



## Extra Space To Commence Exchange Offers And Consent Solicitations

June 5, 2023

SALT LAKE CITY, June 5, 2023 /PRNewswire/ -- Extra Space Storage Inc. ("EXR") (NYSE: EXR) announced today that its operating partnership, Extra Space Storage LP ("Extra Space OP" and together with EXR, "Extra Space" or the "Company"), will commence offers to exchange all validly tendered and accepted notes of the following series (the "Life Storage Notes") issued by Life Storage LP ("Life Storage OP") and guaranteed by Life Storage, Inc. ("LSI" and together with Life Storage OP, "Life Storage"), for notes to be issued by Extra Space OP and guaranteed by EXR and certain of its subsidiaries as described below (collectively the "EXR Notes"). A Registration Statement on Form S-4 (the "Registration Statement") relating to the issuance of the EXR Notes was filed with the Securities and Exchange Commission ("SEC") on June 5, 2023, but has not yet been declared effective.



- 3.500% Senior Notes due 2026 issued by Life Storage OP (the "2026 Notes") for up to an aggregate principal amount of \$600,000,000 of new 3.500% Senior Notes due 2026 issued by Extra Space OP (the "New 2026 Notes");
- 3.875% Senior Notes due 2027 issued by Life Storage OP (the "2027 Notes") for up to an aggregate principal amount of \$450,000,000 of new 3.875% Senior Notes due 2027 issued by Extra Space OP (the "New 2027 Notes");
- 4.000% Senior Notes due 2029 issued by Life Storage OP (the "2029 Notes") for up to an aggregate principal amount of \$350,000,000 of new 4.000% Senior Notes due 2029 issued by Extra Space OP (the "New 2029 Notes");
- 2.200% Senior Notes due 2030 issued by Life Storage OP (the "2030 Notes") for up to an aggregate principal amount of \$400,000,000 of new 2.200% Senior Notes due 2030 issued by Extra Space OP (the "New 2030 Notes"); and
- 2.400% Senior Notes due 2031 issued by Life Storage OP (the "2031 Notes") for up to an aggregate principal amount of \$600,000,000 of new 2.400% Senior Notes due 2031 issued by Extra Space OP (the "New 2031 Notes").

The following table sets forth the Exchange Consideration (as defined herein), Early Participation Premium (as defined herein) and Total Consideration (as defined herein) for each series of Life Storage Notes:

Series of Notes Issued by Life Storage OP to be Exchanged	Aggregate Principal Amount (\$mm)	CUSIP No.	Series of New Notes to be Issued by Extra Space OP	Exchange Consideration <sup>(1)(2)</sup>		Early Participation Premium <sup>(1)(2)</sup>	Total Consideration <sup>(1)(2)(3)</sup>	
				EXR Notes (principal amount)	Cash	EXR Notes (principal amount)	EXR Notes (principal amount)	Cash
3.500% Senior Notes due 2026	\$600	84610W AB1	3.500% Senior Notes due 2026	\$970	\$1.00	\$30	\$1,000	\$1.00
3.875% Senior Notes due 2027	\$450	53227J AA2	3.875% Senior Notes due 2027	\$970	\$1.00	\$30	\$1,000	\$1.00

4.000% Senior Notes due 2029	\$350	53227J AB0	4.000% Senior Notes due 2029	\$970	\$1.00	\$30	\$1,000	\$1.00
2.200% Senior Notes due 2030	\$400	53227J AC8	2.200% Senior Notes due 2030	\$970	\$1.00	\$30	\$1,000	\$1.00
2.400% Senior Notes due 2031	\$600	53227J AD6	2.400% Senior Notes due 2031	\$970	\$1.00	\$30	\$1,000	\$1.00

(1) Consideration per \$1,000 principal amount of Life Storage Notes validly tendered, subject to any rounding as described in the Prospectus (as defined below).

(2) The term "EXR Notes" in this column refers, in each case, to the series of EXR Notes corresponding to the series of Life Storage Notes of like tenor and coupon.

(3) Includes the Early Participation Premium for Life Storage Notes validly tendered prior to the Early Consent Date described below and not validly withdrawn.

In connection with the exchange offers, Extra Space is also soliciting consents from holders of the Life Storage Notes to amend (the "Proposed Amendments") the indenture governing the Life Storage Notes to eliminate (1) substantially all of the restrictive covenants in the Life Storage indenture and (2) any of Life Storage's reporting obligations under the Life Storage Notes other than those required by applicable law. If the Proposed Amendments are adopted, the Life Storage Notes will be governed by the amended indenture. Holders of the Life Storage Notes under the amended indenture will no longer receive annual, quarterly and other reports from Life Storage, and will no longer be entitled to the benefits of various covenants and certain other provisions in the indenture.

The exchange offers and consent solicitations (together, the "Exchange Offers") will commence on June 5, 2023 and expire immediately following 5:00 p.m., New York City time, on July 21, 2023, unless extended or terminated (the "Expiration Date"). In exchange for each \$1,000 principal amount of the Life Storage Notes that is validly tendered prior to 5:00 p.m., New York City time, on June 16, 2023 (the "Early Consent Date") and not validly withdrawn, holders will receive the total exchange consideration set out in the table above (the "Total Consideration"), which consists of \$1,000 principal amount of the corresponding series of EXR Notes and a cash amount of \$1.00 (the "Cash Consideration"). The Total Consideration includes the early participation premium set out in the table above (the "Early Participation Premium"), which consists of \$30 principal amount of the corresponding series of EXR Notes. In exchange for each \$1,000 principal amount of the Life Storage Notes that is validly tendered after the Early Consent Date but prior to the Expiration Date and not validly withdrawn, holders will receive only the exchange consideration set out in the table above (the "Exchange Consideration"), which is equal to the Total Consideration less the Early Participation Premium and so consists of \$970 principal amount of the corresponding series of EXR Notes and a cash amount of \$1.00.

Each EXR Note will have the same maturity date, accrue interest at the same annual interest rate, have the same interest payment dates, and similar redemption terms as the Life Storage Note for which it is exchanged. Each EXR Note received in exchange for the corresponding Life Storage Note will accrue interest from (and including) the most recent date to which interest has been paid on such Life Storage Note; provided, that interest will only accrue with respect to the aggregate principal amount of the EXR Note received, which may be less than the principal amount of the Life Storage Note tendered for exchange. Except as otherwise set forth in the Prospectus, payment will not be received for accrued and unpaid interest on the Life Storage Note exchanged at the time of the exchange.

The EXR Notes will be Extra Space OP's senior unsecured obligations, will rank equally in right of payment with all of Extra Space OP's other existing and future senior unsecured indebtedness, and will be effectively subordinated in right of payment to (i) all of Extra Space OP's existing and future mortgage indebtedness and other secured indebtedness (to the extent of the value of the collateral securing such indebtedness), (ii) all existing and future indebtedness and other liabilities, whether secured or unsecured, of Extra Space's subsidiaries and of any entity Extra Space OP accounts for using the equity method of accounting, and (iii) all existing and future preferred equity not owned by Extra Space OP in its subsidiaries and in any entity Extra Space OP accounts for using the equity method of accounting. The EXR Notes will be guaranteed by EXR, ESS Holdings Business Trust I and ESS Holdings Business Trust II (together, the "Guarantors") and will rank equally in right of payment with all of the Guarantors' other existing and future senior unsecured indebtedness and will be effectively subordinated in right of payment to all of the Guarantors' existing and future mortgage indebtedness and other secured indebtedness (to the extent of the value of the collateral securing such indebtedness).

Pursuant to the terms of certain of the agreements governing EXR's other indebtedness, Life Storage may be required to guarantee EXR's private placement notes and borrowings under certain of its credit agreements. To the extent and for so long as Life Storage provides a guarantee of borrowings under EXR's Credit Agreement (as defined in the Prospectus), Life Storage will substantially concurrently also provide a senior unsecured guarantee under the EXR Notes and is expected to provide a senior unsecured guarantee under Extra Space OP's existing public notes, which guarantee shall be unconditionally released and discharged automatically if Life Storage is no longer required to guarantee borrowings under EXR's Credit Agreement. In the event that such subsidiary guarantees are provided, Life Storage will enter into a supplemental indenture evidencing its subsidiary guarantee. For so long as any such guarantees remain in place, the EXR Notes will rank equally in right of payment with the Senior Credit Agreements (as defined in the Prospectus), the private placement notes and the existing public notes. To the extent Life Storage does not provide a guarantee of borrowings under the Senior Credit Agreements, the private placement notes and the EXR Notes, holders of the EXR Notes will be effectively subordinated in right of payment (to the extent of the assets of Life Storage) to the holders of any Life Storage Notes that remain outstanding after the Mergers (as defined in the Prospectus).

The consummation of the Exchange Offers is subject to, and conditional upon, the satisfaction or waiver (other than the waiver of the condition requiring consummation of the Mergers) of the conditions set forth in Extra Space's preliminary prospectus, dated June 5, 2023 (the "Prospectus"), including, among other things, (i) the consummation of the Mergers, which are currently expected to close in the second half of 2023 subject to customary closing conditions, (ii) receipt of valid consents to the Proposed Amendments from the holders of at least a majority of the outstanding aggregate principal amount of each series of the Life Storage Notes and (iii) the valid tender (without valid withdrawal) of a majority in aggregate principal amount of the Life Storage Notes held by persons other than Life Storage or any person directly or indirectly controlling or controlled under direct or indirect common control with Life Storage as of the Expiration Date. Tendered Life Storage Notes, and related consents, may be validly withdrawn at any time prior to the Expiration Date, although consents to the Proposed Amendments delivered prior to the Early Consent Date may not

be withdrawn after the Early Consent Date. Extra Space may terminate or withdraw the Exchange Offers at any time for any reason.

The closing of the Mergers is not conditioned upon the completion of the Exchange Offers.

The dealer managers for the Exchange Offers are:

TD Securities (USA) LLC 1 Vanderbilt Avenue, 11th Floor New York, New York 10017 Attention: Liability Management Group Toll-Free: (866) 584-2096 Collect: (212) 827-2842 Email: <a href="mailto:LM@tdsecurities.com">LM@tdsecurities.com</a>	U.S. Bancorp Investments, Inc. 1095 Avenue of the Americas, 13th Floor New York, New York 10036 Attention: Liability Management Group Toll-Free: (800) 479-3441 Collect: (917) 558-2756 Email: <a href="mailto:liabilitymanagement@usbank.com">liabilitymanagement@usbank.com</a>	Wells Fargo Securities, LLC 550 South Tryon Street, 5th Floor Charlotte, North Carolina 28202 Attention: Liability Management Group Collect: (704) 410-4759 Toll Free: (866) 309-6316 Email: <a href="mailto:liabilitymanagement@wellsfargo.com">liabilitymanagement@wellsfargo.com</a>
--	---	---

The exchange agent and information agent for the Exchange Offers is:

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, New York 10005  
Attn: Michael Horthman  
Bank and Brokers Call Collect: (212) 269-5550  
All Others, Please Call Toll-Free: (800) 859-8508  
Email: [extraspace@dfking.com](mailto:extraspace@dfking.com)

Requests for copies of the Prospectus can be made directly to the exchange agent and information agent listed above or by visiting the investor relations page of the Extra Space website at: <https://ir.extraspace.com>.

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities described herein and is also not a solicitation of the related consents. The Exchange Offers are being made only pursuant to the terms and conditions of the Prospectus and the other related materials. A Registration Statement relating to the EXR Notes has been filed with the SEC but has not yet become effective. The EXR Notes may not be sold, nor may offers to buy be accepted, prior to the time the Registration Statement is declared effective by the SEC.

#### **About Extra Space Storage**

Extra Space Storage Inc., headquartered in Salt Lake City, is a fully integrated, self-administered and self-managed real estate investment trust, and a member of the S&P 500. As of March 31, 2023, the Company owned and/or operated 2,388 self-storage properties, which comprise approximately 1.7 million units and approximately 180.0 million square feet of rentable storage space offering customers conveniently located and secure storage units across the country, including boat storage, RV storage and business storage. The Company is the second largest owner and/or operator of self-storage properties in the United States and is the largest self-storage management company in the United States.

#### **Forward-Looking Statements**

The statements in this communication that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which Extra Space and Life Storage operate as well as beliefs and assumptions of management of Extra Space and management of Life Storage. Such statements involve uncertainties that could significantly impact financial results of Extra Space or Life Storage. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "may," "could," and "will", including variations of such words and similar expressions, are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that Extra Space or Life Storage expect or anticipate will occur in the future — including statements relating to the Mergers and the Exchange Offers, acquisition and development activity, disposition activity, general conditions in the geographic areas where Extra Space or Life Storage operate, and Extra Space's and Life Storage's respective debt, capital structure and financial position — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although Extra Space and Life Storage believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, neither Extra Space nor Life Storage can give assurance that these expectations will be attained and therefore actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) Extra Space's and Life Storage's ability to complete the proposed Mergers and Exchange Offers on the proposed terms or on the anticipated timeline, or at all, including risks and uncertainties related to securing the necessary stockholder approvals and satisfaction of other closing conditions to consummate the proposed Mergers and Exchange Offers; (ii) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement relating to the proposed Mergers; (iii) risks related to diverting the attention of Extra Space's and Life Storage's management from ongoing business operations; (iv) failure to realize the expected benefits of the proposed Mergers; (v) significant transaction costs and/or unknown or inestimable liabilities; (vi) Extra Space's ability to complete the proposed financing transactions on the proposed terms or on the anticipated timeline, or at all; (vii) the risk of stockholder litigation in connection with the proposed Mergers, including resulting expense or delay; (viii) the risk that Life Storage's business will not be integrated successfully or that such integration may be more difficult, time-consuming or costly than expected; (ix) risks related to future opportunities and plans for the combined company, including the uncertainty of expected future financial performance and results of the combined company following completion of the proposed Mergers; (x) the effect of the announcement of the proposed Mergers on the ability of Extra Space and Life Storage to operate their respective businesses and retain and hire key personnel and to maintain favorable business relationships; (xi) risks related to the market value of the EXR common stock to be issued in the proposed Mergers; (xii) other risks related to the completion of the proposed Mergers and Exchange Offers and actions related thereto; (xiii) national, international, regional and local economic and political climates and conditions; (xiv) changes in global financial markets and interest rates; (xv) increased or unanticipated competition for each of Extra Space's or Life Storage's properties; (xvi) risks associated with acquisitions, dispositions and development of properties, including increased development costs due to additional regulatory requirements related to climate change; (xvii) maintenance of real estate investment trust

status, tax structuring and changes in income tax laws and rates; (xviii) availability of financing and capital, the levels of debt that each of Extra Space and Life Storage maintain and their respective credit ratings; (xix) environmental uncertainties, including risks of natural disasters; (xx) risks related to the coronavirus pandemic; (xxi) those additional risks and factors discussed in the reports filed with the SEC by Extra Space and Life Storage from time to time, including those discussed under the heading "Risk Factors" in their respective most recently filed reports on Form 10-K and Form 10-Q; and (xxii) other risks and uncertainties set forth in the Prospectus in the section entitled "Risk Factors." Neither Extra Space nor Life Storage undertakes any duty to update any forward-looking statements appearing in this communication except as may be required by law.

 View original content to download multimedia: <https://www.prnewswire.com/news-releases/extra-space-to-commence-exchange-offers-and-consent-solicitations-301842307.html>

SOURCE Extra Space Storage Inc.

Jeff Norman, Extra Space Storage, 801-365-1759, [info@extraspace.com](mailto:info@extraspace.com)