DIGITAL CORE REIT

DEMONSTRATING RESILIENCE

2023

ANNUAL REPORT

Corporate Profile

Digital Core REIT is the only pure-play data centre Singapore Real Estate Investment Trust (S-REIT) sponsored by Digital Realty, a global best-in-class pure-play listed data centre owner and operator.

Digital Core REIT is an S-REIT established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally which are primarily used for data centre purposes, as well as assets necessary to support the digital economy.

Digital Core REIT owns a portfolio of high quality, mission-critical freehold facilities that support the underlying businesses of the world's leading technology service providers, valued at US$1.4 billion as at 31 December 2023, comprising of 12 data centres located across the United States, Canada, Germany and Japan.

Digital Core REIT seeks to create long-term, sustainable value for all stakeholders through ownership and operation of a stabilised and diversified portfolio of mission-critical data centre facilities concentrated in select global markets.

PURE PLAY DATA CENTRE

Contents

Any discrepancies in the tables and charts between the listed figures and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

Core Strengths

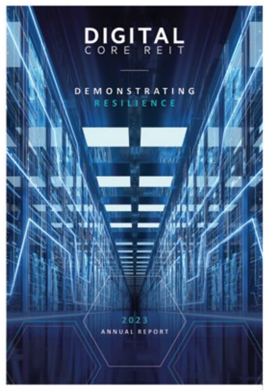
Dedicated Core Data Centre S-REIT with Operating Expertise Sponsored by Digital Realty (the Sponsor)

Exclusively Focused on Highly Attractive Data Centre Industry Benefiting from Robust Demand Driven by Digital Transformation and Artificial Intelligence

High-Quality, Mission-Critical Portfolio Concentrated in Top Data Centre Markets

Industry-Leading Acquisition Provides Unparalleled Growth Opportunity via Global Right of First Refusal

Exclusive S-REIT Vehicle Sponsored by Best-in-Class Global Data Centre Sponsor



DEMONSTRATING RESILIENCE

Despite global macroeconomic challenges, the data centre sector remains a bright spot driven by rapidly accelerating demand for artificial intelligence workloads while supply remains constrained across key markets. As we unveil this annual report for 2023, titled “Demonstrating Resilience,” we invite you to journey with us through the narrative of fortitude, adaptability and perseverance.

Digital Core REIT has successfully steered through a challenging environment, emerging fortified, ready to seize opportunities presented by favourable industry fundamentals and our industry-leading pipeline.

Our inclusion in the widely recognised FTSE EPRA Nareit Developed Index was a significant milestone that validated our resilience. It has enhanced our trading liquidity on the Singapore Exchange and our visibility with global institutional investors, while attracting new capital inflows from global index funds. Diversification and scaling our portfolio through accretive acquisitions, investments and divestments have been the cornerstones of our approach aimed at creating enduring value for our unitholders.

Vision

To become the leading S-REIT supporting the digital economy with a global portfolio of core data centre assets.

Mission

To deliver long-term, sustainable value for all stakeholders through investments in a diversified and growing portfolio of mission-critical data centres located in key global markets.

For more information, visit our website
www.digitalcorereit.com

Accessibility of Reports

As part of our sustainability efforts, Digital Core REIT will not be printing copies of its Annual Report unless upon request; PDF version of its Annual Report is available for download from the corporate website: https://www.digitalcorereit.com/investor-relations/publications/default.aspx

Feedback

The Manager strives to continuously improve its business and sustainability practices. Stakeholders are encouraged to share their views, suggestions or feedback, which may be directed to ir@digitalcorereit.com.

A STEADY PROGRESS

Despite broader macroeconomic challenges, Digital Core REIT achieved steady operational progress, buoyed by favourable data centre fundamentals turbocharged by a rapidly strengthening tailwind from artificial intelligence workloads.

1.2
million

NET RENTABLE
SQUARE FEET

~USD 80
million

OF ANNUALISED RENT

78%

OF ANNUALISED RENT GENERATED FROM
INVESTMENT GRADE CUSTOMERS

SUSTAINABLE GROWTH

Underpinned by a portfolio of high quality, stabilised, mission-critical facilities concentrated in core data centre markets along with prudent capital management, we are well positioned to generate long-term value for unitholders.

100%

FREEHOLD PORTFOLIO

97%

HIGH OCCUPANCY RATE

US$15+ billion

PIPELINE

33.5%

AGGREGATE LEVERAGE PROVIDES AMPLE DEBT HEADROOM*

* 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, was 40.5%

USD 160 million

ASSETS DIVESTED AT 4.4% CAP RATE

A STRONG LEADERSHIP

Digital Core REIT's leadership team has extensive experience navigating challenges effectively. In 2023, we achieved the milestone of being included in the widely recognised FTSE EPRA Nareit Global Developed Index. Moving forward, our focus remains on creating value and driving superior returns for unitholders.

JAPAN

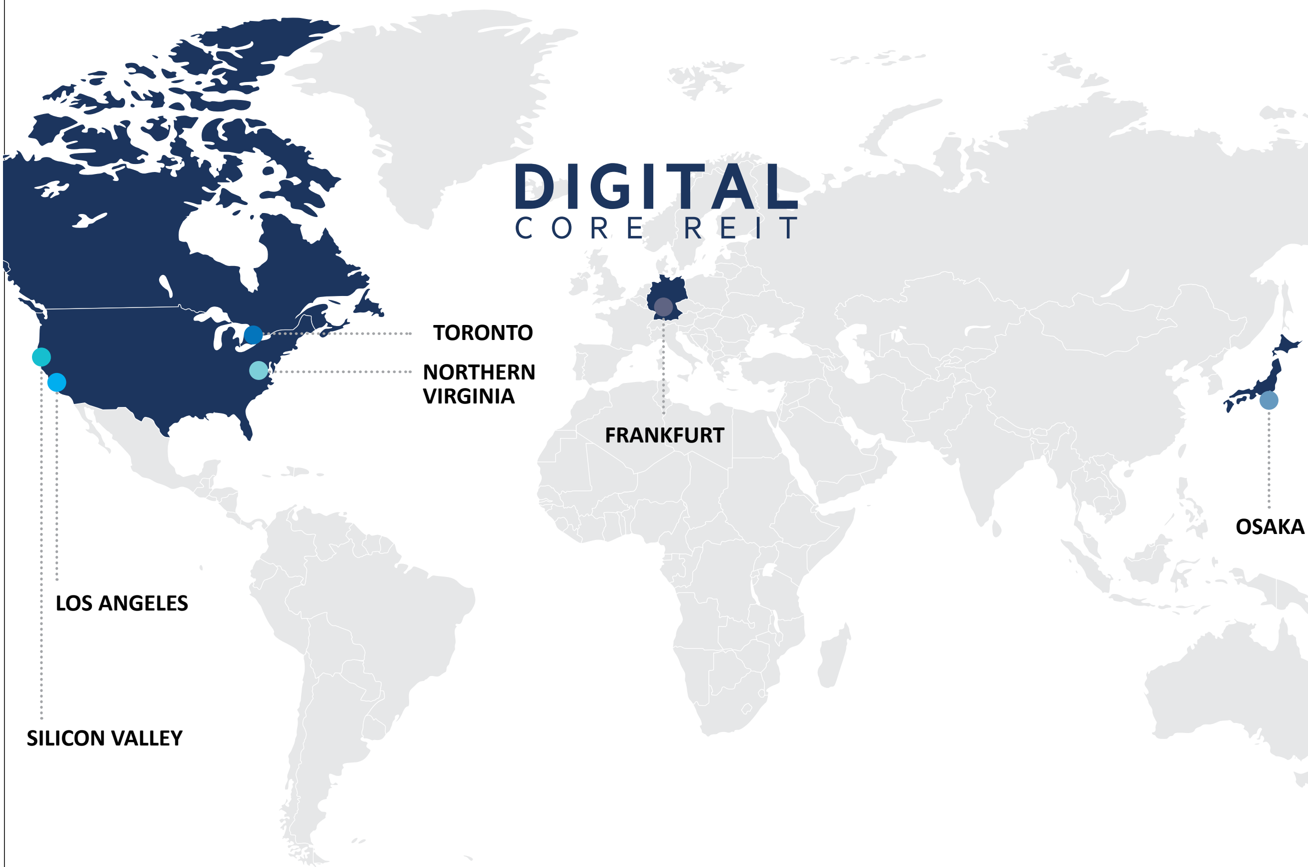
FIRST FORAY INTO
ASIA PACIFIC AS A LAUNCHPAD
FOR FUTURE GROWTH IN
THE REGION

~3%

DPU ACCRETION EXPECTED
FROM ACQUISITION
COMPLETED IN FY2023[1]

[1] Please refer to the acquisition announcement released by Digital Core REIT dated 1 November 2023 for further details on the pro forma DPU, including key assumptions.

Our Presence



Location	Data Centres	Ownership	Portfolio Value (at Share)[1]	Net Rentable Square Feet (at Share)	Occupancy Rate[3]
Northern Virginia	3	90%	US$544.1 million	444,665 sq.ft.	100%
Silicon Valley[4]	4	90%	US$401.3 million	372,840 sq.ft.	100%
Los Angeles	2	90%	US$93.2 million	176,865 sq.ft.	100%
Toronto[2]	1	90%	US$124.9 million	93,877 sq.ft.	67%
Frankfurt[2]	1	25%	US$139.1 million	112,387 sq.ft.	92%
Osaka[2]	1	10%	US$55.3 million	11,494 sq.ft.	95%

Source: Data as at 31 December 2023

1 Portfolio value (at share) is based on last appraised value as at 31 December 2023 and does not include any capitalised transaction cost, straight-line rent or property additions.

2 Local currency figures 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.

3 Based on net rentable square feet.

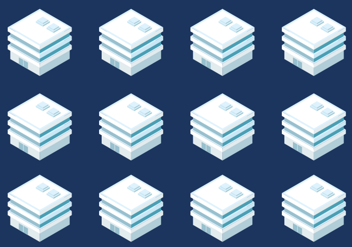
4 Includes 2401 Walsh Avenue and 2403 Walsh Avenue which were sold in January 2024.

Highlights of FY2023

Number of assets

12

Data Centres



Mode of ownership

100%

Freehold

Assets under management (at share)

1.4

USD Billion

US$15+

Billion Pipeline

Net rentable square feet (at share)

1.2

Million

Occupancy

97%

100%

Utility pass-through

Source: Data as at 31 December 2023

Includes two Silicon Valley properties, 2401 Walsh and 2403 Walsh, which were sold on 12 January 2024. For more information, please refer to the announcements released by Digital Core REIT on 1 November 2023 titled "Customer Situation Update" and on 15 January 2024 titled "Completion of Sale of Two Shell & Core Facilities in Silicon Valley".

Inclusion of FTSE EPRA Nareit Global Developed Index

Digital Core REIT announced its inclusion in the FTSE EPRA Nareit Global Developed Index on 4 September 2023. This was a significant milestone that enhanced our trading liquidity on the SGX as well as our visibility with global institutional investors, while attracting new capital inflows from global index funds.

Diversifying our Portfolio with Initial Entry Into Asia Pacific

Digital Core REIT acquired a 10% interest in a freehold facility located in Osaka, Japan from Mitsubishi Corporation. Read more about the new acquisition on page 32 to 33.

Accretive Capital Recycling and Portfolio Enhancement

Digital Core REIT divested two assets in Silicon Valley, 2401 Walsh Avenue and 2403 Walsh Avenue, at book value for US$160m (representing a 4.4% cap rate) to Brookfield Infrastructure Partners L.P. and its institutional partners (Brookfield). The proceeds are expected to be redeployed to acquire a portion of the additional 24.9% interest in the existing Frankfurt Facility. Upon completion of the transaction, the annualised rental contribution from investment grade customers within Digital Core REIT's portfolio will grow to 87%. Read more about the capital recycling plan on page 32 to 33.

Maintaining a Solid Balance Sheet

As at 31 December 2023, aggregate leverage was healthy at 33.5%[1]. The Manager adopts a disciplined approach to capital management, with 73% of total interest rate exposure hedged with a weighted average debt maturity of 2.8 years.

Sustainability

Identifying and managing economic, environmental, social and governance issues is a continual process undertaken by the Manager to ensure resilient and sustainable business operations and performance. In FY 2023, 10 issues have been identified as material to Digital Core REIT's ability to deliver sustainable value. Read more about Digital Core REIT's Sustainability initiatives on page 92 to 129.

[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, was 40.5%.

Financial Highlights

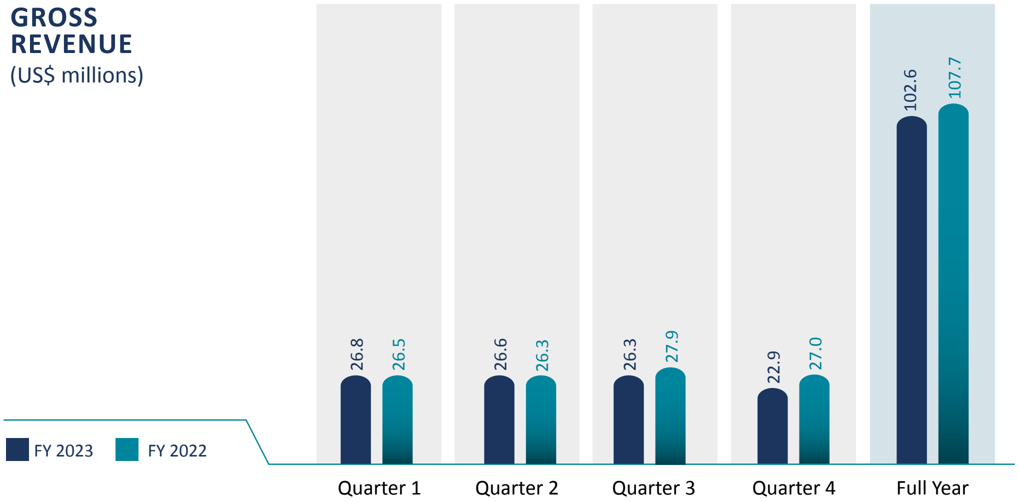
FINANCIAL HIGHLIGHTS AND RATIOS for the financial year ended 31 December	Actual FY 2023 US$'000	Actual FY 2022 US$'000	Change %	Forecast[1] FY 2023 US$'000
Gross revenue	102,591	107,712	(4.8)	106,694
Net property income	63,050	69,377	(9.1)	66,513
Distributable income attributable to Unitholders[2]	41,484	44,765	(7.3)	50,484
Distribution per Unit (DPU) (US cents)	3.70	3.98	(7.0)	4.40
Distribution yield (%)[3]	5.74%	7.24 %	(150 bps)	5.00 %
Interest coverage ratio ("ICR")[4]	4.3x	5.7x	(1.4x)	11.2x
Weighted average all-in-interest rate (per annum)[5]	4.5%	2.7%	180 bps	1.2%

STATEMENT OF FINANCIAL POSITION HIGHLIGHTS as at 31 December	FY 2023 US$'000	FY 2022 US$'000
Investment properties and investment properties held for sale	**1,292,887**	**1,423,796**
Total assets	1,509,037	1,612,564
Gross borrowings[6]	558,915	499,870
Total liabilities	589,406	535,541
Unitholders' funds	790,475	934,891
Units in issue and to be issued as at balance sheet date ('000)	1,142,626	1,130,694
Net asset value (NAV) per Unit (US$)	0.69	0.83
Adjusted NAV per unit, excluding distribution (US$)[7]	0.67	0.81
Unit price as at balance sheet date (US$)	0.645	0.550
Aggregate leverage[8]	33.5%	34.0%

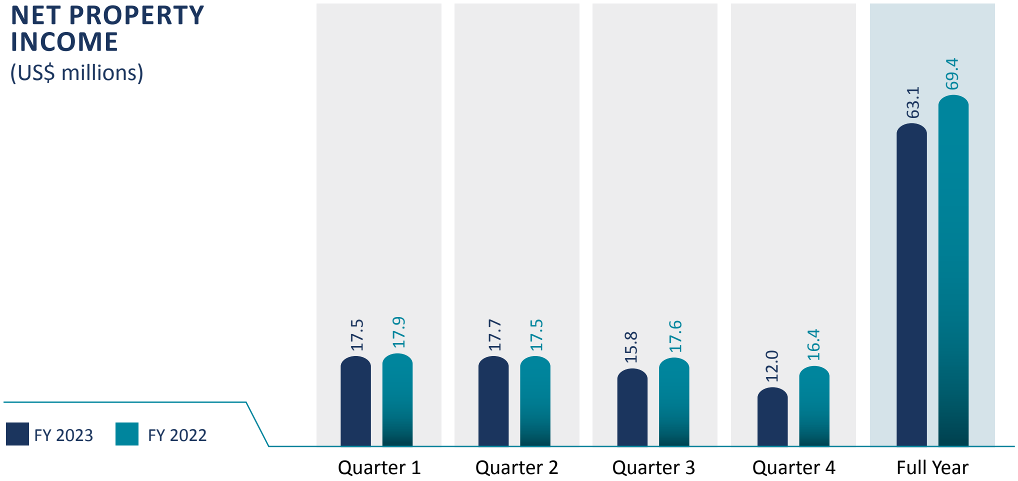
NOTES

1 The forecast figures were derived from the Projection Year 2023 as disclosed in the IPO Prospectus dated 29 November 2021.
2 The distributable income is based on 100% of the taxable income available for distribution to Unitholders.
3 FY 2023 and FY 2022 distribution yields are based on market closing prices of US$0.645 and US$0.55 per Unit as at the last trading day of the respective periods. The forecast distribution yields of 5.00% is as per disclosed in the Prospectus.
4 Refers to ICR proforma for $150mm debt repayment financed with disposition proceeds from the two Silicon Valley assets sales in January 2024. ICR, as defined under the CIS Code on 31 December 2023, was 2.9x. Adjusted ICR and ICR is the same as the Group did not issue any hybrid securities.
5 Does not include amortisation of debt financing fees.
6 Gross borrowings relate to bank borrowings drawn down from loan facilities.
7 Adjusted NAV per Unit as of 31 December 2023 excludes distributable income of 1.78 US cents per Unit for 2H 2023.
8 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 on 31 December 2023, was 40.5%.

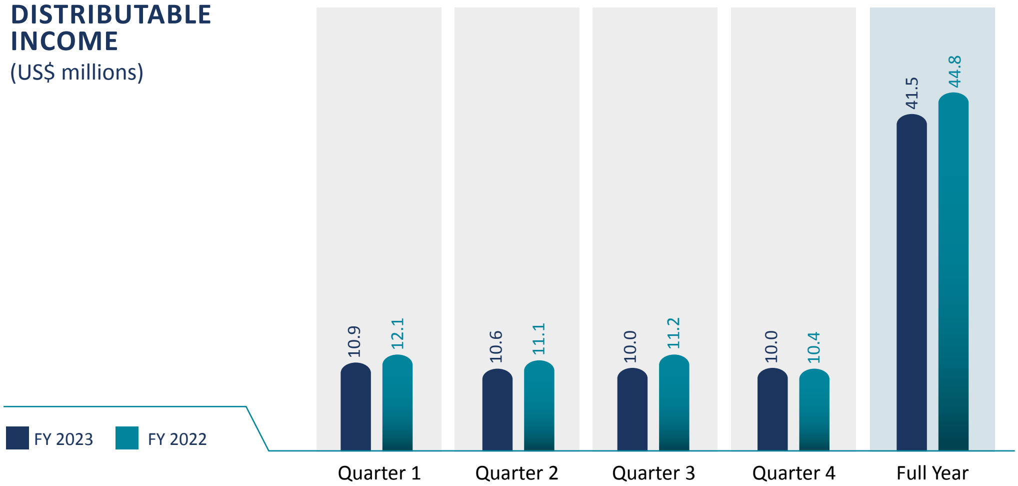
GROSS REVENUE
(US$ millions)



NET PROPERTY INCOME
(US$ millions)



DISTRIBUTABLE INCOME
(US$ millions)



Sustainability Highlights

About this Report

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards. The GRI Standards have been chosen as they are a globally recognised standard for sustainability reporting which allows for comparability with industry peers. Digital Core REIT observes the Monetary Authority of Singapore Guidelines on Environmental Risk Management for Asset Managers and the SGX Listing Manual Rules. Additionally, Digital Core REIT has referenced other sustainability principles and reporting frameworks including the United Nations Sustainable Development Goals as well as the Taskforce on Climate-related Financial Disclosures recommendations to guide our sustainability strategy and ensure that our report is aligned with regulatory requirements.

Board Statement

The Board of the Manager of Digital Core REIT has determined the organisation's material environmental, social, and governance (ESG) factors and has responsibility for overseeing the management and monitoring of these material ESG factors. The Board and the Manager recognise that ESG is a continuous journey, and while Digital Core REIT is still at the outset of its journey, ESG is a top corporate priority for the organisation.

We are committed to integrating material ESG issues into our strategy and business operations to promote the development and adoption of sustainable corporate practices and policies. We are also committed to regularly and transparently communicating with stakeholders on our ESG performance, risks, and opportunities.

Finally, we are committed to doing our part to create a more sustainable future for our customers, partners, employees, and the communities we serve.

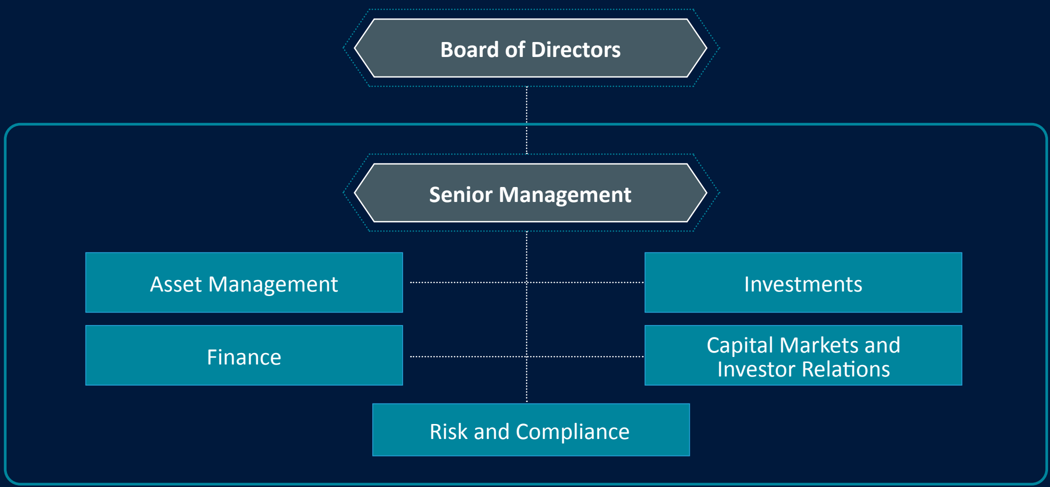
Sustainability Management Structure

The Board has responsibility for overseeing management and monitoring material ESG factors. The Manager is responsible for devising Digital Core REIT's sustainability strategy and goals, as well as monitoring performance against material ESG issues and providing regular updates to the Board.

Materiality

The Manager has undertaken a materiality assessment to determine material ESG issues by engaging with internal as well as external stakeholders. The material factors were identified and prioritised as material and important ESG factors.

SUSTAINABILITY MANAGEMENT STRUCTURE



PRIORITISATION OF ESG MATERIAL FACTORS

Material ESG Factors

- Energy Management
- Greenhouse Gas Emissions
- Water Management
- Physical Impacts of Climate Change
- Employee Engagement
- Diversity and Inclusion
- Occupational Health and Safety
- Business Ethics
- Business Model Resilience
- Data Security

Important ESG Factors

- Critical Incident Risk and Management
- Customer Privacy

Year in Brief

2023

FEBRUARY

- **Announced results for Financial Year ended December 31, 2022:**
  1) Declared DPU of 3.98 U.S. cents
  2) Increased interest rate exposure hedge to 75%, up from 50% as at prior quarter
  3) Repurchased 11 million units, delivered 1% DPU accretion

MARCH

- **Initiated unit buy-back by way of market acquisition**

APRIL

- **Held pre-Annual General Meeting (AGM) SIAS-Digital Core REIT Virtual Dialogue Session on April 11, 2023**
- **Held virtual AGM on April 20, 2023 and all resolutions were passed**
- **Announced First Quarter FY 2023 Business and Operational Update:**
  1) Made steady progress towards backfilling vacancy in Toronto and Frankfurt

JUNE

- **Addressed bankruptcy of second-largest customer**

JULY

- **Announced results for First Half FY 2023 ended June 30, 2023:**
  1) Declared DPU of 1.92 U.S. cents
  2) Repurchased 4.6 million units, delivered 0.4% DPU accretion

SEPTEMBER

- **Announced inclusion in the FTSE EPRA Nareit Global Developed Index**
- **Announced a series of leadership changes**

OCTOBER

- **Announced Third Quarter FY 2023 Business and Operational Update:**
  1) Maintained healthy portfolio occupancy of 97% with a weighted average lease expiry of approximately 3.6 years

NOVEMBER

- **Reached agreements to resolve second-largest customer bankruptcy**
- **Completed the acquisition of a 10.0% interest in a data centre located in Osaka, Japan**
- **Announced plan to increase stake in existing Frankfurt Facility**

DECEMBER

- **Repurchased 2.2 million units, delivered 0.2% DPU accretion**

Letter to Unitholders

Dear Unitholders

I am pleased to provide our perspective on our recent results as well as our outlook for the years ahead. Digital Core REIT successfully navigated a challenging environment in 2023 and emerged in a stronger position to capitalise on favourable fundamentals and our industry-leading acquisition pipeline to create durable value for unitholders in 2024 and beyond.

The tightening cycle that began in 2022 continued into 2023, placing stress on various business models and sparking a U.S. regional banking crisis early in the year. In June, our second-largest customer filed for bankruptcy. Our strategy of owning mission-critical facilities in core data centre markets served to significantly mitigate the impact, and in early November, we reached a series of agreements to resolve the customer bankruptcy.

Specifically, we reached an agreement to sell to Brookfield two Silicon Valley facilities that were fully leased to this customer for US$178 million, valuing our 90% interest in the assets at US$160 million, in line with current book value and representing a 4.4% cap rate. In addition, Brookfield agreed to assume the customer's existing lease for a third facility in Silicon Valley, with no change to the terms, conditions, or rental rate of the existing lease agreement. Together with our Sponsor, we also agreed to pay US$10 million, of which Digital Core REIT's 25% share was US$2.5 million, to terminate the customer's lease agreement at our Frankfurt facility. We expect to create long-term value by re-leasing this capacity at more favorable terms. Finally, we agreed to amend our existing lease agreements with the customer for two Los Angeles data centres to accelerate the lease expiration dates from February 2033 and January 2035 to 30 September 2024.

We worked closely with our Sponsor to reach this resolution, and the favorable outcome reflects the quality of our portfolio as well as the strength of our Sponsor's global platform, which facilitated the series of agreements through judicious exercise of multiple negotiating levers across global relationships with the customer as well as the buyer.

The continuation of the tightening cycle impacted Digital Core REIT as well, although we managed to offset a significant portion of the higher-than-expected interest

In 2023, artificial intelligence emerged as a major new data centre demand driver. At the same time, supply remains constrained across most core global data centre markets.

DAVID LUCEY
Chairman

JOHN J. STEWART
Chief Executive Officer

costs through accretive investments and proactive cost containment. We delivered a full-year distribution per unit of 3.70 U.S. cents, down just 7% year-over-year.

We also continued to deliver on our external growth strategy, completing the acquisition of a 10% interest in a freehold facility located in Osaka from Mitsubishi Corporation for ¥7.725 billion, or approximately US$51.5 million, establishing a presence in Japan, improving geographic diversification, enhancing overall portfolio quality, and generating approximately 3% DPU accretion.

We also signed a Letter of Intent to acquire an additional 20% interest from our Sponsor in the asset we jointly own in Frankfurt for €94 million, or approximately US$99 million. As this is an interested party transaction, unitholders will have the opportunity to vote on the transaction at the upcoming Extraordinary General Meeting on 18 April 2024. Needless to say, the Manager and the Board recommend a vote in favour of the transaction, as we expect this investment will further improve geographic and customer diversification while enhancing overall credit quality. Digital Core REIT expects to fund the transaction with proceeds from the sale of the Silicon Valley Properties and a portion of the proceeds from the private placement which closed on 8 February 2024.

In addition to strengthening our asset base, we also made changes to our Board and management team designed to provide additional depth to drive the next phase of our growth. David Lucey, who previously served as a non-independent director, took over as Chairman of the Board of the Manager from Jeff Tapley, who served as Chairman from the time of our IPO through September 2023. In addition, Serene Nah, who currently serves as Managing Director, Head of Asia Pacific, with responsibility for the Sponsor's operations across the region, joined the Board of the Manager as a non-Independent Director. Finally, Dave Craft, who previously served as Vice President, Acquisitions for Digital Realty, assumed the role of Chief Financial Officer of the Manager from Dan Tith, who returned to the U.S. to lead Global Finance for Digital Realty.

On behalf of the entire Board, I would like to thank Jeff and Dan for their countless contributions to Digital Core REIT through our listing and our early days as a standalone organisation. I'm also grateful to David, Serene and Dave for accepting their new roles, and I look forward to working with them, along with the entire Board and management team, to help Digital Core REIT reach its full potential.

And I believe we have tremendous potential. In 2023, artificial intelligence emerged as a major new data centre demand driver. At the same time, supply remains constrained across most core global data centre markets. The growth in data centre workloads is outpacing the delivery of new supply. This dynamic is keeping a lid on market vacancy rates and driving significant improvement in market rents.

These favourable fundamentals aren't always reflected in the public market. During periods of dislocation, Digital Core REIT has capitalised on the occasional disconnect between public and private market valuations to buy back our own assets at a meaningful discount to intrinsic value. In 2023, we repurchased nearly seven million units at an average price of just under fifty cents, or a 7.5% DPU yield and a 26% discount to NAV – demonstrating our prioritisation of value creation over AUM growth and generating 60 basis points of accretion, while adding just 20 basis points to leverage. When we have ample liquidity and all material information has been publicly disclosed, we believe that buying our own assets in the public market at a meaningful discount to intrinsic value represents a unique opportunity to create value for unitholders.

In closing, we believe current data centre fundamentals and long-term digital demand trends are highly supportive of our business. In addition, we continue to enjoy strong support from our Sponsor – a leading global data centre owner and operator. We believe our Sponsor acquisition pipeline is unparalleled in the industry, and we have a unique opportunity to source accretive investments in state-of-the-art digital infrastructure around the globe. We believe we have a long runway for growth, and a tremendous opportunity to continue to create long-term value for unitholders. Thank you for your continued support of Digital Core REIT.

Sincerely,

DAVID LUCEY
Chairman

JOHN J. STEWART
Chief Executive Officer

3 April 2024

Board of Directors

■ Date of appointment ■ Length of service (as at 31 December 2023)

■ 2 July 2021 ■ 2 year 6 months

Board Committees served on:
Member of Nominating and Corporate Governance Committee,
Member of Remuneration Committee

Principal commitments:
Digital Realty Trust, Inc (Senior Vice President, Portfolio Management)

DAVID LUCEY, 61 Chairman and Non-Independent Non-Executive Director of the Manager

Mr Lucey is Senior Vice President, Investments/Government Affairs, of Digital Realty Trust, Inc. In his Investments role, Mr Lucey primarily focuses on acquisitions, dispositions and joint venture transactions. He also oversees Digital Realty's Government Affairs program. Prior to his current role, Mr Lucey was responsible for leasing and overall financial management of all of Digital Realty's assets in North America. Mr. Lucey served as Managing Director – APAC for Digital Realty from June 2022 through December 2022. From January 2009 to January 2016, Mr Lucey held various roles in Pembroke Real Estate, Inc. an affiliate of Fidelity Investments, where his last held role was Head of US Operations and Global Risk. He was Managing Director of Fidelity Real Estate Group from February 2008 to January 2009 and from October 1996 to February 2008, Mr Lucey was a member of the Fidelity Investments' Legal Group where his last held position was Vice President and Associate General Counsel.

Mr Lucey began his career as a Corporate and Commercial Real Estate Attorney at Ropes & Gray LLP. Mr Lucey holds a Bachelor of Arts (Political Science) from Trinity College, Hartford, Connecticut and a Juris Doctor from the Vanderbilt University School of Law.

■ 1 October 2023 ■ 3 months

Principal commitments:
Digital Realty Trust, Inc (Managing Director)

Present directorships in listed company:
ESR Group Limited (Independent Non-Executive Director)

SERENE NAH, 44 Non-Independent Non-Executive Director of the Manager

Ms. Nah is based in Singapore and has over two decades of experience in Pan-Asia infrastructure real estate and technology investment as well as in capital markets, joint ventures, and financial management. Ms. Nah currently serves as Managing Director, Head of Asia Pacific for Digital Realty, where she works with its partners and customers to drive growth and broaden offerings to support the emerging needs of the Asia Pacific region. She joined Digital Realty from Kerry Properties, where she was Executive Director and Chief Financial Officer in charge of finance, corporate development, strategy, and operations. Previously, Ms. Nah held increasingly senior leadership roles in the U.S. and across APAC at companies, including Silver Lake Partners, where she served as Head of Asia-Portfolio Management, and General Electric, where she most recently served as CFO of GE Capital Greater China.

In addition to her corporate responsibilities, Ms. Nah is actively engaged in the industry and currently holds the position of Vice-Chair at the Asia-Pacific Data Centre Association (APDCA).

Ms Nah holds a Bachelor's degree in Business Studies from The Nanyang Technological University Singapore and has an executive MBA from Kellogg-HKUST.

■ 18 November 2021 ■ 2 year 2 months

Board Committees served on:
Chairman of Nominating and Corporate Governance Committee, Member of Audit and Risk Committee, Member of Remuneration Committee

Principal commitments:
SpectraTen, LLC (Non-Executive Director)
Novo Banco S.A. (Non-Executive Director)

JOHN HERBERT, 67 Lead Independent Non-Executive Director of the Manager

Mr Herbert has extensive experience in investment banking, lending and investment. He was the Global Head of Real Estate and Hotels at HSBC London from 2010 to 2015 and prior to that, he held the position of Head of EMEA Real Estate and Hotels at Merrill Lynch London from 2005 to 2007 and Citigroup London from 1997 to 2005. Mr Herbert was a Partner at Blackrock Capital Finance from 1994 to 1996, acting on investments in debt securities and real estate. He also provided advice on distressed debt restructuring and sales during his tenure as Principal of Victor Capital Group. Throughout his career, he has been involved in a number of significant sales, mergers and public equity offerings in Asia, North America and Europe and has overseen banking and investment banking operations in over 35 countries worldwide.

Mr Herbert holds a Bachelor of Arts from Duke University and a Masters of Business Administration from Harvard Business School.

■ 18 November 2021 ■ 2 years 2 months

Board Committees served on:
Chairman of Audit and Risk Committee, Member of Nominating and Corporate Governance Committee

Present directorships in listed company:
Lendlease Global Commercial Trust Management Pte. Ltd. (Non-Executive Director)

TSUI KAI CHONG, 68 Independent Non-Executive Director of the Manager

Dr Tsui Kai Chong was a Professor of Finance and the Provost of Singapore University of Social Sciences. He is currently an independent non-executive director of Lendlease Global Commercial Trust Management Pte Ltd., the manager of Lendlease Global Commercial REIT. He was Chairman of the Board of Keppel REIT Asia Management Limited and served as a member of the boards of the Intellectual Property Office of Singapore, National Council of Social Service, Keppel Land, Keppel Capital Holdings, Keppel TatLee Bank and Fullerton Fund Management Company Limited.

Dr Tsui holds a BA (Hons) Business Studies from the Polytechnic of Central London, an MPhil (Finance) and a PhD (Finance) from the Graduate School of Business of New York University. He is also a Chartered Financial Analyst.

Board of Directors

■ Date of appointment ■ Length of service (as at 31 December 2023)

■ 18 November 2021 ■ 2 year 2 months

Board Committees served on:
Chairman of Remuneration Committee, Member of Audit and Risk Committee

Principal commitments:
Tower Capital Asia Pte. Ltd. (Non-Executive Director)
SGX Listings Advisory Committee (co-Deputy Chairman)

Present directorships in listed company:
Daiwa House Asset Management Pte. Ltd.
(Chairman and Non-Executive Director)

TAN JEH WUAN, 58 Independent Non-Executive Director of the Manager

Mr Tan was a career investment banker, spending 30 years with DBS Bank from 1989 to 2019. His last position held was as Managing Director & Head of Capital Markets Singapore, where he was responsible for DBS Bank's equity capital markets business in Singapore. In his career, Mr Tan has been involved in many domestic and international equity fund raisings and financial advisory transactions, including initial public offerings, private placements and rights issues.

Mr Tan also served on various financial sector workgroups and committees in Singapore in his career. He was a member of the Association of Banks in Singapore Corporate Finance Standing Committee (as well as its predecessor Singapore Investment Banking Association Corporate Finance Committee) for several years, including serving as the Chairman of the Committee for two terms. Mr Tan was a member of the SGX Securities Advisory Committee from 2018 to 2019 and was conferred as an Institute of Banking & Finance Fellow, Capital Markets in 2019. Mr Tan is also the Chairman and Independent Non-Executive Director of Daiwa House Asset Management Asia Pte Ltd. Mr Tan is appointed as co-Deputy Chairman of SGX's Listings Advisory Committee effective March 2023.

Mr Tan holds a Bachelor of Science in Industrial Engineering and Operations Research from the University of California, Berkeley, United States of America.

Management Team

JOHN STEWART
Chief Executive Officer

The Chief Executive Officer works with the Board to determine the strategy for Digital Core REIT. The Chief Executive Officer also works with the other members of the management team to ensure that Digital Core REIT operates in accordance with the Manager's stated investment strategy. Additionally, the Chief Executive Officer is responsible for planning the future strategic development of Digital Core REIT. The Chief Executive Officer is also responsible for the overall day-to-day management and operations of Digital Core REIT and working with the Manager's investment, asset management, financial and legal and compliance personnel in meeting the strategic, investment and operational objectives of Digital Core REIT.

Prior to his appointment as Chief Executive Officer of the Manager, Mr Stewart served as Senior Vice President, Investor Relations, Tax & Treasury at Digital Realty Trust, Inc. Mr Stewart joined Digital Realty Trust, Inc. in September 2013. From June 2008 to September 2013, Mr Stewart was Senior Analyst, Research Department at Green Street Advisors, LLC, where he was responsible for coverage of data centre and industrial REITs. Between June 2006 and January 2008, he was Senior REIT Analyst, Equity Research at Credit Suisse, New York. He held the role of Vice President, Equity Research at Citigroup Investment Research, New York from June 2004 to June 2006 and at Merrill Lynch, New York from June 2003 to June 2004. He also served as Associate, Equity Research at Salomon Smith Barney, New York between June 2000 and June 2003. Mr Stewart started his career in the corporate finance departments of NationsBank, N.A., New York and Natexis Banque Populaire, New York where he was in charge of performing credit analysis.

Mr Stewart graduated from Oklahoma State University with a Bachelor of Science in Business Administration. He is also a Chartered Financial Analyst charterholder.

DAVID CRAFT
Chief Financial Officer

The Chief Financial Officer of the Manager works with the Chief Executive Officer and the other members of the management team to formulate strategic plans for Digital Core REIT in accordance with the Manager's stated investment strategy. The Chief Financial Officer is responsible for all financial functions of the Manager, including financial reporting, capital markets, tax, and investor relations, as well as financial planning and analysis.

Mr. Craft is a seasoned finance leader and versatile data centre investment professional with extensive global experience executing strategic growth initiatives. He has served in roles of increasing seniority at Digital Realty since 2018, most recently as Vice President, Acquisitions. He has been a key contributor to more than $10 billion of data centre acquisitions, dispositions, and joint venture transactions. Mr. Craft spearheaded Digital Realty's $580 million disposition of a portfolio of 10 data centre in the U.S. and was an integral member of the team responsible for the $8.4 billion merger with InterXion as well as the creation of a $1 billion joint venture with Mapletree. Prior to joining Digital Realty, Mr. Craft worked in the Real Estate, Gaming & Lodging Investment Banking Group at Bank of America Merrill Lynch in New York and London as well as the Technology, Media & Telecommunications Investment Banking group at Barclays.

He began his career as a Financial Analyst at various private and publicly listed companies from 2005 to 2009 where he performed accounting, SEC reporting, treasury, and financial planning & analysis functions.

Mr. Craft holds a Master of Business Administration from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill where he concentrated in Finance. He also holds a Bachelor of Science in Finance and Accounting from the Leeds School of Business at the University of Colorado at Boulder as well as a Bachelor of Music in Performance from the University of Colorado at Boulder.

Management Team

POO CE JIN
Senior Corporate Finance Director

The Senior Director of Corporate Finance of the Manager is involved in corporate finance matters in relation to Digital Core REIT (including capital markets and fundraising activities). This includes financial modelling, corporate budgeting and forecasting, mergers and acquisitions analysis and providing strategic counsel and insights to senior management team to optimise the capital market strategy of Digital Core REIT.

Mr. Poo has over ten years of experience in the investment banking industry and was responsible in strategic advisory, capital raising activities and merger and acquisition transactions in the Real Estate, Telecommunications and Infrastructure sector. Prior to his appointment to the Manager, Mr. Poo was Head of Execution Southeast Asia, Investment Banking at CITIC CLSA Securities where he provided strategic advisory and execution in private and public capital raises across Singapore and Southeast Asia. Prior to CLSA, Mr. Poo was Vice President, Corporate Finance at Haitong International where he was responsible for corporate finance advisory and led in merger and acquisition transactions across China and Southeast Asia. Mr. Poo began his career as an investment banking manager at CIMB Bank (Singapore).

Mr. Poo holds a bachelor's degree in accounting and finance from London School of Economics and Political Science.

TAN SHU FANG MABEL
Director of Capital Markets & Investor Relations

The Director of Capital Markets & Investor Relations of the Manager is responsible for facilitating communications and liaising with Unitholders and is involved in corporate finance matters in relation to Digital Core REIT (including raising monies through debt and equity). This includes producing annual reports for Unitholders, preparation for investor presentations, result briefings and other engagement activities with investors, managing investor queries and developing the investor relations strategy. The Director of Capital Markets & Investor Relations is responsible for maintaining transparent communications with Unitholders and the market.

Prior to her appointment to the Manager, Ms Tan was Senior Treasury Manager of Digital Investment Management Pte. Ltd., which is part of Digital Realty Trust, Inc.. In her prior position, she was responsible for management of cash, debt, bank accounts, administration, banking relationships and reporting and analysis for the Asia-Pacific region. From October 2012 to July 2020, Ms Tan was with GLP Pte. Ltd. where she rose to become Senior Treasury Manager and was in charge of managing cash and liquidity, forex and interest rate risk, banking relationships and operations for the group. Ms Tan started her career as a Corporate Banking Officer with MUFG Bank Ltd, Singapore Branch.

Ms Tan graduated with a Bachelor of Science in Applied Mathematics with Merit from the National University of Singapore. She is also a Certified Treasury Professional.

CHEO WEI
Senior Finance Manager

The Senior Finance Manager of the Manager is responsible for finance, tax and accounting matters. On a day to day basis, the Senior Finance Manager assists the Chief Financial Officer to develop and maintain appropriate policies, procedures and processes for finance and other operational areas to ensure appropriate internal controls are in place to safeguard Digital Core REIT's assets, ensure accuracy and validity of financial information required for management's decision making and ensuring compliance with the applicable provisions of the relevant legislation pertaining to the operations of Digital Core REIT. In addition, he provides financial support for investment assessments including structuring, fund-raising and post-acquisition processes.

Prior to his appointment to the Manager, Mr Cheo was the Senior Finance Manager of Keppel Pacific Oak US REIT Management Pte. Ltd., the manager of Keppel Pacific Oak US REIT from 2017 to 2021. Prior to that in 2017, he was the Finance Manager of Keppel Capital International Pte. Ltd., where he was responsible for the financial and reporting functions. These included group consolidation, management reporting, statutory and financial reporting, annual budgeting and certain compliance matters.

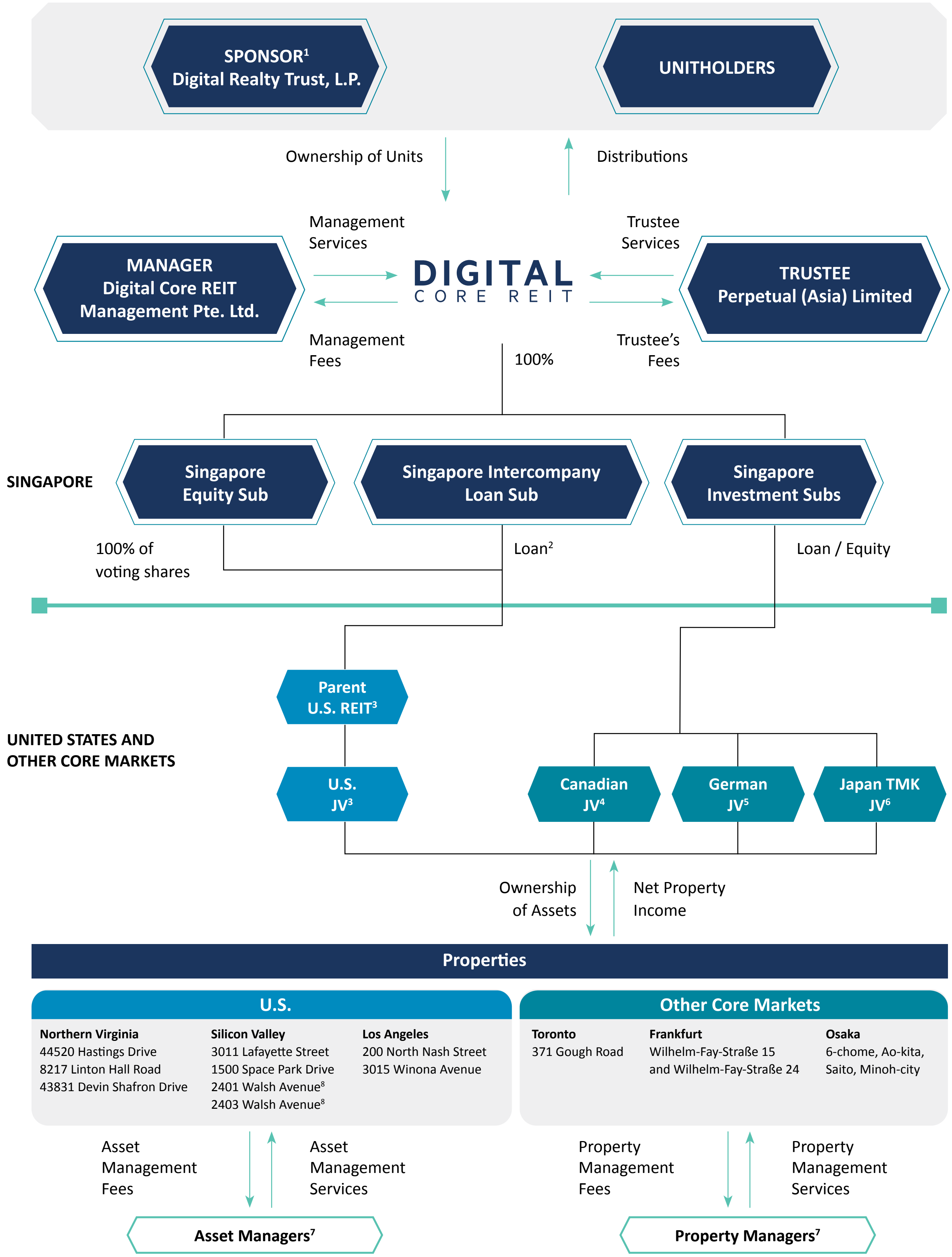
Mr Cheo started out as an Auditor at Deloitte & Touche LLP in 2008 in the general audit team where he performed audit assurances to various industries including real estate fund management. From 2010 to 2014, he joined DBS Bank Ltd. as an associate in the finance function of the stockbroking arm, where he led the general ledger accounting team and assisted in various functions including tax, statutory, financial and regulatory reporting. From 2014 to 2017, Mr Cheo was the Senior Manager of Leeden National Oxygen Ltd., where he oversaw the group consolidation and financial reporting function, established finance policies and conducted training for finance staff.

Mr Cheo graduated with a Bachelor of Accountancy, Second Class Honours (Upper Division), from Nanyang Technological University of Singapore in 2008. He is a Chartered Accountant (Singapore) and is a member of the Institute of Singapore Chartered Accountants

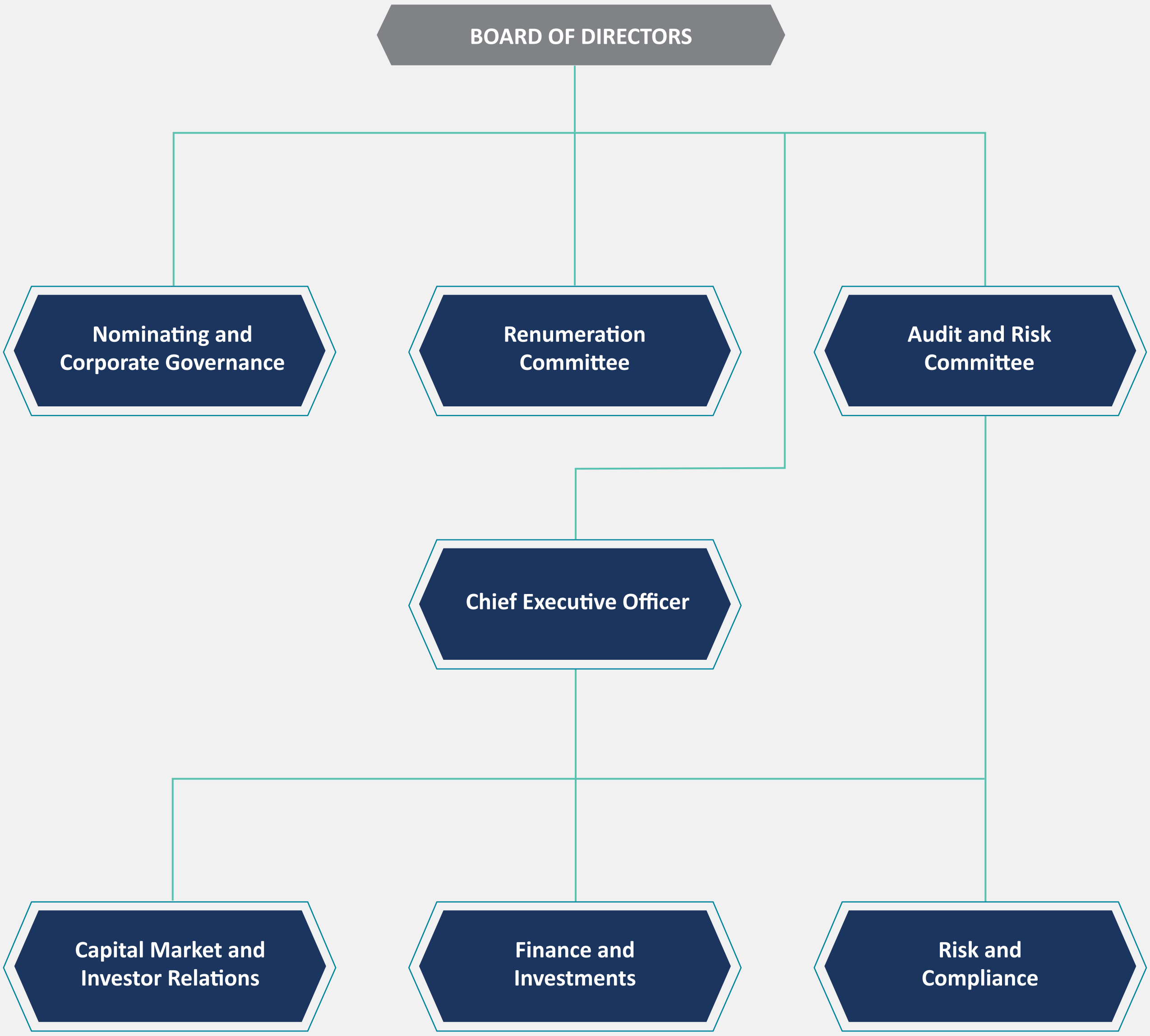
02 LEADERSHIP

Trust and Organisational Structure

TRUST STUCTURE



MANAGER ORGANISATION STRUCTURE



NOTES ON THE TRUST STRUCTURE:

1. Digital Realty held a deemed 36.2% stake in Digital Core REIT as at 31 December 2023.
2. Principal repayments are not subjected to U.S. withholding taxes. Interest payments that are finally distributed to Unitholders are not subjected to U.S. withholdding taxes, assuming Unitholders qualify for portfolio interest exemption and provide appropriate tax certifications, including an appropriate IRS Form W-8.
3. Parent U.S. REIT holds 90% of each U.S. JV with a wholly-owned subsidiary of the Sponsor holding the other 10% of each U.S. JV. Each U.S. JV holds 100% of a U.S. SPE, and each such U.S. SPE holds one Property.
4. A wholly-owned Singapore Investment Subidiary holds 90% of the Canadian JV with a wholly-owned subsidiary of the Sponsor holding the other 10% of the Canadian JV. The Canadian JV holds 100% of the Canadian SPE, and the Canadian Property is held by the Canadian SPE on behalf of the Canadian JV (i.e. the registered owner is the Canadian SPE and the beneficial owner is the Canadian JV).
5. A wholly-owned Singapore Investment Subsidiary holds 25% of the German JV with a wholly-owned subsidiary of the Sponsor holding the other 75% of the German JV. The German Property is 100% held by the German SPE.
6. A Japan branch of a wholly-owned Singapore Investment Subsidiary holds 10% of the Japan TMK with a wholly-owned subsidiary of the Sponsor holding the other 50% and Mitsubishi Corporation holding the remaining 40% of the Japan TMK. The Japan Property is 100% held by the Japan TMK.
7. The asset managers and the property managers are either (i) a joint venture (for the Japan TMK) or (ii) wholly-owned subsidiares of the Sponsor.
8. On 1 November 2023, the Manager announced the divestment of 2401 Walsh Avenue and 2403 Walsh Avenue, which was completed on 12 January 2024. For more information, please refer to the announcements released by Digital Core REIT on 1 November 2023 titled "Customer Situation Update" and on 15 January 2024 titled "Completion of Sale of Two Shell & Core Facilities in Silicon Valley".

Information as at 31 Dec 2023. Unitholding in Digital Core REIT is subject to an ownership restriction of 9.8% of the total Units outstanding.

Financial Review

Overview

Digital Core REIT is a leading pure-play data centre Singapore REIT (S-REIT) listed on the Main Board of the Singapore Exchange Securities Trading Limited since 6 December 2021 (Listing Date) and sponsored by Digital Realty, the largest global data centre owner and operator.

Our primary objective is to create long-term, sustainable value for all stakeholders through ownership and operation of a stabilised and diversified portfolio of mission-critical data centre facilities concentrated in select global markets.

On 1 November 2023, Digital Core REIT completed the acquisition of a 10.0% interest in Digital Osaka 2, which holds the data centre located at 6-chome, Ao-kita, Saito, Minoh-city, Osaka, Japan "Digital Osaka 2" from Mitsubishi Corporation, a third-party seller at a gross consideration of JPY7,725,000 (approximately US$51.5 million). The transaction was fully funded by Japanese Yen-denominated borrowings on the multi-currency global revolving credit facility.

As at 31 December 2023, Digital Core REIT's portfolio had a total Asset Under Management ("AUM") of approximately US$1.40 billion, comprising mission-critical freehold data centres located across the United States, Canada, Frankfurt and Osaka.

Distributable income to Unitholders for FY 2023 was US$41.5 million, 7.3% lower than the FY 2022 distributable income of US$44.8 million. This was largely from the higher finance expenses due to a rise in interest rates which was partially offset by higher cash rental income from the properties and the accretion from the interest in the Frankfurt Facility acquired in 2022.

During the year, Digital Core REIT resumed the Unit buy-back plan and repurchased and canceled 6.8 million units.

Consequently, DPU for FY 2023 was 3.70 US cents, translating to a distribution yield of 5.74% based on the market closing price of US$0.645 per unit as at the last trading day of 2023, 7.0% lower than the DPU of 3.98 US cents for FY 2022. FY 2023 DPU was 15.9% lower than forecast DPU of 4.40 US cents predominantly due to a higher interest rate environment increasing finance expenses as compared to the interest rate assumption in the Projection Year 2023 as disclosed in the Prospectus dated 29 November 2021.

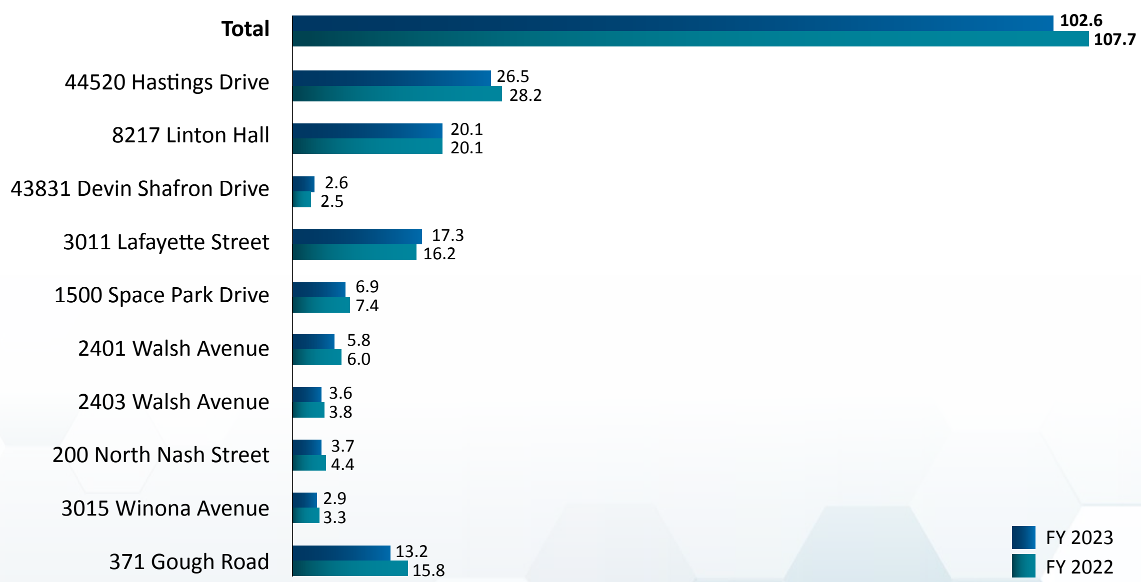
Distribution Policy

Digital Core REIT intends to make distributions to Unitholders on a semi-annual basis. The current distribution for the period from 1 July 2023 to 31 December 2023 will be paid on or before 31 March 2024.

Digital Core REIT's distribution policy is to distribute 100% of distributable income for the period from the Listing Date to 31 December 2023. Thereafter, Digital Core REIT will distribute at least 90% of its annual distributable income for each financial year. The actual level of distribution will be determined at the Manager's discretion.

GROSS REVENUE BY ASSET

(US$ million)



Revenue and Expenses

Rental income for FY 2023 was 8.0% lower than FY 2022, primarily due to the variance in straight-line rent. As a result of the resolution of the bankruptcy of customer announced on 1 November 2023, a total of $3.4 million of straight-line rent previously capitalised for 1500 Space Park, 3015 Winona Avenue, 2403 Walsh Avenue and 2401 Walsh Avenue and 200 North Nash Street was written off in FY 2023. Excluding the effects of the non-cash write-off of straight-line rent, cash rental income was 5.3% higher than FY 2022 on a portfolio basis and registered an increase across all properties. At 371 Gough Road, higher rents from short term leases offset the loss of income generated by the departure of a customer that filed for bankruptcy.

Utilities reimbursement was lower year-on-year, in line with lower utilities expenses. Recovery income was higher due to higher recoverable property taxes and other expenses, partially offset by lower repairs and maintenance expenses.

As a result of the above, FY 2023 gross revenue of US$102.6 million was lower than FY 2022 by 4.8%.

FY 2023 property expenses of US$39.5 million were higher than FY 2022 by 3.1% largely due to higher property taxes from prior and current year supplemental tax assessments received in FY 2023 as well as other property expenses, partially offset by lower utilities and repairs and maintenance expenses.

Consequently, FY 2023 net property income of US$63.1 million was lower than FY 2022 by 9.1%. Excluding the effects of straight-line rent income and write-off (2023: US$3.0 million; 2022: US$6.6 million), FY 2023 cash net property income of US$66.1 million was 5.3% higher than FY 2022 cash net property income of US$62.8 million.

Finance income, finance expenses and other trust expenses

Finance expenses of US$26.2 million for FY 2023 were significantly higher than FY 2022 due to a rise in interest rates as well as the additional interest expense from the incremental EUR and JPY borrowings to partially finance the acquisition of the interests in the Frankfurt facility and the Osaka data centre, respectively, partially offset by 73% of borrowings hedged with floating-to-fixed interest rate swaps.

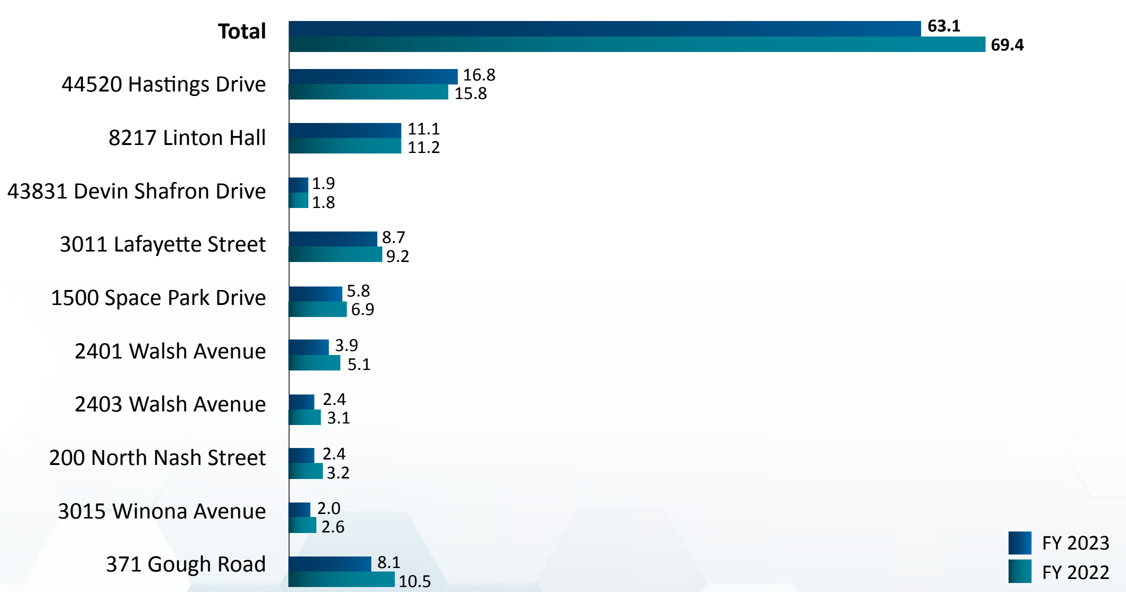
Other trust expenses comprise audit, tax, compliance, legal and professional fees and other corporate expenses. The reduction of trust expenses in FY 2023 of approximately US$1.9 million was largely due to the additional US$1.4 million of professional fee expenses (which was net off with the other income) as well as certain one-off professional fees relating to the first financial period in FY 2022.

(Loss) / Profit attributable to Unitholders

Loss attributable to Unitholders for FY 2023 was $116.7 million, as compared to FY 2022 profit attributable to Unitholders of US$3.6 million. The net loss in FY 2023 was largely due to the net fair value loss in investment properties of US$139.2 million as well as the share of loss of associate of US$15.9 million, which also largely arose from the fair value loss in its investment properties.

NET PROPERTY INCOME CONTRIBUTION BY ASSET

(US$ million)



Financial Review

Due to the net fair value loss for the investment properties, a net tax credit of US$9.6m was recognised for FY 2023, compared to the US$12.7 million tax expense in FY 2022.

Excluding the effects of the net fair value change in investment properties and the share of loss of associate, profit before tax before share of results of associate and fair value changes in investment properties for FY 2023 and FY 2022 would have been US$28.7 million and US$45.6 million respectively.

Investment Properties and AUM

As at 31 December 2023, investment properties and those held for sale amounted to US$1.3 billion based on the appraised value, compared to US$1.4 billion for FY 2022.

Net fair value loss in investment properties was largely due to the effects of higher discount and terminal cap rates on property valuations due to the higher interest rate environment and customer bankruptcy, despite healthy and stable data centre market fundamentals.

In January 2024, the investment properties held for sale, 2401 Walsh Avenue and 2403 Walsh Avenue, were sold to a third-party buyer for a gross consideration of US$160.2 million (at 90% share), at a valuation equal to each asset's valuation as at 31 December 2022.

Assets under Management, based on Digital Core REIT's ownership share of the respective assets, stood at US$1.4 billion as at 31 December 2023 (2022: US$1.4 billion).

Net Asset Value (NAV) per Unit

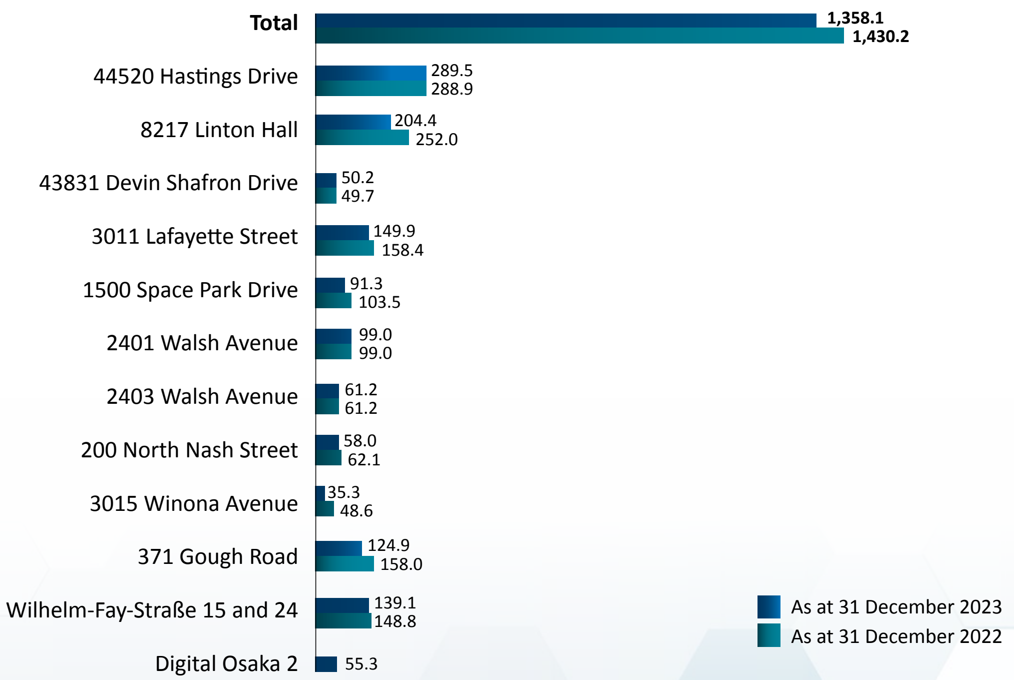
As at 31 December 2023, NAV per Unit was US$0.69. Excluding the distribution income of 1.78 cents for the second half of 2023, the adjusted NAV per Unit was US$0.67.

Funding and Borrowings

As at 31 December 2023, the Group’s gross borrowings amounted to $558.9 million (2022: US$499.9 million), comprising:

(i) US$350.0 million term loan to finance the acquisition of the initial IPO Portfolio;
(ii) US$154.5 million (EUR140.0 million) term loan to finance the acquisition of the 25.0% interest in the Frankfurt Facility;
(iii) US$46.4 million (JPY6.5 billion) loan to finance the acquisition of the 10.0% interest in Digital Osaka 2;
(iv) US$8.0 million loan drawn down from the committed revolving credit facility

ASSET UNDER MANAGEMENT
(US$ million)



Consolidated Statement of Comprehensive Income	FY 2023 US$'000	FY 2022 US$'000	+/(-)%
Rental income	69,068	75,052	(8.0)
Utilities reimbursements	13,491	15,830	(14.8)
Other recovery and operating income	20,032	16,830	19.0
Gross Revenue	**102,591**	**107,712**	**(4.8)**
Utilities	(13,881)	(15,875)	(12.6)
Property taxes and insurance expenses	(9,082)	(6,693)	35.7
Repairs and maintenance	(3,415)	(4,256)	(19.8)
Property management fees	(2,044)	(2,033)	0.5
Other property expenses	(11,119)	(9,478)	17.3
Property expenses	**(39,541)**	**(38,335)**	**3.1**
Net Property Income	**63,050**	**69,377**	**(9.1)**
Other income	–	1,423	(100)
Finance income	6,106	121	100
Finance expenses	(26,190)	(10,274)	100
Manager's base fee	(7,256)	(6,768)	7.2
Manager's performance fee	(2,291)	(2,197)	4.3
Trustee's fee	(185)	(158)	17.1
Other trust expenses	(1,812)	(3,679)	(50.7)
Unrealised foreign exchange	(2,722)	(2,293)	18.7
Share of result of associate	(15,881)	(462)	>100
(Loss) / Profit before tax and fair value changes	**12,819**	**45,090**	**(71.6)**
Net fair value change in investment properties	(139,197)	(28,805)	>100
(Loss) / Profit before tax	**(126,378)**	**16,285**	**NM**
Tax expense	9,648	(12,652)	NM
(Loss) / Profit after tax	**(116,730)**	**3,633**	**NM**
Attributable to:			
Unitholders	(108,585)	(1,294)	>100
Non-controlling interest	(8,145)	4,927	NM
Profit after tax	**(116,730)**	**3,633**	**NM**

Distribution Statement			
Profit after tax attributable to Unitholders	(108,585)	(1,294)	>100
Distribution adjustments	150,069	46,059	>100
Income available for distribution to Unitholders	**41,484**	**44,765**	**(7.3)**

Financial Review

KEY STATISTICS

	Aggregate leverage[1]	% of total assets unencumbered	Interest coverage ratio[2]	All-in interest rate[3]	Weighted average debt maturity
As at 31 December 2023	33.5%	100%	4.3 times	4.5% p.a.	2.8 years
As at 31 December 2022	34.0%	100%	5.7 times	2.7% p.a.	3.9 years

[1] Refers to aggregate leverage pro forma for US$150 million debt repayment financed with dispostion proceeds from the two Silicon Valley asset Sales in January 2024. Aggregate Leverage as defined under the CIS Code at 31 December, was 40.5%.

[2] Refers to interest coverage ratio proforma for US$150 million debt repayment financed with disposition proceeds from the two Silicon Valley assets sales in January 2024. Interest coverage ratio, as defined under the CIS Code, was 2.9x as at 31 December 2023. Adjusted interest coverage ratio and interest coverage ratio is the same as the Group did not issue any hybrid securities.

[3] Excluding amortisation of upfront fees.

During the year, the Group had drawn down US$46.4 million (JPY6.5 billion) from its revolver credit facilities to finance the acquisition of an initial 10% interest in Digital Osaka 2, as well as US$8.0 million for capital expenditures and unit buyback. This leaves US$145.6 million of unutilised facilities available for future obligations.

Cash Flows and Liquidity

Digital Core REIT had cash and cash equivalents of US$12.1 million, as at 31 December 2023.

Net cash generated from operating activities was US$62.5 million, mainly from cash received from net property income and movement in working capital requirements.

Net cash used in investing activities was US$48.0 million. This included net cash of US$44.0 million deployed for the acquisition of investment in FVOCI relating to the 10% interest in the Osaka data centre and US$7.0 million used for capital expenditures, partially offset with the interest income received from fixed deposits and loan to associate.

Net cash used in financing activities amounted to US$28.1 million. This included distribution payments of US$48.2 million made to unitholders and non-controlling interests, US$24.7 million paid for finance expenses, and US$3.4 million used for the unit buyback, partially offset by advances from related companies of US$3.3 million and US$51.5 million proceeds from a net drawdown on the revolver credit facilities.

Capital Management

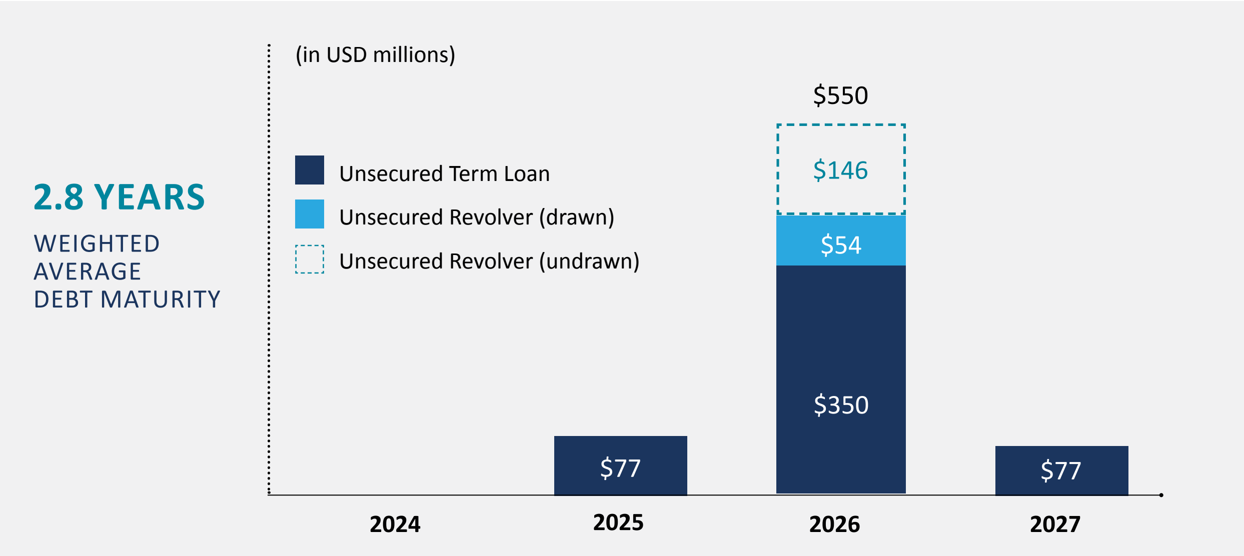
The Manager adopts a proactive and prudent approach towards capital management and strives to maintain an optimal balance between debt and equity to maximize returns for Unitholders while minimizing the cost of capital. The Manager also seeks to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Where possible, the Manager aims to diversify its borrowings from both financial institutions and capital markets and closely monitors externally imposed capital requirements to ensure the REIT's adopted capital structure complies with these requirements. The Manager maintains strong diversified banking relationships with reputable banks and has established banking facilities to enhance its financial flexibility and diversification in funding sources. To maintain leverage within acceptable limits, the Manager actively monitors its capital structure through its leverage ratio.

The Manager has Board and unitholders' approval to implement the unit buy-back mandate and has a defined unit buy-back plan to repurchase its own shares on the market. The timing of these purchases is dependent on daily unit trading prices. As at 31 December 2023, a total of 6,840,700 repurchased units were cancelled.

Debt Maturity Profile

Digital Core REIT manages its interest rate exposure through interest rate swaps. As at 31 December 2023, 73.0% of its borrowings were hedged via floating-to-

DEBT MATURITY PROFILE



fixed interest rate swaps with an all-in average cost of debt was 4.5% (2022: 2.7%). The weighted average term to maturity of its debt was 2.8 years, with no debt refinancing requirements until December 2025.

Under the Property Funds Appendix of the CIS Code, the aggregate leverage should not exceed 50.0% of the Group's deposited properties. The Group has complied with this requirement with an aggregate leverage and interest coverage ratio of 40.5% and 2.9 times respectively for the financial year ended 31 December 2023. The aggregate leverage of 40.5% for the financial year ended 31 December 2023 is higher than the aggregate leverage for the financial year ended 31 December 2022. However, the Manager is of the view that this would not materially impact the risk profile of Digital Core REIT as after taking into account the completion of the sale of 2401 Walsh Avenue and 2403 Walsh Avenue properties on 12 January 2024, aggregate leverage would be approximately 33.5% (which is lower than the aggregate leverage for the financial year ended 31 December 2022)[1] and interest coverage ratio would be 4.3 times[2].

Financial Risk Management

The Group is exposed to a variety of financial risks, including credit, liquidity and market (mainly currency and interest rate) risks. The Manager carries out financial risk management in accordance with its established policies and guidelines while achieving a balance between the costs of risks occurring and the cost of managing them. More detailed information about the Group's financial risk management can be found in the notes to the financial statements.

The Manager has taken measures to manage interest rate and foreign currency exposure by adopting appropriate hedging strategies. Interest rate exposure has been hedged through interest rate swaps. Where possible, natural hedging will be applied by having borrowings in currencies that match the corresponding investment. During the year, the Manager drew Yen borrowings to acquire the Osaka asset, which generates Japanese Yen distributions. Hedge accounting has been applied and the fair value changes of the interest rate swap derivatives as well as the effective portion of the foreign exchange movement on the foreign currency loans designated as hedges are reflected in other comprehensive income. The Manager may also enter foreign currency forward contracts based on projected distributions in non-functional currencies.

Accounting Policy

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed.

The Group's significant policies are discussed in more detail in the notes to the financial statements.

[1] Refers to aggregate leverage pro forma for US$150 million 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, was 40.5%.

[2] Refers to interest coverage ratio proforma for US$150 million debt repayment financed with disposition proceeds from the two Silicon Valley assets sales in January 2024. Interest coverage ratio, as defined under the CIS Code, was 2.9x on 31 December 2023. Adjusted interest coverage ratio and interest coverage ratio is the same as the Group did not issue any hybrid securities.

Operations Review

As at 31 December 2023, Digital Core REIT's portfolio comprised 12[1] high-quality and mission-critical data centres concentrated within top-tier markets in the U.S., Canada, Germany and Japan. The portfolio, valued at US$2.4 billion based on 100% appraised value, or US$1.4 billion at Digital Core REIT's ownership interest, as at 31 December 2023, covers 1.2 million square feet of rentable space. These properties are strategically located, well-maintained, and positioned to meet the rising demand for institutional quality data centre capacity.

Achieving Scale and Diversification

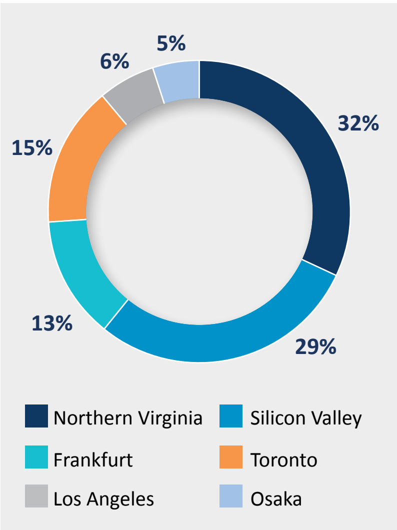
On 1 November 2023, Digital Core REIT successfully completed its initial entry into Asia Pacific with the acquisition of a 10.0% interest in a freehold facility located in Osaka (the "Osaka Data Centre") from Mitsubishi Corporation for a total consideration of approximately US$51.5 million. The Manager has commissioned an independent property valuer, Newmark Valuation & Advisory, to value the Osaka data centre. The valuation of the Osaka data centre was JPY 79,000 million (at 100% share) as at 31 August 2023. In arriving at the valuation, the independent valuer relied on the cost approach, sales comparison approach and income capitalisation approach. With this acquisition, Digital Core REIT achieved greater scale with a presence in a top-tier global data centre market characterised by robust, diverse and durable customer demand. The transaction improved customer credit quality, geographic and customer diversification and enhanced overall portfolio quality while expected to generate approximately 3% DPU accretion. The acquisition added a state-of-the-art facility that was completed in 2019. The property is also situated on a MC Digital Realty data centre connected campus in Osaka, servicing a diverse community of leading hyperscale and technology companies.

Capital Recycling Plan through Divestments

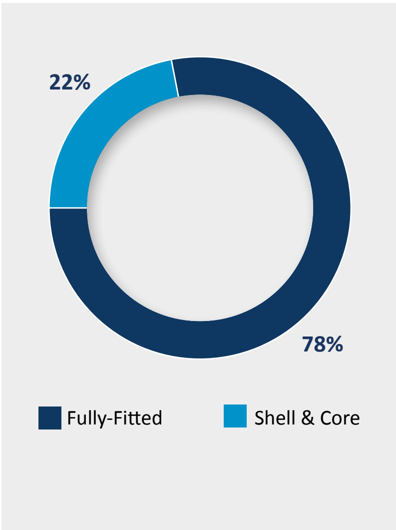
On 1 November 2023, Digital Core REIT announced the divestment of two properties in Silicon Valley at book value for US$178.0 million. Digital Core REIT owned a 90% interest in both assets and the transaction valued

PORTFOLIO METRICS

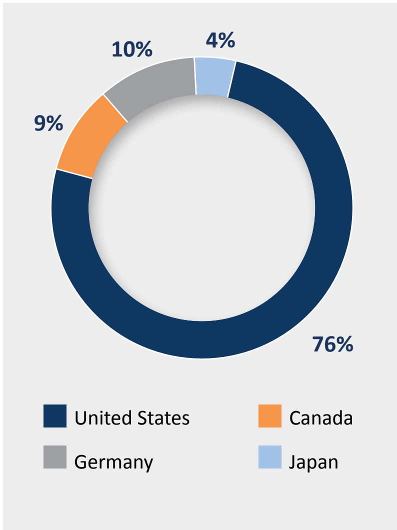
Metro Diversification[2, 3]



Property Types[2, 3]



AUM[4]



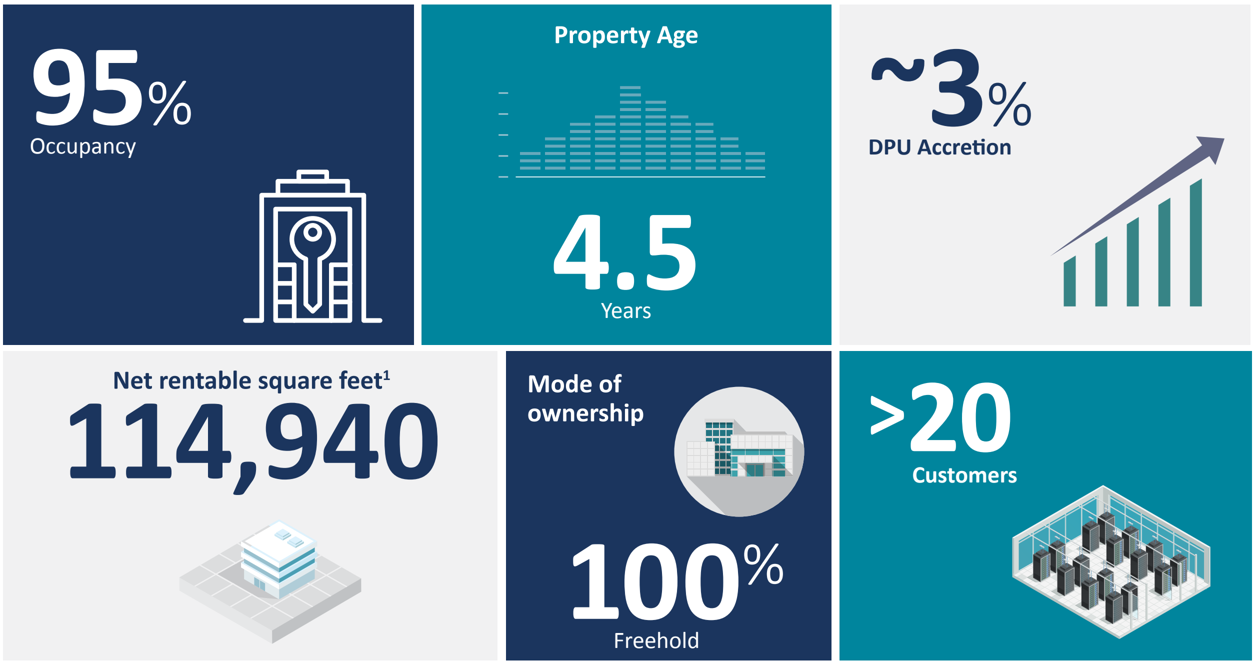
[1] On 1 November 2023, the Manager announced the divestment of two properties in Silicon Valley, which was completed on 12 January 2024. For more information, please refer to the announcements released by Digital Core REIT on 1 November 2023 titled "Customer Situation Update" and on 15 January 2024 titled "Completion of Sale of Two Shell & Core Facilities in Silicon Valley".

[2] Based on annualised rent as at 31 December 2023.

[3] Based on respective ownership interests of properties.

[4] Based on portfolio valuation at share as at 31 December 2023.

KEY HIGHLIGHTS OF DIGITAL OSAKA 2 ACQUISITION



[1] At 100% basis

Digital Core REIT's 90% interest at US$160.2 million, in line with book value. In arriving at the valuation, the independent valuer relied on the income capitalisation approach and the sales comparison approach. The transaction represents a 4.4% cap rate and was completed in January 2024.

Digital Core REIT intends to redeploy proceeds into recently completed, stabilised facilities in Germany and Japan.

Maintaining Healthy Occupancy

Portfolio occupancy of 97% as at 31 December 2023 is underpinned by a high historical customer retention rate with significant customer investment further enhancing customer stickiness. The only vacancies within the portfolio are at Digital Osaka 2, Wilhelm-Fay Straße 15 and 24 and 371 Gough Road. The Manager is proactively working with the Sponsor's salesforce and portfolio management team to lease up these pockets of vacancy.

OCCUPANCY

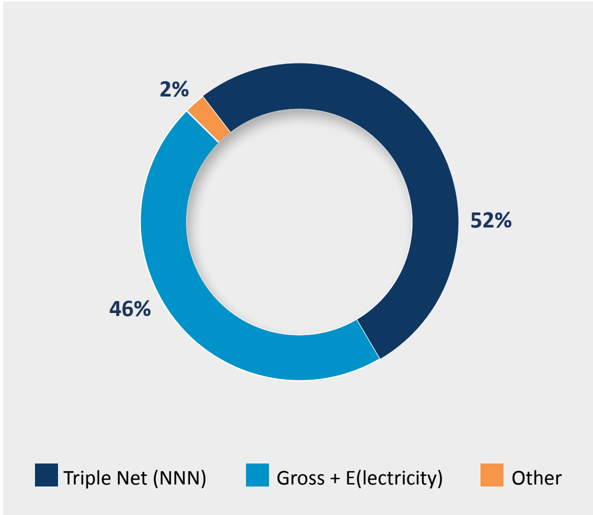
Operations Review

Proactive Lease Management

The portfolio is 97% leased to strategically important customers, each with numerous deployments across the Sponsor's global platform. The in-place lease agreements generally contain annual contractual rental rate escalations ranging from 1%-3%, contributing to organic growth across the portfolio. Additionally, approximately 52% of the portfolio is leased on a triple-net lease structure and 46% is leased on Gross +E(lectricity) structure[2], providing comprehensive insulation against rising energy costs.

For the first half of 2023, the Manager extended several short-term colocation contracts with end-user customers, in addition to the previously disclosed lease agreement with an investment grade cloud service provider. Amidst slower leasing activity in Toronto and a vacancy of a customer, we have since replaced approximately two-thirds of the departing customer's 2023 rental obligation. The Manager continues to work closely with the Sponsor's sales and portfolio management team to backfill the remaining vacancy.

CUSTOMER CONTRACT TYPES[1]

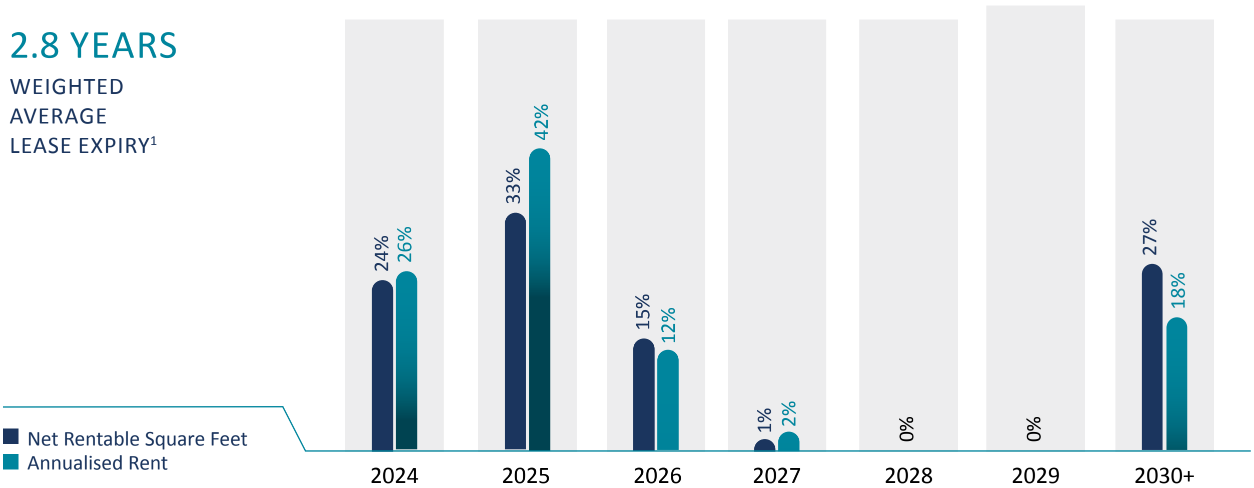


[1] Based on annualised rent as at 31 December 2023.
[2] Gross + E(lectricity) structure refers to customer contracts in which the customer is responsible for paying a gross rent for the capacity it leases and reimbursing the landlord for 100% of the utility costs related to its capacity.

Lease Expirations

Approximately 26% of leases will expire in 2024, while 42% will expire in 2025, based on annualized rent as at 31 December 2023. The portfolio's weighted average lease expiry (WALE) was 2.8 years by annualised rent. For 2023, the WALE of the renewed short-term contracts was 1.3 years by annualised rent and attributed 6% of total annualised rent.

LEASE EXPIRATION SCHEDULE



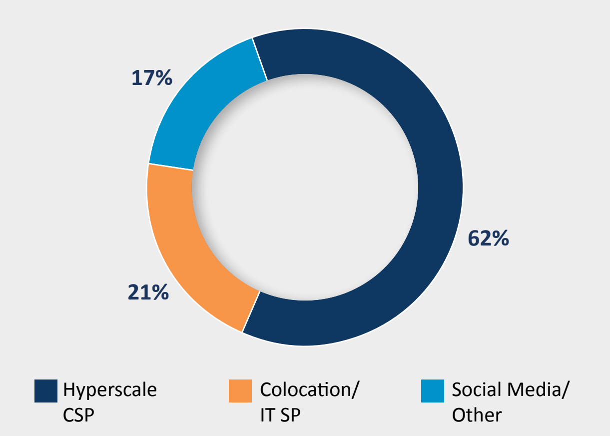
[1] Based on annualised rent as at 31 December 2023. Annualised rental income is computed based on the gross rental income for December 2023 multiplied by 12. For avoidance of doubt, the above chart also reflects the lease expiry profile based on gross rental income for December 2023.

Creditworthy Customer Profile

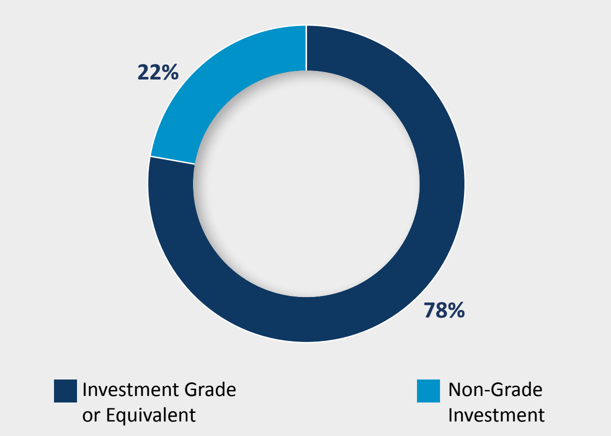
Digital Core REIT has a stable and resilient portfolio with 44 customers as at 31 December 2023. The top customers in the portfolio consist of leading global cloud providers, global colocation and interconnection providers, social media platforms and IT solutions providers. In terms of credit quality, investment grade customers contributed 78% of annualised rent as at 31 December 2023.

TRADE SECTOR AND CREDIT QUALITY

Trade Sector[1]



Credit Quality[1]



Note: Portfolio statistics and figures shown at share.

[1] Based on annualised rent as at 31 December 2023. Annualised rental income is computed based on the gross rental income for December 2023 multiplied by 12. For the avoidance of doubt, the above chart also reflects the trade sector mix based on gross rental income for December 2023.

TOP 10 CUSTOMERS[1]

(in USD thousands)

	Customer	Trade Sector	Credit Rating	No. of Locations	Total Annualised Rent[2]	% of Total Annualised Rent[2]
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%
	Total / Weighted Average				**$79,317**	**100.0%**

[1] Customer statistics are shown at share.

[2] Annualised rental income is computed based on the gross rental income for December 2023 multiplied by 12. For the avoidance of doubt, the above table also reflects the top 10 customers based on gross rental income for December 2023.

Investor and Media Relations

Proactive Engagement with Unitholders

Digital Core REIT is committed to providing timely, accurate and transparent communication to the investment community, including Unitholders, retail and institutional investors, analysts, and media journalists. Guided by our Investor Relations Policy, we prioritize establishing strong relationships through consistent engagement programs.

Our senior management and investor relations team are committed to maintaining an open dialogue with the investment community to understand its perspectives and address any inquiries in a timely manner. These interactions encompass a diverse range of communication channels and platforms to ensure we are accessible and responsive.

In 2023, our senior management and investor relations team engaged with investors and analysts more than 130 times through one-on-one and group conference calls, luncheons, local and overseas conferences, non-deal roadshows, virtual and in-person meetings, and print and audio publications. We also organized property tours to offer firsthand insights into Digital Core REIT's strategy, business performance, and future prospects.

In keeping with our commitment to transparency, the Manager held briefings for analysts, media professionals, and investors after releasing half- and full-year results. Quarterly business updates were also provided to ensure the investment community remained well-informed about key developments. Throughout the year, the Manager maintains an open and consistent line of communication with investors, which is an integral aspect of our comprehensive engagement program.

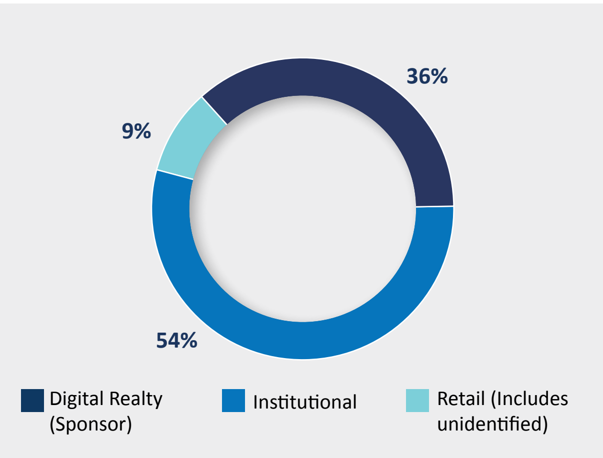
On 20 April 2023, Digital Core REIT successfully conducted its inaugural Annual General Meeting (AGM) in an electronic format. The AGM featured a live question and answer session, allowing Unitholders to actively engage and cast real-time votes. Leading up to the AGM, the Manager collaborated with the Securities Investors Association (Singapore) to host a dedicated dialogue session with retail unitholders. During the session, unitholders were encouraged to submit substantial questions, and detailed responses were subsequently disclosed on both SGXNet and Digital Core REIT's website. All resolutions were unanimously passed, and the results, along with the meeting minutes, were promptly announced on SGXNet and uploaded to our website. To further enhance communication, investors have the option to sign up for email alerts to stay informed about the latest developments at Digital Core REIT.

Timely and Transparent Disclosures

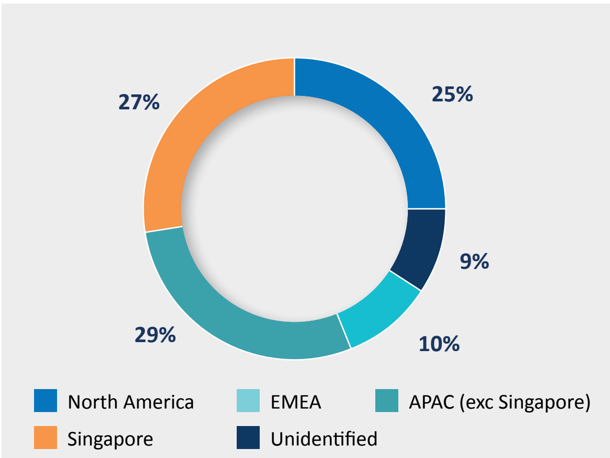
Digital Core REIT ensures that all important information is promptly disclosed through various mediums including announcements, press releases, presentations, and webcasts. These updates are accessible on both the SGX-ST via SGXNet and Digital Core REIT's official website. To ensure Unitholders and the wider investment community stay well-informed, they have the option to subscribe to the email alert service available on Digital Core REIT's website. This service facilitates the timely receipt of updates on the latest announcements. Furthermore, for direct communication and inquiries, the Investor Relations Department can be reached through a dedicated email address. This comprehensive communication strategy underscores our dedication

UNITHOLDINGS ANALYSIS[1]

Unitholdings by Investor Type[1]



Unitholdings by Geography[2]



Source: Orient Capital

[1] As at 31 December 2023

[2] Excludes units held by the Sponsor.

FINANCIAL CALENDAR FOR 2024

Subject to change without prior notice

	Indicative Month
Annual General Meeting	April 2024
First Quarter Business and Operational Update	April 2024
First Half Financial Results	July 2024
First Half Distribution to Unitholders	September 2024
Third Quarter Business and Operational Update	October 2024
Full Year Results Announcement	January 2025
Final Distribution to Unitholders	March 2025

INVESTOR AND MEDIA RELATIONS CALENDAR FOR 2023

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Full Year 2022 Financial Results Analyst and Media Briefing	SIAS-Digital Core REIT Dialogue Session (Pre-AGM)	First Half 2023 Financial Results Analyst and Media Briefing	Third Quarter 2023 Business & Operational Update, Analyst and Media Briefing
Full Year 2022 Financial Results Investor Luncheon hosted by BofA Securities	Virtual AGM Full Year 2022	First Half 2023 Financial Results Investor Luncheon by RBC Capital Markets	Third Quarter 2023 Business & Operational Update, Investor Luncheon hosted by Daiwa Capital Markets
Second-Largest Customer and Silicon Valley Exposure: Investor Group Call hosted by DBS	First Quarter 2023 Business & Operational Update, Analyst and Media Briefing	Property Tour for Hong Kong Investor	Strategic Transactions Update: Investor Group Call hosted by DBS
Citi's 2023 Global Property CEO Conference	First Quarter 2023 Business & Operational Update, Investor Luncheon hosted by Citi	BofA Securities 2023 Global Real Estate Conference	REITWorld Datacentre Property Tour for US Investors
	Mizuho Non-deal Roadshow for Japan Investors	RBC Global Communications Infrastructure Conference 2023	BofA Securities Non-deal Roadshow for Singapore Investors
	Fire side chat: Discussion on AI Implications with Digital Realty Trust & Digital Core REIT, hosted by Citi		Bigger Picture: Data centre REIT's lessons from customer bankruptcy (Chief Executive Officer Radio Interview with Money FM)
	Second-Largest Customer Bankruptcy: Investor Group Call hosted by DBS		DBS-SGX-REITAS Conference 2023

to transparency and accessibility in engaging with stakeholders.

On 5 June 2023, our second-largest customer filed for bankruptcy. In response, we immediately requested a pre-trading halt and promptly published a press release and investor presentation deck on both SGX and Digital Core REIT's official website. We also proactively contacted numerous strategic investors and analysts via email, ensuring swift notification of the announcement. Understanding the significance of the situation, we collaborated with DBS to organize a group investor briefing call within 24 hours. This session focused on addressing the customer bankruptcy situation and attracted substantial participation, with over 60 investors attending. Over the ensuing 72 hours, we maintained continuous engagement with investors and analysts through one-on-one calls and meetings.

Investor and Media Relations

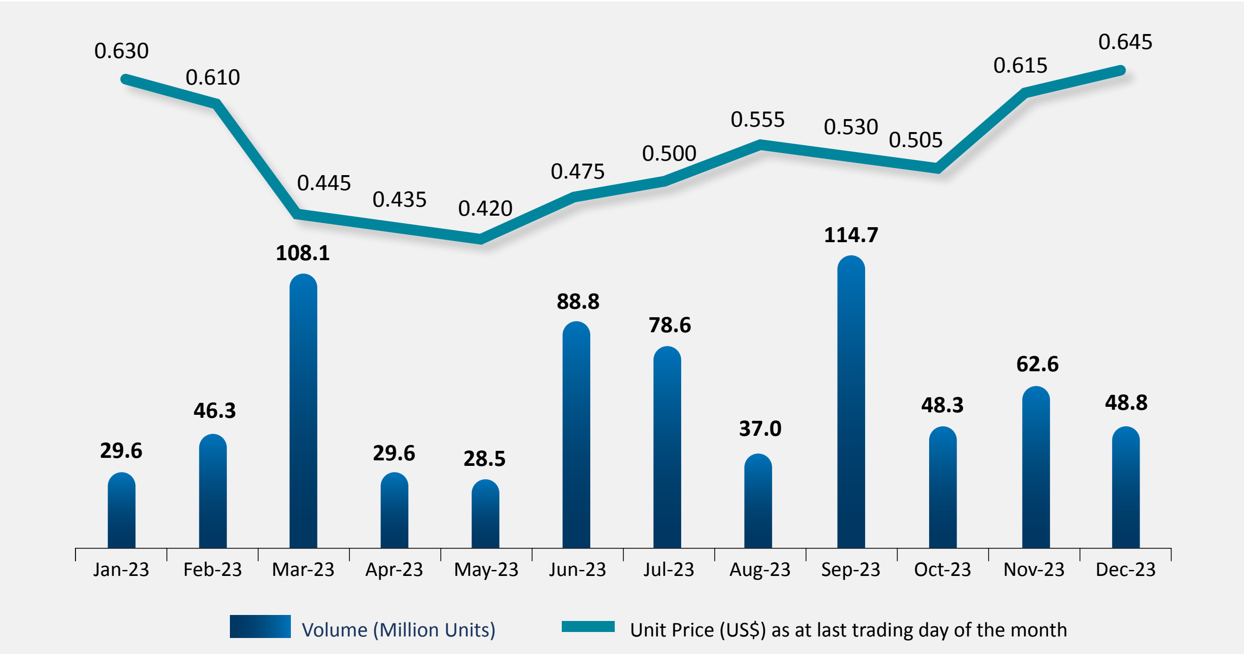
Our commitment to timely and comprehensive communication underscores our dedication to keeping stakeholders well-informed, particularly during critical developments.

On 1 November 2023, Digital Core REIT announced a series of strategic transactions, including agreements to resolve the customer bankruptcy, expand into Japan, and increase our stake in the Frankfurt Facility. Similar to the measures taken in June 2023, the Manager implemented the same investor communication plan to address the various transactions announced. More than 50 investors participated in a group investor briefing call, underscoring our commitment to open and proactive communication during significant corporate events.

FTSE EPRA Nareit Global Developed Index Inclusion

On 4 September 2023, Digital Core REIT announced its inclusion in the FTSE EPRA Nareit Global Developed Index, effective as of the market close on 15 September 2023. This significant milestone is expected to not only enhance our trading liquidity on the SGX but also elevate our visibility among global institutional investors, attracting new capital inflows from global index funds. In addition, Digital Core REIT maintains its position as a constituent of the MSCI Singapore Small Cap Index. As at 31 December 2023, Digital Core REIT was actively covered by five research firms, including BofA Securities, Citi Research, DBS Bank, RBC Capital Markets, and UOB Kay Hian.

2023 TRADING PERFORMANCE



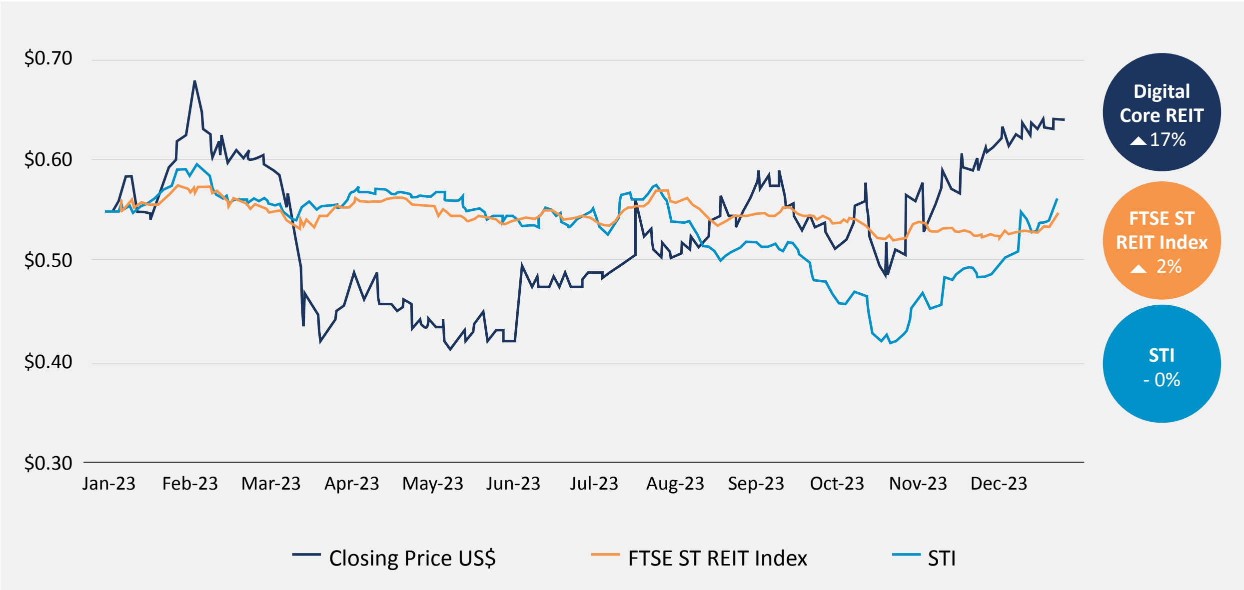
Source: Yahoo Finance

UNIT PRICE AND TRADING VOLUME

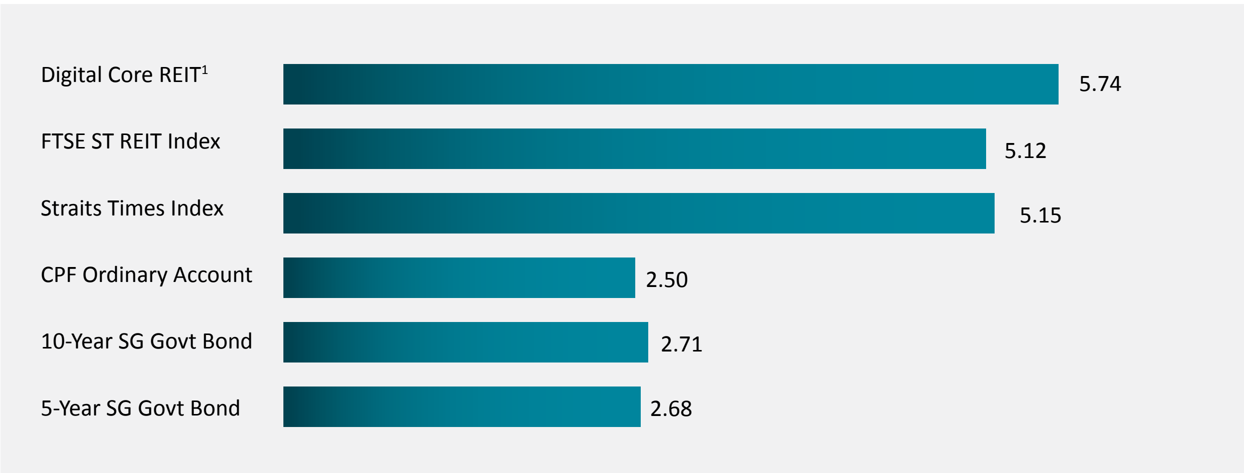
Company	2023	2022
Opening price on the first trading day of the year (US$)	0.56	1.17
Closing price on the last trading day of the year (US$)	0.65	0.55
Highest closing price (US$)	0.70	1.20
Lowest closing price (US$)	0.37	0.50
Trading Volume (million Units)	720.9	915.1

Source: Yahoo Finance

UNIT PRICE PERFORMANCE



COMPARATIVE YIELDS (%)
AS AT 31 DECEMBER 2023



Sources: Bloomberg, Monetary Authority of Singapore and Central Provident Fund.
[1] Based on Digital Core REIT's total DPU of 3.70 U.S. cents for FY 2023 and the closing price of US$0.645 as at 31 December 2023.

Unitholder Inquiries

For more information, please contact:

Ms Mabel Tan
Director of Capital Markets and Investor Relations
Tel: +65 6505 3948
Email: IR@digitalcorereit.com
Website: https://www.digitalcorereit.com

04 PROPERTIES

Portfolio Overview

United States				
Los Angeles	200 North Nash Street	3015 Winona Avenue		
Silicon Valley	3011 Lafayette Street	1500 Space Park Drive	2401 Walsh Avenue	2403 Walsh Avenue
Northern Virginia	44520 Hastings Drive	8217 Linton Hall Road	43831 Devin Shafron Drive	
Canada				
Toronto	371 Gough Road			
Germany				
Frankfurt	Wilhelm-Fay-Straße 15 and 24			
Japan				
Osaka	Digital Osaka 2			

Property Details

44520 Hastings Drive

The Property is a one-storey data centre facility located within the Sponsor's Ashburn Corporate Campus in the Ashburn area of Loudoun County, Virginia. Located within Loudoun County's "Data Centre Alley" which is part of the Northern Virginia data centre market, the Property is in close proximity to the MAE East Internet Exchange Point, providing premier connectivity and access to an extensive fibre network already in place. This Northern Virginia data centre campus also provides access to the Sponsor's robust ecosystem via Service Exchange as well as metro connect and campus connect availability.

In addition, the Property is in close proximity to (i) major toll roads, such as Dulles Toll Road, (ii) state highways such as Loudoun County Parkway and Route 28, (iii) north of Dulles International Airport and (iv) approximately 30 miles northwest of Washington, D.C.. The Property is Energy Star certified.

Address	44520 Hastings Drive, Ashburn, VA 20147
Land Lease Title	Freehold
Property Type	Fully-Fitted
Ownership Interest	90%
Net Rentable Square Feet	146,999
Occupancy (as at 31 December 2023)	100%
WALE by Annualised Rent as at 31 December 2023 (years)	1.4
Purchase Consideration based on ownership interest (US$ million)	286.2
Valuation based on ownership interest as at 31 December 2023 (US$ million)	289.5
Rent received in 2023 based on ownership interest (US$ '000)	13,961

Portfolio Details

8217 Linton Hall Road

The Property is a one-storey data centre facility positioned just east of Linton Hall in a transition area between heavy industrial uses to the east and residential development to the west. It is in close proximity to Dulles International Airport, 20 miles north in Loudoun and Fairfax Counties.

Address	8217 Linton Hall Rd, Bristow, VA 20136
Land Lease Title	Freehold
Property Type	Fully-Fitted
Ownership Interest	90%
Net Rentable Square Feet	230,002
Occupancy (as at 31 December 2023)	100%
WALE by Annualised Rent as at 31 December 2023 (years)	1.5
Purchase Consideration based on ownership interest (US$ million)	234.9
Valuation based on ownership interest as at 31 December 2023 (US$ million)	204.4
Rent received in 2023 based on ownership interest (US$ ‘000)	9,762

43831 Devin Shafron Drive

The Property is a one-storey powered shell data centre facility located within the Ashburn Corporate Campus in the Ashburn area of Loudoun County, Virginia. The Property is part of the Digital Realty Loudoun Ashburn Campus, an eight-data centre complex.

Located within Loudoun County's "Data Centre Alley" and part of the Northern Virginia data centre market in proximity to the MAE East Internet Exchange Point, the Property provides premier connectivity and access to an extensive fibre network already in place. The Property is also in close proximity to major toll roads and state highways. In addition, the Property is north of Dulles International Airport and approximately 30 miles northwest of Washington, D.C.

Address	43831 Devin Shafron Drive Bldg. C, Ashburn, VA
Land Lease Title	Freehold
Property Type	Shell and Core
Ownership Interest	90%
Net Rentable Square Feet	117,071
Occupancy (as at 31 December 2023)	100%
WALE by Annualised Rent as at 31 December 2023 (years)	2.3
Purchase Consideration based on ownership interest (US$ million)	45.1
Valuation based on ownership interest as at 31 December 2023 (US$ million)	50.2
Rent received in 2023 based on ownership interest (US$ '000)	1,676

Portfolio Details

3011 Lafayette Street

The Property is a two-storey carrier-neutral data centre that was completed in 2000 but underwent renovation in 2007. Located in the heart of Silicon Valley near Highway 101, it is in close proximity to the Donald Von Raesfield Power Plant. The Property is Energy Star Certified.

Address	3011 Lafayette Street, Santa Clara, CA 95054
Land Lease Title	Freehold
Property Type	Fully-Fitted
Ownership Interest	90%
Net Rentable Square Feet	90,780
Occupancy (as at 31 December 2023)	100%
WALE by Annualised Rent as at 31 December 2023 (years)	1.2
Purchase Consideration based on ownership interest (US$ million)	166.5
Valuation based on ownership interest as at 31 December 2023 (US$ million)	149.9
Rent received in 2023 based on ownership interest (US$ '000)	12,182

1500 Space Park Drive

The Property is a two-storey colocation data centre located in the heart of Silicon Valley. The Property is located near Highway 101 as well as three cost-effective sub-stations on the Silicon Valley power grid. The Property is Leed Gold certified.

Address	1500 Space Park Drive, Santa Clara, California 95054
Land Lease Title	Freehold
Property Type	Shell & Core
Ownership Interest	90%
Net Rentable Square Feet	51,615
Occupancy (as at 31 December 2023)	100%
WALE by Annualised Rent as at 31 December 2023 (years)	10.7
Purchase Consideration based on ownership interest (US$ million)	101.7
Valuation based on ownership interest as at 31 December 2023 (US$ million)	91.3
Rent received in 2023 based on ownership interest (US$ '000)	4,224

Portfolio Details

2401 Walsh Avenue / 2403 Walsh Avenue[1]

2401 Walsh Avenue is a two-storey powered shell data centre facility. The physical structure was completed in 1973 and was retrofitted for data centre use in 2001. 2403 Walsh Avenue is a two-storey powered shell data centre facility. The physical structure was completed in 1996 and retrofitted for data centre use in 2000.

Both Properties are located on the north side of Walsh Avenue, just east of Northwestern Parkway and south of Central Expressway within the city limits of Santa Clara, Santa Clara County, California. They are also in close proximity to major highways and major transportation networks, such as the Valley Transportation Authority light rail and the San Jose International Airport. Both Properties are Energy Star certified.

Address	2401 Walsh Avenue, Santa Clara, CA 95051
Land Lease Title	Freehold
Property Type	Shell and Core
Ownership Interest	90%
Net Rentable Square Feet / Gross Floor Area	167,932 / 216,949
Occupancy (as at 31 December 2023)	100%
WALE by Annualised Rent as at 31 December 2023 (years)	9.2
Purchase Consideration based on ownership interest (US$ million)	100.8
Valuation based on ownership interest as at 31 December 2023 (US$ million)	99.0
Rent received in 2023 based on ownership interest (US$ '000)	4,212

Address	2403 Walsh Avenue, Santa Clara, CA 95051
Land Lease Title	Freehold
Property Type	Shell and Core
Ownership Interest	90%
Net Rentable Square Feet / Gross Floor Area	103,940 / 191,228
Occupancy (as at 31 December 2023)	100%
WALE by Annualised Rent as at 31 December 2023 (years)	9.2
Purchase Consideration based on ownership interest (US$ million)	62.3
Valuation based on ownership interest as at 31 December 2023 (US$ million)	61.2
Rent received in 2023 based on ownership interest (US$ '000)	2,607

[1] Sold in January 2024.

200 North Nash Street

The Property is a two-storey powered shell data centre facility completed in 1976 located within the South Bay area of Los Angeles County, in the City of El Segundo. It is in close proximity to Los Angeles International Airport, and major highways such as San Diego (Interstate 405) and Long Beach (Interstate 710). Its last refurbishment was completed in 2000.

Address	200 N. Nash Street, El Segundo, CA 90245
Land Lease Title	Freehold
Property Type	Shell & Core
Ownership Interest	90%
Net Rentable Square Feet	113,606
Occupancy (as at 31 December 2023)	100%
WALE by Annualised Rent as at 31 December 2023 (years)	0.8
Purchase Consideration based on ownership interest (US$ million)	64.0
Valuation based on ownership interest as at 31 December 2023 (US$ million)	58.0
Rent received in 2023 based on ownership interest (US$ '000)	2,652

Portfolio Details

3015 Winona Avenue

The Property is a two-storey powered shell data centre facility located in Burbank which is known as the "media capital of the world", and is home to Warner Brothers, Walt Disney Company, and Burbank Studios. NBC Universal City and the CBS Studio Centre are also nearby, as is the DreamWorks campus. Besides being in close proximity to Burbank Airport, the Property is also well connected to the interstate network by the Golden State Freeway (I-5) as well as the Hollywood Freeway (State Route170/101) and the Ventura Freeway. The Property is Energy Star certified.

Address	3015 Winona Ave, Burbank, CA 91504
Land Lease Title	Freehold
Property Type	Shell & Core
Ownership Interest	90%
Net Rentable Square Feet	82,911
Occupancy (as at 31 December 2023)	100%
WALE by Annualised Rent as at 31 December 2023 (years)	0.8
Purchase Consideration based on ownership interest (US$ million)	52.0
Valuation based on ownership interest as at 31 December 2023 (US$ million)	35.3
Rent received in 2023 based on ownership interest (US$ '000)	2,140

371 Gough Road

The Property is a one-storey data centre facility with a two-storey office area. Completed in 1980, the property underwent a major renovation in 2014 and 2015 as part of its conversion into a data centre.

The Property is strategically located in Canada's high-tech capital (Markham, Ontario) and is approximately 17 miles north of the financial district in downtown Toronto.

Address	371 Gough Road, Markham, Ontario, Canada, L3R 4B6
Land Lease Title	Freehold
Property Type	Fully-fitted
Ownership Interest	90%
Net Rentable Square Feet	104,308
Occupancy (as at 31 December 2023)	66.9%
WALE by Annualised Rent as at 31 December 2023 (years)	1.1
Purchase Consideration based on ownership interest (US$ million)	183.0
Valuation based on ownership interest as at 31 December 2023 (US$ million)	124.9
Rent received in 2023 based on ownership interest (US$ '000)	11,680

Portfolio Details

Wilhelm-Fay-Straße 15 and Wilhelm-Fay-Straße 24

The Property, a purpose-built three-storey data centre facility, was developed in successive phases of contiguous customer expansion within the supply-constrained Sossenheim sub-market. It is connected via dark fibre to the Sponsor's crosstown Hanauer Landstraße campus, one of the world's leading connectivity hubs, with direct access to more than 700 carriers and internet service providers.

Address	Wilhelm-Fay-Straße 15 and Wilhelm-Fay-Straße 24, Frankfurt, Germany
Land Lease Title	Freehold
Property Type	Fully-Fitted
Ownership Interest	25.0%
Net Rentable Square Feet	449,546
Occupancy (as at 31 December 2023)	92.0%
WALE by Annualised Rent as at 31 December 2023 (years)	2.7
Purchase Consideration based on ownership interest (US$ million)	149.4
Valuation based on ownership interest as at 31 December 2023 (US$ million)	139.1
Rent received in 2023 based on ownership interest (US$ '000)	10,507

Digital Osaka 2

The Property is a fully-fitted, freehold four-story facility, part of the Osaka Digital Connected Campus, and was completed in 2019. The Property is oriented towards major hyperscale users and is anchored by leading global cloud service providers.

Address	6-chome, Ao-kita, Saito, Minoh-city, Osaka, Japan
Land Lease Title	Freehold
Property Type	Fully-Fitted
Ownership Interest	10.0%
Net Rentable Square Feet	114,940
Occupancy (as at 31 December 2023)	95.3%
WALE by Annualised Rent as at 31 December 2023 (years)	3.9
Purchase Consideration based on ownership interest (US$ million)	51.5
Valuation based on ownership interest as at 31 December 2023 (US$ million)	55.3
Rent received in 2023 based on ownership interest (US$ '000)	619[1]

1 Rental income is from date of acquisition to 31 December 2023.

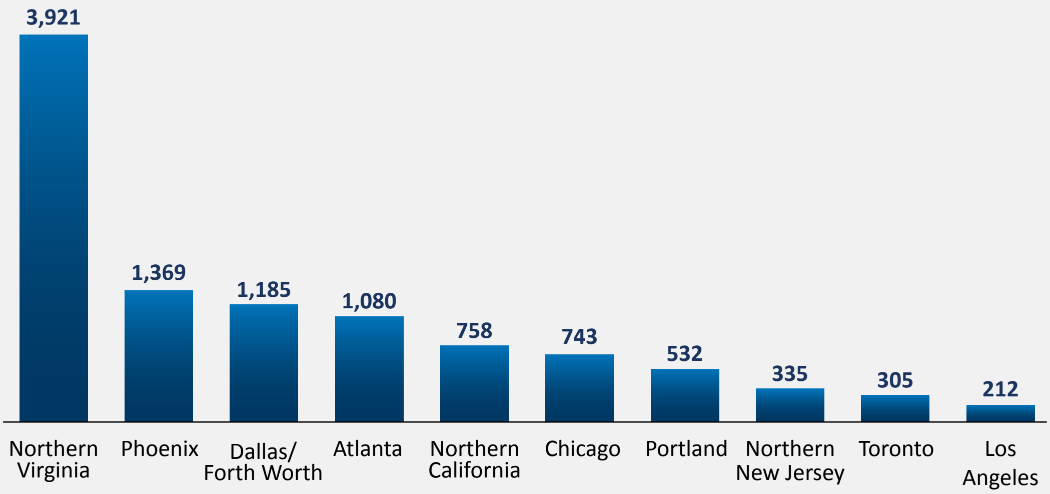
Independent Market Research Report

Statement of Assumptions and Limitations

datacenterHawk has assembled this report in good faith for Digital Core REIT Management Pte. Ltd., in its capacity as manager of Digital Core REIT, and Perpetual (Asia) Limited, in its capacity as trustee of Digital Core REIT, and has made every attempt to ensure the accuracy and reliability of the information provided in this report. However, the information is provided without warranty of any kind. datacenterHawk does not accept responsibility or liability for the accuracy, content, completeness, reliability, or legality of the information provided.

LEADING NORTH AMERICA DATA CENTRE MARKETS

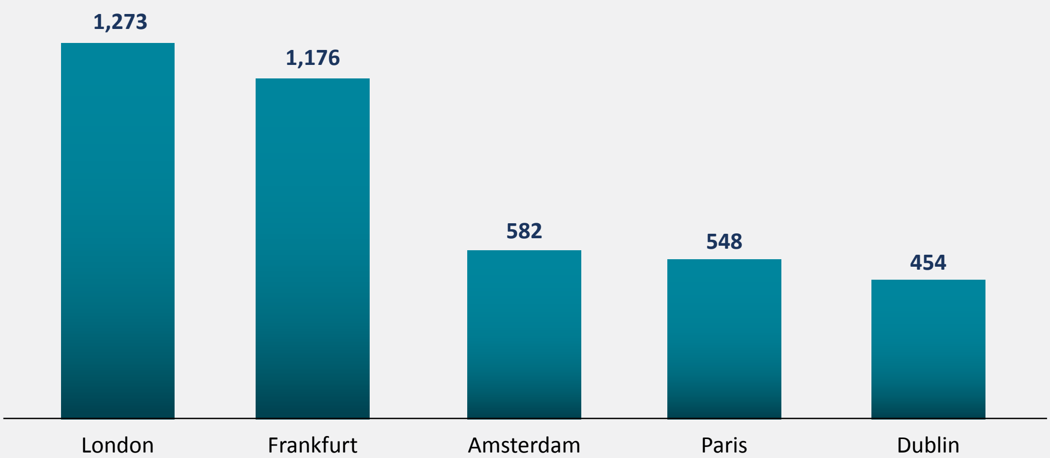
Multi-Tenant Commissioned Power in MW[1]



[1] As of 4Q 2023

LEADING EUROPE DATA CENTRE MARKETS

Multi-Tenant Commissioned Power in MW[1]



[1] As of 4Q 2023

NORTHERN VIRGINIA

Overview

Northern Virginia is the largest data centre market in the United States. This extremely mature and well-connected area traces its roots to the U.S. Government's experiments in wide area fiber optic networking in the late 1960s. The low-latency connections to the national fiber network backbone along with a relatively business-friendly environment make Northern Virginia the top market for data centres serving the area's biggest public and private enterprises.

Northern Virginia is the largest data centre market in the United States for the following reasons:

- **Competitive Colocation/Cloud Environment** – The Northern Virginia market has the largest presence of colocation and cloud providers in the United States, creating a very competitive environment
- **Strategic Location** – The Northern Virginia market provides a strategic, cost-effective market for companies needing their data centres in the northeastern United States
- **Relatively Free of Natural Disasters** – Other than occasional high winds and rain from hurricane remnants, the Northern Virginia market is typically very safe
- **Reasonable Power Cost** – Northern Virginia's power costs are competitive among major colocation markets and is reasonable considering the total cost of occupancy for long-term requirements
- **Business Climate** – Despite some economic challenges in Virginia over the past few years, the area's businesses continue to grow, creating data centre requirements for the market

The Virginian economy is diverse, with both a strong manufacturing base (producing everything from wood flooring to rocket engines) and information services sector. Over 70 firms with annual revenue over $500 million are headquartered in Virginia with eight of the nineteen of the Fortune 500 companies in Virginia headquartered in the Northern Virginia area. Since 2018, nearly $2 billion was spent on land purchases for data centre development in Northern Virginia.

While the downtown Washington, DC area has several smaller data centres, the bulk of data centre investment occurs outside the downtown area. Concentrations of colocation, cloud, and enterprise data centres are located in several cities to the northwest corner of the market, including Ashburn, Sterling, and Reston, VA. The Ashburn area (a suburb north of Dulles Airport so dense it is commonly referred to as "Data Centre Alley") is dominated by a number of large data centre providers. Digital Realty continues to develop its campus located on Loudoun County Parkway. The site is supported by a dedicated substation capable of producing up to 150 MW of power. They also purchased DuPont Fabros, adding six data centres in Ashburn, with room to construct one more based on tenant demand. In addition, Equinix has continually invested in the Northern Virginia market by building fourteen data centres in the area (DC1, DC2, DC3, DC4, DC5, DC6, DC7, DC10, DC11, DC12, DC13, DC14, DC15, and DC21). In addition, Equinix has secured land in the area to continue to expand.

Approximately one mile to the southeast is Sterling, an area with a significant number of data centre providers as well. Cyxtera, CyrusOne, Stack Infrastructure, and Digital Realty are well positioned to be competitive in this area for the immediate future. Reston continues to grow as well, with significant investments from CoreSite, Digital Realty, and Equinix.

While government agency requirements have increased the data centre demand in Northern Virginia, the majority of the market is made up of other industries finding the market attractive. Aerospace, financial, managed hosting, technology, and telecommunications companies have all staked claims in Northern Virginia's data centres. Colocation requirements in the Northern Virginia market are typically larger than most markets. This is due to the nature of the requirements as well as the availability and competitive pricing in the market.

Power Overview

To meet the voracious demand for data centres, the entire Northern Virginia area has experienced uncommonly-rapid growth of new electricity providers. According to published reports, Virginia has the lowest commercial electricity rates in the Mid-Atlantic region. Virginia does not provide a wholly-competitive electricity market, but local regulators enable co-ops such as the Northern Virginia Electric Cooperative (NOVEC) to resell service from monopoly provider Dominion Energy—doing business as "Virginia Electric & Power." Therefore, the Virginia Electric & Power Company and NOVEC do not compete on price but rather on customer service offerings.

Independent Market Research Report

NORTHERN VIRGINIA

Hazard Risk Overview

The Northern Virginia market is at low overall risk for natural disasters. Northern Virginia is far enough inland to avoid the full force of hurricanes, but does feel the impact of these storms' remnants. While not an annual occurrence, large storms (called "nor'easters") can strike the region with enough rain, snow, and ice to cause power outages and impede traffic. Earthquakes are rare in Virginia, with almost no significant activity in the past 50 years.

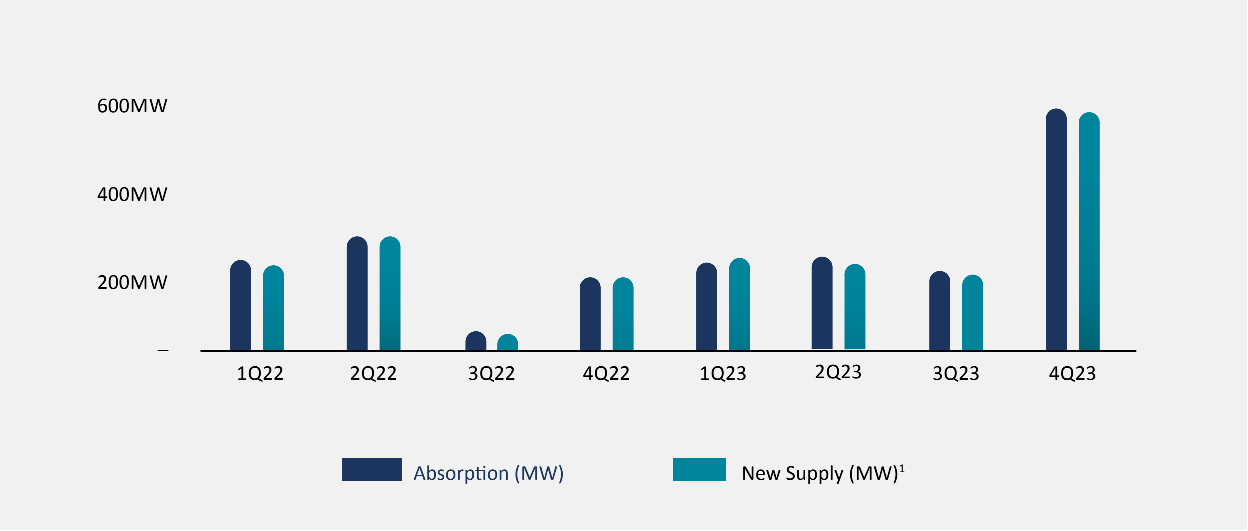
Tax Incentives Overview

Legislation making qualified data centre facilities exempt from Virginia's sales and use taxes went into effect in 2009. To qualify, data centre providers must spend at least $150 million and create between 25-50 new jobs in the area. Revisions in 2012 not only extended those tax benefits to 2020 but also enabled aggregation of the requirements across multiple data centres and its tenants. This reduced the capital investment needed to receive the tax abatement and encouraged providers to build multiple smaller data centres. Records show the State of Virginia waived an estimated $65 million in state and local sales tax revenue for data centres in 2017 alone. These tax incentives, combined with Virginia's business-friendly environment, attracts data centre investment that would otherwise go to the District of Columbia and Maryland.

Connectivity Overview

An astounding 70 percent of the world's Internet traffic flows through Northern Virginia. The region's proximity to every federal government agency's headquarters obviously plays a role in that world-class network connectivity. As a result, the area's robust technology and financial businesses grew around that connectivity. Hundreds of thousands of fiber miles laid by dozens of providers enable robust carrier-neutral broadband connectivity to many of the region's data centres.

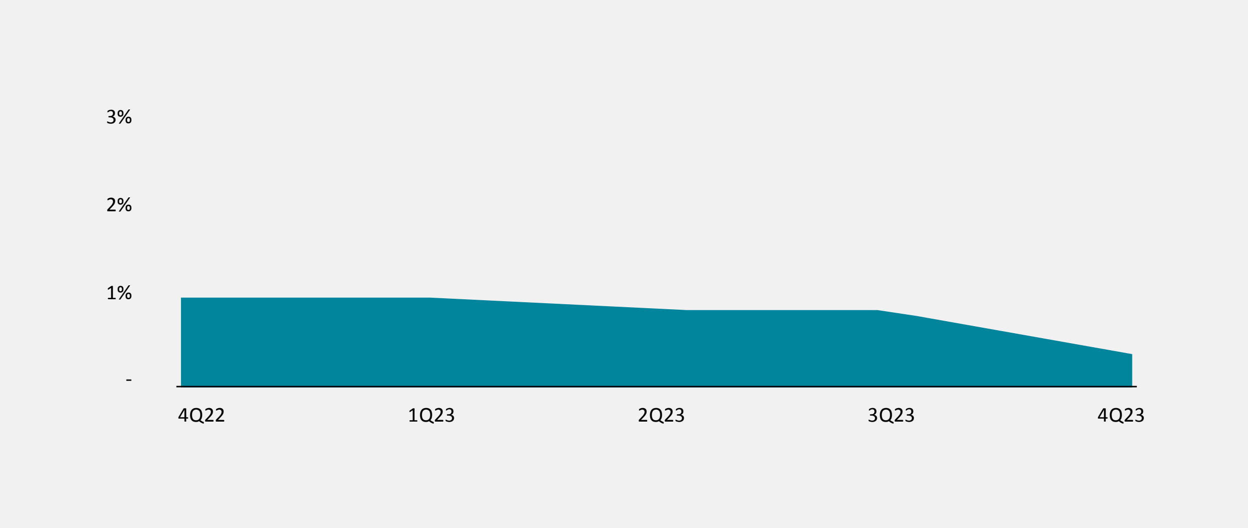
ABSORPTION AND SUPPLY



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

NORTHERN VIRGINIA

VACANCY



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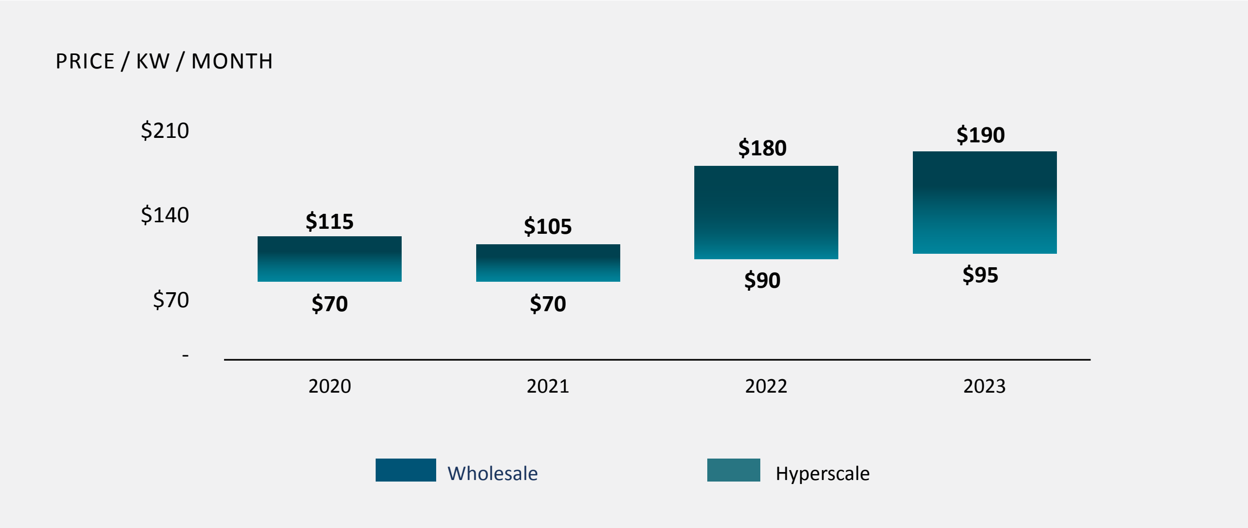


[2] Wholesale pricing represents deals with a deployment size from 250kW to 4MW and hyperscale pricing represents deals greater than 4MW.

Independent Market Research Report

NORTHERN CALIFORNIA

Overview

Northern California is one of the top data centre market in the country. Most companies objectively evaluating the market for expansion should be deterred by the area's expensive real estate, power costs, and risk of earthquakes. Despite these facts, consistent activity from large data centre users and colocation/cloud operators over the last five years is the prime catalyst for the market's impressive ranking.

Growth in the Northern California data centre market has occurred in several cities south of San Francisco, with Santa Clara being home to the majority. One of the key reasons for the large data centre market in Santa Clara is Silicon Valley Power, the city-run electric company, has consistently offered lower power costs to data centre users. Santa Clara boasts over 40 data centres located in a three and half square mile area, an area rivalling "Data Centre Alley" in Northern Virginia, the world's largest concentration of data centres. In addition, several data centre users and providers have locations in San Jose, directly southeast of Santa Clara. Other cities in the San Francisco metro area with data centre locations include Sunnyvale and Milpitas.

Data centre requirements in the Northern California market typically originate from companies already located in the area. The Silicon Valley business environment, specifically the technology industry, has fueled much of the growth in the data centre market over the past few years. In 2014, The Silicon Valley Leadership Group reported 33% of economic output in the area comes from technology companies. According to U.S. Bureau of Labor Statistics data, the combined area of San Francisco/San Jose/Oakland saw unemployment steadily drop from a high of 10.4% in July 2011 down to an impressive 2.3% in December 2019. While the Northern California data centre market greatly benefits from tech sector growth, it also heavily depends on it—posing a risk should the sector decline. Other industries that are consistently active and adding to the data centre growth in Northern California include telecom, healthcare, financial, and retail.

Several years ago, large data centre users like Apple and Facebook relied heavily on wholesale provider infrastructure, creating heavy demand from operators like Digital Realty, DuPont Fabros, and CoreSite. A shift in strategy by these companies to build, own, and operate their data centres created several sublease opportunities in the market in 2013, disrupting traditional transaction pricing. Even with these subleases, vacancy in the Northern California market is decreasing.

Power Overview

Northern California has a reliable and extensive electrical grid. In the Santa Clara/San Jose data centre cluster, power is provided by both Pacific Gas & Electric and Silicon Valley Power. These companies encourage using renewable power such as solar, wind, and the more exotic biomass solutions. However, these "green" power sources can often increase a data centre's total cost of ownership. The average power cost throughout Northern California is extremely high. These high costs often factor into the decisions for Northern California-based companies to co-locate in Portland, OR or Seattle, WA, where the typical power cost for data centre users is approximately two times less.

NORTHERN CALIFORNIA

Tax Incentives Overview

Tax abatement opportunities are not currently available through the State of California. Brook Taylor, a spokesman for the California Governor's Office of Business and Economic Development, told the Associated Press in 2015 that: "If anything, data centres are being built in spite of the fact that we don't have specific tax credits or incentives for them." Local tax abatement opportunities do exist in certain markets in Northern California.

Hazard Risk Overview

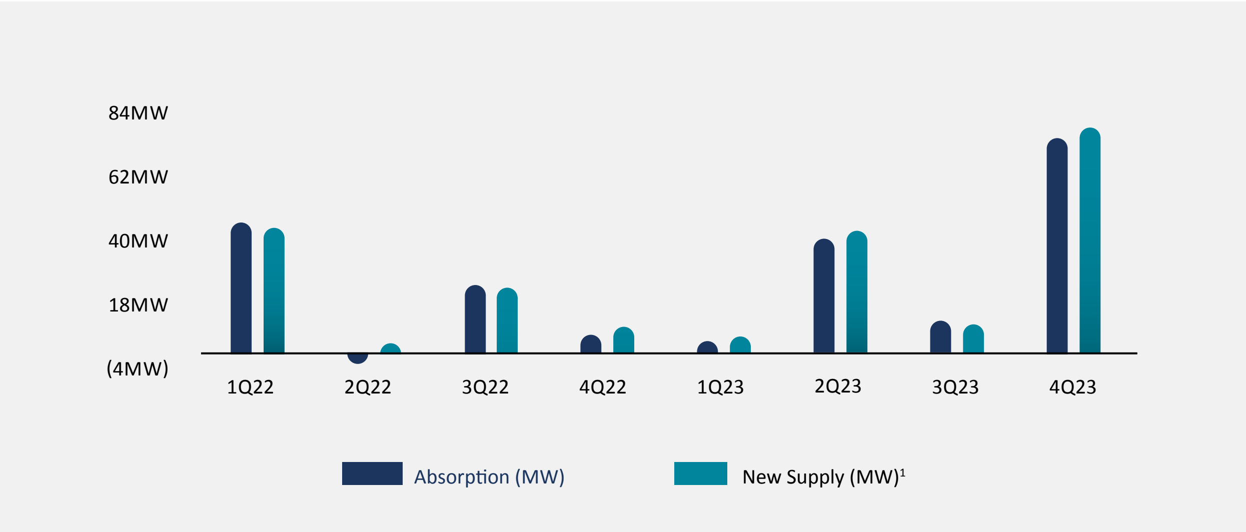
The largest natural hazard threat in the Northern California market is earthquakes. According to the United States Geological Survey's 2014 findings, Northern California market is in one of the areas most likely to be impacted by an earthquake. Because of this, data centre users and providers have invested significant capital in building facilities designed to handle these seismic events.

Another challenge for the Northern California market is the availability of water. Data centres need large amounts of water to cool their facilities, and the multi-year drought in California creates challenges for data centre operators. There is a media-created perception that data centres abuse Northern California's limited resources. However, the data centre industry as a whole worked hard even before California's provincial water crisis to conserve and use water in environmentally-friendly ways. As far back as 2005, numerous data centres (including many in Northern California) received Leadership in Energy and Environmental Design (LEED) certifications designed to conserve both water and electricity.

Connectivity Overview

Legacy carriers AT&T, Sprint, and Verizon all run long-haul fiber connections on the west side of San Francisco Bay. These fast connections to the Internet backbone link tech businesses from San Francisco in the north to the concentrations of data centres south of the Bay in Santa Clara and San Jose. Fiber from newer carriers CenturyLink, Cogent, Electric Lightwave, Integra, Level3, M Power, Paxio, Telepacific, XO Communications, and Zayo all follow similar paths but also add connections to east Bay Area-suburbs of Berkeley and Oakland in the north, out to the growing eastern suburbs of Dublin, Pleasanton, and Livermore (home of the famous Jet Propulsion Labs), and circle back southwest to link up to San Jose/Santa Clara. Northern California also has a half-dozen localized fiber providers servicing specific areas. Municipal fiber is available in Palo Alto, Sun Bruno (just south of San Francisco proper), and San Leandro while Wilcon and Northern California Fiber serve the data centre-heavy areas in Santa Clara and San Jose.

ABSORPTION AND SUPPLY



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Independent Market Research Report

NORTHERN CALIFORNIA

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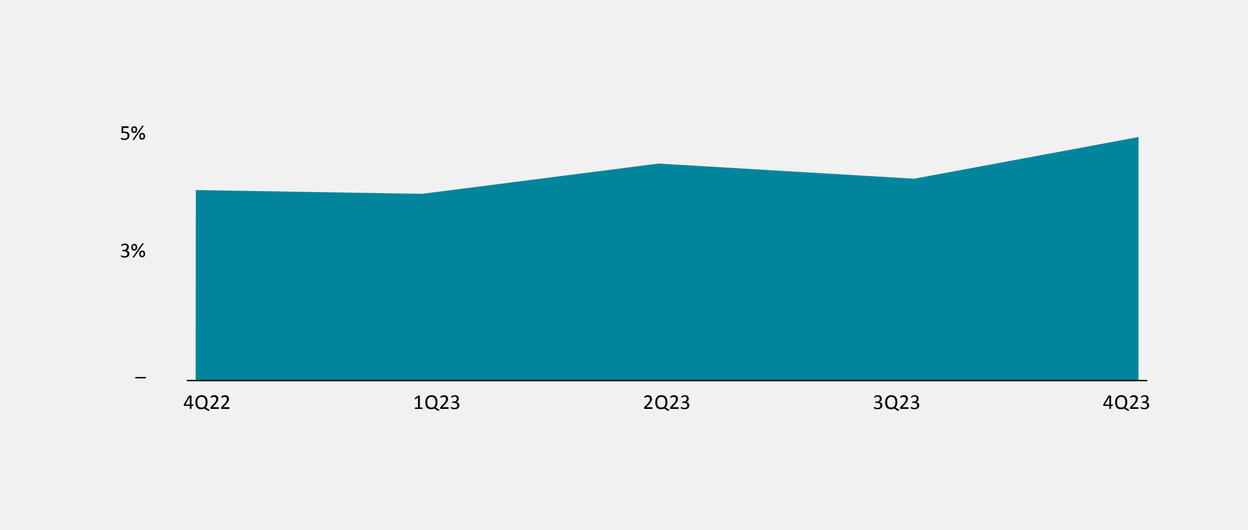

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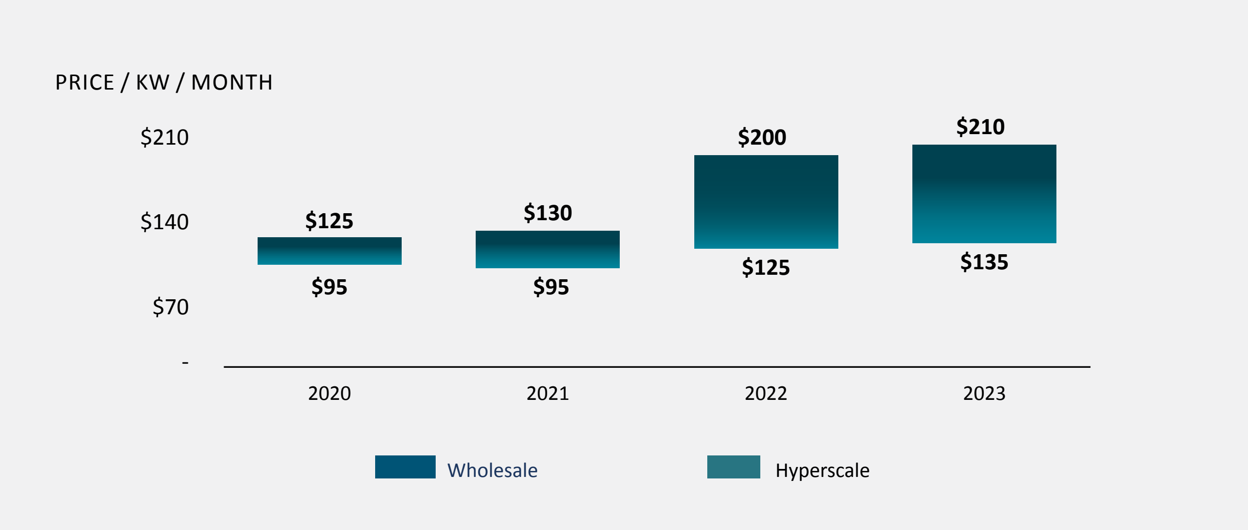

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TORONTO

Overview

Toronto is Canada's largest city (with a population of 2.9 million) and the fourth largest in North America. Additionally, Toronto ranks as the seventh largest metropolitan statistical area ("MSA") in North America, with a population of 6.4 million. Data centre development typically grows near large population areas, and the growth in Toronto is tied to market size. Data centre users also find Toronto attractive for the following reasons:

- **Privacy Issues** – Concerns about data privacy are prompting companies to choose Canada as a home for their data centre requirements. As Canada's largest city, Toronto becomes a prime location for users.
- **Global Gateway to Canada** – Toronto is Canada's primary link to the world economy, according to the Globalization and World Cities Research Network. The 2016 think tank listed Toronto among 39 "Alpha" cities that serve as conduits for major regions to the global economy.
- **Central Location** – Toronto is centrally located, providing connectivity to many large cities. Chicago, Indianapolis, Detroit, Cincinnati, Washington D.C., New York, Philadelphia, Boston, Montreal, and Ottawa are all within 500 miles of Toronto.
- **Growing Economy** – Toronto's economy is primarily driven by large financial institutions in the city, but also is home to the media, telecom, IT, cloud, and manufacturing industries.

Data centres in Toronto are spread throughout both the downtown and surrounding suburbs. Similar to 350 E Cermak (Chicago's downtown major carrier hotel owned by Digital Realty), a majority of Toronto's downtown data centre growth has been located by 150 Front Street, Toronto's carrier hotel. Cologix, Equinix, QTS, Cogeco, DataBank, Priority Colo, 3Z Canada, Beanfield all have a presence in the building. Outside of downtown, data centre development takes place in the suburbs of Mississauga, Vaughan, Richmond Hill, and Markham. Most suburban data centre activity is in Mississauga, partly due to the presence of the Toronto Pearson International Airport.

Toronto is the primary economic hub for Canada, with a GDP of $304 billion. Toronto is home to seven of the 11 Fortune 500 companies located in Canada. Five of the seven companies mentioned previously are financial institutions. The financial industry is one of Toronto's strongest sectors, and provides over 251,000 Canadian jobs. According to the Canadian Trade Commissioner, over 70% of Ontario's employment is in the finance field. Toronto is home to the five major Canadian banks, all of which compete on a global scale, and the Toronto Stock Exchange. Toronto has also invested heavily in renewable energy, cleantech and life science industries.

Toronto is a maturing data centre market and grew as telecommunications companies began providing colocation to Canadian companies. These retrofit facilities and services were traditionally best suited for companies smaller infrastructure requirements, which is one of the reasons most Toronto infrastructure requirements remain under 250 kW. Many companies here with larger needs have kept their requirements in facilities the company owned and operated themselves. In recent years, however, data centre providers serving larger customer needs have established a presence in Toronto (Digital Realty, Equinix, Q9, Urbacon, and several others). Both the purpose-built facilities and relationships with existing customers in other markets will drive greater demand to the Toronto area.

Canada catches the eye of different international data centre users because of privacy concerns related to having a North American data centre presence. Despite the maturity of the US data centre market, some companies bypass the US because of the US Patriot Act (an anti-terrorism law enacted by US Congress in 2001 designed to provide greater transparency around information relating to terrorism). As Canada's largest city, Toronto has received the majority of the data centre demand generated from this.

Power Overview

Toronto's primary power company is HydroOne, which provides Toronto with relatively inexpensive power from the abundant hydroelectric plants around Canada. The company was completely owned and operated by the Ontario provincial government, but recently completed the third and final sale of shares, with Ontario keeping 49.9% ownership. In 2009, Ontario passed the Green Energy Act with the aim to increase the amount of renewable energy in the province's fuel mix. While Toronto's power cost ($.08-$.09/kWh) is reasonably competitive with other major data centre markets, it's almost double that of Montreal's power cost ($.03-$.04/

TORONTO

kWh), which has played a role in attracting several large cloud provider requirements out of Toronto and into Montreal.

Tax Incentive Overview

All tax incentives come from the greater Ontario government. Toronto cannot offer tax benefits on its own.

Hazard Risk Overview

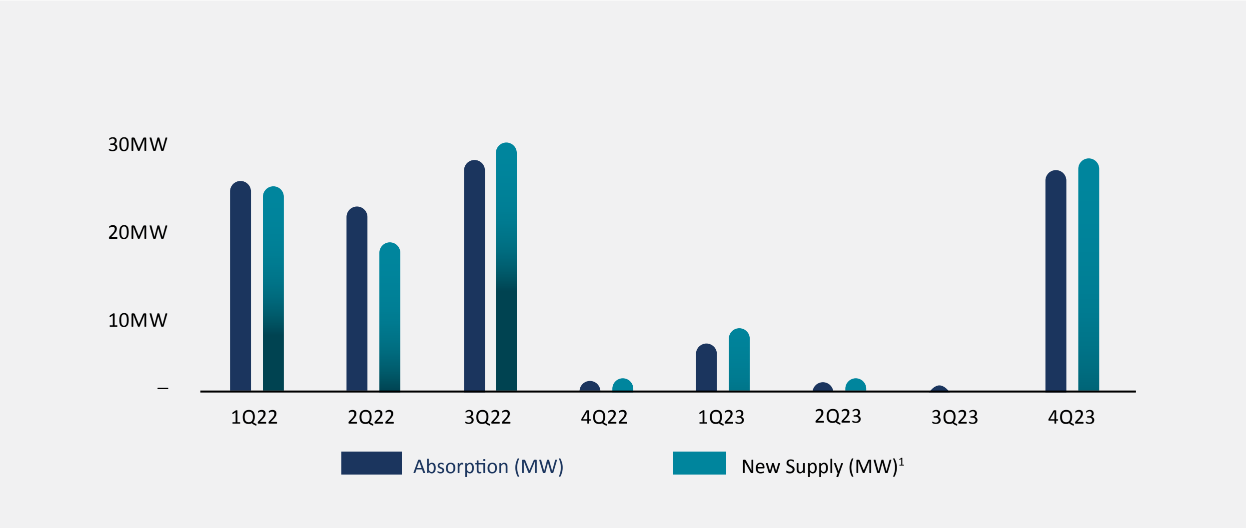
Toronto is a relatively safe city. The market is far enough inland to avoid damaging winds and flooding from hurricanes. The small number of tornadoes recorded in the Toronto area have all been relatively weak, with most in the F0-F1 category. Even rarer are earthquakes, with only two events ever measuring 5.0 in magnitude.

Disruptive hazards in Toronto, however, are floods and winter storms. Given that Toronto is located on the coast of Lake Ontario, a flood risk exists but most major damaging events occur directly around the shore and on Toronto Island. While winter storms are common, occasional and unexpected winter events can create complications.

Connectivity Overview

Toronto's fiber density is another reason data centre users find the area attractive. The larger providers in Toronto are Canada's Big Three: BCE, Rogers Communications and TELUS Corp. Toronto also has three carrier hotels that are heavily connected: 151 Front Street, 250 Front Street and 905 King Street, all owned by Allied Properties REIT. The three buildings are interconnected and create a highly interconnected fiber ring downtown. Long-haul fiber lines run through Toronto as well, connecting the city to New York, Northern Virginia, Chicago, Boston, Philadelphia, Montreal, and other major East Coast markets.

ABSORPTION AND SUPPLY



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TORONTO

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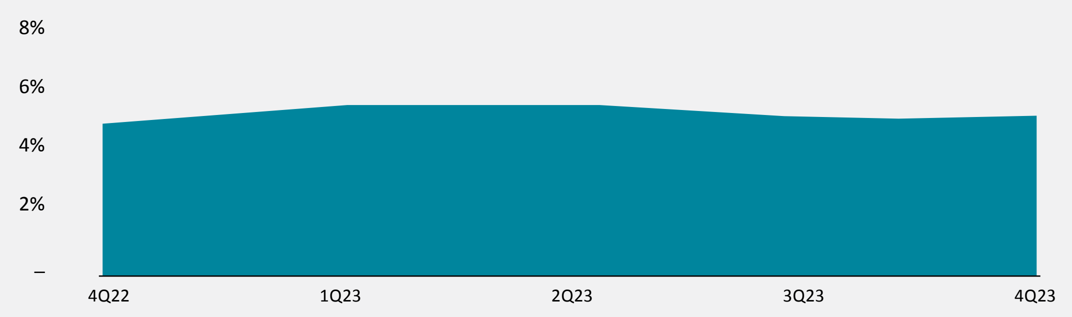

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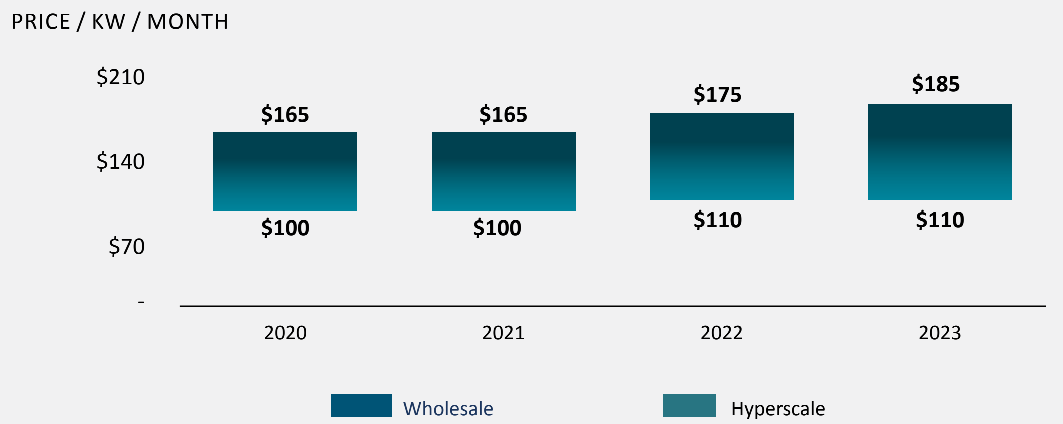


[2] Wholesale pricing represents deals with a deployment size from 250kW to 4MW and hyperscale pricing represents deals greater than 4MW.

Independent Market Research Report

LOS ANGELES

Overview

Los Angeles is not only one of America's largest cities, it is also a global hub for commerce and finance. The region has a broad and diverse economy, but is most often associated with the entertainment industry. As Hollywood and other entertainment properties such as video games embrace Internet delivery, the Los Angeles data centre market has grown to meet the demand—especially for colocation.

The Los Angeles market typically appeals to users for the following reasons:

- **Competitive Colocation/Cloud Environment** – While not the most competitive in the United States, the Los Angeles market provides credible options from operators with a large U.S./global footprint
- **Robust Connectivity** – The Los Angeles market provides data centre users with both national and international connectivity options
- **Favorable Business Climate** – The size and wealth-creation history of the area means the greater Los Angeles area market has an enduring appeal for entrepreneurs

Overall job growth in the Los Angeles area is up, particularly in comparison with the steep employment decline caused by the COVID-19 pandemic. Although commercial and residential real estate prices in the Los Angeles market have been far more expensive than the national average for decades, the demand for commercial real estate remains strong. Reports from Cushman & Wakefield notes that Los Angeles ranks fourth behind Tokyo, London, and New York City for commercial real estate investments.

The downtown Los Angeles area has a strong presence of data centres. The largest data centre in downtown is One Wilshire, which sold for $437 million in 2013 by GI Partners. The 30-story, 663,000 SF building was the most expensive building ever sold in downtown Los Angeles and is typically 95-100% occupied. CoreSite (which has a large presence within One Wilshire), Digital Realty, Equinix, and InfoRelay all have locations in downtown Los Angeles. While several providers occupy the downtown area, most of the new market activity has occurred south of Los Angeles International Airport in El Segundo. Cyxtera, Digital Realty, Equinix, and T5 Data Centres all have capacity in the area and are pricing solutions in an aggressive manner. In addition, the city of Irvine, CA (approximately 30 miles southeast of Los Angeles) has a small data centre presence as well. AT&T, Cyxtera, and DataBank all have invested in the Los Angeles suburb of Irvine, CA.

Demand in the Los Angeles market typically comes from companies already located in Southern California. The growing business environment continues to create data centre requirements that remain in the region. In the case of companies evaluating several markets in the southwestern U.S. (Los Angeles, Las Vegas, Phoenix, et cetera), Los Angeles can lose these opportunities due to the high cost of electricity and colocation rates in the market. The seismic threat can also keep users out of the market from choosing Los Angeles as their data centre destination. Transactions completed in the Los Angeles market are usually below 500 kW. Industries active in the Los Angeles data centre market include financial, healthcare, media, technology, and telecommunications.

LOS ANGELES

Power Overview

Los Angeles' electrical grid is managed by the publicly-owned utility, Los Angeles Department of Water and Power (LADWP). Electrical transmission lines and substations in Los Angeles proper are plentiful, but they are decades old in some areas. Due to political and market factors that hobble the market's overall supply, the average electrical rates throughout the City of Los Angeles are extremely high. In the sprawling suburbs outside LADWP coverage area, rates can be less expensive but are still higher than most other data centre markets. However, rates that are a few cents per kilowatt-hour less can make a big difference in total electricity costs for a data centre. This is why so many data centres in the Los Angeles market are located in El Segundo and other suburbs where LADWP is not the electricity provider.

Tax Incentive Overview

While California does not offer specific business incentives to data centre providers, Los Angeles does offer some tax abatement strategies that data centres can leverage. Data centres built in designated "Enterprise Zones" (i.e. areas with high unemployment rates hoping to gentrify using corporate investments) can qualify for tax credits of up to 100% on sales/use taxes paid for equipment purchases.

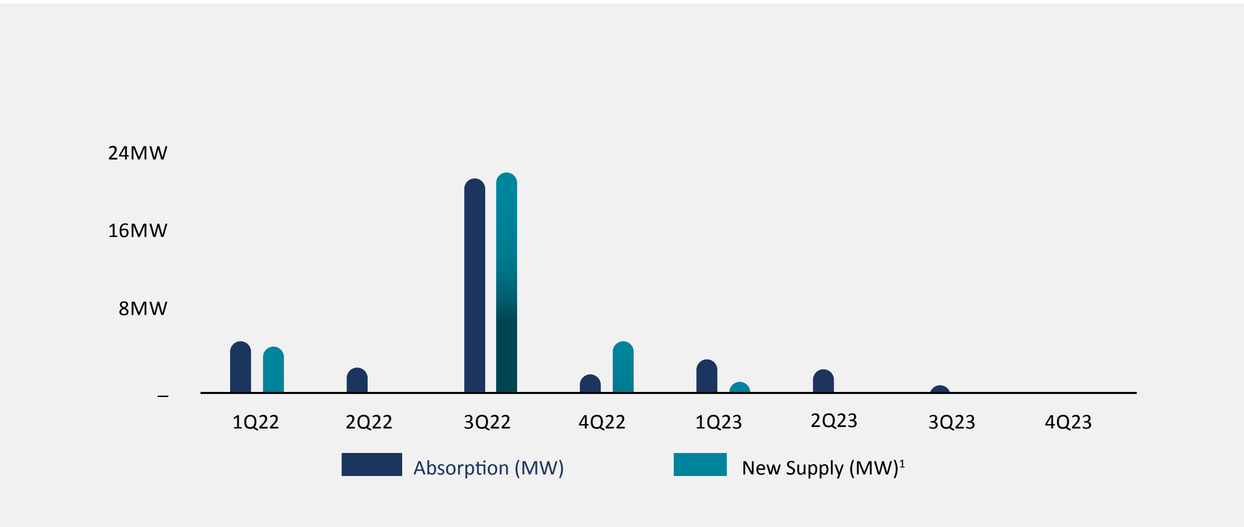
Hazard Risk Overview

Despite the seismic threat on the West Coast, data centre operators and users have grown accustomed to the risk. Data centre providers in Los Angeles build facilities with redundancy and backup strategies in mind.

Connectivity Overview

Los Angeles' demand for high-performance connectivity is driven by several factors, but it's in no small part to the entertainment industry. AT&T, CenturyLink, Integra, Level 3, Sprint, and XO all run long-haul fiber connections through the centre of the city. Cogent, Electric Lightwave, Verizon, and Zayo also offer long-haul fiber in the Los Angeles market but do not run through the areas of data centre concentration. Regionally focused fiber networks have been developed by Edison, El Paso Global Networks, M-Power, Spectrum, Syringa, Telepacific, and Wilcon. Municipal fiber available in Burbank, Culver, and Los Angeles serve the data centre-heavy areas.

ABSORPTION AND SUPPLY



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Independent Market Research Report

LOS ANGELES

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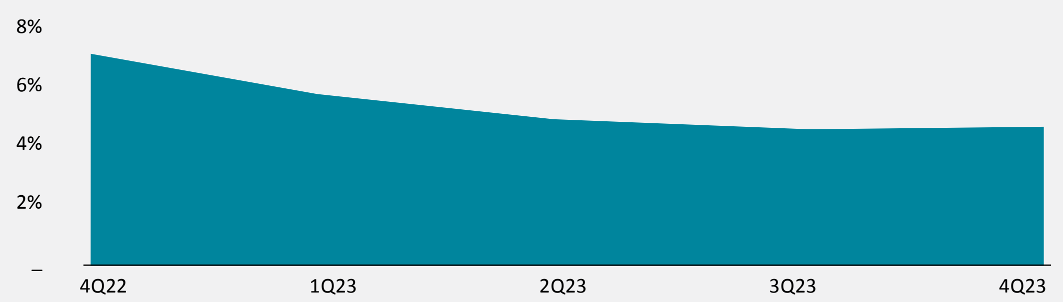

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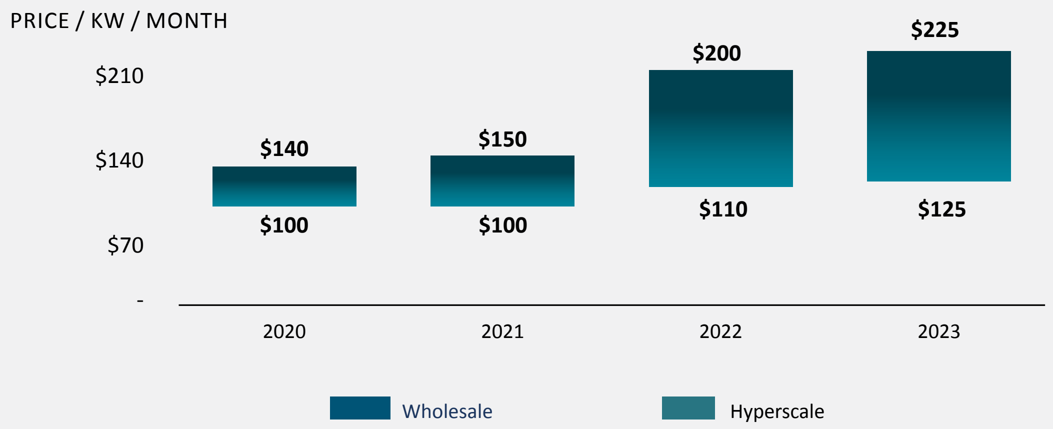

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FRANKFURT (GERMANY)

Overview

Frankfurt is one of the fastest growing data centre markets in Europe, leading the industry along with London. Although the London data centre market is more mature, Frankfurt's characteristics are more accommodating for rapid expansion. Because of this, Frankfurt actually leads London in total capacity. Several characteristics leading to Frankfurt's growing data centre industry include:

- **Major Financial Hub** – Frankfurt is home to the Deutsche Bundesbank (German Federal Bank) and the European Central Bank, as well as several other leading commercial financial institutions.
- **Central Location** – Frankfurt's location makes the city one of the most central cities in not only Germany, but also Europe.
- **Availability of Land** – Unlike many developed European cities, Frankfurt has ample land suitable for data centre development.

Frankfurt is Germany's fifth largest city, with a population of approximately 750,000. The city is also the centre for the Frankfurt Rhine-Main metropolitan area, the third largest in Germany with a population near 6 million. As home of the European Central Bank, Frankfurt holds substantial authority over European economic and currency decisions, making it the financial capital of continental Europe. It is estimated Frankfurt's importance as a European financial centre will only increase due to the effects of Brexit. Frankfurt has a healthy economy, with a GDP of €173 billion, among the highest in Europe by GDP per capita. Frankfurt also reports 922 jobs per 1000 inhabitants, giving the area the highest concentration of jobs in Germany.

Frankfurt benefits from something many European markets lack, namely, land able to satisfy hyperscale demand. Increasing enterprise and hyperscale leasing drives the need for data centre providers to build larger facilities on land capable of supporting multiple buildings. As such, the heaviest investment occurs in areas able to sustain wholesale growth, such as Frankfurt, Amsterdam, Dublin, and London suburbs like Slough. For Frankfurt, however, land is less expensive than other European markets, making it an ideal location for hyperscale users and data centre providers to build.

Data centre demand in Frankfurt comes from a variety of industries, but primarily is driven by the financial and information sectors. Frankfurt is undoubtedly the economic seat of Europe, due to the presence of the European Central Bank and Deutsche Bundesbank headquarters, as well as numerous commercial banks. Financial institutions create ample data centre demand, needing low-latency transactional processing, and highly sensitive information storage. Frankfurt is also considered the internet capital of Europe, with the German Internet Exchange processing 6.1 terabits of traffic per second in September 2020. As such an important connectivity hub, Frankfurt becomes an essential location for a company's trans-European operations.

Enterprise demand in Frankfurt comes from both domestic and international companies. Germany is home to many large companies, such as Volkswagen, Mercedes, Siemens, Bosch, Adidas, Porsche, Audi, and SAP, among many others. In general, German companies prefer to have their primary data centre operations in Germany, with much of that demand landing in Frankfurt. Additionally, hyperscale cloud service providers find Frankfurt a highly attractive location due to the city's location and connectivity.

Power Overview

Power rates in Germany are among the highest in the EU, partly due to the German Renewable Energy Sources Act introduced in 2000. The act intends to make Germany greenhouse gas neutral by 2050, transitioning from fossil fuels and atomic energy to other renewable sources. To fund the transition, Germany taxes power usage at higher rates than any other EU country. For industrial companies, power usage is taxed at a rate of 45.5%. According to Eurostat, Germany's industrial power cost rates averaged €.15/kWh. The base rate without taxes was approximately €.08/kWh, on par with most EU countries, but the high tax rates push Germany's tax rate to the highest among the EU.

In 3Q 2020, Germany announced their intentions to invest €750 million to improve the power infrastructure in Frankfurt due to the increasing data centre development in the area.

Independent Market Research Report

FRANKFURT (GERMANY)

Tax Incentives Overview

Currently, Germany does not offer any official data centre tax incentives, although efforts are underway from data centre providers in Germany to obtain similar tax breaks offered to other industries.

Hazard Risk Overview

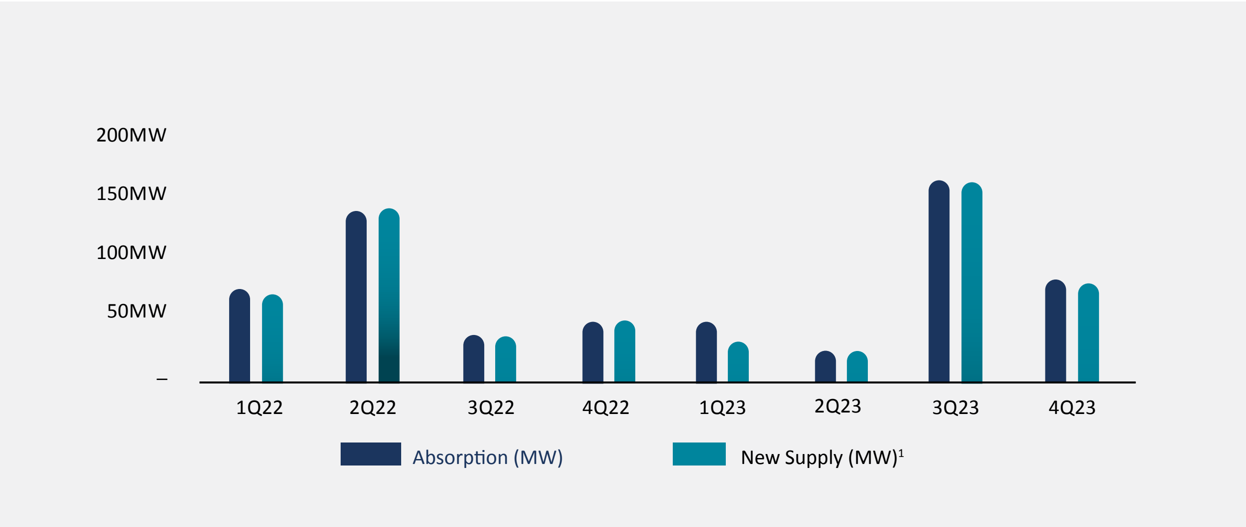
Frankfurt is a safe data centre market from a natural disaster risk perspective. The city's central location eliminates the risk of coastal storms and surges. Seismic and volcanic activity is extremely low, with any earthquake events occurring below 4.0 magnitude. The closest volcano is the Laacher See Volcano, over 60 miles NE from Frankfurt. Although the volcano is considered active, activity is low.

Connectivity Overview

Frankfurt is one of the most connected cities in Europe, home to the DE-CIX internet exchange. DE-CIX is the world's largest internet exchange in terms of traffic, processing 6.1 terabits per second and connecting to over 850 ISPs.

Germany’s fiber infrastructure is somewhat dated, with most information running through copper lines, and not fiber optic. This leads to low data transfer rates and higher latency. Frankfurt, however, has a much more developed fiber optic cable system, increasing the markets interconnection strength.

ABSORPTION AND SUPPLY



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FRANKFURT (GERMANY)

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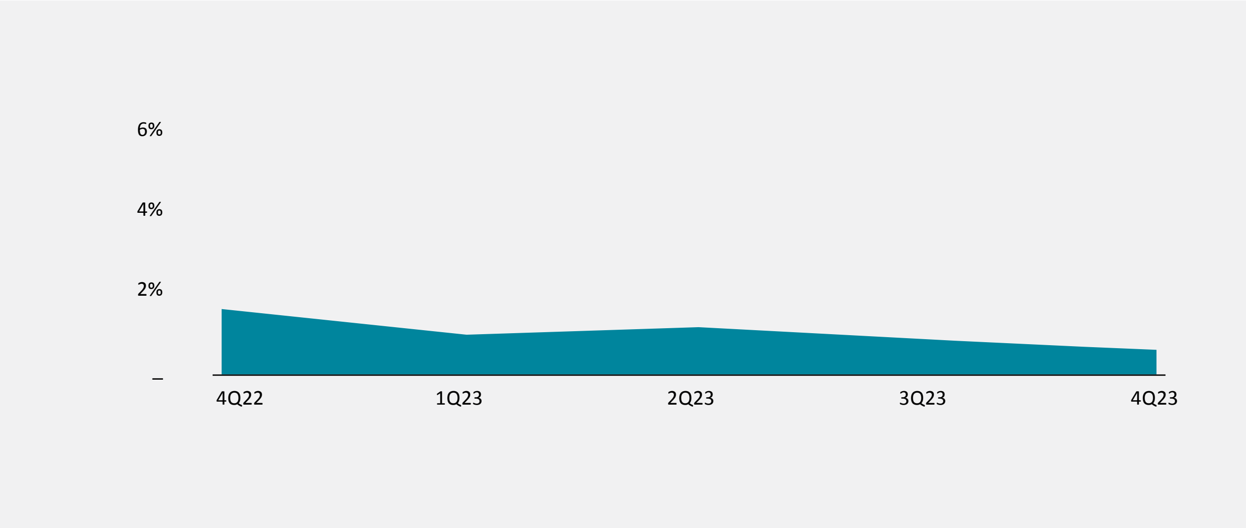

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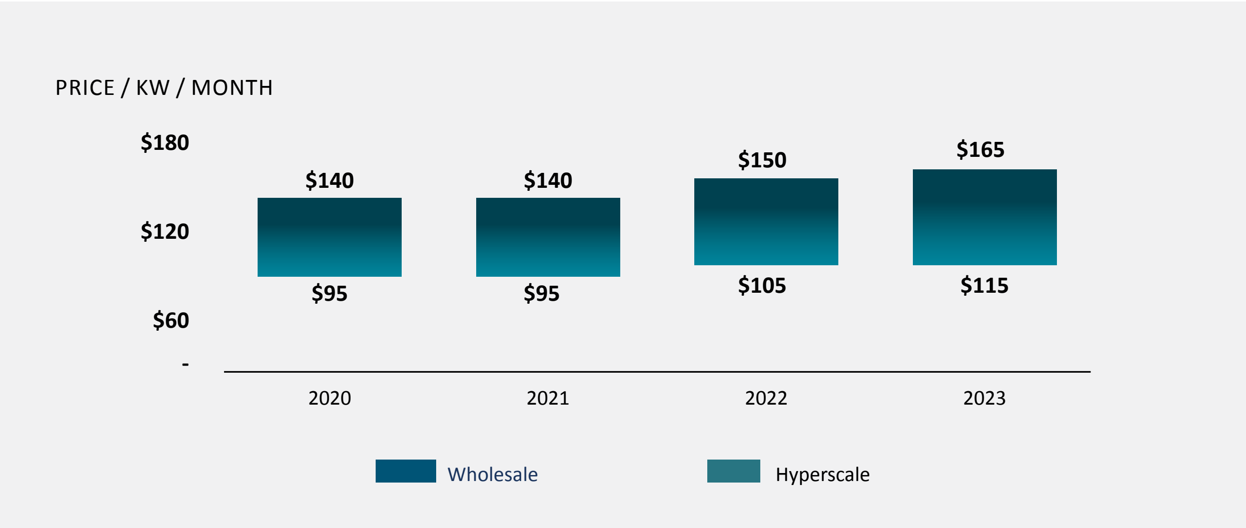

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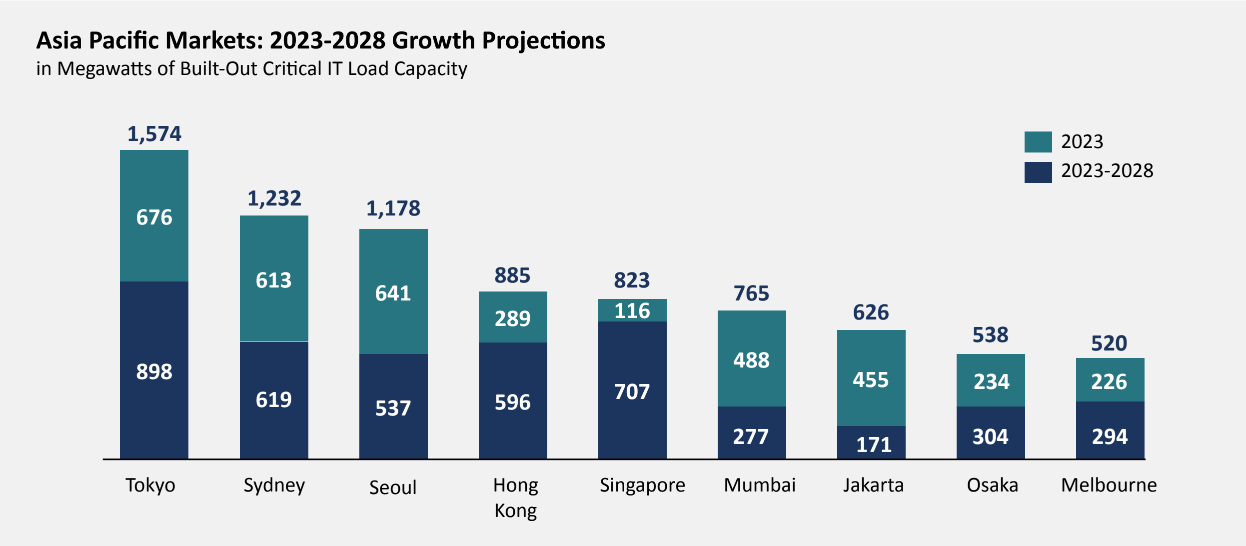
Independent Market Research Report

Statement of Assumptions and Limitations

Structure Research has assembled this report in good faith for Digital Core REIT Management Pte. Ltd., in its capacity as manager of Digital Core REIT, and Perpetual (Asia) Limited, in its capacity as trustee of Digital Core REIT, and has made every attempt to ensure the accuracy and reliability of the information provided in this report. However, the information is provided without warranty of any kind. Structure Research does not accept responsibility or liability for the accuracy, content, completeness, reliability, or legality of the information provided.

LEADING ASIA PACIFIC DATA CENTRE MARKETS



Source: Structure Research as of May 2023.

JAPAN

Overview

- Land for data centre development in the Tokyo market is relatively challenging to obtain without local presence and knowledge of the Japanese business culture. Local conglomerates like NTT, KDDI and Mitsubishi have large portfolios of land that they can tap into and are usually aware of off-market brownfield and greenfield land opportunities.

- Multi-year backlog and delays in power substation infrastructure build out combined with labour shortage issues in the greater Tokyo market have translated into increased construction costs and longer time frames for bringing new data centre builds online.

- Hyperscalers are actively building their own data centre in partnership with land developers and this dynamic has impacted the addressable market for colocation providers. That being said, the overall pie for hyperscale data centre capacity in Japan is accelerating, with colocation providers still expected to experience strong growth as hyperscalers are projected to require much more capacity outside of their self-built data centre.

- Regional and local land developers like GLP, Hulic, Mitsui Fudosan, Keihanshin, ESR REIT and Goodman are also altering the data centre competitive landscape by starting to get involved in building data centre across Tokyo and Osaka. They are entering the market in several ways. The first is doing deals directly with hyperscale cloud customers, like what Mitsui Fudosan and Goodman have done with AWS and Google. The second is leasing developed powered shell buildings to colocation providers, as Keihanshin has done in the Osaka market and Goodman with STT GDC in Inzai (Tokyo).

- Despite the challenges and barriers to entry, Tokyo and Osaka continue to present the highest upside for the next five years of hyperscale capacity growth compared to Singapore, Hong Kong, Sydney and Melbourne, especially when comparing the amount of hyperscale data centre capacity in these other APAC markets in relation to how much capacity they currently have deployed in Japan coupled with the size of the domestic Japanese addressable market and how Japan as a country is situated strategically as a gateway market for submarine cable systems coming from the US West Coast.

- Structure Research estimates that there is still plenty of upside potential for the Japan data centre market and specifically in relation to the growth of the hyperscale colocation segment. The absence of a domestic Japanese hyperscale cloud platform has created a meaningful opportunity for both Western and Chinese hyperscale cloud platforms to capture market share in a large addressable Japanese market with the third largest GDP in the world behind the US and China. Even with the current pipeline of new hyperscale data centre builds in both Tokyo and Osaka, Japan is still in the early stages of cloud adoption and there is still plenty of runway for growth in the next five to ten years.

- Tokyo is positioned as the primary hub for international firms to access the Japan market. Its geographical location as the most prominent technology and financial market situated in the northwestern part of Asia has resulted in it becoming the first landing point for a sizable number of submarine cables to connect the western United States to the rest of Asia.

- Osaka has quickly transitioned from an emerging hub for both domestic and international firms deploying secondary or disaster recovery data centre footprints in relation to their core deployments in the greater Tokyo market - to now becoming a second core region for hyperscalers to serve sizable Central and Western Japanese markets that include Kyoto, Kobe and even Nagoya.

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JAPAN

Location/Connectivity

- Japan's geographical location as the most prominent financial market in the northwestern part of Asia has resulted in it becoming the first landing point for a sizable number of submarine cables connecting Asia to the western United States.
- Tokyo is the primary hub for international internet bandwidth/connectivity and serves as a termination point for over 26 international submarine cable systems.

Hyperscale

- Continues to be the primary driver of data centre colocation leasing in both Tokyo and Osaka as public cloud adoption continues to accelerate and hyperscale providers finding it necessary to deploy data centre infrastructure in-country to serve local end users effectively.
- While AWS, Google and Microsoft have shown their ability and appetite to develop its own self-built data centre, other hyperscale cloud providers like Alibaba, IBM Cloud and Tencent have opted to lease their data centre infrastructure exclusively from colocation providers.

Infrastructure Overview

- Robust network and reliable power infrastructure.
- Grid is stable and power outages are rare making it an ideal location for setting up data centre.

Geographical Stability

- Relatively high risk of earthquakes and tsunamis.
- Strict regulations in place for data centre buildings to be developed with a unique seismic isolation layer design, as well as long underground columns that help to secure data centre buildings in case of an earthquake.

Political Climate

- Stable and fair government that is centred around promoting economic development.
- Data centre segment could potentially benefit from Japan opening its doors for international investments.
- The Japanese government is also looking to encourage domestic and foreign businesses to set up data centres in the country by offering tax breaks and other assistance in an effort speed up its own digital transformation and prevent sensitive information from being hosted overseas.

Business Climate

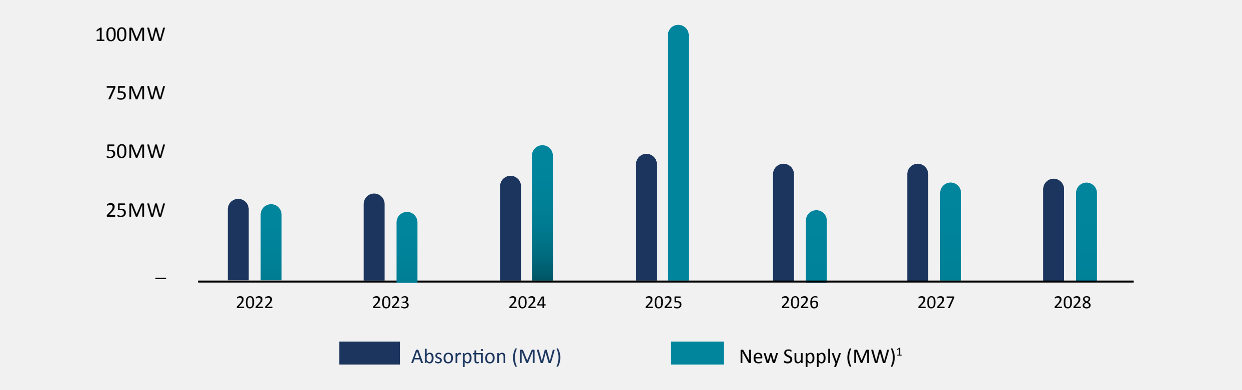
- Skilled labour force, relatively friendly environment for international business.
- Language and cultural barriers present that require local Japanese presence to effectively do business in-country.
- Strong culture of IT outsourcing with the presence of sizable local systems integrators driving data centre and cloud services adoption.
- Recent labour shortages led to increased construction costs and delayed speed to market.

OSAKA

Market And Development Activity

- 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 US$2.3b in 2022 and is projected to grow 7% year-on-year to US$2.5b in 2023, while the Osaka market was valued at US$544m in 2022 and projected to grow 19% year-on-year to USD US$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 hyperscalers to work directly with real estate developers and have 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 hyperscalers continue to pursue this market aggressively and they will require capacity that exceeds what they can reasonably self-build.

ABSORPTION AND SUPPLY



[1] Includes hyperscale and enterprise.

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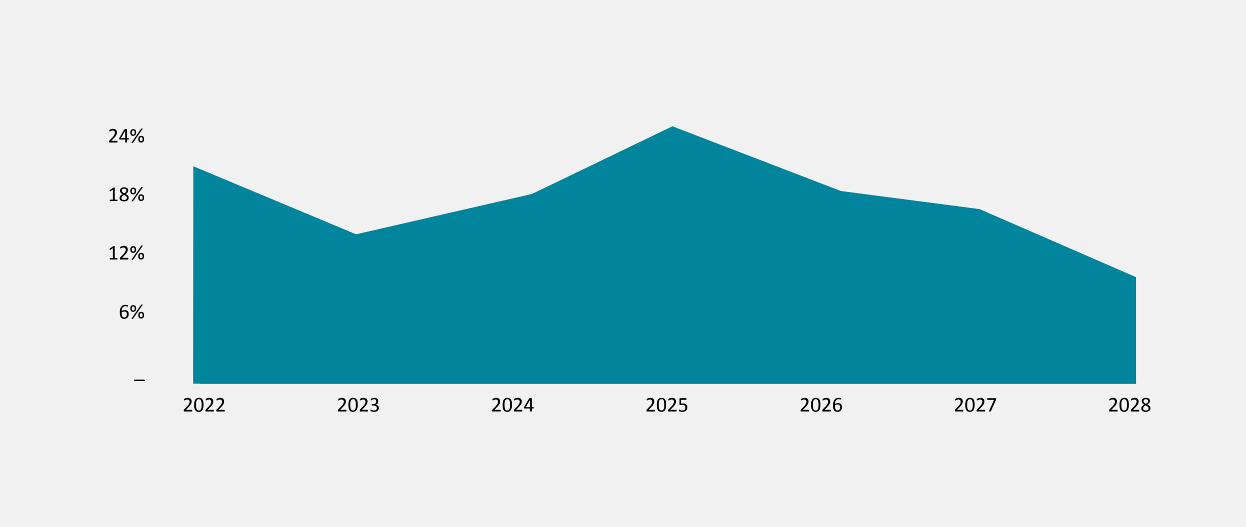
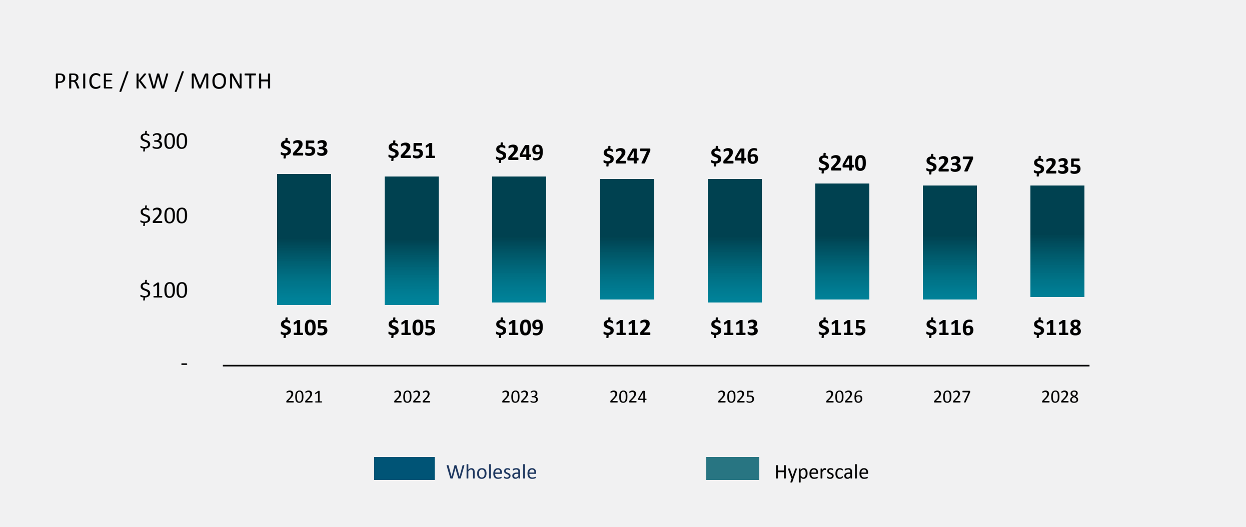
OSAKA

VACANCY



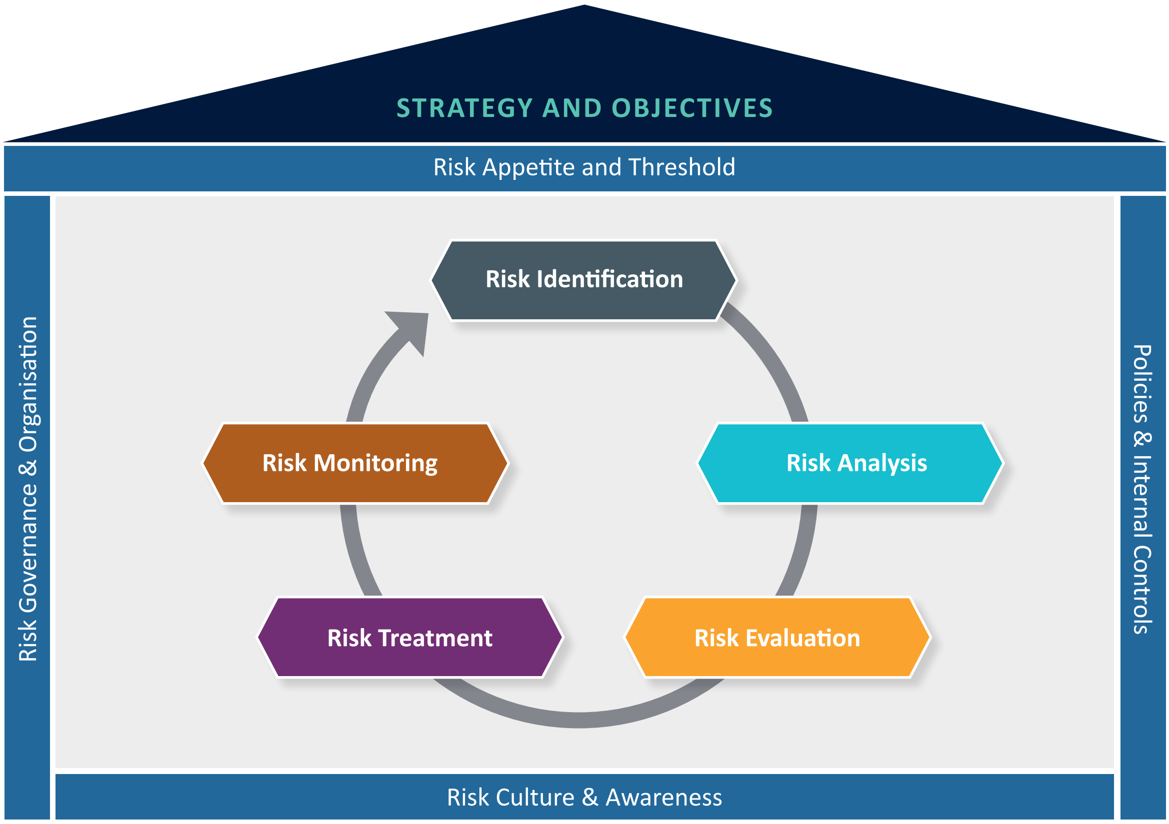
PRICING[2]



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

Risk Management Framework

Risk Management is an integral part of the Manager's business strategy to deliver sustainable returns. To safeguard and create value for Unitholders, the Manager proactively takes steps to anticipate and manage potential risks and incorporate risk management into the decision-making process. The Manager established an Enterprise Risk Management (ERM) Framework adapted from the International Organisation for Standardisation (ISO) 31000 Risk Management Standards. The Framework outlines the reporting structure, the relevant risk management processes and tools to identify, assess, respond, monitor and report material risks in a holistic manner.



The Board is responsible for overseeing the overall formulation of the risk management framework and approving the risk appetite and thresholds, which set out the nature and extent of risks that can be taken to achieve the Manager's business objectives. The Board is supported by the Audit and Risk Committee (ARC) which provides assurance to the Board on the adequacy and effectiveness of the risk management systems.

The risk management culture involves both top-down oversight and bottom-up engagement with the functional levels. This ensures a holistic approach which integrates business objectives and strategies into operational processes for effectiveness and accountability, and builds a culture of risk awareness. The Framework operates within a risk governance structure based on three lines of defence. The first and second lines of defence are responsible for the design and implementation of effective internal controls. The third line of defence reviews the adequacy and effectiveness of risk management and internal control systems design and implementation.

A Risk Profiling exercise is conducted quarterly to monitor risks, and identify any new and emerging events, as well as mitigating measures that Digital Core REIT puts in place to address the risks and deliver our strategic objectives. The risk report is presented to the ARC during the quarterly ARC meetings, highlighting the portfolio risk profile, status of key risk indicators and any risk treatment plans to be implemented for high risks identified. The Manager has identified the following key risks which are relevant to Digital Core REIT, including assessing their likelihood and impact on the business, as well as establishing corresponding mitigating controls.

Risk Management Framework

Strategic Risk

Economic and Industry

Digital Core REIT is subject to market risks. Any downturn in economies of the markets in which the properties are located could impact the demand for data centres and place downward pressure on rental rates and valuations, while competition from competitor properties can reduce customer retention. To mitigate this risk, the Manager constantly monitors the developments in the data centre industry while existing leases have built-in rental escalations with lease structures to manage an increase in operating expenses (i.e. triple net and Gross + E(lectricity)). The Sponsor has a long track record of ensuring customer success and provides sound support and operational expertise.

Investment & Divestment

Digital Core REIT's investment mandate is to invest in income producing data centres globally. However, there is a risk that investments may not achieve intended returns. The Manager carries out comprehensive due diligence on potential acquisitions which includes site inspections, market assessments, detailed financial and valuation reviews, and evaluating potential investment risks. Investment proposals are deliberated and approved by the Board. The property's continued performance is actively monitored by the asset managers and reported back to the Board during the reporting cycle. The Manager also continuously monitors the market for capital recycling opportunities. Backed with strong support from the Sponsor, Digital Core REIT is positioned to capitalise on growth in segments such as e-commerce, digital transformation and AI.

Operational Risk

Fraud, Bribery & Corruption

Digital Core REIT is committed to conducting its business with zero tolerance for fraud, bribery and corruption. The Manager has in place a whistle-blowing policy that allows employees and stakeholders to raise any serious concerns, malpractices or wrongdoings in the workplace while protecting them from reprisals. The Manager also observes compliance with its Code of Business Conduct and Ethics policy which sets out the principles of conduct that guides directors and employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with competitors, customers, suppliers, other employees and key stakeholders. The Manager also has in place an anti-money laundering policy that adopts the regulatory requirements as set out by the MAS.

Operations

The Manager as well as the asset and property manager oversees the overall performance of Digital Core REIT's portfolio to ensure that the asset performance is well managed and adheres to the respective service level agreements. The Manager takes a proactive approach in its lease management strategies through engaging with customers regularly and ahead of renewals to minimise rental voids and ensure lease expirations are managed across the portfolio. The Sponsor has a vested interest in Digital Core REIT's operations and their support is demonstrated through their substantial stake in Digital Core REIT, this aligns the Sponsor with the interests of Digital Core REIT. The Sponsor's processes ensure equal and fair treatment in operational matters, and it does not engage in activities that will result in conflicts of interests with Digital Core REIT.

Environmental

Digital Core REIT's assets could be exposed to physical risks including being exposed to weather events such as floods, hurricanes, earthquakes and rising temperatures which can impact operations and cause damage. The Manager ensures adequate insurance is in place and risk assessment was performed on the assets and the sites on which the assets are built on to assess their preparedness to weather events. The Manager considers sustainability aspects of an asset during acquisitions and is working towards building a resilient portfolio of assets. The Manager is also in the journey of building a more sustainable portfolio that incorporates sustainable solutions, and increasing collaboration with its customers to adopt sustainable practices. Digital Core REIT also faces transition risks including increasing regulations, increasing carbon tax, and expectations from stakeholders in adopting more sustainable practices in our operations and achieving sustainable building design requirements. The Manager is supported by the Sponsor in keeping up-to-date with the sustainability regulatory requirements, and has a dedicated team that works with consultants on pursuing market-based solutions to cost effectively make progress towards renewable energy targets and overseeing energy improvement programs. The Sponsor is also an active participant in various sustainability councils globally. More details can be found in Digital Core REIT's Sustainability Report.

Technological, Business Disruption & Continuity

IT-related threats may result in compromised confidentiality and integrity of information systems. The Manager outsources and relies on the Sponsor for technological support. The Sponsor builds a cyber resilience infrastructure through its sound policies and procedures, including data protection policy, vulnerability assessment and penetration testing policy to manage technological and cyber security risks. IT security incident management procedures are in place to ensure prompt response and timely remediation to cyber security incidents. The Sponsor also rolls out annual training to all employees to build IT security awareness within the Group. The operations team runs the Emergency Response procedures in accordance with the Business Continuity Plan (BCP) that aims to minimise any business disruptions and loss at the operational level. Regular BCP drills are conducted to ensure operational resilience. Digital Core REIT procures adequate insurance coverage to protect its asset values from any external threats.

Human Capital, Health & Safety

The loss of key management personnel or inability to attract, grow and retain key talent and management personnel can cause disruptions to business operations. The Manager has a succession plan in place to ensure proper talent management and competitive compensation and benefits to attract and retain talent. The Manager provides opportunities for employees to develop skills through its training programs and has programmes that promote employee welfare. The Manager places importance on the health and safety of its employees and leverages the Sponsor's Environmental Occupational Health and Safety program, which is managed by the operations team.

Financial Risk

Financing, Interest Rates & Exchange Rates

The Manager employs sound capital management strategy and manages its financing risks by maintaining sufficient financial flexibility and liquid reserves to fund its operations. The Manager monitors its debt maturity profile and ensures adequate debt headroom with available access to various sources of funds from both banks and capital markets for refinancing and acquisition funding. In the Manager's long term vision for the REIT, it aims to increase its portfolio of investments in green assets to enable it to tap on green financial instruments. The limit on Digital Core REIT's aggregate leverage ratio is observed and monitored to ensure compliance with the Property Funds Appendix. Interest rate volatility is managed through the maintenance of optimal mix of fixed and floating rate debt. Natural hedges, such as borrowing in the same currency as revenue generated from investments, are employed to mitigate against exchange rate fluctuations.

Credit & Concentration

The Manager manages its credit risks through active monitoring of its receivables profile. The financial standing prospective customers is reviewed prior to signing lease agreements. The Property Manager actively engages with customers to review if there are noticeable issues with their operations. Renewal negotiations are carried out ahead of expirations to reduce the risks of any periods of rental voids. Digital Core REIT also has the privilege of leveraging the Sponsor's well-diversified customer base across multiple locations and geographies as well as its specialised data centre salesforce, reducing concentration risk for the REIT.

Compliance Risk

Regulatory & Compliance

The Manager identifies applicable laws and regulatory obligations and ensures compliance with these laws and regulations in its day to day business processes. As a Capital Markets Services Licence holder, the Manager complies with applicable laws and regulations, including the SGX-ST Listing Rules, the Property Fund Appendix and conditions of the Capital Markets Services Licence for REIT Management issued by the Monetary Authority of Singapore as well as the Securities and Futures Act. The Manager engages external consultants to advise on and keep up to date with necessary regulatory matters where necessary. Digital Core REIT and the Manager are also subjected to internal and external audits to ensure relevant policies and processes are adhered to. The Manager adopts the Sponsor's anti-corruption and anti-bribery policy and all employees are required to attest to the requirements of the policy annually.

Emerging Risks

The Manager has identified climate change and sustainability related matters as key emerging risks faced by the REIT. The Manager continues to monitor developments in the area and will continue to identify procedures that can be taken to mitigate these risks.

Corporate Governance Report

Digital Core REIT Management Pte. Ltd., as the manager (Manager) to Digital Core REIT, sets the overall strategic direction for Digital Core REIT and makes recommendations to Perpetual (Asia) Limited, in its capacity as trustee of Digital Core REIT (Trustee), in relation to the operations of the REIT in accordance with the overall strategy. The Manager's responsibilities include:

- Achieving growth in revenue and net property income, maintaining occupancy levels and facilitating asset enhancement opportunities;
- Achieving portfolio growth through acquisition of quality income-producing properties in line with the investment strategy and catering to population and infrastructure growth;
- Endeavouring to conduct Digital Core REIT's business in an efficient manner that optimises risk-adjusted returns to Unitholders, and carrying out all transactions on normal commercial terms on an arm's length basis;
- Ensuring compliance with relevant laws and regulations, including the listing manual of Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual), Appendix 6 of the Code on Collective Investment Schemes (CIS Code) (Property Funds Appendix) issued by the Monetary Authority of Singapore (MAS), the Securities and Futures Act 2001 (SFA), the Trust Deed (as defined below), and tax rulings issued by the relevant tax authorities. Digital Core REIT has complied with the relevant tax laws and regulations for its relevant subsidiaries or associates to qualify as a real estate investment trust for US federal income tax purposes as at 31 December 2023;
- Managing regular communications with Unitholders; and
- Supervising the property managers who perform day-to-day property management functions (including leasing, accounting, budgeting, property management and maintenance) for Digital Core REIT's properties.

Digital Core REIT is constituted as a trust and is externally managed by the Manager. The Manager appoints experienced and well-qualified personnel to run its day-to-day operations. All directors and employees of the Manager are remunerated by the Manager, and not by Digital Core REIT. The Manager was appointed in accordance with the terms of the trust deed constituting Digital Core REIT dated 10 November 2021 (as amended) (Trust Deed). The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The Manager observes the Code of Corporate Governance 2018 (CG Code) and is committed to upholding respectable standards of governance practices within the Group. The Manager recognises that an effective corporate governance culture is fundamental to delivering success to Digital Core REIT and ensuring Unitholders' interests are met.

The Manager has complied with the principles of the CG Code, where there are deviations from the provisions of the Code, appropriate explanations have been provided in this Report.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board's Duties and Responsibilities

The Board oversees the strategic direction and performance of the Manager and is responsible for the overall management and corporate governance of Digital Core REIT and the Manager.

The Board sets an appropriate tone from the top, establishes goals and works with Management to achieve long-term success for the REIT and deliver sustainable value to Unitholders. Management is responsible for the execution of strategy and the day-to-day operations of the REIT and is accountable to the Board for its performance.

The Board ensures that proper and effective controls are in place to assess and manage business risks and compliance with requirements under the applicable guidelines from SGX-ST, MAS or other relevant authorities and applicable laws. The Directors have the duty of ensuring they are equipped with the relevant knowledge to carry out and discharge their duties as directors, including understanding their roles as non-executive and independent directors, the business and the environment in which Digital Core REIT operates. The Directors are also required to dedicate sufficient time and commitment to their works as directors and attend all meetings of the Board.

The Board has adopted a set of internal guidelines which establish financial authority limits for investments and divestments, capital expenditures, and treasury activities to be undertaken by the Group, and this is clearly communicated to Management in writing. The Board delegates authority below the Board's approval limits to the Board Committees and Management to optimise operational efficiency. The Board reserves authority to approve certain matters including:

- Material acquisitions and divestments
- Annual budgets
- Material write-offs
- Equity fund raising
- Entry into derivative contracts

The Board has, in the spirit of setting the desired organisational culture, adopted a Board Code of Business Conduct and Ethics which provides that every Director is expected to adhere to the highest standards of ethical conduct. All Directors are fiduciaries who act objectively in the best interests of Digital Core REIT. In line with this, Directors will recuse themselves from discussions and decisions where there is a conflict with their own interests. The Manager has conflict of interest procedures in place where a Director shall disclose his or her interests to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter in which he or she has an interest.

Board Committees

The Board has established various Board Committees to assist it in the discharge of its functions. The Audit & Risk Committee (ARC), Nominating & Corporate Governance Committee (NCGC), and Remuneration Committee (RC) are constituted with their specific terms of reference setting out their composition, authorities and duties in writing. Each of the Board Committees operates under delegated authority from the Board while the Board retains overall oversight. The decisions and significant matters discussed at the respective Board Committees are reported to the Board where required. The minutes of Board Committee meetings which record the discussions and decisions are also circulated to the Board for their information.

The composition of each Board Committee is reviewed regularly with a view to ensuring an appropriate diversity of skills and experience.

The composition, duties and responsibilities of the Board Committee are set out on pages 81, 82 and 85-87 of the Report.

Meetings of Board and Board Committees

The Board meetings are scheduled to be held at least four times a year, and additionally where there are other business imperatives to be addressed. The Directors also meet from time to time without the presence of Management. The Manager's constitution permits Board meetings to be held by way of conference via telephone or video conference or other methods of simultaneous communication by electronic, telegraphic or other similar means of communication equipment whereby all persons participating in the meeting are able to hear, see and be seen by all participants.

At each Board meeting, the Board is engaged in discussing:

- Key activities including any proposed acquisitions and divestments
- Financial performance, budget and capital management matters, including any material variance between any projections in the budget or business plans and the actual results
- Updates on business and operations, including market developments and trends, strategic planning and setting of long-term and short-term goals
- Decisions made by the Board Committees
- ARC recommendations on any risk management issues that impact Digital Core REIT's operations or financial performance
- Updates on Unitholder engagement as well as analyst views and market feedback

Prior to Board meetings as well as on an ongoing basis, Management provides complete, adequate and at best efforts, timely information to the Board on Digital Core REIT's financial and business affairs and issues that require the Board's decisions. This enables the Directors to make informed decisions and discharge their duties and responsibilities. The Directors have separate, independent and unfettered access to Management for any information they may require. At Board and Board Committee meetings, all the Directors actively participate and engage in open discussions with Management on its assumptions and recommendations.

Corporate Governance Report

A total of eight Board meetings and four ARC meetings were held in FY2023. The key deliberations and decisions taken at Board and Board Committees meetings are minuted. The attendance of the Directors as well as the frequency of such meetings are set out below.

Directors		Board Meetings Attended	Audit & Risk Committee Meetings Attended	(1) Nominating & Corporate Governance (2) Remuneration Committee Meetings Attended
Mr David Lucey	Chairman and Non-Independent Non-Executive Director	7/8	3/4[1]	5/5
Mr John Herbert	Lead Independent Non-Executive Director and Chairman of the Nominating and Corporate Governance Committee	6/8	4/4	5/5
Dr Tsui Kai Chong	Independent Non-Executive Director and Chairman of Audit & Risk Committee	8/8	4/4	5/5[2]
Mr Tan Jeh Wuan	Independent Non-Executive Director and Chairman of the Remuneration Committee	8/8	4/4	5/5[3]
Ms Serene Nah	Non-Independent Non-Executive Director	2/2[4]	-	-
Mr Jeffrey Tapley	Chairman and Non-Independent Non-Executive Director	5/6[5]	3/3[1]	-

1 Attended ARC meeting by invitation
2 Attended NCGC meeting and the RC meeting by invitation
3 Attended RC meeting and the NCGC meeting by invitation
4 Ms Serene Nah was appointed on the Board with effect from 1 Oct 2023
5 Mr Jeffrey Tapley ceased to be a Director with effect from 1 Oct 2023

All Directors will attend the Annual General Meeting on 18 April 2024.

The Directors have separate and independent access to the Company Secretary of the Manager. The Company Secretary assists the Board on corporate secretarial administration matters and advises the Board and Management on corporate governance matters. The Company Secretary attends Board and Board Committees' meetings and assists the Chairman in ensuring that procedures are followed. The appointment and removal of the Company Secretary will be reviewed and approved by the Board as a whole.

The Directors are entitled to have access to independent external professional advice where necessary in discharging their responsibilities effectively, at the Manager's expense.

Directors' Development

The Manager recognises that it is essential for Directors to be equipped with a firm understanding of Digital Core REIT's business as well as their directorship duties. Directors with no prior experience as a director of an issuer listed on the SGX-ST are provided with training conducted by the Singapore Institute of Directors in accordance with the Listing Manual. The costs of the training are borne by the Manager.

Upon appointment, Directors are provided with formal appointment letters explaining the terms of appointment as well as duties and obligations. Directors can request to undergo an induction programme where they are briefed on Digital Core REIT's business, strategic direction and policies. After being appointed, Directors are also provided with opportunities (at the Manager's expense) for continuing education in areas such as directors' duties and responsibilities, corporate governance, insider trading, or other applicable legislation and industry-related matters so that they maintain up-to-date knowledge and skills necessary to discharge their duties and responsibilities. In FY2023, such training and development opportunities include training on portfolio and market updates, and training conducted by the Singapore Institute of Directors on sustainability. Going forward, new Directors who are appointed to the Board from time to time should either have expertise in sustainability matters, or will be required to undergo further sustainability training as required under Rule 720(7) of the Listing Manual. Ms Nah was appointed to the Board in FY2023, she completed her sustainability training on the 13 March 2024, and will complete the rest of the mandatory trainings as required under Practice Note 2.3 of the Listing Manual by July 2024.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board has an independent composition with majority of the Board being Independent Directors. The Board comprises five members, all of whom are Non-Executive Directors, and three out of five are Independent Directors.

The NCGC reviews the composition of the Board from time to time, ensuring that the size is appropriate in facilitating effective decision-making and the composition reflects a good balance of independence and diversity in experience. The Board seeks to refresh its membership progressively, in line with its Board diversity policy.

The non-executive directors and/or independent directors hold informal meetings on an as-needed basis without presence of Management. Feedback from the meetings is provided to the Board and/or Chairman and CEO, as and when appropriate. Profiles of the Directors, their respective Board Committee memberships and roles are set out on pages 18 to 20 of the Annual Report.

Independence Composition

The NCGC reviews the independence of the Directors annually and assesses their independence in accordance with the requirements of the Listing Manual, the CG Code and the Securities and Futures (Licensing and Conduct of Business) Regulations. The Independent Non-Executive Directors exercise objective judgement over Digital Core REIT's affairs and are independent from Management. Based on the requirements from the relevant guidelines and regulations, each of the Directors is assessed on their independence on the following criteria:

a) has no relationship with the Manager, its related corporations, its shareholders who hold 5% or more of the voting shares (Substantial Shareholders), Digital Core REIT's unitholders who have interests in units with 5% or more of the total votes attached to all voting Units (Substantial Unitholders) or the Manager's officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of Digital Core REIT;
b) is independent from the management of the Manager and Digital Core REIT, from any business relationship with the Manager and Digital Core REIT, and from every Substantial Shareholder of the Manager and every Substantial Unitholder of Digital Core REIT;
c) is not a Substantial Shareholder of the Manager or a Substantial Unitholder of Digital Core REIT;
d) is not employed and has not been employed by the Manager or Digital Core REIT or their related corporations in the current or any of the past three financial years;
e) does not have an immediate family member who is employed or has been employed by the Manager or Digital Core REIT or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Board;
f) has not served on the Board for a continuous period of nine years or longer.

Each independent director has declared his business interests and confirmed that there are no relationships which interfere with the exercise of his independent business judgement and the declarations have been duly reviewed by the NCGC.

Mr John Herbert is the Non-executive Director of SpectraTen LLC and Novo Banco S.A., all of which generate no conflict of interest issue in respect of his role as Director of the Manager. Mr Herbert does not have any other relevant relationships which may affect his independent judgement and he has demonstrated independence in character and judgement in the discharge of his duties and responsibilities as a director.

Dr Tsui Kai Chong is the Non-executive Director of Lendlease Global Commercial Trust Management Pte. Ltd., the manager of Lendlease Global Commercial REIT which invests in real estate assets in a different property sector from Digital Core REIT. Accordingly, his relationship with the entity generates no conflict of interest issue in respect of his role as Director of the Manager. Dr Tsui does not have any other relevant relationships which may affect his independent judgement and he has demonstrated independence in character and judgement in the discharge of his duties and responsibilities as a director.

Mr Tan Jeh Wuan is the Non-executive Director of Tower Capital Asia Pte. Ltd., Daiwa House Asset Management Asia Pte. Ltd. and co-Deputy Chairman of SGX's Listings Advisory Committee, all of which generate no conflict of interest issue with respect to his role as Director of the Manager. Mr Tan does not have any other relevant relationships which may affect his independent judgement and he has demonstrated independence in character and judgement in the discharge of his duties and responsibilities as a director.

Corporate Governance Report

Each of the three Directors above (i) has been independent from management and business relationships with the Manager and Digital Core REIT; (ii) free of any material business or financial connection with the Manager and Digital Core REIT; (iii) has not been a Substantial Shareholder of the Manager or a Substantial Unitholder of Digital Core REIT; and (iv) has been independent from every Substantial Shareholder of the Manager and Substantial Unitholder of Digital Core REIT. Mr David Lucey and Ms Serene Nah are not considered independent as they hold positions in Digital Realty, the sponsor of Digital Core REIT (the Sponsor); the Sponsor is a Substantial Unitholder of Digital Core REIT and Substantial Shareholder of the Manager. None of the Directors have served on the Board for a continuous period of nine years or longer.

On the basis of the independence declaration, the Board is in accord with the NCGC that the independent directors are independent as defined under the relevant regulations. Each director has recused himself from reviewing his own independence.

As at the last day of FY2023, the Board is satisfied that Mr David Lucey and Ms Serene Nah were able to act in the best interests of all the Unitholders in respect of the period in which they served as directors in FY2023.

Board Diversity

The Board recognises that diversity in relation to composition of the Board provides a range of perspectives, insights and challenges to support good decision-making, and is committed to ensuring that the Board comprises an appropriate mix of skills, knowledge, experience, and age, so as to promote the inclusion of different perspectives and ideas, and mitigate against groupthink and foster constructive debate. Therefore, the Board has adopted a Board Diversity Policy which sets out the Manager's approach toward achieving diversity on its Board. The NCGC is responsible for monitoring the implementation of the Board Diversity Policy.

The NCGC determines the optimal composition of the Board in its Board renewal process, identifying possible candidates, making recommendations of board appointments to the Board, and considering diversity factors such as age, gender, education, business and professional backgrounds. The current Board comprises five members who are professionals with varied backgrounds, expertise and experience in accounting, banking, finance, investment, real estate, legal, business and general management. The Board is of the view that the current size and composition of Directors is optimal in facilitating effective decision-making, taking into account the nature and scope of Digital Core REIT's operations. In FY 2022, the Board set a target to achieve gender diversity on its Board with female representation forming 15% of the Board composition by 2025. The Board achieved its target in 2023 with the appointment of Ms Serene Nah to the Board on 1 October 2023 and currently has a 20% female representation on the Board. Ms Nah brings over two decades of experience in pan-Asia infrastructure real estate and technology investment as well as in capital markets, joint ventures and financial management. Her appointment has strengthened the Board's diversity in terms of age, gender, professional background and industry experience. The Manager remains committed to ensuring appropriate diversity in its Board composition and progress towards any future diversity-related targets.

Chairman and Chief Executive Officer

Principle 3: There is clear division of responsibilities between leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The positions of the Chairman and the Chief Executive Officer (CEO) are held by two separate persons with division of responsibilities between the Board and Management in writing, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and CEO are not immediate family members.

The Chairman leads the overall management of the Board and ensures that Directors and Management work together, and also guides the Board in the overall strategic direction, management of assets and governance matters.

The CEO is responsible for running the Manager's business operations. He has full executive responsibilities over the business and operational decisions of the Group and is responsible for the day-to-day operations of Digital Core REIT.

The Lead Independent Director, Mr John Herbert, is appointed in view that the Chairman is not independent. As Lead Independent Director, Mr Herbert's main duties are to facilitate the functioning of, and provide leadership to, the Board if circumstances arise in which the Chairman may be (or is perceived to be) in conflict, and to serve as an independent leadership contact for Unitholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. The Lead Independent Director also presides over the general meetings where he plays a crucial role in fostering constructive dialogue between the Unitholders, the Board and Management.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board established the NCGC and it comprises three Directors, Mr John Herbert as the Chairman of the NCGC, and two other members Dr Tsui Kai Chong and Mr David Lucey, all of whom are non-executive Directors. The majority of members, including the NCGC chairman, who is the Lead Independent Director, are independent Directors.

Under its written terms of reference, the NCGC's duties include assisting the Board in matters relating to:

- regularly and strategically reviewing the composition of the Board and Board Committees and making recommendations to the Board for the appointment and re-appointment of each director
- determining on an annual basis and when necessary, the independence of directors in accordance with the Listing Manual, the provisions of the CG Code and the Securities and Futures Licensing and Conduct of Business (SFLCB) Regulations
- developing the performance evaluation framework and proposing objective performance criteria for the Board, Board Committees and individual Directors
- reviewing annually the other directorships held by each Director and determining whether the Director is able to adequately carry out his duties as a Director
- reviewing the training and professional development programmes for the Board
- making recommendations to the Board on the review of succession plans for the Board Chairman, Directors, CEO and key management personnel
- keeping up to date with developments in corporate governance initiatives and overseeing corporate governance matters.

Board Composition and Renewal

The NCGC reviews the structure, size and composition of the Board and Board Committees, including the balance and diversity of skills, knowledge, gender, age, qualification and experience which would bring independent and objective perspective to the table and facilitate decision making and make recommendations to the Board for the appointment and re-appointment of each director. The Board has members who have working experience in the data centre sector.

The NCGC has adopted a process for identifying and nominating candidates for appointment as Directors. The NCGC assesses if there are any inadequate representations from the above attributes, in consultation with management. The NCGC considers candidates from a wide range of backgrounds and evaluates their merits against objective criteria such as integrity, independent mindedness, diversity to complement the existing Board, experience in high-performing corporations and financial literacy in relation to the needs of the Board. The NCGC also considers whether the candidates will add diversity, possess core competencies that meet the current needs of the REIT and the Manager and complement the skills and competencies of the existing Directors on the Board, and whether they are able to commit time and effort to carry out duties and responsibilities effectively. The NCGC engages external help from external consultants to source and screen potential candidates, if necessary.

No alternate Director has been appointed during the financial year.

Board Independence

The NCGC reviews the independence of the Independent Directors against the requirements of the CG Code as well as the SFLCB Regulations set out in Principle 2 above. All Directors are expected to declare their independence annually and disclose any relationships with the Manager, its related corporations, its Substantial Shareholders, its officers or Digital Core REIT's Substantial Unitholders, if any, which may affect their independence as and when it arises. The Board has taken into consideration the recommendations from the NCGC, and determined that the Board composition has met the optimum level of independence and diversity to make decisions in the best interests of Digital Core REIT.

Board Time Commitments

The NCGC reviews annually other appointments and commitments held by each Director and decides whether or not a Director is able to adequately carry out his duties as a Director. The NCGC has not set a limit on the number of listed company board appointments for the Directors, the NCGC assesses holistically whether they are able to adequately carry out their duties, taking into consideration the results of the annual assessment of the effectiveness of the individual Director, and the respective Director's attendance record at meetings, actual conduct and contributions on the Board. Directors with multiple directorships are expected to ensure that they can devote sufficient time and attention to the affairs of the Manager. The Directors' listed company directorships and principal commitments are disclosed on page 18 to 20 of the Annual Report. For FY2023, the Directors have achieved good meeting attendance rates and have contributed to the discussions at Board and Board Committee meetings. Based on above and the self-assessment by the individual directors, the NCGC is satisfied that the Directors are able to adequately carry out their duties as Directors and the number of commitments held by the Directors do not affect their ability to carry out their duties.

Based on the assessment confirmed by the NCGC, the Board has noted that the Directors are able to adequately carry out their duties and responsibilities as Directors of the Manager.

The Board has in place succession planning which takes into account the Manager's strategic priorities and the factors affecting the long-term success of the Manager. Different time horizons are considered for succession planning, including long-term, medium-term and contingency planning. Lastly, to maintain an optimal Board composition and set appointment criteria for successors, the NCGC bears in mind the trends affecting the Manager, reviews the skills needed and identifies any gaps, and takes steps towards achieving diversity.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NCGC undertakes a process to evaluate the effectiveness of the Board as a whole, each of its Board Committees and individual Directors. The process encompasses the use of confidential questionnaires laying out the objective performance criteria determined by the NCGC and recommended to the Board for approval. These criteria include an evaluation of the Board and Board Committees' oversight over the performance of Digital Core REIT, the size and composition of the Board and Board committees, the overall governance and risk framework, meeting participation and access to information. The individual Director evaluation includes standards of individual Director's conduct, independence and upkeep of professional development. The results are aggregated and presented during the NCGC meeting for overall analysis, and where necessary, follow-up actions are taken to enhance the effectiveness of the Board in discharging its duties and responsibilities. The process provides opportunities for the Board to evaluate its effectiveness as well as identify any key strengths and areas for improvement which will drive long-term value creation for Unitholders.

For FY2023, based on the assessment of the Board, Board Committees and each individual Director's performance, the Board is satisfied with the overall result. The Board has also taken feedback from the results of the assessment. The Manager did not engage an external facilitator, in respect of the Board evaluation.

REMUNERATION MATTERS

Disclosure on Procedures for Developing Remuneration Policies, Level and Mix of Remuneration

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Board established the RC and it comprises three Directors, Mr Tan Jeh Wuan as the Chairman of the RC, and two other members Mr John Herbert and Mr David Lucey, all of whom are non-executive Directors. The majority of members, including the RC chairman, are independent Directors.

Under its written terms of reference, the RC's duties include assisting the Board in matters relating to:

- ensuring that the level and structure of remuneration of the Board and key management personnel are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Manager and successfully manage the Manager for the long term; and proportionate to the sustained performance and value creation of the Manager, taking into account the strategic objectives of the Manager
- ensuring the remuneration of non-executive directors is appropriate to the level of contribution, taking into account effort, time spent and responsibilities
- reviewing the remuneration of employees who are Substantial Shareholders of the Manager, or are

immediate family members of a Director, CEO or Substantial Shareholder, if any
- reviewing the design of all long-term and short-term incentive plans for approval by the Board and setting performance measures and determining targets for any performance-related pay schemes
- considering all aspects of remuneration, including termination terms, to ensure they are fair.

Remuneration Framework

The remuneration framework promotes the achievement of the business strategy and the delivering of sustainable returns to Unitholders. The principles governing the remuneration policies of the key management personnel are as follows:

Value Creation

- Total variable compensation is structured taking into consideration the level of performance and value creation attained which is being assessed holistically and determined based on the achievement of a combination of financial and non-financial goals

Competitive and Encourage Retention

- Ensure competitive remuneration is reviewed and benchmarked to external market and internal equity

Long-Term Orientation

- Motivate employees to drive sustainable long-term growth

In assessing the remuneration packages for key management personnel, appropriate compensation benchmarks within the industry are taken into consideration, so as to ensure the packages are competitive, in line with the objective of the remuneration policies, and serve to retain and motivate key management personnel to successfully manage Digital Core REIT for the long term. The Board, together with the RC, seeks to ensure that the remuneration of the CEO and other key management personnel is linked to achievement of overall performance targets that are set to motivate them to achieve long-term business performance. The RC recommends to the Board for endorsement a framework of remuneration and the specific remuneration packages for each Director and key management personnel.

The Manager appointed Aon Hewitt as the independent remuneration consultant for FY2023. Aon Hewitt does not have any relationship with the Manager, its controlling shareholders or related entities.

The remuneration of the Directors and the employees of the Manager is paid by the Manager and not by Digital Core REIT.

Remuneration of Key Management Personnel

Remuneration of key management personnel comprises fixed component, variable component and employee benefits. The remuneration framework is structured keeping in mind the alignment of the incentives to the long-term interests of Unitholders and overall business and individual performance.

Component	Link to Program Objectives	Type of Compensation	Description
Base Salary	Fixed level of cash compensation to attract and retain key executive officers in a competitive market place	Cash	Determined based on evaluation of individual's experience and current performance, internal pay equity and a comparison to salaries of similarly situated executive officers in our peer group
Annual Incentive Bonus	Incentive opportunity that encourages executive officers to achieve annual Company and individual goals Assist in attracting, retaining and motivating employees in the near and long term	Cash	Earned based on attainment of both quantitative and qualitative targets: **Financial:** This includes targets relating to profitability and distributions **Value Creation**: This includes targets relating to preserving and enhancing asset value **Returns**: This includes targets relating to total returns generated by the REIT against the benchmark index
Long-Term Incentive Program	Focuses executive officers on creating long-term unitholder value and directly aligns with unitholders' interests Additional tool for retention	Equity	**Performance-Based Awards (For Executives only):** Three-year performance period with actual performance vesting of units or RSUs at 0% to 200% of target based entirely on relative total unitholder return over the performance period; 50% of performance-vested units or RSUs time-vest upon the conclusion of the performance period and 50% time-vest one year thereafter **Time-Based Awards:** 25% of the units or RSUs vest annually over four years

Corporate Governance Report

The Manager has a unit-based incentive plan which allows for a portion of the remuneration of key management personnel to be paid in the form of Units. The Units to be granted to the key management personnel under the incentive plan will be taken from Units already owned by the Manager and accordingly, no new Units are or will be issued to satisfy the grant of Units under the incentive plan.

Units-Based Component

The Manager believes that the Unit-based component serves to align the interests of management with that of the Unitholders and Digital Core REIT's long-term growth and value. The obligation to deliver the Units is satisfied out of the Units held by the Manager. In respect of the long-term incentive plan, the Units are awarded under a time-based scheme for all employees and a performance-based scheme for senior management. The time-based scheme has a vesting period of four years with the objective of long-term employee retention. The performance-based scheme is over a three-year performance measurement period and is conditional on the achievement of predetermined targets in respect of the Relative Total Unitholder Return against the FTSE ST REIT Index. The Units are granted when the threshold target is achieved at the end of the qualifying period. The measure is a key measurement of long-term value creation for Unitholders. No Units will be released if the minimum threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more units than the baseline award can be delivered up to a maximum of 200% of the baseline award.

At the end of the financial year, the RC reviews Digital Core REIT Group's achievements and determines the overall performance while also taking into consideration factors such as any changes in the industry trends or regulatory landscape. For FY2023, the RC was satisfied that Management has met Digital Core REIT's overall strategy and objective. The resulting number of Units to be released will be adjusted accordingly to reflect performance level.

The Manager is cognisant of the requirement to disclose (i) the remuneration of the CEO (ii) the remuneration of at least the top five key management executives (who are not Directors or the CEO), on a named basis, in bands of no wider than S$250,000; (iii) in aggregate the total remuneration paid to these key management personnel; and (iv) any other forms of remuneration and other payments and miscellaneous staff benefits paid to key management executives (who are not Directors or the CEO). The Board has assessed and elected not to disclose the above remuneration for the following reasons:

i) the competition for talent in the REIT management industry is very keen and the Manager has, in the interests of Unitholders, opted not to disclose the remuneration of its CEO and top five key management executives (who are not Directors or the CEO) so as to minimise potential staff movement which would cause undue disruptions to the management team of Digital Core REIT;

ii) confidentiality and sensitivity of staff remuneration matters; and

iii) the Manager has opined that the non-disclosure will not be prejudicial to the interests of Unitholders and there is no misalignment between the remuneration of the CEO and key management executives and the interests of the Unitholders as the remuneration is not borne by Digital Core REIT but paid out from the fees received by the Manager (the quantum and basis of which have been disclosed). Additionally, the RC, which comprises a majority of independent directors, conducted a review of the Manager's remuneration policies and packages, and the information provided regarding the remuneration framework is sufficient to provide an understanding between the link of the remuneration paid and their performance.

Accordingly, the Manager is of the view that the above practice is consistent with the intent of Principle 8 of the CG Code. In light of the abovementioned reasons, Unitholders' interests are not prejudiced by the deviations from Provisions 8.1 and 8.3 of the CG Code.

There were no employees of the Manager who are Substantial Shareholders of the Manager, Substantial Unitholders of Digital Core REIT, or immediate family members of a Director, the CEO, a Substantial Shareholder of the Manager or a Substantial Unitholder of Digital Core REIT, whose remuneration exceeds S$100,000 during the year.

The Board has assessed that the above remuneration of the key management personnel is appropriate to attract, retain and motivate the key management personnel to provide good stewardship to the Manager and Digital Core REIT for the long term.

Disclosures Under the AIFMR

The Manager is required under the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) (AIFMR) to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of Digital Core REIT.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies described in this Report.

The aggregate amount of remuneration awarded by the Manager to its staff (including CEO and non-executive Directors) in respect of FY2023 was approximately US$2.2mil. This figure comprised fixed pay of US$1.4mil, variable pay of US$0.7mil and allowances and benefits-in-kind of US$0.1mil. There was a total of 10 beneficiaries of the remuneration described above. In respect of FY 2023, the aggregate amount of remuneration awarded by the Manager to its senior management (which are also members of staff whose actions have a material impact on the risk profile of Digital Core REIT) was approximately US$1.2mil, comprising two individuals identified having considered, among others, their roles and decision-making powers.

Remuneration of Non-Executive Directors

The non-executive Directors' fees are paid by the Manager. The remuneration is divided into basic retainer fees for serving as Director and additional fees for serving on Board Committees. The fee structure takes into account the effort, time spent and demanding responsibilities in light of the scale, complexity and geographic scope of the business, and ensures that remuneration is appropriate to the level of contribution. The non-executive Directors who are employees of the Sponsor do not receive any Directors' fees. No individual Director is involved in any decision relating to his own remuneration. The non-executive Directors' fees are paid entirely in cash and the details of their remuneration are set out below:

Directors	Membership	Fees Paid for FY23
Mr David Lucey	Chairman and Non-Independent Non-Executive Director	Nil[1]
Mr John Herbert	Lead Independent Non-Executive Director, Chairman of NCGC and Member of RC	S$112,000
Dr Tsui Kai Chong	Independent Non-Executive Director, Chairman of ARC and Member of NCGC	S$112,000
Mr Tan Jeh Wuan	Independent Non-Executive Director, Chairman of RC and Member of ARC	S$100,000
Ms Serene Nah	Non-Independent Non-Executive Director	Nil[1]
Mr Jeffrey Tapley	Chairman and Non-Independent Non-Executive Director	Nil[1,2]

Notes:
1 Non-Executive Directors who are employees of the Sponsor do not receive any fees in their capacity as Directors
2 Mr Jeffrey Tapley ceased to be a Director with effect from 1 Oct 2023

The Board has assessed that the above remuneration of the Directors is appropriate to attract, retain and motivate the Directors to provide good stewardship to the Manager and Digital Core REIT for the long term.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders.

The Manager maintains an adequate and effective system of risk management and internal controls (including financial, operational, compliance and information technology (IT) controls).

The Board has overall responsibility for the governance of risk, including overseeing the formulation of the risk management framework and determining risk appetite and risk limits in achieving its strategic objectives and value creation. The Board has established the ARC to assist it in carrying out the Board's responsibility of overseeing risk reporting and policies for Digital Core REIT and ensuring that the Manager maintains a sound system of risk management and internal controls. Digital Core REIT operates within the overall guidelines and specific parameters set by the Board.

The ARC has written terms of reference setting out its scope and authority in performing the functions of a risk committee, which includes assisting the Board in matters relating to:

- reviewing and recommending to the Board the Manager's and the REIT's risk strategy, risk appetite and levels of risk parameters
- reviewing at least annually and reporting to the Board on the adequacy and effectiveness of the Manager and the REIT's risk management and internal controls in relation to financial reporting and other risks and controls
- overseeing the design, implementation and monitoring of the risk management and internal control systems, including recommending areas for improvement and additional risk mitigation
- reviewing periodic reports from management on material risk exposures and mitigating controls

Corporate Governance Report

The Manager adopts an Enterprise Risk Management (ERM) Framework which guides the Manager in the risk management process and the risk profile is reported to the ARC on a quarterly basis. Digital Core REIT operates within the overall guidelines and parameters set by the ARC and Board. The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually by the Manager, the ARC and the Board. More information on the Manager's ERM Framework including material risks identified can be found in the ERM section on pages 73 to 75 of the Annual Report.

The internal and external auditors conduct reviews of the adequacy and effectiveness of the material internal controls (including financial, operational, compliance and IT controls) and risk management systems. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the ARC. The ARC also reviews the measures taken by management in addressing the recommendations of the internal and external auditors.

The Board has received assurance from the CEO and the CFO of the Manager that the financial records of Digital Core REIT have been properly maintained and the financial statements for FY2023 give a true and fair view of the Group's operations and financials. It has also received assurance from the CEO and relevant key management personnel who are responsible, regarding the adequacy and effectiveness of the risk management and internal control systems. The CEO and CFO have obtained similar assurances from the respective risk and control owners.

The Board is satisfied with the adequacy and effectiveness of Digital Core REIT's internal controls (including financial, operational, compliance and information technology controls) and risk management systems, taking into account the nature, scale and complexity of the Manager's operations. The Board arrived at their opinion based on the ERM Framework established, the reviews conducted by the internal auditors and external auditors, together with Management's confirmation of the adequacy and effectiveness of the internal controls. The ARC concurred with the Board's assessment. However, the Board also notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board and the ARC are also responsible for (a) monitoring Digital Core REIT's risk of becoming subject to, or violating, any sanction law; and (b) ensuring timely and accurate disclosures to SGX-ST of any such risks and other relevant authorities. The Manager will inform Unitholders of any sanction-related risks to Digital Core REIT, the impact of such risk on the financials and operations of the Group, if any, and also the cessation of such risk via announcement on SGXNet.

Audit Committee

Principle 10: The Board has an Audit Committee (AC) which discharges its duties objectively.

The Board established the ARC and it comprises three Directors, Dr Tsui Kai Chong as the Chairman of the ARC, and two other members Mr John Herbert and Mr Tan Jeh Wuan, all of whom are non-executive Directors. All members, including the ARC chairman, are independent Directors. The Code requires at least two members, including the ARC Chairman, to have recent and relevant accounting or related financial management expertise or experience. Dr Tsui Kai Chong holds a PhD in Finance from the Graduate School of Business Administration of New York University and has experience serving on various audit committees. Mr John Herbert and Mr Tan Jeh Wuan have extensive experience in the financial sector and investment banking. Together, the ARC members bring with them a wealth of experience in financial management and are appropriately qualified with the necessary expertise and experience to discharge their responsibilities. The ARC does not comprise any former partners of Digital Core REIT's incumbent external auditors, KPMG LLP (a) within a period of two years commencing from the date of their ceasing to be partners of KPMG LLP; or (b) having any financial interest in KPMG LLP.

The role of the ARC is to monitor and evaluate the effectiveness of the Manager's internal controls. Under its terms of reference, the ARC's duties include assisting the Board in matters relating to:

- reviewing the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on Digital Core REIT's financial performance
- reviewing at least annually the adequacy, effectiveness, independence, scope and results of the Manager's and Digital Core REIT's internal audit function
- reviewing the assurance from the CEO and CFO that the financial records and financial statements give a true and fair view of Digital Core REIT's operations and finances
- reviewing the adequacy, effectiveness, scope and results of the external audit, and the independence

and objectivity of the external audit, and making recommendations to the Board on the proposals to Unitholders on the appointment, reappointment and removal of the external auditors, and its remuneration and terms of engagement
- deciding on the appointment, termination and remuneration of the internal audit function
- ensuring that the Manager and Digital Core REIT complies with the requisite laws and regulations
- ensuring that the Manager has policies in place to manage fraud and review the arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately addressed
- overseeing the establishment, operation and monitoring of the whistleblowing process
- reviewing all Interested Party Transactions (IPTs) and Related Party Transactions (RPTs), ensuring they are on normal commercial terms and in compliance with the relevant regulations
- reviewing the hedging policies and approving the procedures for entry into any hedging transactions
- undertaking other functions and duties as may be required by the Board

The ARC holds four scheduled meetings in a year. In FY2023, all four ARC meetings were attended by all ARC members, the CEO and CFO. The ARC reviewed the full year and half year financial statements, and the quarterly business updates, while considering the relevance of accounting principles adopted and any significant financial reporting issues and recommended to the Board for approval. The ARC has authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite any Director to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The ARC also meets with the external auditors and the internal auditors, without the presence of Management, at least once a year. In FY2023, the ARC met with the external auditors and internal auditors, without the presence of Management, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems, and the recommendations by the auditors. Both the external auditors and internal auditors have confirmed that they had unfettered access to all documents and received cooperation and support from Management, with no restrictions on their scope of audit.

The ARC reviewed the independence of the external auditors and the non-audit services provided by the auditors and is satisfied that the nature and extent of such services will not affect the independence and objectivity of the external auditors. The aggregate amount of audit and non-audit fees paid/payable to the external auditors for FY2023 amounted to US$391k and nil respectively.

Digital Core REIT has complied with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of its auditing firms. In particular, the ARC is of the view that KPMG LLP is a suitable auditing firm with regard to the adequacy of the resources and experience of the auditing firm and the audit partner-in-charge assigned to the audit, the size and complexity of Digital Core REIT, and the number and experience of supervisory and professional staff assigned to the audit of Digital Core REIT.

The internal audit function has been outsourced to Ernst and Young Advisory Pte. Ltd. and the internal auditors are independent of Management and have a primary line of reporting to the ARC. The ARC is satisfied that the internal auditors met the standards set by internationally recognised professional bodies including the International Standards for Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The ARC has assessed the adequacy of the internal auditors and is of the view that the internal auditors were independent, effective and had the relevant qualifications, appropriate standing within the Manager and adequate resources to perform their functions effectively. The ARC approved the appointment of and fees to the internal auditors.

The internal auditors submit their internal audit plan to the ARC for approval at the beginning of the audit cycle and the ARC reviews results of the audits based on the approved audit plan. The ARC also reviews reports on Interested Person Transactions reviewed by the internal auditors to confirm that they were on normal commercial terms and not prejudicial to the interests of Unitholders. The internal auditors have confirmed that they had unfettered access to all documents, records, properties and personnel, including the ARC.

In FY2023, the ARC has reviewed and assessed the adequacy and effectiveness of the internal controls and risk management systems established by the Manager, and concurred with the Board opinion, taking into consideration the reviews from the internal and external auditors, as well as assurance from the CEO and CFO.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to *communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Manager is committed to ensuring timely disclosures and transparent communication with Unitholders, and ensuring that all Unitholders are given the opportunity to communicate their views and are treated fairly and equitably. Announcements on relevant information which would likely have a material effect on the price of the Units are made in a timely manner.

General Meetings

Unitholders are invited to attend the general meetings of Digital Core REIT and are given the opportunity to participate effectively in and vote at the general meetings. The necessary reports and circulars are made available to Unitholders before the general meeting and the Manager adheres to the regulatory timeline in issuing Notices of general meetings. The Manager informs Unitholders of the rules governing the general meetings and provides instructions on voting. Unitholders are given the opportunity to communicate their views, ask questions and discuss with the Board and Management on matters affecting Digital Core REIT during the general meetings. Representatives of the Trustee, the Directors (including the chairman of the respective Board Committees), key management personnel and external auditors are present for the entire duration of the annual general meetings to address any queries Unitholders may have. All Directors attended the general meeting held during their tenure in FY2023. The Directors' attendance at the general meetings is set out on page 78 of the Annual Report.

The Manager tables separate resolutions for each substantially separate issue at general meetings of Unitholders. Each resolution will be voted on by way of electronic polling. Unitholders are also entitled to appoint up to two proxies to attend, speak and vote on their behalf at the general meetings. An independent scrutineer is appointed to validate the vote tabulation and procedures. The Manager will announce the results of the votes cast for and against each resolution and the respective percentages after each resolution is voted on at the general meetings as well as on SGXNet after the meeting. Minutes of the general meetings are also made available on Digital Core REIT's website as soon as practicable and, where required, on SGXNET. The minutes record substantial and relevant comments and queries from Unitholders relating to the agenda of the general meeting, and responses from the Directors and Management.

Provision 11.4 of the CG Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Trust Deed currently does not permit Unitholders to vote at general meetings in absentia following careful study from the Manager to ensure the integrity of information and authentication of the identity of Unitholders through web are not compromised. The Manager is of the view that despite deviation from Provision 11.4 of the CG Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting Digital Core REIT even when they are not in attendance at general meetings. For example, such opportunities include being allowed to appoint proxies to attend, speak and vote on their behalf at general meetings.

Distribution Policy

Digital Core REIT's distribution policy is to distribute 100% of its Annual Distributable Income from the Listing Date to the end of 2023 on a semi-annual basis. Thereafter, Digital Core REIT will distribute at least 90% of its Annual Distributable Income on a semi-annual basis.

Unitholder Engagement

The Manager strives to give Unitholders a balanced and understandable assessment of Digital Core REIT's performance, position and prospects. The Manager discloses its half year and full year financial statements which are reviewed and approved by the Board prior to the release to the Unitholders by announcement on SGXNet within the stipulated regulatory timeline. In addition, the Manager also provides quarterly business updates reflecting the performance and any information which would likely materially affect the price of the Units, so as to enable Unitholders to make informed decisions. Such information includes discussions of the significant factors affecting Digital Core REIT's interim performance, relevant market trends, and the foreseeable risks and opportunities that may have a material impact on Digital Core REIT's prospects.

The Manager has in place an Investor Relations department which actively engages with Unitholders through analyst briefings and investor roadshows. An Investor Relations Policy that promotes regular, effective and fair communications with Unitholders has also been put in place. The Investor Relations Policy informs Unitholders how the Manager will engage them and sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions.

Unitholders are welcome to engage with the Manager beyond general meetings and may contact the Investor Relations department via the Contact Us section on the website.

The Lead Independent Director is available to all Unitholders via the email jherbert@digitalcorereit.com.

MANAGING STAKEHOLDERS AND RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Manager is committed to its sustainability efforts and engagement with its stakeholders and has put together a Sustainability Report which can be found on pages 92 to 129 of the Annual Report. The Manager incorporates the key principles of environmental and social responsibility, and corporate governance in Digital Core REIT's business strategies and operations to achieve sustainable economic growth and to deliver long-term Unitholder value. The Manager has identified material stakeholder groups and engages with these groups from time to time to gather feedback. Such engagement includes the maintenance of Digital Core REIT's website to keep stakeholders updated with timely, fair and transparent disclosure of information and to facilitate communication with them. Further details of the sustainability approach can be found in the Sustainability Report.

Additional Information

Dealings in Securities

The Manager has established a Code of Best Practices on Securities Transactions to guide its Directors and employees in respect of dealings in Units. The policy sets out that officers of the Manager should not deal in Units on short-term considerations.

The policy prohibits any person connected to Digital Core REIT, the Manager including Directors and Officers of the Manager, from dealing in Units:

i) when in possession of material unpublished price-sensitive information

ii) during "Black-out periods" which is one month before the announcement of Digital Core REIT's half-year and full-year financial statements. Prior to the commencement of each relevant black-out period, an email would be sent to all the relevant persons to inform them of the duration of the black-out period. The Manager also does not deal in the Units during the same black-out period.

Additionally, the connected person must not communicate the information or cause the information to be communicated to another person if the connected person ought reasonably to know that the other person would or would likely deal in any Units or procure a third person to deal in any Units.

Each Director and CEO of the Manager is required to give notice to the Manager of his acquisition of Units or of changes in the number of Units which he has an interest in, within two business days after such acquisition or occurrence of event giving rise to the changes in the number of Units held. Following receipt of such notification by the Manager from the Director or the CEO, the Manager is required to announce such information via SGXNet within one business day. Dealings by the Directors are disclosed in accordance with the requirements in the SFA and the Listing Manual. In FY2023, based on the information available to the Manager, there were no dealings by the Directors in Digital Core REIT Units.

Dealings with Interested Person Transactions

The Manager has established an internal control system to ensure that all Interested Party Transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of Digital Core REIT and Unitholders. As a general rule, the Manager shall demonstrate to its ARC that such transactions satisfy the foregoing criteria which entails obtaining quotations from parties unrelated to the Manager or obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The Manager will maintain a register to record all Interested Party Transactions which are entered into by Digital Core REIT and the bases, including any quotations from unrelated parties and independent valuations, on which they are entered into. The Manager will also incorporate into its internal audit plan a review of all Interested Party Transactions entered into by Digital Core REIT. The ARC shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor the Interested Party Transactions have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review will include the examination of the nature of the transactions and its supporting documents or such other data deemed necessary to the ARC. If a member of the ARC has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

Corporate Governance Report

The following procedures will be undertaken with respect to Interested Party Transactions:

- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Interested Party during the same financial year) equal to or exceeding $100,000 in value but less than 3.0% of the value of Digital Core REIT's net tangible assets (based on the latest audited accounts) will be subject to review by the ARC at regular intervals
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Interested Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Digital Core REIT's net tangible assets (based on the latest audited accounts) will be subject to the review and prior approval of the ARC. Such approval shall only be given if such transaction is on normal commercial terms and not prejudicial to the interests of Digital Core REIT and the Unitholders and is consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Interested Party during the same financial year) equal to or exceeding 5.0% of the value of Digital Core REIT's net tangible assets (based on the latest audited accounts) will be reviewed and approved prior to such transaction being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transaction would have to be approved by Unitholders at a meeting duly convened and held in accordance with the provisions of the Trust Deed
- pursuant to the Listing Manual, transactions with a value below S$100,000 are disregarded for the purpose of the announcement and Unitholders' approval requirements under the Listing Manual. Accordingly, such transactions are excluded from aggregation with other transactions involving the same Interested Parties

Where matters concerning Digital Core REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Digital Core REIT with an Interested Party of the Manager or the Trustee, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of Digital Core REIT and the Unitholders, and in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

Subject to the provisions of the Trust Deed, the Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving an Interested Party of the Manager or the Trustee. If the Trustee is to sign any contract with an Interested Party of the Manager or the Trustee, the Trustee will review the contract to ensure that it complies with the relevant requirements relating to Interested Party Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

Digital Core REIT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person (as defined in the Listing Manual) during the same financial year, is 3.0% or more of the value of Digital Core REIT's latest audited net tangible assets. The aggregate value of all Interested Person Transactions in accordance with the Listing Manual for the financial year, each of at least S$100,000 in value and which are subject to Rules 905 and 906 of the Listing Manual is disclosed in this Annual Report.

Role of the Audit & Risk Committee for Interested Person Transaction

The ARC will monitor the procedures established to regulate Interested Person Transactions, including reviewing any Interested Person Transactions (equal to or exceeding S$100,000 in value) entered into from time to time and the internal audit reports to ensure compliance with the relevant provisions of the Listing Manual and the Property Funds Appendix.

If a member of the ARC has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

Dealing with Conflicts of Interest

The Manager has instituted the following procedures to deal with potential conflict of interest issues:

- The Manager will not manage any other real estate investment trust which invests in the same types of properties as Digital Core REIT
- All executive officers will be working exclusively for the Manager and will not hold other executive positions in other entities (save for any wholly-owned subsidiaries of the Manager)

- All resolutions in writing of the directors of the Manager in relation to matters concerning Digital Core REIT must be approved by at least a majority of the Manager's directors (excluding any interested director), including at least one independent director
- At least one-third of the Board shall comprise independent directors, provided that where the (i) Chairman of the Board and the CEO is the same person; (ii) Chairman of the Board and the CEO are immediate family members; (iii) Chairman of the Board is part of the management team; (iv) Chairman of the Board is not an independent director or (v) unitholders do not have the right to appoint directors, at least half the Board shall comprise independent directors
- In respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Manager's directors and must exclude such interested director
- In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of the Sponsor and/or its subsidiaries
- Save as to resolutions relating to the removal of the Manager, the Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the holders of units in Digital Core REIT convened to approve any matter in which the Manager and/or any of its associates has a material interest, and for so long as the Manager is the manager of Digital Core REIT, the controlling shareholders (as defined in the Listing Manual) of the Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of the holders of units in Digital Core REIT convened to consider a matter in respect of which the relevant controlling shareholders of the Manager and/or of any of its associates have an interest
- It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Digital Core REIT with an Interested Person (as defined in the Listing Manual) and/or, as the case may be, an Interested Party (as defined in the Property Funds Appendix) of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Digital Core REIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Manager's directors (including the independent directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Digital Core REIT with a Related Party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of the holders of units in Digital Core REIT and/or which is in the interests of the holders of units in Digital Core REIT. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

Whistle-Blowing Policy

The Manager is committed to maintaining a high standard of integrity in its business conduct. In support of its commitment, the Manager has put in place a whistleblowing policy which sets out the procedures which provide a trusted avenue for the Manager's employees, vendors, customers and other stakeholders to report serious wrongdoing or concerns relating to the Manager and its officers, particularly in relation to fraud, controls or ethics, without fear of reprisals when whistleblowing in good faith and ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow-up actions to be taken. The Manager ensures that the identity of the whistle-blower is kept confidential and that the whistle-blower is protected against detrimental or unfair treatment. The ARC is responsible for oversight and monitoring of whistle-blowing, and the ARC reviews all whistle-blowing complaints at its quarterly meetings. In the Chairman's absence, any other ARC member can take charge of the matter. All concerns raised will be independently assessed to ensure they are fairly and properly considered. No reports were made during the year in review. Details of the whistleblowing policy, including the procedures for raising concerns, are covered and explained in communications to all employees of the Manager.

Material Contracts

There are no material contracts entered into by Digital Core REIT or any of its subsidiaries that involve the interests of the CEO, any Director or any controlling unitholder, except as disclosed in the Annual Report.

Sustainability

STATEMENT FROM THE CHIEF EXECUTIVE OFFICER

[GRI 2-22]

Dear Stakeholders,

I am pleased to present Digital Core REIT's Sustainability Report for FY2023. This is our second report since the listing of Digital Core REIT in December 2021, building on our initial efforts and commitments last year to reflect on the progress we have made towards sustainability. We have prepared this report with accordance to the Global Reporting Initiative Standards and observed recommendations by the Monetary Authority of Singapore Guidelines on Environmental Risk Management and the SGX Listing Manual Rules in developing this report.

While external conditions remained challenging in 2023, we continued to demonstrate resiliency as a business and focused on creating durable value for our Unitholders through sustainable growth, underpinned by our comprehensive Environmental, Social and Governance ("ESG") strategy. As a company, we are committed to making a positive impact by nurturing a workforce that reflects the richness of global perspectives and a place where every employee feels valued and safe. We also recognise the importance of addressing climate change and the role we play in contributing to the development of sustainable business practices.

During the year, we refreshed our material topics and conducted a two-part engagement process with stakeholders. With the Board's approval, Digital Core REIT was able to update its list of material topics to reflect the sustainability factors that are relevant to the business. Initiatives were also rolled out in FY2023, primarily within the environment and social pillars. In addition, we have made progress on the ESG targets we set out in FY2022 and are on track to meet our long-term targets.

As we navigate the evolving sustainability landscape, my team and I are eager to make further progress in the coming years to amplify our sustainability commitments for our stakeholders. Together, we can drive positive change and contribute to a world where ESG values are the cornerstone of every enterprise.

We hope this report showcases Digital Core REIT's efforts, progress and commitment towards sustainability. We value any feedback to enhance our future performance.

John J. Stewart
Chief Executive Officer

BOARD STATEMENT

[GRI 2-22 , GRI 2-23]

We are pleased to present Digital Core REIT's Sustainability Report for the financial year ended 31 December 2023 ("FY2023"). This is our second Sustainability Report and represents a continuation of Digital Core REIT's efforts to strengthen its sustainability performance. The Sustainability Report reflects Digital Core REIT's sustainability approach, including the organisation's governance structure, sustainability-related initiatives, milestones, and targets.

The Board of the Manager of Digital Core REIT determines the organisation's material environmental, social, and governance (ESG) factors and has responsibility for overseeing the management and monitoring of these material ESG factors and believes that effective stewardship in ESG matters is fundamental to ensuring the future of Digital Core REIT and its stakeholders. To this end, we have integrated sustainability and ESG considerations into our business strategies and operations.

While our sustainability practices are guided by our Sponsor, Digital Realty, we have considered the distinct operational environment of Digital Core REIT as well as industry-specific sustainability challenges when determining the material topics to be managed and reported. We have reviewed the material topics from the prior assessment and found them to remain relevant for FY2023.

In FY2023, Digital Core REIT made some progress in its sustainability practices. The volunteering activities as part of Digital Core REIT's Corporate Social Responsibility reflect the organisation's commitment to attaining its ESG targets. In-house training was rolled out to educate managerial employees on non-discriminatory employment practices and fair performance review process. Digital Core REIT also engaged with customers, investors, and industry experts to tackle climate change on a broader scale. By working collaboratively with our stakeholders, Digital Core REIT is able to strengthen its efforts to reduce potential climate change impacts and realise the economic benefits of low-carbon transition.

We continue to progress in our journey in adopting the recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD"). We aim to achieve a holistic and sustainable approach to our decision-making process as we improve our risk management procedures to account for climate-related threats.

We remain committed to engaging and working with our stakeholders, learning from global best practices to improve our climate-related performance and sharing our sustainability progress. We would like to express our heartfelt appreciation to our employees, partners, customers and other stakeholders for their support in Digital Core REIT's sustainability journey.

ABOUT THE REPORT

[GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, GRI 2-6]

Digital Core REIT is pleased to present its annual Sustainability Report, which covers Digital Core REIT's portfolio performance for the period from 1 January 2023 to 31 December 2023, unless otherwise indicated. Digital Core REIT's portfolio is comprised of 12[1] properties (nine in the United States, one in Canada, one in Europe and one in Japan).

Consistent with the operational control approach as defined by the Greenhouse Gas (GHG) Protocol Corporate Standard, properties where Digital Core REIT does not have operational control are excluded from this report. The properties covered under Digital Core REIT's operational control include:

United States	Canada
3011 Lafayette Street	371 Gough Road
44520 Hastings Drive	
8217 Linton Hall Road	

The Manager is a wholly-owned subsidiary of Digital Realty ("Sponsor"). The Sponsor together with its subsidiaries are referred to as the "Group". The Manager is responsible for Digital Core REIT's overall property and portfolio operations. Digital Core REIT does not have any employees. References to employees within this report refer to employees of the Manager.

Digital Core REIT's supply chain includes various suppliers such as power suppliers, cleaning, landscaping, snow removal, pest control, office supplies, security services, general repair and maintenance, trash disposal & recycling, and third-party engineering service providers. Entities downstream from Digital Core REIT include IT service providers, cloud providers, social media platforms, colocation providers, and technology solution providers.

This report is prepared in accordance with the Global Reporting Initiative ("GRI") Standards 2021. The GRI Standards was adopted as it is the most widely adopted global reporting standard among businesses for disclosing sustainability matters across comparable criteria. In developing this report, Digital Core REIT observes the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B, including climate-related disclosures according to the Taskforce on Climate-Related Financial Disclosures ("TCFD") recommendations and Monetary Authority of Singapore ("MAS") Guidelines on Environmental Risk Management. Additionally, aligning with its sustainability strategy, Digital Core REIT has referenced the United Nations Sustainable Development Goals ("UN SDGs"). Please refer to the GRI Content Index on pages 123 to 129 for more information regarding the disclosures detailed in the report.

Internal Review

The Manager has engaged its internal auditors to include a review of the Sustainability Report in the scope and audit plan of the internal audit. While no external assurance has been sought for this year's Sustainability Report, the Manager values the transparency of an added layer of external assurance and will consider implementing it in the future.

Restatements of Information

- Energy consumption has been restated for FY2022 from 185,835 MWh to 163,501 MWh due to errors identified in the prior reporting year.
- Scope 1 GHG emissions have been restated for FY2022 from 634 tCO_2-e to 291 tCO_2-e due to errors identified in the prior reporting periods.

Feedback

Digital Core REIT is committed to increasing transparency in its reports and welcomes any suggestions for improvement. If you have any comments or specific questions regarding the Sustainability Report, please reach out to us at IR@digitalcorereit.com for further clarification.

[1] Includes two Silicon Valley properties. On 1 November 2023, the Manager announced the divestment of 2401 Walsh Avenue and 2403 Walsh Avenue, which was completed on 12 January 2024.

APPROACH TO SUSTAINABILITY

Sustainability Governance
[GRI 2-14, GRI 2-23]

The Manager's Board of Directors ("Board") has ultimate oversight of and accountability for Digital Core REIT's sustainability strategy and performance. The Board also oversees the approval of Digital Core REIT's relevant sustainability objectives, policies, and frameworks as well as the Sustainability Report, which includes material topics and targets.

Senior Management is responsible for implementing Digital Core REIT's relevant sustainability strategy and objectives, as well as monitoring performance against material sustainability issues and providing periodic updates to the Board.

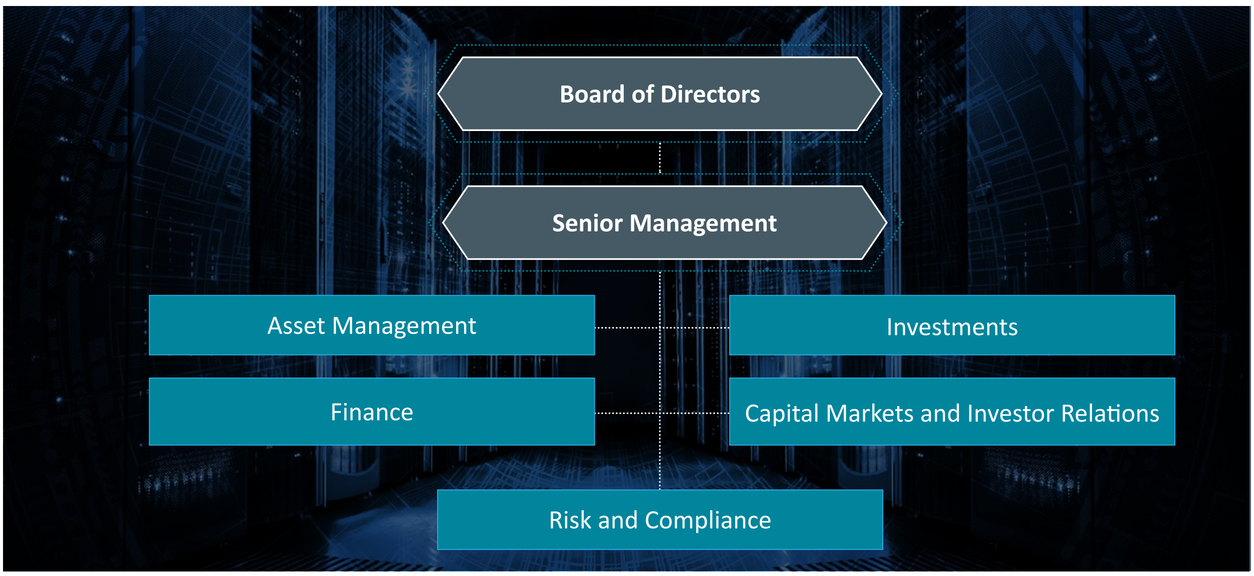
Digital Core REIT has various policies in place that address and reflect its commitments towards each ESG aspect. The Group CEO approves each policy commitment[1] within the organisation.

Sustainability Commitments
[GRI 2-23, GRI 2-24]

Digital Core REIT is committed to driving a comprehensive sustainability strategy that strikes a balance between meeting the needs of its stakeholders and serving a social purpose.

- We seek to deliver leading environmental performance that is sustainable and remain committed to ongoing efforts that benefit the environment and meet the needs of our customers.
- We engage with stakeholders who are key to our business success and reach out to those who may be affected by our business activities to work towards a positive impact.
- We commit to being an active member of our community and giving back to the communities we serve. We encourage and celebrate community involvement and employee engagement.
- We aim to promote health and well-being in the workplace by engaging with and investing in our employees.
- We utilise internal and external resources to remain consistent with the highest standards of business ethics and hold ourselves responsible for displaying organisational integrity, including ethical and lawful behaviour.

SUSTAINABILITY MANAGEMENT STRUCTURE



[1] Digital Realty (Sponsor) Code of Business Conduct and Ethics: Click here.

Sustainability

Materiality Assessment

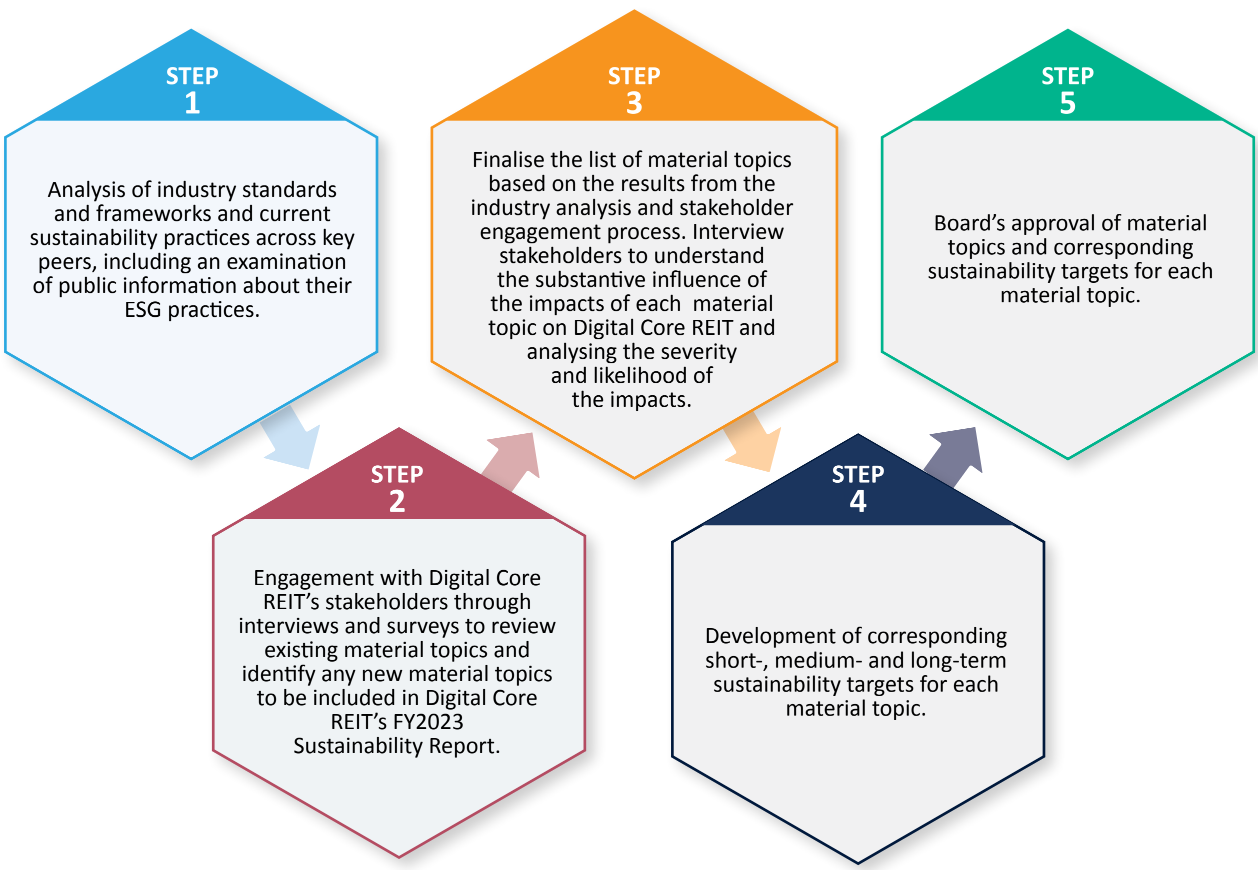
[GRI 3-1, GRI 3-2]

The Manager performed the materiality assessment in FY2022 according to GRI 3: Material Topics 2021 standards. The GRI 3: Material Topics 2021 provides step-by-step guidance for organisations on how to determine material topics and details the disclosures for organisations to report information about their process of determining material topics, their list of material topics, and how they manage each of their material topics. In FY2023, the material topics from the previous year were reviewed and they remain relevant to Digital Core REIT's operations and current business landscape.

Digital Core REIT’s materiality assessment for FY2023 started with industry analysis to look into material topics and targets relevant to the industry. In order to validate existing material topics and determine whether any additional positive or negative impacts were identified in FY2023, the Manager engaged with its stakeholders. This engagement ensured the material topics represented the organisation’s most significant impacts in the new reporting period. The engagement process consisted of two parts, which included the Manager conducting an annual materiality assessment survey as well as interviews with Digital Core REIT’s stakeholders.

The annual materiality assessment stakeholder survey included the list of material topics from the FY2022 Sustainability Report and new material topics that would potentially be included in the FY2023 Sustainability Report, which are assessed from the SASB list. Based on industry analysis and feedback gathered from survey respondents, one additional material topic, "Occupational Health and Safety", was added under the social aspect, this was classified under important topics in the FY2022 Sustainability Report. The other important ESG factors Critical Incident Risk Management and Customer Privacy remain the same.

In FY2023, the Board approved the final list of material topics and targets that are disclosed within this Sustainability Report. Digital Core REIT continues to improve its materiality assessment process for future reporting periods. Digital Core REIT’s current materiality assessment process as well as material topics, including the targets, are described below:



MATERIAL ESG TOPICS, TARGETS AND PERFORMANCE

CATEGORY	MATERIAL TOPICS	TARGETS AND PERFORMANCE FOR FY2022 (Met / On track / Not met)	TARGETS FOR FY2024 AND BEYOND
ENVIRONMENTAL	**Energy Management**	(On track) Increase the use of renewable energy in the portfolio. **Progress update:** The Manager is working towards adding renewable energy solutions within the scope of reporting assets over the next few years. In FY2023, no renewable energy use had been added to the scope of reporting assets.	• Achieve Energy Star certification for 100% of U.S. and Canadian assets under reporting scope by 2030. • Achieve LEED Silver or equivalent standard certification for 100% of assets under reporting scope by 2030. • Expand the adoption of sustainability-aligned (green) lease provisions to all customer contracts. • Long-term goal of making 100% renewable energy available to customers.
	Greenhouse Gas (GHG) Emissions	(Met) Set an overall GHG emissions reduction target. **Progress update:** Overall GHG emissions reduction target has been set in FY2023.	• Reduce Scope 1 and 2 emissions by 30% per square foot by 2030 (GHG emissions) (against 2018 baseline) for assets under reporting scope.
	Water Management		• Reduce water intensity per square foot by 12% by 2030 (against 2018 baseline) for assets under reporting scope.
	Physical Impacts of Climate Change		• Achieve ISO management certification for all assets under reporting scope by 2030.
SOCIAL	**Diversity & Inclusion**	(Met) Female directors to represent at least 15% of the Board by 2025. **Progress update:** Female directors represent 20% of the Board in FY2023.	• Maintain a minimum of 20% of female representation on the Board. • Ensure director appointments are based on merit and contribution they can bring to the Board, while having due regards for the benefits of diversity and needs of the Board.
	Employee Engagement	(Met) Engage with local communities and improve volunteerism in the community. **Progress update:** 3 CSR events were organised in FY2023. (Met) Set training and development plans for employees to help in upskilling and professional growth. **Progress update:** Training was clocked for more than 10 hours per employee.	• Maintain at least 10 training hours per employee annually.
	Occupational Health and Safety		• Ensure a healthy and safe environment by preventing work-related injury and ill health and maintain zero incidents resulting in permanent disability, fatality or high consequence injury.

Sustainability

MATERIAL ESG TOPICS, TARGETS AND PERFORMANCE

CATEGORY	MATERIAL TOPICS	TARGETS AND PERFORMANCE FOR FY2022 (✓ Met ○ On track ⊗ Not met)	TARGETS FOR FY2024 AND BEYOND
GOVERNANCE	**Data Security**	✓ Uphold high standards and best practices in cybersecurity and data protection with no non-compliance with data privacy laws. **Progress update:** There were no non-compliance incidents with data privacy laws in FY2023.	• Uphold high standards and best practices in cybersecurity and data protection with zero incidents of non-compliance with data privacy laws. • Maintain 100% successful completion of Annual Security Awareness Training among all full-time employees.
	Business Ethics	✓ Maintain high standards and best practices in ethical business conduct and compliance with zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations. **Progress update:** There were zero incidents of fraud, corruption, bribery or non-compliance with laws and regulations in FY2023.	• Maintain high standards and best practises in ethical business conduct and compliance with zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations. • Maintain 100% successful completion of business ethics annual attestation among all full-time employees.
	Business Model Resilience		• Maintain business model resilience by incorporating social, environmental, and geopolitical considerations into long-term business model planning.

IMPORTANT ESG FACTORS	
Social	Critical Incident Risk Management
Governance	Customer Privacy

Alignment with the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals ("UN SDGs") function as a high-level platform for collaborative policy development and decision-making at the international level. They direct, control, monitor and support, the coordination of development initiatives among 162 nations and territories. Through this process, the UN SDGs encourage companies to limit their negative impacts while enhancing their positive contributions to the sustainable development targets.

Digital Core REIT recognises the importance of aligning with globally relevant frameworks, such as the UN SDGs. Digital Core REIT's material ESG issues are mapped against seven UN SDGs that are most aligned with the organisation's focus areas by 2030 and where the Manager can achieve the greatest positive impact.

The following table outlines Digital Core REIT's material topics, the commitments involved, and the relevant UN SDGs mapped to these material topics.

UN SDG	MATERIAL TOPICS AND IMPORTANT ESG FACTORS	COMMITMENTS
3 GOOD HEALTH AND WELL-BEING	Occupational Health and Safety	Digital Core REIT is committed to safeguarding health and safety by ensuring and maintaining zero work-related ill health or high-consequence injury incidents. Digital Core REIT also values the physical and mental wellbeing of its employees and this is safeguarded through wellbeing promotion initiatives.
	Employee Engagement	
5 GENDER EQUALITY 4 QUALITY EDUCATION	Employee Engagement	Digital Core REIT is committed to ensuring equal and fair employment opportunities for all candidates by promoting accessibility and opportunities for all employees without discrimination on the basis of race, ethnicity, religion, national origin, mental or physical disability, pregnancy, sexual orientation, gender identity or expression, marital status or age. Digital Core REIT is also focused on embodying good governance and high ethical standards and will facilitate a safe workplace that promotes decent work for everyone. The Manager's employee mix is well diversified, comprising an appropriate mix of skills, knowledge, experience, gender and age, so as to promote the inclusion of different perspectives and foster constructive debate.
	Diversity and Inclusion	
7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	Energy Management	Digital Core REIT is actively pursuing opportunities to make 100% renewable energy available to its customers over the long-term, while also pursuing recognised certification for 100% of assets under its reporting scope by 2030. This is part of Digital Core REIT's endeavour to support the development of sustainable communities by increasing the availability of clean energy sources, implementing energy-efficient technology, and enhancing energy efficiency in the operation of its data centres.
	GHG Emissions	
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Business Ethics	Digital Core REIT maintains business model resilience by incorporating social, environmental, and geopolitical considerations into long-term business model planning. As part of its business ethics goals, Digital Core REIT also aims to maintain high standards and best practices in ethical business conduct and compliance with zero incidents of fraud, corruption, bribery, and non-compliance with laws and regulations.
	Business Model Resilience	
	Data Security	
	Customer Privacy	
	Critical Incident Risk Management	
	Occupational Health & Safety	

Sustainability

Stakeholder Engagement

[GRI 2-29, GRI 3-1, GRI 3-3]

Digital Core REIT's stakeholders are integral to the business. The Manager engages with stakeholders to identify material impacts on its business, mitigate any negative impacts, and improve the organisation's performance in areas that are important to them. The purpose of stakeholder engagement is to ensure that the opinions and interests of all stakeholders are taken into consideration when making business decisions, conducting materiality assessments, and encouraging transparency and accountability in the decision-making process. Digital Core REIT engages with stakeholders regarding the actions taken to manage each material impacts and to track the effectiveness of actions taken. Stakeholders are informed during investor/analysts briefings and the various investor relations communication channels, surveys and dialogues with customers, as well as periodic updates with employees.

The Manager engages with key stakeholders with the following objectives and engagement methods:

CUSTOMERS	EMPLOYEES	INVESTORS	REGULATORS	LOCAL COMMUNITIES
OBJECTIVES OF ENGAGEMENT				
Building relationships with customers to better understand their requirements	Upskilling and retaining skilled talent	Ensuring timely and accurate disclosure of information	Working together to achieve mutual interests	Supporting community needs
ENGAGEMENT PLATFORMS				
Onsite meetings	Annual Engagement Surveys	Annual General Meetings	In-person meetings	Community outreach activities and initiatives
Customer satisfaction survey	Annual performance assessments	Extraordinary General Meetings	Regulator organised industry sharing sessions	
	Networking and team-building events	Investor conferences, roadshows and meetings	SGX Announcements	
		Property tours	Circulars	
		Media releases		
		Financial results and business updates		
		Corporate website and dedicated investor relations contact		
		Annual report		

External Memberships
[GRI 2-28]

Digital Core REIT is a member of the REIT Association of Singapore ("REITAS[1]"), which acts as the representative voice of the Singapore REIT sector. Through its membership, Digital Core REIT engages with relevant stakeholders in the REIT ecosystem, including consultation with policymakers on issues affecting REITS, and participates in education, research and professional development initiatives to collectively strengthen and advance the industry. REITAS also provides regular trainings to keep members up to date with the latest developments on the REIT scene.

As a member of the Securities Investors Association (Singapore) ("SIAS"), Digital Core REIT supports the SIAS in its efforts to promote investor education, Corporate Governance and transparency amongst the investment community in Singapore.

[1] REITAS is the representative voice of the Singapore REIT (S-REIT) sector. It provides its members a representation and engagement in consultation opportunities with policymakers on issues affecting S-REITs. The association also organises talks, courses, investor conferences, and retail education events, etc. to promote understanding and investment in Singapore REITs.

Sustainability

ENVIRONMENT

Through energy and water use optimisation, as well as striving to achieve green building certifications, Digital Core REIT is committed to managing its environmental impact. Operating sustainable, energy-efficient data centres is essential to the organisation's success and helps to attract socially responsible customers and investors.

Energy Management

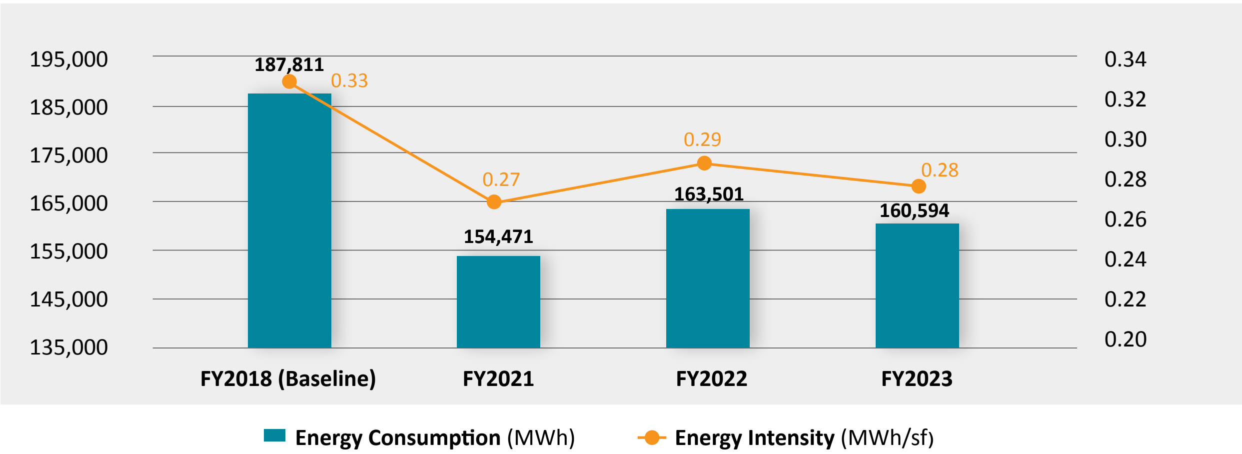
[GRI 2-23, GRI 2-24, GRI 3-3, GRI 302-1, GRI 302-3, GRI 302-4]

BY 2030	Achieve LEED Silver or equivalent standard certification for 100% of our assets under reporting scope	Achieve Energy Star certification for 100% of U.S. and Canadian assets under reporting scope
Long Term	Making 100% renewable energy available to customers	Expanding adoption of sustainability aligned (green) lease provisions to all customer contracts

In FY2023, the energy consumption from electricity was 160,594 MWh and energy intensity was 0.28 MWh/sf[1]. The table and graph below shows the figure comparison for energy consumption and energy intensity. Between FY2022 and FY2023, energy consumption fell by 1.8% and decreased 14.5% from 2018 (baseline year)[2].

	Energy Consumption (MWh)	Area (sf)	Energy Intensity[3] (MWh/sf)
FY2018 (Baseline)	187,811	572,088	0.33
FY2021	154,471	572,088	0.27
FY2022	163,501	572,088	0.29
FY2023	160,594	572,088	0.28

ENERGY USAGE COMPARISON



[1] The Management has reviewed the intensity metrics and has revised the reporting metric to MWh/sf from the metric of MWh/$revenue in FY2022 as a better reflection of the intensity use given energy use is more closely linked to the size of the asset

[2] Digital Core REIT has taken guidance from the Sponsor and has selected the baseline of 2018 for alignment with the Sponsor in relation to target setting

[3] The type of energy consumption by Digital Core REIT was electricity in FY2023

Data centres are continuously powered, which has environmental impacts associated with energy consumption, including management of energy mix, efficiency, and intensity, as well as grid reliance. Digital Core REIT strives to optimise the use of energy in powering its data centres and continuously explores opportunities with its Sponsor to develop energy-efficient solutions for its data centres. The Manager tracks its energy consumption in EPA's ENERGY STAR Portfolio Manager tool.

Digital Core REIT hopes to achieve its long-term target of making 100% renewable energy available to customers and is currently exploring various methods, including off-site Power Purchase Agreements, retail power contracts and hedges with renewables, utility green tariffs, Renewable Energy Credit purchases or potentially even tapping into community solar. Where feasible and appropriate, the infrastructure connects to local waste heat networks that allow the data centre to redirect waste heat to nearby businesses, hospitals and homes.

The Manager has also begun exploring operational LEED certification for some of Digital Core REIT's assets with its aim to achieve 100% of its assets under reporting scope to be LEED or equivalent standard certified by 2030.

Digital Core REIT leverages the Sponsor's Global Energy Efficiency Policy and Guiding Principles to define a structured global framework for the management of energy performance to optimise asset value through reduced environmental impact and energy costs.

The objectives of the Global Energy Efficiency Policy and Guiding Principles are:

- To achieve a globally consistent approach to the measurement and management of energy use to drive continual improvement in energy performance.
- To determine and define roles and responsibilities with respect to the management of energy reporting and performance across the organisation.
- To ensure the availability of reliable Power Usage Effectiveness ("PUE") data for commercial and energy product management purposes.
- To support the achievement of budgeted energy cost savings.
- To define and/or replicate energy efficiency best practices globally.
- To further develop new methods, technologies, and tools for global deployment.

Where relevant, the Policy and Guiding Principles are communicated to relevant employees and contractors.

Energy efficiency opportunities are overseen, and initiatives proposed by the Enterprise Energy Efficiency Team ("EEE team"). Digital Core REIT's data centre managers are responsible for ensuring compliance with the PUE Policy as well as implementing any remedial activity to address areas of non-conformance identified. In situations where anomalies in the reported data are detected, the local management and EEE Team investigate the case.

As at 31 December 2023, 44520 Hastings in Northern Virginia and 3011 Lafayette in Silicon Valley are ENERGY STAR® certified. As highlighted, the Manager is working towards achieving LEED or equivalent standard certification for 100% of assets under reporting scope and reaching Energy Star certification for 100% of assets under reporting scope in the U.S. and Canada by 2030.

Sustainability

Greenhouse Gas Emissions

[GRI 2-23, GRI 2-24, GRI 3-3, GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5]

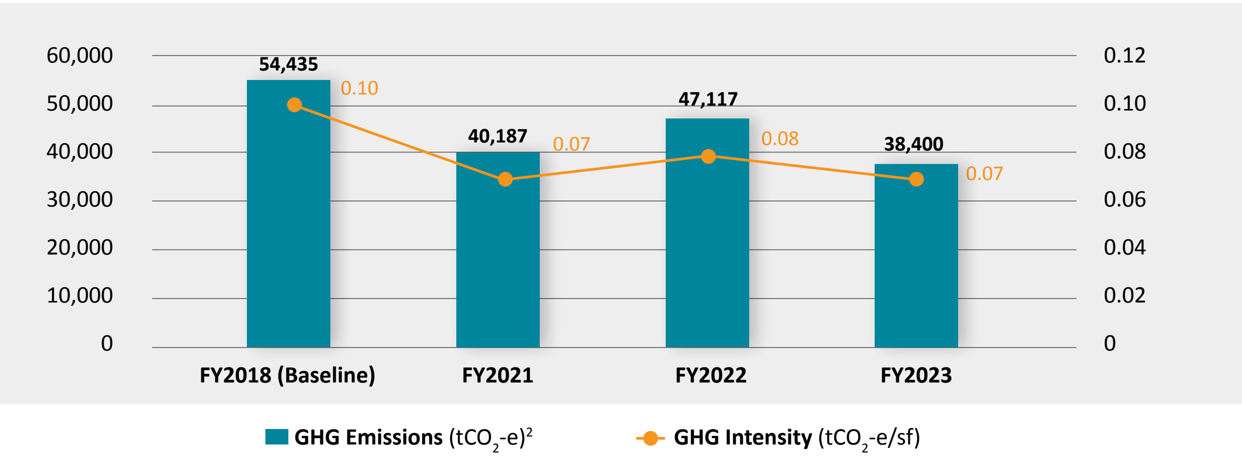
BY 2030

Reduce Scope 1 and 2 emissions intensity by 30% per square foot by 2030 (GHG emissions) (against 2018 baseline) for assets under reporting scope

In FY2023, Scope 1 GHG emissions[1] were 336 tCO_2-e. Scope 2 location-based GHG emissions[1] and Scope 2 market-based GHG emissions[1] were 38,245 tCO_2-e and 38,064 tCO_2-e, respectively, in FY2023. During the year, GHG intensity was 0.07 tCO_2-e/sf. The table and graph below show the figure comparison for Scope 1, Scope 2 and GHG intensity.

	Scope 1 (tCO_2-e)	Scope 2 Location based (tCO_2-e)	Scope 2 Market based (tCO_2-e)	Area (sf)	GHG intensity (tCO_2-e/sf)
FY2018 (Baseline)	1,339	52,683	53,096	572,088	0.10
FY2021	418	39,930	39,769	572,088	0.07
FY2022	291	36,640	46,826	572,088	0.08
FY2023	336	38,245	38,064	572,088	0.07

ENERGY USAGE COMPARISON



[1] GHG emissions comprise Scope 1 emissions from diesel consumption for backup generators and natural gas. Scope 2 emissions are primarily electricity use. GHG emissions are calculated in accordance with the operational control approach of the GHG Protocol standard - the most widely accepted international standard for GHG accounting. Gases included in the calculation are carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O). Conversion factors for Scope 1 and Scope 2 GHG emissions were based on eGrid subregions under the Environmental Protection Agency ("EPA") Emission Factor Hub website and using the EPA emission calculator tool.

[2] Scope 1 and Scope 2 market-based GHG emissions.

Between FY2022 and FY2023, Scope 1 GHG emissions increased by 15.5%. Scope 2 location-based GHG emissions increased by 4.4%, while Scope 2 market-based GHG emissions fell by 18.7% in FY2023. This is largely due to the drop in the emission factor in FY2023. Overall, the GHG intensity for FY2023 was 0.07 tCO_2-e/sf, which is a 12.5% fall from FY2022 and 30% reduction from 2018 (baseline year).

GHG emissions are released from electricity, natural gas, and diesel. Digital Core REIT strives to optimise the use of energy in powering its data centres, and together with its Sponsor, continuously explores energy-efficient solutions as part of its efforts to contribute to GHG emission reductions globally.

As Digital Core REIT explores the use of energy-efficient solutions in its portfolio, the Manager will track the progress towards its target while working towards reducing Scope 1 and 2 emissions by 30% per square foot by 2030 (against the 2018 baseline). The Sponsor has committed to Science-Based Targets Initiative (SBTi) goals of reducing Scope 1 and 2 emissions (direct and indirect company emissions) by area by 68% and Scope 3 emissions (indirect emissions in the value chain) by area by 24% by 2030 from a 2018 baseline. With the Sponsor paving the way in setting the overall directions for the Group with their pronounced targets and the strong support it provides to Digital Core REIT, the Manager hopes to align its targets with the Sponsor as Digital Core REIT matures in its ESG journey. Digital Core REIT collaborates with customers to adopt solutions such as purchasing renewable energy certificates on behalf of customers or purchasing commodity renewable energy certificates. The property managers continuously monitor and recalibrate temperature setpoints within the data centre to avoid overcooling, reduce excessive energy consumption, prevent leakage, and optimise the use of chillers and air conditioners to ensure energy-efficient cooling. Infrastructure is also studied for resiliency and designed to reduce reliance on diesel.

Water Management

[GRI 2-24, GRI 3-3, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5]

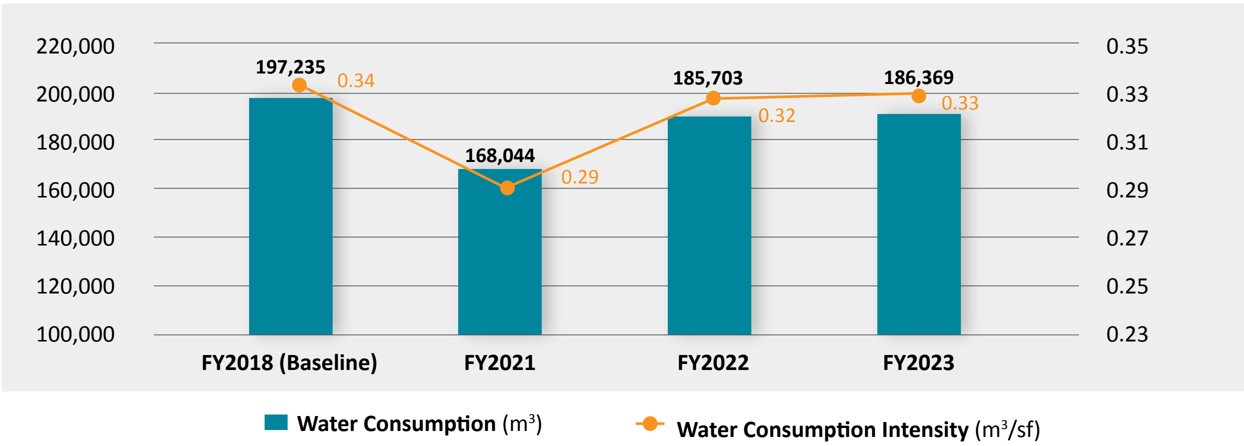
BY 2030

Reduce water intensity per square foot by 12% by 2030 (against 2018 baseline) for assets under reporting scope

From FY2022 to FY2023, water consumption increased by 0.4% and decreased 5.5% from 2018 (baseline year).

	Water Consumption (m^3)	Area (sf)	Water consumption intensity (m^3/sf)
FY2018 (Baseline)	197,235	572,088	0.34
FY2021	168,044	572,088	0.29
FY2022	185,703	572,088	0.32
FY2023	186,369	572,088	0.33

WATER CONSUMPTION (m^3)



To support massive IT equipment and infrastructure working at peak efficiency, data centres use water for chillers and cooling towers. Regional variations in the quantity and quality of available water supplies have an impact on this. The Manager is committed to reducing water consumption through water conservation efforts. Digital Core REIT works with its Sponsor to implement its Global Water Strategy to address the strategic role that water plays in its operations, identify regions where water quality and scarcity pose the greatest interruption risk to the business, and to create a pipeline of projects and opportunities to conserve water and increase resiliency throughout its operations. In FY2023, the Sponsor's Enterprise Energy Efficiency team has worked with the Operations team to resolve water treatment problems and stabilise water quality. The improvements in consumption should be apparent in the coming year. Further water-saving measures will continue to be explored over the next several years for the various assets.

Digital Core REIT's properties send water to local sewer systems and do not directly discharge into surface water, ground water, or sea water bodies. Water sent to the local sewer system does not typically require special treatment, have discharge limits, or require special processing of discharge water. Water effluent from the facilities typically does not require discharge permits. Water used in Digital Core REIT's portfolio is predominantly supplied by municipal water systems. Less than 1% of total water withdrawals are from on-site supplies such as wells and rainwater capture. We use non-potable water where available, primarily in cooling towers and for landscape irrigation.

Digital Core REIT actively monitors its water use in the EPA's Energy Star Portfolio Manager tool, which enables the organisation to track its performance across the reporting periods. As the Manager explores water reduction solutions across its portfolio, the Manager will track the progress towards its target while working towards achieving a 12% per square foot reduction in water intensity by 2030 (against the 2018 baseline).

Physical Impacts of Climate Change
[GRI 2-13, GRI 2-23, GRI 2-24, GRI 3-3]

BY 2030

Achieve ISO management certification for all assets under reporting scope

Digital Core REIT is focused on strengthening its portfolio and operational resilience to address climate-related risks, as well as assessing potential opportunities upon which to capitalise. Digital Core REIT strives to achieve ISO management certification for all assets under reporting scope by 2030.

TCFD Disclosure

The Manager is committed to adopting a proactive approach towards the adaptation and mitigation of climate-related risks, including physical and transition risks. The following table summarises Digital Core REIT's TCFD disclosure and highlights its dedication to advancing its approach across the four pillars of the TCFD recommendations: Governance, Strategy, Risk Management and Metrics and Targets.

TCFD RECOMMENDED DISCLOSURE	OUR APPROACH
GOVERNANCE Governance around climate-related risks and opportunities.	The Board oversees the overall management and monitoring of Digital Core REIT's sustainability strategy and performance. The Management has an obligation to conduct business and operations with due care and diligence and in the unitholders' best interests. The Manager adopts a Corporate Governance framework designed to meet best practice principles. Within the overall Enterprise Risk Management Framework, the Board sets the risk appetite for Digital Core REIT and determines the nature and extent of the material risks that Digital Core REIT is willing to accept in order to achieve its strategic and business objectives. Environmental risks have been identified as key risks to be tracked and monitored. The Board reviews and approves the material ESG topics and targets listed by the Manager and oversees the overall progress towards achieving the ESG targets. The Manager is responsible for developing and implementing the sustainability objectives and providing periodic progress reports to the Board.
STRATEGY Actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Digital Core REIT is exposed to both physical and transition risks as well as opportunities from climate change. In FY2022, Digital Core REIT began adopting the TCFD recommendations and MAS environmental risk management guidelines in its inaugural sustainability report. Climate risks are divided into two categories: • **Physical risk:** Results from climate change which can be acute or chronic in nature, such as wildfires, flash floods, freshwater depletion, rising sea levels and/or long, intense heat waves. • **Transition risk:** Arises from the process of shifts towards a low-carbon economy, which may include regulatory changes, disruptive technological developments and shifts in consumer and investor preferences which could increase the cost of operations. **Climate Scenario Analysis** Digital Core REIT selected the climate scenario analysis from the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway ("RCP"). The scenario analysis showed that the current portfolio is resilient in the short term and also analyses the overall impact on the portfolio in the medium and long term in response to climate changes. Scenario analysis is not a forecast or prediction, nor a full description of the future. It serves as a decision-making tool, allowing the Manager to evaluate the effectiveness of current strategies and measures that can strengthen the resilience of the portfolio.

Sustainability

TCFD RECOMMENDED DISCLOSURE	OUR APPROACH
STRATEGY Actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	The scenarios include: • **RCP 2.6** – This scenario is considered the best case for limiting climate change impacts. It requires major turnaround in climate policies and concerted worldwide actions to reduce greenhouse gas emissions drastically • **RCP 4.5** – This scenario assumes stabilisation of greenhouse gas emissions by 2050 and declining afterwards • **RCP 8.5** – This scenario represents a possible worst-case scenario with continued rise in greenhouse gas emissions As most considerable impacts of climate change tend to occur over the medium to long term, the scenario analysis covers the medium term (by 2030) and long term (by 2050) time horizons. The section below sets out the description of the potential impact to Digital Core REIT's business, including the significance of the climate-related risks which are then used for decision-making and financial planning. The review also includes measures taken to mitigate and respond to these physical and transition risks, with the Manager committed to continue evolving and adapting its approach for long-term resilience.

MATERIAL PHYSICAL RISKS

RISK TYPE	PRIMARY RISK DRIVER	POTENTIAL IMPACTS	MITIGATING MEASURES
Acute Risk Flooding	Rising water levels due to excessive rain or snowmelt, properties located in high flood risk zones will be the most exposed	Property damage and impact to operational resilience, resulting in insured and uninsured losses, and leading to higher operational and recovery costs	• We maintain appropriate levels of insurance for our portfolio. Insurance carriers provide reports that identify opportunities to enhance protection for each facility and improve loss expectancy values. The reductions in value at-risk achieved through implementation of these measures are also measured in these reports. Based on the analysis conducted by our insurance provider, Digital Core REIT's data centres are not located in or near coastal environments • Each site has mitigation plans in place specific to its location and exposure to climate risk • The Operations team actively implements and refines operating procedures to ensure our data centres are safe and resilient. This includes regular emergency response plan updates and other measures that result from property-specific risk reports • Fuel delivery agreements for backup power systems are on par with those held by the Federal Emergency Management Agency (FEMA) and allow for power to be maintained in the event of an extended power outage
Acute Risk Hurricanes	More frequent hurricanes with strong wind and heavier rainfall from climate change	Increased insurance premiums, incremental planning and prevention costs, and costs to limit or further 'harden' assets to resist these impacts	
Acute Risk Droughts and Wildfires	Increase in wildfires due to extremely dry conditions and high winds	Property damage and impact to operational resilience, resulting in insured and uninsured losses, and leading to higher operational and recovery costs	

TCFD RECOMMENDED DISCLOSURE	OUR APPROACH			
	MATERIAL PHYSICAL RISKS			
	RISK TYPE	**PRIMARY RISK DRIVER**	**POTENTIAL IMPACTS**	**MITIGATING MEASURES**
STRATEGY Actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	**Chronic Risk** Extreme Heat	Extreme heat and persistent periods of high temperatures can impact indoor temperatures as well as operations	• Higher and more volatile energy costs • Potential business disruptions that could arise from failing cooling systems	• We continue to review possible sustainability projects that can be implemented to minimise our environmental impact and reduce our contribution to global carbon emissions that contribute to climate-related risks. These efforts include, but are not limited to, supporting the development of new renewable energy supplies, acquiring sustainable data centres that are more efficient, and looking into possible energy and water efficiency initiatives for operational sites
	MATERIAL TRANSITION RISKS			
	RISK TYPE	**PRIMARY RISK DRIVER**	**POTENTIAL IMPACTS**	**MITIGATING MEASURES**
	Policy and Legal Risk	Increasing regulatory and reporting requirements including Carbon Pricing Mechanism, Building Codes	• Increase in regulatory costs associated with tracking, reporting, reducing or offsetting carbon emissions • Increase in CapEx and operating costs through direct fees, higher energy and raw material prices • Increase in development costs from adoption of new technologies and influence selection of location of operations	• We seek to enhance energy efficiency in order to reduce compliance costs and burden. We currently comply with various benchmarking and disclosure regulations and will continue to monitor evolving requirements. We have also developed in-house reporting capabilities to lower annual reporting expenses • Our data centres have been built to high standards by our Sponsor's Design and Construction team, above code where applicable • We seek to explore achieving the various certifications for our assets as set out in our targets
	Market Risk	High utility costs, shifting customer preference to low carbon and renewable power supplies	• Increase costs of operations • Reduce demand and customer retention	• Our Sponsor's Global Sustainability team actively tracks customer opportunities via direct dialogue, surveys, and other formal and informal feedback mechanisms. The team, together with third-party consultants, focuses on addressing low- and zero-carbon solutions

Sustainability

TCFD RECOMMENDED DISCLOSURE	OUR APPROACH			
	MATERIAL TRANSITION RISKS			
	RISK TYPE	PRIMARY RISK DRIVER	POTENTIAL IMPACTS	MITIGATING MEASURES
STRATEGY Actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	**Technological Risk**	Obsolescence of materials and replaced with low carbon technologies	Increase direct costs within operations, primarily in equipment used in end-of-life upgrades in operational facilities	• Our Enterprise Energy Efficiency team evaluates efficiency opportunities in existing assets
	Reputational Risk	Increasing demand for investments in cleaner renewable energy solutions and low carbon technologies	Declining reputation and reduced demand and customer retention	• We constantly seek to enhance the energy efficiency of our operations and expand the availability of renewable energy solutions including exploring Power Purchase Agreements, green tariffs and Renewable Energy Credit (REC) purchases to minimise the impact on the communities we serve • We seek to explore achieving the various certifications for our assets as set out in our targets
RISK MANAGEMENT Processes used to identify, assess, and manage climate-related risks.	The Manager reviews material risks as part of its risk profile reporting to the Audit and Risk Committee and Board during the quarterly Audit and Risk Committee and Board meetings. The risk profile reporting review is conducted to identify, assess, and document risks, along with key controls and mitigation measures. Material risks, their associated controls, and overall risk ratings are reviewed by Management. The final risk ratings are presented to the Audit and Risk Committee and Board. In Digital Core REIT's climate scenario analysis, climate-related risks were identified, assessed, and mitigated to reduce their potential impacts on its business. Digital Core REIT's risk management process to address its key risks and uncertainties, including climate change, is discussed under the strategy section of the TCFD disclosure and the Enterprise Risk Management section on page 73 to 75.			
METRICS AND TARGETS Metrics and targets used to assess and manage climate-related risks and opportunities which are material to the business. financial planning.	Digital Core REIT tracks the energy consumption and carbon emissions of its operationally controlled properties using the Energy Star Portfolio Manager system. In FY2022, Digital Core REIT aimed to set more quantitative targets including both interim and long-term targets, taking into consideration different time horizons. In FY2023, Digital Core REIT progressed with setting its quantitative targets and is striving to achieve these targets within the stipulated timeline. Digital Core REIT reports on energy consumption and intensity, Scope 1 and 2 GHG emissions and intensity, water consumption and intensity in accordance with globally recognised reporting standards including the GRI Universal Standards 2021 and the TCFD Framework. Please refer to pages 102, 104 and 106 for the performance indicators that are being monitored and reported.			

SOCIAL

Customers, property management teams and employees are core to our business, and the organisation takes efforts to ensure the well-being of its stakeholders. The Manager is committed to being a valuable member of its communities and encourages its employees to contribute to helping Digital Core REIT do its part.

Employee Engagement

[GRI 2-23, GRI 2-24, GRI 3-3, GRI 401-1, GRI 401-2, GRI 401-3, GRI 404-1, GRI 404-2, GRI 404-3]

FY 2024 Maintain at least 10 training hours per employee annually

Digital Core REIT's employees are integral to the continued growth and resiliency of its business. The Manager is committed to investing in the development of its people, supporting and enhancing local communities, and having a positive impact on society. Employees are at the forefront of its business, and the organisation does its best to ensure long-term success, health, and well-being.

Training and Development

To further develop skills and knowledge and stay ahead of industry trends while driving Digital Core REIT's success, employees are provided opportunities to pursue training and development. New hires are required to complete mandatory online training on Global Data Privacy, Insider Trading, Anti-Bribery and Corruption, as well as Information Security during their onboarding.

Digital Core REIT's Digital University programme includes training courses covering Operations, Legal, Ethics and Compliance, Management and Leadership, Risk Management, Sales, Diversity, Equity & Inclusion, as well as Information Security and Privacy. The Digital University training portal also includes unconscious bias training and other workplace diversity and inclusion training programmes. To comply with MAS regulations, Capital Markets Services Licence (CMSL) representatives also undergo REIT Management courses on an ongoing basis organised by REITAS, which contributes to Continuing Professional Development (CPD) training hours.

In FY2023, the total number of hours of training provided to all employees of the Manager totalled 114.5 hours, which was approximately a 63% increase from FY2022. Male employees received an average of 15.7 hours of training in FY2023, while female employees received an average of 17 hours. In the long-term, the Manager aims to maintain at least 10 training hours per employee annually.

TABLE 1.1: TOTAL NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES, BY GENDER

	Male	Female
Total number of training hours provided to employees, by gender	63	51.5

TABLE 1.2: TRAINING HOURS BY EMPLOYEE CATEGORY

	Senior Management	Middle Management
Total number of training hours provided to employees, by category	17.5	97

**FIGURE 1.1:
TOTAL TRAINING HOURS PROVIDED
TO EMPLOYEES**

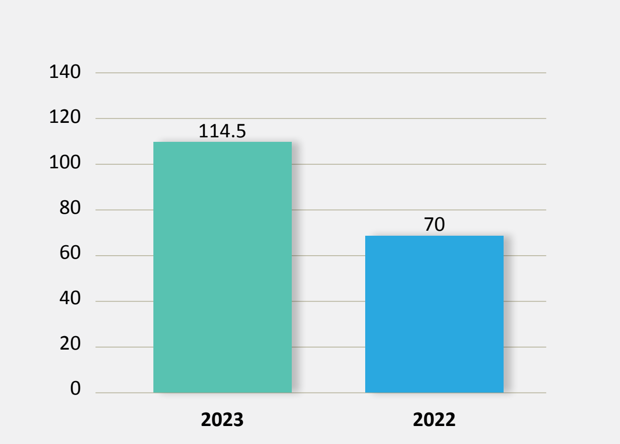
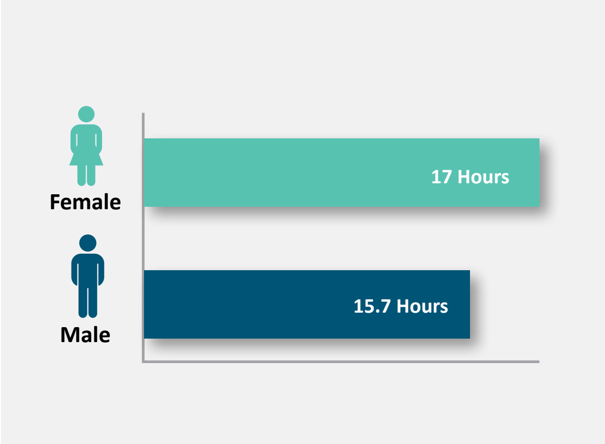
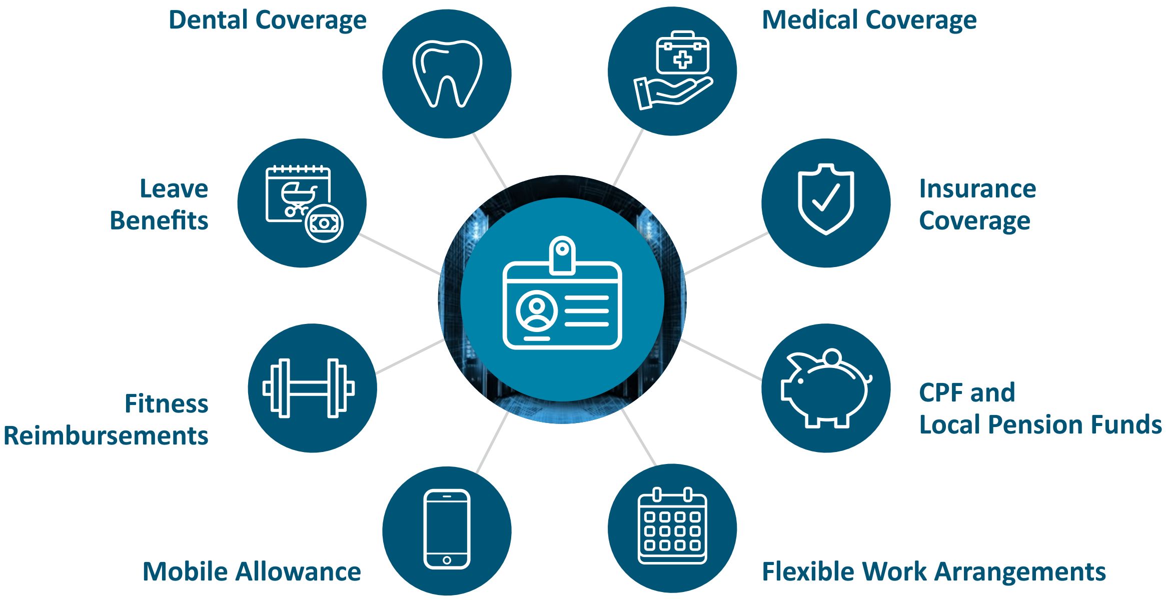


**FIGURE 1.2:
TRAINING HOURS PER EMPLOYEE
BY GENDER**



Employee Wellbeing

All full-time employees are offered competitive compensation and comprehensive benefits. The Manager outsources its Human Resource ("HR") function to the Sponsor which has in place a performance management framework where employees undergo performance reviews that are aligned with Digital Core REIT's overall goals and targets, individual contributions and career development plans. Digital Core REIT also recognises that a positive work environment is necessary to attract, inspire and retain talent. As a result, the Manager offers schemes including healthcare and medical coverage, dental and insurance coverage, as well as leave entitlements and contributions to the local pension fund, i.e., the Central Provident Fund ("CPF") in Singapore. The Manager employs a Long-Term Incentive with Restricted Stock Units plan that factors in both time and performance, rewarding employees with REIT units that are vested over a period of four years to encourage retention. Additional employee benefits include parental leave, flexible work arrangements, fitness reimbursements, mobile allowances and staff engagement activities to promote personal development, health and a work-life balance. In FY2023, all employees of the Manager were entitled to parental leave, of which two male and two female employees took the leave. These four employees resumed their work following their parental leave within the same reporting period. The return to work rate and retention rate of the employees that took parental leave was 100%.



The Manager is committed to fostering a healthy work-life balance for its employees. Based on the findings from the 2023 post-engagement survey, the Group actively encourages a culture where team members refrain from contacting their colleagues during their leave. The Group incorporates the Virgin Pulse app, which seamlessly blends fitness and wellness together, to inspire employees to prioritise daily steps and receive valuable wellness tips. Virgin Pulse is a cloud-based employee wellbeing solution for businesses to promote a healthy lifestyle, improve workforce practices and increase engagement among employees. Key features of the app include health coaching, medical and condition management, wellbeing engagement, and digital therapeutic interventions. The Fitness Reimbursement Claim is an initiative by the Group to further underscore the company's dedication to incentivizing its employees to invest in workout classes or equipment, thereby promoting physical well-being. Digital Core REIT's employees also receive comprehensive healthcare support, such as annual health screenings and paid medical and dental coverage that is also extended through the employee's immediate family members. The Group also has an Employee Assistance Programme in place that is made available round-the-clock that provides mental wellness support.

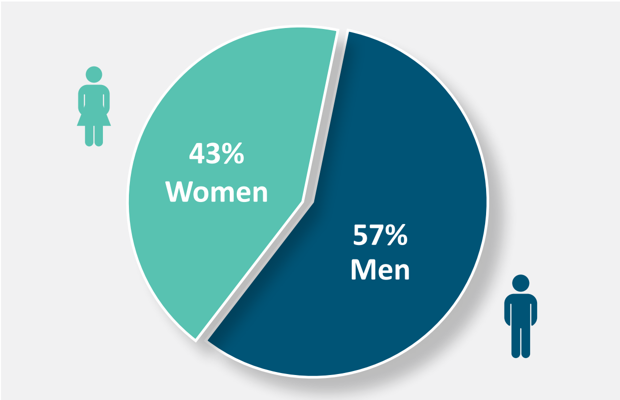
Employee Outreach

To keep employees informed of business and operational developments, the Group hosts global as well as regional all-hands meetings on a quarterly basis. Welfare events are also organised by the Group's HR function to give updates on the latest employment benefits. Digital Core REIT is dedicated to cultivating a culture of appreciation and acknowledgement for its employees. The Group has an Employee Recognition Programme that aims to recognise employees who showcase company values, including Customer Focus, Teamwork and Results-Driven. Employees are recognised through The Manager Spot Awards, Peer-to-Peer High Five Awards, Quarterly Individual Going the Extra Mile ("GEM") Awards, Quarterly Team GEM Awards and the Annual CEO Circle Awards. Finally, employee engagement surveys are carried out annually to gather feedback and to provide managers with the channels they require to assess employees' input, and implement action to improve employee engagement. To encourage employees to provide their point of view or raise concerns, the Manager practices an open-door policy.

Talent Management and Succession Planning

Digital Core REIT builds talent from entry to mid-career levels to meet the varied requirements of the business. The Manager benefits from being part of the larger Group with the ability to draw talent from its Sponsor, leverage the talent management platform and use resources to support efforts to drive leadership and executive development. The Manager holds discussions and tracks talent development plans annually on nine talent grid boxes. To further support its Talent Management and Development Planning, the organisation also has career progression discussions, mentoring programme and tuition reimbursement scheme to support outside-of-work learning. In FY2023, 100% of employees received regular performance and career development reviews.

FIGURE 1.3:
% OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS



Talent Acquisition

Digital Core REIT also employs a strategic and proactive approach to identifying, attracting and retaining top-tier professionals. Through comprehensive recruitment processes, Digital Core REIT demonstrates a commitment to ensuring a dynamic workforce that fosters innovation. To increase its job openings' visibility and reach, job openings are posted directly on LinkedIn. To incentivise employees to recommend qualified candidates to the company, there is an Employee Referral Programme where individuals are entitled to referral fees upon successful placement. In FY2023, two new male employees belonging to the 30 to 50 year-old age group were hired by the Manager, with one being a replacement and the other being a new role, and one female employee belonging to the <30 year-old age group replaced another female employee in the same age group.

Diversity and Inclusion

[GRI 2-7, GRI 2-23, GRI 2-24, GRI 3-3, GRI 405-1, GRI 406-1]

FY 2024	
Maintain minimum of 20% female representation on the Board	Ensure director appointments are based on merit and contribution they can bring to the Board, while having due regards for the benefits of diversity and needs of the Board

Digital Core REIT's hiring and promotion practices embrace diversity, race, gender, ethnicity, and religion and address discriminatory practices. Digital Core REIT also recognises the impacts it has on the socio-economic environment and proactively contributes to community wherever possible. The Group catalyses creativity, innovation, and invention, and the business model builds on the diversity, backgrounds, experiences, abilities, knowledge and creativity of its employees.

The Manager strives to create an inclusive workplace that reflects the diversity of the communities in which the REIT operates. Digital Core REIT is constantly learning and listening to identify impediments and implement programmes and policies to make opportunities available to all. The Manager resolves to create a more harmonious, equitable and inviting workplace.

Under the Group's approach to Diversity, Equality and Inclusion, Digital Realty's DEI Council was established. The objectives include promoting accessibility and opportunities for all employees without discrimination on the basis of race, ethnicity, religion, national origin, mental or physical disability, pregnancy, sexual orientation, gender identity or expression, marital status or age. In the hiring process, candidates are assessed fairly and the Manager hires talent from a diverse background. In FY2023, an in-house hiring manager's training was developed and it involved unbiased selection of candidates, consistent interview questions and assessment. This training programme serves to provide the hiring manager with knowledge of the recruitment process, how to run effective interviews and improve the candidate's experience, uncovering unconscious biases and how to reduce them during interviews. To understand the overall Group employee gender mix percentage, a report is prepared and presented to the Sponsor's leadership team.

The Manager recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance and is committed to promoting it. Digital Core REIT has a Board Diversity Policy in place that aims to set out the approach to achieving diversity on the Board. The Board Diversity Policy states that Board composition and diversity will be considered from several angles, including but not limited to gender, age, nationality, ethnicity, cultural background, educational background, experience, skills, knowledge, independence and length of service. In addition, all director appointments will be based on meritocracy, and candidates will be assessed against objective criteria, having due regard for the benefits of diversity and needs of the Board. Any search firm engaged to assist the Board in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates. The Manager aims to ensure the pool for future director appointments includes candidates with diversity of race, ethnicity and/or gender, with the objective of assembling a group that best perpetuates the success of the business and represents unitholder interests through the exercise of sound judgement. The Nominating and Corporate Governance Committee of the Board ("NCGC") monitors the implementation of the Board Diversity Policy and reports annually under the Corporate Governance Report. To ensure the effectiveness of the Board Diversity Policy, the NCGC reviews it from time to time as necessary. The NCGC discusses any revisions that may be required and recommends them to the Board for consideration and approval. Once per year, the Board reviews the Board composition and the need to refresh it. In FY2023, the Board has attained 20% female representation.

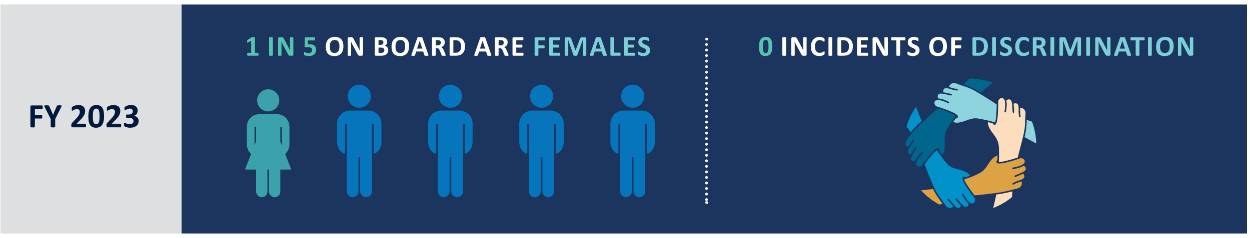
Employee Resource Group

Women's Leadership Forum (WLF)

The Sponsor organises various Employee Resource Groups, including the **Women's Leadership Forum ("WLF")**, which focuses on empowering women across the Group globally. Quarterly events are run to engage, learn together and contribute back to society.

Digital Core REIT has a Code of Business Conduct and Ethics which pursues fair employment practices in every aspect of its business and is committed to complying with all applicable labour and employment laws, including anti-discrimination laws and laws related to freedom of association, privacy, and collective bargaining. Digital Core REIT is committed to providing equal opportunity and fair treatment to all individuals based on merit, without discrimination of race, colour, ethnicity, religion, national origin, sex, pregnancy, gender identity or expression, marital status, age, mental or physical disability, or a legally protected medical condition. Digital Core REIT is also committed to treating all individuals with dignity and respect and prohibits discrimination and harassment in any form. Any discrimination or harassment can be reported to the HR department in confidence and will be investigated and dealt with via corrective action. In FY2023, zero incidents of discrimination were reported.

Digital Core REIT is also committed to developing an organisational culture with policies that support internationally recognised human rights guidelines and seeks to avoid complicity in human rights abuses. This includes the principles contained within the Universal Declaration of Human Rights and the International Labour Organisation's ("ILO") Declaration on Fundamental Principles and Rights at Work. Digital Core REIT does not use forced labour, including prison labour, indentured labour, bonded labour, or other forms of forced labour as established by the ILO Forced Labour Convention (No.29) and the Abolition of Forced Labour Convention (No.105). "No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher, as established by the ILO Minimum Age Convention."



Corporate Employee Demographic

TABLE 1.1: TOTAL NUMBER OF EMPLOYEES

	Male	Female	<30 Years Old	30-50 Years Old	>50 Years Old
Total number of employees	4	3	1	6	0

TABLE 1.2: TOTAL NUMBER OF EMPLOYEES BY REGION

	Singapore	US
Total number of employees by region	5	2

TABLE 1.3: TOTAL NUMBER OF INDIVIDUALS WITHIN GOVERNANCE BODIES

	Male	Female	<30 Years Old	30-50 Years Old	>50 Years Old
Total number of individuals within governance bodies	4	1	0	1	4

TABLE 1.4: TOTAL NUMBER OF SENIOR MANAGEMENT EMPLOYEES

	Male	Female	<30 Years Old	30-50 Years Old	>50 Years Old
Total number of senior management employees	2	0	0	2	0

Sustainability

Digital Core REIT's total number of employees is calculated as at the end of the reporting period. As of 31 December 2023, the Manager had a total of seven employees, which consisted of four males and three females.

The Sponsor Group drives the "Committed to Supplier Diversity" initiative which aims to be committed to working with certified Minority-Owned, Women-Owned, Veteran-Owned, LGBTQIA+ Owned, Disabled-Owned and small businesses. The initiative aims to grow business with diverse suppliers and also develop and mentor these suppliers to enable stronger supplier partnerships and enhance capabilities. Supplier Diversity is integral to the Group's global supply chain strategy. It is consistent with the organisation's values, enhances competitiveness and capacity-building, and drives market connectivity.

Social initiatives at a glance

Digital Core REIT was also engaged in multiple volunteering initiatives and Corporate Social Responsibility related activities in FY2023. In January 2023, the employees partnered with Food from the Heart to pack food for the less fortunate. In September 2023, some employees took part in a race against cancer. In November 2023, some employees auctioned their preloved items as a means of raising funds for the Breast Cancer Foundation.

FY2023	Initiatives
January	Partnered with Food from the Heart to pack food for the less fortunate
September	Race against cancer
November	Fund-raising for the Breast Cancer Foundation

Occupational Health and Safety

[GRI 2-24, GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10]

FY 2024 and beyond

Ensure a healthy and safe environment by preventing work-related injury and ill health and maintain zero incidents resulting in permanent disability, fatality or high consequence injury

Health and safety within our premises are of utmost importance to Digital Core REIT and ensure the continuance of operations. High standards of safety requirements are upheld within the premises. The Sponsor's Operations team is responsible for managing the Environmental, Occupational Health and Safety ("EOH&S") programme. The EOH&S applies to all stakeholders entering the premises and covers all assets. The EOH&S management system also seeks to limit incident risks by identifying and removing hazards in accordance with ISO 14001:2004 and ISO 45001:2016 guidelines, under which 100% of the employees are covered. The hazard recognition, evaluation and control programme is a key attribute of the EOH&S programme. This involves proactive hazard recognition with respect to the environment, employees and vendors, equipment and materials, and work processes and practices. Advanced fire protection systems, airflow, temperature, and humidity sensors, and other measures are deployed to minimise risks to our customers and employees. There are comprehensive methods of procedures ("MOPs") or standard operating procedures ("SOPs") for almost every job in Digital Core REIT's data centres. A formal MOP/SOP assists with the work process and is integral to the safety programmes, including energised electrical work ("EEW"), control of hazardous energy ("COHE"), and lockout/tagout ("LOTO"). Once hazards have been identified and prioritised, they are then controlled before a job starts. In the event of a workplace incident, the site teams are required to follow the detailed Incident Reporting Process, including the documentation of lessons learned for any major incident, such as electrical events and fuel spills.

As part of the corrective and preventive actions, the data centre and equipment are periodically inspected to ensure they are in optimal operating condition. Drills for emergency action, such as building evacuation drills, are carried out to ensure the Operations team and building occupants are aware of and understand what to do in the event of an emergency. Every year, each location conducts at least one emergency action practice encompassing a range of scenarios, including tornadoes, severe weather response, fires, and more. It is necessary for every occupant to know what to do in the event of a real emergency. EOH&S practices are included in SOPs and are implemented for each job in the data centre. When a safety issue happens, all information is sent to the Global Command Centre, which creates a ticket for follow-up and examination. Investigation findings determine the underlying reasons, and corrective and preventive actions are taken to reduce the likelihood that such occurrences will happen again. Employees participate in the safety programme and process through:

- Safety briefings at data centres
- Active workplace interactions at all levels
- Communications about safety inspections, injury and illness statistics and other safety-related issues
- Providing feedback on developing, reviewing, and improving the safety programme
- Engagement in informational briefings and active participation in customer interactions
- Training and education
- Personal accountability and responding of unsafe acts or conditions at the data centres

The Operations team tracks the incidents within the premises and reports to the Manager on any serious incidents that occur. In FY2023, there were zero fatalities or injuries reported.

The Group ensures the safety of its employees in the workplace by providing health and safety training, having preventive measure policies, such as the Stop Work Policy and Lone Worker Policy and providing Personal Protective Equipment ("PPE") to all employees. The Stop Work Policy outlines scenarios in which employees can stop work so that all hazards can be abated, or safe work practices can be incorporated before work resumes. Risk levels are determined based on the severity of the incident, including whether there were any fatalities, hospitalisations, amputations, or eye loss; any personal or property damage; whether regulatory inspection is involved; or just near misses. A safety training programme that is comprehensive and has a blended learning solution is also in place to ensure

Sustainability

continual improvements. Training is mandatory for all engineers, remote hands, facility engineering managers, data centre managers, critical managers and essential managers.

All employees including the asset and property manager are covered under the Group medical insurance. The Group ensures the confidentiality of employees' personal health-related information.

Incidents are investigated based on root cause analysis. To ensure that employees are aware of and updated with the health and safety protocols, health and safety induction and refresher training relating to health and safety protocols are conducted for the property managers working in the data centre. Employees are aware of the protocols when it comes to evacuating the building as well as the designated assembly area upon fire alarms. Site security phone numbers are accessible for individuals to refer to and call in case of emergency.

Customers are provided with channels where feedback related to safety concerns or incidents can be raised. For safety concerns or incident-related matters, customers may email the site team or through a Facilities Work Order and will be notified of the measures taken to address these issues through the Global Command Centre. Customers attend a safety induction course and participate in emergency tabletop exercises and fire drills once every half a year.

GOVERNANCE

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Digital Core REIT is committed to upholding good governance and high ethical standards. The Manager seeks out best practices from the Sponsor and other industry leaders to enhance its governance. The Manager is committed to high standards of corporate governance with observation and adherence to the Code on Corporate Governance issued by the Monetary Authority of Singapore. The Board is majority independent and oversees the management and monitoring of the overall ESG strategy and performance. The Manager is committed to timely and accurate disclosure of material information and employs various platforms of engagement with the investment community. For more details under the Corporate Governance section, please refer to pages 76-91 of the Annual Report.

Business Ethics

[GRI 2-23, GRI 2-24, GRI 2-27, GRI 3-3, GRI 205-1, GRI 205-2, GRI 205-3]

FY 2024 and beyond	Maintain high standards and best practices in ethical business conduct and compliance with zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations	Maintain 100% successful completion of business ethics annual attestation among all full-time employees

With strict adherence to all applicable laws and regulations, Digital Core REIT is dedicated to operating under the highest standards of corporate governance and business ethics. Corruption, bribery, fraud and unethical business activities are not tolerated. All full-time employees are expected to complete the annual business ethics attestation with 100% success. The Employee Code of Conduct, rolled out at the Group level and implemented at the Manager's level, must be adhered to by all employees. According to the Employee Code of Conduct, every employee is expected to disclose any conflicts of interest, protect the privacy of business information, act fairly, declare any gifts or entertainment they receive, comply with legal requirements, protect the environment, adhere to health and safety procedures, provide fair employment practices and respect human rights. The policy commitments are communicated to the employees via the annual attestation, business partners via the Supplier Code of Conduct and are publicly available to other relevant parties.

Corruption betrays public confidence, impedes progress, jeopardises equitable commerce and erodes the rule of law. The success of Digital Core REIT's business, services and mission all depend heavily on the trust and confidence of its diverse global stakeholders. In FY2023, 100% of Digital Core REIT's operations were assessed for risks related to corruption and there were no incidents of corruption for the reporting period. To reflect Digital Core REIT's commitment to building trust, transparency and accountability in its business relationships, the Manager adopts the Group's Anti-Bribery and Anti-Corruption Compliance Policy, where all employees and relevant stakeholders are to comply fully with applicable anti-bribery and anti-corruption laws and prohibit all forms of bribery and corruption. The Anti-Bribery and Anti-Corruption Compliance Policy applies to conduct undertaken anywhere in the world. While the Anti-Bribery and Anti-Corruption Compliance Policy does not form part of any employee's contract of employment, failure to comply with it may be cause for termination. In FY2023, 100% of Digital Core REIT's employees, top management and middle management completed the business ethics annual attestation.

Guidelines on dealing in the securities of Digital Core REIT are also provided for all employees and directors under the Securities Trading Policy. As Digital Core REIT is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Manager is required to establish its own internal compliance code which provides direction to its directors and staff regarding the Manager's and their employees' dealing in securities.

The Securities Trading Policy sets out the procedure for disclosure of interests, black-out periods, restrictions on insider trading, and liabilities involved in a breach of trust. According to the Securities Trading Policy, all employees and Directors must abstain from dealing in Digital Core REIT's securities:

a) for as long as they are in possession of material, unpublished information that could affect price or trade;

b) for the month immediately before and up until the company's half-year and full-year financial statements are released. An email informing and/or reminding all Digital Core REIT's Directors and employees of the length of each applicable blackout period would be sent out prior to the start of the relevant period.

The Manager is also committed to being consistent with its "zero tolerance" stance toward fraud, bribery, corruption and other unethical behaviour or conduct. Therefore, the Manager has adopted the Whistleblowing Policy. The Whistleblowing Policy aims to provide a trusted avenue for employees and relevant stakeholders to report serious wrongdoing or concerns relating to the Manager and its employees, particularly in relation to business ethics, without fear of reprisals when whistleblowing in good faith by ensuring confidentiality in the whistle-blower's identity. The Whistleblowing Policy also ensures that robust arrangements are in place to facilitate an independent investigation of the reported concern and for the appropriate follow-up actions to be taken via safe and discreet communication channels. In FY2023, there were no incidents of corruption, bribery or fraud made known to the Manager.

Business Model Resilience

[GRI 2-23, GRI 2-24, GRI-3]

FY 2024 and beyond

Maintain business model resilience by incorporating social, environmental and geopolitical considerations into long-term business model planning

In FY2023, Digital Core REIT did not face any significant disruptions to its operations that resulted in any fines or penalties from regulators, major complaints from customers, or negative media attention. Digital Core REIT's business is exposed to risks and opportunities associated with social, environmental and geopolitical transitions, which need to be considered in its long-term business model planning.

Digital Core REIT maintains a sound and effective system of risk management and internal controls. The Enterprise Risk Management ("ERM") Framework provides a holistic top-down and bottom-up approach to overall risk management and puts in place the reporting structure, risk management processes, monitoring mechanisms, mitigating controls and responsible risk ownership to address and manage key risks. As part of risk reporting, environmental risk has been identified as one of the material risks to the Manager and the risks are monitored and reported to the Audit and Risk Committee and Board during the quarterly meetings.

With the world's recovery from the latest pandemic, the Operations team has in place measures within the Business Continuity Plan to manage disruptions to operations during pandemics. To ensure the resiliency of the data centre, business continuity management exercises are carried out regularly to train employees to handle adverse business interruptions and prevent and mitigate potential risks through scenario planning and regular drills for events such as fires, severe weather conditions, or earthquakes that could impact the resilience of Digital Core REIT's operations. The incident reporting process also ensures incidents are investigated and resolved in a timely manner and mitigating measures are put in place to rectify mistakes.

Digital Core REIT is committed to ensuring optimal performance with minimal downtime and maximum physical security. Digital Core REIT has stringent physical security measures in place at its properties and an EOH&S programme that ensures a safe and healthy environment for building occupants and visitors.

Scheduled maintenance is carried out to ensure properties continue to meet the necessary standards of operation.

Digital Core REIT recognises the growing reliance on virtual platforms; it is increasingly important to ensure systems are safeguarded against cyber threats and ensure data protection and privacy with robust cybersecurity measures. Digital Core REIT adopts the Sponsor's Data Privacy Policy, which provides guidance on how to deal with private data and procedures to take in the event of a data breach. Preserving the security and adherence of the information technology and operational technology infrastructure to industry standards and company policies is of paramount importance. The overall data security is overseen by the Group's Information Security team that manages the enterprise-wide cyber resilience strategy, policy, standards, architecture and processes. Annual awareness trainings on cybersecurity are also conducted.

Digital Core REIT recognises the importance of attracting and retaining its pool of skilled talent in today's tight labour market. Employee remuneration is competitively packaged with comprehensive benefits. Beyond recognising monetary benefits, the Manager also recognises the importance of employee health and wellbeing. Employees are engaged with various resource groups within the Digital Group and through team bonding and community engagement programmes.

Finally, Digital Core REIT also recognises the growing focus and emphasis on global climate change and having started its journey on target setting in FY2022, the Manager is committed to achieving the targets set in FY2023. Further progress has been made in its climate-related disclosures in line with the TCFD recommendations.

Data Security

[GRI 2-23, GRI 2-24, GRI 3-3, GRI 418-1]

FY 2024 and beyond	Uphold high standards and best practices in cybersecurity and data protection with zero incidents of non-compliance with data privacy laws	Maintain 100% successful completion of Annual Security Awareness Training among all full-time employees

Cyber-attacks are a persistent threat to data, which can negatively impact customer confidence, cause extensive disruptions to operations and impact a company's reputation. An essential component of consumer data protection is cyber resilience. The Manager respects and upholds the privacy rights of every person it deals with, even if the Manager does not administer, control, or have access to customer servers or data. The Sponsor maintains a Cyber Resilience as a Service ("CRaaS") Programme with a dedicated team, and an in-house Security Operations Centre, as well as a co-sourced 24/7 managed security services partner. The team supports and responds to advance threats, intelligence correlation and enrichment, active threat hunting and adversary tracking and disruptions. Secure by design, identity-based zero trust and automation are guiding design principles of Trusted by Design, our strategy which focuses on protecting the company assets and its customers' privacy.

The Manager is committed to upholding high standards and best practices in cybersecurity and data protection with zero incidents of non-compliance with data privacy laws and maintaining 100% successful completion of Annual Security Awareness Training among all full-time employees. On an annual basis, all employees are required to undergo training on Global Data Privacy and Information Security. The Information Security team collaborates with vendors and partners to help them improve the security of their products and services, as well as understand how to deploy their projects and services securely in Digital Core REIT's environments. Education is also provided to customers on how the Group strives to keep their data safe and encourage security best practices feedback and advice from them. In FY2023, there were no incidents of data breaches that resulted in fines or penalties from regulators and no complaints were received concerning breaches in customer privacy from outside parties or regulatory bodies.

Sustainability

The Privacy Policy set in place by the Sponsor ensures that all employees and individuals contracted directly or indirectly by Digital Core REIT that have access to and process personal data, understand their role and responsibilities in processing and protecting personal data on behalf of Digital Core REIT. The Privacy Policy sets guidelines and definitions when it comes to an individual's data security rights, disputes regarding data privacy, data collection, retention, and transfer, security measures and breaches. This reflects the Manager's commitment to protecting personal data and the privacy interests of the people whose personal data Digital Core REIT processes. In FY2023, there were no instances of identified leaks, thefts, or losses of customer data.

GRI CONTENT INDEX

Statement of use	Digital Core REIT has reported in accordance with the GRI Standards for the period from 1st January 2023 to 31st December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

Statement of use	Disclosure	Omission/comments	Section	Page number
GRI 2: General Disclosures	2-1 Organisational details		Corporate profile	Inside front cover (IFC)
	2-2 Entities included in the organisation's sustainability reporting		About the report	94
	2-3 Reporting period, frequency and contact point	Date of publication: 3rd April	About the report, Feedback	94
	2-4 Restatements of information		Restatements of information	94
	2-5 External assurance		About the report	94
	2-6 Activities, value chain and other business relationships		About the report	94
	2-7 Employees		Diversity and inclusion	113, 115
	2-8 Workers who are not employees	Not applicable: The Property Managers manage the day-to-day operations of the properties and they are outsourced to the Sponsor		
	2-9 Governance structure and composition		Corporate Governance	76-82, 85-87
	2-10 Nomination and selection of the highest governance body		Corporate Governance	81-82
	2-11 Chair of the highest governance body		Corporate Governance	18, 80
	2-12 Role of the highest governance body in overseeing the management of impacts		Board Statement, Sustainability Governance, Corporate Governance	76-77, 93, 95
	2-13 Delegation of responsibility for managing impacts		TCFD disclosure	107

GRI CONTENT INDEX

Statement of use	Disclosure	Omission/comments	Section	Page number
GRI 2: General Disclosures	2-14 Role of the highest governance body in sustainability reporting		Sustainability Governance	95
	2-15 Conflicts of interest		Corporate Governance	90-91
	2-16 Communication of critical concerns		Corporate Governance	91
	2-17 Collective knowledge of the highest governance body		Corporate Governance	78
	2-18 Evaluation of the performance of the highest governance body		Corporate Governance	81-82
	2-19 Remuneration policies		Corporate Governance	82-85
	2-20 Process to determine remuneration		Corporate Governance	82-85
	2-21 Annual total compensation ratio	Reason for omission: The Manager is cognisant of the requirement to disclose the annual compensation ratio; however, the Manager has decided not to disclose to minimise the potential staff movement which could cause undue disruptions in the management team as the competition for talent is very keen for the REIT management industry (For more information please refer to page 84 of the Corporate Governance section).	Corporate Governance	84
	2-22 Statement on sustainable development strategy		Letter from the CEO, Board statement	92-93
	2-23 Policy commitments		Board statement, Sustainability Governance, Sustainability commitments, Environment, Social, Governance	93, 95, 102-110, 111-118, 119-122
	2-24 Embedding policy commitments		Sustainability Commitments, Environment, Social, Governance	95, 102-110, 111-118, 119-122
	2-25 Processes to remediate negative impacts		Corporate Governance	91

GRI CONTENT INDEX

Statement of use	Disclosure	Omission/comments	Section	Page number
GRI 2: General Disclosures	2-26 Mechanisms for seeking advice and raising concerns		Corporate Governance	91
	2-27 Compliance with laws and regulations	No non-compliance with laws and regulations made known to the Manager	Business ethics	119 -120
	2-28 Membership associations		External Memberships	101
	2-29 Approach to stakeholder engagement		Stakeholder engagement	100
	2-30 Collective bargaining agreements	Not applicable: None of our employees are covered by collective bargaining agreements		

GRI Standard	Disclosure	Omission/comments	Section	Page number
GRI 3: Material topics	3-1 Process to determine material topics		Materiality assessment, Stakeholder engagement	96, 100
	3-2 List of material topics		Materiality assessment	96-98

GRI Standard	Disclosure	Omission/comments	Section	Page number
Energy management				
GRI 3: Material topics	3-3 Management of material topics		Stakeholder engagement, Energy management	100, 102-103
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		Energy management	102
	302-2 Energy consumption outside of the organisation	Digital Core REIT currently does not collect energy consumption data from all its customers occupying the assets that are not under operating control and reporting scope of the report. Digital Core REIT will continue to explore options of possibly developing a credible data capture of customers' energy consumption in the future.		
	302-3 Energy intensity		Energy management	102
	302-4 Reduction of energy consumption		Energy management	102

GRI CONTENT INDEX

GRI Standard	Disclosure	Omission/comments	Section	Page number
Greenhouse gas emissions				
GRI 3: Material topics 2021	3-3 Management of material topics		Stakeholder engagement, Greenhouse gas emissions	100, 104-105
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		Greenhouse gas emissions	104
	305-2 Energy indirect (Scope 2) GHG emissions		Greenhouse gas emissions	104
	305-3 Other indirect (Scope 3) GHG emissions	Digital Core REIT currently does not collect Scope 3 emissions data. Digital Core REIT will continue to explore options of possibly developing a credible data capture of Scope 3 emissions in the future.		
	305-4 GHG emissions intensity		Greenhouse gas emissions	104
	305-5 Reduction of GHG emissions		Greenhouse gas emissions	104-105
Water management				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Water management	100, 106
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		Water management	106
	303-2 Management of water discharge-related impacts		Water management	106
	303-3 Water withdrawal		Water management	106
	303-4 Water discharge		Water management	106
	303-5 Water consumption		Water management	106
Physical impacts of climate change				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Physical impacts of climate change	100, 107-110

GRI Standard	Disclosure	Omission/comments	Section	Page number
Employee engagement				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Employee engagement	100, 111-113
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		Employee engagement: Talent acquisition	113
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Employee engagement: Employee wellbeing	112-113
	401-3 Parental leave		Employee engagement: Employee wellbeing	112
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		Employee engagement: Training and development	111-112
	404-2 Programs for upgrading employee skills and transition assistance programs		Employee engagement: Training and development	111-112
	404-3 Percentage of employees receiving regular performance and career development reviews		Employee engagement: Talent management and succession planning	113
Diversity and inclusion				
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		Diversity and inclusion: Corporate employee demographic	115
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Occupational health and safety				
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GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		Occupational health and safety	117-118
	403-2 Hazard identification, risk assessment, and incident investigation		Occupational health and safety	117-118
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GRI CONTENT INDEX

GRI Standard	Disclosure	Omission/comments	Section	Page number
Occupational health and safety				
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety		Occupational health and safety	117-118
	403-5 Worker training on occupational health and safety		Occupational health and safety	117-118
	403-6 Promotion of worker health		Occupational health and safety	117-118
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Occupational health and safety	117-118
	403-8 Workers covered by an occupational health and safety management system		Occupational health and safety	117-118
	403-9 Work-related injuries		Occupational health and safety	117
	403-10 Work-related ill health		Occupational health and safety	117
Business ethics				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Business ethics	100, 119-120
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		Business ethics	119-120
	205-2 Communication and training about anti-corruption policies and procedures	205-2d: Information unavailable/incomplete-Digital Core REIT is not currently monitoring the number of governance body members that were provided training on anti-corruption, Digital Core REIT will start monitoring this sub indicator in the near future.	Business ethics	119
	205-3 Confirmed incidents of corruption and actions taken		Business ethics	119-120

GRI CONTENT INDEX

GRI Standard	Disclosure	Omission/comments	Section	Page number
Business model resilience				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Business model resilience	100, 120-121
Data security				
GRI 3: Material Topics 2021	3-3 Management of material topics		Stakeholder engagement, Data security	100, 121-122
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Data security	122

Financial Contents

REPORT OF THE TRUSTEE

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Digital Core REIT (the "Trust") and its subsidiaries (collectively, the "Group") in trust for the holders of units ("Unitholders") in the Trust. In accordance with, among other things, the Securities and Futures Act 2001 of Singapore, its subsidiary legislation, the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Digital Core REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 10 November 2021 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust and its subsidiaries during the period covered by these financial statements, set out on pages 137 to 198, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Sin Li Choo
Director

Singapore

22 March 2024

STATEMENT BY THE MANAGER

In the opinion of the directors of Digital Core REIT Management Pte. Ltd. (the "Manager"), the accompanying financial statements of Digital Core REIT (the "Trust") and its subsidiaries (collectively, the "Group") set out on pages 137 to 198, comprising the Statements of Financial Position of the Group and the Trust as at 31 December 2023, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Distribution Statement, the Consolidated Statement of Changes in Unitholders' Funds and the Consolidated Statement of Cash Flows of the Group and the Statement of Changes in Unitholders' Funds of the Trust for the year then ended, and the notes to the financial statements are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2023, the profit or loss and other comprehensive income, the distributable income, the changes in Unitholders' funds and the cash flows of the Group and the changes in Unitholders' funds of the Trust for the year then ended in accordance with the International Financial Reporting Standards and the provisions of the trust deed dated 10 November 2021 (as amended) (the "Trust Deed") and the relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
Digital Core REIT Management Pte. Ltd.

Tsui Kai Chong
Director

Tan Jeh Wuan
Director

Singapore
22 March 2024

INDEPENDENT AUDITORS' REPORT

Unitholders of Digital Core REIT
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 10 November 2021) (as amended)

Opinion

We have audited the consolidated financial statements of Digital Core REIT (the "Trust") and its subsidiaries (the "Group"), which comprise the Statements of Financial Position of the Group and the Trust as at 31 December 2023, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Distribution Statement, the Consolidated Statement of Changes in Unitholders' Funds and the Consolidated Statement of Cash Flows of the Group and the Statement of Changes in Unitholders' Funds of the Trust for the year then ended, and the notes to the financial statements, including material accounting policy information, as set out on pages 137 to 198.

In our opinion, the accompanying consolidated financial statements of the Group and the Statement of Financial Position and the Statement of Changes in Unitholders' Funds of the Trust present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2023, the profit or loss and other comprehensive income, the distributable income, the changes in Unitholders' funds and the cash flows of the Group and the changes in Unitholders' funds of the Trust for the year then ended in accordance with the International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standard") and provisions of the trust deed dated 10 November 2021 (as amended) (the "Trust Deed").

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '***Auditors' responsibilities for the audit of the financial statements'*** section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ***Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*** ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 6 to the financial statements)

Risk:

As of 31 December 2023, the Group owns a portfolio of investment properties, comprising income-producing real estate assets located in the United States of America and Canada which are used primarily for data centre purposes, as well as assets necessary to support the digital economy. Investment properties represent the single largest asset category on the consolidated statement of financial position.

These investment properties are stated at their fair values based on the valuations performed by independent professional valuers engaged by the Group. The valuation process involves determining the appropriate valuation methodology to be used and significant judgement in estimating the underlying assumptions to be applied. These valuations are highly sensitive to the key assumptions applied, which may be subject to estimation uncertainties.

Our response:

We assessed the Group's processes for the selection of the independent professional valuers, the determination of the scope of work of the independent professional valuers, and the review and acceptance of the valuations reported by the independent professional valuers. We evaluated the independence, objectivity and competency of the independent professional valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We considered the appropriateness of the valuation methodologies applied against those applied by other valuers for similar property types, and the reasonableness of the key assumptions applied by the independent professional valuers by benchmarking against industry data.

Our findings:

The Group has put in place a process for appointing and instructing independent professional valuers, and in reviewing and accepting their valuation results. The independent professional valuers are members of generally recognised professional bodies for valuers and have considered their own independence in carrying out the work.

In determining the fair values of the Group's investment properties, the independent professional valuers have adopted the discounted cash flow method. The valuation methodology used was consistent with the generally accepted market practices.

The key assumptions applied were generally within the range of market data available as at 31 December 2023.

Other information

Digital Core REIT Management Pte. Ltd., the Manager of the Trust (the "Manager") is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and the provision of the Trust Deed dated 10 November 2021 (as amended), and for such internal controls as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lee Chin Siang Barry.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
22 March 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Trust	
	Note	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Current assets					
Cash and cash equivalents		12,101	25,241	3,355	8,975
Trade and other receivables	4	8,653	7,139	94,459	95,728
Derivative financial assets	5	–	1,417	–	1,417
Investment properties held for sale	6b	178,000	–	–	–
Prepaid expenses		297	741	73	475
Total current assets		199,051	34,538	97,887	106,595
Non-current assets					
Derivative financial assets	5	908	–	908	–
Investment properties	6a	1,114,887	1,423,796	–	–
Subsidiaries	7	–	–	1,391,023	1,364,905
Financial asset at FVOCI		45,555	–	–	–
Associate	8	143,058	152,705	–	–
Deferred tax asset	9	5,578	1,525	–	–
Total non-current assets		1,309,986	1,578,026	1,391,931	1,364,905
Total assets		1,509,037	1,612,564	1,489,818	1,471,500
Current liabilities					
Trade and other payables	10	16,725	20,170	5,712	11,092
Current tax payable		1,110	400	–	–
Rent received in advance		5,207	5,339	–	–
Total current liabilities		23,042	25,909	5,712	11,092
Non-current liabilities					
Derivative financial liabilities	5	4,255	1,034	4,255	1,034
Loans and borrowings	11	555,493	495,034	555,493	495,034
Preferred units	12	99	99	–	–
Deferred tax liabilities	9	6,517	13,465	–	–
Total non-current liabilities		566,364	509,632	559,748	496,068
Total liabilities		589,406	535,541	565,460	507,160
Net assets		919,631	1,077,023	924,358	964,340
Represented by:					
Unitholders' funds		790,475	934,891	924,358	964,340
Non-controlling interests	13	129,156	142,132	–	–
		919,631	1,077,023	924,358	964,340
Units in issue and to be issued ('000)	14	1,142,626	1,130,694	1,142,626	1,130,694
Net asset value per Unit (US$) attributable to Unitholders		0.69	0.83	0.81	0.85

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Gross revenue	15	102,591	114,950
Property operating expenses	16	(39,541)	(40,647)
Net property income		63,050	74,303
Other income		–	1,423
Finance income	17	6,106	121
Finance costs	17	(26,190)	(10,642)
Manager's base fee		(7,256)	(7,221)
Manager's performance fee		(2,291)	(2,352)
Trustee's fee		(185)	(173)
Other trust expenses	18	(1,812)	(3,879)
Unrealised foreign exchange		(2,722)	(2,293)
Profit before tax, fair value changes in investment properties and share of loss of an associate		28,700	49,287
Share of loss of an associate	8	(15,881)	(462)
Net change in fair value in investment properties	6	(139,197)	(28,805)
(Loss) / Profit before tax		(126,378)	20,020
Tax credit / (expense)	19	9,648	(13,139)
(Loss) / Profit after tax		(116,730)	6,881
Attributable to:			
Unitholders		(108,585)	1,538
Non-controlling interest		(8,145)	5,343
		(116,730)	6,881
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Movement in fair value of cash flow hedges		(3,731)	383
Movement in fair value reserves		(1,341)	
Foreign currency translation movement		6,192	(9,890)
Total other comprehensive income for the year / period		1,120	(9,507)
Total comprehensive income for the year / period		(115,610)	(2,626)
Attributable to:			
Unitholders		(107,833)	(6,745)
Non-controlling interests		(7,777)	4,119
		(115,610)	(2,626)
Earnings per Unit (US cents)			
Basic	20	(9.66)	0.14
Diluted	20	(9.50)	0.14

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENT
YEAR ENDED 31 DECEMBER 2023

	Group	
	Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Amount available for distribution to Unitholders at the beginning year / period (1)	21,521	–
(Loss) / Profit after tax attributable to Unitholders	(108,585)	1,538
Distribution adjustments		
Property related non-cash items (2)	2,766	(6,281)
Manager's base fee paid/payable in Units	7,256	7,221
Manager's performance fee paid/payable in Units	2,291	2,352
Trustee's fee	185	173
Amortisation of upfront debt-related transaction costs (3)	1,465	735
Net deferred tax (income) / expense	(11,000)	11,955
Net change in fair value in investment properties	125,357	27,392
Share of loss of an associate	15,881	462
Unrealised foreign exchange loss	2,722	2,336
Others (4)	3,146	365
Net distribution adjustments	150,069	46,710
Amount available for distribution to Unitholders	41,484	48,248
Distribution to Unitholders during the year / period		
Distribution of 2.37 US cents per unit for the period from 6 December 2021 to 30 June 2022	–	(26,717)
Distribution of 3.84 US cents per unit for the period from 1 July 2022 to 30 June 2023	(43,001)	–
Amount available for distribution to Unitholders at end of the year/ period	20,004	21,531
Distribution per Unit (US cents)	3.70	4.29

(1) Income available for distribution brought forward from 2022 was US$21,531,000 of which only US$21,521,000 was paid in 2023 due to certain distribution adjustments relating to rounding to the nearest DPU.
(2) Property-related non-cash items consist primarily of straight-line rent adjustments.
(3) Upfront debt-related transaction costs are amortised over the life of the loans and borrowings.
(4) Included in others are other non-cash and non-tax-deductible items as well as other adjustments related to timing differences in income and expenses.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2023

	Attributable to Unitholders of the Trust							
Group	**Units in issue US$'000**	**Treasury units US$'000**	**Foreign currency translation reserve US$'000**	**Hedging reserve US$'000**	**Retained earnings US$'000**	**Total Unitholders' funds US$'000**	**Non-controlling interests US$'000**	**Total US$'000**
At 10 November 2021 (date of constitution)	*	–	–	–	–	*	–	*
<u>Total comprehensive income for the period</u>								
Profit for the period	–	–	–	–	1,538	1,538	5,343	6,881
Other comprehensive income for the period								
Movement in fair value of cash flow hedges	–	–	–	383	–	383	–	383
Foreign currency translation movement	–	–	(8,666)	–	–	(8,666)	(1,224)	(9,890)
Total other comprehensive income for the period	–	–	(8,666)	383	–	(8,283)	(1,224)	(9,507)
Total comprehensive income for the period	–	–	(8,666)	383	1,538	(6,745)	4,119	(2,626)
<u>Transactions with Unitholders, recognised directly in Unitholders' funds</u>								
Issuance of new units on Listing Date	977,350	–	–	–	–	977,350	–	977,350
Issuance costs on Listing Date	(26,783)	–	–	–	–	(26,783)	–	(26,783)
Manager's acquisition fee paid or payable in units	14,449	–	–	–	–	14,449	–	14,449
Manager's base fee paid or payable in units	7,221	–	–	–	–	7,221	–	7,221
Manager's performance fee paid or payable in units	2,352	–	–	–	–	2,352	–	2,352
Contribution from non-controlling interests	–	–	–	–	–	–	144,050	144,050
Dividends paid to non-controlling interests	–	–	–	–	–	–	(6,037)	(6,037)
Purchase of units	(6,236)	6,236	–	–	–	–	–	–
Cancellation of treasury units	–	(6,236)	–	–	–	(6,236)	–	(6,236)
Distribution to Unitholders	(9,582)	–	–	–	(17,135)	(26,717)	–	(26,717)
Total transactions with Unitholders for the period	958,771	–	–	–	(17,135)	941,636	138,013	1,079,649
At 31 December 2022	958,771	–	(8,666)	383	(15,597)	934,891	142,132	1,077,023

* less than US$1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2023

Group	Units in issue US$'000	Treasury units US$'000	Foreign currency translation reserve US$'000	Hedging reserve US$'000	Fair Value Reserve US$'000	Retained earnings US$'000	Total Unitholders' funds US$'000	Non-controlling interests US$'000	Total US$'000
	Attributable to Unitholders of the Trust								
At 1 January 2023	958,771	–	(8,666)	383	–	(15,597)	934,891	142,132	1,077,023
Total comprehensive income for the period									
Loss for the year	–	–	–	–	–	(108,585)	(108,585)	(8,145)	(116,730)
Other comprehensive income for the year									
Movement in fair value of cash flow hedges	–	–	–	(3,731)	–	–	(3,731)	–	(3,731)
Movement in fair value reserve	–	–	–	–	(1,341)	–	(1,341)	–	(1,341)
Foreign currency translation movement	–	–	10,291	–	–	–	10,291	368	10,659
Effective portion of changes in fair value of net investment hedges	–	–	(4,467)	–	–	–	(4,467)	–	(4,467)
Total other comprehensive income for the year	–	–	5,824	(3,731)	(1,341)	–	752	368	1,120
Total comprehensive income for the year	–	–	5,824	(3,731)	(1,341)	(108,585)	(107,833)	(7,777)	(115,610)
Transactions with Unitholders, recognised directly in Unitholders' funds									
Issuance costs	(176)	–	–	–	–	–	(176)	–	(176)
Manager's acquisition fee paid or payable in units	431	–	–	–	–	–	431	–	431
Manager's base fee paid or payable in units	7,256	–	–	–	–	–	7,256	–	7,256
Manager's performance fee paid or payable in units	2,291	–	–	–	–	–	2,291	–	2,291
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(5,199)	(5,199)
Purchase of units	(3,384)	3,384	–	–	–	–	–	–	–
Cancellation of treasury units	–	(3,384)	–	–	–	–	(3,384)	–	(3,384)
Distribution to Unitholders	(21,607)	–	–	–	–	(21,394)	(43,001)	–	(43,001)
Total transactions with Unitholders for the period	(15,189)	–	–	–	–	(21,394)	(36,583)	(5,199)	(41,782)
At 31 December 2023	943,582	–	(2,842)	(3,348)	(1,341)	(145,576)	790,475	129,156	919,631

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2023

	Attributable to Unitholders of the Trust				
Trust	**Units in issue US$'000**	**Treasury units US$'000**	**Hedging reserve US$'000**	**Retained earnings US$'000**	**Total Unitholders' funds US$'000**
At 10 November 2021 (date of constitution)	*	–	–	–	*
Total comprehensive income for the period					
Profit for the period	–	–	–	22,321	22,321
Other comprehensive income for the period					
Movement in fair value of cash flow hedges	–	–	383	–	383
Total other comprehensive income for the period	–	–	383	–	383
Total comprehensive income for the period	–	–	383	22,321	22,704
Transactions with Unitholders, recognised directly in Unitholders' funds					
Issuance of new units on Listing Date	977,350	–	–	–	977,350
Issuance costs on Listing Date	(26,783)	–	–	–	(26,783)
Manager's acquisition fee paid or payable in units	14,449	–	–	–	14,449
Manager's base fee paid or payable in units	7,221	–	–	–	7,221
Manager's performance fee paid or payable in units	2,352	–	–	–	2,352
Purchase of units	(6,236)	6,236	–	–	–
Cancellation of treasury units	–	(6,236)	–	–	(6,236)
Distribution to Unitholders	(9,582)	–	–	(17,135)	(26,717)
Total transactions with Unitholders for the period	958,771	–	–	(17,135)	941,636
At 31 December 2022	958,771	–	383	5,186	964,340

* less than US$1,000

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2023

Trust	Units in issue US$'000	Treasury units US$'000	Hedging reserve US$'000	Retained earnings US$'000	Total Unitholders' funds US$'000
	Attributable to Unitholders of the Trust				
At 1 January 2023	958,771	–	383	5,186	964,340
Total comprehensive income for the year					
Profit for the year	–	–	–	332	332
Other comprehensive income for the year					
Movement in fair value of cash flow hedges	–	–	(3,731)	–	(3,731)
Total other comprehensive income for the year	–	–	(3,731)	–	(3,731)
Total comprehensive income for the year	–	–	(3,731)	332	(3,399)
Transactions with Unitholders, recognised directly in Unitholders' funds					
Issuance costs	(176)	–	–	–	(176)
Manager's acquisition fee paid or payable in units	431	–	–	–	431
Manager's base fee paid or payable in units	7,256	–	–	–	7,256
Manager's performance fee paid or payable in units	2,291	–	–	–	2,291
Purchase of units	(3,384)	3,384	–	–	–
Cancellation of treasury units	–	(3,384)	–	–	(3,384)
Distribution to Unitholders	(21,607)	–	–	(21,394)	(43,001)
Total transactions with Unitholders for the year	(15,189)	–	–	(21,394)	(36,583)
At 31 December 2023	943,582	–	(3,348)	(15,876)	924,358

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

		Group	
	Note	Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Cash flows from operating activities			
(Loss) / Profit before tax		(126,378)	20,020
Adjustments for:			
Property related non-cash items		3,026	(6,844)
Manager's fees paid or payable in units		9,547	9,573
Finance income	17	(6,106)	(121)
Finance expense	17	26,190	10,642
Unrealised foreign exchange losses		2,722	2,293
Share of loss of an associate	8	15,881	462
Net change in fair value of investment properties	6	139,197	28,805
Operating profit before working capital changes		64,079	64,830
Changes in working capital:			
Trade and other receivables		(42)	(5,939)
Prepaid expenses		444	1,440
Trade and other payables		(1,168)	11,707
Rent received in advance		(132)	(1,487)
Net cash generated from operations		63,181	70,551
Tax paid		(643)	(784)
Net cash generated from operating activities		62,538	69,767
Cash flows from investing activities			
Acquisition of investment properties and related assets and liabilities [1]		–	(1,294,712)
Additions to investment properties	6	(6,951)	(2,596)
Investment in an associate		–	(68,916)
Loan to an associate		–	(80,288)
Acquisition of financial asset, at FVOCI		(43,964)	–
Interest received		2,874	–
Net cash used in investing activities		(48,041)	(1,446,512)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Cash flows from financing activities			
Proceeds from issuance of units		–	977,350
Payment of transaction costs relating to issuance of units		(176)	(26,783)
Proceeds from loans and borrowings		51,491	497,518
Payment of debt-related transaction costs		–	(5,571)
Net proceeds from preferred units		–	99
Interest paid on loans and borrowings		(24,481)	(8,540)
Interest paid on preferred units		(15)	(14)
Dividends paid to non-controlling interests		(5,199)	(6,037)
Distribution to Unitholders		(43,001)	(26,717)
Purchase of units		(3,384)	(5,783)
(Repayment to) / advance from related companies		(3,306)	6,456
Net cash (used in) / from financing activities		(28,071)	1,401,978
Net (decrease) / increase in cash and cash equivalents		(13,574)	25,233
Cash and cash equivalents at 1 January 2023/ 10 November 2021 (date of constitution)		25,241	–
Effect of exchange rate fluctuations on cash held in foreign currency		434	8
Cash and cash equivalents at 31 December		12,101	25,241

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

Footnotes:

(1) Acquisition of investment properties and related assets and liabilities is set out below.

	Group
	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Investment properties (including acquisition costs)	1,442,207
Trade and other receivables	1,200
Prepaid expenses	2,181
Rent received in advance	(6,826)
Net assets acquired	1,438,762
Less: Non-controlling interests	(144,050)
Net cash outflow on acquisition	1,294,712

Significant non-cash transactions

During the financial year ended 31 December 2023, there were the following significant non-cash transactions:

(i) The Trust issued units amounting to US$4.0 million (2022: US$5.5 million) as payment for the base and performance fee element of the Manager's management fees.

(ii) The Trust issued units amounting to US$1.5 million (2022: US$13.0 million) as payment for the acquisition fee element of the Manager's management fees.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager on 22 March 2024.

1 GENERAL

Digital Core REIT (the "Trust") is a Singapore real estate investment trust constituted pursuant to the trust deed (the "Trust Deed") dated 10 November 2021 between Digital Core REIT Management Pte. Ltd. (the "Manager") and Perpetual (Asia) Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust.

The Trust was dormant from the date of constitution to 5 December 2021. The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 6 December 2021 ("Listing Date").

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group") and the Group's interest in equity-accounted investee.

The Manager's registered office and principal place of business is 10 Collyer Quay #42-06, Ocean Financial Centre, Singapore 049315.

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to own and invest, directly and indirectly, in a portfolio of income-producing real estate located globally which are primarily used for data centre purposes, as well as assets necessary to support the digital economy.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are summarised below.

1.1 Manager's management fees

The Manager is entitled under the Trust Deed to receive base fee, performance fee, acquisition and divestment fee and development management fee as follows:

(i) Base fee

A base fee of 0.5% per annum of the value of all the assets of the Group ("Deposited Property").

The base fee is payable in the form of cash and/or units as the Manager may elect prior to the end of the financial period.

(ii) Performance fee

A performance fee of 3.5% per annum of net property income.

The performance fee is payable in the form of cash and/or units as the Manager may elect prior to the end of the financial period.

1 GENERAL (cont'd)

(iii) Acquisition and divestment fee

The Manager is entitled to receive the following fees:

(a) an acquisition fee at the rate of 1.0% each for the acquisition price of any real estate purchased, the underlying value of real estate which is taken into account when computing the acquisition price payable (purchased) and the acquisition price of investment purchased by the Trust.

(b) a divestment fee at a rate of 0.5% each for the sale price of real estate sold or divested, the underlying value of the real estate which is taken into account when computing the sale price (sold or divested) and the sale price of the investment sold or divested by the Trust.

The acquisition and divestment fees are payable in the form of cash and/or units as the Manager may elect, such election to be made prior to the payment of the fees.

(iv) Development management fee

The Manager is entitled to receive a development management fee of 3.0% of the total project costs incurred in a development project undertaken and managed by the Manager on behalf of the Trust.

1.2 Trustee's fees

The Trustee's fees shall be charged at a rate of 0.015% of Deposited Property per annum, with a minimum of S$15,000 per month, excluding out-of-pocket expenses and good and services tax in accordance with the Trust Deed.

The Trustee's fee is accrued and payable out of the value of Deposited Property on a monthly basis, in arrears.

1.3 Property management fee

Under the property management agreement entered into between each of the property owners and the respective property managers, the property owner is required to pay the property manager a management fee equal to 2.0% of gross revenue.

The property management fee shall be paid quarterly in arrears in cash, subject to the property manager's right to elect and receive all or a portion of the property management fee in the form of units.

1.4 Other management fee

The Manager may appoint, or the Trustee or any entity which is held by the Trust (whether wholly or partially) may, at the recommendation of the Manager appoint asset managers, investment managers or any other entities to provide asset management services or investment management services in respect of any asset of the Trust from time to time and the Manager's fees payable to the Manager will be reduced by the amount of any fees payable to such entities for asset management, acquisition, divestment or development management services.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. The changes to material accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investment properties, derivative financial instruments and certain financial assets and financial liabilities which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in United States dollars ("US$"), which is the functional currency of the Trust. All financial information presented in United States dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 6 – Investment properties.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework for the measurement of fair values. The Manager has the overall responsibility for the appointment of external valuers, where necessary, and all significant fair value measurements and reports directly to the Board of Directors of the Manager.

When measuring the fair value of an asset or a liability, the Manager uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as per Note 24.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2 BASIS OF PREPARATION (cont'd)

2.4 Use of estimates and judgements (cont'd)

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 Derivative financial instruments;
Note 6 Investment properties; and
Note 24 Fair value of assets and liabilities.

2.5 Changes in material accounting policies

New standards and amendments

The Group has applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 January 2023:

- Amendments to IFRS 12: ***Deferred tax related to Assets and Liabilities arising from a Single Transaction***
- Amendments to IFRS 12: ***International Tax Reform – Pillar Two Model Rules***
- Amendments to IAS 1 and IFRS Practice Statement 2: ***Disclosure of Accounting Policies***
- Amendments to IFRS 8: ***Definition of Accounting Estimates***

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

Material accounting policy information

The Group adopted Amendments to IAS 1 and IFRS Practice Statement 2: ***Disclosure of Accounting Policies*** for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in Note 2.5, which addresses changes in material accounting policies.

The Group adopted the Amendments to IAS 1 and IFRS Practice Statement 2: ***Disclosure of Accounting Policies*** from 1 January 2023. The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has the option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Non-controlling interests ("NCI") are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets, at the date of acquisition. The measurement basis is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by IFRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

(iii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method. They are initially recognised at cost, which includes the transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency").

Transactions in foreign currencies are translated to the functional currency of the Group entities at exchange rates at the dates of the transactions. The functional currencies of the Group entities are United States dollars ("US$"), Canadian dollars ("C$"), Euro ("€") and Japanese Yen ("¥"). Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising from translation are generally recognised in profit or loss.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.2 Foreign currency (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US$ at the exchange rates prevailing at the end of the reporting date. The income and expenses of foreign operations are translated to US$ at average exchange rates for the reporting period.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to NCI. When a foreign operation is disposed such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.3 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Fair value is determined in accordance with the Trust Deed, which requires an investment property to be valued by independent registered valuers in such manner and frequency as required under the CIS Code issued by MAS.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting periods.

3.4 Assets and liabilities held for sale

Non-current assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with applicable IFRSs. Thereafter, the assets classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell except for investment properties and land and buildings which are remeasured with reference to fair value or agreed sale proceeds.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost as describe above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group assesses objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to the Manager. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Manager; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment (cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest

For purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.5 Financial instruments (cont'd)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate and foreign exchange risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments in qualifying hedging relationships. At the inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and the hedging instrument are expected to offset each other.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associates with highly probable forecast transactions from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as a hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in cost of the hedging reserve within equity.

For hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.5 Financial instruments (cont'd)

(v) Derivative financial instruments and hedge accounting (cont'd)

Cash flow hedges (cont'd)

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

The Group has foreign currency borrowings that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for in a similar manner as cash flow hedges. The currency translation differences on the borrowings relating to the effective portion of the hedge are accumulated in the foreign currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operations. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

(vi) Unitholders' funds

Unitholders' funds represent mainly the Unitholders' residual interest in the Group's net assets upon termination and is classified as equity. Incremental costs directly attributable to the issuance, offering and placement of the units in the Trust are deducted directly against Unitholders' funds.

(vii) Preferred units

The Group's preferred units are classified as financial liabilities, because they are redeemable on a specific date and bear non-discretionary dividends. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

3.6 LEASES

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group assesses whether the lease substantially transfers all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.6 LEASES (cont'd)

As a lessor (cont'd)

The Group leases out its investment properties. The Group recognises lease payments received from investment property under operating leases as income on a straight- line basis over the lease term as part of 'revenue'.

3.7 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.7 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.7 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.8 Revenue

Rental income from operating leases

Rental income receivable under operating leases is recognised in the statement of profit or loss on a straight-line basis over the term of the lease. Variable rentals are recognised as income in the accounting period in which they are earned, and the amount can be measured reliably.

3.9 Dividend and distribution income

Dividend and distribution income are recognised in profit or loss on the date that the Trust's right to receive payment is established.

3.10 Finance income and finance costs

Finance income comprise interest income on advance to an associate and cash and cash equivalents, which are recognised using the effective interest method.

Finance costs comprise interest expense on borrowings, including amortisation of transaction costs, which are recognised in profit or loss using the effective interest method over the period for which the borrowings are granted.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

3.11 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.11 Tax expense (cont'd)

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and associate to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Group has certain tax rulings or confirmations from the Inland Revenue Authority of Singapore ("IRAS")/Ministry of Finance ("MoF") in relation to Singapore income tax treatment of certain income from its properties.

<u>Foreign-sourced Income Tax Exemption</u>

Pursuant to the Foreign-sourced Income Tax Exemption granted by the MoF and subject to the meeting of certain terms and conditions of the tax ruling, Digital Core REIT and/or its subsidiaries (Digital CR Singapore 1 Pte. Ltd., Digital CR Singapore 2 Pte. Ltd., Digital CR Singapore 3 Pte. Ltd., Digital CR Singapore 4 Pte. Ltd., Digital CR Singapore 5 Pte. Ltd. and Digital CR Singapore 6 Pte. Ltd. (collectively, the "Singapore Subsidiaries")), will be exempted from Singapore tax on foreign-sourced dividends and interest income received from overseas entities in United States, Canada, The Netherlands/Germany and Japan.

Any distributions made by the Trust to the Unitholders out of tax-exempt income and capital proceeds would be exempted from Singapore income tax in the hands of all Unitholders.

3 MATERIAL ACCOUNTING POLICIES (cont'd)

3.12 Earnings per Unit

The Group presents basic and diluted earnings per Unit data for its Units. Basic earnings per Unit is calculated by dividing the total return attributable to Unitholders of the Group by the weighted-average number of units outstanding during the year. Diluted earnings per Unit is determined by adjusting the total return attributable to Unitholders and the weighted-average number of units outstanding, for the effects of all dilutive potential Units.

3.13 Distribution policy

The Trust's distribution policy is to distribute 100% of distributable income for the period from the Listing Date to 31 December 2023. Thereafter, the Trust will distribute at least 90% of its annual distributable income for each financial year. The actual level of distribution will be determined at the Manager's discretion.

The Trust makes distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates.

3.14 Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Manager to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the senior management of the Manager include items directly attributable to a segment as well as those that can allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Trust's head office), head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire and fit-out investment properties.

3.15 New standards and amendments not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards and interpretations in preparing these financial statements.

The following amendments to IFRSs are not expected to have a significant impact on the Group's and Trust's financial statements.

- Amendments to IAS 1: ***Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants***
- Amendments to IFRS 16: ***Lease Liability in a Sale and Leaseback***
- Amendments to IAS 7 and IFRS 17: ***Supplier Finance Arrangements***
- Amendments to IAS 21: ***Lack of Exchangeability***

4 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Trade receivables	7,808	4,792	–	–
Allowance for expected credit loss	–	(25)	–	–
	7,808	4,767	–	–
Amounts due from:				
– subsidiaries (non-trade)	–	–	93,672	91,500
– related companies (non-trade)	13	13	13	13
Dividend receivable	–	–	–	2,254
VAT receivables	781	1,961	774	1,958
Other receivables	51	398	–	3
	845	2,372	94,459	95,728
	8,653	7,139	94,459	95,728

The non-trade amounts due from subsidiaries and related companies are recharges and intercompany loans which are unsecured, interest-free and repayable on demand.

The Group's and Trust's exposure to credit and currency risks are disclosed in Note 23.

5 DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Trust		
	Contract/ Nominal Amount US$'000	Assets US$'000	Liabilities US$'000
2023			
Interest rate swap	407,086	908	(4,255)
Derivative financial instruments as a percentage to the net assets attributable to Unitholders			(0.42%)
2022			
Interest rate swap	424,870	1,417	(1,034)
Derivative financial instruments as a percentage to the net assets attributable to Unitholders			0.04%

The Group uses interest rate swap to manage the exposure to interest rate movements on floating rate interest-bearing bank borrowings by hedging the interest expense on a portion of interest-bearing bank borrowings from floating rates to fixed rates.

6 INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR SALE

(a) Investment properties

	Group	
	2023 US$'000	**2022 US$'000**
At 1 January 2023/10 November 2021 (date of constitution)	1,423,796	–
Acquisition (including acquisition costs)	–	1,455,172
Capital expenditure	6,951	2,596
Currency translation difference	4,489	(12,011)
Net fair value change in investment properties	(142,349)	(21,961)
Reclassification to investment properties held for sale	(178,000)	–
At 31 December	1,114,887	1,423,796

Investment properties comprise data centre interconnection and miscellaneous other types of spaces which are leased to external customers for the purpose of interconnection services.

	Group	
	2023 US$'000	**2022 US$'000**
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Net fair value change in investment properties	(142,349)	(21,961)
Effect of straight lining	3,152	(6,844)
Net fair value change recognised in Consolidated Statement of Profit or Loss and Other Comprehensive Income	(139,197)	(28,805)

(b) Investment properties held for sale

	Group	
	2023 US$'000	**2022 US$'000**
At 1 January 2023/10 November 2021 (date of constitution)	–	–
Transfer from investment properties	178,000	–
At 31 December	178,000	–

On 31 October 2023, Digital Core REIT, through its subsidiaries, Digital Walsh 1, LLC and Digital Walsh 2, LLC, entered into a purchase and sale agreement for the proposed divestment of 2401 Walsh Avenue and 2403 Walsh Avenue at a proposed sale price of US$160.2 million (based on 90% ownership interest). The properties were sold to a third-party at the carrying amount as at 31 December 2023 and sale of the properties was completed on 12 January 2024.

6 INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR SALE (cont'd)

Measurement of fair value

(i) Fair value hierarchy

Investment properties are stated at fair value as at 31 December 2023 and 2022 and are based on the valuations performed by the independent professional valuers, CBRE Valuation and Advisory Services (2022: Cushman & Wakefield of North Carolina, Inc. and Cushman & Wakefield of Washington, DC, Inc).

The fair value of investment properties has been categorised as a Level 3 fair value measurement based on the inputs to the valuation techniques used.

(ii) Valuation techniques

The fair values take into consideration the market values of the properties, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion. The specific condition and characteristics inherent in each of the properties are taken into consideration in arriving at the property valuation.

The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate and terminal capitalisation rate, which are unobservable. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

The fair values were estimated using the income approach. The Group adopted the discounted cash flows method. Discounted cash flows method calculates the present values of future cash flows over a specified time period, including the potential proceeds of a deemed disposal, to determine the fair value. Discounted cash flows method convert the earnings of a property into an estimate of value.

(iii) Key unobservable inputs

The following table shows the range of key unobservable inputs used in the valuation reports:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows analysis	• Discount rates of 6.25% to 8.50% (2022: 5.50% to 7.00%)	The estimated fair value would increase (decrease) if discount rate was lower (higher).
	• Terminal capitalisation rates of 5.25% to 7.00% (2022: 4.75% to 5.00%)	The estimated fair value would increase (decrease) if terminal capitalisation rate was lower (higher).

6 INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR SALE (cont'd)

Measurement of fair value

(iv) Investment properties held by the Group

Description of property	Location	Tenure of land	Group 2023 US$'000	Group 2022 US$'000
44520 Hastings Drive	Northern Virginia	Freehold	321,700	321,000
8217 Linton Hall Road	Northern Virginia	Freehold	227,100	280,000
43831 Devin Shafron Drive	Northern Virginia	Freehold	55,800	55,200
3011 Lafayette Street	Silicon Valley	Freehold	166,500	176,000
2401 Walsh Avenue [(1)]	Silicon Valley	Freehold	110,000	110,000
2403 Walsh Avenue [(1)]	Silicon Valley	Freehold	68,000	68,000
1500 Space Park Drive	Silicon Valley	Freehold	101,400	115,000
200 North Nash Street	Los Angeles	Freehold	64,400	69,000
3015 Winona Avenue	Los Angeles	Freehold	39,200	54,000
371 Gough Road	Toronto	Freehold	138,787	175,596
			1,292,887	1,423,796
Reclassification to investment properties held for sale			(178,000)	–
			1,114,887	1,423,796

(1) During the year, 2401 Walsh Avenue and 2403 Walsh Avenue were reclassified to investment properties held for sale. The sale of the properties was completed on 12 January 2024.

7 SUBSIDIARIES

	Trust 2023 US$'000	Trust 2022 US$'000
Unquoted equity, at cost	1,391,023	1,364,905

7 SUBSIDIARIES

Name of subsidiaries	Principal activities	Principal place of business / Country of incorporation	Effective interest 2023 %	2022 %
Direct subsidiaries:				
Digital CR Singapore 1 Pte. Ltd. [1]	Investment holding	Singapore	100	100
Digital CR Singapore 2 Pte. Ltd. [1]	Investment holding	Singapore	100	100
Digital CR Singapore 3 Pte. Ltd. [1]	Investment holding	Singapore	100	100
Digital CR Singapore 4 Pte. Ltd. [1]	Investment holding	Singapore	100	100
Digital CR Singapore 5 Pte. Ltd. [1]	Investment holding	Singapore	100	100
Digital CR Singapore 6 Pte. Ltd. [1]	Investment holding	Singapore	100	–
Indirect subsidiaries:				
Digital Gough, LLC [2, 4]	Investment holding	Canada	90	90
Digital Porpoise JV, LLC [2, 3]	Investment holding	United States	90	90
Digital Quill JV, LLC [2, 3]	Investment holding	United States	90	90
Digital Stoughton JV, LLC [2, 3]	Investment holding	United States	90	90
Digital Nash JV, LLC [2, 3]	Investment holding	United States	90	90
Digital Walsh 1 JV, LLC [2, 3]	Investment holding	United States	90	90
Digital Walsh 2 JV, LLC [2, 3]	Investment holding	United States	90	90
Digital Winona JV, LLC [2, 3]	Investment holding	United States	90	90
Digital Lafayette 2 JV, LLC [2, 3]	Investment holding	United States	90	90
Digital Space Park JV, LLC [2, 3]	Investment holding	United States	90	90

1 Audited by KPMG LLP Singapore
2 Not required to be audited by laws of country of incorporation
3 Indirectly held by Digital CR Singapore 1 Pte. Ltd.
4 Indirectly held by Digital CR Singapore 3 Pte. Ltd.

8 ASSOCIATE

	Note	Group 2023 US$'000	Group 2022 US$'000
Unquoted equity, at cost	(a)	73,325	72,767
Imputed interest on loan to an associate		9,452	9,166
Share of post-acquisition reserves		(16,362)	(468)
		66,415	81,465
Add:			
Loan to an associate	(b)	76,643	71,240
		143,058	152,705

(a) Investment in Associate is denominated in EUR with a carrying value of EUR66,719,000 (2022: EUR 67,974,000). The USD balance includes movement in acquisition costs and translation difference from EUR to USD.

8 ASSOCIATE (cont'd)

(b) Loan to an associate is unsecured, repayable on 17 December 2025 and carries a fixed interest rate of 3.0% (2022: 3.0%) per annum during the year. Loan to an associate has been discounted at an approximation of the original effective interest rate.

Loan to an associate is denominated in EUR.

(c) The following is the associate of the Group.

	Principal place of business / Country of incorporation	Effective interest	
		2023 %	2022 %
Digital Greenfield B.V.[1]	Germany / Netherlands	25	25

[1] Audited by Grant Thornton Dublin

The following summarises the financial information of the Group's material associate, Digital Greenfield B.V., based on the financial statement prepared in accordance with IFRS.

	Digital Greenfield B.V.	
	2023 US$'000	2022 US$'000
Revenue for FY 2023 / from date of acquisition to 31 December	58,034	3,342
Profit excluding change in fair value of investment properties and other adjustments	21,330	482
Change in fair value of investment properties	(69,557)	(2,330)
Other movement in reserves	(891)	–
Loss after tax	(49,118)	(1,848)
Attributable to controlling shareholder	(36,839)	(1,386)
Attributable to the Group	(12,279)	(462)
Loss attributable to the Group	(12,279)	(462)
Acquisition costs written off	(3,602)	–
Share of loss as reported	(15,881)	(462)

8 ASSOCIATE (cont'd)

(c) The following is the associate of the Group. (cont'd)

	Digital Greenfield B.V.	
	2023 US$'000	2022 US$'000
Non-current assets	508,456	561,905
Current assets	28,767	16,457
Non-current liabilities	(306,573)	(284,487)
Current liabilities	(13,009)	(21,065)
Net assets	217,641	272,810
Attributable to controlling shareholder	163,231	204,607
Attributable to the Group	54,410	68,203
Group's interest in net assets of the associate at 1 January 2023/10 November 2021 (date of constitution)	81,465	–
Acquisition during the year / period	–	68,030
Acquisition cost and other adjustments	831	4,731
Imputed interest on advance to an associate	–	9,166
Group's share of loss	(15,881)	(462)
Carrying amount of interest in an associate at end of the year/period	66,415	81,465

9 DEFERRED TAXATION

Deferred tax assets and liabilities are attributable to the following:

	Group			
	Assets		Liabilities	
	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Investment properties	5,578	1,525	(6,517)	(13,465)

The deferred tax assets and liabilities are not offset as they relate to taxes from different tax authorities (U.S. and Canada) with no legal enforceability to offset.

	At 1 January 2023 US$'000	Recognised in profit or loss (Note 19) US$'000	Translation differences US$'000	At 31 December 2023 US$'000
Deferred tax assets				
Investment properties	1,525	4,053	–	5,578
Deferred tax liabilities				
Investment properties	(13,465)	6,948	–	(6,517)

9 DEFERRED TAXATION (cont'd)

	At 10 November 2021 (date of constitution)	Recognised in profit or loss (Note 19)	Translation differences	At 31 December 2022
	US$'000	US$'000	US$'000	US$'000
Deferred tax assets				
Investment properties	–	1,510	15	1,525
Deferred tax liabilities				
Investment properties	–	(13,465)	–	(13,465)

10 TRADE AND OTHER PAYABLES

	Group		Trust	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Trade payables	1,104	802	–	–
Amounts due to:				
– subsidiaries (non-trade)	–	–	–	687
– related companies (non-trade)	3,150	6,456	2,350	5,345
Accrued expenses	4,699	7,851	1,306	2,680
Interest payable	1,582	1,353	1,582	1,353
Other payables	6,190	3,708	474	1,027
	16,725	20,170	5,712	11,092

The non-trade amounts due to subsidiaries and related companies are unsecured, interest-free and repayable on demand.

11 LOANS AND BORROWINGS

	Group and Trust 2023 US$'000	Group and Trust 2022 US$'000
Non-current		
Unsecured interest-bearing bank borrowings	558,915	499,870
Less: Unamortised upfront debt-related transaction costs	(3,422)	(4,836)
	555,493	495,034

As at 31 December 2023, the Group has US$145.6 million (2022: US$200.0 million) of undrawn capacity available on the Revolving Credit Facility to meet its future obligations.

Terms and debt repayment schedule

Terms and conditions of the outstanding loans and borrowings are as follows:

	Nominal interest rate %	Financial year of maturity	Group and Trust 2023 US$'000
USD floating rate bank borrowings	SOFR [1] + margin	2026	356,271
EUR floating rate bank borrowings	EURIBOR [2] + margin	2025 - 2027	152,853
JPY floating rate bank borrowings	TONAR [3] + margin	2026	46,369
			555,493

	Nominal interest rate %	Financial year of maturity	Group and Trust 2022 US$'000
USD floating rate bank borrowings	SOFR [1] + margin	2026	347,630
EUR floating rate bank borrowings	EURIBOR [2] + margin	2025-2027	147,404
			495,034

1 Secured Overnight Financing Rate
2 Euro Interbank Offered Rate
3 Tokyo Overnight Average Rate

11 LOANS AND BORROWINGS (cont'd)

Reconciliation of changes in liabilities arising from financing activities

		Financing cash flows		Non-cash changes		
	At 1 January 2023 US$'000	Proceeds US$'000	Payment US$'000	Borrowing costs expensed US$'000	Foreign exchange movement US$'000	At 31 December 2023 US$'000
Unsecured interest-bearing term loans	495,034	51,491	–	1,465	7,503	555,493
Interest payable	1,353	–	(24,481)	24,710	–	1,582
Amounts due to related companies	6,456	–	(3,306)	–	–	3,150
	502,843	51,491	(27,787)	26,175	7,503	560,225

		Financing cash flows		Non-cash changes		
	At 10 November 2021 (date of constitution) US$'000	Proceeds US$'000	Payment US$'000	Borrowing costs expensed US$'000	Foreign exchange movement US$'000	At 31 December 2022 US$'000
Unsecured interest-bearing term loans	–	497,518	(5,571)	735	2,352	495,034
Interest payable	–	–	(8,540)	9,893	–	1,353
Amounts due to related companies	–	6,456	–	–	–	6,456
	–	503,974	(14,111)	10,628	2,352	502,843

12 PREFERRED UNITS

	Group	
	2023 US$'000	2022 US$'000
At 1 January 2023/10 November 2021 (date of constitution)	99	–
Issuance of preferred units (net of transaction costs)	–	99
At 31 December	99	99

As at 31 December 2023, the indirect subsidiary of the Trust had 125,000 preferred units issued with a par value of US$1,000 per preferred unit.

The preferred units rank senior to all units of the indirect subsidiary. Each holder of the preferred units is entitled to receive cumulative preferential cash dividends (recorded as finance expense) at a rate of 12.0% per annum on the subscription price of US$1,000 per unit plus all accrued and unpaid dividends which is payable annually in arrears.

The preferred units are not convertible or exchangeable for any other properties or securities of the subsidiaries. The Board of Directors of the subsidiary may, in its sole and absolute discretion, cause the subsidiary to redeem units of the preferred units at US$1,000 per unit plus all accrued and unpaid dividends.

The preferred units have been classified as financial liabilities in accordance with IFRS 9.

13 NON-CONTROLLING INTERESTS

Non-controlling interests relate to the indirect 10% interest held by Digital Realty Trust, L.P., a related company, in the Trust's indirect subsidiaries that hold the investment properties.

The following table summarises the financial information of the Group's subsidiaries with material NCI based on their respective financial statements prepared in accordance with IFRS.

	Digital Space Park JV, LLC	Digital Lafayette 2 JV, LLC	Digital Winona JV, LLC	Digital Walsh 2 JV, LLC	Digital Walsh 1 JV, LLC	Digital Nash JV, LLC	Digital Stoughton JV, LLC	Digital Quill JV, LLC	Digital Porpoise JV, LLC	Digital Gough, LLC	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue	6,889	17,291	2,938	3,598	5,820	3,674	2,560	26,496	20,144	13,181	102,591
(Loss) / profit after tax	(7,707)	(1,897)	(12,744)	2,533	4,192	(2,051)	2,220	11,811	(43,701)	(34,105)	(81,449)
(Loss) / profit attributable to NCI	(771)	(190)	(1,274)	253	419	(205)	222	1,181	(4,370)	(3,410)	(8,145)
Non-current assets	101,400	166,500	39,200	–	–	64,400	55,800	321,700	227,100	138,787	1,114,887
Current assets	850	2,445	549	68,713	111,076	216	486	2,572	2,249	3,896	193,052
Current liabilities	(285)	(2,805)	(102)	(382)	(593)	(150)	(444)	(6,411)	(3,332)	(1,873)	(16,377)
Net assets	101,965	166,140	39,647	68,331	110,483	64,466	55,842	317,861	226,017	140,810	1,291,562
Net assets attributable to NCI	10,196	16,614	3,965	6,833	11,048	6,447	5,584	31,786	22,602	14,081	129,156
Cash flows from operating activities	5,609	11,537	1,865	2,082	3,528	2,915	1,770	17,452	10,439	5,583	
Cash flows used in investing activities	(108)	(466)	–	–	–	–	–	(4,738)	(1,044)	(594)	
Cash flows used in financing activities	(6,295)	(10,654)	(2,767)	(3,279)	(3,731)	(3,837)	(1,820)	(14,458)	(9,848)	(6,408)	
(Decrease) / increase in cash and cash equivalents	(794)	417	(902)	(1,197)	(203)	(922)	(50)	(1,744)	(453)	(1,419)	

13 NON-CONTROLLING INTERESTS (cont'd)

	Digital Space Park JV, LLC	Digital Lafayette 2 JV, LLC	Digital Winona JV, LLC	Digital Walsh 2 JV, LLC	Digital Walsh 1 JV, LLC	Digital Nash JV, LLC	Digital Stoughton JV, LLC	Digital Quill JV, LLC	Digital Porpoise JV, LLC	Digital Gough, LLC	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue from date of acquisition to 31 December 2022	7,500	17,368	3,457	3,932	6,316	4,593	2,644	30,133	22,352	16,655	114,950
Profit/(Loss) after tax from date of acquisition to 31 December 2022	7,774	(1,962)	(1,752)	1,116	2,179	514	6,668	18,048	30,357	(9,509)	53,433
Profit/(Loss) attributable to NCI from date of acquisition to 31 December 2022	777	(196)	(175)	111	218	51	667	1,805	3,036	(951)	5,343
Non-current assets	115,000	176,000	54,000	68,000	110,000	69,000	55,200	321,000	280,000	175,596	1,423,796
Current assets	1,103	5,091	1,220	1,295	348	1,419	619	4,182	2,726	3,124	21,127
Current liabilities	(1,283)	(5,954)	(1,145)	(1,495)	(326)	(1,396)	(578)	(4,674)	(3,159)	(3,591)	(23,601)
Net assets	114,820	175,137	54,075	67,800	110,022	69,023	55,241	320,508	279,567	175,129	1,421,322
Net assets attributable to NCI	11,481	17,514	5,408	6,780	11,002	6,902	5,524	32,051	27,957	17,513	142,132
Cash flows from operating activities	6,004	6,512	1,910	2,723	4,460	2,235	1,929	19,996	14,711	6,879	
Cash flows used in investing activities	(185)	(805)	–	(221)	–	–	–	(501)	(478)	(406)	
Cash flows used in financing activities	(4,791)	(4,300)	(935)	(1,235)	(4,157)	(1,261)	(1,349)	(15,520)	(11,811)	(3,903)	
Net increase in cash and cash equivalents	1,028	1,407	975	1,267	303	974	580	3,975	2,422	2,570	

14 UNITS IN ISSUE

		Group and Trust			
		No. of units		Amount	
	Note	Units in issue '000	Treasury units '000	Units in issue US$'000	Treasury units US$'000
Units issued:					
Units issued at 1 January 2023		1,120,892	–	953,237	–
Issue of new units:					
Units issued as payment for Manager's acquisition fee	(a)	2,444	–	1,484	–
Units issued as payment for Manager's base fee	(a)	3,084	–	1,698	
Units issued as payment for Manager's base fee	(a)	4,274	–	2,352	–
Issuance cost		–	–	(176)	–
Capital distribution		–	–	(21,607)	–
Purchase of units	(b)	(6,841)	6,841	(3,384)	3,384
Cancellation of treasury units	(b)	–	(6,841)	–	(3,384)
At 31 December 2023		1,123,853	–	933,604	–
Units to be issued:					
Manager's acquisition fees	(c)	856	–	431	–
Manager's base fees	(d)	14,328	–	7,256	–
Manager's performance fees [1]	(d)	3,589	–	2,291	–
Issued and issuable units at 31 December 2023		1,142,626	–	943,582	–

[1] Estimated based on the 10-day volume weighted average price as at 31 December 2023.

(a) During the financial year ended 31 December 2023, there were the following issuances of units to the Manager:

(i) 2,443,769 units were issued at an issue price of US$0.6073 per unit in connection with the acquisition of the 25% interest in Digital Greenfield B.V.

(ii) 3,084,216 units at an issue price of US$0.5504 per unit as payment for the base fee of the Manager's management fees incurred for the period from 1 October 2022 to 31 December 2022.

(iii) 4,273,924 units at an issue price of US$0.5504 per unit as payment for the performance fee of the Manager's management fees incurred for the period from Listing Date to 31 December 2022.

(b) During the financial year ended 31 December 2023, 6,840,700 Units were purchased at an average price of US$0.4942 from the open market and subsequently cancelled.

(c) On 15 January 2024, 856,083 units were issued at an issue price of US$0.5027 per unit in connection with the acquisition of the 10% interest in Digital Osaka TMK 2.

14 UNITS IN ISSUE

(d) 14,328,028 units to be issued for base management fees for the period from 1 January 2023 to 31 December 2023 based on the volume weighted average price for the last 10 business days prior to each quarter end period (31 March 2023, 30 June 2023, 30 September 2023 and 31 December 2023) respectively and 3,588,664 units to be issued for performance management fees paid in units for the period from 1 January 2023 to 31 December 2023, based on the volume weighted average price for the last 10 business days prior to 31 December 2023.

		Group and Trust			
		No. of units		Amount	
	Note	Units in issue ‘000	Treasury units ‘000	Units in issue US$’000	Treasury units US$’000
Units issued:					
Units issued at the date of constitution		*	–	*	–
Issue of new units:					
Units issued at Listing Date	(a)	1,110,625	–	977,350	–
Units issued as payment for Manager’s acquisition fee	(b)	14,732	–	12,965	–
Units issued as payment for Manager’s base fee	(b)	6,189	–	5,523	–
Issuance cost		–	–	(26,783)	–
Capital distribution		–	–	(9,582)	–
Purchase of units	(c)	(10,654)	10,654	(6,236)	6,236
Cancellation of treasury units	(c)	–	(10,654)	–	(6,236)
At 31 December 2022		1,120,892	–	953,237	–
Units to be issued:					
Manager’s acquisition fees	(d)	2,444	–	1,484	–
Manager’s base fees	(e)	3,084	–	1,698	–
Manager’s performance fees [1]	(f)	4,274	–	2,352	–
Issued and issuable units at 31 December 2022		1,130,694	–	958,771	–

[1] Estimated based on the 10-day volume weighted average price as at 31 December 2022.
* *less than 1,000.*

(a) On 6 December 2021 (“Listing Date”), the Trust issued 1,110,625,001 new units at an issue price of US$0.88 per unit.

(b) During the financial period from Listing Date to 31 December 2022, there were the following issuances of units to the Manager:

(i) 14,732,386 units at an issue price of US$0.88 per unit on Listing Date as payment for the acquisition fee in connection with the Listing.

(ii) 6,188,985 units at an issue price of US$0.6832 to US$1.1175 per unit as payment for the base fee of the Manager’s management fees incurred for the period from Listing Date to 30 September 2022.

(c) During the financial period from Listing Date to 31 December 2022, 10,654,100 Units were purchased at a unit price ranging from US$0.5163 to US$0.6192 from the open market and subsequently cancelled.

14 UNITS IN ISSUE (cont'd)

(d) On 19 January 2023, 2,443,769 Units were issued at an issue price of US$0.6073 per unit in connection with the acquisition of the 25.0% interest in Digital Greenfield B.V.

(e) 3,084,216 units to be issued for base management fees for the period from 1 October 2022 to 31 December 2022 and 4,273,924 units to be issued for performance management fees paid in units for the period from the Listing Date to 31 December 2022, based on the volume weighted average price for the last 10 business days prior to 31 December 2022.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and
- Have the right to receive notice of, attend and one vote per unit at any meeting of the Unitholders.

The Unitholders are entitled to receive all distributions declared and paid by the Trust. Upon winding up, the Unitholders are entitled to a return of capital based on the asset value per unit of the Trust.

The restriction on Unitholders include the following:

- A Unitholder's right is limited to the right to acquire due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provision of the Trust Deed provides that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

Issue costs comprise professional, advisory and underwriting fees and other costs related to the issuance of units for the Listing.

15 GROSS REVENUE

	Group	
	Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Rental income	69,068	79,469
Utilities reimbursements	13,491	16,942
Other recovery and operating income	20,032	18,539
	102,591	114,950

Recovery income includes, amongst others, charges to customers for reimbursements of certain operating costs and real estate taxes and is estimated in accordance with the individual leases.

16 PROPERTY OPERATING EXPENSES

	Group	
	Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Utilities	13,881	16,743
Property taxes and insurance expenses	9,082	7,001
Repairs and maintenance	3,415	4,256
Property management fees	2,044	2,169
Other property expenses	11,119	10,478
	39,541	40,647

17 FINANCE INCOME AND FINANCE COSTS

	Group	
	Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Finance income		
Interest income from:		
– advance to an associate	5,665	117
– cash and cash equivalents	441	4
	6,106	121
Finance costs		
Interest expense on loans and borrowings	(24,710)	(9,893)
Amortisation of debt-related transaction costs	(1,465)	(735)
Dividends on preferred units	(15)	(14)
	(26,190)	(10,642)

18 OTHER TRUST EXPENSES

	Group	
	Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Auditors' remuneration [1]	391	307
Tax compliance fees	254	287
Legal and professional fees	496	1,804
Valuation fees	193	70
Other expenses	478	1,411
	1,812	3,879

Other expenses include unit registrar and investor relations costs, internal audit fee and other miscellaneous expenses.

(1) Of the aggregate amount of fees paid and payable to the auditors for FY 2023 was approximately US$391,000 (2022: US$307,000) which was solely related to provision of audit services. There was no non-audit fee in FY2023 (FY2022: US$12,000).

19 TAX CREDIT/(EXPENSE)

	Group	
	Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Current tax expense		
Current year	1,353	1,184
Deferred tax income/expense		
Movement in temporary differences	(11,001)	11,955
Total tax (credit)/expense	(9,648)	13,139
Reconciliation of effective tax rate		
(Loss)/profit before tax	(126,378)	20,020
Add: Share of loss of an associate	15,881	462
(Loss)/profit before share of profit of associate and tax	(110,497)	20,482
Tax calculated using Singapore tax rate of 17% (2022: 17%)	(18,784)	3,482
Effect of different tax rates arising from foreign jurisdiction	7,780	9,092
Expenses not deductible for tax purposes	2,394	1,994
Tax exempt income	(1,038)	(1,429)
Tax (credit)/expense	(9,648)	13,139

20 EARNINGS PER UNIT

	Group	
	Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Loss/profit after tax attributable to Unitholders	(108,585)	1,538
Basic EPU		
Weighted average number of units at end of the financial year/period ('000) [1]	1,123,905	1,120,917
Basic earnings per unit (US cents)	(9.66)	0.14
Diluted EPU		
Weighted average number of units at end of the financial year/period ('000) [2]	1,142,626	1,130,694
Diluted earnings per unit (US cents)	(9.50)	0.14

1 Based on the weighted average number of units issued and issuable as at the end of the financial year/period.
2 Based on the weighted average number of units issued and issuable as at the end of the financial year/period, adjusted on the basis that the management fees units were issued at the beginning of the year/period.

21 LEASES

Leases as lessor

The Group leases out its investment properties, comprising data centre interconnection and miscellaneous other types of spaces which are leased to external customers for the purpose of interconnection services (see Note 6). The Group has classified these leases as operating leases.

The Group leases out its investment properties to customers with lease tenures of 1 to 16 years, with certain lease agreements containing renewal options. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Cash rental income from investment properties recognised by the Group during financial year was US$72,141,000 (2022: US$72,489,000).

21 LEASES (cont'd)

Leases as lessor (cont'd)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2023	**2022**
	US$'000	**US$'000**
Operating leases under IFRS 16		
Less than one year	49,562	67,796
One to two years	22,053	64,805
Two to three years	5,042	38,829
Three to four years	77	23,209
Four to five years	39	19,205
More than five years	–	159,625
Total	76,773	373,469

22 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed with the parties. During the financial year/period, other than those disclosed elsewhere in the financial statements, the following significant related party transactions were carried out on terms agreed with related parties:

	Group	
	Year ended 31 December 2023 US$'000	**Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000**
Acquisition of investment properties from a related party	–	(1,296,450)
Acquisition of an interest in an associate from a related party	–	(148,410)
Acquisition fee paid/payable to the Manager	(431)	(14,449)
Divestment fee paid/payable to the Manager	(800)	–
Manager's management fees paid/payable to the Manager	(9,547)	(9,573)

22 SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

	Group	
	Year ended 31 December 2023 US$'000	Period from 10 November 2021 (date of constitution) to 31 December 2022 US$'000
Property management fees paid/payable to property managers	(2,044)	(2,169)
Other property related reimbursement costs to property managers	(7,544)	(4,110)
Interest income from advances to an associate	2,433	117
Trustee fees paid/payable	(185)	(173)
Loan from a related party under the cashflow support agreement	1,100	–

23 FINANCIAL RISK MANAGEMENT

Overview

The Group's activities expose it to credit risk, liquidity risk, market risk and interest rate risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors ("BOD") of the Manager is responsible for setting the objectives and underlying principles of financial risk management of the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

As at 31 December 2023, the Group's aggregate leverage was 40.5% with an interest coverage ratio ("ICR") of 2.9 times in accordance with the Appendix 6 of the CIS Code issued by MAS (the "Property Funds Appendix"). The Group has complied with the aggregate leverage limit during the financial period.

Credit risk

Credit risk is the risk of financial loss to the Group resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Trade receivables

Credit evaluations are performed by the Manager on all customers before lease agreements are entered into. Rental deposits as a multiple of monthly rent are received to reduce credit risk. The Manager also monitors the amount owing by the customers on an ongoing basis.

23 FINANCIAL RISK MANAGEMENT (cont'd)

Cash and cash equivalents

Cash and cash equivalents are placed with financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The ECL on cash and cash equivalents is negligible.

Derivative financial instruments

Transactions involving derivative financial instruments are entered only with counterparties that are regulated.

The Group believes that there is little credit risk inherent in the Group's loans and receivables, based on historical payment behaviours and the security deposits held. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Manager monitors the liquidity risk of the Group and maintains a level of cash deemed adequate by the Manager to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities and derivative financial instruments at the end of the reporting period based on contractual undiscounted repayment obligations.

23 FINANCIAL RISK MANAGEMENT (cont'd)

			Contractual cash flows		
	Carrying amount US$'000	Total US$'000	Not later than 1 year US$'000	Between 1 and 5 years US$'000	More than 5 years US$'000
Group					
31 December 2023					
Non-derivative financial liabilities					
Loans and borrowings	555,493	628,910	78,348	550,562	–
Trade and other payables	16,725	16,725	16,725	–	–
Preferred units	99	200	15	60	125
	572,317	645,835	95,088	550,622	125
Derivative financial instruments					
Interest rate swaps used for hedging	4,255	1,702	374	1,328	–
	576,572	647,537	95,462	551,950	125
31 December 2022					
Non-derivative financial liabilities					
Loans and borrowings	495,034	578,940	20,179	558,761	–
Trade and other payables	20,170	20,170	20,170	–	–
Preferred units	99	200	15	60	125
	515,303	599,310	40,364	558,821	125
Derivative financial instruments					
Interest rate swaps used for hedging	1,034	1,702	374	1,328	–
	516,337	601,012	40,738	560,149	125

23 FINANCIAL RISK MANAGEMENT (cont'd)

		Contractual cash flows			
	Carrying amount US$'000	Total US$'000	Not later than 1 year US$'000	Between 1 and 5 years US$'000	More than 5 years US$'000
Trust					
31 December 2023					
Non-derivative financial liabilities					
Loans and borrowings	555,493	628,910	78,348	550,562	–
Trade and other payables	5,712	5,712	5,712	–	–
	561,205	634,622	84,060	550,562	–
Derivative financial instruments					
Interest rate swaps used for hedging	4,255	1,702	374	1,328	–
	565,460	636,324	84,434	551,890	–
31 December 2022					
Non-derivative financial liabilities					
Loans and borrowings	495,034	578,940	20,179	558,761	–
Trade and other payables	11,092	11,092	11,092	–	–
	506,126	590,032	31,271	558,761	–
Derivative financial instruments					
Interest rate swaps used for hedging	1,034	1,702	374	1,328	–
	507,160	591,734	31,645	560,089	–

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates which will affect the Group's income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

23 FINANCIAL RISK MANAGEMENT (cont'd)

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-bearing financial liabilities. The Manager manages the Group's interest rate exposure through hedging via floating-to-fixed interest rate swaps. The Manager actively reviews the Group's debt portfolio, taking into account the investment holding period and nature of its assets.

Sensitivity analysis

The Group does not account for any fixed rate instruments at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A 100 basis point ("bp") movement in interest rate at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Group and Trust	
	2023	**2022**
	US$'000	**US$'000**
100 bp increase	(1,518)	(1,250)
100 bp decrease	1,518	1,250

Foreign currency risk

The Group's exposure to foreign currency risk relates to its investments in foreign operations. The Group's business is exposed to foreign currency risk on loans and borrowings and its operations in foreign countries that were denominated in a currency other than respective functional currencies of the Group entities. The currencies giving rise to this risk are Singapore Dollars ("SGD"), Canadian Dollars ("CAD"). Euro ("EUR") and Japanese Yen ("JPY"). The Group maintains a natural hedge by borrowing in EUR and JPY to hedge against the foreign currency risk arising from the Group's net investments in foreign currency.

Net investment hedge

With effect from 2023, the Group designates the loan to hedge the changes in the value of the net investment that is attributable to changes in the EUR/USD and JPY/USD spot rates. The Group's policy is to hedge the net investment only to the extent of the debt principal. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency and amount. The Group assesses the effectiveness of each hedging relationship by comparing changes in the carrying amount of the debt that is due to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

23 FINANCIAL RISK MANAGEMENT (cont'd)

As at the reporting date, the Group's exposure to foreign is as follows:

	Group	
	EUR US$'000	JPY US$'000
31 December 2023		
Loans and borrowings	(154,546)	(46,369)
Loans designated as net investment hedge	143,058	45,555
Net exposure	(11,488)	(814)
31 December 2022		
Loan to an associate	71,240	–
Loans and borrowings	(149,870)	–
Net exposure	(78,630)	–

Sensitivity analysis

At the reporting date, a 5% weakening of the USD, as indicated below, against the foreign currencies would have decreased profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	2023 US$'000	2022 US$'000
EUR	(574)	(3,930)
JPY	(41)	–

A 5% strengthening of the USD against the above currencies would have had an opposite effect of similar quantum on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

24 FAIR VALUE OF ASSETS AND LIABILITIES

(i) Accounting classifications and fair value

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount					Fair value
	At amortised cost US$'000	FVTPL US$'000	FVOCI US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Total fair value US$'000
Group						
31 December 2023						
Financial assets measured at fair value						
Derivative financial assets	–	908	–	–	908	908
Financial asset at FVOCI	–	–	45,555	–	45,555	45,555
	–	908	45,555	–	46,463	
Financial assets not measured at fair value						
Cash and cash equivalents	12,101	–	–	–	12,101	
Trade and other receivables [1]	7,872	–	–	–	7,872	
	19,973	–	–	–	19,973	
Financial liabilities measured at fair value						
Derivative financial liabilities	–	(4,255)	–	–	(4,255)	(4,255)
Financial liabilities not measured at fair value						
Trade and other payables	–	–	–	(16,725)	(16,725)	
Loans and borrowings	–	–	–	(555,493)	(555,493)	(555,493)
Preferred units	–	–	–	(99)	(99)	
	–	–	–	(572,317)	(572,317)	

[1] Excludes VAT receivables

24 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(i) Accounting classifications and fair value (cont'd)

	Carrying amount				Fair value
	At amortised cost US$'000	FVTPL US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Total fair value US$'000
Group					
31 December 2022					
Financial assets measured at fair value					
Derivative financial assets	–	1,417	–	1,417	1,417
Financial assets not measured at fair value					
Cash and cash equivalents	25,241	–	–	25,241	
Trade and other receivables [1]	5,178	–	–	5,178	
	30,419	–	–	30,419	
Financial liabilities measured at fair value					
Derivative financial liabilities	–	(1,034)	–	(1,034)	(1,034)
Financial liabilities not measured at fair value					
Trade and other payables	–	–	(20,170)	(20,170)	
Loans and borrowings	–	–	(495,034)	(495,034)	(495,034)
Preferred units	–	–	(99)	(99)	
	–	–	(515,303)	(515,303)	

[1] Excludes VAT receivables

24 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(i) *Accounting classifications and fair value* (cont'd)

	Carrying amount				Fair value
	At amortised cost US$'000	FVTPL US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Total fair value US$'000
Trust					
31 December 2023					
Financial assets measured at fair value					
Derivative financial assets	–	908	–	908	908
Financial assets not measured at fair value					
Cash and cash equivalents	3,355	–	–	3,355	
Trade and other receivables [1]	93,685	–	–	93,685	
	97,040	–	–	97,040	
Financial liabilities measured at fair value					
Derivative financial liabilities	–	(4,255)	–	(4,255)	(4,255)
Financial liabilities not measured at fair value					
Trade and other payables	–	–	(5,712)	(5,712)	
Loans and borrowings	–	–	(555,493)	(555,493)	(555,493)
	–	–	(561,205)	(561,205)	

[1] Excludes VAT receivables

24 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(i) Accounting classifications and fair value (cont'd)

	Carrying amount				Fair value
	At amortised cost US$'000	FVTPL US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Total fair value US$'000
Trust					
31 December 2022					
Financial assets measured at fair value					
Derivative financial assets	–	1,417	–	1,417	1,417
Financial assets not measured at fair value					
Cash and cash equivalents	8,975	–	–	8,975	
Trade and other receivables [1]	93,770	–	–	93,770	
	102,745	–	–	102,745	
Financial liabilities measured at fair value					
Derivative financial liabilities	–	(1,034)	–	(1,034)	(1,034)
Financial liabilities not measured at fair value					
Trade and other payables	–	–	(11,092)	(11,092)	
Loans and borrowings	–	–	(495,034)	(495,034)	(495,034)
	–	–	(506,126)	(506,126)	

1 Excludes VAT receivables

24 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(i) *Accounting classifications and fair value* (cont'd)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period.

	Quoted prices in active markets for identical instruments (Level 1)	Significant unobservable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	US$'000	US$'000	US$'000	US$'000
Group				
31 December 2023				
Non-financial assets				
Investment properties held for sale	–	–	178,000	178,000
Investment properties	–	–	1,114,887	1,114,887
Total non-financial assets	–	–	1,292,887	1,292,887
Financial assets				
Derivative financial assets	–	908	–	908
Financial asset, at FVOCI	–	–	45,555	45,555
Total financial assets	–	908	45,555	46,463
Financial liabilities				
Derivative financial liabilities	–	(4,255)	–	(4,255)
Total financial liabilities	–	(4,255)	–	(4,255)
Group				
31 December 2022				
Non-financial assets				
Investment properties	–	–	1,423,796	1,423,796
Total non-financial assets	–	–	1,423,796	1,423,796
Financial assets				
Derivative financial assets	–	1,417	–	1,417
Total financial assets	–	1,417	–	1,417
Financial liabilities				
Derivative financial liabilities	–	(1,034)	–	(1,034)
Total financial liabilities	–	(1,034)	–	(1,034)

24 FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

(ii) Level 2 fair value measurements

The fair value of interest rate swaps is based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

(iii) Level 3 fair value measurements

Investment properties and investment properties held for sale.

The Group carries its investment properties and investment properties held for sale at fair value with changes in fair value being recognised in profit or loss, determined annually by independent professional valuers based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

The valuation techniques and key unobservable inputs used in determining the fair value of investment properties categorised under Level 3 of the fair value hierarchy are disclosed in Note 6.

Financial asset at FVOCI

The fair value measurement for financial asset at FVOCI has been categorised as Level 3 based on inputs to the valuation techniques used.

The fair value of the equity instrument is calculated using the net asset value of the unquoted entity adjusted for the fair value of the underlying property. The estimated fair value would increase/(decrease) if the net asset value was higher/(lower).

Other financial assets and liabilities

The carrying amounts of other financial assets and liabilities approximate their fair values. The carrying amounts of loans and borrowings approximate their fair value as these loans and borrowings bear interest at floating rates and reprice at an interval of one to twelve months. Other financial assets and liabilities include cash and cash equivalents, trade and other receivables, trade and other payables and preferred units approximate their fair values because they are either short-term in nature or the effect of discounting is immaterial.

25 OPERATING SEGMENT

For segment reporting purposes, the primary segment is by geography, and it comprises the North America (U.S. and Canada) EMEA (Europe, the Middle East and Africa) and APAC (Asia Pacific). Segment information is presented in respect of the Group's geographical segments. The operations of each of the Group's geographical segments are separately managed because of different economic and regulatory environments in which they operate in.

	North America	EMEA	APAC	Total
	US$'000	US$'000	US$'000	US$'000
For the period from 10 November 2021 (date of constitution) to 31 December 2022				
Gross revenue	114,950	–	–	114,950
Property operating expenses	(40,647)	–	–	(40,647)
Total segment net property income	74,303	–	–	74,303
Manager's base fee	(4,833)	–	–	(4,833)
Fair value changes in investment properties	(28,805)	–	–	(28,805)
Share of loss of an associate	–	(462)	–	(462)
Reportable segment profit before tax	40,665	(462)	–	40,203
Unallocated items:				
Other income				1,423
Finance income				121
Finance costs				(10,642)
Manager's base fee				(2,388)
Manager's performance fee				(2,352)
Trustee's fees				(173)
Other trust expenses				(3,879)
Unrealised foreign exchange				(2,293)
Profit before tax				20,020
Segment assets	1,444,923	152,705	–	1,597,628
Other unallocated amounts				14,936
Consolidated assets				1,612,564
Segment liabilities	23,601	–	–	23,601
Other unallocated amounts				511,940
Consolidated liabilities				535,541
Other segment items:				
Capital expenditure	2,596	–	–	2,596

25 OPERATING SEGMENT (cont'd)

	North America US$'000	EMEA US$'000	APAC US$'000	Total US$'000
For the year ended 31 December 2023				
Gross revenue	102,591	–	–	102,591
Property operating expenses	(39,541)	–	–	(39,541)
Total segment net property income	63,050	–	–	63,050
Manager's base fee	(4,500)	–	–	(4,500)
Fair value changes in investment properties	(139,197)	–	–	(139,197)
Share of loss of an associate	–	(15,881)	–	(15,881)
Reportable segment profit before tax	(80,647)	(15,881)	–	(96,528)
Unallocated items:				
Finance income				6,106
Finance costs				(26,190)
Manager's base fee				(2,756)
Manager's performance fee				(2,291)
Trustee's fees				(185)
Other trust expenses				(1,812)
Unrealised foreign exchange				(2,722)
Loss before tax				(126,378)
Segment assets	1,309,064	143,058	45,555	1,497,677
Other unallocated amounts				11,360
Consolidated assets				1,509,037
Segment liabilities	17,501	–	–	17,501
Other unallocated amounts				571,905
Consolidated liabilities				589,406
Other segment items:				
Capital expenditure	6,951	1,580	–	8,531

26 SUBSEQUENT EVENTS

(i) On 15 January 2024, the Manager announced the completion of the sale of 2401 Walsh Avenue and 2403 Walsh Avenue with gross proceeds of US$160.2 million based on Digital Core REIT's 90% ownership interest of the facilities.

(ii) On 16 January 2024, 856,083 acquisition fee Units were issued in connection with the acquisition of the 10.0% interest in Digital Osaka 2.

(iii) On 2 February 2024, the Manager announced a distribution of 1.78 US cents per Unit for the period from 1 July 2023 to 31 December 2023.

(iv) On 20 February 2024, 192,000,000 new Units were issued at an issue price of US$0.625 per Unit pursuant to a Private Placement. On 27 February 2024, the Manager announced an Advanced Distribution of 0.48 US cents per Unit for the period from 1 January 2024 to 19 February 2024 in connection with the Private Placement.

(v) On 6 March 2024, the Manager announced a proposed acquisition of an additional 24.9% interest in the property located at Wilhelm-Fay-Straße 15 and Wilhelm-Fay-Straße 24 in Frankfurt ("Frankfurt Facility") for a purchase consideration of EUR117.0 million. The Manager intends to utilise a portion of the proceeds from the Private Placement to fund the proposed acquisition which will increase Digital Core REIT's interest in the Frankfurt Facility from 25.0% to 49.9% upon completion of the proposed acquisition.

As the proposed acquisition is deemed to be an "interested party transaction" as defined under the Property Funds Appendix and exceeds 5.0% of the NTA and NAV of Digital Core REIT, the Manager will be seeking the approval of Unitholders by way of an Extraordinary General Meeting which will be announced at a later date.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year which fall inder the Listing Manual of the SGX-ST and the Property Funds Appendix of the CIS Code are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) FY2023 US$'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) FY2023 US$'000
Digital Realty and its subsidiaries	Digital Realty is a "controlling Unitholder" of Digital Core REIT and a "controlling shareholder" of the Manager		
– Manager's acquisition fees		431	NA
– Manager's divestment fees		800	NA
– Manager's management fees [1]		9,547	NA
– Property management fees		2,044	NA
– Other property-related reimbursement costs		7,544	NA
– Interest income earned from associate, as interested person [2]		2,433	NA
– Property management fees paid by associate, as entity at risk [3]		299	NA
Perpetual (Asia) Ltd	Trustee of the REIT		
– Trustee fees		185	NA

1 For any asset management fees paid from the subsidiaries and associate properties to any sponsor related entities, the management fees paid to the Manager would be reduced by an equal amount. Accordingly, asset management fees would not be reported separately as an interested person transaction.

2 This is the interest income earned from Digital Core REIT's associate, Digital Greenfield BV ("DGBV"), as interested person of Digital Core REIT Group.

3 This relates to the pro-rata property management fees paid/payable by DGBV, as the associate and "entity at risk" of Digital Core REIT Group, with Digital Realty as the interested person.

ADDITIONAL INFORMATION

Certain other interested person transactions outlined in the Prospectus dated 10 November 2021 are deemed to have been approved by the Unitholders and are therefore not subjected to Rules 905 and 906 of the Listing Manual to the extent that specific information on these agreements have been disclosed in the Prospectus and there is no subsequent change to the rates and/or bases of fees charged thereunder which will adversely affect Digital Core REIT.

Digital Core REIT has not obtained a general mandate from Unitholders for interested person transactions for the financial year under review.

Save as disclosed above, there were no other interested person transactions (excluding transactions of less than $100,000 each) entered into during the financial year under review nor any material contracts entered into by Digital Core REIT that involved the interest of the Chief Executive Officer, any Director or controlling Unitholder of Digital Core REIT.

Please also see significant related party transactions on Note 22 in the financial statements.

SUBSCRIPTION OF DIGITAL CORE REIT UNITS

During the financial year ended 31 December 2023, Digital Core REIT issued 9,801,909 new Units as payment of acquisition and management base fees to the Manager.

OPERATING EXPENSES AND TAXATION

According to disclosure requirements under paragraph 11.1 item (l) of the Appendix 6 to Code on Collective Investment Schemes, the total operating expenses incurred by Digital Core REIT for the FY 2023 was US$11.5 million. The amount included all fees and charges paid to the Manager and interested parties. This translates to 1.5% of the property fund's net assets attributable to Unitholders as at 31 December 2023. Taxation was in a net credit position for the financial year as a result of the net fair value loss of the property portfolio.

STATISTICS OF UNITHOLDING
(As at 11 March 2024)

ISSUED AND FULLY PAID UNITS

1,313,330,664 units (voting rights: 1 vote per unit)
Market Capitalisation of US$781,431,745 (based on closing unit price of US$0.595 on 11 March 2024)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	0	0.00	0	0.00
100 – 1,000	1,284	21.21	1,233,800	0.10
1,001 – 10,000	3,991	65.94	14,924,442	1.13
10,001 – 1,000,000	759	12.54	31,110,446	2.36
1,000,001 AND ABOVE	19	0.31	1,269,440,876	96.41
TOTAL	**6,053**	**100.00**	**1,316,709,564**	**100.00**

LOCATION OF UNITHOLDINGS

No. of Units	No. of Unitholders	%	No. of Units	%
SINGAPORE	5,991	98.98	1,315,921,464	99.94
MALAYSIA	40	0.66	374,400	0.03
OTHERS	22	0.36	413,700	0.03
TOTAL	**6,053**	**100.00**	**1,316,709,564**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	693,189,583	52.65
2	RAFFLES NOMINEES (PTE.) LIMITED	131,699,579	10.00
3	HSBC (SINGAPORE) NOMINEES PTE LTD	124,038,241	9.42
4	DBS NOMINEES (PRIVATE) LIMITED	120,861,321	9.18
5	DBSN SERVICES PTE. LTD.	102,213,040	7.76
6	BPSS NOMINEES SINGAPORE (PTE.) LTD.	53,167,229	4.04
7	DIGITAL CORE REIT MANAGEMENT PTE LTD	11,381,343	0.86
8	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	5,818,483	0.44
9	DB NOMINEES (SINGAPORE) PTE LTD	4,293,900	0.33
10	IFAST FINANCIAL PTE. LTD.	3,733,800	0.28
11	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,514,800	0.27
12	PHILLIP SECURITIES PTE LTD	2,805,358	0.21
13	MAYBANK SECURITIES PTE. LTD.	2,620,700	0.20
14	ABN AMRO CLEARING BANK N.V.	2,312,600	0.18
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,310,600	0.18
16	CHAN WAI KHEONG	1,533,300	0.12
17	OCBC SECURITIES PRIVATE LIMITED	1,339,900	0.10
18	TAN KOK HUAN	1,330,000	0.10
19	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	1,277,099	0.10
20	UOB KAY HIAN PRIVATE LIMITED	813,500	0.06
	TOTAL	**1,270,254,376**	**96.48**

STATISTICS OF UNITHOLDING

THE MANAGER'S DIRECTORS' UNITHOLDINGS

Based on the Register of Directors' Unitholdings maintained by the Manager as at 21 January 2024, the direct and deemed interests of each Director of Digital Core REIT Management Pte. Ltd. in the Units in Digital Core REIT are as follows:

Name of Directors	Direct Interest		Deemed Interest	
	No. of Units	%	No. of Units	%
David Lucey	–	–	–	–
John Herbert	–	–	–	–
Tan Jeh Wuan	300,000	0.02	–	–
Tsui Kai Chong	–	–	–	–
Serene Nah	–	–	–	–

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager as at 11 March 2024, the Substantial Unitholders of Digital Core REIT and their interests in the Units in Digital Core REIT are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest			
	No. of Units	%	No. of Units	%	Total No. of Units held	%
Digital Realty Trust, Inc.[(1)]	–	–	406,979,364	30.91[(2)]	406,979,364	30.91
Digital Realty Trust, L.P.[(1)]	–	–	406,979,364	30.91[(2)]	406,979,364	30.91
Digital CR Singapore Holding, LLC	375,400,001	28.51[(2)]	–	–	375,400,001	28.51
Daiwa Securities Group Inc.[(3)]	–	–	98,718,583	7.50[(5)]	98,718,583	7.50
Sumitomo Mitsui Financial Group, Inc[(4)]	–	–	71,409,200	5.42[(5)]	79,957,900	5.42
Sumitomo Mitsui DS Asset Management Company, Limited	71,409,200	5.42[(5)]	–	–	71,409,200	5.42
Cohen & Steers, Inc.	–	–	92,474,720	7.03[(7)]	92,474,720	7.03
Cohen & Steers Capital Management, Inc. [(6)]			92,123,856	7.01[(7)]	92,123,856	7.01

Notes:
(1) Digital CR Singapore Holding, LLC is wholly-owned by Digital Realty Trust, L.P., and Digital Realty Trust, Inc., is the sole general partner of Digital Realty Trust, L.P. By virtue of this, each of Digital Realty Trust, L.P. and Digital Realty Trust, Inc. has a deemed interest in all the Units which Digital CR Singapore Holding, LLC holds. In addition, Digital Core REIT Management Pte. Ltd. and Digital Realty Property Manager, LLC, the property manager, are wholly-owned by Digital Asia LLC, which is in turn wholly-owned by Digital Realty Trust, L.P. By virtue of this, each of Digital Realty Trust, L.P. and Digital Realty Trust, Inc. has a deemed interest in the Units which Digital Core REIT Management Pte. Ltd. and Digital Realty Property Manager, LLC hold.
(2) The percentage shown is calculated based on 1,316,709,564 issued Units as of Form 3 received on 23 February 2024.
(3) Daiwa Securities Group Inc.'s deemed interest arises from its shareholding in (i) Sumitomo Mitsui DS Asset Management, an affiliate of Daiwa Securities Group Inc. and (ii) Daiwa Asset Management Co. Ltd., a subsidiary of Daiwa Securities Group Inc.
(4) Sumitomo Mitsui Financial Group, Inc is deemed to have an interest in the Units held by Sumitomo Mitsui DS Asset Management Company, Limited from its shareholding of 50.1% in Sumitomo Mitsui DS Asset Management Company, Limited.
(5) The percentage shown is calculated based on 1,316,709,564 issued Units as of Form 3 received on 22 February 2024.
(6) Cohen & Steers Capital Management, Inc. is wholly-owned by Cohen & Steers, Inc.
(7) The percentage interest is calculated based on Form 3 received from Cohen & Steers Capital Management, Inc. and Cohen & Steers, Inc. on 6 March 2024 and 1 March 2024 respectively.

PUBLIC UNITHOLDERS

Based on the Register of Substantial Unitholders' Unitholdings and information available to the Manager as at 11 March 2024, approximately 54.5% of the issued Units in Digital Core REIT is held by the public. Rules 1207(9)(e) and 723 of the SGX Listing Manual have been complied with.

TREASURY UNITS

As at 11 March 2024, there are no treasury units held by Digital Core REIT or the Manager.

CORPORATE INFORMATION

REGISTERED ADDRESS OF THE MANAGER

Digital Core REIT Management Pte. Ltd.
10 Collyer Quay #42-06
Ocean Financial Centre Singapore 049315
Tel: +65 6505 3948
Fax: +65 6505 3950
Website: www.digitalcorereit.com
Email: IR@digitalcorereit.com

TRUSTEE

Perpetual (Asia) Limited
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

AUDITOR KPMG LLP

12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961

AUDIT PARTNER-IN-CHARGE:

Lee Chin Siang Barry
(with effect from the financial period from 10 November 2021 (date of constitution) to 31 December 2023)

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-03/07
Singapore 098632

For updates or change of mailing address, please contact:

The Central Depository (Pte) Ltd

Tel: (65) 6535 7511
Email: asksgx@sgx.com
Website: www.sgx.com/cdp

COMPANY SECRETARIES

Lee Tiong Hock
Lai Foon Kuen
Low Mei Mei, Maureen

COUNTER NAME

DigiCore Reit

STOCK CODE

DCRU

DIGITAL
CORE REIT

Digital Core REIT Management Pte. Ltd.
10 Collyer Quay
#42-06 Ocean Financial Centre
Singapore 049315

www.digitalcorereit.com

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