

**DIGITAL CORE REIT
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND
DISTRIBUTION ANNOUNCEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2024**

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DIGITAL CORE REIT AND ITS SUBSIDIARIES

INTRODUCTION

Overview

Digital Core REIT is sponsored by Digital Realty, the largest global data centre owner and operator and is a leading pure-play data centre Singapore REIT (“S-REIT”) listed on the Main Board of the Singapore Exchange Securities Trading Limited on 6 December 2021 (“Listing Date”). Digital Core REIT is an S-REIT established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally which are used primarily for data centre purposes, as well as assets necessary to support the digital economy.

Digital Core REIT seeks to create long-term, sustainable value for all stakeholders through ownership and operation of a stabilised and diversified portfolio of mission-critical data centre facilities concentrated in select global markets.

On 12 January 2024, Digital Core REIT completed the sale of the two Silicon Valley Facilities (2401 Walsh Avenue and 2403 Walsh Avenue) (“Divested Properties”) to Brookfield Infrastructure Partners L.P. and its institutional partners. The gross proceeds to Digital Core REIT for its 90% ownership interest of both assets was approximately US\$160.2 million.

On 20 February 2024, Digital Core REIT issued 192,000,000 new units at US\$0.625 per unit via a private placement which raised gross proceeds of US\$120 million to fund partial debt repayment and acquire additional interests in the property located at Wilhelm-Fay-Straße 15 and 24 in Frankfurt, Germany (the “Frankfurt Facility”) and the property located at 6-chrome, Ao-kita, Saito, Minoh-city, Osaka, Japan (“Digital Osaka 2”),

On 29 March 2024, Digital Core REIT completed an additional 10% equity interest in Digital Osaka 2 from the third-party vendor, Mitsubishi Corporation, at a gross purchase consideration of JPY7,725 million (approximately US\$51.5 million), bringing the total interest in the property, Digital Osaka 2 to 20%.

On 19 April 2024, Digital Core REIT further acquired an additional 24.9% equity interest in the Frankfurt Facility from Digital Realty for a gross consideration of EUR117 million (approximately US\$129 million). This was an Interested Person Transaction (“IPT”) which was approved by unitholders via an Extraordinary General Meeting held on 18 April 2024. The acquisition was funded by a combination of proceeds from the sale of the Divested Properties, Euro term loan and the private placement.

As at 30 June 2024, Digital Core REIT’s portfolio had a total Asset Under Management (“AUM”) of approximately US\$1.4 billion, comprising mission-critical freehold data centres located across the United States, Canada, Frankfurt and Osaka. The data centre facilities are:

Northern Virginia

- 1) 44520 Hastings Drive (90% interest)
- 2) 8217 Linton Hall Road (90% interest)
- 3) 43831 Devin Shafron Drive (90% interest)

Northern California (Silicon Valley)

- 4) 3011 Lafayette Street (90% interest)
- 5) 1500 Space Park Drive (90% interest)

Los Angeles

- 6) 200 North Nash Street (90% interest)
- 7) 3015 Winona Avenue (90% interest)

Toronto

- 8) 371 Gough Road (90% interest)

Frankfurt

- 9) Wilhelm-Fay-Straße 15 and 24 (49.9% interest) (including 24.9% additional interest completed on 19 April 2024)

Osaka

- 10) Digital Osaka 2 (20% interest) (including 10% additional interest completed on 29 March 2024)

Distribution Policy

Digital Core REIT’s distribution policy is to distribute at least 90% of its annual distributable income for each financial year. The actual level of distribution will be determined at the Manager’s discretion.

**SUMMARY OF DIGITAL CORE REIT RESULTS
FOR THE HALF YEAR ENDED 30 JUNE 2024**

	Group		
	Actual 1H 2024	Actual 1H 2023	+ / (-) ⁽²⁾
	US\$'000	US\$'000	%
Gross Revenue ⁽¹⁾	48,262	53,387	(9.6)
Property Expenses ⁽¹⁾	(17,833)	(18,235)	(2.2)
Net Property Income ("NPI") ⁽¹⁾	30,429	35,152	(13.4)
Cash NPI ⁽¹⁾	30,101	33,678	(10.6)
Cash NPI (on same store basis) ⁽²⁾	30,303	29,920	1.3
Distributable Income to Unitholders ⁽³⁾	22,586	21,480	5.1
Distribution per Unit (DPU) (US cents) ⁽⁴⁾	1.80	1.92	(6.3)
Annualised distribution yield (%) ⁽⁵⁾	6.35	8.15	(180 bps)

Footnotes:

- (1) Gross revenue, property expenses and NPI have decreased year-on-year largely due to the divestment of 2401 Walsh Avenue and 2403 Walsh Avenue ("Divested Properties") in January 2024. For further information on the variances, please refer to (A)(i) Condensed Interim Consolidated Profit and Loss and Section 7 Review of Performance.
- (2) Cash NPI on same store basis, which excludes the effects of the straight-line rents and the contributions from the Divested Properties for both periods, was up 1.3% year-on-year.
- (3) The distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.
- (4) Actual 1H 2024 DPU of 1.80 US cents comprises:
 - (i) 0.48 US cents of Advance Distribution paid for the period from 1 January 2024 to 19 February 2024, calculated over the number of units of 1,124,709,564 as at 19 February 2024
 - (ii) 1.32 US cents distribution declared for the period from 20 February 2024 to 30 June 2024, calculated over the number of units as at 30 June 2024 of 1,302,138,623.
- (5) The annualised DPU yield for 1H 2024 is on a basis of 182 days (1H 2023: 181 days) and prorated to 366 days (1H 2023: 365 days). Distribution yields for 1H 2024 and 1H 2023 are based on market closing prices of US\$0.570 and US\$0.475 per Unit as at last trading day of the respective periods.

DIGITAL CORE REIT AND ITS SUBSIDIARIES

1 (A)(i) CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS
FOR THE HALF YEAR ENDED 30 JUNE 2024

	FS Note ^(a)	1H 2024 US\$'000	1H 2023 US\$'000	+/(-)%
Rental income		33,497	36,399	(8.0)
Utilities reimbursements		6,133	6,918	(11.3)
Other recovery and operating income		8,632	10,070	(14.3)
Gross Revenue		48,262	53,387	(9.6)
Utilities		(6,310)	(7,117)	(11.3)
Property taxes and insurance expenses		(3,663)	(3,369)	8.7
Repairs and maintenance		(1,466)	(1,678)	(12.6)
Property management fees		(973)	(1,008)	(3.5)
Other property expenses		(5,421)	(5,063)	7.1
Property expenses		(17,833)	(18,235)	(2.2)
Net Property Income ^(b)		30,429	35,152	(13.4)
Other income ^(c)		2,056	–	NM
Finance income ^(d)		6,132	3,112	97.0
Finance expenses	3	(12,000)	(12,307)	(2.5)
Manager's base fee ^(e)		(2,704)	(3,653)	(26.0)
Manager's performance fee ^(e)		(857)	(1,143)	(25.0)
Trustee's fee		(92)	(91)	1.1
Other trust expenses ^(f)		(1,621)	(1,098)	47.6
Unrealised foreign exchange		1,996	(2,896)	NM
Share of result of associates ^(g)		3,959	2,078	90.5
Profit before tax		27,298	19,154	42.5
Tax expense ^(h)		(5,955)	(6,874)	(13.4)
Profit after tax		21,343	12,280	73.8
Attributable to:				
Unitholders		18,627	9,073	>100
Non-controlling interest		2,716	3,207	(15.3)
		21,343	12,280	73.8
Earnings per Unit (US cents) ("EPU") ⁽ⁱ⁾				
- basic		1.43	0.81	76.5
- diluted		1.40	0.80	75.0

DIGITAL CORE REIT AND ITS SUBSIDIARIES

1 (A)(ii) CONDENSED INTERIM CONSOLIDATED DISTRIBUTION STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2024

	1H 2024	1H 2023	+/(–)%
	US\$'000	US\$'000	
Profit after tax attributable to Unitholders	18,627	9,073	>100
<u>Distribution adjustments</u>			
Property related non-cash items ⁽ⁱ⁾	(295)	(1,327)	(77.8)
Manager's fees paid/payable in units	3,561	4,797	(25.8)
Trustee fee	92	91	1.1
Amortisation of upfront debt-related transaction costs ^(k)	767	732	4.8
Net deferred tax expense	4,811	6,163	(21.9)
Share of result of associates	(3,959)	(2,078)	90.5
Unrealised foreign exchange	(1,995)	2,895	NM
Others ^(l)	977	1,134	(13.8)
Net distribution adjustments	3,959	12,407	(68.1)
Income available for distribution to Unitholders ^(m)	22,586	21,480	5.1
DPU (US cents) ^{(i) (m)}	1.80	1.92	(6.3)

Footnotes:

- (a) Please see Section 1(E) – Notes to the Condensed Interim Consolidated Financial Statements.
- (b) The decreased in net property income was largely due to the sale of properties at 2401 Walsh Avenue and 2403 Walsh Avenue to Brookfield, as well straight-line rent adjustments to the properties in relation to the customer bankruptcy. For further information, please refer to the announcements dated 1 November 2023 titled "Customer Situation Update" and 15 January 2024 titled "Completion of Sale of Two Shell and Core Facilities in Silicon Valley".
- Please also refer to Section 7 Review of Financial Performance for further analysis on the net property income variances on a same store basis.
- (c) Other income comprises dividend income received from the 10% interest in Digital Osaka 2 for the period from 1 January 2023 to 31 December 2023, received in 1H 2024. Post completion of the acquisition of additional 10% interest in Digital Osaka 2 to a total interest of 20% in March 2024, its contribution will be recognised in share of result in associates thereafter.
- (d) Finance income comprises interest income from loan to associate and deposits placed with financial institutions. The year-on-year increase is largely due to higher fixed deposits placed with banks (1H 2024: US\$2.2 million 1H 2023: US\$0.2 million) and interest received from loan to associate (1H 2024: US\$1.7 million 1H 2023: US\$1.2 million), based on pro-rata ownership which increased from 25% to 49.9%.
- (e) The Manager has elected to receive 100% of its base fees in the form of units for 1H 2024.
- (f) Other trust expenses comprise audit, tax, compliance, legal and professional fees and other corporate expenses. The increase in other trust expenses mainly relates to additional professional fees incurred to support the additional acquisitions and restructuring of leases relating to the customer bankruptcy situation. For further information, please refer to the announcement titled "completion of sale of two shell & core facilities in Silicon Valley" dated 15 January 2024.
- (g) Share of result of associates represents the share of the post-acquisition earnings of the 49.9% interest in the Frankfurt Facility and 20% of Digital Osaka 2.
- (h) Tax expense comprises (i) current income tax for the Canadian asset (ii) withholding tax expense incurred on the dividend income from Japan asset and (iii) deferred tax which is recognised due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The deferred tax expense arose mainly from the capital allowances claimed on the investment properties.
- (i) Please refer to Section 5 – Consolidated Earnings per Unit and Distribution per Unit for further information.

DIGITAL CORE REIT AND ITS SUBSIDIARIES

- (j) Property related non-cash items consist primarily of straight-line rent adjustments, net of share attributable to non-controlling interests.
- (k) Upfront debt-related transaction costs are amortised over the life of the borrowings.
- (l) Other distribution adjustments include other non-cash and non-tax-deductible items as well as other adjustments related to timing differences in income and expenses.
- (m) The income available for distribution and DPU to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. The DPU for 1H 2024 of 1.80 US cents comprises an advance distribution of 0.48 US cents per unit for the period from 1 January 2024 to 19 February 2024 and DPU of 1.33 US cents for the period from 20 February 2024 to 30 June 2024.

Digital Core REIT declares distributions on a half-yearly basis. Please refer to Section 10 – Distributions for further information.

1 (A)(iii) CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2024

	Group		
	1H 2024	1H 2023	+/(–)%
	US\$'000	US\$'000	
Profit after tax	21,343	12,280	73.8
<u>Other comprehensive income</u>			
Movement in fair value of cash flow hedges ⁽¹⁾	5,765	3,049	89.1
Movement in fair value reserve ⁽²⁾	2,821	–	NM
Foreign currency translation movement ⁽³⁾	(7,943)	7,131	NM
Total other comprehensive income	643	10,180	(93.7)
Total comprehensive income	21,986	22,460	(2.1)
Attributable to:			
Unitholders	19,718	18,837	4.7
Non-controlling interest	2,716	3,623	(37.4)
	21,986	22,460	(2.1)

Footnotes:

- (1) These relate to the fair value movement of interest rate swaps which were designated as cash flow hedges. The Group entered into floating-to-fixed interest rate swaps to manage its interest rate risk.
- (2) Digital Core REIT acquired an additional 10% interest in Digital Osaka 2 in 1H 2024 and holds a 20% interest as at 30 June 2024. With 20% of the voting rights, Digital Core REIT is deemed to have significant influence and the investment has been reclassified from investment in FVOCI to associate. Consequently, the fair value reserve relating to the asset has been transferred to retained earnings.
- (3) Foreign currency translation reserve movement arose from the net translation differences related to financial statements of foreign subsidiaries and the foreign currency denominated loans that form part of the Group's net investment in foreign entities.

DIGITAL CORE REIT AND ITS SUBSIDIARIES

1 (B) CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Group			Trust		
FS Note	Actual 30-Jun-24 US\$'000	Actual 31-Dec-23 US\$'000	+/(–) %	Actual 30-Jun-24 US\$'000	Actual 31-Dec-23 US\$'000	+/(–) %
Current assets						
Cash and cash equivalents	23,323	12,101	92.7	8,761	3,355	>100
Trade and other receivables	12,882	8,653	48.9	99,024	94,459	4.8
Investment properties held for sale ^(a)	–	178,000	(100)	–	–	NM
Prepaid expenses	1,686	297	>100	509	73	>100
Total current assets	37,891	199,051	(81.0)	108,294	97,887	10.6
Non-current assets						
Derivative financial assets ^(b)	2,943	908	>100	2,943	908	>100
Investment properties	1,114,585	1,114,887	NM	–	–	NM
Investment in subsidiaries	–	–	NM	1,403,454	1,391,023	0.9
Investment in FVOCI ^(c)	–	45,555	(100)	–	–	NM
Associates	356,019	143,058	>100	–	–	NM
Deferred tax asset	5,317	5,578	(4.7)	–	–	NM
Total non-current assets	1,478,864	1,309,986	12.9	1,406,397	1,391,931	1.0
Total Assets	1,516,755	1,509,037	0.5	1,514,691	1,489,818	1.7
Current liabilities						
Trade and other payables	20,665	16,725	23.6	8,181	5,712	43.2
Current tax payable	574	1,110	(48.3)	–	–	NM
Rent received in advance	4,700	5,207	(9.7)	–	–	NM
Total current liabilities	25,939	23,042	12.6	8,181	5,712	43.2
Non-current liabilities						
Derivative financial liabilities ^(b)	525	4,255	(87.7)	525	4,255	(87.7)
Loans and borrowings	469,458	555,493	(15.5)	469,458	555,493	(15.5)
Preferred units	99	99	NM	–	–	NM
Deferred tax liabilities	11,067	6,517	69.8	–	–	NM
Total non-current liabilities	481,149	566,364	(15.0)	469,983	559,748	(16.0)
Total liabilities	507,088	589,406	(14.0)	478,164	565,460	(15.4)
Net assets	1,009,667	919,631	9.8	1,036,527	924,358	12.1
Represented by:						
Units in issue	1,039,210	943,582	10.1	1,039,210	943,582	10.1
Hedging reserve ^(b)	2,417	(3,348)	NM	2,417	(3,348)	NM
Fair value reserve ^(c)	–	(1,341)	(100)	–	–	NM
Foreign currency translation reserve	(10,337)	(2,842)	>100	–	–	NM
Retained earnings	(133,224)	(145,576)	(8.5)	(5,100)	(15,876)	(67.9)
Net assets attributable to Unitholders	898,066	790,475	13.6	1,036,527	924,358	12.1
Non-controlling interests	111,601	129,156	(13.6)	–	–	NM
	1,009,667	919,631	9.8	1,036,527	924,358	12.1
Net asset value per Unit (“NAV”) (US\$) ^(d)	0.68	0.69	(1.4)	0.78	0.81	(3.7)

DIGITAL CORE REIT AND ITS SUBSIDIARIES

Footnotes:

- (a) Investment properties held for sale relates to the sale of 2401 Walsh Avenue and 2403 Walsh Avenue which was completed on 12 January 2024.
- (b) Derivative financial assets and liabilities relate to fair value of the floating-to-fixed interest rate swaps entered to hedge interest rate risks. These derivatives were designated as cash flow hedges and their fair value movement is recognised directly in equity under hedging reserve.
- (c) Digital Core REIT acquired an additional 10% interest in Digital Osaka 2 in 1H 2024 and holds a 20% interest as at 30 June 2024. With 20% of the voting rights, Digital Core REIT is deemed to have significant influence and the investment has been reclassified from investment in FVOCI to associate. Consequently, the fair value reserve relating to the asset has been transferred to retained earnings.
- (d) The computation of NAV is based on the number of units in issue and to be issued at the end of the period. Please refer to Section 6 – Net Asset Value and Net Tangible Asset per Unit for further information.

**1 (C) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2024**

	Group	
	1H 2024	1H 2023
	US\$'000	US\$'000
Operating activities		
Profit before tax	27,298	19,154
Adjustments for:		
Property related non-cash items	(281)	(1,530)
Manager's fees paid/payable in Units	3,561	4,797
Finance income	(8,188)	(3,112)
Finance expenses	12,000	12,307
Unrealised foreign exchange	(1,996)	2,896
Share of result of associates	(3,959)	(2,078)
	28,435	32,434
Changes in working capital		
Trade and other receivables	(6,879)	(1,467)
Prepaid expenses	(1,389)	(1,382)
Trade and other payables	3,735	(2,739)
Rent received in advance	(507)	(448)
Net cash generated from operations	23,395	26,398
Tax paid	(1,680)	(355)
Net cash generated from operations	21,715	26,043
Cash flows from investing activities		
Proceeds from divestment of investment properties	178,000	–
Additions to investment properties	(3,700)	(1,352)
Investment in associates	(166,159)	(2,123)
Interest received	5,989	1,432
Net cash generated from / (used in) investing activities	14,130	(2,043)
Cash flows from financing activities		
Proceeds from issuance of units ⁽¹⁾	120,000	–
Payment of transaction costs relating to issuance of units	(2,319)	(176)
Proceeds from loans and borrowings	117,166	3,000
Payment of existing loans and borrowings	(194,369)	–
Financing expense paid on loans and borrowings	(11,877)	(11,350)
Financing expense paid on preferred units	(8)	(8)
Dividends paid to non-controlling interests	(19,823)	(2,230)
Distribution paid to unitholders	(25,403)	(21,521)
Purchase of units	(8,356)	–
Net cash used in from financing activities	(24,989)	(32,285)
Net increase / (decrease) in cash and cash equivalents	10,856	(8,285)
Effects of exchange rate fluctuations on cash held	366	42
Cash and cash equivalents at beginning of the period	12,101	25,241
Cash and cash equivalents at end of the period	23,323	16,998

Footnote:

- (1) Digital Core REIT issued 192,000,000 new units at the issue price of US\$0.625 per unit on 20 February 2024 via a private placement. The funds have been materially disbursed and the use of proceeds was in accordance to such use as set out in the Close of Placement Announcement dated 7 February 2024.

1 (D) CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

Group	← Attributable to Unitholders of the Trust →							Non-controlling interests	Total
	Units in issue and issuable	Treasury units	Foreign currency translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Unitholders' funds		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2024	943,582	–	(2,842)	(3,348)	(1,341)	(145,576)	790,475	129,156	919,631
<u>Total comprehensive income</u>									
Profit for the period	–	–	–	–	–	18,627	18,627	2,716	21,343
Other comprehensive income									
Movement in fair value of cash flow hedges	–	–	–	5,765	–	–	5,765	–	5,765
Movement in fair value reserve	–	–	–	–	2,821	–	2,821	–	2,821
Reclassification of fair value reserve to retained earnings	–	–	–	–	(1,480)	1,480	–	–	–
Foreign currency translation movement	–	–	(16,869)	–	–	–	(16,869)	(448)	(17,317)
Effective portion of changes in fair value of net investment hedge	–	–	9,374	–	–	–	9,374	–	9,374
Total other comprehensive income for the period	–	–	(7,495)	5,765	1,341	1,480	1,091	(448)	643
Total comprehensive income for the period	–	–	(7,495)	5,765	1,341	20,107	19,718	2,268	21,986
<u>Transactions with Unitholders, recognised directly in unitholders' funds</u>									
Issue of new units									
- Private placement	120,000	–	–	–	–	–	120,000	–	120,000
- Acquisition fees paid in units	1,247	–	–	–	–	–	1,247	–	1,247
- Management fees paid/payable in units	2,704	–	–	–	–	–	2,704	–	2,704
Purchase of units	(8,356)	8,356	–	–	–	–	–	–	–
Cancellation of treasury units	–	(8,356)	–	–	–	–	(8,356)	–	(8,356)
Issue costs	(2,319)	–	–	–	–	–	(2,319)	–	(2,319)
Distribution to Unitholders	(17,648)	–	–	–	–	(7,755)	(25,403)	–	(25,403)
Dividends paid to non-controlling interest	–	–	–	–	–	–	–	(19,823)	(19,823)
Total transactions with Unitholders for the period	95,628	–	–	–	–	(7,755)	87,873	(19,823)	68,050
As at 30 June 2024	1,039,210	–	(10,337)	2,417	–	(133,224)	898,066	111,601	1,009,667

Group	← Attributable to Unitholders of the Trust →				Non-controlling interests US\$'000	Total US\$'000
	Units in issue and issuable US\$'000	Foreign Currency Translation Reserve US\$'000	Hedging Reserve US\$'000	Retained earnings US\$'000		
At 1 January 2023	958,771	(8,666)	383	(15,597)	142,132	1,077,023
<u>Total comprehensive income</u>						
Profit for the period	–	–	–	9,073	3,207	12,280
Other comprehensive income						
Movement in fair value of cash flow hedges	–	–	3,049	–	–	3,049
Foreign currency translation movement	–	6,715	–	–	416	7,131
Total other comprehensive income for the period	–	6,715	3,049	–	416	10,180
Total comprehensive income for the period	–	6,715	3,049	9,073	3,623	22,460
<u>Transactions with Unitholders, recognised directly in unitholders' funds</u>						
Management fees paid/payable in units	3,654	–	–	–	–	3,654
Purchase of units	(2,123)	–	–	–	–	(2,123)
Issue costs	(176)	–	–	–	–	(176)
Distribution to Unitholders	(7,958)	–	–	(13,563)	–	(21,521)
Dividends paid to non-controlling interest	–	–	–	–	(2,230)	(2,230)
Total transactions with Unitholders for the period	(6,603)	–	–	(13,563)	(2,230)	(22,396)
As at 30 June 2023	952,168	(1,951)	3,432	(20,087)	143,525	1,077,087

Trust	← Attributable to Unitholders of the Trust →				
	Units in issue and issuable US\$'000	Treasury units US\$'000	Hedging reserve US\$'000	Retained earnings US\$'000	Total US\$'000
At 1 January 2024	943,582	–	(3,348)	(15,876)	924,358
<u>Total comprehensive income</u>					
Profit for the period	–	–	–	18,531	18,531
Other comprehensive income					
Movement in fair value of cash flow hedges	–	–	5,765	–	5,765
Total other comprehensive income for the period	–	–	5,765	–	5,765
Total comprehensive income for the period	–	–	5,765	18,531	24,296
<u>Transactions with Unitholders, recognised directly in unitholders' funds</u>					
Issue of new units					
- Private placement	120,000	–	–	–	120,000
- Acquisition fees paid in units	1,247	–	–	–	1,247
- Management fees paid/payable in units	2,704	–	–	–	2,704
Purchase of units	(8,356)	8,356	–	–	–
Cancellation of treasury units	–	(8,356)	–	–	(8,356)
Issue costs	(2,319)	–	–	–	(2,319)
Distribution to Unitholders	(17,648)	–	–	(7,755)	(25,403)
Total transactions with Unitholders for the period	95,628	–	–	(7,755)	87,873
As at 30 June 2024	1,039,210	–	2,417	(5,100)	1,036,527

DIGITAL CORE REIT AND ITS SUBSIDIARIES

Trust	← Attributable to Unitholders of the Trust →			
	Units in issue and issuable US\$'000	Hedging Reserve US\$'000	Retained earnings US\$'000	Total US\$'000
At 1 January 2023	958,771	383	5,186	964,340
<u>Total comprehensive income</u>				
Profit for the period	–	–	1,127	1,127
Other comprehensive income				
Movement in fair value of cash flow hedges	–	3,049	–	3,049
Total other comprehensive income for the period	–	3,049	–	3,049
Total comprehensive income for the period	–	3,049	1,127	4,176
<u>Transactions with Unitholders, recognised directly in unitholders' funds</u>				
Management fees paid/payable in units	3,654	–	–	3,654
Purchase of units	(2,123)	–	–	(2,123)
Issue costs	(176)	–	–	(176)
Distribution to Unitholders	(7,958)	–	(13,563)	(21,521)
Total transactions with Unitholders for the period	(6,603)	–	(13,563)	(20,166)
As at 30 June 2023	952,168	3,432	(7,250)	948,350

1 (E) NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

1 GENERAL

DIGITAL CORE REIT (the “Trust”) is a Singapore real estate investment trust constituted pursuant to the trust deed (the “Trust Deed”) dated 10 November 2021 between Digital Core REIT Management Pte. Ltd. (the “Manager”) and Perpetual (Asia) Limited (the “Trustee”). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust.

The Trust was dormant from 10 November 2021 (constitution date) to 5 December 2021. The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 6 December 2021 (“Listing Date”).

The Trustee’s registered office and principal place of business are 8 Marina Boulevard, #05–02 Marina Bay Financial Centre, Singapore 018981 and 16 Collyer Quay, #07–01, Singapore 049318, respectively.

The Manager’s registered office and principal place of business is 10 Collyer Quay #42–06, Ocean Financial Centre Singapore 049315.

The principal activity of the Trust is investment holding. The principal activities of the Trust’s subsidiaries are to own and invest, directly or indirectly, in a portfolio of income-producing real estate located globally which are primarily used for data centre purposes, as well as assets necessary to support the digital economy. The Group seeks to create long-term, sustainable value for all stakeholders through ownership and operation of a stabilised and diversified portfolio of mission-critical data centre facilities concentrated in select global markets.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

These condensed interim consolidated financial statements for the half year ended 30 June 2024 have been prepared in accordance with the IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”), and the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the relevant provisions of the Trust Deed. These condensed interim consolidated financial statements do not include all the disclosures required for a complete set of financial statements. However, select explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last audited financial statements for the financial year ended 31 December 2023. Accordingly, this report should be read in conjunction with the Group’s Annual Report for the financial year ended 31 December 2023 and any public announcements made by Digital Core REIT during the interim reporting period.

The condensed interim consolidated financial statements are presented in US Dollars (USD or US\$) and all values in the tables are rounded to the nearest thousand (US\$’000), except when otherwise stated.

2.2 Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s Annual report for the financial year ended 31 December 2023.

2.3 Critical Accounting Judgments and Estimates

The preparation of the financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which facts and circumstances indicate that adjustments are required.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are disclosed in Section 1(E) Notes to the Condensed Interim Consolidated Financial Statements Note 8(d) Fair Value Measurement of Investment Properties.

3 FINANCE EXPENSES

	Group		
	1H 2024	1H 2023	+/(–)
	US\$'000	US\$'000	%
Interest expense on borrowings	11,225	11,567	(3.0)
Amortisation of upfront debt-related transaction costs	767	732	4.8
Dividends on preferred units	8	8	–
	12,000	12,307	(2.5)

4 INVESTMENT PROPERTIES

Investment properties comprise data centre properties which are held either to earn rental income or for capital appreciation, or both.

	Group	
	30-Jun-24	31-Dec-23
	US\$'000	US\$'000
Consolidated Statement of Financial Position		
As at beginning of the financial period	1,114,887	1,423,796
Net Straight-line rent capitalised / (written off)	281	(3,026)
Capital expenditure	3,700	6,951
Currency translation difference	(4,283)	4,489
Fair value change in investment properties	–	(139,323)
Reclassification to investment properties held for sale	–	(178,000)
As at end of the financial period	1,114,585	1,114,887

5 ASSOCIATES

	Group	
	30-Jun-24	31-Dec-23
	US\$'000	US\$'000
Investment in Digital Osaka 2 TMK	83,013	–
Investment in Digital Greenfield B.V.	120,926	66,415
Loan and advances to Digital Greenfield B.V.	152,080	76,643
	356,019	143,058

The carrying value of Digital Osaka 2 TMK and Digital Greenfield B.V. includes post-acquisition share of profits and is revalued to USD from JPY and EUR€ respectively.

The loan to Digital Greenfield B.V. is denominated in EUR€, carries a fixed interest rate of 3.0% per annum and is discounted to its effective interest rate.

6 LOANS AND BORROWINGS

	Group and Trust	
	30-Jun-24	31-Dec-23
	US\$'000	US\$'000
<u>Unsecured loans and borrowings</u>		
Amount repayable after one year	472,338	558,915
Less: Unamortised upfront debt-related transaction costs	(2,880)	(3,422)
Total unsecured loans and borrowings	469,458	555,493

Notes:

As at 30 June 2024, the Group had gross borrowings comprising:

- (i) US\$210.0 million term loan to partially finance the acquisition of the initial IPO Portfolio
- (ii) US\$182.1 million (EUR€170.0 million) term loan to finance the acquisition of the 49.9% interest in the Frankfurt Facility
- (iii) US\$80.2 million (JPY12.9 billion) loan to finance the acquisition of the 20.0% interest in Digital Osaka 2

As at 30 June 2024, the Group had US\$302.6 million of undrawn capacity available on the revolving credit and term loan facilities to meet its future obligations. Ninety-three percent (93%) of the outstanding term loan was hedged via floating-to-fixed interest rate swaps. The year-to-date all-in average interest rate for borrowings, excluding upfront debt-related transaction costs, was 4.5%. Aggregate leverage, as defined in the Property Funds Appendix, was 34.4%.

7 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the period, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	1H 2024	1H 2023
	US\$'000	US\$'000
Acquisition fee paid/payable to the Manager	(1,329)	–
Manager's management fees paid/payable to the Manager	(3,561)	(4,797)
Property management fees paid/payable to related parties	(973)	(1,008)
Other property-related reimbursement costs to a related party	(5,581)	(2,978)
Interest income from an associate	1,691	1,206
Trustee fees paid/payable	(92)	(91)

8 FAIR VALUE OF ASSETS AND LIABILITIES

a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in their entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

DIGITAL CORE REIT AND ITS SUBSIDIARIES

b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value:

Group	30-Jun-2024 US\$'000			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value				
Derivative financial assets	–	2,943	–	2,943
Investment properties	–	–	1,114,585	1,114,585
Total assets	–	2,943	1,114,585	1,117,528

Liabilities measured at fair value				
Derivative financial assets	–	525	–	525
Total liabilities	–	525	–	525

Group	31-Dec-2023 US\$'000			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value				
Derivate financial assets	–	908	–	908
Investment properties	–	–	1,114,887	1,114,887
Investment properties held for sale	–	–	178,000	178,000
Investment in FVOCI	–	–	45,555	45,555
Total assets	–	908	1,338,442	1,339,350

Liabilities measured at fair value				
Derivative financial assets	–	4,255	–	4,255
Total liabilities	–	4,255	–	4,255

DIGITAL CORE REIT AND ITS SUBSIDIARIES

	30-Jun-2024			Total
	US\$'000			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Trust				
Assets measured at fair value				
Derivative financial assets	–	2,943	–	2,943
Total financial assets	–	2,943	–	2,943
Liabilities measured at fair value				
Derivative financial assets	–	525	–	525
Total liabilities	–	525	–	525

	31-Dec-2023			Total
	US\$'000			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Trust				
Assets measured at fair value				
Derivative financial assets	–	908	–	908
Total financial assets	–	908	–	908
Liabilities measured at fair value				
Derivative financial assets	–	4,255	–	4,255
Total liabilities	–	4,255	–	4,255

c) Level 2 fair value measurements

The fair value of interest rate swaps is based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

d) Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy as at 30 June 2024.

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Discounted cash flow approach	<ul style="list-style-type: none">Discount rate of 6.25% to 8.50%Terminal capitalisation rate of 5.25% to 7.00%	Higher discount rate or terminal capitalisation rate would result in a lower fair value, while lower rates would result in a higher fair value.

The Group carries its investment properties at fair value with changes in fair value being recognised in profit or loss account, determined annually by independent professional valuers based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The independent professional valuers have considered valuation techniques including the direct comparison method, capitalisation approach and discounted cash flows in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flow method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used in the estimation of the valuations of the investment properties as compared to a standard market condition.

e) Other financial assets and liabilities

The carrying amounts of other financial assets and liabilities approximate their fair values. The carrying amounts of loans and borrowings approximate their fair value as these loans and borrowings bear interest at floating rates and reprice at an interval of one to twelve months. Other financial assets and liabilities include cash and cash equivalents, trade and other receivables, trade and other payables and preferred units approximate their fair values because they are either short term in nature or the effect of discounting has been adjusted into the carrying value.

9 SEGMENT ANALYSIS

For segment reporting purposes, the primary segment is by geography, and it comprises North America (U.S. and Canada), EMEA (Europe, the Middle East and Africa) and APAC (Asia Pacific). Segment information is presented in respect of the Group's geographical segments. The operations of each of the Group's geographical segments are separately managed because of different economic and regulatory environments in which they operate.

DIGITAL CORE REIT AND ITS SUBSIDIARIES

	North America US\$'000	EMEA US\$'000	APAC US\$'000	Total US\$'000
1H 2024				
Gross revenue	48,262	–	–	48,262
Property operating expenses	(17,833)	–	–	(17,833)
Total segment net property income	30,429	–	–	30,429
Manager's base fee	(2,250)	–	–	(2,250)
Fair value changes in investment properties	–	–	–	–
Share of result of associates	–	3,277	682	3,959
Reportable segment profit before tax	28,179	3,277	682	32,138
<i>Unallocated items:</i>				
Finance income				8,188
Finance costs				(12,000)
Manager's base fee				(454)
Manager's performance fee				(857)
Trustee's fees				(92)
Other trust expenses				(1,621)
Unrealised foreign exchange				1,996
Profit before tax				27,298

	North America US\$'000	EMEA US\$'000	APAC US\$'000	Total US\$'000
1H 2023				
Gross revenue	53,388	–	–	53,388
Property operating expenses	(18,236)	–	–	(18,236)
Total segment net property income	35,152	–	–	35,152
Manager's base fee	(2,250)	–	–	(2,250)
Share of result of associate	–	2,078	–	2,078
Reportable segment profit before tax	32,902	2,078	–	34,980
<i>Unallocated items:</i>				
Finance income				3,112
Finance costs				(12,307)
Manager's base fee				(1,404)
Manager's performance fee				(1,143)
Trustee's fees				(91)
Other trust expenses				(1,097)
Unrealised foreign exchange				(2,896)
Profit before tax				19,154

DIGITAL CORE REIT AND ITS SUBSIDIARIES

	North America US\$'000	EMEA US\$'000	APAC US\$'000	Total US\$'000
As at 30 June 2024				
Segment assets	1,130,990	273,006	83,013	1,487,009
Other unallocated amounts				29,746
Consolidated assets				1,516,755
Segment liabilities	14,973	–	–	14,973
Other unallocated amounts				492,115
Consolidated liabilities				507,088
Other segment items:				
Capital expenditure	3,700	276	64	4,040

	North America US\$'000	EMEA US\$'000	APAC US\$'000	Total US\$'000
As at 31 December 2023				
Segment assets	1,309,064	143,058	45,555	1,497,677
Other unallocated amounts				11,360
Consolidated assets				1,509,037
Segment liabilities	17,501	–	–	17,501
Other unallocated amounts				571,905
Consolidated liabilities				589,406
Other segment items:				
Capital expenditure	6,951	1,580	–	8,531

10 SUBSEQUENT EVENT

On 24 July 2024, the Manager announced a distribution of 1.32 US cents per unit for the period from 20 February 2024 to 30 June 2024.

DIGITAL CORE REIT AND ITS SUBSIDIARIES

2 (A) DETAILS OF ANY CHANGES IN UNITS

<u>Units in issue</u> Group and Trust	Group and Trust	
	2024 Units	2023 Units
At 1 January	1,123,853,481	1,120,892,272
New Units issued:		
- Issue of Acquisition fee units	2,930,042	2,443,769
- Placement of units	192,000,000	–
Unit buyback:		
- purchase and subsequent cancellation of treasury units	(14,644,900)	(4,596,500)
Total issued Units as at 30 June	1,304,138,623	1,118,739,541
New Units to be issued:		
– Management base and performance fees in units to be issued	22,387,944	15,483,537
Total issued and issuable Units as at 30 June (excluding treasury units)	1,326,526,567	1,134,223,078

Notes:

- (1) The 22,387,944 units issuable as at 30 June 2024 comprises:
- (i) 17,220,370 units to be issued as payment of management base and performance fee in units for 1 January 2023 to 31 December 2023, based on the volume weighted average price for the last 10 business days prior to each quarter end date.
 - (ii) 8,125,397 units to be issued as payment of management base fees in units for 1Q 2024 and 2Q 2024 based on the volume weighted average price for the last 10 business days prior to each quarter end date.

2 (B) TOTAL NUMBER OF ISSUED UNITS

	As at 30 June 2024	As at 31 December 2023
Total number of issued Units	1,304,138,623	1,123,853,481

2 (C) SALES, TRANSFERS, DISPOSALS, CANCELLATION OR USE OF TREASURY UNITS

Digital Core REIT repurchased a total of 14,644,900 treasury units in 1H 2024 which have been cancelled as at the date of announcement.

3 AUDIT STATEMENT

- (a) Whether the figures have been audited or reviewed, and if so, which accounting standard or practice has been followed.

The figures have neither been audited nor reviewed by the auditors.

- (b) Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4 CHANGES IN ACCOUNTING POLICIES

- (a) Whether the same accounting policies and methods of computation as in the issuer’s most recent audited annual financial statements have been applied.

Refer to Section 1E Notes to the Condensed Interim Consolidated Financial Statements Note 2.2

- (b) If there are any changes in the accounting policies and method of computation, including any required by any accounting standard, what has changed, as well as the reasons for, and the effect of the change.

Refer to Section 1E Notes to the Condensed Interim Consolidated Financial Statements Note 2.2

5 CONSOLIDATED EARNINGS PER UNIT (“EPU”) AND DISTRIBUTION PER UNIT (“DPU”)

	1H 2024	1H 2023
EPU		
Profit after tax attributable to Unitholders (US\$'000)	18,627	9,073
Basic EPU		
Weighted average number of Units as at end of period ⁽¹⁾	1,304,261,634	1,118,825,084
Basic EPU (US cents)	1.43	0.81
Diluted EPU		
Weighted average number of Units as at end of period ⁽²⁾	1,326,526,567	1,134,222,855
Diluted EPU (US cents)	1.40	0.80
DPU		
Income available for distribution to Unitholders (US\$'000)	22,586	21,480
Number of Units in issue at end of period ⁽³⁾	1,304,138,623	1,118,739,541
DPU (US cents) ⁽³⁾	1.80	1.92

Notes:

- (1) Based on the weighted average number of units issued and issuable as at the end of the financial period.
 (2) Based on the weighted average number of units issued and issuable as at the end of the financial period, adjusted on the basis that the management fees units were issued at the beginning of the period.
 (3) The DPU was computed and rounded based on the number of Units in issue entitled to distribution at the end of the period.

6 NET ASSET VALUE (“NAV”) AND NET TANGIBLE ASSET (“NTA”) PER UNIT

	As at 30 June 2024		As at 31 December 2023	
	Group	Trust	Group	Trust
Net assets ⁽¹⁾ (US\$'000)	898,066	1,036,527	790,475	924,358
Number of Units in issue and to be issued ⁽²⁾ ('000)	1,326,526,567	1,326,526,567	1,142,626,256	1,142,626,256
NAV and NTA per Unit ⁽³⁾ (US\$)	0.68	0.78	0.69	0.81
Adjusted NAV and NTA per Unit ⁽³⁾ (excluding the amount distributable) (US\$)	0.66	0.77	0.67	0.79

Notes:

- (1) This excludes the non–controlling interests’ share of net assets.
 (2) Number of units in issue at the end of the period and the units to be issued as payment for the Manager’s base and performance fees.
 (3) NAV and NTA are the same as there were no intangible assets as at the end of the period.

7 REVIEW OF PERFORMANCE

	Group		
	Actual 1H 2024	Actual 1H 2023	+ / (-)
	US\$'000	US\$'000	%
Gross Revenue	48,262	53,387	(9.6)
Property Expenses	(17,833)	(18,235)	(2.2)
Net Property Income ("NPI")	30,429	35,152	(13.4)
Cash NPI	30,101	33,678	(10.6)

	Same Store Basis ⁽¹⁾		
	Actual 1H 2024	Actual 1H 2023	+ / (-)
	US\$'000	US\$'000	%
Gross Revenue	48,154	48,460	(0.6)
Property Expenses	(17,523)	(17,479)	0.3
NPI	30,631	30,981	(1.1)
Cash NPI	30,303	29,920	1.3

(1) Excluding the contributions from 2401 Walsh Avenue and 2403 Walsh Avenue ("Divested Properties") which were divested in January 2024 for a like-for-like comparison.

Review of performance for 1H 2024 vs 1H 2023

Gross revenue for 1H 2024 decreased by 9.6% year-on-year due to the absence of contributions from the Divested Properties.

On same store basis

Gross revenue of US\$48.2 million decreased year-on-year marginally by 0.6%, despite higher rental income from Gough property due to increased rents from short term leases as well as the yearly built in rental escalations of 1-3%.

The higher rental was offset with straight-line rent adjustments, lower utilities reimbursement, which was in line with lower utilities expenses, as well as comparatively lower recovery income due to true-up of income in 1H 2023.

1H 2024 property expenses of US\$17.5 million were marginally higher than 1H 2023 by 0.3% largely due to higher property taxes and other property expenses, offset by lower utilities.

Consequently, 1H 2024 net property income of \$30.6 million was lower than 1H 2023 by 1.1%. Excluding the effects of the straight-line rent, cash NPI of US\$30.3 million was above 1H 2023 by 1.3%.

Other income of US\$2.1 million comprises dividend income received from the 10% interest in Digital Osaka 2 for the period from 1 January 2023 to 31 December 2023, received in March 2024. The acquisition of Digital Osaka 2 was completed in November 2023 and hence there was no corresponding dividend income in 2023.

Finance income comprises interest income from loan to associate and deposits placed with financial institutions. The increase year-on-year is largely due to higher fixed deposits placed with banks and loan to associate, which is based on pro-rata ownership which increased from 25% to 49.9%.

Other trust expenses comprise audit, tax, compliance, legal and professional fees and other corporate expenses. The increase in other trust expenses mainly relates to additional professional fees incurred to support the additional acquisitions and restructuring of leases. For further information, please refer to the announcement titled "completion of sale of two shell & core facilities in Silicon Valley" dated 15 January 2024.

The increase in share of result of associates is due to the higher share of the post-acquisition earnings from increased interest in the Frankfurt Facility (2024: 49.9% 2023: 25%) and Digital Osaka 2 (2024: 20% 2023: not an associate).

DIGITAL CORE REIT AND ITS SUBSIDIARIES

Unrealised foreign exchange mainly relates to the movement in the revaluation of the Euro and Japanese Yen term loans to USD for the financing of the Frankfurt Facility and Digital Osaka 2. As a net investment hedge, the unrealised foreign exchange loss pertaining to the above loans have been recognised directly in Other Comprehensive Income.

Tax expense was lower due to lower net deferred tax from lower tax depreciation post sale of the Divested Properties, partially offset with higher Canadian income tax incurred on higher income at the Gough property and Japan withholding tax suffered on the dividend income received from Digital Osaka 2.

After adjusting for distribution adjustments, 1H 2024 overall income available for distribution of US\$22.7 million was 5.8% higher year-on-year. After factoring the higher unit base from the private placement, DPU of 1.81 US cents was 5.7% lower than 1H 2023.

8 VARIANCE FROM FORECAST STATEMENT

Not applicable.

9 OUTLOOK AND PROSPECTS

A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

According to the June 2024 World Bank Global Economic Prospect Report, global growth appears to be in a final approach for a “soft landing” where inflation has been reduced to a three-year low and financial conditions have brightened. The World Bank projected global growth to hold steady at 2.6% this year, up from a January forecast of 2.4%. Despite flaring geopolitical tensions and high interest rates, global activity firmed in early 2024. This is largely due to the continued solid performance of the United States, the World Bank highlighted in its latest forecast. However, a higher-for-longer interest rate environment could give rise to markedly tighter financial conditions and significantly weaken global growth. Although global growth is projected to edge up to an average of 2.7% in 2025-26 as trade growth strengthens and broad but measured monetary policy easing supports economic activities, growth will remain below the pre-pandemic average of 3.1%.

Against the subdued global outlook, the data centre fundamentals remain robust and set to develop at an increasing pace due to continued transition to cloud, growth in the Internet of Things, growing data sovereignty and residency regulations and the expanding amount of data that consumers and businesses generate. According to International Data Corporation (IDC), worldwide spending on digital transformation is forecast to reach almost \$4 trillion by 2027 with artificial intelligence (AI) and Generative AI pushing investments in this market. The Manager expects data centre demand to remain durable with a strong tailwind from growing adoption of AI applications.

In the current macroenvironment, the Manager intends to preserve the flexibility of its balance sheet, while prudently utilising its debt headroom over time to continue to execute upon accretive investment opportunities, expand its asset base and enhance its geographic, as well as customer diversification.

10 DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Yes.

DIGITAL CORE REIT AND ITS SUBSIDIARIES

Name of Distribution	<p><u>5th</u> Advance Distribution for the period from 1 January 2024 to 19 February 2024 paid on 4th April 2024</p> <p><u>6th</u> Distribution for the period from 20 February 2024 to 30 June 2024</p>
Distribution Type	<p>a) Tax-exempt income distribution</p> <p>b) Capital distribution</p>
Distribution Rate	<p><u>5th</u> Advance Distribution for the period from 1 January 2024 to 19 February 2024 paid on 4th April 2024</p> <p>a) Capital distribution – 0.48 US cents per unit</p> <p><u>6th</u> Distribution for the period from 20 February 2024 to 30 June 2024</p> <p>b) Tax-exempt income distribution – 0.76 US cents per unit</p> <p>c) Capital distribution – 0.56 US cents per unit</p>
Tax Rate	<p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Digital Core REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Digital Core REIT units, the amount of capital distribution will be applied to reduce the cost base of their Digital Core REIT units for Singapore income tax purposes.</p>

(b) Corresponding Period of the Immediately Preceding Financial Year

Any distribution declared for the corresponding period of the immediately preceding financial year?

Name of Distribution	<u>3rd</u> Distribution for the period from 1 January 2023 to 30 June 2023
Distribution Type	<p>a) Tax-exempt income distribution</p> <p>b) Capital distribution</p>
Distribution Rate	<p>a) Tax-exempt income distribution – 0.70 US cents per unit</p> <p>b) Capital distribution – 1.22 US cents per unit</p>
Tax Rate	<p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by DC REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of DC REIT units, the amount of capital distribution will be applied to reduce the cost base of their DC REIT units for Singapore income tax purposes.</p>

(c) Record date

1 August 2024

(d) Date payable

20 September 2024

DIGITAL CORE REIT AND ITS SUBSIDIARIES

11 DISTRIBUTION STATEMENT

Other than as disclosed in Note 10(a), no distribution has been declared/ recommended.

12 GENERAL MANDATE FROM INTERESTED PERSON TRANSACTIONS

Digital Core REIT has not obtained a general mandate from Unitholders for any Interested Person Transactions.

13 CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1)

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

14 CONFIRMATION BY THE BOARD

We, DAVID LUCEY and TSUI KAI CHONG, being two Directors of Digital Core REIT Management Pte. Ltd. (the "Company"), as Manager of Digital Core REIT, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of Digital Core REIT for the financial period from 1 January 2024 to 30 June 2024 to be false or misleading in any material respect.

On behalf of the Board,

David Lucey
Chairman

Tsui Kai Chong
Director

24 July 2024

DIGITAL CORE REIT AND ITS SUBSIDIARIES

The past performance of Digital Core REIT is not necessarily indicative of its future performance. Certain statements made in this announcement may not be based on historical information or facts and may be “forward-looking” statements that involve a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Digital Core REIT (“**Unitholders**”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Digital Core REIT Management Pte. Ltd., as Manager of Digital Core REIT (the “**Manager**”) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. None of the Manager, the trustee of Digital Core REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this announcement or its contents or otherwise arising in connection with this announcement. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Digital Core REIT (“**Units**”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United State securities laws or the laws of any other jurisdiction.

By Order of the Board
Digital Core REIT Management Pte. Ltd.
(Company Registration Number: 202123160H)
As Manager of Digital Core REIT

John Stewart
Chief Executive Officer
24 July 2024