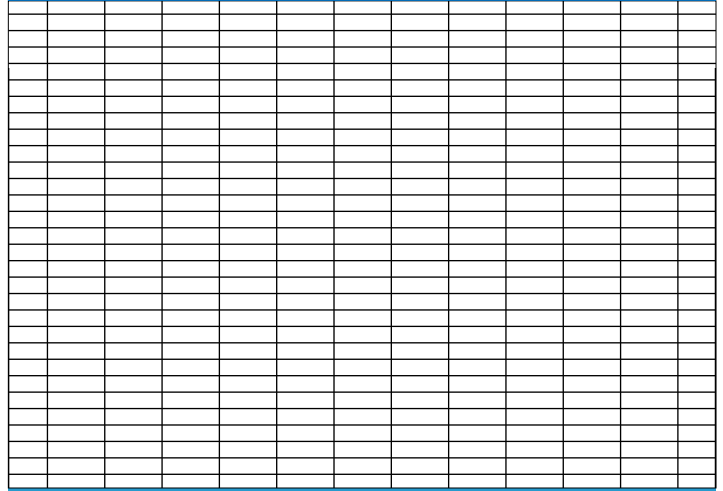


CAPITAL MARKETS

Self Storage Group

4Q 2022 REIT Report



NEWMARK

Self Storage 4Q22 REIT Report

The self storage sector's 4Q2022 performance remained solid with a notable return of seasonality. Since Covid, the industry has not seen historically normal 4Q and 1Q moderation, so as it began to appear in very late 3Q22 there was particular attention to whether or not the moderation would reach or exceed pre-Covid levels. Indications as of quarter-end, as well as commentary during the earnings calls, suggest that while move-out volume was more typical of pre-Covid trends, the demand side of the equation remained resilient. Elevated demand, relative to historical averages, is attributed to the sticky post-Covid rate-of-use of self storage as well as the lack of meaningful new supply across the industry. Non-weighted same store revenue increased an average of 10.7% while non-weighted same store NOI grew 12.64%. This marked the ninth consecutive quarter of above trendline year-over-year growth, resulting from the continued strength of the sector. 2022 exceeded guidance and expectations and further validated the sector's durability throughout various economic environments.

Entering 2023 at just over 92% occupancy provides a favorable operating environment to maximize the acceleration of street rents into and through the peak leasing season. 2023 guidance generally signaled confidence in demand as well the sector's ability to harvest meaningful revenue growth through existing customer rate increases (ECRI's), particularly given the elongated lengths of stay. Revenue management systems continue to improve the algorithms around street rates as well which adds to the precision of ECRI percentages that maximize revenue without creating an increase in the rate of move-outs.

Pre-Covid, the overwhelming unanimity regarding self storage headwinds was that new supply posed most of the risk to the industry. Given the increase in the rate-of-use for self storage coupled with macroeconomic challenges like construction costs and interest rates, management generally felt the new supply headwind was muted, at most, if not altogether absent as a major concern. However, as investors seek yield, and as construction costs and land costs moderate, new supply could reemerge as a troublesome topic at some point in 2024 and 2025.

The unanimity on the transaction market is the reality that there is no consensus regarding spot cap rates or targeted yields; driven entirely by the disruption in the capital markets, a combination of sellers not adjusting pricing expectations in a meaningful way, cost of debt eliminating positive leverage and buyers' return targets increasing to represent the risk against the zero-risk rate. It seems that the proverbial shoe that needs to drop is to see when, and at what level, the rate plateau is established. The widely accepted reality is that interest rates and return targets will remain elevated for quite some time. But the lack of meaningful transaction volume during this pricing transition is an added headwind that has volume quite muted. Nothing represents this reality more than the midpoint of 2023 acquisition guidance from the sector at \$1.725 billion; after \$3 billion, \$13.4 billion and \$5 billion in annual acquisitions for 2020, 2021 and 2022 respectively.



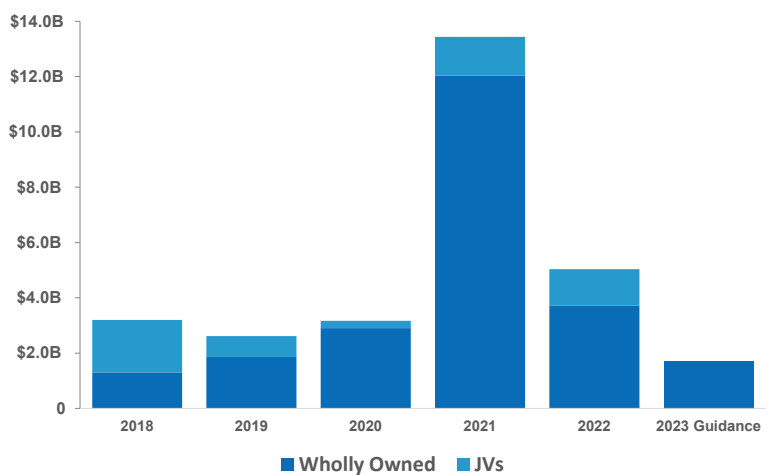
Transactions during the fourth quarter totaled just over \$766 million across 57 properties, bringing the 2022 total to just over \$5 billion. 4Q22 volume was comprised of \$557.8 million of wholly owned acquisitions and \$208.6 million in joint venture acquisitions. Also announced was a combined \$163.8 million in closed and pending transactions subsequent to the quarter-end.

Fortunately, the persistent durability of self storage, proven throughout the multiple economic environments of the last 20-years, has proven the sector's ability to adapt to contractions as well as quickly harvest inflation. The nimbleness of self storage remains attractive to a vast array of capital that is anxious to deploy more into the sector as the broader transaction environment becomes more conducive to volume.

In addition to this quarterly REIT summary, a weekly email from Newmark Group, Inc.'s Self Storage Group delineates key benchmark rates for the capital markets, near-term expectations for transactions, and interpretive opinions of broader market questions.

The following pages summarize the information for the fourth quarter of 2022, reported by the five publicly traded self storage REITs, along with some comparisons between the industry and macro-market benchmarks. Links to the investor relations page of each REIT's website are also included.

REIT ACQUISITION VOLUME



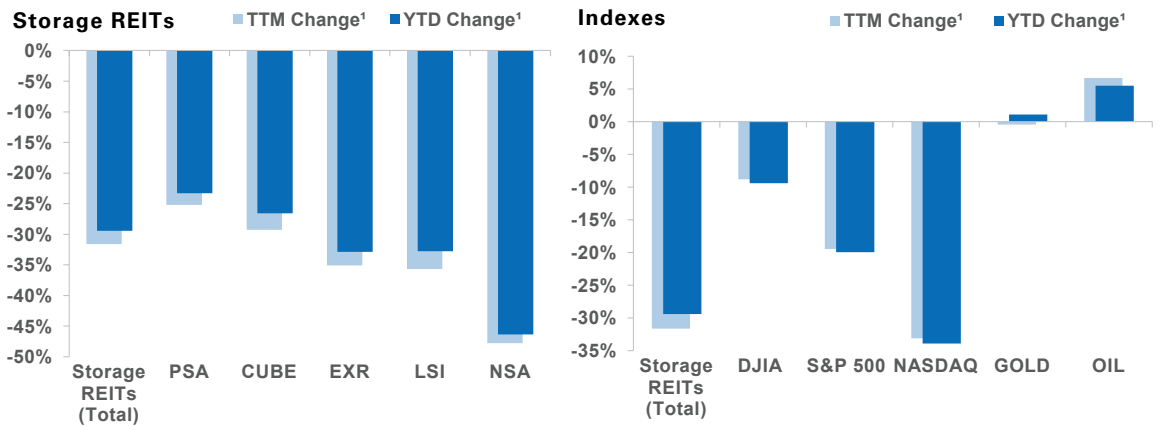
Thank you for taking the time to review the Quarterly REIT Report. We trust you will find it valuable.

nmrkstorage.com

SELF STORAGE 4Q22 REIT REPORT HIGHLIGHTS

Market Index

	12/31/21	01/03/22	12/30/22	YTD Change ¹	TTM Change ¹
Storage REITs (Total)	\$880.58	\$853.13	\$602.24	-29.41%	-31.61%
PSA	374.56	365.28	280.19	-23.29%	-25.19%
CUBE	56.91	54.82	40.25	-26.58%	-29.27%
EXR	226.73	219.23	147.18	-32.87%	-35.09%
LSI	153.18	146.46	98.50	-32.75%	-35.70%
NSA	69.20	67.34	36.12	-46.36%	-47.80%
DJIA	36,338.30	36,585.06	33,147.25	-9.40%	-8.78%
S&P 500	4,766.18	4,796.56	3,839.50	-19.95%	-19.44%
NASDAQ	15,644.97	15,832.80	10,466.48	-33.89%	-33.10%
GOLD	1,827.50	1,799.40	1,819.70	1.13%	-0.43%
OIL	75.21	76.08	80.26	5.49%	6.71%
U.S. 10 YEAR	1.52%	1.63%	3.88%	138.04%	155.26%
10 YEAR SWAP	1.59%	1.56%	3.78%	142.31%	137.74%



¹ Excludes dividends

Sources: Yahoo! Finance, U.S. Department of the Treasury, U.S. Energy Information Administration, Barchart (SWAADY10.RT), Bloomberg, World Gold Council

PUBLIC STORAGE (NYSE: PSA)

- Reported net income allocable to common shareholders of \$2.06 per diluted share.
- Reported core FFO allocable to common shareholders (Core FFO) of \$4.16 per diluted share, an increase of 17.5% relative to the same period in 2021. Sold entire equity investment in PS Business Parks, Inc. (PSB) in July 2022 and since then no longer recognize any further equity in earnings of PSB. Core FFO per diluted share increased 22.4% excluding the contribution from the equity investment in PSB to Core FFO per diluted share.
- Increased same store direct net operating income by 15.0%, resulting from a 13.0% increase in same store revenues.
- Achieved 81.2% same store direct net operating income margin, an increase of 1.8% relative to the same period in 2021.
- Acquired 30 self-storage facilities with 1.6 million net rentable square feet for \$228.6 million. Subsequent to December 31, 2022, acquired or were under contract to acquire eight self-storage facilities with 0.5 million net rentable square feet, for \$70.5 million.
- Opened three newly developed facilities and completed various expansion projects with 0.5 million net rentable square feet costing \$101.2 million. On December 31, 2022, had various facilities in development and expansion with 4.6 million net rentable square feet estimated to cost \$979.6 million.

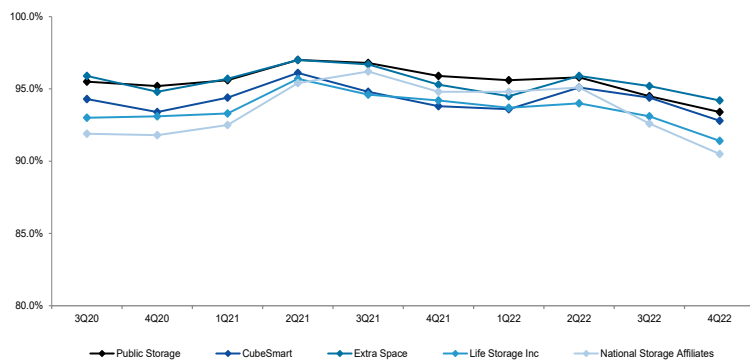
[CLICK HERE TO VIEW PUBLIC STORAGE INVESTOR RELATIONS](#)

CUBESMART (NYSE: CUBE)

- Reported earnings per share (EPS) attributable to the company's common shareholders of \$0.36.
- Reported funds from operations (FFO) per share, as adjusted, of \$0.67.
- Increased same store (521 stores) net operating income (NOI) 12.1% year over year, driven by 9.5% revenue growth and a 2.3% increase in property operating expenses.
- Averaged same store occupancy of 92.8% during the quarter and ended the quarter at 92.1%.
- Amended and restated the unsecured revolving credit facility, increasing the size from \$750 million to \$850 million, improving the pricing, and extending the maturity date to February 15, 2027.
- Increased the quarterly dividend 14.0% to an annualized rate of \$1.96 per common share from the previous annualized rate of \$1.72 per common share.
- Added 28 stores to the third-party management platform during the quarter, bringing the total third-party managed store count to 668.

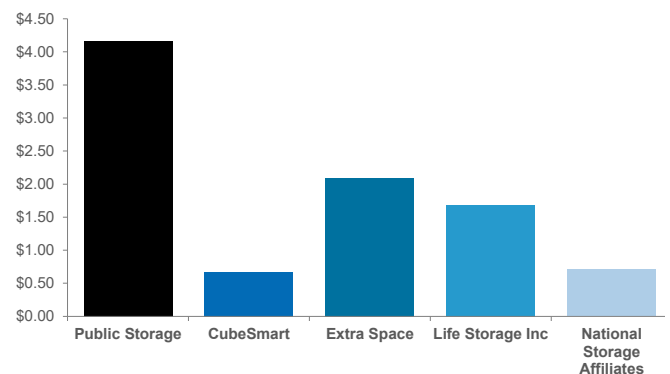
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HISTORICAL QUARTERLY OCCUPANCY



Note: PSA, Cube, LSI and NSA are based on period-average occupancy. EXR is based on period end.
 Note: Historical occupancy is based on original occupancy reported each quarter.
 Source: PSA, LSI, Cube, EXR and NSA Investor Relations

ADJUSTED FUNDS FROM OPERATIONS PER DILUTED SHARE



Source: PSA, Cube, EXR, LSI and NSA Investor Relations

EXTRA SPACE (NYSE: EXR)

- Achieved net income attributable to common stockholders of \$1.52 per diluted share, representing a 24.0% decrease compared with the same period in the prior year (which prior period included a \$76.9 million, or \$0.54/share, gain on real estate transactions).
- Achieved funds from operations attributable to common stockholders and unit holders (FFO) of \$2.09 per diluted share. FFO, excluding adjustments for property losses and tenant reinsurance claims due to hurricanes and transaction related costs (Core FFO) was also \$2.09 per diluted share, representing a 9.4% increase compared with the same period in the prior year.
- Increased same store revenue by 11.8% and same-store net operating income (NOI) by 13.4% compared with the same period in the prior year.
- Reported same store occupancy of 94.2% as of December 31, 2022, compared with 95.3% as of December 31, 2021.
- Acquired six operating stores, for a total cost of approximately \$146.9 million.
- In conjunction with joint venture partners, acquired four operating stores and completed one development for a total cost of approximately \$82.1 million, of which the company invested \$22.9 million.
- Originated \$252.2 million in mortgage and mezzanine bridge loans and sold \$17.3 million in mortgage bridge loans.
- Added 46 stores (one store net) to the company's third-party management platform. As of December 31, 2022, the company managed 887 stores for third parties and 318 stores in unconsolidated joint ventures, for a total of 1,205 managed stores.
- Paid a quarterly dividend of \$1.50 per share.

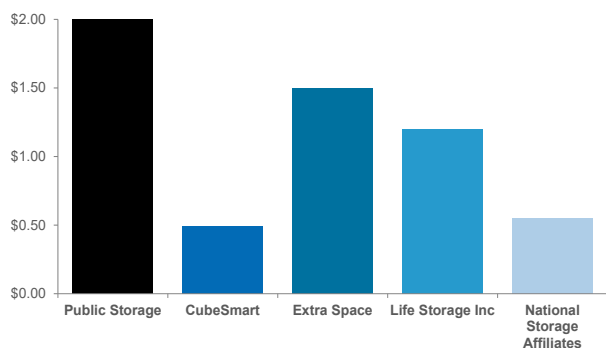
[CLICK HERE TO VIEW EXTRA SPACE INVESTOR RELATIONS](#)

LIFE STORAGE INC. (NYSE: LSI)

- Generated net income attributable to common shareholders of \$93.8 million, or \$1.10 per fully diluted common share.
- Achieved adjusted funds from operations (FFO) per fully diluted common share of \$1.69, a 19.9% increase over the same period in 2021.
- Increased same store revenue by 11.8% and same store net operating income (NOI) by 13.3%, year-over-year.
- Acquired seven wholly owned stores in Arizona and Minnesota for \$142.4 million.
- With joint venture partners, acquired seven stores for a total cost of approximately \$126.5 million, of which the company invested \$25.8 million.
- Added 40 stores (39 stores net) to the company's third-party management platform. Of these 40 stores, 29 were transitioned from REIT peers.

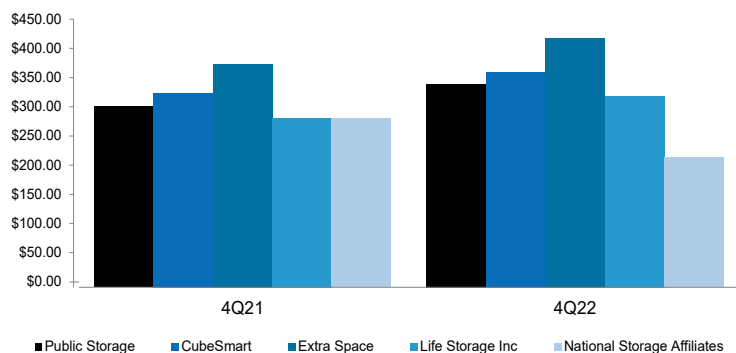
[CLICK HERE TO VIEW LIFE STORAGE INC. INVESTOR RELATIONS](#)

DIVIDEND PER SHARE



Source: PSA, Cube, EXR, LSI and NSA Investor Relations

SAME-STORE REVENUE PER STORE



Note: EXR includes tenant reinsurance revenue. Source: PSA, Cube, EXR, LSI and NSA Investor Relations

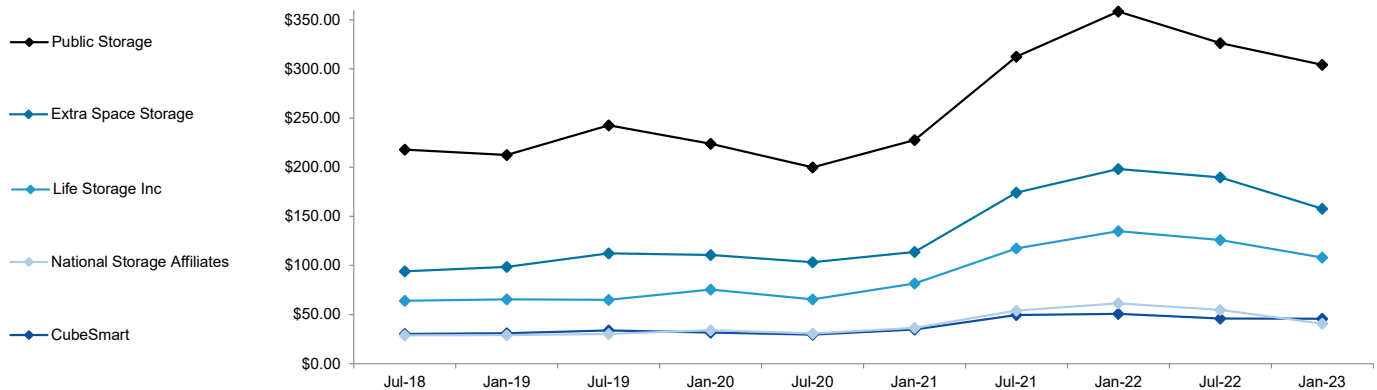
NATIONAL STORAGE AFFILIATES (NYSE: NSA)

- Reported net income of \$50.4 million for the fourth quarter of 2022, an increase of 17.4% compared with the fourth quarter of 2021. Reported diluted earnings per share of \$0.31 for the fourth quarter of 2022 compared with \$0.25 for the fourth quarter of 2021.
- Reported core funds from operations (Core FFO) of \$90.9 million, or \$0.71 per share for the fourth quarter of 2022, an increase of 10.9% per share compared with the fourth quarter of 2021.
- Reported an increase in same store net operating income (NOI) of 9.4% for the fourth quarter of 2022 compared with the same period in 2021, driven by a 7.4% increase in same store total revenues partially offset by an increase of 1.6% in same store property operating expenses.
- Reported same store period-end occupancy of 90.5% as of December 31, 2022, a decrease of 450 basis points compared with December 31, 2021.
- Acquired two wholly-owned self storage properties for approximately \$39.9 million during the fourth quarter of 2022. Consideration for these acquisitions included the issuance of \$32.1 million of OP equity.
- Repurchased 1,032,251 of the company's common shares for approximately \$40.0 million under the previously announced share repurchase program.

[CLICK HERE TO VIEW NATIONAL STORAGE AFFILIATES INVESTOR RELATIONS](#)

SELF STORAGE REIT HISTORICAL STOCK PRICE

	Jul 18	Jan 19	Jul 19	Jan 20	Jul 20	Jan 21	Jul 21	Jan 22	Jul 22	Jan 23
Public Storage	\$217.83	\$212.52	\$242.76	\$223.76	\$199.88	\$227.62	\$312.48	\$358.53	\$326.41	\$304.34
CubeSmart	\$30.36	\$30.95	\$33.95	\$31.67	\$29.67	\$34.84	\$49.66	\$50.74	\$45.87	\$45.79
Extra Space Storage	\$93.97	\$98.61	\$112.39	\$110.68	\$103.34	\$113.79	\$174.14	\$198.19	\$189.52	\$157.83
Life Storage Inc	\$63.97	\$65.51	\$64.99	\$75.45	\$65.42	\$81.58	\$117.36	\$134.95	\$125.89	\$108.04
National Storage Affiliates	\$28.83	\$29.10	\$30.29	\$34.15	\$30.82	\$36.54	\$54.17	\$61.56	\$54.84	\$40.80



Source: Yahoo! Finance

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