

November 2, 2022



National Storage Affiliates Trust Reports Third Quarter 2022 Results

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

Third Quarter 2022 Highlights

- Reported net income of \$40.2 million for the third quarter of 2022, a decrease of 1.4% compared to the third quarter of 2021. Reported diluted earnings per share of \$0.21 for the third quarter of 2022 compared to \$0.26 for the third quarter of 2021.
- Reported core funds from operations ("Core FFO") of \$93.1 million, or \$0.72 per share for the third quarter of 2022, an increase of 26.3% per share compared to the third quarter of 2021.
- Reported an increase in same store net operating income ("NOI") of 12.1% for the third quarter of 2022 compared to the same period in 2021, driven by a 10.7% increase in same store total revenues partially offset by an increase of 6.9% in same store property operating expenses.
- Reported same store period-end occupancy of 92.6% as of September 30, 2022, a decrease of 350 basis points compared to September 30, 2021.
- Acquired 23 wholly-owned self storage properties for approximately \$321.8 million during the third quarter of 2022. Consideration for these acquisitions included the issuance of \$6.2 million of OP equity.
- Issued \$200.0 million of 5.06% senior unsecured notes due November 16, 2032 in a private placement to certain institutional investors.
- Repurchased 953,924 of the Company's common shares for approximately \$50.0 million under the previously announced share repurchase program. Under the program, the Company is authorized to repurchase up to a total of \$400.0 million of common shares.

Tamara Fischer, Chief Executive Officer, commented, "We're pleased to report another quarter of double-digit same store NOI and Core FFO per share growth for our shareholders. Overall, fundamentals in the self storage sector remain healthy, and are moderating toward historical norms.

We continued to execute on our growth strategy by acquiring over \$320 million of properties

during the quarter and opportunistically issuing \$200 million of ten-year private placement notes with a coupon of 5.06%. Although the capital markets remain volatile, we will continue to strategically manage our funding needs while ensuring healthy access to a variety of capital sources. As the economy enters more challenging times, we remain confident that the self storage sector, and NSA specifically, remain well positioned to navigate a more dynamic operating and capital environment."

Financial Results

(\$ in thousands, except per share and unit data)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Growth	2022	2021	Growth
Net income	\$ 40,177	\$ 40,730	(1.4)%	\$ 133,388	\$ 104,040	28.2%
Funds From Operations ("FFO")⁽¹⁾	\$ 86,215	\$ 66,966	28.7%	\$ 264,003	\$ 177,476	48.8%
Add back acquisition costs	1,142	512	123.0%	2,377	922	157.8%
Add back casualty-related expenses	5,754	—	—%	5,754	—	—%
Core FFO⁽¹⁾	\$ 93,111	\$ 67,478	38.0%	\$ 272,134	\$ 178,398	52.5%
Earnings per share - basic	\$ 0.21	\$ 0.31	(32.3)%	\$ 0.68	\$ 0.89	(23.6)%
Earnings per share - diluted	\$ 0.21	\$ 0.26	(19.2)%	\$ 0.68	\$ 0.71	(4.2)%
FFO per share and unit⁽¹⁾	\$ 0.67	\$ 0.56	19.6%	\$ 2.04	\$ 1.60	27.5%
Core FFO per share and unit⁽¹⁾	\$ 0.72	\$ 0.57	26.3%	\$ 2.10	\$ 1.61	30.4%

(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 decreased \$0.5 million for the third quarter of 2022 and increased by \$29.3 million for the nine months ended September 30, 2022 ("year-to-date") as compared to the same periods in 2021. The decrease in net income in the third quarter of 2022 was primarily due to an increase in depreciation expense resulting from the 153 self storage properties acquired between October 1, 2021 and September 30, 2022, and increases in interest expense and casualty-related expenses, partially offset by additional NOI generated from the 153 self storage properties acquired between October 1, 2021 and September 30, 2022, and same store NOI growth. The year-to-date increase in net income was the result of additional NOI generated from the 153 self storage properties acquired between October 1, 2021 and September 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 expense and interest expense.

The increases in FFO and Core FFO for the third quarter of 2022 and year-to-date were primarily the result of incremental NOI from properties acquired between October 1, 2021 and September 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 September 30,			Nine Months Ended September 30,		
	2022	2021	Growth	2022	2021	Growth
Total revenues	\$ 140,834	\$ 127,248	10.7%	\$ 410,288	\$ 360,378	13.8%
Property operating expenses	36,915	34,532	6.9%	106,748	100,805	5.9%
Net Operating Income (NOI)	\$ 103,919	\$ 92,716	12.1%	\$ 303,540	\$ 259,573	16.9%
NOI Margin	73.8%	72.9%	0.9%	74.0%	72.0%	2.0%
Average Occupancy	94.1%	96.5%	(2.4) %	94.6%	94.5%	0.1%
Average Annualized Rental Revenue Per Occupied Square Foot	\$ 15.07	\$ 13.27	13.6%	\$ 14.56	\$ 12.78	13.9%

Year-over-year same store total revenues increased 10.7% for the third quarter of 2022 and 13.8% year-to-date as compared to the same periods in 2021. The increase for the third quarter was driven primarily by a 13.6% increase in average annualized rental revenue per occupied square foot, partially offset by a 240 basis point decrease in average occupancy. The year-to-date increase was driven primarily by a 13.9% increase in average annualized rental revenue per occupied square foot, and a 10 basis point increase in average occupancy. 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, Phoenix and Las Vegas.

Year-over-year same store property operating expenses increased 6.9% for the third quarter of 2022 and 5.9% year-to-date as compared to the same periods in 2021. The increases primarily resulted from increases in property tax expense, utilities, marketing, and credit card processing fees.

Casualty Event Impact

During the third quarter of 2022, we incurred outsized casualty-related expenses and losses due to certain events including floods, fires, and hurricanes Fiona and Ian, which we do not consider indicative of our core operating performance. These elevated amounts of casualty costs from these events totaled \$5.7 million which is included in other operating expenses. These costs are excluded from Core FFO.

The Company maintains property and casualty insurance on its wholly-owned and joint venture properties, which covers both damages and business interruption expenses subject to varying deductibles depending on the cause and extent of the claim.

Investment Activity

During the third quarter, NSA invested \$321.8 million in the acquisition of 23 wholly-owned self storage properties consisting of approximately 1.7 million rentable square feet configured in approximately 12,800 storage units. Total consideration for these acquisitions included approximately \$313.8 million of net cash, \$6.2 million of OP units, and the assumption of approximately \$1.8 million of other liabilities.

Balance Sheet

On August 30, 2022, the Company's operating partnership entered into an agreement to issue \$200.0 million of 5.06% senior unsecured notes due November 16, 2032 (the

"November 2032 Notes"). On September 28, 2022, the operating partnership issued the November 2032 Notes. The Company used the proceeds to repay outstanding amounts on its revolving line of credit and for general corporate purposes.

Common Share Dividends

On August 25, 2022, NSA's Board of Trustees declared a quarterly cash dividend of \$0.55 per common share, representing a 34% increase from the third quarter 2021. The third quarter 2022 dividend was paid on September 30, 2022 to shareholders of record as of September 15, 2022.

2022 Guidance

The following table outlines NSA's updated and prior Core FFO guidance estimates and related assumptions for the year ended December 31, 2022. The Company's revision to Core FFO per share estimates is primarily driven by higher interest rates, third quarter adjustments to income tax accruals, and revised same store growth assumptions.

	Current Ranges for Full Year 2022		Prior Ranges for Full Year 2022		Actual Results for Full Year 2021
	Low	High	Low	High	
Core FFO per share ⁽¹⁾	\$ 2.80	\$ 2.82	\$ 2.80	\$ 2.85	\$ 2.26
Same store operations ⁽²⁾					
Total revenue growth	11.5%	12.5%	11.0%	13.0%	15.1%
Property operating expenses growth	5.5%	6.5%	5.00%	6.25%	4.0%
NOI growth	14.0%	15.0%	14.0%	16.0%	19.8%
General and administrative expenses					
General and administrative expenses (excluding equity-based compensation), in millions	\$ 52.0	\$ 54.0	\$ 52.0	\$ 54.0	\$ 45.5
Equity-based compensation, in millions	\$ 6.0	\$ 6.5	\$ 6.5	\$ 7.0	\$ 5.5
Management fees and other revenue, in millions	\$ 27.0	\$ 29.0	\$ 27.0	\$ 29.0	\$ 24.4
Core FFO from unconsolidated real estate ventures, in millions	\$ 24.0	\$ 25.0	\$ 24.0	\$ 25.0	\$ 20.7
Subordinated performance unit distributions, in millions	\$ 58.0	\$ 59.0	\$ 58.0	\$ 61.0	\$ 49.8
Acquisitions of self storage properties, in millions	\$ 550.0	\$ 600.0	\$ 400.0	\$ 600.0	\$ 2,175.0

	Current Ranges for Full Year 2022		Prior Ranges for Full Year 2022	
	Low	High	Low	High
Earnings (loss) per share - diluted	\$ 1.14	\$ 1.21	\$ 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	0.12	0.05	0.16	0.02
Add real estate depreciation and amortization, including NSA's share of unconsolidated venture real estate depreciation and amortization	1.93	1.95	1.80	1.90
FFO attributable to subordinated unitholders	(0.45)	(0.46)	(0.45)	(0.47)
Casualty-related expenses	0.04	0.05	—	—
Add acquisition costs and NSA's share of unconsolidated real estate venture acquisition costs	0.02	0.02	0.01	0.02
Core FFO per share and unit	\$ 2.80	\$ 2.82	\$ 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 November 2, 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, November 3, 2022 to discuss its third 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, November 3, 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, November 10, 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 Nareit's REITworld conference on November 15-16, 2022 in San Francisco, California.

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 September 30, 2022, the Company held ownership interests in and operated 1,100 self storage properties located in 42 states and Puerto Rico with approximately 71.5 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. NSA is included in the MSCI US REIT Index (RMS/RMZ), the Russell 1000 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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
REVENUE				
Rental revenue	\$ 193,724	\$ 139,420	\$ 552,829	\$ 379,857
Other property-related revenue	6,400	5,141	18,907	14,107
Management fees and other revenue	6,649	6,282	21,111	18,117
Total revenue	206,773	150,843	592,847	412,081
OPERATING EXPENSES				
Property operating expenses	55,132	39,465	157,678	110,723
General and administrative expenses	15,298	13,012	43,966	36,700
Depreciation and amortization	59,631	38,983	175,594	107,458
Other	6,356	994	7,351	1,701
Total operating expenses	136,417	92,454	384,589	256,582
OTHER (EXPENSE) INCOME				
Interest expense	(28,871)	(18,144)	(75,966)	(52,275)
Equity in earnings of unconsolidated real estate ventures	2,134	1,682	5,590	3,615
Acquisition costs	(1,142)	(512)	(2,377)	(922)
Non-operating expense	(226)	(241)	(599)	(562)
Gain on sale of self storage properties	—	—	2,134	—
Other expense, net	(28,105)	(17,215)	(71,218)	(50,144)
Income before income taxes	42,251	41,174	137,040	105,355
Income tax expense	(2,074)	(444)	(3,652)	(1,315)
Net income	40,177	40,730	133,388	104,040
Net income attributable to noncontrolling interests	(17,966)	(10,506)	(60,911)	(24,260)
Net income attributable to National Storage Affiliates Trust	22,211	30,224	72,477	79,780
Distributions to preferred shareholders	(3,382)	(3,276)	(10,043)	(9,827)
Net income attributable to common shareholders	\$ 18,829	\$ 26,948	\$ 62,434	\$ 69,953
Earnings per share - basic	\$ 0.21	\$ 0.31	\$ 0.68	\$ 0.89
Earnings per share - diluted	\$ 0.21	\$ 0.26	\$ 0.68	\$ 0.71
Weighted average shares outstanding - basic	91,471	86,257	91,446	78,307
Weighted average shares outstanding - diluted	91,471	140,025	91,446	130,983

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

	September 30, 2022	December 31, 2021
ASSETS		
Real estate		
Self storage properties	\$ 6,345,448	\$ 5,798,188
Less accumulated depreciation	(722,010)	(578,717)
Self storage properties, net	5,623,438	5,219,471
Cash and cash equivalents	33,401	25,013
Restricted cash	4,013	2,862
Debt issuance costs, net	1,720	2,433
Investment in unconsolidated real estate ventures	231,696	188,187
Other assets, net	147,969	102,417
Operating lease right-of-use assets	21,501	22,211
Total assets	<u>\$ 6,063,738</u>	<u>\$ 5,562,594</u>
LIABILITIES AND EQUITY		
Liabilities		
Debt financing	\$ 3,487,724	\$ 2,940,931
Accounts payable and accrued liabilities	92,466	59,262
Interest rate swap liabilities	—	33,757
Operating lease liabilities	23,362	23,981
Deferred revenue	23,143	22,208
Total liabilities	3,626,695	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 September 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, 90,861,825 and 91,198,929 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	909	912
Additional paid-in capital	1,804,444	1,866,773
Distributions in excess of earnings	(374,978)	(291,263)
Accumulated other comprehensive income (loss)	42,852	(19,611)
Total shareholders' equity	1,698,666	1,775,229
Noncontrolling interests	738,377	707,226
Total equity	2,437,043	2,482,455
Total liabilities and equity	<u>\$ 6,063,738</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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	\$ 40,177	\$ 40,730	\$ 133,388	\$ 104,040
Add (subtract):				
Real estate depreciation and amortization	59,303	38,636	174,643	106,404
Company's share of unconsolidated real estate venture real estate depreciation and amortization	4,441	3,842	12,611	11,563
Gain on sale of self storage properties	—	—	(2,134)	—
Distributions to preferred shareholders and unitholders	(3,653)	(3,517)	(10,857)	(10,551)
FFO attributable to subordinated performance unitholders ⁽¹⁾	(14,053)	(12,725)	(43,648)	(33,980)
FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	86,215	66,966	264,003	177,476
Add:				
Acquisition costs	1,142	512	2,377	922
Casualty-related expenses ⁽²⁾	5,754	—	5,754	—
Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	\$ 93,111	\$ 67,478	\$ 272,134	\$ 178,398
Weighted average shares and units outstanding - FFO and Core FFO: ⁽³⁾				
Weighted average shares outstanding - basic	91,471	86,257	91,446	78,307
Weighted average restricted common shares outstanding	26	39	27	32
Weighted average effect of forward offering agreement ⁽⁴⁾	—	—	—	133
Weighted average OP units outstanding	35,344	30,103	35,361	29,940
Weighted average DownREIT OP unit equivalents outstanding	1,925	1,925	1,925	1,925
Weighted average LTIP units outstanding	477	525	526	549
Total weighted average shares and units outstanding - FFO and Core FFO	129,243	118,849	129,285	110,886
FFO per share and unit	\$ 0.67	\$ 0.56	\$ 2.04	\$ 1.60
Core FFO per share and unit	\$ 0.72	\$ 0.57	\$ 2.10	\$ 1.61

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

(2) These casualty-related expenses are recorded in the line item "Other" within operating expenses in our consolidated statement of operations.

(3) 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⁽⁵⁾ 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.

(4) 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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Earnings per share - diluted	\$ 0.21	\$ 0.26	\$ 0.68	\$ 0.71
Impact of the difference in weighted average number of shares ⁽⁵⁾	(0.06)	0.05	(0.20)	0.14
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method ⁽⁶⁾	0.14	—	0.47	—
Add real estate depreciation and amortization	0.46	0.33	1.35	0.96
Add Company's share of unconsolidated real estate venture real estate depreciation and amortization	0.03	0.03	0.10	0.10
Subtract gain on sale of self storage properties	—	—	(0.02)	—
FFO attributable to subordinated performance unitholders	(0.11)	(0.11)	(0.34)	(0.31)
FFO per share and unit	0.67	0.56	2.04	1.60
Add acquisition costs	0.01	0.01	0.02	0.01
Add casualty-related expenses	0.04	—	0.04	—
Core FFO per share and unit	\$ 0.72	\$ 0.57	\$ 2.10	\$ 1.61

(5) 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.

(6) 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⁽⁵⁾.

Net Operating Income
(dollars in thousands) (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	\$ 40,177	\$ 40,730	\$ 133,388	\$ 104,040
(Subtract) add:				
Management fees and other revenue	(6,649)	(6,282)	(21,111)	(18,117)
General and administrative expenses	15,298	13,012	43,966	36,700
Other	6,356	994	7,351	1,701
Depreciation and amortization	59,631	38,983	175,594	107,458
Interest expense	28,871	18,144	75,966	52,275
Equity in earnings of unconsolidated real estate ventures	(2,134)	(1,682)	(5,590)	(3,615)
Acquisition costs	1,142	512	2,377	922
Income tax expense	2,074	444	3,652	1,315
Gain on sale of self storage properties	—	—	(2,134)	—
Non-operating expense	226	241	599	562
Net Operating Income	\$ 144,992	\$ 105,096	\$ 414,058	\$ 283,241

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	\$ 40,177	\$ 40,730	\$ 133,388	\$ 104,040
Add:				
Depreciation and amortization	59,631	38,983	175,594	107,458
Company's share of unconsolidated real estate venture depreciation and amortization	4,441	3,842	12,611	11,563
Interest expense	28,871	18,144	75,966	52,275
Income tax expense	2,074	444	3,652	1,315
EBITDA	135,194	102,143	401,211	276,651
Add (subtract):				
Acquisition costs	1,142	512	2,377	922
Gain on sale of self storage properties	—	—	(2,134)	—
Casualty-related expenses (recoveries)	5,754	—	5,754	—
Equity-based compensation expense	1,546	1,454	4,670	4,088
Adjusted EBITDA	\$ 143,636	\$ 104,109	\$ 411,878	\$ 281,661

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20221102005853/en/>

National Storage Affiliates Trust

Investor/Media Relations

George Hoglund, CFA

Vice President - Investor Relations

720.630.2160

ghoglund@nsareit.net

Source: National Storage Affiliates Trust