



ONE DATA CENTER PROVIDER.
EVERYTHING YOU NEED.

Q3 2020 Investor Presentation

November 2020

Forward Looking Statements

This investor presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, 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 that are predictions of or indicate future events or trends and that do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond CoreSite’s control, that may cause actual results to differ significantly from those expressed in any forward-looking statement. These risks include, without limitation: the geographic concentration of CoreSite’s data centers in certain markets and any adverse developments in local economic conditions or the level of supply of or demand for data center space in these markets; fluctuations in interest rates and increased operating costs; difficulties in identifying properties to acquire and completing acquisitions; significant industry competition, including indirect competition from cloud service providers; failure to obtain necessary outside financing; the ability to service existing debt; the failure to qualify or maintain its status as a real estate investment trust (“REIT”); financial market fluctuations; changes in real estate and zoning laws and increases in real property tax rates; the effects on our business operations, demand for our services and general economic conditions resulting from the spread of the novel coronavirus (“COVID-19”) in our markets, as well as orders, directives and legislative action by local, state and federal governments in response to such spread of COVID-19; and other factors affecting the real estate industry generally. All forward-looking statements reflect CoreSite’s good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Furthermore, CoreSite disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause CoreSite’s future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in its most recent annual report on Form 10-K, and other risks described in documents subsequently filed by CoreSite from time to time with the Securities and Exchange Commission.

Q3 2020 Highlights

Sales and Backlog

Q3 New & Expansion Leasing

- \$12.5M Total N&E Leasing, Our Highest in 4 Quarters
 - \$5.6M Retail Leasing
 - \$6.9M Scale Leasing

Q3 Data Center Sales Backlog

(Signed, Not Yet Commenced)

- GAAP Basis – \$17.8M
- Cash Basis – \$23.6M

Property Development

YTD Placed into Service

- Completed and placed into service ~193,000 NRSF and 22 MWs of capacity, including LA3 Phase 1 in October

Available & Developable Capacity

- ~472K NRSF of available, unleased capacity, including the unleased capacity at LA3 Phase 1
- ~88 MWs of available and developable capacity, which includes existing and incremental space that can be developed within 2 quarters

Financial Highlights

Revenue

- Q3 – Increased 6.3% YoY and 2.3% sequentially
- YTD – Increased 5.9% YoY

Adjusted EBITDA

- Q3 – Increased 4.5% YoY and was consistent sequentially
- YTD – Increased 5.5% YoY

FFO per Share

- Q3 – Increased \$0.05, or 3.9% YoY and decreased \$0.02, or 1.5% sequentially
- YTD – Increased \$0.17, or 4.5% YoY

Balance Sheet

Strong Liquidity

- \$326.8M of current liquidity

Leverage

- 5.2x Net Principal Debt / Annualized Adjusted EBITDA
 - 4.9x including GAAP backlog
- Expect to end 2020 slightly higher at ~5.3x

COVID-19

CoreSite Response & Resiliency

- Data centers remain open & fully operational at 7-nines uptime YTD, with PPE & social distancing measures in place at all sites
- Health screenings, upgraded sanitation and air filtration at offices and data centers
- Resumed in-person data center sales tours following COVID-19 safety protocols
- Continued increase in remote hands activity and use of customer portal

Guidance

2020 Guidance

- Increased to the following ranges:
 - Net Income/share – \$1.92 to \$1.96
 - FFO/share – \$5.26 to \$5.30, or an increase of 1.5% at the midpoint
 - Adjusted EBITDA – \$322M to \$324M, or an increase of 0.6% at the midpoint

Preliminary 2021 Guidance

- Capital Expenditures – \$185M to \$225M
- Churn – 7.5% - 8.5%

CoreSite at a Glance

Delivering network dense, edge-market data centers, with rich ecosystems



2001

Year Founded



460+

Professionals



4.6+ Million

Gross NRSF



1,350+

Customers



550+

Enterprise and
Digital Content



450+

Network Service
Providers



325+

Cloud and IT
Service Providers



100%

SLA



24

Operational
Data Centers



8

Markets

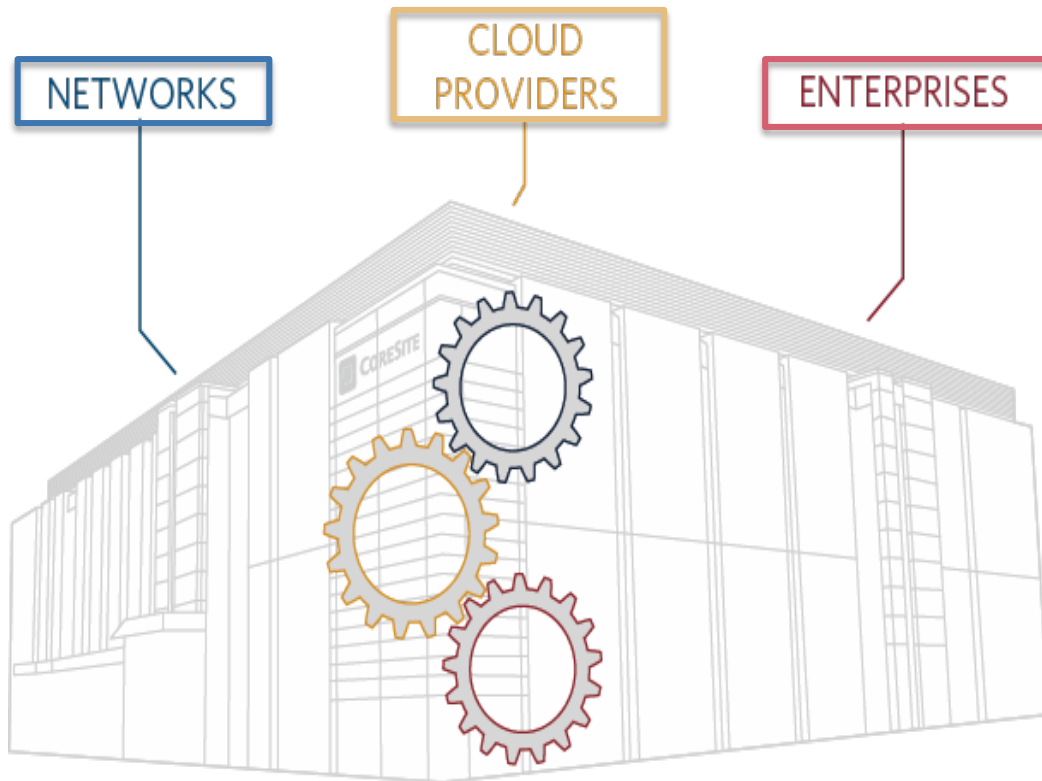


30,000+

Customer
Interconnections

Our Focus and Strategy

Bringing together a strong network and cloud community
to support the needs of the enterprise



High-Performance Data Center Solutions

Network-dense locations in top U.S. markets; interconnected campuses suitable for hybrid-cloud / multi-cloud technology architectures

On-premise access to top public cloud providers – reduces network cost and complexity, optimizes cloud performance and resiliency, enhances scalability of enterprise requirements

Operational and service excellence

- A cultural mindset of continuous improvement
- Meeting and exceeding customer expectations
- Dedicated in-house 24/7 data center operations personnel

Centralized utilities to support rapid and efficient access to public clouds and technology-solutions partners

- Private IP on-ramps
- Ethernet fabric
- APIs supporting leading global cloud providers and networks

Delivering a Strong Ecosystem

Performance Sensitive Data Center Drivers

Internet Traffic Growth

- Growth in internet usage has increased IT requirements
 - Traffic drivers: big data analytics, Internet of Things (IoT), 5G, Internet TV, smart phone adoption, media content, and social media
 - Fast, flexible, reliable data centers are critical

Cloud Computing

- A major driver of data center growth
 - Shared infrastructure provides flexibility and cost efficiency
 - Proximity to enterprises and multiple networks needed for the cloud
 - Enterprises are trending toward high performance hybrid cloud architecture

Increased IT Spending and DC Outsourcing

- Companies gain efficiencies of scale, better security, greater reliability, and the ability to scale quickly
- Globalization is causing companies to consider outsourcing in order to connect with their clients' IT infrastructure
- CoreSite expects third party data center spend to continue to increase

Customer Specifications

- Performance-sensitive applications require a data center to be in close proximity to end-users
- Enterprises benefit from data centers in multiple geographies with flexible power configurations, interconnection options and the ability to scale
- Heightened regulatory and cybersecurity compliance

High Barriers to Entry

- Most existing points of dense interconnection are already owned by data center providers
- Building dense network and cloud ecosystems generally takes 10+ years
- Scale, purchasing power and expertise reduce costs
- National platform and existing customer base are important to enterprises that desire national MSAs and network / cloud companies that want an ecosystem of companies to sell their services

Data Center Business: Retail, Scale & Hyperscale

Third-party data centers are often classified by the size and level of customization of the customer space, in addition to the products and/or services they provide

Retail

- Smaller spaces; secured cabinets / cages in larger suites
- Smaller power capacity requirements
- 3 – 4 year initial lease terms with auto-renewal provisions
- Small business to Global 1000 customers
- Application needs can range from requiring limited connectivity to requiring access to multiple network / cloud ecosystems
- “Performance-sensitive” customers need strong networks / connections, technical personnel, location and security
- Those customers with “undifferentiated” applications choose providers based on reliability and price
- Customers typically pay rent for the space, power, installation fees and cross-connects

Scale

- Defined by large blocks of space (130 cKW – 2 MW) and NRSF
- Greater power needs
- 5 – 10 year lease terms
- Customer base of large commercial enterprises, cloud providers, and government agencies
- Scale deployments are typically performance-sensitive applications that need to be in edge markets
- Customers charged for rent, power and cooling costs; they are generally responsible for everything inside their space

Hyperscale

- Defined by large blocks of space (>2 MW) and NRSF
- Customers tend to pay lower rents as they typically lease entire rooms and keep their own staff on site to maintain IT deployments
- Some hyperscale customers lease “shell” space at warehouse-level rents and will build out all of the mechanical improvements to the building to turn it into a full data center
- 10+ year lease terms with multiple renewal options
- Most hyperscale applications do not require high levels of interconnection services and select providers based on cost

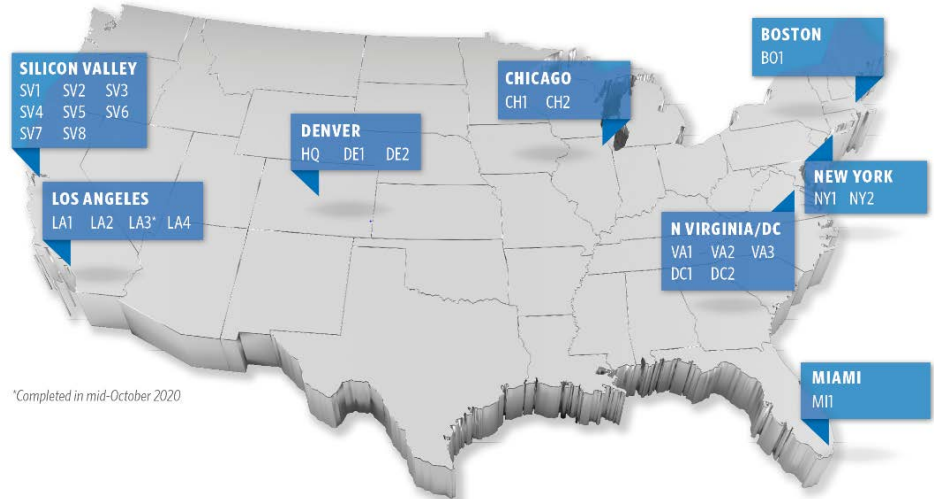
CoreSite targets retail customers with performance-sensitive applications, scale opportunities supporting high-performance, hybrid-cloud architectures, and which strengthen our customer ecosystems and opportunistically pursues hyperscale leasing.

High Quality, Strategically Located, Cloud Access

Our customers can reach 22% of the U.S. population representing 31% of U.S. GDP and have the ability to cover more than 75% of U.S. businesses within 5 milliseconds with performance-sensitive applications and products across our 8 markets.

As of 9/30/20

Market	# of Networks
Los Angeles	310+
Denver	90+
Northern Virginia / D.C.	65+
San Francisco Bay	65+
New York / New Jersey	60+
Chicago	40+
Boston	35+
Miami	20+



CLOUD SERVICES

In addition to direct connect markets listed, Amazon, Microsoft, Google, Alibaba Cloud, IBM Cloud and Oracle FastConnect can all be accessed through inter-site connectivity or service providers in all eight of our markets

CLOUD ON-RAMP AVAILABILITY

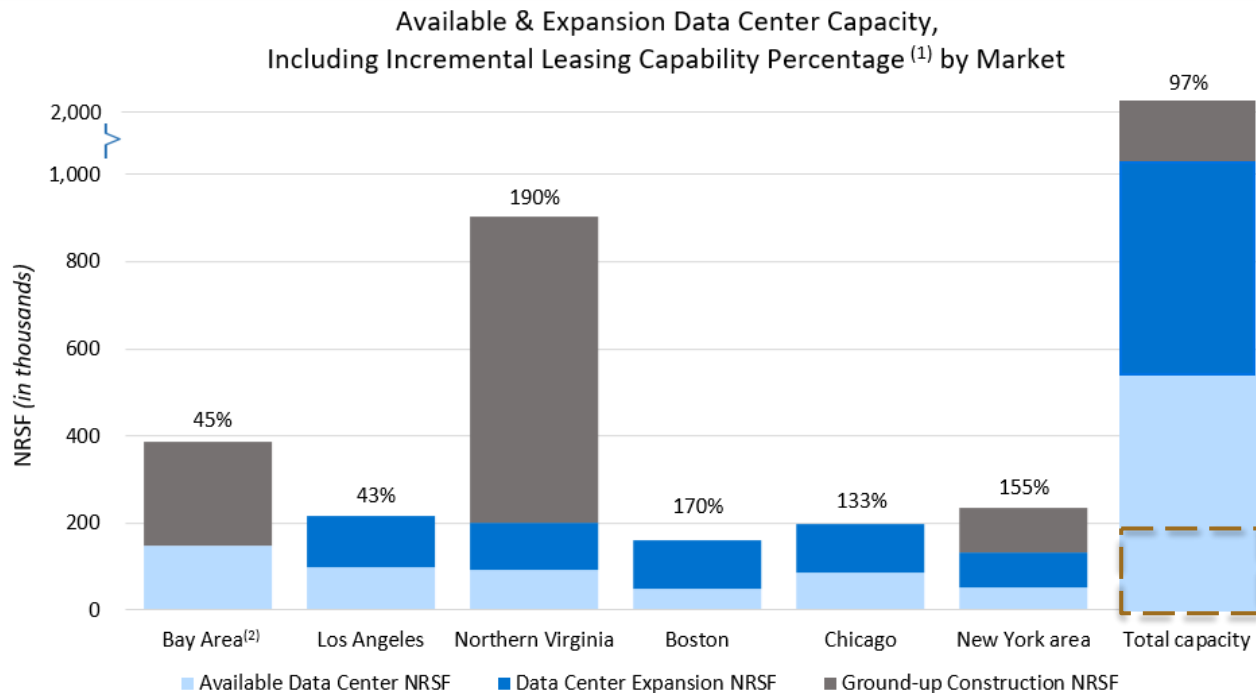
- AWS Direct Connect:** All Eight Markets
- Microsoft Azure ExpressRoute:** LA, SV, CH, NY, BO, DE, VA
- Google Cloud Interconnect:** LA, DE, CH
- IBM Cloud Direct Link:** LA, DE, VA
- Alibaba Cloud:** VA, SV
- Oracle FastConnect:** LA, VA


CoreSite owns approximately 92% of the NRSF underlying its data centers

Data Center Capacity

Capacity is crucial to meeting customer demand we continue to see for edge capacity and hybrid-cloud and edge cloud deployments in our major metro markets.

We have the ability to increase our leased footprint by ~2.1 million NRSF or ~97%, including space currently unleased, under construction, pre-construction or held for development.

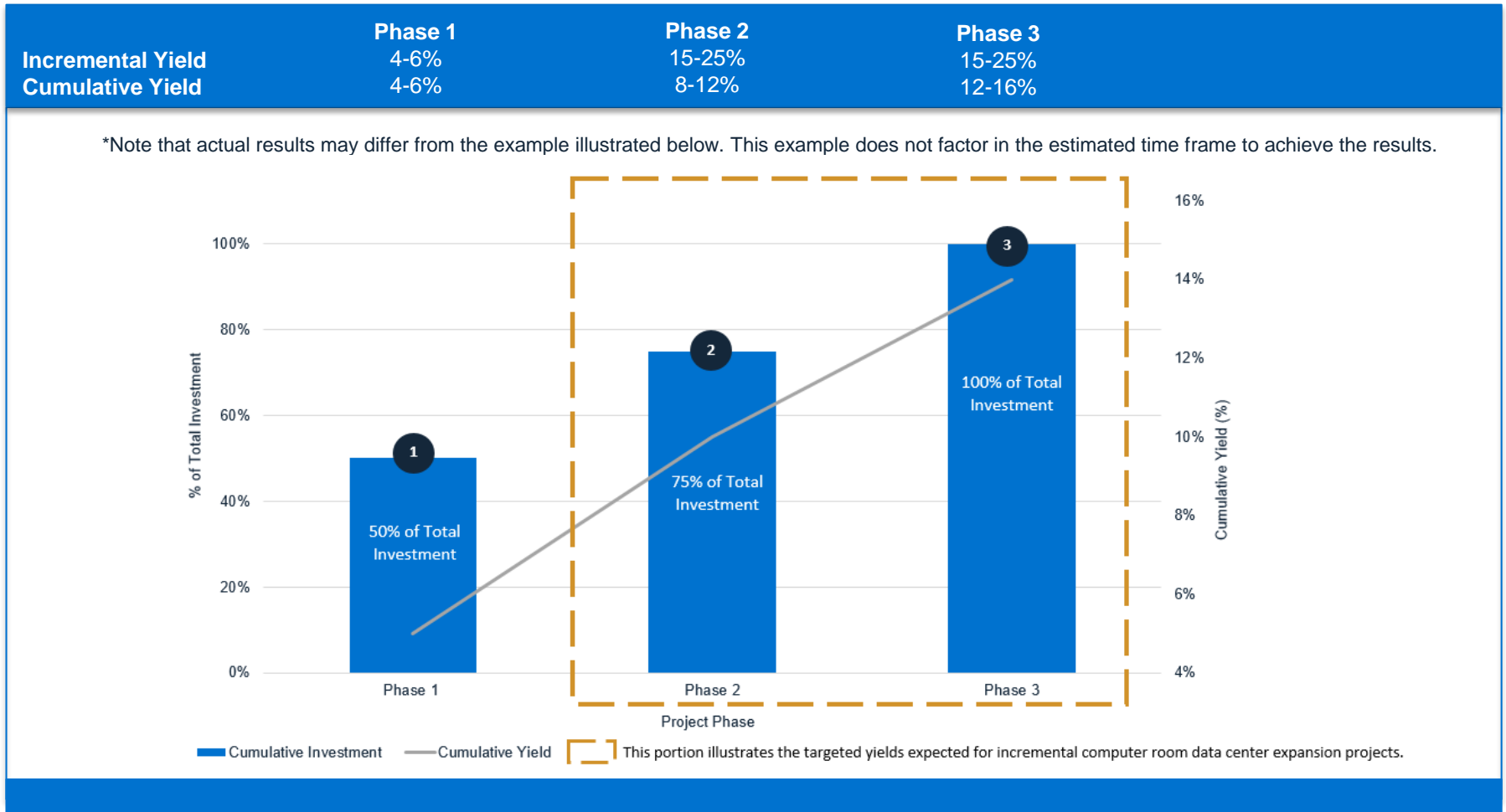


 This portion illustrates our average annual gross sales on a NRSF basis.

- 1) Leasing Capability represents the incremental NRSF that can be leased through existing and incremental computer rooms as a percentage of the in-place leased NRSF.
- 2) The available data center NRSF shown above for the Bay Area includes a single customer lease comprising approximately 40,000 NRSF expiring in Q4 2020 and 32,000 NRSF expiring in Q4 2021 that will not be renewed.

Target Development Yield

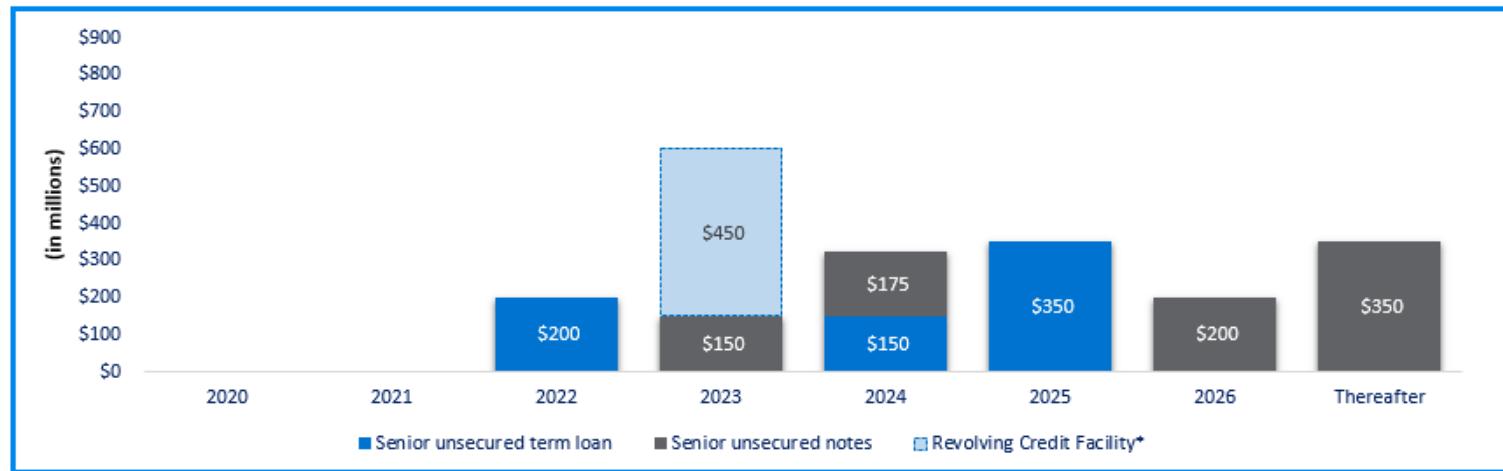
The following graph illustrates an example of CoreSite's target development yield for ground-up, purpose-built data center projects:



- 1 Initial investment yields expected to be lower than stabilized yields due to Phase 1 investment (50% of the total), including land acquisition, shell build-out, supporting infrastructure, & other.
- 2 Throughout the 24-month stabilization period we expect investment returns to begin to increase as operating expenses become more dependent on occupancy levels.
- 3 Upon project completion, and as each project reaches stabilized occupancy levels, our underwriting goal is to achieve stabilized yields of 12-16%.

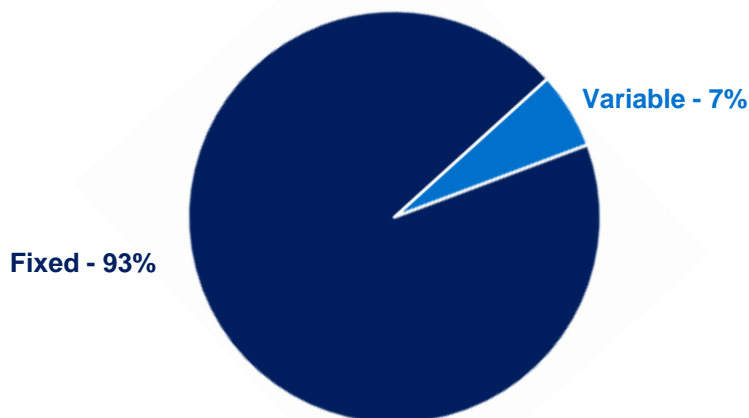
Financial Strength – a Competitive Advantage

No Debt Maturities Until 2022, Staggered Thereafter



*Amount includes underdrawn revolver capacity, and the credit facility contains a one-time extension option, which would extend the maturity date to 2024.

Debt Composition at September 30, 2020



Liquidity at September 30, 2020

\$ in 000s	September 30, 2020
Revolving credit facility availability	\$ 450,000
Borrowings outstanding	(120,000)
Outstanding letters of credit	(6,053)
Current availability	\$ 323,947
Cash	2,894
Current Liquidity	\$ 326,841

Other Financial Information

Summary of Financial Data

Summary of Results	For the period of			Growth %	Growth %	YTD 2020	YTD 2019	Growth %
	Q3 2020	Q2 2020	Q3 2019	Q/Q	Y/Y			Y/Y
GAAP Financial Measures								
Operating revenues	\$ 153,981	\$ 150,543	\$ 144,891	2.3 %	6.3 %	\$ 451,886	\$ 426,692	5.9 %
Net income	24,132	25,088	22,644	(3.8)	6.6	72,208	74,292	(2.8)
Net income attributable to common shares	21,132	20,671	17,450	2.2	21.1	59,651	56,646	5.3
Net income per share attributable to common shares - diluted	\$ 0.50	\$ 0.52	\$ 0.47	(3.8)	6.4	\$ 1.49	\$ 1.54	(3.2)
REIT Financial Measures								
Funds from operations (FFO) to shares and units	\$ 64,268	\$ 65,250	\$ 61,736	(1.5) %	4.1 %	\$ 191,921	\$ 183,144	4.8 %
Adjusted funds from operations (AFFO)	62,580	65,291	61,171	(4.2)	2.3	187,981	185,125	1.5
EBITDAre	77,285	77,472	74,189	(0.2)	4.2	229,936	218,320	5.3
Adjusted EBITDA	81,441	81,644	77,928	(0.2)	4.5	241,746	229,108	5.5
FFO per common share and OP unit - diluted	\$ 1.33	\$ 1.35	\$ 1.28	(1.5) %	3.9 %	\$ 3.97	\$ 3.80	4.5 %
Cash flow distributable to common equity ⁽¹⁾	\$ 60,999	\$ 64,028	\$ 59,470	(4.7) %	2.6 %	\$ 184,044	\$ 180,801	1.8 %
Other Financial Ratios								
EBITDAre Margin	50.2 %	51.5 %	51.2 %	(130) bps	(100) bps	50.9 %	51.2 %	(30) bps
Adjusted EBITDA margin	52.9 %	54.2 %	53.8 %	(130) bps	(90) bps	53.5 %	53.7 %	(20) bps

(1) See reconciliations of non-GAAP measures on page 12 of our Q3 2020 Supplemental and a discussion of the non-GAAP disclosures on slides 17-18.

(2) Cash flow distributable to common equity is defined as AFFO less non-recurring capital and SaaS IT spend.

Summary of Financial and Operational Data

	As of				
	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Dividend Activity					
Dividends declared per share and OP unit	\$ 1.22	\$ 1.22	\$ 1.22	\$ 1.22	\$ 1.22
TTM FFO payout ratio	93.1 %	93.9 %	95.2 %	93.7 %	92.1 %
TTM AFFO payout ratio	94.8 %	95.2 %	95.9 %	93.2 %	91.2 %
Operating Portfolio Statistics					
Operating data center properties	24	24	23	23	23
Stabilized data center NRSF	2,516,411	2,516,411	2,482,660	2,406,512	2,335,962
Stabilized data center NRSF occupied	2,207,215	2,226,153	2,183,751	2,179,854	2,110,574
Stabilized data center % occupied	87.7 %	88.5 %	88.0 %	90.6 %	90.4 %
Turn-Key Data Center ("TKD") Same-Store Statistics					
MRR per Cabinet Equivalent	\$ 1,604	\$ 1,596	\$ 1,602	\$ 1,597	\$ 1,580
TKD NRSF % occupied	83.6 %	84.6 %	83.4 %	83.6 %	83.3 %
Market Capitalization & Principal Debt					
Total enterprise value	\$ 7,479,878	\$ 7,514,871	\$ 7,218,678	\$ 6,919,211	\$ 7,287,403
Total principal debt outstanding	\$ 1,692,106	\$ 1,621,314	\$ 1,577,193	\$ 1,484,452	\$ 1,382,547
Net Principal Debt to:					
Annualized Adjusted EBITDA	5.2 x	5.0 x	5.0 x	4.7 x	4.4 x
Annualized Adjusted EBITDA, including GAAP backlog ⁽¹⁾	4.9 x	4.8 x	4.7 x	4.5 x	4.1 x
Enterprise Value	22.6 %	21.6 %	21.8 %	21.5 %	19.0 %

(1) Backlog is the annualized rent for data center leases that were signed, but have not yet commenced during the quarter. Backlog for the quarter ended September 30, 2020, was \$17.8 million on a GAAP basis and \$23.6 million on a cash basis.

Key Portfolio Statistics

	9 Mos. Ended 9/30/2020	YTD 2019	YTD 2018	YTD 2017	YTD 2016
New / Expansion Leases Signed					
Number of Leases ⁽¹⁾	358	507	514	478	579
Annualized Rents (000s) ⁽²⁾	\$ 27,962	\$ 54,979	\$ 27,653	\$ 38,937	\$ 48,760
Total Leased NRSF	153,752	271,712	142,116	180,415	245,853
Annualized Rent per Leased NRSF	\$ 182	\$ 197	\$ 203	\$ 209	\$ 198
Renewal Leases Signed					
Rental Churn Rate	6.2 %	11.1 %	7.7 %	5.5 %	7.8 %
Cash Rent Growth	0.7 %	0.4 %	3.6 %	3.4 %	3.9 %
GAAP Rent Growth	5.8 %	4.2 %	7.5 %	7.3 %	7.6 %
Commenced Leases					
Number of Leases ⁽¹⁾	363	519	517	495	616
Annualized Rents (000s) ⁽²⁾	\$ 24,791	\$ 48,347	\$ 32,940	\$ 32,775	\$ 58,632
Total Leased NRSF	123,826	253,664	174,834	136,902	443,112
Annualized Rent per Leased NRSF	\$ 200	\$ 195	\$ 182	\$ 239	\$ 132

(1) Number of leases represents each agreement with a customer; a lease agreement could include multiple spaces and a customer could have multiple leases.

2020 Guidance

	2020 ⁽¹⁾			2019	Implied Growth ⁽²⁾
	Low	High	Mid		
Net income attributable to common diluted shares	\$ 1.92	\$ 1.96	\$ 1.94	\$ 2.05	(5.4) %
Real estate depreciation and amortization	3.34	3.34	3.34	3.05	
FFO per common share and OP unit - diluted	\$ 5.26	\$ 5.30	\$ 5.28	\$ 5.10	3.5 %
Projected operating results:					
Total operating revenues	\$ 600,000	\$ 610,000	\$ 605,000	\$ 572,727	5.6 %
Interconnection revenues	80,000	86,000	83,000	75,751	9.6
General and administrative expenses	44,000	48,000	46,000	43,764	5.1
Property taxes and insurance	24,000	26,000	25,000	22,866	9.3
Net Income	\$ 93,000	\$ 95,000	\$ 94,000	\$ 99,037	(5.1) %
Depreciation and amortization	168,000	168,000	168,000	152,925	9.9
Other adjustments ⁽³⁾	61,000	61,000	61,000	56,170	8.6
Adjusted EBITDA	\$ 322,000	\$ 324,000	\$ 323,000	\$ 308,132	4.8 %
Guidance drivers:					
Annual rental churn rate ⁽⁴⁾	9.0 %	11.0 %	10.0 %	11.1 %	
Cash rent growth on data center renewals	— %	2.0 %	1.0 %	0.4 %	
Capitalized interest	20.0 %	25.0 %	22.5 %	24.7 %	
Sales and marketing expense as a percentage of revenue	3.9 %	4.1 %	4.0 %	3.9 %	
Capital expenditures:					
Data center expansion	\$ 215,000	\$ 250,000	\$ 232,500	\$ 382,761	
Non-recurring investments	2,500	7,500	5,000	6,429	
Tenant improvements	2,500	7,500	5,000	4,267	
Recurring capital expenditures	5,000	10,000	7,500	7,404	
Total capital expenditures⁽⁵⁾	\$ 225,000	\$ 275,000	\$ 250,000	\$ 400,861	

(1) Net income attributable to common diluted shares, FFO per common share and OP unit – diluted, and adjusted EBITDA have been updated since Q2 2020.

(2) Implied growth is based on the midpoint of 2020 guidance.

(3) Refer to slide 17 for the adjustments made to net income to calculate adjusted EBITDA.

(4) We currently expect 2021 total capital expenditures to be between \$185M – \$225M.

(5) We currently expect the 2021 annual rental churn rate to be between 7.5% - 8.5%, inclusive of the 200 basis points related to the specific Bay Area customer during the second half of the year.

Definition of Non-GAAP Financial Measures

This document includes certain non-GAAP financial measures that management believes are helpful in understanding our business, as further described below. Our definition and calculation of non-GAAP financial measures may differ from those of other REITs, and therefore, may not be comparable. The non-GAAP measures should not be considered an alternative to net income as an indicator of our performance and should be considered only a supplement to net income, cash flows from operating, investing or financing activities as a measure of profitability and/or liquidity, computed in accordance with GAAP.

Definitions

Earnings before Interest, Taxes, Depreciation and Amortization for Real Estate (EBITDAre) and Adjusted EBITDA

EBITDAre is calculated in accordance with the standards established by the National Association of Real Estate Investment Trusts (“Nareit”). EBITDAre is defined as earnings before interest, taxes, depreciation and amortization, gains or losses from the sale of depreciated property, and impairment of depreciated property. We calculate adjusted EBITDA by adding our non-cash compensation expense, transaction costs from unsuccessful deals and business combinations and litigation expense to EBITDAre as well as adjusting for the impact of other impairment charges, gains or losses from sales of undepreciated land and gains or losses on early extinguishment of debt. Management uses EBITDAre and adjusted EBITDA as indicators of our ability to incur and service debt. In addition, we consider EBITDAre and adjusted EBITDA to be appropriate supplemental measures of our performance because they eliminate depreciation and interest, which permits investors to view income from operations without the impact of non-cash depreciation or the cost of debt. However, because EBITDAre and adjusted EBITDA are calculated before recurring cash charges including interest expense and taxes, and are not adjusted for capital expenditures or other recurring cash requirements of our business, their utilization as a cash flow measurement is limited.

Funds from Operations “FFO”

FFO is a supplemental measure of our performance which should be considered along with, but not as an alternative to, net income and cash provided by operating activities as a measure of operating performance. We calculate FFO in accordance with the standards established by Nareit. FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of property and undepreciated land and impairment write-downs of depreciable real estate, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

Our management uses FFO as a supplemental performance measure because, by excluding real estate related depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs.

Additional definitions can be found in our earnings supplemental for the quarter ended September 30, 2020.

Definition of Non-GAAP Financial Measures

Adjusted Funds from Operations “AFFO”

AFFO is a non-GAAP measure that is used as a supplemental operating measure specifically for comparing year over year ability to fund dividend distribution from operating activities. We use AFFO as a basis to address our ability to fund our dividend payments. AFFO is calculated by adding to or subtracting from FFO:

1. Plus: Amortization of deferred financing costs and hedge amortization
2. Plus: Non-cash compensation
3. Plus: Non-real estate depreciation
4. Plus: Impairment charges
5. Plus: Below market debt amortization
6. Plus: Original issuance costs associated with redeemed preferred stock
7. Plus/Less: Net straight line rent adjustments (lessor revenue and lessee expense)
8. Plus/Less: Net amortization of above and below market leases
9. Less: Recurring capital expenditures
10. Less: Tenant improvements
11. Less: Capitalized leasing costs

Capitalized leasing costs consist of commissions payable to third parties, including brokers, leasing agents, referral agents, and internal sales commissions payable to employees. Capitalized leasing costs are accrued and deducted from AFFO generally in the period the lease is executed. Leasing costs are generally paid a) to third party brokers and internal sales employees 50% at customer lease signing and 50% at lease commencement and b) to referral and leasing agents monthly over the lease term as and to the extent we receive payment from the end customer.

AFFO is not intended to represent cash flow from operations for the period, and is only intended to provide an additional measure of performance by adjusting for the effect of certain items noted above included in FFO. Other REITs widely report AFFO, however, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not be comparable to other REITs.

Additional definitions can be found in our earnings supplemental for the quarter ended September 30, 2020.



Thank you

CoreSite Investor Relations
1001 17th Street, Suite 500
Denver, CO 80202 USA

+1 866.777.CORE
+1 303.405.1000

CoreSite.com

InvestorRelations@CoreSite.com

ONE DATA CENTER PROVIDER. EVERYTHING YOU NEED.