

November 2, 2021



National Storage Affiliates Trust Reports Third Quarter 2021 Results

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

Third Quarter 2021 Highlights

- Reported net income of \$40.7 million for the third quarter of 2021, an increase of 90.2% compared to the third quarter of 2020. Reported diluted earnings per share of \$0.26 for the third quarter of 2021 compared to \$0.15 for the third quarter of 2020.
- Reported core funds from operations ("Core FFO") of \$67.5 million, or \$0.57 per share for the third quarter of 2021, an increase of 29.5% per share compared to the third quarter of 2020.
- Reported an increase in same store net operating income ("NOI") of 24.3% for the third quarter of 2021 compared to the same period in 2020, driven by an 18.4% increase in same store total revenues partially offset by an increase of 4.6% in same store property operating expenses.
- Reported same store period-end occupancy of 96.2% as of September 30, 2021, an increase of 450 basis points compared to September 30, 2020.
- Acquired 76 wholly-owned self storage properties for \$599.3 million during the third quarter of 2021. Consideration for these acquisitions included the issuance of \$31.1 million of OP equity.
- Completed an underwritten public offering of 10,120,000 common shares resulting in net proceeds of approximately \$497.4 million.
- Increased the total borrowing capacity under the Company's credit facility in September 2021 with the addition of a \$125.0 million 5.5-year term loan tranche E.
- Issued the previously announced \$35.0 million of 2.16% senior unsecured notes due May 4, 2026 and \$90.0 million of 3.00% senior unsecured notes due May 4, 2031 on July 26, 2021 in a private placement to certain institutional investors.
- Entered into an agreement on July 9, 2021 with a single lender for an \$88.0 million interest-only secured debt financing that matures in July 2028 and has a fixed interest rate of 2.77%.
- Received approximately \$40.0 million of net proceeds from the sale of 782,000 common shares under the Company's at the market ("ATM") program.

Highlights Subsequent to Quarter-End

- Acquired 39 wholly-owned self storage properties for approximately \$325.7 million.

Tamara Fischer, President and Chief Executive Officer, commented, "Third quarter 2021

was an outstanding quarter for NSA with the investment of nearly \$600 million in the acquisition of 76 self storage properties and the continuing outperformance of our same store portfolio which generated 24.3% NOI growth. We're optimistic that the favorable tailwinds impacting the self storage industry will continue to drive healthy results for the remainder of the year and into 2022."

Financial Results

(\$ in thousands, except per share and unit data)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020	Growth	2021	2020	Growth
Net income	\$ 40,730	\$ 21,411	90.2%	\$ 104,040	\$ 54,961	89.3%
Funds From Operations ("FFO")⁽¹⁾	\$ 66,966	\$ 43,440	54.2%	\$ 177,476	\$ 120,727	47.0%
Add back acquisition costs	512	596	(14.1)%	922	1,681	(45.2)%
Core FFO⁽¹⁾	\$ 67,478	\$ 44,036	53.2%	\$ 178,398	\$ 122,408	45.7%
Earnings (loss) per share - basic	\$ 0.31	\$ 0.15	106.7%	\$ 0.89	\$ 0.32	178.1%
Earnings (loss) per share - diluted	\$ 0.26	\$ 0.15	73.3%	\$ 0.71	\$ 0.32	121.9%
FFO per share and unit⁽¹⁾	\$ 0.56	\$ 0.43	30.2%	\$ 1.60	\$ 1.23	30.1%
Core FFO per share and unit⁽¹⁾	\$ 0.57	\$ 0.44	29.5%	\$ 1.61	\$ 1.25	28.8%

(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 \$19.3 million for the third quarter of 2021 and \$49.1 million for the nine months ended September 30, 2021 ("year-to-date") as compared to the same periods in 2020. These increases resulted primarily from additional NOI generated from the 152 self storage properties acquired between October 1, 2020 and September 30, 2021 and same store NOI growth, partially offset by increases in depreciation and amortization.

The increases in FFO and Core FFO for the third quarter of 2021 and year-to-date were primarily the result of incremental NOI from properties acquired between October 1, 2020 and September 30, 2021 and same store NOI growth, partially offset by increases in subordinated performance unit distributions.

Same Store Operating Results (560 Stores)

(\$ in thousands, except per square foot data)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020	Growth	2021	2020	Growth
Total revenues	\$ 113,872	\$ 96,140	18.4%	\$ 322,771	\$ 282,341	14.3%
Property operating expenses	30,085	28,757	4.6%	87,777	85,094	3.2%
Net Operating Income (NOI)	\$ 83,787	\$ 67,383	24.3%	\$ 234,994	\$ 197,247	19.1%
NOI Margin	73.6%	70.1%	3.5%	72.8%	69.9%	2.9%
Average Occupancy	96.5%	90.7%	5.8%	94.7%	88.6%	6.1%
Average Annualized Rental Revenue Per Occupied Square Foot	\$ 13.40	\$ 12.02	11.5%	\$ 12.90	\$ 12.09	6.7%

Year-over-year same store total revenues increased 18.4% for the third quarter of 2021 and 14.3% year-to-date as compared to the same periods in 2020. The increase for the third

quarter of 2021 was driven primarily by a 580 basis point increase in average occupancy and an 11.5% increase in average annualized rental revenue per occupied square foot. The year-to-date increase was driven primarily by a 610 basis point increase in average occupancy and a 6.7% increase in average annualized rental revenue per occupied square foot. Markets which generated above portfolio average same store total revenue growth include: Portland, Phoenix, Sarasota and Las Vegas. Markets which generated below portfolio average same store total revenue growth include: Oklahoma City, Dallas, Los Angeles and Tulsa.

Year-over-year same store property operating expenses increased 4.6% for the third quarter of 2021 and 3.2% year-to-date as compared to the same periods in 2020. The increases primarily resulted from increases in personnel expense, property taxes and repairs and maintenance expense offset by decreases in marketing expense.

Investment Activity

During the third quarter, NSA invested approximately \$599.3 million in the acquisition of 76 self storage properties consisting of approximately 5.1 million rentable square feet configured in approximately 35,644 storage units. Total consideration for these acquisitions included approximately \$562.1 million of net cash, the issuance of approximately \$19.9 million of OP units and \$11.2 million of subordinated performance units and the assumption of approximately \$6.1 million of other liabilities.

Balance Sheet

During the third quarter, the Company received approximately \$40.0 million of net proceeds from the sale of 782,000 common shares under the Company's at the market ("ATM") program. Subsequent to quarter end, the Company received approximately \$7.4 million of net proceeds from the sale of 125,000 common shares under the ATM program. The Company used the net proceeds for self storage property acquisitions and to repay borrowings outstanding under its revolving line of credit. As of November 2, 2021, the Company has approximately \$300.6 million of capacity remaining under its ATM program.

On May 3, 2021, the Company's operating partnership entered into an agreement to issue \$180.0 million of senior unsecured notes, comprised of \$35.0 million of 2.16% senior unsecured notes due May 4, 2026 (the "2026 Notes"), \$90.0 million of 3.00% senior unsecured notes due May 4, 2031 (the "May 2031 Notes") and \$55.0 million of 3.10% senior unsecured notes due May 4, 2033 (the "2033 Notes"). On May 26, 2021 the operating partnership issued the 2033 Notes and on July 26, 2021 the operating partnership issued the 2026 Notes and the May 2031 Notes. The Company used the proceeds to repay outstanding amounts on its revolving line of credit and for general corporate purposes.

On July 9, 2021, the Company entered into an agreement with a single lender for an \$88.0 million debt financing secured by a first lien on eight of the Company's self storage properties. This interest-only loan matures in July 2028 and has a fixed interest rate of 2.77%. The Company used the proceeds to repay outstanding amounts on its revolving line of credit.

In July 2021, NSA completed an underwritten public offering of 10,120,000 common shares, including 1,320,000 common shares sold upon the exercise in full by the underwriters of

their option to purchase additional common shares. The shares were issued at a price of \$51.25 per share, resulting in net proceeds of approximately \$497.4 million. The Company used the proceeds for self storage property acquisitions, general corporate purposes and to repay borrowings outstanding under its revolving line of credit.

On August 9, 2021, NSA entered into an amendment to its credit agreement with a syndicated group of lenders to reduce the applicable margins on its \$175.0 million tranche D term loan from a range of LIBOR plus 1.50% to 2.20% to LIBOR plus 1.10% to 1.55%.

On September 21, 2021, NSA entered into an increase agreement and amendment with a syndicated group of lenders to increase the total borrowing capacity under the Company's credit facility by \$125.0 million for a total credit facility of \$1.4 billion, which included entry into a new \$125.0 million 5.5-year term loan tranche E. NSA has an expansion option under the credit facility, which, if exercised in full, would provide for a total credit facility of \$1.75 billion. The Company used the proceeds for self storage property acquisitions and for general corporate purposes.

Common Share Dividends

On August 25, 2021, NSA's Board of Trustees declared a quarterly cash dividend of \$0.41 per common share, representing a 20.6% increase from the third quarter 2020. The third quarter 2021 dividend was paid on September 30, 2021 to shareholders of record as of September 15, 2021.

2021 Guidance

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

	Current Ranges for Full Year 2021		Prior Ranges for Full Year 2021		Actual Results for Full Year 2020
	Low	High	Low	High	
Core FFO per share ⁽¹⁾	\$ 2.19	\$ 2.22	\$ 2.11	\$ 2.14	\$ 1.71
Same store operations					
Total revenue growth	14.0%	15.0%	11.75%	12.75%	1.7%
Property operating expenses growth	3.0%	4.0%	2.5%	3.5%	0.5%
NOI growth	18.0%	20.0%	15.0%	17.0%	2.2%
General and administrative expenses					
General and administrative expenses (excluding equity-based compensation), in millions	\$ 45.0	\$ 46.0	\$ 45.0	\$ 46.0	\$ 39.3
Equity-based compensation, in millions	\$ 5.5	\$ 6.0	\$ 5.5	\$ 6.0	\$ 4.3
Management fees and other revenue, in millions	\$ 24.0	\$ 25.0	\$ 24.0	\$ 25.0	\$ 23.0
Core FFO from unconsolidated real estate ventures, in millions	\$ 20.0	\$ 21.0	\$ 19.0	\$ 20.0	\$ 15.6
Subordinated performance unit distributions, in millions	\$ 46.0	\$ 48.0	\$ 43.0	\$ 45.0	\$ 29.7
Acquisitions of self storage properties, in millions	\$1,500.0	\$2,000.0	\$1,100.0	\$1,300.0	\$543.3

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

	Current Ranges for Full Year 2021		Prior Ranges for Full Year 2021	
	Low	High	Low	High
Earnings (loss) per share - diluted	\$ 0.98	\$ 1.07	\$ 0.94	\$ 1.03
Impact of the difference in weighted average number of shares and GAAP accounting for noncontrolling interests, two-class method and treasury stock method	0.16	0.06	0.15	0.06
Add real estate depreciation and amortization, including NSA's share of unconsolidated venture real estate depreciation and amortization	1.44	1.49	1.39	1.43
FFO attributable to subordinated unitholders	(0.40)	(0.42)	(0.38)	(0.40)
Add acquisition costs and NSA's share of unconsolidated real estate venture acquisition costs	0.01	0.02	0.01	0.02
Core FFO per share and unit	\$ 2.19	\$ 2.22	\$ 2.11	\$ 2.14

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, 2021.

Non-GAAP Financial Measures & Glossary

This press release contains certain non-GAAP financial measures. These non-GAAP measures are presented because NSA's management believes these measures help investors understand NSA's business, performance and ability to earn and distribute cash to its shareholders by providing perspectives not immediately apparent from net income (loss). These measures are also frequently used by securities analysts, investors and other interested parties. The presentations of FFO, Core FFO and NOI in this press release are not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. In addition, NSA's method of calculating these measures may be different from methods used by other companies, and, accordingly, may not be comparable to similar measures as calculated by other companies that do not use the same methodology as NSA. These measures, and other words and phrases used herein, are defined in the Glossary in the supplemental financial information and, where appropriate, reconciliations of these measures and other non-GAAP financial measures to their most directly comparable GAAP measures are included in the Schedules to this press release and in the supplemental financial information.

Quarterly Teleconference and Webcast

The Company will host a conference call at 1:00 pm Eastern Time on Wednesday, November 3, 2021 to discuss its third quarter 2021 financial results. At the conclusion of the call, management will accept questions from certified financial analysts. All other participants are encouraged to listen to a webcast of the call by accessing the link found on the Company's website at www.nationalstorageaffiliates.com.

Conference Call and Webcast:

Date/Time: Wednesday, November 3, 2021, 1:00pm 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 Wednesday, November 10, 2021. A replay of the webcast will be available for 30 days on NSA's website at www.nationalstorageaffiliates.com.

Upcoming Industry Conferences

NSA management is scheduled to participate in the Nareit REITworld Virtual Conference, November 9 – 11, 2021.

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 located within the top 100 metropolitan statistical areas throughout the United States. As of September 30, 2021, the Company held ownership interests in and operated 940 self storage properties located in 38 states and Puerto Rico with approximately 60.4 million rentable square feet. NSA is one of the largest owners and operators of self storage properties among public and private companies in the United States. For more information, please visit the Company's website at www.nationalstorageaffiliates.com. NSA is included in the MSCI US REIT Index (RMS/RMZ), the Russell 2000 Index of Companies and the S&P MidCap 400 Index.

NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond the Company's control. These forward-looking statements include information about possible or assumed future results of the Company's business, financial condition, liquidity, results of operations, plans and objectives. Changes in any circumstances may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. When used in this release, the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions are intended to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: market trends in the Company's industry, interest rates, 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, 2021. For a further list and description of such risks and uncertainties, see the Company's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission, and the other documents filed by the Company with the Securities and Exchange Commission. The forward-looking statements, and other risks, uncertainties and factors are based on the Company's beliefs, assumptions and expectations of its future performance, taking into account all information currently available to the Company. Forward-looking statements are not predictions of future events. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
REVENUE				
Rental revenue	\$ 139,420	\$99,690	\$379,857	\$290,394
Other property-related revenue	5,141	3,883	14,107	10,672
Management fees and other revenue	6,282	5,901	18,117	17,047
Total revenue	<u>150,843</u>	<u>109,474</u>	<u>412,081</u>	<u>318,113</u>
OPERATING EXPENSES				
Property operating expenses	39,465	31,546	110,723	92,395
General and administrative expenses	13,012	10,818	36,700	32,241
Depreciation and amortization	38,983	28,933	107,458	87,347
Other	994	479	1,701	1,330
Total operating expenses	<u>92,454</u>	<u>71,776</u>	<u>256,582</u>	<u>213,313</u>
OTHER (EXPENSE) INCOME				
Interest expense	(18,144)	(15,262)	(52,275)	(46,403)
Equity in earnings (losses) of unconsolidated real estate ventures	1,682	37	3,615	(251)
Acquisition costs	(512)	(596)	(922)	(1,681)
Non-operating expense	(241)	(120)	(562)	(629)
Other expense	(17,215)	(15,941)	(50,144)	(48,964)
Income before income taxes	<u>41,174</u>	<u>21,757</u>	<u>105,355</u>	<u>55,836</u>
Income tax expense	(444)	(346)	(1,315)	(875)
Net income	<u>40,730</u>	<u>21,411</u>	<u>104,040</u>	<u>54,961</u>
Net income attributable to noncontrolling interests	(10,506)	(7,924)	(24,260)	(24,404)
Net income attributable to National Storage Affiliates Trust	<u>30,224</u>	<u>13,487</u>	<u>79,780</u>	<u>30,557</u>
Distributions to preferred shareholders	(3,276)	(3,275)	(9,827)	(9,822)
Net income attributable to common shareholders	<u>\$ 26,948</u>	<u>\$10,212</u>	<u>\$ 69,953</u>	<u>\$ 20,735</u>
Earnings (loss) per share - basic				
	<u>\$ 0.31</u>	<u>\$ 0.15</u>	<u>\$ 0.89</u>	<u>\$ 0.32</u>
Earnings (loss) per share - diluted				
	<u>\$ 0.26</u>	<u>\$ 0.15</u>	<u>\$ 0.71</u>	<u>\$ 0.32</u>
Weighted average shares outstanding - basic				
	<u>86,257</u>	<u>68,887</u>	<u>78,307</u>	<u>65,643</u>
Weighted average shares outstanding - diluted				
	<u>140,025</u>	<u>68,887</u>	<u>130,983</u>	<u>65,643</u>

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

	September 30, 2021	December 31, 2020
ASSETS		
Real estate		
Self storage properties	\$4,670,821	\$3,639,192
Less accumulated depreciation	(537,772)	(443,623)
Self storage properties, net	4,133,049	3,195,569
Cash and cash equivalents	69,246	18,723
Restricted cash	4,357	2,978
Debt issuance costs, net	1,896	2,496
Investment in unconsolidated real estate ventures	192,015	202,533
Other assets, net	98,227	68,149
Operating lease right-of-use assets	22,444	23,129
Total assets	<u>\$4,521,234</u>	<u>\$3,513,577</u>
LIABILITIES AND EQUITY		
Liabilities		
Debt financing	\$2,128,485	\$1,916,971
Accounts payable and accrued liabilities	62,562	47,043
Interest rate swap liabilities	48,153	77,918
Operating lease liabilities	24,181	24,756
Deferred revenue	20,189	16,414
Total liabilities	2,283,570	2,083,102
Equity		
Preferred shares of beneficial interest, par value \$0.01 per share. 50,000,000 authorized, 8,736,719 and 8,732,719 issued and outstanding at September 30, 2021 and December 31, 2020, respectively, at liquidation preference	218,418	218,318
Common shares of beneficial interest, par value \$0.01 per share. 250,000,000 shares authorized, 88,945,849 and 71,293,117 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively	889	713
Additional paid-in capital	1,692,481	1,050,714
Distributions in excess of earnings	(272,636)	(251,704)
Accumulated other comprehensive loss	(30,303)	(49,084)
Total shareholders' equity	1,608,849	968,957
Noncontrolling interests	628,815	461,518
Total equity	2,237,664	1,430,475
Total liabilities and equity	<u>\$4,521,234</u>	<u>\$3,513,577</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income	\$ 40,730	\$ 21,411	\$104,040	\$ 54,961
Add (subtract):				
Real estate depreciation and amortization	38,636	28,564	106,404	86,283
Company's share of unconsolidated real estate venture real estate depreciation and amortization	3,842	3,830	11,563	11,428
Mark-to-market changes in value on equity securities	—	—	—	142
Distributions to preferred shareholders and unitholders	(3,517)	(3,513)	(10,551)	(10,541)
FFO attributable to subordinated performance unitholders ⁽¹⁾	(12,725)	(6,852)	(33,980)	(21,546)
FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	66,966	43,440	177,476	120,727
Add:				

Acquisition costs	512	596	922	1,681
Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	\$ 67,478	\$ 44,036	\$ 178,398	\$ 122,408
Weighted average shares and units outstanding - FFO and Core FFO:⁽²⁾				
Weighted average shares outstanding - basic	86,257	68,887	78,307	65,643
Weighted average restricted common shares outstanding	39	32	32	30
Weighted average effect of forward offering agreement ⁽³⁾	—	—	133	—
Weighted average OP units outstanding	30,103	29,559	29,940	29,994
Weighted average DownREIT OP unit equivalents outstanding	1,925	1,925	1,925	1,900
Weighted average LTIP units outstanding	525	513	549	555
Total weighted average shares and units outstanding - FFO and Core FFO	118,849	100,916	110,886	98,122
FFO per share and unit	\$ 0.56	\$ 0.43	\$ 1.60	\$ 1.23
Core FFO per share and unit	\$ 0.57	\$ 0.44	\$ 1.61	\$ 1.25

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

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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Earnings (loss) per share - diluted	\$ 0.26	\$ 0.15	\$ 0.71	\$ 0.32
Impact of the difference in weighted average number of shares ⁽⁴⁾	0.05	(0.05)	0.14	(0.10)
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method ⁽⁵⁾	—	0.08	—	0.23
Add real estate depreciation and amortization	0.33	0.28	0.96	0.88
Add Company's share of unconsolidated real estate venture real estate depreciation and amortization	0.03	0.04	0.10	0.12
FFO attributable to subordinated performance unitholders	(0.11)	(0.07)	(0.31)	(0.22)
FFO per share and unit	0.56	0.43	1.60	1.23
Add acquisition costs	0.01	0.01	0.01	0.02
Core FFO per share and unit	\$ 0.57	\$ 0.44	\$ 1.61	\$ 1.25

(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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income	\$ 40,730	\$ 21,411	\$ 104,040	\$ 54,961
(Subtract) add:				
Management fees and other revenue	(6,282)	(5,901)	(18,117)	(17,047)
General and administrative expenses	13,012	10,818	36,700	32,241
Other	994	479	1,701	1,330
Depreciation and amortization	38,983	28,933	107,458	87,347
Interest expense	18,144	15,262	52,275	46,403
Equity in (earnings) losses of unconsolidated real estate ventures	(1,682)	(37)	(3,615)	251
Acquisition costs	512	596	922	1,681
Income tax expense	444	346	1,315	875
Non-operating expense	241	120	562	629
Net Operating Income	\$ 105,096	\$ 72,027	\$ 283,241	\$ 208,671

EBITDA and Adjusted EBITDA

(dollars in thousands) (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income	\$ 40,730	\$ 21,411	\$ 104,040	\$ 54,961
Add:				
Depreciation and amortization	38,983	28,933	107,458	87,347
Company's share of unconsolidated real estate venture depreciation and amortization	3,842	3,830	11,563	11,428
Interest expense	18,144	15,262	52,275	46,403
Income tax expense	444	346	1,315	875
EBITDA	102,143	69,782	276,651	201,014
Add (subtract):				
Acquisition costs	512	596	922	1,681
Equity-based compensation expense	1,454	1,183	4,088	3,108
Adjusted EBITDA	\$ 104,109	\$ 71,561	\$ 281,661	\$ 205,803

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Source: National Storage Affiliates Trust