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NATIONAL STORAGE REIT ASX ANNOUNCEMENT

22 March 2023

NSR BUSINESS UPDATE AND EQUITY RAISING

National Storage REIT ("NSR") is pleased to provide a business update and announces a fully underwritten \$300 million institutional placement ("Placement") and a non-underwritten Security Purchase Plan ("SPP") to raise up to a further \$25 million from eligible investors (together, the "Equity Raising").

HIGHLIGHTS

- The strong group revenue per available metre (REVPAM)¹ growth announced as part of the 1H FY23 results has continued into 2H FY23, demonstrating the strength of the business through various economic cycles
- REVPAM to February 2023 is up to \$274/m², a 5.1% increase from June 2022
- NSR continues to execute its strategic growth objectives with 28 acquisitions totalling \$194 million settled in FY23 to date (up from \$155 million as at 31 December 2022), and committed further acquisitions totalling \$81 million
- A further \$100 million of potential acquisitions remain under active consideration
- 11,000m² of development and expansion NLA completed FY23 to date, and a further 85,000m² under construction, with committed development, expansion and redevelopment spend of approximately \$124 million
- 46 development and expansion projects, providing a forward NLA pipeline of approximately 350,000m², including the 85,000m² above, to be executed in coming years
- Fully underwritten Placement to raise \$300 million to fund strategic growth initiatives (committed acquisitions and developments), repay debt and strengthen the balance sheet
- Non-underwritten SPP to raise up to a further \$25 million from eligible security holders
- New Securities issued will rank equally with existing Securities and will receive the June 2023 distribution
- Pro forma gearing (pre-Placement)² of 27% will reduce to 24% following the Placement (assumes \$81 million of committed acquisitions and \$124 million of committed development spend and transaction costs)
- Taking into account the impact of the Equity Raising, NSR reaffirms FY23 underlying EPS guidance of a minimum of 11.5 cps³

¹ Group – Australia and New Zealand (195 centres). Australia – 169 centres excluding Wine Ark and let up centres) New Zealand – 26 centres (excluding let-up centres)

² Dec-22 pro forma gearing post balance sheet date adjustments, including \$32 million of settled acquisitions and associated acquisition costs, \$12 million of development spend, and NSR stapled securities issued under the Distribution Reinvestment Plan for 1H FY23.

³ NSR provides this guidance assuming there are no material changes in market conditions or operating environments.

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National Storage Holdings Limited (ACN 166 572 845)

National Storage Financial Services Limited (ACN 600 787 246 AFSL 475 228) as responsible entity for National Storage Property Trust (ARSN 101 227 712)

OPERATIONAL UPDATE

Through active management of REVPAM to optimise profitability, NSR has continued to deliver strong growth with February 2023 REVPAM of \$274/m², a 5.1% increase from June 2022.

Managing Director Andrew Catsoulis said, "NSR continues to deliver strong operational performance. We have focused on maximising REVPAM by carefully balancing rate and occupancy to achieve 5.1% REVPAM growth since June 2022".

INVESTMENT UPDATE

NSR has continued to execute its strategic growth objectives, having settled 5 sites for \$32 million, with a further 11 sites committed for \$81 million. NSR's forward-looking acquisition pipeline continues to remain strong with approximately an additional \$100 million under active consideration.

"We are pleased to see the execution of the acquisitions pillar of our growth strategy which focuses on accretive opportunities offering growth in rate, occupancy or by way of expansion of these new assets," said Mr. Catsoulis.

NSR completed 11,000m² of development and expansion NLA in FY23 to date, with a further 85,000m² under construction with an anticipated cost of completion of \$124 million. Inclusive of the 85,000m² under construction, NSR has a portfolio of 46 development, expansion and redevelopment projects in place within Australia and New Zealand with approximately 350,000m² of NLA, to be undertaken in coming years.

"Developments and expansions are a key pillar of our growth strategy. These projects deliver tangible upside for NSR, from both the perspective of long-term enhanced revenue as well as NTA uplift. Our in-house development and acquisition teams reflect our focus on acquisitions, in place developments, expansions and redevelopment projects, which are being implemented along with multiple other projects under active consideration," said Mr. Catsoulis.

USE OF PROCEEDS

The Equity Raising is being undertaken to support the delivery of NSR's growth strategy by replenishing its investment capacity and providing additional funding flexibility for future acquisition opportunities and to underwrite the development pipeline going forward.

The proceeds from the Equity Raising will be used to fund NSR's committed and future acquisitions and its committed development spend, repay debt, including drawn facilities that are due to expire in 1H FY24, and strengthen the balance sheet.

Pro forma December 2022 gearing will reduce from 27%⁴ to 24% post the Placement. This post Placement gearing assumes \$81 million of committed acquisitions and \$124 million committed development spend and transaction costs. The Equity Raising strengthens NSR's liquidity position and provides NSR the funding capacity to act quickly on value accretive acquisition opportunities that may arise.

⁴ Dec-22 pro forma gearing post balance sheet date adjustments, including \$32 million of settled acquisitions and associated acquisition costs, \$12 million of development spend, and NSR stapled securities issued under the Distribution Reinvestment Plan for 1H FY23.

PLACEMENT

The Placement is fully underwritten. The issue price of the Placement is to be determined via a variable price bookbuild with a range of \$2.33 – \$2.41 per stapled security, with an underwritten floor price of \$2.33 per stapled security. The bookbuild price range of \$2.33 - \$2.41 represents a:

- 4.0% – 7.2% discount to the last close price of \$2.51 on 21 March 2023
- 4.9% – 8.0% discount to the 5-day VWAP of \$2.53 up to and including 21 March 2023

New securities issued under the Placement will rank equally with existing securities from the date of issue and will be entitled to the distribution for the six months ending 30 June 2023.

SECURITY PURCHASE PLAN

Eligible securityholders with a registered address in Australia or New Zealand who held securities in NSR at the record date of 7:00pm AEDT on Tuesday, 21 March 2023 will be invited to subscribe for up to \$30,000 of securities per securityholder, free of brokerage and transaction costs, via a SPP. New securities issued under the SPP will rank equally with existing stapled securities from the date of issue (including those issued under the Placement) and will be entitled to the distribution for the six months ending 30 June 2023. The new securities will be offered at the same price as the final Placement issue price. The SPP is capped at \$25 million and will not be underwritten. NSR may scale back applications in the event that applications in excess of \$25 million are received.

The SPP is expected to open at 10:00am on 29 March 2023 and will close at 5:00pm on 19 April 2023.

Further information on the SPP will be lodged with the ASX and sent to eligible securityholders on or around 29 March 2023.

Security holder approval is not required for the issue of securities under the Placement or SPP.

GUIDANCE UPDATE

Taking into account the impact of the Placement, NSR is reaffirming its FY23 underlying EPS earnings guidance of a minimum of 11.5cps⁵. NSR intends to continue to pay distributions in accordance with its stated distribution policy of 90–100% of underlying earnings.

TIMETABLE

EVENT	DATE
Trading halt and announcement of Equity Raising	Wednesday, 22 March 2023
Placement	
Placement bookbuild	Wednesday, 22 March 2023
Announcement of outcome of Placement	Thursday, 23 March 2023
Trading halt lifted	Thursday, 23 March 2023
Settlement of Placement Securities under the Placement	Monday, 27 March 2023
Allotment and trading of Placement Securities issued under the Placement	Tuesday, 28 March 2023
SPP	

⁵ NSR provides this guidance assuming there are no material changes in market conditions or operating environments.

Record date for SPP	Tuesday, 21 March 2023 7pm
SPP offer period	Wednesday, 29 March 2023 to Wednesday, 19 April 2023
Allotment of Securities issued under the SPP	Wednesday, 26 April 2023
Securities issued under the SPP commence trading on ASX	Thursday, 27 April 2023
Holding statement dispatch date	Thursday, 27 April 2023

Note: All dates and times are indicative only and subject to change. Unless otherwise specified, all dates and times refer to Australian Eastern Daylight Time (AEDT). Subject to the requirements of the Corporations Act, the ASX listing rules and any other applicable laws, NSR, in consultation with the Underwriters, reserves the right to amend this timetable at any time. NSR reserves the right to vary these dates or withdraw the offer at any time.

ADDITIONAL INFORMATION

Additional information about the Equity Raising, including certain key risks, is contained in the investor presentation released to the ASX today.

All dollar amounts are in Australian dollars unless otherwise indicated.

ENDS

National Storage is the largest self-storage provider in Australia and New Zealand, with 231 centres providing tailored storage solutions to over 90,000 residential and commercial customers. NSR is the first independent, internally managed and fully integrated owner and operator of self-storage centres to be listed on the Australian Securities Exchange (ASX).

For further information:

Andrew Catsoulis
Managing Director
07 3218 8100

Stuart Owen
Chief Financial Officer
07 3218 8100

This announcement contains certain "forward-looking statements". Forward looking words such as expect", "should", "could", "may", "will", "believe", "forecast", "estimate" and other similar expressions are intended to identify such forward-looking statements. Forward-looking statements contained in this announcement include statements regarding the plans, strategies and objectives of the management of NSR, the number of sites expected to settle by 30 June 2023, future earnings guidance and the outcome of the Equity Raising and the proceeds thereof. Such statements are subject to various known and unknown risks, uncertainties and other factors that are in some cases beyond NSR's control. These risks, uncertainties and factors may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements and from past results, performance or achievements. NSR cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive beyond the date of its making, or that NSR's business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward looking statements only speak as at the date of this announcement and NSR does not assume any obligation to update such information.

NSR's statutory results are prepared in accordance with Australian Accounting Standards ("AAS") and interpretations issued by the Australian Accounting Standards Board and comply with International Financial Reporting Standards ("IFRS"). This announcement also includes certain non-IFRS measures in presenting NSR's results. Any additional financial information in this announcement which is not included in NSR's 31 December 2022 Financial Statements was not subject to independent audit or review. Investors should be aware that certain financial measures included in this announcement, including underlying EPS, REVPAM, NTA and gearing are "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by ASIC and "non-GAAP financial measures" within the meaning of Regulation G of the U.S. Securities Exchange Act of 1934. The disclosure of such financial measures in this manner would not be permissible in a registration statement under the U.S. Securities Act of 1933 ("US Securities Act"). NSR believes this non-IFRS financial information/non-GAAP financial measures provide useful information to users in measuring the financial position and conditions of NSR.

Non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Accordingly, the non-IFRS financial information/non-GAAP financial measures in this announcement: (i) may not be comparable to similarly titled measures presented by other entities; (ii) should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS; and (iii) is not a measure of performance, liquidity or value under AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this announcement.

This announcement includes certain pro forma financial information to reflect the impact of the Placement and post balance sheet date adjustments. The pro forma historical financial information is not represented as being indicative of NSR's views on

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its future financial position and/or performance. The pro forma historical financial information has been prepared by NSR in accordance with the measurement and recognition requirements, but not disclosure requirements, prescribed by AAS. The pro-forma financial information included in this announcement is for illustrative purposes and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirement of the US Securities Act and applicable US state securities laws.

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