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MEDIA CONTACT Megan Ruszkowski Vice President of Marketing and Sales Development 720-446-2014 press@CoreSite.com

CoreSite Releases 2025 State of the Data Center Report Underscoring the Critical Role of Colocation and Connectivity in Enterprise Hybrid IT Infrastructure

Growing Artificial Intelligence and High-Density Workloads are Requiring Leaders to Rethink their Hybrid IT Strategy Mix

DENVER - (May 29, 2025) – <u>CoreSite</u>, an American Tower company (NYSE: AMT) empowering critical business and AI workloads that impact everyday life through interconnected data center solutions, today released its <u>2025 State of the Data Center Report</u>, which examines the latest data center and cloud computing trends, strategies and requirements. Now in its sixth year, the <u>2025</u> report finds business and IT leaders are navigating a world where they must increasingly rely on digitization – particularly emerging technologies like AI – to innovate, generate revenue and modernize their organizations, all while managing costs in an uncertain economic environment.

The new research shows that while IT leaders are becoming more comfortable and adept at balancing workloads across on-premises, colocation data centers and the public cloud, there's a key component missing: connectivity. As companies are turning more often to a hybrid IT mix grounded in colocation – due to colocation's balance of performance, security, compliance and cost – only 19% of respondents said their colocation data center providers offer interconnection services.

"To have a truly successful hybrid IT environment, one that creates a secure and low-latency competitive edge, companies need seamless integration and connectivity across applications and services," said Anthony Hatzenbuehler, Senior Vice President of Operations at CoreSite. "IT leaders are relying on colocation providers to bridge the interconnection gap by offering direct cloud interconnections to multiple environments across providers."

High-level insights and key data points from this year's report include:

- Organizations Embrace "Cloud-Smart": Organizations are continuing to shift from a "cloud-only" to a "cloud-smart" or hybrid IT architecture, with 98% of respondents implementing or planning a blend of public and private cloud, on-premises and colocation services to run workloads where they perform best.
- Closing the Interconnection Gap: While most survey respondents consider direct connectivity through a colocation provider a "must have," citing it as the top factor accelerating their digital transformation, only 19% say their colocation provider offers interconnection to a variety of cloud providers. CoreSite is one of only a few colocation providers to offer native cloud connections in its facilities.
- AI Shapes IT Infrastructure: The No. #1 reason respondents are choosing to host generative
 AI applications in colocation environments is the providers' cloud interconnection. High-density
 power and cooling capabilities, cost, compliance and security are additional factors in that
 decision-making.

• **Security is Table-Stakes:** For the fourth year in a row, respondents noted physical security as the most important attribute when deciding on which colocation provider to work with.

"The report findings show a decisive shift of AI workloads into colocation data centers, which emphasizes that AI is fundamentally reshaping enterprise infrastructure strategies," said John Gallant, Enterprise Consulting Director at CIO. "Modern colocation facilities are rising to the challenge by delivering a mix of high-performance compute environments with specialized AI hardware, predictable cost structures for large-scale deployments, direct cloud interconnects and the flexibility to run workloads wherever they deliver the most value – empowering organizations to innovate at scale while maintaining control and compliance."

The 2025 State of the Data Center report is based on a quantitative survey of 300 CIOs, CTOs and other IT decision-makers representing a variety of industry sectors, plus in-depth interviews with seven senior technology executives from financial services, healthcare, retail and SaaS organizations. Industry leader Foundry, an IDG, Inc. company, conducted the research.

Download the 2025 State of the Data Center Report to dive deeper into these insights and more here.

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About CoreSite

CoreSite, an American Tower company (NYSE: AMT), is a leading interconnection data center platform that empowers businesses to future-proof their digital transformation initiatives. For more than 20 years, CoreSite's purpose-built, highly interconnected data center campuses and team of experts have delivered the cloud-enabled, resilient and flexible digital ecosystems required for customers to quickly scale and interoperate their businesses to support the increasing demands of critical workloads, like AI and high-density applications. For more information, visit CoreSite.com and follow CoreSite on our Connect[ED] blog, LinkedIn and YouTube channels.

Forward-Looking Statements

This press release contains statements about future events and expectations, or "forward-looking statements," all of which are inherently uncertain. We have based those forward-looking statements on management's current expectations and assumptions and not on historical facts. These forward-looking statements involve a number of risks and uncertainties. For important factors that may cause actual results to differ materially from those indicated in our forward-looking statements, we refer you to the information set forth under the caption "Risk Factors" in Item 1A of American Tower's most recent annual report on Form 10-K, and other risks described in documents American Tower subsequently files from time to time with the Securities and Exchange Commission. Neither we nor American Tower undertake any obligation to update the information contained in this press release to reflect subsequently occurring events or circumstances.