

May 4, 2021



# National Storage Affiliates Trust Reports First Quarter 2021 Results

GREENWOOD VILLAGE, Colo.--(BUSINESS WIRE)-- National Storage Affiliates Trust ("NSA" or the "Company") (NYSE: NSA) today reported the Company's first quarter 2021 results.

## First Quarter 2021 Highlights

- Reported net income of \$27.6 million for the first quarter of 2021, an increase of 75.3% compared to the first quarter of 2020. Reported diluted earnings per share of \$0.19 for the first quarter of 2021 compared to \$0.06 for the first quarter of 2020.
- Reported core funds from operations ("Core FFO") of \$51.2 million, or \$0.49 per share for the first quarter of 2021, an increase of 22.5% per share compared to the first quarter of 2020.
- Reported an increase in same store net operating income ("NOI") of 11.5% for the first quarter of 2021 compared to the same period in 2020, driven by an 8.1% increase in same store total revenues partially offset by an increase of 0.6% in same store property operating expenses.
- Reported same store period-end occupancy of 93.8% as of March 31, 2021, an increase of 690 basis points compared to March 31, 2020.
- Settled the remaining portion of the previously announced underwritten public offering completed under forward sale agreements (the "forward offering") by physically delivering 3,049,490 common shares of beneficial interest ("common shares") to the forward purchasers on March 22, 2021 for net proceeds of approximately \$97.3 million.
- Acquired 23 wholly-owned self storage properties for \$166.0 million during the first quarter of 2021. Consideration for these acquisitions included the issuance of \$22.9 million of OP equity.

## Highlights Subsequent to Quarter-End

- NSA closed approximately \$204.1 million of additional wholly-owned self storage property acquisitions.
- Entered into an agreement to issue \$180.0 million of senior unsecured notes with a weighted average rate of 2.87% and a weighted average maturity of 9.6 years in a private placement to certain institutional investors.

Tamara Fischer, President and Chief Executive Officer, commented, "We are off to an exceptional start in 2021, with first quarter same store NOI growth of 11.5% and over \$370 million of acquisitions closed year to date. The self storage sector and our portfolio continue to benefit from a surge in customer demand, which is driving occupancies to all time highs and fueling our revenue management strategies. Further, the acquisition market remains

very active and we are realizing the benefits of our unique PRO structure, which essentially provides us with 10 acquisition teams across the country, in addition to our corporate acquisition team. Given the favorable results in the first quarter, and the impressive momentum that we are experiencing thus far in the second quarter, we have raised our same store NOI and core FFO per share guidance for 2021. It's a great time to be in the self storage business."

## Financial Results

(\$ in thousands, except per share and unit data)	Three Months Ended March 31,		
	2021	2020	Growth
<b>Net income</b>	<b>\$ 27,635</b>	<b>\$ 15,763</b>	<b>75.3%</b>
<b>Funds From Operations ("FFO")<sup>(1)</sup></b>	<b>\$ 50,907</b>	<b>\$ 36,278</b>	<b>40.3%</b>
Add back acquisition costs	292	833	(64.9)%
<b>Core FFO<sup>(1)</sup></b>	<b>\$ 51,199</b>	<b>\$ 37,111</b>	<b>38.0%</b>
<b>Earnings (loss) per share - basic</b>	<b>\$ 0.24</b>	<b>\$ 0.06</b>	<b>300.0%</b>
<b>Earnings (loss) per share - diluted</b>	<b>\$ 0.19</b>	<b>\$ 0.06</b>	<b>216.7%</b>
<b>FFO per share and unit<sup>(1)</sup></b>	<b>\$ 0.49</b>	<b>\$ 0.39</b>	<b>25.6%</b>
<b>Core FFO per share and unit<sup>(1)</sup></b>	<b>\$ 0.49</b>	<b>\$ 0.40</b>	<b>22.5%</b>

(1) Non-GAAP financial measures, including FFO, Core FFO and NOI, are defined in the Glossary in the supplemental financial information and, where appropriate, reconciliations of these measures and other non-GAAP financial measures to their most directly comparable GAAP measures are included in the Schedules to this press release and in the supplemental financial information.

Net income increased \$11.9 million for the first quarter of 2021 as compared to the same period in 2020. The increase resulted primarily from additional NOI generated from the 41 self storage properties acquired between April 1, 2020 and December 31, 2020, 23 wholly-owned self storage properties acquired during the first quarter of 2021 and same store NOI growth of 11.5% for the first quarter of 2021 compared to the same period in 2020, partially offset by increases in depreciation and amortization.

The increase in FFO and Core FFO for the first quarter of 2021 was primarily the result of incremental NOI from properties acquired between April 1, 2020 and March 31, 2021 and same store NOI growth.

## Same Store Operating Results (560 Stores)

(\$ in thousands, except per square foot data)	Three Months Ended March 31,		
	2021	2020	Growth
Total revenues	\$ 101,517	\$ 93,874	8.1%
Property operating expenses	28,833	28,661	0.6%
<b>Net Operating Income (NOI)</b>	<b>\$ 72,684</b>	<b>\$ 65,213</b>	<b>11.5%</b>
<b>NOI Margin</b>	<b>71.6%</b>	<b>69.5%</b>	<b>2.1%</b>
<b>Average Occupancy</b>	<b>92.5%</b>	<b>86.9%</b>	<b>5.6%</b>
<b>Average Annualized Rental Revenue Per Occupied Square Foot</b>	<b>\$ 12.47</b>	<b>\$ 12.30</b>	<b>1.4%</b>

Year-over-year same store total revenues increased 8.1% for the first quarter of 2021 as compared to the same period in 2020. The increase was driven primarily by a 560 basis

point increase in average occupancy and a 1.4% increase in average annualized rental revenue per occupied square foot. Markets which generated above portfolio average same store total revenue growth include: Portland, Phoenix, Sarasota and Houston. Markets which generated below portfolio average same store total revenue growth include: Atlanta, Dallas, Los Angeles and Tulsa.

Year-over-year same store property operating expenses increased 0.6% for the first quarter of 2021 as compared to the same period in 2020. The increase primarily resulted from increases in property taxes, utilities and repairs and maintenance expense offset by decreases in personnel and marketing expense.

### **Investment Activity**

During the first quarter, NSA invested approximately \$166.0 million in the acquisition of 23 self storage properties consisting of approximately 1.5 million rentable square feet configured in approximately 11,300 storage units. Total consideration for these acquisitions included approximately \$141.9 million of net cash, the issuance of approximately \$13.6 million of OP units and \$9.3 million of subordinated performance units and the assumption of approximately \$1.1 million of other liabilities.

### **Balance Sheet**

On March 22, 2021, the Company settled the remaining portion of the previously announced forward offering by physically delivering 3,049,490 common shares to the forward purchasers for net proceeds of approximately \$97.3 million. The Company used the proceeds to acquire self storage properties, repay outstanding amounts on its revolving line of credit and for general corporate purposes.

During the first quarter, the Company received approximately \$25.1 million of net proceeds from the sale of 642,726 common shares under the Company's at the market ("ATM") program. Subsequent to quarter end, the Company received approximately \$53.0 million of net proceeds from the sale of 1,320,000 common shares under the ATM program.

On April 8, 2021, Kroll Bond Rating Agency affirmed the issuer credit rating of the Company's operating partnership at BBB and revised its outlook to Positive from Stable.

On May 3, 2021, the Company's operating partnership entered into an agreement to issue \$35.0 million of 2.16% senior unsecured notes due May 4, 2026 (the "2026 Notes"), \$90.0 million of 3.00% senior unsecured notes due May 4, 2031 (the "May 2031 Notes") and \$55.0 million of 3.10% senior unsecured notes due May 4, 2033 (the "2033 Notes"). The funding of the 2033 Notes is expected to occur on or before May 26, 2021 and the funding of the 2026 Notes and the May 2031 Notes is expected to occur on or before July 26, 2021, subject to customary closing conditions. The Company plans to use the proceeds to repay outstanding amounts on its revolving line of credit and for general corporate purposes.

### **Common Share Dividends**

On February 25, 2021, NSA's Board of Trustees declared a quarterly cash dividend of \$0.35 per common share, which was paid on March 31, 2021 to shareholders of record as of March 15, 2021.

## 2021 Guidance

The following table outlines NSA's updated and prior FFO guidance estimates and related assumptions for the year ended December 31, 2021:

	Current Ranges for Full Year 2021		Prior Ranges for Full Year 2021		Actual Results for Full Year 2020
	Low	High	Low	High	
Core FFO per share <sup>(1)</sup>	\$1.89	\$1.93	\$1.81	\$1.86	\$1.71
Same store operations					
Total revenue growth	5.5%	6.5%	3.0%	4.5%	1.7%
Property operating expenses growth	3.5%	4.5%	3.5%	5.0%	0.5%
NOI growth	6.0%	8.0%	2.5%	5.0%	2.2%
General and administrative expenses					
General and administrative expenses (excluding equity-based compensation), in millions	\$42.0	\$44.0	\$41.0	\$44.0	\$39.3
Equity-based compensation, in millions	\$5.5	\$6.0	\$5.5	\$6.0	\$4.3
Management fees and other revenue, in millions	\$22.0	\$23.0	\$22.0	\$23.0	\$23.0
Core FFO from unconsolidated real estate ventures, in millions	\$17.0	\$18.0	\$16.0	\$17.0	\$15.6
Subordinated performance unit distributions, in millions	\$37.0	\$39.0	\$31.0	\$34.0	\$29.7
Acquisitions of self storage properties, in millions	\$500.0	\$650.0	\$400.0	\$650.0	\$543.3

<sup>(1)</sup> The following table provides a reconciliation of the range of estimated earnings (loss) per share - diluted to estimated Core FFO per share and unit:

	Current Ranges for Full Year 2021		Prior Ranges for Full Year 2021	
	Low	High	Low	High
<b>Earnings (loss) per share - diluted</b>	<b>\$0.75</b>	<b>\$0.85</b>	<b>\$0.59</b>	<b>\$0.69</b>
Impact of the difference in weighted average number of shares and GAAP accounting for noncontrolling interests, two-class method and treasury stock method	0.13	0.03	0.18	0.10
Add real estate depreciation and amortization, including NSA's share of unconsolidated venture real estate depreciation and amortization	1.34	1.39	1.31	1.37
FFO attributable to subordinated unitholders	(0.34)	(0.36)	(0.29)	(0.32)
Add acquisition costs and NSA's share of unconsolidated real estate venture acquisition costs	0.01	0.02	0.02	0.02
<b>Core FFO per share and unit</b>	<b>\$1.89</b>	<b>\$1.93</b>	<b>\$1.81</b>	<b>\$1.86</b>

## Supplemental Financial Information

The full text of this earnings release and supplemental financial information, including certain financial information referenced in this release, are available on NSA's website at <http://ir.nationalstorageaffiliates.com/quarterly-reporting> and as exhibit 99.1 to the Company's Form 8-K furnished to the SEC on May 4, 2021.

## Non-GAAP Financial Measures & Glossary

This press release contains certain non-GAAP financial measures. These non-GAAP measures are presented because NSA's management believes these measures help investors understand NSA's business, performance and ability to earn and distribute cash to its shareholders by providing perspectives not immediately apparent from net income (loss). These measures are also frequently used by securities analysts, investors and other

interested parties. The presentations of FFO, Core FFO and NOI in this press release are not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. In addition, NSA's method of calculating these measures may be different from methods used by other companies, and, accordingly, may not be comparable to similar measures as calculated by other companies that do not use the same methodology as NSA. These measures, and other words and phrases used herein, are defined in the Glossary in the supplemental financial information and, where appropriate, reconciliations of these measures and other non-GAAP financial measures to their most directly comparable GAAP measures are included in the Schedules to this press release and in the supplemental financial information.

### **Quarterly Teleconference and Webcast**

The Company will host a conference call at 1:00 pm Eastern Time on Wednesday, May 5, 2021 to discuss its first quarter 2021 financial results. At the conclusion of the call, management will accept questions from certified financial analysts. All other participants are encouraged to listen to a webcast of the call by accessing the link found on the Company's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com).

#### Conference Call and Webcast:

Date/Time: Wednesday, May 5, 2021, 1:00pm ET

Webcast available at: [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com)

Domestic (Toll Free US & Canada): 877.407.9711

International: 412.902.1014

#### Replay:

Domestic (Toll Free US & Canada): 877.660.6853

International: 201.612.7415

Conference ID: 13692161

A replay of the call will be available for one week through Wednesday, May 12, 2021. A replay of the webcast will be available for 30 days on NSA's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com).

### **Upcoming Industry Conferences**

NSA management is scheduled to participate in Nareit's REITweek 2021 Virtual Investor Conference, June 8 – 10, 2021.

### **About National Storage Affiliates Trust**

National Storage Affiliates Trust is a real estate investment trust headquartered in Denver, Colorado, focused on the ownership, operation and acquisition of self storage properties located within the top 100 metropolitan statistical areas throughout the United States. As of

March 31, 2021, the Company held ownership interests in and operated 844 self storage properties located in 36 states and Puerto Rico with approximately 53.5 million rentable square feet. NSA is one of the largest owners and operators of self storage properties among public and private companies in the United States. For more information, please visit the Company's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com). NSA is included in the MSCI US REIT Index (RMS/RMZ), the Russell 2000 Index of Companies and the S&P SmallCap 600 Index.

### ***NOTE REGARDING FORWARD LOOKING STATEMENTS***

Certain statements contained in this press release constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond the Company's control. These forward-looking statements include information about possible or assumed future results of the Company's business, financial condition, liquidity, results of operations, plans and objectives. Changes in any circumstances may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. When used in this release, the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions are intended to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: market trends in the Company's industry, interest rates, the debt and lending markets or the general economy; the Company's business and investment strategy; the acquisition of properties, including those under contract and the Company's ability to execute on its acquisition pipeline; the timing of acquisitions under contract; the internalization of retiring participating regional operators ("PROs") into the Company; the negative impacts from the continued spread of COVID-19 on the economy, the self storage industry, the broader financial markets, the Company's financial condition, results of operations and cash flows and the ability of the Company's tenants to pay rent; and the Company's guidance estimates for the year ended December 31, 2021. For a further list and description of such risks and uncertainties, see the Company's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission, and the other documents filed by the Company with the Securities and Exchange Commission. The forward-looking statements, and other risks, uncertainties and factors are based on the Company's beliefs, assumptions and expectations of its future performance, taking into account all information currently available to the Company. Forward-looking statements are not predictions of future events. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**National Storage Affiliates Trust**  
**Consolidated Statements of Operations**  
(in thousands, except per share amounts)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>		
Rental revenue	\$ 113,127	\$ 95,402
Other property-related revenue	4,137	3,371
Management fees and other revenue	5,728	5,449
Total revenue	<u>122,992</u>	<u>104,222</u>
<b>OPERATING EXPENSES</b>		
Property operating expenses	34,604	30,592
General and administrative expenses	11,238	11,094
Depreciation and amortization	32,424	29,105
Other	397	389
Total operating expenses	<u>78,663</u>	<u>71,180</u>
<b>OTHER (EXPENSE) INCOME</b>		
Interest expense	(16,792)	(15,628)
Equity in earnings (losses) of unconsolidated real estate ventures	759	(340)
Acquisition costs	(292)	(833)
Non-operating expense	(173)	(192)
Other expense	(16,498)	(16,993)
<b>Income before income taxes</b>	<u>27,831</u>	<u>16,049</u>
Income tax expense	(196)	(286)
<b>Net income</b>	<u>27,635</u>	<u>15,763</u>
Net income attributable to noncontrolling interests	(6,797)	(9,115)
<b>Net income attributable to National Storage Affiliates Trust</b>	<u>20,838</u>	<u>6,648</u>
Distributions to preferred shareholders	(3,275)	(3,273)
<b>Net income attributable to common shareholders</b>	<u>\$ 17,563</u>	<u>\$ 3,375</u>
<b>Earnings (loss) per share - basic</b>		
	<u>\$ 0.24</u>	<u>\$ 0.06</u>
<b>Earnings (loss) per share - diluted</b>		
	<u>\$ 0.19</u>	<u>\$ 0.06</u>
<b>Weighted average shares outstanding - basic</b>		
	<u>71,794</u>	<u>59,798</u>
<b>Weighted average shares outstanding - diluted</b>		
	<u>123,187</u>	<u>59,798</u>

**National Storage Affiliates Trust**  
**Consolidated Balance Sheets**  
(dollars in thousands, except per share amounts)  
(unaudited)

	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
Real estate		
Self storage properties	\$3,807,621	\$3,639,192
Less accumulated depreciation	(473,019)	(443,623)
Self storage properties, net	3,334,602	3,195,569
Cash and cash equivalents	19,513	18,723
Restricted cash	3,297	2,978
Debt issuance costs, net	2,293	2,496
Investment in unconsolidated real estate ventures	199,277	202,533
Other assets, net	69,751	68,149
Operating lease right-of-use assets	22,903	23,129
Total assets	<u>\$3,651,636</u>	<u>\$3,513,577</u>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Debt financing	\$1,932,770	\$1,916,971
Accounts payable and accrued liabilities	42,347	47,043
Interest rate swap liabilities	52,044	77,918
Operating lease liabilities	24,569	24,756
Deferred revenue	18,286	16,414
Total liabilities	2,070,016	2,083,102
Equity		
Preferred shares of beneficial interest, par value \$0.01 per share. 50,000,000 authorized, 8,732,719 and 8,732,719 issued and outstanding at March 31, 2021 and December 31, 2020, respectively, at liquidation preference	218,318	218,318
Common shares of beneficial interest, par value \$0.01 per share. 250,000,000 shares authorized, 75,186,127 and 71,293,117 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively	752	713
Additional paid-in capital	1,156,378	1,050,714
Distributions in excess of earnings	(259,155)	(251,704)
Accumulated other comprehensive loss	(31,642)	(49,084)
Total shareholders' equity	1,084,651	968,957
Noncontrolling interests	496,969	461,518
Total equity	1,581,620	1,430,475
Total liabilities and equity	<u>\$3,651,636</u>	<u>\$3,513,577</u>



**Reconciliation of Net Income to FFO and Core FFO**  
(in thousands, except per share and unit amounts) (unaudited)

	Three Months Ended March 31,	
	2021	2020
<b>Net income</b>	<b>\$ 27,635</b>	<b>\$ 15,763</b>
Add (subtract):		
Real estate depreciation and amortization	32,070	28,764
Company's share of unconsolidated real estate venture real estate depreciation and amortization	3,881	3,787
Mark-to-market changes in value on equity securities	—	142
Distributions to preferred shareholders and unitholders	(3,517)	(3,514)
FFO attributable to subordinated performance unitholders <sup>(1)</sup>	(9,162)	(8,664)
<b>FFO attributable to common shareholders, OP unitholders, and LTIP unitholders</b>	<b>50,907</b>	<b>36,278</b>
Add:		
Acquisition costs	292	833
<b>Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders</b>	<b>\$ 51,199</b>	<b>\$ 37,111</b>
<b>Weighted average shares and units outstanding - FFO and Core FFO:</b> <sup>(2)</sup>		
Weighted average shares outstanding - basic	71,794	59,798
Weighted average restricted common shares outstanding	25	23
Weighted average effect of forward offering agreement <sup>(3)</sup>	399	—
Weighted average OP units outstanding	29,751	30,709
Weighted average DownREIT OP unit equivalents outstanding	1,925	1,849
Weighted average LTIP units outstanding	585	617
<b>Total weighted average shares and units outstanding - FFO and Core FFO</b>	<b>104,479</b>	<b>92,996</b>
<b>FFO per share and unit</b>	<b>\$ 0.49</b>	<b>\$ 0.39</b>
<b>Core FFO per share and unit</b>	<b>\$ 0.49</b>	<b>\$ 0.40</b>

(1) Amounts represent distributions declared for subordinated performance unitholders and DownREIT subordinated performance unitholders for the periods presented.

(2) NSA combines OP units and DownREIT OP units with common shares because, after the applicable lock-out periods, OP units in the Company's operating partnership are redeemable for cash or, at NSA's option, exchangeable for common shares on a one-for-one basis and DownREIT OP units are also redeemable for cash or, at NSA's option, exchangeable for OP units in the Company's operating partnership on a one-for-one basis, subject to certain adjustments in each case. Subordinated performance units, DownREIT subordinated performance units and LTIP units may also, under certain circumstances, be convertible into or exchangeable for common shares (or other units that are convertible into or exchangeable for common shares). See footnote<sup>(4)</sup> for additional discussion of subordinated performance units, DownREIT subordinated performance units, and LTIP units in the calculation of FFO and Core FFO per share and unit.

(3) Represents the dilutive effect of the forward offering from the application of the treasury stock method.

**Reconciliation of Earnings (Loss) Per Share - Diluted to FFO and Core FFO Per Share and Unit**  
(in thousands, except per share and unit amounts) (unaudited)

	Three Months Ended March 31,	
	2021	2020
<b>Earnings (loss) per share - diluted</b>	<b>\$ 0.19</b>	<b>\$ 0.06</b>
Impact of the difference in weighted average number of shares <sup>(4)</sup>	0.04	(0.02)
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method <sup>(5)</sup>	—	0.09
Add real estate depreciation and amortization	0.31	0.31
Add Company's share of unconsolidated real estate venture real estate depreciation and amortization	0.04	0.04
FFO attributable to subordinated performance unitholders	(0.09)	(0.09)
<b>FFO per share and unit</b>	<b>0.49</b>	<b>0.39</b>
Add acquisition costs	—	0.01
<b>Core FFO per share and unit</b>	<b>\$ 0.49</b>	<b>\$ 0.40</b>

- (4) Adjustment accounts for the difference between the weighted average number of shares used to calculate diluted earnings per share and the weighted average number of shares used to calculate FFO and Core FFO per share and unit. Diluted earnings per share is calculated using the two-class method for the company's restricted common shares and the treasury stock method for certain unvested LTIP units, and assumes the conversion of vested LTIP units into OP units on a one-for-one basis and the hypothetical conversion of subordinated performance units, and DownREIT subordinated performance units into OP units, even though such units may only be convertible into OP units (i) after a lock-out period and (ii) upon certain events or conditions. For additional information about the conversion of subordinated performance units and DownREIT subordinated performance units into OP units, see Note 10 to the Company's most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission. The computation of weighted average shares and units for FFO and Core FFO per share and unit includes all restricted common shares and LTIP units that participate in distributions and excludes all subordinated performance units and DownREIT subordinated performance units because their effect has been accounted for through the allocation of FFO to the related unitholders based on distributions declared.
- (5) Represents the effect of adjusting the numerator to consolidated net income (loss) prior to GAAP allocations for noncontrolling interests, after deducting preferred share and unit distributions, and before the application of the two-class method and treasury stock method, as described in footnote<sup>(4)</sup>.

#### Net Operating Income

(dollars in thousands) (unaudited)

	Three Months Ended March 31,	
	2021	2020
<b>Net income</b>	<b>\$ 27,635</b>	<b>\$ 15,763</b>
(Subtract) add:		
Management fees and other revenue	(5,728)	(5,449)
General and administrative expenses	11,238	11,094
Other	397	389
Depreciation and amortization	32,424	29,105
Interest expense	16,792	15,628
Equity in (earnings) losses of unconsolidated real estate ventures	(759)	340
Acquisition costs	292	833
Income tax expense	196	286
Non-operating expense	173	192
<b>Net Operating Income</b>	<b>\$ 82,660</b>	<b>\$ 68,181</b>

#### EBITDA and Adjusted EBITDA

(dollars in thousands) (unaudited)

	Three Months Ended March 31,	
	2021	2020
<b>Net income</b>	<b>\$ 27,635</b>	<b>\$ 15,763</b>
Add:		
Depreciation and amortization	32,424	29,105
Company's share of unconsolidated real estate venture depreciation and amortization	3,881	3,787
Interest expense	16,792	15,628
Income tax expense	196	286
<b>EBITDA</b>	<b>80,928</b>	<b>64,569</b>
Add (subtract):		
Acquisition costs	292	833
Equity-based compensation expense	1,286	774
<b>Adjusted EBITDA</b>	<b>\$ 82,506</b>	<b>\$ 66,176</b>

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20210504006235/en/>

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Source: National Storage Affiliates Trust