

**DIGITAL CORE REIT
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND
DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 6 DECEMBER 2021
(LISTING DATE) TO 31 DECEMBER 2022**

TABLE OF CONTENTS

INTRODUCTION	2
SUMMARY OF DIGITAL CORE REIT RESULTS.....	3
1 (A)(i) CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS	4
1 (A)(ii) CONDENSED INTERIM CONSOLIDATED DISTRIBUTION STATEMENT.....	5
1 (A)(iii) CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	6
1 (B) CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION	7
1 (C) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS	9
1 (D) CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS	11
1 (E) NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	13
2 (A) DETAILS OF ANY CHANGES IN UNITS.....	19
2 (B) TOTAL NUMBER OF ISSUED UNITS	20
2 (C) SALES, TRANSFERS, DISPOSAL, CANCELLATION OR USE OF TREASURY UNITS	20
3 AUDIT STATEMENT	20
4 CHANGES IN ACCOUNTING POLICIES	20
5 CONSOLIDATED EARNINGS PER UNIT ("EPU") AND DISTRIBUTION PER UNIT ("DPU")	21
6 NET ASSET VALUE ("NAV") AND NET TANGIBLE ASSET ("NTA") PER UNIT.....	21
7 REVIEW OF PERFORMANCE	21
8 VARIANCE FROM FORECAST STATEMENT	22
9 OUTLOOK AND PROSPECTS	24
10 DISTRIBUTIONS.....	25
11 DISTRIBUTION STATEMENT	25
12 INTERESTED PERSON TRANSACTIONS	26
13 MATERIAL CHANGES IN CONTRIBUTION BY OPERATING SEGMENTS.....	26
14 BREAKDOWN OF REVENUE	27
15 BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION.....	27
16 DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION	27
17 CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1).....	27

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 units in Digital Core REIT.

INTRODUCTION

Overview

Digital Core REIT is a leading pure-play data centre Singapore REIT (“S-REIT”) listed on the Main Board of the Singapore Exchange Securities Trading Limited and sponsored by Digital Realty, the largest global data centre owner and operator.

Digital Core REIT is an S-REIT established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally which are used primarily for data centre purposes, as well as assets necessary to support the digital economy.

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

Digital Core REIT completed the acquisition of its initial portfolio on 6 December 2021 (Listing Date). As at 31 December 2022, Digital Core REIT’s initial portfolio consisted of 10 high-quality, mission-critical freehold data centres located across the United States and Canada totalling 1.2 million sq. ft. and valued at approximately US\$1.42 billion.

On 22 September 2022, Digital Core REIT entered into a contribution and sale agreement with Digital Realty to acquire a 25.0% equity interest in the property located at Wilhelm-Fay-Straße 15 and 24 in Frankfurt, Germany (the “Frankfurt Facility”). This was an Interested Person Transaction (“IPT”) which required Unitholder approval. On 18 November 2022, Unitholders passed an ordinary resolution to approve the IPT via an Extraordinary General Meeting. The acquisition was completed on 13 December 2022 and as at 31 December 2022, the Frankfurt Facility was valued at approximately US\$0.60 billion.

Northern Virginia

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

Northern California (Silicon Valley)

- 4) 3011 Lafayette Street (90% interest)
- 5) 1500 Space Park Drive (90% interest)
- 6) 2401 Walsh Avenue (90% interest)
- 7) 2403 Walsh Avenue (90% interest)

Los Angeles

- 8) 200 North Nash Street (90% interest)
- 9) 3015 Winona Avenue (90% interest)

Toronto

- 10) 371 Gough Road (90% interest)

Frankfurt

- 11) Wilhelm-Fay-Straße 15 and 24 (25% interest)

Financial Statements Presentation and Announcement

As disclosed in the Prospectus, SGX-ST granted Digital Core REIT a waiver from compliance with Rule 705(1) of the SGX-ST Listing Manual for the full financial year results from the Listing Date to 31 December 2021. Accordingly, Digital Core REIT is announcing its first financial results for the period from the Listing Date to 31 December 2022 and its full-year results will be encompass the period from the Listing Date to 31 December 2022. No comparative figures have been presented as Digital Core REIT was dormant from its date of constitution (10 November 2021) to the Listing Date.

Distribution Policy

Digital Core REIT intends to make distributions to Unitholders on a semi-annual basis. Digital Core REIT’s distribution policy is to distribute 100% of distributable income for the period from the Listing Date to 31 December 2023. Thereafter, Digital Core REIT will distribute at least 90% of its annual distributable income for each financial year. The actual level of distribution will be determined at the Manager’s discretion.

**SUMMARY OF DIGITAL CORE REIT RESULTS
FOR THE PERIOD FROM 6 DECEMBER 2021 (LISTING DATE) TO 31 DECEMBER 2022**

	2H 2022			FY 2022			6 – 31 Dec 2021
	Actual	Forecast ⁽²⁾	+ / (-)	Actual ⁽¹⁾	Forecast ⁽²⁾	+ / (-)	Actual ⁽¹⁾
	US\$'000	US\$'000	%	US\$'000	US\$'000	%	US\$'000
Gross Revenue	54,893	52,960	3.6	107,712	105,918	1.7	7,238
Property Expenses	(20,917)	(19,528)	7.1	(38,335)	(39,058)	(1.9)	(2,312)
Net Property Income	33,976	33,432	1.6	69,377	66,860	3.8	4,926
Distributable Income to Unitholders ⁽³⁾	21,532	23,758	(9.4)	44,765	47,519	(5.8)	3,483
Distribution per Unit (DPU) (US cents) ⁽⁴⁾	1.92	2.09	(8.1)	3.98	4.18	(4.8)	0.31
Annualised distribution yield (%) ⁽⁵⁾	6.92	4.75	217 bps	7.24	4.75	249 bps	7.91

Footnotes:

- (1) The first set of financial results reported in the Condensed Interim Consolidated Profit and Loss is for the period from 6 December 2021 (Listing Date) to 31 December 2022. In the summary table, the Actual results for the period from the Listing Date to 31 December 2022 have been split into the full year from 1 January 2022 to 31 December 2022 ("FY 2022") and a stub period from 6 – 31 December 2021, respectively, to allow for a better comparison against the IPO Forecast.
- (2) There was no forecast figure for the period from the Listing Date to 31 December 2021. Forecast figures for 2H 2022 were derived from one half of the 2022 forecast. Both the 2H 2022 and the full-year forecast figures were derived from the Forecast Year 2022 as disclosed in the Prospectus.
- (3) The distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.
- (4) Actual DPU of 1.92 US cents for 2H 2022 was calculated based on 1,120,892,272 issued units (excluding treasury units) as at 31 December 2022. FY 2022 DPU of 3.98 US cents comprises 2H 2022 DPU of 1.92 US cents and DPU of 2.06 US cents declared and paid for 1H 2022, calculated based on 1,127,275,128 issued units as at 30 June 2022.

The reduction in Units from 30 June 2022 to 31 December 2022 was due to a Unit buyback conducted in 2H 2022, partially offset by the issuance of Units for management fees during the period. For further details, please refer to Section 2 (A) Details of Any Changes in Units.

- (5) The annualised DPU yields for Actual 2H 2022 and 6 – 31 December 2021 are calculated on a basis of 184 and 26 days, respectively, and pro-rated to 365 days. Distribution yields for 2H 2022 and FY 2022 are based on a market closing price of US\$0.55 per Unit as at the last trading day of 2H 2022. The Forecast distribution yield of 4.75% is as disclosed in the Prospectus.

1 (A)(i) CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS

	FS Note ⁽¹⁾	Group
		Listing Date to
		31 Dec 2022
	2H 2022	US\$'000
	US\$'000	
Rental income	37,256	79,469
Utilities reimbursements	8,234	16,942
Other recovery and operating income	9,403	18,539
Gross Revenue	54,893	114,950
Utilities	(8,265)	(16,743)
Property taxes and insurance expenses	(3,960)	(7,001)
Repairs and maintenance	(2,562)	(4,256)
Property management fees	(1,061)	(2,169)
Other property expenses	(5,069)	(10,478)
Property expenses	(20,917)	(40,647)
Net Property Income	33,976	74,303
Other income ⁽²⁾	1,423	1,423
Finance income ⁽³⁾	121	121
Finance expenses	(6,815)	(10,642)
Manager's base fee ⁽⁴⁾	(2,967)	(7,221)
Manager's performance fee ⁽⁴⁾	(941)	(2,352)
Trustee's fee	(82)	(173)
Other trust expenses ^{(2) (5)}	(4,919)	(6,172)
Share of result of associate ⁽⁶⁾	(462)	(462)
Profit before tax and fair value change in investment properties	19,334	48,825
Net fair value change in investment properties	(28,805)	(28,805)
Profit before tax	(9,471)	20,020
Tax expense ⁽⁷⁾	(9,345)	(13,139)
Profit after tax	(18,816)	6,881
Attributable to:		
Unitholders	(20,781)	1,538
Non-controlling interest	1,965	5,343
	(18,816)	6,881
Earnings per Unit (US cents) ("EPU") ⁽⁸⁾		
- basic	(1.85)	0.14
- diluted	(1.84)	0.14

1 (A)(ii) CONDENSED INTERIM CONSOLIDATED DISTRIBUTION STATEMENT

	Group	
	2H 2022	Listing Date to 31 Dec 2022
	US\$'000	US\$'000
Profit after tax attributable to Unitholders	(20,781)	1,538
<u>Distribution adjustments</u>		
Property related non-cash items ⁽⁹⁾⁽¹⁰⁾	(1,452)	(6,281)
Manager's base fee paid/payable in units	3,908	9,573
Trustee fee	82	173
Amortisation of upfront debt-related transaction costs ⁽¹¹⁾	357	735
Net deferred tax expense ⁽⁹⁾	8,861	11,955
Fair value change in investment properties ⁽⁹⁾	27,392	27,392
Share of result of associate	462	462
Unrealised foreign exchange	2,336	2,336
Others ⁽¹²⁾	367	365
Net distribution adjustments	42,313	46,710
Income available for distribution to Unitholders ⁽¹³⁾	21,532	48,248
DPU (US cents) ^{(8) (13)}	1.92	4.29

Footnotes:

- (1) Please see Section 1(E) - Notes to the Condensed Interim Consolidated Financial Statements.
- (2) Other income comprises of a US\$1.4 million one-time grant from the Monetary Authority of Singapore ("MAS") under the Grant for Equity Market Singapore ("GEMS") scheme related to IPO listing expenses. Upon receipt of the one-time grant, IPO listing expenses previously recognised in equity have been reclassified to other trust expenses, resulting in no net impact on profit or loss and distributable income.
- (3) Finance income comprises interest income from advance to associate and deposits placed with financial institutions.
- (4) The Manager has elected to receive 100% of its base and performance fees in the form of units for the period from the Listing Date to 31 December 2022.
- (5) Other trust expenses comprise audit, tax, compliance, legal and professional fees and other corporate expenses. Other trust expenses for 2H 2022 and FY 2022 includes a US\$2.4 million unrealised foreign exchange loss on the revaluation of the foreign currency denominated Euro term loans (which has no impact on distributable income), along with a US\$1.4 million reclassification of IPO listing expenses previously recognised in equity to other trust expenses. Please refer to footnote 2 above for further explanation on the reclassification.
- (6) Share of result of associate represents the share of the post-acquisition earnings of the 25% interest in the Frankfurt Facility, following the acquisition completion on 13 December 2022. The share of result (loss) of associate is largely due to a US\$0.6 million share of fair value loss recognised in the investment properties of the associate. Excluding the share of the fair value loss in investment properties, share of result of associate would have been US\$0.1 million.
- (7) Tax expense comprises (i) current income tax for the Canadian property and (ii) deferred tax which is recognised due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The deferred tax expense arose from both fair value adjustments and capital allowances claimed on the investment properties.
- (8) Please refer to Section 5 - Consolidated Earnings per Unit and Distribution per Unit for further information.
- (9) Excludes the share attributable to non-controlling interests.
- (10) Property-related non-cash items consist primarily of straight-line rent adjustments.
- (11) Upfront debt-related transaction costs are amortised over the life of the borrowings.

- (12) Other distribution adjustments include other non-cash and non-tax-deductible items as well as other adjustments related to timing differences in income and expenses.
- (13) The income available for distribution and DPU to Unitholders is based on 100% of the taxable income available for distribution to Unitholders for the period from the Listing Date to 31 December 2022. Please refer to Section 10 - Distributions for further information.

1 (A)(iii) CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group	
	2H 2022	Listing Date to
	US\$'000	31 Dec 2022
		US\$'000
Profit after tax	(18,816)	6,881
<u>Other comprehensive income</u>		
Movement in fair value of cash flow hedges ⁽¹⁾	(823)	383
Foreign currency translation movement ⁽²⁾	(8,008)	(9,890)
Total other comprehensive income	(8,831)	(9,507)
Total comprehensive income	(27,647)	(2,626)
Attributable to:		
Unitholders	(28,576)	(6,745)
Non-controlling interest	929	4,119
	(27,647)	(2,626)

Footnotes:

- (1) These relate to the fair value movement of interest rate swaps which were designated as cash flow hedges. The Group entered into floating-to-fixed interest rate swaps to manage its interest rate risk.
- (2) Foreign currency translation reserve movement arose from translation differences related to financial statements of foreign subsidiaries.

1 (B) CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	FS Note	Group 31 Dec 2022 US\$'000	Trust 31 Dec 2022 US\$'000
Current assets			
Cash and cash equivalents		25,241	8,975
Trade and other receivables ⁽¹⁾		7,139	95,728
Derivative financial assets ⁽²⁾		1,417	1,417
Prepaid expenses		741	475
Total current assets		34,538	106,595
Non-current assets			
Advance to associate		71,240	-
Deferred tax asset		1,525	-
Investment properties	4	1,423,796	-
Investment in associate	5	81,465	-
Investment in subsidiaries		-	1,364,905
Total non-current assets		1,578,026	1,364,905
Total assets		1,612,564	1,471,500
Current liabilities			
Trade and other payables		20,570	11,092
Rent received in advance		5,339	-
Total current liabilities		25,909	11,092
Non-current liabilities			
Derivative financial liabilities ⁽²⁾		1,034	1,034
Loans and borrowings	6	495,034	495,034
Preferred units	7	99	-
Deferred tax liabilities		13,465	-
Total non-current liabilities		509,632	496,068
Total liabilities		535,541	507,160
Net assets		1,077,023	964,340
Unitholders' funds			
Units in issue		958,771	958,771
Hedging reserve		383	383
Foreign currency translation reserve		(8,666)	-
Retained earnings		(15,597)	5,186
Net assets attributable to Unitholders		934,891	964,340
Non-controlling interests		142,132	
		1,077,023	964,340
Net asset value per Unit ("NAV") (US cents) ⁽³⁾		0.83	0.85

Footnotes:

- (1) Trade and other receivables of the Trust includes intercompany loans, dividends and other non-trade items.
- (2) Derivative financial assets and liabilities relate to fair value of the floating-to-fixed interest rate swaps entered to hedge interest rate risks.
- (3) The computation of NAV is based on number of units in issue and to be issued at the end of the period. Please refer to Section 6 – Net Asset Value and Net Tangible Asset per Unit for further information.

1 (C) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	2H 2022	Listing Date to 31 Dec 2022
	US\$'000	US\$'000
Operating activities		
Profit before tax	(9,471)	20,020
Adjustments for:		
Property related non-cash items	(1,479)	(6,844)
Manager's fee paid/payable in Units	3,908	9,573
Interest income	(121)	(121)
Finance expenses	6,815	10,642
Unrealised foreign exchange	2,293	2,293
Share of result of associate	462	462
Fair value change in investment properties	28,805	28,805
	31,212	64,830
Changes in working capital		
Trade and other receivables	53	(5,939)
Prepaid expenses	644	1,440
Trade and other payables	2,733	18,732
Rent received in advance	185	(1,487)
Net cash generated from operations	34,827	77,576
Cash flows from investing activities		
Acquisition of investment properties and related assets and liabilities ⁽¹⁾	-	(1,294,712)
Additions to investment properties	(2,242)	(2,596)
Investment in an associate	(68,916)	(68,916)
Advance to an associate	(80,288)	(80,288)
Cash paid for unit buyback	(5,783)	(5,783)
Net cash used in investing activities	(157,229)	(1,452,295)
Cash flows from financing activities		
Proceeds from issuance of units ⁽²⁾	-	977,350
Payment of transaction costs relating to issuance of units	(274)	(28,206)
Proceeds from grant income relating to issuance of units	1,423	1,423
Proceeds from loans and borrowings	147,518	497,518
Payment of debt related transaction costs	(2,506)	(5,571)
Proceeds from preferred units	-	99
Financing expense paid on loans and borrowings	(6,450)	(9,893)
Financing expense paid on preferred units	(8)	(14)
Dividends paid to non-controlling interests	(3,138)	(6,037)
Distribution paid to unitholders	(26,717)	(26,717)
Net cash generated from financing activities	109,848	1,399,952
Net increase in cash and cash equivalents	(12,554)	25,233
Effects of exchange rate fluctuations on cash held	8	8
Cash and cash equivalents at beginning of the period	37,787	-
Cash and cash equivalents at end of the period	25,241	25,241

DIGITAL CORE REIT AND ITS SUBSIDIARIES

Footnotes:

- (1) Acquisition of investment properties and related assets and liabilities based on the closing statement is set out below.

	Group Listing Date to 31 Dec 2022 US\$'000
Investment properties (including acquisition costs)	1,442,207
Trade and other receivables	1,200
Prepaid expenses	2,181
Rent received in advance	(6,826)
Net assets acquired	<u>1,438,762</u>
Less: Non-controlling interests	<u>(144,050)</u>
Net cash outflow on acquisition	<u>1,294,712</u>

- (2) An aggregate of 1,110,625,000 units issued at US\$0.88 per unit amounting to US\$977,350,000 were issued on the Listing Date.

The proceeds raised from the initial public offering ("IPO") and the US\$350,000,000 proceeds from the IPO Loan Facilities have been fully disbursed in accordance with the stated uses as disclosed in the Prospectus and set out below:

	Actual US\$'000	Per Prospectus US\$'000	Variance US\$'000
Acquisition of investment properties ^(a)	1,296,450	1,296,450	-
Transaction costs ^(b)	44,000	44,000	-
	<u>1,340,450</u>	<u>1,340,450</u>	<u>-</u>

Notes:

- (a) The purchase consideration for the investment properties is based on Digital Core REIT's 90% ownership. Please refer to Footnote 1 above for details.
- (b) The transaction costs include expenses incurred in relation to the acquisition of the investment properties, the offering, the debt-related transaction costs for the IPO Loan Facilities as well as the US\$13.0 million IPO acquisition fee in units issued to the Manager.

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

Group	<-----Attributable to Unitholders of the Trust----->					Total
	Units in issue and issuable	Foreign Currency Translation Reserve	Hedging Reserve	Retained earnings	Non- controlling interests	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 10 November 2021 (Date of Constitution) ⁽¹⁾	-	-	-	-	-	-
<u>Total comprehensive income</u>						
Profit for the period	-	-	-	22,319	3,378	25,697
Other comprehensive income						
Movement in fair value of cash flow hedges	-	-	1,206	-	-	1,206
Foreign currency translation movement	-	(1,694)	-	-	(188)	(1,882)
Total other comprehensive income for the period	-	(1,694)	1,206	-	(188)	(676)
Total comprehensive income for the period	-	(1,694)	1,206	22,319	3,190	25,021
<u>Transactions with Unitholders, recognised directly in unitholders' funds</u>						
Issue of IPO units	977,350	-	-	-	-	977,350
IPO acquisition fees paid in units	12,965	-	-	-	-	12,965
Management fees paid/payable in units	4,254	-	-	-	-	4,254
Issue costs ⁽²⁾	(27,932)	-	-	-	-	(27,932)
Contribution from non-controlling interest	-	-	-	-	144,050	144,050
Dividends paid to non-controlling interest	-	-	-	-	(2,899)	(2,899)
Total transactions with Unitholders for the period	966,637	-	-	-	141,151	1,107,788
As at 30 June 2022	966,637	(1,694)	1,206	22,319	144,341	1,132,809
<u>Total comprehensive income</u>						
Loss for the period	-	-	-	(20,781)	1,965	(18,816)
Other comprehensive income						
Movement in fair value of cash flow hedges	-	-	(823)	-	-	(823)
Foreign currency translation movement	-	(6,972)	-	-	(1,036)	(8,008)
Total other comprehensive income for the period	-	(6,972)	(823)	-	(1,036)	(8,831)
Total comprehensive income for the period	-	(6,972)	(823)	(20,781)	929	(27,647)
<u>Transactions with Unitholders, recognised directly in unitholders' funds</u>						
Acquisition fee paid/payable in Units to the Manager	1,484	-	-	-	-	1,484
Management fees paid/payable in units	5,319	-	-	-	-	5,319
Unit buyback	(6,236)	-	-	-	-	(6,236)
Net reversal of issue costs ^{(2) (3)}	1,149	-	-	-	-	1,149
Distribution paid to Unitholders	(9,582)	-	-	(17,135)	-	(26,717)
Dividends paid to non-controlling interest	-	-	-	-	(3,138)	(3,138)
Total transactions with Unitholders for the period	(7,866)	-	-	(17,135)	(3,138)	(28,139)
As at 31 December 2022	958,771	(8,666)	383	(15,597)	142,132	1,077,023

DIGITAL CORE REIT AND ITS SUBSIDIARIES

Trust	<-----Attributable to Unitholders of the Trust----->			
	Units in issue and issuable US\$'000	Hedging Reserve US\$'000	Retained earnings US\$'000	Total US\$'000
At 10 November 2021 (Date of Constitution) ⁽¹⁾	-	-	-	-
<u>Total comprehensive income</u>				
Profit for the period	-	-	16,647	16,647
Other comprehensive income				
Movement in fair value of cash flow hedges	-	1,206	-	1,206
Total other comprehensive income for the period	-	1,206	-	1,206
Total comprehensive income for the period	-	1,206	16,647	17,853
<u>Transactions with Unitholders, recognised directly in unitholders' funds</u>				
Issue of IPO units	977,350	-	-	977,350
IPO acquisition fees paid in units	12,965	-	-	12,965
Management fees paid and payable in units	4,254	-	-	4,254
Issue costs ⁽²⁾	(27,932)	-	-	(27,932)
Total transactions with Unitholders for the period	966,637	-	-	966,637
As at 30 June 2022	966,637	1,206	16,647	984,490
<u>Total comprehensive income</u>				
Profit for the period	-	-	5,674	5,674
Other comprehensive income				
Movement in fair value of cash flow hedges	-	(823)	-	(823)
Total other comprehensive income for the period		(823)	-	(823)
Total comprehensive income for the period	-	(823)	5,674	4,851
<u>Transactions with Unitholders, recognised directly in unitholders' funds</u>				
Acquisition fee paid/payable in Units to the Manager	1,484	-	-	1,484
Management fees paid and payable in units	5,319	-	-	5,319
Unit buyback	(6,236)	-	-	(6,236)
Net reversal of issue costs ^{(2) (3)}	1,149	-	-	1,149
Distribution paid to Unitholders	(9,582)	-	(17,135)	(26,717)
Total transactions with Unitholders for the period	(7,866)	-	(17,135)	(25,001)
As at 31 December 2022	958,771	383	5,186	964,340

Footnotes:

- (1) Less than US\$1,000.
- (2) Issue costs comprise underwriting and selling commissions, professional fees and other issue expenses.
- (3) The net reversal of issue cost in 2H 2022 is mainly attributable to the US\$1.4 million one-time grant from the MAS under the GEMS scheme related to IPO listing expenses. Upon receipt of the one-time grant, IPO listing expenses previously recognised in equity have been reclassified to other trust expenses.

**1 (E) NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 6 DECEMBER 2021 (LISTING DATE) TO 31 December 2022**

1 GENERAL

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These condensed interim consolidated financial statements for the period from 6 December 2021 (Listing Date) to 31 December 2022 have been prepared in accordance with the IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB"), and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the relevant provisions of the Trust Deed. These condensed interim consolidated financial statements do not include all the disclosures required for a complete set of financial statements. However, select explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the Listing Date. The full set of financial statements will be presented in the Group's Annual Report for the financial period ended 31 December 2022.

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

2.2 Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of the condensed interim consolidated financial statements are consistent with those applied in the preparation of the Unaudited Pro Forma Consolidated Information in the Prospectus dated 29 November 2021.

2.3 Critical Accounting Judgments and Estimates

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

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

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

3 FINANCE EXPENSES

	Group 2H 2022 US\$'000	Group Listing Date to 31 Dec 2022 US\$'000
Interest expense on borrowings	6,450	9,893
Amortisation of upfront debt-related transaction costs	357	735
Dividends on preferred units	8	14
	6,815	10,642

4 INVESTMENT PROPERTIES

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

	Group 31-Dec-22 US\$'000
Consolidated Statement of Financial Position	
As at 10 November 2021 (Date of constitution)	-
Acquisition of IPO Portfolio (including acquisition costs)	1,455,172
Straight-line rent capitalised	6,844
Capital expenditure	2,596
Currency translation difference	(12,011)
Fair value change in investment properties	(28,805)
As at end of the financial period	1,423,796

Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2022. The valuations were performed by Cushman & Wakefield for all properties. The independent valuers have the relevant professional qualification and recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs are disclosed in Note 9(d).

5 INVESTMENT IN ASSOCIATE

	Group 31-Dec-22 US\$'000
Unquoted equity, at cost	81,927
Share of post-acquisition reserves	(462)
	<u>81,465</u>

On 13 December 2022, the Group acquired a 25.0% interest in the Frankfurt Facility through a 25.0% shareholding purchase in the associate, Digital Greenfield B.V., which is a subsidiary of the Sponsor, Digital Realty.

6 LOANS AND BORROWINGS

	Group and Trust 31-Dec-22 US\$'000
<u>Unsecured loans and borrowings</u>	
Amount repayable after one year	499,870
Less: Unamortised upfront debt-related transaction costs	(4,836)
Total unsecured loans and borrowings	<u>495,034</u>

Notes:

On the Listing Date, the Group had obtained US\$550.0 million of unsecured debt facilities (the "Loan Facilities") comprising:

- (i) a five-year US\$350.0 million term loan (the "Term Loan Facility") and
- (ii) a four-year (with a one-year extension option) US\$200.0 million revolving credit facility (the "Revolving Credit Facility")

Of the US\$550.0 million Loan Facilities, the Group had drawn down US\$350.0 million on the Listing date.

During the year, the Group obtained a new three-year term loan facility of up to EUR150.0 million and a five-year term loan facility of up to EUR150.0 million (together, the "Euro Term Loan Facilities"). Of the EUR300 million Euro Term Loan Facilities, the Group had drawn down EUR140.0 million (US\$149.9 million) as at 31 December 2022 to finance the acquisition of the 25.0% interest in the Frankfurt Facility.

As at 31 December 2022, the Group had total gross borrowings of US\$499.9 million and US\$200.0 million of undrawn capacity available on the Revolving Credit Facility to meet its future obligations. Seventy-five percent (75.0%) of the outstanding term loan was hedged via floating-to-fixed interest rate swaps. The year-to-date all-in average interest rate for borrowings, including upfront debt-related transaction costs, was 2.75%. Aggregate leverage, as defined in the Property Funds Appendix, was 34.0%.

7 PREFERRED UNITS

	Group 31-Dec-22 US\$'000
As at 10 November 2021 (Date of constitution)	-
Issuance of preferred units (net of transaction costs)	99
As at end of the financial period	99

As at 31 December 2022, the indirect subsidiary of the Trust had issued 125,000 preferred units with a par value of US\$1,000 per preferred unit.

The preferred units rank senior to all units of the indirect subsidiaries. Each holder of the preferred units is entitled to receive cumulative preferential cash dividends (recorded as finance expense) at a rate of 12.0% per annum on the subscription price of US\$1,000 per unit plus all accrued and unpaid dividends, payable annually in arrears.

The preferred units are not convertible or exchangeable for any other property or securities of the subsidiaries. The Board of Directors of the subsidiary may, in its sole and absolute discretion, cause the subsidiary to redeem the preferred units at US\$1,000 per unit plus all accrued and unpaid dividends.

The preferred units have been classified as financial liabilities in accordance with IFRS 9.

8 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

	Group Listing Date to 31 Dec 2022 US\$'000
Acquisition of an interest in an associate from a related party	148,410
Acquisition fee paid/payable to the Manager	14,449
Manager's management fees paid/payable to the Manager	9,573
Property management fees paid/payable to related parties	2,169
Other property related reimbursement costs to a related party	4,110
Interest income from an associate	117
Trustee fees paid/payable	174

9 FAIR VALUE OF ASSETS AND LIABILITIES

a) Fair value hierarchy

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

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

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

b) Assets and liabilities measured at fair value

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

	31-Dec-2022 US\$'000			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
Group				
Assets measured at fair value				
Derivative financial assets	-	1,417	-	1,417
Investment properties	-	-	1,423,796	1,423,796
Total assets	-	1,417	1,423,796	1,425,213
Liabilities measured at fair value				
Derivative financial assets	-	1,034	-	1,034
Total liabilities	-	1,034	-	1,034

DIGITAL CORE REIT AND ITS SUBSIDIARIES

31-Dec-2022 US\$'000				
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Trust				
Assets measured at fair value				
Derivative financial assets	-	1,417	-	1,417
Total financial assets	-	1,417	-	1,417
Liabilities measured at fair value				
Derivative financial assets	-	1,034	-	1,034
Total liabilities	-	1,034	-	1,034

c) Level 2 fair value measurements

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

d) Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy as at 31 December 2022.

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Discounted cash flow approach	<ul style="list-style-type: none"> Discount rate of 5.50% to 7.00% Terminal capitalisation rate of 4.75% to 5.00% 	Higher discount rate or terminal capitalisation rate would result in a lower fair value, while lower rates would result in a higher fair value.
Direct capitalisation method	<ul style="list-style-type: none"> Capitalisation rate of 4.25% to 4.75% 	Higher capitalisation rate would result in a lower fair value, while lower rate would result in a higher fair value.

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

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

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flow method involves the

DIGITAL CORE REIT AND ITS SUBSIDIARIES

estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

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

e) Other financial assets and liabilities

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

10 SEGMENT ANALYSIS

Not applicable. The Group operates data centres located in the U.S. and Canada which are managed as a single portfolio and regarded as a single business segment within a single geographic segment in North America.

11 SUBSEQUENT EVENT

On 19 January 2023, 2,443,769 acquisition fee Units were issued in connection with the acquisition of the 25.0% interest in the Frankfurt Facility.

On 2 February 2023, the Manager announced a distribution of 1.92 US cents per Unit for the period from 1 July 2022 to 31 December 2022.

2(A) DETAILS OF ANY CHANGES IN UNITS

<u>Units in issue</u>	Group and Trust 10 Nov 2021 to 31 Dec 2022 Units
Group and Trust	
At 10 November 2021 (Date of constitution)	-
New Units issued:	
- at Initial Public Offering	1,110,625,001
- IPO acquisition fee units	14,732,386
- Issue of Management base fees in units	1,917,741
Total issued Units as at 30 June	1,127,275,128
 New Units issued:	
- Issue of Management base fees in units	4,271,244
 Unit buyback:	
- Units repurchased held as treasury Units	(10,654,100)
 Total issued Units (excluding treasury units) as at 31 December	1,120,892,272
 New Units to be issued:	
- Acquisition fees in units to be issued ⁽¹⁾	2,443,769
- Management base and performance fees in units to be issued ⁽²⁾	7,358,140
Total issued and issuable Units (excluding treasury units) as at 31 December	1,130,694,181

DIGITAL CORE REIT AND ITS SUBSIDIARIES

- (1) On 19 January 2023, 2,443,769 acquisition fee Units were issued in connection with the acquisition of the 25.0% interest in the Frankfurt Facility.
- (2) 3,084,216 and 4,273,924 units to be issued for base and performance management fees paid in units for 4Q 2022 and for the period from the Listing Date to 31 December 2022 respectively, based on the volume weighted average price for the last 10 business days prior to 31 December 2022.

2(B) TOTAL NUMBER OF ISSUED UNITS

	As at 31 December 2022
Total number of issued Units (excluding treasury Units)	1,120,892,272
Treasury Units	10,654,100

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

Digital Core REIT did not have any sales, transfers, disposals, cancellations, or use of any treasury units from the Listing Date to 31 December 2022.

On 6 January 2023, 10,654,100 of the treasury units were cancelled.

3 AUDIT STATEMENT

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

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

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

Not applicable.

4 CHANGES IN ACCOUNTING POLICIES

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

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

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

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

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

	2H 2022	Listing Date to 31 Dec 2022
EPU		
Profit after tax attributable to Unitholders (US\$'000)	(20,781)	1,538
Basic EPU		
Weighted average number of Units as at end of period ⁽¹⁾	1,120,945,543	1,120,917,341
Basic EPU (US cents)	(1.85)	0.14
Diluted EPU		
Weighted average number of Units as at end of period ⁽²⁾	1,130,694,181	1,130,694,181
Diluted EPU (US cents)	(1.84)	0.14
DPU		
Income available for distribution to Unitholders (US\$'000)	21,532	48,248
Number of Units in issue at end of period ⁽³⁾	1,120,892,272	1,120,892,272
DPU (US cents) ⁽³⁾	1.92	4.29

Notes:

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

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

	As at 31 December 2022	
	Group	Trust
Net assets ⁽¹⁾ (US\$'000)	934,891	964,340
Number of Units in issue and to be issued ⁽²⁾ ('000)	1,130,694,181	1,130,694,181
NAV and NTA per Unit ⁽³⁾ (US\$)	0.83	0.85
Adjusted NAV and NTA per Unit ⁽³⁾ (US\$) (excluding Distributable Income)	0.81	0.83

Notes:

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

7 REVIEW OF PERFORMANCE

Please refer to Section 8 - Variance from Forecast Statement for the review of actual results against the forecast as disclosed in the Prospectus for 2H 2022 and FY 2022.

8 VARIANCE FROM FORECAST STATEMENT

	2H 2022			FY 2022		
	Actual ⁽¹⁾	Forecast ⁽²⁾	+/(-)%	Actual ⁽¹⁾	Forecast ⁽²⁾	+/(-)%
<u>Consolidated Statement of Comprehensive Income</u>	US\$'000	US\$'000		US\$'000	US\$'000	
Rental income	37,256	37,424	(0.4)	75,052	74,847	0.3
Utilities reimbursements	8,234	5,062	62.7	15,830	10,123	56.4
Other recovery and operating income	9,403	10,474	(10.2)	16,830	20,948	(19.7)
Gross Revenue	54,893	52,960	3.6	107,712	105,918	1.7
Utilities	(8,265)	(5,118)	61.5	(15,875)	(10,237)	55.1
Property taxes and insurance expenses	(3,960)	(5,858)	(32.4)	(6,693)	(11,717)	(42.9)
Repairs and maintenance	(2,562)	(2,060)	24.4	(4,256)	(4,121)	3.3
Property management fees	(1,061)	(1,002)	5.9	(2,033)	(2,005)	1.4
Other property expenses	(5,069)	(5,490)	(7.7)	(9,478)	(10,978)	(13.7)
Property expenses	(20,917)	(19,528)	7.1	(38,335)	(39,058)	(1.9)
Net Property Income	33,976	33,432	1.6	69,377	66,860	3.8
Other income	1,423	-	NM	1,423	-	NM
Finance income	121	-	NM	121	-	NM
Finance expenses	(6,815)	(2,426)	>100	(10,274)	(4,851)	>100
Manager's base fee	(2,967)	(3,604)	(17.7)	(6,768)	(7,208)	(6.1)
Manager's performance fee	(941)	(1,170)	(19.6)	(2,197)	(2,340)	(6.1)
Trustee's fee	(82)	(108)	(24.1)	(158)	(216)	(26.9)
Other trust expenses	(4,919)	(1,150)	>100	(5,972)	(2,300)	>100
Share of result of associate	(462)	-	NM	(462)	-	NM
Profit before tax and fair value changes in investment properties	19,334	24,974	(22.6)	45,090	49,945	(9.7)
Net fair value change in investment properties	(28,805)	(26,662)	8.0	(28,805)	(26,662)	8.0
Net profit before tax	(9,471)	(1,688)	>100	16,285	23,283	(30.1)
Tax expense	(9,345)	(3,438)	>100	(12,652)	(6,876)	84.0
Profit after tax	(18,816)	(5,126)	>100	3,633	16,407	(77.9)
Attributable to:						
Unitholders	(20,781)	(8,392)	>100	(1,294)	9,878	NM
Non-controlling interest	1,965	3,266	(39.8)	4,927	6,529	(24.5)
Profit after tax	(18,816)	(5,126)	>100	3,633	16,407	(77.9)
<u>Distribution Statement</u>						
Profit after tax attributable to Unitholders	(20,781)	(8,392)	>100	(1,294)	9,878	NM
Distribution adjustments	42,313	32,150	31.6	46,059	37,641	22.4
Income available for distribution to Unitholders	21,532	23,758	(9.4)	44,765	47,519	(5.8)

Notes:

- (1) Digital Core REIT was listed on 6 December 2021. There was no forecast for the period from the Listing Date to 31 December 2021 ("Stub Period") and hence there is no actual against forecast comparison for the Stub Period. Accordingly, the periods for comparison were 2H 2022 and FY 2022. For the actual financial performance for the Stub Period, please refer to the Summary of Digital Core REIT Results.

- (2) The forecast figures for 2H 2022 were derived from one half of the 2022 forecast. Both the 2H 2022 and FY 2022 forecast figures were derived from the Forecast Year 2022 as disclosed in the Prospectus.

Certain recovery and other operating income and property expense line items in the forecast have been reclassified and/or disaggregated for a better presentation and comparison against actual performance. For the avoidance of doubt, the reclassification has no impact on the net property income and distributable income as disclosed in the Prospectus.

Actual vs. Forecast for 2H 2022

2H 2022 gross revenue of US\$54.9 million was higher than forecast by 3.6%. Rental income was marginally lower than forecast due to a rental shortfall at 371 Gough Road in Toronto, as a customer who filed for bankruptcy vacated the premises at year-end. As previously announced, Digital Core REIT has entered into a cash flow support agreement with the sponsor, Digital Realty, to cover for any rental shortfall at 371 Gough Road for the period up to 31 December 2023.

Utility reimbursements were higher than forecast by 62.7%, in line with higher utility expenses, which was offset by lower recovery income from property taxes and other property expenses.

2H 2022 property expenses of US\$20.9 million were higher than forecast by 7.1% largely due to higher utility expenses, repairs and maintenance and property management fees, partially offset by lower property taxes and other property expenses.

Consequently, 2H 2022 net property income of US\$34.0 million was higher than forecast by 1.6%.

Other income includes a one-time MAS grant of US\$1.4 million to defray a portion of the IPO listing expenses.

Finance expenses of US\$6.8 million for 2H 2022 were higher than forecast due to rising interest rates, partially offset by the 75% of borrowings hedged with floating-to-fixed interest rate swaps.

Other trust expenses were higher than forecast due to a US\$2.4 million unrealised foreign exchange loss on the revaluation of the foreign currency denominated Euro term loans (which has no impact on distributable income), along with a US\$1.4 million reclassification of IPO listing expenses previously recognised in equity to other trust expenses. Excluding the above-mentioned effects from the unrealised loss and reclassification, other trust expenses would have been US\$1.1 million, in line with forecast.

Share of result (loss) of associate of US\$0.5 million was largely due to the negative fair value change in investment properties, partially offset by operating profit of the associate.

Net fair value change (loss) in investment properties amounted to US\$28.8 million, higher than forecast of US\$26.7 million. Comparing the valuations as at 31 December 2022 against the valuations performed during the IPO and excluding the effects of the capitalised costs, the data centres in the U.S. portfolio recorded a net fair value gain, mainly driven by the Northern Virginia properties as robust market rent growth driven by supply constraints more than offset higher capitalisation and discount rates. However, 371 Gough Road in Toronto recorded a 13.4% fair value reduction relative to the IPO valuation. Excluding the effects of the CAD to USD exchange rate, 371 Gough Road would have recorded a (7.0%) constant-currency fair value change.

Tax expense was higher due to an increased net deferred tax from higher tax depreciation as compared to forecast, partially offset by the net deferred tax credit from the negative fair value change in investment properties.

Due to the net effects of the above variances, profit after tax and attributable to Unitholders for 2H 2022 was negative. After adjusting for distribution adjustments, overall income available for distribution of US\$21.5 million was lower than forecast by 9.4%.

Actual vs. Forecast for FY 2022

FY 2022 gross revenue of US\$107.7 million was higher than forecast by 1.7%. Rental income was in line with forecast despite a rental shortfall at 371 Gough Road.

FY 2022 property expenses of US\$38.3 million were lower than forecast by 1.9% due to lower property taxes and other property expenses, partially offset by higher utility expenses.

Overall, FY 2022 net property income of US\$69.4 million was higher than forecast by 3.8%, largely driven by lower property taxes and other property expenses as the higher utility expenses are fully recoverable.

Finance expenses of US\$10.3 million for FY 2022 were higher than forecast due to rising interest rates, especially in 2H 2022, partially offset by the 75% of borrowings hedged with floating-to-fixed interest rate swaps.

Other trust expenses of US\$6.0 million were higher than forecast due to a US\$2.4 million unrealised foreign exchange loss on the revaluation of the foreign currency denominated Euro term loans (which has no impact on distributable income), along with a US\$1.4 million reclassification of IPO listing expenses previously recognised in equity to other trust expenses. Excluding the above-mentioned effects from the unrealised loss and reclassification, other trust expenses would have been US\$2.2 million, slightly below forecast.

Tax expense was higher due to an increased net deferred tax from higher tax depreciation as compared to forecast, partially offset by the net negative fair value changes in investment properties.

Despite the higher net property income and lower trust expenses, income available for distribution of US\$44.8 million for FY 2022 was lower than forecast by 5.8% mainly due to significantly higher interest expense.

9 OUTLOOK AND PROSPECTS

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

In its January 2023 Global Economic Prospect publication, the World Bank cut its global growth projection to 1.7% this year compared to 2.9% in 2022. This projection largely reflects more aggressive monetary policy tightening, deteriorating financial conditions and continued disruptions from the Russian-Ukraine Conflict. That would mark the third-weakest pace of global growth in nearly three decades, overshadowed only by the 2009 and 2020 downturns, according to the World Bank. With the United States, the Euro area and China all undergoing "a period of pronounced weakness," the World Bank also said further negative shocks, including higher inflation, abrupt rises in interest rates to contain it and a resurgence of the COVID-19 pandemic, could push the global economy into recession.

Worldwide IT spending is likely to continue to grow in 2023, albeit at a slower pace as corporates globally look to navigate an uncertain economic climate. According to research by IT research and consultancy firm Gartner, data centre systems spending in 2023 is projected to reach US\$213.8 billion, a modest increase of 0.7% from 2022.

Digital Core REIT is well-positioned to benefit from existing and new secular trends driving global data centre demand. Digital Core REIT remains focused on managing any financial implication arising from global economic developments, interest rate risks and inflationary pressures. Digital Core REIT's resilient portfolio, strong operational expertise, extensive industry network and healthy balance sheet position the REIT well to manoeuvre in an uncertain global environment. Digital Core REIT has access to a US\$15 billion Sponsor acquisition pipeline if acquisitions would be beneficial to Unitholders.

For more details, please refer to Digital Core REIT's Press Release for the financial period from 1 January 2022 to 31 December 2022.

10 DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Yes.

Name of Distribution	<u>2nd</u> Distribution for the period from 1 July 2022 to 31 December 2022
Distribution Type	a) Tax-exempt income distribution b) Capital distribution
Distribution Rate	a) Tax-exempt income distribution – 1.21 US cents per unit b) Capital distribution – 0.71 US cents per unit
Tax Rate	<p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Digital Core REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Digital Core REIT units, the amount of capital distribution will be applied to reduce the cost base of their Digital Core REIT units for Singapore income tax purposes.</p>

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Not applicable.

(c) Record date

10 February 2023

(d) Date payable

31 March 2023

11 DISTRIBUTION STATEMENT

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

12 INTERESTED PERSON TRANSACTIONS

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than S\$100,000)
Name of Interested Person	Listing Date to 31 Dec 2022 US\$'000
Digital Realty Trust, Inc. and its subsidiaries Acquisition of a 25.0% interest in Digital Greenfield B.V. ¹ Acquisition fee paid/payable to the Manager Manager's management fees paid/payable to the Manager Property management fees paid/payable to related parties Other property-related reimbursement costs to a related party Interest income paid/payable to a related party	 148,410 14,449 9,573 2,169 4,110 117
Perpetual (Asia) Limited Trustee fees paid/payable	 174

¹ Based on an agreed consideration of EUR139,575,000 for the shares of and an equivalent percentage participation interest in a loan to Digital Greenfield B.V. with a EUR/USD exchange rate of 1.0633 as at acquisition closing date.

Digital Core REIT has not obtained a general mandate from Unitholders for Interested Person Transactions for the financial period under review.

13 MATERIAL CHANGES IN CONTRIBUTION BY OPERATING SEGMENTS

In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

Please refer to Section 8 above for the review of variance of actual against forecast statement.

14 BREAKDOWN OF REVENUE

	Actual US\$'000	Forecast US\$'000	+/(-) %
FY 2022			
Gross revenue reported	107,712	105,918	1.7
Profit after tax reported	3,633	16,407	(77.9)
1H 2022			
Gross revenue reported	52,819	52,958	(0.3)
Profit after tax reported	22,449	21,533	4.3
2H 2022			
Gross revenue reported	54,893	52,960	3.6
Profit after tax reported	(18,816)	(5,126)	>100

15 BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION

	Listing Date to 31 Dec 2022 US\$'000
Listing Date to 30 June 2022 (paid)	26,716
1 July 2022 to 31 December 2022 (to be paid)	21,532
	48,248

16 DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager who is a relative of a director, chief executive officer or substantial unitholder of the Manager or Digital Core REIT.

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

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

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

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

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

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

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

John Stewart
Chief Executive Officer
2 February 2023