

Digital Core REIT Reports Results for the Full Year 2022

- Declared a distribution per unit of 3.98 U.S. cents for FY 2022
- Maintained 98% portfolio occupancy (or 96%, adjusting for a customer bankruptcy)
- Completed inaugural acquisition, generating 2% DPU accretion
- Repurchased 10.7 million units at an average price of \$0.585, delivering 1% DPU accretion
- Preserved balance sheet flexibility with aggregate leverage at 34.0%

Summary of Results

(US\$ in thousands)

| | 2H 2022 | | | FY 2022 | | |
|---|----------|-------------------------|----------|----------|-------------------------|----------|
| | Actual | Forecast ⁽¹⁾ | Variance | Actual | Forecast ⁽¹⁾ | Variance |
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Gross Revenue | 54,893 | 52,960 | 3.6 | 107,712 | 105,918 | 1.7 |
| 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 |
| Distributable Income to Unitholders ⁽²⁾ | 21,532 | 23,758 | (9.4) | 44,765 | 47,519 | (5.8) |
| Distribution per Unit (DPU) (U.S. cents) ⁽³⁾ | 1.92 | 2.09 | (8.1) | 3.98 | 4.18 | (4.8) |
| Annualised distribution yield (%) | 6.92 | 4.75 | 217 bps | 7.24 | 4.75 | 249 bps |

(1) 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 IPO 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 DPU of 1.92 U.S. 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 U.S. cents comprises 2H 2022 DPU of 1.92 U.S. cents and DPU of 2.06 U.S. cents declared and paid for 1H 2022, calculated based on 1,127,275,128 issued units as at 30 June 2022.

Singapore – 02 February 2023 – Digital Core REIT (SGX: DCRU) declared a distribution per unit (DPU) of 1.92 U.S. cents for the six months ended 31 December 2022 which will be paid on Friday, 31 March 2023 to Unitholders of record as at Friday, 10 February 2023.

“Digital Core REIT delivered solid results in 2022 despite the rapidly evolving environment,” said John J. Stewart, CEO of Digital Core REIT Management Pte. Ltd. “We successfully completed the acquisition of a 25% interest in a state-of-the-art freehold facility in Frankfurt and we repurchased units at a deep discount to NAV, generating meaningful accretion for Unitholders. We remain focused on leasing up vacancy, proactively managing controllable costs and investing accretively to continue to create sustainable 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

Digital Core REIT's portfolio was 98% leased as at 31 December 2022 with a weighted average lease expiration of approximately 4.5 years. In April 2022, a customer who occupied approximately 37,000 net rentable square feet in Toronto filed for bankruptcy protection. The customer vacated the premises effective 1 January 2023. Adjusting for the customer move-out on 1 January 2023, portfolio occupancy would be 96%. Separately, Digital Core REIT executed a short-term lease agreement with an investment grade cloud service provider covering half the bankrupt customer's rental obligation.

Investment Activity

In December 2022, Digital Core REIT closed on the acquisition of a 25.0% interest in a state-of-the-art freehold facility in Frankfurt for US\$150 million. In addition, Digital Core REIT repurchased 10,654,100 units under its existing unit buy-back mandate at an average price of \$0.585. The units were held as treasury units at 31 December 2022 and were subsequently cancelled in January 2023.

Capital Management

Digital Core REIT had US\$500 million of total debt outstanding as at 31 December 2022, consisting entirely of unsecured term loans due 2025-2027. Aggregate leverage was 34.0% and the weighted average cost of debt was approximately 3.9%¹. The weighted average debt maturity was approximately 3.9 years. In the fourth quarter of 2022, Digital Core REIT entered into additional floating-to-fixed interest rate swaps to hedge a portion of its floating rate exposure. Consequently, 75% of total interest rate exposure was hedged as at 31 December 2022, up from 50% as at 30 June 2022.

For Additional Information

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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 center, colocation and interconnection solutions. PlatformDIGITAL®, the company's global data center platform, provides customers with a secure data "meeting place" and a proven Pervasive Datacenter 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 center footprint of 300+ facilities in 50+ metros across 25+ countries on six continents. To learn more about Digital Realty, please visit digitalrealty.com or follow us on [LinkedIn](#) and [Twitter](#).

¹ For the three months ended 31 December 2022, not including amortisation of upfront fees.

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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.