

November 5, 2020



National Storage Affiliates Trust Reports Third Quarter 2020 Results

GREENWOOD VILLAGE, Colo.--(BUSINESS WIRE)-- National Storage Affiliates Trust ("NSA" or the "Company") (NYSE: NSA) today reported the Company's third quarter 2020 results.

Third Quarter 2020 Highlights

- Reported net income of \$21.4 million for the third quarter of 2020, an increase of 29.7% compared to the third quarter of 2019. Reported diluted earnings per share of \$0.15 for the third quarter of 2020, primarily relating to the HLBV method for allocating net income among the various classes of equity.
- Reported core funds from operations ("Core FFO") of \$44.0 million, or \$0.44 per share for the third quarter of 2020, an increase of 10.0% per share compared to the third quarter of 2019.
- Reported an increase in same store net operating income ("NOI") of 0.2% for the third quarter of 2020 compared to the same period in 2019, driven by a 0.4% decrease in same store property operating expenses while same store total revenues were unchanged.
- Reported same store period-end occupancy of 91.9% as of September 30, 2020, an increase of 260 basis points compared to September 30, 2019.
- Acquired four wholly-owned self storage properties for \$23.8 million during the third quarter of 2020. Capital sources for the acquisition activity included the issuance of approximately \$3.4 million of OP equity to sellers and \$6.3 million of common equity raised under the Company's at the market, or ATM, program at a combined weighted average price of \$33.71 per share/unit, as well as borrowings under the Company's revolving line of credit.
- Completed an underwritten public offering of 4,500,000 common shares of beneficial interest under forward sale agreements at a public offering price of \$33.15 per share. Subsequent to quarter-end, the underwriters exercised a portion of their option to purchase an additional 400,000 of the Company's common shares for a total offering of 4,900,000 common shares that the Company expects to result in proceeds of approximately \$160 million, assuming full physical settlement of the forward sale agreements.

Highlights Subsequent to Quarter-End

- Issued \$150.0 million of 2.99% senior unsecured notes due August 5, 2030 and \$100.0 million of 3.09% senior unsecured notes due August 5, 2032 in a private placement, completing the offering that was announced August 6, 2020.

Tamara Fischer, President and Chief Executive Officer, commented, "The team did a great job pulling together to execute our COVID management plan, delivering year-over-year growth in Core FFO per share of 10% for the quarter. Our strong results, highlighted by positive growth in same store NOI and increased occupancy of 260bps year-over-year at the end of the quarter, allowed us to increase our quarterly dividend by \$0.01 per share, or 6.3% on an annualized basis. Because of the resilience demonstrated by the self storage sector, we are reinstating guidance for the remainder of 2020, and now believe that we will end the year with Core FFO per share of \$1.66 to \$1.68, with the midpoint being up 8.4% above 2019. We have also been pleased to see increased opportunities ahead for growth via acquisitions, so we opportunistically accessed the capital markets by executing a forward equity transaction which provides us the flexibility to continue to execute on our growth strategy as we close out 2020 and look forward to 2021."

Financial Results

(\$ in thousands, except per share and unit data)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Growth	2020	2019	Growth
Net income	\$21,411	\$16,514	29.7%	\$ 54,961	\$ 47,187	16.5%
Funds From Operations ("FFO")⁽¹⁾	\$43,440	\$36,375	19.4%	\$ 120,727	\$ 102,933	17.3%
Add back acquisition costs	596	321	85.7%	1,681	783	114.7%
Core FFO⁽¹⁾	\$44,036	\$36,696	20.0%	\$ 122,408	\$ 103,716	18.0%
Earnings (loss) per share - basic and diluted	\$ 0.15	\$ (0.20)	175.0%	\$ 0.32	\$ (0.32)	200.0%
FFO per share and unit⁽¹⁾	\$ 0.43	\$ 0.39	10.3%	\$ 1.23	\$ 1.14	7.9%
Core FFO per share and unit⁽¹⁾	\$ 0.44	\$ 0.40	10.0%	\$ 1.25	\$ 1.15	8.7

(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 \$4.9 million for the third quarter of 2020 and \$7.8 million for the nine months ended September 30, 2020 ("year-to-date") as compared to the same periods in 2019. The increase for the third quarter of 2020 resulted primarily from additional NOI generated from the 51 wholly-owned self storage properties acquired between October 1, 2019 and September 30, 2020 and earnings from the Company's unconsolidated real estate ventures partially offset by increases in depreciation and amortization and interest expense.

The year-to-date increase was the result of additional NOI generated from the 51 wholly-owned self storage properties acquired between October 1, 2019 and September 30, 2020 and a decrease in GAAP losses from the Company's unconsolidated real estate ventures partially offset by increases in depreciation and amortization, interest expense and a decrease in gains from the sale of self storage properties.

The increases in FFO and Core FFO for the third quarter of 2020 and year-to-date were primarily the result of incremental NOI from properties acquired between October 1, 2019 and September 30, 2020 and decreases in distributions to subordinated performance unitholders.

Same Store Operating Results (500 Stores)

(\$ in thousands, except per square foot data)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Growth	2020	2019	Growth
Total revenues	\$ 86,230	\$ 86,230	—	\$ 253,747	\$ 252,207	0.6%
Property operating expenses	25,704	25,808	(0.4)%	76,222	76,079	0.2%
Net Operating Income (NOI)	\$ 60,526	\$ 60,422	0.2%	\$ 177,525	\$ 176,128	0.8%
NOI Margin	70.2%	70.1%	0.1%	70.0%	69.8%	0.2%
Average Occupancy	91.1%	90.1%	1.0%	88.8%	88.9%	(0.1)%
Average Annualized Rental Revenue Per Occupied Square Foot	\$ 12.02	\$ 12.19	(1.4)%	\$ 12.10	\$ 12.06	0.3%

Year-over-year same store total revenues were unchanged for the third quarter of 2020 and increased 0.6% year-to-date as compared to the same periods in 2019. Third quarter 2020 average occupancy increased 100 basis points and average annualized rental revenue per occupied square foot decreased 1.4%. The year-to-date increase in same store total revenue was driven primarily by a 0.3% increase in average annualized rental revenue per occupied square foot partially offset by a 10 basis point decrease in average occupancy. Markets which generated above portfolio average same store total revenue growth include: Oklahoma City, Phoenix, and Kansas City. Markets which generated below portfolio average same store total revenue growth include: Portland, Dallas and Los Angeles.

Year-over-year same store property operating expenses decreased 0.4% for the third quarter of 2020 and increased 0.2% year-to-date as compared to the same periods in 2019. The decrease for the third quarter of 2020 primarily resulted from decreases in personnel costs and utilities expenses, partially offset by increases in property taxes. The year-to-date increase was driven primarily by an increase in property taxes partially offset by decreases in utilities and repairs & maintenance expenses.

Investment Activity

During the third quarter, NSA invested approximately \$23.8 million in the acquisition of four self storage properties consisting of approximately 0.3 million rentable square feet configured in approximately 2,100 storage units. Total consideration for these acquisitions included approximately \$20.2 million of net cash, the issuance of approximately \$0.8 million of OP units and \$2.6 million of subordinated performance units and the assumption of approximately \$0.2 million of other working capital liabilities.

Balance Sheet

In September 2020, the Company completed an underwritten public offering of 4,500,000 common shares of beneficial interest under forward sale agreements at a public offering price of \$33.15 per share. Subsequent to quarter-end, the underwriters exercised a portion of their option to purchase an additional 400,000 of the Company's common shares for a total offering of 4,900,000 common shares that the Company expects to result in net proceeds of approximately \$160 million, assuming full physical settlement of the forward sale agreements. The Company expects to settle the forward sale agreements prior to March 22, 2021 via the issuance and physical delivery of the Company's common shares in exchange for cash proceeds, although the Company may elect cash settlement or net share settlement for all or a portion of its obligations under the forward sale agreements, subject to certain conditions.

On October 22, 2020, the Company's operating partnership issued \$150.0 million of 2.99% senior unsecured notes due August 5, 2030 and \$100.0 million of 3.09% senior unsecured notes due August 5, 2032 (the "Senior Unsecured Notes") in a private placement to certain institutional investors, completing the offering that was announced August 6, 2020. The Company used the proceeds to repay outstanding amounts on its revolving line of credit and for general corporate purposes.

Common Share Dividends

On August 20, 2020, NSA's Board of Trustees declared a quarterly cash dividend of \$0.34 per common share, which was paid on September 30, 2020 to shareholders of record as of September 15, 2020.

2020 Guidance

The following table outlines NSA's FFO guidance estimates and related assumptions for the year ended December 31, 2020:

	Ranges for Full Year 2020	
	Low	High
Core FFO per share ⁽¹⁾	\$ 1.66	\$ 1.68
Same store operations (500 stores)		
Total revenue growth	0.75%	1.25%
Property operating expenses growth	1.5%	2.0%
NOI growth	0.25%	1.00%

General and administrative expenses		
General and administrative expenses (excluding equity-based compensation), in millions	\$ 38.5	\$ 39.5
Equity-based compensation, in millions	\$ 4.0	\$ 4.5
Management fees and other revenue, in millions	\$ 22.0	\$ 23.0
Core FFO from unconsolidated real estate ventures, in millions	\$ 14.5	\$ 15.5
Subordinated performance unit distributions, in millions	\$ 28.5	\$ 29.5
Wholly-owned acquisitions, in millions	\$400.0	\$500.0

(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:

	Ranges for Full Year 2020	
	Low	High
Earnings (loss) per share - diluted	\$ 0.43	\$ 0.47
Impact of the difference in weighted average number of shares and GAAP accounting for noncontrolling interests, two-class method and treasury stock method	0.21	0.15
Add real estate depreciation and amortization, including NSA's share of unconsolidated venture real estate depreciation and amortization	1.28	1.32
FFO attributable to subordinated unitholders	(0.28)	(0.29)
Add acquisition costs and NSA's share of unconsolidated real estate venture acquisition costs	0.02	0.03
Core FFO per share and unit	\$ 1.66	\$ 1.68

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 5, 2020.

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 Friday, November 6, 2020 to discuss its third quarter 2020 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: Friday, November 6, 2020, 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 Friday, November 13, 2020. 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 17-19, 2020.

About National Storage Affiliates Trust

National Storage Affiliates Trust is a Maryland real estate investment trust 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, 2020, the Company held ownership interests in and operated 788 self storage properties located in 35 states and Puerto Rico with approximately 49.5 million rentable square feet. NSA is one of the largest owners and operators of self storage properties among public and private companies in the United States. For more information, please visit the Company's website at www.nationalstorageaffiliates.com. NSA is included in the MSCI US REIT Index

(RMS/RMZ), the Russell 2000 Index of Companies and the S&P SmallCap 600 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 our ability to execute on our acquisition pipeline; the timing of acquisitions under contract; the internalization of retiring participating regional operators ("PROs") into the Company; the negative impacts from the continued spread of COVID-19 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, 2020. For a further list and description of such risks and uncertainties, see the Company's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission, and the other documents filed by the Company with the Securities and Exchange Commission. The forward-looking statements, and other risks, uncertainties and factors are based on the Company's beliefs, assumptions and expectations of its future performance, taking into account all information currently available to the Company. Forward-looking statements are not predictions of future events. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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

	Three Months Ended September 30,		Nine Months Ended September 30	
	2020	2019	2020	2019
REVENUE				
Rental revenue \$	99,690	\$ 92,746	\$ 290,394	\$ 262,776
Other property-related revenue	3,883	3,217	10,672	9,169

Management fees and other revenue	5,901	5,374	17,047	15,383
Total revenue	109,474	101,337	318,113	287,328
OPERATING EXPENSES				
Property operating expenses	31,546	28,988	92,395	82,635
General and administrative expenses	10,818	11,271	32,241	32,464
Depreciation and amortization	28,933	27,598	87,347	77,776
Other	479	768	1,330	1,511
Total operating expenses	71,776	68,625	213,313	194,386
OTHER (EXPENSE) INCOME				
Interest expense	(15,262)	(14,432)	(46,403)	(41,590)
Equity in earnings (losses) of unconsolidated real estate ventures	37	(1,214)	(251)	(4,962)
Acquisition costs	(596)	(321)	(1,681)	(783)
Non-operating expense	(120)	(8)	(629)	(275)
Gain on sale of self storage properties	—	—	—	2,814
Other expense	(15,941)	(15,975)	(48,964)	(44,796)
Income before income taxes	21,757	16,737	55,836	48,146
Income tax expense	(346)	(223)	(875)	(959)
Net income	21,411	16,514	54,961	47,187

Net income attributable to noncontrolling interests	(7,924)	(25,374)	(24,404)	(56,292)
Net income (loss) attributable to National Storage Affiliates Trust	13,487	(8,860)	30,557	(9,105)
Distributions to preferred shareholders	(3,275)	(3,272)	(9,822)	(9,117)
Net income (loss) attributable to common shareholders	\$ 10,212	\$ (12,132)	\$ 20,735	\$ (18,222)
Earnings (loss) per share - basic and diluted	\$ 0.15	\$ (0.20)	\$ 0.32	\$ (0.32)
Weighted average shares outstanding - basic and diluted	68,887	59,278	65,643	57,835

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

	September 30,	December 31,
	2020	2019
ASSETS		
Real estate		
Self storage properties	\$ 3,381,418	\$ 3,091,719
Less accumulated depreciation	(416,423)	(337,822)
Self storage properties, net	2,964,995	2,753,897
	16,779	20,558
Cash and cash equivalents		
Restricted cash	4,486	3,718
Debt issuance costs, net	2,698	3,264
Investment in unconsolidated real estate ventures	206,284	214,061

Other assets, net	62,320	65,441
Operating lease right-of-use assets	23,354	23,306
Total assets	<u>\$ 3,280,916</u>	<u>\$ 3,084,245</u>
LIABILITIES AND EQUITY		
Liabilities		
Debt financing	\$ 1,741,703	\$ 1,534,047
Accounts payable and accrued liabilities	51,280	37,966
Interest rate swap liabilities	86,746	19,943
Operating lease liabilities	24,929	24,665
Deferred revenue	15,858	15,523
Total liabilities	1,920,516	1,632,144
Equity		
Preferred shares of beneficial interest, par value \$0.01 per share. 50,000,000 authorized, 8,732,719 and 8,727,119 issued and outstanding at September 30, 2020 and December 31, 2019, respectively, at liquidation preference	218,318	218,178
Common shares of beneficial interest, par value \$0.01 per share. 250,000,000 shares authorized, 69,177,872 and 59,659,108 shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	692	597
Additional paid-in capital	993,164	905,763
Distributions in excess of earnings	(242,222)	(197,075)
Accumulated other comprehensive loss	(54,723)	(7,833)
Total shareholders' equity	915,229	919,630
Noncontrolling interests	445,171	532,471
Total equity	1,360,400	1,452,101
Total liabilities and equity	<u>\$ 3,280,916</u>	<u>\$ 3,084,245</u>

Reconciliation of Net Income to FFO and Core FFO

(in thousands, except per share and unit amounts) (unaudited)

	Three Months		Nine Months Ended	
	Ended September 30, 2020	2019	September 30, 2020	2019
Net income	\$ 21,411	\$ 16,514	\$ 54,961	\$ 47,187
Add (subtract):				
Real estate depreciation and amortization	28,564	27,279	86,283	76,816
Company's share of unconsolidated real estate venture real estate depreciation and amortization	3,830	5,197	11,428	16,126
Gain on sale of self storage properties	—	—	—	(2,814)

Company's share of unconsolidated real estate venture loss on sale of properties	—	—	—	202
Mark-to-market changes in value on equity securities	—	—	142	—
Distributions to preferred shareholders and unitholders	(3,513)	(3,515)	(10,541)	(9,729)
FFO attributable to subordinated performance unitholders ⁽¹⁾	(6,852)	(9,100)	(21,546)	(24,855)
FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	43,440	36,375	120,727	102,933
Add:				
Acquisition costs	596	321	1,681	783
Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders	\$ 44,036	\$ 36,696	\$ 122,408	\$ 103,716

Weighted average shares and units outstanding - FFO and Core FFO:⁽²⁾

Weighted average shares outstanding - basic	68,887	59,278	65,643	57,835
Weighted average restricted common shares outstanding	32	27	30	29
Weighted average OP units outstanding	29,559	30,483	29,994	30,217
Weighted average DownREIT OP unit equivalents outstanding	1,925	1,848	1,900	1,848
Weighted average LTIP units outstanding	513	535	555	605
Total weighted average shares and units outstanding - FFO and Core FFO	100,916	92,171	98,122	90,534

FFO per share and unit	\$ 0.43	\$ 0.39	\$ 1.23	\$ 1.14
Core FFO per share and unit	\$ 0.44	\$ 0.40	\$ 1.25	\$ 1.15

(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⁽³⁾ 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 (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,	
	2020	2019	2020	2019
Earnings (loss) per share - diluted	\$ 0.15	\$ (0.20)	\$ 0.32	\$ (0.32)
Impact of the difference in weighted average number of shares ⁽³⁾	(0.05)	0.07	(0.10)	0.11
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method ⁽⁴⁾	0.08	0.26	0.23	0.62
Add real estate depreciation and amortization	0.28	0.30	0.88	0.85

Add Company's share of unconsolidated real estate venture real estate depreciation and amortization	0.04	0.06	0.12	0.18
Subtract gain on sale of self storage properties	—	—	—	(0.03)
FFO attributable to subordinated performance unitholders	(0.07)	(0.10)	(0.22)	(0.27)
FFO per share and unit	0.43	0.39	1.23	1.14
Add acquisition costs	0.01	0.01	0.02	0.01
Core FFO per share and unit	\$ 0.44	\$ 0.40	\$ 1.25	\$ 1.15

(3) 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.

(4) 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⁽³⁾.

**Net Operating
Income**

(dollars in
thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income	\$ 21,411	\$ 16,514	\$ 54,961	\$ 47,187
(Subtract) add:				
Management fees and other revenue	(5,901)	(5,374)	(17,047)	(15,383)
General and administrative expenses	10,818	11,271	32,241	32,464
Other	479	768	1,330	1,511
Depreciation and amortization	28,933	27,598	87,347	77,776
Interest expense	15,262	14,432	46,403	41,590
Equity in (earnings) losses of unconsolidated real estate ventures	(37)	1,214	251	4,962
Acquisition costs	596	321	1,681	783
Income tax expense	346	223	875	959
Gain on sale of self storage properties	—	—	—	(2,814)
Non-operating expense	120	8	629	275
Net Operating Income	\$ 72,027	\$ 66,975	\$ 208,671	\$ 189,310

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income	\$ 21,411	\$ 16,514	\$ 54,961	\$ 47,187
Add:				
Depreciation and amortization	28,933	27,598	87,347	77,776
Company's share of unconsolidated real estate venture depreciation and amortization	3,830	5,197	11,428	16,126
Interest expense	15,262	14,432	46,403	41,590
Income tax expense	346	223	875	959
EBITDA	69,782	63,964	201,014	183,638
Add (subtract):				
Acquisition costs	596	321	1,681	783
Gain on sale of self storage properties	—	—	—	(2,814)
Company's share of unconsolidated real estate venture loss on sale of properties	—	—	—	202
Equity-based compensation expense	1,183	1,153	3,108	3,373
Adjusted EBITDA	\$ 71,561	\$ 65,438	\$ 205,803	\$ 185,182

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National Storage Affiliates Trust
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