2025 Mid-Year Results Briefing

Thank you for joining us for our mid-year results briefing.

Key Highlights

The Digital Core REIT team continued to execute against key strategic priorities in the first half of 2025.

- We announced a distribution of 1.80 U.S. cents, which we expect to pay on 18 September to unitholders of record as of 31 July.

- We drove 130 basis points of positive net absorption in the first half, improving portfolio occupancy from 96.7% at year-end to 98.0% as at 30 June 2025, reflecting continued momentum stabilising the two Los Angeles facilities we took over in the fourth quarter of last year.

- In late March, we closed on the acquisition of a 20% interest in a second data centre in Osaka. This acquisition is expected to be 1.8% accretive to DPU and improves geographic diversification while expanding our presence in Japan, increasing the annualised revenue contribution from Osaka from 7% to 12% and surpassing Los Angeles and Toronto to become our fourth-largest market.

- The acquisition also enhances portfolio quality. The second Osaka data centre was purpose-built as a data centre from the ground up and was completed in July 2021. This state-of-the-art facility offers 19.9 megawatts of critical IT load and is situated on the Sponsor's Osaka connected campus, servicing a diverse community of leading hyperscale and technology companies. The facility is 100% leased to investment grade customers, primarily leading global cloud providers, with a WALE of nearly eight years.

- Likewise in late March, we established a Medium-Term Note Programme, enabling us to issue fixed or floating rate notes denominated in various currencies as agreed with participating lenders. This was a significant milestone in the evolution of our balance sheet and the maturity of our organization. The MTN programme enables us to reduce our reliance on bank debt, opens access to the public debt capital markets and sets the stage for the continued growth of our asset base.

- In early April, we announced our first issuance under the MTN programme, a ¥10 billion series of notes at a 1.97% coupon due 2030. The net proceeds from this five-year, fixed-rate, Yen-denominated debt private placement were used to finance the acquisition of the 20% interest in the second Osaka data centre.

- We also continued to increase our ownership stake in our existing portfolio: year-to-date, we've bought back 1.8 million units at an average price of just under $0.57, or a twenty-eight percent discount to NAV, generating 10 basis points of DPU accretion.

- We ended the first half of the year in line with our 35%-40% target leverage range, while 85% of our debt is hedged against rising interest rates.

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Market & Portfolio Update

Let's turn to our Market & Portfolio Update on page three.

As previously disclosed, the customer lease for 8217 Linton Hall in Virginia expired on 30 June and the customer moved out at expiration, as expected. The property had been triple-net-leased to a single-tenant, a AAA-rated leading global cloud provider, who spared no expense maintaining the property, as you can begin to appreciate from the photos on page three.

This property was purpose-built as a data center from the ground up, was designed by a notable data center engineer, and shows very well – again, as you can begin to appreciate from the photos here on page three. The facility is water-cooled, with a robust chiller plant featuring two separate utility-water feeds in addition to two emergency wells onsite.

Although the physical plant is robust and well maintained, the facility is 20 years old, and the existing electrical equipment does need to be replaced. We have taken the property out-of-service and are embarking on a comprehensive refurbishment program to enable us to capture the current market opportunity. We expect this process will take approximately 12-15 months, and we expect to place the property back in service in the second half of next year.

We have already had productive engagement with a diverse set of customers, and we expect the refurbished facility will appeal to a broad cross-section of hyperscale as well as enterprise customers in addition to "neo-clouds," or next-generation cloud providers specifically designed to support AI workloads.

We are confident in the leasing prospects for this facility, given the depth of the demand signal, the lack of available supply in the Northern Virginia market, and the strong support from our Sponsor's global data centre platform.

The explosion of artificial intelligence workloads is driving robust data centre demand, and customers are racing to address their digital infrastructure needs. This dynamic represents a bit of a double-edged sword, however. On the one hand, capacity is scarce, and customers are actively procuring capacity to meet real-time business needs. On the other hand, customers are also laser-focused on addressing immediate-term needs – specifically, within the next six months, and namely, within calendar-year 2025.

In addition, customers have become more religious about front-loading revenue rather than CapEx and making success-based commitments. Consequently, although we believe we could lease Linton Hall on very favorable terms if it were available today, we expect current customer behavior will likely dictate lease execution closer to within a six-month window from the ready-for-service date.

As shown in the chart on the upper right on page four, Northern Virginia is far and away the largest data center market in the world – more than twice the size of the next largest market. In addition, Northern Virginia has been severely supply-constrained for the past several years, and current market vacancy is less than half of one percent, according to datacenterHawk.

The expiring rent at Linton Hall was $95/kW/month. To be fair, this was a triple-net rent and needs to be grossed up for operating expenses to create a like-for-like comparison to datacenterHawk's market rents on the bottom left on page four. Nonetheless, the expiring rate is demonstrably below market, and we expect to be able to achieve a 25% uplift.

From a valuation perspective, several Northern Virginia data centres have recently traded hands, at an average cap rate of 5.6%, as shown in the chart on the bottom right on page four. Current market cap rates and the expected NPI provide support for a valuation sanity check and we remain confident in the value of the asset, even absent a current paying customer.

In addition, however, the facility sits on a 32-acre wooded parcel and the property includes developable land that will support the development of a second facility on the site that would enable us to more than double our sellable capacity. Any potential development would be a multi-year process, but the potential expansion capacity represents a unique opportunity to support customer growth, capture embedded growth within the existing portfolio, and to create additional value for unitholders.

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Sustainable Growth

Let's turn to page five to discuss the path forward.

Leasing Linton Hall is our top corporate priority. In addition, we remain keenly focused on executing upon the integration and stabilisation of the two L.A. properties.

We are also focused on preserving liquidity and the flexibility of our balance sheet. Our leverage remains in line with our 35%-40% target range. One hundred percent of our debt is unsecured; 85% of our debt is hedged against rising rates; and we own the freehold to 100% of our assets.

We have over US$60 million of cash on our balance sheet, plus over US$200 million of availability on our line of credit, and our weighted average debt maturity is over four years.

We intend to preserve the flexibility of our balance sheet, while prudently utilising our debt headroom over time to continue to execute upon accretive investment opportunities, expand our asset base and enhance our geographic, as well as customer diversification.

Data centre fundamentals continue to tighten across core global markets. In addition, we continue to enjoy strong support from our Sponsor – a leading global data centre owner and operator. We believe our Sponsor acquisition pipeline is unparalleled, and we have a unique opportunity to source accretive investments in state-of-the-art digital infrastructure around the globe.

We look forward to capitalising on the favorable fundamentals underpinning our business as well as our unique opportunity set to continue to create durable value for unitholders.