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NATIONAL STORAGE REIT ASX ANNOUNCEMENT

11 May 2020

INSTITUTIONAL PLACEMENT ALLOCATIONS

As announced on 6 May 2020, National Storage REIT ("NSR") has successfully completed the fully underwritten placement to institutional and professional investors of approximately 191.1 million new stapled securities ("New Securities") at a price of \$1.57 per stapled security raising approximately \$300 million (the "Placement").

The Placement was conducted under the Temporary Extra Placement Capacity measures implemented under ASX Listing Rule 18.1. The Placement is a proactive capital management initiative to offset any potential impact of the COVID-19 pandemic on NSR's self-storage operations and the value of NSR's property assets. Following the Placement NSR's pro forma gearing will reduce to 24.1% (from 36.5% at 31 December 2019)¹, giving NSR the balance sheet strength and flexibility to continue to pursue its highly successful, stated growth strategy.

The Temporary Extra Placement Capacity measures require NSR to announce reasonable details of the approach taken in identifying investors to participate in the Placement and how it determined their respective allocations in the Placement. Set out below is the approach NSR took in identifying investors to participate in the Placement and determining the final allocations of New Securities.

The Placement was made available to eligible investors, being both existing securityholders and potential new investors. Final allocations were determined in accordance with the following key objectives and criteria (which NSR applied in the best interests of securityholders of NSR as a whole):

- NSR sought to allocate to existing eligible securityholders at least the lower of their 'pro rata' share of the Placement or their bid amount in full (on a best efforts basis, according to available securityholder information²) subject to application of other allocation criteria, namely support provided by the investor to NSR to date, length of holding, size of investment, type of investor, and the investor's past behaviour and

¹ As detailed in the investor presentation published by NSR on 5 May 2020, the Placement proceeds will be used to pay down \$295 million of existing debt facilities. Please refer to the investor presentation for further information.

² An eligible securityholder's 'pro rata' share of the Placement was estimated by reference to NSR's latest available beneficial register which is not necessarily up to date nor subject to verification or reconciliation. NSR considered any claimed holdings provided by eligible securityholders, without undertaking any verification or reconciliation processes and did not account for securities that may be issued under the SPP. NSR and the Underwriters disclaim any obligation to verify or reconcile assumed holdings when determining allocations. The latest available beneficial register and allocations may not truly reflect the participating securityholder's actual existing holding in NSR. While NSR has used its best efforts in this regard, NSR and the Underwriters disclaim any duty or liability (including for negligence) in respect of determination of a securityholders allocation using their assumed holding. Eligible securityholders who do not reside in Australia or other eligible jurisdictions were not able to participate in the Placement.

NATIONAL STORAGE REIT (NSR)

National Storage Holdings Limited (ACN 166 572 845)

National Storage Financial Services Limited (ACN 600 787 246 AFSL 475228) as responsible entity for National Storage Property Trust (ARSN 101 227 712)

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prior interactions with NSR. The application of the allocation criteria resulted in existing securityholder Abacus Property Group (**Abacus**) not receiving an allocation of securities under the Placement. The Board of NSR took into account that Abacus is a direct competitor of NSR and the Board does not view Abacus as a supportive long term holder of NSR securities. As a result, the Board of NSR decided it was not in the best interests of securityholders as a whole for Abacus to participate in the Placement.

- NSR also sought to introduce new securityholders and encourage existing securityholders likely to be long term supporters of NSR. The allocation criteria applied when selecting new investors included, amongst other things, the size and timeliness of their bid and the type and size of the investor.

As far as NSR is aware, no New Securities under the Placement will be issued to any person identified within ASX Listing Rule 10.11 (related parties).

ENDS

National Storage is the largest self-storage provider in Australia and New Zealand, with 183 centres providing tailored storage solutions to over 70,000 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).

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All dollar amounts are in Australian dollars unless otherwise indicated.

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