

CoreSite
President and CEO



Paul Szurek

Fellow Shareholders,

2020 proved to be challenging on many fronts. I am happy to report that our team overcame these challenges by executing on our strategy to uniquely position CoreSite through differentiated, network-dense data center campuses with robust ecosystems of enterprises, networks and cloud providers in eight key North American markets. Our development program over the last couple of years has replenished our available and developable capacity and created an excellent opportunity for continued revenue growth and margin expansion.

We quickly responded to the ongoing global pandemic by prioritizing the safety, satisfaction and well-being of our customers, employees and shareholders. Our data centers have remained fully operational with essential staffing, personal protective equipment and sanitization, world class air filtering, and social distancing measures in place. We maintained very high uptime, significantly exceeding the industry standard, and hosted ongoing customer expansions and implementations.

Amidst the backdrop of the global pandemic, we executed well on our 2020 priorities, which focused on the components of long-term sustainable growth. We fulfilled our multi-year plan to add four new ground-up data centers to our portfolio ecosystem. Our expanded capacity allows us to meet a broader range of customer requirements and continue to attract quality new logos to our portfolio.

Strategic Expansion to Accelerate Digital Transformation

We gain significant business and strategic advantages by expanding our campuses and customer ecosystems to deploy high-performance, hybrid and multi-cloud data architectures. Our highly connected digital communities accelerate and enable our customers' digital transformations, and, in the process, use the services of other customers in each campus. In 2020, we expanded our campuses with 192,000 net rentable square feet ("NRSF"), or 22 megawatts ("MW"), of new capacity, and have another 54,000 NRSF, or 6 MW under development, including:

- Completed Construction
 - Los Angeles – LA3 Phase 1 comprised of 50,000 NRSF, or 6 MW, which is 80% leased
 - Chicago – CH2 Phase 1 comprised of 55,000 NRSF, or 6 MW, in early stage leasing
 - Santa Clara – SV8 Phase 3, the 52,000 NRSF, or 6 MW, final phase of SV8, which is 75% leased
 - Secaucus – CR203 in our NY2 data center, which is comprised of 35,000 NRSF, or 4 MW of capacity, which is 20% leased
- Construction in Progress
 - Los Angeles – LA3 Phase 2, comprised of 54,000 NRSF, or 6 MW of capacity, which we expect to complete in Q4 of 2021

We finished 2020 with 40 MW of available capacity to lease compared to 23 MW at the end of 2019. This gives us the opportunity to drive significant value creation through leasing of available space within our existing portfolio with significantly reduced capital expenditure requirements in 2021.

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2020 – Record Retail and Small Scale Sales and Strong New Logo Growth

Our new capacity enabled us to execute strong leasing, including a company record for retail and small scale new and expansion sales. We achieved accelerated leasing in Northern Virginia, our best year in terms of annualized GAAP rent in that market since 2015, our best year in Chicago since 2016 in terms of annualized GAAP rent, and continuing success in the Bay Area, Los Angeles and the New York area. Our leasing results also included extensive expansions from existing customers, which accounted for 89% of the full year 2020 new and expansion leasing in terms of annualized GAAP rent.

We executed strong, high-quality new logo sales during the year, which enhances our ecosystem while diversifying our customer base. Our focus going forward is to continue improving our ability to help customers solve their IT challenges. Ongoing product and services development are focused on onboarding new customers to quickly and seamlessly interoperate with clouds, networks and other customers.

Operational Excellence and Enhanced Connectivity

The reliability of our data centers and quality of our customers experience are core to our value proposition. We continue to invest in our people, systems, customer interfaces and training to drive strong results for our customers.

On the operational front we achieved “seven 9s” of uptime for power and cooling across our portfolio of data centers, which exceeded our target of “six 9s” and the industry standard of “five 9s”. We also expanded our connectivity options, including the additions of:

- Google Partner Interconnect and Oracle Cloud Infrastructure to the CoreSite Open Cloud Exchange[®],
- Increased bandwidth for AWS Hosted Connections on the CoreSite Open Cloud Exchange,
- Multi-market peering to our enhanced Any2 Exchange[®], and
- Access to Google Cloud using Dedicated Interconnect in Northern Virginia.

2020 – Financial Results

Our 2020 financial results included:

- Operating revenue growth of 6.0% year over year,
- Net income per common diluted share decrease of \$0.10 year over year
- Adjusted EBITDA growth of 5.3% year over year
- Funds from operations per share and unit growth of 4.1% year over year
- Declared dividends of \$4.89 per share, representing an increase of 2.7% over 2019.

Talent and Diversity


CoreSite has historically cultivated its core values of “Fair and Equal Treatment” and “Commitment to Each Other” to build a culture which would attract, retain and advance talent from all demographic groups. We enact these values through broad-based recruitment, internal training, bias testing, employee engagement and a policy favoring promotion from within. Primarily through the organic process of individual employee growth and promotion, our senior leadership team has grown in four years from no gender or ethnic diversity to 40% female and minority senior leaders. Over the same time period, our board has added four female or minority directors. Please refer to our Corporate Sustainability Report on

our website for more detail about our commitment to these values and how we put them into practice to drive results.

Looking Forward

We are excited about the opportunities that lie ahead of us this year. Our optimism stems from the fundamental market drivers that support our strategy and the unique position of our network-dense, cloud enabled campuses located in top enterprise markets. We believe our priorities and our other operating objectives will continue to drive long-term value creation to our customers, employees and shareholders. The entire CoreSite team is grateful for the guidance and support of our board of directors and the support of our shareholders.

Sincerely,



Paul Szurek,
CoreSite President and CEO