

**DIGITAL CORE REIT  
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND  
DISTRIBUTION ANNOUNCEMENT  
FOR THE FINANCIAL PERIOD FROM 6 DECEMBER 2021 (LISTING DATE) TO 30 JUNE 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.....	19
2 (C) SALES, TRANSFERS, DISPOSAL, CANCELLATION OR USE OF TREASURY UNITS .....	19
3 AUDIT STATEMENT .....	19
4 CHANGES IN ACCOUNTING POLICIES.....	20
5 CONSOLIDATED EARNINGS PER UNIT ("EPU") AND DISTRIBUTION PER UNIT ("DPU") .....	20
6 NET ASSET VALUE ("NAV") AND NET TANGIBLE ASSET ("NTA") PER UNIT .....	20
7 REVIEW OF PERFORMANCE.....	21
8 VARIANCE FROM FORECAST STATEMENT .....	21
9 OUTLOOK AND PROSPECTS.....	22
10 DISTRIBUTIONS .....	22
11 DISTRIBUTION STATEMENT .....	23
12 GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS .....	23
13 CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1) .....	23
14 CONFIRMATION BY THE BOARD .....	25

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.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****INTRODUCTION****Overview**

Digital Core REIT ("DC 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.

DC 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.

DC 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.

DC REIT completed the acquisition of its initial portfolio on 6 December 2021 (Listing Date). As at Listing Date and 30 June 2022, DC REIT's initial portfolio consists 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\$1.46 billion.

Northern Virginia

- 1) 44520 Hastings Drive
- 2) 8217 Linton Hall Road
- 3) 43831 Devin Shafron Drive

Northern California (Silicon Valley)

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

Los Angeles

- 8) 200 North Nash Street
- 9) 3015 Winona Avenue

Toronto

- 10) 371 Gough Road

**Financial Statements Presentation and Announcement**

As disclosed in the Prospectus, SGX-ST granted DC REIT a waiver from compliance with Rule 705(1) of the SGX-ST Listing Manual for the full financial year results from Listing Date to 31 December 2021. Accordingly, DC REIT is announcing its first financial results for the period from the Listing Date to 30 June 2022 and its full year results will be for the period from Listing Date to 31 December 2022. No comparative figures have been presented as DC REIT was dormant from its date of constitution (10 November 2021) to the Listing Date.

**Distribution Policy**

DC REIT intends to make distributions to Unitholders on a semi-annual basis. The first distribution will be for the period from Listing Date to 30 June 2022 and will be paid on or before 28 September 2022.

DC REIT'S distribution policy is to distribute 100% of distributable income for the period from the Listing Date to 31 December 2023. Thereafter, DC 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.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****SUMMARY OF DIGITAL CORE REIT RESULTS  
FOR THE PERIOD FROM 6 DECEMBER 2021 (LISTING DATE) TO 30 JUNE 2022**

	1H 2022			6 – 31 Dec 2021
	Actual <sup>(1)</sup>	Forecast <sup>(2)</sup>	+ / (-) <sup>(3)</sup>	Actual <sup>(1)</sup>
	US\$'000	US\$'000	%	US\$'000
Gross Revenue	52,819	52,958	(0.3)	7,238
Property Expenses	(17,418)	(19,530)	(10.8)	(2,312)
Net Property Income (NPI)	35,401	33,428	5.9	4,926
Distributable Income to Unitholders <sup>(4)</sup>	23,233	23,761	(2.2)	3,483
Distribution per Unit (DPU) (US cents) <sup>(5)</sup>	2.06	2.09	(1.4)	0.31
Annualised distribution yield (%) <sup>(6)</sup>	5.39	4.75	64 bps	5.65

**Footnotes:**

- (1) The first financial result reported in the Condensed Interim Consolidated Profit and Loss is for the period from 6 December 2021 (Listing Date) to 30 June 2022. In the summary table, the Actual results for the period from Listing Date to 30 June 2022 have been split into 1H 2022 and 6 – 31 December 2021 respectively for a better comparison against IPO Forecast.
- (2) There was no forecast figure for the period from Listing Date to 31 December 2021. Forecast figures for 1H 2022 were derived from one half of the 2022 forecast. The forecast figures were derived from the Forecast Year 2022 as disclosed in the Prospectus.
- (3) For information on the variance against Forecast, please refer to Section 8 – Variance from Forecast Statement for details.
- (4) The distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.
- (5) DPU of 2.06 US cents for 1H 2022 was calculated based on 1,127,275,128 issued units as at 30 June 2022, while Forecast DPU of 2.09 US cents was calculated based on 1,136,207,951 issued units outstanding at the end of the 2022 forecast period.
- (6) The annualised DPU yield for Actual 1H 2022 and 6 – 31 December 2021 are on a basis of 181 and 26 days respectively and pro-rated to 365 days. Distribution yields for both periods are based on market closing prices of US\$0.77 per Unit as at last trading day of 1H 2022. The Forecast distribution yield of 4.75% is as per disclosed in the Prospectus.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****1 (A)(i) CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS**

	FS Note <sup>(1)</sup>	Group 6 December 2021 to 30 June 2022 US\$'000
Rental income		42,213
Utilities reimbursements		8,708
Other recovery and operating income		9,136
<b>Gross Revenue</b>		<b>60,057</b>
Utilities		(8,478)
Property taxes and insurance expenses		(3,041)
Repairs and maintenance		(1,694)
Property management fees		(1,108)
Other property expenses		(5,409)
<b>Property expenses</b>		<b>(19,730)</b>
<b>Net Property Income</b>		<b>40,327</b>
Finance expenses	3	(3,827)
Manager's base fee <sup>(2)</sup>		(4,254)
Manager's performance fee <sup>(2)</sup>		(1,411)
Trustee's fee		(91)
Other trust expenses <sup>(3)</sup>		(1,253)
<b>Profit before tax</b>		<b>29,491</b>
Tax expense <sup>(4)</sup>		(3,794)
<b>Profit after tax</b>		<b>25,697</b>
<b>Attributable to:</b>		
Unitholders		22,319
Non-controlling interest		3,378
		<b>25,697</b>
<b>Earnings per Unit (US cents) ("EPU") <sup>(5)</sup></b>		
- basic and diluted		<b>1.98</b>

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****1 (A)(ii) CONDENSED INTERIM CONSOLIDATED DISTRIBUTION STATEMENT**

	<b>Group 6 December 2021 to 30 June 2022 US\$'000</b>
<b>Profit after tax attributable to Unitholders</b>	<b>22,319</b>
<u>Distribution adjustments</u>	
Property related non-cash items <sup>(6)(7)</sup>	(4,829)
Manager's base fee paid/payable in units	5,665
Trustee's fee	91
Amortisation of upfront debt-related transaction costs <sup>(8)</sup>	378
Net deferred tax expense <sup>(6)</sup>	3,094
Others <sup>(9)</sup>	(2)
<b>Net distribution adjustments</b>	<b>4,397</b>
<b>Income available for distribution to Unitholders <sup>(10)</sup></b>	<b>26,716</b>
<b>DPU (US cents) <sup>(5) (10)</sup></b>	<b>2.37</b>

**Footnotes:**

- (1) The FS Note referencing is detailed in Section 1(E) - Notes to the Condensed Interim Consolidated Financial Statements.
- (2) The Manager has elected to receive 100% of its base and performance fees in the form of units for the period from Listing Date to 31 December 2022.
- (3) Other trust expenses comprise audit, tax compliance, legal and professional fees and other corporate expenses.
- (4) Tax expense comprises (i) current income tax for the Canadian property and (ii) deferred tax which is recognised in respect of 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 mainly arose from capital allowances claimed on the investment properties.
- (5) Please refer to Section 5 Consolidated Earnings per Unit and Distribution per Unit for further information.
- (6) Excludes share attributable to non-controlling interests
- (7) Property related non-cash items mainly consist of straight-line rent adjustments
- (8) Upfront debt-related transaction costs are amortised over the life of the borrowings.
- (9) Included in others are other non-cash items and other adjustments relating to timing differences in income and expenses.
- (10) 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 Listing Date to 30 June 2022. Please refer to Section 10 - Distributions for further information.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****1 (A)(iii) CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Group 6 December 2021 to 30 June 2022 US\$'000
<b>Profit after tax</b>	<b>25,697</b>
<u>Other comprehensive income</u>	
Movement in fair value of cash flow hedges <sup>(1)</sup>	1,206
Foreign currency translation movement <sup>(2)</sup>	(1,882)
<b>Total other comprehensive income</b>	<b>(676)</b>
<b>Total comprehensive income</b>	<b>25,021</b>
<b>Attributable to:</b>	
Unitholders	21,831
Non-controlling interest	3,190
	<b>25,021</b>

**Footnotes:**

- (1) These relate to 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 relating to financial statements of a foreign subsidiary.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****1 (B) CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	FS Note	Group 30 June 2022 US\$'000	Trust 30 June 2022 US\$'000
<b>Current assets</b>			
Cash and cash equivalents		37,787	1,421
Trade and other receivables <sup>(1)</sup>		7,040	130,877
Derivative financial assets <sup>(2)</sup>		1,206	1,206
Prepaid expenses		1,385	13
<b>Total current assets</b>		<b>47,418</b>	<b>133,517</b>
<b>Non-current assets</b>			
Investment properties	4	1,459,161	-
Investment in subsidiaries		-	1,208,407
<b>Total non-current assets</b>		<b>1,459,161</b>	<b>1,208,407</b>
<b>Total assets</b>		<b>1,506,579</b>	<b>1,340,718</b>
<b>Current liabilities</b>			
Trade and other payables		18,092	10,121
Rent received in advance		5,154	-
<b>Total current liabilities</b>		<b>23,246</b>	<b>10,121</b>
<b>Non-current liabilities</b>			
Loans and borrowings	5	347,313	347,313
Preferred units	6	99	-
Deferred tax liabilities		3,112	0
<b>Total non-current liabilities</b>		<b>350,524</b>	<b>347,313</b>
<b>Total liabilities</b>		<b>373,770</b>	<b>357,434</b>
<b>Net assets</b>		<b>1,132,809</b>	<b>984,490</b>
<b>Unitholders' funds</b>			
Units in issue		966,637	966,637
Hedging reserve		1,206	1,206
Foreign currency translation reserve		(1,694)	-
Retained earnings		22,319	16,647
<b>Net assets attributable to Unitholders</b>		<b>988,468</b>	<b>984,490</b>
Non-controlling interests		144,341	-
		<b>1,132,809</b>	<b>984,490</b>
<b>Net asset value per Unit ("NAV") (US cents) <sup>(3)</sup></b>		<b>0.87</b>	<b>0.87</b>

**DIGITAL CORE REIT AND ITS SUBSIDIARIES**

**Footnotes:**

- (1) Included in trade and other receivables of the Trust are intercompany loan, dividend and other non-trade items.
- (2) Derivative financial assets 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.



**DIGITAL CORE REIT AND ITS SUBSIDIARIES****1 (C) CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group</b>
	<b>6 December 2021 to 30 June 2022</b>
	<b>US\$'000</b>
<b>Operating activities</b>	
Profit before tax	29,491
Adjustments for:	
Property related non-cash items	(5,365)
Manager's fee paid/payable in Units	5,665
Finance expenses	3,827
	33,618
<b>Changes in working capital</b>	
Trade and other receivables	(5,992)
Prepaid expenses	796
Trade and other payables	15,999
Rent received in advance	(1,672)
<b>Net cash generated from operations</b>	<b>42,749</b>
<b>Cash flows from investing activities</b>	
Acquisition of investment properties and related assets and liabilities <sup>(1)</sup>	(1,294,712)
Additions to investment properties	(354)
<b>Net cash used in investing activities</b>	<b>(1,295,066)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuance of units <sup>(2)</sup>	977,350
Payment of transaction costs relating to issuance of units	(27,932)
Proceeds from loans and borrowings	350,000
Payment of debt related transaction costs	(3,065)
Proceeds from preferred units	99
Financing expense paid on loans and borrowings	(3,443)
Financing expense paid on preferred units	(6)
Dividends paid to non-controlling interests	(2,899)
<b>Net cash generated from financing activities</b>	<b>1,290,104</b>
<b>Net increase in cash and cash equivalents</b>	<b>37,787</b>
Cash and cash equivalents at 6 December 2021 (Listing Date)	-
<b>Cash and cash equivalents at end of the period</b>	<b>37,787</b>

**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.

	<b>Group 6 December 2021 to 30 June 2022 US\$'000</b>
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>
<b>Net cash outflow on acquisition</b>	<u><u>1,294,712</u></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 Listing Date.

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

	<b>Actual US\$'000</b>	<b>Per Prospectus US\$'000</b>	<b>Variance US\$'000</b>
Acquisition of investment properties <sup>(a)</sup>	1,296,450	1,296,450	-
Transaction costs <sup>(b)</sup>	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 DC 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.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****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
<b>At 10 November 2021 (Date of Constitution)<sup>(1)</sup></b>	-	-	-	-	-	-
<b><u>Total comprehensive income</u></b>						
Profit for the period	-	-	-	22,319	3,378	25,697
<b><u>Other comprehensive income</u></b>						
Movement in fair value of cash flow hedges	-	-	1,206	-	-	1,206
Foreign currency translation movement	-	(1,694)	-	-	(188)	(1,882)
<b>Total other comprehensive income for the period</b>	-	(1,694)	1,206	-	(188)	(676)
<b>Total comprehensive income for the period</b>	-	(1,694)	1,206	22,319	3,190	25,021
<b><u>Transactions with Unitholders, recognised directly in unitholders' funds</u></b>						
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 <sup>(2)</sup>	(27,932)	-	-	-	-	(27,932)
Contribution from non-controlling interest	-	-	-	-	144,050	144,050
Dividends paid to non-controlling interest	-	-	-	-	(2,899)	(2,899)
<b>Total transactions with Unitholders for the period</b>	966,637	-	-	-	141,151	1,107,788
<b>As at 30 June 2022</b>	<b>966,637</b>	<b>(1,694)</b>	<b>1,206</b>	<b>22,319</b>	<b>144,341</b>	<b>1,132,809</b>

**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
<b>At 10 November 2021 (Date of Constitution) <sup>(1)</sup></b>	-	-	-	-
<b><u>Total comprehensive income</u></b>				
Profit for the period	-	-	16,647	16,647
<b>Other comprehensive income</b>				
Movement in fair value of cash flow hedges	-	1,206	-	1,206
<b>Total other comprehensive income for the period</b>	-	1,206	-	1,206
<b>Total comprehensive income for the period</b>	-	1,206	16,647	17,853
<b><u>Transactions with Unitholders, recognised directly in unitholders' funds</u></b>				
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 <sup>(2)</sup>	(27,932)	-	-	(27,932)
<b>Total transactions with Unitholders for the period</b>	966,637	-	-	966,637
<b>As at 30 June 2022</b>	<b>966,637</b>	<b>1,206</b>	<b>16,647</b>	<b>984,490</b>

**Footnotes:**

(1) Less than US\$1,000.

(2) Issue costs comprise underwriting and selling commissions, professional fees and other issue expenses.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****1(E) NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 6 DECEMBER 2021 (LISTING DATE) TO 30 JUNE 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 registered office and principal place of business of the Trustee is located at 8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981 and 16 Collyer Quay, #07-01, Singapore 049318 respectively.

The registered office and principal place of business of the Manager is located at 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 30 June 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 of the Group since 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.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****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 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**

	<b>Group 6 December 2021 to 30 June 2022 US\$'000</b>
Interest expense on borrowings	3,443
Amortisation of upfront debt-related transaction costs	378
Dividends on preferred units	6
	<hr/> <b>3,827</b> <hr/>

**4 INVESTMENT PROPERTIES**

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

	<b>Group 30-Jun-22 US\$'000</b>
<b>Consolidated Statement of Financial Position</b>	
As at 10 November 2021 (Date of constitution)	-
Acquisition of IPO Portfolio (including acquisition costs)	1,455,172
Straight-line rent capitalised	5,365
Capital expenditure	354
Currency translation difference	(1,730)
As at end of the financial period	<hr/> <b>1,459,161</b> <hr/>

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****5 LOANS AND BORROWINGS**

	<b>Group and Trust</b>
	<b>30-Jun-22</b>
	<b>US\$'000</b>
<u>Unsecured loans and borrowings</u>	
Amount repayable after one year	350,000
Less: Unamortised upfront debt-related transaction costs	(2,687)
<b>Total unsecured loans and borrowings</b>	<b>347,313</b>

**Notes:**

On Listing Date, the Group had obtained unsecured credit facilities comprising:

- (i) US\$350.0 million term loan facilities with a five-year maturity and
- (ii) US\$200.0 million of revolving credit facilities

As at 30 June 2022, the Group had total gross borrowings of US\$350.0 million and unutilised facilities of US\$200.0 million available to meet its future obligations. Fifty percent 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 1.90%. Aggregate leverage, as defined in the Property Funds Appendix, was 25.7%.

**6 PREFERRED UNITS**

	<b>Group</b>
	<b>30-Jun-22</b>
	<b>US\$'000</b>
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 30 June 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 which is 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 units of 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.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****7 SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

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

	Group 6 December 2021 to 30 June 2022 US\$'000
<b>Digital Realty Trust, Inc. and its subsidiaries</b>	
Acquisition fee paid to the Manager	12,965
Manager's management fees paid/payable to the Manager	5,665
Property management fees paid/payable to related parties	1,108
Other property related reimbursement costs to a related party	2,480
	<hr/>
<b>Perpetual (Asia) Limited</b>	
Trustee fees paid/payable	91
	<hr/>

**8 FAIR VALUE OF ASSETS AND LIABILITIES****a) Fair value hierarchy**

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

- Level 1: Quoted prices (unadjusted) in 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 its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



**DIGITAL CORE REIT AND ITS SUBSIDIARIES****b) Assets and liabilities measured at fair value**

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

	30-Jun-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)	
<b>Group</b>				
<b>Assets measured at fair value</b>				
Derivative financial assets	-	1,206	-	1,206
Investment properties	-	-	1,459,161	1,459,161
<b>Total assets</b>	-	1,206	1,459,161	1,460,367

	30-Jun-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)	
<b>Trust</b>				
<b>Assets measured at fair value</b>				
Derivative financial assets	-	1,206	-	1,206
<b>Total financial assets</b>	-	1,206	-	1,206

**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.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****d) Level 3 fair value measurements**

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy as at 30 June 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"> <li>Discount rate of 5.00% to 6.50%</li> <li>Terminal capitalisation rate of 4.25% to 5.25%</li> </ul>	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"> <li>Capitalisation rate of 4.00% to 4.75%</li> </ul>	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.

For the unaudited results for the period from 6 December 2021 (Listing Date) to 30 June 2022, the carrying value of the Group's investment properties was based on the independent valuations as disclosed in the Prospectus and taking into account capitalised expenditure, tenant improvements, leasing costs and straight-line rent recognised during the period.

The Manager is of the view that the carrying value of the investment properties as at 30 June 2022 approximate their fair values. Management has assessed that the inputs and assumptions used by the valuers in the valuation techniques for their valuation as disclosed in the Prospectus, such as occupancy rate, cashflows, capitalisation rate and discount rate, remains appropriate and reflect the market conditions as at 30 June 2022.

Notwithstanding that there are no material changes to the inputs and assumptions used in the valuation assessment, the Covid-19 situation is still evolving and the full impact from the pandemic to the economy and real estate market remains to be seen. While government aid and stimulus has helped boost consumer spending and mitigate the economic impact of the COVID-19 pandemic in the US, broad concerns remain over the pace of inflation fuelled by the fiscal and monetary policy. Hence, there exists a material uncertainty 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 is immaterial.

**9 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.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****10 SUBSEQUENT EVENT**Distribution

On 28 July 2022, the Manager announced a distribution of 2.37 US cents per Unit for the period from 6 December 2021 (Listing Date) to 30 June 2022.

**2(A) DETAILS OF ANY CHANGES IN UNITS**Units in issue**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 to be issued:

- Management base fees in units to be issued <sup>(1)</sup>	2,413,203
---	-----------

**Total issued and issuable Units as at 30 June**

**1,129,688,331**

(1) 2,413,203 units to be issued as payment of management base fees in units for 2Q 2022 based on the volume weighted average price for the last 10 business days prior to 30 June 2022.

**2(B) TOTAL NUMBER OF ISSUED UNITS**

DC REIT does not hold any treasury units as at 30 June 2022.

	<b>As at 30 June 2022</b>
<b>Total number of issued Units</b>	1,127,275,128

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

DC REIT did not have any sales, transfers, disposals, cancellations, or use of any treasury units from the Listing Date to 30 June 2022.

**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.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****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")**

6 December 2021 to 30 June 2022	
<b>EPU</b>	
Profit after tax attributable to Unitholders (US\$'000)	22,319
<b>Basic EPU</b>	
Weighted average number of Units as at end of period <sup>(1)</sup>	1,127,301,647
Basic EPU (US cents)	1.98
<b>Diluted EPU</b>	
Weighted average number of Units as at end of period <sup>(2)</sup>	1,129,688,331
Diluted EPU (US cents)	1.98
<b>DPU</b>	
Income available for distribution to Unitholders (US\$'000)	26,716
Number of Units in issue at end of period <sup>(3)</sup>	1,127,275,128
DPU (US cents) <sup>(3)</sup>	2.37

**Notes:**

- (1) The weighted average number of units was based on the weighted average number of Units 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 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 30 June 2022	
	Group	Trust
Net assets <sup>(1)</sup> (US\$'000)	988,468	984,490
Number of Units in issue and to be issued <sup>(2)</sup> ('000)	1,129,688,331	1,129,688,331
NAV and NTA per Unit <sup>(3)</sup> (US\$)	0.87	0.87
Adjusted NAV and NTA per Unit <sup>(3)</sup> (US\$) (excluding Distributable Income)	0.85	0.85

**Notes:**

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

**DIGITAL CORE REIT AND ITS SUBSIDIARIES****7 REVIEW OF PERFORMANCE**

Please refer to Section 8 Variance from Forecast Statement on the review of the actual results against the forecast as disclosed in the Prospectus for the period from 1 January 2022 to 30 June 2022.

**8 VARIANCE FROM FORECAST STATEMENT**

	Actual	1H 2022 <sup>(1)</sup> Forecast <sup>(2)</sup>	+/(-) %
<u>Consolidated Statement of Comprehensive Income</u>	<u>US\$'000</u>	<u>US\$'000</u>	
Rental income	37,796	37,423	1.0
Utilities reimbursements	7,596	5,061	50.1
Other recovery and operating income	7,427	10,474	(29.1)
<b>Gross Revenue</b>	<b>52,819</b>	<b>52,958</b>	<b>(0.3)</b>
Utilities	(7,610)	(5,119)	48.7
Property taxes and insurance expenses	(2,733)	(5,859)	(53.4)
Repairs and maintenance	(1,694)	(2,061)	(17.8)
Property management fees	(972)	(1,003)	(3.1)
Other property expenses	(4,409)	(5,488)	(19.7)
<b>Property expenses</b>	<b>(17,418)</b>	<b>(19,530)</b>	<b>(10.8)</b>
<b>Net Property Income</b>	<b>35,401</b>	<b>33,428</b>	<b>5.9</b>
Finance expenses	(3,459)	(2,425)	42.6
Manager's base fee	(3,801)	(3,604)	5.5
Manager's performance fee	(1,256)	(1,170)	7.4
Trustee's fee	(76)	(108)	(29.6)
Other trust expenses	(1,053)	(1,150)	(8.4)
<b>Profit before tax</b>	<b>25,756</b>	<b>24,971</b>	<b>3.1</b>
Tax expense	(3,307)	(3,438)	(3.8)
<b>Profit after tax</b>	<b>22,449</b>	<b>21,533</b>	<b>4.3</b>
<b>Attributable to:</b>			
Unitholders	19,487	18,270	6.7
Non-controlling interest	2,962	3,263	(9.2)
<b>Profit after tax</b>	<b>22,449</b>	<b>21,533</b>	<b>4.3</b>
<u>Distribution Statement</u>			
Profit after tax attributable to Unitholders	19,487	18,270	6.7
Distribution adjustments	3,746	5,491	(31.8)
<b>Income available for distribution to Unitholders</b>	<b>23,233</b>	<b>23,761</b>	<b>(2.2)</b>

**Notes:**

- (1) DC REIT was listed on 6 December 2021 (Listing Date). There was no forecast for the period from Listing Date to 31 December 2021 ("Stub Period") and hence there is no actual against forecast comparison for the Stub Period. Accordingly, the period for comparison was for 1 January 2022 to 30 June 2022 (1H 2022). For the actual financial performance for the Stub Period, please refer to Summary of Digital Core REIT Results.
- (2) Forecast result for 1H 2022 was derived from one half of the 2022 forecast. The forecast figures were derived from the Forecast Year 2022 as disclosed in the Prospectus.

Certain recovery and other operating income and property expenses 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 to the net property income and distributable income as disclosed in the Prospectus.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES**Actual vs. Forecast for 1H 2022

1H 2022 gross revenue of US\$52.8 million was marginally lower than forecast by (0.3%). Rental income was in line with forecast as the properties remained fully leased throughout the period. Utility reimbursements were higher than forecast by 50.1%, in line with the higher utility expenses, which was offset by lower recovery income from property taxes and other property expenses.

1H 2022 property expenses of US\$17.4 million were lower than forecast by (10.8%) largely due to lower property taxes, repairs and maintenance and other property expenses, partially offset by higher utilities expenses.

Consequently, 1H 2022 net property income of US\$35.4 million was higher than forecast by 5.9%.

Finance expenses of US\$3.5 million for 1H 2022 were 42.6% higher than forecast due to rising interest rates partially offset by the 50% of borrowings hedged with floating-to-fixed interest rate swaps. Other trust expenses were lower than forecast by 8.4% due to lower than expected legal and professional fees.

The Manager's base and performance fees were higher than forecast due to the higher deposited property and net property income as compared to forecast.

Despite higher net property income generated at the properties, profit attributable to non-controlling interests decreased by 9.2% or US\$0.3 million due to the allocation of the base and performance management fees to the properties which resulted in cost savings for Unitholders as lower profits and dividends were allocated and paid to non-controlling interests. Excluding the non-controlling share of straight-line rent adjustments which has no impact on distribution, non-controlling interests share would have been lower than forecast by about US\$0.5 million.

Due to the net effects of the above, profit attributable to Unitholders for 1H 2022 was higher than forecast by 6.7%. After adjusting for distribution adjustments, overall income available for distribution was lower than forecast by 2.2%.

**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.

The World Bank projects that global growth will decelerate to 2.9% this year from 5.5% in 2021, amid the war in Ukraine, COVID-19 flare-ups, diminished government policy support and supply chain disruptions. The global outlook is clouded by various downside risks, including rising inflation, rising interest rates, currency volatility and COVID-19 variants. However, increased investments in digital infrastructure and adoption of and access to technologies bodes well for the digital economy. According to research by IT research and consultancy firm Gartner, data centre systems spending in 2022 is forecast to reach US\$212 billion, an 11.1% increase from 2021. Synergy Research Group expects hyper-scaler data centre customers to continue to aggressively expand their operations, with rapid growth of both enterprise and consumer-oriented cloud markets.

DC REIT is well-positioned to benefit from these positive industry trends. Its strong operational expertise, extensive industry network and healthy balance sheet enable it to capture strategic opportunities as they arise. DC REIT's Sponsor, Digital Realty Trust, Inc., has a US\$15 billion pipeline which DC REIT may potentially access if acquisitions would be beneficial to Unitholders.

For more details, please refer to DC REIT's Media Release for the financial period from 6 December 2021 to 30 June 2022.

**10 DISTRIBUTIONS****(a) Current Financial Period reported on**

Any distribution recommended for the current financial period reported on?

Yes.

**DIGITAL CORE REIT AND ITS SUBSIDIARIES**

Name of Distribution	<u>1<sup>st</sup></u> Distribution for the period from 6 December 2021 to 30 June 2022
Distribution Type	a) Tax-exempt income distribution b) Capital distribution
Distribution Rate	a) Tax-exempt income distribution – 1.52 US cents per unit b) Capital distribution – 0.85 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 DC REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of DC REIT units, the amount of capital distribution will be applied to reduce the cost base of their DC REIT units for Singapore income tax purposes.</p>

**(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**

5 August 2022

**(d) Date payable**

28 September 2022

**11 DISTRIBUTION STATEMENT**

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

**12 GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS**

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

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

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

## DIGITAL CORE REIT AND ITS SUBSIDIARIES

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

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

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“**SGXST**”). 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  
28 July 2022

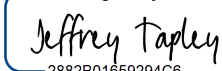


**DIGITAL CORE REIT AND ITS SUBSIDIARIES**

**14 CONFIRMATION BY THE BOARD**

We, JEFFREY TAPLEY and TSUI KAI CHONG, being two Directors of Digital Core REIT Management Pte. Ltd. (the "Company"), as Manager of Digital Core REIT, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of Digital Core REIT for the financial period from 6 December 2021 to 30 June 2022 to be false or misleading in any material respect.

**On behalf of the Board,**

DocuSigned by:  
  
2882B01659294C6...  
Jeffrey Tapley  
Chairman

DocuSigned by:  
  
1EDE30E14A334DC...  
Tsui Kai Chong  
Director

28 July 2022