Risk Factors Comparison 2024-02-23 to 2023-02-27 Form: 10-K

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For purposes of this section, the term " stockholders " means the holders of shares of Digital Realty Trust, Inc.' s common stock and preferred stock. Set forth below are the risks that we believe are material to Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders. You should carefully consider the following factors in evaluating our Company, our properties and our business. The occurrence of any of the following risks might cause Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders to lose all or a part of their investment. Some statements in this report, including statements in the following risk factors, constitute forward- looking statements. Please refer to the section entitled " Forward- Looking Statements " starting on page ~~48~~ **47** . **Overview Our** ~~Index to Financial StatementsOverviewOur~~ business, operations and financial results are subject to various risks and uncertainties, including those described below, that could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our common stock and preferred stock. The following material factors, among others, could cause our actual results to differ materially from historical results and those expressed in forward- looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors and oral statements. The risks that we describe in our public filings are not the only risks that we face. Additional risks and uncertainties not presently known to us, or that we currently consider immaterial, also may materially adversely affect our business, financial condition, and results of operations. Risk Factors ~~SummaryThe~~ --- **Summary The** following is a summary of the principal risks that could adversely affect our business, operations and financial results. Risk Related to Our Business and Operations ● Our business depends upon the demand for data centers. ● We face significant competition, which may adversely affect the occupancy and rental rates of our data centers. ● Any failure of our physical or information technology or operational technology infrastructure or services could lead to significant costs and disruptions. ● We **and our third- party providers** may be vulnerable to **cyberattacks and security** breaches **that could materially** ~~, or unauthorized access to, or disruption~~ --- **disrupt** ~~of our~~ - **or compromise our** ~~physical and information technology and operational~~ **operations** ~~technology infrastructure~~ **, data** and ~~systems~~ **results** . **Index to Financial Statements** ● We depend on significant customers, and many of our data centers are single- tenant properties or are currently occupied by single tenants. ● Failure to attract, grow and retain a diverse and balanced customer base, including key magnet customers, could harm our business and operating results. ● Our contracts with our customers could subject us to significant liability. ● Certain of our customer agreements may include restrictions on the sale of our properties to certain third parties, which could have a material adverse effect on us. ● Our data centers may not be suitable for re- leasing without significant expenditures or renovations. ● We may be unable to lease vacant or development space, renew leases, or re- lease space as leases expire. ● Even if we have additional space available for lease at any one of our data centers, our ability to lease this space to existing or new customers could be constrained by our ability to provide sufficient electrical power. ● Our portfolio depends upon local economic conditions and is geographically concentrated in certain locations. ● Our business and operations, and our customers, suppliers and business partners may be adversely affected by epidemics, pandemics or other outbreaks. ● We lease or sublease certain of our data center space from third parties and the ability to retain these leases or subleases could be a significant risk to our ongoing operations. ● We and our customers may experience supply chain or procurement disruptions, or increased supply chain costs, which may lead to delays. ● We may not be able to adapt to changing technologies and customer requirements, and our data center infrastructure may become obsolete. ● We depend upon third- party suppliers for power, and we are vulnerable to service failures and to price increases by such suppliers and to volatility in the supply and price of power in the open market. ● We depend on third parties to provide network connectivity to the customers in our data centers and any delays or disruptions in connectivity may materially adversely affect our operating results and cash flow. ● Our international activities, including acquisition, ownership and operation of data centers located outside of the United States, subject us to risks different than those we face in the United States and we may not be able to effectively manage our international business. ● Our recent acquisitions may not achieve the intended benefits or may disrupt our plans and operations. ● We may be subject to unknown or contingent liabilities related to our recent acquisitions, for which we may have no or limited recourse against the sellers. ~~18Index to Financial Statements ● We may be unable to identify, including sourcing off- market deal flow, and complete acquisitions on favorable terms or at all.~~ ● Joint venture (JV) investments could be adversely affected by our lack of sole decision- making authority, our reliance on our JV partners' financial condition and disputes between us and our JV partners. ● Any delays or unexpected costs in the development of our existing space and developable land and new properties acquired for development may delay and harm our growth prospects, future operating results and financial condition. ● Many of our costs, such as operating and general and administrative expenses, interest expense and real estate acquisition and construction costs, could be adversely impacted by periods of heightened inflation. ● We have substantial debt and face risks associated with the use of debt to fund our business activities, including refinancing and interest rate risks. ● Our growth depends on external sources of capital which are outside of our control. ● Declining real estate valuations, impairment charges and illiquidity of real estate investments could adversely affect our earnings and financial condition. ● Our success depends on key personnel whose continued service is not guaranteed. ● We may have difficulty managing our growth. ● Potential losses may not be covered by insurance. ● We could incur significant costs related to environmental matters, including from government regulation, private litigation, and existing conditions at some of our properties. ● ~~Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead to liability for adverse health effects and costs to remedy the problem. ●~~ We may incur significant costs complying with applicable laws and governmental regulations, including the Americans with Disabilities Act. ●

Our business could be adversely impacted if there are deficiencies in our disclosure controls and procedures or internal control over financial reporting. ~~Risks~~ **17Index to Financial StatementsRisks** Related to the Organizational Structure ● **The interests of** Digital Realty Trust, Inc.' s ~~duty to its~~ stockholders may conflict with the interests of Digital Realty Trust, L. P.' s unitholders. ● Digital Realty Trust, Inc.' s charter, Digital Realty Trust, L. P.' s partnership agreement and Maryland law contain provisions that may delay, defer or prevent a change of control transaction. ● The conversion rights of Digital Realty Trust, Inc.' s preferred stock may be detrimental to holders of Digital Realty Trust, Inc.' s common stock. ● Digital Realty Trust, Inc.' s rights and the rights of its stockholders to take action against its directors and officers are limited. Risks Related to Taxes and Digital Realty Trust, Inc.' s Status as a REIT ● Failure to qualify as a REIT would have significant adverse consequences to Digital Realty Trust, Inc. and its stockholders and to Digital Realty Trust, L. P. and its unitholders. ● In certain circumstances, Digital Realty Trust, Inc. may be subject to federal and state taxes as a REIT, which would reduce its cash available for distribution to its stockholders. ● Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends. ● The tax imposed on REITs engaging in " prohibited transactions " may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes. ● Complying with REIT requirements may cause us to forgo otherwise attractive opportunities or liquidate otherwise attractive investments. ● The power of Digital Realty Trust, Inc.' s Board of Directors to revoke Digital Realty Trust, Inc.' s REIT election without stockholder approval may cause adverse consequences to Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders. ● If Digital Realty Trust L. P. were to fail to qualify as a partnership for federal income tax purposes, Digital Realty Trust, Inc. would fail to qualify as a REIT and suffer other adverse consequences. ~~19Index to Financial Statements~~ **● Tax liabilities and attributes inherited in connection with acquisitions may adversely impact our business.** ● Changes in U. S. or foreign tax laws and regulations, including changes to tax rates, legislation and other actions may adversely affect our results of operations, our stockholders, Digital Realty Trust, L. P.' s unitholders and us ~~. ● Tax liabilities and attributes inherited in connection with acquisitions may adversely impact our business~~ . Risks Related to Our Business and OperationsOur business depends upon the demand for data centers. We are in the business of owning, acquiring, developing and operating data centers. A reduction in the demand for data center space, power or connectivity would have a greater adverse effect on our business and financial condition than if we owned a portfolio with a less specialized use. Our substantial development activities make us particularly susceptible to general economic slowdowns as well as adverse developments in the data center, Internet and data communications and broader technology industries. Any such slowdown or adverse development could lead to reduced corporate IT spending or reduced demand for data center space. Reduced demand could also result from business relocations, including to metropolitan areas that we do not currently serve. Changes in industry practice or in technology could also reduce demand for the physical data center space we provide. In addition, our customers may choose to develop new data centers or expand their own existing data centers or consolidate into data centers that we do not own or operate, which could reduce demand for our newly developed data centers or result in the loss of one or more key customers. If any of our key customers were to do so, it could result in a loss of business to us or put pressure on our pricing. Mergers or consolidations of technology companies could reduce further the number of our customers and potential customers and make us more dependent on a more limited number of customers. If our customers merge with or are acquired by other entities that are not our customers, they may discontinue or reduce the use of our data centers in the future. Our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected as a result of any or all of these factors. ~~We~~ **18Index to Financial StatementsWe** face significant competition, which may adversely affect the occupancy and rental rates of our data centers. We compete with numerous data center providers globally, many of whom own or operate properties similar to ours in some of the same metropolitan areas where our data centers are located, including Equinix, Inc. and NTT; various private operators in the U. S.; as well as Global Switch Holdings Limited and various regional operators in Europe, Asia, Latin America, Africa and Australia. In addition, we may in the future face competition from new entrants into the data center market, including new entrants who may acquire our current competitors. Some of our competitors and potential competitors have significant advantages over us, including greater name recognition, longer operating histories, pre- existing relationships with current or potential customers, significantly greater financial, marketing and other resources and more ready access to capital which allow them to respond more quickly to new or changing opportunities. If our competitors offer space that our customers or potential customers perceive to be superior to ours based on factors such as available power, security, location, or connectivity, or if they offer rental rates below current market rates, or below the rental rates we are offering, we may lose customers or potential customers or be required to incur costs to improve our data centers or reduce our rental rates. In addition, many of our competitors have developed and continue to develop additional data center space. If the supply of data center space continues to increase as a result of these activities or otherwise, rental rates may be reduced or we may face delays in leasing or be unable to lease our vacant space, including space that we develop. Further, if customers or potential customers desire services that we do not offer, we may not be able to lease our space to those customers. Our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected as a result of any or all of these factors. Any failure of our physical or information technology or operational technology infrastructure or services could lead to significant costs and disruptions. Our business depends on providing customers with highly reliable services, including with respect to power supply, physical security **, cybersecurity,** and maintenance of environmental conditions. We may fail to provide such ~~service~~ **services** ~~as a result of numerous factors~~ **because our operations are vulnerable to** , ~~including~~ **among other things,** mechanical **or telecommunications** failure, power outage, human error, physical or electronic security breaches, **cyberattacks,** war, terrorism, fire, earthquake, pandemics, hurricane, flood and other natural disasters, sabotage and vandalism ~~. Our systems may be susceptible to damage, interference, or interruption from modifications or upgrades, power loss, telecommunications failures, computer viruses, ransomware attacks, computer denial of service attacks, phishing schemes, or other attempts to harm or access our systems. 20Index to Financial StatementsProblems at~~

~~one or more of our data centers, whether or not within our control, could result in service interruptions or equipment damage~~ . Substantially all of our customer agreements include terms requiring us to meet certain service level commitments ~~to our customers~~ . Any failure to meet these or other commitments or any equipment damage in our data centers **due to any** ~~, including as a result of mechanical failure, power outage, human error or other reasons~~ - **reason** ~~,~~ could subject us to **contractual** liability ~~under the terms of our customer agreements~~ , including service level credits against customer rent payments, **legal liability and** monetary damages, **regulatory sanctions,** or, in certain cases of repeated failures, the right by the customer to terminate the agreement. Service interruptions, equipment failures or security breaches ~~may~~ **could** also **materially impact** ~~expose us to additional legal liability and monetary damages and damage~~ our brand and reputation ~~,~~ **globally** and ~~could cause~~ **lead to customer contract terminations** ~~our~~ - **or non- renewals and an inability to attract** customers ~~to terminate~~ **in the future. We and** ~~or~~ **our** ~~not renew their~~ - **third - party providers** ~~agreements. In addition, we~~ may be ~~unable~~ **vulnerable** to **cyberattacks and** ~~attract new customers if we have a reputation for service disruptions, equipment failures or physical or electronic~~ security breaches **that** ~~in our data centers. Any such failures~~ could materially **disrupt** ~~adversely affect our~~ - **or** ~~business~~ **compromise our operations** , **data** ~~financial condition~~ and results ~~of operations~~ . We **rely on computer systems** ~~may be vulnerable to breaches~~ , **hardware** ~~or unauthorized access to~~ , ~~or disruption of our~~ **software, online sites and networks, as well as** physical **, digital** ~~and information technology~~ and operational technology infrastructure **to support our internal** and **external operations (collectively, " Information Systems "). We own, operate, and manage complex, global Information Systems and also rely on third- party providers for a range of Information Systems and other products and services, such as cloud computing. We face evolving risks that threaten the confidentiality, integrity, and availability of Information Systems and data, including from state- sponsored espionage actors, financially motivated hackers, hacktivists and insiders, as well as through diverse attack vectors, such as social engineering / phishing, malware (including ransomware), human or technological error, or due to " bugs, " misconfigurations and known and unknown vulnerabilities in hardware, software,** systems **and processes that support our business** . ~~Security~~ **19Index to Financial StatementsAttacks,** breaches ~~,~~ or ~~disruption~~ **disruptions to** ~~, of our or~~ **our ,** ~~our~~ - **or any providers' or customers', Information Systems or controls could result in, among other things, unauthorized access to our or** customers' physical **assets** or ~~information~~ **Information** ~~technology or operational technology infrastructure, networks and related management systems~~ **Systems** ~~and controls could result in~~ , **misappropriation of our** ~~among other things, unauthorized access to our~~ - **or** ~~facilities, a breach of our and our~~ customers' ~~networks and~~ **sensitive or proprietary** information ~~technology infrastructure~~ , **disruptions to** ~~the misappropriation of our or~~ **our** ~~our~~ - **or** ~~customers' or their customers' proprietary or confidential information, interruptions or malfunctions in our or our~~ customers' operations, ~~delays or interruptions to our ability to meet customer needs, breach~~ **breaches** of ~~our~~ legal ~~,~~ **and** regulatory **(e. g., privacy laws such as GDPR)** or contractual obligations, **and /** ~~inability to access~~ or ~~rely upon critical~~ **other operational and** business **impacts** ~~records or other disruptions in our operations~~ . **The foregoing** ~~We may be required to expend significant financial resources to protect against or to remediate such security breaches. We may not be able to implement security measures in a timely manner or, if and when implemented, these measures could be circumvented. Any breaches that may occur~~ could expose us to **material** ~~increased risk of~~ lawsuits, ~~material~~ **regulatory actions, penalties or fines,** monetary damages, ~~potential violations of applicable privacy and other laws, penalties and fines,~~ loss of existing or potential customers, harm to our reputation and **significant** increases in our security and insurance costs, ~~which could~~ **and other adverse effects on our business and results. We regularly experience cyberattacks and security incidents, and we expect such attacks and incidents to continue in the future. For example, we frequently face sophisticated phishing campaigns designed to install malicious software on our network. While to date no attacks or incidents** have ~~a~~ **materially impacted us, we cannot guarantee that** material ~~adverse effect on~~ **incidents will not occur in the future. There can also be no assurance that our cybersecurity risk management processes will be fully implemented as currently anticipated, complied with** ~~our~~ - **or effective in protecting our or** ~~business, financial condition and results of operations. Although~~ our customers' **Information Systems and data, particularly because threat actors are increasingly sophisticated and using tools such as artificial intelligence that circumvent controls and evade detection, making mitigation and recovery challenging and uncertain. Although our customers maintain** computing equipment ~~resides~~ in our ~~buildings~~ **facilities** , we generally do not have access to, nor ~~do we have~~ knowledge of, what applications ~~and~~ **or** data are **stored or** ~~being housed and~~ processed on ~~their~~ **such** equipment. ~~In certain instances~~ **For some customers** , we provide digital infrastructure and platforms **-** as **-** a **-** service ~~to our customers~~ , which increases the risk of ~~loss of~~ **compromise to customer** data, and **we** have ~~recently expanded~~ **been expanding** these aspects of our business. ~~In the event of a breach resulting in loss of data, such as personally identifiable information or other such data protected by data privacy or other laws, we may be liable for damages, fines and penalties for such losses under applicable regulatory~~ **Regulators** ~~frameworks despite not handling the data. Further, the regulatory framework~~ around **the world** ~~data custody, data privacy and breaches varies by jurisdiction and is an evolving area~~ - **are** ~~of law~~ **increasingly focusing on, and investigating, cybersecurity matters** . For example, **as we disclosed in our Quarterly Report on Form 10- Q filed on November 9, 2023,** the ~~EU General Data Protection Regulation~~ **Division of Enforcement of the U. S. Securities and Exchange Commission** (~~GDPR~~ **SEC**) ~~,~~ **is conducting** ~~and~~ - **an investigation into the adequacy of our disclosures of cybersecurity risks and our related disclosure controls and procedures. We are cooperating with the SEC and are not aware of** any ~~subsequent amended versions~~ **cybersecurity issue or event that caused the Staff to open this matter. Responding to an investigation** of **this type can be costly and time- consuming. While we are unable to predict the likely outcome of this matter or the potential cost or exposure or duration of the process, based on the information we currently possess, we do not expect the total potential cost to be material to our financial condition. If the SEC believes that violations occurred,** it **could seek remedies including** , **but** ~~and similar regulations that apply to our business globally may have significant impact on our compliance frameworks and operations. If we fail to comply with these various regulations, we may have to pay fines or damages. We may~~ not ~~be able to limit~~ **limited to, civil monetary penalties and injunctive relief,**

and / ~~our~~ - **or file litigation against** ~~liability or damages in~~ the **Company** ~~event of such a loss~~ . We have made, and **expect to** continue to make, investments to update and modernize ~~our~~ **both existing and newly acquired** ~~information~~ **Information** ~~technology systems~~ **Systems . We have ongoing acquisitions** and ~~expect such investments~~ - **investment activity** ~~to continue in order to meet our business needs~~ , including **through the formation** ~~for ongoing improvements for our customer experience. Additionally, as part~~ of ~~our global platform strategy~~ **joint ventures. For example** , we have acquired and invested in, and continue to acquire and invest in, businesses and operations ~~globally~~ **(including joint ventures) around the world** , including in new regions with complex and evolving regulatory frameworks and ~~different~~ **differing** risk profiles **, and including in and with companies that have cybersecurity vulnerabilities and security measures which may be less robust than our existing Information Systems, which increases our cybersecurity risks** . **In addition,** ~~Transitioning~~ **transitioning** to new or upgraded **Information** ~~systems~~ **Systems** , and integrating acquired ~~networks~~ **Information Systems** and data, ~~can create~~ **creates** ~~difficulties~~ **challenges** , **causes** ~~including potential disruptions~~ - **disruption** to current processes **, governance** and **structures, and can increase our** cybersecurity ~~complexities~~ **vulnerabilities and costs to mitigate and remediate such vulnerabilities** . ~~In addition, our information technology systems may require further~~ **Further** ~~modification as we grow and as our business needs change~~ , **cybersecurity governance** ~~which could prolong difficulties we experience~~ with **respect** ~~such transitions and integrations. Such significant investments in our systems may take longer~~ to ~~deploy and cost~~ **our joint ventures may be** more ~~than originally planned. In addition, we may not realize~~ **complex due to the necessary interactions and oversight of multiple joint venture partners and** ~~the~~ **their respective governing bodies** ~~full benefits we hoped to achieve, and we may need to expend significant attention, time and resources to correct problems or find alternative sources for performing various functions~~ . Difficulties in implementing new ~~or~~ **,** upgraded **, and / or acquired** ~~information~~ **Information** ~~or operational technology systems~~ **Systems** or significant ~~system~~ failures ~~or~~ **,** delays **,** or ~~the~~ **other** ~~failure~~ **inability** to ~~successfully~~ modify ~~our systems~~ and respond to changes in our **or our customers'** business **and cybersecurity** needs could adversely affect our ~~business and~~ results ~~of operations~~ . ~~21Index~~ **20Index** to Financial StatementsWe depend on significant customers, and many of our data centers are single- tenant properties or are currently occupied by single tenants. As of December 31, ~~2022~~ **2023** , the 20 largest customers in our portfolio represented approximately 50 % of the total annualized recurring revenue generated by our properties. Our top three customers represented approximately ~~17~~ **21** % of the total annualized recurring revenue generated by our properties as of December 31, ~~2022~~ **2023** . In addition, ~~33~~ **32** of our ~~316~~ **309** data centers are occupied by single customers, including data centers occupied solely by our top three customers. Many factors, including global economic conditions, may cause our customers to experience a downturn in their businesses or otherwise experience a lack of liquidity, which may weaken their financial condition and impact our estimates as to the probability of collectability of payments, and ultimately result in their failure to make timely rental and other payments or their default under their agreements with us. Further, the development of new technologies, the adoption of new industry standards or other factors could render many of our customers' current products and services obsolete or unmarketable and contribute to a downturn in their businesses, thereby increasing the likelihood that they default under their leases, become insolvent or file for bankruptcy. If any customer defaults or fails to make timely rent or other payments, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment, which could adversely affect our financial condition and results of operations. If any customer becomes a debtor in a case under the U. S. Bankruptcy Code, we cannot evict the customer solely because of the bankruptcy. In addition, the bankruptcy court might authorize the customer to reject and terminate its contracts with us. Our claim against the customer for unpaid, future rent and other payments would be subject to a statutory cap that might be substantially less than the remaining amounts actually owed under their agreements with us. In either case, our claim for unpaid rent and other amounts would likely not be paid in full. Our revenue and cash available for distribution could be materially adversely affected if any of our significant customers were to become bankrupt or insolvent, suffer a downturn in their businesses, fail to renew their contracts or renew on terms less favorable to us than their current terms. As of February ~~21~~ **23** , ~~2023~~ **2024** , we had no material customers in bankruptcy. Failure to attract, grow and retain a diverse and balanced customer base, including key magnet customers, could harm our business and operating results. Our ability to attract, grow and retain a diverse and balanced customer base, consisting of enterprises, cloud service providers, network service providers, and digital economy customers, some of which we consider to be key magnets drawing in other customers, may affect our ability to maximize our revenues. Dense and desirable customer concentrations within a facility enable us to better generate significant interconnection revenues, which in turn increases our overall revenues. Our ability to attract customers to our data centers will depend on a variety of factors, including our product offerings, the presence of carriers, the overall mix of customers, the presence of key customers attracting business through ecosystems, the data center' s operating reliability and security and our ability to effectively market our product offerings. Our inability to develop, provide or effectively execute any of these factors may hinder the development, growth and retention of a diverse and balanced customer base and adversely affect our business, financial condition and results of operations. Our contracts with our customers could subject us to significant liability. In the ordinary course of business, we enter into agreements with our customers pursuant to which we provide data center space, power, environmental controls, physical security and connectivity products to our customers. These contracts typically contain indemnification and liability provisions, in addition to service level commitments, which could potentially impose a significant cost on us in the event of losses arising out of certain breaches of such agreements, services to be provided by us or our subcontractors or from third- party claims. Customers increasingly are looking to pass through their regulatory obligations and other liabilities to their outsourced data center providers and we may not be able to limit our liability or damages in an event of loss suffered by such customers whether as a result of our breach of an agreement or otherwise. Further, liabilities and standards for damages and enforcement actions, including the regulatory framework applicable to different types of losses, vary by jurisdiction, and we may be subject to greater liability for certain losses in certain jurisdictions. Additionally, in connection with our acquisitions, we have assumed existing agreements with customers that may subject us to greater liability for such an event of loss. If such an event of loss occurred, we could be liable for material monetary damages and could incur significant legal fees in defending against such an action, which could adversely affect our financial condition and results of operations. ~~22Index~~ **21Index** to Financial StatementsCertain of our customer agreements may include restrictions on the sale of our properties to certain third parties, which could have a material adverse effect on us. Certain of our customer agreements may prohibit us from selling certain properties to a third party unless specified conditions are met. The existence of such restrictions could hinder our ability to sell one or more of these properties, which could materially adversely affect our business, financial condition and results of operations. Our data centers may not be suitable for re- leasing without significant expenditures or renovations. Because many of our data centers contain tenant improvements installed at our customers' expense, they may be better suited for a specific data center user or technology industry customer and could require significant modification in order for us to re- lease vacant space to another data center user or technology industry customer. The tenant improvements may also become outdated or obsolete as the result of technological change, the passage of time or other factors. In addition, our development space will generally require substantial improvement to be suitable for data center use. For the same reason, our properties also may not be suitable for leasing to traditional office customers without significant expenditures or renovations. As a result, we may be required to invest significant amounts or offer significant discounts to customers in order to lease or re- lease that space, either of which could adversely affect our financial and operating results. We may be unable to lease vacant or development space, renew leases, or re- lease space as leases expire. At December 31, ~~2022~~ **2023** , we owned approximately ~~9~~ **8** . ~~2~~ **5** million square feet of space under active development and approximately ~~3.~~ 4 **. 1** million square feet of space held for future development. We intend to continue to add new space to our development inventory and to continue to develop additional space from this inventory. A portion of the space that we develop has been, and may continue to be, developed on a speculative basis, meaning that we do not have a signed customer agreement for the space when we begin the development process. We also develop space specifically for customers pursuant to agreements signed prior to beginning the development process. In those cases, if we fail to meet our development obligations under those agreements, these customers may be able to terminate the agreements and we would be required to find a new customer for this space. In addition, in certain circumstances we lease data center facilities prior to their completion. If we fail to complete the facilities in a timely manner, the customer may be entitled to terminate its agreement, seek damages or penalties against us or pursue other remedies and we may be required to find a new customer for the space. We cannot assure you that once we have developed space or land we will be able to successfully lease it at all, or at rates we consider favorable or expected at the time we commenced development. Further, once development of a data center facility is complete, we incur certain operating expenses even if there are no customers occupying any space. If we are not able to complete development in a timely manner or successfully lease the space that we develop, if development costs are higher than we currently estimate, or if rental rates are lower than expected when we began the project or are otherwise undesirable, our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected. In addition, as of December 31, ~~2022~~ **2023** , customer agreements representing ~~23~~ **22** . ~~4~~ **8** % of the square footage of the properties in our portfolio, excluding month- to- month leases and space held for development, were scheduled to expire through ~~2024~~ **2025** , and an additional ~~16~~ **19** . ~~0~~ **7** % of the net rentable square footage, excluding space held for development, was available to be leased. Some of this space may require substantial capital investment to meet the power and cooling requirements of our customers, or may no longer be suitable for their needs. In addition, we cannot assure you that customer agreements will be renewed or that our properties will be re- leased at all, or at net effective rental rates equal to or above the current average net effective rental rates. If the rental rates for our properties decrease, our existing customers do not renew their agreements, we do not lease or re- lease our available space, including newly developed space and space for which customer agreements are scheduled to expire, or it takes longer for us to lease or re- lease this space or for rents to commence on this space, our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected. ~~23Index~~ **22Index** to Financial StatementsAdditionally, a customer' s decision to lease space and power in one of our data centers and to purchase additional products typically involves a significant commitment of resources and due diligence on the part of our customers regarding the adequacy of our facilities. As a result, the leasing of data center space can have a long sales cycle, and we may expend significant time and resources in pursuing a particular transaction that may not result in revenue. Economic conditions, including market downturns, may further impact this long sales cycle by making it difficult for customers to plan future business activities, which could cause customers to slow spending or delay decision- making. Our inability to adequately manage the risks associated with the sales cycle may adversely affect our business, financial condition and results of operations. Even if we have additional space available for lease at any one of our data centers, our ability to lease this space to existing or new customers could be constrained by our ability to provide sufficient electrical power. As current and future customers increase their power footprint in our data centers over time, the corresponding reduction in available power could limit our ability to increase occupancy rates or network density within our existing data centers. Furthermore, at certain of our data centers, our aggregate maximum contractual obligation to provide power and cooling to our customers may exceed the physical capacity at such data centers if customers were to quickly increase their demand for power and cooling. If we are not able to increase the available power and / or cooling or move the customer to another location within our data centers with sufficient power and cooling to meet such demand, we could lose the customer as well as be exposed to liability under our customer agreements. In addition, our power and cooling systems are difficult and expensive to upgrade. Accordingly, we may not be able to efficiently upgrade or change these systems to meet new demands without incurring significant costs that we may not be able to pass on to our customers. Any such material loss of customers, liability or additional costs could adversely affect our business, financial condition and results of operations. Our portfolio depends upon local economic conditions and is geographically concentrated in certain locations. Our portfolio is located in 54 metropolitan areas. As of December 31, ~~2022~~ **2023** , our portfolio, including the ~~59~~ **67** data centers held as investments in unconsolidated entities, was geographically concentrated in the following metropolitan areas: Percentage ofDecember 31,

~~2022Metropolitan~~ **2023Metropolitan** AreaTotal annualized rent (1) Northern Virginia ~~18~~ **17** . 3 % Chicago 8. **1 % Frankfurt 6.** 4 % London 5. **2 % Singapore 5. 0 % Dallas 4.** 9 % New York ~~5~~ **4** . 8 ~~% Frankfurt 5. 4 % Dallas 5. 4~~ % Silicon Valley ~~5.~~ 4 **. 6** % ~~Singapore 5~~ **Amsterdam 4** . ~~2~~ **3** % Sao Paulo 4. 2 % ~~Amsterdam 3. 8 %~~ Johannesburg 2. ~~5~~ **7** % Paris 2. **7 % Portland** 2 **. 6 % Tokyo 2. 0** % Phoenix 1. 8 % ~~San Francisco 1. 7 % Portland 1. 7 %~~ Other ~~22~~ **23** . ~~3~~ **4** % Total 100. 0 % (1) Annualized rent is monthly contractual rent (defined as cash base rent before abatements) under existing leases as of December 31, ~~2022~~ **2023** multiplied by 12. Includes consolidated portfolio and unconsolidated entities at the entities' 100 % ownership level. The aggregate amount of abatements for the year ended December 31, ~~2022~~ **2023** was approximately $ ~~117~~ **105** . 3 million. ~~24Index~~ **23Index** to Financial StatementsSome of these areas have experienced downturns in recent years. We depend upon the local economic conditions in these areas, including local real estate conditions, and our operations, revenue and cash available for distribution could be materially adversely affected by a downturn in local economic conditions in these areas. Our operations may also be affected if too many competing properties are built in any of these areas or supply otherwise increases or exceeds demand. We cannot assure you that these locations will grow or will remain favorable to data center investments or operations. In addition, we are currently developing data centers in certain of these metropolitan areas. Any negative changes in real estate, technology or economic conditions in these metropolitan areas in particular could negatively impact our performance. Our business and operations, and our customers, suppliers and business partners may be adversely affected by epidemics, pandemics or other outbreaks. Epidemics, pandemics or other outbreaks of an illness, disease or virus that affect countries or regions in which we or our customers, suppliers or business partners operate, and actions taken to contain or prevent their further spread, may have a material and adverse impact on general commercial activity and on our financial condition, results of operations, liquidity and creditworthiness. Epidemics, pandemics or other outbreaks of an illness, disease or virus could result in significant governmental measures being implemented to control the spread of such illness, disease or virus, including quarantines, travel restrictions, manufacturing restrictions, declarations of states of emergency, business shutdowns, prioritization and allocation of resources, and restrictions on the movement of our employees and those of our customers, suppliers and business partners on which we rely, which could adversely affect our ability and their respective abilities to adequately manage our respective businesses. Risks related to epidemics, pandemics or other outbreaks of an illness, disease or virus could also lead to the complete or partial closure of one or more of our offices or properties or our customers', suppliers' or business partners' businesses, or otherwise result in significant disruptions to our business and operations or theirs. Such events could materially and adversely impact our operations and the rental revenue we generate from our agreements with our customers or could result in defaults by our customers. In particular, the global spread of COVID- 19 and the various attempts to contain it have created significant volatility, uncertainty and economic disruption, including in construction activity. We have experienced delays in construction activity in ~~our~~ **certain** markets ~~due to government restrictions in specific locations and~~ as a result of the availability of labor, and these delays have impacted and are continuing to impact some of our anticipated deliveries to our customers. We may continue to experience delays in construction activity ~~, even after government restrictions are eased and construction labor becomes more readily available,~~ due to increased safety protocols implemented in response to the COVID- 19 pandemic. We cannot predict the full extent of the impact that the **epidemics,** ~~COVID- 19 pandemic~~ **pandemics and other global events** will have on our customers, suppliers and other business partners; however, any material effect on these parties could adversely impact us, our future financial condition, results of operations and cash flows. The full extent to which **epidemics,** ~~the COVID- 19 pandemic~~ **pandemics** and the various responses to ~~it~~ **such events** ~~impacts~~ - **impact** our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the duration and scope of ~~the pandemic~~ **such event** ; governmental, business and individuals' actions that have been and continue to be taken in response to ~~the pandemic~~ **such event** ; the availability of and cost to access the capital markets; the effect on our customers and customer demand for and ability to pay for our services; the impact on our development projects; and disruptions or restrictions on our employees' ability to work and travel. **We** ~~25Index to Financial StatementsWe~~ lease or sublease certain of our data center space from third parties and the ability to retain these leases or subleases could be a significant risk to our ongoing operations. We do not own all the buildings in our portfolio. These leased buildings accounted for approximately ~~16~~ **15** % of our total revenue for the year ended December 31, ~~2022~~ **2023** . In addition, we may acquire additional leased data center space or businesses that lease facilities instead of owning them. Our business could be harmed if we are unable to renew the leases for these data centers on favorable terms or at all. Additionally, in several of our smaller facilities we sublease our space, and our rights under these subleases are dependent on our sublandlord retaining its rights under the prime lease. When the initial terms of our existing leases expire, we generally have the right to extend the terms of our leases for one or more renewal periods, subject to, in the case of several of our subleases, our sublandlord renewing its term under the prime lease. If renewal rates are less favorable than those we currently have, we may be required to increase revenues within existing data centers to offset such increase in lease payments. Failure to increase revenues to sufficiently offset these projected higher costs could adversely impact our operating income. Upon the end of our renewal options, we would have to renegotiate our lease terms with the applicable landlords. ~~Additionally~~ **24Index to Financial StatementsAdditionally** , if we are unable to renew the lease at any of our data centers, we could lose customers due to the disruptions in their operations caused by the relocation. We could also lose those customers that choose our data centers based on their locations. The costs of relocating data center infrastructure equipment, such as generators, power distribution units and cooling units, to different data centers could be prohibitive and, as such, we could lose the value of this equipment. For these reasons, any lease that cannot be renewed could adversely affect our business, financial condition and results of operations. We and our customers may experience supply chain or procurement disruptions, or increased supply chain costs, which may lead to delays. The development of our data centers requires the timely delivery of required equipment and materials. We rely on third parties to provide the equipment ~~and~~ **,** materials **and services** needed for our construction and development needs. Our global supply chain and development activities could be impacted by disruptions, such as political events, international trade disputes, war, terrorism, natural disasters, public health issues, industrial accidents, pandemics and other business interruptions, which could impact our ability to meet delivery timelines, including delivery timelines to our customers ~~, and~~ **. These disruptions could also** lead to delays, reputational damage, potential penalties that we may be required to pay and potential terminations of agreements by our customers. If any such delay or disruption were to occur, it could have an adverse effect on our liquidity and financial condition. Changes in the timing or ~~costs~~ **cost** of procuring materials ~~and~~ **,** equipment **and services** used in our construction and development programs ~~, including vendor costs, or changes in our relationships with vendors,~~ could have an adverse effect on our results of operations. Similarly, our customers may experience supply chain or procurement disruptions, constraints and increased costs, which may impact their ability to deploy in our facilities, which could have a material adverse impact on our business and financial condition. During the ~~COVID- 19~~ pandemic **and its related and other ongoing global supply chain issues** , we have actively monitored our vendors and suppliers and remain in frequent communication with customers, contractors and suppliers. We have proactively managed our supply chain, and we believe the **required** equipment ~~needed~~ will **continue to** be delivered to complete our ongoing development activities. Although to date, we have been able to manage through disruptions in our supply chain and procurement process due to the ~~COVID- 19~~ pandemic **and other global events** , continuing disruptions could have a material adverse impact on our business and financial condition. However, the full extent and impact of **global supply chain constraints** ~~the ongoing COVID- 19 pandemic~~ on our future supply chain and procurement process cannot be reasonably estimated at this time and it could have a material adverse impact on our business and financial condition. In addition, the ongoing military conflict between Russia and Ukraine **,** ~~has~~ **as well as the conflict in the Middle East and other potential global conflicts, could** ~~led~~ **lead** to market disruptions, including significant volatility in commodity prices, credit and capital markets, an increase in cyber security incidents as well as supply chain disruptions. **We** ~~In particular, disruptions in the oil and gas and electric power markets have caused, and could continue to cause, significant increases in energy prices, which could have a material effect on our business. Additional potential sanctions and penalties have also been proposed and / or threatened. Some of our data centers in Europe partially rely on energy produced in- part from fossil fuels originating from Russia, which Russia has reduced. If Russia further reduces or turns off energy supplies to Europe, our European operations could be affected adversely. 26Index to Financial StatementsWe~~ may not be able to adapt to changing technologies and customer requirements, and our data center infrastructure may become obsolete. The technology industry generally and specific industries in which certain of our customers operate are characterized by rapidly changing technology, customer requirements and industry standards. New systems to deliver power to or eliminate heat in data centers or the development of new server technology that does not require the levels of critical load and heat removal that our facilities are designed to provide and could be run less expensively on a different platform could make our data center infrastructure obsolete. Our power and cooling systems are difficult and expensive to upgrade, and we may not be able to efficiently upgrade or change these systems to meet new demands without incurring significant costs that we may not be able to pass on to our customers which could adversely impact our business, financial condition and results of operations. In addition, the infrastructure that connects our data centers to the Internet and other external networks may become insufficient, including with respect to latency, reliability and connectivity. We may not be able to adapt to changing technologies or meet customer demands for new processes or technologies in a timely and cost- effective manner, if at all, which would adversely impact our ability to sustain and grow our business. ~~Further~~ **25Index to Financial StatementsFurther** , our inability to adapt to changing customer requirements may make our data centers obsolete or unmarketable to such customers. Some of our customers operate at significant scale across numerous data center facilities and have designed cloud and computing networks with redundancies and fail- over capabilities across these facilities, which enhances the resiliency of their networks and applications. As a result, these customers may realize cost benefits by locating their data center operations in facilities with less electrical or mechanical infrastructure redundancy than is found in our existing data center facilities. Additionally, some of our customers have begun to operate their data centers using a wider range of humidity levels and at temperatures that are higher than servers customarily have operated at in the past, all of which may result in energy cost savings for these customers. We may not be able to operate our existing data centers under these environmental conditions, particularly in multi- tenant facilities with other customers who are not willing to operate under these conditions, and our data centers could be at a competitive disadvantage to facilities that satisfy such requirements. Because we may not be able to modify the redundancy levels or environmental systems of our existing data centers cost effectively, these or other changes in customer requirements could have a material adverse effect on our business, results of operations and financial condition. Additionally, due to regulations that apply to our customers as well as industry standards, such as ISO and SOC certifications which customers may deem desirable, they may seek specific requirements from their data centers that we are unable to provide. If new or different regulations or standards are adopted or such extra requirements are demanded by our customers, we could lose some customers or be unable to attract new customers in certain industries, which could materially and adversely affect our operations. We depend upon third- party suppliers for power, and we are vulnerable to service failures and price increases by such suppliers and to volatility in the supply and price of power in the open market. We rely on third parties to provide power to our data centers, and we cannot ensure that these third parties will deliver such power in adequate quantities or on a consistent basis. **We are also reliant on third parties to deliver additional power capacity to support the growth of our business** If the amount of power available to us is inadequate to support our customer requirements, we may be unable to satisfy our obligations to our customers or grow our business. In addition, our data centers may be susceptible to power shortages and planned or unplanned power outages caused by these shortages. Power outages may last beyond our backup and alternative power arrangements, which would harm our customers and our business. Any loss of services or equipment damage could adversely affect both our ability to generate revenues and our operating results, harm our reputation and potentially lead to customer disputes or litigation. **In** ~~27Index to Financial StatementsIn~~ addition, we may be subject to risks and unanticipated costs associated with obtaining power from various utility companies. Utilities that serve our data centers may be dependent on, and sensitive to price increases for, a particular type of fuel, such as ~~coal, oil or~~ natural gas **, coal or nuclear** . In addition, the price of these fuels and the **total cost of delivered** electricity ~~generated from them~~ could increase as a result of: regulations intended to regulate carbon emissions and other pollutants, ratepayer surcharges related to recovering the cost of **extreme weather events and** natural disasters **, geopolitical conflicts, military conflicts** , grid modernization charges, as well as other charges borne by ratepayers. Increases in the cost of power at any of our data centers could put those locations at a competitive disadvantage relative to data centers that are supplied power at a lower price. We have also entered into power purchase agreements with contract terms ranging from 5- 15 years. These agreements require us to purchase renewable energy and / or renewable energy credits from producers at fixed prices over the terms of the contracts, subject to certain adjustments. In the event that the market price for energy decreases, we may be required to pay more under the power purchase agreements than we would otherwise if we were to purchase renewable energy credits on the open market, which could adversely affect our results of operations. Additionally, interruptions in the operations of one or more of the suppliers under these agreements, as a result of ~~unpredictable~~ **extreme** weather **events** , natural ~~phenomena~~ **disasters** or otherwise, could negatively impact the quantity of renewable energy credits delivered to us. ~~We~~ **In particular, disruptions in the oil and gas and electric power markets have caused, and could continue to cause, significant increases in energy prices, which could have a material effect on our business. Additional potential sanctions and penalties have also been implemented and / or threatened against Russia. Some of our data centers in Europe indirectly rely on energy produced in- part from fossil fuels, including fossil fuels that may originate from Russia, which Russia has reduced. If Russia further reduces or turns off energy supplies to Europe, our European operations could be affected adversely. 26Index to Financial StatementsWe** depend on third parties to provide network connectivity to the customers in our data centers and any delays or disruptions in connectivity may materially adversely affect our operating results and cash flow. We are not a telecommunications carrier. Although our customers generally are responsible for providing their own network connectivity, we still depend upon the presence of telecommunications carriers' fiber networks serving our data centers in order to attract and retain customers. We believe that the availability of carrier capacity will directly affect our ability to achieve our projected results. Any carrier may elect not to offer its services within our data centers. Any carrier that has decided to provide network connectivity to our data centers may not continue to do so for any period of time. Further, some carriers are experiencing business difficulties or have announced consolidations. As a result, some carriers may be forced to downsize or terminate connectivity within our data centers, which could have an adverse effect on the business of our customers and, in turn, our own operating results. Our data centers may require construction and operation of a sophisticated redundant fiber network. The construction required to connect multiple carrier facilities to our data centers is complex and involves factors outside of our control, including regulatory requirements and the availability of construction resources. We have obtained the right to use network resources owned by other companies, including rights to use dark fiber, in order to attract telecommunications carriers and customers to our portfolio. If the establishment of highly diverse network connectivity to our data centers does not occur, is materially delayed or is discontinued, or is subject to failure, our operating results and cash flow may be materially adversely affected. Additionally, any hardware or fiber failures on this network may result in significant loss of connectivity to our data centers. This could negatively affect our ability to attract new customers or retain existing customers, which could have an adverse effect on our business, financial condition and results of operations. Our international activities, including acquisition, ownership and operation of data centers located outside of the United States, subject us to risks different than those we face in the United States and we may not be able to effectively manage our international business. Our portfolio included 184 data centers, including ~~44~~ **47** held in unconsolidated entities, located outside of the United States as of December 31, ~~2022~~ **2023** . We have acquired and developed, and may continue to acquire and develop, and operate data centers outside the United States. The ownership and operation of data centers located outside of the United States subject us to risks from fluctuations in exchange rates between foreign currencies and the U. S. dollar. Changes in the relation of these currencies to the U. S. dollar will affect our revenues and operating margins, **and** may materially adversely impact our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt obligations. We may attempt to mitigate some or all of the risk of currency fluctuation by financing our properties in the local currency denominations, although we cannot assure you that we will be able to do so or that this will be effective. We may also engage in direct hedging activities to mitigate the risks of exchange rate fluctuations in a manner consistent with our qualifications as a REIT, although we cannot assure you that we will be able to do so or that this will be effective. ~~28Index~~ **27Index** to Financial StatementsOur foreign operations involve additional risks not generally associated with or different from operations in the United States, including: ● our limited knowledge of and relationships with sellers, customers, contractors, suppliers or other parties in these metropolitan areas; ● complexity and costs associated with managing international development and operations; ● difficulty in hiring qualified management, sales and construction personnel and service providers in a timely fashion; ● the adoption and expansion of trade restrictions or the occurrence of trade wars; ● differing employment practices and labor issues, including related to works councils, employee committees, labor unions and collective rights of action; ● multiple, conflicting and changing legal, regulatory, entitlement and permitting, and tax and treaty environments; ● unexpected changes in political environments, such as the United Kingdom' s withdrawal from the European Union; ● exposure to increased taxation, confiscation or expropriation; ● currency transfer restrictions and limitations on our ability to distribute cash earned in foreign jurisdictions to the United States; ● difficulty in enforcing agreements in non- U. S. jurisdictions, including those entered into in connection with our acquisitions or in the event of a default by one or more of our customers, suppliers or contractors; ● local business and cultural factors; ● geographic, political and economic instability, including sovereign credit risk and rapid and unpredictable changes in economic policy and regulatory environments, in certain geographic regions and emerging markets; and ● risks related to bribery and corruption. The likelihood of such occurrences and their potential effect on us vary from country to country and are unpredictable. Certain regions, including Latin America, Asia, Eastern Europe, the Middle East and Africa, have in the past and may continue to be more economically and politically volatile and, as a result, operations in these regions could be subject to heightened risk of disruption, which could have a material adverse effect on our overall results of operations. With respect to the

United Kingdom' s withdrawal from the European Union, significant political and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal. Lack of clarity about future United Kingdom laws and regulations as the United Kingdom determines which European Union laws to replace or replicate, including financial laws and regulations, tax and free trade agreements, tax and customs laws, intellectual property rights, environmental, health and safety laws and regulations, immigration laws, employment laws and transport laws could increase costs, disrupt supply chains, and depress economic activity and restrict our access to capital. Any of these factors could have a material adverse effect on our business, financial condition and results of operations and reduce the price of our securities. We also face risks with investing in unfamiliar metropolitan areas. We have acquired and may continue to acquire properties in international metropolitan areas that are new to us. When we acquire properties located in these metropolitan areas, we may face risks associated with a lack of market knowledge or understanding of the local economy and culture, forging new business relationships in the area and unfamiliarity with local government and permitting procedures. In addition, due diligence, transaction and structuring costs may be higher than those we may face in the United States. We work to mitigate such risks through extensive diligence and research and associations with experienced local partners; however, we cannot assure you that all such risks will be eliminated. Our inability to overcome these risks could adversely affect our international activities, including our foreign operations and could harm our business and results of operations. ~~29Index~~ **28Index** to Financial StatementsOur recent acquisitions may not achieve the intended benefits or may disrupt our plans and operations. Acquisitions present many risks, and we may not realize the financial or strategic goals that were contemplated at the time of the transaction. Our ability to realize the anticipated benefits of our combination with Interxion in March 2020 and other acquisitions depends, to a large extent, on our ability to integrate each of them with our business. The combination of two independent businesses can be a complex, costly and time- consuming process, which requires significant time and focus from our management team and may divert attention from the day- to- day operations of our business. There can be no assurance that we will be able to successfully integrate acquired properties and businesses with our business or otherwise realize the expected benefits of these acquisitions. In addition, even if our operations are integrated successfully with the operations of our acquisitions, we may not realize the full benefits of the acquisitions, including the synergies, operating efficiencies, or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame or at all. All of these factors could decrease or delay any potential accretive effect of the acquisitions and negatively impact the price of our common stock. In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses and loss of customer relationships, among other potential adverse consequences. Actual integration costs may exceed those estimated and there may be further unanticipated costs and the assumption of known and unknown liabilities. While we have assumed that we will incur certain integration expenses, there are factors beyond our control that could affect the total amount or the timing of such expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately. If we cannot integrate and operate acquired properties or businesses to meet our financial expectations, our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected. The risks of combining businesses include, among others: ● we may have underestimated the costs to make any necessary improvements to the acquired properties; ● the acquired properties may be subject to reassessment, which may result in higher than expected property tax payments; ● we may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into our existing operations; ● we may face difficulties in integrating employees and in retaining key personnel; ● we may face challenges in keeping existing customers, including key customers, which could adversely impact our revenue; ● we may be unable to effectively manage our expanded operations; and ● market conditions may result in higher than expected vacancy rates and lower than expected rental rates on acquired properties. Any one of these risks could result in increased costs, decreases in the amount of expected revenue and diversion of our management' s time and energy, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Several of our data centers, including the data centers which we have acquired in the past five years, have been under our management for a limited time. The data centers may have characteristics or deficiencies unknown to us that could affect their valuation or revenue potential. We cannot assure you that the operating performance of these data centers will not decline under our management. ~~30Index~~ **29Index** to Financial StatementsWe may be subject to unknown or contingent liabilities related to our recent acquisitions, for which we may have no or limited recourse against the sellers. Our recent and future acquisitions may be subject to unknown or contingent liabilities for which we may have no or limited recourse against the sellers. Unknown or contingent liabilities might include liabilities for clean- up or remediation of environmental conditions, claims of customers, vendors or other persons dealing with the acquired entities or the former owners of acquired properties or businesses, tax liabilities, claims for indemnification by general partners, directors, officers and others indemnified by the former owners of acquired properties or businesses, and other liabilities whether incurred in the ordinary course of business or otherwise. In addition, the total amount of costs and expenses that we may incur with respect to liabilities associated with our acquisitions may exceed our expectations, which may adversely affect our business, financial condition and results of operations. Further, we have entered, and may in the future enter, into transactions with limited representations and warranties or with representations and warranties that do not survive the closing of such transactions, in which event we would have no or limited recourse against the sellers of such properties or businesses. While we usually require the sellers to indemnify us with respect to breaches of representations and warranties that survive, such indemnification is often limited and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. We may obtain insurance policies providing for coverage for breaches of certain representations and warranties in certain transactions, subject to certain exclusions and a deductible, however, there can be no assurance that we would be able to recover any amounts with respect to losses due to breaches of any such representations and warranties. As a result, there is no guarantee that we will recover any amounts with respect to losses due to breaches by the sellers of their representations and warranties. Finally, indemnification agreements between us and the sellers typically provide that the sellers will retain certain specified liabilities relating to the properties or businesses acquired by us. While the sellers are generally contractually obligated to pay all losses and other expenses relating to such retained liabilities, there can be no guarantee that such arrangements will not require us to incur losses or other expenses as well. **Joint** ~~We may be unable to identify, including sourcing off- market deal flow, and complete acquisitions on favorable terms or at all. A component of our growth strategy is to continue to acquire additional data centers, and we continually evaluate the market of available properties and businesses and may acquire additional properties or businesses when opportunities exist. To date, a substantial portion of our acquisitions were completed before they were widely marketed by real estate brokers, or " off- market. " Properties that are acquired off- market are typically more attractive to us as a purchaser because of the absence of competitive bidding, which could potentially lead to higher prices. We obtain access to off- market deal flow from numerous sources. If we cannot obtain off- market deal flow in the future, our ability to identify and acquire additional properties at attractive prices could be adversely affected. Our ability to acquire properties or businesses on favorable terms may be subject to the following significant risks: ● we may be unable to acquire a desired property or business because of competition from other real estate investors with significant capital, including both publicly traded REITs and institutional investment funds; ● even if we are able to acquire a desired property or business, competition from other potential acquirers may significantly increase the purchase price or result in other less favorable terms; ● even if we enter into agreements for the acquisition of real estate or businesses, these agreements are subject to customary conditions to closing; and ● we may be unable to finance acquisitions on favorable terms or at all. If we cannot complete property or business acquisitions on favorable terms or at all, our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected. 31Index to Financial StatementsJoint~~ venture (JV) investments could be adversely affected by our lack of sole decision- making authority, our reliance on our JV partners' financial condition and disputes between us and our JV partners. We currently, and may in the future, co- invest with third parties through partnerships, joint ventures or other entities, acquiring non- controlling interests in or sharing responsibility for managing the affairs of a property or portfolio of properties, partnership, joint venture or other entity. In these events, we are not in a position to exercise sole decision- making authority regarding the properties, partnership, joint venture or other entity. Investments in partnerships, joint ventures, or other entities may, under certain circumstances, involve risks not present when a third party is not involved, including the possibility that partners might become bankrupt or fail to fund their share of required capital contributions. Partners may have economic, tax or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Our joint venture partners may take actions that are not within our control, which would require us to dispose of the joint venture asset or transfer it to a taxable REIT subsidiary in order for Digital Realty Trust, Inc. to maintain its status as a REIT. Such investments may also lead to impasses, for example, as to whether to sell a property, because neither we nor our partner would have full control over the partnership or joint venture. Disputes between us and our partners may result in litigation or arbitration that would increase our expenses and prevent our management from focusing their time and effort on our day- to- day business. Consequently, actions by or disputes with our partners may subject properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third- party partners. Each of these factors may result in returns on these investments being less than we expect or in losses and our financial and operating results may be adversely affected. In addition, we cannot assure you that we will be able to close joint ventures, on the anticipated schedule or at all. Failure to complete any such joint venture could have a negative impact on our business and the trading price of our common stock. ~~Any~~ **Over the past few years, and particularly during the last 12 months, we have completed a number of new joint ventures, including our first development joint ventures, and such investments may increase the risks described herein. 30Index to Financial StatementsAny** delays or unexpected costs in the development of our existing space and developable land and new properties acquired for development may delay and harm our growth prospects, future operating results and financial condition. At December 31, ~~2022~~ **2023**, we had approximately ~~9~~ **8** . ~~2~~ **5** million square feet of space under active development and approximately ~~3.~~ 4 **. 1** million square feet of space held for future development. We have built and may continue to build out a large portion of this space on a speculative basis at significant cost. Our successful development of these projects is subject to many risks, including those associated with: ● delays in construction, or changes to the plans or specifications; ● budget overruns, increased prices for raw materials or building supplies, or lack of availability and / or increased costs for specialized data center components, including long lead time items such as generators; ● construction site accidents and other casualties; ● financing availability, including our ability to obtain construction financing and permanent financing, or increases in interest rates or credit spreads; ● labor availability, costs, disputes and work stoppages with contractors, subcontractors or others that are constructing the project; ● failure of contractors to perform on a timely basis or at all, or other misconduct on the part of contractors; ● access to sufficient power and related costs of providing such power to our customers; ● environmental issues; ● supply chain constraints; ● fire, flooding, earthquakes and other natural disasters; ● pandemics; ● geological, construction, excavation and equipment problems; and ● delays or denials of entitlements or permits, including zoning and related permits, or other delays resulting from requirements of public agencies and utility companies. **In** ~~32Index to Financial StatementsIn~~ addition, while we intend to develop data centers primarily in metropolitan areas we are familiar with, we may in the future develop data centers in new geographic regions where we expect the development to result in favorable risk- adjusted returns on our investment. We may not possess the same level of familiarity with the development of data centers in other metropolitan areas, which could adversely affect our ability to develop such data centers successfully or at all or to achieve expected performance. Development activities, regardless of whether they are ultimately successful, also typically require a substantial portion of our management' s time and attention. This may distract our management from focusing on other operational activities of our business. If we are unable to complete development projects successfully, our business may be adversely affected. Many of our costs, such as operating and general and administrative expenses, interest expense and real estate acquisition and construction costs, could be adversely impacted by periods of heightened inflation. Over the past year, the consumer price index has increased substantially year over year. Federal policies to stimulate the economy during the pandemic and more recent global events, such as the rising price of oil and the conflict between Russia and Ukraine, may have exacerbated, and may continue to exacerbate, inflation and increases in the consumer price index. ~~A~~ **31Index to Financial StatementsA** sustained or further increase in inflation could have an adverse impact on our operating expenses incurred in connection with, among others, the property- related contracted services such as repairs and maintenance, utilities, security and insurance. With regard to utilities expense, which is our largest expense category, the vast majority of the expense is passed directly through to our customers which significantly mitigates our exposure to increases in power costs. For our other operating expenses, we expect to recover some increases from our customers through our existing lease structures, annual rent escalations or from the resetting of rents from our renewal and re- leasing activities. As a result, we do not believe that inflation would result in a significant adverse effect on our net operating income and operating cash flows at the property level. However, there can be no assurance that the impact of inflation will be adequately offset by some of our annual rent escalations contained in our leases, and it is possible that the resetting of rents from our renewal and re- leasing activities would not fully offset the impact of higher operating expenses resulting from inflationary pressure. As a result, during inflationary periods in which the inflation rate exceeds the annual rent escalation percentages within our customer contracts, we may not adequately mitigate the impact of inflation, which may adversely affect our business, financial condition, results of operations, and cash flows. Our general and administrative expenses consist primarily of compensation costs and professional service fees. Rising inflation rates may require us to provide compensation increases beyond historical annual increases, which may unexpectedly or significantly increase our compensation costs. Similarly, professional service fees are also subject to the impact of inflation and expected to increase proportionately with increasing market prices for such services. Consequently, inflation may increase our general and administrative expenses over time and may adversely impact our results of operations and cash flows. Additionally, inflationary pricing may have a negative effect on the construction costs necessary to complete our development projects, including, but not limited to, costs of construction equipment and materials, labor and services from third- party contractors and suppliers. We rely on a number of third- party suppliers and contractors to supply raw materials, skilled labor and services for our construction projects. Certain increases in the costs of construction equipment and materials can often be managed in our development projects through either general budget contingencies built into our overall construction cost estimates for each of our projects or guaranteed maximum price construction contracts, which stipulate a maximum price for certain construction costs and shift inflation risk to our construction general contractors. However, no assurance can be given that our budget contingencies would accurately account for potential construction cost increases given the current severity of inflation and variety of contributing factors or that our general contractors would be able to absorb such increases in costs and complete our construction projects timely, within budget, or at all. Higher construction costs could adversely impact our investments in real estate assets and expected yields on our development projects, which may adversely impact our returns on our investments. As a result, our business, financial condition, results of operations, cash flows, liquidity and ability to satisfy our debt service obligations and to pay dividends and distributions to security holders could be adversely affected over time. **We** ~~33Index to Financial StatementsWe~~ have substantial debt and face risks associated with the use of debt to fund our business activities, including refinancing and interest rate risks. Our total consolidated indebtedness at December 31, ~~2022~~ **2023** was approximately $ ~~16~~ **17** . ~~7~~ **5** billion, and we may incur significant additional debt to finance future acquisition, investment and development activities. ~~As~~ **We have a Global Revolving Credit Facility and the Yen Revolving Credit Facility, which provide for borrowings of up to $ 3. 9 billion (including approximately $ 0. 2 billion available to be drawn on the Yen Revolving Credit Facility) based on currency commitments and foreign exchange rates as** of December 31, ~~2022~~ **2023** ~~, we have a $ 3. 75 billion global revolving credit facility~~ . We have the ability from time to time to increase the size of the ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facility~~ **Facility** by up to $ 750 million, subject to receipt of lender commitments and other conditions precedent. At December 31, ~~2022~~ **2023** , approximately $ 1. ~~7~~ **8** billion was available under this facility, net of outstanding letters of credit. As of February 21, ~~2023~~ **2024** , we had approximately $ 1. ~~7~~ **9** billion available under the ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facility~~ **Facility** , net of outstanding letters of credit. ~~Our~~ **32Index to Financial StatementsOur** substantial indebtedness currently requires us to dedicate a significant portion of our cash flow from operations to debt service payments, which reduces the availability of our cash flow to fund working capital, capital expenditures, expansion efforts, distributions and other general corporate purposes. Additionally, it could: make it more difficult for us to satisfy our obligations with respect to our indebtedness; limit our ability in the future to undertake refinancing of our debt or obtain financing for expenditures, acquisitions, development or other general corporate purposes on terms and conditions acceptable to us, if at all; or affect adversely our ability to compete effectively or operate successfully under adverse economic conditions. In addition, we may violate restrictive covenants or fail to maintain financial ratios specified in our loan documents, which would entitle the lenders to accelerate our debt obligations, and our secured lenders or mortgagees may foreclose on our properties or our interests in the entities that own the properties that secure their loans and receive an assignment of rents and leases. Our default under any one of our loans could result in a cross- default on other indebtedness. A foreclosure on one or more of our properties could adversely affect our access to capital, financial condition, results of operations, cash flow and cash available for distribution. Further, foreclosures could create taxable income without accompanying cash proceeds, a circumstance which could hinder Digital Realty Trust, Inc.' s ability to meet the REIT distribution requirements imposed by the Internal Revenue Code of 1986, as amended, or the Code. Additional risks related to our indebtedness include the following: We may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness. It is likely that we will need to refinance at least a portion of our outstanding debt as it matures. If we are unable to refinance or extend principal payments due at maturity or pay them with proceeds of other capital transactions, then our cash flow may not be sufficient in all years to repay all such maturing debt and to pay distributions. Further, if prevailing interest rates or other factors at the time of refinancing, such as the reluctance of lenders to make commercial real estate loans, result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. Fluctuations in interest rates could materially affect our financial results and may increase the risk our counterparty defaults on our interest rate hedges. Because a significant portion of our debt, including debt incurred under our ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facilities** , bears interest at variable rates, increases in interest rates could materially increase our interest expense. If the United States Federal Reserve and other central banks continue to increase short- term interest rates, this could have a significant upward impact on the interest rates that apply to our variable rate debt. Potential future increases in interest rates and credit spreads may increase our interest expense and therefore negatively affect our financial condition and results of operations, and reduce our access to capital markets. We have entered into interest rate swap agreements **and cross currency** ~~to fix a portion of our floating rate debt. Increased interest rates may increase the risk that the counterparties to our~~ swap agreements ~~will default on~~ **. Our derivative transactions expose us to risk of financial loss if a counterparty fails to perform under a derivative contract. Disruptions in** ~~their~~ -- **the** ~~obligations~~ **financial markets could lead to sudden decreases in a counterparty' s liquidity** , which could **make them unable** ~~further increase our exposure~~ to **perform under the terms of their derivative contract and** ~~interest rate fluctuations. Conversely, if interest rates are lower than our swapped fixed rates,~~ we ~~will~~ **may not** be ~~required~~ **able** to **realize** ~~pay more for our debt than we would have had we not entered into~~ the ~~swap agreements~~ **benefit of the derivative contract** . **Adverse** ~~34Index to Financial StatementsAdverse~~ changes in our Company' s credit ratings could negatively affect our financing activity. The credit ratings of our senior unsecured long- term debt and Digital Realty Trust, Inc.' s preferred stock are based on our Company' s operating performance, liquidity and leverage ratios, overall financial position and other factors employed by the credit rating agencies in their rating analyses of our Company. Our Company' s credit ratings can affect the amount of capital we can access, as well as the terms and pricing of any debt we may incur. We cannot assure you that we will be able to maintain our current credit ratings, and in the event our current credit ratings are downgraded, we would likely incur higher borrowing costs and may encounter difficulty in obtaining additional financing. Also, a downgrade in our credit ratings may trigger additional payments or other negative consequences under our current and future credit facilities and debt instruments. For example, if the credit ratings of our senior unsecured long- term debt are downgraded to below investment grade levels, we may not be able to obtain or maintain extensions on certain of our existing debt. Adverse changes in our credit ratings could negatively impact our refinancing and other capital market activities, our ability to manage our debt maturities, our future growth, our financial condition, the market price of Digital Realty Trust, Inc.' s stock, and our development and acquisition activity. ~~Our~~ **33Index to Financial StatementsOur** ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facilities** and senior notes restrict our ability to engage in some business activities. Our ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facilities** contain negative covenants and other financial and operating covenants that, among other things, restrict our ability to: incur additional indebtedness; make certain investments; merge with another company; and create, incur or assume liens; and require us to maintain financial coverage ratios, including with respect to unencumbered assets. In addition, the ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facilities** restrict Digital Realty Trust, Inc. from making distributions to its stockholders, or redeeming or otherwise repurchasing shares of its capital stock, after the occurrence and during the continuance of an event of default, except in limited circumstances including as necessary to enable Digital Realty Trust, Inc. to maintain its qualification as a REIT and to avoid the payment of income or excise tax. In addition, our unsecured senior notes are governed by indentures, which contain various restrictive covenants, including limitations on our ability to incur indebtedness and requirements to maintain a pool of unencumbered assets. These restrictions, and the restrictions in our ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facilities** , could cause us to default on our senior notes or ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facilities** , as applicable, or negatively affect our operations or our ability to pay dividends to Digital Realty Trust, Inc.' s stockholders or distributions to Digital Realty Trust, L. P.' s unitholders, which could have a material adverse effect on the market value of Digital Realty Trust, Inc.' s common stock and preferred stock. Failure to hedge effectively against interest rate changes may adversely affect results of operations. We seek to manage our exposure to interest rate volatility by issuing fixed rate debt instruments and by using interest rate hedging arrangements, such as interest rate cap, forward or swap lock agreements. These agreements involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes and that a court could rule that such an agreement is not legally enforceable. Our policy is to use these derivatives only to hedge interest rate risks related to our borrowings, not for speculative or trading purposes, and to enter into contracts only with major financial institutions based on their credit ratings and other factors. However, we may choose to change this policy in the future. Approximately ~~80~~ **85** % of our total indebtedness as of December 31, ~~2022~~ **2023** was subject to fixed interest rates or variable rates subject to interest rate swaps. We do not currently hedge our ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facilities** and as our borrowings under our ~~global~~ **Global** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facilities** increase, our percentage of indebtedness not subject to fixed rates and our exposure to interest rates may increase. Hedging may reduce the overall returns on our investments. Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations. **Our** ~~35Index to Financial StatementsOur~~ growth depends on external sources of capital which are outside of our control. In order for Digital Realty Trust, Inc. to maintain its qualification as a REIT, it is required under the Code to annually distribute at least 90 % of its REIT taxable income determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, Digital Realty Trust, Inc. will be subject to federal and state corporate income taxes to the extent that it distributes less than 100 % of its REIT taxable income, including any net capital gains. Digital Realty Trust, L. P. is required to make distributions to Digital Realty Trust, Inc. that will enable the latter to satisfy this distribution requirement and avoid income and excise tax liability. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition or development financing, from operating cash flow. Consequently, we may rely on third- party sources to fund our capital needs. Our access to third- party sources of capital depends on a number of factors, including general market conditions, the market’ s perception of our business prospects and growth potential, our current and expected future earnings, funds from operations, our cash flow and cash distributions, and the market price per share of Digital Realty Trust, Inc.’ s common stock. We cannot assure you that we will be able to obtain equity or debt financing at all or on terms favorable or acceptable to us. Any additional debt we incur will increase our leverage. Further, equity markets have experienced high volatility recently and we cannot assure you that we will be able to raise capital through the sale of equity securities at all or on favorable terms. Sales of equity on unfavorable terms could result in substantial dilution to Digital Realty Trust, Inc.’ s common stockholders and Digital Realty Trust, L. P.’ s unitholders. In addition, we may be forced to dispose of one or more of our properties, possibly on disadvantageous terms. If we cannot obtain capital from third- party sources, we may not be able to acquire or develop data centers when strategic opportunities exist, satisfy our debt service obligations, pay cash dividends to Digital Realty Trust, Inc.’ s stockholders or make distributions to Digital Realty Trust, L. P.’ s unitholders. ~~Declining~~ **34Index to Financial StatementsDeclining** real estate valuations, impairment charges and illiquidity of real estate investments could adversely affect our earnings and financial condition. We review each of our properties for indicators that its carrying amount may not be recoverable. Examples of such indicators may include a significant decrease in the market price, a significant adverse change in how the property is being used or expected to be used based on the underwriting at the time of acquisition, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development, a change in our intended holding period due to our intention to sell an asset, or a history of operating or cash flow losses. When such impairment indicators exist, we review an estimate of the future undiscounted net cash flows (excluding interest charges) expected to result from the real estate investment’ s or group of properties that operate together as a group use and eventual disposition and compare it to the carrying value of the property or asset group. We consider factors such as future operating income, trends and prospects, as well as the effects of leasing demand, competition and other factors. If our future undiscounted net cash flow evaluation indicates that we are unable to recover the carrying value of a real estate investment, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property or asset group. These losses have a direct impact on our net income because recording an impairment loss results in an immediate negative adjustment to net income. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. A worsening real estate market may cause us to reevaluate the assumptions used in our impairment analysis. These impairment charges could be significant and could adversely affect our financial condition, results of operations and cash available for distribution. Because real estate investments are relatively illiquid and because there may be even fewer buyers for our specialized real estate, our ability to promptly sell properties in our portfolio in response to adverse changes in their performance may be limited, which may harm our financial condition. Further, Digital Realty Trust, Inc. is subject to provisions in the Code that limit a REIT’ s ability to dispose of properties, which limitations are not applicable to other types of real estate companies. See “ Risks Related to Our Organizational Structure — Digital Realty Trust, Inc.’ s duty to its stockholders may conflict with the interests of Digital Realty Trust, L. P.’ s unitholders — Tax consequences upon sale or refinancing. ” While Digital Realty Trust, Inc. has exclusive authority under Digital Realty Trust, L. P.’ s limited partnership agreement to determine whether, when, and on what terms to sell a property, such decisions may require the approval of Digital Realty Trust, Inc.’ s Board of Directors. These limitations may affect our ability to sell properties. **This** ~~36Index to Financial StatementsThis~~ lack of liquidity and the Code restrictions may limit our ability to adjust our portfolio promptly in response to changes in economic or other conditions and, as a result, could adversely affect our financial condition, results of operations, cash flow, cash available for distribution and ability to access capital necessary to meet our debt payments and other obligations. Our success depends on key personnel whose continued service is not guaranteed. We depend on the efforts of key personnel of our Company, particularly Andrew P. Power, our President & Chief Executive Officer, and Matthew Mercier, our Chief Financial Officer. They are important to our success for many reasons, including that each has a national or regional reputation in our industry and the investment community that attracts investors and business and investment opportunities and assists us in negotiations with investors, lenders, existing and potential customers and industry personnel. If we lost their services, our business and investment opportunities and our relationships with lenders and other capital markets participants, existing and prospective customers and industry personnel could suffer. Many of our Company’ s other senior employees also have strong technology, finance and real estate industry reputations. As a result, we have greater access to potential acquisitions, financing, leasing and other opportunities, and are better able to negotiate with customers. As the number of our competitors increases, it becomes more likely that a competitor would attempt to hire certain of these individuals away from our Company. The loss of any of these key personnel would result in the loss of these and other benefits and could materially and adversely affect our results of operations. We also depend on the talents and efforts of highly skilled technical individuals. Our success depends on our continuing ability to identify, hire, develop, motivate, and retain highly skilled technical personnel for all areas of our organization. Competition in our industry for qualified technical employees is intense, and the availability of qualified technical personnel is not guaranteed. ~~We~~ **35Index to Financial StatementsWe** may have difficulty managing our growth. We have significantly and rapidly expanded the size of our Company. Our growth may significantly strain our management, operational and financial resources and systems. In addition, as a reporting company, we are subject to the reporting requirements of the Securities Exchange Act of 1934 and the Sarbanes- Oxley Act of 2002, or the Sarbanes- Oxley Act. The requirements of these rules and regulations subject us to certain accounting, legal and financial compliance costs and may strain our management and financial, legal and operational resources and systems. An inability to manage our growth effectively or the increased strain on our management of our resources and systems could result in deficiencies in our disclosure controls and procedures or our internal control over financial reporting and could negatively impact financial condition, results of operations and our cash available for distribution. Potential losses may not be covered by insurance. We currently carry commercial general liability, property, business interruption, including loss of rental income, and other insurance policies to cover insurable risks to our

Company. We select policy specifications, insured limits and deductibles which we believe to be appropriate and adequate given the relative risk of loss, the cost of the coverage and standard industry practices. Our insurance policies contain industry standard exclusions and we do not carry insurance for generally uninsurable perils, such as loss from war or nuclear reaction. A significant portion of our properties are located in seismically active zones such as California, which represents approximately ~~8~~ **7** % of our portfolio' s annualized rent as of December 31, ~~2022~~ **2023** . One catastrophic event, for example, in California, could significantly impact multiple properties, the aggregate deductible amounts could be significant and the limits we purchase could prove to be insufficient, which could materially and adversely impact our business, financial condition and results of operations. Furthermore, a catastrophic regional event could also severely impact some of our insurers rendering them insolvent or unable to fully pay on claims despite their current financial strength. We may discontinue purchasing insurance against earthquake, flood or windstorm or other perils on some or all of our properties in the future if the cost of premiums for any of these policies exceeds, in our judgment, the value of the coverage relative to the risk of loss. **In** ~~37Index to Financial StatementsIn~~ addition, many of our buildings contain extensive and highly valuable technology- related improvements. Under the terms of our agreements with customers, customers are obligated to maintain adequate insurance coverage applicable to such improvements and under most circumstances use their insurance proceeds to restore such improvements after a casualty event. In the event of a casualty or other loss involving one of our buildings with extensive installed tenant improvements, our customers may have the right to terminate their leases if we do not rebuild the base building within prescribed times. In such cases, the proceeds from customers' insurance will not be available to us to restore the improvements, and our insurance coverage may be insufficient to replicate the technology- related improvements made by such customers. Furthermore, the terms of our mortgage indebtedness at certain of our properties may require us to pay insurance proceeds over to our lenders under certain circumstances, rather than use the proceeds to repair the property. If we or one or more of our customers experience a loss which is uninsured or which exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged. ~~We~~ **36Index to Financial StatementsWe** could incur significant costs related to environmental matters, including from government regulation, private litigation, and existing conditions at some of our properties. Under various laws relating to the protection of the environment in the United States, as well as in many jurisdictions in **which we operate** ~~Europe, Asia and South America~~ , a current or previous owner or operator of real estate may be liable for contamination resulting from the presence or discharge of hazardous or toxic substances at a property, and may be required to investigate and clean up such contamination at or emanating from a property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the contaminants, and the liability may be joint and several. In the United States, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or CERCLA, established a regulatory and remedial program intended to provide for the investigation and clean- up of facilities where, or from which, a release of any hazardous substance into the environment has occurred or is threatened. CERCLA' s primary mechanism for remedying such problems is to impose strict joint and several liability for clean- up of facilities on current owners and operators of the site, former owners and operators of the site at the time of the disposal of the hazardous substances, any person who arranges for the transportation, disposal or treatment of the hazardous substances, and the transporters who select the disposal and treatment facilities, regardless of the care exercised by such persons. CERCLA also imposes liability for the cost of evaluating and remedying any damage to natural resources. The costs of CERCLA investigation and clean- up can be very substantial. CERCLA also authorizes the imposition of a lien in favor of the United States on all real property subject to, or affected by, a remedial action for all costs for which a party is liable. Subject to certain procedural restrictions, CERCLA gives a responsible party the right to bring a contribution action against other responsible parties for their allocable shares of investigative and remedial costs. Our ability to obtain reimbursement from others for their allocable shares of such costs would be limited by our ability to find other responsible parties and prove the extent of their responsibility, their financial resources, and other procedural requirements. Various **U. S.** state laws, as well as laws in ~~Europe, Asia and South America~~ **other jurisdictions in which we operate** , also impose in certain cases strict joint and several liability for investigation, clean- up and other damages associated with hazardous substance releases. Previous owners used some of our properties for industrial and manufacturing purposes, and those properties may contain some level of environmental contamination. Independent environmental consultants have conducted Phase I or similar environmental site assessments on a majority of the properties in our portfolio. Site assessments are intended to discover and evaluate information regarding the environmental condition of the surveyed property and surrounding properties. These assessments do not generally include soil samplings, subsurface investigations or an asbestos survey and the assessments may fail to reveal all environmental conditions, liabilities or compliance concerns. In addition, material environmental conditions, liabilities or compliance concerns may have arisen after these reviews were completed or may arise in the future. We could be held jointly and severally liable under CERCLA and various state, local and national laws for the investigation and remediation of environmental contamination on our properties caused by previous owners or operators. Further, fuel storage tanks are present at most of our properties, and if releases were to occur, we may be liable for the costs of cleaning any resulting contamination. The presence of contamination or the failure to remediate contamination at our properties may expose us to third- party liability or materially adversely affect our ability to sell, lease or develop the real estate or to borrow using the real estate as collateral. **In** ~~38Index to Financial StatementsIn~~ addition, some of our customers, particularly those in the biotechnology and life sciences industry and those in the technology manufacturing industry, routinely handle hazardous substances and wastes as part of their operations at our properties. Environmental laws and regulations subject our customers, and potentially us, to liability resulting from these activities or from previous industrial or retail uses of those properties. We could be held jointly and severally liable under CERCLA and various state, local and national laws for the investigation and remediation of hazardous substances released by our customers on our properties. Environmental liabilities could also affect a customer' s ability to make rental payments to us.

We cannot assure you that costs of investigation and remediation of environmental matters will not affect our ability to pay dividends to Digital Realty Trust, Inc.' s stockholders and distributions to Digital Realty Trust, L. P.' s unitholders or that such costs or other remedial measures will not have a material adverse effect on our business, assets or results of operations. ~~Some~~ **37Index to Financial StatementsSome** of our properties may contain asbestos- containing building materials and lead- based paint. Environmental laws require that asbestos- containing building materials and lead- based paint be properly managed and maintained, and may impose fines and penalties on building owners or operators for failure to comply with these requirements. These laws may also allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos- containing building materials and lead- based paint. Our properties and their uses often require permits and entitlements from various government agencies, including permits and entitlements related to zoning and land use. Certain permits from state or local environmental regulatory agencies, including regulators of air quality, are usually required to install and operate diesel- powered generators, which provide emergency back- up power at most of our facilities. These permits often set emissions limits for certain air pollutants, including oxides of nitrogen. In addition, various federal, state, and local environmental, health and safety requirements, such as fire requirements and treated and storm water discharge requirements, apply to some of our properties. Our ability to comply with, as well as changes to, applicable regulations, such as air quality regulations, or the permit requirements for equipment at our facilities, could hinder or prevent our construction or operation of data center facilities. Governmental authorities have in the past sought to restrict data center development based on environmental considerations. For example, governmental authorities in locations where we operate have imposed moratoria on data center development, citing concerns about energy usage and requiring new data centers to meet energy efficiency requirements. Some government agencies have also sought to restrict the use of diesel generators for back- up power. We may face higher costs from any laws requiring enhanced energy efficiency measures, changes to cooling systems, caps on energy usage, land use restrictions, limitations on back- up power sources, or other environmental requirements. Moratoria on data center construction could hinder our ability to construct new data centers. Also, drought conditions in certain markets have resulted in water usage restrictions and proposals to further restrict water usage. Our data center facilities could face restrictions on water usage, water efficiency mandates, or higher water prices. Climate change could also limit water availability. In addition, sea level rise and more frequent and severe weather events caused or contributed to by climate change pose physical risks to our facilities. Additional risks related to our business and operations as a result of climate change include both physical and transition risks such as: ● Higher energy costs (e. g., due to more extreme weather events, extreme temperatures or increased demand for limited resources); ● Increased environmental regulations impacting the cost to develop, or the ability to develop in certain areas; ● Higher costs of materials due to environmental impacts from extraction and processing of raw materials and production of finished goods; ● Higher costs of supply chain services, with potential supply chain disruptions related to climate change; and ● Lost revenue or higher expenses related to climate change events (e. g., higher insurance costs, uninsured losses, diminished customer retention in areas subject to extreme weather or resource availability constraints). **The** ~~39Index to Financial StatementsThe~~ environmental laws and regulations to which our properties are subject may change in the future, and new laws and regulations may be created. Future laws, ordinances or regulations may impose additional material environmental liability. Such laws include those directly regulating our climate change impacts and those which regulate the climate change impacts of companies with which we do business, such as utilities providing our facilities with electricity. See " Item 1. Business — Regulations — Environmental Matters — Climate change legislation. " We do not know if or how the requirements will change, but changes may require that we make significant unanticipated expenditures, and such expenditures may materially adversely impact our financial condition, cash flow, results of operations, cash available for distributions, Digital Realty Trust, Inc.' s common stock' s per share trading price, our competitive position and ability to satisfy our debt service obligations. **38Index** ~~Our properties may contain or develop harmful mold or suffer from other air quality issues, which could lead~~ to **Financial StatementsWe** ~~liability for adverse health effects and costs to remedy the problem. When excessive moisture accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants, such as Legionella, at any of our properties could require us to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose us to liability from our customers, their employees, our employees and others if property damage or health concerns arise. We~~ may incur significant costs complying with applicable laws and governmental regulations, including the Americans with Disabilities Act. Our business is subject to regulation under a wide variety of U. S. federal, state and local laws, regulations and policies, including those imposed by the SEC, the Sarbanes- Oxley Act of 2002, the Dodd- Frank Wall Street Reform and Consumer Protection Act and the NYSE, as well as applicable local, state, and national labor laws. Although we have policies and procedures designed to comply with applicable laws and regulations, failure to comply with the various laws and regulations may result in civil and criminal liability, fines and penalties and increased costs of compliance. Under the Americans with Disabilities Act of 1990, or the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. We have not conducted an audit or investigation of all of our properties to determine our compliance with the ADA or similar laws of other jurisdictions in which we operate. If one or more of the properties in our portfolio does not comply with the ADA or such other laws, then we would be required to incur additional costs to bring the property into compliance. Additional federal, state and local laws also may require modifications to our properties, or restrict our ability to renovate our properties. We cannot predict the ultimate cost of compliance with the ADA or other **similar** laws. If we incur substantial costs to comply with the ADA and any other similar legislation or are subject to awards of damages to private litigants, our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations could be materially adversely affected. The properties in our portfolio are subject to various federal, state and local regulations, such as state and local fire and life safety regulations. If we fail to comply with these various regulations, we may have to pay fines or damage awards to private litigants. In addition, we do not know whether existing regulations will change or whether future regulations will require us to make significant unanticipated expenditures that will materially adversely impact our financial condition, results of operations, cash flow, cash available for distribution and ability to satisfy our debt service obligations. **Our** ~~40Index to Financial StatementsOur~~ business could be adversely impacted if there are deficiencies in our disclosure controls and procedures or internal control over financial reporting. The design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. While management will continue to review the effectiveness of our disclosure controls and procedures and internal control over financial reporting, there can be no guarantee that our internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Furthermore, our disclosure controls and procedures and internal control over financial reporting with respect to entities that we do not control or manage may be substantially more limited than those we maintain with respect to the subsidiaries that we have controlled or managed over the course of time. Deficiencies, including any material weakness, in our internal control over financial reporting which may occur in the future could result in misstatements of our results of operations, restatements of our financial statements, a decline in Digital Realty Trust, Inc.' s stock price, or otherwise materially adversely affect our business, reputation, results of operations, financial condition or liquidity. ~~Risks~~ **39Index to Financial StatementsRisks** Related to Our Organizational ~~StructureDigital~~ **StructureThe interests of Digital** Realty Trust, Inc.' s ~~duty to its~~ stockholders may conflict with the interests of Digital Realty Trust, L. P.' s unitholders. Conflicts of interest may exist or could arise in the future as a result of the relationships between Digital Realty Trust, Inc. and its stockholders, on the one hand, and Digital Realty Trust, L. P. and its partners, on the other. Digital Realty Trust, Inc.' s directors and officers have duties to Digital Realty Trust, Inc. and its stockholders under Maryland law in connection with their management of our Company. At the same time, Digital Realty Trust, Inc., as general partner, has fiduciary duties under Maryland law to Digital Realty Trust, L. P. and to ~~the~~ **its** limited partners in connection with the management of our Operating Partnership. Digital Realty Trust, Inc.' s duties as general partner to Digital Realty Trust, L. P. and its partners may come into conflict with the duties of Digital Realty Trust, Inc.' s directors and officers to Digital Realty Trust, Inc. and its stockholders. Under Maryland law, a general partner of a Maryland limited partnership owes its limited partners the duties of loyalty and care, which must be discharged consistently with the obligation of good faith and fair dealing, unless the partnership agreement provides otherwise. The partnership agreement of Digital Realty Trust, L. P. provides that for so long as Digital Realty Trust, Inc. owns a controlling interest in Digital Realty Trust, L. P., any conflict that cannot be resolved in a manner not adverse to either Digital Realty Trust, Inc.' s stockholders or the limited partners will be resolved in favor of Digital Realty Trust, Inc.' s stockholders. The provisions of Maryland law that allow the fiduciary duties of a general partner to be modified by a partnership agreement have not been tested in a court of law, and we have not obtained an opinion of counsel covering the provisions set forth in the partnership agreement that purport to waive or restrict Digital Realty Trust, Inc.' s fiduciary duties. Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders are also subject to the following additional conflict of interest: Tax consequences upon sale or refinancing. Sales of properties and repayment of certain indebtedness will affect holders of common units in Digital Realty Trust, L. P. and Digital Realty Trust, Inc.' s stockholders differently. Consequently, these holders of common units in Digital Realty Trust, L. P. may have different objectives regarding the appropriate pricing and timing of any such sale or repayment of debt. While Digital Realty Trust, Inc. has exclusive authority under the partnership agreement of Digital Realty Trust, L. P. to determine when to refinance or repay debt or whether, when, and on what terms to sell a property, such decisions may require the approval of Digital Realty Trust, Inc.' s Board of Directors. Certain of Digital Realty Trust, Inc.' s directors and executive officers could exercise their influence in a manner inconsistent with the interests of some, or a majority, of Digital Realty Trust, L. P.' s unitholders, including in a manner which could prevent completion of a sale of a property or the repayment of indebtedness. ~~41Index~~ **40Index** to Financial StatementsDigital Realty Trust, Inc.' s charter, Digital Realty Trust, L. P.' s partnership agreement and Maryland law contain provisions that may delay, defer or prevent a change of control transaction. These provisions include the following: Digital Realty Trust, Inc.' s charter, including the articles supplementary governing its preferred stock, contains 9. 8 % ownership limits. Digital Realty Trust, Inc.' s charter, subject to certain exceptions, authorizes Digital Realty Trust, Inc.' s Board of Directors to take such actions as are necessary and desirable to preserve Digital Realty Trust, Inc.' s qualification as a REIT and to limit any person to actual or constructive ownership of no more than 9. 8 % (by value or by number of shares, whichever is more restrictive) of the outstanding shares of Digital Realty Trust, Inc.' s common stock, 9. 8 % (by value or by number of shares, whichever is more restrictive) of the outstanding shares of any series of Digital Realty Trust, Inc.' s preferred stock and 9. 8 % of the value of Digital Realty Trust, Inc.' s outstanding capital stock. Digital Realty Trust, Inc.' s Board of Directors, in its sole discretion, may exempt (prospectively or retroactively) a proposed transferee from the ownership limit. However, Digital Realty Trust, Inc.' s Board of Directors may not grant an exemption from the ownership limit to any proposed transferee whose direct or indirect ownership of more than 9. 8 % of the outstanding shares of Digital Realty Trust, Inc.' s common stock, more than 9. 8 % of the outstanding shares of any series of Digital Realty Trust, Inc.' s preferred stock or more than 9. 8 % of the value of Digital Realty Trust, Inc.' s outstanding capital stock could jeopardize Digital Realty Trust, Inc.' s status as a REIT. These restrictions on transferability and ownership will not apply if Digital Realty Trust, Inc.' s Board of Directors determines that it is no longer in Digital Realty Trust, Inc.' s best interests to attempt to qualify, or to continue to qualify, as a REIT or that compliance is no longer required for REIT qualification. The ownership limit may delay, defer or prevent a transaction or a change of control that might be in the best ~~interest~~ **interests** of Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders. Digital Realty Trust, L. P.' s partnership agreement contains provisions that may delay, defer or prevent a change of control transaction. Digital Realty Trust, L. P.' s partnership agreement provides that Digital Realty Trust, Inc. may not engage in any merger, consolidation or other combination with or into another person, any sale of all or substantially all of its assets or any reclassification, recapitalization or change of its outstanding equity interests unless the transaction is approved by the holders of common units and long- term incentive units representing at least 35 % of the aggregate percentage interests of all holders of common units and long- term incentive units and either: ● all limited partners will receive, or have the right to elect to receive, for each common unit an amount of cash, securities or other property equal to the product of the number of shares of Digital Realty Trust, Inc. common stock into which a common unit is then exchangeable and the greatest amount of cash, securities or other property paid in consideration of each share of Digital Realty Trust, Inc. **' s** common stock in connection with the transaction (provided that, if, in connection with the transaction, a purchase, tender or exchange offer is made to and accepted by the holders of more than 50 % of the shares of Digital Realty Trust, Inc. common stock, each holder of common units will receive, or have the right to elect to receive, the greatest amount of cash, securities or other property which such holder would have received if it exercised its right to redemption and received shares of Digital Realty Trust, Inc. common stock in exchange for its common units immediately prior to the expiration of such purchase, tender or exchange offer and thereupon accepted such purchase, tender or exchange offer and the transaction was then consummated); or ● the following conditions are met: osubstantially all of the assets directly or indirectly owned by the surviving entity in the transaction are held directly or indirectly by Digital Realty Trust, L. P. or another limited partnership or limited liability company which is the survivor of a merger, consolidation or combination of assets with Digital Realty Trust, L. P., which we refer to as the surviving partnership; othe holders of common units and long- term incentive units own a percentage interest of the surviving partnership based on the relative fair market value of Digital Realty Trust, L. P.' s net assets and the other net assets of the surviving partnership immediately prior to the consummation of such transaction; ~~42Index~~ **41Index** to Financial Statementsothe rights, preferences and privileges of the holders of interests in the surviving partnership are at least as favorable as those in effect immediately prior to the consummation of such transaction and as those applicable to any other limited partners or non- managing members of the surviving partnership; andothe rights of the limited partners or non- managing members of the surviving partnership include at least one of the following: (i) the right to redeem their interests in the surviving partnership for the consideration available to such persons pursuant to Digital Realty Trust, L. P.' s partnership agreement; or (ii) the right to redeem their interests for cash on terms equivalent to those in effect with respect to their common units immediately prior to the consummation of such transaction (or, if the ultimate controlling person of the surviving partnership has publicly traded common equity securities, for such common equity securities, with an exchange ratio based on the determination of relative fair market value of such securities and the shares of Digital Realty Trust, Inc. common stock). These provisions may discourage others from trying to acquire control of Digital Realty Trust, Inc. and may delay, defer or prevent a change of control transaction that might be ~~beneficial to~~ **in the best interests of** Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders. The change of control conversion features of Digital Realty Trust, Inc.' s preferred stock may make it more difficult for a party to take over our Company or discourage a party from taking over our Company. Upon the occurrence of specified change of control transactions, holders of our series J preferred stock, series K preferred stock and series L preferred stock will have the right (unless, prior to the change of control conversion date, we have provided or provide notice of our election to redeem such preferred stock) to convert some or all of their series J preferred stock, series K preferred stock or series L preferred stock, as applicable, into shares of our common stock (or equivalent value of alternative consideration), subject to caps set forth in the articles supplementary governing the applicable series of preferred stock. The change of control conversion features of the series J preferred stock, series K preferred stock and series L preferred stock may have the effect of discouraging a third party from making an acquisition proposal for our Company or of delaying, deferring or preventing certain change of control transactions of our Company under circumstances that otherwise could provide the holders of our common stock, series J preferred stock, series K preferred stock and series L preferred stock with the opportunity to realize a premium over the then- current market price or that stockholders may otherwise believe is in their best interests. Digital Realty Trust, Inc. **' s Board of Directors** could **amend Digital Realty Trust, Inc.' s charter to** increase or decrease the number of authorized shares of stock and **Digital Realty Trust, Inc. could** issue stock without stockholder approval. Digital Realty Trust, Inc.' s charter authorizes Digital Realty Trust, Inc.' s Board of Directors, without stockholder approval, to amend the charter from time to time to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of stock of any class or series, to **authorize the** ~~issue~~ **issuance of** authorized but unissued shares of Digital Realty Trust, Inc.' s common stock or preferred stock and, subject to the voting rights of holders of preferred stock, to classify or reclassify any unissued shares of Digital Realty Trust, Inc.' s common stock or preferred stock into other classes of series of stock and to set the preferences, rights and other terms of such classified or reclassified shares. Although Digital Realty Trust, Inc.' s Board of Directors has no such intention at the present time, it could establish an additional class or series of preferred stock that could, depending on the terms of such class or series, delay, defer or prevent a transaction or a change of control that might be in the best interest of Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders. Certain provisions of Maryland law could inhibit changes in control. Certain provisions of the Maryland General Corporation Law, or MGCL, may have the effect of impeding a third party from making a proposal to acquire Digital Realty Trust, Inc. or of impeding a change of control under circumstances that otherwise could be in the best interests of Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders, including: ~~43Index~~ **42Index** to Financial Statements ● " business combination " provisions that, subject to limitations, prohibit certain business combinations between Digital Realty Trust, Inc. and an " interested stockholder " (defined generally as any person who beneficially owns, directly or indirectly, 10 % or more of the voting power of **the outstanding shares of** Digital Realty Trust, Inc.' s ~~outstanding shares of~~ voting stock or an affiliate or associate of Digital Realty Trust, Inc. who, at any time within the two- year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10 % or more of the voting power **the then outstanding shares** of Digital Realty

Trust, Inc.' s ~~then outstanding shares~~ of stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter impose special appraisal rights and supermajority voting requirements on these combinations; and ● " control share " provisions that provide that " control shares " of Digital Realty Trust, Inc. (defined as shares which, when aggregated with other shares controlled by the stockholder (except solely by virtue of a revocable proxy), entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a " control share acquisition " (defined as the direct or indirect acquisition of ownership or control of issued and outstanding " control shares ") have no voting rights except to the extent approved by Digital Realty Trust, Inc.' s stockholders by the affirmative vote of at least two- thirds of all the votes entitled to be cast on the matter, excluding all interested shares. Digital Realty Trust, Inc. has opted out of these provisions of the MGCL, in the case of the business combination provisions of the MGCL by resolution of its Board of Directors, and in the case of the control share provisions of the MGCL pursuant to a provision in its bylaws. However, Digital Realty Trust, Inc.' s Board of Directors may by resolution elect to opt in to the business combination provisions of the MGCL and Digital Realty Trust, Inc. may, by amendment to its bylaws, opt in to the control share provisions of the MGCL in the future. The provisions of Digital Realty Trust, Inc.' s charter governing removal of directors and the advance notice provisions of Digital Realty Trust, Inc.' s bylaws could delay, defer or prevent a change of control or other transaction that might be in the best interests of Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders. Likewise, if Digital Realty Trust, Inc.' s board of directors were to opt in to the business combination provisions of the MGCL or the provisions of Title 3, Subtitle 8 of the MGCL not currently applicable to Digital Realty Trust, Inc., or if the provision in Digital Realty Trust, Inc.' s bylaws opting out of the control share acquisition provisions of the MGCL were rescinded, these provisions of the MGCL could have similar ~~anti- takeover~~ effects. The conversion rights of Digital Realty Trust, Inc.' s preferred stock may be detrimental to holders of Digital Realty Trust, Inc.' s common stock. Digital Realty Trust, Inc. currently has **outstanding** 8, 000, 000 shares of 5. 250 % series J cumulative redeemable preferred stock ~~outstanding~~ , 8, 400, 000 shares of 5. 850 % series K cumulative redeemable preferred stock ~~outstanding~~ and 13, 800, 000 shares of 5. 200 % series L cumulative redeemable preferred stock ~~outstanding~~ **, each series of** which may be converted into Digital Realty Trust, Inc. **' s** common stock upon the occurrence of limited specified change in control transactions. The conversion of the series J preferred stock, series K preferred stock or series L preferred stock for Digital Realty Trust, Inc. **' s** common stock would dilute stockholder ownership in Digital Realty Trust, Inc. and unitholder ownership in Digital Realty Trust, L. P., and could adversely affect the market price of Digital Realty Trust, Inc. common stock and could impair ~~our~~ **Digital Realty Trust, Inc.' s** ability to raise capital through the sale of additional equity securities. Digital Realty Trust, Inc.' s rights and the rights of its stockholders to take action against its directors and officers are limited. Maryland law provides that Digital Realty Trust, Inc.' s directors have no liability in their capacities as directors if they perform their duties in good faith, in a manner they reasonably believe to be in the Company' s best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. As permitted by the MGCL, Digital Realty Trust, Inc.' s charter limits the liability of Digital Realty Trust, Inc.' s directors and officers to the Company and its stockholders for money damages, except for liability resulting from: ● actual receipt of an improper benefit or profit in money, property or services; or ● a final judgment based upon a finding of active and deliberate dishonesty by the director or officer that was material to the cause of action adjudicated. ~~44Index~~ **43Index** to Financial StatementsIn addition, Digital Realty Trust, Inc.' s charter authorizes Digital Realty Trust, Inc. to obligate itself, and Digital Realty Trust, Inc.' s bylaws require it, to indemnify Digital Realty Trust, Inc.' s directors and officers for actions taken by them in those capacities and, without requiring a preliminary determination of the ultimate entitlement to indemnification, to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding to the maximum extent permitted by Maryland law. Further, Digital Realty Trust, Inc. has entered into indemnification agreements with its directors and officers. As a result, Digital Realty Trust, Inc. and its stockholders may have more limited rights against its directors and officers than might otherwise exist under common law. Accordingly, in the event that actions taken in good faith by any of Digital Realty Trust, Inc.' s directors or officers impede the performance of the Company, the Company' s stockholders' ability to recover damages from that director or officer will be limited. Risks Related to Taxes and Digital Realty Trust, Inc.' s Status as a REITFailure to qualify as a REIT would have significant adverse consequences to Digital Realty Trust, Inc. and its stockholders and to Digital Realty Trust, L. P. and its unitholders. Digital Realty Trust, Inc. has operated and intends to continue operating in a manner that it believes will allow it to qualify as a REIT for federal income tax purposes under the Code. Digital Realty Trust, Inc. has not requested and does not plan to request a ruling from the Internal Revenue Service, or the IRS, that it qualifies as a REIT. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury regulations promulgated under the Code, or Treasury Regulations, is greater in the case of a REIT that, like Digital Realty Trust, Inc., holds its assets through a partnership. The determination of various factual matters and circumstances not entirely within Digital Realty Trust, Inc.' s control may affect its ability to qualify as a REIT. In order to qualify as a REIT, Digital Realty Trust, Inc. must satisfy a number of requirements, including requirements regarding the ownership of its stock, requirements regarding the composition of its assets and requirements regarding the source of its income. Also, Digital Realty Trust, Inc. must make distributions to stockholders aggregating annually at least 90 % of its REIT taxable income, excluding any net capital gains **. Furthermore, we own and may acquire direct or indirect interests in one or more entities that have elected or will elect to be taxed as REITs under the Code, or a subsidiary REIT. Provided that each subsidiary REIT qualifies as a REIT, our interest in such subsidiary REIT will be treated as a qualifying real estate asset for purposes of the REIT asset tests. To qualify as a REIT, the subsidiary REIT must independently satisfy all of the REIT qualification requirements. The failure of a subsidiary REIT to qualify as a REIT could have an adverse effect on Digital Realty Trust, Inc.' s ability to comply with the REIT income and asset tests, and thus its ability to qualify as a REIT** . If Digital Realty Trust, Inc. loses its REIT status, it will face serious tax consequences that would substantially reduce its cash available for distribution, including cash available to pay dividends to its stockholders, for each of the years involved because: ● Digital Realty Trust, Inc. would not be allowed a deduction for dividends paid to stockholders in computing its taxable income and would be subject to federal and state corporate income taxes on its taxable income; ● Digital Realty Trust, Inc. also could be subject to **a** federal alternative minimum tax and possibly increased state and local taxes; and ● unless Digital Realty Trust, Inc. is entitled to relief under applicable statutory provisions, it could not elect to be taxed as a REIT for four taxable years following the year during which it was disqualified. In addition, if Digital Realty Trust, Inc. fails to qualify as a REIT, it will not be required to make distributions to common stockholders, and accordingly, distributions Digital Realty Trust, L. P. makes to its unitholders could be similarly reduced. As a result of all these factors, Digital Realty Trust, Inc.' s failure to qualify as a REIT could impair our ability to expand our business and raise capital, and could materially adversely affect the value of Digital Realty Trust, Inc.' s stock and Digital Realty Trust, L. P.' s units. ~~45Index~~ **44Index** to Financial StatementsIn certain circumstances, Digital Realty Trust, Inc. may be subject to federal and state taxes as a REIT, which would reduce its cash available for distribution to its stockholders. Even if Digital Realty Trust, Inc. qualifies as a REIT for federal income tax purposes, it may be subject to some federal, state and local taxes on its income or property and, in certain cases, a 100 % penalty tax, in the event it sells property as a dealer. In addition, our domestic ~~corporate~~ **taxable REIT** ~~subsidiary~~ **subsidiaries** , **including** Digital Services ~~, Inc., which is a taxable REIT subsidiary of Digital Realty Trust~~ , Inc., could be subject to federal, state and local taxes, and our foreign properties and companies are subject to tax in the jurisdictions in which they operate and are located. A domestic taxable REIT subsidiary is subject to U. S. federal income tax as a regular C corporation. In addition, a 100 % excise tax will be imposed on certain transactions between a taxable REIT subsidiary and its parent REIT that are not conducted on an arm' s length basis. Any federal, state or foreign taxes Digital Realty Trust, Inc. pays will reduce its cash available for distribution to stockholders. Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends. The maximum tax rate applicable to " qualified dividend income " payable to U. S. stockholders that are individuals, trusts and estates is 20 %. Dividends payable by REITs, however, generally are not eligible for these reduced rates. U. S. stockholders that are individuals, trusts and estates generally may deduct up to 20 % of the ordinary dividends (i. e., dividends not designated as capital gain dividends or qualified dividend income) received from a REIT for taxable years beginning before January 1, 2026. Although this deduction reduces the effective tax rate applicable to certain dividends paid by REITs (generally to 29. 6 % assuming the ~~shareholder~~ **stockholder** is subject to the 37 % maximum rate), such tax rate is still higher than the tax rate applicable to corporate dividends that constitute qualified dividend income. Accordingly, investors who are individuals, trusts and estates may perceive investments in REITs to be relatively less attractive than investments in the stocks of non- REIT corporations that pay dividends treated as qualified dividend income, which could materially and adversely affect the value of the shares of REITs, including the per share trading price of Digital Realty Trust, Inc.' s capital stock. The tax imposed on REITs engaging in " prohibited transactions " may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes. A REIT' s net income from prohibited transactions is subject to a 100 % penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. Although we do not intend to hold any properties that would be characterized as held for sale to customers in the ordinary course of our business, unless a sale or disposition qualifies under certain statutory safe harbors, such characterization is a factual determination and no guarantee can be given that the IRS would agree with our characterization of our properties or that we will always be able to make use of the available safe harbors. Complying with REIT requirements may cause us to forgo otherwise attractive opportunities or liquidate otherwise attractive investments. To qualify as a REIT for federal income tax purposes, Digital Realty Trust, Inc. must continually satisfy tests concerning, among other things, its sources of income, the nature and diversification of its assets (including its proportionate share of Digital Realty Trust, L. P.' s assets), the amounts it distributes to its stockholders and the ownership of its capital stock. If Digital Realty Trust, Inc. were to fail to comply with one or more of the asset tests at the end of any calendar quarter, it would need to correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing its REIT qualification and suffering adverse tax consequences. In order to meet these tests, we may be required to forgo investments we might otherwise make or to liquidate otherwise attractive investments. Thus, compliance with the REIT requirements may hinder our performance and reduce amounts available for distribution to Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders. ~~The~~ **45Index to Financial StatementsThe** power of Digital Realty Trust, Inc.' s Board of Directors to revoke Digital Realty Trust, Inc.' s REIT election without stockholder approval may cause adverse consequences to Digital Realty Trust, Inc.' s stockholders and Digital Realty Trust, L. P.' s unitholders. **Digital** ~~46Index to Financial StatementsDigital~~ Realty Trust, Inc.' s charter provides that its Board of Directors may revoke or otherwise terminate its REIT election, without the approval of its stockholders, if the Board determines that it is no longer in Digital Realty Trust, Inc.' s best interests to continue to qualify as a REIT. If Digital Realty Trust, Inc. ceases to qualify as a REIT, it would become subject to U. S. federal and state corporate income taxes on its taxable income and it would no longer be required to distribute most of its taxable income to its stockholders and, accordingly, distributions Digital Realty Trust, L. P. makes to its unitholders could be similarly reduced. If Digital Realty Trust L. P. were to fail to qualify as a partnership for federal income tax purposes, Digital Realty Trust, Inc. would fail to qualify as a REIT and suffer other adverse consequences. We believe that Digital Realty Trust, L. P. has been organized and operated in a manner that will allow it to be treated as a partnership, and not an association or publicly traded partnership taxable as a corporation, for federal income tax purposes. As a partnership, Digital Realty Trust, L. P. is not subject to federal income tax on its income. Instead, each of its partners, including Digital Realty Trust, Inc., is allocated, and may be required to pay tax with respect to, that partner' s share of Digital Realty Trust, L. P.' s income. No assurance can be provided, however, that the IRS will not challenge Digital Realty Trust, L. P.' s status as a partnership for federal income tax purposes or that a court would not sustain such a challenge. If the IRS were successful in treating Digital Realty Trust, L. P. as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, Digital Realty Trust, Inc.

would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, would cease to qualify as a REIT. Such REIT qualification failure could impair our ability to expand our business and raise capital, and would materially adversely affect the value of Digital Realty Trust, Inc.' s stock and Digital Realty Trust, L. P.' s units. Also, the failure of Digital Realty Trust, L. P. to qualify as a partnership would cause it to become subject to federal corporate income tax, which would reduce significantly the amount of its cash available for debt service and for distribution to its partners, including Digital Realty Trust, Inc . **Tax** ~~47Index to Financial StatementsTax~~ liabilities and attributes inherited in connection with acquisitions may adversely impact our business.From time to time **,** we may acquire other corporations or entities and,in connection with such acquisitions,we may succeed to the historic tax attributes and liabilities of such entities.For example,if we acquire a C corporation and subsequently dispose of its assets within five years of the acquisition,we could be required to pay tax on any built- in gain attributable to such assets determined as of the date on which we acquired the assets.In addition,in order to qualify as a REIT,at the end of any taxable year,we must not have any earnings and profits accumulated in a non- REIT year.As a result,if we acquire a C corporation,we must distribute the corporation' s earnings and profits accumulated prior to the acquisition before the end of the taxable year in which we acquire the corporation.We also could be required to pay the acquired entity' s unpaid taxes even though such liabilities arose prior to the time we acquired **the entity** . Changes in U. S. or foreign tax laws and regulations, including changes to tax rates, legislation and other actions may adversely affect our results of operations, our stockholders, Digital Realty Trust, L. P.' s unitholders and us. We are headquartered in the United States with subsidiaries and operations globally and are subject to income taxes in these jurisdictions. Significant judgment is required in determining our provision for income taxes. Although we believe that we have adequately assessed and accounted for our potential tax liabilities, and that our tax estimates are reasonable, there can be no assurance that additional taxes will not be due upon audit of our tax returns or as a result of changes to applicable tax laws. The governments of many of the countries in which we operate may enact changes to the tax laws of such countries, including changes to the corporate recognition and taxation of worldwide income. The nature and timing of any changes to each jurisdiction' s tax laws and the impact on our future tax liabilities cannot be predicted with any accuracy but could materially and adversely impact our results of operations and cash flows. Additionally, each of our properties is subject to real property and personal property taxes. These taxes may increase as tax rates change and as the properties are assessed or reassessed by taxing authorities. Any increase in property taxes on our properties could have a material adverse effect on our revenues and results of operations. ~~Further~~ **46Index to Financial StatementsFurther** , the rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U. S. Department of the Treasury. Changes to the tax laws, with or without retroactive application, could materially and adversely affect Digital Realty Trust, Inc.' s stockholders, Digital Realty Trust, L. P.' s unitholders and us. We cannot predict how changes in the tax laws might affect our investors and us. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and ~~negatively~~ **adversely** affect Digital Realty Trust, Inc.' s ability to qualify as a REIT, the federal income tax consequences of such qualification, or the federal income tax consequences of an investment in us. Moreover, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT . 47Index to Financial StatementsTax liabilities and...... to the time we acquired the entity . Forward- Looking StatementsWe make statements in this report that are forward- looking statements within the meaning of the federal securities laws. In particular, statements pertaining to our capital resources, portfolio performance, our ability to lease vacant space and space under development, leverage policy and acquisition and capital expenditure plans, as well as our discussion of " Factors Which May Influence Future Results of Operations, " 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 and phrases or similar words or phrases which are predictions of or indicate future events or trends and 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~~ **an epidemic,** pandemic, **or other global events** ~~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; **47** ~~● difficulties in identifying properties to acquire and completing acquisitions; 48~~