Q3 2018 from 49.2% at the end of 2017.

KEY PERFORMANCE INDICATORS

	September 30, 2018	June 30, 2018	September 30, 2017
Portfolio			
Number of properties ⁽¹⁾	236	243	282
Gross leasable area ("GLA") (in square feet) ⁽¹⁾	19,969,789	19,268,752	20,369,253
Occupancy rate – including committed (excluding redevelopment assets) ⁽¹⁾	90.8%	90.0%	87.3%
Occupancy rate – including committed (period-end) ⁽¹⁾	89.4%	89.7%	87.5%
Average in-place net rent per square foot (period-end) ⁽¹⁾	€ 11.17	€ 11.05	€ 10.71
Market rents above in-place net rents ⁽¹⁾	5.1%	5.4%	2.3%
Operating results – in €			
Net operating income("NOI") ^{(3) (2)}	€ 46,013	€ 45,413	€ 40,257
Operating results – in \$			
Net operating income("NOI") ^{(3) (2)}	\$ 69,949	\$ 69,866	\$ 59,288
Net rental income	63,117	63,095	53,040
Funds from operations ("FFO") ⁽³⁾	49,271	48,042	42,722
Cash generated from operating activities	28,994	36,656	27,795
Adjusted funds from operations ("AFFO") ⁽³⁾	45,292	44,044	40,785
Average exchange rate (Canadian dollars to one euro)	1.520	1.539	1.472
Distributions			
Declared distributions	\$ 38,379	\$ 36,432	\$ 35,123
Distribution reinvestment and Unit Purchase Plan ("DRIP") participation ratio (for the period)	16%	19%	16%
Per unit amounts⁽⁴⁾			
Distribution	\$ 0.20	\$ 0.20	\$ 0.20
Basic FFO	0.26	0.27	0.26
Basic AFFO	0.24	0.25	0.25
Diluted FFO	0.25	0.27	0.25
Financing (excluding Trust's proportionate share of properties held through joint ventures and associates)			
Weighted average face rate of interest on debt (period-end)	1.64%	1.63%	2.06%
Interest coverage ratio ⁽³⁾	5.0 times	4.9 times	4.4 times
Level of debt (net debt-to-gross book value, net of cash) ⁽³⁾	41.9%	40.4%	47.8%
Debt – average term to maturity (years) ⁽³⁾⁽⁵⁾	4.9	5.1	5.8
Financing (including Trust's proportionate share of properties held through joint ventures and associates)			
Level of debt (net debt-to-gross book value, net of cash) ⁽³⁾	44.7%	43.4%	50.7%

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

(2) Includes Trust'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) 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 latest management discussion and analysis of the Trust .

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

GROWTH INITIATIVES

Acquisitions — During the third quarter, the Trust closed on acquisitions of four properties for a total purchase price of €138.9 million (\$209.2 million) excluding transaction costs, including the previously announced acquisition of Podbi Park in Hannover, as well as three additional acquisitions in the Netherlands; Bleiswijk, Gaudi and Yin Yang.

On August 31st, the Trust acquired a 258,900 square foot high quality industrial property located in Bleiswijk, at the center of the Randstad metropolitan region, between the Hague and Rotterdam. The property is 100% occupied by a high covenant tenant, and is expected to deliver strong NOI performance. The purchase price was €12.1 million (\$18.4 million) with a going-in cap rate of 9.3%.



Bleiswijk, Bleiswijk



Gaudi, Amsterdam

On September 20th, the Trust also acquired Gaudi, a Core+ office asset totalling 89,000 square feet in the South East submarket of Amsterdam, Netherlands. The property is located adjacent to Apollo, one of the Trust's existing investments. It was built in 2004 and is among the newest buildings in the submarket, currently fully leased to the Municipality of Amsterdam for a term of 5 years, with estimated in-place rents at more than 15% below market. The purchase price of €23.7 million (\$36.0 million) represents a going-in cap rate of 5.8%.



Yin Yang, Utrecht



Innovum, Nuremburg

On September 21st, the Trust acquired also Yin Yang, in Utrecht, Netherlands, a 74,000 square foot value-add office building for €11.8 million (\$17.9 million). The building is 70% occupied with a WALT of 4.3 years. The Trust expects to implement its well established office concepts in the property and stabilize the asset at a higher occupancy resulting in NOI and value growth. The going-in cap rate is 5.8% and is expected to average 7.8% over the next five years.

During the quarter, the Trust entered into an agreement to acquire Innovum, a 379,500 square foot office property located in Nuremburg, Germany. This centrally located office campus consists of eight buildings developed and refurbished between 2000 and 2012 around a historic typewriter factory. The site enjoys direct subway access as well as a strong local amenity base. It is currently 95% leased to 37 tenants with a WALT of 3.4 years. The Trust estimates that in-place rents are 15% below market. The purchase price is approximately €79.6 million with a going-in cap rate of 5.1%, and is expected to close on November 9th, 2018.

Dispositions — During the three months ended September 30th, 2018, the REIT disposed of 16 German properties and two Dutch properties, for an aggregate gross sales price of approximately €30.9 million (\$46.6 million), increasing total sales during 2018 to 27 investment properties for approximately €50.1 million (\$76.6 million).

On November 7th, the REIT and its joint venture partner completed the sale of their respective joint venture interests in Werfthaus, in Frankfurt, Germany. The Trust's share of the gross sale price amounted to €37.2 million, representing a 14% premium to the most recent book value. As part of the transaction, the purchaser will assume the existing €40.7 million (€20.4 million at share), 3.1% mortgage maturing in 2023, subject to a customary mark-to-market adjustment.

"We are pleased with the price we achieved for Werfthaus capitalizing on the strength of the German investment market." said Alex Sannikov, Chief Operating Officer of Dream Global. "We opportunistically recycled capital from this asset and have already accretively reinvested the proceeds into high quality acquisitions announced today with a stronger growth profile and higher total returns."

OPERATING HIGHLIGHTS & INITIATIVES

Occupancy — Excluding redevelopment assets, the occupied and committed occupancy of our total portfolio was 90.8% at September 30th, 2018, representing an increase of 350 basis points since Q3 2017. On a comparative property basis, occupancy increased by 245 basis points to 90.7% at September 30th, 2018 relative to Q3 2017, excluding redevelopment assets.

Comparative properties NOI — For the three months ended September 30th, 2018, comparative properties NOI increased by €1.1 million, or 3.8%, in Q3 2018 compared to Q3 2017. For the nine months ended September 30, 2018, comparative properties NOI increased by €2.8 million, or 3.5% from the comparative period in 2017. The increase was driven by higher in-place rents and increased occupancy in the comparative properties.

Strong operating environment — Office vacancy rate in the Germany's Big 7 markets declined to 3.9% at the end of the third quarter, a drop of 100 bps from Q3 2017. Over the last 12 months, prime rents increased in all Big 7 cities in Germany. The biggest increases were registered in Berlin (+12%), Stuttgart (+7%) and Cologne (+5%). Fundamentals in the Dutch office market continued to strengthen leading to a decline in the vacancy rate in the G5 office markets to 7.1% in Q3 2018, 200 bps decline from the end of 2017 and 70 bps decline over Q2 2018.

FINANCIAL HIGHLIGHTS

Funds from operations — FFO for the three months ended September 30, 2018 was \$49.3 million compared to \$42.7 million for the three months ended September 30, 2017. On a per unit basis, basic FFO for the quarter ended September 30, 2018 was \$0.256/unit, flat compared to September 30, 2017. On a fully diluted basis, FFO for the quarter ended September 30, 2018 was \$0.253/unit, no change from prior year comparative quarter.

Adjusted funds from operations — AFFO was \$45.3 million for the three months ended September 30, 2018, compared to \$40.8 million for the three months ended September 30, 2017. On a per unit basis, basic AFFO for three months ended September 30, 2018 was \$0.24/unit, compared to \$0.25/unit for the quarter ended September 30, 2017.

Cash generated from operating activities — Cash generated from operating activities was \$29.0 million for the three months ended September 30, 2018, compared to \$27.8 million for the three months ended September 30, 2017. The increase in FFO, AFFO and cash flow from operations in Q3 2018 compared to Q3 2017 reflects the Trust's investments in the Netherlands and Germany, as well as comparative properties operating performance, offset by dilution impact on deployment of equity offering proceeds and the expiries of 2018 Deutsche Post leases.

Net rental income — For the three months ended September 30, 2018 net rental income increased by 19% to \$63.1 million compared to Q3 2017, reflecting the Trust's growth initiatives and strong leasing markets.

CAPITAL INITIATIVES

Reduced leverage — The Trust's level of debt was 41.9% at the end of Q3 2018, declining from 46.3% at the end of 2017. Including the Trust's share of debt from investment in joint ventures and associates, its level of debt was 44.7% at the end of Q3 2018 compared to 49.2% at the end of 2017. On October 9, 2018, the Trust placed a senior mortgage in relation

to the acquisition of Podbi Park for €46.75 million for a term of 10-years at a rate of 1.84%. The Trust has the option to draw an additional €9.35 million at any time during the term of the loan. The Trust expects to partially finance the acquisition of Innovum with a senior mortgage, with the remaining acquisitions added to our unencumbered asset pool.

Equity – On September 30, 2018, the Trust had 192,052,084 units outstanding, at the November 7, 2018 closing price of \$13.81 per unit, the Trust’s market capitalization is \$2.7 billion.

MANAGEMENT CHANGES

The REIT is pleased to announce the appointment of Mr. Alexander Sannikov to the position of Chief Operating Officer. In that role, Mr. Sannikov will have oversight of the operating performance of our properties, our portfolio strategy as well as capital allocation of our Core, Value-add and Redevelopment assets.

“Alex has been an invaluable member of our management team from the inception of Dream Global in 2011. He has been instrumental to achieving our strategy of growing in scale and quality in the best office markets in Europe” said Jane Gavan, CEO of Dream Global. “In his new role, Alex will have responsibility for driving higher returns from our investments through value-add strategies with a focus on customer satisfaction and improving our competitiveness in a dynamic office environment.”

Mr. Sannikov joined Dream in 2008 and most recently acted as Senior Vice-President, Commercial Properties of the REIT. Prior to joining Dream, Mr. Sannikov was with American Appraisal in Moscow, Russia.

CONFERENCE CALL DETAILS

Dream Global REIT’s management team will be holding a conference call Friday, November 9, 2018 at 8:00 a.m. (EDT). To access the conference call, please dial 1-888-465-5079 in Canada and the US or 416-216-4169 elsewhere and use passcode 9227 230#. 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 a 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 19.7 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, comparative properties NOI, funds from operations, adjusted funds from operations, interest coverage ratio, and 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 nine months ended September 30, 2018.

Forward-looking information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements regarding the expected NOI performance and future cap rates of new acquisitions, the timing of closing of acquisitions, and financing plans for Innovum. 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 fluctuations. 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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