



**FOR IMMEDIATE RELEASE**

**November 16, 2017**

**Strategic Storage Trust II, Inc. Reports 2017 Third Quarter Results**

**LADERA RANCH, CA** – November 16, 2017 – Strategic Storage Trust II, Inc. (“SST II”) announced strong increases in total revenues, same-store revenues, net operating income (“NOI”), occupancy and annualized rent per square footage as part of its overall operating results for the three and nine months ended September 30, 2017.

“Our third quarter same-store performance was strong, driven primarily by an increase in rental rates across the portfolio. Furthermore, we were fortunate that our 13 properties located across the state of Florida were not significantly impacted by Hurricane Irma,” said H. Michael Schwartz, chairman and chief executive officer of SST II. “We look forward to the continuing maturation of the portfolio over the coming quarters.”

**Third Quarter 2017 Highlights:**

- Increased total revenue by approximately \$5.5 million, or 38%, when compared to the same period in 2016.
- Increased same-store revenues and NOI by 7.2% and 7.6%, respectively, compared to the same period in 2016.
- Increased same-store average physical occupancy by approximately 0.7% to 94.1% from 93.4% compared to the same period in 2016.
- Increased same-store annualized rent per occupied square foot by approximately 6.6% to \$15.08 from \$14.15 compared to the same period in 2016.
- Increased modified funds from operations by approximately \$2.6 million, or 134%, when compared to the same period in 2016.

**Nine Months Ended September 30, 2017 Highlights:**

- Increased total revenue by approximately \$26.2 million, or 86%, when compared to the same period in 2016.
- Increased same-store revenues and NOI by 12.7% and 24.3%, respectively, compared to the same period in 2016.
- Increased same-store average physical occupancy by approximately 4.8% to 93.8% from 89.0% compared to the same period in 2016.
- Increased same-store annualized rent per occupied square foot by approximately 6.8% to \$13.52 from \$12.66 compared to the same period in 2016.
- Increased modified funds from operations by approximately \$7.5 million, or 128%, when compared to the same period in 2016.

**Quarterly Distributions**

On September 18, 2017, SST II’s board of directors declared a distribution rate for the fourth quarter of 2017 of approximately \$0.001644 per day per share on the outstanding shares of common stock payable to both Class A and Class T stockholders of record of such shares as shown on SST II’s books at the close of business on each day during the period,

commencing on October 1, 2017 and continuing on each day thereafter through and including December 31, 2017. Such distributions payable to each stockholder of record during a month will be paid the following month.

**STRATEGIC STORAGE TRUST II, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

	September 30, 2017 (Unaudited)	December 31, 2016
<b>ASSETS</b>		
Real estate facilities:		
Land	\$ 272,526,014	\$ 249,051,278
Buildings	514,081,210	439,426,157
Site improvements	42,722,450	38,978,298
	829,329,674	727,455,733
Accumulated depreciation	(29,683,363)	(14,855,188)
	799,646,311	712,600,545
Construction in process	7,446	1,740,139
Real estate facilities, net	799,653,757	714,340,684
Cash and cash equivalents	11,964,424	14,993,869
Restricted cash	5,594,170	3,040,936
Other assets, net	6,425,140	5,533,182
Debt issuance costs, net of accumulated amortization	1,052,299	1,550,410
Intangible assets, net of accumulated amortization	6,655,235	13,094,530
<b>Total assets</b>	<b>\$ 831,345,025</b>	<b>\$ 752,553,611</b>
<b>LIABILITIES AND EQUITY</b>		
Debt, net	\$ 400,717,082	\$ 320,820,740
Accounts payable and accrued liabilities	10,034,612	4,601,422
Due to affiliates	2,915,835	3,178,235
Distributions payable	2,743,955	2,608,609
<b>Total liabilities</b>	<b>416,411,484</b>	<b>331,209,006</b>
Commitments and contingencies		
Redeemable common stock	21,211,360	10,711,682
Equity:		
Strategic Storage Trust II, Inc. equity:		
Preferred stock, \$0.001 par value; 200,000,000 shares authorized; none issued and outstanding at September 30, 2017 and December 31, 2016	—	—
Class A common stock, \$0.001 par value; 350,000,000 shares authorized; 49,113,162 and 47,174,543 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	49,113	47,174
Class T common stock, \$0.001 par value; 350,000,000 shares authorized; 7,300,856 and 6,585,799 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	7,301	6,586
Additional paid-in capital	496,290,520	480,692,731
Distributions	(52,190,061)	(27,665,337)
Accumulated deficit	(56,312,261)	(43,777,711)
Accumulated other comprehensive income	1,352,367	1,377,950
Total Strategic Storage Trust II, Inc. equity	389,196,979	410,681,393
Noncontrolling interests in our Operating Partnership	4,525,202	(48,470)
<b>Total equity</b>	<b>393,722,181</b>	<b>410,632,923</b>
<b>Total liabilities and equity</b>	<b>\$ 831,345,025</b>	<b>\$ 752,553,611</b>

**STRATEGIC STORAGE TRUST II, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
<b>Revenues:</b>				
Self storage rental revenue	\$ 19,804,298	\$ 14,374,412	\$ 56,356,871	\$ 30,292,850
Ancillary operating revenue	135,214	83,138	366,963	198,478
<b>Total revenues</b>	<u>19,939,512</u>	<u>14,457,550</u>	<u>56,723,834</u>	<u>30,491,328</u>
<b>Operating expenses:</b>				
Property operating expenses	6,456,088	4,813,732	18,358,466	10,918,186
Property operating expenses – affiliates	3,307,619	1,860,606	8,145,469	3,776,193
General and administrative	762,642	637,302	2,642,433	2,086,167
Depreciation	5,145,952	3,741,831	14,865,271	7,635,527
Intangible amortization expense	3,525,476	3,620,992	11,026,239	8,328,969
Acquisition expenses—affiliates	—	751,331	212,577	9,007,362
Other property acquisition expenses	—	327,309	292,022	2,758,340
<b>Total operating expenses</b>	<u>19,197,777</u>	<u>15,753,103</u>	<u>55,542,477</u>	<u>44,510,744</u>
<b>Operating income (loss)</b>	741,735	(1,295,553)	1,181,357	(14,019,416)
<b>Other income (expense):</b>				
Interest expense	(4,310,132)	(2,905,979)	(11,979,432)	(4,678,187)
Interest expense—accretion of fair market value of secured debt	113,718	110,831	231,388	253,843
Interest expense—debt issuance costs	(329,877)	(2,088,310)	(1,849,114)	(2,907,873)
Other	(90,608)	(162,058)	(219,334)	(227,597)
<b>Net loss</b>	<u>(3,875,164)</u>	<u>(6,341,069)</u>	<u>(12,635,135)</u>	<u>(21,579,230)</u>
<b>Net loss attributable to the noncontrolling interests in our Operating Partnership</b>	<u>34,389</u>	<u>2,713</u>	<u>100,585</u>	<u>11,544</u>
<b>Net loss attributable to Strategic Storage Trust II, Inc. common stockholders</b>	<u>\$ (3,840,775)</u>	<u>\$ (6,338,356)</u>	<u>\$ (12,534,550)</u>	<u>\$ (21,567,686)</u>
Net loss per Class A share – basic and diluted	\$ (0.07)	\$ (0.14)	\$ (0.22)	\$ (0.58)
Net loss per Class T share – basic and diluted	\$ (0.07)	\$ (0.14)	\$ (0.22)	\$ (0.58)
Weighted average Class A shares outstanding – basic and diluted	48,958,361	40,557,461	48,609,924	34,205,460
Weighted average Class T shares outstanding – basic and diluted	<u>7,281,358</u>	<u>4,134,602</u>	<u>7,212,753</u>	<u>2,680,558</u>

**STRATEGIC STORAGE TRUST II, INC. AND SUBSIDIARIES**  
**NON-GAAP MEASURE – COMPUTATION OF MODIFIED FUNDS FROM OPERATIONS**  
**(Unaudited)**

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net loss (attributable to common stockholders)	\$(3,840,775)	\$(6,338,356)	\$(12,534,550)	\$(21,567,686)
Add:				
Depreciation	5,107,435	3,719,241	14,756,893	7,583,196
Amortization of intangible assets	3,525,476	3,620,992	11,026,239	8,328,969
Deduct:				
Adjustment for noncontrolling interests	(76,667)	(3,308)	(207,947)	(8,467)
<b>FFO</b> (attributable to common stockholders)	4,715,469	998,569	13,040,635	(5,663,988)
Other Adjustments:				
Acquisition expenses <sup>(1)</sup>	—	1,078,640	504,599	11,765,702
Accretion of fair market value of secured debt <sup>(2)</sup>	(113,718)	(110,831)	(231,388)	(253,843)
Adjustment for noncontrolling interests	1,010	(443)	(2,811)	(6,471)
<b>MFFO</b> (attributable to common stockholders)	<u>\$ 4,602,761</u>	<u>\$ 1,965,935</u>	<u>\$ 13,311,035</u>	<u>\$ 5,841,400</u>

SST II's results of operations for the three and nine months ended September 30, 2017 and 2016 have been significantly impacted by its acquisitions.

- <sup>(1)</sup> In evaluating investments in real estate, SST II differentiates the costs to acquire the investment from the operations derived from the investment. Such information would be comparable only for publicly registered, non-traded REITs that have generally completed their acquisition activity and have other similar operating characteristics. By excluding expensed acquisition related expenses, SST II believes MFFO provides useful supplemental information that is comparable for each type of real estate investment and is consistent with management's analysis of the investing and operating performance of its properties. Acquisition fees and expenses include payments to SST II's advisor and third parties. Acquisition related expenses under GAAP are considered operating expenses and as expenses included in the determination of net income (loss) and income (loss) from continuing operations, both of which are performance measures under GAAP. All paid and accrued acquisition fees and expenses will have negative effects on returns to investors, the potential for future distributions, and cash flows generated by SST II, unless earnings from operations or net sales proceeds from the disposition of other properties are generated to cover the purchase price of the property, these fees and expenses and other costs related to such property.
- <sup>(2)</sup> This represents the difference between the stated interest rate and the estimated market interest rate on assumed notes as of the date of acquisition. Such amounts have been excluded from MFFO because SST II believes MFFO provides useful supplementary information by focusing on operating fundamentals, rather than events not related to SST II's normal operations. SST II is responsible for managing interest rate risk and does not rely on another party to manage such risk.

**STRATEGIC STORAGE TRUST II, INC. AND SUBSIDIARIES**  
**NON-GAAP MEASURE – COMPUTATION OF SAME-STORE OPERATING RESULTS**  
**(Unaudited)**

The following table sets forth operating data for SST II's same-store facilities (those properties included in the consolidated results of operations since July 1, 2016 excluding Oakville I, which completed development during the second quarter of 2016) for the three months ended September 30, 2017 and 2016. SST II considers the following data to be meaningful as this allows for the comparison of results without the effects of acquisition or development activity.

	Same-Store Facilities			Non Same-Store Facilities			Total		
	2017	2016	% Change	2017	2016	% Change	2017	2016	% Change
Revenue <sup>(1)</sup>	\$ 15,204,903	\$ 14,182,117	7.2%	\$ 4,734,609	\$ 275,433	N/M	\$ 19,939,512	\$ 14,457,550	37.9%
Property operating expenses <sup>(2)</sup>	5,847,987	5,483,226	6.7%	1,783,219	199,492	N/M	7,631,206	5,682,718	34.3%
Net operating income	\$ 9,356,916	\$ 8,698,891	7.6%	\$ 2,951,390	\$ 75,941	N/M	\$ 12,308,306	\$ 8,774,832	40.3%
Number of facilities	62	62		21	4		83	66	
Rentable square feet <sup>(3)</sup>	4,480,500	4,480,500		1,549,100	372,800		6,029,600	4,853,300	
Average physical occupancy <sup>(4)</sup>	94.1%	93.4%		N/M	N/M		92.8%	92.2%	
Annualized rent per occupied square foot <sup>(5)</sup>	\$ 15.08	\$ 14.15		N/M	N/M		\$ 15.00	\$ 14.12	

N/M Not meaningful

- (1) Revenue includes rental revenue, ancillary revenue, and administrative and late fees.
- (2) Property operating expenses excludes corporate general and administrative expenses, asset management fees, interest expense, depreciation, amortization expense, acquisition expenses, and costs incurred in connection with the property management changes, but includes property management fees.
- (3) Of the total rentable square feet, parking represented approximately 540,000 and approximately 390,000 as of September 30, 2017 and 2016, respectively. On a same-store basis, for the same periods, parking represented approximately 350,000 square feet.
- (4) Determined by dividing the sum of the month-end occupied square feet for the applicable group of facilities for each applicable period by the sum of their month-end rentable square feet for the period.
- (5) Determined by dividing the aggregate realized rental revenue for each applicable period by the aggregate of the month-end occupied square feet for the period. Properties are included in the respective calculations in their first full month of operations, as appropriate. SST II has excluded the realized rental revenue and occupied square feet related to parking herein for the purpose of calculating annualized rent per occupied square foot.

SST II's increase in same-store revenue of approximately \$1.0 million was primarily the result of increased average physical occupancy of approximately 0.7% and increased rent per occupied square foot of approximately 6.6% for the three months ended September 30, 2017 over the three months ended September 30, 2016.

SST II's same-store property operating expenses increased by approximately \$0.4 million for the three months ended September 30, 2017 compared to the three months ended September 30, 2016 primarily due to an increase in property taxes caused by reassessments on the Florida properties acquired during 2016.

The following table presents a reconciliation of net loss to net operating income as presented on SST II's consolidated statements of operations for the periods indicated:

	<u>For the Three Months Ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
<b>Net loss</b>	\$ (3,875,164)	\$ (6,341,069)
Adjusted to exclude:		
Costs incurred in connection with the property management changes <sup>(1)</sup>	775,709	—
Asset management fees <sup>(2)</sup>	1,356,792	991,620
General and administrative	762,642	637,302
Depreciation	5,145,952	3,741,831
Intangible amortization expense	3,525,476	3,620,992
Acquisition expenses—affiliates	—	751,331
Other property acquisition expenses	—	327,309
Interest expense	4,310,132	2,905,979
Interest expense—accretion of fair market value of secured debt	(113,718)	(110,831)
Interest expense—debt issuance costs	329,877	2,088,310
Other	90,608	162,058
<b>Total net operating income</b>	<u>\$ 12,308,306</u>	<u>\$ 8,774,832</u>

<sup>(1)</sup> Costs incurred in connection with the property management changes are included in Property operating expenses – affiliates in the consolidated statement of operations for the three months ended September 30, 2017.

<sup>(2)</sup> Asset management fees are included in Property operating expenses – affiliates in the consolidated statements of operations.

**STRATEGIC STORAGE TRUST II, INC. AND SUBSIDIARIES**  
**NON-GAAP MEASURE – COMPUTATION OF SAME-STORE OPERATING RESULTS**  
**(Unaudited)**

The following table sets forth operating data for SST II's same-store facilities (those properties included in the consolidated results of operations since January 1, 2016) for the nine months ended September 30, 2017 and 2016. SST II considers the following data to be meaningful as this allows for the comparison of results without the effects of acquisition or development activity.

	Same-Store Facilities			Non Same-Store Facilities			Total		
	2017	2016	% Change	2017	2016	% Change	2017	2016	% Change
Revenue <sup>(1)</sup>	\$ 19,262,967	\$ 17,089,540	12.7%	\$ 37,460,867	\$ 13,401,788	N/M	\$ 56,723,834	\$ 30,491,328	86.0%
Property operating expenses <sup>(2)</sup>	7,215,681	7,395,179	(2.4)%	14,533,673	5,368,557	N/M	21,749,354	12,763,736	70.4%
Net operating income	\$ 12,047,286	\$ 9,694,361	24.3%	\$ 22,927,194	\$ 8,033,231	N/M	\$ 34,974,480	\$ 17,727,592	97.3%
Number of facilities	33	33		50	33		83	66	
Rentable square feet <sup>(3)</sup>	2,075,700	2,075,700		3,953,900	2,777,600		6,029,600	4,853,300	
Average physical occupancy <sup>(4)</sup>	93.8%	89.0%		N/M	N/M		91.9%	90.1%	
Annualized rent per occupied square foot <sup>(5)</sup>	\$ 13.52	\$ 12.66		N/M	N/M		\$ 14.48	\$ 14.04	

N/M Not meaningful

- (1) Revenue includes rental revenue, ancillary revenue, and administrative and late fees.
- (2) Property operating expenses excludes corporate general and administrative expenses, asset management fees, interest expense, depreciation, amortization expense, acquisition expenses, and costs incurred in connection with the property management changes, but includes property management fees.
- (3) Of the total rentable square feet, parking represented approximately 540,000 and approximately 390,000 as of September 30, 2017 and 2016, respectively. On a same-store basis, for the same periods, parking represented approximately 100,000 square feet.
- (4) Determined by dividing the sum of the month-end occupied square feet for the applicable group of facilities for each applicable period by the sum of their month-end rentable square feet for the period.
- (5) Determined by dividing the aggregate realized rental revenue for each applicable period by the aggregate of the month-end occupied square feet for the period. Properties are included in the respective calculations in their first full month of operations, as appropriate. SST II has excluded the realized rental revenue and occupied square feet related to parking herein for the purpose of calculating annualized rent per occupied square foot.

SST II's increase in same-store revenue of approximately \$2.2 million was primarily the result of increased average physical occupancy of approximately 4.8% and increased rent per occupied square foot of approximately 6.8% for the nine months ended September 30, 2017 over the nine months ended September 30, 2016.

SST II's same-store property operating expenses decreased by approximately \$0.2 million for the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 primarily due to decreased repair and maintenance expense.

The following table presents a reconciliation of net loss to net operating income as presented on SST II's consolidated statements of operations for the periods indicated:

	<u>For the Nine Months Ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
<b>Net loss</b>	\$ (12,635,135)	\$ (21,579,230)
Adjusted to exclude:		
Costs incurred in connection with the property management changes <sup>(1)</sup>	775,709	—
Asset management fees <sup>(2)</sup>	3,978,872	1,930,643
General and administrative	2,642,433	2,086,167
Depreciation	14,865,271	7,635,527
Intangible amortization expense	11,026,239	8,328,969
Acquisition expenses—affiliates	212,577	9,007,362
Other property acquisition expenses	292,022	2,758,340
Interest expense	11,979,432	4,678,187
Interest expense—accretion of fair market value of secured debt	(231,388)	(253,843)
Interest expense—debt issuance costs	1,849,114	2,907,873
Other	219,334	227,597
<b>Total net operating income</b>	<u>\$ 34,974,480</u>	<u>\$ 17,727,592</u>

<sup>(1)</sup> Costs incurred in connection with the property management changes are included in Property operating expenses – affiliates in the consolidated statement of operations for the nine months ended September 30, 2017.

<sup>(2)</sup> Asset management fees are included in Property operating expenses – affiliates in the consolidated statements of operations.

## **ADDITIONAL INFORMATION REGARDING NOI, FFO, and MFFO**

### **Net Operating Income (“NOI”)**

NOI is a non-GAAP measure that SST II defines as net income (loss), computed in accordance with GAAP, generated from properties before corporate general and administrative expenses, costs incurred in connection with the property management change, asset management fees, interest expense, depreciation, amortization, acquisition expenses and other non-property related expenses. SST II believes that NOI is useful for investors as it provides a measure of the operating performance of its operating assets because NOI excludes certain items that are not associated with the ongoing operation of the properties. Additionally, SST II believes that NOI is a widely accepted measure of comparative operating performance in the real estate community. However, SST II’s use of the term NOI may not be comparable to that of other real estate companies as they may have different methodologies for computing this amount.

### **Funds from Operations (“FFO”) and Modified Funds from Operations (“MFFO”)**

Due to certain unique operating characteristics of real estate companies, the National Association of Real Estate Investment Trusts, or NAREIT, an industry trade group, has promulgated a measure known as funds from operations, or FFO, which SST II believes to be an appropriate supplemental measure to reflect the operating performance of a REIT. The use of FFO is recommended by the REIT industry as a supplemental performance measure. FFO is not equivalent to SST II’s net income (loss) as determined under GAAP.

SST II defines FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004, or the White Paper. The White Paper defines FFO as net income (loss) computed in accordance with GAAP, excluding gains or losses from sales of property and asset impairment write downs, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. SST II’s FFO calculation complies with NAREIT’s policy described above.

The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Diminution in value may occur if such assets are not adequately maintained or repaired and renovated as required by relevant circumstances or other measures necessary to maintain the assets are not undertaken. However, SST II believes that, since real estate values historically rise and fall with market conditions, including inflation, interest rates, the business cycle, unemployment and consumer spending, presentations of operating results for a REIT using historical accounting for depreciation may be less informative. In addition, in the determination of FFO, SST II believes it is appropriate to disregard impairment charges, as this is a fair value adjustment that is largely based on market fluctuations and assessments regarding general market conditions which can change over time. An asset will only be evaluated for impairment if certain impairment indications exist and if the carrying value, or book value, exceeds the total estimated undiscounted future cash flows (including net rental revenues, net proceeds on the sale of the property, and any other ancillary cash flows at a property or group level under GAAP) from such asset. Testing for impairment is a continuous process and is analyzed on a quarterly basis. Investors should note, however, that determinations of whether impairment charges have been incurred are based partly on anticipated operating performance, because estimated undiscounted future cash flows from a property, including estimated future net rental revenues, net proceeds on the sale of the property, and certain other ancillary cash flows, are taken into account in determining whether an impairment charge has been incurred. While impairment charges are excluded from the calculation of FFO as described above, investors are cautioned that due to the fact that impairments are based on estimated future undiscounted cash flows and that SST II intends to have a relatively limited term of its operations; it could be difficult to recover any impairment charges through the eventual sale of the property. To date, SST II has not recognized any impairments.

Historical accounting for real estate involves the use of GAAP. Any other method of accounting for real estate such as the fair value method cannot be construed to be any more accurate or relevant than the comparable methodologies of real estate valuation found in GAAP. Nevertheless, SST II believes that the use of FFO, which excludes the impact of real estate related depreciation and amortization and impairments, assists in providing a more complete understanding of its performance to investors and to its management, and when compared year over year, reflects the impact on SST II’s operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses, and interest costs, which may not be immediately apparent from net income (loss).

However, FFO or modified funds from operations (“MFFO”), discussed below, should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income (loss) or in its applicability in evaluating SST II’s operating performance. The method utilized to evaluate the value and performance of real estate under GAAP

should be considered a more relevant measure of operational performance and is, therefore, given more prominence than the non-GAAP FFO and MFFO measures and the adjustments to GAAP in calculating FFO and MFFO.

Changes in the accounting and reporting rules under GAAP that were put into effect and other changes to GAAP accounting for real estate subsequent to the establishment of NAREIT's definition of FFO have prompted an increase in cash-settled expenses, specifically acquisition fees and expenses, that are expensed as operating expenses under GAAP. SST II believes these fees and expenses do not affect its overall long-term operating performance. Publicly registered, non-traded REITs typically have a significant amount of acquisition activity and are substantially more dynamic during their initial years of investment and operation. The purchase of properties, and the corresponding expenses associated with that process, is a key feature of SST II's business plan in order to generate operational income and cash flow in order to make distributions to investors. While other start-up entities may also experience significant acquisition activity during their initial years, SST II believes that publicly registered, non-traded REITs are unique in that they typically have a limited life with targeted exit strategies within a relatively limited time frame after the acquisition activity ceases. SST II has used the proceeds raised in its offering, including under its distribution reinvestment plan, to acquire properties, and SST II expects to begin the process of achieving a liquidity event (*i.e.*, listing of its shares of common stock on a national securities exchange, a merger or sale, the sale of all or substantially all of its assets, or another similar transaction) within three to five years after the completion of its offering, which is generally comparable to other publicly registered, non-traded REITs. Thus, SST II does not intend to continuously purchase assets and intends to have a limited life. The decision whether to engage in any liquidity event is in the sole discretion of the board of directors of SST II. Due to the above factors and other unique features of publicly registered, non-traded REITs, the Investment Program Association, or the IPA, an industry trade group, has standardized a measure known as MFFO, which the IPA has recommended as a supplemental measure for publicly registered, non-traded REITs and which SST II believes to be another appropriate supplemental measure to reflect the operating performance of a publicly registered, non-traded REIT having the characteristics described above. MFFO is not equivalent to SST II's net income (loss) as determined under GAAP, and MFFO may not be a useful measure of the impact of long-term operating performance on value if SST II does not ultimately engage in a liquidity event. SST II believes that, because MFFO excludes acquisition fees and expenses that affect its operations only in periods in which properties are acquired and that SST II considers more reflective of investing activities, as well as other non-operating items included in FFO, MFFO can provide, on a going-forward basis, an indication of the sustainability (that is, the capacity to continue to be maintained) of SST II's operating performance after the period in which it is acquiring properties and once its portfolio is in place. By providing MFFO, SST II believes it is presenting useful information that assists investors and analysts to better assess the sustainability of its operating performance after its offering has been completed and its properties have been acquired. SST II also believes that MFFO is a recognized measure of sustainable operating performance by the publicly registered, non-traded REIT industry. Further, SST II believes MFFO is useful in comparing the sustainability of its operating performance after its offering and acquisitions are completed with the sustainability of the operating performance of other real estate companies that are not as involved in acquisition activities. Investors are cautioned that MFFO should only be used to assess the sustainability of SST II's operating performance after its offering has been completed and properties have been acquired, as it excludes acquisition fees and expenses that have a negative effect on SST II's operating performance during the periods in which properties are acquired.

SST II defines MFFO, a non-GAAP measure, consistent with the IPA's Guideline 2010-01, Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: Modified Funds From Operations (the "Practice Guideline") issued by the IPA in November 2010. The Practice Guideline defines MFFO as FFO further adjusted for the following items included in the determination of GAAP net income (loss): acquisition fees and expenses; amounts relating to straight line rents and amortization of above or below intangible lease assets and liabilities; accretion of discounts and amortization of premiums on debt investments; non-recurring impairments of real estate related investments; mark-to-market adjustments included in net income; non-recurring gains or losses included in net income from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings where trading of such holdings is not a fundamental attribute of the business plan, unrealized gains or losses resulting from consolidation from, or deconsolidation to, equity accounting, adjustments relating to contingent purchase price obligations included in net income, and after adjustments for consolidated and unconsolidated partnerships and joint ventures, with such adjustments calculated to reflect MFFO on the same basis. The accretion of discounts and amortization of premiums on debt investments, unrealized gains and losses on hedges, foreign exchange, derivatives and securities holdings, unrealized gains and losses resulting from consolidations, as well as other listed cash flow adjustments are adjustments made to net income (loss) in calculating cash flows from operations and, in some cases, reflect gains or losses which are unrealized and may not ultimately be realized.

SST II's MFFO calculation complies with the IPA's Practice Guideline described above. In calculating MFFO, SST II excludes acquisition related expenses, the amortization of fair value adjustments related to debt, realized and unrealized gains and losses on foreign exchange holdings and the adjustments of such items related to non-controlling interests. The other adjustments included in the IPA's Practice Guideline are not applicable to SST II for the periods presented. Acquisition fees

and expenses are paid in cash by SST II, and it has not set aside or put into escrow any specific amount of proceeds from its offering to be used to fund acquisition fees and expenses. SST II does not intend to fund acquisition fees and expenses in the future from operating revenues and cash flows, nor from the sale of properties and subsequent re-deployment of capital and concurrent incurring of acquisition fees and expenses. Acquisition fees and expenses include payments to SST II's advisor and third parties. Acquisition related expenses under GAAP are considered operating expenses and as expenses included in the determination of net income (loss) and income (loss) from continuing operations, both of which are performance measures under GAAP. All paid and accrued acquisition fees and expenses will have negative effects on returns to investors, the potential for future distributions, and cash flows generated by SST II, unless earnings from operations or net sales proceeds from the disposition of other properties are generated to cover the purchase price of the property, these fees and expenses and other costs related to such property. In the future, if SST II is not able to raise additional proceeds from its offering, this could result in SST II paying acquisition fees or reimbursing acquisition expenses due to its advisor, or a portion thereof, with net proceeds from borrowed funds, operational earnings or cash flows, net proceeds from the sale of properties, or ancillary cash flows. As a result, the amount of proceeds available for investment and operations would be reduced, or SST II may incur additional interest expense as a result of borrowed funds.

Further, under GAAP, certain contemplated non-cash fair value and other non-cash adjustments are considered operating non-cash adjustments to net income (loss) in determining cash flows from operations. In addition, SST II views fair value adjustments of derivatives and the amortization of fair value adjustments related to debt as items which are unrealized and may not ultimately be realized or as items which are not reflective of on-going operations and are therefore typically adjusted for when assessing operating performance.

SST II uses MFFO and the adjustments used to calculate it in order to evaluate its performance against other publicly registered, non-traded REITs which intend to have limited lives with short and defined acquisition periods and targeted exit strategies shortly thereafter. As noted above, MFFO may not be a useful measure of the impact of long-term operating performance if SST II does not continue to operate in this manner. SST II believes that its use of MFFO and the adjustments used to calculate it allow it to present its performance in a manner that reflects certain characteristics that are unique to publicly registered, non-traded REITs, such as their limited life, limited and defined acquisition period and targeted exit strategy, and hence that the use of such measures may be useful to investors. For example, acquisition fees and expenses are intended to be funded from the proceeds of SST II's offering and other financing sources and not from operations. By excluding expensed acquisition fees and expenses, the use of MFFO provides information consistent with management's analysis of the operating performance of the properties. Additionally, fair value adjustments, which are based on the impact of current market fluctuations and underlying assessments of general market conditions, but can also result from operational factors such as rental and occupancy rates, may not be directly related or attributable to SST II's current operating performance. By excluding such charges that may reflect anticipated and unrealized gains or losses, SST II believes MFFO provides useful supplemental information.

Presentation of this information is intended to provide useful information to investors as they compare the operating performance of different REITs, although it should be noted that not all REITs calculate FFO and MFFO the same way, so comparisons with other REITs may not be meaningful. Furthermore, FFO and MFFO are not necessarily indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income (loss) or income (loss) from continuing operations as an indication of SST II's performance, as an alternative to cash flows from operations, which is an indication of SST II's liquidity, or indicative of funds available to fund SST II's cash needs including its ability to make distributions to its stockholders. FFO and MFFO should be reviewed in conjunction with other measurements as an indication of SST II's performance. MFFO may be useful in assisting management and investors in assessing the sustainability of operating performance in future operating periods, and in particular, after the offering and acquisition stages are complete.

Neither the SEC, NAREIT, nor any other regulatory body has passed judgment on the acceptability of the adjustments that SST II uses to calculate FFO or MFFO. In the future, the SEC, NAREIT or another regulatory body may decide to standardize the allowable adjustments across the publicly registered, non-traded REIT industry and SST II would have to adjust its calculation and characterization of FFO or MFFO.

#### **About Strategic Storage Trust II, Inc. ("SST II"):**

SST II is a public non-traded REIT that focuses on stabilized self storage properties. The SST II portfolio currently consists of 83 self storage facilities located in 14 states and Ontario, Canada, comprising approximately 51,300 self storage units and approximately 6.0 million net rentable square feet of storage space.

### **About SmartStop Asset Management, LLC (“SmartStop”):**

SmartStop is a diversified real estate company focused on self storage assets, along with student and senior housing. SmartStop has a managed portfolio that currently includes approximately 68,000 self storage units, 7.9 million rentable square feet, and \$1.3 billion of real estate assets under management. SmartStop is the asset and property manager for 108 self storage facilities located throughout the United States and Toronto, Canada and the asset manager of three student housing facilities. SmartStop is the sponsor of SST II, Strategic Storage Growth Trust, Inc., and Strategic Storage Trust IV, Inc., all public non-traded REITs focusing on self storage assets. The self storage facilities offer affordable and accessible storage units for residential and commercial customers. In addition, they offer secure interior and exterior storage units as well as outside storage areas for vehicles, RVs and boats. Additional information is available at [www.smartstopassetmanagement.com](http://www.smartstopassetmanagement.com).

*This press release may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” or other similar words. Because such statements include risks, uncertainties and contingencies, actual results may differ materially from the expectations, intentions, beliefs, plans or predictions of the future expressed or implied by such forward-looking statements. These risks, uncertainties and contingencies include, but are not limited to: uncertainties relating to changes in general economic and real estate conditions; uncertainties relating to the implementation of our real estate investment strategy; uncertainties relating to financing availability and capital proceeds; uncertainties relating to the closing of property acquisitions; uncertainties related to the timing and availability of distributions; and other risk factors as outlined in the Company’s public filings with the Securities and Exchange Commission. This is neither an offer nor a solicitation to purchase securities.*