DIGITAL REALTY

Digital realty reports fourth quarter 2021 results

February 17, 2022

AUSTIN, Texas, Feb. 17, 2022 /PRNewswire/ -- **Digital Realty** (NYSE: DLR), the largest global provider of cloud- and carrier-neutral data center, colocation and interconnection solutions, announced today financial results for the fourth quarter of 2021. All per-share results are presented on a fully-diluted share and unit basis.

Highlights

- Reported net income available to common stockholders of $3.71 per share in 4Q21, compared to $0.16 in 4Q20
- Reported FFO per share of $1.54 in 4Q21, compared to $1.45 in 4Q20
- Reported core FFO per share of $1.67 in 4Q21, compared to $1.61 in 4Q20
- Signed total bookings during 4Q21 expected to generate $156 million of annualized GAAP rental revenue, including an $11 million contribution from interconnection
- Introduced 2022 core FFO per share outlook of $6.80-$6.90

Financial Results

Digital Realty reported revenues for the fourth quarter of 2021 of $1.1 billion, a 2% decrease from the previous quarter and a 5% increase from the same quarter last year.

The company delivered fourth quarter of 2021 net income of $1.1 billion, and net income available to common stockholders of $1.1 billion, or $3.71 per diluted share, compared to $0.44 per diluted share in the previous quarter and $0.16 per diluted share in the same quarter last year.

Digital Realty generated fourth quarter of 2021 Adjusted EBITDA of $584 million, a 4% decrease from the previous quarter and a 1% increase over the same quarter last year.

The company reported fourth quarter of 2021 funds from operations of $449 million, or $1.54 per share, compared to $1.54 per share in the previous quarter and $1.45 per share in the same quarter last year.

Excluding certain items that do not represent core expenses or revenue streams, Digital Realty delivered fourth quarter of 2021 core FFO per share of $1.67, a 1% increase from $1.65 per share in the previous quarter and a 4% increase from $1.61 per share in the same quarter last year.

Leasing Activity

In the fourth quarter, Digital Realty signed total bookings expected to generate $156 million of annualized GAAP rental revenue, including an $11 million contribution from interconnection.

"Digital Realty delivered record bookings in the fourth quarter and for the full year, with over $500 million of new business globally in 2021, demonstrating the strength of our global value proposition," said Digital Realty Chief Executive Officer A. William Stein. "Demand for data center solutions remains robust, and we are investing organically as well as strategically to expand our global platform to provide customers the capacity and communities they require to execute their digital transformation strategies around the world."

The weighted-average lag between new leases signed during the fourth quarter of 2021 and the contractual commencement date was fourteen months.

In addition to new leases signed, Digital Realty also signed renewal leases representing $151 million of annualized GAAP rental revenue during the quarter. Rental rates on renewal leases signed during the fourth quarter of 2021 rolled down 3.9% on a cash basis and down 2.6% on a GAAP basis.

New leases signed during the fourth quarter of 2021 are summarized by region as follows:

The Americas	Annualized GAAP Base Rent (in thousands)	Square Feet	GAAP Base Rent per Square Foot	Megawatts	GAAP Base Rent per Kilowatt

0-1 MW	$16,113	69,789	$231	5.9	$228
> 1 MW	23,326	202,251	115	25.2	77
Other (1)	7,001	273,896	26	—	—
Total	**$46,441**	**545,936**	**$85**	**31.1**	**$106**
EMEA (2)					
0-1 MW	$18,471	77,302	$239	7.0	$221
> 1 MW	73,350	512,010	143	54.6	112
Other (1)	266	—	—	—	—
Total	**$92,087**	**589,312**	**$156**	**61.5**	**$124**
Asia Pacific (2)					
0-1 MW	$7,183	15,923	$451	1.5	$411
> 1 MW	—	—	—	—	—
Other (1)	182	3,195	57	—	—
Total	**$7,366**	**19,118**	**$385**	**1.5**	**$411**
All Regions (2)					
0-1 MW	$41,767	163,014	$256	14.3	$243
> 1 MW	96,676	714,261	135	79.8	101
Other (1)	7,449	277,091	27	—	—
Total	**$145,893**	**1,154,366**	**$126**	**94.1**	**$123**
Interconnection	**$10,566**	**N/A**	**N/A**	**N/A**	**N/A**
Grand Total	**$156,459**	**1,154,366**	**$126**	**94.1**	**$123**

Note: Totals may not foot due to rounding differences.
(1)Other includes Powered Base Building® shell capacity as well as storage and office space within fully improved data center facilities.
(2)Based on quarterly average exchange rates during the three months ended December 31, 2021.

Investment Activity

During the fourth quarter, Digital Realty announced the successful listing of Digital Core REIT as a standalone publicly traded vehicle listed on the Singapore Stock Exchange. Digital Realty contributed a 90% interest in a fully-leased portfolio of 10 assets in the U.S. and Canada that was valued at $1.4 billion at a 4.25% cap rate. The transaction generated net proceeds of approximately $960 million, and Digital Realty recognized a gain of approximately $1 billion in the fourth quarter of 2021. Digital Realty will provide operational support for Digital Core REIT and will earn fees for asset and property management as well as acquisitions, dispositions, and development. Following exercise of the overallotment option, Digital Realty owns approximately a 35% equity interest in Digital Core REIT.

During the fourth quarter, Digital Realty made a strategic investment in AtlasEdge Data Centres, a European edge data center provider; acquired 16 acres of land in Northern Virginia for approximately $23 million; and sold a mixed-use retail and data center property in San Jose, California for approximately $60 million.

During the fourth quarter, Medallion, a leading Nigerian colocation and interconnection provider jointly owned by Digital Realty and Pembani Remgro, acquired two land parcels in Lagos, Nigeria. Digital Realty's share of the total consideration was approximately $22 million.

Subsequent to quarter-end, Digital Realty announced it has entered into a definitive agreement to acquire roughly a 55% stake in Teraco, Africa's leading carrier-neutral colocation provider, from a consortium of investors including Berkshire Partners and Permira, in a transaction valuing Teraco at approximately $3.5 billion and representing a cap rate of approximately 3.5% on projected 2022 cash net operating income of approximately $121 million. The transaction is expected to close in the first half of 2022 and is subject to customary closing conditions.

Balance Sheet

Digital Realty had approximately $13.4 billion of total debt outstanding as of December 31, 2021, comprised of $13.3 billion of unsecured debt and approximately $0.1 billion of secured debt. At the end of the fourth quarter of 2021, net debt-to-Adjusted EBITDA was 6.1x, debt-plus-preferred-to-total enterprise value was 21.7% and fixed charge coverage was 5.4x. Pro forma for settlement of the $1 billion forward equity offering, net debt-to-adjusted EBITDA was 5.7x and fixed charge coverage was also 5.7x.

Digital Realty completed the following financing transactions during the fourth quarter.

- In mid-November, Digital Realty amended, extended, and upsized its existing global revolving credit facility from $2.35 billion to $3.0 billion. Digital Realty also amended and extended its existing ¥33.3 billion (approximately $290 million) Japanese yen-denominated revolving credit facility. Both facilities mature in January 2027, assuming the exercise of two six-month extension options. The revolving credit facilities now feature a sustainability-linked pricing component, with pricing subject to adjustment based on annual performance targets, further demonstrating Digital Realty's continued leadership and commitment to sustainable business practices.
- Subsequent to quarter-end, Digital Realty closed an offering of €750 million, or approximately $850 million, of 1.375% Euro bonds due 2032.
- Likewise subsequent to quarter-end, Digital Realty redeemed all $450 million of its outstanding 4.75% notes due 2025.

2022 Outlook

Digital Realty introduced its 2022 core FFO per share outlook of $6.80-$6.90. The assumptions underlying the outlook are summarized in the following table.

Top-Line and Cost Structure	**As of February 17, 2022**
Total revenue	$4.700 - $4.800 billion
Net non-cash rent adjustments (1)	($35) - ($40) million
Adjusted EBITDA	$2.475 - $2.525 billion
G&A	$410 - $420 million
Internal Growth	
Rental rates on renewal leases	
Cash basis	Flat

GAAP basis	Slightly positive
Year-end portfolio occupancy	83.0% - 84.0%
"Same-capital" cash NOI growth (2)	(2.5%) - (3.5%)
Foreign Exchange Rates	
U.S. Dollar / Pound Sterling	\$1.30 - \$1.38
U.S. Dollar / Euro	\$1.10 - \$1.15
External Growth	
Dispositions	
Dollar volume	\$0.5 - \$1.0 billion
Cap rate	0.0% - 10.0%
Development	
CapEx (3)	\$2.3 - \$2.5 billion
Average stabilized yields	9.0% - 15.0%
Enhancements and other non-recurring CapEx (4)	\$5 - \$10 million
Recurring CapEx + capitalized leasing costs (5)	\$210 - \$220 million
Balance Sheet	
Long-term debt issuance	
Dollar amount	\$1.8 - \$2.0 billion
Pricing	1.5% - 2.0%
Timing	Early & Late 2022
Net income per diluted share	**\$1.05 - \$1.10**
Real estate depreciation and (gain) / loss on sale	\$5.35 - \$5.35
Funds From Operations / share (NAREIT-Defined)	**\$6.40 - \$6.45**

Non-core expenses and revenue streams	$0.40 - $0.45
Core Funds From Operations / share	**$6.80 - $6.90**
Foreign currency translation adjustments	$0.10 - $0.10
Constant-Currency Core Funds From Operations / share	**$6.90 - $7.00**

(1)Net non-cash rent adjustments represent the sum of straight-line rental revenue and straight-line rent expense, as well as the amortization of above- and below-market leases (i.e., ASC 805 adjustments).
(2)The "same-capital" pool includes properties owned as of December 31, 2020 with less than 5% of total rentable square feet under development. It also excludes properties that were undergoing, or were expected to undergo, development activities in 2021-2022, properties classified as held for sale, and properties sold or contributed to joint ventures for all periods presented.
(3)Includes land acquisitions.
(4)Other non-recurring CapEx represents costs incurred to enhance the capacity or marketability of operating properties, such as network fiber initiatives and software development costs.
(5)Recurring CapEx represents non-incremental improvements required to maintain current revenues, including second-generation tenant improvements and leasing commissions.

Non-GAAP Financial Measures

This press release contains non-GAAP financial measures, including FFO, core FFO and Adjusted EBITDA. A reconciliation from U.S. GAAP net income available to common stockholders to FFO, a reconciliation from FFO to core FFO, and definitions of FFO and core FFO are included as an attachment to this document. A reconciliation from U.S. GAAP net income available to common stockholders to Adjusted EBITDA, a definition of Adjusted EBITDA and definitions of net debt-to-Adjusted EBITDA, debt-plus-preferred-to-total enterprise value, cash NOI, and fixed charge coverage ratio are included as an attachment to this document.

Investor Conference Call

Prior to Digital Realty's investor conference call at 5:30 p.m. EST / 2:30 p.m. PST on February 17, 2022, a presentation will be posted to the Investors section of the company's website at https://investor.digitalrealty.com/. The presentation is designed to accompany the discussion of the company's fourth quarter 2021 financial results and operating performance. The conference call will feature Chief Executive Officer A. William Stein and President & Chief Financial Officer Andrew P. Power.

To participate in the live call, investors are invited to dial (888) 317-6003 (for domestic callers) or (412) 317-6061 (for international callers) and reference the conference ID# 6195647 at least five minutes prior to start time. A live webcast of the call will be available via the Investors section of Digital Realty's website at https://investor.digitalrealty.com/.

Telephone and webcast replays will be available after the call until March 17, 2022. The telephone replay can be accessed by dialing (877) 344-7529 (for domestic callers) or (412) 317-0088 (for international callers) and providing the conference ID# 3330128. The webcast replay can be accessed on Digital Realty's website.

About Digital Realty

Digital Realty supports the world's leading enterprises and service providers by delivering the full spectrum of data center, colocation and interconnection solutions. PlatformDIGITAL®, the company's global data center platform, provides customers a trusted foundation and proven Pervasive Datacenter Architecture (PDx™) solution methodology for scaling digital business and efficiently managing data gravity challenges. Digital Realty's global data center footprint gives customers access to the connected communities that matter to them with over 280 facilities in nearly 50 metros across 25 countries on six continents. To learn more about Digital Realty, please visit digitalrealty.com or follow us on LinkedIn and Twitter.

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Consolidated Quarterly Statements of Operations
Unaudited and Dollars in Thousands, Except Per Share Data

	Three Months Ended					Twelve Months Ended	
	31-Dec-21	**30-Sep-21**	**30-Jun-21**	**31-Mar-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Rental revenues	$763,117	$773,195	$768,826	$754,544	$754,422	$3,059,682	$2,758,678
Tenant reimbursements - Utilities	195,340	189,060	169,743	184,973	154,937	739,116	565,144
Tenant reimbursements - Other	58,528	57,666	60,261	59,328	62,084	235,783	235,311
Interconnection & other	89,850	90,983	90,565	89,061	86,424	360,459	327,412
Fee income	4,133	3,255	3,628	2,426	4,722	13,442	15,214
Other	200	18,977	165	59	20	19,401	1,850
Total Operating Revenues	**$1,111,168**	**$1,133,136**	**$1,093,188**	**$1,090,391**	**$1,062,609**	**$4,427,883**	**$3,903,609**
Utilities	$213,933	$209,585	$185,010	$176,046	$169,282	$784,574	$636,905
Rental property operating	205,250	196,743	198,207	185,733	205,177	785,933	694,588
Property taxes	42,673	55,915	42,795	49,005	42,442	190,388	169,368
Insurance	3,507	4,718	5,703	3,498	3,410	17,426	13,253
Depreciation & amortization	378,883	369,035	368,981	369,733	359,915	1,486,632	1,366,379
General & administration	103,705	97,082	94,956	97,568	101,582	393,311	344,928
Severance, equity acceleration, and legal expenses	1,003	1,377	2,536	2,427	606	7,343	6,440
Transaction and integration expenses	12,427	13,804	7,075	14,120	19,290	47,426	106,662
Impairment of investments in real estate	18,291	—	—	—	—	18,291	6,482
Other expenses	(1)	510	2,298	(257)	641	2,550	1,074
Total Operating Expenses	**$979,671**	**$948,769**	**$907,561**	**$897,873**	**$902,345**	**$3,733,874**	**$3,346,079**
Operating Income	**$131,497**	**$184,367**	**$185,627**	**$192,518**	**$160,264**	**$694,009**	**$557,530**
Equity in (loss) earnings of unconsolidated joint ventures	(7,714)	40,884	52,143	(23,031)	31,055	62,282	(57,629)
Gain / (loss) on sale of investments	1,047,011	(635)	499	333,921	1,684	1,380,796	316,895
Interest and other (expense) income, net	(4,349)	(2,947)	10,124	(7,186)	(2,747)	(4,358)	20,222
Interest (expense)	(71,762)	(71,417)	(75,014)	(75,653)	(77,848)	(293,846)	(333,021)
Income tax (expense)	(3,961)	(13,709)	(47,582)	(7,547)	(3,322)	(72,799)	(38,047)

Loss from early extinguishment of debt	(325)	—	—	(18,347)	(49,576)	(18,672)	(103,215)
Net Income / (Loss)	**$1,090,397**	**$136,543**	**$125,797**	**$394,675**	**$59,510**	**$1,747,412**	**$362,735**
Net (income) loss attributable to noncontrolling interests	(22,587)	(2,266)	(4,544)	(8,756)	(1,818)	(38,153)	(6,333)
Net Income / (Loss) Attributable to Digital Realty Trust, Inc.	**$1,067,810**	**$134,277**	**$121,253**	**$385,919**	**$57,692**	**$1,709,259**	**$356,402**
Preferred stock dividends, including undeclared dividends	(10,181)	(10,181)	(11,885)	(13,514)	(13,514)	(45,761)	(76,536)
Gain on / (Issuance costs associated with) redeemed preferred stock	—	—	18,000	—	—	18,000	(16,520)
Net Income / (Loss) Available to Common Stockholders	**$1,057,629**	**$124,096**	**$127,368**	**$372,405**	**$44,178**	**$1,681,498**	**$263,346**
Weighted-average shares outstanding - basic	283,869,662	283,105,966	281,791,855	281,094,798	280,117,213	282,474,927	260,098,978
Weighted-average shares outstanding - diluted	284,868,184	283,817,950	282,433,857	281,928,182	281,122,368	283,221,968	262,522,508
Weighted-average fully diluted shares and units	290,893,110	290,228,785	289,484,805	289,210,666	288,903,143	289,912,489	270,496,513
Net income / (loss) per share - basic	$3.73	$0.44	$0.45	$1.32	$0.16	$5.95	$1.01
Net income / (loss) per share - diluted	$3.71	$0.44	$0.45	$1.32	$0.16	$5.94	$1.00

Funds From Operations and Core Funds From Operations
Unaudited and in Thousands, Except Per Share Data

	Three Months Ended					**Twelve Months Ended**	
Reconciliation of Net Income to Funds From Operations (FFO)	**31-Dec-21**	**30-Sep-21**	**30-Jun-21**	**31-Mar-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Net Income / (Loss) Available to Common Stockholders	**$1,057,629**	**$124,096**	**$127,368**	**$372,405**	**$44,178**	**$1,681,498**	**$263,346**
Adjustments:							
Non-controlling interest in operating partnership	23,100	3,000	3,200	9,800	1,300	39,100	9,500
Real estate related depreciation & amortization (1)	372,447	362,728	363,640	364,697	354,366	1,463,512	1,341,836
Unconsolidated JV real estate related depreciation & amortization	24,146	21,293	20,983	19,378	21,471	85,800	77,730
(Gain) on real estate transactions (2)	(1,047,011)	(63,799)	(499)	(333,921)	(1,684)	(1,445,230)	(316,895)
Impairment of investments in real estate	18,291	-	-	-	-	18,291	6,482
Funds From Operations - diluted	**$448,602**	**$447,318**	**$514,692**	**$432,359**	**$419,631**	**$1,842,971**	**$1,381,998**

Weighted-average shares and units outstanding - basic	289,895	289,542	288,843	288,377	287,898	289,165	268,073
Weighted-average shares and units outstanding - diluted (3)	290,893	290,228	289,485	289,211	288,903	289,912	270,497
Funds From Operations per share - basic	**$1.55**	**$1.54**	**$1.78**	**$1.50**	**$1.46**	**$6.37**	**$5.16**
Funds From Operations per share - diluted (3)	**$1.54**	**$1.54**	**$1.78**	**$1.50**	**$1.45**	**$6.36**	**$5.11**

	Three Months Ended					**Twelve Months Ended**	
Reconciliation of FFO to Core FFO	**31-Dec-21**	**30-Sep-21**	**30-Jun-21**	**31-Mar-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Funds From Operations - diluted	**$448,602**	**$447,318**	**$514,692**	**$432,359**	**$419,631**	**$1,842,971**	**$1,381,998**
Other non-core revenue adjustments (4)	9,859	(18,066)	(11,122)	(59)	(25)	(19,388)	(30,071)
Transaction and integration expenses	12,427	13,804	7,075	14,120	19,290	47,426	106,662
Loss from early extinguishment of debt	325	-	-	18,347	49,576	18,672	103,215
(Gain on) / Issuance costs associated with redeemed preferred stock	-	-	(18,000)	-	-	(18,000)	16,520
Severance, equity acceleration, and legal expenses (5)	1,003	1,377	2,536	2,427	606	7,343	6,440
(Gain) / Loss on FX revaluation	14,308	33,774	(51,649)	34,072	(27,190)	30,505	81,936
Other non-core expense adjustments	(1)	1,004	2,298	(19,240)	3,353	(15,939)	15,581
Core Funds From Operations - diluted	**$486,523**	**$479,211**	**$445,830**	**$482,026**	**$465,241**	**$1,893,590**	**$1,682,281**
Weighted-average shares and units outstanding - diluted (3)	290,893	290,228	289,485	289,211	288,903	289,912	270,497
Core Funds From Operations per share - diluted (3)	**$1.67**	**$1.65**	**$1.54**	**$1.67**	**$1.61**	**$6.53**	**$6.22**

(1) Real Estate Related Depreciation & Amortization	**Three Months Ended**					**Twelve Months Ended**	
	31-Dec-21	**30-Sep-21**	**30-Jun-21**	**31-Mar-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Depreciation & amortization per income statement	$378,883	$369,035	$368,981	$369,733	$359,915	1,486,632	1,366,379
Non-real estate depreciation	(6,436)	(6,307)	(5,341)	(5,036)	(5,549)	(23,120)	(24,543)
Real Estate Related Depreciation & Amortization	**$372,447**	**$362,728**	**$363,640**	**$364,697**	**$354,366**	**$1,463,512**	**$1,341,836**

(2)For the third quarter 2021, includes a $64 million gain that represents Digital Realty's share from a sale of a portfolio of assets within an unconsolidated joint venture. The gain is included in equity in earnings of unconsolidated joint ventures in our consolidated income statement.

(3)For all periods presented, we have excluded the effect of dilutive series C, series J, series K and series L preferred stock, as applicable, that may be converted into common stock upon the occurrence of specified change in control transactions as described in the articles supplementary governing the series C, series J, series K and series L preferred stock, as applicable, which we consider highly improbable, and upon physical settlement of our September 2021 forward sales agreements. See above for calculations of diluted FFO and the share count detail section that follows the reconciliation of core FFO to AFFO for calculations of weighted average common stock and units outstanding. For definitions and discussion of FFO and core FFO, see the definitions section.

(4)Includes lease termination fees and certain other adjustments that are not core to our business. For the third quarter 2021, includes a $19 million promote received related to a sale of portfolio of assets within an unconsolidated joint venture. The promote is included in Other revenue in our consolidated income statement.

(5)Relates to severance and other charges related to the departure of company executives and integration-related severance.

Adjusted Funds From Operations (AFFO)
Unaudited and in Thousands, Except Per Share Data

Reconciliation of Core FFO to AFFO	Three Months Ended					Twelve Months Ended	
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21	31-Dec-20
Core FFO available to common stockholders and unitholders	**$486,523**	**$479,211**	**$445,830**	**$482,026**	**$465,241**	**$1,893,590**	**$1,682,281**
Adjustments:							
Non-real estate depreciation	6,436	6,307	5,341	5,036	5,549	23,120	24,543
Amortization of deferred financing costs	3,515	3,625	3,718	3,538	3,709	14,396	15,285
Amortization of debt discount/premium	1,107	1,138	1,166	1,134	1,033	4,545	3,974
Non-cash stock-based compensation expense	15,097	15,082	15,579	16,097	16,315	61,855	59,497
Straight-line rental revenue	(16,497)	(11,969)	(16,139)	(18,492)	(14,402)	(63,097)	(50,751)
Straight-line rental expense	5,754	7,862	7,175	6,709	3,629	27,500	16,396
Above- and below-market rent amortization	910	1,165	1,858	2,137	3,239	6,070	12,687
Deferred tax (expense) benefit	(13,731)	2,112	35,522	(4,509)	(4,226)	19,394	1,253
Leasing compensation & internal lease commissions	9,564	11,142	11,078	11,042	10,506	42,826	21,090
Recurring capital expenditures (1)	(87,550)	(50,800)	(39,231)	(39,522)	(83,571)	(217,103)	(210,727)
AFFO available to common stockholders and unitholders (2)	**$411,128**	**$464,875**	**$471,897**	**$465,196**	**$407,022**	**$1,813,096**	**$1,575,528**
Weighted-average shares and units outstanding - basic	289,895	289,542	288,843	288,377	287,898	289,165	268,073

	Three Months Ended					Twelve Months Ended	
Weighted-average shares and units outstanding - diluted (3)	290,893	290,228	289,485	289,211	288,903	289,912	270,497
AFFO per share - diluted (3)	**$1.41**	**$1.60**	**$1.63**	**$1.61**	**$1.41**	**$6.25**	**$5.82**
Dividends per share and common unit	$1.16	$1.16	$1.16	$1.16	$1.12	$4.64	$4.48
Diluted AFFO Payout Ratio	**82.1%**	**72.4%**	**71.2%**	**72.1%**	**79.5%**	**74.2%**	**76.9%**

	Three Months Ended					**Twelve Months Ended**	
Share Count Detail	**31-Dec-21**	**30-Sep-21**	**30-Jun-21**	**31-Mar-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Weighted Average Common Stock and Units Outstanding	**289,895**	**289,542**	**288,843**	**288,377**	**287,898**	**289,165**	**268,073**
Add: Effect of dilutive securities	948	686	642	834	1,005	703	2,424
Weighted Avg. Common Stock and Units Outstanding - diluted	**290,843**	**290,228**	**289,485**	**289,211**	**288,903**	**289,868**	**270,497**

(1)Recurring capital expenditures represent non-incremental building improvements required to maintain current revenues, including second-generation tenant improvements and external leasing commissions. Recurring capital expenditures do not include acquisition costs contemplated when underwriting the purchase of a building, costs which are incurred to bring a building up to Digital Realty's operating standards, or internal leasing commissions.
(2)For a definition and discussion of AFFO, see the definitions section. For a reconciliation of net income available to common stockholders to FFO and core FFO, see above.
(3)For all periods presented, we have excluded the effect of dilutive series C, series J, series K and series L preferred stock, as applicable, that may be converted into common stock upon the occurrence of specified change in control transactions as described in the articles supplementary governing the series C, series J, series K and series L preferred stock, as applicable, which we consider highly improbable, and upon physical settlement of our September 2021 forward sales agreements. See above for calculations of diluted FFO available to common stockholders and unitholders and for calculations of weighted average common stock and units outstanding.

Consolidated Balance Sheets
Unaudited and in Thousands, Except Share and Per Share Data

	31-Dec-21	**30-Sep-21**	**30-Jun-21**	**31-Mar-21**	**31-Dec-20**
Assets					
Investments in real estate:					
Real estate	$23,625,451	$23,384,809	$23,287,853	$22,762,279	$23,142,988
Construction in progress	3,213,387	3,238,388	3,270,570	2,904,642	2,768,326
Land held for future development	133,683	118,091	143,575	192,896	226,862

Investments in real estate	**$26,972,522**	**$26,741,289**	**$26,701,998**	**$25,859,817**	**$26,138,175**
Accumulated depreciation and amortization	(6,210,281)	(6,159,294)	(5,919,650)	(5,649,019)	(5,555,221)
Net Investments in Properties	**$20,762,241**	**$20,581,995**	**$20,782,348**	**$20,210,798**	**$20,582,954**
Investment in unconsolidated joint ventures	1,807,689	1,292,325	1,119,026	970,703	1,148,158
Net Investments in Real Estate	**$22,569,930**	**$21,874,320**	**$21,901,374**	**$21,181,501**	**$21,731,112**
Cash and cash equivalents	$142,698	$116,002	$120,482	$221,140	$108,501
Accounts and other receivables (1)	671,721	610,416	630,086	657,096	603,111
Deferred rent	547,385	552,850	539,379	524,200	528,180
Customer relationship value, deferred leasing costs & other intangibles, net	2,735,486	2,871,622	2,956,027	3,057,245	3,122,904
Goodwill	7,937,440	8,062,914	8,185,931	8,125,706	8,330,996
Operating lease right-of-use assets (2)	1,405,441	1,442,661	1,452,633	1,495,869	1,386,959
Other assets	359,459	316,863	365,308	279,734	264,528
Total Assets	**$36,369,560**	**$35,847,648**	**$36,151,220**	**$35,542,491**	**$36,076,291**
Liabilities and Equity					
Global unsecured revolving credit facilities	$398,172	$832,322	$1,026,368	$451,007	$531,905
Unsecured term loans	—	—	—	—	536,580
Unsecured senior notes, net of discount	12,903,370	13,012,790	12,659,043	12,566,198	11,997,010
Secured debt and other, net of premiums	146,668	242,427	242,410	239,634	239,222
Operating lease liabilities (2)	1,512,187	1,543,231	1,545,689	1,581,759	1,468,712
Accounts payable and other accrued liabilities	1,543,623	1,341,866	1,367,240	1,305,921	1,420,162
Deferred tax liabilities, net	666,451	725,955	742,127	650,543	698,308
Accrued dividends and distributions	338,729	—	—	—	324,386
Security deposits and prepaid rent	336,578	341,778	362,606	362,008	371,659
Total Liabilities	**$17,845,778**	**$18,040,369**	**$17,945,483**	**$17,157,070**	**$17,587,944**
Redeemable non-controlling interests - operating partnership	46,995	40,920	41,490	40,097	42,011
Equity					
Preferred Stock: $0.01 par value per share, 110,000,000 shares authorized:					
Series C Cumulative Redeemable Perpetual Preferred Stock (3)	—	—	—	$219,250	$219,250
Series J Cumulative Redeemable Preferred Stock (4)	$193,540	$193,540	$193,540	193,540	193,540

Series K Cumulative Redeemable Preferred Stock [5]	203,264	203,264	203,264	203,264	203,264
Series L Cumulative Redeemable Preferred Stock [6]	334,886	334,886	334,886	334,886	334,886
Common Stock: $0.01 par value per share, 392,000,000 shares authorized [7]	2,824	2,818	2,806	2,795	2,788
Additional paid-in capital	21,075,863	21,010,202	20,844,834	20,700,282	20,626,897
Dividends in excess of earnings	(3,631,929)	(4,359,033)	(4,153,407)	(3,952,497)	(3,997,938)
Accumulated other comprehensive income (loss), net	(173,880)	(111,560)	31,733	(77,783)	135,010
Total Stockholders' Equity	**$18,004,568**	**$17,274,117**	**$17,457,656**	**$17,623,737**	**$17,717,697**
Noncontrolling Interests					
Noncontrolling interest in operating partnership	$425,337	$459,918	$513,897	$571,292	$608,980
Noncontrolling interest in consolidated joint ventures	46,882	32,324	192,694	150,295	119,659
Total Noncontrolling Interests	**$472,219**	**$492,242**	**$706,591**	**$721,587**	**$728,639**
Total Equity	**$18,476,787**	**$17,766,359**	**$18,164,247**	**$18,345,324**	**$18,446,336**
Total Liabilities and Equity	**$36,369,560**	**$35,847,648**	**$36,151,220**	**$35,542,491**	**$36,076,291**

(1)Net of allowance for doubtful accounts of $28,574 and $18,825 as of December 31, 2021 and December 31, 2020, respectively.
(2)Adoption of the new lease accounting standard required that we adjust the consolidated balance sheet to include the recognition of additional right-of-use assets and lease liabilities for operating leases. See our quarterly report on Form 10–Q filed on May 10, 2019 for additional information.
(3)Series C Cumulative Redeemable Perpetual Preferred Stock, 6.625%, $0 and $201,250 liquidation preference, respectively ($25.00 per share), 0 and 8,050,000 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively.
(4)Series J Cumulative Redeemable Preferred Stock, 5.250%, $200,000 and $200,000 liquidation preference, respectively ($25.00 per share), 8,000,000 and 8,000,000 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively.
(5)Series K Cumulative Redeemable Preferred Stock, 5.850%, $210,000 and $210,000 liquidation preference, respectively ($25.00 per share), 8,400,000 and 8,400,000 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively.
(6)Series L Cumulative Redeemable Preferred Stock, 5.200%, $345,000 and $345,000 liquidation preference, respectively ($25.00 per share), 13,800,000 800,000 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively.
(7)Common Stock: 284,415,013 and 208,900,758 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively.

Reconciliation of Earnings Before Interest, Taxes, Depreciation & Amortization and Financial Ratios
Unaudited and Dollars in Thousands

Reconciliation of Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) [1]	Three Months Ended				
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
Net Income / (Loss) Available to Common Stockholders	**$1,057,629**	**$124,096**	**$127,368**	**$372,405**	**$44,178**
Interest	71,762	71,417	75,014	75,653	77,848
Loss from early extinguishment of debt	325	—	—	18,347	49,576
Income tax expense (benefit)	3,961	13,709	47,582	7,547	3,322
Depreciation & amortization	378,883	369,035	368,981	369,733	359,915
EBITDA	**$1,512,560**	**$578,257**	**$618,945**	**$843,685**	**$534,839**
Unconsolidated JV real estate related depreciation & amortization	24,146	21,293	20,983	19,378	21,471
Unconsolidated JV interest expense and tax expense	15,222	11,008	15,523	8,786	12,143
Severance, equity acceleration, and legal expenses	1,003	1,377	2,536	2,427	606
Transaction and integration expenses	12,427	13,804	7,075	14,120	19,290
(Gain) / loss on sale of investments	(1,047,011)	635	(499)	(333,921)	(1,684)
Impairment of investments in real estate	18,291	—	—	—	—
Other non-core adjustments, net	14,307	(28,745)	(60,308)	38,574	(23,842)
Non-controlling interests	22,587	2,266	4,544	8,756	1,818
Preferred stock dividends, including undeclared dividends	10,181	10,181	11,885	13,514	13,514
(Gain on) / Issuance costs associated with redeemed preferred stock	—	—	(18,000)	—	—
Adjusted EBITDA	**$583,712**	**$610,076**	**$602,684**	**$615,319**	**$578,156**

(1) For definitions and discussion of EBITDA and Adjusted EBITDA, see the definitions section.

Financial Ratios	Three Months Ended				
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
Total GAAP interest expense	$71,762	$71,417	$75,014	$75,653	$77,848
Capitalized interest	15,328	15,142	11,558	11,434	11,836
Change in accrued interest and other non-cash amounts	(37,974)	17,820	(43,604)	44,620	(37,182)
Cash Interest Expense [2]	**$49,116**	**$104,379**	**$42,968**	**$131,707**	**$52,502**
Preferred dividends	10,181	10,181	11,885	13,514	13,514

Total Fixed Charges [3]	**$97,271**	**$96,740**	**$98,457**	**$100,601**	**$103,198**
Coverage					
Interest coverage ratio [4]	6.0x	6.5x	6.1x	6.6x	5.8x
Cash interest coverage ratio [5]	9.8x	5.4x	10.9x	4.5x	9.3x
Fixed charge coverage ratio [6]	5.4x	5.8x	5.4x	5.8x	5.1x
Cash fixed charge coverage ratio [7]	8.3x	5.0x	9.0x	4.1x	7.7x
Leverage					
Debt to total enterprise value [8] [9]	20.5%	24.8%	23.9%	24.1%	24.4%
Debt plus preferred stock to total enterprise value [10]	21.7%	26.1%	25.2%	25.9%	26.2%
Pre-tax income to interest expense [11]	16.2x	2.9x	2.7x	6.2x	1.8x
Net Debt to Adjusted EBITDA [12]	6.1x	6.0x	6.0x	5.6x	6.0x

(2) Cash interest expense is interest expense less amortization of debt discount and deferred financing fees and includes interest that we capitalized. We consider cash interest expense to be a useful measure of interest as it excludes non-cash based interest expense.
(3) Fixed charges consist of GAAP interest expense, capitalized interest, and preferred dividends.
(4) Adjusted EBITDA divided by GAAP interest expense plus capitalized interest (including our pro rata share of unconsolidated joint venture interest expense).
(5) Adjusted EBITDA divided by cash interest expense (including our pro rata share of unconsolidated joint venture interest expense).
(6) Adjusted EBITDA divided by fixed charges (including our pro rata share of unconsolidated joint venture fixed charges).
(7) Adjusted EBITDA divided by the sum of cash interest expense, and preferred dividends (including our pro rata share of unconsolidated joint venture cash fixed charges).
(8) Mortgage debt and other loans divided by market value of common equity plus debt plus preferred stock.
(9) Total enterprise value defined as market value of common equity plus debt plus preferred stock.
(10) Same as (8), except numerator includes preferred stock.
(11) Calculated as net income plus interest expense divided by GAAP interest expense.
(12) Calculated as total debt at balance sheet carrying value, plus capital lease obligations, plus Digital Realty's pro rata share of unconsolidated of joint venture debt, less cash and cash equivalents (including Digital Realty's pro rata share of unconsolidated joint venture cash) divided by the product of Adjusted EBITDA (including Digital Realty's pro rata share of unconsolidated joint venture EBITDA), multiplied by four.

Management Statements on Non-GAAP Measures
Unaudited

Definitions

Funds From Operations (FFO) :

We calculate funds from operations, or FFO, in accordance with the standards established by the National Association of Real Estate Investment Trusts, or Nareit, in the Nareit Funds From Operations White Paper - 2018 Restatement. FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from real estate transactions, impairment of investment in real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs), unconsolidated JV real estate related depreciation & amortization, non-controlling interests in operating partnership and after adjustments for unconsolidated partnerships and joint ventures. Management uses FFO as a supplemental performance measure because, in excluding real estate related depreciation and amortization and gains and losses from property dispositions and after adjustments for unconsolidated partnerships and joint ventures, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our data centers that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating performance of our data centers, all of which have real economic effect and could materially impact our financial condition and results from operations, the utility of FFO as a measure of our performance is limited. Other REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to other REITs' FFO. FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

Core Funds from Operations (Core FFO) :

We present core funds from operations, or core FFO, as a supplemental operating measure because, in excluding certain items that do not reflect core revenue or expense streams, it provides a performance measure that, when compared year over year, captures trends in our core business operating performance. We calculate core FFO by adding to or subtracting from FFO (i) other non-core revenue adjustments, (ii) transaction and integration expenses, (iii) loss from early extinguishment of debt, (iv) gain on / issuance costs associated with redeemed preferred stock, (v) severance, equity acceleration, and legal expenses, (vi) gain/loss on FX revaluation, and (vii) other non-core expense adjustments. Because certain of these adjustments have a real economic impact on our financial condition and results from operations, the utility of core FFO as a measure of our performance is limited. Other REITs may calculate core FFO differently than we do and accordingly, our core FFO may not be comparable to other REITs' core FFO. Core FFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

Adjusted Funds from Operations (AFFO) :

We present adjusted funds from operations, or AFFO, as a supplemental operating measure because, when compared year over year, it assesses our ability to fund dividend and distribution requirements from our operating activities. We also believe that, as a widely recognized measure of the operations of REITs, AFFO will be used by investors as a basis to assess our ability to fund dividend payments in comparison to other REITs, including on a per share and unit basis. We calculate AFFO by adding to or subtracting from core FFO (i) non-real estate depreciation, (ii) amortization of deferred financing costs, (iii) amortization of debt discount/premium, (iv) non-cash stock-based compensation expense, (v) straight-line rental revenue, (vi) straight-line rental expense, (vii) above- and below-market rent amortization, (viii) deferred tax (expense) benefit, (ix) leasing compensation and internal lease commissions, and (x) recurring capital expenditures. Other REITs may calculate AFFO differently than we do and, accordingly, our AFFO may not be comparable to other REITs' AFFO. AFFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

EBITDA and Adjusted EBITDA :

We believe that earnings before interest, loss from early extinguishment of debt, income taxes, and depreciation and amortization, or EBITDA, and Adjusted EBITDA (as defined below), are useful supplemental performance measures because they allow investors to view our performance without the impact of non-cash depreciation and amortization or the cost of debt and, with respect to Adjusted EBITDA, unconsolidated joint venture real estate related depreciation & amortization, unconsolidated joint venture interest expense and tax, severance, equity acceleration, and legal expenses, transaction and integration expenses, gain on sale / deconsolidation, impairment of investments in real estate, other non-core adjustments, net, non-controlling interests, preferred stock dividends, including undeclared dividends, and issuance costs associated with redeemed preferred stock. Adjusted EBITDA is EBITDA excluding unconsolidated joint venture real estate related depreciation & amortization, unconsolidated joint venture interest expense and tax, severance, equity acceleration, and legal expenses, transaction and integration expenses, gain on sale / deconsolidation, impairment of investments in real estate, other non-core adjustments, net, non-controlling interests, preferred stock dividends, including undeclared dividends, and gain on / issuance costs associated with redeemed preferred stock. In addition, we believe EBITDA and Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. Because EBITDA and Adjusted EBITDA are calculated before recurring cash charges including interest expense and income taxes, exclude capitalized costs, such as leasing commissions, and are not adjusted for capital expenditures or other recurring cash requirements of our business, their utility as a measure of our performance is limited. Other REITs may calculate EBITDA and Adjusted EBITDA differently than we do and, accordingly, our EBITDA and Adjusted EBITDA may not be comparable to other REITs' EBITDA and Adjusted EBITDA. Accordingly, EBITDA and Adjusted EBITDA should be considered only as supplements to net income computed in accordance with GAAP as a measure of our financial performance.

Net Operating Income (NOI) and Cash NOI :

Net operating income, or NOI, represents rental revenue, tenant reimbursement revenue and interconnection revenue less utilities expense, rental property operating expenses, property taxes and insurance expenses (as reflected in the statement of operations). NOI is commonly used by stockholders, company management and industry analysts as a measurement of operating performance of the company's rental portfolio. Cash NOI is NOI less straight-line rents and above- and below-market rent amortization. Cash NOI is commonly used by stockholders, company management and industry analysts as a measure of property operating performance on a cash basis. However, because NOI and cash NOI exclude depreciation and amortization and capture neither the changes in the value of our data centers that result from use or market conditions, nor the level of capital expenditures and capitalized leasing commissions necessary to maintain the operating performance of our data centers, all of which have real economic effect and could materially impact our results from operations, the utility of NOI and cash NOI as measures of our performance is limited. Other REITs may calculate NOI and cash NOI differently than we do and, accordingly, our NOI and cash NOI may not be comparable to other REITs' NOI and cash NOI. NOI and cash NOI should be considered only as supplements to net income computed in accordance with GAAP as measures of our performance.

Additional Definitions

Net debt-to-Adjusted EBITDA ratio is calculated using total debt at balance sheet carrying value, plus capital lease obligations, plus our share of unconsolidated JV debt, less unrestricted cash and cash equivalents (including our share of unconsolidated JV cash) divided by the product of Adjusted EBITDA (inclusive of our share of unconsolidated JV EBITDA) multiplied by four.

Debt-plus-preferred-to-total enterprise value is mortgage debt and other loans plus preferred stock divided by mortgage debt and other loans plus the liquidation value of preferred stock and the market value of outstanding Digital Realty Trust, Inc. common stock and Digital Realty Trust, L.P. units, assuming the redemption of Digital Realty Trust, L.P. units for shares of Digital Realty Trust, Inc. common stock.

Fixed charge coverage ratio is Adjusted EBITDA divided by the sum of GAAP interest expense, capitalized interest, scheduled debt principal payments and preferred dividends. For the quarter ended December 31, 2021, GAAP interest expense was $72 million, capitalized interest was $15 million and scheduled debt principal payments and preferred dividends was $10 million.

Reconciliation of Net Operating Income (NOI)	**Three Months Ended**			**Twelve Months Ended**	
(in thousands)	**31-Dec-21**	**30-Sep-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
Operating income	**$131,497**	**$184,367**	**$160,264**	**$694,009**	**$557,530**
Fee income	(4,133)	(3,255)	(4,722)	(13,442)	(15,214)
Other income	(200)	(18,977)	(20)	(19,401)	(1,850)
Depreciation and amortization	378,883	369,035	359,915	1,486,632	1,366,379
General and administrative	103,705	97,082	101,582	393,311	344,928
Severance, equity acceleration, and legal expenses	1,003	1,377	606	7,343	6,440
Transaction expenses	12,427	13,804	19,290	47,426	106,662
Other expenses	(1)	510	641	2,550	1,074
Net Operating Income	**$641,472**	**$643,943**	**$637,556**	**$2,616,719**	**$2,372,431**
Cash Net Operating Income (Cash NOI)					
Net Operating Income	**$641,472**	**$643,943**	**$637,556**	**$2,616,719**	**$2,372,431**
Straight-line rental revenue	(16,346)	(12,029)	(15,451)	(64,107)	(48,769)

Straight-line rental expense	5,453	7,779	3,758	27,050	16,223
Above- and below-market rent amortization	910	1,165	3,239	6,069	12,686
Cash Net Operating Income	**$631,489**	**$640,858**	**$629,102**	**$2,585,731**	**$2,352,571**

This document contains forward-looking statements within the meaning of the federal securities laws, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Such forward-looking statements include statements relating to: our economic outlook, our expected investment and expansion activity, our expected physical settlement of the forward sale agreements and use of proceeds from any such settlement, our liquidity, our joint ventures, supply and demand for data center and colocation space, our acquisition and disposition activity, pricing and net effective leasing economics, market dynamics and data center fundamentals, our strategic priorities, our product offerings, available inventory rent from leases that have been signed but have not yet commenced and other contracted rent to be received in future periods, rental rates on future leases, lag between signing and commencement, cap rates and yields, investment activity, the company's FFO, core FFO and net income, 2022 outlook and underlying assumptions, information related to trends, our strategy and plans, leasing expectations, weighted average lease terms, the exercise of lease extensions, lease expirations, debt maturities, annualized rent at expiration of leases, the effect new leases and increases in rental rates will have on our rental revenue, our credit ratings, construction and development activity and plans, projected construction costs, estimated yields on investment, expected occupancy, expected square footage and IT load capacity upon completion of development projects, 2022 backlog NOI, NAV components, and other forward-looking financial data. Such statements are based on management's beliefs and assumptions made based on information currently available to management. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- reduced demand for data centers or decreases in information technology spending;
- increased competition or available supply of data center space;
- decreased rental rates, increased operating costs or increased vacancy rates;
- the suitability of our data centers and data center infrastructure, delays or disruptions in connectivity or availability of power, or failures or breaches of our physical and information security infrastructure or services;
- our dependence upon significant customers, bankruptcy or insolvency of a major customer or a significant number of smaller customers, or defaults on or non-renewal of leases by customers;
- our ability to attract and retain customers;
- breaches of our obligations or restrictions under our contracts with our customers;
- our inability to successfully develop and lease new properties and development space, and delays or unexpected costs in development of properties;
- the impact of current global and local economic, credit and market conditions;
- our inability to retain data center space that we lease or sublease from third parties;
- global supply chain or procurement disruptions, or increased supply chain costs;
- information security and data privacy breaches;
- difficulty managing an international business and acquiring or operating properties in foreign jurisdictions and unfamiliar metropolitan areas;
- our failure to realize the intended benefits from, or disruptions to our plans and operations or unknown or contingent liabilities related to, our recent acquisitions;
- our failure to successfully integrate and operate acquired or developed properties or businesses;
- difficulties in identifying properties to acquire and completing acquisitions;
- risks related to joint venture investments, including as a result of our lack of control of such investments;
- risks associated with using debt to fund our business activities, including re-financing and interest rate risks, our failure to repay debt when due, adverse changes in our credit ratings or our breach of covenants or other terms contained in our loan facilities and agreements;
- our failure to obtain necessary debt and equity financing, and our dependence on external sources of capital;
- financial market fluctuations and changes in foreign currency exchange rates;
- adverse economic or real estate developments in our industry or the industry sectors that we sell to, including risks relating to decreasing real estate valuations and impairment charges and goodwill and other intangible asset impairment charges;
- our inability to manage our growth effectively;
- losses in excess of our insurance coverage;
- our inability to attract and retain talent;
- impact of the COVID-19 pandemic on our operations and on the operations of our customers, suppliers and business partners;

- environmental liabilities, risks related to natural disasters and our inability to achieve our sustainability goals;
- our inability to comply with rules and regulations applicable to our company;
- Digital Realty Trust, Inc.'s failure to maintain its status as a REIT for federal income tax purposes;
- Digital Realty Trust, L.P.'s failure to qualify as a partnership for federal income tax purposes;
- restrictions on our ability to engage in certain business activities;
- changes in local, state, federal and international laws and regulations, including related to taxation, real estate and zoning laws, and increases in real property tax rates; and
- the impact of any financial, accounting, legal or regulatory issues or litigation that may affect us.

The risks included here are not exhaustive, and additional factors could adversely affect our business and financial performance. Several additional material risks are discussed in our annual report on Form 10–K for the year ended December 31, 2020 and other filings with the U.S. Securities and Exchange Commission. Those risks continue to be relevant to our performance and financial condition. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Digital Realty, Digital Realty Trust, the Digital Realty logo, Interxion, Turn-Key Flex, Powered Base Building, and PlatformDIGITAL, Data Gravity Index and Data Gravity Index DGx are registered trademarks and service marks of Digital Realty Trust, Inc. in the United States and/or other countries. All other names, trademarks and service marks are the property of their respective owners.