

# DIGITAL CORE REIT

FY23

Financial  
Results

1 February 2024

Core | Sustainable | Growth



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## SECTION 1 >

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# FY23 FINANCIAL RESULTS

# KEY HIGHLIGHTS

Dedicated Core Data Centre REIT Focused on Driving Sustainable Growth

## CORE



**3.70 U.S. cents**  
FY2023 Distribution

**\$1.4 Bn**  
AUM<sup>(1)</sup>

**12**  
Data Centres<sup>(2)</sup>

**2.8 Years**  
WALE<sup>(3)</sup>

**97%**  
Occupancy<sup>(4)</sup>

## SUSTAINABLE



Capital Recycling

Sold two Silicon Valley facilities at book value, realizing **US\$160 million** of gross proceeds

**73%**  
Fixed Rate Debt

Hedged **73%** of total interest rate exposure



Valuations

Navigated **9%** year-over-year portfolio revaluation

## GROWTH



New Market Entry

Acquired 10% interest in freehold facility in Osaka, Japan, generating **~3% DPU accretion**<sup>(5)</sup>



Unit Buyback

Repurchased 6.8 million units at an average price of \$0.4942 for FY2023, delivering **0.6% DPU accretion**

**33.5%**  
Aggregate Leverage<sup>(6)</sup>

**\$160 mm**  
Cash on balance sheet<sup>(6)</sup>

Note: In USD unless otherwise stated.

1) Based on portfolio valuation at share as at 31 December 2023.

2) As at 31 December 2023. Includes two Silicon Valley facilities subsequently sold in January 2024.

3) Based on annualized rent as at 31 December 2023.

4) Based on net rentable square feet.

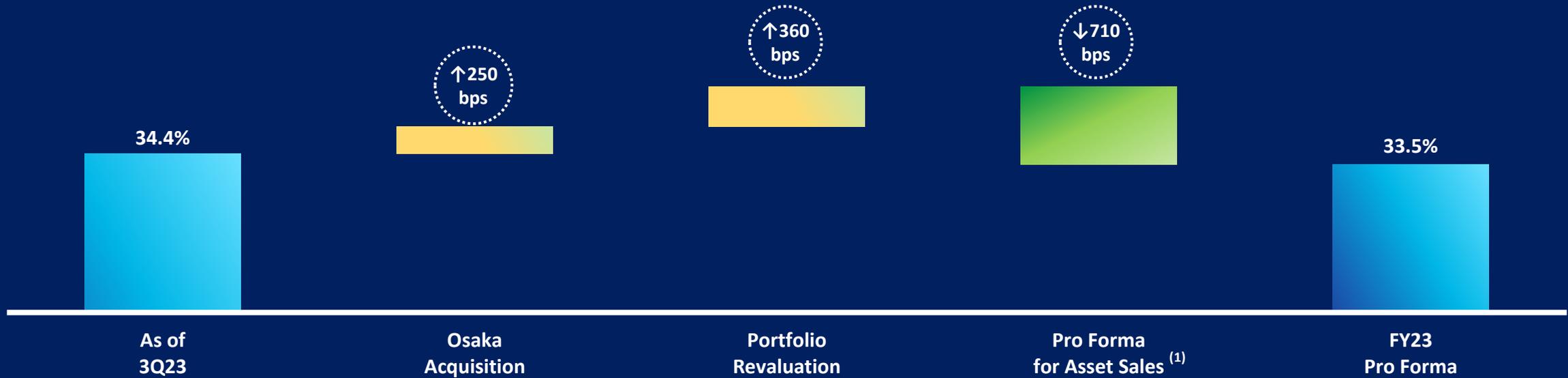
5) Please refer to the announcement dated 1 November 2023 for further details on the Pro Forma Financial Effects, including key assumptions.

6) Pro forma Aggregate Leverage of 33.5% and cash balance reflect the US\$160 million of proceeds realized upon completion of the sale of two Silicon Valley facilities in January 2024.

Aggregate leverage, as defined under the CIS Code, was 40.5% as at 31 December 2023.

# PORTFOLIO UPDATE

## AGGREGATE LEVERAGE



## VALUATIONS BY CORE MARKETS<sup>(2)</sup>



1) Pro forma Aggregate Leverage reflects US\$160 million of proceeds realized upon the sale of two Silicon Valley facilities in January 2024. Aggregate leverage, as defined under the CIS Code, was 40.5% at 31 December 2023.

2) Valuations shown at share.

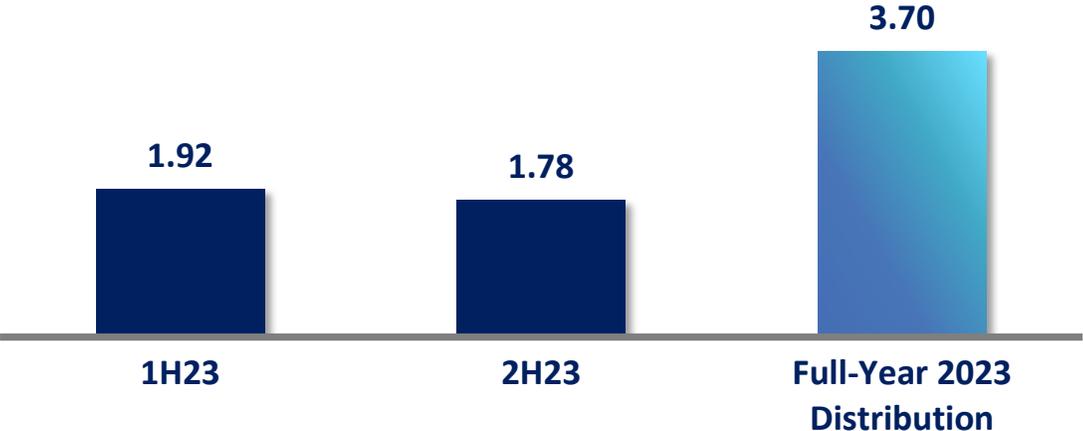
3) The acquisition of a 10% interest in the Osaka data centre was completed on 1 November 2023.

# DISTRIBUTION AND AGM DETAILS

Annual General Meeting to be Held in April with Annual Report Published in March

## DISTRIBUTION DETAILS

(U.S. cents per Unit)



## Distribution Timetable

Ex-Date	8 February 2024
Record Date	9 February 2024
Distribution Payment Date	27 March 2024

## UPCOMING AGM DETAILS



1 February 2024

- Release full-year 2023 financial results and unaudited financial statements



March 2024

- Publish annual report and sustainability report



April 2024

- Conduct annual general meeting

# CORE | SUSTAINABLE | GROWTH

Focused on Delivering Long-Term, Sustainable Value for All Stakeholders

## Unparalleled Sponsor Pipeline

2022 - 2023

2024+

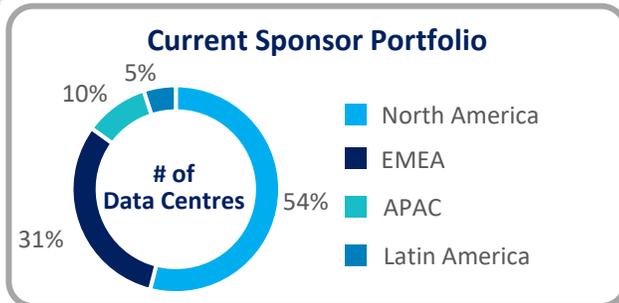
\$150 mm

\$15+ Bn

**DIGITAL REALTY**



### Current Sponsor Portfolio



## Recent Data Centre Comparable Transactions

Cap Rate

■ North America ■ EMEA ■ APAC

10.0%

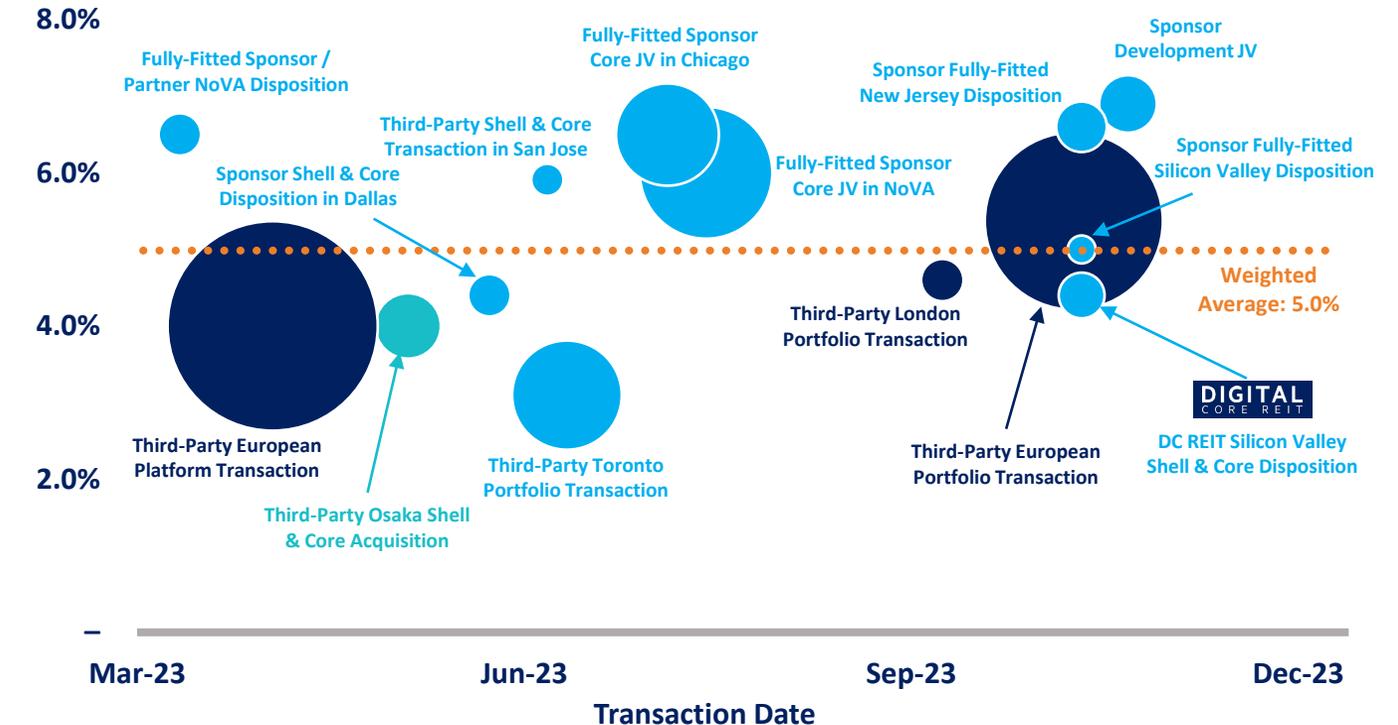
8.0%

6.0%

4.0%

2.0%

● Sponsor Non-Core Asset Sale in Watford, UK  
● Sponsor Non-Core Asset Sale in Chantilly, VA



## SECTION 2 >

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# PORTFOLIO OVERVIEW

# PORTFOLIO HIGHLIGHTS

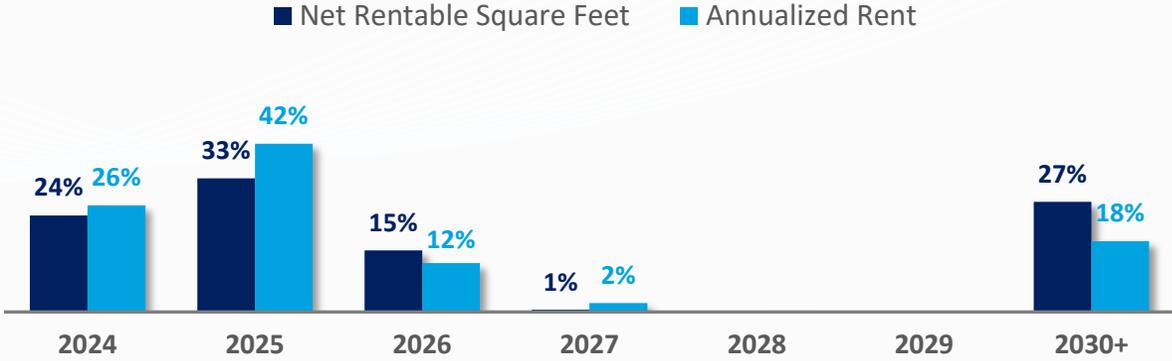
Portfolio of High-Quality, Mission-Critical Data Centres Located in Key Metros across U.S., Canada, Germany and Japan

## KEY PORTFOLIO METRICS

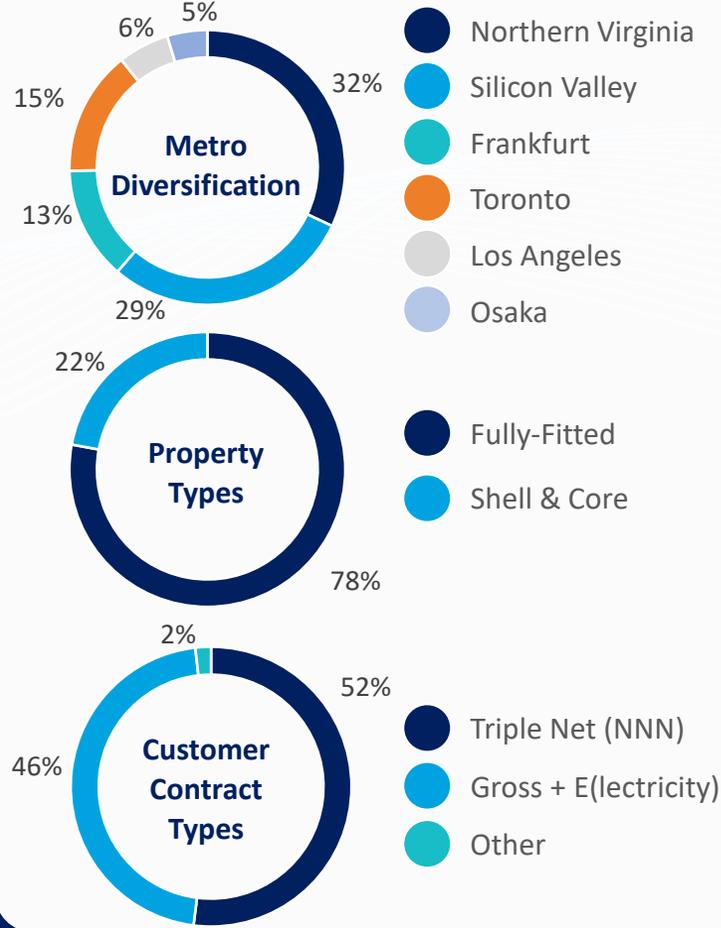


## LEASE EXPIRATION SCHEDULE

**2.8 YEARS**  
Weighted Avg.  
Lease Expiry<sup>(2)</sup>



## PORTFOLIO PROFILE<sup>(2)</sup>



Note: Portfolio statistics and figures shown at share.  
 1) Based on portfolio valuation at share as at 31 December 2023.  
 2) Based on annualised rent as at 31 December 2023.

# CUSTOMER PROFILE

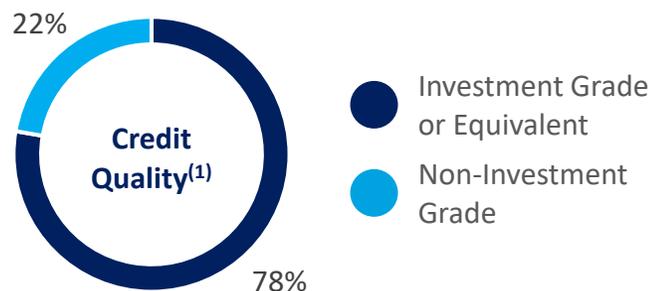
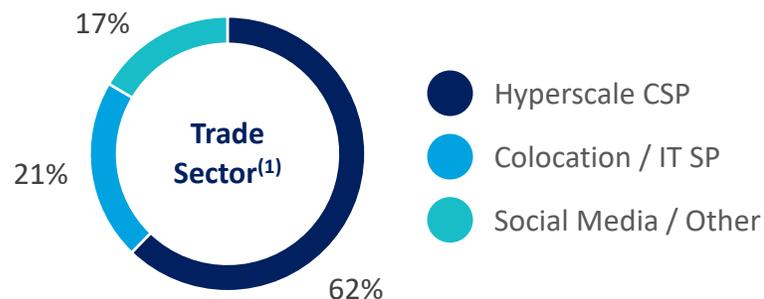
Strategically Important Customers with Numerous Deployments across Digital Realty's Global Platform

## CUSTOMER PROFILE



> 40

Total Customers



## TOP 10 CUSTOMERS

(in USD thousands)

Customer	Trade Sector	Credit Rating	Number of Locations	Annualized Rent	% of Total
1. Fortune 50 Software Company	Hyperscale CSP	AAA / Aaa	4	\$28,675	36.2%
2. Global Colocation and Interconnection Provider	Colocation / IT SP	Unrated	6	16,388	20.7%
3. Social Media Platform	Social Media	AA- / A1	1	12,115	15.3%
4. Global Technology Solutions Provider	Hyperscale CSP	A- / A3	2	9,291	11.7%
5. Fortune 25 Tech Company	Hyperscale CSP	AA+ / Aa2	3	5,461	6.9%
6. Global Cloud and Software Service Provider	Hyperscale CSP	BBB / Baa2	2	3,230	4.1%
7. Global Cloud Provider	Hyperscale CSP	AA / A1	2	2,786	3.5%
8. Multi-National Service Provider	Colocation / IT SP	Unrated	1	465	0.6%
9. Multi-National Service Provider	Other	Unrated	1	389	0.5%
10. Listed Financial Services Company	Other	Unrated	1	98	0.1%
Others				418	0.5%
<b>Total / Weighted Average</b>				<b>\$79,317</b>	<b>100.0%</b>

Note: Portfolio statistics and figures shown at share.  
1) Based on annualised rent as at 31 December 2023.

# CORE DATA CENTRE PORTFOLIO

## PORTFOLIO SUMMARY (As at 31 December 2023)

(in USD thousands)

Property	Property Type	Ownership (%)	Appraised Value <sup>(1)</sup> (at 100%)	Portfolio Value <sup>(1)</sup> (at Share)	WALE <sup>(2)</sup> (in Years)	At Share		Annualized Rent	Occupancy <sup>(3)</sup>	
						Net Rentable Square Feet	Customer IT Load (kW)		31-Dec-23	30-Sep-23
<b>Northern Virginia</b>										
44520 Hastings Drive	Fully-Fitted	90.0%	\$321,700	\$289,530	1.4	132,299	12,510	\$13,961	100.0%	100.0%
8217 Linton Hall Road	Fully-Fitted	90.0%	227,100	204,390	1.5	207,002	8,640	9,762	100.0%	100.0%
43831 Devin Shafron Drive	Shell & Core	90.0%	55,800	50,220	2.3	105,364	–	1,676	100.0%	100.0%
<b>Northern Virginia: Total / Weighted Average</b>		<b>90.0%</b>	<b>\$604,600</b>	<b>\$544,140</b>	<b>1.5</b>	<b>444,665</b>	<b>21,150</b>	<b>\$25,400</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Silicon Valley</b>										
3011 Lafayette Street	Fully-Fitted	90.0%	\$166,500	\$149,850	1.2	81,702	5,400	\$12,182	100.0%	100.0%
1500 Space Park Drive	Shell & Core	90.0%	101,400	91,260	10.7	46,454	–	4,224	100.0%	100.0%
2401 Walsh Avenue <sup>(4)</sup>	Shell & Core	90.0%	110,000	99,000	9.2	151,139	–	4,212	100.0%	100.0%
2403 Walsh Avenue <sup>(4)</sup>	Shell & Core	90.0%	68,000	61,200	9.2	93,546	–	2,607	100.0%	100.0%
<b>Silicon Valley: Total / Weighted Average</b>		<b>90.0%</b>	<b>\$445,900</b>	<b>\$401,310</b>	<b>5.2</b>	<b>372,840</b>	<b>5,400</b>	<b>\$23,226</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Toronto</b>										
371 Gough Road	Fully-Fitted	90.0%	\$138,787	\$124,909	1.1	93,877	6,075	\$11,680	66.9%	67.3%
<b>Toronto: Total / Weighted Average</b>		<b>90.0%</b>	<b>\$138,787</b>	<b>\$124,909</b>	<b>1.1</b>	<b>93,877</b>	<b>6,075</b>	<b>\$11,680</b>	<b>66.9%</b>	<b>67.3%</b>
<b>Los Angeles</b>										
200 North Nash Street	Shell & Core	90.0%	\$64,400	\$57,960	0.8	102,245	–	\$2,652	100.0%	100.0%
3015 Winona Avenue	Shell & Core	90.0%	39,200	35,280	0.8	74,620	–	2,140	100.0%	100.0%
<b>Los Angeles: Total / Weighted Average</b>		<b>90.0%</b>	<b>\$103,600</b>	<b>\$93,240</b>	<b>0.8</b>	<b>176,865</b>	<b>–</b>	<b>\$4,793</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Frankfurt</b>										
Wilhelm-Fay-Straße 15 and 24	Fully-Fitted	25.0%	\$556,480	\$139,120	2.7	112,387	8,500	\$10,507	92.0%	92.0%
<b>Frankfurt: Total / Weighted Average</b>		<b>25.0%</b>	<b>\$556,480</b>	<b>\$139,120</b>	<b>2.7</b>	<b>112,387</b>	<b>8,500</b>	<b>\$10,507</b>	<b>92.0%</b>	<b>92.0%</b>
<b>Osaka</b>										
6-chome, Ao-kita, Saito	Fully-Fitted	10.0%	\$553,020	\$55,302	3.9	11,494	2,550	\$3,712	95.3%	N/A
<b>Osaka: Total / Weighted Average</b>		<b>10.0%</b>	<b>\$553,020</b>	<b>\$55,302</b>	<b>3.9</b>	<b>11,494</b>	<b>2,550</b>	<b>\$3,712</b>	<b>95.3%</b>	<b>N/A</b>
<b>Portfolio: Total / Weighted Average</b>			<b>\$2,402,387</b>	<b>\$1,358,021</b>	<b>2.8</b>	<b>1,212,128</b>	<b>43,675</b>	<b>\$79,317</b>	<b>96.6%</b>	<b>96.7%</b>

1) The appraised values and portfolio values (at share) are based on the last appraised value as at 31 December 2023 and do not include any capitalised transaction costs, straight-line rent or property additions.

2) Based on annualized rent as at 31 December 2023.

3) Based on net rentable square feet.

4) Sold in January 2024.

# PORTFOLIO VALUATION UPDATE

## Amid Macroeconomic Challenges, Core Data Centre Valuations Have Remained Resilient

(in USD thousands)

Property	Asset Values at 100%					Ownership (%)	Asset Value at Share							
	At 31 Dec 2022 <sup>(1)</sup>		At 31 Dec 2023 <sup>(2)</sup>		At 31 Dec 2022 <sup>(1)</sup>		At 31 Dec 2023 <sup>(2)</sup>		Year-over-Year Change (Value)		Change (%)			
	Local Currency	USD	Local Currency	USD	Local Currency		USD	Local Currency	USD	Local Currency	USD	Local Currency	USD	
<b>Northern Virginia</b>														
44520 Hastings Drive		\$321,000		\$321,700	90.0%		\$288,900		\$289,530		\$630		0.2%	
8217 Linton Hall Road		280,000		227,100	90.0%		252,000		204,390		(47,610)		(18.9%)	
43831 Devin Shafron Drive		55,200		55,800	90.0%		49,680		50,220		540		1.1%	
<b>Northern Virginia: Total</b>		<b>\$656,200</b>		<b>\$604,600</b>	<b>90.0%</b>		<b>\$590,580</b>		<b>\$544,140</b>		<b>(\$46,440)</b>		<b>(7.9%)</b>	
<b>Silicon Valley</b>														
2401 Walsh Street		\$110,000		\$110,000	90.0%		\$99,000		\$99,000		–		–	
2403 Walsh Street		68,000		68,000	90.0%		61,200		61,200		–		–	
3011 Lafayette Street		176,000		166,500	90.0%		158,400		149,850		(\$8,550)		(5.4%)	
1500 Space Park Drive		115,000		101,400	90.0%		103,500		91,260		(12,240)		(11.8%)	
<b>Silicon Valley: Total</b>		<b>\$469,000</b>		<b>\$445,900</b>	<b>90.0%</b>		<b>\$422,100</b>		<b>\$401,310</b>		<b>(\$20,790)</b>		<b>(4.9%)</b>	
<b>Los Angeles</b>														
3015 Winona Avenue		\$54,000		\$39,200	90.0%		\$48,600		\$35,280		(\$13,320)		(27.4%)	
200 N. Nash Street		69,000		64,400	90.0%		62,100		57,960		(4,140)		(6.7%)	
<b>Los Angeles: Total</b>		<b>\$123,000</b>		<b>\$103,600</b>	<b>90.0%</b>		<b>\$110,700</b>		<b>\$93,240</b>		<b>(\$17,460)</b>		<b>(15.8%)</b>	
<b>Toronto</b>														
371 Gough Road	C\$238,000	\$175,596	C\$183,800	\$138,787	90.0%		C\$214,200	\$158,037	C\$165,420	\$124,909	(C\$48,780)	(\$33,128)	(22.8%)	(21.0%)
<b>Toronto: Total</b>	<b>C\$238,000</b>	<b>\$175,596</b>	<b>C\$183,800</b>	<b>\$138,787</b>	<b>90.0%</b>		<b>C\$214,200</b>	<b>\$158,037</b>	<b>C\$165,420</b>	<b>\$124,909</b>	<b>(C\$48,780)</b>	<b>(\$33,128)</b>	<b>(22.8%)</b>	<b>(21.0%)</b>
<b>Subtotal</b>	<b>NM</b>	<b>\$1,423,796</b>	<b>NM</b>	<b>\$1,292,887</b>			<b>NM</b>	<b>\$1,281,417</b>	<b>NM</b>	<b>\$1,163,599</b>	<b>NM</b>	<b>(\$117,818)</b>	<b>(9.4%)</b>	<b>(9.2%)</b>
<b>Frankfurt</b>														
Wilhelm-Fay-Straße 15 and 24	€556,100	\$595,305	€504,100	\$556,476	25.0%		€139,025	\$148,826	€126,025	\$139,120	(€13,000)	(\$9,706)	(9.4%)	(6.5%)
<b>Frankfurt: Total</b>	<b>€556,100</b>	<b>\$595,305</b>	<b>€504,100</b>	<b>\$556,476</b>	<b>25.0%</b>		<b>€139,025</b>	<b>\$148,826</b>	<b>€126,025</b>	<b>\$139,120</b>	<b>(€13,000)</b>	<b>(\$9,706)</b>	<b>(9.4%)</b>	<b>(6.5%)</b>
<b>Osaka</b>														
6-Chome, Ao-kita, Saito	¥79,000,000	\$526,667	¥78,000,000	\$553,020	10.0%		¥7,900,000	\$52,667	¥7,800,000	\$55,302	(¥100,000)	\$2,635	(1.3%)	5.0%
<b>Osaka: Total</b>	<b>¥79,000,000</b>	<b>\$526,667</b>	<b>¥78,000,000</b>	<b>\$553,020</b>	<b>10.0%</b>		<b>¥7,900,000</b>	<b>\$52,667</b>	<b>¥7,800,000</b>	<b>\$55,302</b>	<b>(¥100,000)</b>	<b>\$2,635</b>	<b>(1.3%)</b>	<b>5.0%</b>
<b>Grand Total</b>	<b>NM</b>	<b>\$2,545,768</b>	<b>NM</b>	<b>\$2,402,383</b>			<b>NM</b>	<b>\$1,482,910</b>	<b>NM</b>	<b>\$1,358,021</b>	<b>NM</b>	<b>(\$124,889)</b>	<b>(9.1%)</b>	<b>(8.4%)</b>

1) Local currency figures as at 31 December 2022 converted based on a CAD:USD exchange rate of 0.74 and EUR:USD exchange rate of 1.07.

2) Local currency figures as at 31 December 2023 converted based on a CAD:USD exchange rate of 0.76, a EUR:USD exchange rate of 1.10 and a JPY:USD exchange rate of 0.007. 31 December 2022 Osaka figures reflect initial valuation at acquisition on 1 November 2023.

## SECTION 3

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# FINANCIAL OVERVIEW

# STABLE EARNINGS PROFILE

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

(in USD thousands, except per unit)

	Full Year Ended					
	Actual FY23	Actual FY22	Variance (%)	Actual FY23	Forecast FY23 <sup>(1)</sup>	Variance (%)
Revenue	\$102,591	\$107,712	(4.8%)	\$102,591	\$106,694	(3.8%)
Property Expenses	(39,541)	(38,335)	3.1%	(39,541)	(40,181)	(1.6%)
<b>Net Property Income</b>	<b>\$63,050</b>	<b>\$69,377</b>	<b>(9.1%)</b>	<b>\$63,050</b>	<b>\$66,513</b>	<b>(5.2%)</b>
Other Income	6,106	1,544	>100	6,106	–	NM
Finance Expenses	(26,190)	(10,274)	>100	(26,190)	(4,874)	>100
Trust and Other Expenses	(11,544)	(12,802)	(9.8%)	(11,544)	(12,066)	(4.3%)
Unrealised foreign exchange	(2,722)	(2,293)	18.7%	(2,722)	–	NM
Share of Result of Associate <sup>(2)</sup>	(15,881)	(462)	>100	(15,881)	–	>100
Net Fair Value Change Investment Properties	(139,197)	(28,805)	>100	(139,197)	(1,050)	NM
Tax Expense	9,648	(12,652)	NM	9,648	(7,834)	NM
<b>Profit for the Period</b>	<b>(\$116,730)</b>	<b>\$3,633</b>	<b>NM</b>	<b>(\$116,730)</b>	<b>\$40,689</b>	<b>NM</b>
Profit Attributable to Non-Controlling Interests	8,145	(4,927)	NM	8,145	(6,393)	NM
<b>Net Profit Attributable to Unitholders</b>	<b>(\$108,585)</b>	<b>(\$1,294)</b>	<b>&gt;100</b>	<b>(\$108,585)</b>	<b>\$34,296</b>	<b>NM</b>
Distribution Adjustments	150,069	46,059	>100	150,069	16,188	>100
<b>Distributable Income Attributable to Unitholders</b>	<b>\$41,484</b>	<b>\$44,765</b>	<b>(7.3%)</b>	<b>\$41,484</b>	<b>\$50,484</b>	<b>(17.8%)</b>
Units in Issue	1,123,853	1,129,688	(0.5%)	1,123,853	1,147,059	(2.0%)
<b>Distribution per Unit (U.S. cents)</b>	<b>3.70</b>	<b>3.98</b>	<b>(7.0%)</b>	<b>3.70</b>	<b>4.40</b>	<b>(15.9%)</b>
Unit Price (Closing)	\$0.645	\$0.550	17.3%	\$0.645	\$0.880	(26.7%)
<b>Distribution Yield (%)</b>	<b>5.74%</b>	<b>7.24%</b>	<b>(150 bps)</b>	<b>5.74%</b>	<b>5.00%</b>	<b>74 bps</b>

1) Forecast figures for FY23 were derived from the 2023 full-year projection as disclosed in the Prospectus dated 29 November 2021.

2) The share of result (loss) of associate is largely due to the 25% pro-rata share of fair value loss recognised in the investment properties held by the associate as the investment properties share value had decreased during the period (2023: EUR504.1 million 2022: EUR556.1 million, based on 100% ownership). Excluding fair value and other adjustments relating to acquisition costs, the share of the operational profit from the associate was approximately US\$5.3 million.

# INITIAL SCALE POSITIONED FOR SUBSTANTIAL GROWTH

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

(in USD thousands, except per unit)

	As at	As at	Variance
	31-Dec-23	31-Dec-22	%
Investment Properties	1,114,887	1,423,796	(21.7)
Investment Properties held for sale <sup>(1)</sup>	178,000	–	NM
Other investments <sup>(2)</sup>	188,613	152,705	23.5
Other Assets	27,537	36,063	(23.6)
<b>Total Assets</b>	<b>\$1,509,037</b>	<b>\$1,612,564</b>	<b>(6.4)</b>
Gross Borrowings	558,915	499,870	11.8
Other Liabilities	30,491	35,671	(14.5)
<b>Total Liabilities</b>	<b>\$589,406</b>	<b>\$535,541</b>	<b>10.1</b>
<b>Unitholders' Funds</b>	<b>\$790,475</b>	<b>\$934,891</b>	<b>(15.4)</b>
Non-controlling interests	129,156	142,132	(9.1)
<b>Total Equity</b>	<b>\$919,631</b>	<b>\$1,077,023</b>	<b>(14.6)</b>
<b>Total Liabilities and Equity</b>	<b>\$1,509,037</b>	<b>\$1,612,564</b>	<b>(6.4)</b>
Units in issue and issuable (in thousands)	1,142,626	1,130,694	1.1
<b>Net Asset Value per Unit (US\$)</b>	<b>\$0.69</b>	<b>\$0.83</b>	<b>(16.9)</b>
<b>Adjusted Net Asset Value per Unit (US\$)<sup>(3)</sup></b>	<b>\$0.67</b>	<b>\$0.81</b>	<b>(17.3)</b>
<b>Unit Price (as at Reporting Date) (US\$)</b>	<b>\$0.645</b>	<b>\$0.550</b>	<b>17.3</b>

1) Investment properties held for sale relates to the sale of 2401 Walsh Avenue and 2403 Walsh Avenue which was completed on 15 January 2024

2) This includes investment into the Frankfurt Facility and Digital Osaka KIX 11

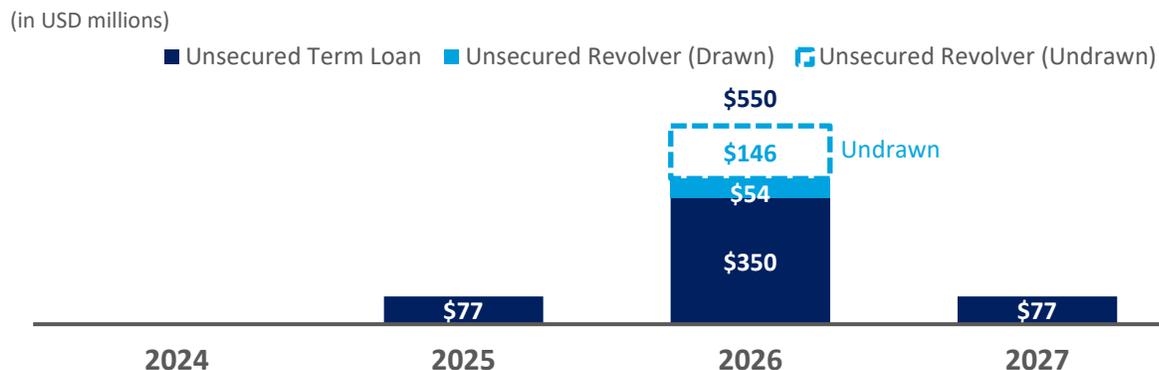
3) Excludes distributable income

# SIGNIFICANT DEBT CAPACITY AND FLEXIBILITY TO GROW

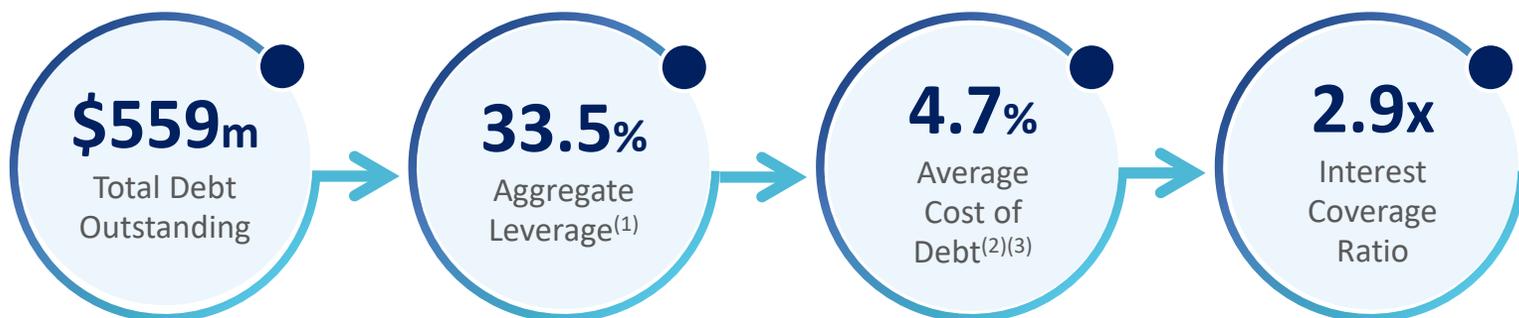
## Healthy Aggregate Leverage and Flexible Capital Structure Positioned to Fuel Growth

### DEBT MATURITY SCHEDULE

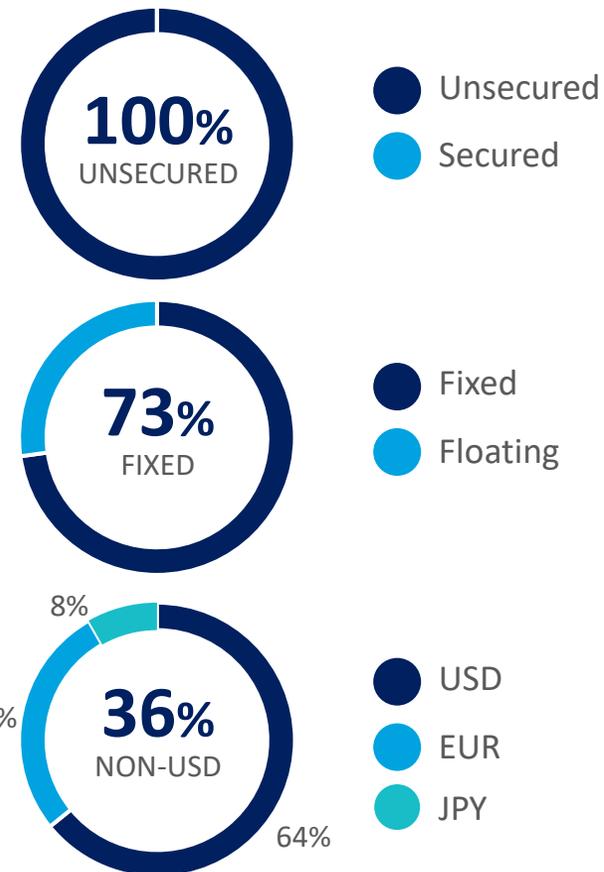
**2.8 YEARS**  
Weighted Avg.  
Debt Maturity



### KEY DEBT METRICS



### DEBT PROFILE



1) Refers to aggregate leverage pro forma for \$150mm debt repayment financed with disposition proceeds from the two Silicon Valley asset sales in January 2024. Aggregate leverage, as defined under the CIS Code at 31 December 2023, is 40.5%.

2) Does not include amortisation of debt financing fees.

3) Represents average cost of debt for 4Q23. Average cost of debt for FY 2023 is 4.5%.

## SECTION 4

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# DATA CENTRE MARKET INFORMATION

Provided By:



# NORTHERN VIRGINIA

## KEY DEVELOPMENTS

### Southern Sprawl Shifts Focus Towards Richmond in the midst of massive absorption

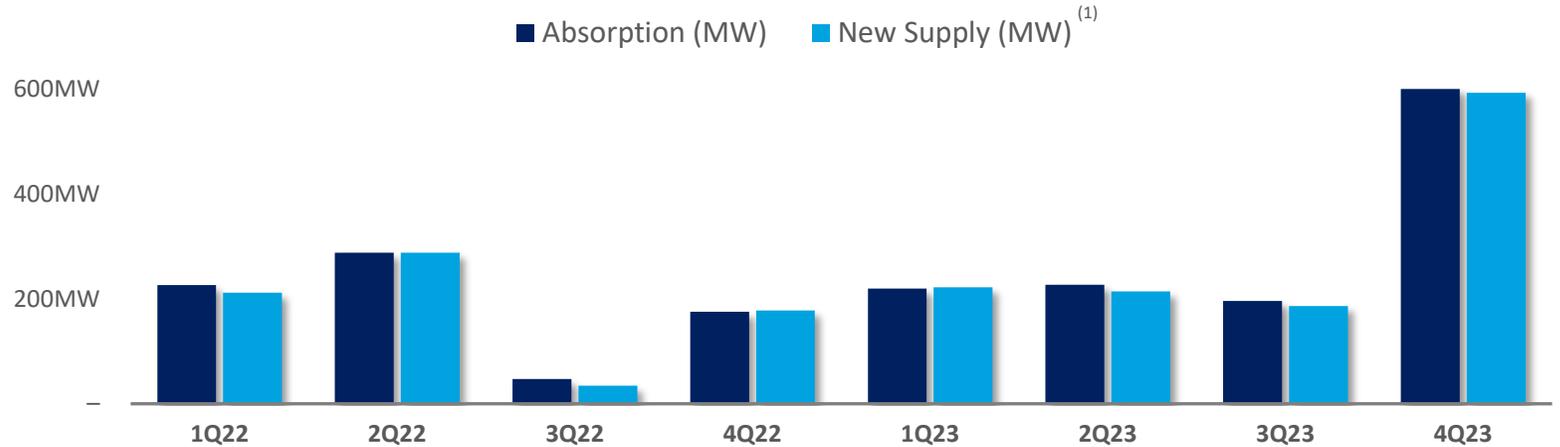
Northern Virginia continues to see steady market development despite persistent headwinds, such as the availability to procure utility power in the area, as Dominion continues to build out new infrastructure to meet the ever-growing data centre power demand. For the first time ever, absorption topped 600 MW in the NoVa market. Hyperscale users are taking down large swaths of space and power in the region, leading some providers to expand their search beyond Loudoun County and Prince William County, down the I95 corridor towards Richmond.

The bulk of capacity is pre-leased to hyperscale companies, with the majority of absorption in the fourth quarter coming from AWS, Meta, and Microsoft. With sub-1% vacancy, demand has outpaced supply, limiting optionality for tenants and creating a migration to power for new construction. This has also caused rental rates to tick upward. As the industry speculates on future demand driven by AI and ML requirements, there is also a rise in newly developed data centres that offer user-specific features such as high-performance compute capabilities and liquid cooling.

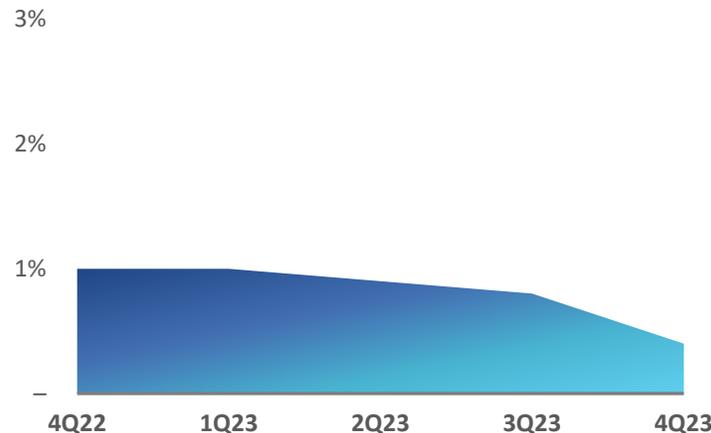
### 4Q 2023 Northern Virginia Development Activity:

- Stack Infrastructure acquires parcel adjacent to its Hornbaker Road campus in Manassas to accommodate a five-building requirement from a single tenant
- DataBank secures 85 Acres in Culpeper for their future 182MW Culpeper Campus
- Oppidan secures 15.8 Acres in Sterling for \$53.45M (\$3.378M/ac) and successfully rezones it.
- QTS and Compass received approval for the rezoning of their 2,100 acre Digital Gateway data centre campus in Prince William County

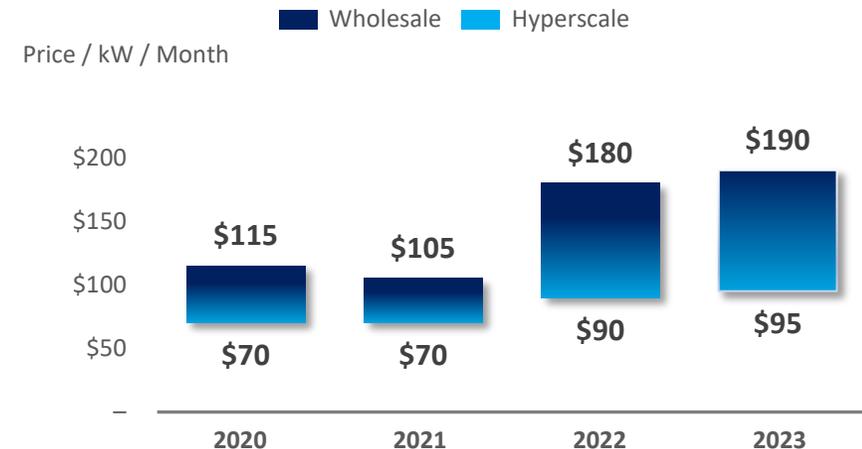
## ABSORPTION AND SUPPLY



## VACANCY (%)



## PRICING<sup>(2)</sup>



Source: datacenterHawk as of January 2024.

1) Calculated based on the change in commissioned power quarter over quarter.

2) Wholesale pricing represents deals with a deployment size from 250kW to 4MW and hyperscale pricing represents deals greater than 4MW.

# NORTHERN CALIFORNIA

## KEY DEVELOPMENTS

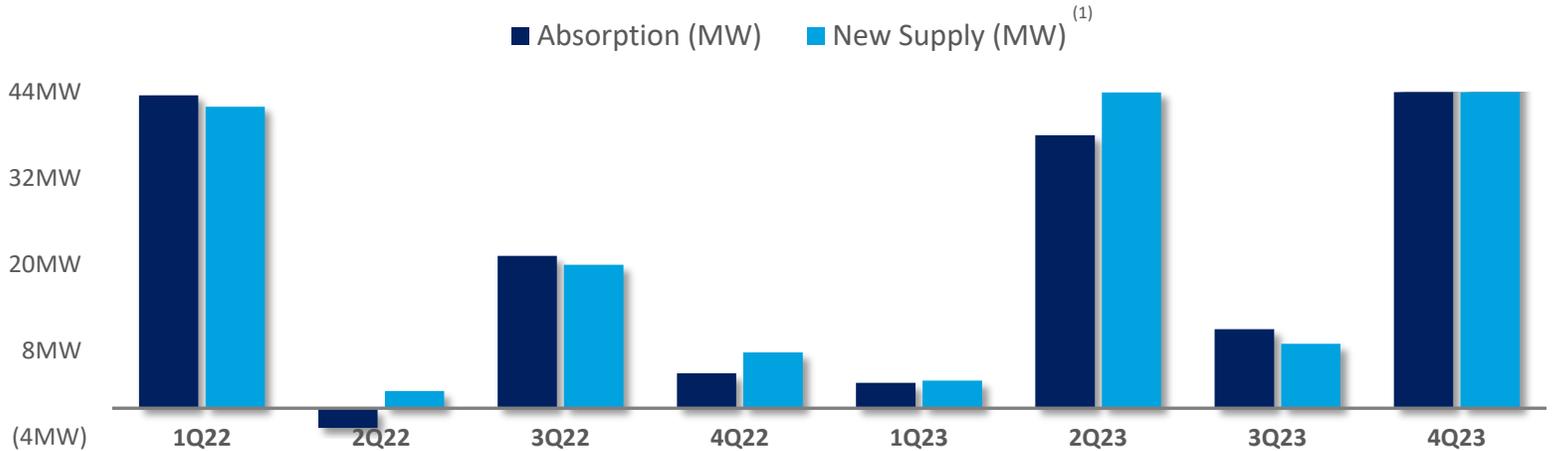
### Green options essential for new power coming to Silicon Valley

Silicon Valley Power Released its 2024 Integrated Resource Plan, intending to meet or exceed clean energy mandates set by the state of California. Additions of Geothermal, solar, and hydroelectric plants, along with a Battery Energy Storage System, will help them to reach their goal. Challenges remain such as increasing costs and duration of projects, along with the ever-growing need for more power. Data centre power requirements are expected to almost double by 2035.

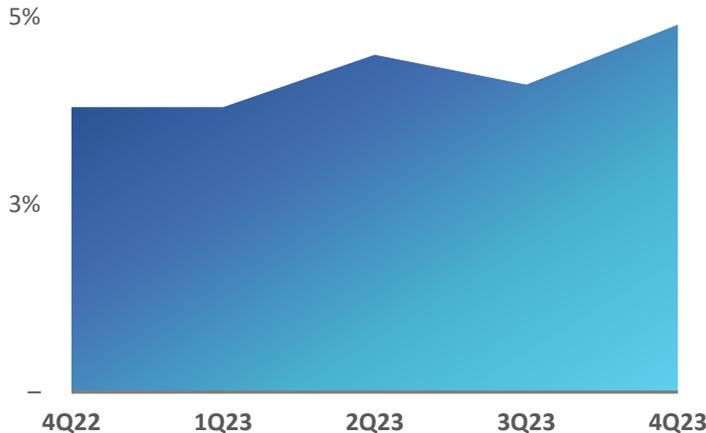
### 4Q 2023 Northern California Development Activity:

- Novva Data Centres receives zoning verification to build 3-story, 28 MW data centre on 7.5-acre campus at 400 Paul Avenue, San Francisco
- Equinix SV11 on Great Oaks Boulevard completes 6.6MW expansion, adding 1450 cabinets. The company also closed its SV13 facility at H5's 2030 Fortune Drive data centre
- Brookfield Infrastructure Partners agrees to purchase 7 properties from Cyxtera
- Prime receives permit to build a 3-story facility. Permits include address change to 2215 Martin Avenue

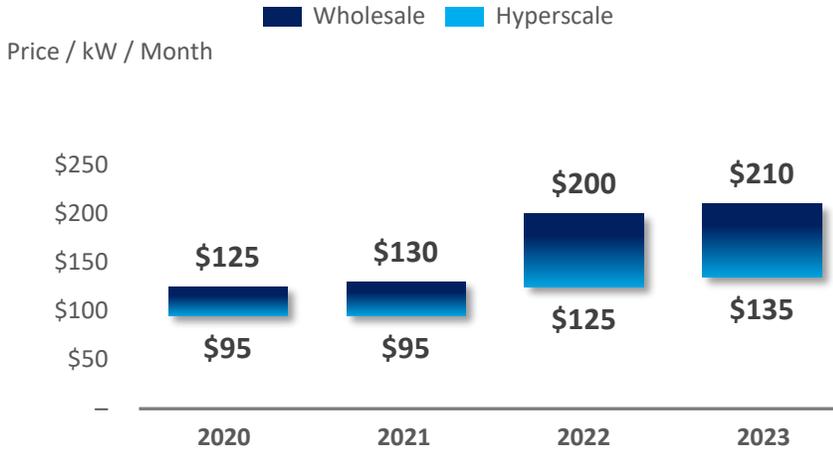
## ABSORPTION AND SUPPLY



## VACANCY (%)



## PRICING<sup>(2)</sup>



Source: datacenterHawk as of January 2024.

1) Calculated based on the change in commissioned power quarter over quarter.

2) Wholesale pricing represents deals with a deployment size from 250kW to 4MW and hyperscale pricing represents deals greater than 4MW.

# TORONTO

## KEY DEVELOPMENTS

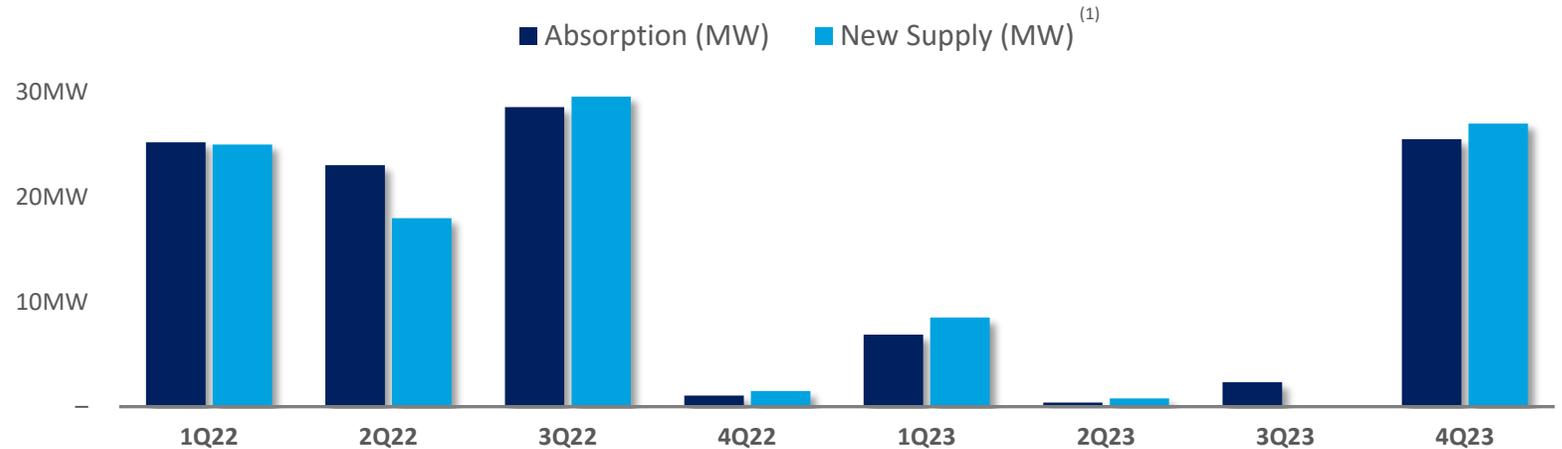
### Modest growth in 2023 due Toronto's limited inventory

In 2022, Toronto experienced 70 MW of absorption, with capacity of many projects near completion taken in pre-lease agreements. At the end of 2023, Toronto has only had 33.6 MW of absorption. The limited capacity in Toronto leaves availability for small deployments with larger deployments seeking availability outside the market. There have been small data centre retrofit projects to try to capture the needs of data centre users in the region, but providers have not found affordable land available to develop in Toronto, which means Toronto is expected to have another light year of colocation growth in 2024.

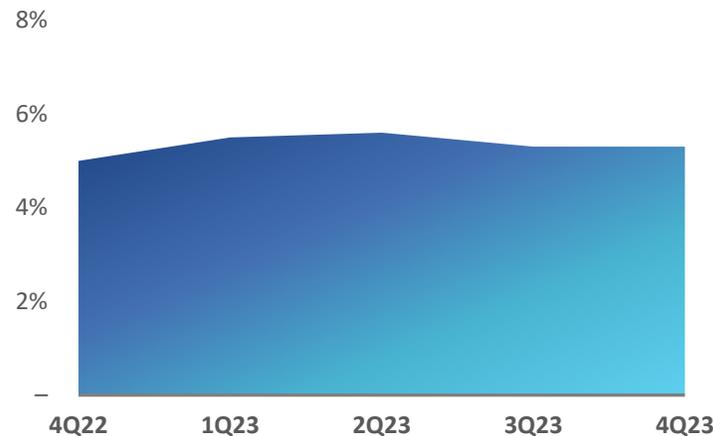
### 4Q 2023 Toronto Development Activity:

- Cologix and CIM group completed the expansion at TOR4

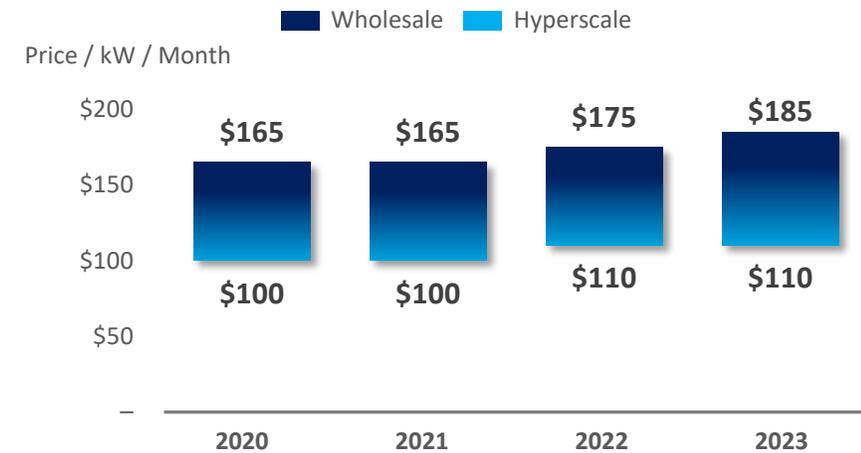
## ABSORPTION AND SUPPLY



## VACANCY (%)



## PRICING<sup>(2)</sup>



Source: datacenterHawk as of January 2024.

1) Calculated based on the change in commissioned power quarter over quarter.

2) Wholesale pricing represents deals with a deployment size from 250kW to 4MW and hyperscale pricing represents deals greater than 4MW.

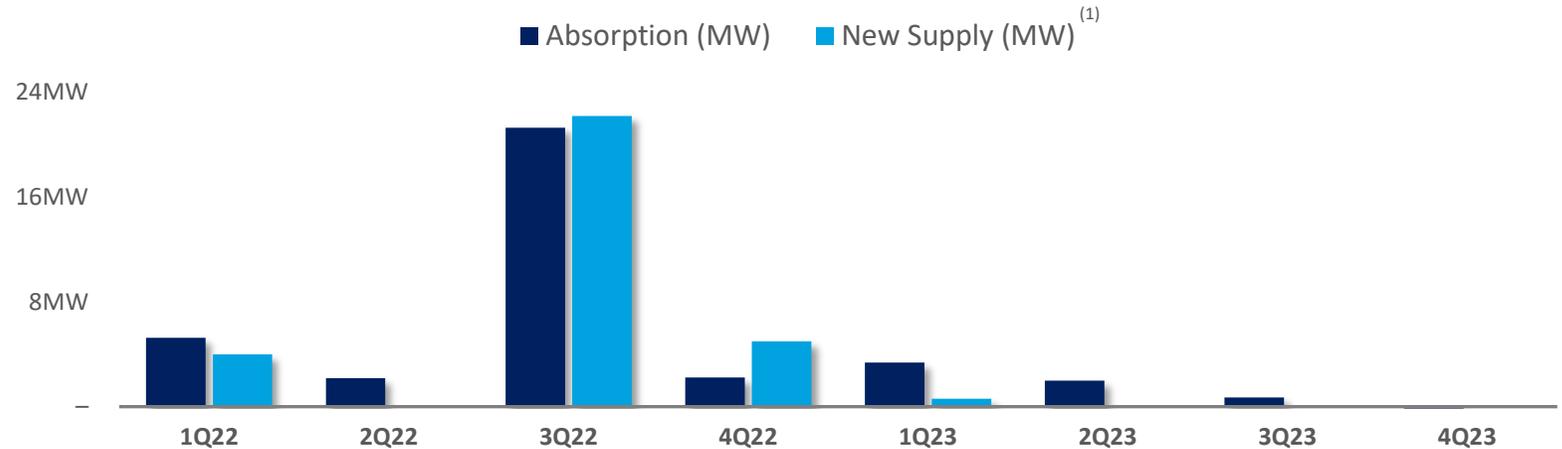
# LOS ANGELES

## KEY DEVELOPMENTS

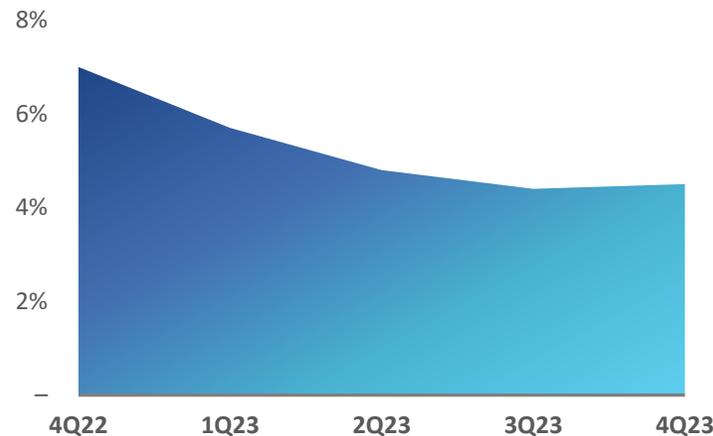
### Los Angeles set to benefit from US Department of Energy award

California is named one of the seven recipients of the Hydrogen Hub Grant Program. California will receive up to \$1.2 billion to build or expand on hydrogen projects including adding hydrogen turbines at the Los Angeles Department of Water and Power's Scattergood Generation Station. The California Hydrogen Hub program has a goal to reduce carbon emissions by 2 million metric tons per year, equal to the annual emissions of 445,000 gasoline-powered cars. 220,000 jobs, including 90,000 permanent jobs are expected to be created as a result from this investment.

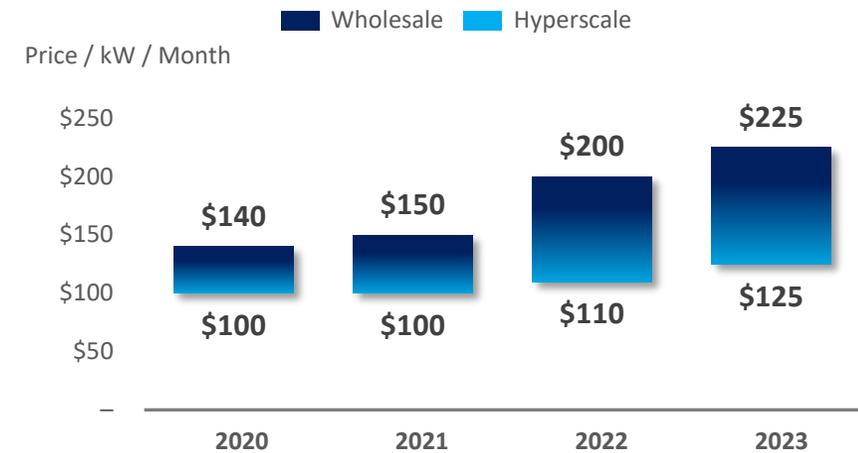
## ABSORPTION AND SUPPLY



## VACANCY (%)



## PRICING<sup>(2)</sup>



Source: datacenterHawk as of January 2024.

1) Calculated based on the change in commissioned power quarter over quarter.

2) Wholesale pricing represents deals with a deployment size from 250kW to 4MW and hyperscale pricing represents deals greater than 4MW.

# FRANKFURT

## KEY DEVELOPMENTS

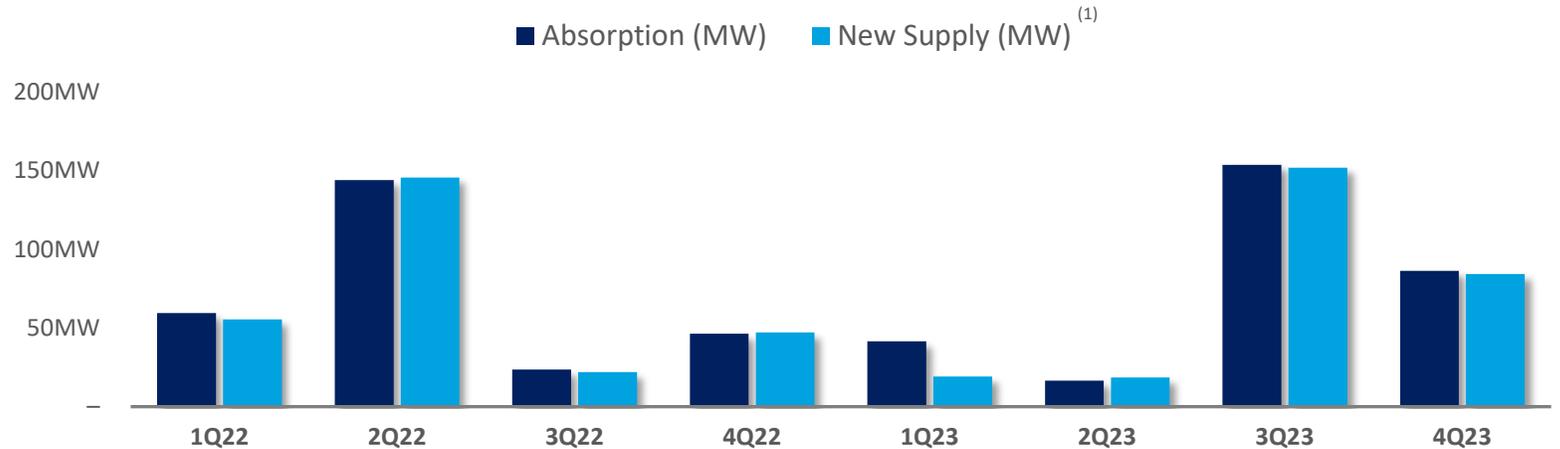
### Energy Efficiency Act implements new sustainability requirements in Frankfurt

The German Parliament has passed the data centre Energy Efficiency aCT (EnEfg), implementing requirements laid out in the EU Energy Efficiency Act. Amended from the original proposed bill, all data centres over 200kW will have to reuse 20% of all waste heat by 2028. All data centres operating on or after July 2026 must have a PUE of 1.2. The German Datacentre Association (GDA) has expressed concern regarding some of the targets stating that some would be challenging to meet, particularly given the lack of available district heating systems in appropriate locations.

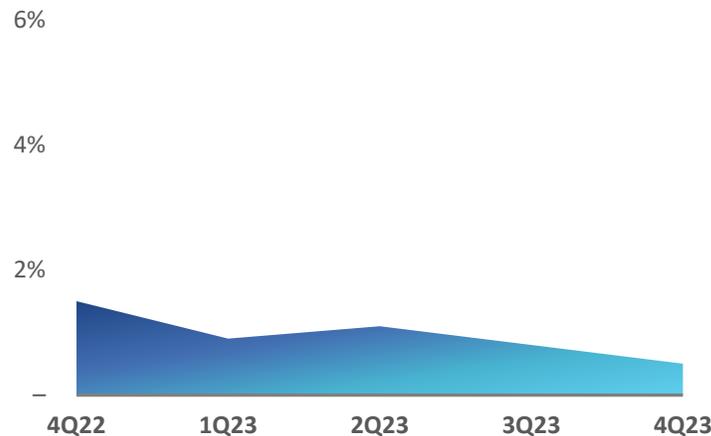
### 4Q 2023 Frankfurt Development Activity:

- InfraRed Capital launches Nexspace for new edge deployments
- Colt have broken ground on their third facility. When complete, the single tenant facility will provide 32.4MW of IT load
- Principal Asset Management has acquired a Digital Realty leased facility for €19M as part of its European Data Centre fund 1
- Private bank Hauck Aufhauser Lampe has launched a €300M data centre fund focused on hyperscale and colocation facilities with investments of €10M+ The fund has a target volume of at least €300M over a 12 year term

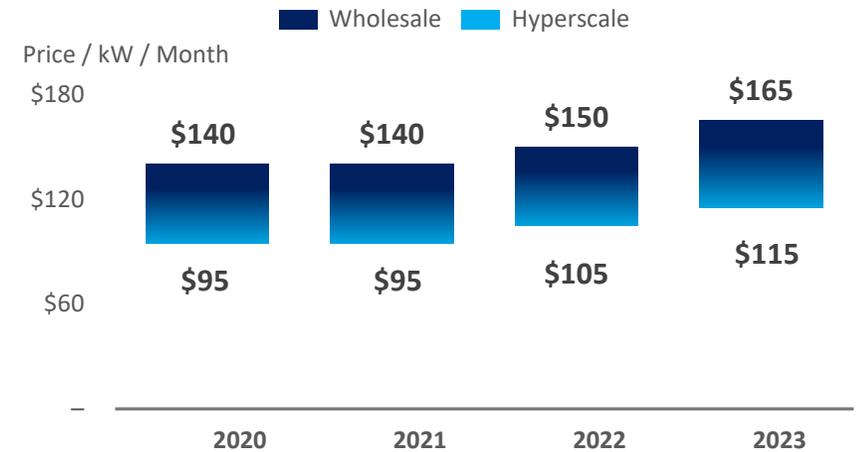
## ABSORPTION AND SUPPLY



## VACANCY (%)



## PRICING<sup>(2)</sup>



Source: datacenterHawk as of January 2024.

1) Calculated based on the change in commissioned power quarter over quarter.

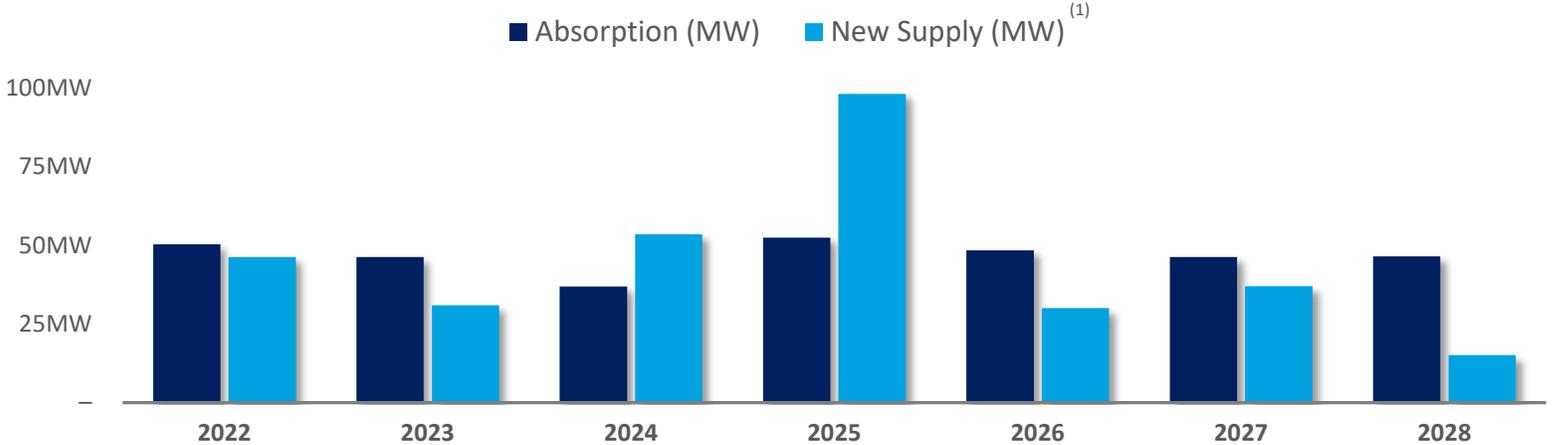
2) Wholesale pricing represents deals with a deployment size from 250kW to 4MW and hyperscale pricing represents deals greater than 4MW.

# OSAKA

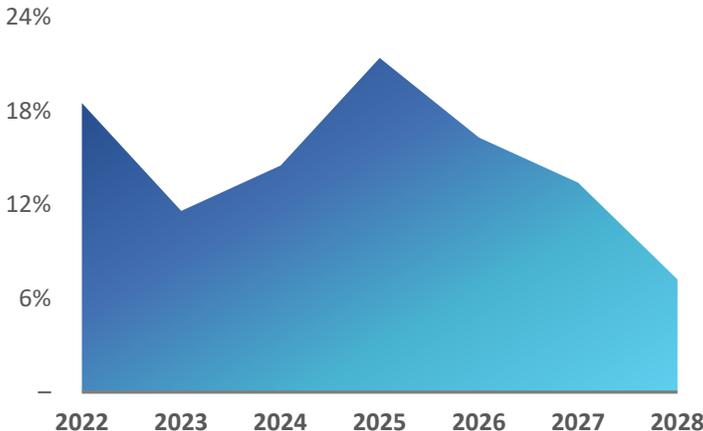
## KEY DEVELOPMENTS

- The Tokyo and Osaka data centre markets continue to grow and expand, with hyperscale driving the demand profile and enterprise still a source of steady demand
- The Tokyo market was worth USD \$2.3b in 2022 and is projected to grow 7% y/y to USD \$2.5b in 2023, while the Osaka market was valued at USD \$544m in 2022 and projected to grow 19% y/y to USD \$648m in 2023
- Hyperscale cloud makes up the majority of the current demand profile in Japan, and the hyperscale-oriented portion of the market, currently 37% in Tokyo, is expected to account for over 50% by 2026
- In Osaka, this portion of the market is about half and expected to be over 60% by 2027
- The demand profile in Japan is healthy, but hyperscale platforms are not using colocation exclusively
- Land for data centre development is not easy to acquire without extensive local market knowledge and there are labour shortage issues, along with multi-year backlogs in power substation infrastructure construction
- Timelines for data centre builds have been pushed out as a result
- These realities have pushed hyper-scalers to work directly with real estate developers and has shifted some demand to the self-build and build-to-suit category
- Japan is still at a very early stage of development when it comes to cloud and outsourced infrastructure adoption and there are no signs that a domestic Japanese cloud platform will be built
- The major US and China-based hyper-scalers continue to pursue this market aggressively and they will require capacity that exceeds what they can reasonably self-build

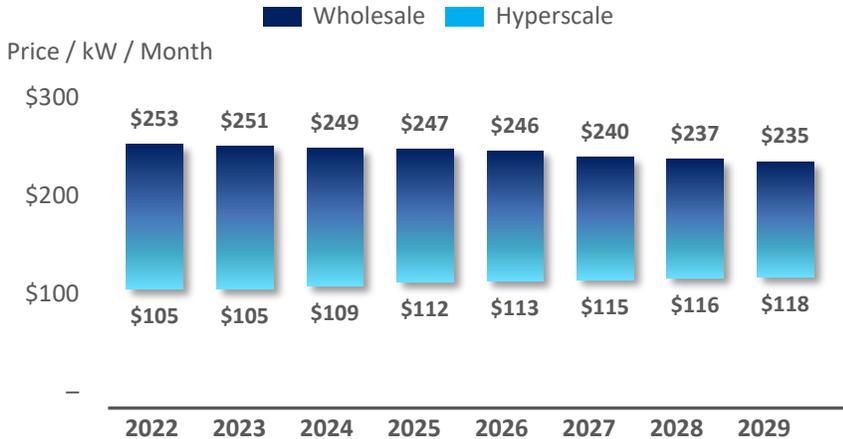
## ABSORPTION AND SUPPLY



## VACANCY (%)



## PRICING<sup>(2)</sup>



Source: Structure Research as of May 2023.

1) Includes hyperscale and enterprise.

2) Represents the average pricing for enterprise wholesale and the low pricing for hyperscale.

## SECTION 5

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# STRATEGICALLY POSITIONING **FOR THE FUTURE**

EXECUTING STRATEGIC PRIORTIES

DIGITAL  
CORE REIT

**1** EXPANDING  
In Core Global Markets

**2** ENHANCING  
Portfolio Quality

**3** ACHIEVING  
Scale and Diversification

**4** INVESTING ACCRETIVELY  
Seeding Growth



# COMPREHENSIVE CUSTOMER BANKRUPTCY RESOLUTION

	LEASES AMENDED		LEASE TERMINATED	LEASE ASSUMED	DIVESTMENTS	
						
<b>Location</b>	<b>3015 Winona Avenue</b>	<b>200 North Nash Street</b>	<b>Wilhelm-Fay Straße 24 (FRA30)</b>	<b>1500 Space Park Drive</b>	<b>2401 Walsh Avenue</b>	<b>2403 Walsh Avenue</b>
<b>Data Centre Type</b>	Shell & Core	Shell & Core	Fully-Fitted	Shell & Core	Shell & Core	Shell & Core
<b>Lease Structure</b>	Triple Net	Triple Net	Gross + E(lectricity)	Triple Net	Triple Net	Triple Net
<b>Annualised Rent<sup>(1)</sup> (at Share)</b>	\$2.1 million	\$2.7 million	\$0.5 million	\$4.2 million	\$4.2 million	\$2.6 million
<b>Appraised Value<sup>(2)</sup> (at Share)</b>	\$35.3 million	\$58.0 million	\$5.4 million	\$91.3 million	\$99.0 million	\$61.2 million
<b>RESOLUTION AND IMPACT</b>						
<b>Customer Resolution</b>	Lease expiration amended from <b>January 2035 to September 2024</b>	Lease expiration amended from <b>February 2033 to September 2024</b>	Lease terminated <sup>(4)</sup> and recapturing 1.5MW of data centre capacity <sup>(5)</sup>	No change to existing lease terms or rental rate	Asset sold at book value <b>(4.4% Cap Rate)<sup>(6)</sup></b>	Asset sold at book value <b>(4.4% Cap Rate)<sup>(6)</sup></b>
<b>Near-Term Impact</b>	<b>~50%</b> Loss of Annualised Rent <sup>(3)</sup>	<b>~50%</b> Loss of Annualised Rent <sup>(3)</sup>	<b>~50%</b> Loss of Annualised Rent <sup>(3)</sup>	<b>Unchanged terms Credit positive</b>	<b>\$99.0 million</b> Gross Proceeds <sup>(7)</sup>	<b>\$61.2 million</b> Gross Proceeds <sup>(7)</sup>

1) Based on annualised rent as at 31 December 2023.

2) The appraised values and portfolio values (at share) are based on the last appraised value as at 31 December 2023 and do not include any capitalised transaction costs, straight-line rent or property additions.

3) Per management estimates. Does not reflect continued rental payments on the amended lease agreements through 30 September 2024.

4) Lease expiration to be brought forward to the later: (a) January 2024 and the date of the transaction closing; or (b) such other date as may be mutually agreed upon by the Sponsor and Brookfield in writing.

5) Lease termination includes a \$2.5 million payment by Digital Core REIT.

6) Based on 2024 contractual cash NOI.

7) Gross proceeds to Digital Core REIT for its 90% stake in the disposed properties.

# RECYCLING CAPITAL ACCRETIVELY, ENTERING APAC

Recently Developed, Purpose-Built, High-Quality Data Centres Located in Core Markets in Frankfurt and Osaka

## Frankfurt Facility: DIGITAL FRANKFURT



**Frankfurt**  
SOSENHEIM

**100%**  
FREEHOLD

**US\$519mm**  
AGREED VALUE<sup>(1)</sup>

**449,546**  
SQUARE FEET<sup>(2)</sup>

**34,000**  
IT LOAD (kW)

**92%**  
OCCUPANCY<sup>(2)</sup>

**4.0 years**  
PROPERTY AGE

## Osaka Data Centre: DIGITAL OSAKA 2 (KIX11)



**Minoh-City**  
OSAKA

**100%**  
FREEHOLD

**US\$548mm**  
AGREED VALUE<sup>(1)(4)</sup>

**114,940**  
SQUARE FEET<sup>(2)</sup>

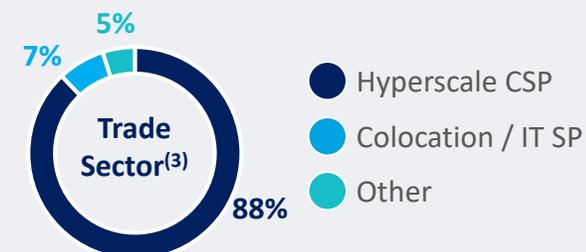
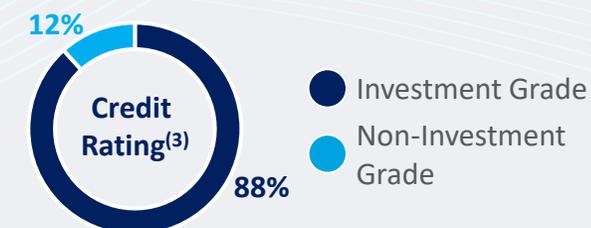
**25,500**  
IT LOAD (kW)

**95%**  
OCCUPANCY<sup>(2)</sup>

**4.5 years**  
PROPERTY AGE

## COMBINED CUSTOMER PROFILE

**37**  
TOTAL CUSTOMERS



Note: Data as at 31 December 2023. Property statistics presented at 100% share.

1) Agreed values shown at 100% share. For the Frankfurt Facility, valued based on a EUR:USD exchange rate of 1.104 as at 31 December 2023. For the Osaka Data Centre, valued based on a USD:JPY exchange rate of 150 as at 31 December 2023.

2) Based on net rentable square feet.

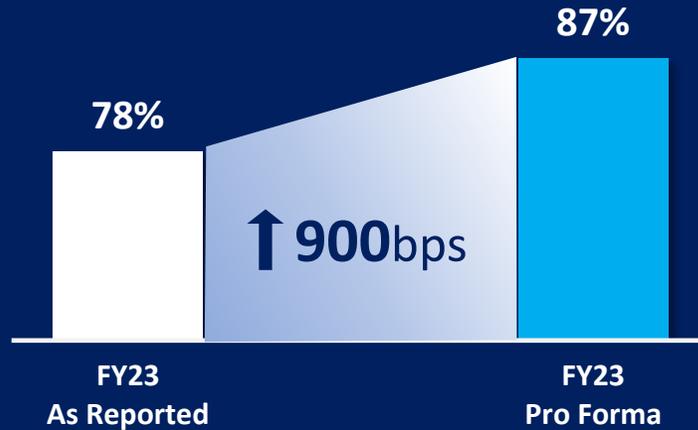
3) Based on annualised rent as at 31 December 2023.

4) The stated agreed value was negotiated on a willing-buyer and willing-seller basis and takes into account the historical cash flows, in-place rental rates and the underlying tenancy as well as current market conditions.

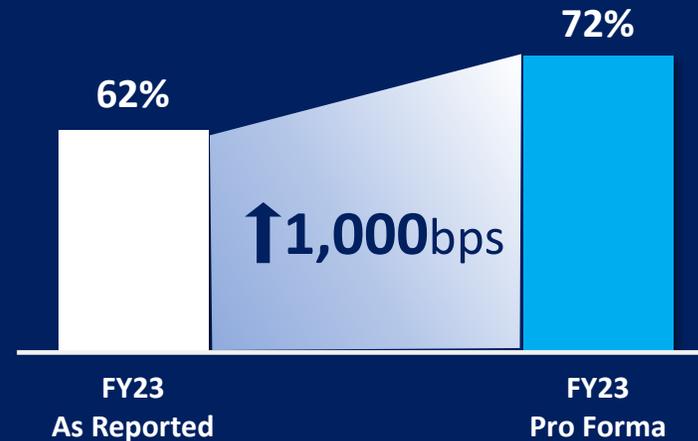
# ACHIEVING SCALE AND DIVERSIFICATION

## IMPROVING CUSTOMER PROFILE

### Investment Grade<sup>(1)</sup>

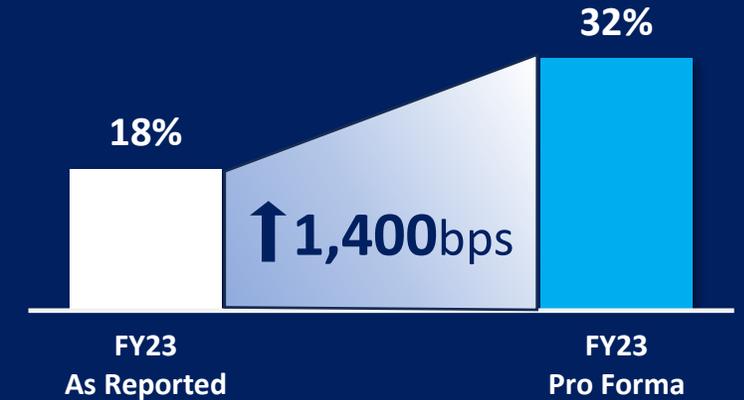


### Hyperscale Cloud Providers<sup>(1)</sup>



## ACHIEVING DIVERSIFICATION

### International Expansion<sup>(1)</sup>



### Number of Customers



Note: Data as at 31 December 2023. Portfolio statistics and figures shown at share.

1) Refers to exposure outside core North America markets. Based on annualised rent as at 31 December 2023. Pro forma includes adjustment for the lease amendments for two Los Angeles properties, lease termination for the Frankfurt Facility, the divestment of two Silicon Valley properties, proposed acquisition of incremental 24.9% stake in Frankfurt Facility and another 10.0% stake in Osaka Data Centre.

# ENHANCING PORTFOLIO QUALITY

CURRENT

ILLUSTRATIVE

PORTFOLIO VALUE (US\$)<sup>(1)</sup>

US\$1.4 Bn

US\$1.6 Bn

## GEOGRAPHY



Metros <sup>(2)</sup>	
Northern Virginia	32%
Silicon Valley	29%
Toronto	15%
Frankfurt	13%
Los Angeles	6%
Osaka	5%

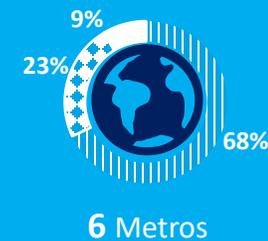
## CUSTOMERS



>40  
Customers

78%  
Investment Grade

Top 5 Customers <sup>(2)</sup>	
Fortune 50 Software Company	36%
Global Colocation/IX Provider	21%
Social Media Platform	15%
Global Tech. Solutions Provider	12%
Fortune 25 Tech Company	7%



Metros <sup>(2)</sup>	
Northern Virginia	30%
Frankfurt	23%
Silicon Valley	19%
Toronto	14%
Osaka	9%
Los Angeles	6%

>40  
Customers

87%  
Investment Grade

Top 5 Customers <sup>(2)</sup>	
Fortune 50 Software Company	39%
Social Media Platform	14%
Fortune 25 Tech Company	13%
Global Tech. Solutions Provider	11%
Global Colocation/IX Provider	5%

## STABILISED CASH FLOWS



2.8 YRS  
WALE<sup>(2)</sup>

97%  
Occupancy<sup>(3)</sup>



2.3 YRS  
WALE<sup>(2)</sup>

95%  
Occupancy<sup>(3)</sup>



Source: Data as of 31 December 2023.

Note: Portfolio statistics are calculated based on ownership interest. Any discrepancies between the listed amounts and totals thereof are due to rounding.

1) Based on portfolio value at share as at 31 December 2023. Pro forma value inclusive of the changes after adjusting for the lease amendments for two Los Angeles properties, lease termination for the Frankfurt Facility, the divestment of two Silicon Valley properties, proposed acquisition of incremental 24.9% stake in Frankfurt Facility and another 10.0% stake in Osaka Data Centre.

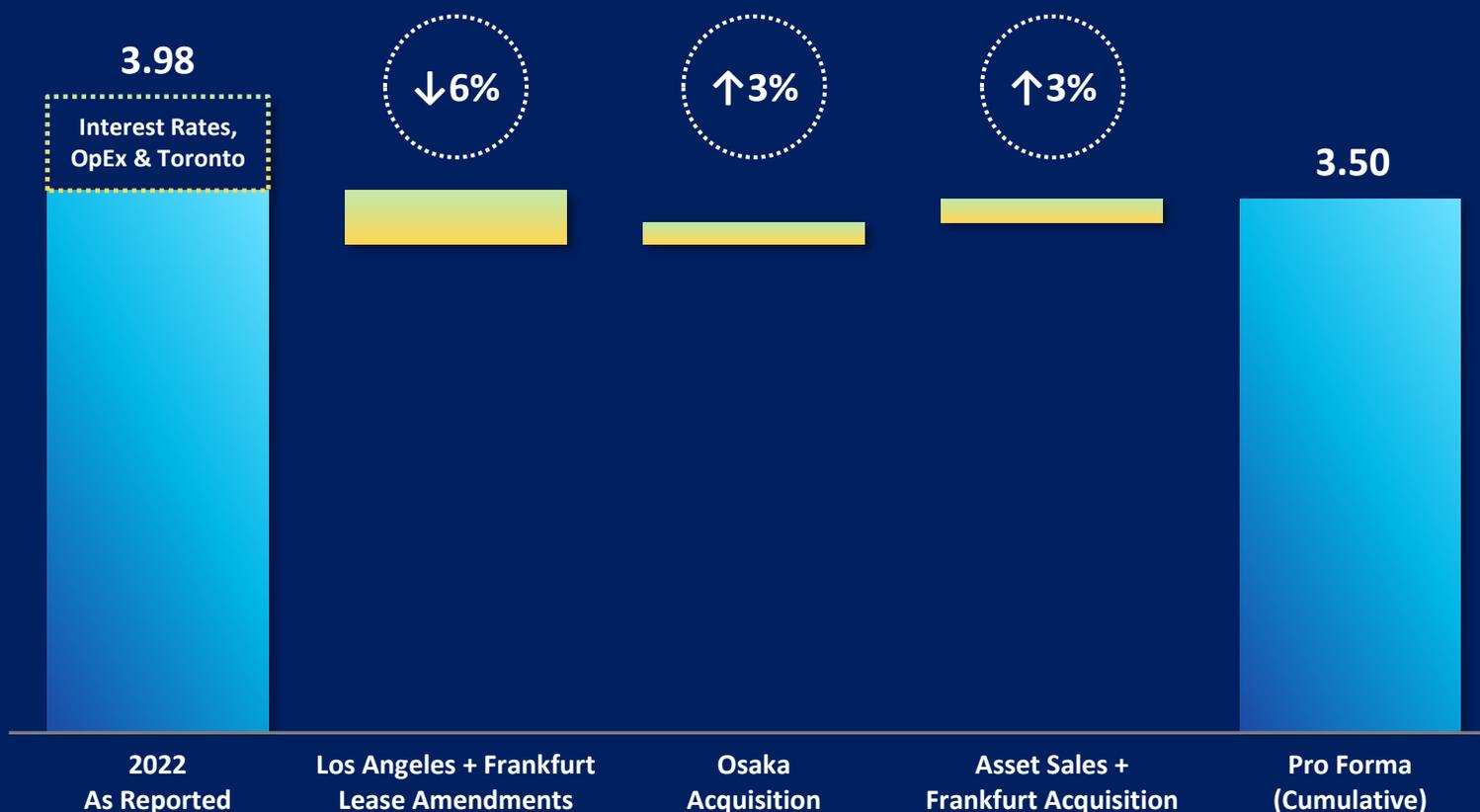
2) Based on annualised rent as of 31 December 2023. Any variance discrepancies for top 5 customers are due to rounding.

3) Based on net rentable square feet.

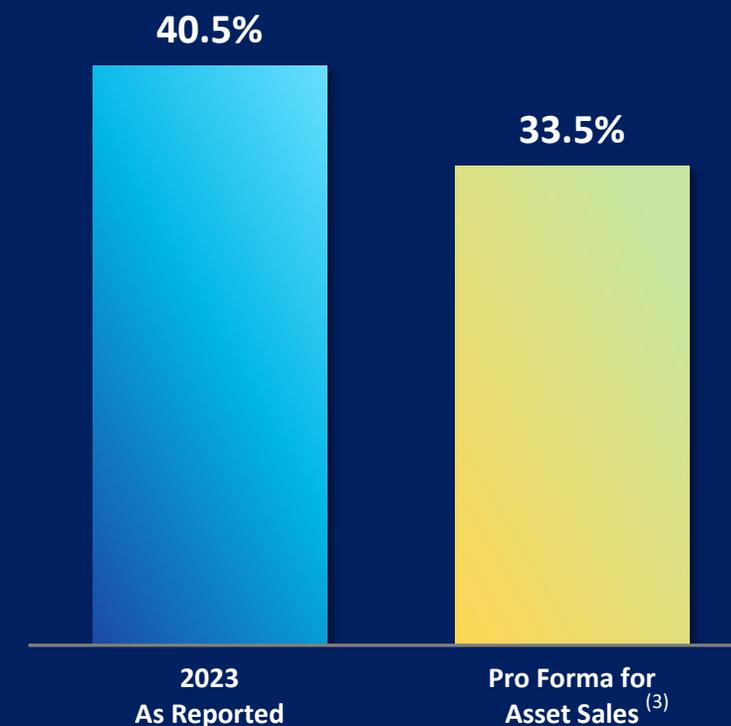
# PRO FORMA FINANCIAL IMPACT

Stabilising DPU while Preserving Balance Sheet Flexibility

## DISTRIBUTION PER UNIT<sup>(1)</sup>



## AGGREGATE LEVERAGE<sup>(2)</sup>



Source: Company data as at 31 December 2023.

- 1) Please refer to the Divestment Announcement and Acquisition Announcement dated 1 November 2023 for further details on the pro forma financial effects of the proposed transactions, including key assumptions.
- 2) Aggregate leverage was computed based on gross borrowings / deposited properties. Under Para 9.7 of the Property Funds Appendix, if a property fund invests in real estate through the shareholdings in unlisted SPVs, the aggregate leverage of all SPVs held by the property fund should be aggregated on a proportionate basis based on the property fund's share of each SPV. Based on as reported Gross Borrowings of US\$572mm as at 31 December 2023 with Pro Forma 2023 Gross Borrowings estimated at US\$422mm.
- 3) Pro forma for \$150mm debt repayment financed with disposition proceeds from the two Silicon Valley asset sales in January 2024.

# ACQUISITION OF STABILISED, FREEHOLD DATA CENTRE

GROWING DATA  
CENTRE MARKET  
IN  
**APAC**

**OSAKA**

Core Hyperscale Metro in APAC



## KEY ACQUISITION CHARACTERISTICS



**Freehold Asset**



**Stabilised Data Centre**



**High-Quality, State-of-the Art Facility**



**Diverse Customer Base**



**DPU Accretive<sup>(1)</sup>**

1) Please refer to the Acquisition Announcement dated 1 November 2023 for further details on the pro forma financial effects of the proposed acquisition, including key assumptions.

# EXPANDING IN CORE GLOBAL MARKETS

## LEADING MARKET IN EUROPE



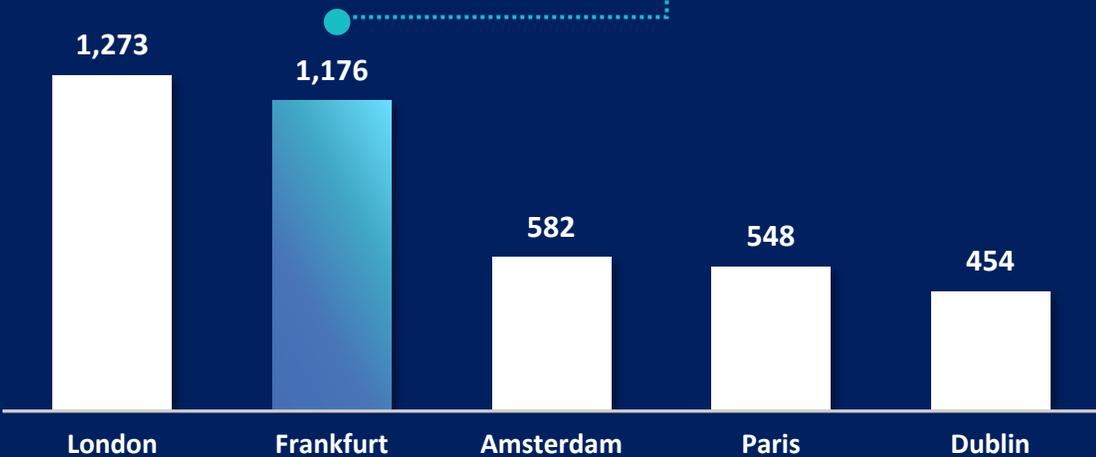
### FRANKFURT

- One of the fastest growing data centre markets in Europe
- Largest financial hub in continental Europe and home to the European Central Bank
- One of the most connected cities in Europe, home to DE-CIX, the world's largest internet exchange



### Top 5 EMEA Data Centre Markets

Multi-Tenant Commissioned Power in MW<sup>(1)</sup>



## GROWING APAC DATA CENTRE MARKET



### OSAKA

- One of the fastest growing data centre markets in the Asia Pacific region
- Serves as critical availability zone for public cloud providers serving Japan



### Fastest Growing APAC Data Centre Markets

Total Data Centre Revenue (2017 to 2022 CAGR)



Source: datacenterHawk as of January 2024 and Structure Research as of June 2023.  
 1) As of 4Q 2023.

# CONNECTED DATA CENTRE CAMPUS IN CORE MARKET

AOIWASAKA  
粟生岩阪

## KIX11

- Second data centre built on Osaka campus
- Completed in 2019
- Digital Core REIT owns 10% interest

## KIX13

- Fourth data centre built on Osaka campus
- Completed in 2023
- Certified NVIDIA DGX H100-ready
- Offers high-speed access to support accelerated AI workload deployments

## KIX12

- Third data centre built on Osaka campus
- Completed in 2021

## KIX10

- First data centre built on Osaka campus
- Completed in 2017

マテイツク北大阪

やまぶき低  
Water treatm

# DIGITAL CORE REIT

1

## EXPANDING EXPOSURE IN CORE GLOBAL MARKETS

High-quality portfolio across leading data centre markets in Europe and Asia-Pacific

2

## ENHANCING PORTFOLIO QUALITY

Purpose built data centres are expected to significantly improve overall portfolio quality

3

## ACHIEVING SCALE AND DIVERSIFICATION

Material improvement in geographic and customer diversification, reducing concentration risk and enhancing exposure to key growth sectors and investment grade customers

4

## INVESTING ACCRETIVELY, SEEDING GROWTH

Organic growth opportunities through existing vacancies in both Frankfurt and Osaka



**US\$1.6 Bn**

PORTFOLIO VALUE

**32%**

EXPOSURE TO  
INTERNATIONAL  
MARKETS

**4.3 YEARS**

AVERAGE AGE OF  
DATA CENTRES

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APPENDIX  
**ADDITIONAL INFORMATION**

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## IMPORTANT NOTICE

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# DIGITAL CORE REIT

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Core

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