



DREAM GLOBAL ANNOUNCES FOURTH QUARTER RESULTS, 24% ANNUAL NET ASSET VALUE GROWTH AND OVER 6% FOURTH QUARTER COMPARATIVE NOI GROWTH

TORONTO, FEBRUARY 20, 2019 DREAM GLOBAL REIT (TSX:DRG.UN, FRA:DRG) (or “Dream Global”, the “Trust” or “we”) today reported its financial results for the fourth quarter of 2018. Dream Global REIT’s management team will be holding a conference call Friday, February 22, 2019 at 8:00am (EDT).

HIGHLIGHTS

- **Portfolio fair value increases by €172 million in the fourth quarter**
 - **Fair value of the portfolio increased by €172 million (\$270 million)** in Q4 2018 based on independent third-party appraisals performed for the entire portfolio. The increase is attributable to capitalization rate compression, comparative occupancy and net operating income (“NOI”) growth in both the German and the Dutch properties as well as market rent growth in the Trust’s German portfolio;
 - **NAV per unit was \$14.97 as at December 31, 2018** compared to \$12.10 in the prior year, and \$13.45 at September 30, 2018, an increase of 24% and 11%, respectively. Excluding deferred income taxes and derivative financial instruments, **EPRA NAV per unit was \$16.05** as at December 31, 2018 compared to \$12.70 in the prior year, and \$14.24 at September 30, 2018, an increase of 26% and 13%, respectively.
- **Strong operating performance with 6.6% Comparative Properties NOI growth**
 - **Comparative Properties net operating income (“CP NOI”) increased by 6.6%** year-over-year from Q4 2017, excluding termination fees and other non-recurring items, and including Dutch Properties CP NOI for the first time. Germany, Austria and Belgium portfolio posted 5.9% CP NOI growth and the Dutch properties recorded 8.3% CP NOI growth.
 - **In-place and committed occupancy rate increased by 210 basis points from Q4 2017** in Comparative Properties, driven by a 3.0% increase in the Dutch portfolio and a 13.7% increase in the German Value-Add assets;
 - **Fully diluted Funds from Operations (“FFO”) was 25.9 cents per unit** in the quarter, compared to 25.3 cents per unit in Q3 2018 and 25.2 cents per unit in Q4 2017;
 - **Leasing spread between in-place and market rents increased to 6.2%** in Q4 2018 from 2.9% in Q4 2017 largely as a result of market rent growth in the Trust’s German portfolio;
 - **Net rental income increased by 11.5%** in Q4 2018 from Q4 2017, reflecting both the Trust’s external growth initiatives and organic growth driven by occupancy gains and rental increases in the portfolio.
- **Capital initiatives strengthen balance sheet**
 - **Debt-to-gross book value, net of cash, declined to 40.9% at the end of Q4 2018** from 46.3% at the end of 2017; including the Trust’s share of joint ventures, the ratio declined to 43.3% at the end of Q4 2018 from 49.2% at the end of 2017.
 - **Liquidity increased from €100 million to €160 million**, inclusive of a €50 million increase to the revolving credit facility and €9.4 million “accordion” option on a recent property level financing.
- **Continued portfolio upgrading through capital recycling and value-add projects**
 - **Dispositions totaling €82.9 million (\$125.3 million) closed during Q4** including the Trust’s share of proceeds on the disposition of its joint venture interest in Werfthaus, Frankfurt, Germany for €37.2 million.
 - **Dream Global completed €17.1 million (\$25.7 million) of value-add and intensification projects during 2018**, across Germany and Netherlands, including land intensification and repositioning of assets and common areas.

KEY PERFORMANCE INDICATORS

| | Three months ended | | |
|---|----------------------|-----------------------|----------------------|
| | December 31, 2018 | September 30, 2018 | December 31, 2017 |
| Portfolio | | | |
| Number of properties ⁽¹⁾ | 228 | 236 | 274 |
| Gross leasable area ("GLA") (in square feet) ⁽¹⁾ | 19,922,949 | 19,696,789 | 20,080,644 |
| Occupancy rate – including committed (excluding Redevelopment assets) ⁽¹⁾ | 91.4% | 90.8% | 88.1% |
| Average in-place net rent per square foot (period-end) ⁽¹⁾ | € 11.23 | € 11.17 | € 10.78 |
| Market rents above in-place net rents ⁽¹⁾ | 6.2% | 5.1% | 2.9% |
| Operating results – in € | | | |
| Net operating income ^{(3) (2)} | € 47,820 | € 46,013 | € 43,709 |
| Operating results – in \$ | | | |
| Net operating income ^{(3) (2)} | \$ 72,102 | \$ 69,949 | \$ 65,440 |
| Net rental income | 65,521 | 63,117 | 58,789 |
| Funds from operations ("FFO") ⁽³⁾ | 50,495 | 49,271 | 45,139 |
| Cash generated from operating activities | 47,374 | 28,994 | 44,024 |
| Adjusted funds from operations ("AFFO") ⁽³⁾ | 46,151 | 45,292 | 43,215 |
| Average exchange rate (Canadian dollars to one euro) | 1.508 | 1.520 | 1.498 |
| Distributions | | | |
| Declared distributions | \$ 38,481 | \$ 38,379 | \$ 35,263 |
| Distribution reinvestment and Unit Purchase Plan ("DRIP") participation ratio (for the period) | 18% | 16% | 19% |
| Per unit amounts⁽⁴⁾ | | | |
| Net asset value | \$ 14.97 | \$ 13.45 | \$ 12.10 |
| Distribution | 0.20 | 0.20 | 0.20 |
| Basic FFO | 0.26 | 0.26 | 0.26 |
| Basic AFFO | 0.24 | 0.24 | 0.24 |
| Diluted FFO | 0.26 | 0.25 | 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% | 1.64% | 1.64% |
| Interest coverage ratio ⁽³⁾ | 5.0 times | 5.0 times | 4.5 times |
| Debt-to-gross book value, net of cash ⁽³⁾ | 40.9% | 41.9% | 46.3% |
| Debt – average term to maturity (years) ⁽³⁾⁽⁵⁾ | 4.9 | 4.9 | 5.6 |
| Financing (including Trust's proportionate share of properties held through joint ventures and associates) | | | |
| Debt-to-gross book value, net of cash ⁽³⁾ | 43.3% | 44.7% | 49.2% |

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

(2) Includes Trust's proportionate share of properties held through joint ventures.

(3) Net operating income, FFO, AFFO, interest coverage ratio, Debt-to-gross book value, net of cash, and net asset value 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

Value-add projects — During 2018, the Trust completed six value-add projects totaling €17.1 million. In addition, the Trust is currently pursuing a number of value-add opportunities across its portfolio offering strong returns on capital, with a combined investment volume of up to €60 million over the next two years.

- **Hildesheim, Germany** – In Q4 2018, the Trust completed the intensification of excess land on a former Deutsche Post property with a 98 room hotel leased to B&B Hotels for a term of 20 years. Construction costs were approximately €5.7 million. The project will contribute €370,000 to NOI, translating to a yield on cost of 6.5%. Based on an independent appraisal of the property before and after the project, the unlevered internal rate of return (“IRR”) on the project exceeded 20%.
- **Millerntorplatz, Hamburg, Germany** – In Q4 2018, the Trust completed its repositioning project for Millerntorplatz. The property was acquired in early 2015 for a purchase price of €95.7 million with an occupancy rate of 88%. The Trust executed a repositioning project with a capital investment of €11.0 million over the past two years including creation of additional retail space, common areas upgrades, HVAC modernization and leasing of office space. As a result of these initiatives, the NOI of the property is expected to exceed NOI at the time of acquisition by over €1.4 million, the current occupancy rate is 97% and the weighted average lease term exceeds 7 years. Based on an independent appraisal as of December 31, 2018, the unlevered IRR on the property exceeded 14%.
- **Boutique & Smart Offices, the Netherlands** – In 2018, common area upgrades to the Boutique Office concept were completed for four properties in the Netherlands, with an additional two properties currently undergoing conversion. These six properties have a total GLA of 480,000 sq. ft. and are currently 52% occupied. The Trust expects to achieve strong occupancy growth from these assets in 2019 as a result of the upgrades. In addition, the Trust’s flexible office offering in the Netherlands, “Smart Office”, has experienced strong growth over the past 12 months with the creation of 12 new locations in 2018 for a total of 27 locations currently in operation with a combined GLA of 222,700 sq. ft. On a same-store basis, Smart Offices recorded over 37% rental income growth from Q4 2017. The Trust expects that the continued demand for flexible office space in the Dutch market will contribute to its organic growth in 2019.
- **Additional Value-add Initiatives** – The Trust is currently pursuing a number of additional value-add initiatives across its portfolio with a total expected capital investment volume over the next 24 months of up to €60 million. These initiatives include intensification and rezoning opportunities in the Trust’s Redevelopment portfolio, investments in solar panels and the creation of new Boutique Offices in the Netherlands. The largest projects the Trust expects to undertake over the next 24 months are the refurbishment and redevelopment of Handwerkstrasse in Stuttgart, Germany as well as the repositioning and potential intensification of Atoomweg in Utrecht, the Netherlands. The Trust is currently in varying stages of planning for these projects, both of which were acquired in 2018.



“Through thoughtful capital allocation and active asset management, the REIT produced solid organic growth in 2018 and set the foundation going forward.” said Jane Gavan, CEO of Dream Global. “We believe that our asset quality, attention to customer experience and the good office fundamentals in our markets will continue to support that trend. Our balance sheet is strong and our asset recycling program has been focused on owning buildings that will maintain strong occupancy through real estate and economic cycles.”

OPERATING HIGHLIGHTS

Occupancy — Occupied and committed occupancy of our total portfolio (excluding Redevelopment assets) was 91.4% at December 31, 2018, representing an increase of 330 basis points since Q4 2017. Occupancy in Comparative Properties increased by 210 basis points to 91.1% at December 31, 2018 relative to prior year. The German and Dutch Comparative Properties occupancy increased by 160 and 300 basis points, respectively, when compared to Q4 2017.

Comparative properties NOI — For the three months ended December 31, 2018, Comparative Properties NOI increased by €2.6 million, or 6.6%, in Q4 2018 compared to Q4 2017, when excluding termination fees and other non-recurring items, and including Dutch Properties CP NOI for the first time. The increase was largely driven by occupancy growth in the Dutch properties, rental rate growth in the German portfolio and completion of several initiatives in the Trust's Value-add portfolio in Germany. Including termination fees and other non-recurring items, CP NOI growth amounted to 7.1%.

For the year ended December 31, 2018, Comparative Properties NOI increased by €4.4 million, or 4.3% from the year ended December 31, 2017, which excludes the Dutch Properties from Comparative Properties.

Strong operating environment — Office vacancy rates in Germany's Big 7 markets declined to 3.6% at the end of 2018, a decline of 110 bps from Q4 2017. Over the last 12 months, prime rents increased in all Big 7 cities in Germany. The biggest increases were registered in Berlin (+13%), Cologne (+7%) and Hamburg (+6%). Fundamentals in the Dutch office market continued to strengthen leading to a decline in the vacancy rate in the G5 office markets to 7.0% in Q4 2018, 210 bps decline from the end of 2017 and 10 bps decline from Q3 2018.

FINANCIAL HIGHLIGHTS

Funds from operations — FFO for the three months ended December 31, 2018 was \$50.5 million compared to \$45.1 million for the three months ended December 31, 2017.

Cash generated from operating activities — Cash generated from operating activities was \$47.4 million for the three months ended December 31, 2018, compared to \$44.0 million for the three months ended December 31, 2017, an increase of 7.6% from the prior year comparative quarter.

Net rental income — For the three months ended December 31, 2018 net rental income increased by 11% to \$65.5 million compared to Q4 2017, reflecting the Trust's growth initiatives and strong leasing markets.

NAV per unit — as at December 31, 2018 NAV per unit was €9.58 (\$14.97) compared to €8.04 (\$12.10) in the prior year, and €8.95 (\$13.45) at September 30, 2018. Increases in NAV were partially offset by deferred tax liabilities of \$47.1 million.

EPRA NAV per unit — as at December 31, 2018 EPRA NAV per unit was €10.28 (\$16.05) compared to €8.44 (\$12.70) in the prior year, and €9.48 (\$14.24) at September 30, 2018. Increases in NAV and EPRA NAV per unit were primarily driven by the fair value increases in the portfolio, with the Canadian dollar NAV/unit also positively impacted by favourable foreign exchange rates.

CAPITAL INITIATIVES

Acquisitions — In 2018, the Trust acquired 11 properties with a total purchase price of €288 million at a going-in cap rate of 5.8%, with an expected 5-year average cap rate of 6.1%, and a total GLA of 1.8 million sq. ft.

Dispositions — For the year-ended December 31, 2018 the Trust closed or went firm on €107.4 million of Non-core dispositions at a premium of 7% compared to the fair value of the properties as at Q4 2017. In addition, we also closed the disposition of our joint venture interest in Wertfthaus in Frankfurt, Germany for €37.2 million.

Reduced leverage — The Trust's level of debt was 40.9% at the end of Q4 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 43.3% at the end of Q4 2018 compared to 49.2% at the end of 2017.

Increased liquidity — Subsequent to Q4 2018, the Trust increased its unsecured credit facility by €50 million to €150 million, with an extended term of three years.

Equity – On December 31, 2018, the Trust had 192,588,442 units outstanding, at the February 19, 2019 closing price of \$13.04 per unit, the Trust’s market capitalization is \$2.5 billion.

CONFERENCE CALL DETAILS

Dream Global REIT’s management team will be holding a conference call Friday, February 22, 2019 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 19.9 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.

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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, FFO, AFFO, interest coverage ratio, and 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 including NOI, FFO, AFFO, interest coverage ratio, debt-to-gross book value, net of cash, should not be considered as alternatives to net income, net rental 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 twelve months ended December 31, 2018.

The European Public Real Estate Association ("EPRA") is a non-for-profit association representing the interests of both listed real estate companies in Europe as well as investors. EPRA is committed to transparency, comparability, consistency and relevance of published results for European listed companies. EPRA net asset value ("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 and liabilities and mark-to-market adjustments on financial instruments. The following is a reconciliation between EPRA NAV and IFRS NAV as disclosed and reconciled in Dream Global REIT's Management's Discussion and Analysis:

| EUR (€) | December 31, 2018 | September 30, 2018 | December 31, 2017 |
|---|----------------------|-----------------------|----------------------|
| Equity ⁽¹⁾ | 1,834,596 | 1,708,833 | 1,409,493 |
| Fair value of financial instruments ⁽²⁾ | 4,512 | (2,431) | 3,608 |
| Deferred tax liabilities, net ⁽³⁾ | 121,095 | 97,014 | 62,207 |
| Adjustments in respect of Joint Ventures ⁽²⁾ | 19,120 | 17,365 | 14,340 |
| EPRA Net Asset Value | 1,979,323 | 1,820,781 | 1,489,648 |
| Number of units outstanding (in thousands) | 192,588 | 192,052 | 176,500 |
| EPRA NAV per unit | 10.28 | 9.48 | 8.44 |

| CAD (\$) | December 31, 2018 | September 30, 2017 | December 31, 2017 |
|---|----------------------|-----------------------|----------------------|
| Equity ⁽¹⁾ | 2,864,355 | 2,566,667 | 2,121,287 |
| Fair value of financial instruments ⁽²⁾ | 7,044 | (3,651) | 5,430 |
| Deferred tax liabilities, net ⁽³⁾ | 189,065 | 145,715 | 93,622 |
| Adjustments in respect of Joint Ventures ⁽²⁾ | 29,852 | 26,082 | 21,581 |
| EPRA Net Asset Value | 3,090,316 | 2,734,813 | 2,241,920 |
| Number of units outstanding (in thousands) | 192,588 | 192,052 | 176,500 |
| EPRA NAV per unit | 16.05 | 14.24 | 12.70 |

(1) Equity excludes non-controlling interests.

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

(3) Includes deferred tax liabilities, net of deferred tax assets.

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, internal rate of reruns, and future cap rates of new acquisitions and intensification projects, the timing of closing of acquisitions, any development plans for the assets. Rendering for Hardwekstrasse has been provided by Payel Rahman Architekten, a German architecture firm. Rendering for Atoomweg has been provided by Rau, a Dutch architecture firm. 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.