

February 28, 2024



National Storage Affiliates Trust Reports Fourth Quarter and Full Year 2023 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 2023 results.

Fourth Quarter 2023 Highlights

- Reported net income of \$108.1 million for the fourth quarter of 2023, an increase of 114.5% compared to the fourth quarter of 2022. Reported diluted earnings per share of \$0.72 for the fourth quarter of 2023 compared to \$0.31 for the fourth quarter of 2022.
- Reported core funds from operations ("Core FFO") of \$83.6 million, or \$0.68 per share for the fourth quarter of 2023, a decrease of 4.2% per share compared to the fourth quarter of 2022.
- Reported a decrease in same store net operating income ("NOI") of 1.6% for the fourth quarter of 2023 compared to the same period in 2022, driven by a negligible increase in same store total revenues, which was more than offset by an increase of 4.8% in same store property operating expenses.
- Reported same store period-end occupancy of 86.0% as of December 31, 2023, a decrease of 410 basis points compared to December 31, 2022.
- Acquired two wholly-owned self storage properties for approximately \$25.0 million during the fourth quarter of 2023. Consideration for these acquisitions included the issuance of \$8.1 million of OP equity.
- As previously announced, issued \$250.0 million of senior unsecured notes with a weighted average interest rate of 6.58% and a weighted average maturity of 5.8 years in a private placement with institutional investors.
- Repurchased 852,771 of the Company's common shares for approximately \$27.4 million under the previously announced share repurchase program. Approved a new share repurchase program authorizing, but not obligating, the repurchase of up to \$275.0 million of NSA's common shares of beneficial interest from time to time.
- Entered into an agreement to sell 71 wholly-owned self storage properties for approximately \$540.0 million during the fourth quarter of 2023. 32 of the properties were sold in December 2023, while the remaining 39 properties are classified as held for sale as of December 31, 2023, of which 38 were sold in February 2024.

- Entered into a joint venture (the "2023 Joint Venture") agreement between a subsidiary of NSA (the "2023 JV NSA Member") and a state pension fund advised by Heitman Capital Management LLC (the "2023 JV Investor," together with the 2023 JV NSA Member, the "2023 JV Members"), to acquire and operate self storage properties. The 2023 Joint Venture agreement provides for equity capital contributions from the 2023 JV Members of up to \$400 million over a twenty-four month period starting in December 2023, with the 2023 JV Investor holding a 75% ownership interest and the 2023 JV NSA Member holding a 25% ownership interest. A subsidiary of NSA will serve as the manager of the new venture. As of the date of this release, there have been no properties acquired by the 2023 Joint Venture.

Full Year 2023 Highlights

- Reported net income of \$237.0 million for full year 2023, an increase of 29.0% compared to full year 2022. Reported diluted earnings per share of \$1.48 for full year 2023 compared to \$0.99 for full year 2022.
- Reported Core FFO of \$343.4 million, or \$2.69 per share for full year 2023, a decrease of 4.3% per share compared to full year 2022.
- Reported an increase in same store NOI of 1.6% for full year 2023 compared to full year 2022, driven by a 2.4% increase in same store total revenues partially offset by an increase of 4.7% in same store property operating expenses.
- Acquired 20 wholly-owned self storage properties for approximately \$229.5 million during full year 2023. Consideration for these acquisitions included the net issuance of \$113.2 million of 6.000% Series B Cumulative Redeemable Preferred Shares and \$67.3 million of OP equity.
- Repurchased 8,836,639 of the Company's common shares for approximately \$310.2 million under the previously announced share repurchase program.

Highlights Subsequent to Quarter-End

- Entered into a new joint venture (the "2024 Joint Venture") agreement between a subsidiary of NSA (the "2024 JV NSA Member") and a subsidiary of Heitman Capital Management LLC (the "2024 JV Investor" and together with the 2024 JV NSA Member, the "2024 JV Members"), with NSA as a 25% owner and the 2024 JV Investor as a 75% owner. NSA contributed 56 wholly-owned properties, which were classified as held for sale as of December 31, 2023, for approximately \$346.5 million, to the 2024 Joint Venture. A subsidiary of NSA will serve as the manager of the 2024 Joint Venture. As a result of assets sold or held for sale at year-end, our 2023 same store pool has been reset to 724 stores.
- Through February 23, 2024, repurchased 2,479,388 of the Company's common shares for approximately \$92.5 million under the previously announced share repurchase program.
- Repaid in full the outstanding borrowings under the revolving line of credit and \$130.0 million of Term Loan Tranche B. After giving effect to these repayments, on a pro

forma basis as of December 31, 2023, our remaining debt had a weighted average effective interest rate of 4.03% and a weighted average maturity of 5.34 years.

David Cramer, President and Chief Executive Officer, commented, “We are pleased with our results this quarter, as we balanced rate and occupancy to drive revenues, while remaining focused on cost efficiencies across our platform. Looking back at the full year, I’m very proud of our team’s focus on People, Process and Platform initiatives, which we believe will enhance our results going forward.”

Mr. Cramer further commented, “We’ve made significant progress on our strategic initiatives during the fourth quarter and thus far in 2024, including the sale of approximately \$540 million of properties, the formation of two new joint ventures, the repurchase of approximately \$120 million of common shares, and fully repaying our line of credit as of February 23, 2024. These key steps improve our portfolio quality and concentration, while putting us in an attractive position to take advantage of external growth opportunities as they arise.”

Financial Results

(\$ in thousands, except per share and unit data)	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	Growth	2023	2022	Growth
Net income	\$108,056	\$ 50,377	114.5%	\$236,988	\$183,765	29.0%
Funds From Operations ("FFO")⁽¹⁾	\$ 83,369	\$ 89,890	(7.3)%	\$341,528	\$353,893	(3.5)%
Add back acquisition costs	235	368	(36.1)%	1,659	2,745	(39.6)%
Add (Subtract) casualty-related expenses (recoveries) ⁽²⁾	—	634	—%	(522)	6,388	(108.2)%
Add loss on early extinguishment of debt	—	—	—%	758	—	—%
Core FFO⁽¹⁾	\$ 83,604	\$ 90,892	(8.0)%	\$343,423	\$363,026	(5.4)%
Earnings per share - basic	\$ 0.77	\$ 0.31	148.4%	\$ 1.58	\$ 0.99	59.6%
Earnings per share - diluted	\$ 0.72	\$ 0.31	132.3%	\$ 1.48	\$ 0.99	49.5%
FFO per share and unit⁽¹⁾	\$ 0.68	\$ 0.70	(2.9)%	\$ 2.67	\$ 2.74	(2.6)%
Core FFO per share and unit⁽¹⁾	\$ 0.68	\$ 0.71	(4.2)%	\$ 2.69	\$ 2.81	(4.3)%

(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.

(2) Casualty-related recoveries in 2023 relate to casualty-related expenses incurred during 2022.

Net income increased \$57.7 million for the fourth quarter of 2023 and increased by \$53.2 million for the year ended December 31, 2023 ("year-to-date") as compared to the same periods in 2022. The increases resulted primarily from a gain on the sale of 32 self storage properties during the fourth quarter of 2023 and additional NOI generated from the 20 wholly-owned self storage properties acquired during the year ended December 31, 2023, partially offset by increases in interest expense.

The decreases in FFO and Core FFO for the fourth quarter of 2023 and year-to-date were primarily the result of increases in interest expense of 31.2% and 50.2%, respectively, partially offset by an increase in NOI of 0.3% and 5.6%, respectively, as compared to the same periods in 2022.

Same Store Operating Results (724 Stores)

(\$ in thousands, except per square foot data)	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	Growth	2023	2022	Growth
Total revenues	\$ 166,905	\$ 166,832	—%	\$ 670,527	\$ 654,529	2.4%
Property operating expenses	43,932	41,902	4.8%	178,006	169,987	4.7%
Net Operating Income (NOI)	\$ 122,973	\$ 124,930	(1.6)%	\$ 492,521	\$ 484,542	1.6%
NOI Margin	73.7%	74.9%	(1.2)%	73.5%	74.0%	(0.5)%
Average Occupancy	87.2%	91.0%	(3.8)%	89.1%	93.1%	(4.0)%
Average Annualized Rental Revenue Per Occupied Square Foot	\$ 16.05	\$ 15.49	3.6%	\$ 15.80	\$ 14.89	6.1%

Year-over-year same store total revenues remained relatively consistent for the fourth quarter of 2023 and increased 2.4% year-to-date as compared to the same periods in 2022. The fourth quarter same store total revenue result was driven primarily by a 3.6% increase in average annualized rental revenue per occupied square foot offset by a 380 basis point decrease in average occupancy. The year-to-date increase was driven primarily by a 6.1% increase in average annualized rental revenue per occupied square foot, partially offset by a 400 basis point decrease in average occupancy. Markets which generated above portfolio average same store total revenue growth include: Riverside-San Bernardino, Atlanta, and Oklahoma City. Markets which generated below portfolio average same store total revenue growth include: Phoenix, New Orleans and Las Vegas.

Year-over-year same store property operating expenses increased 4.8% for the fourth quarter of 2023 and 4.7% year-to-date as compared to the same periods in 2022. The increases primarily resulted from increases in marketing, insurance, and property tax expense offset by a decrease in personnel costs.

Disposition and Investment Activity

During the fourth quarter, NSA invested \$25.0 million in the acquisition of two wholly-owned self storage properties consisting of approximately 113,000 rentable square feet configured in approximately 900 storage units. Total consideration for these acquisitions included approximately \$17.0 million of net cash, \$4.0 million of subordinated performance units, \$3.8 million of 6.000% Series A-1 cumulative redeemable preferred units and \$0.2 million of LTIP units.

During the fourth quarter, NSA entered into an agreement to sell 71 wholly-owned self storage properties consisting of approximately 4.4 million rentable square feet configured in approximately 34,000 storage units for approximately \$540.0 million, before disposition costs and credits (the "Portfolio Sale"). The agreement provides for separate disposition dates with 32 self storage properties, consisting of approximately 2.0 million rentable square feet configured in approximately 16,000 storage units for approximately \$263.2 million, sold in December 2023, and 39 self storage properties, consisting of approximately 2.4 million rentable square feet configured in approximately 18,000 storage units for approximately \$266.8 million, to be sold in 2024, of which 38 were sold in February.

During the fourth quarter, NSA entered into an agreement to form the 2024 Joint Venture with the 2024 JV Investor. On February 13, 2024, NSA contributed to the 2024 Joint Venture 56 self storage properties located across seven states, consisting of approximately 3.2

million rentable square feet configured in over 24,000 storage units for approximately \$346.5 million. The 2024 Joint Venture was capitalized with approximately \$140.8 million in equity (approximately \$35.2 million from NSA in exchange for a 25% ownership interest and approximately \$105.6 million from the 2024 JV Investor in exchange for a 75% ownership interest) and proceeds from a \$210.0 million interest-only secured debt financing with an interest rate of 6.05% per annum and a term of five years. All of the properties in the 2024 Joint Venture will continue to be operated by NSA's management platform.

The Portfolio Sale and 2024 Joint Venture contribution generated aggregate net proceeds to NSA of approximately \$835 million, which NSA used to fully pay down its revolving line of credit and \$130.0 million of Term Loan Tranche B and for general corporate purposes.

Balance Sheet

During the fourth quarter, NSA repurchased 852,771 of its common shares for approximately \$27.4 million under the previously announced share repurchase program. For the full year 2023, the Company repurchased 8,836,639 shares for approximately \$310.2 million. On December 1, 2023, NSA approved a new share repurchase program authorizing, but not obligating, the repurchase of up to \$275.0 million of its common shares of beneficial interest from time to time. NSA expects to acquire the common 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.

Common Share Dividends

On November 8, 2023, NSA's Board of Trustees declared a quarterly cash dividend of \$0.56 per common share, representing a 1.8% increase from the fourth quarter 2022. The fourth quarter 2023 dividend was paid on December 29, 2023 to shareholders of record as of December 15, 2023.

For full year 2023, NSA's Board of Trustees declared cash dividends of \$2.23 per common share, representing a 3.7% increase from 2022.

2024 Guidance

The following table outlines NSA's Core FFO per share guidance estimates and related assumptions for the year ended December 31, 2024.

	Ranges for Full Year 2024		Actual Results for Full Year 2023
	Low	High	
Core FFO per share ⁽¹⁾	\$ 2.40	\$ 2.56	\$ 2.69
Same store operations ⁽²⁾			
Total revenue growth	(4.0)%	0.0%	2.4%
Property operating expenses growth	3.0%	5.0%	4.7%
NOI growth	(6.0)%	(2.0)%	1.6%
General and administrative expenses			
General and administrative expenses (excluding equity-based compensation), in millions	\$ 54.5	\$ 56.5	\$ 52.6
Equity-based compensation, in millions	\$ 7.25	\$ 7.75	\$ 6.7
Management fees and other revenue, in millions	\$ 32.0	\$ 34.0	\$ 34.4
Core FFO from unconsolidated real estate ventures, in millions	\$ 23.5	\$ 25.5	\$ 24.6
Subordinated performance unit distributions, in millions	\$ 40.0	\$ 44.0	\$ 49.0
Acquisitions of self storage properties, in millions	\$ 100.0	\$ 300.0	\$ 229.5

	Ranges for Full Year 2024	
	Low	High
Earnings per share - diluted	\$ 1.43	\$ 1.59
Impact of the difference in weighted average number of shares and GAAP accounting for noncontrolling interests, two-class method and treasury stock method	0.08	0.02
Add real estate depreciation and amortization, including NSA's share of unconsolidated venture real estate depreciation and amortization	1.73	1.83
FFO attributable to subordinated unitholders	(0.34)	(0.38)
Less gain on sale of self storage properties	(0.51)	(0.51)
Add acquisition costs and NSA's share of unconsolidated real estate venture acquisition costs	0.01	0.01
Core FFO per share and unit	\$ 2.40	\$ 2.56

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

(2) 2024 guidance reflects NSA's 2024 same store pool comprising 776 stores. 2023 actual results reflect NSA's 2023 same store pool comprising 724 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 28, 2024.

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, February 29, 2024 to discuss its fourth quarter 2023 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, February 29, 2024, 1:00 pm ET

Webcast available at: 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.

Upcoming Industry Conference

NSA management is scheduled to participate in Citi's 2024 Global Property CEO Conference on March 3 - 6, 2024 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, 2023, the Company held ownership interests in and operated 1,050 self storage properties, located in 42 states and Puerto Rico with approximately 68.6 million rentable square feet, which excludes 39 self storage properties classified as held for sale to be sold to a third party. 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; and the Company's guidance estimates for the year ended December 31, 2024. 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,	
	2023	2022	2023	2022
REVENUE				
Rental revenue	\$ 198,693	\$ 195,985	\$ 793,966	\$ 748,814
Other property-related revenue	7,502	6,224	29,686	25,131
Management fees and other revenue	9,217	6,513	34,411	27,624
Total revenue	215,412	208,722	858,063	801,569
OPERATING EXPENSES				
Property operating expenses	56,828	53,347	228,986	211,025
General and administrative expenses	14,956	15,345	59,281	59,311
Depreciation and amortization	53,988	57,564	221,993	233,158
Other	2,577	1,186	11,108	8,537
Total operating expenses	128,349	127,442	521,368	512,031
OTHER INCOME (EXPENSE)				
Interest expense	(45,441)	(34,633)	(166,147)	(110,599)
Loss on early extinguishment of debt	—	—	(758)	—
Equity in earnings of unconsolidated real estate ventures	2,084	2,155	7,553	7,745
Acquisition costs	(235)	(368)	(1,659)	(2,745)
Non-operating expense	(590)	(352)	(1,016)	(951)
Gain on sale of self storage properties	63,910	3,332	63,910	5,466
Other income (expense), net	19,728	(29,866)	(98,117)	(101,084)
Income before income taxes	106,791	51,414	238,578	188,454
Income tax benefit (expense)	1,265	(1,037)	(1,590)	(4,689)
Net income	108,056	50,377	236,988	183,765
Net income attributable to noncontrolling interests	(39,031)	(19,117)	(80,319)	(80,028)
Net income attributable to National Storage Affiliates Trust	69,025	31,260	156,669	103,737
Distributions to preferred shareholders	(5,110)	(3,382)	(19,019)	(13,425)
Net income attributable to common shareholders	\$ 63,915	\$ 27,878	\$ 137,650	\$ 90,312
Earnings per share - basic	\$ 0.77	\$ 0.31	\$ 1.58	\$ 0.99
Earnings per share - diluted	\$ 0.72	\$ 0.31	\$ 1.48	\$ 0.99
Weighted average shares outstanding - basic	82,642	90,627	86,846	91,239
Weighted average shares outstanding - diluted	141,319	90,627	146,023	91,239

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

	December 31, 2023	December 31, 2022
ASSETS		
Real estate		
Self storage properties	\$ 5,792,174	\$ 6,391,572
Less accumulated depreciation	(874,359)	(772,661)
Self storage properties, net	4,917,815	5,618,911
Cash and cash equivalents	64,980	35,312
Restricted cash	22,713	6,887
Debt issuance costs, net	8,442	1,393
Investment in unconsolidated real estate ventures	211,361	227,441
Other assets, net	134,002	156,228
Assets held for sale, net	550,199	—
Operating lease right-of-use assets	22,299	23,835
Total assets	<u>\$ 5,931,811</u>	<u>\$ 6,070,007</u>
LIABILITIES AND EQUITY		
Liabilities		
Debt financing	\$ 3,658,205	\$ 3,551,179
Accounts payable and accrued liabilities	92,766	80,377
Interest rate swap liabilities	3,450	483
Operating lease liabilities	24,195	25,741
Deferred revenue	27,354	23,213
Total liabilities	3,805,970	3,680,993
Equity		
Series A Preferred shares of beneficial interest, par value \$0.01 per share. 50,000,000 authorized, 9,017,588 and 9,017,588 issued and outstanding at December 31, 2023 and December 31, 2022, respectively, at liquidation preference	225,439	225,439
Series B Preferred shares of beneficial interest, par value \$0.01 per share. 7,000,000 authorized, 5,668,128 issued and outstanding at December 31, 2023 at liquidation preference	115,212	—
Common shares of beneficial interest, par value \$0.01 per share. 250,000,000 shares authorized, 82,285,995 and 89,842,145 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	823	898
Additional paid-in capital	1,509,563	1,777,984
Distributions in excess of earnings	(449,907)	(396,650)
Accumulated other comprehensive income	21,058	40,530
Total shareholders' equity	1,422,188	1,648,201
Noncontrolling interests	703,653	740,813
Total equity	2,125,841	2,389,014
Total liabilities and equity	<u>\$ 5,931,811</u>	<u>\$ 6,070,007</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,	
	2023	2022	2023	2022
Net income	\$ 108,056	\$ 50,377	\$ 236,988	\$ 183,765
Add (subtract):				
Real estate depreciation and amortization	53,659	57,227	220,737	231,870
Company's share of unconsolidated real estate venture real estate depreciation and amortization	4,011	4,461	17,083	17,072
Gain on sale of self storage properties	(63,910)	(3,332)	(63,910)	(5,466)
Distributions to preferred shareholders and unitholders	(5,572)	(3,653)	(20,330)	(14,510)
FFO attributable to subordinated performance unitholders ⁽¹⁾	(12,875)	(15,190)	(49,040)	(58,838)
FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	83,369	89,890	341,528	353,893
Add:				
Acquisition costs	235	368	1,659	2,745
Casualty-related expenses (recoveries) ⁽²⁾	—	634	(522)	6,388
Loss on early extinguishment of debt	—	—	758	—
Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	\$ 83,604	\$ 90,892	\$ 343,423	\$ 363,026
Weighted average shares and units outstanding - FFO and Core FFO:⁽³⁾				
Weighted average shares outstanding - basic	82,642	90,627	86,846	91,239
Weighted average restricted common shares outstanding	23	25	25	27
Weighted average OP units outstanding	37,701	35,601	38,302	35,421
Weighted average DownREIT OP unit equivalents outstanding	2,120	1,925	2,120	1,925
Weighted average LTIP units outstanding	577	476	553	514
Total weighted average shares and units outstanding - FFO and Core FFO	123,063	128,654	127,846	129,126
FFO per share and unit	\$ 0.68	\$ 0.70	\$ 2.67	\$ 2.74
Core FFO per share and unit	\$ 0.68	\$ 0.71	\$ 2.69	\$ 2.81

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

(2) Casualty-related recoveries relate to casualty-related expenses incurred during 2022 and are recorded in the line item "Other" within operating expenses in our consolidated statements 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⁽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.

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,	
	2023	2022	2023	2022
Earnings per share - diluted	\$ 0.72	\$ 0.31	\$ 1.48	\$ 0.99
Impact of the difference in weighted average number of shares ⁽⁴⁾	0.11	(0.08)	0.23	(0.28)
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method ⁽⁵⁾	—	0.15	—	0.62
Add real estate depreciation and amortization	0.44	0.44	1.73	1.79
Add Company's share of unconsolidated real estate venture real estate depreciation and amortization	0.03	0.03	0.13	0.13
Subtract gain on sale of self storage properties	(0.52)	(0.03)	(0.52)	(0.05)
FFO attributable to subordinated performance unitholders	(0.10)	(0.12)	(0.38)	(0.46)
FFO per share and unit	0.68	0.70	2.67	2.74
Add acquisition costs	—	—	0.01	0.02
Add casualty-related expenses	—	0.01	—	0.05
Add loss on early extinguishment of debt	—	—	0.01	—
Core FFO per share and unit	\$ 0.68	\$ 0.71	\$ 2.69	\$ 2.81

(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 December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income	\$ 108,056	\$ 50,377	\$ 236,988	\$ 183,765
(Subtract) add:				
Management fees and other revenue	(9,217)	(6,513)	(34,411)	(27,624)
General and administrative expenses	14,956	15,345	59,281	59,311
Other	2,577	1,186	11,108	8,537
Depreciation and amortization	53,988	57,564	221,993	233,158
Interest expense	45,441	34,633	166,147	110,599
Equity in earnings of unconsolidated real estate ventures	(2,084)	(2,155)	(7,553)	(7,745)
Loss on early extinguishment of debt	—	—	758	—
Acquisition costs	235	368	1,659	2,745
Income tax (benefit) expense	(1,265)	1,037	1,590	4,689
Gain on sale of self storage properties	(63,910)	(3,332)	(63,910)	(5,466)
Non-operating expense	590	352	1,016	951
Net Operating Income	\$ 149,367	\$ 148,862	\$ 594,666	\$ 562,920

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

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income	\$ 108,056	\$ 50,377	\$ 236,988	\$ 183,765
Add:				
Depreciation and amortization	53,988	57,564	221,993	233,158
Company's share of unconsolidated real estate venture depreciation and amortization	4,011	4,461	17,083	17,072
Interest expense	45,441	34,633	166,147	110,599
Income tax (benefit) expense	(1,265)	1,037	1,590	4,689
Loss on early extinguishment of debt	—	—	758	—
EBITDA	210,231	148,072	644,559	549,283
Add (subtract):				
Acquisition costs	235	368	1,659	2,745
Gain on sale of self storage properties	(63,910)	(3,332)	(63,910)	(5,466)
Casualty related expenses (recoveries)	—	634	(522)	6,388
Equity-based compensation expense	1,651	1,588	6,679	6,258
Adjusted EBITDA	\$ 148,207	\$ 147,330	\$ 588,465	\$ 559,208

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