



DIGITAL REALTY

# Global. Connected. Sustainable.

STRATEGIC ACQUISITION OF ASCENTY

*Leading Data Center Provider in Latin America*

September 2018

**Digital Realty the trusted foundation | powering digital ambitions**

Note: There can be no assurance that the proposed acquisition will be completed.

# Sustainable Growth for Customers, Shareholders & Employees



GLOBAL



8<sup>th</sup>

LARGEST ECONOMY  
BY 2018E GDP PER  
INTERNATIONAL MONETARY FUND



CONNECTED

140+ Customers

NUMEROUS COMPUTE &  
NETWORK NODES WITH THE  
TOP 5 GLOBAL CSPs

~4,500 km

PROPRIETARY FIBER NETWORK  
SPREAD ACROSS FOUR  
BRAZIL MARKETS



SUSTAINABLE

#1 Market Share

ASCENTY HAS THE LEADING MARKET SHARE  
IN BRAZIL AMONG MULTI-TENANT  
DATA CENTER PROVIDERS <sup>(1)</sup>

106 MW

39 MW IN-SERVICE CAPACITY  
34 MW UNDER-CONSTRUCTION CAPACITY  
33 MW AVAILABLE FUTURE CAPACITY

Note: Data as of acquisition signing date.

1) Market share based on megawatts. Ascenty includes additional capacity expected to be built at data centers in-service and under-construction.



## Strategic Acquisition of Ascenty

### Transaction Overview

- Entered into a definitive agreement to acquire Ascenty, a leading data center provider in Latin America
- Total purchase price of approximately \$1.8 billion (before contractual purchase price adjustments, transaction expenses, taxes and potential currency fluctuations), in addition to approximately \$425 million of capital expenditures to fund the completion of data center development currently under-construction and to build out additional capacity to meet near-term customer demand represents a multiple of approximately 15.0x – 15.5x our underwritten forward stabilized EBITDA <sup>(1)</sup>

### Company Overview

- 14 data centers, representing 106 MW of total planned capacity, including 73 MW that is 90% leased / pre-leased (39 MW currently placed in-service and 34 MW under-construction) and another 33 MW available for future development
- Ascenty has options or leases on five separate sites representing up to an incremental 67 MW of future growth capacity
- ~4,500 kilometer, company-owned fiber network
- All facilities are leasehold assets, with a weighted average remaining lease term of over 30 years, including extension options

### Joint Venture Overview <sup>(2)</sup>



DIGITAL REALTY

Brookfield

Ascenty

Digital Realty expects our operating partnership and Brookfield Infrastructure (“Brookfield”) to enter into a joint venture (“JV”) with each partner initially owning ~49% of the total equity interest, with existing management holders representing ~2% of the total equity interest <sup>(3)</sup>

### Financing Overview <sup>(4)</sup>

**\$1,827 mm <sup>(5)</sup>**

**ESTIMATED PURCHASE PRICE**

We Believe the Venture is Prudently Financed with Ample Liquidity from Non-recourse Debt Facilities and Equity Investments from Existing Ascenty Management as well as a Sophisticated Financial Investor in Brookfield Along with Us

Joint Venture Funding	Amount (\$ in mm)
Expected Rolling Ascenty Ownership into DLR OP Units	\$291
Cash Consideration from DLR	323
<b>Expected Total DLR Equity Investment</b>	<b>\$613</b>
Brookfield Equity Investment	613
Ascenty Management Equity Investment	25
Non-Recourse First Lien Term Loan at Ascenty	575
<b>Expected Total Funding</b>	<b>\$1,827</b>

We believe the Ascenty acquisition will initially be dilutive to financial metrics, but will be accretive to Digital Realty’s financial metrics over the intermediate term and is expected to be accretive to Digital Realty’s long-term growth rate

### Timing Overview

- The transaction is expected to close in the fourth quarter of 2018, subject to regulatory approval and other customary closing conditions

Note: There can be no assurance that the proposed acquisition will be completed. Data as of acquisition signing date. Due to rounding, numbers may not total.

1) We caution you not to place undue reliance on our underwriting or this estimate. See Appendix for a cautionary statement regarding this estimate.

2) While we intend to enter into a joint venture with Brookfield, there can be no assurance that the proposed joint venture will be completed at the time of closing of the Ascenty acquisition, on the terms described herein, or at all.

3) Digital Realty and Brookfield will each initially have 50% of the voting power and existing management holders of Ascenty will own non-voting equity interests.

4) Digital Realty will fund Brookfield’s investment until Brookfield clears anti-trust and telecom regulatory review in Brazil. There can be no assurance that such regulatory approvals will be obtained, in which case, Digital Realty may be required to fund the entire Ascenty investment indefinitely.

5) Before contractual purchase price adjustments, transaction expenses, taxes and potential currency fluctuations.



## OFFERING SUMMARY

# \$1.0 Billion Forward Common Equity Offering

### Sources & Uses

(\$ in mm)

Sources	Amount	Uses	Amount
Equity Raised by DLR	\$1,000	Equity Investment in Ascenty Joint Venture	\$323
		Repayment of Revolver Borrowings or General Corporate Purposes	605
		Transaction Costs <sup>(1)</sup>	73
<b>Total Sources</b>	<b>\$1,000</b>	<b>Total Uses</b>	<b>\$1,000</b>

### Issuer

Digital Realty Trust, Inc. (NYSE: DLR)

### Shares Offered

~8.5 million shares <sup>(2)</sup>

### Size of Offering

Approximately \$1.0 billion

### Greenshoe

15% Greenshoe <sup>(3)</sup>

### Use of Proceeds <sup>(4)</sup>

We intend to use the net proceeds, if any, received upon the settlement of the forward sale agreements to fund Digital Realty's operating partnership's portion of the JV's acquisition of Ascenty and transaction costs. The balance of such net proceeds, if any, to be used to repay borrowings under Digital Realty's revolver and for general corporate purposes

### Active Bookrunners



### Expected Pricing

September 24, 2018

Note: Data as of September 21, 2018 unless otherwise noted. This offering is not contingent upon the closing of the purchase of Ascenty. There can be no assurance that the acquisition will be completed. Due to rounding, numbers may not total.

1) Represents a 3.5% gross spread and DLR's share of Ascenty transaction costs.

2) 100% primary shares. Does not include 15% greenshoe.

3) The company contemplates executing both the Shares Offered and Greenshoe as a forward equity offering. To the extent there are insufficient shares available for borrow, the company may execute a portion of the Shares Offered and/or the Greenshoe as a primary (i.e., non-forward) equity offering.

4) We will not initially receive any proceeds from the sale of our common stock by the forward purchasers or their affiliates.



# ASCENTY

## At-a-Glance



# Ascenty

Leading data center provider in Latin America, providing a full spectrum of offerings, including colocation and connectivity to hyperscale deployments, with an in-service portfolio of eight purpose-built, world class data centers and six data center development projects currently under-construction

TOTAL  
DATA CENTERS <sup>(1)</sup>  
**14**

TOTAL PLANNED CAPACITY (MW)  
**106**  
TOTAL  
PLANNED



**39**  
CURRENTLY  
IN-SERVICE

**34**  
UNDER-  
CONSTRUCTION

**33**  
FUTURE  
DEVELOPMENT



In addition, Ascenty has options or leases on five separate sites representing up to an incremental 67 MW of future growth capacity

Note: Data as of acquisition signing date and is based on information and estimates provided by the seller.

1) Includes eight in-service data centers and six under-construction data centers.



# Unparalleled Expertise to Execute in Latin America



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Leading global provider of data center, colocation and interconnection solutions for customers across a variety of verticals

198

GLOBAL DATA CENTERS

\$37 Bn

ENTERPRISE VALUE <sup>(1)</sup>

2,300+

GLOBAL CUSTOMERS



## Brookfield

Leading global asset manager with 115 years of experience owning and operating real assets

100+ Years

OF INVESTING IN BRAZIL

\$285+ Bn \$40+ Bn

AUM GLOBALLY

AUM IN BRAZIL

Brazilian Traction, Light and Power Co. (1899) <sup>(2)</sup>



## Ascenty

Highly experienced management team with a proven track record in Latin America

100+ Years

OF COMBINED EXPERIENCE

6

SENIOR EXECUTIVES

280+

EMPLOYEES



CHRIS TORTO  
CEO

- Co-founded Ascenty
- Previously founded Vivax, the second largest cable TV company in Brazil, which went public in 2006 and was sold in 2007
- Track record of building successful fiber and related businesses

Note: Data as of September 21, 2018 unless otherwise noted. While we have a commitment from Brookfield to enter into a joint venture, there can be no assurance that the proposed joint venture will be completed at the time of closing of the Ascenty acquisition, on the terms described herein, or at all.

1) Enterprise Value calculated as the sum of the current share price multiplied by diluted shares outstanding, debt, preferred stock and noncontrolling interest less cash and cash equivalents.

2) Brookfield helped to launch Brazil's first electrical and transport utility in 1899 and listed it on the Toronto Stock Exchange in 1912.

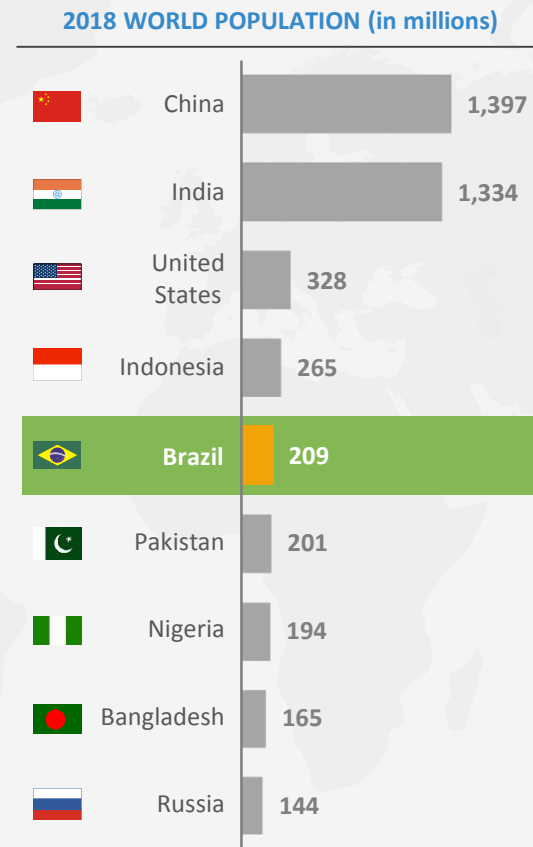


# Leading Position in Rapidly Growing Latin American Region

## 8<sup>TH</sup> LARGEST ECONOMY

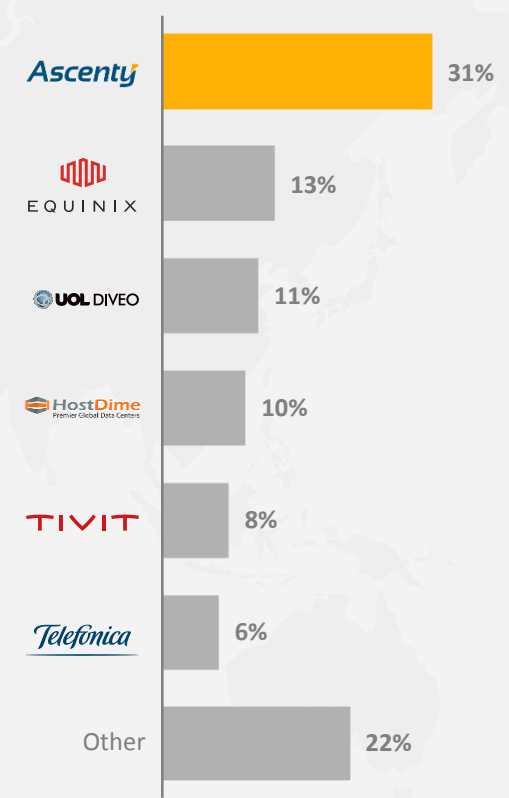
Country	2018E GDP (USD in trillions)
1. United States	\$20.2
2. China	\$13.1
3. Japan	\$5.1
4. Germany	\$3.9
5. France	\$2.8
6. UK	\$2.7
7. India	\$2.7
8. Brazil	\$2.2
9. Italy	\$2.0
10. Canada	\$1.8
11. South Korea	\$1.6
12. Russia	\$1.5
13. Australia	\$1.5
14. Spain	\$1.4
15. Mexico	\$1.3

## 5<sup>TH</sup> LARGEST POPULATION



## #1 MARKET SHARE

BRAZILIAN MULTI-TENANT DATA CENTER  
MARKET SHARE LEADERS <sup>(1)</sup>



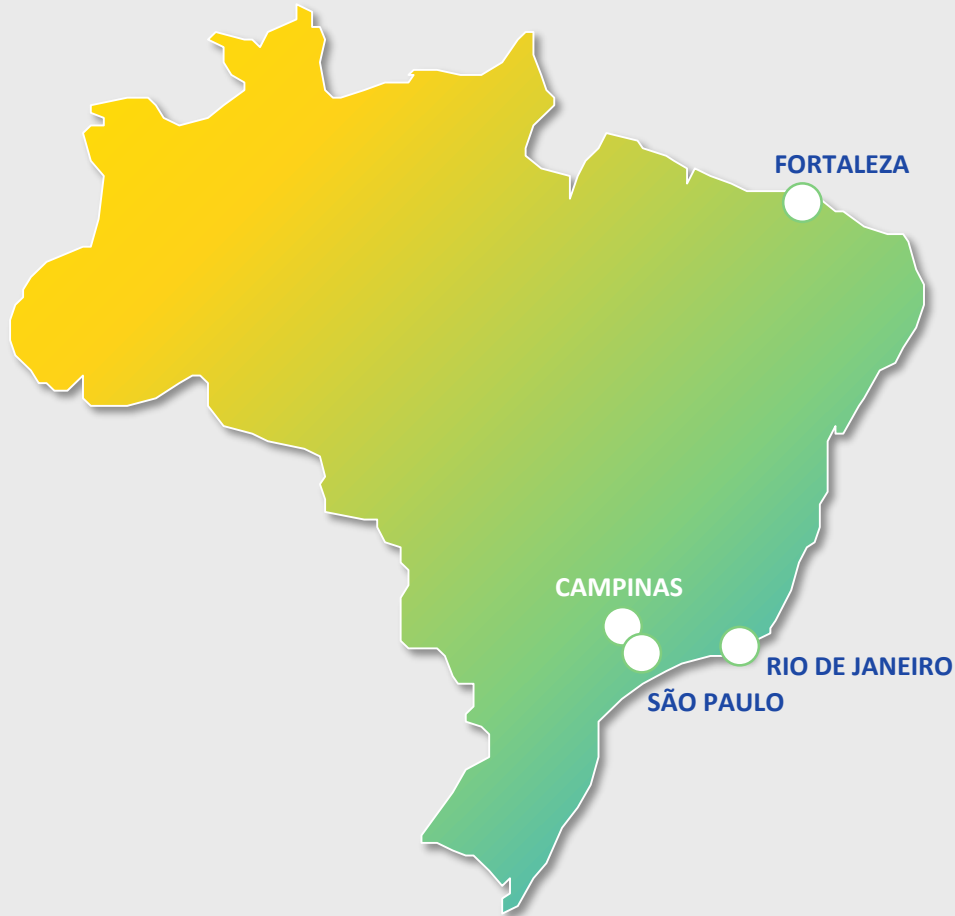
Source: International Monetary Fund and 451 Research (April 2018).

1) Market share based on megawatts. Ascenty includes additional capacity expected to be built at data centers under-construction.



# At the Epicenter of Brazil's Digital and Connectivity Hubs

**Ascenty** METROPOLITAN AREAS



1

## SÃO PAULO

- Largest city in Brazil and Latin America and the fourth largest city in the world
- São Paulo's role as Brazil's financial center has made it an important international digital and connectivity hub
- We believe it is poised to become the epicenter of Latin America's future technological expansion

2

## CAMPINAS

- Located within 100 kilometers of São Paulo
- Known as Brazil's "Silicon Valley" and home to numerous multinational technology companies as well as several prestigious universities

3

## RIO DE JANEIRO

- Second most populous city in Brazil and the fourth most populous in Latin America
- One of the leading destinations for hyperscale data center deployments in Brazil, second only to São Paulo

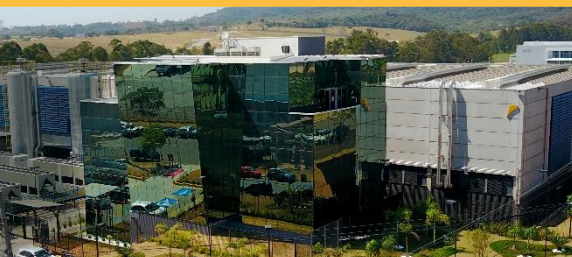
4

## FORTALEZA

- Located in the Northeast of Brazil
- An important subsea cable hub and the capital of the Brazilian state of Ceará



# Large Scale, High-Quality Portfolio with Embedded Growth



## SÃO PAULO

In-Service

SÃO PAULO I  
SÃO PAULO II  
JUNDIAI I

Under-Construction

JUNDIAI II  
VINHEDO I

## CAMPINAS

In-Service

CAMPINAS  
HORTOLANDIA  
SUMARE I

Under-Construction

SUMARE II  
PAULINIA  
HORTOLANDIA II  
HORTOLANDIA III



## RIO DE JANEIRO

In-Service

RIO DE JANEIRO



## FORTALEZA

In-Service

FORTALEZA



14  
STATE-OF-THE-ART  
DATA CENTERS

8  
IN-SERVICE  
  
6  
UNDER-CONSTRUCTION

106  
TOTAL PLANNED  
CAPACITY (MW)

39 MW  
CURRENTLY IN-SERVICE

34 MW  
UNDER-CONSTRUCTION

33 MW  
FUTURE DEVELOPMENT



97%  
LEASED IN-SERVICE <sup>(1)</sup>

83%  
PRE-LEASED  
UNDER-CONSTRUCTION <sup>(1)</sup>

Note: Data as of acquisition signing date. Includes signed but not yet commenced leases and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement.

1) Based on currently in-service and under-construction megawatts.



DIFFERENTIATED CONNECTIVITY SOLUTIONS

# Proprietary Fiber Network Provides Competitive Advantage

- Allows for strategic site selection and highly interconnected data centers
- ~95% contracted revenue from clients taking both data center and fiber services
- Strategically connects Ascenty facilities with major telecom operators, peering points and submarine cable networks

~4,500 km

PROPRIETARY  
FIBER NETWORK



Note: Data as of acquisition signing date.



COMPLEMENTARY CUSTOMER BASE

# Meeting Our Customers' Needs in New Markets

**Ascenty**

## CUSTOMER PROFILE

**~120**

New Global  
Customer Logos

**>90%**

Investment Grade  
or Equivalent  
Customers<sup>(1)</sup>

**~75%**

U.S. Dollar  
Denominated  
Contracts<sup>(2)</sup>

**140+**

Ascenty  
Customers<sup>(3)</sup>

**2,300+**

Digital Realty  
Customers

Note: Data as of acquisition signing date.

- 1) Figures based on contractual cash rent per month, including signed but not yet commenced leases and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement. Reflects credit ratings of customer parent entity. There can be no assurance that a customer parent entity will satisfy the customer's lease obligations upon such customer's default.
- 2) Figures based on remaining contractual cash rent, including signed but not yet commenced leases and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement.
- 3) Includes hyperscale and colocation customers.



LEADING GLOBAL DATA CENTER PROVIDER  
**Extending Customer Reach**

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# Ascenty



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**Brookfield**

- New Latin American Platform to Accelerate Growth
- Strengthens Position Globally
- Improves Global Customer Base and Further Deepens Existing Customer Relationships
- Strategic High Value Assets and Proprietary Fiber Network
- Compelling Value Proposition Based Upon Embedded Growth Pipeline
- Investing Alongside Experienced Partner
- Experienced Management Team with Proven Ability to Execute



# Appendix



# PRIMARY FORWARD SALE OF EQUITY

## Transaction Overview

*Forward sale structure allows DLR to lock in equity financing for the acquisition and avoid per share dilution prior to the acquisition closing*

### Description

- Allows DLR to capitalize on market conditions and lock-in future equity capital raise when and if required to fund the acquisition
- Sale of borrowed shares will be executed via a marketed offering
  - No incremental shares will be issued to the public market at settlement
- Entering into a forward sale agreement to sell a fixed number of shares (subject to increase if the underwriters' option to purchase additional shares is exercised) at the forward sale price in the future to BofAML / Citi
- Able to settle and receive proceeds at any time at DLR's discretion
- Forward may be cash, physically, or net-share settled at DLR's election

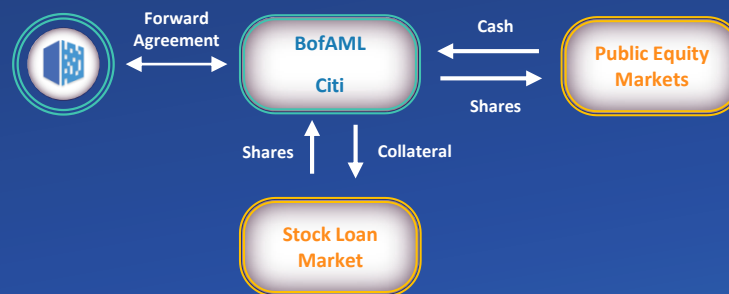
### Benefits

- DLR locks in a value for the future issuance of equity
- Capital facility that may be drawn at any time prior to the Maturity Date
- Avoids overhang on DLR stock price

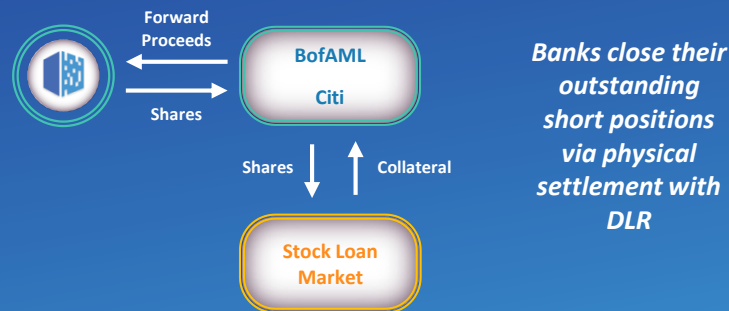
### Considerations

- DLR will not participate in stock price appreciation prior to settlement
- BofAML / Citi will hedge the transaction by selling borrowed shares
- If cash settled, the banks will purchase shares in the open market pursuant to Rule 10b-18 to cover the aggregate short position

### Transaction Mechanics (Inception)



### Physical Settlement <sup>(1)</sup>



*At settlement, no incremental shares will be issued / sold to the public equity markets – no equity overhang from the forward sale structure*

1) Digital Realty could elect a Cash / Net-Share settlement in which case the banks will purchase shares in the open market pursuant to Rule 10b-18 to cover the aggregate short position.



# Forward-Looking Statements

The information included in this presentation contains forward-looking statements. Such statements are based on management's beliefs and assumptions made based on information currently available to management. In particular, statements pertaining to the Ascenty acquisition and related financings, the proposed joint venture with Brookfield, our capital resources, expected physical settlement of the forward sale agreements and use of proceeds from any such settlement, expected use of borrowings under our credit facility, portfolio performance, our ability to lease vacant space and space under development, leverage policy, acquisition and capital expenditure plans, capital recycling program, returns on invested capital, supply and demand for data center space, capitalization rates, expected proceeds from assets sales and cash flows from operations, 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, demographics 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 or phrases or similar words or phrases which are predictions of or indicate future events or trends and discussions 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; 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; breaches of our obligations or restrictions under our contracts with our customers; our inability to successfully develop and lease new properties and development space, and delays or unexpected costs in development of properties; the impact of current global and local economic, credit and market conditions; our inability to retain data center space that we lease or sublease from third parties; difficulty acquiring or operating properties in foreign jurisdictions; our failure to realize the intended benefits from, or disruptions to, our plans and operations or unknown or contingent liabilities related to, our recent acquisitions; our failure to successfully integrate and operate acquired or developed properties or businesses; difficulties in identifying properties to acquire and completing acquisitions; risks related to joint venture investments (including the proposed joint venture with Brookfield), 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; environmental liabilities and risks related to natural disasters; the expected operating performance of anticipated near-term acquisitions, including the Ascenty acquisition and descriptions relating to these expectations, including without limitation, the estimated stabilized EBITDA multiple; the occurrence of any event, change or other circumstances that would compromise our ability to complete the Ascenty acquisition or the proposed joint venture with Brookfield within the expected timeframe, on the expected terms or at all; 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; our success in implementing our business strategy and our ability to underwrite and finance acquisitions or investments; changes in the business or financial condition of us or our business; our ability to deliver high quality properties and services, to attract and retain qualified personnel and to attract and retain customers; 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 Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Reports on Form 10-Q for the periods ended March 31, 2018 and June 30, 2018. 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, 2017. Those risks continue to be relevant to our performance and financial condition. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can we assess the impact of all such risk factors on our 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.

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# Stabilized EBITDA Estimate

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Our stabilized EBITDA estimate is comprised of (i) our estimate of annualized run-rate EBITDA for Ascenty based on Ascenty's EBITDA for the month ended July 31, 2018, which is the most recently completed full month for which Ascenty provided us with financial information as part of our underwriting and due diligence process, (ii) our forward estimate of the stabilized EBITDA contribution from signed leases with respect to approximately 12.6 megawatts and additional colocation space leases at Ascenty's in-service data centers that have been signed as of the date of this prospectus supplement but had not yet commenced as of July 31, 2018 and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement, (iii) our forward estimate of the stabilized EBITDA contribution from leases with respect to approximately 18.0 megawatts of additional capacity expected to be built at Ascenty's data centers under construction that have been signed as of the date of this prospectus supplement but had not yet commenced as of July 31, 2018 and leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement, (iv) our forward estimate of the stabilized EBITDA contribution from the potential lease-up of approximately 38.6 megawatts of additional capacity expected to be built at Ascenty's under-construction data centers as of the date of this prospectus supplement, and (v) our forward estimate of the stabilized EBITDA contribution from fiber leases that have been signed as of the date of this prospectus supplement but had not yet commenced as of July 31, 2018. We have assumed that the EBITDA margins for signed but not yet commenced leases, leases pending execution that are subject to closing or other conditions under the Share Purchase Agreement and future leases of additional capacity to be built at both the in-service and under-construction data centers will be consistent with the EBITDA margins of existing in-service data centers once they have been fully leased. In addition, in underwriting our estimate of stabilized EBITDA, we have straight-lined existing contractual rents and estimated future rents in accordance with U.S. generally accepted accounting principles, or GAAP.

We caution you not to place undue reliance on our underwriting or our estimate of the stabilized EBITDA multiple because it is based on data made available to us in the diligence process in connection with the Ascenty acquisition and includes a number of assumptions, including the timely and on-budget completion of all space to be constructed, the timely leasing of all additional capacity, certain assumptions regarding currency exchange rates and the absence of customer defaults or early lease terminations. Furthermore, the estimated stabilized EBITDA is not calculated in accordance with GAAP and includes estimates of future rents and operating expenses based on our expectations for Ascenty going forward. Our experience operating Ascenty may change our expectations with respect to the estimated stabilized EBITDA. In addition, the actual stabilized EBITDA for Ascenty may differ from our expectations based on numerous other factors, including potential difficulties encountered in connection with the construction and lease-up of additional data center space, currency and inflation fluctuations, unanticipated incremental general and administrative expenses or operating expenses, the results of our final purchase price adjustments, difficulties in leasing incremental capacity or collecting anticipated revenue, customer bankruptcies and unanticipated expenses at the data centers that we cannot pass on to customers.





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