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DIGITAL
CORE REIT

(a real estate investment trust constituted on 10 November 2021
under the laws of the Republic of Singapore)

BofA Securities (Merrill Lynch (Singapore) Pte. Ltd.), Citigroup Global Markets Singapore Pte. Ltd. and DBS Bank Ltd. were the joint issue managers, global coordinators, bookrunners and underwriters for the initial public offering of Digital Core REIT.

PROPOSED ACQUISITION OF (I) A 25.0% INTEREST IN A DATA CENTRE LOCATED IN GERMANY OR (II) (IN THE EVENT THE EQUITY FUND RAISING TAKES PLACE) AN 89.9% INTEREST IN A DATA CENTRE LOCATED IN GERMANY AND A 90.0% INTEREST IN A DATA CENTRE LOCATED IN THE UNITED STATES OF AMERICA

1. INTRODUCTION

Digital Core REIT Management Pte. Ltd., in its capacity as manager of Digital Core REIT (the "**Manager**"), is pleased to announce that Digital Core REIT, through its subsidiaries, Digital CR US REIT, Inc. ("**Parent U.S. REIT**") and Digital CR Singapore 5 Pte. Ltd. ("**Singapore Sub 5**"), has entered into a contribution and sale agreement (the "**Contribution and Sale Agreement**") with Digital Realty Trust, L.P. (the "**Sponsor**") and the Manager to acquire an interest in up to two data centres in the manner as described below:

(i) in the event the Proposed Acquisition (as defined herein) is funded by external bank borrowings without an equity fund raising (the "**Debt Funded Scenario**") [1],

1 In this announcement, while the Debt Funded Scenario refers to a situation where the Proposed Acquisition is funded by external bank borrowings without an equity fund raising, the Manager may, under the specific scenario described in paragraph 5 below, acquire a 25.0% interest in the Frankfurt Facility (and the corresponding percentage participation interest in the German Loan Facility (as defined herein)) using the net proceeds from the Private Placement (as defined herein) instead of, or in addition to, external bank borrowings.

Singapore Sub 5 will acquire a 25.0% interest[2] in the property located at Wilhelm-Fay-Straße 15 and Wilhelm-Fay-Straße 24 in Frankfurt, Germany (the "**Frankfurt Facility**"); or

(ii) in the event the Proposed Acquisition is funded by a combination of external bank borrowings and an equity fund raising (the "**EFR Scenario**")[3]:

(a) Singapore Sub 5 will acquire an 89.9% interest in the Frankfurt Facility; and

(b) Parent U.S. REIT will acquire a 90.0% interest in the property located at 1215 Integrity Drive in Richardson, Texas, U.S. (the "**Dallas Data Centre**" and together with the Frankfurt Facility, the "**New Core Data Centres**", and each a "**New Core Data Centre**"),

in each case in the manner as described in paragraph 3.1 below (the "**Proposed Acquisition**").

(See paragraph 3.1 below for further details on the manner in which Digital Core REIT will acquire the interest in the New Core Data Centres, paragraph 3.4 below for further details on the principal terms of the Contribution and Sale Agreement and paragraph 5 below for further details on the structure of the equity fund raising to fund the Proposed Acquisition.)

It should be noted that under the Debt Funded Scenario, Digital Core REIT will be acquiring a 25.0% interest in the Frankfurt Facility (compared to an 89.9% interest in the Frankfurt Facility under the EFR Scenario) and will not be acquiring any interest in the Dallas Data Centre (compared to a 90.0% interest in the Dallas Data Centre under the EFR Scenario).

In connection with the Proposed Acquisition, under the Contribution and Sale Agreement:

(i) Singapore Sub 5 has agreed to purchase a specified percentage (depending on whether the Manager decides to proceed with the Debt Funded Scenario or the EFR Scenario) of the shares of Digital Greenfield B.V. (the "**German JV**"), which owns the Frankfurt Facility, from Digital Germany Holding, LLC, a wholly-owned subsidiary of the Sponsor (the "**German Vendor**"), together with an equivalent percentage participation interest in the existing EUR 300 million unsecured intercompany revolving loan facility between Digital Euro Finco L.P., a wholly-owned subsidiary of the Sponsor (as lender) and the German JV (as borrower) (the "**German Loan Facility**"); and

(ii) (under the EFR Scenario only) the Sponsor has agreed, through its wholly-owned subsidiary, Digital CR Singapore Investor, LLC (the "**U.S. JV Partner**"), to contribute all of the membership interests in Digital Integrity, LLC (the "**U.S. SPE**"), which at

2 As described herein, Digital Core REIT's interest in the Frankfurt Facility will take the form of an equity interest in the German JV (as defined herein) (as the owner of the Frankfurt Facility) as well as an equivalent percentage participation interest in the German Loan Facility under which the German JV is the borrower.

3 In the event the Manager decides to proceed with the EFR Scenario, the Manager will cause Singapore Sub 5 to exercise the German Option (as defined herein) in full to increase the aggregate percentage of shares in the German JV (and corresponding percentage participation interest acquired in the German Loan Facility) from 25.0% to 89.9%, and cause Parent U.S. REIT to exercise the U.S. Contribution Option (as defined herein) to acquire a 90.0% interest in the Dallas Data Centre at the Closing (as defined herein). See paragraph 3.4 below for further details of the German Option and the U.S. Contribution Option. In this announcement, reference to the Manager proceeding with the EFR Scenario is based on the assumption that the Manager has caused Singapore Sub 5 and Parent U.S. REIT to exercise the German Option in full and the U.S. Contribution Option, respectively.

the closing under the Contribution and Sale Agreement (the "**Closing**") will own the Dallas Data Centre, to Digital Integrity JV, LLC (the "**U.S. JV**")[4] (the contribution of all the membership interests in the U.S. SPE to the U.S. JV, the "**Capital Contribution**"). Concurrently with the Capital Contribution, Parent U.S. REIT has agreed to make a cash contribution to the U.S. JV in an amount equal to 90.0% of the value allocated to the membership interests in the U.S. SPE as set forth in the Contribution and Sale Agreement (the "**Cash Contribution**"), which amount will be immediately paid over by the U.S. JV to the U.S. JV Partner as a special distribution (the "**Special Distribution**"), resulting in Parent U.S. REIT owning a 90.0% membership interest in the U.S. JV and the U.S. JV Partner owning the remaining 10.0% membership interest in the U.S. JV.

A circular (the "**Circular**") will be issued to the unitholders of Digital Core REIT ("**Unitholders**") in due course, together with a notice of the extraordinary general meeting, for the purpose of seeking the approval of Unitholders for, among others, the Proposed Acquisition as an interested person transaction and major transaction under Rule 1014(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**" and the Listing Manual of the SGX-ST, the "**Listing Manual**"). (See paragraph 6.2 below for further details on the approvals required from Unitholders in respect of the Proposed Acquisition.)

2. INFORMATION ON THE NEW CORE DATA CENTRES

The New Core Data Centres comprise two institutional quality, 100% freehold data centres concentrated within top-tier, core data centre markets in Germany and the U.S., which total 568,538 net rentable square feet ("**NRSF**") as at 30 June 2022 and are 93% leased to a roster of blue-chip customers, each with numerous deployments across the Sponsor's global platform. These purpose-built data centres were completed within the last five years and have a combined average age of three years, are positioned in the Sponsor's metro campuses in Sossenheim (Frankfurt, Germany) and Richardson (Dallas, Texas), and are fully integrated into PlatformDIGITAL®, the Sponsor's global data centre platform. The weighted average remaining lease expiry of the New Core Data Centres is approximately seven years (based on annualised rent[5] as at 30 June 2022). In addition, 100% of the New Core Data Centres (based on NRSF as at 30 June 2022) is leased on a Gross + E(lectricity) structure[6], providing additional insulation against utility expense growth.

The table below sets out a summary of selected information on the New Core Data Centres as at 30 June 2022, unless otherwise indicated.

4 This entity has not been formed as of the date of this announcement and will only be formed by Parent U.S. REIT under the EFR Scenario. Upon its formation, Parent U.S. REIT would be the sole and managing member of the U.S. JV.

5 "Annualised rent" represents the monthly contractual base rent (defined as cash base rent before abatements) under existing leases as at 30 June 2022, multiplied by 12, for the New Core Data Centres.

6 Gross + E(lectricity) structure refers to customer contracts in which the customer is responsible for paying for the space it has contracted for and reimbursing the landlord for 100% of the utility costs related to such space.

Property	Frankfurt Facility	Dallas Data Centre
Address	Wilhelm-Fay-Straße 15 and Wilhelm-Fay-Straße 24, Frankfurt, Germany	1215 Integrity Drive, Richardson, Texas, U.S.
Land Lease Title	Freehold	Freehold
Completion Year	2017 (Phase I) / 2022 (Phase IV)	2017
Property Type	Fully-Fitted	Fully-Fitted
Occupancy (%)	91%	100%
NRSF (sq ft)	450,662	117,876
Customer IT Load (kW)	34,098	6,975
1H2022 Cash Net Property Income (Based on 100%)	US$12 million	US$5 million
Valuation by Cushman (Based on 100%) (1)	EUR 558 million (approximately US$558 million) as at 15 July 2022	US$197 million as at 15 July 2022
Valuation by CBRE (Based on 100%) (1)	EUR 527 million (approximately US$527 million) as at 1 July 2022	US$199 million as at 8 July 2022
Agreed Value (Based on 100%)	EUR 558 million (approximately US$558 million)	US$199 million
Estimated Aggregate Consideration Payable (Debt Funded Scenario)	EUR 140 million (approximately US$140 million)(1)(2) (25.0% interest)	-
Estimate Aggregate Consideration Payable (EFR Scenario)	EUR 502 million (approximately US$502 million) (1)(2) (89.9% interest)	US$179 million(2) (90.0% interest)
Number of Customers	12	5
WALE by Annualised Rent as at 30 June 2022 (years)	4.7	15.4
WALE by NRSF (years)	4.8	15.4

Notes:

(1) For illustrative purposes, certain Euro amounts in this announcement have been translated into U.S. dollars. Unless otherwise indicated, such translations have been made based on the illustrative exchange rate of EUR 1.00 = US$1.00.

(2) Subject to closing adjustments under the Contribution and Sale Agreement.

3. DETAILS OF THE PROPOSED ACQUISITION

3.1 Structure of the Proposed Acquisition

On 22 September 2022, Digital Core REIT, through Parent U.S. REIT and Singapore Sub 5, entered into the Contribution and Sale Agreement with the Sponsor and the Manager to acquire (through their investments in the German JV and the U.S. JV) the respective interests in the New Core Data Centres as set out in the table below. The interests to be acquired depend on whether there is an Equity Fund Raising (as defined herein) to partially fund the Proposed Acquisition. In the event the Proposed Acquisition is fully funded by external bank borrowings without the Equity Fund Raising, Digital Core REIT will pursue the Debt Funded Scenario, pursuant to which Digital Core REIT will purchase (through Singapore Sub 5) 25.0% of the shares in the German JV, which owns the Frankfurt Facility, and an equivalent percentage participation interest in the German Loan Facility. In the event the Proposed Acquisition is funded by the Equity Fund Raising and debt under the EFR Scenario, Digital Core REIT will purchase (through Singapore Sub 5) 89.9% of the shares in the German JV, which owns the Frankfurt Facility, and an equivalent percentage participation interest in the German Loan Facility, and will acquire (through Parent U.S. REIT) a 90.0% interest in the Dallas Data Centre.

	Interest in the Frankfurt Facility	**Interest in the Dallas Data Centre**
Debt Funded Scenario		
Digital Core REIT (through Singapore Sub 5)	25.0%	-
German Vendor	75.0%	-
EFR Scenario		
Digital Core REIT (through Singapore Sub 5 or Parent U.S. REIT, as applicable)	89.9%	90.0%
German Vendor	10.1%	-
U.S. JV Partner	-	10.0%

Under the Contribution and Sale Agreement, Singapore Sub 5 has agreed to purchase shares of the German JV and (under the EFR Scenario only) the Sponsor has agreed, through the U.S. JV Partner, to make the Capital Contribution to the U.S. JV, and concurrently with the Capital Contribution, Parent U.S. REIT has agreed to make the Cash Contribution to the U.S. JV, in each case subject to the conditions and in the manner described below:

(i) under the Debt Funded Scenario, at the Closing, Digital Core REIT will, through Singapore Sub 5, purchase 25.0% of the outstanding shares of the German JV, which owns the Frankfurt Facility, from the German Vendor for a purchase price equal to 25.0% of the value allocated to the German JV as set forth in the Contribution and Sale Agreement subject to closing adjustments under the

Contribution and Sale Agreement (the "**German JV Allocated Value**"), together with an equivalent percentage participation interest in the German Loan Facility for an amount equal to 25.0% of the then-outstanding loan balance (including accrued interest) under the German Loan Facility; or

(ii) under the EFR Scenario, at the Closing:

(a) Digital Core REIT will, through Singapore Sub 5, purchase 89.9% of the outstanding shares of the German JV, which owns the Frankfurt Facility, from the German Vendor, for a purchase price equal to 89.9% of the German JV Allocated Value, together with an equivalent percentage participation interest in the German Loan Facility for an amount equal to 89.9% of the then-outstanding loan balance (including accrued interest) under the German Loan Facility;

(b) the Sponsor will, through the U.S. JV Partner, make the Capital Contribution to the U.S. JV, in exchange for a 10.0% membership interest in the U.S. JV and the Special Distribution equal to the amount of the Cash Contribution made by Parent U.S. REIT; and

(c) concurrently with the Capital Contribution, Digital Core REIT will, through Parent U.S. REIT, make the Cash Contribution to the U.S. JV, resulting in Parent U.S. REIT owning a 90.0% membership interest in the U.S. JV (after giving effect to the Capital Contribution by, and the Special Distribution to, the U.S. JV Partner described above).

Upon completion of the Proposed Acquisition:

(i) (under the Debt Funded Scenario) Digital Core REIT will have a 25.0% interest in the Frankfurt Facility through Singapore Sub 5's 25.0% shareholding in the German JV, and (through Singapore Sub 5) a 25.0% interest in the German Loan Facility. The remaining 75.0% of the shares in the German JV will be held by the German Vendor. At the Closing, the German JV, the German Vendor and Singapore Sub 5 will enter into a shareholders' agreement with respect to the German JV; or

(ii) (under the EFR Scenario) Digital Core REIT will have (a) an 89.9% interest in the Frankfurt Facility through Singapore Sub 5's shareholding in the German JV, and (through Singapore Sub 5) an 89.9% interest in the German Loan Facility; and (b) a 90.0% interest in the Dallas Data Centre through Parent U.S. REIT's 90.0% membership interest in the U.S. JV. The remaining 10.1% interest in the German JV will be held by the German Vendor and the remaining 10.0% interest in the U.S. JV will be held by the U.S. JV Partner. At the Closing, the German JV, the German Vendor and Singapore Sub 5 will enter into a shareholders' agreement with respect to the German JV, and the U.S. JV Partner and Parent U.S. REIT will enter into an amended and restated limited liability company agreement with respect to the U.S. JV (together with the shareholders' agreement with respect to the German JV, the "**Joint Venture Agreements**" and each, a "**Joint Venture Agreement**").

(See paragraph 3.4 below for the principal terms of the Contribution and Sale Agreement and paragraph 3.5 below for the principal terms of the Joint Venture Agreements.)

The decision as to whether Digital Core REIT pursues the Debt Funded Scenario or the EFR Scenario will be made by the Manager in its sole and absolute discretion, taking into account the prevailing market conditions while maintaining an optimal level of aggregate leverage when considering the funding options for the Proposed Acquisition. The Manager will announce its decision on whether to proceed with the Debt Funded Scenario or the EFR Scenario at the appropriate time.

3.2 Consideration and Valuation

3.2.1 Consideration

Debt Funded Scenario

Under the Debt Funded Scenario, the estimated aggregate consideration (the "**Debt Funded Scenario Consideration**") of US$140 million payable by Singapore Sub 5 in connection with the Proposed Acquisition is based on 25.0% of the German JV Allocated Value and the estimated amount payable for a 25.0% participation interest in the German Loan Facility (based on the current outstanding loan balance thereunder). The German JV Allocated Value considers the net asset value ("**NAV**") of the German JV as at the Closing, which is currently estimated to be approximately US$558 million (on a 100% basis)[7], taking into account, among other things, the agreed market value on a 100% basis (the "**Agreed Value**") of the Frankfurt Facility of EUR 558 million (approximately US$558 million). The amount payable by Singapore Sub 5 for the participation interest in the German Loan Facility will take into account the aggregate principal amount and accrued interest outstanding under the German Loan Facility as at the Closing under the Contribution and Sale Agreement.

EFR Scenario

Under the EFR Scenario, the estimated aggregate consideration (the "**EFR Scenario Consideration**") of US$681 million payable in connection with the Proposed Acquisition is based on (i) 89.9% of the German JV Allocated Value and the estimated amount payable for an 89.9% participation interest in the German Loan Facility (based on the current outstanding loan balance thereunder); and (ii) 90.0% of the NAV of the U.S. SPE. The German JV Allocated Value considers the NAV of the German JV as at the Closing, which is currently estimated to be approximately US$558 million (on a 100% basis)[8], taking into account, among other things, the Agreed Value (on a 100% basis) of the Frankfurt Facility of EUR 558 million (approximately US$558 million). The amount payable by Singapore Sub 5 for the participation interest in the German Loan Facility will take into account the aggregate principal amount and accrued interest outstanding under the German Loan Facility as at the Closing under the Contribution and Sale Agreement. The NAV of the U.S. SPE is currently estimated to be approximately US$199 million (on a 100% basis)[9] taking into account, among other things, the Agreed Value (on a 100% basis) of the Dallas Data Centre of US$199 million.

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7 The NAV for the German JV (on a 25.0% basis) is approximately US$140 million.
8 The NAV for the German JV (on an 89.9% basis) is approximately US$502 million.
9 The NAV for the U.S. SPE (on a 90.0% basis) is approximately US$179 million.

The Agreed Value of each of the New Core Data Centres was negotiated on a willing-buyer and willing-seller basis and takes into account the higher of the two independent valuations for each New Core Data Centre as set out in paragraph 3.2.2 below.

The final consideration payable by Digital Core REIT, through Singapore Sub 5 or Parent U.S. REIT (as applicable), in connection with the Proposed Acquisition will depend on whether the Manager proceeds with the Debt Funded Scenario or the EFR Scenario and will be subject to closing adjustments under the Contribution and Sale Agreement.

3.2.2 Valuation of the New Core Data Centres

The Manager has commissioned an independent property valuer, Cushman & Wakefield of North Carolina, Inc. (for the Dallas Data Centre) and Cushman & Wakefield of Washington, DC, Inc. (for the Frankfurt Facility) (collectively, "**Cushman**"), and Perpetual (Asia) Limited (in its capacity as trustee of Digital Core REIT) (the "**Trustee**") has commissioned an independent valuer, CBRE Limited ("**CBRE**") (together with Cushman, the "**Independent Valuers**"), to value the New Core Data Centres. The valuations of the New Core Data Centres as at July 2022 are set out below.

	Frankfurt Facility			**Dallas Data Centre**	
	100% basis	**25.0% basis (Debt Funded Scenario)**	**89.9% basis (EFR Scenario)**	**100% basis**	**90.0% basis (EFR Scenario)**
Cushman(1)	EUR 558 million (approximately US$558 million)	EUR 140 million (approximately US$140 million)	EUR 502 million (approximately US$502 million)	US$197 million	US$177 million
CBRE(2)	EUR 527 million (approximately US$527 million)	EUR 132 million (approximately US$132 million)	EUR 473 million (approximately US$473 million)	US$199 million	US$179 million
Agreed Value	EUR 558 million (approximately US$558 million)	EUR 140 million (approximately US$140 million)	EUR 502 million (approximately US$502 million)	US$199 million	US$179 million

Notes:

(1) Valuation of the Frankfurt Facility and the Dallas Data Centre is as at 15 July 2022.

(2) Valuation of the Frankfurt Facility and the Dallas Data Centre is as at 1 July 2022 and 8 July 2022, respectively.

The Independent Valuers relied on the income capitalisation, sales comparison and discounted cashflow approaches to arrive at the market value for the New Core Data Centres.

3.3 Estimated Total Acquisition Cost

The total acquisition cost for the Proposed Acquisition (the "**Total Acquisition Cost**") is estimated to be:

(i) (under the Debt Funded Scenario) approximately US$146 million, comprising:

(a) the estimated Debt Funded Scenario Consideration of US$140 million, which is subject to closing adjustments under the Contribution and Sale Agreement;

(b) the acquisition fee ("**Acquisition Fee**") of approximately US$1 million (being 1.0% of the Agreed Value (on a 25.0% basis) of the Frankfurt Facility pursuant to the trust deed constituting Digital Core REIT dated 10 November 2021 (as may be amended from time to time) (the "**Trust Deed**")) payable in units in Digital Core REIT ("**Units**") to the Manager[10]; and

(c) the estimated professional and other fees and expenses[11] of approximately US$5 million incurred or to be incurred by Digital Core REIT in connection with the Proposed Acquisition; or

(ii) (under the EFR Scenario) approximately US$700 million, comprising:

(a) the estimated EFR Scenario Consideration of US$681 million, which is subject to closing adjustments under the Contribution and Sale Agreement;

(b) the Acquisition Fee of approximately US$7 million (being 1.0% of the Agreed Value (on an 89.9% basis) of the Frankfurt Facility and 1.0% of the Agreed Value (on a 90.0% basis) of the Dallas Data Centre pursuant to the Trust Deed) payable in Units to the Manager; and

(c) the estimated professional and other fees and expenses[11] of approximately US$12 million incurred or to be incurred by Digital Core REIT in connection with the Proposed Acquisition.

3.4 Principal Terms of the Contribution and Sale Agreement

The principal terms of the Contribution and Sale Agreement include, among others, the following:

(i) under the Contribution and Sale Agreement:

(a) Singapore Sub 5 has agreed to purchase 25.0% of the outstanding shares of the German JV for a purchase price equal to 25.0% of the German JV Allocated Value, together with an equivalent percentage participation interest in the German Loan Facility for an amount equal to 25.0% of the then-outstanding loan balance (including accrued interest) under the German Loan Facility;

(b) Parent U.S. REIT has the option (the "**U.S. Contribution Option**"), exercisable at any time prior to the date that is fifteen (15) calendar days

10 As the Proposed Acquisition constitutes an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("**Property Funds Appendix**"), the acquisition fee payable in Units shall not be sold within one year from the date of issuance in accordance with the Property Funds Appendix.

11 Such fees and expenses include due diligence costs, equity fund raising costs (if any), debt financing costs and acquisition costs such as legal expenses, expenses relating to the appointment of the independent financial adviser and other professional costs.

prior to the Closing, to elect to acquire a 90.0% interest in the Dallas Data Centre at the Closing, which option will only be exercised in the event that the Manager decides to proceed with the EFR Scenario;

(c) Singapore Sub 5 has the option (the "**German Option**"), exercisable during the 180-day period (the "**German Option Period**") following execution of the Contribution and Sale Agreement, to increase the aggregate percentage of shares to be acquired in the German JV (and the corresponding percentage participation interest to be acquired in the German Loan Facility) from 25.0% to an amount between 50.1% and 89.9%, which option will be exercised in full prior to the Closing in the event that the Manager decides to proceed with the EFR Scenario; and

(d) in the event the Manager decides to proceed with the Debt Funded Scenario, after the Closing, the Manager may nonetheless exercise the German Option during the German Option Period to increase Digital Core REIT's interest in the Frankfurt Facility to a majority interest (in an amount to be determined by the Manager, not to exceed 89.9%), in which event the closing of the acquisition of the additional shares in the German JV (and corresponding percentage participation interest in the German Loan Facility) under the German Option will occur within 180 calendar days after notice of exercise of the German Option;

(ii) the obligations of Singapore Sub 5 to purchase the shares in the German JV and acquire an equivalent percentage participation interest in the German Loan Facility, and (if the U.S. Contribution Option is exercised) of Parent U.S. REIT to acquire (through its investment in the U.S. JV) the U.S. SPE and to concurrently make the Cash Contribution to the U.S. JV, are subject to certain conditions including but not limited to:

(a) the accuracy of the Sponsor's representations and warranties in all material respects;

(b) performance of the Sponsor's material obligations under the Contribution and Sale Agreement;

(c) (if the U.S. Contribution Option is exercised) the unconditional commitment by the specified title company to issue a title insurance policy for the Dallas Data Centre insuring that fee simple legal title to the Dallas Data Centre is vested in the U.S. SPE subject only to agreed-upon exceptions;

(d) Unitholder approval of the acquisition of the interest in the Frankfurt Facility and (if the U.S. Contribution Option is exercised) the Dallas Data Centre, on the terms set forth in the Contribution and Sale Agreement;

(e) the receipt by Digital Core REIT and/or Parent U.S. REIT of sufficient funds (from third party financing or other sources) to pay the purchase price for the acquisition of the German JV shares and corresponding percentage participation interest in the German Loan Facility, the Cash Contribution (if the U.S. Contribution Option is exercised), and all closing costs that are the responsibility of Parent U.S. REIT and Singapore Sub 5; and

(f) receipt of certain specified third-party approvals and regulatory clearances and exemptions as set out in the Contribution and Sale Agreement;

(iii) the Sponsor's obligations to cause the German Vendor to sell the shares in the German JV to Singapore Sub 5 (together with a corresponding participation interest in the German Loan Facility) and (if the U.S. Contribution Option is exercised) to cause the Sponsor Investor to make the Capital Contribution are subject to certain conditions, including:

(a) the accuracy of Parent U.S. REIT's and Singapore Sub 5's representations and warranties in all material respects;

(b) performance of Parent U.S. REIT's and Singapore Sub 5's material obligations under the Contribution and Sale Agreement;

(c) the receipt by Digital Core REIT and/or Parent U.S. REIT of sufficient funds (from third party financing or other sources) to pay the purchase price for the acquisition of the German JV shares and corresponding percentage participation interest in the German Loan Facility, the Cash Contribution (if the U.S. Contribution Option is exercised), and all closing costs that are the responsibility of Parent U.S. REIT and Singapore Sub 5; and

(d) receipt of certain specified third-party approvals and regulatory clearances and exemptions as set out in the Contribution and Sale Agreement; and

(iv) the Sponsor shall (or shall cause the German JV to) use commercially reasonable efforts to obtain the licence agreement with the city of Frankfurt in relation to the two permitted infrastructure tunnels connecting the various buildings in the Frankfurt Facility. If such licence is not obtained prior to the Closing, the Sponsor shall continue to use commercially reasonable efforts to obtain the licence following the Closing. The Sponsor will indemnify Digital Core REIT for damages due to the Sponsor's failure to use commercially reasonable efforts to pursue the licence.

3.5 Principal terms of the Joint Venture Agreements

At the Closing, Singapore Sub 5 will become a shareholder of the German JV and (under the EFR Scenario) Parent U.S. REIT will cause the U.S. JV Partner to be admitted as a member of the U.S. JV. In connection therewith, the German JV, the German Vendor and Singapore Sub 5 (in respect of the German JV), and Parent U.S. REIT and the U.S. JV Partner (in respect of the U.S. JV) will enter into a Joint Venture Agreement with respect to the German JV or the U.S. JV, as applicable (each, the "**JV**").

The principal terms of each Joint Venture Agreement include, among others, the following:

(i) the JV will be governed by a board of directors responsible for the conduct of the business and affairs of the JV and its subsidiaries, subject to the requirement for unanimous consent of the shareholders or members of the JV for certain specified reserved matters (see sub-paragraph (ii) below). After giving effect to the Closing, each board will comprise three directors. With respect to the U.S. JV, two directors will be appointed by the Parent U.S. REIT, and one by the U.S. JV Partner. With respect to the German JV, a shareholder with a majority shareholding will appoint two directors, and a shareholder with a non-majority shareholding will appoint one director.[12]

(ii) With respect to the German JV, each director will have one vote.[13] With respect to the U.S. JV, as is the case for the existing joint venture entities established at the time of the initial public offering of Digital Core REIT ("**IPO**"), irrespective of the number of directors appointed or in attendance at a board meeting, the directors appointed by each member will have an aggregate vote equal to such member's percentage interest in the U.S. JV;

(iii) the Joint Venture Agreement will specify the following as reserved matters (subject to customary exceptions and qualifications) that require unanimous approval of the members of the U.S. JV or shareholders of the German JV, as applicable (which approval may be given or withheld in their discretion):

(a) amendment of the Joint Venture Agreement or the organisational documents of the JV or any of its subsidiaries;

(b) cessation or change in the nature of business conducted by the JV and its subsidiaries;

(c) winding up, dissolution, liquidation and voluntary bankruptcy events of the JV or any subsidiary thereof;

(d) changes to the equity capital structure of the JV or any subsidiary thereof, including redemption, repurchase or cancellation of units or the issuance of any equity in a subsidiary other than to the JV;

(e) the making of any distribution except in accordance with the waterfall described in the Joint Venture Agreement and (in the case of the German JV) the organisational documents of the German JV;

(f) creation or issuance of any new class of equity by the JV;

(g) incurrence or assumption of any mortgage loan or other indebtedness secured by a lien on any asset of the JV or any subsidiary thereof;

(h) acquisition by the JV or any subsidiary thereof of any real property, acquisition of material personal property outside the ordinary course of business, or the making of other investments in any other person;

(i) sale of 100% of the equity of the JV or any subsidiary thereof (including any subsidiary holding the property), or the sale or other disposition of any real property (including the property held by the JV) or of all or substantially all of the assets of the JV or any subsidiary thereof;

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12 The majority shareholder would be the German Vendor under the Debt Funded Scenario (unless the Manager subsequently exercises the German Option) and would be Singapore Sub 5 under the EFR Scenario or where the Manager subsequently exercises the German Option. The minority shareholder would be Singapore Sub 5 under the Debt Funded Scenario (unless the Manager subsequently exercises the German Option) and would be the German Vendor under the EFR Scenario or where the Manager subsequently exercises the German Option.

13 This voting structure for the board of directors of the German JV reflects requirements of Dutch law and differs from the existing U.S. joint venture entities established at the time of the IPO for the U.S. and Canadian assets where, irrespective of the number of directors appointed or in attendance at a board meeting, the directors appointed by each member will have an aggregate vote equal to such member's percentage interest in the U.S. joint venture entity.

(j) entry into or material amendment of certain material contracts by the JV or any subsidiary thereof;

(k) commencement of any initial public offering with respect to the JV or any subsidiary thereof;

(l) entry into or amendment of interested party transactions by the JV or any subsidiary thereof (other than any transaction expressly contemplated by the Joint Venture Agreement); and

(m) commencement or settlement by the JV or any subsidiary thereof of any litigation or arbitration in excess of US$500,000 or for material equitable relief (excluding litigation/arbitration against the Sponsor (or, in the case of the German JV, any shareholder) or any affiliate thereof);

(iv) each shareholder of the German JV or member of the U.S. JV will be required to make *pro rata* capital contributions[14] (based on their relative percentage holdings of the JV) of specified obligations and expenditures, and will be subject to the remedies set forth in the Joint Venture Agreement for a failure to timely fund. In the case of the German JV, which has historically been funded through loans rather than equity capital, the shareholders' contributions may take the form of an equity contribution in respect of the shareholders' existing shares in the German JV or an unsecured loan by such shareholder (or an affiliate thereof) to the German JV (for example, in the form of additional borrowings under the German Loan Facility);

(v) subject to applicable law, the JV will pay distributions or dividends semi-annually (or upon a capital event such as a sale of the property held by the JV) of all cash available for distribution (generally comprising, in the case of the semi-annual distribution, an amount equal to total gross cash receipts for the applicable period, less all debt service payments, capital expenditures and other cash expenditures and payments for the applicable period and any amounts set aside by the board of directors of the JV as reserves (including working capital reserves) or otherwise required to fund capital expenditures contemplated in the JV's annual plan). Cash available for distribution shall be paid by the JV in accordance with the order of priority as set out in the Joint Venture Agreement and (in the case of the German JV) the organisational documents of the German JV;

(vi) any member of a JV may transfer all (but not less than all) of its equity in the JV at any time, subject (in the case of transfers to unaffiliated third parties) to a right of

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14 Similar to the existing joint venture agreements in respect of Digital Core REIT's existing properties, the obligation of the shareholders to make pro rata capital contributions includes contributions in respect of claims or costs relating to any guaranty or other credit support agreement given by any shareholder or affiliate thereof in respect of obligations of the JV or its subsidiaries. In the case of the German JV, the Sponsor currently provides certain back-stop guaranties and credit support arrangements with respect to certain leases of the German JV, which may therefore give rise to shareholder funding obligations under the Joint Venture Agreement of the German JV if claims or demands for payment are made that relate thereto. Under the Joint Venture Agreements, similar to the existing joint venture agreements in respect of Digital Core REIT's existing properties, whenever a shareholder or an affiliate provides any guaranty or other credit support agreement in support of obligations of the joint venture, the guarantor is entitled to require the shareholder not affiliated with the guarantor to provide a back-up guaranty of such shareholder's funding obligations. Accordingly, at the Closing, Digital Core REIT will provide a guarantee of Singapore Sub 5's funding obligations with respect to the Sponsor's lease guaranties and credit support agreements relating to the German JV.

first offer and tag-along rights in favour of the other JV member or shareholder, and to a prohibition on a sale of equity to named competitors of the Sponsor without the consent of the German Vendor or the U.S. JV Partner, as applicable[15];

(vii) in the event that the board of directors of the German JV or the U.S. JV proposes to sell a New Core Data Centre to a third party, the board shall first notify the shareholders of the German JV or members of the U.S. JV, as applicable, of the purchase price at which it would be willing to sell the New Core Data Centre and provide each shareholder or member, as applicable, with a right of first offer to elect (at its option) to purchase the New Core Data Centre at such price, or alternatively to purchase all of the equity interests in the JV held by the shareholder or member, as applicable, for a cash purchase price equal to the value of such equity implied by such purchase price (based on the amount that would have been distributed to such other shareholder or member had the applicable JV sold the New Core Data Centre at such price, paid 2% of such sale price in closing costs, repaid all financings encumbering the New Core Data Centre and distributed the proceeds from such sale to its shareholders or members, as applicable). However, if a director appointed by a shareholder or member, as applicable, voted in favour of the proposed sale of the New Core Data Centre to a third party, such shareholder or member will accordingly be deemed to have agreed to the proposed sale (subject in all cases to its right to approve the terms of the sale as a reserved matter, as described above) and will therefore not have the right to elect to purchase the New Core Data Centre (or the other shareholder's or member's equity in the JV) for itself. If no shareholder or member exercises such right of first offer within 60 days of the New Core Data Centre sale notice, the board of directors of the applicable JV will be entitled to cause such JV to market the New Core Data Centre for sale (subject to approval of such sale as a reserved matter, as described above). It should be noted that if Parent U.S. REIT (or Singapore Sub 5) wishes to exit its investment in a given New Core Data Centre, Parent U.S. REIT (or Singapore Sub 5, as applicable) is always entitled to sell all of its equity in the JV that holds such New Core Data Centre at any time (as described above); and

(viii) the German JV and the U.S. JV and their respective subsidiaries will be structured and operated in a manner consistent with the status of Parent U.S. REIT and Digital Realty Trust, Inc. (the Sponsor's parent company) as a REIT for U.S. federal income tax purposes.

Each Joint Venture Agreement is on substantially the same terms as the existing joint venture agreements in respect of Digital Core REIT's existing properties, as approved by Unitholders at the time of the IPO, other than (in the case of the Joint Venture Agreement for the German JV) changes to reflect requirements of Dutch law, the organisation of the German JV as a Dutch private limited liability company incorporated under the laws of the Netherlands (as opposed to a Delaware limited liability company), and/or the fact that, as of the Closing, the Frankfurt Facility is owned and leased by the German JV itself (rather than

15 The terms of the Joint Venture Agreement provide that Digital Core REIT is not able to sell its membership interest in the JV to any of the up to 25 competitors of the Sponsor listed in the Joint Venture Agreement without the consent of the Sponsor. In the event that Digital Core REIT wishes to dispose of its membership interest in the JV, and the most favourable offer comes from one of the 25 competitors then, unless the Sponsor consents, Digital Core REIT would not be able to sell its interest in the JV to such competitor.

through a subsidiary).

3.6 Property Manager for the New Core Data Centres

Upon completion of the Proposed Acquisition, a wholly-owned subsidiary of the Sponsor, will be appointed as property manager (the "**Property Manager**") for the Frankfurt Facility and for the Dallas Data Centre respectively, pursuant to a property management and leasing agreement (the "**Property Management Agreement**") to be entered into by the applicable Property Manager and property owner (being the German JV in the case of the Frankfurt Facility and the U.S. SPE in the case of the Dallas Data Centre) in respect of the relevant New Core Data Centre, in accordance with the terms of the master property management services agreement between the Sponsor, the Manager, the Trustee and Parent U.S. REIT in respect of the properties of Digital Core REIT (the "**Master Property Management Services Agreement**"), as approved by Unitholders at the time of the IPO.[16]

Under the Property Management Agreement for each New Core Data Centre, the Property Manager will be paid the following fees in respect of the relevant New Core Data Centre:

(i) an annual property management fee equal to 2% of gross revenue of the relevant New Core Data Centre, payable quarterly in arrears;

(ii) leasing commissions in amounts equal to the standard internal commissions paid to employees of the Property Manager or its affiliates from time to time for leases and renewals of other properties owned and managed by the Manager or its affiliates, up to a maximum of 3.0% of total contract value (defined as the total amount of recurring revenue paid in cash over the term of the lease); and

(iii) construction management fees as follows:

  (a) where total construction costs are US$5,000,000 or less, a fee equal to 5.0% of total construction costs;

  (b) where total construction costs exceed US$5,000,000 but do not exceed US$15,000,000, a fee equal to the greater of (a) 4.0% of total construction costs and (b) US$250,000; and

  (c) where total construction costs exceed US$15,000,000, a fee equal to the greater of 3.0% of total construction costs and US$600,000.

3.7 Asset Managers for the New Core Data Centres

3.7.1 Asset Manager for the Frankfurt Facility

Upon completion of the Proposed Acquisition, a wholly-owned subsidiary of the Sponsor (the "**European Asset Manager**") will be appointed as the asset manager for the German JV and for any joint venture entities established in the future between subsidiaries of Digital Core REIT and the Sponsor with respect to real estate assets located in Europe, pursuant to the European Asset Management Agreement to be entered into at the Closing among the Manager, the European Asset Manager and the German JV (the "**European Asset Management**

16 In accordance with the Master Property Management Services Agreement, the Property Management Agreement for the Frankfurt Facility has been modified to comply with Dutch and German local law requirements and other applicable laws, regulations and guidelines.

Agreement").

Under the European Asset Management Agreement, the European Asset Manager will perform certain asset management functions of the Manager, including those relating to asset management, acquisitions and divestitures, investments, capital management and financing, accounting, legal, compliance and information technology. The European Asset Management Agreement is on substantially the same terms as the existing U.S. and Canadian Asset Management Agreements in respect of Digital Core REIT's existing properties (including the gross-up of fees payable thereunder to the European Asset Manager to reflect the shares or other equity interests in the German JV (or other future European joint venture entity) held by affiliates of the Sponsor, similar to the Canadian Asset Management Agreement).

As the European Asset Management Agreement is an outsourcing arrangement, similar to the existing U.S. and Canadian Asset Management Agreements, (i) there would be minimal or no overlap in the roles and responsibilities of the Manager *vis-à-vis* the European Asset Manager; and (ii) the fees paid to the Manager under the Trust Deed would be reduced by an amount equal to the fees paid to the European Asset Manager under the European Asset Management Agreement (prior to giving effect to the gross-up of fees described above). Accordingly, there would be no double counting of fees. For the avoidance of doubt, the approval of the Unitholders is not being sought in respect of the European Asset Management Agreement.

3.7.2 Asset Manager for the Dallas Data Centre

In respect of the Dallas Data Centre, Digital Realty Property Manager, LLC, a wholly-owned subsidiary of the Sponsor, will pursuant to the existing U.S. Asset Management Agreement approved by Unitholders at the time of the IPO perform certain asset management functions of the Manager, including those relating to asset management, acquisitions and divestitures, investments, property-level financing, accounting, legal and compliance. For the avoidance of doubt, the existing U.S. Asset Management Agreement is not being amended in connection with the Proposed Acquisition.

4. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED ACQUISITION

4.1 Rationale for and Benefits of the Proposed Acquisition under the Debt Funded Scenario

The Manager believes that the acquisition of a 25.0% stake in the Frankfurt Facility under the Debt Funded Scenario will provide the following key benefits to Unitholders:

4.1.1 Entering a Core Global Market

The acquisition of a 25.0% stake in the Frankfurt Facility would establish a presence for Digital Core REIT in a top-tier global data centre market characterised by robust, diverse and durable customer demand. Frankfurt is one of the fastest growing data centre markets in Europe driven by the following characteristics[17]:

(i) Central Location and Excellent Connectivity

Frankfurt is centrally located within Europe and is home to the world's largest internet exchange. Frankfurt's central location and excellent connectivity drive robust data centre demand from large domestic and international enterprises, as well as hyperscale users including leading global cloud service providers. Many large companies such as Volkswagen, Mercedes, Siemens, Bosch, Adidas, Porsche, Audi and SAP are headquartered in Germany. In general, German companies prefer to house their primary data centre operations in Germany, with much of that demand landing in Frankfurt.

(ii) General Data Protection Regulation

The General Data Protection Regulation ("**GDPR**") was adopted in 2016 and became enforceable in 2018. The regulation is intended to enhance individuals' control over their personal data and governs the transfer of personal data outside the European Union. The GDPR has had significant ramifications for data centre deployments across Europe. Data sovereignty requirements have driven a shift towards de-centralised IT architectures. Given the size of the German economy and its importance within Europe, data-intensive businesses, including global cloud providers, have significantly expanded local data centre footprints to store and secure German data within German borders.

(iii) Major Financial Hub

The German economy is the largest in Europe, and Frankfurt plays a central role in economic and currency policy decisions across the continent. The concentration of financial services firms in Frankfurt fosters a vibrant community of complementary participants seeking to interconnect with each other to exchange traffic. The clustering of these data-intensive businesses drives robust demand for the exchange, analysis and secure storage of highly sensitive financial information and low-latency transaction processing.

(iv) Favourable Fundamentals Support Firm Pricing

Data centre absorption in Frankfurt has accelerated dramatically over the past two years, driving market vacancy down to approximately 2.1% in the first half of 2022. Demand remains robust while available inventory is limited, creating competitive tension and placing upward pressure on market rents.

4.1.2 Enhancing Portfolio Quality

(i) Acquiring a State-of-the-Art Facility

The Frankfurt Facility was a purpose-built data centre by the Sponsor from the ground up in successive phases of contiguous customer expansion

17 The Independent Market Research Consultant as of August 2022.

from 2017 to 2022. The property is 100.0% powered by renewable energy and sourced 87,796 megawatt-hour ("**MWh**") from hydroelectric plants in 2021, resulting in a carbon reduction of 21,217 tons of carbon dioxide and equivalent to powering 3,110 U.S. homes annually[18].

(ii) Leveraging the Sponsor's Global Platform

The Frankfurt Facility is fully integrated into the Sponsor's global platform, providing connectivity as well as consistency of deployment and operations. The Frankfurt Facility was developed in successive phases of contiguous customer expansion within the supply-constrained Sossenheim sub-market and is tethered via dark fibre to the Sponsor's cross-town Hanauer Landstraße campus, one of the world's leading connectivity hubs, with direct access to more than 700 carriers and internet service providers.

4.1.3 Achieving Scale and Diversification

The Debt Funded Scenario meaningfully enhances portfolio diversification, reducing existing customer concentration while establishing important new commercial relationships.

(i) Reducing Customer Concentration

The Debt Funded Scenario improves customer diversification, reducing the total annualised rent contribution from the top five customers from 97.2% as at 30 June 2022 to 90.9% pro forma for the transaction.

Top Five Customers
% of annualised rent [(1)]

	TOP 5 CUSTOMERS (PRE-ACQUISITION)		TOP 5 CUSTOMERS (POST-ACQUISITION)	
	Company Name	% Annualized Rent	Company Name	% Annualized Rent
1	Fortune 50 Software Company	36.0%	Fortune 50 Software Company	37.0%
2	Global Colocation and Interconnection Provider	24.1%	Global Colocation and Interconnection Provider	21.6%
3	Social Media Platform	18.6%	Social Media Platform	16.1%
4	Global Technology Solutions Provider	11.3%	Global Technology Solutions Provider	9.8%
5	IT Service Provider	7.3%	Fortune 25 Tech Company	6.4%
	Total	97.2%	Total	90.9%

New Customer

Note:
(1) Based on annualised rent as at 30 June 2022 adjusted for a 90.0% stake in the existing portfolio and a 25.0% stake in the Frankfurt Facility.

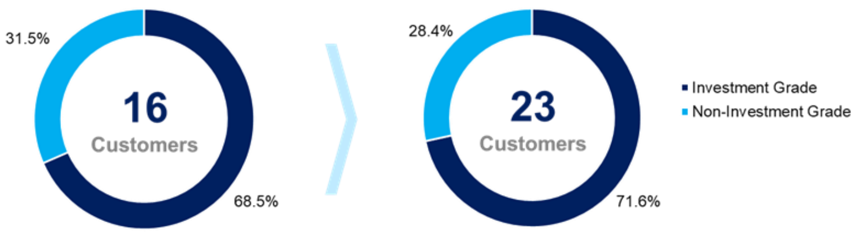
18 Based on the United States Environmental Protection Agency's statistics as at 31 December 2021.

(ii) Introducing New Commercial Relationships

The Frankfurt Facility is primarily occupied by leading global cloud and IT service providers with large and growing global data centre footprints. The Debt Funded Scenario will expand Digital Core REIT's total customer base from 16 to 23, while the contribution from investment grade customers will grow from 68% of annualised rent as at 30 June 2022 to 72% pro forma for the Debt Funded Scenario.

Credit Quality

% of annualised rent (1)



Note:

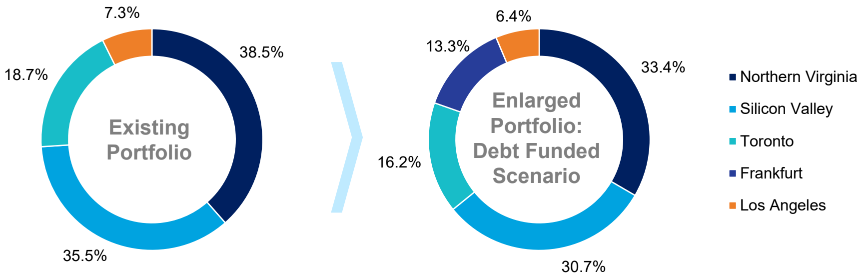
(1) Based on annualised rent as at 30 June 2022 adjusted for a 90.0% stake in the existing portfolio and a 25.0% stake in the Frankfurt Facility.

(iii) Improving Geographic Diversification, Achieving International Expansion

The Debt Funded Scenario will improve the geographic diversification of Digital Core REIT's overall portfolio and will achieve international expansion with the entry into a new region. The Debt Funded Scenario will expand the number of markets where Digital Core REIT has a presence from four to five and will reduce its largest market concentration from 39% as at 30 June 2022 to 33% while the total annualised rent contribution from North America will be reduced from 100% as at 30 June 2022 to 87% pro forma for the Debt Funded Scenario.

Metro Diversification

% of Annualised Rent (1)



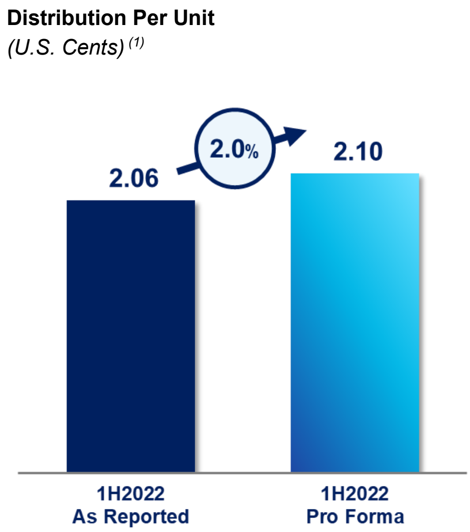
Note:

(1) Based on annualised rent as at 30 June 2022 adjusted for a 90.0% stake in the existing portfolio and a 25.0% stake in the Frankfurt Facility.

4.1.4 Investing Accretively, Seeding Growth

(i) Expected to be Approximately 2.0% Accretive to DPU

The Debt Funded Scenario is expected to be approximately 2.0% accretive to DPU.



Note:

(1) Please refer to the assumptions set out in paragraph 6.1 below.

(ii) Seeding Future Revenue Growth

The Debt Funded Scenario offers various opportunities to generate additional growth.

(a) **Embedded Lease-Up:** The Frankfurt Facility is 91% leased, creating embedded potential revenue uplift at the facility if occupancy were to reach 100% capacity.

(b) **Rental Reversions:** The robust data centre demand environment, limited new supply and low market vacancy rates across Frankfurt should support healthy pricing and an opportunity for positive rental reversions upon lease expirations.

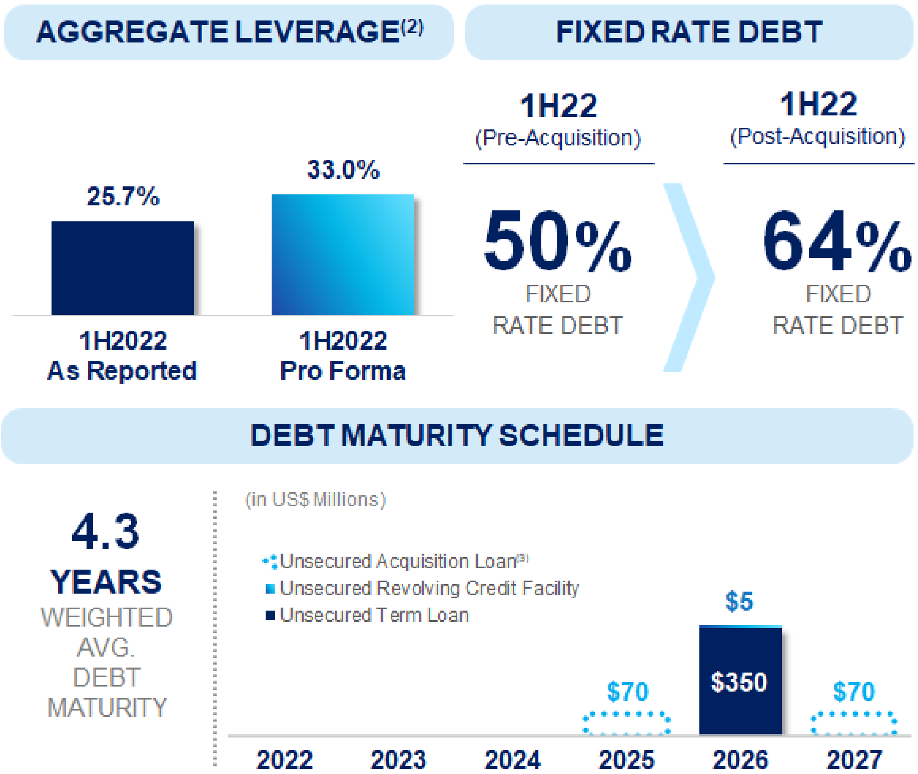
(iii) Providing Optionality to Upsize Stake at Opportune Timing

Under the Debt Funded Scenario, the Manager has, under the German Option, the right to purchase up to an additional 64.9% stake in the Frankfurt Facility at the same Agreed Value within six months from entering the Contribution and Sale Agreement. This structure provides an immediately actionable acquisition pipeline to drive additional growth at an agreed upon value with due diligence previously performed. In addition, this option affords the Manager significant flexibility to capitalise on the investment opportunity as and when market conditions are most favourable.

(iv) Mitigating Variable Rate Exposure, Staggering Maturity Schedule

The Debt Funded Scenario presents an opportunity to reduce variable rate exposure by financing the acquisition with fixed rate debt. The Manager expects to finance the transaction with Euro-denominated debt, matching the currency of the asset and the liability supporting the asset and serving as a natural foreign currency hedge. In addition, the tenor of the debt is expected to be a combination of three and five years, providing additional balance to the existing debt maturity schedule.

Pro Forma Debt Mix and Maturity[1]



Notes:

(1) As at 30 June 2022.

(2) Aggregate leverage was computed based on gross borrowings / deposited properties. Under paragraph 9.7 of the Property Funds Appendix, if a property fund invests in real estate through the shareholdings in unlisted special purpose vehicles ("**SPV**"), the aggregate leverage of all SPVs held by the property fund should be aggregated on a proportionate basis based on the property fund's share of each SPV. 1H2022 based on as reported gross borrowings of US$350 million as at 30 June 2022 with pro forma 1H2022 gross borrowings estimated at US$494 million.

(3) Unsecured acquisition loan of EUR 140 million (approximately US$140 million).

4.2 Rationale for and Benefits of the Proposed Acquisition under the Equity Fund Raising Scenario

Subject to suitable market conditions, the Manager believes the acquisition of an 89.9% stake in the Frankfurt Facility and a 90.0% stake in the Dallas Data Centre under the EFR Scenario will bring incremental benefits to Unitholders beyond the Debt Funded Scenario.

4.2.1 Entering Core Global Markets

(i) Establishing Presence in Dallas, Gaining Greater Exposure to Frankfurt

The EFR Scenario would enable the acquisition of an 89.9% stake in the Frankfurt Facility, providing greater exposure to the second-largest data centre market in Europe relative to the Debt Funded Scenario, while the acquisition of a 90.0% stake in the Dallas Data Centre would also establish a new presence in Dallas, Texas, the fifth-largest data centre market in the U.S. The Dallas data centre market has grown steadily, driven by the following characteristics[19]:

(a) **Favourable Business Environment:** The Dallas-Fort Worth ("**DFW**") metroplex is home to over 100,000 businesses with a steadily growing local economy. The area has attracted numerous corporate relocations over the past several years due to the state's central location, affordable real estate prices, and favourable tax incentives. According to Moody's, the cost of doing business in Dallas is 4% lower than the national average, and less than half the cost of doing business in New York or San Francisco.

(b) **Reasonable Power Cost**: Compared to other primary data centre markets, electricity in the DFW area is relatively inexpensive. Texas is the only state in the continental U.S. with a standalone power grid, decoupled from the interconnected power grids serving the eastern and western United States. The Electric Reliability Council of Texas (ERCOT), a non-profit corporation governed by a board of directors and subject to oversight by the Public Utility Commission of Texas and the Texas Legislature, is responsible for managing 90% of the electricity in the state of Texas. The confluence of a competitive market, the abundance of in-state power sources (notably natural gas), and a standalone power grid have driven power costs in the DFW market down over the past few years. This low-cost power makes DFW more competitive, attracting both regional and national transactions.

(c) **Robust Infrastructure**: The region's electrical and telecommunications infrastructure is both dense and diverse. Multiple carriers' fibre networks blanket the DFW metroplex which is connected to a robust last-mile infrastructure. Telecom giant

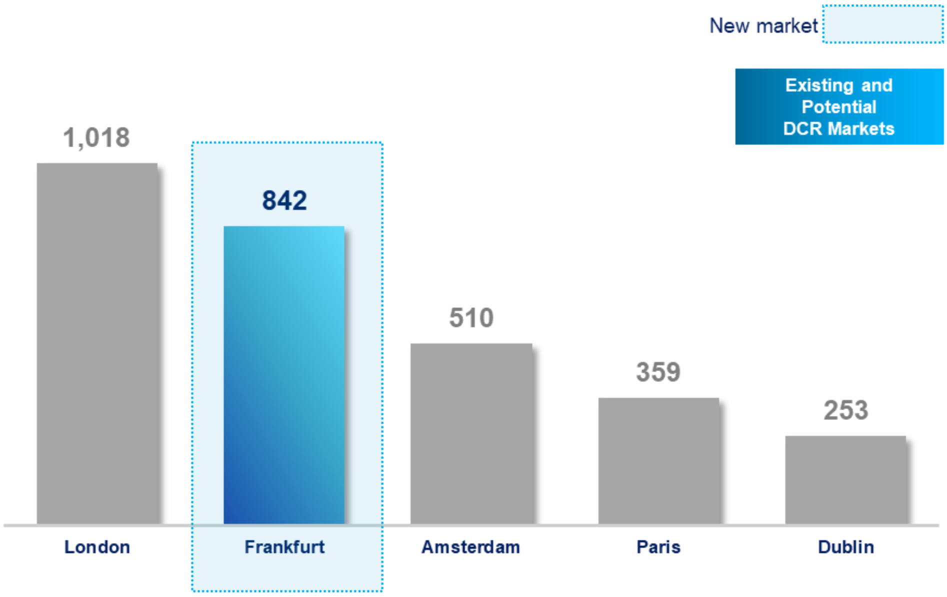
19 The Independent Market Research Consultant as of August 2022.

AT&T relocated their world headquarters to downtown Dallas in 2008 and the company's long-haul fibre is prevalent throughout the Dallas-Fort Worth area. In addition, Alpheus (a regional fibre provider based in Texas), CenturyLink, Cogent, EarthLink, FiberLight (another regional player based in Atlanta, GA), Level 3, Sprint, Verizon, Windstream, and XO all serve the DFW metroplex.

(d) **Tax Abatement Incentives**: In 2013, the State of Texas passed legislation granting tax breaks for large data centre users on qualifying hardware and software purchases. While the exemption does not cover local sales taxes, data centre owners/operators/occupants are 100% exempt from the 6.25% state sales and use tax for up to 15 years on electricity consumption and equipment purchases. This exemption includes purchases of servers, generators, storage devices, software, and other systems necessary for data centre operations.

Top 5 EMEA Data Centre Markets [(1)]

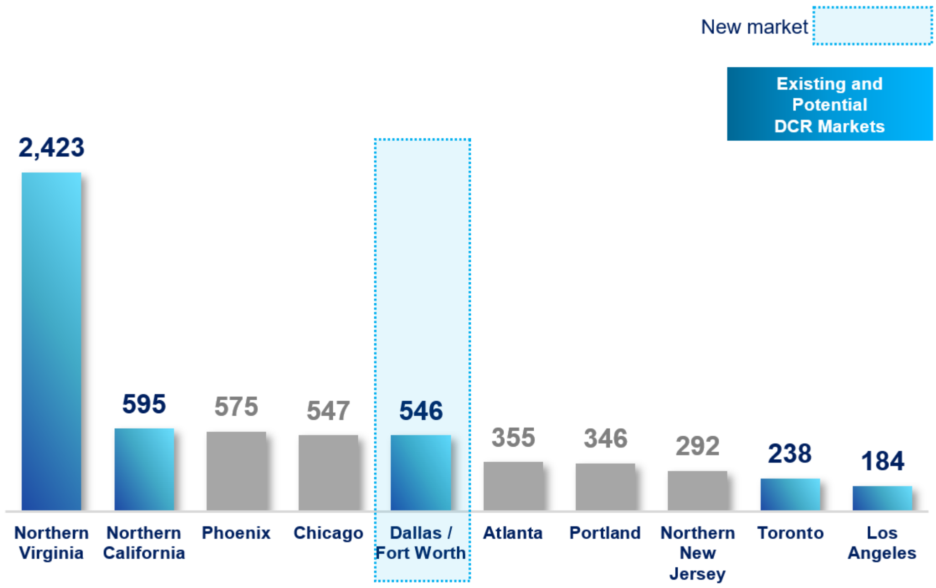
Multi-Tenant Commissioned Power in MW



Note:

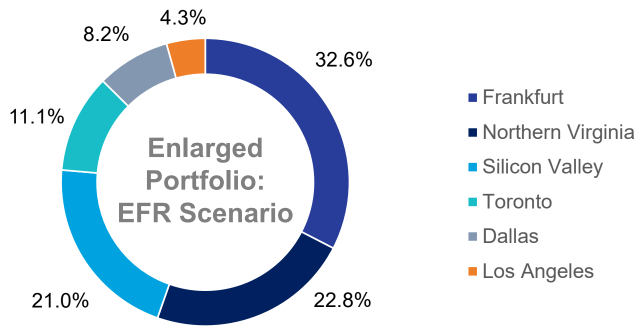
(1) datacenterHawk, LLC (the independent market research consultant for the New Core Data Centres (the "**Independent Market Research Consultant**")) as of August 2022.

Top 10 North American Data Centre Markets (1)
Multi-Tenant Commissioned Power in MW



Note:
(1) The Independent Market Research Consultant as of August 2022.

Metro Diversification (1)
% of Annualised Rent



Note:
(1) Based on annualised rent as at 30 June 2022.

4.2.2 Enhancing Portfolio Quality

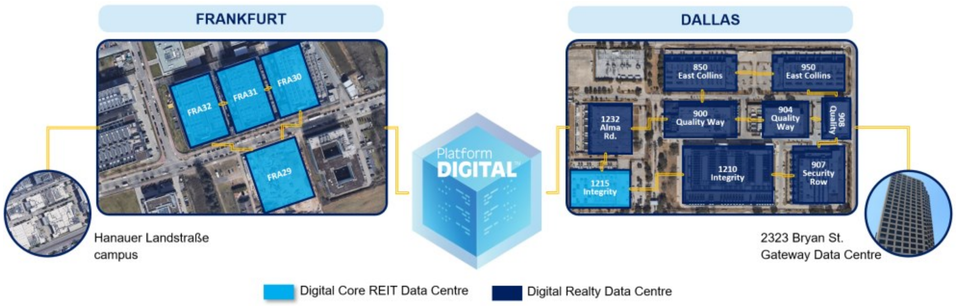
(i) Acquiring a State-of-the-Art Facility

Similar to the Frankfurt Facility, the Dallas Data Centre was a purpose-built data centre by the Sponsor from the ground up within the past five years.

The property is 55% powered by renewable energy and in 2021, sourced 16,151 MWh from wind energy, resulting in a carbon reduction of 11,446 metric tons of carbon dioxide, equivalent to powering 1,442 U.S. homes annually.[20]

(ii) Leveraging the Sponsor's Global Platform

The Frankfurt Facility and the Dallas Data Centre are fully integrated into the Sponsor's global platform, providing connectivity as well as consistency of deployment and operations. The Frankfurt Facility was developed in successive phases of contiguous customer expansion within the supply-constrained Sossenheim sub-market and is connected via dark fibre to the Sponsor's cross-town Hanauer Landstraße campus, one of the world's leading connectivity hubs, with direct access to more than 700 carriers and internet service providers. Similarly, the Dallas Data Centre is situated on the Sponsor's campus known as "Digital Dallas" in the Richardson telecom corridor and is likewise tethered to the Sponsor's interconnection hub at 2323 Bryan Street in downtown Dallas.



4.2.3 Achieving Scale and Diversification

(i) Reducing Customer Concentration

The EFR Scenario significantly improves customer diversification, reducing the total annualised rent contribution from the top five customers from 97% as at 30 June 2022 to 86% pro forma for the transaction.

20 Based on the United States Environmental Protection Agency's statistics as at 31 December 2021.

	TOP 5 CUSTOMERS (PRE-ACQUISITION)		TOP 5 CUSTOMERS (POST-ACQUISITION)	
	Company Name	% Annualized Rent	Company Name	% Annualized Rent
1	Fortune 50 Software Company	36.0%	Fortune 50 Software Company	35.5%
2	Global Colocation and Interconnection Provider	24.1%	Global Colocation and Interconnection Provider	16.0%
3	Social Media Platform	18.6%	Fortune 25 Tech Company	15.7%
4	Global Technology Solutions Provider	11.3%	Social Media Platform	11.0%
5	IT Service Provider	7.3%	IT Service Provider	8.1%
	Total	**97.2%**	**Total**	**86.3%**

New Customer

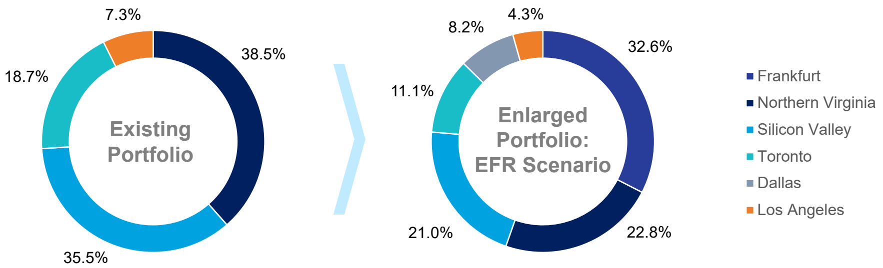
(ii) Introducing New Commercial Relationships

The Frankfurt Facility and the Dallas Data Centre are primarily occupied by leading global cloud and IT service providers with large and growing global data centre footprints. The EFR Scenario will expand Digital Core REIT's total customer base from 16 to 25, while the contribution from investment grade customers will grow from 68% of annualised rent as at 30 June 2022 to 70% pro forma for the EFR Scenario.

(iii) Improving Geographic Diversification, Achieving International Expansion

The EFR Scenario will improve the geographic diversification of Digital Core REIT's overall portfolio and will achieve international expansion with the entry into a new region. The EFR Scenario will expand the number of markets where Digital Core REIT has a presence from four to six and will reduce its largest market concentration from 39%[21] as at 30 June 2022 to 33% while the total annualised rent contribution from North America will be reduced from 100% as at 30 June 2022 to 67% pro forma for the EFR Scenario.

Metro Diversification (1)
% of Annualised Rent



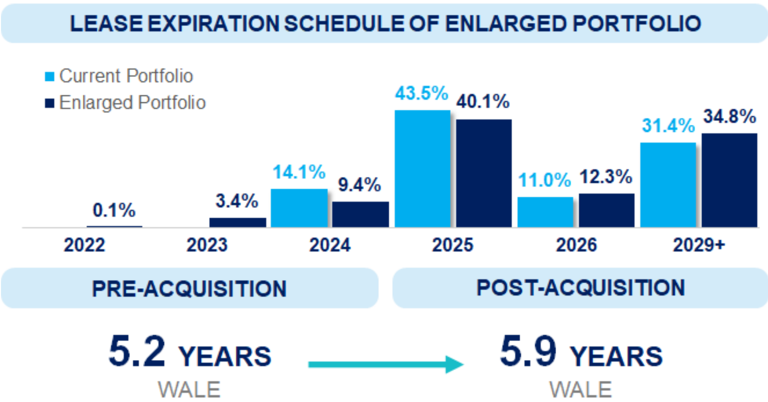
Note:
(1) Based on annualised rent as at 30 June 2022.

21 Based on annualised rent as at 30 June 2022.

(iv) Extending Weighted Average Lease Expiry

The EFR Scenario would extend Digital Core REIT's overall weighted average lease expiry by more than half a year, from 5.2 years as at 30 June 2033 to 5.9 years, pro forma for the transaction. In addition, the EFR Scenario would begin to smooth out the lease expiration schedule, reducing the concentration of lease expirations in 2024 to 2025 from 58% of annualised rent as at 30 June 2022 to 49%, pro forma for the transaction.

Lease Expiration Schedule (1)



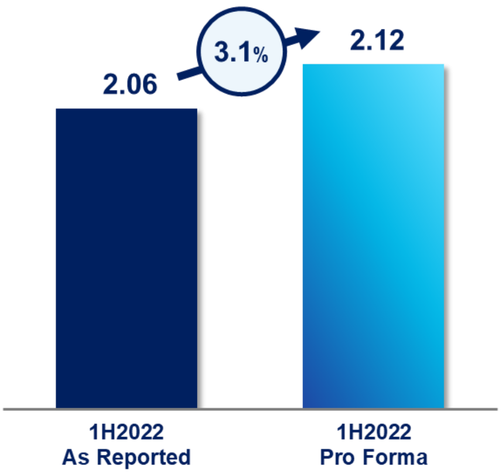
Note:
(1) Based on annualised rent as at 30 June 2022.

4.2.4 Investing Accretively, Seeding Growth

(i) Expected to be Approximately 3.1% Accretive to DPU

The EFR Scenario is expected to be approximately 3.1% accretive to DPU.

Distribution Per Unit (1)
(U.S. Cents)

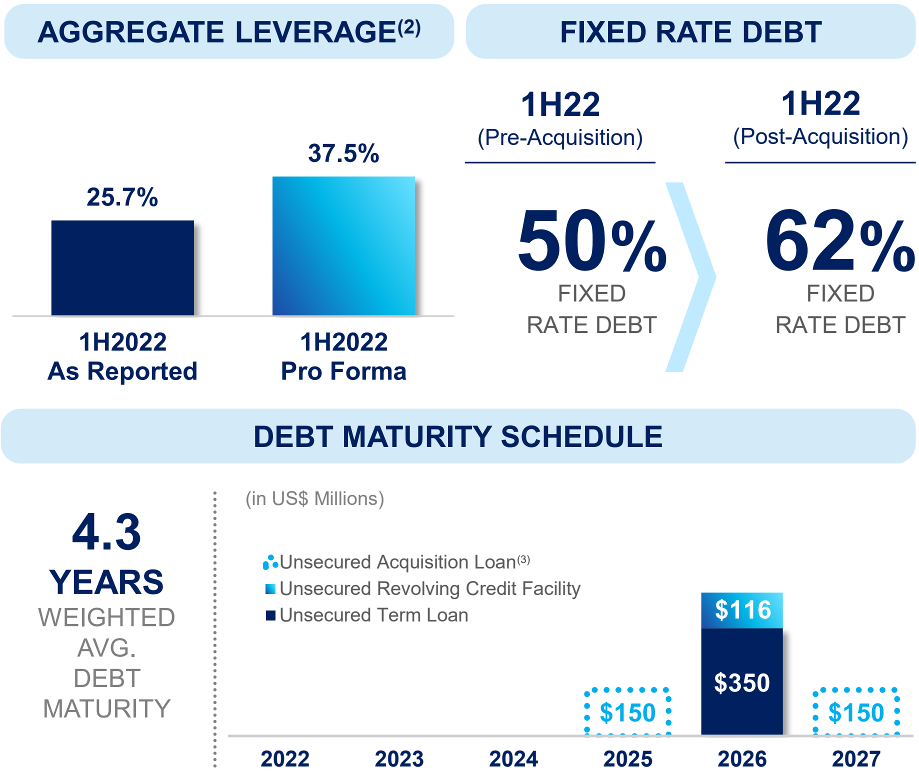


Note:
(1) Please refer to the assumptions set out in paragraph 6.1 below.

(ii) Mitigating Variable Rate Exposure, Staggering Maturity Schedule

The EFR Scenario presents an opportunity to reduce variable rate exposure by financing a portion of the acquisition with fixed rate debt. The Manager expects to finance a portion of the transaction with Euro-denominated debt, matching the currency of the asset and the liability supporting the asset and serving as a natural foreign currency hedge. In addition, the tenor of the debt is expected to be a combination of three and five years, providing additional balance to the existing debt maturity schedule.

Pro Forma Debt Mix and Maturity[1]



Notes:

(1) As at 30 June 2022.

(2) Aggregate leverage was computed based on gross borrowings / deposited properties. Under paragraph 9.7 of the Property Funds Appendix, if a property fund invests in real estate through the shareholdings in unlisted SPVs, the aggregate leverage of all SPVs held by the property fund should be aggregated on a proportionate basis based on the property fund's share of each SPV. 1H2022 based on as reported gross borrowings of US$350 million as at 30 June 2022 with pro forma 1H2022 gross borrowings estimated at US$766 million.

(3) Unsecured acquisition loan of EUR 300 million (approximately US$300 million).

(iii) Seeding Future Revenue Growth

The EFR Scenario offers various opportunities to generate additional growth.

(a) **Embedded Lease-Up:** The Frankfurt Facility is 91% leased, creating embedded potential revenue uplift at the facility if occupancy were to reach 100% capacity.

(b) **Contractual Escalators:** The New Core Data Centres contain built-in contractual rental rate escalators averaging approximately 1.6% per annum.

(c) **Rental Reversions:** The robust data centre demand environment, limited new supply and low market vacancy rates across Frankfurt should support healthy pricing and an opportunity for positive rental reversions upon lease expirations.

5. METHOD OF FINANCING

The Manager intends to fund the Total Acquisition Cost (save for the Acquisition Fee) with:

(i) (under the Debt Funded Scenario) external bank borrowings; or

(ii) (under the EFR Scenario) external bank borrowings and the proceeds from the issue of new units in Digital Core REIT ("**New Units**") pursuant to an equity fund raising ("**Equity Fund Raising**") comprising:

   (a) a private placement of New Units to institutional and other investors (the "**Private Placement**"); and

   (b) subject to Unitholders' approval at an extraordinary general meeting of Unitholders ("**EGM**"), the issue of New Units to Digital CR Singapore Holding, LLC (the "**Sponsor Investor**") pursuant to the Digital Subscription (as defined below).

It should be noted that the Manager's intention is to proceed with the Equity Fund Raising, and correspondingly the EFR Scenario, only if both the Private Placement and the Digital Subscription take place. However, in the event the Private Placement is completed by the time of the EGM, but Unitholders' approval is not obtained for the Digital Subscription at the EGM, the Manager will not proceed with the EFR Scenario i.e., Digital Core REIT will not acquire an 89.9% interest in the Frankfurt Facility (and the corresponding percentage participation interest in the German Loan Facility) and a 90.0% interest in the Dallas Data Centre at the Closing. In such instance, Digital Core REIT will only acquire a 25.0% interest in the Frankfurt Facility (and the corresponding percentage participation interest in the German Loan Facility) at the Closing, and the net proceeds from the Private Placement may be used to fund such acquisition or to acquire other assets, repay debt or for capital expenditures.

5.1 Digital Subscription

5.1.1 Overview of the Digital Subscription

In connection with the Digital Subscription, the Manager has on 22 September 2022 entered into a subscription agreement with the Sponsor Investor (the "**Digital Subscription Agreement**"), pursuant to which the Sponsor Investor has agreed to subscribe for US$97 million worth of New Units (the "**Digital Subscription**"), subject to the issuance of a written notice by the Manager to the Sponsor Investor, indicating that the Manager is electing to pursue the EFR Scenario.

The Sponsor Investor is a wholly-owned subsidiary of the Sponsor.

5.1.2 Subscription Price and Use of Proceeds

The New Units to be issued to the Sponsor Investor under the Digital Subscription will, subject to the approval of Unitholders at the EGM, be issued at a subscription price which will be the same as the issue price of the New Units issued under the Private Placement.

The proceeds raised from the Digital Subscription are intended to be deployed to partially fund the Total Acquisition Cost (save for the Acquisition Fee).

5.1.3 Principal Terms of the Digital Subscription Agreement

The principal terms of the Digital Subscription Agreement include, among others, the following conditions precedent:

(i) the New Units to be issued pursuant to the Digital Subscription having been approved in-principle for listing on the SGX-ST, there not having occurred any revocation or withdrawal of such approval and, where such approval is subject to conditions, and if such conditions are required to be fulfilled on or before the day on which the New Units are issued, such conditions are so fulfilled;

(ii) Digital Core REIT having obtained the approval of Unitholders in respect of the Proposed Acquisition, the issuance of the New Units to the Sponsor Investor and the resolutions relating to the issuance of New Units to fund the Proposed Acquisition at the EGM (including the whitewash resolution); and

(iii) all conditions relating to the whitewash waiver being fulfilled on or before the day on which the New Units are issued pursuant to the Digital Subscription.

5.1.4 Status of New Units

The New Units to be issued to the Sponsor Investor pursuant to the Digital Subscription will not be entitled to distributions by Digital Core REIT for the period preceding the date of issuance of the New Units and will only be entitled to receive distributions by Digital Core REIT from the date of their issue to the end of the financial half year in which the New Units are issued, as well as distributions thereafter. The New Units will, upon issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issuance of the New Units, other than the right to any distributable income preceding the day the New Units are issued.

5.2 Unitholders' approval required for the Equity Fund Raising

Pursuant to Rule 812(2) of the Listing Manual, Unitholders' approval by way of an Ordinary Resolution is required for the issuance of New Units to the Sponsor Investor, as the Sponsor Investor is a wholly-owned subsidiary of the Sponsor.

In addition, the issuance of New Units to the Sponsor Investor pursuant to the Digital Subscription is subject to a whitewash resolution to be approved by independent Unitholders to waive their rights to receive a general offer for their Units from the Sponsor and parties acting in concert with the Sponsor. Further details of the Equity Fund Raising, including the requisite approvals from Unitholders, will be set out in the Circular in due course.

For the avoidance of doubt, in the event that the Manager does not proceed with the Equity Fund Raising, Digital Core REIT will have sufficient internal resources and financing to proceed with the Debt Funded Scenario.

The final decision regarding the proportion of the debt and equity (if any) to be employed to fund the Proposed Acquisition (which will determine whether Digital Core REIT pursues the Debt Funded Scenario or the EFR Scenario) will be made by the Manager in its sole and absolute discretion and at the appropriate time, taking into account the prevailing market conditions while maintaining an optimal level of aggregate leverage. The Manager will announce the details of the Equity Fund Raising if any (including details pertaining to the use of proceeds and percentage allocation for each use) on the SGXNET at the appropriate time if and when it launches the Equity Fund Raising.

6. DETAILS AND FINANCIAL INFORMATION OF THE PROPOSED ACQUISITION

6.1 Pro Forma Financial Effects of the Proposed Acquisition

The pro forma financial effects of the Proposed Acquisition presented below are strictly for illustrative purposes. Given that Digital Core REIT was only listed on 6 December 2021, it does not have any audited financial statements. Accordingly, the pro forma financial effects of the Proposed Acquisition were prepared based on the unaudited financial statements of Digital Core REIT from 1 January 2022 to 30 June 2022 ("**1H2022 Unaudited Financial Statements**"), taking into account the Debt Funded Scenario Consideration or the EFR Scenario Consideration (as applicable) and assuming that:

(i) under the Debt Funded Scenario:

(a) US$144 million is drawn down from Digital Core REIT's loan facilities at a weighted-average interest cost of approximately 3.5% per annum to fund the Debt Funded Scenario Consideration; and

(b) the Manager's Acquisition Fee of US$1 million is paid in the form of approximately 2 (two) million Units at an illustrative issue price of US$0.83 per Unit (the "**Illustrative Issue Price**"); or

(ii) under the EFR Scenario:

(a) US$416 million is drawn down from Digital Core REIT's loan facilities at a weighted-average interest cost of approximately 3.5% per annum to fund the EFR Scenario Consideration;

(b) approximately 217 million New Units are issued at the Illustrative Issue Price in connection with the Equity Fund Raising to raise gross proceeds of approximately US$180 million to partially fund the EFR Scenario Consideration;

(c) approximately 117 million New Units are issued at the Illustrative Issue Price in connection with the Digital Subscription to raise gross proceeds of approximately US$97 million to partially fund the EFR Scenario Consideration; and

(d) the Manager's Acquisition Fee of US$7 million is paid in the form of approximately 8 (eight) million Units at the Illustrative Issue Price.

6.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects on Digital Core REIT's DPU for the financial period from 1 January 2022 to 30 June 2022 ("**1H2022**"), as if the Proposed Acquisition, the issuance of New Units under the Private Placement, the issuance of New Units to the Sponsor Investor under the Digital Subscription and the issuance of the Acquisition Fee Units were completed on 1 January 2022, and Digital Core REIT held and operated the New Core Data Centres through to 30 June 2022, are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition[(2)]	
		Debt Funded Scenario	EFR Scenario
Net Profit after tax attributable to Unitholders (US$'000)	19,487	19,536	26,162
Distributable income (US$'000)	23,233	23,737[(3)]	31,267[(4)]
Total number of Units in issue ('000)	1,127,275[(1)]	1,129,503[(5)]	1,472,065[(6),(7)]
DPU (US cents)	2.06	2.10	2.12
DPU accretion (%)	-	2.0%	3.1%[(8)]

Notes:

(1) Number of issued Units entitled to distribution as at 30 June 2022 as stated in the 1H2022 Unaudited Financial Statements.

(2) Includes contribution from the New Core Data Centres, which is based on the 1H2022 Unaudited Financial Statements and adjusted for the implied incremental funding costs, management fees, trustee expenses and income tax expense in connection with the operation of the New Core Data Centres.

(3) Assumes borrowing costs of US$3 million related to a US$144 million drawn down from Digital Core REIT's loan facilities at an average interest cost of 3.5% per annum to fund the Debt Funded Scenario Consideration.

(4) Assumes borrowing costs of US$7 million related to a US$416 million drawn down from Digital Core REIT's loan facilities at an average interest cost of 3.5% per annum to partially fund the EFR Scenario Consideration.

(5) Assumes that the Manager's Acquisition Fee of US$1 million is paid in the form of approximately 2 (two) million Units at the Illustrative Issue Price.

(6) Assumes that the Manager's Acquisition Fee of US$7 million is paid in the form of approximately 8 (eight) million Units at the Illustrative Issue Price.

(7) Assumes 334 million additional New Units are issued, comprising (i) 217 million New Units in connection with the Equity Fund Raising and (ii) 117 million New Units in connection with the Digital Subscription, based on the Illustrative Issue Price.

(8) At the Illustrative Issue Price, DPU accretion increases by approximately 20 bps for every 1 US cent increase in the Illustrative Issue Price, and vice versa.

6.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects on Digital Core REIT's NAV per Unit as at 30 June 2022, as if the Proposed Acquisition, the issuance of New Units under the Private Placement, the issuance of New Units to the Sponsor Investor under the Digital Subscription and the issuance of the Acquisition Fee Units were completed on 30 June 2022, are as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**	
		Debt Funded Scenario	**EFR Scenario**
NAV (US$'000)	988,468	984,630	1,255,615
Total number of Units in issue ('000)	1,129,688(1)	1,131,917(2)	1,474,479(3)(4)
NAV per Unit (US$)	0.87	0.87	0.85
NAV per Unit (ex-distribution)(5) (US$)	0.85	0.85	0.83

Notes:

(1) Number of issued and issuable Units as at 30 June 2022 as stated in the 1H2022 Unaudited Financial Statements.

(2) Assumes that the Manager's Acquisition Fee of US$1 million is paid in the form of approximately 2 (two) million Units at the Illustrative Issue Price.

(3) Assumes that the Manager's Acquisition Fee of US$7 million is paid in the form of approximately 8 (eight) million Units at the Illustrative Issue Price.

(4) Assumes 334 million additional New Units are issued, comprising (i) 217 million New Units in connection with the Equity Fund Raising and (ii) 117 million New Units in connection with the Digital Subscription, based on the Illustrative Issue Price.

(5) Excludes Digital Core REIT's reported DPU of 2.37 US cents for the financial period from 6 December 2021 to 30 June 2022.

6.1.3 Pro Forma Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma aggregate leverage of Digital Core REIT as at 30 June 2022, as if the Proposed Acquisition, the issuance of New Units under the Private Placement, the issuance of New Units to the Sponsor Investor under the Digital Subscription and the issuance of the Acquisition Fee Units were completed on 30 June 2022, is as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition	
		Debt Funded Scenario	EFR Scenario
Aggregate Leverage	25.7%[(1)]	33.0%	37.5%

Note:

(1) Based on the balance sheet value of investment properties as at 30 June 2022, which includes any capitalised transaction costs, straight line rent or property additions.

6.2 Requirement of Unitholders' Approval

6.2.1 Disclosable Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by Digital Core REIT. Such transactions are classified into the following categories:

(i) non-disclosable transactions;

(ii) disclosable transactions;

(iii) major transactions; and

(iv) very substantial acquisitions or reverse takeovers.

A transaction by Digital Core REIT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the NAV of the assets to be disposed of, compared with Digital Core REIT's NAV;

(ii) the net profits attributable to the assets acquired, compared with Digital Core REIT's net profits;

(iii) the aggregate value of the consideration given, compared with Digital Core REIT's market capitalisation; and

(iv) the number of Units issued by Digital Core REIT as consideration for an acquisition, compared with the number of Units previously in issue.

6.2.2 Relative Figures Computed on the Bases set out in Rule 1006

The relative figures for the Proposed Acquisition using the applicable bases of comparison described in Rules 1006(b) and 1006(c) are set out in the table below.

Comparison of:	The Proposed Acquisition		Digital Core REIT (US$'000)	Relative figure (%)	
	Debt Funded Scenario (US$'000)	EFR Scenario (US$'000)		Debt Funded Scenario	EFR Scenario
Rule 1006(b) Net Profit (1)	49.1(2)	6,675(3)	19,487(4)	0.3%	34.3%
Rule 1006(c) Consideration against market capitalisation	139,575(2)	681,102(3)	908,834(5)	15.4%	74.9%

Notes:
(1) After tax attributable to Unitholders due to the New Core Data Centres for 1H2022.
(2) Based on the 25.0% interest in the Frankfurt Facility
(3) Based on the 89.9% interest in the Frankfurt Facility and the 90.0% interest in the Dallas Data Centre
(4) Based on the 1H2022 Unaudited Financial Statements.
(5) This figure is based on the weighted average price of US$0.8045 per Unit on the SGX-ST as at 21 September 2022, being the market day immediately prior to the day of entry into the Contribution and Sale Agreement (Singapore time).

The relative figure in Rule 1006(d) in relation to the number of Units issued by Digital Core REIT as consideration for the Proposed Acquisition, compared with the number of Units previously in issue, is not applicable to the Proposed Acquisition as the Debt Funded Scenario Consideration or the EFR Scenario Consideration (as applicable) is payable entirely in cash.[22]

As seen in the table above, the Proposed Acquisition under the EFR Scenario constitutes a "major transaction" under Rule 1014(1) of the Listing Manual (read with Rules 1006(b) and 1006(c) of the Listing Manual) as the relative figures under Rules 1006(b) and 1006(c) exceed 20.0% under the EFR Scenario. Therefore, the approval of Unitholders would be required for the Proposed Acquisition under the EFR Scenario pursuant to Chapter 10 of the Listing Manual. While the relative figures under Rules 1006(b) and 1006(c) of the Listing Manual do not exceed 20.0% under the Debt Funded Scenario, the Proposed Acquisition under the Debt Funded Scenario requires Unitholders' approval pursuant to Chapter 9 of the Listing Manual as it is an interested person transaction.

6.2.3 Interested Person Transaction Pursuant to the Listing Manual and Interested Party Transaction Pursuant to the Property Funds Appendix

Under Chapter 9 of the Listing Manual, where Digital Core REIT proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of

22 For illustrative purposes only, under the EFR Scenario, the 117 million New Units to be issued to the Sponsor Investor pursuant to the Digital Subscription (based on the Illustrative Issue Price) would comprise 10% of the number of Units in issue as at the date of this announcement.

other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of Digital Core REIT's latest audited net tangible asset ("**NTA**"), Unitholders' approval is required in respect of the transaction.

In addition, Paragraph 5.2(b) of the Property Funds Appendix also requires Unitholders' approval for an interested party transaction by Digital Core REIT if the value is equal to or exceeds 5.0% of Digital Core REIT's latest audited NAV.

As Digital Core REIT was only listed on 6 December 2021, it does not have any audited financial statements. Based on the 1H2022 Unaudited Financial Statements (as defined herein), both the NTA and the NAV of Digital Core REIT was US$988 million as at 30 June 2022. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by Digital Core REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of US$49 million, such a transaction would be subject to Unitholders' approval.

The Sponsor, through its wholly-owned subsidiaries, the Sponsor Investor and the Manager, has a deemed interest in 394,463,331 Units, which comprises approximately 34.9% of the total number of Units in issue as at the date of this announcement, and is therefore regarded as a "controlling unitholder" of Digital Core REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of the Sponsor, the Sponsor is regarded as a "controlling shareholder" of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix.

Proposed Acquisition

Each of the Sponsor (being a "controlling unitholder" of Digital Core REIT and a "controlling shareholder" of the Manager), the German Vendor and the U.S. JV Partner (each being a wholly-owned subsidiary of the Sponsor, which is in turn a "controlling unitholder" of Digital Core REIT and a "controlling shareholder" of the Manager) is considered (under Chapter 9 of the Listing Manual) an "interested person" and (under the Property Funds Appendix) an "interested party". Accordingly, the Proposed Acquisition among the Sponsor, the German Vendor, the U.S. JV Partner and Digital Core REIT will constitute an "interested person transaction" as defined under Chapter 9 of the Listing Manual and an "interested party transaction" as defined under the Property Funds Appendix.

Further, as the German Vendor and the U.S. JV Partner are wholly-owned subsidiaries of the Sponsor, each of the German Vendor and the U.S. JV Partner (each being a wholly-owned subsidiary of the Sponsor, which is in turn a "controlling unitholder" of Digital Core REIT and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" of Digital Core REIT. Accordingly, the entry into each Joint Venture Agreement between the German Vendor or the U.S. JV Partner (as applicable) and Digital Core REIT (through Singapore Sub 5 or Parent U.S. REIT) will constitute an interested person transaction under the Listing Manual.

Given that the Debt Funded Scenario Consideration is estimated to be approximately US$140 million (which is approximately 14% of the latest NTA and the NAV of Digital Core REIT respectively as at 30 June 2022), the Debt Funded Scenario Consideration exceeds 5.0% of the NTA and the NAV of Digital Core REIT, respectively. Correspondingly, the EFR Scenario Consideration (being higher than the Debt Funded Scenario Consideration) also exceeds 5.0% of the NTA and the NAV of Digital Core REIT, respectively. Accordingly, the Manager is seeking the approval of Unitholders by way of Ordinary Resolution of the Unitholders for the Proposed Acquisition.

Proposed Digital Subscription

As the proposed Digital Subscription will involve the issue of New Units to the Sponsor Investor (being a wholly-owned subsidiary of the Sponsor, which is in turn a "controlling unitholder" of Digital Core REIT and a "controlling shareholder" of the Manager), the proposed Digital Subscription will constitute an interested person transaction under Chapter 9 of the Listing Manual.

Under the EFR Scenario, as Digital Core REIT will be issuing US$97 million worth of New Units to the Sponsor Investor (being approximately 10% of Digital Core REIT's latest audited NTA as at 30 June 2022), the value of the proposed Digital Subscription will exceed 5.0% of the NTA of Digital Core REIT. Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for issue of New Units to the Sponsor Investor under the Digital Subscription.

As at the date of this announcement, other than the Proposed Acquisition and the interested person transactions deemed approved at the time of the IPO, Digital Core REIT has not entered into any interested person transactions (each of a value equal to or greater than S$100,000) during the course of the current financial year.

6.3 Interests of Directors and Substantial Unitholders[23]

As at the date of this announcement and based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed below, none of the directors of the Manager ("**Directors**") currently holds a direct or deemed interest in the Units as at the date of this announcement:

23 "**Substantial Unitholder**" means a person with an interest in Units constituting not less than 5.0% of the total number of Units in issue.

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Jeffrey Tapley	-	-	-	-	-	-
John Herbert	-	-	-	-	-	-
Tan Jeh Wuan	300,000	nm(2)	-	-	300,000	nm(2)
Tsui Kai Chong	-	-	-	-	-	-
David Lucey	-	-	-	-	-	-

Notes:

(1) The percentage interest is based on total issued Units of 1,129,688,331 as at the date of this announcement.

(2) Not meaningful.

As at the date of this announcement and based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders of Digital Core REIT and their interests in the Units as at the date of this announcement are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Digital Realty Trust, Inc.(2)	-	-	394,463,331	34.9%	394,463,331	34.9%
Digital Realty Trust, L.P.(2)	-	-	394,463,331	34.9%	394,463,331	34.9%
Digital CR Singapore Holding, LLC	375,400,001	33.2%	-	-	375,400,001	33.2%
Daiwa Securities Group Inc(3)	-	-	79,774,383	7.1%	79,774,383	7.1%
APG Asset Management N.V.	77,610,791	6.9%	-	-	77,610,791	6.9%

Notes:

(1) The percentage interest is based on 1,129,688,331 Units in issue as at the date of this announcement.

(2) Digital CR Singapore Holding, LLC is wholly owned by Digital Realty Trust, L.P.. Digital Realty Trust, L.P., is approximately 98% owned by Digital Realty Trust, Inc. By virtue of this, each of Digital Realty Trust, L.P. and Digital Realty Trust, Inc. has a deemed interest in all the Units which Digital CR Singapore Holding, LLC holds. In addition, Digital Core REIT Management Pte. Ltd. is wholly owned by Digital Asia LLC, which in turn is wholly owned by Digital Realty Trust, L.P.. By virtue of this, each of Digital Realty Trust, L.P. and Digital Realty Trust, Inc. has a deemed interest in the 19,063,330 Units which Digital Core REIT Management Pte. Ltd. holds as at the date of this announcement.

(3) Daiwa Securities Group Inc. ("**DSGI**") is deemed interested in the Units held by Sumitomo Mitsui DS Asset Management DSGI and Daiwa Asset Management Co. Ltd. as DSGI holds 23.5% of Sumitomo Mitsui DS Asset Management DSGI and 100% of Daiwa Asset Management Co. Ltd.

6.4 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

7. AUDIT AND RISK COMMITTEE STATEMENT

The Audit and Risk Committee of the Manager will obtain an opinion from Deloitte & Touche Corporate Finance Pte Ltd (the "**IFA**"), which has been appointed as the independent financial adviser on, among others, the Proposed Acquisition and the Digital Subscription before forming its view. The opinion of the IFA as to, among others, whether the Proposed Acquisition and the Digital Subscription are on normal commercial terms and are not prejudicial to the interests of Digital Core REIT and its minority Unitholders will be disclosed in the Circular.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager[24] at 10 Collyer Quay, #42-06, Ocean Financial Centre, Singapore 049315 from the date of this announcement up to and including the date falling three (3) months after the date of this announcement:

(i) the Contribution and Sale Agreement;

(ii) the form of the Joint Venture Agreement for the German JV;

(iii) the form of the Joint Venture Agreement for the U.S. JV;

(iv) the Digital Subscription Agreement;

(v) the 1H2022 Unaudited Financial Statements;

(vi) the independent valuation reports on the New Core Data Centres issued by the Independent Valuers; and

(vii) the independent market research report issued by the Independent Market Research Consultant.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Digital Core REIT is in existence.

24 Prior appointment is appreciated. Please contact the Digital Core REIT Investor Relations team (telephone: +65 6505 3948; email: IR@digitalcorereit.com to schedule an appointment).

9. UPDATE ON LEASE AT 371 GOUGH ROAD, MARKHAM, ONTARIO, CANADA

The Manager refers to its announcement on 28 July 2022 regarding a customer filing for bankruptcy protection. The Manager is currently under negotiations to enter into an amendment to the lease in relation to such customer's exit from the property located at 371 Gough Road, Markham, Ontario, Canada ("**371 Gough Road**") and the onboarding of some of their end-user customers as direct customers with the corporation through which Digital Core REIT and the Sponsor jointly hold 371 Gough Road. As mentioned in the 28 July 2022 announcement, a wholly-owned subsidiary of the Sponsor has entered into an agreement to provide cash flow support to Digital Core REIT (no more than once per calendar quarter) equal to Digital Core REIT's percentage ownership interest in 371 Gough Road multiplied by the difference between (x) the total base rent (excluding utilities) payable under such lease less (y) the total gross cash receipts of under such lease or any replacement or subsequent lease or other occupancy arrangement with respect to all or any portion of the premises leased in relation to such lease during the period commencing on 1 April 2022 to 31 December 2023.

BY ORDER OF THE BOARD
John Stewart
Chief Executive Officer

Digital Core REIT Management Pte. Ltd.
(as Manager of Digital Core REIT)
(Company Registration No. 202123160H)

22 September 2022

IMPORTANT NOTICE

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