

Digital Core REIT Reports Results for the First Half of 2023

- Declared a distribution per unit of 1.92 U.S. cents for 1H23
- Maintained 97% occupancy across data centre portfolio
- Repurchased 4.6 million units at an average price of \$0.462, delivering 0.4% DPU accretion
- Preserved balance sheet flexibility with aggregate leverage at 34.2%

Summary of Results (US\$ in thousands)

	1H 2023 Actual	1H 2023 Forecast ⁽¹⁾	Variance	1H 2023 Actual	1H 2022 Actual	Variance
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gross Revenue	53,888	53,347	0.1	53,888	52,819	1.1
Property Expenses	(18,236)	(20,091)	(9.2)	(18,236)	(17,418)	4.7
Net Property Income (NPI)	35,152	33,256	5.7	35,152	35,401	(0.7)
Distributable Income to Unitholders ⁽²⁾	21,480	25,242	(14.9)	21,480	23,233	(7.5)
Distribution per Unit (DPU) (U.S. cents) ⁽³⁾	1.92	2.20	(12.7)	1.92	2.06	(6.8)
Annualised distribution yield (%) ⁽⁴⁾	8.15	5.00	315bps	8.15	5.39	276bps

(1) Forecast figures for 1H23 were derived from one half of the Projection Year 2023 as disclosed in the Prospectus dated 29 November 2021.

(2) Distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.

(3) Actual 1H 2023 DPU of 1.92 U.S. cents was based on 1,118,739,541 issued units as at 30 June 2023, while Actual 1H 2022 DPU of 2.06 U.S. cents was based on 1,127,275,128 issued units as at 30 June 2022.

(4) The annualised DPU yield for 1H 2023 and 1H 2022 are on a basis of 181 days and pro-rated to 365 days. Distribution yields for 1H 2023 and 1H 2022 are based on market closing prices of US\$0.475 and US\$0.770 per Unit as at last trading day of the respective periods. The Forecast distribution yield of 5.00% is as disclosed in the Prospectus.

Singapore – 27 July 2023 – Digital Core REIT (SGX: DCRU), a leading pure-play data centre REIT listed in Singapore, declared a distribution per unit of 1.92 U.S. cents for the six months ended 30 June 2023. The distribution will be paid on Thursday, 28 September 2023 to Unitholders of record as at Friday, 04 August 2023.

“Data centre demand strengthened further in the first half of 2023, as sizeable artificial intelligence requirements began to materialize faster than expected,” said John J. Stewart, CEO of Digital Core REIT Management Pte. Ltd. “Macroeconomic conditions remain challenging, as evidenced by the unfortunate bankruptcy of our second-largest customer in June. Nonetheless, we stand prepared to guard against any potential near-term disruption, reflecting the resiliency of our business along with our Sponsor’s operational expertise. Our flexible balance sheet remains primed for growth, while our management team remains firmly focused on creating durable value for Unitholders.”

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.

Operating Performance

As at 30 June 2023, Digital Core REIT's portfolio was 97% leased with a weighted average lease expiry of approximately 3.9 years.

Customer Bankruptcy

As previously disclosed, Digital Core REIT's second-largest customer, a global colocation and interconnection provider representing approximately 22% of total annualised rent, filed for chapter 11 bankruptcy protection in the United States Bankruptcy Court for the District of New Jersey on 4 June 2023. In conjunction with its bankruptcy filing, the customer announced that it has obtained a commitment for up to \$200 million of debtor-in-possession financing and stated that it intends to pay vendors and suppliers in full for goods and services provided on or after the filing date.

The customer remained current on its rental obligations to Digital Core REIT through the month of May 2023 and has paid rent for the month of July 2023. The Manager expects to collect in full the customer's rental obligation for the month of June as an administrative expense claim through the bankruptcy process.

To date, the customer has neither accepted nor rejected any of its lease agreements with Digital Core REIT. The customer has up to 120 days from the date of its bankruptcy filing on 4 June 2023 to determine whether to accept or reject its lease agreements.

Unit Buy-Back

In the first half of 2023, Digital Core REIT repurchased a total of 4,596,500 units under its existing unit buyback mandate at an average price of \$0.462. The units were held as treasury units and were subsequently cancelled in April 2023 and July 2023.

Balance Sheet

Digital Core REIT had US\$506 million of total debt outstanding as at 30 June 2023, consisting primarily of unsecured term loans due 2025-2027 and US\$3 million outstanding on its unsecured revolving credit facility. Aggregate leverage was 34.2% and the weighted average cost of debt was approximately 4.4%¹ while the weighted average debt maturity was approximately 3.4 years and approximately 72% of total interest rate exposure was hedged as at 30 June 2023.

¹ For the six months ended 30 June 2023, not including amortisation of upfront fees.

For Additional Information

Mabel Tan

Director of Capital Markets & Investor Relations

+65 6505 3948

IR@digitalcorereit.com**About Digital Core REIT**

Digital Core REIT (SGX: DCRU) is a leading pure-play data centre REIT listed in Singapore and sponsored by Digital Realty, the largest global data centre owner and operator. Digital Core REIT aims to create long-term, sustainable value for all stakeholders through ownership of a stabilised and diversified portfolio of mission-critical data centre facilities concentrated in select global markets. For more information, please visit digitalcorereit.com.

About Digital Realty

Digital Realty brings companies and data together by delivering the full spectrum of data centre, colocation and interconnection solutions. PlatformDIGITAL[®], the company's global data centre platform, provides customers with a secure data "meeting place" and a proven Pervasive Datacentre Architecture (PDx[™]) solution methodology for powering innovation and efficiently managing Data Gravity challenges. Digital Realty gives its customers access to the connected communities that matter to them with a global data centre footprint of 300+ facilities in 50+ metros across 28+ countries on six continents. To learn more about Digital Realty, please visit digitalrealty.com or follow us on [LinkedIn](#) and [Twitter](#).

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This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements due to various risks, uncertainties, and assumptions. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct.

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 revenue, changes in operating expenses, property expenses, governmental and public policy changes, and the continued availability of financing in the amounts and on the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

Holders of Units ("Unitholders") have no right to request that the Manager redeem or purchase 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 (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.