

February 27, 2023



# National Storage Affiliates Trust Reports Fourth Quarter and Full Year 2022 Results

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

## Fourth Quarter 2022 Highlights

- Reported net income of \$50.4 million for the fourth quarter of 2022, an increase of 17.4% compared to the fourth quarter of 2021. Reported diluted earnings per share of \$0.31 for the fourth quarter of 2022 compared to \$0.25 for the fourth quarter of 2021.
- Reported core funds from operations ("Core FFO") of \$90.9 million, or \$0.71 per share for the fourth quarter of 2022, an increase of 10.9% per share compared to the fourth quarter of 2021.
- Reported an increase in same store net operating income ("NOI") of 9.4% for the fourth quarter of 2022 compared to the same period in 2021, driven by a 7.4% increase in same store total revenues partially offset by an increase of 1.6% in same store property operating expenses.
- Reported same store period-end occupancy of 90.5% as of December 31, 2022, a decrease of 450 basis points compared to December 31, 2021.
- Acquired two wholly-owned self storage properties for approximately \$39.9 million during the fourth quarter of 2022. Consideration for these acquisitions included the issuance of \$32.1 million of OP equity.
- Repurchased 1,032,251 of the Company's common shares for approximately \$40.0 million under the previously announced share repurchase program.

## Full Year 2022 Highlights

- Reported net income of \$183.8 million for full year 2022, an increase of 25.1% compared to full year 2021. Reported diluted earnings per share of \$0.99 for full year 2022 compared to \$0.98 for full year 2021.
- Reported Core FFO of \$363.0 million, or \$2.81 per share for full year 2022, an increase of 24.3% per share compared to full year 2021.
- Reported an increase in same store NOI of 14.9% for full year 2022 compared to full year 2021, driven by a 12.1% increase in same store total revenues partially offset by

an increase of 4.8% in same store property operating expenses.

- Acquired 45 wholly-owned self storage properties for approximately \$569.2 million during full year 2022. Consideration for these acquisitions included the issuance of \$68.9 million of OP equity.

### **Highlights Subsequent to Quarter-End**

- Entered into an agreement on January 3, 2023, with lenders to increase the total borrowing capacity under the Company's credit facility by \$405.0 million to \$1.955 billion, and used incremental borrowings under the credit facility to retire \$300.0 million of its \$375.0 million of debt maturing in 2023.
- One of the Company's participating regional operators ("PROs"), Move It Self Storage and its controlled affiliates ("Move It"), retired effective January 1, 2023. As a result of the retirement, on January 1, 2023, management of the Company's 72 properties in the Move It managed portfolio was transferred to NSA and the Move It brand name and related intellectual property were internalized by the Company. In addition, NSA will no longer pay supervisory and administrative fees or reimbursements to Move It and on January 1, 2023, issued a notice of non-voluntary conversion to cause all subordinated performance units related to Move It's managed portfolio to convert into OP units. As part of the internalization, a majority of Move It's employees were offered and provided employment by the Company to continue managing Move It's portfolio of properties as members of NSA's existing property management platform.
- On February 24, 2023, the Company entered into an agreement with affiliates of Personal Mini, one of the Company's PROs, to acquire a portfolio of 15 properties located in Florida for approximately \$145.0 million, subject to receipt of approval from the selling entity's shareholders and other customary closing conditions. The Company expects to complete the acquisition in the first quarter of 2023.

"NSA had another exceptional year with annual same store growth of nearly 15%, second highest in our history," commented Tamara Fischer, Chief Executive Officer. "Our strong organic growth combined with our opportunistic acquisition strategy resulted in over 24% annual growth in core FFO per share. We believe these results demonstrate the strength of our team, the benefits of our geographically diverse portfolio, as well as the ongoing advantages of our differentiated PRO structure."

Dave Cramer, President and Chief Operating Officer, stated, "We're pleased with our strategies to balance rate and occupancy which produced double digit revenue growth of over 12% for the year, second highest in our history. I look forward to 2023 as we continue our focus on people, processes and platforms which will allow us to deliver growth and optimize value for all of our stakeholders."

### **Financial Results**

(\$ in thousands, except per share and unit data)	Three Months Ended December 31,			Year Ended December 31,		
	2022	2021	Growth	2022	2021	Growth
<b>Net income</b>	<b>\$ 50,377</b>	<b>\$ 42,895</b>	<b>17.4%</b>	<b>\$ 183,765</b>	<b>\$ 146,935</b>	<b>25.1%</b>
<b>Funds From Operations ("FFO")<sup>(1)</sup></b>	<b>\$ 89,890</b>	<b>\$ 77,917</b>	<b>15.4%</b>	<b>\$ 353,893</b>	<b>\$ 255,393</b>	<b>38.6%</b>
Add back acquisition costs	368	1,019	(63.9)%	2,745	1,941	41.4%
Add back casualty-related expenses	634	—	—%	6,388	—	—%
<b>Core FFO<sup>(1)</sup></b>	<b>\$ 90,892</b>	<b>\$ 78,936</b>	<b>15.1%</b>	<b>\$ 363,026</b>	<b>\$ 257,334</b>	<b>41.1%</b>
<b>Earnings per share - basic</b>	<b>\$ 0.31</b>	<b>\$ 0.25</b>	<b>24.0%</b>	<b>\$ 0.99</b>	<b>\$ 1.13</b>	<b>(12.4)%</b>
<b>Earnings per share - diluted</b>	<b>\$ 0.31</b>	<b>\$ 0.25</b>	<b>24.0%</b>	<b>\$ 0.99</b>	<b>\$ 0.98</b>	<b>1.0%</b>
<b>FFO per share and unit<sup>(1)</sup></b>	<b>\$ 0.70</b>	<b>\$ 0.63</b>	<b>11.1%</b>	<b>\$ 2.74</b>	<b>\$ 2.24</b>	<b>22.3%</b>
<b>Core FFO per share and unit<sup>(1)</sup></b>	<b>\$ 0.71</b>	<b>\$ 0.64</b>	<b>10.9%</b>	<b>\$ 2.81</b>	<b>\$ 2.26</b>	<b>24.3%</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 \$7.5 million for the fourth quarter of 2022 and increased by \$36.8 million for the year ended December 31, 2022 ("year-to-date") as compared to the same periods in 2021. The increases resulted primarily from additional NOI generated from the 45 wholly-owned self storage properties acquired during the year ended December 31, 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 administrative expenses.

The increases in FFO and Core FFO for the fourth quarter of 2022 and year-to-date were primarily the result of incremental NOI from properties acquired during the year ended December 31, 2022 and same store NOI growth, partially offset by an increase in interest expense.

### Same Store Operating Results (628 Stores)

(\$ in thousands, except per square foot data)	Three Months Ended December 31,			Year Ended December 31,		
	2022	2021	Growth	2022	2021	Growth
Total revenues	\$ 139,470	\$ 129,910	7.4%	\$ 548,739	\$ 489,338	12.1%
Property operating expenses	34,350	33,810	1.6%	140,724	134,276	4.8%
<b>Net Operating Income (NOI)</b>	<b>\$ 105,120</b>	<b>\$ 96,100</b>	<b>9.4%</b>	<b>\$ 408,015</b>	<b>\$ 355,062</b>	<b>14.9%</b>
<b>NOI Margin</b>	<b>75.4%</b>	<b>74.0%</b>	<b>1.4%</b>	<b>74.4%</b>	<b>72.6%</b>	<b>1.8%</b>
<b>Average Occupancy</b>	<b>91.4%</b>	<b>95.6%</b>	<b>(4.2)%</b>	<b>93.8%</b>	<b>94.7%</b>	<b>(0.9)%</b>
<b>Average Annualized Rental Revenue Per Occupied Square Foot</b>	<b>\$ 15.44</b>	<b>\$ 13.74</b>	<b>12.4%</b>	<b>\$ 14.80</b>	<b>\$ 13.05</b>	<b>13.4%</b>

Year-over-year same store total revenues increased 7.4% for the fourth quarter of 2022 and 12.1% year-to-date as compared to the same periods in 2021. The increase for the fourth quarter was driven primarily by a 12.4% increase in average annualized rental revenue per occupied square foot, partially offset by a 4.2% decrease in average occupancy. The year-to-date increase was driven primarily by a 13.4% increase in average annualized rental revenue per occupied square foot, partially offset by a 90 basis point decrease in average occupancy. Markets which generated above portfolio average same store total revenue

growth include: Riverside-San Bernardino, Atlanta, and McAllen-Edinburg. Markets which generated below portfolio average same store total revenue growth include: Portland, New Orleans and Kansas City.

Year-over-year same store property operating expenses increased 1.6% for the fourth quarter of 2022 and 4.8% year-to-date as compared to the same periods in 2021. The increases primarily resulted from increases in marketing, utilities, and year-to-date property tax expense offset by a decrease in personnel costs.

### **Investment Activity**

During the fourth quarter, NSA invested \$39.9 million in the acquisition of two wholly-owned self storage properties consisting of approximately 196,000 rentable square feet configured in approximately 1,800 storage units. Total consideration for these acquisitions included approximately \$7.6 million of net cash, the issuance of approximately \$16.2 million of OP units, \$15.9 million of SP units and the assumption of approximately \$0.2 million of other liabilities.

### **Balance Sheet**

During the fourth quarter, NSA repurchased 1,032,251 of the Company's common shares for approximately \$40.0 million under the previously announced share repurchase program. For the full year 2022, the Company repurchased 1,986,175 shares for approximately \$90.0 million. Under the program, the Company has remaining capacity of approximately \$310.0 million out of a total of \$400.0 million authorized.

On January 3, 2023, the Company entered into a third amended and restated credit agreement which expands the total borrowing capacity of its credit facility by \$405.0 million to \$1.955 billion with an accordion feature to expand the total borrowing capacity to \$2.5 billion. The maturity date of the revolving line of credit is now January 2027 versus the previous maturity date of January 2024, while the total borrowing capacity was increased to \$950.0 million from \$650.0 million. In connection with the credit facility recast, the Company retired its \$125.0 million term loan due January 2023 and its \$175.0 million term loan facility due in June 2023, and converted LIBOR-based borrowings to SOFR. The Company funded the retirements with \$230.0 million of incremental borrowings on existing term loans and \$70.0 million of borrowings on its revolving line of credit. In Schedule 4 of the supplemental financial information, the Company has presented its debt summary as of December 31, 2022, giving pro forma effect for the credit facility recast, debt retirements, and an interest rate swap that was effective starting February 1, 2023.

### **Common Share Dividends**

On November 9, 2022, NSA's Board of Trustees declared a quarterly cash dividend of \$0.55 per common share, representing a 22.2% increase from the fourth quarter 2021. The fourth quarter 2022 dividend was paid on December 30, 2022 to shareholders of record as of December 15, 2022.

For full year 2022, NSA's Board of Trustees declared cash dividends of \$2.15 per common share, representing a 35.2% increase from 2021.

## 2023 Guidance

The following table outlines NSA's Core FFO per share guidance estimates and related assumptions for the year ended December 31, 2023.

	Ranges for Full Year 2023		Actual Results for Full Year 2022
	Low	High	
Core FFO per share <sup>(1)</sup>	\$2.78	\$2.86	\$2.81
Same store operations <sup>(2)</sup>			
Total revenue growth	3.75%	5.25%	12.1%
Property operating expenses growth	4.50%	6.00%	4.8%
NOI growth	3.00%	5.50%	14.9%
General and administrative expenses			
General and administrative expenses (excluding equity-based compensation), in millions	\$53.0	\$55.0	\$53.1
Equity-based compensation, in millions	\$6.5	\$7.0	\$6.3
Management fees and other revenue, in millions	\$28.0	\$30.0	\$27.6
Core FFO from unconsolidated real estate ventures, in millions	\$25.0	\$26.5	\$24.8
Subordinated performance unit distributions, in millions	\$51.0	\$53.0	\$58.8
Acquisitions of self storage properties, in millions	\$200.0	\$400.0	\$569.2

	Ranges for Full Year 2023	
	Low	High
<b>Earnings (loss) per share - diluted</b>	\$1.25	\$1.31
Impact of the difference in weighted average number of shares and GAAP accounting for noncontrolling interests, two-class method and treasury stock method	0.07	0.02
Add real estate depreciation and amortization, including NSA's share of unconsolidated venture real estate depreciation and amortization	1.83	1.91
FFO attributable to subordinated unitholders	(0.38)	(0.41)
Add loss on early extinguishment of debt	—	0.01
Add acquisition costs and NSA's share of unconsolidated real estate venture acquisition costs	0.01	0.02
<b>Core FFO per share and unit</b>	<b>\$2.78</b>	<b>\$2.86</b>

(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) 2023 guidance reflects NSA's 2023 same store pool comprising 834 stores. 2022 actual results reflect NSA's 2022 same store pool comprising 628 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 February 27, 2023.

## 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 Tuesday, February 28, 2023 to discuss its fourth 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](http://www.nationalstorageaffiliates.com).

#### Conference Call and Webcast:

Date/Time: Tuesday, February 28, 2023, 1:00 pm ET

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

Domestic (Toll Free US & Canada): 877.407.9711

International: 412.902.1014

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 Conference**

NSA management is scheduled to participate in Citi's 2023 Global Property CEO Conference on March 6 - 8, 2023 in Hollywood, Florida.

### **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 December 31, 2022, the Company held ownership interests in and operated 1,101 self storage properties located in 42 states and Puerto Rico with approximately 71.8 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 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; and the Company's guidance estimates for the year ended December 31, 2023. 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 December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>REVENUE</b>				
Rental revenue	\$ 195,985	\$ 161,690	\$ 748,814	\$ 541,547
Other property-related revenue	6,224	5,643	25,131	19,750
Management fees and other revenue	6,513	6,257	27,624	24,374
Total revenue	208,722	173,590	801,569	585,671
<b>OPERATING EXPENSES</b>				
Property operating expenses	53,347	44,542	211,025	155,265
General and administrative expenses	15,345	14,301	59,311	51,001
Depreciation and amortization	57,564	50,854	233,158	158,312
Other	1,186	1,152	8,537	2,853
Total operating expenses	127,442	110,849	512,031	367,431
<b>OTHER (EXPENSE) INCOME</b>				
Interest expense	(34,633)	(19,787)	(110,599)	(72,062)
Equity in earnings of unconsolidated real estate ventures	2,155	1,679	7,745	5,294
Acquisition costs	(368)	(1,019)	(2,745)	(1,941)
Non-operating expense	(352)	(344)	(951)	(906)
Gain on sale of self storage properties	3,332	—	5,466	—
Other expense, net	(29,866)	(19,471)	(101,084)	(69,615)
<b>Income before income taxes</b>	51,414	43,270	188,454	148,625
Income tax expense	(1,037)	(375)	(4,689)	(1,690)
<b>Net income</b>	50,377	42,895	183,765	146,935
Net income attributable to noncontrolling interests	(19,117)	(17,422)	(80,028)	(41,682)
<b>Net income attributable to National Storage Affiliates Trust</b>	31,260	25,473	103,737	105,253
Distributions to preferred shareholders	(3,382)	(3,277)	(13,425)	(13,104)
<b>Net income attributable to common shareholders</b>	\$ 27,878	\$ 22,196	\$ 90,312	\$ 92,149
<b>Earnings per share - basic</b>	\$ 0.31	\$ 0.25	\$ 0.99	\$ 1.13
<b>Earnings per share - diluted</b>	\$ 0.31	\$ 0.25	\$ 0.99	\$ 0.98
<b>Weighted average shares outstanding - basic</b>	90,627	89,763	91,239	81,195
<b>Weighted average shares outstanding - diluted</b>	90,627	89,763	91,239	134,538



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

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
Real estate		
Self storage properties	\$6,391,572	\$5,798,188
Less accumulated depreciation	(772,661)	(578,717)
Self storage properties, net	5,618,911	5,219,471
Cash and cash equivalents	35,312	25,013
Restricted cash	6,887	2,862
Debt issuance costs, net	1,393	2,433
Investment in unconsolidated real estate ventures	227,441	188,187
Other assets, net	156,228	102,417
Operating lease right-of-use assets	23,835	22,211
Total assets	<u>\$6,070,007</u>	<u>\$5,562,594</u>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Debt financing	\$3,551,179	\$2,940,931
Accounts payable and accrued liabilities	80,377	59,262
Interest rate swap liabilities	483	33,757
Operating lease liabilities	25,741	23,981
Deferred revenue	23,213	22,208
Total liabilities	3,680,993	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 December 31, 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, 89,842,145 and 91,198,929 shares issued and outstanding at December 31, 2022 and December 31, 2021, respectively	898	912
Additional paid-in capital	1,777,984	1,866,773
Distributions in excess of earnings	(396,650)	(291,263)
Accumulated other comprehensive income (loss)	40,530	(19,611)
Total shareholders' equity	1,648,201	1,775,229
Noncontrolling interests	740,813	707,226
Total equity	2,389,014	2,482,455
Total liabilities and equity	<u>\$6,070,007</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 December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Net income</b>	<b>\$ 50,377</b>	<b>\$ 42,895</b>	<b>\$ 183,765</b>	<b>\$ 146,935</b>
Add (subtract):				
Real estate depreciation and amortization	57,227	50,526	231,870	156,930
Company's share of unconsolidated real estate venture real estate depreciation and amortization	4,461	3,845	17,072	15,408
Gain on sale of self storage properties	(3,332)	—	(5,466)	—
Distributions to preferred shareholders and unitholders	(3,653)	(3,519)	(14,510)	(14,070)
FFO attributable to subordinated performance unitholders <sup>(1)</sup>	(15,190)	(15,830)	(58,838)	(49,810)
<b>FFO attributable to common shareholders, OP unitholders, and LTIP unitholders</b>	<b>89,890</b>	<b>77,917</b>	<b>353,893</b>	<b>255,393</b>
Add:				
Acquisition costs	368	1,019	2,745	1,941
Casualty-related expenses <sup>(2)</sup>	634	—	6,388	—
<b>Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders</b>	<b>\$ 90,892</b>	<b>\$ 78,936</b>	<b>\$ 363,026</b>	<b>\$ 257,334</b>
<b>Weighted average shares and units outstanding - FFO and Core FFO:</b> <sup>(3)</sup>				
Weighted average shares outstanding - basic	90,627	89,763	91,239	81,195
Weighted average restricted common shares outstanding	25	34	27	33
Weighted average effect of forward offering agreement <sup>(4)</sup>	—	—	—	100
Weighted average OP units outstanding	35,601	30,681	35,421	30,127
Weighted average DownREIT OP unit equivalents outstanding	1,925	1,925	1,925	1,925
Weighted average LTIP units outstanding	476	523	514	542
<b>Total weighted average shares and units outstanding - FFO and Core FFO</b>	<b>128,654</b>	<b>122,926</b>	<b>129,126</b>	<b>113,922</b>
<b>FFO per share and unit</b>	<b>\$ 0.70</b>	<b>\$ 0.63</b>	<b>\$ 2.74</b>	<b>\$ 2.24</b>
<b>Core FFO per share and unit</b>	<b>\$ 0.71</b>	<b>\$ 0.64</b>	<b>\$ 2.81</b>	<b>\$ 2.26</b>

(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<sup>(5)</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.

(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 December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Earnings per share - diluted</b>	<b>\$ 0.31</b>	<b>\$ 0.25</b>	<b>\$ 0.99</b>	<b>\$ 0.98</b>
Impact of the difference in weighted average number of shares <sup>(5)</sup>	(0.08)	(0.07)	(0.28)	0.18
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method <sup>(6)</sup>	0.15	0.14	0.62	—
Add real estate depreciation and amortization	0.44	0.41	1.79	1.38
Add Company's share of unconsolidated real estate venture real estate depreciation and amortization	0.03	0.03	0.13	0.14
Subtract gain on sale of self storage properties	(0.03)	—	(0.05)	—
FFO attributable to subordinated performance unitholders	(0.12)	(0.13)	(0.46)	(0.44)
<b>FFO per share and unit</b>	<b>0.70</b>	<b>0.63</b>	<b>2.74</b>	<b>2.24</b>
Add acquisition costs	—	0.01	0.02	0.02
Add casualty-related expenses	0.01	—	0.05	—
<b>Core FFO per share and unit</b>	<b>\$ 0.71</b>	<b>\$ 0.64</b>	<b>\$ 2.81</b>	<b>\$ 2.26</b>

(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<sup>(5)</sup>.

**Net Operating Income**

(dollars in thousands) (unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Net income</b>	<b>\$ 50,377</b>	<b>\$ 42,895</b>	<b>\$ 183,765</b>	<b>\$ 146,935</b>
(Subtract) add:				
Management fees and other revenue	(6,513)	(6,257)	(27,624)	(24,374)
General and administrative expenses	15,345	14,301	59,311	51,001
Other	1,186	1,152	8,537	2,853
Depreciation and amortization	57,564	50,854	233,158	158,312
Interest expense	34,633	19,787	110,599	72,062
Equity in earnings of unconsolidated real estate ventures	(2,155)	(1,679)	(7,745)	(5,294)
Acquisition costs	368	1,019	2,745	1,941
Income tax expense	1,037	375	4,689	1,690
Gain on sale of self storage properties	(3,332)	—	(5,466)	—
Non-operating expense	352	344	951	906
<b>Net Operating Income</b>	<b>\$ 148,862</b>	<b>\$ 122,791</b>	<b>\$ 562,920</b>	<b>\$ 406,032</b>

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

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Net income</b>	<b>\$ 50,377</b>	<b>\$ 42,895</b>	<b>\$ 183,765</b>	<b>\$ 146,935</b>
Add:				
Depreciation and amortization	57,564	50,854	233,158	158,312
Company's share of unconsolidated real estate venture depreciation and amortization	4,461	3,845	17,072	15,408
Interest expense	34,633	19,787	110,599	72,062
Income tax expense	1,037	375	4,689	1,690
<b>EBITDA</b>	<b>148,072</b>	<b>117,756</b>	<b>549,283</b>	<b>394,407</b>
Add (subtract):				
Acquisition costs	368	1,019	2,745	1,941
Gain on sale of self storage properties	(3,332)	—	(5,466)	—
Casualty related expenses (recoveries)	634	—	6,388	—
Equity-based compensation expense	1,588	1,374	6,258	5,462
<b>Adjusted EBITDA</b>	<b>\$ 147,330</b>	<b>\$ 120,149</b>	<b>\$ 559,208</b>	<b>\$ 401,810</b>

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