
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2023

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period From to .

Commission file number 001-32336 (Digital Realty Trust, Inc.)
000-54023 (Digital Realty Trust, L.P.)

**DIGITAL REALTY TRUST, INC.
DIGITAL REALTY TRUST, L.P.**
(Exact name of registrant as specified in its charter)

Maryland (Digital Realty Trust, Inc.)

26-0081711

Maryland (Digital Realty Trust, L.P.)

20-2402955

(State or other jurisdiction of
incorporation or organization)

(IRS employer
identification number)

5707 Southwest Parkway, Building 1, Suite 275
Austin, Texas 78735

(Address of principal executive offices)

(737) 281-0101

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock	DLR	New York Stock Exchange
Series J Cumulative Redeemable Preferred Stock	DLR Pr J	New York Stock Exchange
Series K Cumulative Redeemable Preferred Stock	DLR Pr K	New York Stock Exchange
Series L Cumulative Redeemable Preferred Stock	DLR Pr L	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Digital Realty Trust, Inc.

Yes No

Digital Realty Trust, L.P.

Yes No

[Table of Contents](#)

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Digital Realty Trust, Inc. Yes No
Digital Realty Trust, L.P. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Digital Realty Trust, Inc.:

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

Digital Realty Trust, L.P.:

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Digital Realty Trust, Inc.
Digital Realty Trust, L.P.

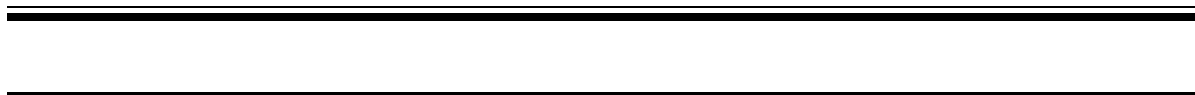
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Digital Realty Trust, Inc. Yes No
Digital Realty Trust, L.P. Yes No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Digital Realty Trust, Inc.:

Class	Outstanding at August 1, 2023
Common Stock, \$.01 par value per share	302,709,295



EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended June 30, 2023 of Digital Realty Trust, Inc., a Maryland corporation, and Digital Realty Trust, L.P., a Maryland limited partnership, of which Digital Realty Trust, Inc. is the sole general partner. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our,” “our Company”, or “the Company” refer to Digital Realty Trust, Inc. together with its consolidated subsidiaries, including Digital Realty Trust, L.P. In statements regarding qualification as a REIT, such terms refer solely to Digital Realty Trust, Inc. Unless otherwise indicated or unless the context requires otherwise, all references to the “Parent” refer to Digital Realty Trust, Inc., and all references to “our Operating Partnership,” “the Operating Partnership” or “the OP” refer to Digital Realty Trust, L.P. together with its consolidated subsidiaries.

The Parent is a real estate investment trust, or REIT, and the sole general partner of the OP. As of June 30, 2023, the Parent owned an approximate 97.9% common general partnership interest in Digital Realty Trust, L.P. The remaining approximate 2.1% of the common limited partnership interests of Digital Realty Trust, L.P. are owned by non-affiliated third parties and certain directors and officers of the Parent. As of June 30, 2023, the Parent owned all of the preferred limited partnership interests of Digital Realty Trust, L.P. As the sole general partner of Digital Realty Trust, L.P., the Parent has the full, exclusive and complete responsibility for the OP’s day-to-day management and control.

We believe combining the quarterly reports on Form 10-Q of the Parent and the OP into this single report results in the following benefits:

- enhancing investors’ understanding of the Parent and the OP by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminating duplicative disclosure and providing a more streamlined and readable presentation since a substantial portion of the disclosure applies to both the Parent and the OP; and
- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

It is important to understand the few differences between the Parent and the OP in the context of how we operate the Company. The Parent does not conduct business itself, other than acting as the sole general partner of the OP and issuing public equity from time to time and guaranteeing certain unsecured debt of the OP and certain of its subsidiaries and affiliates. The OP holds substantially all the assets of the business, directly or indirectly. The OP conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from equity issuances by the Parent, which are generally contributed to the OP in exchange for partnership units, the OP generates capital required by the business through the OP’s operations, incurrence of indebtedness and issuance of partnership units to third parties.

The presentation of noncontrolling interests, stockholders’ equity and partners’ capital are the main areas of difference between the consolidated financial statements of the Parent and those of the OP. The differences in the presentations between stockholders’ equity and partners’ capital result from the differences in the equity and capital issuances in the Parent and in the OP.

To highlight the differences between the Parent and the OP, separate sections in this report, as applicable, individually discuss the Parent and the OP, including separate financial statements and separate Exhibit 31 and 32 certifications. In the sections that combine disclosure of the Parent and the OP, this report refers to actions or holdings as being actions or holdings of the Company.

As general partner with control of the OP, the Parent consolidates the OP for financial reporting purposes, and it does not have significant assets other than its investment in the OP. Therefore, the assets and liabilities of the Parent and the OP are the same on their respective condensed consolidated financial statements. The separate discussions of the Parent and the OP in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

DIGITAL REALTY TRUST, INC. AND DIGITAL REALTY TRUST, L.P.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2023
TABLE OF CONTENTS

	<u>Page Number</u>
PART I. FINANCIAL INFORMATION	
ITEM 1. Condensed Consolidated Financial Statements of Digital Realty Trust, Inc.:	
Condensed Consolidated Balance Sheets as of June 30, 2023 (unaudited) and December 31, 2022 (unaudited)	4
Condensed Consolidated Income Statements for the three and six months ended June 30, 2023 and 2022 (unaudited)	5
Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2023 and 2022 (unaudited)	6
Condensed Consolidated Statement of Equity for the three and six months ended June 30, 2023 and 2022 (unaudited)	7
Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2023 and 2022 (unaudited)	11
Condensed Consolidated Financial Statements of Digital Realty Trust, L.P.:	
Condensed Consolidated Balance Sheets as of June 30, 2023 (unaudited) and December 31, 2022 (unaudited)	12
Condensed Consolidated Income Statements for the three and six months ended June 30, 2023 and 2022 (unaudited)	13
Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2023 and 2022 (unaudited)	14
Condensed Consolidated Statement of Capital for the three and six months ended June 30, 2023 and 2022 (unaudited)	16
Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2023 and 2022 (unaudited)	19
Notes to Condensed Consolidated Financial Statements of Digital Realty Trust, Inc. and Digital Realty Trust, L.P. (unaudited)	20
ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	42
ITEM 3. Quantitative and Qualitative Disclosures About Market Risk	62
ITEM 4. Controls and Procedures (Digital Realty Trust, Inc.)	63
Controls and Procedures (Digital Realty Trust, L.P.)	64
PART II. OTHER INFORMATION	65
ITEM 1. Legal Proceedings	65
ITEM 1A. Risk Factors	65
ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds	65
ITEM 3. Defaults Upon Senior Securities	65
ITEM 4. Mine Safety Disclosures	65
ITEM 5. Other Information	65
ITEM 6. Exhibits	66
Signatures	67

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except per share data)

	June 30, 2023	December 31, 2022
ASSETS		
Investments in real estate:		
Investments in properties, net	\$ 24,178,182	\$ 23,774,662
Investments in unconsolidated entities	2,040,452	1,991,426
Net investments in real estate	26,218,634	25,766,088
Operating lease right-of-use assets, net	1,291,233	1,351,329
Cash and cash equivalents	124,519	141,773
Accounts and other receivables, net	1,158,383	969,292
Deferred rent, net	598,796	601,590
Goodwill	9,148,603	9,208,497
Customer relationship value, deferred leasing costs and intangibles, net	2,825,596	3,092,627
Assets held for sale	608,892	—
Other assets	414,078	353,802
Total assets	\$ 42,388,734	\$ 41,484,998
LIABILITIES AND EQUITY		
Global revolving credit facilities, net	\$ 2,242,258	\$ 2,150,451
Unsecured term loans, net	1,548,780	797,449
Unsecured senior notes, net of discount	13,383,819	13,120,033
Secured and other debt, including premiums	554,594	528,870
Operating lease liabilities	1,420,239	1,471,044
Accounts payable and other accrued liabilities	2,214,820	1,868,885
Deferred tax liabilities, net	1,128,961	1,192,752
Accrued dividends and distributions	—	363,716
Security deposits and prepaid rents	417,693	369,654
Obligations associated with assets held for sale	4,990	—
Total liabilities	22,916,154	21,862,854
Redeemable noncontrolling interests	1,367,422	1,514,679
Commitments and contingencies		
Equity:		
Stockholders' Equity:		
Preferred Stock: \$0.01 par value per share, 110,000 shares authorized; \$755,000 liquidation preference (\$25.00 per share), 30,200 shares issued and outstanding as of June 30, 2023 and December 31, 2022	731,690	731,690
Common Stock: \$0.01 par value per share, 392,000 shares authorized; 299,240 and 291,148 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	2,967	2,887
Additional paid-in capital	22,882,200	22,142,868
Accumulated dividends in excess of earnings	(5,253,917)	(4,698,313)
Accumulated other comprehensive loss, net	(741,484)	(595,798)
Total stockholders' equity	17,621,456	17,583,334
Noncontrolling interests	483,702	524,131
Total equity	18,105,158	18,107,465
Total liabilities and equity	\$ 42,388,734	\$ 41,484,998

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INCOME STATEMENTS
(unaudited, in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating Revenues:				
Rental and other services	\$ 1,350,427	\$ 1,131,537	\$ 2,680,395	\$ 2,253,087
Fee income and other	15,840	7,785	24,595	13,557
Total operating revenues	1,366,267	1,139,322	2,704,990	2,266,644
Operating Expenses:				
Rental property operating and maintenance	599,696	421,502	1,170,921	857,095
Property taxes and insurance	51,103	51,049	95,882	101,273
Depreciation and amortization	432,573	376,967	853,771	759,099
General and administrative	109,616	105,776	221,536	204,289
Transactions and integration	17,764	13,586	30,031	25,554
Other	655	70	655	7,727
Total operating expenses	1,211,407	968,950	2,372,796	1,955,037
Operating income	154,860	170,372	332,194	311,607
Other Income (Expenses):				
Equity in earnings (loss) of unconsolidated entities	5,059	(34,088)	19,956	26,870
Gain on disposition of properties, net	89,946	—	89,946	2,770
Other (expenses) income, net	(6,930)	13,008	(6,650)	16,059
Interest expense	(111,116)	(69,023)	(213,336)	(135,748)
Loss from early extinguishment of debt	—	—	—	(51,135)
Income tax expense	(16,173)	(16,406)	(37,627)	(29,650)
Net income	115,646	63,863	184,483	140,773
Net loss (income) attributable to noncontrolling interests	2,538	(436)	2,427	(4,065)
Net income attributable to Digital Realty Trust, Inc.	118,184	63,427	186,910	136,708
Preferred stock dividends	(10,181)	(10,181)	(20,362)	(20,362)
Net income available to common stockholders	\$ 108,003	\$ 53,246	\$ 166,548	\$ 116,346
Net income per share available to common stockholders:				
Basic	\$ 0.37	\$ 0.19	\$ 0.57	\$ 0.41
Diluted	\$ 0.37	\$ 0.19	\$ 0.57	\$ 0.41
Weighted average common shares outstanding:				
Basic	295,390	284,694	293,316	284,610
Diluted	306,819	285,110	304,452	284,980

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	\$ 115,646	\$ 63,863	\$ 184,483	\$ 140,773
Other comprehensive income (loss):				
Foreign currency translation adjustments	(176,291)	(293,913)	(288,367)	(307,790)
Increase (decrease) in fair value of derivatives	12,578	356	13,150	(988)
Reclassification to interest expense from derivatives	(7,495)	41	(14,038)	(62)
Other comprehensive loss	(171,208)	(293,516)	(289,255)	(308,840)
Comprehensive loss	(55,562)	(229,653)	(104,772)	(168,067)
Comprehensive loss attributable to noncontrolling interests	82,872	6,362	144,959	3,093
Comprehensive income (loss) attributable to Digital Realty Trust, Inc.	\$ 27,310	\$ (223,291)	\$ 40,187	\$ (164,974)

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(unaudited, in thousands, except share data)

Three Months Ended June 30, 2023	Redeemable Noncontrolling	Preferred	Number of Common	Common	Additional Paid-in	Accumulated Dividends in Excess of	Accumulated Other Comprehensive	Noncontrolling	Total Equity
	Interests	Stock	Shares	Stock	Capital	Earnings	Loss, Net	Interests	
Balance as of March 31, 2023	\$ 1,448,772	\$ 731,690	291,298,610	2,888	\$22,126,379	\$ (4,995,982)	\$ (652,486)	\$ 492,185	\$17,704,674
Conversion of common units to common stock	—	—	55,796	1	3,966	—	—	(3,967)	—
Vesting of restricted stock, net	—	—	65,182	—	—	—	—	—	—
Issuance of common stock, net of costs	—	—	7,820,778	78	742,588	—	—	—	742,666
Shares issued under equity plans, net of share settlement to satisfy tax withholding upon vesting	—	—	—	—	(1,961)	—	—	—	(1,961)
Amortization of unearned compensation regarding share-based awards	—	—	—	—	18,053	—	—	—	18,053
Reclassification of vested share-based awards	—	—	—	—	(2,521)	—	—	2,521	—
Adjustment to redeemable noncontrolling interests	2,428	—	—	—	(2,428)	—	—	—	(2,428)
Dividends declared on preferred stock	—	—	—	—	—	(10,181)	—	—	(10,181)
Dividends and distributions on common stock and common and incentive units	(190)	—	—	—	—	(365,938)	—	(7,706)	(373,644)
Contributions from (distributions to) noncontrolling interests	—	—	—	—	—	—	—	(47)	(47)
Net income (loss)	(4,441)	—	—	—	—	118,184	—	1,903	120,087
Other comprehensive income (loss)	(79,147)	—	—	—	(1,876)	—	(88,998)	(1,187)	(92,061)
Balance as of June 30, 2023	\$ 1,367,422	\$ 731,690	299,240,366	\$ 2,967	\$22,882,200	\$ (5,253,917)	\$ (741,484)	\$ 483,702	\$18,105,158

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(unaudited, in thousands, except share data)

Six Months Ended June 30, 2023	Redeemable Noncontrolling Interests	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Dividends in Excess of Earnings	Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Equity
Balance as of December 31, 2022	\$ 1,514,679	\$ 731,690	291,148,222	\$ 2,887	\$22,142,868	\$ (4,698,313)	\$ (595,798)	\$ 524,131	\$18,107,465
Conversion of common units to common stock	—	—	61,997	1	4,440	—	—	(4,441)	—
Vesting of restricted stock, net	—	—	155,488	—	—	—	—	—	—
Issuance of common stock, net of costs	—	—	7,820,778	78	742,147	—	—	—	742,225
Shares issued under equity plans, net of share settlement to satisfy tax withholding upon vesting	—	—	53,881	1	(3,574)	—	—	—	(3,573)
Amortization of unearned compensation regarding share-based awards	—	—	—	—	35,555	—	—	—	35,555
Reclassification of vested share-based awards	—	—	—	—	(36,077)	—	—	36,077	—
Adjustment to redeemable noncontrolling interests	2,122	—	—	—	(2,122)	—	—	—	(2,122)
Dividends declared on preferred stock	—	—	—	—	—	(20,362)	—	—	(20,362)
Dividends and distributions on common stock and common and incentive units	(380)	—	—	—	—	(722,152)	—	(15,381)	(737,533)
Contributions from (distributions to) noncontrolling interests	129	—	—	—	—	—	—	4,505	4,505
Deconsolidation of noncontrolling interests in consolidated entities	—	—	—	—	—	—	—	(65,358)	(65,358)
Net income	(6,729)	—	—	—	—	186,910	—	4,302	191,212
Other comprehensive income (loss)	(142,399)	—	—	—	(1,037)	—	(145,686)	(133)	(146,856)
Balance as of June 30, 2023	\$ 1,367,422	\$ 731,690	299,240,366	\$ 2,967	\$22,882,200	\$ (5,253,917)	\$ (741,484)	\$ 483,702	\$18,105,158

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(unaudited, in thousands, except share data)

Three Months Ended June 30, 2022	Redeemable Noncontrolling	Preferred	Number of Common	Common	Additional Paid-in	Accumulated Dividends in Excess of	Accumulated Other Comprehensive	Noncontrolling	Total Equity
	Interests	Stock	Shares	Stock	Capital	Earnings	Loss, Net	Interests	
Balance as of March 31, 2022	\$ 42,734	\$ 731,690	284,666,082	2,824	\$21,069,391	\$ (3,916,854)	\$ (188,844)	\$ 510,499	\$18,208,706
Conversion of common units to common stock	—	—	2,436	—	201	—	—	(201)	—
Vesting of restricted stock, net	—	—	65,404	—	—	—	—	—	—
Common stock offering costs	—	—	—	—	211	—	—	—	211
Net share settlement to satisfy tax withholding upon vesting	—	—	—	—	(981)	—	—	—	(981)
Amortization of unearned compensation regarding share-based awards	—	—	—	—	22,420	—	—	—	22,420
Reclassification of vested share-based awards	—	—	—	—	(1,746)	—	—	1,746	—
Adjustment to redeemable noncontrolling interests	(1,868)	—	—	—	1,868	—	—	—	1,868
Dividends declared on preferred stock	—	—	—	—	—	(10,181)	—	—	(10,181)
Dividends and distributions on common stock and common and incentive units	(190)	—	—	—	—	(348,077)	—	(8,027)	(356,104)
Contributions from (distributions to) noncontrolling interests	336	—	—	—	—	—	—	(6,032)	(6,032)
Net income	35	—	—	—	—	63,427	—	401	63,828
Other comprehensive income (loss)	—	—	—	—	—	—	(286,717)	(6,799)	(293,516)
Balance as of June 30, 2022	<u>\$ 41,047</u>	<u>\$ 731,690</u>	<u>284,733,922</u>	<u>\$ 2,824</u>	<u>\$21,091,364</u>	<u>\$ (4,211,685)</u>	<u>\$ (475,561)</u>	<u>\$ 491,587</u>	<u>\$17,630,219</u>

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(unaudited, in thousands, except share data)

Six Months Ended June 30, 2022	Redeemable Noncontrolling Interests	Preferred Stock	Number of Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Dividends in Excess of Earnings	Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Equity
Balance as of December 31, 2021	\$ 46,995	\$ 731,690	284,415,013	\$ 2,824	\$21,075,863	\$ (3,631,929)	\$ (173,880)	\$ 472,219	\$18,476,787
Conversion of common units to common stock	—	—	17,297	—	1,459	—	—	(1,459)	—
Vesting of restricted stock, net	—	—	259,424	—	—	—	—	—	—
Common stock offering costs	—	—	—	—	(3,813)	—	—	—	(3,813)
Shares issued under employee stock purchase plan	—	—	42,188	—	4,969	—	—	—	4,969
Net share settlement to satisfy tax withholding upon vesting	—	—	—	—	(7,143)	—	—	—	(7,143)
Amortization of unearned compensation regarding share-based awards	—	—	—	—	40,965	—	—	—	40,965
Reclassification of vested share-based awards	—	—	—	—	(28,277)	—	—	28,277	—
Adjustment to redeemable noncontrolling interests	(7,341)	—	—	—	7,341	—	—	—	7,341
Dividends declared on preferred stock	—	—	—	—	—	(20,362)	—	—	(20,362)
Dividends and distributions on common stock and common and incentive units	(380)	—	—	—	—	(696,102)	—	(15,813)	(711,915)
Contributions from (distributions to) noncontrolling interests	1,703	—	—	—	—	—	—	11,527	11,527
Net income	70	—	—	—	—	136,708	—	3,995	140,703
Other comprehensive income (loss)	—	—	—	—	—	—	(301,681)	(7,159)	(308,840)
Balance as of June 30, 2022	\$ 41,047	\$ 731,690	284,733,922	\$ 2,824	\$21,091,364	\$ (4,211,685)	\$ (475,561)	\$ 491,587	\$17,630,219

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 184,483	\$ 140,773
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on disposition of properties, net	(89,946)	(2,770)
Equity in earnings of unconsolidated entities	(19,956)	(26,870)
Distributions from unconsolidated entities	39,838	22,972
Depreciation and amortization	853,771	759,099
Amortization of share-based compensation	35,555	40,965
Loss from early extinguishment of debt	—	51,135
Straight-lined rents and amortization of above and below market leases	(5,465)	(16,885)
Amortization of deferred financing costs and debt discount / premium	12,750	9,359
Other items, net	(3,458)	17,024
Changes in assets and liabilities:		
Increase in accounts receivable and other assets	(261,048)	(248,310)
Increase in accounts payable and other liabilities	67,590	37,086
Net cash provided by operating activities	814,114	783,578
Cash flows from investing activities:		
Improvements to investments in real estate	(1,368,660)	(1,067,027)
Cash paid for business combination / asset acquisitions, net of cash acquired	(58,186)	(97,205)
Proceeds from (investment in) unconsolidated entities, net	3,812	(199,945)
Proceeds from sale of real estate	150,771	—
Other investing activities, net	(6,743)	(63,655)
Net cash used in investing activities	(1,279,006)	(1,427,832)
Cash flows from financing activities:		
Net proceeds from credit facilities	67,046	1,077,719
Borrowings on secured / unsecured debt	806,185	1,125,451
Repayments on secured / unsecured debt	(3,081)	(450,737)
Premium paid for early extinguishment of debt	—	(49,662)
Capital contributions from noncontrolling interests, net	4,634	17,977
Proceeds from issuance of common stock, net	742,225	—
Payments of dividends and distributions	(1,121,991)	(1,071,386)
Other financing activities, net	(10,686)	(16,271)
Net cash provided by financing activities	484,332	633,091
Net increase (decrease) in cash, cash equivalents and restricted cash	19,440	(11,163)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(35,489)	(31,101)
Cash, cash equivalents and restricted cash at beginning of period	150,696	151,485
Cash, cash equivalents and restricted cash at end of period	\$ 134,647	\$ 109,221

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except per unit data)

	June 30, 2023	December 31, 2022
ASSETS		
Investments in real estate:		
Investments in properties, net	\$ 24,178,182	\$ 23,774,662
Investments in unconsolidated entities	2,040,452	1,991,426
Net investments in real estate	26,218,634	25,766,088
Operating lease right-of-use assets, net	1,291,233	1,351,329
Cash and cash equivalents	124,519	141,773
Accounts and other receivables, net	1,158,383	969,292
Deferred rent, net	598,796	601,590
Goodwill	9,148,603	9,208,497
Customer relationship value, deferred leasing costs and intangibles, net	2,825,596	3,092,627
Assets held for sale	608,892	—
Other assets	414,078	353,802
Total assets	\$ 42,388,734	\$ 41,484,998
LIABILITIES AND CAPITAL		
Global revolving credit facilities, net	\$ 2,242,258	\$ 2,150,451
Unsecured term loans, net	1,548,780	797,449
Unsecured senior notes, net	13,383,819	13,120,033
Secured and other debt, including premiums	554,594	528,870
Operating lease liabilities	1,420,239	1,471,044
Accounts payable and other accrued liabilities	2,214,820	1,868,885
Deferred tax liabilities, net	1,128,961	1,192,752
Accrued dividends and distributions	—	363,716
Security deposits and prepaid rents	417,693	369,654
Obligations associated with assets held for sale	4,990	—
Total liabilities	22,916,154	21,862,854
Redeemable noncontrolling interests	1,367,422	1,514,679
Commitments and contingencies		
Capital:		
Partners' capital:		
General Partner:		
Preferred units, \$755,000 liquidation preference (\$25.00 per unit), 30,200 units issued and outstanding as of June 30, 2023 and December 31, 2022	731,690	731,690
Common units, 299,240 and 291,148 units issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	17,631,250	17,447,442
Limited Partners, 6,483 and 6,289 units issued and outstanding as of June 30, 2023 and December 31, 2022, respectively	457,107	436,942
Accumulated other comprehensive loss	(762,492)	(613,423)
Total partners' capital	18,057,555	18,002,651
Noncontrolling interests in consolidated entities	47,603	104,814
Total capital	18,105,158	18,107,465
Total liabilities and capital	\$ 42,388,734	\$ 41,484,998

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INCOME STATEMENTS
(unaudited, in thousands, except per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Operating Revenues:				
Rental and other services	\$ 1,350,427	\$ 1,131,537	\$ 2,680,395	\$ 2,253,087
Fee income and other	15,840	7,785	24,595	13,557
Total operating revenues	1,366,267	1,139,322	2,704,990	2,266,644
Operating Expenses:				
Rental property operating and maintenance	599,696	421,502	1,170,921	857,095
Property taxes and insurance	51,103	51,049	95,882	101,273
Depreciation and amortization	432,573	376,967	853,771	759,099
General and administrative	109,616	105,776	221,536	204,289
Transactions and integration	17,764	13,586	30,031	25,554
Other	655	70	655	7,727
Total operating expenses	1,211,407	968,950	2,372,796	1,955,037
Operating income	154,860	170,372	332,194	311,607
Other Income (Expenses):				
Equity in earnings (loss) of unconsolidated entities	5,059	(34,088)	19,956	26,870
Gain on disposition of properties, net	89,946	—	89,946	2,770
Other (expenses) income, net	(6,930)	13,008	(6,650)	16,059
Interest expense	(111,116)	(69,023)	(213,336)	(135,748)
Loss from early extinguishment of debt	—	—	—	(51,135)
Income tax expense	(16,173)	(16,406)	(37,627)	(29,650)
Net income	115,646	63,863	184,483	140,773
Net loss (income) attributable to noncontrolling interests	5,038	1,064	6,427	(965)
Net income attributable to Digital Realty Trust, L.P.	120,684	64,927	190,910	139,808
Preferred units distributions	(10,181)	(10,181)	(20,362)	(20,362)
Net income available to common unitholders	\$ 110,503	\$ 54,746	\$ 170,548	\$ 119,446
Net income per unit available to common unitholders:				
Basic	\$ 0.37	\$ 0.19	\$ 0.57	\$ 0.41
Diluted	\$ 0.37	\$ 0.19	\$ 0.57	\$ 0.41
Weighted average common units outstanding:				
Basic	301,593	290,528	299,452	290,346
Diluted	313,022	290,944	310,588	290,716

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	\$ 115,646	\$ 63,863	\$ 184,483	\$ 140,773
Other comprehensive income (loss):				
Foreign currency translation adjustments	(176,291)	(293,913)	(288,367)	(307,790)
Increase (decrease) in fair value of derivatives	12,578	356	13,150	(988)
Reclassification to interest expense from derivatives	(7,495)	41	(14,038)	(62)
Other comprehensive loss	(171,208)	(293,516)	(289,255)	(308,840)
Comprehensive loss income attributable to Digital Realty Trust, L.P.	\$ (55,562)	\$ (229,653)	\$ (104,772)	\$ (168,067)
Comprehensive loss attributable to noncontrolling interests	82,282	1,064	145,576	(965)
Comprehensive income (loss) attributable to Digital Realty Trust, L.P.	\$ 26,720	\$ (228,589)	\$ 40,804	\$ (169,032)

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CAPITAL
(unaudited, in thousands, except unit data)

Three Months Ended June 30, 2023	Redeemable Limited Partner Common Units	General Partner				Limited Partners Common Units		Accumulated Other Comprehensive Loss, Net	Noncontrolling		Total Capital
		Preferred Units		Common Units		Units	Amount		Interests		
		Units	Amount	Units	Amount						
Balance as of March 31, 2023	\$ 1,448,772	30,200,000	\$731,690	291,298,610	\$17,133,285	6,462,157	\$463,817	\$ (671,460)	\$ 47,342	\$ 17,704,674	
Conversion of limited partner common units to general partner common units	—	—	—	55,796	3,967	(55,796)	(3,967)	—	—	—	
Vesting of restricted common units, net	—	—	—	65,182	—	—	—	—	—	—	
Issuance of common units, net of costs	—	—	—	7,820,778	742,666	—	—	—	—	742,666	
Issuance of limited partner common units, net	—	—	—	—	—	76,703	—	—	—	—	
Units issued under equity plans, net of unit settlement to satisfy tax withholding upon vesting	—	—	—	—	(1,961)	—	—	—	—	(1,961)	
Amortization of share-based compensation	—	—	—	—	18,053	—	—	—	—	18,053	
Reclassification of vested share-based awards	—	—	—	—	(2,521)	—	2,521	—	—	—	
Adjustment to redeemable partnership units	2,428	—	—	—	(2,428)	—	—	—	—	(2,428)	
Distributions	(190)	—	(10,181)	—	(365,938)	—	(7,706)	—	—	(383,825)	
Contributions from noncontrolling interests in consolidated entities	—	—	—	—	—	—	—	—	(47)	(47)	
Net income	(4,441)	—	10,181	—	108,003	—	2,442	—	(539)	120,087	
Other comprehensive income (loss)	(79,147)	—	—	—	(1,876)	—	—	(91,032)	847	(92,061)	
Balance as of June 30, 2023	<u>\$ 1,367,422</u>	<u>30,200,000</u>	<u>\$731,690</u>	<u>299,240,366</u>	<u>\$17,631,250</u>	<u>6,483,064</u>	<u>\$457,107</u>	<u>\$ (762,492)</u>	<u>\$ 47,603</u>	<u>\$ 18,105,158</u>	

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CAPITAL
(unaudited, in thousands, except unit data)

Six Months Ended June 30, 2023	Redeemable Limited Partner Common Units	General Partner				Limited Partners Common Units		Accumulated Other Comprehensive Loss, Net	Noncontrolling	
		Preferred Units		Common Units		Common Units			Interests	Total Capital
		Units	Amount	Units	Amount	Units	Amount			
Balance as of December 31, 2022	\$ 1,514,679	30,200,000	\$731,690	291,148,222	\$17,447,442	6,288,669	\$436,942	\$ (613,423)	\$ 104,814	\$ 18,107,465
Conversion of limited partner common units to general partner common units	—	—	—	61,997	4,441	(61,997)	(4,441)	—	—	—
Vesting of restricted common units, net	—	—	—	155,488	—	—	—	—	—	—
Issuance of common units, net of costs	—	—	—	7,820,778	742,226	—	—	—	—	742,226
Issuance of limited partner common units, net	—	—	—	—	—	256,392	—	—	—	—
Units issued under equity plans, net of unit settlement to satisfy tax withholding upon vesting	—	—	—	53,881	(3,574)	—	—	—	—	(3,574)
Amortization of share-based compensation	—	—	—	—	35,555	—	—	—	—	35,555
Reclassification of vested share-based awards	—	—	—	—	(36,077)	—	36,077	—	—	—
Adjustment to redeemable partnership units	2,122	—	—	—	(2,122)	—	—	—	—	(2,122)
Distributions	(380)	—	(20,362)	—	(722,152)	—	(15,381)	—	—	(757,895)
Contributions from noncontrolling interests in consolidated entities	129	—	—	—	—	—	—	—	4,505	4,505
Deconsolidation of noncontrolling interest in consolidated entities	—	—	—	—	—	—	—	—	(65,358)	(65,358)
Net income	(6,729)	—	20,362	—	166,548	—	3,910	—	392	191,212
Other comprehensive income (loss)	(142,399)	—	—	—	(1,037)	—	—	(149,069)	3,250	(146,856)
Balance as of June 30, 2023	\$ 1,367,422	30,200,000	\$731,690	299,240,366	\$17,631,250	6,483,064	\$457,107	\$ (762,492)	\$ 47,603	\$ 18,105,158

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CAPITAL
(unaudited, in thousands, except unit data)

Three Months Ended June 30, 2022	Redeemable Limited Partner Common Units	General Partner				Limited Partners Common Units		Accumulated Other Comprehensive Loss, Net	Noncontrolling	
		Preferred Units		Common Units		Units	Amount		Interests	Total Capital
		Units	Amount	Units	Amount					
Balance as of March 31, 2022	\$ 42,734	30,200,000	\$731,690	284,666,082	\$17,155,361	6,290,465	\$451,954	\$ (196,769)	\$ 66,470	\$ 18,208,706
Conversion of limited partner common units to general partner common units	—	—	—	2,436	201	(2,436)	(201)	—	—	—
Vesting of restricted common units, net	—	—	—	65,404	—	—	—	—	—	—
Payment of common unit offering costs and other, net	—	—	—	—	211	—	—	—	—	211
Issuance of limited partner common units, net	—	—	—	—	—	11,449	—	—	—	—
Units issued in connection with employee stock purchase plan	—	—	—	—	—	—	—	—	—	—
Net unit settlement to satisfy tax withholding upon vesting	—	—	—	—	(981)	—	—	—	—	(981)
Amortization of share-based compensation	—	—	—	—	22,420	—	—	—	—	22,420
Reclassification of vested share-based awards	—	—	—	—	(1,746)	—	1,746	—	—	—
Adjustment to redeemable partnership units	(1,868)	—	—	—	1,868	—	—	—	—	1,868
Distributions	(190)	—	—	—	(358,258)	—	(8,027)	—	—	(366,285)
Contributions from noncontrolling interests in consolidated entities	336	—	—	—	—	—	—	—	(6,032)	(6,032)
Net income	35	—	—	—	63,427	—	1,465	—	(1,064)	63,828
Other comprehensive income (loss)	—	—	—	—	—	—	—	(293,516)	—	(293,516)
Balance as of June 30, 2022	\$ 41,047	30,200,000	\$731,690	284,733,922	\$16,882,503	6,299,478	\$446,937	\$ (490,285)	\$ 59,374	\$ 17,630,219

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CAPITAL
(unaudited, in thousands, except unit data)

Six Months Ended June 30, 2022	Redeemable Limited Partner Common Units	General Partner				Limited Partners Common Units		Accumulated Other Comprehensive Loss, Net	Noncontrolling		Total Capital
		Preferred Units		Common Units		Common Units			Interests		
		Units	Amount	Units	Amount	Units	Amount				
Balance as of December 31, 2021	\$ 46,995	30,200,000	\$731,690	284,415,013	\$17,446,758	5,931,771	\$432,902	\$ (181,445)	\$ 46,882	\$ 18,476,787	
Conversion of limited partner common units to general partner common units	—	—	—	17,297	1,459	(17,297)	(1,459)	—	—	—	
Vesting of restricted common units, net	—	—	—	259,424	—	—	—	—	—	—	
Payment of common unit offering costs and other, net	—	—	—	—	(3,813)	—	—	—	—	(3,813)	
Issuance of limited partner common units, net	—	—	—	—	—	385,004	—	—	—	—	
Units issued in connection with employee stock purchase plan	—	—	—	42,188	4,969	—	—	—	—	4,969	
Net unit settlement to satisfy tax withholding upon vesting	—	—	—	—	(7,143)	—	—	—	—	(7,143)	
Amortization of share-based compensation	—	—	—	—	40,965	—	—	—	—	40,965	
Reclassification of vested share-based awards	—	—	—	—	(28,277)	—	28,277	—	—	—	
Adjustment to redeemable partnership units	(7,341)	—	—	—	7,341	—	—	—	—	7,341	
Distributions	(380)	—	—	—	(716,464)	—	(15,813)	—	—	(732,277)	
Contributions from noncontrolling interests in consolidated entities	1,703	—	—	—	—	—	—	—	11,527	11,527	
Net income	70	—	—	—	136,708	—	3,030	—	965	140,703	
Other comprehensive income (loss)	—	—	—	—	—	—	—	(308,840)	—	(308,840)	
Balance as of June 30, 2022	\$ 41,047	30,200,000	\$731,690	284,733,922	\$16,882,503	6,299,478	\$446,937	\$ (490,285)	\$ 59,374	\$ 17,630,219	

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 184,483	\$ 140,773
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on disposition of properties, net	(89,946)	(2,770)
Equity in earnings of unconsolidated entities	(19,956)	(26,870)
Distributions from unconsolidated entities	39,838	22,972
Depreciation and amortization	853,771	759,099
Amortization of share-based compensation	35,555	40,965
Loss from early extinguishment of debt	—	51,135
Straight-lined rents and amortization of above and below market leases	(5,465)	(16,885)
Amortization of deferred financing costs and debt discount / premium	12,750	9,359
Other items, net	(3,458)	17,024
Changes in assets and liabilities:		
Increase in accounts receivable and other assets	(261,048)	(248,310)
Increase in accounts payable and other liabilities	67,590	37,086
Net cash provided by operating activities	814,114	783,578
Cash flows from investing activities:		
Improvements to investments in real estate	(1,368,660)	(1,067,027)
Cash paid for business combination / asset acquisitions, net of cash acquired	(58,186)	(97,205)
Proceeds from (investment in) unconsolidated entities, net	3,812	(199,945)
Proceeds from sale of real estate	150,771	—
Other investing activities, net	(6,743)	(63,655)
Net cash used in investing activities	(1,279,006)	(1,427,832)
Cash flows from financing activities:		
Net proceeds from credit facilities	67,046	1,077,719
Borrowings on secured / unsecured debt	806,185	1,125,451
Repayments on secured / unsecured debt	(3,081)	(450,737)
Premium paid for early extinguishment of debt	—	(49,662)
Capital contributions from noncontrolling interests, net	4,634	17,977
General partner contributions	742,225	—
Payments of dividends and distributions	(1,121,991)	(1,071,386)
Other financing activities, net	(10,686)	(16,271)
Net cash provided by financing activities	484,332	633,091
Net increase (decrease) in cash, cash equivalents and restricted cash	19,440	(11,163)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(35,489)	(31,101)
Cash, cash equivalents and restricted cash at beginning of period	150,696	151,485
Cash, cash equivalents and restricted cash at end of period	<u>\$ 134,647</u>	<u>\$ 109,221</u>

See accompanying notes to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General

Organization and Description of Business. Digital Realty Trust, Inc. (the Parent), through its controlling interest in Digital Realty Trust, L.P. (the Operating Partnership or the OP) and the subsidiaries of the OP (collectively, we, our, us or the Company), is a leading global provider of data center (including colocation and interconnection) solutions for customers across a variety of industry verticals ranging from cloud and information technology services, social networking and communications to financial services, manufacturing, energy, healthcare, and consumer products. The OP, a Maryland limited partnership, is the entity through which the Parent, a Maryland corporation, conducts its business of owning, acquiring, developing and operating data centers. The Parent operates as a REIT for U.S. federal income tax purposes.

The Parent's only material asset is its ownership of partnership interests of the OP. The Parent generally does not conduct business itself, other than acting as the sole general partner of the OP, issuing public securities from time to time and guaranteeing certain unsecured debt of the OP and certain of its subsidiaries and affiliates. The Parent has not issued any debt but guarantees the unsecured debt of the OP and certain of its subsidiaries and affiliates.

The OP holds substantially all the assets of the Company. The OP conducts the operations of the business and has no publicly traded equity. Except for net proceeds from public equity issuances by the Parent, which are generally contributed to the OP in exchange for partnership units, the OP generally generates the capital required by the Company's business primarily through the OP's operations, by the OP's or its affiliates' direct or indirect incurrence of indebtedness or through the issuance of partnership units.

Accounting Principles and Basis of Presentation. The accompanying unaudited interim condensed consolidated financial statements and accompanying notes (the "Financial Statements") are prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") and are presented in our reporting currency, the U.S. dollar. All of the accounts of the Parent, the OP, and the subsidiaries of the OP are included in the accompanying Financial Statements. All material intercompany transactions with consolidated entities have been eliminated. In the opinion of management, the unaudited interim consolidated financial statements reflect all adjustments of a normal recurring nature that are necessary for a fair statement of the results for the interim periods presented. Interim results are not always indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022 ("2022 Form 10-K"), as filed with the U.S. Securities and Exchange Commission ("SEC"), our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, as filed with the SEC, and other filings with the SEC.

Management Estimates and Assumptions. U.S. GAAP requires us to make estimates and assumptions that affect reported amounts of revenue and expenses during the reporting period, reported amounts for assets and liabilities as of the date of the financial statements, and disclosures of contingent assets and liabilities as of the date of the financial statements. Although we believe the estimates and assumptions we made are reasonable and appropriate, as discussed in the applicable sections throughout the consolidated financial statements, different assumptions and estimates could materially impact our reported results. Actual results and outcomes may differ from our assumptions.

New Accounting Pronouncements. Recently issued accounting pronouncements that have yet to be adopted by the Company are not expected to have a material impact to the condensed consolidated financial statements.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

2. Investments in Properties

A summary of our investments in properties is below (in thousands):

Property Type	As of June 30, 2023	As of December 31, 2022
Land	\$ 1,121,188	\$ 1,061,408
Acquired ground lease	6,312	6,006
Buildings and improvements	25,150,315	24,287,103
Tenant improvements	809,954	781,540
	27,087,769	26,136,057
Accumulated depreciation and amortization	(7,739,462)	(7,268,981)
Investments in operating properties, net	19,348,307	18,867,076
Construction in progress and space held for development	4,635,939	4,789,134
Land held for future development	193,936	118,452
Investments in properties, net	\$ 24,178,182	\$ 23,774,662

Asset Dispositions

On May 15, 2023, the Company closed on the sale of its 100% interest in a non-core data center property located in Dallas, Texas for gross proceeds of approximately \$151 million resulting in a net gain on sale of approximately \$90 million. The assets and liabilities sold were not representative of a significant component of our portfolio nor did the sale represent a significant shift in our strategy.

On July 17, 2023, we formed a joint venture with GI Partners, and GI Partners acquired a 65% interest in two stabilized hyperscale data center buildings in the Chicago metro area that we contributed. We received approximately \$743 million of gross proceeds from the contribution of our data centers to the joint venture and the associated financing, and maintained a 35% interest in the joint venture. We have also granted GI Partners an option to purchase an interest in the third facility on the same hyperscale data center campus in Chicago. We will continue to manage the day-to-day operations of the assets. The carrying value of the two data centers is classified as assets held for sale on our condensed consolidated balance sheet as of June 30, 2023. The disposition of a portion of our interest in the two data centers met the criteria under ASC 360 for the assets to qualify as held for sale and contribution. However, the operations are not classified as discontinued operations as a result of our continuing interest in the joint venture. As of June 30, 2023, these two data centers had an aggregate carrying value of \$608.9 million within total assets and \$5.0 million within total liabilities and are shown as assets held for sale and obligations associated with assets held for sale on the condensed consolidated balance sheet.

On July 27, 2023, we formed a joint venture with TPG Real Estate, and TPG Real Estate acquired an 80% interest in three stabilized hyperscale data center buildings in Northern Virginia that we contributed. We received approximately \$1.3 billion of gross proceeds from the contribution of our data centers to the joint venture and the associated financing, and maintained a 20% interest in the joint venture. We will continue to manage the day-to-day operations of the assets.

3. Business Combinations

On August 1, 2022, we completed the acquisition of a 61.1% indirect controlling interest in Teraco, a leading carrier-neutral data center and interconnection services provider in South Africa (the "Teraco Acquisition"). The total purchase price was \$1.7 billion cash, funded by our global revolving credit facility and partial settlement of our forward equity sale agreements described under Note 11. "Equity and Capital—Forward Equity Sale." Teraco controls (and

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

consolidates) the Teraco Connect Trust (the “Trust”) that was created as part of the Broad Based Black Economic Empowerment Program in South Africa. The Trust owns a 12% interest in Teraco’s primary operating company, however, because Teraco (and the Company) controls the Trust, the Trust is consolidated by Teraco (and the Company). If the Trust was not consolidated by Teraco, the Company’s ownership interest in Teraco would be approximately 55%.

Goodwill — The purchase price of the Teraco Acquisition exceeded the fair value of net tangible and intangible assets acquired and liabilities assumed by \$1.6 billion. This amount was recorded as goodwill. We believe the strategic benefits of the acquisition support the value of goodwill recorded. Specifically, Teraco has numerous cross-connects, cloud on-ramps and data centers in addition to direct access to multiple subsea cables. The acquisition of Teraco added South Africa to the Company’s existing markets on the continent, including in Kenya, Mozambique, and Nigeria. The strategic importance of these markets has been enhanced by the recent and ongoing implementation of new subsea cable networks encircling Africa. When combined with the Company’s highly connected facilities in Marseille, France, and across EMEA, our customers now have a range of strategic connectivity hubs from which to serve all corners of the African market.

Redeemable Noncontrolling Interest (“Redeemable NCI”) — As part of the Teraco Acquisition, the Company and certain of its subsidiaries entered into a put/call agreement with the owners of the interest in Teraco that was not acquired by the Company (the “Put/Call Agreement”). The interest retained by these owners is hereafter referred to as the “Remaining Teraco Interest” and the owners of such interest are hereafter referred to as the “Rollover Shareholders”. Pursuant to the Put/Call Agreement, the Rollover Shareholders have the right to sell all or a portion of the Remaining Teraco Interest to the Company for a two-year period beginning on February 1, 2026, and the Company has the right to purchase all or a portion of the Remaining Teraco Interest from the Rollover Shareholders for a one-year period beginning on February 1, 2028. Per the terms of the agreement, the purchase price of the Remaining Teraco Interest for the put right and the call right can be settled by the Company with cash, shares in the Company, or a combination of cash and shares. In the event the Company elects to settle a put or call in whole or in part with shares of Digital Realty Trust, Inc.’s common stock, such shares will be issued in a private placement transaction with customary accompanying registration rights.

Since the Rollover Shareholders can redeem the put right at their discretion and such redemption, which could be in cash, is outside the Company’s control, the Company recorded the noncontrolling interest as Redeemable NCI and classified it in temporary equity within its condensed consolidated balance sheets. The Redeemable NCI was initially recorded at its acquisition-date fair value and will be adjusted each reporting period for income (or loss) attributable to the noncontrolling interest (a \$4.5 million and \$6.8 million net loss for the three and six months ended June 30, 2023, respectively). If the contractual redemption value of the Redeemable NCI is greater than its carrying value, an adjustment is made to reflect Redeemable NCI at the higher of its contractual redemption value or its carrying value each reporting period. Changes to the redemption value are recognized immediately in the period the change occurs. If the redemption value of the Redeemable NCI is equal to or less than the fair market value of the Remaining Teraco Interest, the change in the redemption value will be adjusted through Additional Paid in Capital. If the redemption value is greater than the fair market value of the Remaining Teraco Interest, the change in redemption value will be adjusted through Retained Earnings. These adjustments are not reflected on the Company’s income statement, but are instead reflected as adjustments to the net income component of the Company’s earnings per share calculations. When calculating earnings per share attributable to Digital Realty Trust, Inc., the Company adjusts net income attributable to Digital Realty Trust, Inc. to the extent the redemption value exceeds the fair value of the Redeemable NCI on a cumulative basis. For the six months ended June 30, 2023, no such adjustment was required.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

4. Leases

Lessor Accounting

We generate most of our revenue by leasing operating properties to customers under operating lease agreements. We recognize the total minimum lease payments provided for under the leases on a straight-line basis over the lease term if we determine that it is probable that substantially all of the lease payments will be collected over the lease term. Otherwise, rental revenue is recognized based on the amount contractually due. Generally, under the terms of our leases, some of our rental expenses, including common area maintenance, real estate taxes and insurance, are recovered from our customers. We record amounts reimbursed by customers in the period the applicable expenses are incurred, which is generally ratably throughout the term of the lease. Reimbursements are recognized in rental and other services revenue in the condensed consolidated income statements as we are the primary obligor with respect to purchasing and selecting goods and services from third-party vendors and bearing the associated credit risk.

Lessee Accounting

We lease space at certain of our data centers from third parties and certain equipment under noncancelable lease agreements. Leases for our data centers expire at various dates through 2069. As of June 30, 2023, certain of our data centers, primarily in Europe and Singapore, are subject to ground leases. As of June 30, 2023, the termination dates of these ground leases generally range from 2027 to 2108. In addition, our corporate headquarters along with several regional office locations are subject to leases with termination dates ranging from 2023 to 2041. The leases generally require us to make fixed rental payments that increase at defined intervals during the term of the lease plus pay our share of common area, real estate and utility expenses as incurred. The leases neither contain residual value guarantees nor impose material restrictions or covenants on us. Further, the leases have been classified and accounted for as either operating or finance leases. Rent expense related to operating leases included in rental property operating and maintenance expense in the condensed consolidated income statements amounted to approximately \$38.3 million and \$35.6 million for the three months ended June 30, 2023 and 2022, respectively, and approximately \$76.7 million and \$73.0 million for the six months ended June 30, 2023 and 2022, respectively.

5. Receivables

Accounts and Other Receivables, Net

Accounts and Other Receivables, net - is primarily comprised of contractual rents and other lease-related obligations currently due from customers. These amounts (net of an allowance for estimated uncollectible amounts) are shown in the subsequent table as Accounts receivable – trade, net. Other receivables shown separately from Accounts receivable – trade, net consist primarily of amounts that have not yet been billed to customers, such as for utility reimbursements and installation fees.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(Amounts in thousands):	Balance as of June 30, 2023	Balance as of December 31, 2022
Accounts receivable – trade	\$ 672,355	\$ 551,393
Allowance for doubtful accounts	(42,624)	(33,048)
Accounts receivable – trade, net	629,731	518,345
Accounts receivable – customer recoveries	224,642	170,012
Value-added tax receivables	175,531	167,459
Accounts receivable – installation fees	60,060	60,663
Other receivables	68,419	52,813
Accounts and other receivables, net	<u>\$ 1,158,383</u>	<u>\$ 969,292</u>

Deferred Rent Receivables

Deferred rent receivables represent rental income that has been recognized as revenue under ASC 842, but which is not yet due from customers under their existing rental agreements. The Company recognizes an allowance against deferred rent receivables to the extent it becomes no longer probable that a customer or group of customers will be able to make substantially all of their required cash rental payments over the entirety of their respective lease terms. As of June 30, 2023, allowance for deferred rent receivables increased primarily due to a customer bankruptcy.

(Amounts in thousands):	Balance as of June 30, 2023	Balance as of December 31, 2022
Deferred rent receivables	\$ 637,745	\$ 612,439
Allowance for deferred rent receivables	(38,949)	(10,849)
Deferred rent receivables, net	<u>\$ 598,796</u>	<u>\$ 601,590</u>

6. Investments in Unconsolidated Entities

A summary of the Company's investments in unconsolidated entities accounted for under the equity method of accounting is shown below (in thousands):

Entity	Year Entity Formed	Metropolitan Area of Properties	% Ownership	Balance as of June 30, 2023	Balance as of December 31, 2022
Digital Core REIT (DCRU)	2021	U.S. / Toronto / Frankfurt	36 %	\$ 318,734	\$ 328,584
Ownership interest in DCRU operating properties	2021	U.S. / Toronto / Frankfurt	Various	134,316	136,431
Ascenty	2019	Brazil / Chile / Mexico	51 %	676,866	606,141
Mapletree	2019	Northern Virginia	20 %	153,579	160,200
Mitsubishi ⁽¹⁾	Various	Osaka / Tokyo	50 %	398,468	453,420
Lumen	2012	Hong Kong	50 %	68,979	68,821
Other	Various	U.S. / India / Nigeria	Various	289,510	237,829
Total				<u>\$ 2,040,452</u>	<u>\$ 1,991,426</u>

- (1) During the six months ended June 30, 2023, we derecognized all assets, liabilities and 50% noncontrolling interests related to a joint venture that was previously consolidated and recognized an equity method investment of approximately \$61.9 million based on the value of our 50% noncontrolling interest in the joint venture. We had concluded that we would consolidate the joint venture during the development phase of the buildings because we had the power to direct activities that most significantly impacted the joint venture's economic performance, however, upon the building's completion and commencing the operational phase, we no longer have the power to direct the activities that most significantly impact the joint venture's economic performance and deconsolidated the joint venture and recognized the investment under the equity method as we still retained significant influence.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

DCREIT – Digital Core REIT is a standalone real estate investment trust formed under Singapore law, which is publicly-traded on the Singapore Exchange under the ticker symbol “DCRU”. Digital Core REIT owns 11 operating data center properties. The Company’s ownership interest in the units of DCRU, as well as its ownership interest in the operating properties of DCRU are collectively referred to as the Company’s investment in DCREIT.

As of June 30, 2023, the Company held 36% of the outstanding DCRU units and separately owned a 10% direct retained interest in the underlying North American operating properties and a 75% direct retained interest in the underlying German operating property.

The Company’s 36% interest in DCRU consisted of 399 million units and 396 million units as of June 30, 2023 and December 31, 2022, respectively. Based on the closing price per unit of \$0.475 and \$0.55 as of June 30, 2023 and December 31, 2022, respectively, the fair value of the units the Company owned in DCRU was approximately \$190 million and \$218 million as of June 30, 2023 and December 31, 2022, respectively.

These values do not include the value of the Company’s 10% interest in the North American operating properties and 75% interest in the German operating property of DCRU, because the associated ownership interests are not publicly traded. The Company accounts for its investment in DCREIT as an equity method investment (and not at fair value) based on the significant influence it is able to exert on DCREIT. The Company determined that the decline in fair value of the investment in DCRU as compared to the Company’s book basis as of June 30, 2023 was temporary in nature.

Pursuant to contractual agreements with DCRU and its operating properties, the Company will earn fees for asset and property management services as well as fees for aiding in future acquisition, disposition and development activities. Certain of these fees are payable to the Company in the form of additional units in DCRU or in cash. The Company earned fees pursuant to these contractual agreements of approximately \$2.5 million and \$2.8 million for the three months ended June 30, 2023 and 2022, respectively, and \$4.8 million and \$5.1 million for the six months ended June 30, 2023 and 2022, respectively, which is recorded as fee income and other on the condensed consolidated income statement.

Ascenty – The Company’s ownership interest in Ascenty includes an approximate 2% interest held by one of the Company’s non-controlling interest holders. This 2% interest had a carrying value of approximately \$18 million as of June 30, 2023 and December 31, 2022. Ascenty is a variable interest entity (“VIE”) and the Company’s maximum exposure to loss related to this VIE is limited to our equity investment in the entity.

Debt – The debt of our unconsolidated entities generally is non-recourse to us, except for customary exceptions pertaining to matters such as intentional misuse of funds, environmental conditions, and material misrepresentations.

7. Goodwill

Goodwill represents the excess of the purchase price over the fair value of net tangible and intangible assets acquired in a business combination. Changes in the value of goodwill at June 30, 2023 as compared to December 31, 2022 were primarily driven by changes in exchange rates associated with goodwill balances denominated in foreign currencies.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

8. Acquired Intangible Assets and Liabilities

The following table summarizes our acquired intangible assets and liabilities:

(Amounts in thousands)	Balance as of					
	June 30, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationship value	\$ 3,187,468	\$ (954,011)	\$ 2,233,457	\$ 3,327,765	\$ (888,105)	\$ 2,439,660
Acquired in-place lease value	1,272,138	(995,881)	276,257	1,369,526	(1,041,631)	327,895
Other	102,330	(30,804)	71,526	94,829	(26,788)	68,041
Acquired above-market leases	218,430	(211,753)	6,677	264,071	\$ (253,693)	10,378
Acquired below-market leases	(326,333)	247,724	(78,609)	(344,256)	255,821	(88,435)

Amortization of customer relationship value, acquired in-place lease value and other intangibles (a component of depreciation and amortization expense) was approximately \$66.1 million and \$57.3 million for the three months ended June 30, 2023 and 2022, respectively, and approximately \$134.6 million and \$118.9 million for the six months ended June 30, 2023 and 2022, respectively.

Amortization of acquired below-market leases, net of acquired above-market leases, resulted in an increase in rental and other services revenue of \$1.7 million and \$0.3 million for the three months ended June 30, 2023 and 2022, respectively, and approximately \$3.5 million and \$0.6 million for the six months ended June 30, 2023 and 2022, respectively. Estimated annual amortization for each of the five succeeding years and thereafter, commencing July 1, 2023 is as follows:

(Amounts in thousands)	Customer relationship value	Acquired in-place lease value	Other ⁽¹⁾	Acquired above-market leases	Acquired below-market leases
2023	\$ 95,961	\$ 28,919	\$ 2,276	\$ 1,437	\$ (5,155)
2024	191,342	54,205	4,552	2,203	(9,577)
2025	190,799	51,707	4,511	1,452	(9,387)
2026	190,159	49,769	4,307	684	(8,626)
2027	189,767	40,048	4,292	214	(8,012)
Thereafter	1,375,429	51,609	3,826	687	(37,852)
Total	\$ 2,233,457	\$ 276,257	\$ 23,764	\$ 6,677	\$ (78,609)

(1) Excludes power grid rights in the amount of approximately \$44.9 million that are currently not being amortized. Amortization of these assets will begin once the data centers associated with the power grid rights are placed into service.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

9. Debt of the Operating Partnership

All debt is currently held by the OP or its consolidated subsidiaries, and the Parent is the guarantor or co-guarantor of the Global Revolving Credit Facility and the Yen Revolving Credit Facility (together, referred to as the “Global Revolving Credit Facilities”), the unsecured term loans and the unsecured senior notes. A summary of outstanding indebtedness is as follows (in thousands):

	June 30, 2023		December 31, 2022	
	Weighted-average interest rate	Amount Outstanding	Weighted-average interest rate	Amount Outstanding
Global revolving credit facilities	4.18 %	\$ 2,257,864	3.04 %	\$ 2,167,889
Unsecured term loans	4.59 %	1,558,175	2.49 %	802,875
Unsecured senior notes	2.24 %	13,479,366	2.44 %	13,220,961
Secured and other debt	7.72 %	560,795	7.12 %	532,130
Total	2.86 %	\$ 17,856,200	2.68 %	\$ 16,723,855

The weighted-average interest rates shown represent interest rates at the end of the periods for the debt outstanding and include the impact of designated interest rate swaps, which effectively fix the interest rates on certain variable rate debt, along with cross-currency interest rate swaps, which effectively convert a portion of our U.S. dollar-denominated fixed-rate debt to foreign currency-denominated fixed-rate debt in order to hedge the currency exposure associated with our net investment in foreign subsidiaries.

We primarily borrow in the functional currencies of the countries where we invest. Included in the outstanding balances were borrowings denominated in the following currencies (in thousands, U.S. dollars):

Denomination of Draw	June 30, 2023		December 31, 2022	
	Amount Outstanding	% of Total	Amount Outstanding	% of Total
U.S. dollar (\$)	\$ 2,783,488	15.6 %	\$ 3,855,903	23.1 %
British pound sterling (£)	1,968,965	11.0 %	1,929,051	11.5 %
Euro (€)	11,302,553	63.3 %	9,325,126	55.8 %
Other	1,801,194	10.1 %	1,613,775	9.6 %
Total	\$ 17,856,200		\$ 16,723,855	

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The table below summarizes debt maturities and principal payments as of June 30, 2023 (in thousands):

	Global Revolving Credit Facilities ⁽¹⁾ (2)	Unsecured Term Loans ⁽³⁾	Unsecured Senior Notes	Secured and Other Debt	Total Debt
2023	\$ —	\$ —	\$ 111,665	\$ 113	\$ 111,778
2024	—	—	972,115	4,558	976,673
2025	—	1,558,175	1,217,205	569	2,775,949
2026	2,257,864	—	1,479,795	96,922	3,834,581
2027	—	—	1,167,497	203,385	1,370,882
Thereafter	—	—	8,531,089	255,248	8,786,337
Subtotal	\$ 2,257,864	\$ 1,558,175	\$ 13,479,366	\$ 560,795	\$ 17,856,200
Unamortized net discounts	—	—	(35,380)	—	(35,380)
Unamortized deferred financing costs	(15,606)	(9,395)	(60,167)	(6,201)	(91,369)
Total	<u>\$ 2,242,258</u>	<u>\$ 1,548,780</u>	<u>\$ 13,383,819</u>	<u>\$ 554,594</u>	<u>\$ 17,729,451</u>

- (1) Includes amounts outstanding for the Global Revolving Credit Facilities.
- (2) The Global Revolving Credit Facilities are subject to two six-month extension options exercisable by us.
- (3) A €375.0 million senior unsecured term loan facility is subject to two maturity extension options of one year each. Our U.S. term loan facility of \$740 million is subject to one twelve-month extension, provided that the Operating Partnership must pay a 0.1875% extension fee based on the then-outstanding principal amount of the term loans.

Unsecured Senior Notes

The following table provides details of our unsecured senior notes (balances in thousands):

	Aggregate Principal Amount at Issuance			Maturity Date	Balance as of	
	Borrowing Currency	USD	USD		June 30, 2023	December 31, 2022
0.600% notes due 2023	CHF	100,000	\$ 108,310	Oct 02, 2023	\$ 111,665	\$ 108,121
2.625% notes due 2024	€	600,000	677,040	Apr 15, 2024	654,540	642,300
2.750% notes due 2024	£	250,000	324,925	Jul 19, 2024	317,575	302,075
4.250% notes due 2025	£	400,000	634,480	Jan 17, 2025	508,120	483,320
0.625% notes due 2025	€	650,000	720,980	Jul 15, 2025	709,085	695,825
2.500% notes due 2026	€	1,075,000	1,224,640	Jan 16, 2026	1,172,718	1,150,788
0.200% notes due 2026	CHF	275,000	298,404	Dec 15, 2026	307,077	297,331
1.700% notes due 2027	CHF	150,000	162,465	Mar 30, 2027	167,497	162,181
3.700% notes due 2027 ⁽¹⁾	\$	1,000,000	1,000,000	Aug 15, 2027	1,000,000	1,000,000
5.550% notes due 2028 ⁽¹⁾	\$	900,000	900,000	Jan 15, 2028	900,000	900,000
1.125% notes due 2028	€	500,000	548,550	Apr 09, 2028	545,450	535,250
4.450% notes due 2028	\$	650,000	650,000	Jul 15, 2028	650,000	650,000
0.550% notes due 2029	CHF	270,000	292,478	Apr 16, 2029	301,494	291,925
3.600% notes due 2029	\$	900,000	900,000	Jul 01, 2029	900,000	900,000
3.300% notes due 2029	£	350,000	454,895	Jul 19, 2029	444,605	422,905
1.500% notes due 2030	€	750,000	831,900	Mar 15, 2030	818,175	802,875
3.750% notes due 2030	£	550,000	719,825	Oct 17, 2030	698,665	664,565
1.250% notes due 2031	€	500,000	560,950	Feb 01, 2031	545,450	535,250
0.625% notes due 2031	€	1,000,000	1,220,700	Jul 15, 2031	1,090,900	1,070,500
1.000% notes due 2032	€	750,000	874,500	Jan 15, 2032	818,175	802,875
1.375% notes due 2032	€	750,000	849,375	Jul 18, 2032	818,175	802,875
					<u>\$ 13,479,366</u>	<u>\$ 13,220,961</u>
Unamortized discounts, net of premiums					(35,380)	(37,280)
Deferred financing costs, net					(60,167)	(63,648)
Total unsecured senior notes, net of discount and deferred financing costs					<u>\$ 13,383,819</u>	<u>\$ 13,120,033</u>

- (1) Subject to cross-currency swaps.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Restrictive Covenants in Unsecured Senior Notes

The indentures governing our senior notes contain certain covenants, including (1) a leverage ratio not to exceed 60%, (2) a secured debt leverage ratio not to exceed 40% and (3) an interest coverage ratio of greater than 1.50. The covenants also require us to maintain total unencumbered assets of not less than 150% of the aggregate principal amount of unsecured debt. At June 30, 2023, we were in compliance with each of these financial covenants.

Early Extinguishment of Unsecured Senior Notes

We recognized the following losses on early extinguishment of unsecured notes:

- During the six months ended June 30, 2022: \$51.1 million primarily due to redemption of the 4.750% Notes due 2025 in February 2022.

USD Term Loan Agreement

On October 25, 2022, the Company, the Operating Partnership, and certain of the Operating Partnership's subsidiaries entered into an escrow agreement (the "Escrow Agreement") with Bank of America, N.A., as administrative agent (the "Administrative Agent"), certain lenders (the "Lenders"), and Arnold & Porter Kaye Scholer LLP, as escrow agent (the "Escrow Agent"), pursuant to which the Operating Partnership, the Company, the Administrative Agent and the Lenders delivered executed signature pages to a new term loan agreement among the Operating Partnership, the Company, the Lenders and the Administrative Agent (the "Term Loan Agreement") to be held in escrow by the Escrow Agent and released by the Escrow Agent upon satisfaction of the terms described in the Escrow Agreement. On January 9, 2023, the terms and conditions of the Escrow Agreement were satisfied, and, on such date, the Term Loan Agreement was deemed executed and became effective. The Term Loan Agreement provides for a \$740 million senior unsecured term loan facility (the "Term Loan Facility"). The Term Loan Facility provides for borrowings in U.S. dollars. The Term Loan Facility will mature on March 31, 2025, subject to one twelve-month extension option at the Operating Partnership's option; provided, that the Operating Partnership must pay a 0.1875% extension fee based on the then-outstanding principal amount of the term loans under the Term Loan Facility.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

10. Earnings per Common Share or Unit

The following is a summary of basic and diluted income per share/unit (in thousands, except per share/unit amounts):

Digital Realty Trust, Inc. Earnings per Common Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator:				
Net income available to common stockholders	\$ 108,003	\$ 53,246	\$ 166,548	\$ 116,346
Plus: Loss attributable to redeemable noncontrolling interest ⁽¹⁾	(4,499)	—	(6,819)	—
Net income available to common stockholders - diluted EPS	<u>112,502</u>	<u>53,246</u>	<u>173,367</u>	<u>116,346</u>
Denominator:				
Weighted average shares outstanding—basic	295,390	284,694	293,316	284,610
Potentially dilutive common shares:				
Unvested incentive units	46	178	51	183
Unvested restricted stock	6	49	6	62
Forward equity offering	60	—	169	—
Market performance-based awards	102	189	51	125
Redeemable noncontrolling interest shares ⁽¹⁾	11,215	—	10,859	—
Weighted average shares outstanding—diluted	<u>306,819</u>	<u>285,110</u>	<u>304,452</u>	<u>284,980</u>
Income per share:				
Basic	<u>\$ 0.37</u>	<u>\$ 0.19</u>	<u>\$ 0.57</u>	<u>\$ 0.41</u>
Diluted	<u>\$ 0.37</u>	<u>\$ 0.19</u>	<u>\$ 0.57</u>	<u>\$ 0.41</u>

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Digital Realty Trust, L.P. Earnings per Unit

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2023	2022	2023	2022
Numerator:				
Net income available to common unitholders	\$ 110,503	\$ 54,746	\$ 170,548	\$ 119,446
Plus: Loss attributable to redeemable noncontrolling interest ⁽¹⁾	(4,499)	—	(6,819)	—
Net income available to common unitholders - diluted EPS	<u>115,002</u>	<u>54,746</u>	<u>177,367</u>	<u>119,446</u>
Denominator:				
Weighted average units outstanding—basic	301,593	290,528	299,452	290,346
Potentially dilutive common units:				
Unvested incentive units	46	178	51	183
Unvested restricted units	6	49	6	62
Forward equity offering	60	—	169	—
Market performance-based awards	102	189	51	125
Redeemable noncontrolling interest shares ⁽¹⁾	11,215	—	10,859	—
Weighted average units outstanding—diluted	<u>313,022</u>	<u>290,944</u>	<u>310,588</u>	<u>290,716</u>
Income per unit:				
Basic	<u>\$ 0.37</u>	<u>\$ 0.19</u>	<u>\$ 0.57</u>	<u>\$ 0.41</u>
Diluted	<u>\$ 0.37</u>	<u>\$ 0.19</u>	<u>\$ 0.57</u>	<u>\$ 0.41</u>

(1) Pursuant to the Put/Call Agreement with the Rollover Shareholders who remained after the Teraco Acquisition, the Rollover Shareholders have a put right on the Remaining Interest of Teraco that can be settled by the Company in Digital Realty Trust, Inc. shares, in cash, or a combination of cash and shares. Under U.S. GAAP, diluted earnings per share must be reflected in a manner that assumes such put right was exercised at the beginning of the respective periods and settled entirely in shares. The amounts shown represent the redemption value of the Remaining Interest of Teraco divided by Digital Realty Trust, Inc.'s average share price for the respective periods. The put right is exercisable by the Rollover Shareholders for a two-year period commencing on February 1, 2026.

The below table shows the securities that would be antidilutive or not dilutive to the calculation of earnings per share and unit. Common units of the Operating Partnership not owned by Digital Realty Trust, Inc. were excluded only from the calculation of earnings per share as they are not applicable to the calculation of earnings per unit. All other securities shown below were excluded from the calculation of both earnings per share and earnings per unit (in thousands).

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2023	2022	2023	2022
Shares subject to Forward Equity Offering	—	6,250	—	6,250
Weighted average of Operating Partnership common units not owned by Digital Realty Trust, Inc.	6,202	5,834	6,136	5,735
Potentially dilutive Series J Cumulative Redeemable Preferred Stock	1,896	1,536	2,013	1,494
Potentially dilutive Series K Cumulative Redeemable Preferred Stock	1,994	1,615	2,116	1,571
Potentially dilutive Series L Cumulative Redeemable Preferred Stock	3,271	2,649	3,471	2,577
Total	<u>13,363</u>	<u>17,884</u>	<u>13,736</u>	<u>17,627</u>

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

11. Equity and Capital***Equity Distribution Agreement***

Digital Realty Trust, Inc. and Digital Realty Trust, L.P. are parties to an ATM Equity OfferingSM Sales Agreement dated April 1, 2022, as amended by Amendment No. 1 to ATM Equity OfferingSM Sales Agreement dated March 16, 2023 (the "Sales Agreement"). Pursuant to the Sales Agreement, Digital Realty Trust, Inc. can issue and sell common stock having an aggregate offering price of up to \$1.5 billion through various named agents from time to time. For the six months ended June 30, 2023, Digital Realty Trust, Inc. generated net proceeds of approximately \$743.0 million from the issuance of approximately 7.8 million common shares under the Sales Agreement at an average price of \$95.96 per share after payment of approximately \$7.5 million of commissions to the agents. In addition, during such period the company entered into forward equity sale agreements with a financial institution acting as a forward purchaser under its ATM program with respect to approximately 3.5 million shares of its common stock at an initial forward sale price of approximately \$97.68 per share. The company did not initially receive any proceeds from the sale of shares of common stock by the forward purchaser. On July 26, 2023, we fully settled the forward sale agreements by issuing approximately 3.5 million shares, resulting in proceeds of approximately \$336 million. As of June 30, 2023, approximately \$408.7 million remains available for future sales under the program. For the six months ended June 30, 2022, we had no sales under the Sales Agreement.

We account for our forward equity sales agreements in accordance with the accounting guidance governing financial instruments and derivatives. As of June 30, 2023, none of our forward equity sales agreements were deemed to be liabilities as they did not embody obligations to repurchase our shares, nor did they embody obligations to issue a variable number of shares for which the monetary value was predominantly fixed, varied with something other than the fair value of our shares, or varied inversely in relation to our shares. We also evaluated whether the agreements met the derivatives and hedging guidance scope exception to be accounted for as equity instruments and concluded that the agreements could be classified as equity contracts based on the following assessment: (i) none of the agreements' exercise contingencies were based on observable markets or indices besides those related to the market for our own stock price and operations; and (ii) none of the settlement provisions precluded the agreements from being indexed to our own stock. The shares issuable upon settlement of our forward sale agreement is reflected in our diluted earnings per share using the treasury stock method.

Noncontrolling Interests in Operating Partnership

Noncontrolling interests in the Operating Partnership relate to the proportion of entities consolidated by the Company that are owned by third parties. The following table shows the ownership interest in the Operating Partnership as of June 30, 2023 and December 31, 2022 (in thousands):

	<u>June 30, 2023</u>		<u>December 31, 2022</u>	
	<u>Number of units</u>	<u>Percentage of total</u>	<u>Number of units</u>	<u>Percentage of total</u>
Digital Realty Trust, Inc.	299,240	97.9 %	291,148	97.9 %
Noncontrolling interests consist of:				
Common units held by third parties	4,343	1.4 %	4,375	1.5 %
Incentive units held by employees and directors (see Note 13. "Incentive Plan")	2,140	0.7 %	1,914	0.6 %
	<u>305,723</u>	<u>100.0 %</u>	<u>297,437</u>	<u>100.0 %</u>

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Limited partners have the right to require the Operating Partnership to redeem all or a portion of their common units for cash based on the fair market value of an equivalent number of shares of Digital Realty Trust, Inc. common stock at the time of redemption. Alternatively, Digital Realty Trust, Inc. may elect to acquire those common units in exchange for shares of its common stock on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, issuance of stock rights, specified extraordinary distributions and similar events. The common units and incentive units of the Operating Partnership are classified within equity, except for certain common units issued to certain former DuPont Fabros Technology, L.P. unitholders in the Company's acquisition of DuPont Fabros Technology, Inc., which are subject to certain restrictions and, accordingly, are not presented as permanent equity in the condensed balance sheet.

The redemption value of the noncontrolling Operating Partnership common units and the vested incentive units was approximately \$707.0 million and \$591.2 million based on the closing market price of Digital Realty Trust, Inc. common stock on June 30, 2023 and December 31, 2022, respectively.

The following table shows activity for noncontrolling interests in the Operating Partnership for the six months ended June 30, 2023 (in thousands):

	Common Units	Incentive Units	Total
As of December 31, 2022	4,375	1,914	6,289
Conversion of incentive units held by employees and directors for shares of Digital Realty Trust, Inc. common stock ⁽¹⁾	(32)	(30)	(62)
Incentive units issued upon achievement of market performance condition	—	128	128
Grant of incentive units to employees and directors	—	165	165
Cancellation / forfeitures of incentive units held by employees and directors	—	(37)	(37)
As of June 30, 2023	4,343	2,140	6,483

(1) These redemptions and conversions were recorded as a reduction to noncontrolling interests in the Operating Partnership and an increase to common stock and additional paid-in capital based on the book value per unit in the accompanying consolidated balance sheet of Digital Realty Trust, Inc.

Dividends and Distributions

Digital Realty Trust, Inc. Dividends

We have declared and paid the following dividends on our common and preferred stock for the six months ended June 30, 2023 (in thousands, except per share data):

Date dividend declared	Dividend payment date	Series J Preferred Stock	Series K Preferred Stock	Series L Preferred Stock	Common Stock
February 22, 2023	March 31, 2023	\$ 2,625	\$ 3,071	\$ 4,485	\$ 356,214
May 24, 2023	June 30, 2023	2,625	3,071	4,485	365,937
		\$ 5,250	\$ 6,142	\$ 8,970	\$ 722,151
Annual rate of dividend per share		<u>\$ 1.31250</u>	<u>\$ 1.46250</u>	<u>\$ 1.30000</u>	<u>\$ 4.88000</u>

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Digital Realty Trust, L.P. Distributions

All distributions on the Operating Partnership's units are at the discretion of Digital Realty Trust, Inc.'s Board of Directors. The table below shows the distributions declared and paid by the Operating Partnership on its common and preferred units for the six months ended June 30, 2023 (in thousands, except for per unit data):

Date distribution declared	Distribution payment date	Series J Preferred Units	Series K Preferred Units	Series L Preferred Units	Common Units
February 22, 2023	March 31, 2023	\$ 2,625	\$ 3,071	\$ 4,485	\$ 364,204
May 24, 2023	June 30, 2023	2,625	3,071	4,485	373,833
		<u>\$ 5,250</u>	<u>\$ 6,142</u>	<u>\$ 8,970</u>	<u>\$ 738,037</u>
Annual rate of distribution per unit		<u>\$ 1.31250</u>	<u>\$ 1.46250</u>	<u>\$ 1.30000</u>	<u>\$ 4.88000</u>

12. Accumulated Other Comprehensive Income (Loss), Net

The accumulated balances for each item within accumulated other comprehensive income (loss) are shown below (in thousands) for Digital Realty Trust, Inc. and separately for Digital Realty Trust, L.P:

Digital Realty Trust, Inc.

	Foreign currency translation adjustments	Increase (decrease) in fair value of derivatives, net of reclassification	Accumulated other comprehensive income (loss), net
Balance as of December 31, 2022	\$ (536,019)	\$ (59,779)	\$ (595,798)
Net current period change	(144,823)	12,855	(131,968)
Reclassification to interest expense from derivatives	—	(13,718)	(13,718)
Balance as of June 30, 2023	<u>\$ (680,842)</u>	<u>\$ (60,642)</u>	<u>\$ (741,484)</u>

Digital Realty Trust, L.P.

	Foreign currency translation adjustments	Increase (decrease) in fair value of derivatives, net of reclassification	Accumulated other comprehensive income (loss)
Balance as of December 31, 2022	\$ (551,013)	\$ (62,410)	\$ (613,423)
Net current period change	(148,181)	13,150	(135,031)
Reclassification to interest expense from derivatives	—	(14,038)	(14,038)
Balance as of June 30, 2023	<u>\$ (699,194)</u>	<u>\$ (63,298)</u>	<u>\$ (762,492)</u>

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

13. Incentive Plans

2014 Incentive Award Plan

The Company provides incentive awards in the form of common stock or awards convertible into common stock pursuant to the Digital Realty Trust, Inc., Digital Services, Inc. and Digital Realty Trust, L.P. 2014 Incentive Award Plan, as amended (the “Incentive Plan”). The major categories of awards that can be issued under the Incentive Plan include:

Long-Term Incentive Units (“LTIP Units”): LTIP Units, in the form of profits interest units of the Operating Partnership, may be issued to eligible participants for the performance of services to or for the benefit of the Operating Partnership. LTIP Units (other than Class D units), whether vested or not, receive the same quarterly per-unit distributions as Operating Partnership common units. Initially, LTIP Units do not have full parity with common units with respect to liquidating distributions. However, if such parity is reached, vested LTIP Units may be converted into an equal number of common units of the Operating Partnership at any time. The awards generally vest over periods between two and four years.

Service-Based Restricted Stock Units: Service-based Restricted Stock Units, which vest over periods between two and four years, convert to shares of Digital Realty Trust, Inc.’s common stock upon vesting.

Performance-Based Awards (“the Performance Awards”): Performance-based Class D units of the Operating Partnership and performance-based Restricted Stock Units of Digital Realty Trust, Inc.’s common stock may be issued to officers and employees of the Company. The Performance Awards include performance-based and time-based vesting criteria. Depending on the type of award, the total number of units that qualify to fully vest is determined based on either a market performance criterion (“Market-Based Performance Awards”) or financial performance criterion (“Financial-Based Performance Awards”), in each case, subject to time-based vesting.

Market-Based Performance Awards.

The market performance criterion compares Digital Realty Trust, Inc.’s total shareholder return (“TSR”) relative to the MSCI US REIT Index (“RMS”) over a three-year performance period (“Market Performance Period”), subject to continued service, in order to determine the percentage of the total eligible pool of units that qualifies to be awarded. Following the completion of the Market Performance Period, the awards then have a time-based vesting element pursuant to which 50% of the performance-vested units fully vest in the February immediately following the end of the Market Performance Period and 50% of the performance-vested units fully vest in the subsequent February.

Vesting with respect to the market condition is measured based on the difference between Digital Realty Trust, Inc.’s TSR percentage and the TSR percentage of the RMS as is shown in the subsequent table (the “RMS Relative Market Performance”).

Level	RMS Relative Market Performance	Market Performance Vesting Percentage
Below Threshold Level	≤ -500 basis points	0 %
Threshold Level	-500 basis points	25 %
Target Level	0 basis points	50 %
High Level	≥ 500 basis points	100 %

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

If the RMS Relative Market Performance falls between the levels specified in the above table, the percentage of the award that will vest with respect to the market condition will be determined using straight-line linear interpolation between such levels.

2020 Awards

- In January 2023, the RMS Relative Market Performance fell between the threshold and target levels for the 2020 awards and, accordingly, 72,230 Class D units and 7,083 Restricted Stock Units performance vested and qualified for time-based vesting.
- The Class D units included 5,841 distribution equivalent units that immediately vested on December 31, 2022.
- On February 27, 2023, 50% of the 2020 awards vested and the remaining 50% will vest on February 27, 2024, subject to continued employment through the applicable vesting date.

The grant date fair value of the Market-Based Performance Awards was approximately \$8.2 million and \$12.3 million for the six months ended June 30, 2023 and 2022, respectively. This amount will be recognized as compensation expense on a straight-line basis over the expected service period of approximately four years.

Financial-Based Performance Awards.

On April 8, 2023, the Company granted Financial-Based Performance Awards, which vest based on growth in same-store cash net operating income during the three-year period commencing on January 1, 2023. The awards have a time-based vesting element consistent with the Market-Based Performance Awards discussed above. For these awards, fair value is based on market value on the date of grant and compensation cost is recognized based on the probable achievement of the performance condition at each reporting period. The grant date fair value of these awards was \$8.1 million, based on Digital Realty Trust, Inc.'s closing stock price at the grant date.

On March 4, 2022, the Company granted Financial-Based Performance Awards, which vest based on the growth in core funds from operation ("Core FFO") during the three-year period commencing on January 1, 2022. The awards have a time-based vesting element consistent with the Market-Based Performance Awards discussed above. For these awards, fair value is based on market value on the date of grant and compensation cost is recognized based on the probable achievement of the performance condition at each reporting period. The grant date fair value of these awards was \$12.3 million, based on Digital Realty Trust, Inc.'s closing stock price at the grant date.

Other Items: In addition to the LTIP Units, service-based Restricted Stock Units and Performance Awards described above, one-time grants of time and/or performance-based Class D units and Restricted Stock Units were issued in connection with the Company's combination with InterXion Holding N.V. These awards vest over a period of two and three years based on continued service and/or the attainment of performance metrics related to successful integration of the Interxion business.

As of June 30, 2023, approximately 4.2 million shares of common stock, including awards that can be converted to or exchanged for shares of common stock, remained available for future issuance under the Incentive Plan.

Each LTIP unit and each Class D unit issued under the Incentive Plan counts as one share of common stock for purposes of calculating the limit on shares that may be issued under the Incentive Plan and the individual award limits set forth therein.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Below is a summary of our compensation expense and our unearned compensation (in millions):

Type of incentive award	Deferred Compensation				Unearned Compensation		Expected period to recognize unearned compensation (in years)
	Expensed		Capitalized		As of	As of	
	Three Months Ended June 30,				June 30, 2023	December 31, 2022	
	2023	2022	2023	2022			
Long-term incentive units	\$ 3.6	\$ 6.4	\$ —	\$ —	\$ 23.2	\$ 20.7	2.4
Performance-based awards	1.3	5.6	0.1	0.1	31.2	30.3	2.5
Service-based restricted stock units	8.3	6.8	1.4	1.4	0.4	55.4	2.9
Interxion awards	0.6	1.1	—	—	84.0	1.9	0.4
	Six Months Ended June 30,						
	2023	2022	2023	2022			
Long-term incentive units	\$ 6.4	\$ 11.6	\$ —	\$ 0.1			
Performance-based awards	5.4	10.6	0.1	0.3			
Service-based restricted stock units	16.0	12.1	2.5	2.4			
Interxion awards	1.3	2.0	—	—			

Activity for LTIP Units and service-based Restricted Stock Units for the six months ended June 30, 2023 is shown below.

Unvested LTIP Units	Units	Weighted-Average Grant Date Fair Value
Unvested, beginning of period	279,258	\$ 146.37
Granted	165,015	99.54
Vested	(152,278)	126.71
Cancelled or expired	(38,063)	136.30
Unvested, end of period	253,932	\$ 129.23

Unvested Restricted Stock Units	Shares	Weighted-Average Grant Date Fair Value
Unvested, beginning of period	507,837	\$ 131.57
Granted	498,648	100.51
Vested	(180,853)	121.95
Cancelled or expired	(39,154)	116.92
Unvested, end of period	786,478	\$ 114.82

14. Derivative Instruments

Derivatives Designated as Hedging Instruments

Net Investment Hedges

In September 2022, we entered into cross-currency interest rate swaps, which effectively convert a portion of our U.S. dollar-denominated fixed-rate debt to foreign currency-denominated fixed-rate debt in order to hedge the currency exposure associated with our net investment in foreign subsidiaries. As of June 30, 2023, we had cross-currency interest rate swaps outstanding with notional amounts of \$1.55 billion and maturity dates ranging through 2028.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The effect of these net investment hedges on accumulated other comprehensive income and the condensed consolidated income statements for the three and six months ended June 30, 2023 and 2022 was as follows (in thousands):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2023	2022	2023	2022
Cross-currency interest rate swaps (included component) ⁽¹⁾	\$ (15,520)	\$ —	\$ (1,155)	\$ —
Cross-currency interest rate swaps (excluded component) ⁽²⁾	23,895	—	14,417	—
Total	\$ 8,375	\$ —	\$ 13,262	\$ —

	<u>Location of gain or (loss)</u>	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
		2023	2022	2023	2022
Cross-currency interest rate swaps (excluded component) ⁽²⁾	Interest expense	\$ 5,200	\$ —	\$ 11,194	\$ —

- (1) Included component represents foreign exchange spot rates.
(2) Excluded component represents cross-currency basis spread and interest rates.

Cash Flow Hedges

As of June 30, 2023, we had derivatives designated as cash flow hedges on 50% of the Euro term loan (€750 million notional amount) and 68% of the USD term loan (\$740 million notional amount). Amounts reported in accumulated other comprehensive loss related to interest rate swaps are reclassified to interest expense as interest payments are made on our debt. As of June 30, 2023, we estimate that an additional \$11.7 million will be reclassified as a decrease to interest expense during the twelve months ended June 30, 2023, when the hedged forecasted transactions impact earnings.

The effect of these cash flow hedges on accumulated other comprehensive income and the condensed consolidated income statements for the three and six months ended June 30, 2023 and 2022 was as follows (in thousands):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2023	2022	2023	2022
Interest rate swaps	\$ (3,292)	\$ —	\$ (12,374)	\$ —

	<u>Location of gain or (loss)</u>	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
		2023	2022	2023	2022
Interest rate swaps	Interest expense	\$ 2,295	\$ —	\$ 2,844	\$ —

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Fair Value of Derivative Instruments

The subsequent table presents the fair value of derivative instruments recognized in our condensed consolidated balance sheets as of June 30, 2023 and December 31, 2022 (in thousands):

	June 30, 2023		December 31, 2022	
	Assets ⁽¹⁾	Liabilities ⁽²⁾	Assets ⁽¹⁾	Liabilities ⁽²⁾
Cross-currency interest rate swaps	\$ —	\$ 121,884	\$ —	\$ 108,621
Interest rate swaps	17,311	—	9,036	252
	<u>\$ 17,311</u>	<u>\$ 121,884</u>	<u>\$ 9,036</u>	<u>\$ 108,873</u>

(1) As presented in our condensed consolidated balance sheets within other assets.

(2) As presented in our condensed consolidated balance sheets within accounts payable and other accrued liabilities.

15. Fair Value of Financial Instruments

There have been no significant changes in our policy for fair value measurements from what was disclosed in our 2022 Form 10-K.

The carrying amounts for cash and cash equivalents, restricted cash, accounts and other receivables, accounts payable and other accrued liabilities, accrued dividends and distributions, security deposits and prepaid rents approximate fair value because of the short-term nature of these instruments. The carrying value of our Global Revolving Credit Facilities and unsecured term loans approximates estimated fair value, because these liabilities have variable interest rates and our credit ratings have remained stable. Differences between the carrying value and fair value of our unsecured senior notes and secured and other debt are caused by differences in interest rates or borrowing spreads that were available to us on June 30, 2023 and December 31, 2022 as compared to those in effect when the debt was issued or assumed.

We calculate the fair value of our secured and other debt and unsecured senior notes based on currently available market rates assuming the loans are outstanding through maturity and considering the collateral and other loan terms. In determining the current market rate for fixed rate debt, a market spread is added to the quoted yields on federal government treasury securities with similar maturity dates to our debt.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The aggregate estimated fair value and carrying value of our Global Revolving Credit Facilities, unsecured term loans, unsecured senior notes and secured and other debt as of the respective periods is shown below (in thousands):

	Categorization under the fair value hierarchy	As of June 30, 2023		As of December 31, 2022	
		Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value
Global revolving credit facilities ⁽¹⁾	Level 2	\$ 2,257,864	\$ 2,257,864	\$ 2,167,889	\$ 2,167,889
Unsecured term loans ⁽¹⁾	Level 2	1,558,175	1,558,175	802,875	802,875
Unsecured senior notes ⁽²⁾	Level 2	11,555,749	13,479,366	11,331,989	13,220,961
Secured and other debt ⁽²⁾	Level 2	546,266	560,795	517,226	532,130
		<u>\$ 15,918,054</u>	<u>\$ 17,856,200</u>	<u>\$ 14,819,979</u>	<u>\$ 16,723,855</u>

(1) The carrying value of our unsecured term loans approximates estimated fair value, due to the variability of interest rates and the stability of our credit ratings.

(2) Valuations for our unsecured senior notes and secured and other debt are determined based on the expected future payments discounted at risk-adjusted rates and quoted market prices.

16. Commitments and Contingencies

Our properties require periodic investments of capital for tenant-related capital expenditures and for general capital improvements including ground up construction. From time to time in the normal course of our business, we enter into various construction contracts with third parties that may obligate us to make payments. At June 30, 2023, we had open commitments, including amounts reimbursable by customers of approximately \$47.2 million, related to construction contracts of approximately \$2.7 billion.

In the ordinary course of our business, we may become subject to various legal proceedings. As of June 30, 2023, we were not a party to any legal proceedings which we believe would have a material adverse effect on our operations or financial position.

DIGITAL REALTY TRUST, INC. AND SUBSIDIARIES
DIGITAL REALTY TRUST, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

17. Supplemental Cash Flow Information

Cash, cash equivalents, and restricted cash balances as of June 30, 2023, and December 31, 2022:

(Amounts in thousands)	Balance as of	
	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 124,519	\$ 141,773
Restricted cash (included in other assets)	10,128	8,923
Total	\$ 134,647	\$ 150,696

We paid \$190.9 million and \$144.1 million for interest, net of amounts capitalized, for the six months ended June 30, 2023 and 2022, respectively.

We paid \$22.8 million and \$16.4 million for income taxes, net of refunds, for the six months ended June 30, 2023 and 2022, respectively.

Accrued construction related costs totaled \$653.0 million and \$469.6 million as of June 30, 2023 and 2022, respectively.

18. Segment and Geographic Information

A majority of the Company's largest customers are global entities that transact with the Company across multiple geographies worldwide. In order to better address the needs of these global customers, the Company manages critical decisions around development, operations, and leasing globally based on customer demand considerations. In this regard, the Company manages customer relationships on a global basis in order to achieve consistent sales and delivery experience of our products for our customers throughout the global portfolio. In order to best accommodate the needs of global customers (and customers that might one day become global), the Company manages its operations as a single global business – with one operating segment and therefore one reporting segment.

(Amounts in millions)	Operating Revenues			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Inside the United States	\$ 704.1	\$ 679.6	\$ 1,416.5	\$ 1,344.8
Outside the United States	662.2	459.7	1,288.5	921.8
Revenue Outside of U.S. %	48.5 %	40.3 %	47.6 %	40.7 %

(Amounts in millions)	Investments in Properties, net		Operating lease right-of-use assets, net	
	As of June 30,	As of December 31,	As of June 30,	As of December 31,
	2023	2022	2023	2022
Inside the United States	\$ 11,299.5	\$ 11,517.3	\$ 613.4	\$ 647.0
Outside the United States	12,878.7	12,257.4	677.8	704.3
Net Assets in Foreign Operations	\$ 6,491.1	\$ 6,330.2		

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto appearing elsewhere in this report and our Annual Report on Form 10-K for the year ended December 31, 2022, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, each as filed with the United States (“U.S.”) Securities and Exchange Commission (“SEC”). This report contains forward-looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, expected use of borrowings under our credit facilities, expected use of proceeds from our ATM equity program, litigation matters, portfolio performance, leverage policy, acquisition and capital expenditure plans, capital recycling program, returns on invested capital, supply and demand for data center space, capitalization rates, rents to be received in future periods and expected rental rates on new or renewed data center space contain forward-looking statements. Likewise, all of our statements regarding anticipated market conditions, and results of operations are forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “pro forma,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and that we may not be able to realize. We do not guarantee that the transactions and events described will happen as described or that they will happen at all. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: reduced demand for data centers or decreases in information technology spending; decreased rental rates, increased operating costs or increased vacancy rates; increased competition or available supply of data center space; 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; 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; global supply chain or procurement disruptions, or increased supply chain costs; the impact from periods of heightened inflation on our costs, such as operating and general and administrative expenses, interest expense and real estate acquisition and construction costs; the impact on our customers’ and our suppliers’ operations during a pandemic, such as COVID-19; 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; changes in political conditions, geopolitical turmoil, political instability, civil disturbances, restrictive governmental actions or nationalization in the countries in which we operate; our inability to retain data center space that we lease or sublease from third parties; information security and data privacy breaches; difficulties 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 and future 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; environmental liabilities, risks related to natural disasters and our inability to achieve our sustainability goals; the expected operating performance of anticipated near-term acquisitions and descriptions relating to these expectations; 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 U.S. federal income tax purposes; Digital Realty Trust, L.P.’s failure to qualify as a partnership for U.S. 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; the impact of any financial, accounting, legal or regulatory issues or litigation that may affect us; and those additional risks and factors discussed in reports filed with the SEC by us from time to time, including those discussed under the heading “Risk Factors” in our most recently filed reports on Forms 10-K.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes.

The risks included here are not exhaustive, and additional factors could adversely affect our business and financial performance, including factors and risks included in our annual report on Form 10-K for the year ended December 31, 2022. 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 identify all such risk factors, nor can we 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. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

Occupancy percentages included in the following discussion, for some of our properties, are calculated based on factors in addition to contractually leased square feet, including available power, required support space and common area.

As used in this report: “Ascenty entity” refers to the entity which owns and operates Ascenty, formed with Brookfield Infrastructure.

Business Overview and Strategy

Digital Realty Trust, Inc., through its controlling interest in Digital Realty Trust, L.P. and its subsidiaries, delivers comprehensive space, power, and interconnection solutions that enable its customers and partners to connect with each other and service their own customers on a global technology and real estate platform. We are a leading global provider of data center, colocation and interconnection solutions for customers across a variety of industry verticals. Digital Realty Trust, Inc. operates as a REIT for federal income tax purposes, and our Operating Partnership is the entity through which we conduct our business and own our assets.

Our primary business objectives are to maximize:

- (i) sustainable long-term growth in earnings and funds from operations per share and unit;
- (ii) cash flow and returns to our stockholders and Digital Realty Trust, L.P.’s unitholders through the payment of distributions; and
- (iii) return on invested capital.

We expect to accomplish our objectives by achieving superior risk-adjusted returns, prudently allocating capital, diversifying our product offerings, accelerating our global reach and scale, and driving revenue growth and operating efficiencies. A significant component of our current and future internal growth is anticipated through the development of our existing space held for development, acquisition of land for future development, and acquisition of new properties.

We target high-quality, strategically located properties containing the physical and connectivity infrastructure that supports the applications and operations of data center and technology industry customers and properties that may be developed for such use. Most of our data center properties contain fully redundant electrical supply systems, multiple power feeds, above-standard cooling systems, raised floor areas, extensive in-building communications cabling and high-level security systems. Fundamentally, we bring together foundational real estate and innovative technology expertise around the world to deliver a comprehensive, dedicated product suite to meet customers’ data and connectivity needs. We represent an important part of the digital economy that we believe will benefit from powerful, long-term growth drivers.

We have developed detailed, standardized procedures for evaluating new real estate investments to ensure that they meet our financial, technical and other criteria. We expect to continue to acquire additional assets as part of our growth strategy. We intend to aggressively manage and lease our assets to increase their cash flow. We may continue to build out our development portfolio when justified by anticipated demand and returns.

We may acquire properties subject to existing mortgage financing and other indebtedness or we may incur new indebtedness in connection with acquiring or refinancing these properties. Debt service on such indebtedness will have a priority over any cash dividends with respect to Digital Realty Trust, Inc.'s common stock and preferred stock. We are committed to maintaining a conservative capital structure. Our goal is to average through business cycles the following financial ratios: 1) a debt-to-Adjusted EBITDA ratio of 5.5x, 2) a fixed charge coverage of greater than three times, and 3) floating rate debt at less than 20% of total outstanding debt. In addition, we strive to maintain a well-laddered debt maturity schedule, and we seek to maximize the menu of our available sources of capital, while minimizing the cost.

Our current ratio of debt-to-Adjusted EBITDA is higher than we have historically experienced, which could result in adverse changes in investor perception or our credit ratings. Any such changes could negatively affect our financing activity and the market price of Digital Realty Trust, Inc.'s common stock or other securities. For additional information, please see "*Risk Factors—Adverse changes in our Company's credit ratings could negatively affect our financing activity*" in our Annual Report on Form 10-K for the year ended December 31, 2022.

Summary of 2023 Significant Activities

We completed the following significant activities during the six months ended June 30, 2023:

- In January 2023, we satisfied the terms and conditions of the Escrow Agreement and the Term Loan was deemed executed and became effective. The Term Loan Agreement provides for a \$740 million senior unsecured term loan facility (the "Term Loan Facility"). See "Liquidity and Capital Resources—Sources of Cash".
- In May 2023, we closed on the sale of a 100% interest in a non-core data center property located in Dallas, Texas for gross proceeds of approximately \$151 million resulting in a net gain on sale of approximately \$90 million. The assets and liabilities sold were not representative of a significant component of our portfolio nor did the sale represent a significant shift in our strategy.
- In May and June 2023, we generated net proceeds of approximately \$743.0 million from the issuance of approximately 7.8 million shares of common stock under our ATM program.

Revenue Base

Most of our revenue consists of rental income generated by the data centers in our portfolio. Our ability to generate and grow revenue depends on several factors, including our ability to maintain or improve occupancy rates. A summary of our data center portfolio and related square feet (in thousands) occupied (excluding space under development or held for development) is shown below. Unconsolidated portfolios shown below consist of assets owned by unconsolidated entities in which we have invested. We often provide management services for these entities under management agreements and receive management fees. These are shown as Managed Unconsolidated Portfolio. Entities for which we do not provide such services are shown as Non-Managed Unconsolidated Portfolio.

Region	As of June 30, 2023					As of December 31, 2022				
	Data Center Buildings	Net Rentable Square Feet ⁽¹⁾	Space Under Active Development ⁽²⁾	Space Held for Development ⁽³⁾	Occupancy	Data Center Buildings	Net Rentable Square Feet ⁽¹⁾	Space Under Active Development ⁽²⁾	Space Held for Development ⁽³⁾	Occupancy
North America	118	22,188	2,924	1,308	84.6 %	119	21,894	3,165	1,110	86.3 %
Europe	114	8,542	3,637	226	77.1 %	114	7,936	4,261	226	79.3 %
Asia Pacific	11	1,653	192	88	77.1 %	12	1,653	421	88	75.9 %
Africa	12	1,287	1,728	12	75.6 %	12	1,184	873	12	70.2 %
Consolidated Portfolio	255	33,670	8,481	1,634	81.7 %	257	32,667	8,720	1,436	83.5 %
Managed Unconsolidated Portfolio	17	2,257	—	—	95.7 %	18	2,389	—	—	98.4 %
Non-Managed Unconsolidated Portfolio	44	3,383	360	2,307	87.1 %	41	3,100	526	1,915	87.1 %
Total Portfolio	316	39,310	8,841	3,941	82.9 %	316	38,156	9,246	3,351	84.7 %

- (1) Net rentable square feet represents the current square feet under lease as specified in the applicable lease agreement plus management’s estimate of space available for lease based on engineering drawings. The amount includes customers’ proportional share of common areas but excludes space held for the intent of or under active development.
- (2) Space under active development includes current base building and data center projects in progress, and excludes space held for development. For additional information on the current and future investment for space under active development, see “Liquidity and Capital Resources—Development Projects”.
- (3) Space held for development includes space held for future data center development and excludes space under active development. For additional information on the current investment for space held for development, see “Liquidity and Capital Resources—Development Projects”.

Leasing Activities

Due to the capital-intensive and long-term nature of the operations we support, our lease terms with customers are generally longer than standard commercial leases. As of June 30, 2023, our average remaining lease term was approximately five years.

Our ability to re-lease expiring space at rental rates equal to or in excess of current rental rates will impact our results of operations. The subsequent table summarizes our leasing activity in the six months ended June 30, 2023 (square feet in thousands):

	Rentable Square Feet ⁽¹⁾	Expiring Rates ⁽²⁾	New Rates ⁽²⁾	Rental Rate Changes	TI's/Lease Commissions Per Square Foot	Weighted Average Lease Terms (years)
Leasing Activity ⁽³⁾⁽⁴⁾						
Renewals Signed						
0 – 1 MW	1,080	\$ 224	\$ 237	5.8 %	\$ 1	1.5
> 1 MW	666	\$ 124	\$ 154	24.0 %	\$ 2	5.5
Other ⁽⁶⁾	301	\$ 18	\$ 25	40.0 %	\$ 2	4.9
New Leases Signed ⁽⁵⁾						
0 – 1 MW	281		\$ 251		\$ 9	3.7
> 1 MW	767		\$ 126		\$ 2	14.5
Other ⁽⁶⁾	63		\$ 58		\$ 24	6.2
Leasing Activity Summary						
0 – 1 MW	1,361		\$ 240			
> 1 MW	1,433		\$ 139			
Other ⁽⁶⁾	364		\$ 31			

- (1) For some of our properties, we calculate square footage based on factors in addition to contractually leased square feet, including power, required support space and common area.
- (2) Rental rates represent average annual estimated base cash rent per rentable square foot – calculated for each contract based on total cash base rent divided by the total number of years in the contract (including any tenant concessions). All rates were calculated in the local currency of each contract and then converted to USD based on average exchange rates for the period presented.
- (3) Excludes short-term leases.
- (4) Commencement dates for the leases signed range from 2023 to 2024.
- (5) Includes leases signed for new and re-leased space.
- (6) Other includes Powered Base Building shell capacity as well as storage and office space within fully improved data center facilities.

We continue to see strong demand in most of our key metropolitan areas for data center space and, subject to the supply of available data center space in these metropolitan areas, we expect average aggregate rental rates on renewed data center leases for 2023 expirations to be positive as compared with the rates currently being paid for the same space on a GAAP basis and on a cash basis. Our past performance may not be indicative of future results, and we cannot assure you that leases will be renewed or that our data centers will be re-leased at all or at rental rates equal to or above the current average rental rates. Further, re-leased/renewed rental rates in a particular metropolitan area may not be consistent with rental rates across our portfolio as a whole and may fluctuate from one period to another due to a number of factors, including local economic conditions, local supply and demand for data center space, competition from other data center developers or operators, the condition of the property and whether the property, or space within the property, has been developed.

Geographic Concentration

We depend on the market for data centers in specific geographic regions and significant changes in these regional or metropolitan areas can impact our future results. The following table shows the geographic concentration of annualized rent from our portfolio, including data centers held as investments in unconsolidated entities.

Metropolitan Area	Percentage of June 30, 2023 Total annualized rent ⁽¹⁾
Northern Virginia	17.5 %
Chicago	8.1 %
Frankfurt	6.4 %
London	5.7 %
New York	5.3 %
Singapore	5.1 %
Dallas	4.9 %
Silicon Valley	4.9 %
Amsterdam	4.2 %
Sao Paulo	4.1 %
Paris	2.4 %
Johannesburg	2.4 %
Portland	2.4 %
Tokyo	1.8 %
Phoenix	1.8 %
Other	23.0 %
Total	100.0 %

- (1) Annualized rent is monthly contractual rent (defined as cash base rent before abatements) under existing leases as of the end of the period presented, multiplied by 12. Includes consolidated portfolio and unconsolidated entities at the entities' 100% ownership level. The aggregate amount of abatements for the six months ended June 30, 2023 was approximately \$54.3 million.

Operating Expenses

Operating expenses primarily consist of utilities, property and ad valorem taxes, property management fees, insurance and site maintenance costs, and rental expenses on our ground and building leases. Our buildings require significant power to support data center operations and the cost of electric power and other utilities is a significant component of operating expenses.

Many of our leases contain provisions under which tenants reimburse us for all or a portion of property operating expenses and real estate taxes incurred by us. However, in some cases we are not entitled to reimbursement of property operating expenses, other than utility expense, and real estate taxes under our leases for Turn-Key Flex® facilities. We expect to incur additional operating expenses as we continue to expand.

Costs pertaining to our asset management function, legal, accounting, corporate governance, reporting and compliance are categorized as general and administrative costs within operating expenses.

Other key components of operating expenses include depreciation of our fixed assets, amortization of intangible assets, and transaction and integration costs.

Other Income / (Expenses)

Equity in earnings of unconsolidated entities, gain on disposition of properties, interest expense, and income tax expense make up the majority of other income/(expense). Equity in earnings of unconsolidated entities represents our share of the income/(loss) of entities in which we invest, but do not consolidate under U.S. GAAP. The largest of these investments is currently our investment in Ascenty, which is located primarily in Latin America. Our second-largest equity-method investment is Digital Core REIT, which is publicly traded on the Singapore Exchange (“SGX”) and which owns a portfolio of 11 properties operating in the United States, Canada and Germany. Refer to additional discussion of Digital Core REIT and Ascenty in the Notes to the Condensed Consolidated Financial Statements.

Results of Operations

As a result of the consistent and significant growth in our business since the first property acquisition in 2002, we evaluate period-to-period results for revenue and property level operating expenses on a stabilized versus non-stabilized portfolio basis.

Stabilized: The stabilized portfolio includes properties owned as of the beginning of all periods presented with less than 5% of total rentable square feet under development.

Non-stabilized: The non-stabilized portfolio includes: (1) properties that were undergoing, or were expected to undergo, development activities during any of the periods presented; (2) any properties contributed to joint ventures, sold, or held for sale during the periods presented; and (3) any properties that were acquired or delivered at any point during the periods presented.

A roll forward showing changes in the stabilized and non-stabilized portfolios for the six months ended June 30, 2023 as compared to December 31, 2022 is shown below.

Net Rentable Square Feet (in thousands)	Stabilized	Non-Stabilized	Total
As of December 31, 2022	23,160	9,507	32,667
New development and space reconfigurations	13	1,351	1,364
Transfers to stabilized from nonstabilized	2,435	(2,435)	—
Transfers to nonstabilized from stabilized	(1,417)	1,325	(92)
Dispositions / Sales	(270)	—	(270)
As of June 30, 2023	<u>23,921</u>	<u>9,748</u>	<u>33,669</u>

[Table of Contents](#)*Comparison of the Results of Operations for the Three and Six Months Ended June 30, 2023 to the Three and Six Months Ended June 30, 2022**Revenues*

Total operating revenues as shown on our condensed consolidated income statements was as follows (in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	\$ Change	% Change	2023	2022	\$ Change	% Change
Stabilized	\$ 1,051,472	\$ 924,600	\$ 126,872	13.7 %	\$ 2,084,203	\$ 1,852,275	\$ 231,928	12.5 %
Non-Stabilized	298,955	206,937	92,018	44.5 %	596,192	400,812	195,380	48.7 %
Rental and other services	1,350,427	1,131,537	218,890	19.3 %	2,680,395	2,253,087	427,308	19.0 %
Fee income and other	15,840	7,785	8,055	103.5 %	24,595	13,557	11,038	81.4 %
Total operating revenues	\$ 1,366,267	\$ 1,139,322	\$ 226,945	19.9 %	\$ 2,704,990	\$ 2,266,644	\$ 438,346	19.3 %

Total operating revenues increased by approximately \$226.9 million and \$438.3 million in the three and six months ended June 30, 2023, respectively, compared to the same periods in 2022.

Stabilized rental and other services revenue increased \$126.9 million and \$231.9 million in the three and six months ended June 30, 2023, respectively, compared to the same periods in 2022 primarily due to:

- (i) an increase of \$84.3 million and \$155.0 million, respectively, in utility reimbursement largely driven by power price and usage increases;
- (ii) an increase of \$49.2 million and \$77.1 million, respectively, in new leasing and renewals across all regions; and
- (iii) an increase of \$5.7 million and \$21.3 million, respectively, due to an increase in installation fees and annual CPI indexation of fixed power agreements.

Non-stabilized rental and other services revenue increased \$92.0 million and \$195.4 million in the three and six months ended June 30, 2023, compared to the same periods in 2022 driven primarily by:

- (i) an increase of \$45.1 million and \$103.0 million, respectively, due to the completion of our global development pipeline and related lease up operating activities. The markets with the biggest contributions were Northern Virginia, Portland, London and Paris; and
- (ii) \$48.4 million and \$93.3 million, respectively, generated as a result of the Teraco acquisition in August 2022.

Operating Expenses — Property Level

Property level operating expenses as shown in our condensed consolidated income statements were as follows (in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	\$ Change	% Change	2023	2022	\$ Change	% Change
Stabilized	\$ 292,110	\$ 195,498	\$ 96,612	49.4 %	\$ 568,832	\$ 396,175	\$ 172,657	43.6 %
Non-Stabilized	82,824	27,928	54,896	196.6 %	152,466	68,490	83,976	122.6 %
Total Utilities	374,934	223,426	151,508	67.8 %	721,298	464,665	256,633	55.2 %
Stabilized	167,342	151,285	16,057	10.6 %	332,741	301,730	31,011	10.3 %
Non-Stabilized	57,420	46,791	10,629	22.7 %	116,882	90,700	26,182	28.9 %
Total Rental property operating and maintenance (excluding utilities)	224,762	198,076	26,686	13.5 %	449,623	392,430	57,193	14.6 %
Total Rental property operating and maintenance	599,696	421,502	178,194	42.3 %	1,170,921	857,095	313,826	36.6 %
Stabilized	38,211	40,200	(1,989)	(4.9)%	69,007	78,212	(9,205)	(11.8)%
Non-Stabilized	12,892	10,849	2,043	18.8 %	26,875	23,061	3,814	16.5 %
Total Property taxes and insurance	51,103	51,049	54	0.1 %	95,882	101,273	(5,391)	(5.3)%
Total property level operating expenses	\$ 650,799	\$ 472,551	\$ 178,248	37.7 %	\$ 1,266,803	\$ 958,368	\$ 308,435	32.2 %

Property level operating expenses include costs to operate and maintain the properties in our portfolio as well as taxes and insurance.

Total Utilities

Total stabilized utilities expenses increased by approximately \$96.6 million and \$172.7 million in the three and six months ended June 30, 2023, respectively, compared to the same periods in 2022 primarily due to an increase in utility consumption and higher rates at certain properties in the stabilized portfolio.

Total non-stabilized utilities expenses increased by approximately \$54.9 million and \$84.0 million in the three and six months ended June 30, 2023, respectively, compared to the same periods in 2022 primarily due to:

- (i) an increase of approximately \$29.2 million and \$48.5 million, respectively, due to higher utility consumption in a growing portfolio of recently completed development sites. The markets with the biggest contributions were Northern Virginia, Portland, London and Paris;
- (ii) \$11.3 million and \$21.3 million, respectively, generated as a result of the Teraco acquisition in August 2022; and
- (iii) offset by a decrease in power agreement credits of \$14.4 million and \$14.1 million, respectively.

The cost of electric power comprises a significant component of our operating expenses. Any additional taxation or regulation of energy use, including as a result of (i) new legislation that the U.S. Congress may pass, (ii) the regulations that the U.S. EPA has proposed or finalized, (iii) regulations under legislation that states have passed or may pass, or (iv) any further legislation or regulations in EMEA, APAC or other regions where we operate could significantly increase our costs, and we may not be able to effectively pass all of these costs on to our customers. These matters could adversely impact our business, results of operations, or financial condition.

[Table of Contents](#)Total Rental Property Operating and Maintenance (Excluding Utilities)

Total stabilized rental property operating and maintenance expenses (excluding utilities) increased by approximately \$16.1 million and \$31.0 million in the three and six months ended June 30, 2023, respectively, compared to the same periods in 2022 primarily due to an increase in data center labor and common area maintenance expense.

Total non-stabilized rental property operating and maintenance expenses (excluding utilities) increased \$10.6 million and \$26.2 million in the three and six months ended June 30, 2023, respectively, compared to the same periods in 2022 primarily due to higher lease and common area maintenance expense in a growing portfolio of recently completed development sites.

Total Property Taxes and Insurance

Total property taxes and insurance remained constant in the three months ended June 30, 2023 as compared the same period in 2022, and decreased by approximately \$5.4 million in the six months ended June 30, 2023 as compared to the same period in 2022 due to timing around favorable appeals of property tax assessments impacting tax years 2021-2023, mainly within the Chicago and Silicon Valley metro areas.

Other Operating Expenses

Other operating expenses include costs which are either non-cash in nature (such as depreciation and amortization) or which do not directly pertain to operation of data center properties. A comparison of other operating expenses for the respective periods is shown below (in thousands).

	Three Months Ended June 30,				Six Months Ended June 30,			
	2023	2022	\$ Change	% Change	2023	2022	\$ Change	% Change
Depreciation and amortization	\$ 432,573	\$ 376,967	\$ 55,606	14.8 %	\$ 853,771	\$ 759,099	\$ 94,672	12.5 %
General and administrative	109,616	105,776	3,840	3.6 %	221,536	204,289	17,247	8.4 %
Transaction, integration and other expense	17,764	13,586	4,178	30.8 %	30,031	25,554	4,477	17.5 %
Other	655	70	585	835.7 %	655	7,727	(7,072)	(91.5)%
Total other operating expenses	560,608	496,399	64,209	12.9 %	1,105,993	996,669	109,324	11.0 %
Total property level operating expenses	650,799	472,551	178,248	37.7 %	1,266,803	958,368	308,435	32.2 %
Total operating expenses	\$ 1,211,407	\$ 968,950	242,457	25.0 %	\$ 2,372,796	\$ 1,955,037	\$ 417,759	21.4 %

Equity in Earnings (Loss) of Unconsolidated Entities

Equity in earnings (loss) of unconsolidated entities increased approximately \$39.1 million and decreased approximately \$7.0 million in the three and six months ended June 30, 2023, respectively, compared to the same periods in 2022. The foreign exchange remeasurement of debt associated with our unconsolidated Ascenty entity creates volatility in our equity in earnings and drove this fluctuation.

Gain on Disposition of Properties, Net

Gain on disposition of properties increased approximately \$89.9 million and \$87.1 million for the three and six months ended June 30, 2023 as compared to the same period in 2022 due to the disposition of a non-core asset in May 2023, resulting in a net gain on sale of \$90 million.

Loss from Early Extinguishment of Debt

We had no extinguishment of debt in 2023. In February 2022, we redeemed the 4.750% Notes due 2025, which resulted in a \$51.1 million loss.

Interest Expense

Interest expense increased approximately \$42.1 million and \$77.6 million in the three and six months ended June 30, 2023, respectively, compared to the same periods in 2022 driven primarily by:

- (i) an increase of \$19.2 million and \$36.3 million, respectively, due to the issuances of the Euro term loan (€750 million) in August 2022 along with the U.S. dollar term loan (\$740 million) in January 2023;
- (ii) an increase of \$19.8 million and \$36.5 million, respectively, in credit facilities interest expense as a result of higher average balances and higher interest rates;
- (iii) an increase of \$8.5 million and \$18.8 million, respectively, due to the Teraco acquisition; and
- (iv) offset by an increase in capitalized interest of \$13.8 million and \$25.8 million, respectively, as a result of increased construction activities and higher interest rates.

Income Tax Expense

Income tax expense remained constant in the three months ended June 30, 2023 as compared the same period in 2022, and increased by approximately \$8.0 million in the six months ended June 30, 2023 as compared to the same period in 2022 due to increased profitability and jurisdictional rate mix in foreign jurisdictions.

Liquidity and Capital Resources

The sections “Analysis of Liquidity and Capital Resources — Parent” and “Analysis of Liquidity and Capital Resources — Operating Partnership” should be read in conjunction with one another to understand our liquidity and capital resources on a consolidated basis. The term “Parent” refers to Digital Realty Trust, Inc. on an unconsolidated basis, excluding our Operating Partnership. The term “Operating Partnership” or “OP” refers to Digital Realty Trust, L.P. on a consolidated basis.

Analysis of Liquidity and Capital Resources — Parent

Our Parent does not conduct business itself, other than acting as the sole general partner of the Operating Partnership, issuing public equity from time to time, incurring certain expenses in operating as a public company (which are fully reimbursed by the Operating Partnership) and guaranteeing certain unsecured debt of the Operating Partnership and certain of its subsidiaries and affiliates. If our Operating Partnership or such subsidiaries fail to fulfill their debt requirements, which trigger Parent guarantee obligations, then our Parent will be required to fulfill its cash payment commitments under such guarantees. Our Parent’s only material asset is its investment in our Operating Partnership.

Our Parent’s principal funding requirement is the payment of dividends on its common and preferred stock. Our Parent’s principal source of funding is the distributions it receives from our Operating Partnership.

As the sole general partner of our Operating Partnership, our Parent has the full, exclusive and complete responsibility for our Operating Partnership’s day-to-day management and control. Our Parent causes our Operating Partnership to distribute such portion of its available cash as our Parent may in its discretion determine, in the manner provided in our Operating Partnership’s partnership agreement.

As circumstances warrant, our Parent may issue equity from time to time on an opportunistic basis, dependent upon market conditions and available pricing. Any proceeds from such equity issuances would generally be contributed to our Operating Partnership in exchange for additional equity interests in our Operating Partnership. Our Operating Partnership may use the proceeds to acquire additional properties, to fund development opportunities and for general working capital purposes, including potentially for the repurchase, redemption or retirement of outstanding debt or equity securities.

[Table of Contents](#)

Our Parent and our Operating Partnership are parties to an at-the-market (ATM) equity offering sales agreement dated April 1, 2022, as amended on March 16, 2023 (the “Sales Agreement”). Pursuant to the Sales Agreement, Digital Realty Trust, Inc. can issue and sell common stock having an aggregate offering price of up to \$1.5 billion through various named agents from time to time. The sales of common stock made under the Sales Agreement will be made in “at the market” offerings as defined in Rule 415 of the Securities Act. Our Parent has used and intends to use the net proceeds from the program to temporarily repay borrowings under our Operating Partnership’s Global Revolving Credit Facilities, to acquire additional properties or businesses, to fund development opportunities and for working capital and other general corporate purposes, including potentially for the repayment of other debt or the repurchase, redemption or retirement of outstanding debt securities.

For the six months ended June 30, 2023, our Parent generated net proceeds of approximately \$743.0 million from the issuance of approximately 7.8 million shares of common stock under the Sales Agreement at an average price of \$95.96 per share after payment of approximately \$7.5 million of commissions to the agents. In addition, during such period our Parent entered into forward equity sale agreements with a financial institution acting as a forward purchaser under its ATM program with respect to approximately 3.5 million shares of its common stock at an initial forward sale price of approximately \$97.68 per share. Our Parent did not initially receive any proceeds from the sale of shares of common stock by the forward purchaser. On July 26, 2023, we fully settled the forward sale agreements by issuing approximately 3.5 million shares, resulting in proceeds of approximately \$336 million. As of June 30, 2023, approximately \$408.7 million remained available for future sales under the program. For the six months ended June 30, 2022, we had no sales under the Sales Agreement.

We believe our Operating Partnership’s sources of working capital, specifically its cash flow from operations, and funds available under its global revolving credit facility are adequate for it to make its distribution payments to our Parent and, in turn, for our Parent to make its dividend payments to its stockholders. However, we cannot assure you that our Operating Partnership’s sources of capital will continue to be available at all or in amounts sufficient to meet its needs, including making distribution payments to our Parent. The lack of availability of capital could adversely affect our Operating Partnership’s ability to pay its distributions to our Parent, which would in turn, adversely affect our Parent’s ability to pay cash dividends to its stockholders.

Future Uses of Cash — Parent

Our Parent may from time to time seek to retire, redeem or repurchase its equity or the debt securities of our Operating Partnership or its subsidiaries through cash purchases and/or exchanges for equity securities in open market purchases, privately negotiated transactions or otherwise. Such repurchases, redemptions or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions or other factors. The amounts involved may be material.

Dividends and Distributions — Parent

Our Parent is required to distribute 90% of its taxable income (excluding capital gains) on an annual basis to continue to qualify as a REIT for U.S. federal income tax purposes. Our Parent intends to make, but is not contractually bound to make, regular quarterly distributions to its common stockholders from cash flow from our Operating Partnership’s operating activities. While historically our Parent has satisfied this distribution requirement by making cash distributions to its stockholders, it may choose to satisfy this requirement by making distributions of cash or other property. All such distributions are at the discretion of our Parent’s Board of Directors. Our Parent considers market factors and our Operating Partnership’s performance in addition to REIT requirements in determining distribution levels. Our Parent has distributed at least 100% of its taxable income annually since inception to minimize corporate level federal and state income taxes. Amounts accumulated for distribution to stockholders are invested primarily in interest-bearing accounts and short-term interest-bearing securities, in a manner consistent with our intention to maintain our Parent’s status as a REIT.

[Table of Contents](#)

As a result of this distribution requirement, our Operating Partnership cannot rely on retained earnings to fund its ongoing operations to the same extent that other companies whose parent companies are not REITs can. Our Parent may need to continue to raise capital in the debt and equity markets to fund our Operating Partnership's working capital needs, as well as potential developments at new or existing properties, acquisitions or investments in existing or newly created joint ventures. In addition, our Parent may be required to use borrowings under the Operating Partnership's global revolving credit facility (which is guaranteed by our Parent), if necessary, to meet REIT distribution requirements and maintain our Parent's REIT status.

Distributions out of our Parent's current or accumulated earnings and profits are generally classified as ordinary income except to the extent that our Parent recognizes capital gains and declares a capital gains dividend, or that such amounts constitute "qualified dividend income" subject to a reduced rate of tax. Non-corporate stockholders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning before January 1, 2026. Distributions in excess of our Parent's current and accumulated earnings and profits, to the extent of a stockholder's U.S. federal income tax basis in our Parent's stock, are generally classified as a return of capital. Distributions in excess of our Parent's current and accumulated earnings and profits and in excess of a stockholder's U.S. federal income tax basis in our Parent's stock are generally characterized as capital gain. Cash provided by operating activities has been generally sufficient to fund distributions on an annual basis. However, we may also need to utilize borrowings under the global revolving credit facility to fund distributions.

For additional information regarding dividends declared and paid by our Parent on its common and preferred stock for the six months ended June 30, 2023, see Note 11. "Equity and Capital" to our condensed consolidated financial statements contained herein.

Analysis of Liquidity and Capital Resources — Operating Partnership

As of June 30, 2023, we had \$124.5 million of cash and cash equivalents, excluding \$10.1 million of restricted cash. Restricted cash primarily consists of contractual capital expenditures plus other deposits. As circumstances warrant, our Operating Partnership may dispose of stabilized assets or enter into joint venture arrangements with institutional investors or strategic partners, on an opportunistic basis dependent upon market conditions. Our Operating Partnership may use the proceeds from such dispositions to acquire additional properties, to fund development opportunities and for general working capital purposes, including the repayment of indebtedness. Our liquidity requirements primarily consist of:

- operating expenses;
- development costs and other expenditures associated with our properties;
- distributions to our Parent to enable it to make dividend payments;
- distributions to unitholders of common limited partnership interests in Digital Realty Trust, L.P.;
- debt service; and
- potentially, acquisitions.

Future Uses of Cash

Our properties require periodic investments of capital for customer-related capital expenditures and for general capital improvements. Depending upon customer demand, we expect to incur significant improvement costs to build out and develop additional capacity. At June 30, 2023, we had open commitments, related to construction contracts of approximately \$2.7 billion, including amounts reimbursable of approximately \$47.2 million.

We currently expect to incur approximately \$1.1 billion to \$1.3 billion of capital expenditures for our development programs during the six months ending December 31, 2023. This amount could go up or down, potentially materially, based on numerous factors, including changes in demand, leasing results and availability of debt or equity capital.

Development Projects

The costs we incur to develop our properties is a key component of our liquidity requirements. The following table summarizes our cumulative investments in current development projects as well as expected future investments in these projects as of the periods presented, excluding costs incurred or to be incurred by unconsolidated entities.

Development Lifecycle (in thousands)	As of June 30, 2023				As of December 31, 2022			
	Net Rentable Square Feet ⁽¹⁾	Current Investment ⁽²⁾	Future Investment ⁽³⁾	Total Cost	Net Rentable Square Feet ⁽¹⁾	Current Investment ⁽⁴⁾	Future Investment ⁽³⁾	Total Cost
Land held for future development ⁽⁵⁾	N/A	\$ 193,936	\$ —	\$ 193,936	N/A	\$ 118,452	\$ —	\$ 118,452
Construction in Progress and Space Held for Development								
Land - Current Development ⁽⁵⁾	N/A	\$ 1,128,835	\$ —	\$ 1,128,835	N/A	\$ 1,118,954	\$ —	\$ 1,118,954
Space Held for Development ⁽⁶⁾	1,634	247,896	—	247,896	1,437	245,483	—	245,483
Base Building Construction	4,076	777,638	580,759	1,358,397	3,918	693,926	649,640	1,343,566
Data Center Construction	4,405	1,878,734	2,849,359	4,728,093	4,802	2,180,060	3,299,457	5,479,517
Equipment Pool and Other Inventory	N/A	116,833	—	116,833	N/A	32,409	—	32,409
Campus, Tenant Improvements and Other	N/A	526,177	160,267	686,444	N/A	518,302	169,756	688,058
Total Construction in Progress and Land Held for Future Development	10,115	\$ 4,870,049 ⁽⁷⁾	\$ 3,590,385	\$ 8,460,434	10,157	\$ 4,907,586	\$ 4,118,853	\$ 9,026,439

- (1) We estimate the total net rentable square feet available for lease based on a number of factors in addition to contractually leased square feet, including available power, required support space and common areas. Excludes square footage of properties held in unconsolidated entities. Square footage is based on current estimates and project plans and may change upon completion of the project due to remeasurement.
- (2) Represents balances incurred through June 30, 2023.
- (3) Represents estimated cost to complete specific scope of work pursuant to contract, budget or approved capital plan.
- (4) Represents balances incurred through December 31, 2022.
- (5) Represents approximately 794 acres as of June 30, 2023 and approximately 842 acres as of December 31, 2022.
- (6) Excludes space held for development through unconsolidated entities.
- (7) Includes \$40.2 million current investment classified as Assets Held for Sale in our condensed consolidated balance sheets.

Land inventory and space held for development reflect cumulative cost spent pending future development. Base building construction consists of ongoing improvements to building infrastructure in preparation for future data center fit-out. Data center construction includes 8.5 million square feet of Turn Key Flex[®] and Powered Base Building[®] product. We expect to deliver the space within 12 months; however, lease commencement dates may significantly impact final delivery schedules. Equipment pool and other inventory represent the value of long-lead equipment and materials required for timely deployment and delivery of data center construction fit-out. Campus, tenant improvements and other costs include the value of development work which benefits space recently converted to our operating portfolio and is composed primarily of shared infrastructure projects and first-generation tenant improvements.

Capital Expenditures (Cash Basis)

The table below summarizes our capital expenditure activity for the six months ended June 30, 2023 and 2022 (in thousands):

	Six Months Ended June 30,	
	2023	2022
Development projects	\$ 1,168,316	\$ 897,251
Enhancement and improvements	4,275	8,697
Recurring capital expenditures	93,963	90,267
Total capital expenditures (excluding indirect costs)	<u>\$ 1,266,554</u>	<u>\$ 996,215</u>

[Table of Contents](#)

Our development capital expenditures are generally funded by our available cash and equity and debt capital.

Indirect costs, including interest, capitalized in the six months ended June 30, 2023 and 2022 were \$102.1 million and \$70.8 million, respectively. Capitalized interest comprised approximately \$54.7 million and \$28.9 million of the total indirect costs capitalized for the six months ended June 30, 2023 and 2022, respectively. Capitalized interest in the six months ended June 30, 2023 increased, compared to the same period in 2022, due to an increase in qualifying activities.

Excluding capitalized interest, indirect costs in the six months ended June 30, 2023 increased compared to the same period in 2022 due primarily to capitalized amounts relating to compensation expense of employees directly engaged in construction activities. See “Future Uses of Cash” for a discussion of the amount of capital expenditures we expect to incur during the year ending December 31, 2023.

Consistent with our growth strategy, we actively pursue potential acquisition opportunities, with due diligence and negotiations often at different stages at different times. The dollar value of acquisitions for the year ending December 31, 2023 will depend upon numerous factors, including customer demand, leasing results, availability of debt or equity capital and acquisition opportunities. Further, the growing acceptance by private institutional investors of the data center asset class has generally pushed capitalization rates lower, as such private investors may often have lower return expectations than us. As a result, we anticipate near-term single asset acquisitions activity to comprise a smaller percentage of our growth while this market dynamic persists.

We may from time to time seek to retire or repurchase our outstanding debt or the equity of our Parent through cash purchases and/or exchanges for equity securities of our Parent in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend upon prevailing market conditions, our liquidity requirements, contractual restrictions or other factors. The amounts involved may be material.

Sources of Cash

We expect to meet our short-term and long-term liquidity requirements, including payment of scheduled debt maturities and funding of acquisitions and non-recurring capital improvements, with net cash from operations, future long-term secured and unsecured indebtedness and the issuance of equity and debt securities and the proceeds of equity issuances by our Parent. We also may fund future short-term and long-term liquidity requirements, including acquisitions and non-recurring capital improvements, using our Global Revolving Credit Facilities pending permanent financing. As of August 1, 2023, we had approximately \$2.2 billion of borrowings available under our Global Revolving Credit Facilities.

Our Global Revolving Credit Facilities provide for borrowings up to \$3.9 billion (including approximately \$0.2 billion available to be drawn on the Yen revolving credit facility). We have the ability from time to time to increase the size of the global revolving credit facility by up to \$750 million, subject to the receipt of lender commitments and other conditions precedent. Both facilities mature on January 24, 2026, with two six-month extension options available. These facilities also feature a sustainability-linked pricing component, with pricing subject to adjustment based on annual performance targets, further demonstrating our continued leadership and commitment to sustainable business practices. We have used and intend to use available borrowings under the Global Revolving Credit Facilities to fund our liquidity requirements from time to time. For additional information regarding our global revolving credit facility, see Note 9. “Debt of the Operating Partnership” to our condensed consolidated financial statements contained herein.

On October 25, 2022, the Company, the Operating Partnership, and certain of the Operating Partnership’s subsidiaries entered into an escrow agreement, pursuant to which the Operating Partnership delivered executed signature pages to a new term loan agreement to be held in escrow upon satisfaction of specific terms. On January 9, 2023, the terms and conditions of the agreement were satisfied, and, on such date, the term loan was deemed executed and became effective. The Term Loan Facility provides for a \$740 million senior unsecured term loan facility and borrowings in U.S. dollars. The Term Loan Facility will mature on March 31, 2025, subject to one twelve-month extension at the Operating Partnership’s option; provided, that the Operating Partnership must pay a 0.1875% extension fee based on the then-outstanding principal amount of the term loans under the Term Loan Facility.

[Table of Contents](#)

In December 2022, Teraco entered into a syndicated loan facility worth R11.8 billion (approximately \$681 million based on the exchange rate on December 6, 2022), of which R5.7 billion (approximately \$329 million based on the exchange rate on December 6, 2022) was used to finance the company's continued growth and R6.1 billion (approximately \$329 million based on the exchange rate on December 6, 2022) refinanced and extended the average maturity profile of existing drawn debt. The new facility matures in December 2028.

On July 17, 2023, we formed a joint venture with GI Partners, and GI Partners acquired a 65% interest in two stabilized hyperscale data center buildings in the Chicago metro area that we contributed. We received approximately \$743 million of gross proceeds from the contribution of our data centers to the joint venture and the associated financing, and maintained a 35% interest in the joint venture. We have also granted GI Partners an option to purchase an interest in the third facility on the same hyperscale data center campus in Chicago. We will continue to manage the day-to-day operations of the assets.

On July 26, 2023, we fully settled the forward sale agreements by issuing approximately 3.5 million shares, resulting in proceeds of approximately \$336 million.

On July 27, 2023, we formed a joint venture with TPG Real Estate, and TPG Real Estate acquired an 80% interest in three stabilized hyperscale data center buildings in Northern Virginia that we contributed. We received approximately \$1.3 billion of gross proceeds from the contribution of our data centers to the joint venture and the associated financing, and maintained a 20% interest in the joint venture. We will continue to manage the day-to-day operations of the assets.

Distributions

All distributions on our units are at the discretion of our Parent's Board of Directors. For additional information regarding distributions paid on our common and preferred units for the three and six months ended June 30, 2023, see Note 11. "Equity and Capital" to our condensed consolidated financial statements contained herein.

Outstanding Consolidated Indebtedness

The table below summarizes our outstanding debt as of June 30, 2023 (in millions):

Debt Summary:	
Fixed rate	\$ 12,072.9
Variable rate debt subject to interest rate swaps	2,787.8
Total fixed rate debt (including interest rate swaps)	14,860.7
Variable rate—unhedged	2,995.6
Total	<u>\$ 17,856.3</u>
Percent of Total Debt:	
Fixed rate (including swapped debt)	83.2 %
Variable rate	16.8 %
Total	<u>100.0 %</u>
Effective Interest Rate as of June 30, 2023	
Fixed rate (including hedged variable rate debt)	2.52 %
Variable rate	4.53 %
Effective interest rate	2.86 %

Our ratio of debt to total enterprise value was approximately 33% (based on the closing price of Digital Realty Trust, Inc.'s common stock on June 30, 2023 of \$113.87). For this purpose, our total enterprise value is defined as the sum of the market value of Digital Realty Trust, Inc.'s outstanding common stock (which may decrease, thereby increasing our debt to total enterprise value ratio), plus the liquidation value of Digital Realty Trust, Inc.'s preferred stock, plus the aggregate value of Digital Realty Trust, L.P. units not held by Digital Realty Trust, Inc. (with the per unit value equal to the market value of one share of Digital Realty Trust, Inc.'s common stock and excluding long-term incentive units, Class C units and Class D units), plus the book value of our total consolidated indebtedness.

The variable rate debt shown above bears interest based on various one-month SOFR, EURIBOR, SORA, BBR, HIBOR, TIBOR, Base CD Rate and CDOR rates, depending on the respective agreement governing the debt, including our Global Revolving Credit Facilities and unsecured term loans. As of June 30, 2023 our debt had a weighted average term to initial maturity of approximately 4.5 years (or approximately 4.8 years assuming exercise of extension options).

As of June 30, 2023, our pro-rata share of secured debt of unconsolidated entities was approximately \$1,118.7 million.

Cash Flows

The following summary discussion of our cash flows is based on the condensed consolidated statements of cash flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below.

Comparison of Six Months Ended June 30, 2023 to Six Months Ended June 30, 2022

The following table shows cash flows and ending cash, cash equivalents and restricted cash balances for the respective periods (in thousands).

	Six Months Ended June 30,		
	2023	2022	Change
Net cash provided by operating activities	\$ 814,114	\$ 783,578	\$ 30,536
Net cash used in investing activities	(1,279,006)	(1,427,832)	148,826
Net cash provided by financing activities	484,332	633,091	(148,759)
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ 19,440</u>	<u>\$ (11,163)</u>	<u>\$ 30,603</u>

[Table of Contents](#)

The changes in the activities that comprise the increase in net cash used in investing activities for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 consisted of the following amounts (in thousands).

	Change
	2023 vs 2022
Decrease in net cash used in investing activities	\$ 39,019
Increase in cash used for improvements to investments in real estate	(301,633)
Decrease in cash contributed to investments in unconsolidated entities	203,757
Increase in net cash provided by proceeds from sale of real estate	150,771
Other changes	56,912
Decrease in net cash provided by investing activities	<u>\$ 148,826</u>

The decrease in net cash provided by investing activities was primarily due to:

- (i) an increase in spend on development projects of approximately \$302 million;
- (ii) an increase in cash provided by the sale of a non-core data center property located in Dallas, Texas for gross proceeds of approximately \$151 million; and
- (iii) offset by a decrease in cash contributed to various investments in unconsolidated entities in March 31, 2022, primarily with Mitsubishi and Ascenty.

The changes in the activities that comprise the increase in net cash used in financing activities for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 consisted of the following amounts (in thousands).

	Change
	2023 vs 2022
Decrease in cash provided by short-term borrowings	\$ (1,010,673)
Decrease in cash provided by proceeds from secured / unsecured debt	(319,266)
Decrease in cash used for repayment on secured / unsecured debt	447,656
Increase in cash provided by proceeds from issuance of common stock, net of costs	742,225
Increase in cash used for dividend and distribution payments	(50,605)
Other changes, net	41,904
Decrease in net cash provided by financing activities	<u>\$ (148,759)</u>

The decrease in net cash provided by financing activities was primarily due to:

- (i) a decrease in cash proceeds from short-term borrowings;
- (ii) a decrease in cash provided by proceeds from secured / unsecured debt due to the issuance of notes in 2022 (2032 Notes in January 2022 and Swiss Franc Notes in March 2022), offset by the closing of the USD Term Loan in January 2023;
- (iii) a decrease in cash used for repayment of unsecured notes (in 2022, we redeemed the 4.750% Notes due 2025 (\$450 million));
- (iv) offset by an increase in cash provided by proceeds from the issuance of approximately 7.8 million shares of common stock, net of costs, of approximately \$743.0 million under our ATM program; and
- (v) an increase in dividend and distribution payments due to an increased number of common shares and common units outstanding.

Noncontrolling Interests in Operating Partnership

Noncontrolling interests relate to the common units in Digital Realty Trust, L.P. that are not owned by Digital Realty Trust, Inc., which, as of June 30, 2023, amounted to 2.1%% of Digital Realty Trust, L.P. common units. Historically, Digital Realty Trust, L.P. has issued common units to third party sellers in connection with our acquisition of real estate interests from such third parties.

Limited partners have the right to require Digital Realty Trust, L.P. to redeem part or all of their common units for cash based upon the fair market value of an equivalent number of shares of Digital Realty Trust, Inc. common stock at the time of the redemption. Alternatively, we may elect to acquire those common units in exchange for shares of Digital Realty Trust, Inc. common stock on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, issuance of stock rights, specified extraordinary distributions and similar events. As of June 30, 2023, approximately 0.2 million common units of Digital Realty Trust, L.P. that were issued to certain former unitholders of DuPont Fabros Technology, L.P. in connection with the Company's acquisition of DuPont Fabros Technology, Inc. were outstanding, which are subject to certain restrictions and, accordingly, are not presented as permanent capital in the condensed consolidated balance sheet.

Inflation

Many of our leases provide for separate real estate tax and operating expense escalations. In addition, many of the leases provide for fixed base rent increases. We believe that inflationary increases may be at least partially offset by the contractual rent increases and expense escalations described above. A period of inflation, however, could cause an increase in the cost of our variable-rate borrowings, including borrowings under our Global Revolving Credit Facilities, borrowings under our unsecured term loans and issuances of unsecured senior notes.

Funds from Operations

We calculate funds from operations, or FFO, in accordance with the standards established by the National Association of Real Estate Investment Trusts (Nareit) in the Nareit Funds From Operations White Paper - 2018 Restatement. FFO is a non-GAAP financial measure and represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of property, a gain from a pre-existing relationship, impairment charges and real estate related depreciation and amortization (excluding amortization of deferred financing costs) 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 properties 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 properties, 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.

Reconciliation of Net Income Available to Common Stockholders to Funds From Operations (FFO)
(unaudited, in thousands, except per share and unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
GAAP Net Income Available to Common Stockholders	\$ 108,003	\$ 53,246	\$ 166,548	\$ 116,346
Non-GAAP Adjustments:				
Non-controlling interests in operating partnership	2,500	1,500	4,000	3,100
Real estate related depreciation and amortization ⁽¹⁾	424,044	369,327	836,236	743,489
Depreciation related to non-controlling interests	(14,144)	—	(27,532)	—
Unconsolidated JV real estate related depreciation and amortization	35,386	29,022	69,105	58,341
Gain on real estate transactions	(89,946)	(1,144)	(97,771)	(3,914)
FFO available to common stockholders and unitholders ⁽²⁾	\$ 465,843	\$ 451,951	\$ 950,586	\$ 917,362
Basic FFO per share and unit	\$ 1.54	\$ 1.56	\$ 3.17	\$ 3.16
Diluted FFO per share and unit ⁽²⁾⁽³⁾	\$ 1.52	\$ 1.55	\$ 3.13	\$ 3.16
Weighted average common stock and units outstanding				
Basic	301,593	290,528	299,452	290,346
Diluted ⁽²⁾⁽³⁾	313,022	290,944	310,588	290,716

(1) Real estate related depreciation and amortization was computed as follows:

Depreciation and amortization per income statement	\$ 432,573	\$ 376,967	\$ 853,771	\$ 759,099
Non-real estate depreciation	(8,529)	(7,640)	(17,535)	(15,610)
	<u>\$ 424,044</u>	<u>\$ 369,327</u>	<u>\$ 836,236</u>	<u>\$ 743,489</u>

- (2) Rollover Shareholders have the right to put their shares in Remaining Teraco Interests to the Company in exchange for cash or the equivalent value of shares of the Company common stock, or a combination thereof. U.S. GAAP requires the Company to assume the put right is settled in shares for purposes of calculating diluted EPS. This same approach was utilized to calculate FFO per share. When calculating diluted FFO, the net income allocated to the Rollover Shareholders is added back to the FFO numerator as the denominator assumes all shares have been put back to the Company.
- (3) For all periods presented, we have excluded the effect of the 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 J, series K and series L preferred stock, as applicable, as they would be anti-dilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Weighted average common stock and units outstanding	301,593	290,528	299,452	290,346
Add: Effect of dilutive securities	11,429	416	11,136	370
Weighted average common stock and units outstanding—diluted	<u>313,022</u>	<u>290,944</u>	<u>310,588</u>	<u>290,716</u>

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our future income, cash flows and fair values relevant to financial instruments depend upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. We do not use derivatives for trading or speculative purposes and only enter into contracts with major financial institutions based on their credit ratings and other factors.

Analysis of Debt between Fixed and Variable Rate

We use interest rate swap agreements and fixed rate debt to reduce our exposure to interest rate movements. As of June 30, 2023, our consolidated debt was as follows (in millions):

	Carrying Value	Estimated Fair Value
Fixed rate debt	\$ 12,072.9	\$ 10,134.8
Variable rate debt subject to interest rate swaps	2,787.8	2,787.8
Total fixed rate debt (including interest rate swaps)	14,860.7	12,922.6
Variable rate debt	2,995.5	2,995.5
Total outstanding debt	<u>\$ 17,856.2</u>	<u>\$ 15,918.1</u>

Sensitivity to Changes in Interest Rates

The following table shows the effect if assumed changes in interest rates occurred, based on fair values and interest expense as of June 30, 2023:

Assumed event	Change (\$ millions)
Increase in fair value of interest rate swaps following an assumed 10% increase in interest rates	\$ 0.9
Decrease in fair value of interest rate swaps following an assumed 10% decrease in interest rates	(0.9)
Increase in annual interest expense on our debt that is variable rate and not subject to swapped interest following a 10% increase in interest rates	1.8
Decrease in annual interest expense on our debt that is variable rate and not subject to swapped interest following a 10% decrease in interest rates	(1.8)
Increase in fair value of fixed rate debt following a 10% decrease in interest rates	222.6
Decrease in fair value of fixed rate debt following a 10% increase in interest rates	<u>(285.1)</u>

Interest risk amounts were determined by considering the impact of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur in that environment. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

Foreign Currency Exchange Risk

We are subject to risk from the effects of exchange rate movements of a variety of foreign currencies, which may affect future costs and cash flows. Our primary currency exposures are to the Euro, Japanese yen, British pound sterling, Singapore dollar and South African rand. Our exposure to foreign exchange risk related to the Brazilian real is limited to the impact that currency has on our share of the Ascenty entity's operations and financial position. We attempt to mitigate a portion of the risk of currency fluctuations by financing our investments in local currency denominations in order to reduce our exposure to any foreign currency transaction gains or losses resulting from transactions entered into in currencies other than the functional currencies of the associated entities. We also utilize cross-currency interest rate swaps, designated as net investment hedges, which effectively convert a portion of our U.S. dollar-denominated fixed-rate debt to foreign currency-denominated fixed-rate debt, to hedge the currency exposure associated with our net investment in our foreign subsidiaries. In addition, we may also hedge well-defined transactional exposures with foreign currency forwards or options, although there can be no assurances that these will be effective. As a result, changes in the relation of any such foreign currency to U.S. dollar may affect our revenues, operating margins and distributions and may also affect the book value of our assets and the amount of stockholders' equity.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures (Digital Realty Trust, Inc.)

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to its management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, the Company's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and its management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Also, the Company has investments in certain unconsolidated entities, which are accounted for using the equity method of accounting. As the Company does not control or manage these entities, its disclosure controls and procedures with respect to such entities may be substantially more limited than those it maintains with respect to its consolidated subsidiaries.

As required by Rule 13a-15(b) or Rule 15d-15(b) of the Securities Exchange Act of 1934, as amended, management of the Company carried out an evaluation, under the supervision and with participation of its chief executive officer and chief financial officer, of the effectiveness of the design and operation of its disclosure controls and procedures that were in effect as of the end of the quarter covered by this report. Based on the foregoing, the Company's chief executive officer and chief financial officer concluded that its disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during its most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures (Digital Realty Trust, L.P.)

The Operating Partnership maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to its management, including the chief executive officer and chief financial officer of its general partner, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, the Operating Partnership's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and its management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Also, the Operating Partnership has investments in certain unconsolidated entities, which are accounted for using the equity method of accounting. As the Operating Partnership does not control or manage these entities, its disclosure controls and procedures with respect to such entities may be substantially more limited than those it maintains with respect to its consolidated subsidiaries.

As required by Rule 13a-15(b) or Rule 15d-15(b) of the Securities Exchange Act of 1934, as amended, management of the Operating Partnership carried out an evaluation, under the supervision and with participation of the chief executive officer and chief financial officer of its general partner, of the effectiveness of the design and operation of its disclosure controls and procedures that were in effect as of the end of the quarter covered by this report. Based on the foregoing, the chief executive officer and chief financial officer of the Operating Partnership's general partner concluded that its disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in the Operating Partnership's internal control over financial reporting during its most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

In the ordinary course of our business, we may become subject to various legal proceedings. As of June 30, 2023, we were not a party to any legal proceedings which we believe would have a material adverse effect on our operations or financial position.

ITEM 1A. RISK FACTORS.

The risk factors discussed under the heading “Risk Factors” and elsewhere in the Company’s and the Operating Partnership’s Annual Report on Form 10-K for the year ended December 31, 2022 continue to apply to our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Digital Realty Trust, Inc.

None.

Digital Realty Trust, L.P.

During the three months ended June 30, 2023, Digital Realty Trust, L.P. issued partnership units in private placements in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act, in the amounts and for the consideration set forth below:

During the three months ended June 30, 2023, Digital Realty Trust, Inc. issued an aggregate of 36,773 shares of its common stock in connection with restricted stock unit awards for no cash consideration. For each share of common stock issued by Digital Realty Trust, Inc. in connection with such an award, Digital Realty Trust, L.P. issued a restricted common unit to Digital Realty Trust, Inc. During the three months ended June 30, 2023, Digital Realty Trust, L.P. issued an aggregate of 36,773 common units to Digital Realty Trust, Inc., as required by Digital Realty Trust, L.P.’s partnership agreement. During the three months ended June 30, 2023, an aggregate of 20,788 shares of its common stock were forfeited to Digital Realty Trust, Inc. in connection with restricted stock unit awards for a net issuance of 15,985 shares of common stock.

For these issuances of common units to Digital Realty Trust, Inc., Digital Realty Trust, L.P. relied on Digital Realty Trust, Inc.’s status as a publicly traded NYSE-listed company with approximately \$42.4 billion in total consolidated assets and as Digital Realty Trust, L.P.’s majority owner and general partner as the basis for the exemption under Section 4(a)(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

During the fiscal quarter ended June 30, 2023, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (in each case, as defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS.

Exhibit Number	Description	Incorporated by Reference			Filed Herewith
		Form	File Number	Date	
2.1	Amendment No. 1 to Purchase Agreement dated as of January 23, 2020, by and among Digital Realty Trust, Inc., Digital Intrepid Holding B.V. and InterXion Holding N.V.	8-K	001-32336	01/27/2020	2.1
3.1	Articles of Amendment and Restatement of Digital Realty Trust, Inc., as amended	10-Q	001-32336 and 000-54023	05/11/2020	3.1
3.2	Ninth Amended and Restated Bylaws of Digital Realty Trust, Inc.	8-K	001-32336 and 000-54023	04/03/2023	3.1
3.3	Certificate of Limited Partnership of Digital Realty Trust, L.P.	10	000-54023	06/25/2010	3.1
3.4	Nineteenth Amended and Restated Agreement of Limited Partnership of Digital Realty Trust, L.P.	8-K	001-32336 and 000-54023	10/10/2019	3.1
21.1	List of Subsidiaries of Digital Realty Trust, Inc.				X
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer for Digital Realty Trust, Inc.				X
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer for Digital Realty Trust, Inc.				X
31.3	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer for Digital Realty Trust, L.P.				X
31.4	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer for Digital Realty Trust, L.P.				X
32.1	18 U.S.C. § 1350 Certification of Chief Executive Officer for Digital Realty Trust, Inc.				X
32.2	18 U.S.C. § 1350 Certification of Chief Financial Officer for Digital Realty Trust, Inc.				X
32.3	18 U.S.C. § 1350 Certification of Chief Executive Officer for Digital Realty Trust, L.P.				X
32.4	18 U.S.C. § 1350 Certification of Chief Financial Officer for Digital Realty Trust, L.P.				X
101	The following financial statements from Digital Realty Trust, Inc.'s and Digital Realty Trust, L.P.'s Form 10-Q for the quarter ended June 30, 2023, formatted in Inline XBRL interactive data files: (i) Condensed Consolidated Balance Sheets as of June 30, 2023 and December 31, 2022; (ii) Condensed Consolidated Income Statements for the three and six months ended June 30, 2023 and 2022; (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2023 and 2022; (iv) Condensed Consolidated Statements of Equity/Capital for the three and six months ended June 30, 2023 and 2022; (v) Condensed Consolidated Statements of Cash Flows for the three and six months ended June 30, 2023 and 2022; and (vi) Notes to Condensed Consolidated Financial Statements.				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DIGITAL REALTY TRUST, INC.

August 4, 2023

/s/ ANDREW P. POWER

Andrew P. Power
President & Chief Executive Officer
(principal executive officer)

August 4, 2023

/s/ MATTHEW R. MERCIER

Matthew R. Mercier
Chief Financial Officer
(principal financial officer)

August 4, 2023

/s/ PETER C. OLSON

Peter C. Olson
Global Controller & Chief Accounting Officer
(principal accounting officer)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DIGITAL REALTY TRUST, L.P.

By: Digital Realty Trust, Inc.
Its general partner

By:

August 4, 2023

/s/ ANDREW P. POWER

Andrew P. Power
President & Chief Executive Officer
(principal executive officer)

August 4, 2023

/s/ MATTHEW R. MERCIER

Matthew R. Mercier
Chief Financial Officer
(principal financial officer)

August 4, 2023

/s/ PETER C. OLSON

Peter C. Olson
Global Controller & Chief Accounting Officer
(principal accounting officer)

List of Subsidiaries of Digital Realty Trust, Inc.

Entity Name	Jurisdiction of Incorporation
1100 Space Park Holding Company LLC	Delaware
1100 Space Park LLC	Delaware
1525 Comstock Partners, LLC	California
1550 Space Park Partners, LLC	Delaware
200 Paul Holding Company, LLC	Delaware
200 Paul, LLC	Delaware
2001 Sixth Holdings LLC	Delaware
2001 Sixth LLC	Delaware
2020 Fifth Avenue LLC	Delaware
2020 Fifth Holdings LLC	Delaware
2045-2055 LaFayette Street, LLC	Delaware
2334 Lundy Holding Company LLC	Delaware
2334 Lundy LLC	Delaware
651 Walsh Partners, LLC	Delaware
Alshain Ventures LLC	Delaware
Ascenty Cayman Holding Ltd	Cayman Islands
Ascenty Chile SpA	Chile
Ascenty Colombia S.A.S.	Colombia
Ascenty Data Centers e Telecomunicoes S.A.	Brazil
Ascenty Holding Brasil S.A.	Brazil
Ascenty Latam Holding Ltd	United Kingdom (England and Wales)
Ascenty Mexico, S. de R.L. de C.V.	Mexico
Ascenty U.S. Holding, LLC	Delaware
Ashburn Corporate Center Owners Association, Inc.	Virginia
Ashburn Corporate Center Phase I Unit Owners Association	Virginia
BAM DLR Chennai Private Limited	India
BAM DLR Data Center Services Private Limited	India
BAM DLR Kolkata Private Limited	India
BAM DLR Mumbai Private Limited	India
BAM DLR Network Services Private Limited	India
Beaver Ventures LLC	Delaware
Blue Sling ACC 10, LLC	Delaware
Blue Sling ACC 2, LLC	Delaware
Blue Sling ACC 9, LLC	Delaware
Blue Sling Ventures, LLC	Delaware
BNY-Somerset NJ, LLC	Delaware
Catena Vanda AB	Sweden
Collins Technology Park Partners, LLC	Delaware
Colo Properties Atlanta, LLC	Delaware
Cosmic Ventures LLC	Delaware
DBT, LLC	Maryland
Devin Shafron E and F Land Condominium Owners Association, Inc.	Virginia
DF Property Management LLC	Delaware
DFT Canada LP LLC	Delaware
DFT Moose GP LLC	Delaware
DGA Centennial Holding, LLC	Delaware
DGA Centennial, LLC	Delaware
Digital - Bryan Street Partnership, L.P.	Texas
Digital 113 N. Myers, LLC	Delaware
Digital 1201 Comstock, LLC	Delaware
Digital 1231 Comstock, LLC	Delaware
Digital 125 N. Myers, LLC	Delaware
Digital 128 First Avenue, LLC	Delaware
Digital 1350 Duane, LLC	Delaware
Digital 1550 Space Park, LLC	Delaware
Digital 1725 Comstock, LLC	Delaware
Digital 2020 Fifth Avenue Investor, LLC	Delaware
Digital 2121 South Price, LLC	Delaware
Digital 2260 East El Segundo, LLC	Delaware

List of Subsidiaries of Digital Realty Trust, Inc.

Digital 365 Main, LLC	Delaware
Digital 3825 NW Aloclek Place, LLC	Delaware
Digital 55 Middlesex, LLC	Delaware
Digital 60 & 80 Merritt, LLC	Delaware
Digital 717 GP, LLC	Delaware
Digital 717 Leonard, L.P.	Texas
Digital 717 LP, LLC	Delaware
Digital 720 2nd, LLC	Delaware
Digital 89th Place, LLC	Delaware
Digital Africa JV B.V.	Netherlands
Digital Akard, LLC	Delaware
Digital Alfred, LLC	Delaware
Digital Alma Road, L.P.	Delaware
Digital Aquila, LLC	Delaware
Digital Ashburn CS, LLC	Delaware
Digital Asia, LLC	Delaware
Digital Australia Finco Pty Ltd	Australia
Digital Australia Investment Management Pty Limited	Australia
Digital Barcelona RE 1 S.L.U.	Spain
Digital BH 800 Holdco, LLC	Delaware
Digital BH 800 M, LLC	Delaware
Digital BH 800, LLC	Delaware
Digital Cabot, LLC	Delaware
Digital Chelsea, LLC	Delaware
Digital China, LLC	Delaware
Digital Collins Technology Park Investor, LLC	Delaware
Digital Commerce Boulevard, LLC	Delaware
Digital Connect, LLC	Delaware
Digital Core REIT	Singapore
Digital Core REIT Management Pte. Ltd.	Singapore
Digital CR Singapore 1 Pte. Ltd.	Singapore
Digital CR Singapore 2 Pte. Ltd.	Singapore
Digital CR Singapore 3 Pte. Ltd.	Singapore
Digital CR Singapore 4 Pte. Ltd.	Singapore
Digital CR Singapore 5 Pte. Ltd.	Singapore
Digital CR Singapore Holding, LLC	Delaware
Digital CR Singapore Investor, LLC	Delaware
Digital CR US Employer, LLC	Delaware
Digital CR US REIT, Inc.	Maryland
Digital Crawley 1 Limited	Jersey
Digital Crawley 2 Limited	Jersey
Digital Crawley 3 Limited	Jersey
Digital Crete 1 IKE	Greece
Digital Data Centres Ghana Ltd.	Ghana
Digital Deer Park 2, LLC	Delaware
Digital Deer Park 3, LLC	Delaware
Digital Devin Shafron B, LLC	Delaware
Digital Devin Shafron D, LLC	Delaware
Digital Doug Davis, LLC	Delaware
Digital DSE Investor, LLC	Delaware
Digital DSE Manager, LLC	Delaware
Digital Dugny SAS	France
Digital Dutch Finco B.V.	Netherlands
Digital Erskine Park 2, LLC	Delaware
Digital Erskine Park 3, LLC	Delaware
Digital Erskine Park 4, LLC	Delaware
Digital Euro Finco GP, LLC	Delaware
Digital Euro Finco Partner Limited	British Virgin Islands
Digital Euro Finco, L.P.	United Kingdom (Scotland)
Digital Euro Finco, LLC	Delaware
Digital Federal Systems, LLC	Delaware

List of Subsidiaries of Digital Realty Trust, Inc.

Digital Filigree, LLC	Delaware
Digital Frankfurt 2 B.V.	Netherlands
Digital Frankfurt GmbH	Germany
Digital Front, LLC	Delaware
Digital Fullerton, LLC	Delaware
Digital Garland Campbell, L.P.	Delaware
Digital Garland Ferris, L.P.	Delaware
Digital Garland, LLC	Delaware
Digital Germany Cheetah GmbH	Germany
Digital Germany Holding, LLC	Delaware
Digital Gough, LLC	Delaware
Digital Grand Avenue 2, LLC	Delaware
Digital Grand Avenue 3, LLC	Delaware
Digital Grand Avenue, LLC	Delaware
Digital Greenfield B.V.	Netherlands
Digital Greenspoint, L.P.	Texas
Digital Greenspoint, LLC	Delaware
Digital HK JV Holding Limited	British Virgin Islands
Digital HK Kin Chuen Ltd.	Hong Kong
Digital Hong Kong, LLC	Delaware
Digital Hoofddorp 2 B.V.	Netherlands
Digital Hoofddorp B.V.	Netherlands
Digital Horsley Park, LLC	Delaware
Digital India, LLC	Delaware
Digital Indonesia Holding Pte. Ltd.	Singapore
Digital Indonesia Investor Pte. Ltd.	Singapore
Digital InterXion Holding, LLC	Delaware
Digital Intrepid Holding B.V.	Netherlands
Digital Investment Management Pte. Ltd.	Singapore
Digital Investments EMEA, LLC	Delaware
Digital Investments Holding, LLC	Delaware
Digital Israel Holding B.V.	Netherlands
Digital Japan 1 Pte. Ltd.	Singapore
Digital Japan 2 Pte. Ltd.	Singapore
Digital Japan Holding Pte. Ltd.	Singapore
Digital Japan Investment Management GK	Japan
Digital Japan, LLC	Delaware
Digital Jubilee, LLC	Delaware
Digital Korea, LLC	Delaware
Digital Lafayette 2 JV, LLC	Delaware
Digital Lafayette 2, LLC	Delaware
Digital Lafayette Chantilly, LLC	Delaware
Digital Lafayette, LLC	Delaware
Digital Lakeside 2, LLC	Delaware
Digital Lakeside 3, LLC	Delaware
Digital Lakeside Holdings, LLC	Delaware
Digital Lakeside, LLC	Delaware
Digital Les Ulis Holding SAS	France
Digital Les Ulis SNC	France
Digital Lewisville, LLC	Delaware
Digital London Limited	United Kingdom (England and Wales)
Digital Loudoun 3, LLC	Delaware
Digital Loudoun II, LLC	Delaware
Digital Loudoun IV, LLC	Delaware
Digital Loudoun Parkway Center North, LLC	Delaware
Digital Luxembourg II S.à r.l.	Luxembourg
Digital Luxembourg III Limited	Jersey
Digital Macquarie Park, LLC	Delaware
Digital Midway GP, LLC	Delaware
Digital Midway, L.P.	Texas
Digital Moran Holdings, LLC	Delaware

List of Subsidiaries of Digital Realty Trust, Inc.

Digital MP, LLC	Delaware
Digital Nash JV, LLC	Delaware
Digital Nash, LLC	Delaware
Digital Netherlands 11 B.V.	Netherlands
Digital Netherlands 12 B.V.	Netherlands
Digital Netherlands 13 B.V.	Netherlands
Digital Netherlands Holding B.V.	Netherlands
Digital Netherlands I B.V.	Netherlands
Digital Netherlands III (Dublin) B.V.	Netherlands
Digital Netherlands Investor B.V.	Netherlands
Digital Netherlands IV B.V.	Netherlands
Digital Netherlands IV Holdings B.V.	Netherlands
Digital Netherlands VII B.V.	Netherlands
Digital Netherlands VIII B.V.	Netherlands
Digital Network Services, LLC	Delaware
Digital Northlake, LLC	Delaware
Digital Norwood Park 2, LLC	Delaware
Digital Nova Investor, LLC	Delaware
Digital Nova Manager, LLC	Delaware
Digital Osaka 1 TMK	Japan
Digital Osaka 2 TMK	Japan
Digital Osaka 3 TMK	Japan
Digital Osaka 4 TMK	Japan
Digital Osaka 5 TMK	Japan
Digital Phoenix Van Buren, LLC	Delaware
Digital Piscataway, LLC	Delaware
Digital Porpoise JV, LLC	Delaware
Digital Porpoise, LLC	Delaware
Digital Printers Square, LLC	Delaware
Digital Quill JV, LLC	Delaware
Digital Realty (Blanchardstown) Limited	Ireland
Digital Realty (Management Company) Limited	Ireland
Digital Realty (Redhill) Limited	Jersey
Digital Realty (UK) Limited	United Kingdom (England and Wales)
Digital Realty Canada, Inc.	British Columbia
Digital Realty Consulting Shanghai Limited	China
Digital Realty Core Properties 1 Investor, LLC	Delaware
Digital Realty Core Properties 1 Manager, LLC	Delaware
Digital Realty Datafirm 2, LLC	Delaware
Digital Realty Datafirm, LLC	Delaware
Digital Realty Germany GmbH	Germany
Digital Realty Hellas Single Member S.A.	Greece
Digital Realty Holdings US, LLC	Delaware
Digital Realty Korea Ltd.	Korea, South
Digital Realty Management France SARL	France
Digital Realty Management Services, LLC	Delaware
Digital Realty Mauritius Holdings Limited	Mauritius
Digital Realty Netherlands B.V.	Netherlands
Digital Realty Property Manager, LLC	Delaware
Digital Realty Trust, Inc.	Maryland
Digital Realty Trust, L.P.	Maryland
Digital Realty Trust, LLC	Delaware
Digital Relocation Drive, LLC	Delaware
Digital San Jacinto, L.P.	Delaware
Digital Savvis HK Holding 1 Limited	British Virgin Islands
Digital Savvis HK JV Limited	British Virgin Islands
Digital Savvis Investment Management HK Limited	Hong Kong
Digital Savvis Management Subsidiary Limited	Hong Kong
Digital Schweiz Real Estate 4 GmbH	Switzerland
Digital Second Manassas 2, LLC	Delaware
Digital Second Manassas, LLC	Delaware

List of Subsidiaries of Digital Realty Trust, Inc.

Digital Seoul 2 Ltd.	Korea, South
Digital Seoul No. 1 PIA Professional Investors Private Real Estate Investment LLC	Korea, South
Digital Services Hong Kong Limited	Hong Kong
Digital Services Korea Ltd.	Korea, South
Digital Services Phoenix, LLC	Delaware
Digital Services, Inc.	Maryland
Digital Sierra Insurance Limited	Texas
Digital Singapore 1 Pte. Ltd.	Singapore
Digital Singapore 2 Pte. Ltd.	Singapore
Digital Singapore Jurong East Pte. Ltd.	Singapore
Digital Sixth & Virginia, LLC	Delaware
Digital Sixth 2, LLC	Delaware
Digital Sling Investor, LLC	Delaware
Digital Space Park JV, LLC	Delaware
Digital Space Park, LLC	Delaware
Digital Stellar Holding, LLC	Maryland
Digital Stellar Newco, LLC	Delaware
Digital Stellar Sub, LLC	Maryland
Digital Sterling Premier, LLC	Delaware
Digital Stoughton JV, LLC	Delaware
Digital Stout Holding, LLC	Delaware
Digital Texas GP, LLC	Delaware
Digital Titan Holding B.V.	Netherlands
Digital Titan Pty Ltd.	South Africa
Digital Titan Services SA Pty Ltd	South Africa
Digital Tokyo 1 TMK	Japan
Digital Tokyo 2 TMK	Japan
Digital Toronto Nominee, Inc.	British Columbia
Digital Totowa, LLC	Delaware
Digital Towerview, LLC	Delaware
Digital Trade Street, LLC	Delaware
Digital UK Finco, LLC	Delaware
Digital Walsh 1 JV, LLC	Delaware
Digital Walsh 1, LLC	Delaware
Digital Walsh 2 JV, LLC	Delaware
Digital Walsh 2, LLC	Delaware
Digital Walsh Holding, LLC	Delaware
Digital WBX 2, LLC	Delaware
Digital Western Lands, LLC	Delaware
Digital Winona JV, LLC	Delaware
Digital Winona, LLC	Delaware
Digital WL 0419, LLC	Delaware
Digital WL 1968, LLC	Delaware
Digital WL 2322, LLC	Delaware
Digital WL 2834, LLC	Delaware
Digital WL 3214, LLC	Delaware
Digital WL 5459, LLC	Delaware
Digital WL 5628, LLC	Delaware
Digital WL 9505-7891, LLC	Delaware
Digital-Bryan Street, LLC	Delaware
Digital-ME Devin Shafron E, LLC	Delaware
Digital-ME DSE Venture, LLC	Delaware
Digital-Mivne G.P. Ltd.	Israel
Digital-Mivne JV, LP	Israel
Digital-PR Beaumeade Circle, LLC	Delaware
Digital-PR Devin Shafron E, LLC	Delaware
Digital-PR Dorothy, LLC	Delaware
Digital-PR FAA, LLC	Delaware
Digital-PR Mason King Court, LLC	Delaware
Digital-PR Old Ironsides 1, LLC	Delaware
Digital-PR Old Ironsides 2, LLC	Delaware

List of Subsidiaries of Digital Realty Trust, Inc.

Digital-PR Toyama, LLC	Delaware
Digital-PR Venture, LLC	Delaware
Digital-PR Zanker, LLC	Delaware
Dipper Ventures LLC	Delaware
DLR 800 Central, LLC	Delaware
DLR LLC	Maryland
DRT Greenspoint, LLC	Delaware
DRT-Bryan Street, LLC	Delaware
DuPont Fabros Technology, L.P.	Maryland
Fawn Ventures LLC	Delaware
Fox Properties LLC	Delaware
GIP 7th Street Holding Company, LLC	Delaware
GIP 7th Street, LLC	Delaware
GIP Alpha General Partner, LLC	Delaware
GIP Alpha Limited Partner, LLC	Delaware
GIP Alpha, L.P.	Texas
GIP Stoughton, LLC	Delaware
Global Lafayette Street Holding Company, LLC	Delaware
Global Marsh General Partner, LLC	Delaware
Global Marsh Limited Partner, LLC	Delaware
Global Marsh Member, LLC	Delaware
Global Marsh Property Owner, L.P.	Texas
Global Miami Acquisition Company, LLC	Delaware
Global Miami Holding Company, LLC	Delaware
Global Stanford Place II, LLC	Delaware
Global Webb, L.P.	Texas
Global Webb, LLC	Delaware
Global Weehawken Acquisition Company, LLC	Delaware
Global Weehawken Holding Company, LLC	Delaware
Great Westerford Holdings Proprietary Limited	South Africa
Grizzly Ventures LLC	Delaware
Hawk Ventures LLC	Delaware
Icolo Limited (Kenya)	Kenya
Icolo Ltd (Mauritius)	Mauritius
Icolo Mozambique, Limitada	Mozambique
InterXion B.V.	Netherlands
InterXion Belgium B.V.	Belgium
InterXion Carrier Hotel Limited	United Kingdom (England and Wales)
InterXion Consultancy Services B.V.	Netherlands
InterXion Croatia LLC	Croatia
InterXion Danmark ApS	Denmark
InterXion Datacenters B.V.	Netherlands
InterXion Deutschland GmbH	Germany
InterXion España S.L.U.	Spain
InterXion Europe Limited	United Kingdom (England and Wales)
InterXion France SAS	France
InterXion Headquarters B.V.	Netherlands
InterXion II B.V.	Netherlands
InterXion Ireland DAC	Ireland
InterXion Nederland B.V.	Netherlands
InterXion Operational B.V.	Netherlands
InterXion Österreich GmbH	Austria
InterXion Participation 1 B.V.	Netherlands
InterXion Real Estate Holding B.V.	Netherlands
InterXion Real Estate I B.V.	Netherlands
InterXion Real Estate II SARL	France
InterXion Real Estate III SARL	France
InterXion Real Estate IV B.V.	Netherlands
InterXion Real Estate IX B.V.	Belgium
InterXion Real Estate Limited	Kenya
InterXion Real Estate V B.V.	Netherlands

List of Subsidiaries of Digital Realty Trust, Inc.

InterXion Real Estate VI ApS	Denmark
InterXion Real Estate VII GmbH	Austria
InterXion Real Estate VIII GmbH	Switzerland
InterXion Real Estate X B.V.	Netherlands
InterXion Real Estate XI SARL	France
InterXion Real Estate XII B.V.	Netherlands
InterXion Real Estate XIII B.V.	Netherlands
InterXion Real Estate XIV B.V.	Netherlands
InterXion Real Estate XIX GmbH	Austria
InterXion Real Estate XV S.L.U.	Spain
InterXion Real Estate XVI B.V.	Netherlands
InterXion Real Estate XVII ApS	Denmark
InterXion Real Estate XVIII B.V.	Netherlands
InterXion Real Estate XX SAS	France
InterXion Real Estate XXI GmbH	Switzerland
InterXion Real Estate XXII B.V.	Netherlands
InterXion Real Estate XXIII ApS	Denmark
InterXion Real Estate XXIV S.r.L.	Italy
InterXion Real Estate XXV SAS	France
InterXion Schweiz GmbH	Switzerland
InterXion Science Park B.V.	Netherlands
InterXion Sverige AB	Sweden
InterXion Telecom B.V.	Netherlands
InterXion Telecom Ltd.	United Kingdom (England and Wales)
InterXion Telecom S.r.L.	Italy
InterXion Trademarks B.V.	Netherlands
InterXion Trading B.V.	Netherlands
Lemur Properties LLC	Delaware
Loudoun Exchange Owners Association, Inc.	Virginia
MC Digital Realty Inc.	Japan
MDC TRS Company Limited	Nigeria
Medallion Data Centres Limited	Nigeria
Medicor d.o.o	Croatia
Mercury Holdings SG Pte. Ltd.	Singapore
Mercury India SG FDI Pte. Ltd.	Singapore

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Matthew R. Mercier, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Digital Realty Trust, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2023

By:

/s/ MATTHEW R. MERCIER

Matthew R. Mercier
Chief Financial Officer
(Principal Financial Officer)
Digital Realty Trust, Inc., sole general partner of
Digital Realty Trust, L.P.

**Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Digital Realty Trust, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: August 4, 2023

/s/ ANDREW P. POWER

Andrew P. Power
President & Chief Executive Officer

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Digital Realty Trust, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: August 4, 2023

/s/ MATTHEW R. MERCIER

Matthew R. Mercier
Chief Financial Officer

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Digital Realty Trust, Inc., in its capacity as the sole general partner of Digital Realty Trust, L.P. (the "Operating Partnership"), hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Operating Partnership for the quarterly period ended June 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership at the dates and for the periods indicated.

Date: August 4, 2023

/s/ ANDREW P. POWER

Andrew P. Power
President & Chief Executive Officer
Digital Realty Trust, Inc., sole general partner of
Digital Realty Trust, L.P.

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Operating Partnership filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Operating Partnership and will be retained by the Operating Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Digital Realty Trust, Inc., in its capacity as the sole general partner of Digital Realty Trust, L.P. (the "Operating Partnership"), hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Operating Partnership for the quarterly period ended June 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership at the dates and for the periods indicated.

Date: August 4, 2023

/s/ MATTHEW R. MERCIER

Matthew R. Mercier
Chief Financial Officer
Digital Realty Trust, Inc., sole general partner of
Digital Realty Trust, L.P.

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any registration statement of the Operating Partnership filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Operating Partnership and will be retained by the Operating Partnership and furnished to the Securities and Exchange Commission or its staff upon request.
