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

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 OR 15(d)  
of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): January 3, 2022**

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

Maryland Maryland (State or other jurisdiction of incorporation)	001-32336 000-54023 (Commission File Number)	26-0081711 20-2402955 (IRS Employer Identification No.)
5707 Southwest Parkway, Building 1, Suite 275 Austin, Texas (Address of principal executive offices)		78735 (Zip Code)
	(737) 281-0101 (Registrant's telephone number, including area code)	

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Digital Realty Trust, Inc.:	Emerging growth company	<input type="checkbox"/>
Digital Realty Trust, L.P.:	Emerging growth company	<input type="checkbox"/>

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

Digital Realty Trust, Inc.:	<input type="checkbox"/>
Digital Realty Trust, L.P.:	<input type="checkbox"/>

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## **Introductory Note**

Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our,” “our company,” “the company” or “Digital Realty” refer to Digital Realty Trust, Inc., together with its consolidated subsidiaries, including Digital Realty Trust, L.P., our “operating partnership.”

## **Item 7.01. Regulation FD Disclosure.**

On January 3, 2022, Digital Realty issued a press release announcing the Teraco Acquisition described under Item 8.01 below. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information included in this Current Report on Form 8-K under this Item 7.01 (including Exhibit 99.1) shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the company or the operating partnership under the Exchange Act or the Securities Act of 1933, as amended (the “Securities Act”), except as shall be expressly set forth by specific reference in such a filing.

## **Item 8.01. Other Events.**

### **Pending Teraco Acquisition**

On December 22, 2021, Digital Titan Proprietary Limited, a South African subsidiary of our operating partnership (“Digital Titan”), entered into definitive agreements with TDE Luxco, BPESAL V2 S.a r.l, and other sellers party thereto (collectively, the “Teraco Sellers”) to acquire a majority interest stake in TDE Investments (Pty) Ltd and its subsidiaries (“TDE Investments”), Africa’s largest carrier-neutral data center and interconnection services provider, for consideration that we currently estimate to be approximately \$1.7 billion (the “Teraco Acquisition”). The consideration values the enterprise of TDE Investments and its subsidiaries at approximately \$3.5 billion (before contractual purchase price adjustments, transaction expenses, taxes and potential currency fluctuations). Following the close of the Teraco Acquisition, Digital Titan will own approximately 55% of the total economic interests in TDE Investments and its subsidiaries, taken as a whole, with the remaining approximately 45% of such interests to be retained by a consortium of TDE Investments management and existing investors. The rolling equity holders in TDE Investments will have the opportunity to put their equity interests in TDE Investments to Digital Titan between 3.5-5.5 years following the closing of the Teraco Acquisition, and Digital Titan will have a right to call those equity interests between 5.5-6.5 years following the closing of the Teraco Acquisition.

The transaction is expected to be approximately 1% dilutive to our core funds from operations per share in 2022, breakeven in 2023, and accretive to financial metrics and the growth trajectory of the company thereafter. We expect the investment will be financed through a combination of proceeds from our private capital and capital recycling efforts, committed funds under an existing equity forward commitment, and other potential future financings.

The closing of the Teraco Acquisition is subject to customary closing conditions, including but not limited to the continuing accuracy of representations and warranties (subject to agreed-upon materiality standards) and material compliance with covenants in the share purchase agreement (the “Share Purchase Agreement”). In connection with the Teraco Acquisition, our operating partnership has agreed to guarantee to the Teraco Sellers payment in full of the consideration and any and all costs, expenses, fees and other amounts payable by Digital Titan under the Share Purchase Agreement.

We believe the Teraco Acquisition will immediately position Digital Realty as the leading data center provider on the high-growth African continent. TDE Investments is the largest and most densely interconnected data center platform in Africa, with an in-service portfolio of seven state-of-the-art data centers strategically located in the key South African metro areas of Johannesburg, Cape Town and Durban. The TDE Investments portfolio is comprised of 187 megawatts of total planned capacity, including 75 megawatts of capacity currently in-service, 19 megawatts of capacity under construction and 93 megawatts of potential future additional capacity. TDE Investments owns the freehold to six of its seven in-service data centers, as well as adjacent land to support the future development pipeline. TDE Investments serves over 600 customers, including more than 275 connectivity providers, over 25 cloud and content platforms and approximately 300 enterprises, with approximately 22,000 cross-connects between customers.

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## Cautionary Statement Regarding Forward-Looking Statements

This Current Report on Form 8-K contains certain “forward-looking” statements as that term is defined by Section 27A of the Securities Act and Section 21E of the Exchange Act. Statements that are predictive in nature, that depend on or relate to future events or conditions, or that include words such as “believes”, “anticipates”, “expects”, “may”, “will”, “would”, “should”, “estimates”, “could”, “intends”, “plans” or other similar expressions are forward-looking statements. Forward-looking statements involve significant known and unknown risks and uncertainties that may cause the company’s actual results in future periods to differ materially from those projected or contemplated in the forward-looking statements as a result of, but not limited to, the following factors: timing and consummation of the Teraco Acquisition; risks and uncertainties related to market conditions and satisfaction of customary closing conditions related to the Teraco Acquisition; the expected operating performance of the Teraco Acquisition and descriptions relating to these expectations; our future plans to expand our platform in Africa; and the impact of legislative, regulatory and competitive changes and other risk factors relating to the industries in which we operate, as detailed from time to time in each of our reports filed with the Securities and Exchange Commission. There can be no assurance that the proposed transactions will be consummated on the terms described herein or at all.

The risks included here are not exhaustive, and additional factors could adversely affect our business and financial performance. We discussed a number of additional material risks in our annual report on Form 10-K for the year ended December 31, 2020 and other filings with the Securities and Exchange Commission. Those risks continue to be relevant to our performance and financial condition. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise.

### Item 9.01. Financial Statements and Exhibits.

#### (d) Exhibits.

Exhibit No.	Description
99.1	<a href="#">Press Release of Digital Realty dated January 3, 2022</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)]

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: January 3, 2022

**Digital Realty Trust, Inc.**

By: /s/ JEANNIE LEE

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**Jeannie Lee**  
**Executive Vice President, General Counsel**

**Digital Realty Trust, L.P.**

By: Digital Realty Trust, Inc.  
Its general partner

By: /s/ JEANNIE LEE

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**Jeannie Lee**  
**Executive Vice President, General Counsel**

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## Digital Realty to Acquire Teraco

*Strategic Transaction Establishes Digital Realty as the Leading Data Center Provider in Africa,  
Accelerating Pan-African Expansion*

**Austin, TX – January 3, 2022** – Digital Realty (NYSE: DLR), the largest global provider of cloud- and carrier-neutral data center, colocation and interconnection solutions, announced today it has entered into a definitive agreement to acquire a majority stake in Teraco, Africa’s leading carrier-neutral colocation provider, from a consortium of investors, including Berkshire Partners and Permira, in a transaction valuing Teraco at approximately \$3.5 billion.

### **Transaction Immediately Establishes Digital Realty as the Leading Colocation and Interconnection Provider on the High-Growth African Continent**

- **Leading colocation and interconnection platform:** Teraco is the largest and most densely interconnected data center platform in Africa, with seven state-of-the-art facilities strategically located in the key South African metros of Johannesburg, Cape Town and Durban. Teraco serves over 600 customers, including more than 275 connectivity providers, over 25 cloud and content platforms and approximately 300 enterprises. Teraco facilitates approximately 22,000 interconnections between customers and its Isando campus in Johannesburg is one of the most densely interconnected sites in the world, with over 13,000 cross-connects. Teraco also hosts seven on-ramps to leading global cloud service providers in Johannesburg and Cape Town and currently provides direct access to seven subsea cables in Durban on the east coast and Cape Town on the southwest coast.
  - **Home to subsea cables circling Africa:** In addition to direct access to seven existing subsea cable systems, several consortiums of leading cloud and content platforms are currently building three additional subsea cables which are expected to land over the next three years. The significant investment in these proprietary networks underscores the tremendous expected future growth of digital infrastructure in Africa, and the leadership transition from telco-led consortia to content-controlled partnerships is expected to transform internet connectivity across the continent. These new and existing cable systems encircle Africa, offering low-latency access from the east and west coasts of Africa to Europe and Asia.
  - **Solidifies global platform first-mover advantage:** The combination of Teraco’s leading position in South Africa with Digital Realty’s leading connectivity hubs in Nigeria on the west and Kenya on the east coast – along with Digital Realty’s strategic Mediterranean interconnection hubs in Marseille and Athens – is expected to significantly strengthen Digital Realty’s leading pan-African position, enhancing the ability to serve local as well as multinational enterprises and service providers.
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- **Underserved region expected to see significant growth:** The total addressable data center market in Africa is expected to expand significantly over the next several years. The total population of Africa is nearly 1.4 billion, or more than 15% of the world's total population, with a median age of just 20 years. Digital transformation is accelerating, and it is happening in South Africa first and radiating across the African continent. South Africa's economy is the third-largest in Africa, and South Africa is home to more than half of the region's top 500 companies. South Africa also serves as either the worldwide or regional headquarters for many companies doing business elsewhere in Africa. South Africa is the largest data center market on the continent, although it is estimated that only a fraction of potential demand is being effectively addressed, given the relative scarcity of institutional quality data center capacity.
- **Experienced local management team:** The Teraco management team will remain in place and will maintain day-to-day responsibility for operations in South Africa. The Teraco management team is led by Chief Executive Officer Jan Hnizdo, a longtime team member who has helped drive Teraco's significant growth over the last decade. Hnizdo is supported by an experienced and highly qualified local management team with over 100 years of combined experience. In addition, Teraco's existing investors, including several leading global digital infrastructure investors with extensive experience investing in Africa, are rolling forward a significant portion of their equity interests, demonstrating their conviction in Teraco's future growth prospects under the Digital Realty umbrella. The continuing involvement of management and the existing investors is consistent with Digital Realty's new market entry strategy of partnering with strong local management teams and experienced regional capital partners.
- **Significant embedded growth potential:** Teraco has historically generated healthy double-digit growth in key financial metrics, including revenue, EBITDA and participants on its platform. The Teraco platform contains 187 megawatts of total planned capacity, including seven in-service facilities totaling 75 megawatts and one development project totaling 19 megawatts currently under construction. Teraco owns the freehold to six of its seven data centers, representing over 85% of total revenues and including its densely interconnected campus in Johannesburg. In addition, Teraco owns land adjacent to its Johannesburg and Cape Town campuses that will support the development of up to 93 megawatts of additional capacity, representing significant embedded growth potential and providing considerable runway to support customer growth.

"This highly strategic transaction immediately cements Digital Realty as the leading colocation and interconnection provider in Africa, a region experiencing rapid digital transformation," said Digital Realty Chief Executive Officer A. William Stein. "Teraco is the industry leader in South Africa and the continent's connectivity hub. This investment will enhance our ability to serve customers on a global basis by adding significant regional scale with a premier, network-dense portfolio in South Africa's most strategically important metros. Teraco will also advance our strategy of increasing exposure to highly connected, network- and carrier-dense facilities to enhance our global coverage and connectivity capabilities."

Teraco Chief Executive Officer Jan Hnizdo added, "We are excited to enter our next chapter by joining forces with Digital Realty to create a truly global, scaled platform serving our customers in Africa and beyond. Our

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combined platform will be uniquely positioned to serve the full customer spectrum with the ability to support their growth around the world. We look forward to working with the Digital Realty team to extend our state-of-the-art data center and connectivity solutions to capitalize on the favorable industry trends and tremendous market opportunity.”

### **Transaction Details and Financial Impact**

The transaction values Teraco at approximately \$3.5 billion, representing a cap rate of approximately 3.5% on projected 2022 cash net operating income of approximately \$121 million. The stabilized return is expected to improve significantly over time, as approximately 60% of Teraco’s in-service portfolio was developed within the past two years and the existing development pipeline and land bank could expand the platform by nearly 150%. After closing, Digital Realty will own approximately 55% of the total equity interests in Teraco, while the remaining 45% will be held by a consortium of existing investors, including management, Berkshire Partners LLC, Permira, van Rooyen Group, Columbia Capital, Stepstone Ventures and the Teraco Connect Trust. The rolling equity investors in Teraco will have the opportunity to put their interests to Digital Realty between 3.5-5.5 years after closing, while Digital Realty will have the right to call those equity interests between 5.5-6.5 years after closing.

The transaction is expected to be approximately 1% dilutive to Digital Realty’s core FFO per share in 2022, breakeven in 2023, and accretive to financial metrics and the growth trajectory of the combined organization thereafter. The Teraco investment will be financed through a combination of proceeds from Digital Realty’s private capital and capital recycling initiatives, committed funding under the existing forward equity commitment and other potential future financings.

The transaction is expected to close in the first half of 2022 and is subject to customary closing conditions. Solomon Partners is acting as financial advisor and Latham & Watkins LLP and Bowmans are acting as legal advisors to Digital Realty. Goldman Sachs is acting as financial advisor to Teraco and Weil, Gotshal & Manges LLP and ENSafrica are serving as legal advisors to Teraco.

### **About Digital Realty**

Digital Realty supports the world’s leading enterprises and service providers by delivering the full spectrum of data center, colocation and interconnection solutions. PlatformDIGITAL®, the company’s global data center platform, provides customers a trusted foundation and proven Pervasive Datacenter Architecture (PDx™) solution methodology for scaling digital business and efficiently managing data gravity challenges. Digital Realty’s global data center footprint gives customers access to the connected communities that matter to them with more than 280 facilities in 48 metros across 24 countries on six continents. For more information, please visit [digitalrealty.com](http://digitalrealty.com) or follow us on LinkedIn and Twitter.

### **About Teraco Data Environments**

Teraco provides carrier and cloud-neutral colocation data centers, and with approximately 22,000 cross-connects, it is Africa’s most interconnected data center hub. As the first provider of highly resilient, vendor-neutral data environments in sub-Saharan Africa, Teraco brings global content closer to the digital edge. With its world-class data center infrastructure and network dense ecosystems, Teraco forms a vital part of the African Internet’s backbone and is essential to the modern enterprise’s digital transformation strategy.

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Discovering new business partners, making strategic interconnection choices, on-ramping to the customer's choice of clouds, and reaching new markets globally – Teraco provides a highly secure, flexible and resilient home for digital organizations the world over. Purpose-built and operated to global best practice by an expert organization with an absolute focus on data center technology and infrastructure, Teraco offers all its clients secure, cost-effective, sustainable, scalable and resilient data center services through its Johannesburg, Durban and Cape Town facilities. For more information about Teraco Data Environments, visit [teraco.co.za](http://teraco.co.za).

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#### **Safe Harbor Statement**

This press release contains forward-looking statements which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially, including statements related to the company's entry into a definitive agreement to acquire Teraco, the anticipated closing of the transaction, the South African and African market, development plans and operations in Africa, access to subsea cables, Digital Realty's strategy, expected growth of the digital economy, customer demand, expected benefits, and expectations on accretion to growth, initial dilution to financial metrics and accretion to financial metrics over the intermediate term. For a list and description of such risks and uncertainties, see the reports and other filings by the company with the U.S. Securities and Exchange Commission. The company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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