Risk Factors Comparison 2024-02-29 to 2023-02-28 Form: 10-K

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An investment in our securities involves various risks. All investors should carefully consider the following risk factors in conjunction with the other information contained in this Annual Report before trading in our securities. If any of the events set forth in the following risks actually occur, our business, operating results, prospects and financial condition could be harmed. Our performance is subject to risks associated with real estate investments. We are a real estate company that derives our income from the operation of our stores. There are a number of factors that may adversely affect the income that our stores generate, including the following: Risks Related to Our Stores and Operations Adverse economic or other conditions in the markets in which we do business could negatively affect our occupancy levels and rental rates and therefore our operating results. Our revenues and net operating income can be negatively impacted by general economic factors and other conditions that lead to a reduction in demand for rental space in the markets in which we operate. Our operations, revenues and operating income may be adversely impacted by, for example, increases in unemployment rates, rising interest rates, changing demographics, **decreases in the volume of housing market transactions,** recessions, perceptions about the safety of our stores, changes in local zoning laws, consequences from climate change, public health emergencies, as well as earthquakes, hurricanes and other natural disasters, terrorist acts, civil disturbances or acts of war. If we are unable to promptly re- let our units or if the rates upon such re- letting are significantly lower than expected, our business and results of operations would be adversely affected. ~~Virtually~~ **Nearly** all of our leases are on a month- to- month basis. Any delay in re- letting units as vacancies arise would reduce our revenues and harm our operating results. In addition, lower than expected rental rates upon re- letting could adversely affect our revenues and impede our growth. Uninsured losses or losses in excess of our insurance coverage could adversely affect our financial condition and our cash flow. We maintain comprehensive property and casualty insurance policies, including liability, fire, flood, earthquake, wind (as we deem necessary or as required by our lenders), umbrella coverage and rental loss insurance with respect to our stores. Certain types of losses, however, may be either uninsurable, not economically insurable, or coverage may be excluded on certain policies, such as losses due to earthquakes, hurricanes, tornadoes, riots, acts of war, terrorism, or social engineering. Should an uninsured loss occur, we could lose both our investment in and anticipated profits and cash flow from a store. In addition, if any such loss is insured, we may be required to pay significant amounts on any claim for recovery of such a loss prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. As a result, our operating results may be adversely affected. Legal disputes, settlement and defense costs could have an adverse effect on our operating results. From time to time we have to make monetary settlements or defend actions or arbitration (including class actions) to resolve tenant, employment- related or other claims and disputes. Settling any such liabilities could negatively impact our operating results and cash available for distribution to stockholders, and could also adversely affect our ability to sell, lease, operate or encumber affected properties. Our tenant reinsurance business is subject to significant governmental regulation, which may adversely affect our results. Our tenant reinsurance business is subject to significant governmental regulation. The regulatory authorities generally have broad discretion to grant, renew and revoke licenses and approvals, to promulgate, interpret and implement regulations, and to evaluate compliance with regulations through periodic examinations, audits and investigations of the affairs of insurance providers. As a result of regulatory or private action in any jurisdiction, we may be temporarily or permanently suspended from continuing some or all of our reinsurance activities, or otherwise fined or penalized or suffer an adverse judgment, which could adversely affect our business and results of operations. Environmental compliance costs and liabilities associated with operating our stores may adversely affect our results of operations. Under various U. S. federal, state and local laws, ordinances and regulations, a current or previous owner, developer or operator of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances, which could be substantial. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. From time to time, we may acquire properties, or interests in properties, with known adverse environmental conditions for which we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk- adjusted return. Costs associated with complying with the Americans with Disabilities Act of 1990 may result in unanticipated expenses. Under the ADA, places of public accommodation are required to meet certain federal requirements related to access and use by disabled persons. A number of additional U. S. federal, state and local laws may also require modifications to our stores, or restrict certain further renovations of the stores, with respect to access thereto by disabled persons. If one or more of our stores is not in compliance with the ADA or other legislation, then we would be required to incur additional costs to bring the facility into compliance. **We face continuing risks and costs in connection with integrating the Life Storage business following our business combination with Life Storage, Inc. (" Life Storage ") in July 2023, and we may not be able to successfully realize the synergies and other benefits of the acquisition or do so within the anticipated time frame. The acquisition of Life Storage involves the combination of two companies that previously operated as independent public companies and their respective operating partnerships. Although we believe the combined company has benefited from the elimination of duplicative costs associated with supporting a public company platform, we have devoted, and will continue to devote, significant management attention and resources to integrating the operations of Extra Space and Life Storage. Although much of Life Storage' s business is integrated, we may encounter costs and difficulties in the continuing integration process include the following: • the inability to fully combine the operations of Life Storage into our business, including the integration of employees, customer records and maintaining cybersecurity protections, in a manner that permits us**

to achieve the cost savings anticipated to result from the transaction; • the inability to dispose of former Life Storage assets or operations that we may desire to dispose of; • the difficulties of operating separate brands and the costs of potentially rebranding Life Storage stores over an extended period of time; • the complexities associated with managing the combined businesses out of different locations and integrating personnel from the two companies; • the failure to retain key employees of either of the two companies; • potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the Life Storage business; and • performance shortfalls as a result of the diversion of management' s attention caused by completing the Life Storage transaction and integrating the companies' operations. For all these reasons, it is possible that the continuing integration process could result in the distraction of our management and ongoing business or inconsistencies in our operations, services, standards, controls, procedures and policies, any of which could adversely affect our ability to maintain relationships with customers, vendors and employees or to achieve the anticipated benefits of the Life Storage transaction, or could otherwise adversely affect our business and financial results. There is significant competition among self- storage operators and from other storage alternatives. Competition in the local markets in which many of our stores are located is significant and has affected our occupancy levels, rental rates and operating expenses. Development of self- storage facilities has increased in recent years, which has intensified competition, and we expect it will continue to do so as newly developed facilities are opened. Development of self- storage facilities by other operators could continue to increase in the future. Actions by our competitors may decrease or prevent increases in our occupancy and rental rates, while increasing our operating expenses, which could adversely affect our business and results of operations. We may not be successful in identifying and consummating suitable acquisitions that meet our criteria, which may impede our growth. Our ability to expand through acquisitions is integral to our business strategy and requires us to identify suitable acquisition candidates or investment opportunities that meet our criteria and are compatible with our growth strategy. We may not be successful in identifying suitable stores or other assets that meet our acquisition criteria or in consummating acquisitions or investments on satisfactory terms or at all. Failure to identify or consummate acquisitions will slow our growth, which could in turn adversely affect our stock price. Our ability to acquire stores on favorable terms and successfully integrate and operate them may be constrained by the following significant risks **:** • competition from local investors and other real estate investors with significant capital, including other publicly- traded REITs and institutional investment funds; • competition from other potential acquirers may significantly increase the purchase price which could reduce our profitability; • the inability to achieve satisfactory completion of due diligence investigations and other customary closing conditions; and • we may acquire stores subject to liabilities without any recourse, or with only limited recourse, with respect to unknown liabilities such as liabilities for clean- up of undisclosed environmental contamination, claims by persons dealing with the former owners of the stores and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the stores. We and our vendors rely on information technology, and any material failure, inadequacy, interruption or security ~~failure of~~ **incident affecting** that technology could harm our business **, results of operations and financial condition** . We rely on information technology networks and systems, including the Internet, to process, transmit and store ~~electronic~~ **confidential** information, and to manage or support a variety of business processes, including financial transactions and records, ~~personally identifiable~~ **intellectual property, proprietary business** information, and **personal information of our employees, contractors and customers, such as** tenant and lease data **(collectively," Confidential Information")** . We ~~purchase some of our~~ **also rely on third- party vendors for** information technology ~~from vendors~~ **and services** , **including** ~~on whom our systems depend. We rely on~~ commercially available systems, software, tools and monitoring to provide security for **the** processing, transmission and storage of ~~confidential~~ **Confidential** ~~tenant and other sensitive information~~ **Information** . Our information technology systems and those of our third- party service providers, strategic partners and other contractors or consultants are vulnerable to attack and damage or interruption from computer viruses and malware (e. g. ransomware), **misconfigurations, bugs or other vulnerabilities,** malicious code, natural disasters, terrorism, war, telecommunication and electrical failures, hacking, cyberattacks, phishing attacks and other social engineering schemes, employee theft or misuse, human error ~~(e. g., social engineering, phishing),~~ fraud, denial or degradation of service attacks, **and** sophisticated nation- state and nation- state- supported actors ~~or unauthorized access or use by persons inside our organization, or persons with access to systems inside our organization~~ . Although we have taken steps to protect the security of our information **technology** systems and **Confidential Information** ~~the data maintained in those systems~~ , it is possible that our **cybersecurity risk management program and processes, including our policies,** safety and security measures will not be **fully implemented, complied with or** able to prevent ~~the~~ **such** systems' improper functioning or damage, or the improper ~~access~~ **accessing** or disclosure of **Confidential** ~~personally identifiable information~~ **Information , from** such ~~as in~~ **security breaches, disruptions, and shutdowns. The costs associated with** the ~~event~~ **investigation, remediation and potential notification** of ~~cyber~~ **such breaches to counter** - **parties** ~~attacks. Security breaches, including physical or electronic break- ins, computer viruses, attacks by hackers~~ and **data subjects could be material** ~~similar breaches, can create system disruptions, shutdowns or unauthorized disclosure of confidential information~~ . We and certain of our service providers are **,** from time to time, subject to cyberattacks and security incidents. While to date, we do not believe that we have experienced any significant system failure, accident or security breach, this risk has generally increased as the number, intensity and sophistication of such breaches and attempted breaches from around the world have increased. Furthermore, because the technologies used to obtain unauthorized access to, or to sabotage or disrupt, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. Any failure to maintain **the** proper ~~function~~ **functioning , confidentiality** , security and availability of our **or our third- party service providers'** information

technology systems **or our Confidential Information** could interrupt our operations, damage our reputation, divert significant management attention and resources to remedy any damages that result, subject us to liability **and** claims or regulatory **investigations and enforcement actions, which could result in, among other things, fines and** penalties **,** and have a material adverse effect on our business **, financial condition** and results of operations. Further, our insurance coverage may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of our systems. **Actual or perceived** ~~Failure~~ **failures** to comply with laws and regulations relating to data privacy and protection, could adversely affect our business **, results of operations,** and our financial condition. In the United States, both federal and various state governments have adopted, or are considering, laws, guidelines or rules for the collection, distribution, use ~~and~~ **,** storage **and security** of **personal information, and we are or may become subject to such obligations with respect to** information collected from or about ~~consumers or~~ **our** ~~their devices~~ **employees, contractors or customers** . For example, the California Consumer Privacy Act ~~of 2018 (" CCPA") went into effect on January 1, 2020, and creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations~~ , as **amended by** ~~well as a private right of action for data breaches that has increased the likelihood of, and risks associated with, data breach litigation. Further,~~ the California Privacy Rights Act ~~(" CPRA") generally went~~ **, requires certain businesses that process personal information of California residents to, among other things: provide certain disclosures to California residents regarding the business' s collection, use, and disclosure of their personal information; receive and respond to requests from California residents to access, delete, and correct their personal information, or to opt- out of certain disclosures of their personal information; and enter** into **specific contractual provisions with service providers that process California resident personal information** ~~effect in January 2023, and significantly amends the CCPA and will impose additional data protection obligations~~ on **the** ~~covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It also creates a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. Additional compliance investment and potential~~ business **' s behalf** ~~process changes may be required. Similar laws have passed in Virginia, Utah, Connecticut and Colorado, and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging~~ . Although we work to comply with applicable laws, regulations and standards, our contractual obligations and other legal obligations, these requirements are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, ~~and~~ may conflict with one another or other legal obligations with which we must comply **, may require us to incur significant costs, implement new processes, or otherwise affect our ability to use and disclose the information we collect, which could affect our results of operations, business, and financial condition** . Any failure or perceived failure by us or our employees, representatives, contractors, consultants, collaborators, or other third parties to comply with such requirements or adequately address privacy and security concerns, even if unfounded, could result in additional cost and liability to us, damage our reputation, and adversely affect our business **, financial condition** and results of operations. Our property taxes could increase due to reassessment or property tax rate changes. Real property taxes on our properties may increase as our properties are reassessed by taxing authorities or as property tax rates change. Therefore, the amount of property taxes we are required to pay could increase substantially from the property taxes we currently pay or have paid in the past, including on a retroactive basis. If our property taxes we pay increase, our cash flow would be adversely impacted, and our ability to pay any expected dividends to our stockholders and unitholders could be adversely affected. Public health emergencies, ~~such as pandemics including the COVID- 19 pandemic,~~ and measures intended to prevent the spread of a public health emergency, could adversely affect our results of operations. We face risks related to public health emergencies, such as epidemics and pandemics **that** ~~, including the COVID- 19 pandemic, which impacted our business in 2020, and~~ could materially and adversely impact our results of operations in the future. The impact of a public health emergency, and measures to prevent the spread of a virus or the underlying causes of a health crisis, could lower demand for storage facilities due to, among other things, stay- at home orders and other restrictions which may lead to lower rental rates, reduced late fee collection and impaired ability to hold auctions resulting in higher accounts receivable and bad debt. In addition, a public health emergency could cause general economic and market disruptions which could impair our ability to expand our business, raise capital and adversely affect the value of our securities. Although the self- storage industry has historically been resilient to ordinary market downturns, the impact of ~~the COVID- 19 pandemic and other~~ pandemics, epidemics or public health emergencies on the U. S. and world economies generally, and on our future results in particular, could be significant and will largely depend on future developments, which are highly uncertain and cannot be predicted. Climate change may adversely affect our results of operations. Climate change may cause extreme weather, changes in precipitation and temperature, increases in wild fire risk and rising sea levels in the areas in which we operate which may cause physical damage to our stores or a decrease in demand for rental space in the areas affected by these conditions. Should the impact of climate change be material in nature or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected, and may negatively impact the types and pricing of insurance we are able to procure. In addition, changes in federal, state and local legislation and regulation on climate change could result in increased operating costs (for example, increased utility costs) and / or increased capital expenditures to improve the energy efficiency of our existing stores and could also require us to spend more on our new stores without a corresponding increase in revenue. Further, the impact of climate change may increase the cost of, or make unavailable, property insurance or other hazard insurance on terms we find acceptable or necessary to adequately protect our properties. Risks Related to Our Organization and Structure Conflicts of interest could arise as a result of our relationship with our Operating Partnership. Conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, and our Operating Partnership or any partner thereof. Our directors and officers have duties to our Company under applicable Maryland law in connection with their management of our Company. At the same time, we, through our wholly-owned subsidiary, have fiduciary duties, as a general partner, to our Operating Partnership and to the limited partners under Delaware law in connection with the management of our Operating Partnership. Our duties, through our wholly- owned subsidiary, as a general partner to our Operating Partnership and its partners may come into conflict with the duties of our directors and officers to our Company. The partnership agreement of our Operating Partnership does not require us to resolve such conflicts in favor of either our Company or the limited partners in our Operating Partnership. Unless otherwise provided for in the relevant partnership agreement, Delaware law generally requires a general partner of a Delaware limited partnership to adhere to fiduciary duty standards under which it owes its limited partners the highest duties of good faith, fairness, and loyalty and which generally prohibit such general partner from taking any action or engaging in any transaction as to which it has a conflict of interest. Additionally, the partnership agreement expressly limits our liability by providing that neither we, our direct wholly- owned Massachusetts business trust subsidiary, as the general partner of the Operating Partnership, nor any of our or their trustees, directors or officers, will be liable or accountable in damages to our Operating Partnership, the limited partners or assignees for errors in judgment, mistakes of fact or law or for any act or omission if we, or such trustee, director or officer, acted in good faith. In addition, our Operating Partnership is required to indemnify us, our affiliates and each of our respective trustees, officers, directors, employees and agents to the fullest extent permitted by applicable law against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Operating Partnership, provided that our Operating Partnership will not indemnify for (1) willful misconduct or a knowing violation of the law, (2) any transaction for which such person received an improper personal benefit in violation or breach of any provision of the partnership agreement, or (3) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful. The provisions of Delaware law that allow the common law fiduciary duties of a general partner to be modified by a partnership agreement have not been resolved in a court of law, and we have not obtained an opinion of counsel covering the provisions set forth in the partnership agreement that purport to waive or restrict our fiduciary duties that would be in effect under common law were it not for the partnership agreement. Our joint venture investments could be adversely affected by our lack of sole decision- making authority. As of December 31, ~~2022~~ **2023** , we held interests in ~~319~~ **474** operating stores through joint ventures. Some of these arrangements could be adversely affected by our lack of sole decision- making authority, our reliance on co- venturers' financial conditions and disputes between us and our co- venturers. We expect to continue our joint venture strategy by entering into ~~more~~ **additional** joint ventures for the purpose of developing new stores and acquiring existing stores. In such event, we would not be in a position to exercise sole decision- making authority regarding the property, partnership, joint venture or other entity. The decision- making authority regarding the stores we currently hold through joint ventures is either vested exclusively with our joint venture partners, is subject to a majority vote of the joint venture partners or is equally shared by us and the joint venture partners. In addition, investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co- venturers might become bankrupt or fail to fund their share of required capital contributions. Partners or co-venturers may have economic or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the partner or co- venturer would have full control over the partnership or joint venture. Disputes between us and partners or co- venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and / or directors from focusing their time and efforts on our business. Consequently, actions by or disputes with partners or co- venturers might result in subjecting stores owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third- party partners or co- venturers, which could harm our financial condition. Certain provisions of Maryland law and our organizational documents, including the stock ownership limit imposed by our charter, may inhibit market activity in our stock and could prevent or delay a change in control transaction. Our charter, subject to certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT and to limit any person to actual or constructive ownership of no more than 7. 0 % (by value or by number of shares, whichever is more restrictive) of our outstanding common stock or 7. 0 % (by value or by number of shares, whichever is more restrictive) of our outstanding capital stock. Our board of directors, in its sole discretion, may exempt a proposed transferee from the ownership limit. However, our board of directors may not grant an exemption from the ownership limit to any proposed transferee whose ownership could jeopardize our qualification as a REIT. These restrictions on ownership will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT. The ownership limit may delay or impede a transaction or a change of control that might involve a premium price for our securities or otherwise be in the best interests of our stockholders. Different ownership limits apply to the family of Kenneth M. Woolley, certain of his affiliates, family members and estates and trusts formed for the benefit of the foregoing; to Spencer F. Kirk, certain of his affiliates, family members and estates and trusts formed for the benefit of the foregoing; and to certain designated investment entities as defined in our charter. Our board of directors has the power to issue additional shares of our stock in a manner that may not be in the best interest of our stockholders. Our charter authorizes our board of directors to issue additional authorized but unissued shares of common stock or preferred stock and to increase the aggregate number of authorized shares or the number of shares of any class or series without stockholder approval. In addition, our board of directors may classify or reclassify any unissued shares of common stock or preferred stock and set the preferences, rights and other terms of the classified or reclassified shares. Our board of directors could issue additional shares of our common stock or establish a series of preferred stock that could have the effect of delaying, deferring or preventing a change in control or other transaction that might involve a premium price for our securities or otherwise not be in the best interests of our stockholders. Our rights and the rights of our stockholders to take action against our directors and officers are limited. Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter eliminates our directors' and officers' liability to us and our stockholders for money damages except for liability resulting from actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a final judgment and which is material to the cause of action. Our bylaws require us to indemnify our directors and officers for liability resulting from actions taken by them in those capacities to the maximum extent permitted by Maryland law. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers. Risks Related to Our Debt Financings Disruptions in the financial markets could affect our ability to obtain debt financing on reasonable terms and have other adverse effects on us. Uncertainty in the credit and financial markets may negatively impact our ability to access additional debt financing or to refinance existing debt maturities on favorable terms (or at all), which may negatively affect our ability to make acquisitions and fund development projects. Credit and financial markets can be volatile and may be impacted by diminished liquidity and credit availability, rising interest and inflation rates, declines in economic growth and uncertainty about economic stability as well as geopolitical events such as the ongoing conflict between Russia and Ukraine, terrorism, civil unrest and acts of war. A downturn in the credit and financial markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly. In addition, these factors may make it more difficult for us to sell stores or may adversely affect the price we receive for stores that we do sell, as prospective buyers may experience increased costs of debt financing or difficulties in obtaining debt financing. Required payments of principal and interest on borrowings may leave us with insufficient cash to operate our stores or to pay the distributions currently contemplated or necessary to maintain our qualification as a REIT and may expose us to the risk of default under our debt obligations. As of December 31, ~~2022~~ **2023** , we had approximately $ ~~7~~ **11** . ~~4~~ **3** billion of outstanding indebtedness. We may incur additional debt in connection with future acquisitions and development. We may borrow under our Credit Lines or borrow new funds to finance these future stores. Additionally, we do not anticipate that our internally generated cash flow will be adequate to repay our existing indebtedness upon maturity and, therefore, we expect to repay our indebtedness through refinancings and equity and / or debt offerings. Further, we may need to borrow funds in order to make cash distributions to maintain our qualification as a REIT or to make our expected distributions. To qualify as a REIT, we generally must distribute to our stockholders at least 90 % of our REIT taxable income each year, determined without regard to the dividends paid deduction and excluding net capital gains, and we are subject to U. S. federal corporate income tax to the extent that we distribute less than 100 % of our REIT taxable income each year, determined without regard to the deduction for dividends paid and including net capital gains. If we are required to utilize our Credit Lines for purposes other than acquisition activity, this will reduce the amount available for acquisitions and could slow our growth. Therefore, our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences, including the following: • our cash flow may be insufficient to meet our required principal and interest payments; • we may be unable to borrow additional funds as needed or on favorable terms, including to make acquisitions or to continue to make distributions required to maintain our qualification as a REIT; • we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness; • because a portion of our debt bears interest at variable rates, an increase in interest rates could materially increase our interest expense; • we may be forced to dispose of one or more of our stores, possibly on disadvantageous terms; • after debt service, the amount available for cash distributions to our stockholders is reduced; • we may experience increased vulnerability to economic and industry downturns, reducing our ability to respond to changing business and economic conditions; • we may default on our obligations and the lenders or mortgagees may foreclose on our stores that secure their loans and receive an assignment of rents and leases and / or enforce our guarantees; • we may violate restrictive covenants in our loan documents, which would entitle the lenders to accelerate our debt obligations; and • our default under any one of our mortgage loans with cross- default or cross- collateralization provisions could result in a default on other indebtedness or result in the foreclosures of other stores. Increases in interest rates may increase our interest expense and adversely affect our cash flow and our ability to service our indebtedness and make cash distributions to our stockholders. As of December 31, ~~2022~~ **2023** , we had approximately $ ~~7~~ **11** . ~~4~~ **3** billion of debt outstanding, of which approximately $ ~~2~~ **3. 0 billion, or 26** . 6 ~~billion, or 35. 3~~ % was subject to variable interest rates (excluding debt with interest rate swaps). This variable rate debt had a weighted average interest rate of approximately ~~5~~ **6** . ~~5~~ **6** % per annum. Increases in interest rates on this variable rate debt would increase our interest expense, which could harm our cash flow and our ability to pay cash distributions. Failure to hedge effectively against interest rate changes may adversely affect our results of operations. In certain cases we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements. Hedging involves risks, such as the risk that the counterparty may fail to honor its obligations under an arrangement. Failure to hedge effectively against interest rate changes may adversely affect our financial condition, results of operations and ability to make cash distributions to our stockholders. ~~Changes in the method pursuant to which the London Interbank Offered Rate (" LIBOR ") is determined and the transition to other benchmarks may adversely affect our financial results. LIBOR and certain other " benchmarks " have been the subject of continuing national, international and other regulatory guidance and proposals for reform. In July 2017, the United Kingdom' s Financial Conduct Authority (" FCA "), which regulates LIBOR, publicly announced that it intends to phase out LIBOR, and on March 5, 2021, the FCA announced that USD LIBOR will no longer be provided by any administrator or no longer be representative immediately after December 31, 2021, in the case of one week and two month USD settings, and immediately after June 30, 2023, in the case of the remaining USD settings. In anticipation of the planned discontinuation of LIBOR, we have converted most of our contracts from LIBOR to the Secured Overnight Financing Rate (" SOFR"), and expect to have converted all remaining~~

~~contracts indexed to LIBOR to SOFR by June 30, 2023. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U. S. Treasury securities, and is based on directly observable U. S. Treasury- backed repurchase transactions. The ongoing transition from LIBOR to SOFR has and may continue to impact our business, including by affecting interest on loans and amounts received and paid on derivative instruments. These risks arise in connection with transitioning contracts to an alternative rate, including any resulting value transfer that may occur, and may vary by contract. The value of loans, securities, or derivative instruments tied to LIBOR, as well as interest rates on our current or future indebtedness, have been and will continue to be impacted by the transition from LIBOR to SOFR or other benchmark rates. In addition, transitioning to an alternative reference rate can be challenging, especially if we cannot agree with the respective counterparty about how to make the transition. These risks may have a material adverse effect on our financing costs, and as a result, our financial condition, operating results and cash flows.~~ Our existing indebtedness contains covenants that limit our operating flexibility and failure to comply with all covenants in our debt agreements could materially and adversely affect us. Our debt agreements, including our credit agreement governing the revolving credit facility and term loans and the indentures governing our public traded notes, contain various financial and other covenants that we and our operating partnership must comply with including total debt to asset ratios, secured debt to total asset ratios, adjusted EBITDA to fixed charged ratios and minimum ratios of unencumbered assets to unsecured debt which we must maintain. These covenants may limit our operating flexibility and could prevent us from taking advantage of business opportunities as they arise, growing our business or competing effectively. Our ability to meet these covenants may be affected by events beyond our control, and we may be unable to maintain compliance with these covenants. If we fail to meet these requirements, we may be unable to obtain waivers from the lenders or indenture trustee, as applicable, or amend the covenants. A breach of any of the covenants or other provisions in our debt agreements could result in an event of default, which if not cured or waived, could result in such debt becoming due and payable, either automatically or after an election to accelerate by the required percentage of the holders of the indebtedness or by an agent for the holders of the indebtedness. This, in turn, could cause our other debt, including the notes and our revolving credit facility, to become due and payable as a result of cross- default or cross- acceleration provisions contained in the agreements governing the other debt and permit certain of our lenders to foreclose on our assets, if any, that secure this debt. In the event that some or all of our debt is accelerated and becomes immediately due and payable, we may not have the funds to repay, or the ability to refinance our debt **. A downgrade in our credit ratings could materially adversely affect our business and financial condition and the market value of our outstanding notes. The credit ratings assigned to the outstanding publicly- traded notes and other debt securities of the operating partnership could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies, and we cannot assure you that any rating will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, these credit ratings are not recommendations to buy, sell or hold the notes or any other securities. If any of the credit rating agencies that have rated the outstanding notes or other debt securities of the operating partnership downgrades or lowers its credit rating, or if any credit rating agency indicates that it has placed any such rating on a so- called " watch list " for a possible downgrading or lowering or otherwise indicates that its outlook for that rating is negative, it could have a material adverse effect on our costs and availability of capital, which could in turn have a material adverse effect on our financial condition, results of operations, cash flows and our ability to satisfy our debt service obligations (including payments on the outstanding notes) and to make dividends and other distributions to our security holders and could also have the material adverse effect on the market value of the outstanding notes** . Risks Related to Qualification and Operation as a REIT Dividends payable by REITs may be taxed at higher rates. Dividends payable by REITs may be taxed at higher rates than dividends of non- REIT corporations. The maximum U. S. federal income tax rate for qualified dividends paid by domestic non- REIT corporations to U. S. stockholders that are individuals, trust or estates is generally 20 %. Dividends paid by REITs to such stockholders are generally not eligible for that rate, but under current tax law, such stockholders may deduct up to 20 % of ordinary dividends (i. e., dividends not designated as capital gain dividends or qualified dividend income) received from a REIT for taxable years beginning before January 1, 2026. Although this deduction reduces the effective tax rate applicable to certain dividends paid by REITs, such tax rate may still be higher than the tax rate applicable to regular corporate qualified dividends. This may cause investors to view REIT investments as less attractive than investments in non- REIT corporations, which in turn may adversely affect the value of stock of REITs, including our stock. In addition, the relative attractiveness of real estate in general may be adversely affected by the favorable tax treatment given to corporate dividends, which could negatively affect the value of our stores. Possible legislative or other actions affecting REITs could adversely affect our stockholders. The rules dealing with U. S. federal income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service (" IRS") and the U. S. Department of the Treasury. Changes to the tax laws, with or without retroactive application, could adversely affect our investors or us in ways we cannot predict. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT, the U. S. federal income tax consequences of such qualification, or the U. S. federal income tax consequences of an investment in us. Also, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT. Our failure to qualify as a REIT would have significant adverse consequences to us and the value of our stock. We believe we operate in a manner that allows us to qualify as a REIT for U. S. federal income tax purposes under the Internal Revenue Code. If we fail to qualify as a REIT or lose our qualification as a REIT at any time, we will face serious tax consequences that would substantially reduce the funds available for distribution for each of the years involved because: • we would not be allowed a deduction for distributions to stockholders in computing our taxable income and would be subject to U. S. federal corporate income tax on our taxable income; • we also could be subject to ~~the~~ **a** U. S. federal alternative minimum income tax ~~for taxable years prior to 2018~~ and possibly increased state and local taxes; and • unless we are entitled to relief under applicable statutory provisions, we could not elect to be taxed as a REIT for four taxable years following a year during which we were disqualified. In addition, if we fail to qualify as a REIT, we will not be required to make distributions to stockholders, and all distributions to stockholders will be subject to tax as regular corporate dividends to the extent of our current and accumulated earnings and profits. This means that our U. S. individual stockholders would be taxed on our dividends at capital gains rates, and our U. S. corporate stockholders would be entitled to the dividends received deduction with respect to such dividends, subject, in each case, to applicable limitations under the Internal Revenue Code. If we fail to qualify as a REIT for U. S. federal income tax purposes and are able to avail ourselves of one or more of the relief provisions under the Internal Revenue Code in order to maintain our REIT status, we may nevertheless be required to pay penalty taxes of $ 50, 000 or more for each such failure. As a result of all these factors, our failure to qualify as a REIT also could impair our ability to expand our business and raise capital, and could adversely affect the value of our securities. Qualification as a REIT involves the application of highly technical and complex Internal Revenue Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury regulations that have been promulgated under the Internal Revenue Code is greater in the case of a REIT that, like us, holds its assets through a partnership. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the composition of our assets, the sources of our gross income and the owners of our stock. Our ability to satisfy the asset tests depends upon our analysis of the fair market value of our assets, some of which are not susceptible to precise determination, and for which we will not obtain independent appraisals. Our ability to satisfy the income tests depends on the sources and amounts of our gross income, which we may not be able to control. Also, we must make distributions to stockholders aggregating annually at least 90 % of our REIT taxable income, determined without regard to the dividends paid deduction and excluding net capital gains, and we will be subject to U. S. federal corporate income tax to the extent we distribute less than 100 % of our REIT taxable income, without regard to the dividends paid deduction and including net capital gains. We own and may acquire direct or indirect interests in entities that have elected or will elect to be taxed as REITs under the Internal Revenue Code (each, a “ Subsidiary REIT ”). A Subsidiary REIT is subject to the various REIT qualification requirements and other limitations described herein that are applicable to us. If a Subsidiary REIT were to fail to qualify as a REIT, then (i) that Subsidiary REIT would become subject to U. S. federal income tax, (ii) shares in such Subsidiary REIT would cease to be qualifying assets for purposes of the asset tests applicable to REITs, and (iii) it is possible that we would fail certain of the asset tests applicable to REITs, in which event we would fail to qualify as a REIT unless we could avail ourselves of certain relief provisions. In addition, legislation, new regulations, administrative interpretations or court decisions may adversely affect our investors, our ability to qualify as a REIT for U. S. federal income tax purposes or the desirability of an investment in a REIT relative to other investments. Although we believe that we have been organized and have operated in a manner that is intended to allow us to qualify for taxation as a REIT, we can give no assurance that we have qualified or will continue to qualify as a REIT for U. S. federal income tax purposes. We have not requested and do not plan to request a ruling from the IRS regarding our qualification as a REIT. We will pay some taxes, reducing cash available for stockholders. Even though we qualify as a REIT for U. S. federal income tax purposes, we will be required to pay some U. S. federal, state and local taxes on our income and property. Extra Space Management, Inc. manages stores for our joint ventures and stores owned by third parties. We, jointly with certain corporate subsidiaries, including Extra Space Management, Inc., elected to treat each such subsidiary as a taxable REIT subsidiary ~~(“ TRS ”)~~ of our Company for U. S. federal income tax purposes. A TRS is subject to U. S. federal corporate income tax, and may also be subject to state and local taxes, on its taxable income. ESM Reinsurance Limited, a wholly- owned subsidiary of Extra Space Management, Inc., generates income from insurance premiums that are subject to U. S. federal income tax and state insurance premiums tax, and pays certain insurance royalties to us. In addition, we will be subject to a 100 % penalty tax on certain amounts if the economic arrangements among our tenants, our TRS and us are not comparable to similar arrangements among unrelated parties. Also, if we sell property as a dealer (i. e., to customers in the ordinary course of our trade or business), we will be subject to a 100 % penalty tax on any gain arising from such sales. While we do not intend to sell stores as a dealer, the IRS could take a contrary position. To the extent that we are, or any of our TRSs is, required to pay U. S. federal, state or local taxes, we will have less cash available for distribution to stockholders.