



NEWS RELEASE

Extra Space Storage Inc. Makes \$300 Million Preferred Equity Investment in Jernigan Capital, Inc.

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SALT LAKE CITY, Nov. 9, 2020 /PRNewswire/ -- **Extra Space Storage** Inc. ("Extra Space" or the "Company") (NYSE: **EXR**), a leading owner and operator of self-storage properties, announced today it made a \$300 million investment in preferred stock of Jernigan Capital, Inc. ("JCAP") in connection with the acquisition of JCAP by affiliates of NexPoint Advisors, L.P. The previously announced acquisition was approved by JCAP stockholders on October 26, 2020, and closed on Friday, November 6, 2020.

Extra Space's preferred stock investment consists of a \$200 million tranche, which will yield 10% per annum and a \$100 million tranche which will yield 12% per annum, for a blended yield of 10.7% per annum. After five years, the preferred dividend increases annually if the investment is not retired by JCAP and includes prepayment penalties and make whole provisions if retired early. The investment also provides Extra Space with certain rights with respect to purchasing the properties of JCAP. Extra Space will assume management of 37 JCAP stores in connection with the investment.

Joe Margolis, CEO of Extra Space commented, "Our \$300 million preferred equity investment in the acquisition of Jernigan Capital is another example of innovative capital investment in the storage sector, with attractive returns for our shareholders and an appropriate risk profile. We are excited to add 37 newly built, high-quality storage assets to our platform, and more importantly to begin new relationships with NexPoint and the JCAP management team. We look forward to exploring future opportunities to grow with these partners in the storage sector."

Transaction Advisors

J.P. Morgan served as financial advisor and Latham & Watkins LLP served as legal counsel to Extra Space in connection with this transaction.

Forward Looking Statement

Certain information set forth in this release contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements concerning the benefits of the preferred investment in JCAP, store acquisitions, developments, favorable market conditions, our outlook and estimates for the year and other statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, the competitive landscape, plans or intentions relating to acquisitions and developments and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "estimates," "expects," "may," "will," "should," "anticipates," or "intends," or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements. There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this release. Any forward-looking statements should be considered in light of the risks referenced in the "Risk Factors" section included in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Such factors include, but are not limited to:

- failure to realize the expected benefits of the preferred investment in JCAP, or other such investment transactions;
- adverse changes in general economic conditions, the real estate industry and the markets in which we operate;
- failure to close pending acquisitions and developments on expected terms, or at all;
- the effect of competition from new and existing stores or other storage alternatives, which could cause rents and occupancy rates to decline;
- potential liability for uninsured losses and environmental contamination;
- the impact of the regulatory environment as well as national, state and local laws and regulations, including, without limitation, those governing real estate investment trusts ("REITs"), tenant reinsurance and other aspects of our business, which could adversely affect our results;
- disruptions in credit and financial markets and resulting difficulties in raising capital or obtaining credit at reasonable rates or at all, which could impede our ability to grow;

- impacts from the COVID-19 pandemic or the future outbreak of other highly infectious or contagious diseases, including reduced demand for self-storage space and ancillary products and services such as tenant reinsurance, and potential decreases in occupancy and rental rates and staffing levels, which could adversely affect our results;
- increases in interest rates;
- reductions in asset valuations and related impairment charges;
- our lack of sole decision-making authority with respect to our joint venture investments;
- the effect of recent changes to U.S. tax laws;
- the failure to maintain our REIT status for U.S. federal income tax purposes; and
- economic uncertainty due to the impact of natural disasters, war or terrorism, which could adversely affect our business plan.

All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

About Extra Space Storage Inc.

Extra Space Storage Inc., headquartered in Salt Lake City, is a self-administered and self-managed REIT and a member of the S&P 500. As of September 30, 2020, Extra Space owned and/or operated 1,906 self-storage properties in 40 states, Washington, D.C. and Puerto Rico. Extra Space's properties comprise approximately 1.4 million units and approximately 147.5 million square feet of rentable space. Extra Space Storage Inc. offers customers a wide selection of conveniently located and secure storage units across the country, including boat storage, RV storage and business storage. Extra Space is the second largest owner and/or operator of self-storage properties in the United States.

For more information, please visit www.extraspace.com.

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