

August 3, 2022



National Storage Affiliates Trust Reports Second Quarter 2022 Results

GREENWOOD VILLAGE, Colo.--(BUSINESS WIRE)-- National Storage Affiliates Trust ("NSA" or the "Company") (NYSE: NSA) today reported the Company's second quarter 2022 results.

Second Quarter 2022 Highlights

- Reported net income of \$48.4 million for the second quarter of 2022, an increase of 35.7% compared to the second quarter of 2021. Reported diluted earnings per share of \$0.24 for the second quarter of 2022 compared to \$0.25 for the second quarter of 2021.
- Reported core funds from operations ("Core FFO") of \$91.6 million, or \$0.71 per share for the second quarter of 2022, an increase of 29.1% per share compared to the second quarter of 2021.
- Reported an increase in same store net operating income ("NOI") of 17.3% for the second quarter of 2022 compared to the same period in 2021, driven by a 14.6% increase in same store total revenues partially offset by an increase of 7.6% in same store property operating expenses.
- Reported same store period-end occupancy of 95.2% as of June 30, 2022, a decrease of 140 basis points compared to June 30, 2021.
- Acquired eight wholly-owned self storage properties for approximately \$114.5 million during the second quarter of 2022. Consideration for these acquisitions included the issuance of \$13.9 million of OP equity.
- One of the Company's unconsolidated real estate ventures acquired seven self storage properties for approximately \$207.6 million. The venture financed the acquisition with capital contributions from the venture members, of which the Company contributed approximately \$51.9 million.
- Executed an agreement with lenders for a new \$285 million term loan which matures in seven years and has an effective, variable interest rate of 3.34% as of June 30, 2022.
- Announced the promotion of David Cramer, 58, who was previously the Company's executive vice president and chief operating officer to the position of president and chief operating officer, effective July 1, 2022.
- Kroll Bond Rating Agency upgraded the issuer credit rating of NSA's operating partnership to BBB+ with a Stable Outlook from BBB with a Positive Outlook.

Highlights Subsequent to Quarter-End

- Acquired six wholly-owned self storage properties for approximately \$71.6 million.
- On July 11, 2022, NSA approved a share repurchase program authorizing, but not obligating, the repurchase of up to \$400 million of NSA's common shares of beneficial

interest from time to time. NSA expects to acquire shares through open market or privately negotiated transactions. The timing and amount of repurchase transactions, if any, will be determined by NSA's management based on its evaluation of market conditions, share price, legal requirements and other factors.

Tamara Fischer, Chief Executive Officer, commented, "We're exceptionally pleased to deliver another quarter of double-digit growth in same store NOI and Core FFO per share, both of which remain well above industry historical averages. We were also active on the acquisition front, closing on the acquisition of 15 stores valued at over \$320 million. As the economy enters more challenging times, NSA's differentiated structure and exposure to secondary, suburban and sunbelt markets should continue to benefit all of our stakeholders." Regarding the establishment of its share repurchase program, Ms. Fischer continued, "We're pleased that our board has authorized the program which provides strategic flexibility to our capital investment opportunities. Based on our outlook for NSA, the depressed stock price provides a compelling opportunity to deliver an outstanding long-term ROI for our shareholders."

Financial Results

(\$ in thousands, except per share and unit data)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Growth	2022	2021	Growth
Net income	<u>\$ 48,425</u>	<u>\$ 35,675</u>	<u>35.7%</u>	<u>\$ 93,211</u>	<u>\$ 63,310</u>	<u>47.2%</u>
Funds From Operations ("FFO")⁽¹⁾	<u>\$ 90,932</u>	<u>\$ 59,603</u>	<u>52.6%</u>	<u>\$ 177,788</u>	<u>\$ 110,510</u>	<u>60.9%</u>
Add back acquisition costs	682	118	478.0%	1,235	410	201.2%
Core FFO⁽¹⁾	<u>\$ 91,614</u>	<u>\$ 59,721</u>	<u>53.4%</u>	<u>\$ 179,023</u>	<u>\$ 110,920</u>	<u>61.4%</u>
Earnings per share - basic	<u>\$ 0.24</u>	<u>\$ 0.33</u>	<u>(27.3)%</u>	<u>\$ 0.48</u>	<u>\$ 0.58</u>	<u>(17.2)%</u>
Earnings per share - diluted	<u>\$ 0.24</u>	<u>\$ 0.25</u>	<u>(4.0)%</u>	<u>\$ 0.48</u>	<u>\$ 0.44</u>	<u>9.1%</u>
FFO per share and unit⁽¹⁾	<u>\$ 0.70</u>	<u>\$ 0.55</u>	<u>27.3%</u>	<u>\$ 1.37</u>	<u>\$ 1.03</u>	<u>33.0%</u>
Core FFO per share and unit⁽¹⁾	<u>\$ 0.71</u>	<u>\$ 0.55</u>	<u>29.1%</u>	<u>\$ 1.38</u>	<u>\$ 1.04</u>	<u>32.7%</u>

(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 \$12.8 million for the second quarter of 2022 and \$29.9 million for the six months ended June 30, 2022 ("year-to-date") as compared to the same periods in 2021. These increases resulted primarily from additional NOI generated from the 206 self storage properties acquired between July 1, 2021 and June 30, 2022, same store NOI growth, increases in management fees and other revenue, and an increase in equity in earnings from the Company's unconsolidated real estate ventures, partially offset by increases in depreciation and amortization, interest expense and general and administrative expenses.

The increases in FFO and Core FFO for the second quarter of 2022 and year-to-date were primarily the result of incremental NOI from properties acquired between July 1, 2021 and June 30, 2022 and same store NOI growth, partially offset by an increase in interest expense.

Same Store Operating Results (629 Stores)

(\$ in thousands, except per square foot data)	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	Growth	2022	2021	Growth
Total revenues	\$ 137,339	\$ 119,827	14.6%	\$ 269,454	\$ 233,132	15.6%
Property operating expenses	35,602	33,080	7.6%	69,833	66,275	5.4%
Net Operating Income (NOI)	\$ 101,737	\$ 86,747	17.3%	\$ 199,621	\$ 166,857	19.6%
NOI Margin	74.1%	72.4%	1.7%	74.1%	71.6%	2.5%
Average Occupancy	95.1%	95.2%	(0.1) %	94.9%	93.7%	1.2%
Average Annualized Rental Revenue Per Occupied Square Foot	\$ 14.55	\$ 12.66	14.9%	\$ 14.30	\$ 12.51	14.3%

Year-over-year same store total revenues increased 14.6% for the second quarter of 2022 and 15.6% year-to-date as compared to the same periods in 2021. The increase for the second quarter was driven primarily by a 14.9% increase in average annualized rental revenue per occupied square foot, partially offset by a 10 basis point decrease in average occupancy. The year-to-date increase was driven primarily by a 120 basis point increase in average occupancy and a 14.3% increase in average annualized rental revenue per occupied square foot. Markets which generated above portfolio average same store total revenue growth include: Atlanta, Riverside-San Bernardino and Sarasota. Markets which generated below portfolio average same store total revenue growth include: Portland, Colorado Springs and Kansas City.

Year-over-year same store property operating expenses increased 7.6% for the second quarter of 2022 and 5.4% year-to-date as compared to the same periods in 2021. The increases primarily resulted from increases in property tax expense and utilities.

Investment Activity

During the second quarter, NSA invested \$114.5 million in the acquisition of eight wholly-owned self storage properties consisting of approximately 685,000 rentable square feet configured in approximately 5,400 storage units. Total consideration for these acquisitions included approximately \$100.0 million of net cash, \$13.9 million of OP units, and the assumption of approximately \$0.6 million of other liabilities. Additionally, one of the Company's unconsolidated real estate ventures acquired seven self storage properties for approximately \$207.6 million. The venture financed the acquisition with capital contributions from the venture members, of which the Company contributed approximately \$51.9 million.

Balance Sheet

On April 11, 2022, Kroll Bond Rating Agency upgraded the issuer credit rating of the Company's operating partnership to BBB+ with a Stable Outlook from BBB with a Positive Outlook.

On June 24, 2022, NSA entered into an agreement with a syndicated group of lenders for a new \$285 million unsecured term loan, including an expansion option, which, if exercised in full, would provide for total borrowings of up to \$300 million. The term loan matures in seven years and has an effective, variable interest rate of 3.34% as of June 30, 2022, and is subject to leverage and credit rating-based margins ranging from 1.55% to 2.2% over SOFR. NSA used the proceeds from the term loan to repay outstanding amounts under its revolving line of credit.

Common Share Dividends

On May 25, 2022, NSA's Board of Trustees declared a quarterly cash dividend of \$0.55 per common share, representing a 45% increase from the second quarter 2021 and a 10% increase from the previous quarter. The second quarter 2022 dividend was paid on June 30, 2022 to shareholders of record as of June 15, 2022.

2022 Guidance

NSA reaffirms its previously provided FFO guidance estimates and related assumptions for the year ended December 31, 2022. The 2022 same store pool changed from 631 stores at March 31, 2022 to 629 stores at June 30, 2022 due to significant expansions at two of our properties.

	Current Ranges for Full Year 2022		Actual Results for Full Year 2021
	Low	High	
Core FFO per share ⁽¹⁾	\$ 2.80	\$ 2.85	\$ 2.26
Same store operations ⁽²⁾			
Total revenue growth	11.0%	13.0%	15.1%
Property operating expenses growth	5.0%	6.25%	4.0%
NOI growth	14.0%	16.0%	19.8%
General and administrative expenses			
General and administrative expenses (excluding equity-based compensation), in millions	\$ 52.0	\$ 54.0	\$ 45.5
Equity-based compensation, in millions	\$ 6.5	\$ 7.0	\$ 5.5
Management fees and other revenue, in millions	\$ 27.0	\$ 29.0	\$ 24.4
Core FFO from unconsolidated real estate ventures, in millions	\$ 24.0	\$ 25.0	\$ 20.7
Subordinated performance unit distributions, in millions	\$ 58.0	\$ 61.0	\$ 49.8
Acquisitions of self storage properties, in millions	\$ 400.0	\$ 600.0	\$ 2,175.0

	Current Ranges for Full Year 2022	
	Low	High
Earnings (loss) per share - diluted	\$ 1.28	\$ 1.38
Impact of the difference in weighted average number of shares and GAAP accounting for noncontrolling interests, two-class method and treasury stock method	0.16	0.02
Add real estate depreciation and amortization, including NSA's share of unconsolidated venture real estate depreciation and amortization	1.80	1.90
FFO attributable to subordinated unitholders	(0.45)	(0.47)
Add acquisition costs and NSA's share of unconsolidated real estate venture acquisition costs	0.01	0.02
Core FFO per share and unit	\$ 2.80	\$ 2.85

(1) The table above provides a reconciliation of the range of estimated earnings (loss) per share - diluted to estimated Core FFO per share and unit.

(2) 2022 guidance reflects NSA's 2022 same store pool comprising 629 stores. 2021 actual results reflect NSA's 2021 same store pool comprising 560 stores.

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 August 3, 2022.

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 Thursday, August 4, 2022 to discuss its second quarter 2022 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.

Conference Call and Webcast:

Date/Time: Thursday, August 4, 2022, 1:00 pm ET

Webcast available at: 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 Thursday, August 11, 2022. A replay of the webcast will be available for 30 days on NSA's website at www.nationalstorageaffiliates.com.

Upcoming Industry Conference

NSA management is scheduled to participate in the BofA Securities 2022 Global Real Estate Conference September 13 - September 14, 2022 in New York, New York and in the Evercore 8th Annual Storage Symposium on September 29, 2022 in New York, New York.

About National Storage Affiliates Trust

National Storage Affiliates Trust is a real estate investment trust headquartered in Greenwood Village, Colorado, focused on the ownership, operation and acquisition of self storage properties predominantly located within the top 100 metropolitan statistical areas throughout the United States. As of June 30, 2022, the Company held ownership interests in and operated 1,076 self storage properties located in 42 states and Puerto Rico with approximately 69.9 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. NSA is included in the MSCI US REIT Index (RMS/RMZ), the Russell 2000 Index of Companies and the S&P MidCap 400 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, inflation, 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; negative impacts from the COVID-19 pandemic 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, 2022. 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)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
REVENUE				
Rental revenue	\$ 184,636	\$ 127,310	\$ 359,105	\$ 240,437
Other property-related revenue	6,341	4,829	12,507	8,966
Management fees and other revenue	7,913	6,107	14,462	11,835
Total revenue	198,890	138,246	386,074	261,238
OPERATING EXPENSES				
Property operating expenses	53,188	36,654	102,546	71,258
General and administrative expenses	14,702	12,450	28,668	23,688
Depreciation and amortization	57,891	36,051	115,963	68,475
Other	525	310	995	707
Total operating expenses	126,306	85,465	248,172	164,128
OTHER (EXPENSE) INCOME				
Interest expense	(24,448)	(17,339)	(47,095)	(34,131)
Equity in earnings of unconsolidated real estate ventures	1,962	1,174	3,456	1,933
Acquisition costs	(682)	(118)	(1,235)	(410)
Non-operating expense	(261)	(148)	(373)	(321)
Gain on sale of self storage properties	—	—	2,134	—
Other expense, net	(23,429)	(16,431)	(43,113)	(32,929)
Income before income taxes	49,155	36,350	94,789	64,181
Income tax expense	(730)	(675)	(1,578)	(871)
Net income	48,425	35,675	93,211	63,310
Net income attributable to noncontrolling interests	(23,387)	(6,957)	(42,945)	(13,754)
Net income attributable to National Storage Affiliates Trust	25,038	28,718	50,266	49,556
Distributions to preferred shareholders	(3,382)	(3,276)	(6,661)	(6,551)
Net income attributable to common shareholders	\$ 21,656	\$ 25,442	\$ 43,605	\$ 43,005
Earnings per share - basic	\$ 0.24	\$ 0.33	\$ 0.48	\$ 0.58
Earnings per share - diluted	\$ 0.24	\$ 0.25	\$ 0.48	\$ 0.44
Weighted average shares outstanding - basic	91,541	76,712	91,433	74,267
Weighted average shares outstanding - diluted	91,541	129,578	91,433	126,396

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

	June 30, 2022	December 31, 2021
ASSETS		
Real estate		
Self storage properties	\$ 6,016,699	\$ 5,798,188
Less accumulated depreciation	(672,208)	(578,717)
Self storage properties, net	5,344,491	5,219,471
Cash and cash equivalents	32,345	25,013
Restricted cash	3,271	2,862
Debt issuance costs, net	1,858	2,433
Investment in unconsolidated real estate ventures	234,075	188,187
Other assets, net	121,274	102,417
Operating lease right-of-use assets	21,727	22,211
Total assets	<u>\$ 5,759,041</u>	<u>\$ 5,562,594</u>
LIABILITIES AND EQUITY		
Liabilities		
Debt financing	\$ 3,142,293	\$ 2,940,931
Accounts payable and accrued liabilities	68,166	59,262
Interest rate swap liabilities	—	33,757
Operating lease liabilities	23,558	23,981
Deferred revenue	23,711	22,208
Total liabilities	3,257,728	3,080,139
Equity		
Preferred shares of beneficial interest, par value \$0.01 per share. 50,000,000 authorized, 9,017,588 and 8,736,719 issued and outstanding at June 30, 2022 and December 31, 2021, respectively, at liquidation preference	225,439	218,418
Common shares of beneficial interest, par value \$0.01 per share. 250,000,000 shares authorized, 91,755,672 and 91,198,929 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	918	912
Additional paid-in capital	1,841,880	1,866,773
Distributions in excess of earnings	(343,834)	(291,263)
Accumulated other comprehensive income (loss)	24,372	(19,611)
Total shareholders' equity	1,748,775	1,775,229
Noncontrolling interests	752,538	707,226
Total equity	2,501,313	2,482,455
Total liabilities and equity	<u>\$ 5,759,041</u>	<u>\$ 5,562,594</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	\$ 48,425	\$ 35,675	\$ 93,211	\$ 63,310
Add (subtract):				
Real estate depreciation and amortization	57,581	35,698	115,340	67,768
Company's share of unconsolidated real estate venture real estate depreciation and amortization	4,324	3,840	8,170	7,721
Gain on sale of self storage properties	—	—	(2,134)	—
Distributions to preferred shareholders and unitholders	(3,652)	(3,517)	(7,204)	(7,034)
FFO attributable to subordinated performance unitholders ⁽¹⁾	(15,746)	(12,093)	(29,595)	(21,255)
FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	90,932	59,603	177,788	110,510
Add:				
Acquisition costs	682	118	1,235	410
Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	\$ 91,614	\$ 59,721	\$ 179,023	\$ 110,920
Weighted average shares and units outstanding - FFO and Core FFO:⁽²⁾				
Weighted average shares outstanding - basic	91,541	76,712	91,433	74,267
Weighted average restricted common shares outstanding	28	33	28	29
Weighted average effect of forward offering agreement ⁽³⁾	—	—	—	199
Weighted average OP units outstanding	35,390	29,963	35,370	29,858
Weighted average DownREIT OP unit equivalents outstanding	1,925	1,925	1,925	1,925
Weighted average LTIP units outstanding	501	536	552	561
Total weighted average shares and units outstanding - FFO and Core FFO	129,385	109,169	129,308	106,839
FFO per share and unit	\$ 0.70	\$ 0.55	\$ 1.37	\$ 1.03
Core FFO per share and unit	\$ 0.71	\$ 0.55	\$ 1.38	\$ 1.04

(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⁽⁴⁾ 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 Per Share - Diluted to FFO and Core FFO Per Share and Unit
(in thousands, except per share and unit amounts) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Earnings per share - diluted	\$ 0.24	\$ 0.25	\$ 0.48	\$ 0.44
Impact of the difference in weighted average number of shares ⁽⁴⁾	(0.07)	0.04	(0.14)	0.09
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method ⁽⁵⁾	0.18	—	0.33	—
Add real estate depreciation and amortization	0.44	0.33	0.89	0.63
Add Company's share of unconsolidated real estate venture real estate depreciation and amortization	0.03	0.04	0.06	0.07
Subtract gain on sale of self storage properties	—	—	(0.02)	—
FFO attributable to subordinated performance unitholders	(0.12)	(0.11)	(0.23)	(0.20)
FFO per share and unit	0.70	0.55	1.37	1.03
Add acquisition costs	0.01	—	0.01	0.01
Core FFO per share and unit	\$ 0.71	\$ 0.55	\$ 1.38	\$ 1.04

(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⁽⁴⁾.

Net Operating Income

(dollars in thousands) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	\$ 48,425	\$ 35,675	\$ 93,211	\$ 63,310
(Subtract) add:				
Management fees and other revenue	(7,913)	(6,107)	(14,462)	(11,835)
General and administrative expenses	14,702	12,450	28,668	23,688
Other	525	310	995	707
Depreciation and amortization	57,891	36,051	115,963	68,475
Interest expense	24,448	17,339	47,095	34,131
Equity in earnings of unconsolidated real estate ventures	(1,962)	(1,174)	(3,456)	(1,933)
Acquisition costs	682	118	1,235	410
Income tax expense	730	675	1,578	871
Gain on sale of self storage properties	—	—	(2,134)	—
Non-operating expense	261	148	373	321
Net Operating Income	\$ 137,789	\$ 95,485	\$ 269,066	\$ 178,145

EBITDA and Adjusted EBITDA
(dollars in thousands) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	\$ 48,425	\$ 35,675	\$ 93,211	\$ 63,310
Add:				
Depreciation and amortization	57,891	36,051	115,963	68,475
Company's share of unconsolidated real estate venture depreciation and amortization	4,324	3,840	8,170	7,721
Interest expense	24,448	17,339	47,095	34,131
Income tax expense	730	675	1,578	871
EBITDA	135,818	93,580	266,017	174,508
Add (subtract):				
Acquisition costs	682	118	1,235	410
Gain on sale of self storage properties	—	—	(2,134)	—
Equity-based compensation expense	1,580	1,348	3,124	2,634
Adjusted EBITDA	\$ 138,080	\$ 95,046	\$ 268,242	\$ 177,552

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20220803005825/en/>

National Storage Affiliates Trust

Investor/Media Relations

George Hoglund, CFA

Vice President - Investor Relations

720.630.2160

ghoglund@nsareit.net

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