



NATIONAL STORAGE REIT ASX ANNOUNCEMENT

20 April 2020

NSR OPERATIONAL AND GUIDANCE UPDATE

National Storage REIT (ASX: NSR) provides the following operational update and revision to its FY20 earnings guidance.

OPERATIONAL UPDATE

All 182 NSR centres across Australia and New Zealand have remained open and operational throughout the COVID-19 pandemic. Storage revenues continue to demonstrate the resilient nature of the self-storage asset class to economic volatility. Self-storage was classified as an essential service during the Level 4 Lockdown restrictions in New Zealand, and as a result, NSR was able to continue to provide access for other essential service providers and those requiring access to storage for essential items. In the event that the NZ Government confirms its decision to reduce restrictions to Level 3, all of NSR's New Zealand centres will be able to resume full-service operations for all customers.

NSR has put in place a range of upgraded hygiene and safety practices, to safeguard the wellbeing of staff and customers. This includes a contact-free move-in process wherein customers are able to book storage online, receive an email with all relevant details, and move their goods into one of NSR's facilities without the need for physical assistance from or contact with our staff.

BALANCE SHEET & DEBT FACILITIES

As disclosed to the market on 7 April 2020, NSR has obtained increased documented facilities of \$125m from its club banks, plus a commitment from J.P. Morgan for a new facility of \$100m, in addition to \$80m of undrawn pre-existing debt facilities.

NSR has no debt maturities until July 2021 with a weighted average debt expiry of 3.2 years as at 31 March 2020. In addition, NSR's 31 December 2019 gearing of 36% is well within its LVR covenant of 55% and its ICR of 3.9 times compared to a covenant of 2.0 times.

EXPENDITURE, ACQUISITION & DEVELOPMENT DEFERRAL

NSR has implemented a range of cost saving and capital expenditure deferral initiatives across its business until there is greater certainty as to the medium-term economic impact and likely duration of restrictions related to COVID-19.

NSR's acquisition and development pipeline remains strong. However, any uncommitted projects prior to March 2020 have been placed on hold for the immediate future. This, in combination with the deferral of some projects during recent takeover discussions, has

resulted in the deferral of some acquisition and development-related income for the current earnings period.

In addition, a general macro-economic weakening in overall economic conditions, customer sentiment and discretionary spending, together with an expected increase in unemployment, has resulted in NSR moderating its same-centre earnings forecast for the current earnings period.

GUIDANCE

As a result, NSR is revising its FY20 earnings guidance to 8.5cps - 9.0cps.

NSR understands the importance of distributions for investors whilst maintaining prudent liquidity. At present the Board has made no determination on a H2 distribution, however notes the previously stated distribution policy of 90% - 100% of underlying earnings.

NSR Managing Director Andrew Catsoulis said "We recognise the significant impact of the COVID-19 outbreak on our 70,000+ customers across Australia and New Zealand. We are pleased that all centres have been able to remain open and operational throughout this time. This is a recognition of the essential nature of the services and support that our business provides to the community. We are also deeply appreciative of our staff for their continued commitment to this essential work."

"Despite our revised guidance, we believe that the resilient nature of our business is exemplified through this result in such a challenging and volatile environment. It is noted that a significant component of the income subject to the revised forecast is likely to be deferred only, to a later earnings period, rather than lost as we remain in advanced negotiations with our partners on numerous future acquisitions and development opportunities," said Mr. Catsoulis.

"As always, the health, safety and wellbeing of our staff and customers is our utmost priority."

ENDS

National Storage is the largest self-storage provider in Australia and New Zealand, with 182 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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NATIONAL STORAGE REIT (NSR)

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