

**Digital Core REIT Proposes Inaugural Acquisition of  
Core Data Centres in Frankfurt and Dallas to Scale and Diversify Portfolio**

*Portfolio features purpose-built, state-of-the-art, freehold facilities  
powered by renewable energy and concentrated in top-tier global markets*

*Proposed transaction expected to be DPU accretive*

**Singapore, 22 September 2022** – Digital Core REIT (SGX: DCRU), a leading pure-play data centre REIT listed in Singapore and sponsored by Digital Realty, is pleased to announce it has entered into an agreement with Digital Realty to acquire a 25% interest in an institutional quality freehold data centre in Frankfurt, Germany, valued at €558 million, or approximately US\$558 million (at 100% share), with the option to acquire up to an 89.9% interest in the Frankfurt facility and a 90% interest in an institutional quality freehold data centre in Dallas, Texas, valued at US\$199 million (at 100% share), subject to suitable market conditions.

The effective interests to be acquired and the DPU accretion to be generated will depend upon whether Digital Core REIT raises capital through an equity fundraising to partially finance the transaction. In the event the equity fundraising does not occur, Digital Core REIT will pursue a 100% debt-funded transaction, pursuant to which Digital Core REIT will acquire a 25% interest in the Frankfurt facility and will not acquire any interest in the Dallas data centre.

**Transaction Delivers Key Strategic and Financial Benefits**

- **Entering Core Global Markets:** The proposed transaction would enable Digital Core REIT to establish a presence in top-tier global data centre markets characterised by robust, diverse and durable customer demand. Frankfurt is the second-largest data centre market in Europe (as measured by commissioned power) and is a preferred destination for leading global service providers as well as local and international enterprises due to its central location, excellent connectivity and leading role as a major financial hub. Dallas is the fifth-largest data centre market in North America (as measured by commissioned power), driven by a favourable business environment, comparatively low cost of power, robust telecommunications infrastructure and tax abatement incentives for large data centre users.
- **Enhancing Portfolio Quality:** The Frankfurt facility and the Dallas data centre were both purpose-built as data centres by Digital Realty from the ground up within the past five years. In addition, both properties are primarily powered by renewable energy, via un-bundled Guarantees of Origin in Europe, and wind energy power purchase agreements in the U.S. Both facilities are fully integrated into the Sponsor's global platform, providing connectivity as well as consistency of deployment and operations. The Frankfurt facility is tethered via dark fibre to the Sponsor's cross-town Hanauer Landstraße campus, one of the world's leading connectivity hubs, with direct access to more than 700 carriers and internet service providers. Similarly, the Dallas data centre is situated on the Sponsor's Digital Dallas campus in the Richardson telecom corridor and is tethered via dark fibre to the Sponsor's interconnection hub at 2323 Bryan Street in downtown Dallas.

- **Achieving Scale and Diversification:** The proposed transaction is expected to meaningfully improve portfolio diversification, reduce geographic and customer concentration and establish important new commercial relationships. The proposed transaction would expand the number of markets where Digital Core REIT has a presence from four to six and would reduce its largest market concentration to 33% of annualised rent from 39% as at 30 June 2022. Similarly, the transaction would significantly improve customer diversification, reducing the total annualised rent contribution from the top five customers to 86% from 97% as at 30 June 2022.
- **Investing Accretively, Seeding Growth:** The debt-funded transaction is expected to be approximately 2.0% accretive to DPU while the equity fund raising scenario is expected to be approximately 3.1% accretive to DPU<sup>1</sup>. In addition, the transaction is expected to provide future upside potential due to the embedded growth opportunity from lease-up of 870 basis points of vacancy in the Frankfurt facility and in-place contractual rent escalators as well as the opportunity for positive rental reversions upon lease expirations, given the robust data centre demand environment, limited new supply and low market vacancy rates.

“We are pleased to contribute to the next phase of Digital Core REIT’s growth, reinforcing Digital Core REIT’s position as an ideal perpetual capital partner for Digital Realty, while continuing to provide our customers ubiquitous connectivity and a seamless customer experience across our global platform,” said Digital Realty Chief Executive Officer A. William Stein.

“The acquisition of these state-of-the-art facilities will enable Digital Core REIT to deliver upon our external growth strategy and establish a presence in two leading core global data centre markets,” said John J. Stewart, CEO of Digital Core REIT Management Pte. Ltd., the manager of Digital Core REIT. “This transaction also strengthens Digital Core REIT’s portfolio through improved customer and geographic diversification, while delivering near-term DPU accretion and long-term value for unitholders.”

	Debt-Funded Scenario	Equity Fund Raising Scenario
<b>Proposed Acquisition</b>	<ul style="list-style-type: none"> <li>• 25.0% interest in the Frankfurt facility</li> </ul>	<ul style="list-style-type: none"> <li>• 89.9% interest in the Frankfurt facility; and</li> <li>• 90.0% interest in the Dallas data centre</li> </ul>
<b>Agreed Value (at 100% Share)</b> (1)(2)(3)	<ul style="list-style-type: none"> <li>• €558 million (approximately US\$558 million) for the Frankfurt facility</li> </ul>	<ul style="list-style-type: none"> <li>• €558 million (approximately US\$558 million) for the Frankfurt facility; and</li> <li>• US\$199 million for the Dallas data centre</li> </ul>
<b>Purchase Consideration</b> (4)	<ul style="list-style-type: none"> <li>• Purchase Consideration: US\$140 million</li> <li>• Total Acquisition Cost: US\$146 million</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase Consideration: US\$681 million</li> <li>• Total Acquisition Cost: US\$700 million</li> </ul>
<b>Net Rentable Square Feet (at 100% Share)</b>	<ul style="list-style-type: none"> <li>• 450,662</li> </ul>	<ul style="list-style-type: none"> <li>• 568,538</li> </ul>
<b>1H 2022 Pro Forma DPU Accretion</b>	<ul style="list-style-type: none"> <li>• 2.0%</li> </ul>	<ul style="list-style-type: none"> <li>• 3.1%</li> </ul>
<b>Pro Forma Aggregate Leverage (as at 30 June 2022)</b>	<ul style="list-style-type: none"> <li>• 33.0%</li> </ul>	<ul style="list-style-type: none"> <li>• 37.5%</li> </ul>

<sup>1</sup> Please refer to the Acquisition Announcement dated 22 September 2022 for further details on the Pro Forma Financial Effects of the Proposed Acquisition, including key assumptions.

Note: Figures may not add up due to rounding.

1. The Agreed Value of the Frankfurt facility is based on the higher of the valuations performed by Cushman & Wakefield of Washington, D.C., Inc. and CBRE Limited at 100% share as at 15 July 2022 and 1 July 2022, respectively (i.e., €558 million, or US\$558 million, and €527 million, or US\$527 million, respectively). The Agreed Value of the Dallas data centre is based on the higher of the valuations performed by Cushman & Wakefield of North Carolina, Inc. and CBRE Limited at 100% share as at 15 July 2022 and 8 July 2022, respectively (i.e., US\$197 million and US\$199 million, respectively).
2. The Agreed Value of the Frankfurt facility and the Dallas data centre was negotiated on a willing-buyer and willing-seller basis and takes into account the higher of the two independent valuations for each of the new core data centres.
3. For the Frankfurt facility, values based on a EUR:USD exchange rate of 1.00.
4. Purchase consideration represents a 25.0% interest in the Frankfurt facility under the Debt-Funded Scenario and an 89.9% interest in the Frankfurt facility and a 90.0% interest in the Dallas data centre under the Equity Fund Raising Scenario. The total acquisition cost is the purchase consideration inclusive of transaction costs and the corresponding acquisition fee payable to the manager of Digital Core REIT.

Since the acquisition of an interest in the Frankfurt facility and the Dallas data centre constitutes an interested party transaction under the Property Funds Appendix of the Code on Collective Investment Schemes, as well as an interested person transaction and a major transaction under the Listing Manual, it will be subject to approval by the unitholders of Digital Core REIT at an extraordinary general meeting which is expected to be held in 4Q 2022.

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### **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](http://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 290+ facilities in 50+ metros across 26 countries on six continents. To learn more about Digital Realty, please visit [digitalrealty.com](http://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 announcement. 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.

This announcement is not for public release, publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), except to “qualified institutional buyers” (“**QIBs**”) as defined in Rule 144A under the U.S. Securities Act of 1933 (“**Rule 144A**”). This announcement does not constitute or form a part of any offer of, or solicitation to purchase or subscribe for, any Units in the United States. The Units referenced to herein have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”). The Units will only be offered for sale in the United States to QIBs as defined in Rule 144A, pursuant to Section 4(a)(2) or another exemption from the registration requirements of the Securities Act. No public offering of Units will be made in the United States of America or in any other jurisdiction where such an offering is restricted or prohibited.

In the United Kingdom, this announcement is directed only at persons who are “qualified investors” within the meaning of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”). In addition, in the United Kingdom this announcement is addressed to and directed only at qualified investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom they may otherwise lawfully be communicated (all such persons together being referred to as “**relevant persons**”). This announcement must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. The Units are not

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This announcement shall not be made available in any state that is part of the European Economic Area (an “**EEA State**”) to any investor domiciled or having its registered office in the EEA other than in compliance with, and to persons who are professional clients for the purposes of, the Markets in Financial Instruments Directive (2014/65/EU), as may be amended from time to time, as implemented in the relevant EEA State.

The Units have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) in reliance upon the exemption from the registration requirements since the offering constitutes the private placement to qualified institutional investors only as provided for in “/” of Article 2, Paragraph 3, Item 2 of the FIEA. A transferor of the Units shall not transfer or resell them except where a transferee is a qualified institutional investor under Article 10 of the Cabinet Office Ordinance concerning Definitions provided in Article 2 of the Financial Instruments and Exchange Act of Japan (the Ministry of Finance Ordinance No. 14 of 1993, as amended).

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.

## APPENDIX A

### **About the Frankfurt Facility and the Dallas Data Centre**

The Frankfurt facility and the Dallas data centre are institutional quality, 100% freehold data centres concentrated within top-tier, core data centre markets in Germany and the U.S., totalling 568,538 net rentable square feet as at 30 June 2022 and are 93% leased to a roster of blue-chip customers, each with numerous deployments across Digital Realty's global platform. These facilities were purpose-built as data centres by Digital Realty from the ground up within the past five years, are situated on Digital Realty's connected campuses in Sossenheim (Frankfurt, Germany) and Richardson (Dallas, Texas), and are fully integrated into Digital Realty's global data centre platform. The weighted average remaining lease expiry of the new core data centres is approximately seven years. In addition, 100% of energy costs are passed through to customers under the terms of the in-place lease agreements, providing protection against rising utility costs.

The table below sets out a summary of selected information on the Frankfurt facility and the Dallas data centre as at 30 June 2022, unless otherwise indicated.

Property	Frankfurt Facility	Dallas Data Centre
<b>Address</b>	Wilhelm-Fay-Straße 15 and Wilhelm-Fay-Straße 24, Frankfurt, Germany	1215 Integrity Drive Richardson, Texas, U.S.
<b>Land Lease Title</b>	Freehold	Freehold
<b>Completion Year</b>	2017 (Phase I) / 2022 (Phase IV)	2017
<b>Property Type</b>	Fully-Fitted	Fully-Fitted
<b>Occupancy (%)</b>	91%	100%
<b>Net Rentable Square Feet</b>	450,662	117,876
<b>1H2022 Cash Net Property Income (at 100% Share)</b>	€12 million (US\$12 million)	US\$5 million
<b>Valuation by Cushman (at 100% Share) <sup>(1)</sup></b>	€558 million (US\$558 million) as at 15 July 2022	US\$197 million as at 15 July 2022
<b>Valuation by CBRE (at 100% Share) <sup>(1)</sup></b>	€527 million (US\$527 million) as at 1 July 2022	US\$199 million as at 8 July 2022
<b>Agreed Value (at 100% Share)</b>	€558 million (US\$558 million)	US\$199 million
<b>Estimated Aggregate Consideration Payable (Debt-Funded Scenario)</b>	€140 million (US\$ 140 million) <sup>(1), (2)</sup> (25.0% interest)	-
<b>Estimated Aggregate Consideration Payable (Equity Fund Raising Scenario)</b>	€502 million (US\$502 million) <sup>(1), (2)</sup> (89.9% interest)	US\$179 million (90.0% interest)
<b>Number of Customers</b>	12	5
<b>WALE by Annualised Rent as at 30 June 2022 (years)</b>	4.7	15.4
<b>WALE by NRSF (years)</b>	4.8	15.4

1) For illustrative purposes, certain Euro amounts in this announcement have been translated into U.S. dollars. Unless otherwise indicated, such translations have been made based on the illustrative exchange rate of EUR 1.00 = US\$ 1.00.

2) Subject to closing adjustments under the Contribution and Sale Agreement.