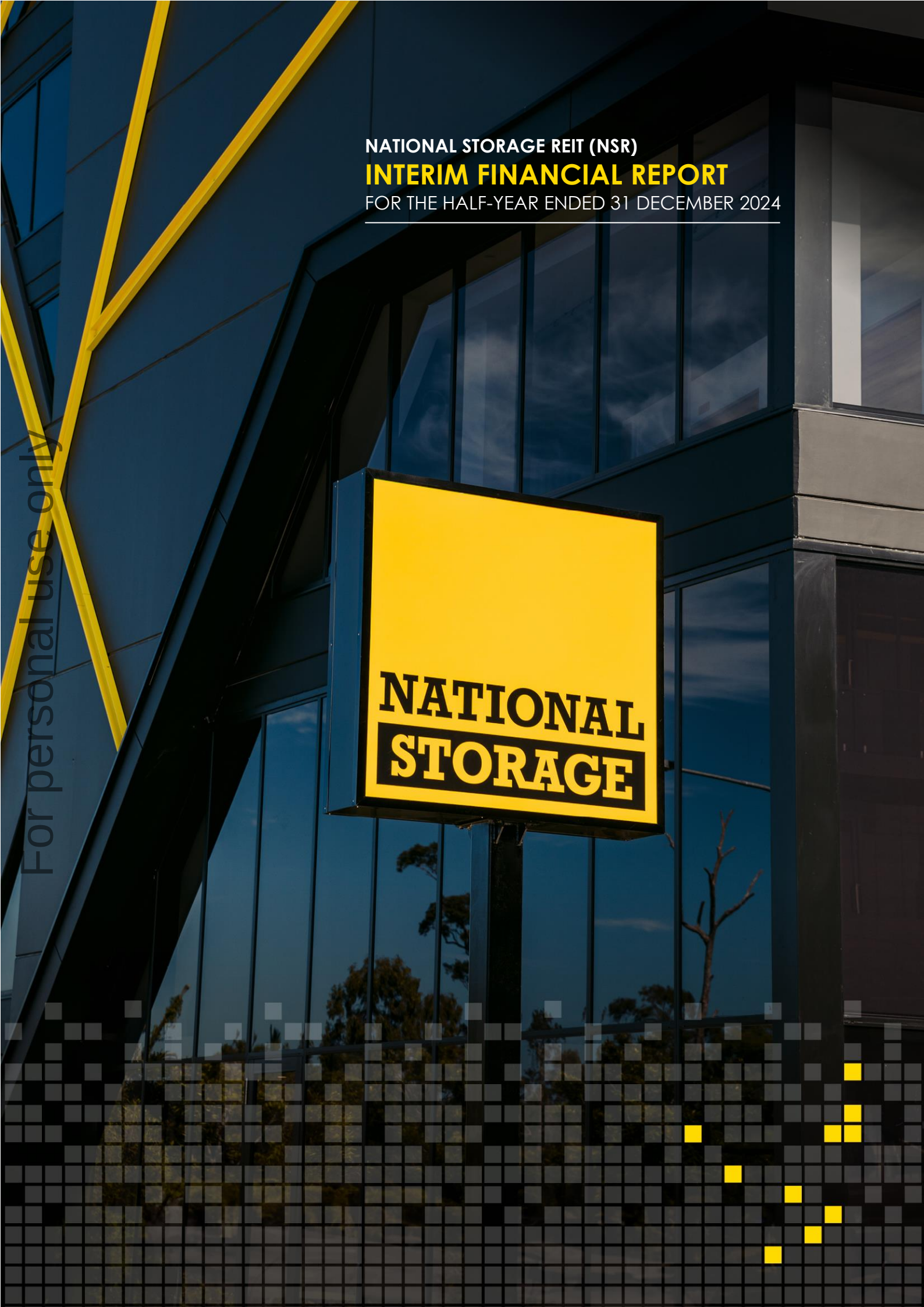
NATIONAL STORAGE REIT (NSR)

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024



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CORPORATE INFORMATION

National Storage Holdings Limited ACN 166 572 845 ("**NSH**" or the "**Company**") and
National Storage Property Trust ARSN 101 227 712 ("**NSPT**")
together form the stapled entity National Storage REIT ("**NSR**" or the "**Group**")

Responsible Entity of NSPT
National Storage Financial Services Limited ("**the Responsible Entity**"), a wholly owned subsidiary of National Storage Holdings Limited
ACN 600 787 246
AFSL 475 228
Level 16, 1 Eagle Street
Brisbane QLD 4000

Directors – NSH and the Responsible Entity
Anthony Keane
Andrew Catsoulis
Howard Brenchley
Inma Beaumont
Scott Smith
Simone Haslinger (appointed 24 October 2024)

Company Secretary – NSH and the Responsible Entity
Katherine Hammond

Registered office
Level 16, 1 Eagle Street
Brisbane QLD 4000

Principal place of business
Level 16, 1 Eagle Street
Brisbane QLD 4000

Share registry
Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067

Stapled securities are quoted on the Australian Securities Exchange ("**ASX**") – trading code **ASX:NSR**.

Auditor
Ernst & Young
111 Eagle Street
Brisbane QLD 4000

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DIRECTORS' REPORT

The Directors of NSH jointly with the Directors of National Storage Financial Services Limited as Responsible Entity of NSPT present their report together with the financial statements of NSR which incorporates NSH and its controlled entities ("**NSH Group**") and NSPT and its controlled entities ("**NSPT Group**") for the half-year ended 31 December 2024 ("**Reporting Period**").

DIRECTORS

National Storage Holdings Limited

The NSH Directors in office during the Reporting Period and continuing as at the date of this Directors' Report are set out below.

Anthony Keane	Independent Non-Executive Chairman
Andrew Catsoulis	Managing Director
Howard Brenchley	Independent Non-Executive Director
Inmaculada Beaumont	Independent Non-Executive Director
Scott Smith	Independent Non-Executive Director
Simone Haslinger	Non-Executive Director (appointed 24 October 2024)

National Storage Financial Services Limited, the Responsible Entity

The Directors of the Responsible Entity in office during the Reporting Period and continuing as at the date of this Directors' Report are set out below.

Anthony Keane	Director
Andrew Catsoulis	Director
Howard Brenchley	Director
Inmaculada Beaumont	Director
Scott Smith	Director
Simone Haslinger	Director (appointed 24 October 2024)

REVIEW AND RESULTS OF OPERATIONS

The Financial Statements are prepared in compliance with Australian Accounting Standards. Users of the financial information should familiarise themselves with the "Corporate Information" and "Basis of Preparation" in Notes 1 and 2 in the Financial Statements.

Operating results

For the half-year ended 31 December 2024, total revenue increased by 9.5% to $190.5m (31 December 2023: $173.9m) driven by self-storage revenue growth, increases in rate per square metre and an increase to total net lettable area through completion of developments and acquisitions. Occupancy across the Group has remained high, finishing the reporting period at 80.3% across established centres, continuing to provide further upside for growth.

Underlying earnings[1] increased 2.5% to $77.9m (31 December 2023: $76.0m) through strong centre operating performance and contribution from new acquisitions and developments.

	H1 FY25	H1 FY24
IFRS profit after tax	$87.9m	$79.2m
Plus tax expense	$4.7m	$6.6m
Plus restructuring and other costs	$3.4m	$0.5m
Plus amortisation of interest rate swap reset	$1.0m	$1.9m
Plus Exchangeable Notes transaction costs	$6.9m	-
Less amortisation of Exchangeable Notes transaction costs	($0.3m)	-
Less fair value adjustments and foreign exchange movement	($20.8m)	($7.5m)
Less lease diminution on leasehold investment properties	($4.9m)	($4.7m)
Underlying earnings[(1)]	**$77.9m**	**$76.0m**

[1] Underlying earnings is a non-IFRS measure (unaudited)

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Capital management

Cash and cash equivalents as at 31 December 2024 were $49.0m (30 June 2024: $55.2m) with net operating cashflow for the half-year increasing by $8.6m to $100.2m (31 December 2023: $91.6m).

An interim distribution of 5.5 cents per stapled security ($76.0m) was announced on 11 December 2024 with a payment date of 3 March 2025 (31 December 2023: interim distribution of $74.9m – 5.5 cents per stapled security).

NSR continues to operate a Distribution Reinvestment Plan ("**DRP**") which enables eligible securityholders to receive part or all of their distribution by way of securities rather than cash.

For the 30 June 2024 final distribution, 34% of eligible securityholders (by number of stapled securities) elected to receive their distributions as stapled securities. This raised equity of $25.4m from the issue of 10,722,010 stapled securities during the period.

For the 31 December 2024 interim distribution, 28% of eligible securityholders (by number of stapled securities) elected to receive their distributions as stapled securities. The DRP price has been set at $2.1982 based upon the volume weighted average market price of NSR stapled securities over a period of 10 trading days, less a 2% discount.

NSR's total available borrowing facilities are AUD $1,745m, and NZD $215m of which AUD $1,162m and NZD $149m are drawn at the reporting date.

NSR actively manages its debt facilities to ensure it has adequate investment capacity to fund future acquisitions, developments, and working capital requirements.

During the period, NSR successfully completed its inaugural $300m, five year Exchangeable Notes issue. The Notes are exchangeable at any time at the option of the noteholder into NSR stapled securities with NSR holding the right to choose to cash settle the Notes if exchanged. Noteholders have a one-off put option to redeem the Notes at the end of Year 3 (September 2027) at principal value plus accrued interest. The Notes are priced at a coupon of 3.625% per annum reducing NSR's average cost of debt, diversifying NSR's sources of funding and extending NSR's debt maturity profile.

NSR also increased its total other debt facilities by AUD $100m by entering into one new revolver loan and increasing an existing facility limit.

NSR has also increased its hedge profile and extended the tenor of a number of financing facilities. This provides NSR with over $643m of available undrawn funding, of which $563m have tenor of greater than one year. NSR has well over $800 million of headroom before it reaches the upper end of its target gearing range of 25% to 40%.

Investment in joint ventures and associates

In June 2024, NSR entered into binding agreements with GIC to establish the new National Storage Ventures Fund ("**NSVF**"). NSR holds approximately 25% in NSVF. On 1 October 2024, NSVF completed the purchase of 10 foundation assets consisting of five recently completed storage centres, and five assets under construction sourced from NSR's existing development portfolio. These assets were classified as held for sale at 30 June 2024.

NSR acts as manager of NSVF to identify, acquire and develop the Foundation Assets and any other self storage assets acquired for and on behalf of NSVF and earns fees for services provided to NSVF. These developments are undertaken in addition to NSR's own ongoing development activity and NSR will continue with its own developments utilising its balance sheet capacity and proven in-house capability.

Development and acquisitions

NSR considers its ability to acquire and integrate quality self-storage assets to be one of the key drivers of its growth strategy. NSR's dedicated in-house development and acquisitions team maintains a core focus on identifying, facilitating and transacting on acquisitions that are appropriate for inclusion in the NSR portfolio.

During the reporting period, NSR executed on its focused acquisition strategy across Australia and New Zealand with the acquisition of 6 established storage centres, adding a further 18,900m^2 of net lettable

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area to NSR's portfolio. NSR also purchased 2 newly constructed storage centres, plus 12 development sites. Total consideration of the above was $185.5m.

NSR completed the development and expansion of 7 new storage centres adding a further 43,000m^2 of net lettable area to NSR's portfolio and 6,200m^2 to the NSVF portfolio managed by NSR.

NSR incurred capital expenditure of $241.6m on investment property assets under construction. At the reporting date, NSR is managing a development pipeline of 51 projects, projected to add an additional 407,200m^2 of net lettable area to the NSR portfolio, and 43,300m^2 to the NSVF portfolio in future periods.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

For the period from 1 January 2025 to the date of this report the Group purchased one storage centre investment property and one development site for total consideration of $40.0m.

No other events have occurred between the reporting date and the issue date of the half-year report which require disclosure in the financial statements.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $100,000 (unless otherwise stated) under the option available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Group is an entity to which the class order applies.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made on 26 February 2025 in accordance with a resolution of the Board of Directors of National Storage Holdings Limited and is signed for and on behalf of the Directors.

Anthony Keane
Chairman
National Storage Holdings Limited
Brisbane

Andrew Catsoulis
Managing Director
National Storage Holdings Limited
Brisbane

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Auditor's independence declaration to the directors of National Storage Holdings Limited

As lead auditor for the review of the half-year financial report of National Storage Holdings Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of National Storage Holdings Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Wade Hansen

Wade Hansen
Partner
26 February 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31 December

	Notes	2024 $m	2023 $m
Revenue from rental income		173.9	161.6
Revenue from contracts with customers	4	15.5	11.2
Interest income		1.1	1.1
Total revenue		**190.5**	**173.9**
Employee expenses		(31.1)	(30.3)
Premises costs		(25.0)	(21.1)
Advertising and marketing costs		(4.5)	(3.1)
Insurance costs		(3.9)	(3.6)
Information technology and communications		(4.6)	(4.4)
Other operational expenses		(8.7)	(9.1)
Finance costs	5	(37.3)	(24.6)
Share of (loss) / profit from joint ventures and associates	16	(0.2)	1.1
Net gain from fair value adjustments	6	20.9	7.1
Restructuring and other costs		(3.4)	(0.5)
Foreign exchange (losses) / gains		(0.1)	0.4
Profit before income tax		**92.6**	**85.8**
Income tax expense	7	(4.7)	(6.6)
Profit after tax		**87.9**	**79.2**
Profit for the period attributable to:			
Members of National Storage Holdings Limited		9.5	16.7
Non-controlling interest (unitholders of NSPT)		78.4	62.5
		87.9	**79.2**
Basic earnings per stapled security (cents)	21	6.37	5.83
Diluted earnings per stapled security (cents)	21	6.18	5.83

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes and 30 June 2024 Financial Statements of National Storage REIT.

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 31 December

	2024 $m	2023 $m
Profit after tax	**87.9**	**79.2**
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(3.4)	3.1
Net loss on cash flow hedges	(3.2)	(4.0)
Other comprehensive loss, net of tax	**(6.6)**	**(0.9)**
Total comprehensive income for the period	**81.3**	**78.3**
Total comprehensive income for the period attributable to:		
Members of National Storage Holdings Limited	9.5	16.8
Non-controlling interest (unitholders of NSPT)	71.8	61.5
	81.3	**78.3**

The above Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes and 30 June 2024 Financial Statements of National Storage REIT.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 Dec 2024 $m	As at 30 Jun 2024 $m
ASSETS			
Current assets			
Cash and cash equivalents		49.0	55.2
Trade and other receivables		10.4	18.0
Inventories		1.6	1.6
Assets held for sale	12	-	142.7
Income tax receivable		1.5	0.2
Other current assets	13	20.0	14.7
Total current assets		**82.5**	**232.4**
Non-current assets			
Trade and other receivables		3.8	2.5
Property, plant and equipment		1.7	1.5
Right of use assets	9	2.7	3.3
Investment properties	11	5,179.9	4,829.6
Investment in joint ventures and associates	16	28.8	8.9
Intangible assets	14	47.7	47.2
Deferred tax assets		10.9	11.0
Other non-current assets	13	24.7	30.3
Total non-current assets		**5,300.2**	**4,934.3**
Total Assets		**5,382.7**	**5,166.7**
LIABILITIES			
Current liabilities			
Trade and other payables		32.8	40.5
Interest-bearing loans and borrowings	8	297.7	-
Lease liabilities	9	12.4	11.6
Deferred revenue		16.5	16.4
Income tax payable		-	1.5
Provisions		5.7	5.4
Distribution payable	18	76.0	75.4
Other liabilities		0.3	0.5
Total current liabilities		**441.4**	**151.3**
Non-current liabilities			
Trade and other payables		0.5	1.2
Interest-bearing loans and borrowings	8	1,293.0	1,395.5
Lease liabilities	9	76.7	82.1
Provisions		9.3	9.4
Deferred tax liabilities		6.7	6.7
Other liabilities		16.9	13.7
Total non-current liabilities		**1,403.1**	**1,508.6**
Total Liabilities		**1,844.5**	**1,659.9**
Net Assets		**3,538.2**	**3,506.8**
EQUITY			
Non-controlling interest (unitholders of NSPT)		3,221.7	3,201.5
Contributed equity	17	198.4	196.0
Other reserves		1.4	2.1
Retained earnings		116.7	107.2
Total Equity		**3,538.2**	**3,506.8**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and 30 June 2024 Financial Statements of National Storage REIT.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December

Attributable to securityholders of National Storage REIT

	Notes	Contributed equity $m	Retained earnings $m	Other reserves $m	Non-controlling interest $m	Total $m
Balance at 1 July 2024		**196.0**	**107.2**	**2.1**	**3,201.5**	**3,506.8**
Profit for the period		-	9.5	-	78.4	87.9
Other comprehensive loss		-	-	-	(6.6)	(6.6)
Total comprehensive income for the period		**-**	**9.5**	**-**	**71.8**	**81.3**
Issue of stapled securities	17	2.4	-	(1.4)	24.4	25.4
Share-based payments	22	-	-	0.7	-	0.7
Distributions	18	-	-	-	(76.0)	(76.0)
		2.4	**-**	**(0.7)**	**(51.6)**	**(49.9)**
Balance at 31 December 2024		**198.4**	**116.7**	**1.4**	**3,221.7**	**3,538.2**
Balance at 1 July 2023		**191.9**	**78.3**	**2.3**	**3,114.0**	**3,386.5**
Profit for the period		-	16.7	-	62.4	79.1
Other comprehensive loss		-	-	-	(0.9)	(0.9)
Total comprehensive income for the period		**-**	**16.7**	**-**	**61.5**	**78.2**
Issue of stapled securities	17	2.2	-	(1.5)	25.0	25.7
Share-based payments	22	-	-	0.7	-	0.7
Distributions	18	-	-	-	(74.9)	(74.9)
		2.2	**-**	**(0.8)**	**(49.9)**	**(48.5)**
Balance at 31 December 2023		**194.1**	**95.0**	**1.5**	**3,125.6**	**3,416.2**

The above Consolidated Statement of Changes of Equity should be read in conjunction with the accompanying notes and 30 June 2024 Financial Statements of National Storage REIT.

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CONSOLIDATED STATEMENT OF CHANGES OF CASH FLOWS

For the six months ended 31 December

	2024 $m	2023 $m
Operating activities		
Receipts from customers	209.2	193.5
Payments to suppliers and employees	(103.1)	(90.8)
Interest received	1.5	2.4
Income tax paid	(7.4)	(13.5)
Net cash flows from operating activities	**100.2**	**91.6**
Investing activities		
Purchase of investment properties	(74.5)	(100.2)
Proceeds on sale of investment properties	154.4	-
Development of investment properties under construction	(241.6)	(115.2)
Development of assets classified as held for sale at 30 June 2024	(16.8)	-
Improvements to investment properties	(7.7)	(6.8)
Purchase of property, plant and equipment	(0.6)	(0.5)
Purchase of intangible assets	(0.5)	(0.3)
Investments in joint ventures and associates	(20.2)	(5.6)
Financing provided to joint ventures	-	(6.5)
Repayment of financing from joint ventures	6.6	3.5
Distributions received from joint ventures	-	5.1
Net cash flows used in investing activities	**(200.9)**	**(226.5)**
Financing activities		
Distributions paid to stapled securityholders	(50.0)	(48.4)
Proceeds from borrowings	680.7	353.1
Repayment of borrowings	(481.8)	(150.0)
Interest and other finance costs paid	(46.3)	(29.5)
Payment of principal and interest on lease liabilities	(8.0)	(7.8)
Net cash flows from financing activities	**94.6**	**117.4**
Net decrease in cash and cash equivalents	(6.1)	(17.5)
Net foreign exchange difference	(0.1)	-
Cash and cash equivalents at 1 July	55.2	67.3
Cash and cash equivalents at 31 December	**49.0**	**49.8**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes and 30 June 2024 Financial Statements of National Storage REIT.

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NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

National Storage REIT ("**the Group**" or "**NSR**") is a joint quotation of National Storage Holdings Limited ("**NSH**" or "**the Company**") and its controlled entities ("**NSH Group**") and National Storage Property Trust ("**NSPT**" or "**the Trust**") and its controlled entities ("**NSPT Group**") on the Australian Securities Exchange ("**ASX**").

The Constitutions of NSH and NSPT ensure that, for so long as the two entities remain jointly quoted, the number of shares in the Company and the number of units in the Trust shall be equal and that the shareholders and unitholders be identical. Both the Company and the Responsible Entity (National Storage Financial Services Limited) of the Trust must at all times act in the best interest of NSR. The stapling arrangement will continue until either the winding up of the Company or the Trust, or termination by either entity.

The interim financial report of NSR for the half-year ended 31 December 2024 was approved on 26 February 2025, in accordance with a resolution from the Board of Directors of NSH.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

This Interim Financial Report for the half-year ended 31 December 2024 has been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The Interim Financial Report of NSR as at and for the half-year ended 31 December 2024 comprises the consolidated financial statements of the NSH Group and the NSPT Group.

The consolidated financial statements for the Group are prepared on the basis that NSH was the acquirer of the NSPT. The non-controlling interest attributable to stapled securityholders is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

The Group has elected to present only financial information relating to NSR within this interim financial report. A separate interim financial report for the NSPT Group has also been prepared for the half-year ended 31 December 2024, this is available at www.nationalstorageinvest.com.au.

The consolidated financial statements do not include all the information and disclosures required in the annual financial statements. It is recommended that the interim financial report be read in conjunction with the annual report for the year ended 30 June 2024 and considered together with any public announcements made by the Group in accordance with the continuous disclosure obligations of the ASX listing rules during the half-year ended 31 December 2024.

These financial statements have been prepared on the basis of historical cost, except for selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The financial statements are presented in Australian dollars ("**AUD**") and all values are rounded to the nearest hundred thousand dollars unless otherwise stated.

Deficiency of net current assets

As at 31 December 2024, the Group had an excess of current liabilities over current assets of $358.9m.

This deficit has increased due to the classification of the five year term Exchangeable Notes (held at fair value of $297.7m at 31 December 2024) as a current liability.

The Notes have a contractual tenor of five years and a final maturity date of 19 September 2029. Under the terms of the Notes, Noteholders can request to convert the Notes at any time into NSR stapled securities. NSR can elect to settle any such Exchange Request by way of NSR stapled securities or cash.

In the event that NSR elected to settle an Exchange Request via the issue of stapled securities, there would be no cash outflow. NSR held undrawn committed debt facilities of $643m at 31 December 2024 of which $563m have tenor of greater than one year.

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Accounting standards require the lease liability to be split between current and non-current while the corresponding asset is classed as non-current. As at the reporting date, this results in $11.1m of lease liabilities being classified as current (30 June 2024: $10.4m). The Directors believe the excess of the total investment property value over the lease liability reflects a positive position in both the immediate and long-term. Current liabilities also include deferred revenue of $16.5m associated with prepaid storage rentals which are not expected to result in a cash outflow (30 June 2024: $16.4m).

The Group generated operating cash flows of $100.2m for the half year ended 31 December 2024 (31 December 2023: $91.6m). Sufficient cash inflows from operations are expected to enable all liabilities to be paid when due.

As at 30 June 2024, the Group had an excess of current assets over current liabilities of $81.1m, due to the classification of $141.4m of investment property assets as held for sale (current assets). The sale of these assets was completed during current reporting period.

The interim financial report has been prepared on a going concern basis as the Directors believe the Group will continue to generate operating cash flows to meet all liability obligations in the ordinary course of business.

Changes in accounting policy, accounting standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("**AASB**") that are relevant to its operations and effective for the current half-year.

The adoption of new and revised standards did not result in any material changes to the interim consolidated financial statements.

The accounting policies adopted in the preparation of the consolidated financial statements are otherwise consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024 except for the following item disclosed below

The Group has issued Exchangeable Notes for the first time during the half-year ended 31 December 2024 and has applied AASB 9 *Financial Instruments* in relation to this instrument. The accounting policies related to the Group's treatment of Exchangeable Notes is provided within Note 8.

3. Segment information

The Group operates wholly within one business segment being the operation and management of storage centres in Australia and New Zealand. The operating results presented in the consolidated statement of profit or loss represent the same segment information as reported in internal management information.

The Managing Director is the Group's chief operating decision maker and monitors the operating results on a portfolio wide basis. Monthly management reports are evaluated based upon the overall performance of NSR consistent with the presentation within the consolidated financial statements. The Group's financing (including finance costs and finance income) are managed on a Group basis and not allocated to operating segments.

The Group has no individual customer which represents greater than 10% of total revenue.

4. Revenue from contracts with customers

	31 Dec 2024 $m	31 Dec 2023 $m
Sale of goods and services	3.9	2.4
Agency fees and commissions	3.1	3.2
Design, development, and project delivery fees	7.7	2.8
Management fees	0.8	2.8
Total revenue from contracts with customers	**15.5**	**11.2**

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5. Finance costs

	31 Dec 2024 $m	31 Dec 2023 $m
Interest on borrowings	27.3	20.4
Transaction costs on Exchangeable Notes issue	6.9	-
Interest on lease liabilities	2.1	2.2
Reclassification from cash flow hedge reserve to Consolidated statement of profit or loss	1.0	2.0
	37.3	**24.6**

6. Fair value adjustments

	31 Dec 2024 $m	31 Dec 2023 $m
Gains / (losses) for the period in profit or loss (recognised in fair value adjustments)		
Realised losses – lease diminution of leasehold property	(4.9)	(4.6)
Unrealised gains associated with investment property	26.7	15.8
Movement in provisions presented in fair value adjustments	(0.1)	0.6
Change in fair value of derivatives recognised at fair value through the profit or loss	(3.1)	(4.7)
Change in fair value of Exchangeable Notes recognised at fair value through profit or loss	2.3	-
	20.9	**7.1**

7. Income tax

The major components of income tax expense in the consolidated statement of profit or loss are:

	31 Dec 2024 $m	31 Dec 2023 $m
Current tax	4.1	5.5
Deferred tax	0.7	1.1
Adjustments in relation to prior periods	(0.1)	-
Total income tax expense	**4.7**	**6.6**

NSPT is a 'flow through' entity for Australian income tax purposes and is an Attribution Managed Investment Trust, such that the determined tax components of NSPT will be taxable in the hands of unitholders on an attribution basis. NSPT's subsidiary National Storage New Zealand Property Trust ("**NSNZPT**") is an Australian registered trust which owns investment property in New Zealand. For New Zealand tax purposes NSNZPT is classed as a unit trust and is subject to New Zealand income tax at a rate of 28%.

8. Interest-bearing loans and borrowings

	31 Dec 2024 $m	30 Jun 2024 $m
Current liabilities		
Exchangeable Notes	297.7	-
Total current interest-bearing loans and borrowings	**297.7**	**-**
Non-current liabilities		
Bank finance facilities	1,296.9	1,399.2
Non-amortised borrowing costs	(3.9)	(3.7)
Total non-current interest-bearing loans and borrowings	**1,293.0**	**1,395.5**
Total interest-bearing loans and borrowings	**1,590.7**	**1,395.5**

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Exchangeable Notes

On 19 September 2024, NSR completed the issue of $300m of Guaranteed Exchangeable Notes ("**the Notes**"). The Notes were priced at a coupon of 3.625% per annum, and have a maturity date of 19 September 2029 (five years), unless redeemed, repurchased or exchanged in accordance with their terms. NSR incurred $6.9m of transaction costs associated with the issue of the Notes.

The Notes are exchangeable at the option of the Noteholder into NSR stapled securities at the applicable Exchange Price throughout the Exchange Period. This commenced on 30 October 2024 and expires 10 business days prior to the final maturity date. NSR may settle an Exchange Right in cash, or by issue of new stapled securities.

The initial Exchange Price of the Notes was $3.0810 per stapled security. The Exchange Price is subject to adjustment for distributions declared by the Group over the term of the Notes. At the reporting date, the Notes are exchangeable into stapled securities at the initial exchange price, representing approximately 97.4 million stapled securities.

NSR can call for redemption of all (but not some) of the Notes at their principal value together with accrued unpaid interest at any time between 19 September 2027 to maturity should NSR's stapled security price trade above 130% of the Exchange Price for 20 days within a 30 day period.

The Notes include a conversion feature, which subject to NSR's stapled security price exceeding the Exchange Price at the date of exchange, may result in an additional amount due to Noteholders.

The Notes include a one-time put option at the end of year three, which allows Noteholders to redeem their holdings in cash at its principal amount, together with accrued but unpaid interest. In addition, there are market standard clauses requiring repayment in the event of change of control of NSR or a future delisting event.

Recognition and measurement of Exchangeable Notes

The Notes issued are traded on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Notes have been accounted for as one financial instrument at fair value through profit or loss.

Subsequent to initial recognition, the full instrument is subject to a mark to market valuation at each reporting date. The resulting fair value adjustment is recognised within the Consolidated statement of profit or loss. At 31 December 2024 this resulted in a fair value adjustment of $2.3m (see Note 6).

There were no redemption, conversion or cancelation of Exchangeable Notes during the period.

Transaction costs which are directly attributable to the Exchangeable Notes issue ($6.9m) have been recognised immediately in profit or loss within finance costs (see Note 5).

Classification of Exchangeable Notes

The Exchangeable Notes have been classified within current liabilities in the interim financial statements following an amendment to AASB 101 *Presentation of Financial Statements* applicable from 1 July 2024, disclosed on page 70 of the 2024 NSR Annual Report.

While the Notes have a contractual tenor of five years, under the terms of the Notes, Noteholders can request to convert the Notes at any time into NSR stapled securities. NSR can elect to settle any such Exchange Request by way of NSR stapled securities or cash.

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Bank finance facilities

The Group has borrowing facilities denominated in Australian Dollars ("**AUD**") and New Zealand Dollars ("**NZD**"). Drawn amounts and facility limits are as follows:

	31 Dec 2024 $m	30 Jun 2024 $m
Bank finance facilities (AUD)		
Drawn amount	1,162.0	1,275.0
Facility limit	1,745.0	1,645.0
Bank finance facilities (NZD)		
Drawn amount	149.0	136.0
Facility limit	215.0	215.0
AUD equivalent of NZD facilities		
Drawn amount	134.9	124.2
Facility limit	194.6	196.4

The major terms of these agreements are as follows:

- At 31 December 2024, maturity dates on these facilities range from 2 September 2025 to 13 June 2030 (30 June 2024: maturity dates from 2 September 2025 to 13 June 2030).
- All facilities are unsecured and interest only with any drawn balance payable at maturity.
- The interest rate applied is the bank bill rate plus a margin.

The Group has a bank overdraft facility with a limit of AUD $3m that was undrawn at 31 December 2024 and at 30 June 2024.

In addition, NSR increased its total other debt facilities by AUD $100m by entering into one new revolver loan and increasing an existing facility limit. The Group also extended the tenor of a number of financing facilities, providing NSR with over $643m of available undrawn funding, of which $563m have tenor of greater than one year.

Interest rate derivatives

The Group has the following future interest rate derivatives in place as at the end of the reporting period:

	31 Dec 2024 $m	30 Jun 2024 $m
Interest rate swaps (AUD) at face value		
Current interest rate swaps	1,030.0	550.0
Future interest rate swaps	-	200.0
Interest rate swaps (NZD) at face value		
Current interest rate swaps	100.0	50.0
Future interest rate swaps	-	25.0
AUD equivalent of NZD interest rate swaps		
Current interest rate swaps	90.5	45.7
Future interest rate swaps	-	22.8
Sold interest rate caps (AUD) at face value	800.0	540.0
Interest rate swaptions (AUD) at face value	1,050.0	540.0
Interest rate swaptions (NZD) at face value	50.0	50.0
AUD equivalent of NZD interest rate swaptions	45.3	45.7

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Interest rate derivatives in place at the end of the reporting period have maturity dates ranging from 23 June 2025 to 23 September 2030 (30 June 2024: 23 September 2024 to 23 September 2030).

Interest rate swaps

Interest rate swaps are financial contracts where the Group agrees to exchange interest rate cash flows with a counterparty. Typically, the Group exchanges fixed-rate interest payments for floating-rate interest payments based on a notional principal amount.

Interest rate caps

Interest rate caps are financial instruments that set a maximum interest rate payable on a notional amount over a specified period. The Group enters into interest rate caps which impact an interest rate swap by providing a maximum or minimum limit on the floating interest rate payments that the Group's counterparty must make to the Group under the swap. The Group has sold interest rate caps to lower the blended swap rate when the BBSY rate is below the agreed threshold (set quarterly). If the BBSY is above this threshold at the quarterly roll date the Group is required to pay additional interest payments.

Interest rate swaptions

Interest rate swaptions are options contracts that provide the counterparty with the option but not the obligation to extend an interest rate swap at a specified future date on predetermined terms.

9. Right of use assets and lease liabilities

Right of use assets	**Premises leases $m**	**Advertising leases $m**	**Total $m**
Opening balance at 1 July 2024	3.2	0.1	3.3
Depreciation charge	(0.6)	-	(0.6)
Closing balance at 31 December 2024	**2.6**	**0.1**	**2.7**

Lease liabilities	**31 Dec 2024 $m**	**30 Jun 2024 $m**
Current lease liabilities		
Lease liabilities relating to right of use assets	1.3	1.2
Lease liabilities relating to right of use assets presented as leasehold investment property	11.1	10.4
Total current lease liabilities	**12.4**	**11.6**
Non-current lease liabilities		
Lease liabilities relating to right of use assets	1.9	2.6
Lease liabilities relating to right of use assets presented as leasehold investment property	74.8	79.5
Total non-current lease liabilities	**76.7**	**82.1**

The Group has several lease contracts that include extensions and termination options. The Group has included the extension period as part of the lease term for leases of investment property where the option is expected to be exercised at the next renewal period.

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Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term.

	Within 5 years $m	More than five years $m	Total $m
Extension options expected not to be exercised			
At 31 December 2024	6.1	244.5	250.6
At 30 June 2024	5.2	242.7	247.9

10. Financial instruments fair value measurement

Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the financial instruments recognised in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, financial instruments are classified into the following three levels.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is derived from quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific fair valuation techniques used to determine fair values include:

- The fair value of Exchangeable Notes is calculated using the mid-point of the over-the-counter price of the Notes as at the reporting date. Exchangeable Notes have a level 1 designation within the fair value hierarchy.
- The fair value of interest rate derivatives is calculated as the present value of the estimated future cash flows based on observable yield curves, adjusted for counterparty or own credit risk. Interest rate derivatives have a level 2 designation within the fair value hierarchy.

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
At 31 December 2024				
Exchangeable Notes	297.7	-	-	297.7
Interest rate derivatives				
Current financial assets	-	4.4	-	4.4
Non-current financial assets	-	17.7	-	17.7
Current financial liabilities	-	(0.3)	-	(0.3)
Non-current financial liabilities	-	(16.9)	-	(16.9)
	297.7	**4.9**	**-**	**302.6**
At 30 June 2024				
Interest rate derivatives				
Current financial assets	-	3.0	-	3.0
Non-current financial assets	-	23.4	-	23.4
Current financial liabilities	-	(0.5)	-	(0.5)
Non-current financial liabilities	-	(13.8)	-	(13.8)
	-	**12.1**	**-**	**12.1**

There were no transfers between levels of fair value hierarchy during the period ended 31 December 2024 and 30 June 2024.

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11. Investment properties

	31 Dec 2024 $m	30 Jun 2024 $m
Leasehold investment properties	120.9	127.1
Freehold investment properties in operation	4,631.7	4,387.4
Investment properties under construction	427.3	315.1
Total investment properties	**5,179.9**	**4,829.6**
Leasehold investment properties		
Opening balance at 1 July	127.1	136.8
Improvements to investment properties	0.2	0.5
Reassessment of lease terms	1.4	3.6
Items reclassified to freehold investment properties in operation	-	(0.4)
Lease diminution, presented as fair value adjustments	(4.9)	(9.7)
Net loss from other fair value adjustments	(2.9)	(3.7)
Closing balance at 31 December / 30 June	**120.9**	**127.1**
Freehold investment properties in operation		
Opening balance at 1 July	4,387.4	3,978.8
Property acquisitions	74.3	205.5
Improvements to investment properties	7.4	11.0
Items reclassified from leasehold investment properties	-	0.4
Items reclassified to investment properties under construction	(21.3)	(22.3)
Items reclassified from investment properties under construction	158.7	119.8
Net gain from fair value adjustments	29.6	97.3
Effect of movement in foreign exchange	(4.4)	(3.1)
Closing balance at 31 December / 30 June	**4,631.7**	**4,387.4**
Investment properties under construction		
Opening balance at 1 July	315.1	269.2
Property acquisitions	123.4	58.9
Development costs	126.5	225.9
Items reclassified to freehold investment properties	(158.7)	(119.8)
Items reclassified from freehold investment properties	21.3	22.3
Items reclassified to assets held for sale	-	(141.4)
Effect of movement in foreign exchange	(0.3)	-
Closing balance at 31 December / 30 June	**427.3**	**315.1**

12. Assets held for sale

	31 Dec 2024 $'m	30 Jun 2024 $'m
Current assets		
Opening balance at 1 July	142.7	-
Items reclassified from freehold investment property	-	141.4
Items reclassified from current assets	-	0.2
Items reclassified from non-current assets	-	1.1
Improvements to investment properties held for sale	11.3	-
Disposals of investment properties held for sale	(154.0)	-
	-	**142.7**

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13. Other assets

	31 Dec 2024 $'m	30 Jun 2024 $'m
Current		
Prepayments	15.6	11.7
Financial assets (derivatives)	4.4	3.0
	20.0	**14.7**
Non-current		
Deposits	7.1	6.9
Financial assets (derivatives)	17.6	23.4
	24.7	**30.3**
Total current and non-current	**44.7**	**45.0**

14. Intangible assets

	31 Dec 2024 $m	30 Jun 2024 $m
Goodwill		
Opening and closing net book value	44.0	44.0
Other intangibles		
Opening net book value	3.2	3.0
Additions	1.1	1.2
Amortisation	(0.6)	(1.0)
Closing net book value	3.7	3.2
Total intangible assets	**47.7**	**47.2**

Impairment testing of goodwill

Goodwill has been allocated to the listed group (NSR). Management has determined that the listed group, which is considered one operating segment (see Note 3), is the appropriate cash generating unit against which to allocate this asset owing to the synergies arising from combining the portfolios of the Group.

An assessment was performed to identify any significant indicators of impairment subsequent to the annual assessment performed at 30 June 2024. There were no indicators of impairment identified for the half-year ended 31 December 2024.

In the event that indicators of impairment were identified, the methodologies for calculation of impairment would be consistent with those described in the 30 June 2024 annual report.

Other intangible assets relate to costs incurred on technology projects which are expected to generate future economic benefits either through increased revenue from the sale of products or services, cost savings or other benefits resulting from the use of the asset.

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15. Non-financial assets fair value measurement

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
At 31 December 2024				
Leasehold investment properties	-	-	120.9	120.9
Freehold investment properties	-	-	4,631.7	4,631.7
	-	**-**	**4,752.6**	**4,752.6**
At 30 June 2024				
Leasehold investment properties	-	-	127.1	127.1
Freehold investment properties	-	-	4,387.4	4,387.4
	-	**-**	**4,514.5**	**4,514.5**

Recognised fair value measurements

The Group's policy is to recognise transfers in and out of fair value hierarchy levels at the end of the reporting period. There were no transfers between categories for the period ended 31 December 2024 or the year ended 30 June 2024.

Fair value measurements using significant unobservable inputs (level 3)

Valuation techniques used to determine level 3 fair values and valuation process

Investment properties, principally storage centres, are held for rental to customers requiring self-storage facilities. They are carried at fair value. Changes in fair values are presented in profit or loss as fair value adjustments.

Fair values are determined by a combination of independent valuations and Director valuations. The independent valuations are performed by an accredited independent valuer. Investment properties are independently valued on a rotational basis every three years, at a minimum, unless a more frequent valuation is required. For properties subject to an independent valuation report the Directors verify all major inputs to the valuation and review the results with the independent valuer. The Director valuations are completed by the NSH Group Board. The valuations are determined using the same techniques and similar estimates to those applied by the independent valuer.

The Group obtains the majority of its independent valuations at each 30 June financial year end. The Group's policy is to maintain the valuation of the investment property at external valuation for all properties valued in the preceding year, unless there is an indication of a significant change to the property's valuation inputs. Freehold investment properties acquired in the period ended 31 December 2024 have been held at acquisition price.

Valuation inputs and relationship to fair value

Description	Significant unobservable inputs	Range at 31 Dec 2024	Range at 30 Jun 2024
Investment properties - freehold	Primary capitalisation rate	5.0% to 8.0%	5.0% to 8.0%
	Secondary capitalisation rate	5.3% to 8.5%	5.3% to 8.5%
	Weighted average primary cap rate	5.8%	5.8%
	Weighted average secondary cap rate	6.3%	6.3%
	Weighted average sustainable occupancy	85.9%	86.3%
	Stabilised average EBITDA	$1,205,703	$1,168,619
Investment properties - leasehold	Primary capitalisation rate	6.3% to 40.0%	6.3% to 40.0%
	Secondary capitalisation rate	6.3% to 40.0%	6.3% to 40.0%
	Weighted average primary cap rate	16.1%	15.7%
	Weighted average secondary cap rate	16.7%	16.2%
	Weighted average sustainable occupancy	87.5%	87.5%
	Stabilised average EBITDA	$573,621	$610,317

Under the income capitalisation method, a property's fair value is estimated based upon a combination of current trading income and potential income. Potential income is subject to a higher degree of risk, reflected in a higher secondary capitalisation rate.

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Current earnings before interest, tax, depreciation and amortisation ("**EBITDA**") generated by the property is divided by the primary capitalisation rate (the investor's required rate of return). Potential income is represented by additional EBITDA (stabilised EBITDA less current EBITDA) divided by the secondary capitalisation rate. Stabilised EBITDA reflects the estimated EBITDA generated once a property reaches a sustainable level of operations. The value attributed to the secondary capitalisation is then discounted to account for the estimated time required to deliver this additional value.

The capitalisation rates are derived from recent sales of similar properties. The secondary capitalisation rate is typically higher than the primary capitalisation rate to reflect the additional risk associated with these cashflows. Generally, an increase in stabilised EBITDA will result in an increase in fair value of an investment property. An increase in the vacancy rate will result in a reduction of the stabilised EBITDA. Investment properties are valued on a highest and best use basis. The current use of all investment properties (self-storage) is considered to be the highest and best use.

The capitalisation rate adopted reflects the inherent risk associated with the property. For example, if the lease expiry profile of a particular property is short, the capitalisation rate is likely to be higher to reflect additional risk to income. The higher capitalisation rate then reduces the valuation of the property.

The following tables present the sensitivity of investment property fair values to changes in input assumptions.

At 31 December 2024:

	Leasehold		Freehold	
Unobservable inputs	**Increase/ (decrease) in input**	**Increase/ (decrease) in fair value $m**	**Increase/ (decrease) in input**	**Increase/ (decrease) in fair value $m**
Primary capitalisation rate	1% / (1%)	(2.2)/ 2.8	1% / (1%)	(522.9)/ 744.5
Secondary capitalisation rate	2% / (2%)	(1.2)/ 2.0	2% / (2%)	(168.3)/ 334.8
Sustainable occupancy	5% / (5%)	7.5/ (5.5)	5% / (5%)	294.3/ (233.1)
Stabilised average EBITDA	5% / (5%)	1.8/ (1.5)	5% / (5%)	197.6/ (166.1)

At 30 June 2024:

	Leasehold		Freehold	
Unobservable inputs	**Increase/ (decrease) in input**	**Increase/ (decrease) in fair value $m**	**Increase/ (decrease) in input**	**Increase/ (decrease) in fair value $m**
Primary capitalisation rate	1% / (1%)	(2.4) / 3.0	1% / (1%)	(537.6) / 764.2
Secondary capitalisation rate	2% / (2%)	(1.2) / 2.0	2% / (2%)	(131.7) / 260.3
Sustainable occupancy	5% / (5%)	7.4 / (5.1)	5% / (5%)	284.3 / (195.6)
Stabilised average EBITDA	5% / (5%)	1.9 / (1.7)	5% / (5%)	194.2 / (148.2)

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16. Interest in joint ventures and associates

Interest in joint ventures	31 Dec 2024 $m	30 Jun 2024 $m
Opening balance at 1 July	5.5	5.7
Capital contribution in joint venture	20.1	5.5
Share of (loss) / profit from joint ventures	(0.2)	1.2
Distributions received from joint ventures	-	(5.2)
Disposal of shareholding in joint venture	-	(1.7)
Closing balance at 31 December / 30 June	**25.4**	**5.5**

The investments above are classified as joint ventures as all parties are subject to a Securityholders Agreement that has been contractually structured such that the parties to the agreement have equal representation on the advisory board responsible for the overall direction and supervision of each entity.

The Group has a 25% interest in National Storage Ventures Trust ("**NSVT**") which holds 100% of the units National Storage Sub Trust 1 ("**NSVST1**"), and a 4.9% interest in National Storage Ventures Operations Pty Ltd ("**NSVO**"), collectively referred to as the National Storage Ventures Fund ("**NSVF**"). The purpose of NSVF is to undertake the acquisition, development and operation of self-storage centres located across Australia.

During the period the Group made a capital contribution into NSVF of $20.1m. On 1 October 2024, NSVF purchased ten self-storage assets for $174.5m. Nine of these assets were previously classified as held for sale on NSR's balance sheet at 30 June 2024.

NSR acts as manager of NSVF to identify, acquire and develop the Foundation Assets and any other self-storage assets acquired for and on behalf of NSVF and earns fees for services provided to NSVF. These developments are undertaken independently of NSR's own ongoing development activity.

Due to the nature and size of NSVF, NSR has classified this as a material joint venture at 31 December 2024.

The following table provides summarised financial information for both NSVO and the consolidated financial information for NSVT and its sub-trust. The information disclosed reflects the amounts presented in the Financial Statements of these entities and not the Group's share of those amounts.

	NSVO		NSVT	
Statement of Profit or Loss	**31 Dec 2024 $m**	**31 Dec 2023 $m**	**31 Dec 2024 $m**	**31 Dec 2023 $m**
Revenue	0.3	-	0.8	-
Interest income	0.1	-	0.3	-
Interest expense	(0.5)	-	(0.7)	-
Other expenses	(0.9)	-	(0.5)	-
Loss before tax	**(1.0)**	**-**	**(0.1)**	**-**
Income tax benefit	0.3	-	-	-
Loss after tax representing total comprehensive income for the period	**(0.7)**	**-**	**(0.1)**	**-**
Group's share of loss for the period	**-**	**-**	**-**	**-**

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Statement of Financial Position	NSVO 31 Dec 2024 $m	NSVO 30 Jun 2024 $m	NSVST 31 Dec 2024 $m	NSVST 30 Jun 2024 $m
Cash and cash equivalents	9.1	-	5.5	-
Other current assets	0.2	-	1.4	-
Total current assets	**9.3**	**-**	**6.9**	**-**
Total non-current assets	**48.9**	**-**	**214.3**	-
Total current liabilities	**(0.6)**	**-**	**(7.2)**	**-**
Non-current financial liabilities	-	-	(134.9)	-
Other non-current liabilities	(48.5)	-	-	-
Total non-current liabilities	**(48.5)**	**-**	**(134.9)**	**-**
Net assets	**9.1**	**-**	**79.1**	**-**
Group's interest in joint venture	**4.9%**	**-**	**25.0%**	**-**
Group's share of net assets representing carrying amount of investment	**0.4**	**-**	**19.8**	**-**

As at 31 December 2024, the Group also holds a 30% interest in BFNS Trust and BFNS Operations Pty Ltd. BFNS Trust owns one storage investment property asset in Queensland, Australia. This asset is operated by BFNS Operations Pty Ltd.

Interest in associate	31 Dec 2024 $m	30 Jun 2024 $m
Opening balance at 1 July	3.4	3.2
Acquisition of shareholding in associate	-	0.1
Share of profit from associate	-	0.1
Closing balance at 31 December / 30 June	**3.4**	**3.4**

The Group holds a 21% (30 June 2024: 21%) holding in Spacer Technologies Pty Ltd ("**Spacer**"). Spacer operate online peer-to-peer marketplaces for self-storage and parking in Australia and North America. None of the Group's joint ventures or associates are listed on any public exchange.

See Note 19 for fees received and purchases from joint ventures and associate.

17. Contributed equity

	31 Dec 2024 $m	30 Jun 2024 $m
Issued and paid up capital	**198.4**	**196.0**

Number of stapled securities on issue	31 Dec 2024 No.	30 Jun 2024 No.
Opening balance at 1 July	1,370,353,130	1,348,382,592
Distribution reinvestment plan	10,722,010	21,153,845
Stapled securities issued under equity incentive plan	727,834	816,693
Closing balance	**1,381,802,974**	**1,370,353,130**

Distribution reinvestment plan

During the period, 10,722,010 stapled securities were issued to securityholders participating in the Group's dividend distribution plan for consideration of $25.4m. The stapled securities were issued at the volume weighted average market price of the Group's stapled securities over a period of ten trading days, less a 2% discount (30 June 2024: 21,153,845 stapled securities issued for total consideration of $46.6m).

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Securities issued under equity incentive plans

During the period, 231,234 stapled securities were issued to the NSH senior executive team for FY24 Short Term Incentives ("**STI**"). No consideration was paid by the recipients for the issue of the stapled securities, which were issued for a deemed price of $2.4044 per stapled security under the terms of the STI award. The deemed price was calculated using the volume weighted average market price of the Group's stapled securities over a 30-day trading period to 30 June 2023.

496,600 stapled securities were issued to the NSH senior executive team following the vesting of performance rights under Long Term Incentive ("**LTI**") remuneration. No consideration was paid by the recipients for the issue of the stapled securities, which were issued for a deemed price of $2.044 per stapled security calculated using the volume weighted average market price of the Group's stapled securities over a 30-day trading period to 30 June 2021 under the terms of the LTI award.

Terms and conditions of contributed equity

Stapled securities

A stapled security represents one share in NSH and one unit in NSPT. Stapled securityholders have the right to receive declared dividends from NSH and distributions from NSPT and are entitled to one vote per stapled security at securityholders' meetings. Holders of stapled securities can vote in accordance with the *Corporations Act 2001*, either in person or by proxy, at a meeting of either NSH or NSPT. The stapled securities have no par value. In the event of the winding up of NSH and NSPT, stapled securityholders have the right to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held. Ordinary stapled securityholders rank after all creditors in repayment of capital.

18. Distributions declared

Unit distributions Distributions declared	**31 Dec 2024** **$m**	**31 Dec 2023** **$m**
NSPT interim distribution of 5.5 cents per unit payable on 3 March 2025 (1 March 2024: 5.5 cents per unit)	76.0	74.9

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19. Related party transactions

The following tables provide the total amount of transactions that have been entered into with related parties for the six months ended 31 December 2024 and 31 December 2023, as well as outstanding balances with related parties as at 31 December 2024 and 30 June 2024.

Transaction with related parties

		Revenue from related parties $'000	Purchases from related parties $'000	Amount owed by related parties $'000	Amount owed to related parties $'000
Bundall Commercial Trust	Current period	-	-	-	-
	Comparative period	47	-	-	-
Bundall Storage Trust	Current period	-	-	-	-
	Comparative period	55	-	-	-
Bundall Storage Operations Pty Ltd	Current period	-	-	-	-
	Comparative period	187	-	-	-
Spacer Technologies Pty Ltd	Current period	-	47	-	23
	Comparative period	-	37	-	23
The TBF & NS Trust	Current period	-	-	-	-
	Comparative period	1,279	-	-	-
Moorooka Storage Operations Pty Ltd	Current period	-	-	-	-
	Comparative period	69	-	-	-
BFNS Operations Pty Ltd	Current period	73	-	205	35
	Comparative period	62	-	134	-
BFNS Trust	Current period	394	-	2,473	-
	Comparative period	1,967	-	8,971	-
National Storage Ventures Operations	Current period	285	-	100	-
	Comparative period	-	-	-	-
National Storage Ventures Sub Trust 1	Current period	7,440	-	1,257	-
	Comparative period	-	-	-	-

During the period the Group earned fees from NSVF for services provided in relation to the development and operation of self storage assets.

During the period the receivable relating to amounts drawn under facility agreements with BFNS Trust was fully repaid (30 June 2024: $6,550,000).

The remaining amounts owed by these entities relate to contractual management fees and accrued interest not paid at 31 December 2024.

All other outstanding balances at period end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the periods ended 31 December 2024 and 30 June 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

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20. Commitments and contingencies

Capital commitments

As at 31 December 2024, the Group held commitments to purchase one existing storage centre and four additional development sites for $69.6m.

As at 31 December 2024, the Group has contractual commitments in place for the construction of self-storage centres of $240.2m in Australia and New Zealand.

There is no other capital expenditure contracted for at the end of the reporting period but not recognised as a liability. There are no other contingent assets or liabilities for the Group.

21. Earnings per stapled security

	31 Dec 2024 cents	31 Dec 2023 cents (restated)
Basic earnings per stapled security	6.37	5.83
Diluted earnings per stapled security	6.18	5.83
Reconciliation of earnings used in calculating earnings per stapled security	**$m**	**$m**
Earnings attributable to members for basic earnings per stapled security	87.9	79.2
Effect of exchange of Exchangeable Notes	(0.5)	-
Earnings attributed to members for diluted earnings per stapled security	**87.4**	**79.2**

	No. of securities	No. of securities (restated)
Weighted average number of securities on issue during the period	1,377,846,101	1,356,513,477
Adjustment under AASB 133 to reflect discount to market price on issue of new capital	285,750	1,419,084
Weighted average number of securities for basic earnings per stapled security	1,378,131,851	1,357,932,561
Adjustments for calculation of diluted earnings per stapled security		
Effects on issue of performance rights and restricted securities	1,399,650	860,300
Effect on exchange of Exchangeable Notes	55,035,773	-
Weighted average number of securities for diluted earnings per stapled security	1,434,567,274	1,358,792,861

As required by AASB *133 Earnings per share,* for issues of capital during the period ended 31 December 2024 and 31 December 2023, the weighted average number of securities on issue used to calculate statutory basic and diluted earnings per stapled securities has been adjusted to reflect the difference between the issue price and the fair value of securities prior to issue. No actual securities were issued relating to this adjustment.

Diluted earnings per stapled security adjusts basic earnings per stapled security. This takes into account the after tax effect of interest and other finance costs associated with dilutive potential ordinary stapled securities. This also adjusts the weighted average number of stapled securities assumed to have been issued for no consideration on conversion of all dilutive potential stapled securities into stapled securities.

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22. Share-based payments

Equity Incentive Plan

Under the Group's Equity Incentive Plan, key management personnel ("**KMP**") receive a component of their short-term incentive ("**STI**") and long-term incentive ("**LTI**") remuneration in the form of share-based payments.

For the six months ended 31 December 2024, the Group has recognised $0.4m of share-based payment expense in the consolidated statement of profit or loss for restricted securities expected to be issued under the FY25 STI award (31 December 2023: $0.3m) and $0.3m of share-based payment expense in the consolidated statement of profit or loss for performance rights (31 December 2023: $0.4m).

Please refer to Note 21 of the 2024 NSR Annual Report for further information.

23. Events after reporting period

For the period from 1 January 2025 to the date of this report the Group purchased one storage centre investment property and one development site for total consideration of $40.0m.

No other events have occurred between the reporting date and the issue date of the half year report which require disclosure in the financial statements.

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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of National Storage Holdings Limited, the Directors state that:

In the opinion of the Directors:

(a) the financial statements and notes of NSR for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:
   a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
   b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) with reference to Note 2 in the financial statements, there are reasonable grounds to believe that NSR will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

Anthony Keane
Chairman

Andrew Catsoulis
Managing Director

26 February 2025
Brisbane

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Independent auditor's review report to the members of National Storage REIT

Conclusion

We have reviewed the accompanying half-year financial report of National Storage REIT (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of changes of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Wade Hansen

Wade Hansen
Partner
Brisbane
26 February 2025

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