

Digital Core REIT Reports Results for the First Half of 2024

- Declared a distribution per unit of 1.80 U.S. cents for 1H24 of which 0.48 U.S. cents was paid in April 2024 as an Advanced Distribution
- Maintained 97% portfolio occupancy
- Completed acquisition of incremental 10% interest in Osaka data centre
- Completed acquisition of incremental 24.9% interest in Frankfurt facility
- Repurchased 14.6 million units at an average price of \$0.570, generating 1.0% DPU accretion
- Preserved balance sheet flexibility with aggregate leverage at 34.4%

Summary of Results

(US\$ in thousands)

	Actual 1H 2024	Actual 1H 2023	Variance
	US\$'000	US\$'000	%
Gross Revenue ⁽¹⁾	48,262	53,387	(9.6)
Property Expenses ⁽¹⁾	(17,833)	(18,235)	(2.2)
Net Property Income ("NPI") ⁽¹⁾	30,429	35,152	(13.4)
Cash NPI ⁽¹⁾	30,101	33,678	(10.6)
Same-Store Cash NPI ⁽²⁾	30,303	29,920	1.3
Distributable Income to Unitholders ⁽³⁾	22,586	21,480	5.1
Distribution per Unit (DPU) (U.S. cents) ⁽⁴⁾	1.80	1.92	(6.3)
Annualised distribution yield (%) ⁽⁵⁾	6.35	8.15	(180 bps)

- (1) Gross revenue, property expenses and net property income are down year-over-year primarily due to the sale of two Silicon Valley properties in January 2024.
- (2) Same-store cash net property income, which excludes the effects of straight-line rent and the contribution from sold properties for both periods, was up 1.3% year-over-year.
- (3) The distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.
- (4) Actual 1H 2024 DPU of 1.80 U.S. cents comprises:
- i. 0.48 U.S. cents Advance Distribution paid for the period from 1 January 2024 to 19 February 2024 and
 - ii. 1.32 U.S. cents distribution declared for the period from 20 February 2024 to 30 June 2024
- (5) The annualised DPU yield for 1H 2024 is calculated based on 182 days (1H 2023: 181 days) and prorated to 366 days (1H 2023: 365 days). Distribution yields for 1H 2024 and 1H 2023 are based on market closing prices of US\$0.570 and US\$0.475 per Unit as at the last trading day of the respective periods.

Singapore – 24 July 2024 – Digital Core REIT (SGX: DCRU), a leading pure-play data centre REIT listed in Singapore and sponsored by Digital Realty, declared a distribution per unit of 1.80 U.S. cents for the six months ended 30 June 2024 of which an Advanced Distribution per unit of 0.48 U.S. cents for the period from 1 January 2024 to 19 February 2024 was paid on 4 April 2024. The distribution for the period from 20 February 2024 to 30 June 2024 will be paid on Friday, 20 September 2024 to Unitholders of record as at Thursday, 1 August 2024.

“Digital Core REIT continued to build momentum in the first half of 2024, executing upon accretive investment opportunities while preserving the flexibility of our balance sheet,” said John J. Stewart, CEO of Digital Core REIT Management Pte. Ltd. “Long-term digital demand trends are highly supportive of our business, and we are well placed to capitalise on favourable data centre fundamentals as well as our unique opportunity set to continue to create durable value for unitholders.”

Operating Performance

As at 30 June 2024, Digital Core REIT owned a diversified portfolio comprised of interests in 10 mission-critical facilities concentrated in core data centre markets across the United States, Canada, Germany and Japan. The portfolio remained 97% leased as at 30 June 2024 with a weighted average lease expiration of approximately 2.8 years.

Investment Activity

In March 2024, Digital Core REIT completed the acquisition of an incremental 10% interest in an Osaka data centre from Mitsubishi Corporation for ¥7.725 billion, or approximately US\$51.5 million at a 1% discount to appraised value. In April 2024, Digital Core REIT completed the acquisition of an incremental 24.9% interest in its Frankfurt Facility from Digital Realty for €117.0 million, or approximately US\$128.7 million, at a 6% discount to appraised value. Both transactions enhanced Digital Core REIT’s portfolio quality and improved geographic diversification as well as customer credit quality.

Unit Buy-Back

In the first half of 2024, Digital Core REIT repurchased a total of 14.6 million units at an average price of \$0.57, generating DPU accretion of approximately 1.0%. The units were held as treasury units and were subsequently cancelled.

Balance Sheet

As at 30 June 2024, Digital Core REIT had US\$472 million of total debt outstanding consisting of approximately US\$454 million of unsecured term loans due 2025-2027 and approximately US\$18 million outstanding on its unsecured revolving credit facility. Aggregate leverage was 34.4% as at 30 June 2024. The weighted average cost of debt was approximately 4.1%¹ and the weighted average debt maturity was approximately 2.4 years. Approximately 93% of total interest rate exposure was hedged as at 30 June 2024.

¹ Excluding amortisation of upfront debt fees. Represents the average cost of debt during 2Q24. The average cost of debt at the end of the second quarter was 4.0% and the year-to-date cost of debt was 4.5%.

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 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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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.