

November 14, 2018



# Global Self Storage Reports Third Quarter and Nine-Month 2018 Results

## Company Achieves Dividend Coverage for Second Consecutive Quarter Amid Continued Strong Growth

NEW YORK, Nov. 14, 2018 (GLOBE NEWSWIRE) -- [Global Self Storage, Inc.](#) (NASDAQ: SELF) (the "Company"), a real estate investment trust that owns and operates self storage properties, reported results for the third quarter and nine months ended September 30, 2018.

### Q3 2018 vs. Q3 2017 Highlights

- The Company's total revenues increased 6.5% to \$2.1 million, total expenses decreased 14.6% to \$1.6 million, and operating income increased 526.4% to \$472,000.
- Net income totaled approximately \$89,000, or \$0.01 per fully diluted share, for the third quarter of 2018 compared to net loss of \$129,000, or \$0.02 per fully diluted share, for the third quarter of 2017.
- Funds from Operations ("FFO") and Adjusted FFO ("AFFO") totaled \$0.08 and \$0.09 per share, respectively, for the third quarter of 2018 compared to \$0.04 and \$0.05 per share, respectively, for the third quarter of 2017. This represents total FFO and AFFO growth of 99.6% and 75.5%, respectively, for the third quarter of 2018 versus the same time period in 2017.
- Same-store revenues increased 5.1% to \$1.8 million.
- Same-store net operating income ("NOI") increased 8.3% to \$1.1 million.
- Combined same-store and non same-store ("Combined store") revenues increased 6.5% to \$2.1 million.
- Combined store NOI increased 9.9% to \$1.3 million.
- Combined store leasable square footage at quarter end increased 2.0% to 765,000.
- Combined store overall square foot occupancy at quarter end increased 130 basis points to 93.2%.
- Maintained quarterly dividend of \$0.065 per share of common stock.

### Nine Months Ended September 30, 2018 vs. Nine Months Ended September 30, 2017 Highlights

- The Company's total revenues increased 9.2% to \$6.0 million, total expenses

decreased 2.9% to \$4.9 million, and operating income increased 133.2% to \$1.1 million.

- Net income totaled approximately \$544,000, or \$0.07 per fully diluted share, for the nine months ended September 30, 2018 compared to net loss of \$126,000, or \$0.02 per fully diluted share, for the nine months ended September 30, 2017.
- FFO and AFFO totaled \$0.21 and \$0.22 per share, respectively, for the nine months ended September 30, 2018 compared to \$0.16 and \$0.17 per share, respectively, for the nine months ended September 30, 2017. This represents total FFO and AFFO growth of 31.3% and 29.2%, respectively, for the nine months ended September 30, 2018 versus the same time period in 2017.
- Same-store revenues increased 8.6% to \$5.4 million.
- Same-store NOI increased 6.8% to \$3.2 million.
- Combined store revenues increased 9.2% to \$6.0 million.
- Combined store NOI increased 7.2% to \$3.6 million.
- Distributed dividends of \$0.195 per share of common stock.

## **Management Commentary**

“Q3 was another standout quarter for the Company, as we achieved full dividend coverage from FFO and AFFO for the second consecutive quarter, as well as for the first nine months of 2018,” said President and Chief Executive Officer of the Company, Mark C. Winmill. “We continued to successfully increase rental rates and grow revenues through our revenue rate management program as well as manage our costs more effectively, which enabled us to achieve record FFO and AFFO per share for both the quarter and nine-month period.”

“Since our inception, we have always avoided markets with new supply problems, and this has enabled us to experience above-average growth in rents due to favorable supply and demand dynamics. As our results demonstrate, we’re continuing to bear the fruits of our differentiated strategy of focusing on underserved secondary and tertiary cities in the Northeast, Mid-Atlantic, and Midwest with dramatically slower supply growth than the top MSAs. In fact, our same-store revenues and NOI were up 5.1% and 8.3%, respectively, for the quarter and up 8.6% and 6.8%, respectively, for the first nine months of 2018, reflecting the continued success we’re experiencing at each of our properties. An important aspect of this strong growth and profitability has been the successful lease-up activity from our recent expansions, particularly at our Merrillville, IN store, where we leased up all of the three new buildings in less than nine months.”

“Overall, 2018 has been a very positive year for the Company so far. As we look out to the remainder of the year and into 2019, we will continue to drive organic profitable growth through our revenue rate management program. We’ll also be looking to supplement this growth with disciplined and accretive property acquisitions at a time and price that makes the most sense. In the interim, we’ll continue to extend our success even further by focusing on generating growth and profitability through our existing properties, including through expansions that can meaningfully increase our leasable square footage and revenue. Over time, we believe this formula will translate to even higher returns for our shareholders.”

### **Third Quarter 2018**

The Company's third quarter total revenues increased 6.5%, total expenses decreased 14.6%, and operating income increased 526.4%. The increase in operating income was driven primarily by the expansion of the Company's Merrillville, IN store, as well as higher rental and occupancy rates. For the third quarter of 2018, net income totaled \$89,000 compared to net loss of \$129,000 for the third quarter of 2017.

### **Same-Store Results for the Third Quarter of 2018<sup>(1)</sup>**

The Company's same-store portfolio for the third quarter of 2018 included ten of its eleven stores, representing 87.5% of store NOI for the quarter.

For the third quarter of 2018, same-store revenues increased 5.1% to \$1.8 million compared with approximately \$1.8 million for the third quarter in 2017. The increase was driven primarily by additional rental income growth and increased insurance participation.

Same-store operating expenses in the third quarter of 2018 totaled \$727,000 compared with \$722,000 in the third quarter of 2017. The increase was primarily driven by higher store level employment costs, property taxes, and administrative expenses, which were partially offset by reduced advertising and marketing costs.

For the third quarter of 2018, same-store NOI increased 8.3% to \$1.1 million compared with \$1.0 million for the third quarter of 2017. The increase was due primarily to an increase in revenues which were partially offset by an increase in operating expenses.

Same-store occupancy at September 30, 2018 increased 170 basis points to 93.0% from 91.3% at September 30, 2017.

(1) A reconciliation of net income (loss) to same-store net operating income is provided later in this release, entitled "Reconciliation of GAAP Net Income (Loss) to Same-Store Net Operating Income."

### **Combined Same-Store and Non Same-Store Results for the Third Quarter of 2018<sup>(2)</sup>**

For the third quarter of 2018, Combined store revenues increased 6.5% to \$2.1 million compared with \$1.9 million for the third quarter of 2017. The increase was driven primarily by a 3.5% increase in net leased square footage and by the results of the Company's revenue rate management program of raising existing tenant rates. The increase in net leased square footage was a result of the Company's Merrillville, IN store expansion.

Combined store operating expenses in the third quarter of 2018 totaled \$783,000 compared with \$773,000 in the third quarter of 2017. The increase was driven primarily by higher store level employment costs, property taxes, and administrative expenses, which were partially offset by reduced advertising and marketing costs.

For the third quarter of 2018, Combined store NOI increased 9.9% to \$1.3 million compared with \$1.2 million for the third quarter of 2017. The increase was due primarily to an increase in revenues which was partially offset by an increase in operating expenses.

(2) A reconciliation of net income (loss) to combined same-store and non same-store net operating income is provided later in this release, entitled “Reconciliation of GAAP Net Income (Loss) to Combined Same-Store and Non Same-Store Net Operating Income.”

### Company Operating Results for the Third Quarter of 2018

Net income totaled approximately \$89,000, or \$0.01 per share, in the third quarter of 2018 compared to a net loss of \$129,000 or \$0.02 per share, for the third quarter of 2017.

General and administrative expenses totaled \$436,000 in the third quarter of 2018 compared with \$456,000 in the prior quarter and \$641,000 in the third quarter of 2017. The year-over-year decrease was primarily driven by decreased expenses in various professional fees, employee acquisition, and stockholder communications.

Business development costs for the third quarter of 2018 totaled \$15,000 compared with \$105 for the third quarter of 2017.

Interest expense for the third quarter of 2018 was \$220,000 compared with \$220,000 for the third quarter of 2017.

FFO totaled approximately \$619,000, or \$0.08 per share, while AFFO totaled approximately \$661,000, or \$0.09 per share, for the third quarter of 2018. This represents total FFO and AFFO growth of 99.6% and 75.5%, respectively, for the third quarter of 2018 versus the same time period in 2017.

### FFO and AFFO for the Third Quarter of 2018

	<b>For the Three Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>Net income (loss)</b>	\$ 89,368	\$ (129,346 )
Eliminate items excluded from FFO:		
Unrealized loss on marketable equity securities	180,021	—
Depreciation and amortization	349,507	439,342
<b>FFO attributable to common stockholders</b>	<b>618,896</b>	<b>309,996</b>
Adjustments:		
Compensation expense related to stock-based awards	26,729	—
Business development expenses	15,000	105
Severance related to the departure of a company officer	—	66,347
<b>AFFO attributable to common stockholders</b>	<b>\$ 660,625</b>	<b>\$ 376,448</b>
Earnings per share attributable to common stockholders - basic	\$ 0.01	\$ (0.02 )
Earnings per share attributable to common stockholders - diluted	\$ 0.01	\$ (0.02 )
FFO per share - diluted	\$ 0.08	\$ 0.04
AFFO per share - diluted	\$ 0.09	\$ 0.05

Weighted average shares outstanding - basic <sup>(1)</sup>	7,623,182	7,619,469
Weighted average shares outstanding - diluted	7,626,286	7,619,469

(1) For purposes of calculating FFO and AFFO per share, unvested restricted stock is not included.

### **Nine Months Ended September 30, 2018**

The Company's total revenues for the nine months ended September 30, 2018 increased 9.2%, total expenses decreased 2.9%, and operating income increased 133.2%. The increase in operating income was driven primarily by the expansion of the Company's Merrillville, IN store, as well as higher rental and occupancy rates. For the nine months ended September 30, 2018, net income totaled \$544,000 compared to a net loss of \$126,000 for the same period in 2017.

### **Same-Store Results for the Nine Months Ended September 30, 2018**

The Company's same-store portfolio for the nine months ended September 30, 2018 included ten of its eleven stores, representing 88.4% of store NOI for the period.

For the nine months ended September 30, 2018, same-store revenues increased 8.6% to \$5.4 million compared with \$5.0 million for the nine months ended September 30, 2017. The increase was driven primarily by additional income from rental income growth and increased insurance participation.

Same-store operating expenses for the nine months ended September 30, 2018 totaled \$2.3 million compared with \$2.0 million for the nine months ended September 30, 2017. The increase was primarily driven by higher store level employment costs, property taxes, and administrative expenses, which were partially offset by reduced advertising and marketing costs.

For the nine months ended September 30, 2018, same-store NOI increased 6.8% to \$3.2 million compared with \$3.0 million for the nine months ended September 30, 2017. The increase was due primarily to an increase in revenues which were partially offset by an increase in operating expenses.

Same-store occupancy for the nine months ended September 30, 2018 increased 170 basis points to 93.0% from 91.3% for the nine months ended September 30, 2017.

### **Combined Same-Store and Non Same-Store Results for the Nine Months Ended September 30, 2018**

For the nine months ended September 30, 2018, Combined store revenues increased 9.2% to \$6.0 million compared with \$5.5 million for the nine months ended September 30, 2017. The increase was driven primarily by a 3.5% increase in net leased square footage and by the results of the Company's revenue rate management program of raising existing tenant rates.

Combined store operating expenses for the nine months ended September 30, 2018 totaled \$2.5 million compared with \$2.2 million for the nine months ended September 30, 2017. The increase was driven primarily by higher store level employment costs, property taxes, and administrative expenses, which were partially offset by reduced advertising and marketing costs.

For the nine months ended September 30, 2018, Combined store NOI increased 7.2% to \$3.6 million compared with \$3.3 million for the nine months ended September 30, 2017. The increase was due primarily to an increase in revenues which was partially offset by an increase in operating expenses.

### **Company Operating Results for the Nine Months Ended September 30, 2018**

Net income totaled approximately \$544,000, or \$0.07 per fully diluted share, for the nine months ended September 30, 2018 compared to a net loss of \$126,000 or \$0.02 per fully diluted share, for the nine months ended September 30, 2017.

General and administrative expenses totaled \$1.4 million in the nine months ended September 30, 2018 compared with \$1.5 million in the nine months ended September 30, 2017. The year-over-year decrease was primarily driven by decreased expenses in various professional fees, employee acquisition, and stockholder communications.

Business development costs for the nine months ended September 30, 2018 totaled \$25,000 compared with \$14,000 for the nine months ended September 30, 2017.

Interest expense for the nine months ended September 30, 2018 was \$660,000 compared with \$661,000 for the nine months ended September 30, 2017.

FFO totaled approximately \$1.6 million, or \$0.21 per share, while AFFO totaled approximately \$1.7 million, or \$0.22 per share, for the nine months ended September 30, 2018. This represents total FFO and AFFO growth of 31.3% and 29.2%, respectively, for the nine months ended September 30, 2018 versus the same time period in 2017.

### **FFO and AFFO for the Nine Months Ended September 30, 2018**

	<b>For the Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>Net income (loss)</b>	\$ 543,969	\$ (125,524 )
Eliminate items excluded from FFO:		
Unrealized loss on marketable equity securities	4,579	—
Depreciation and amortization	1,047,553	1,341,261
<b>FFO attributable to common stockholders</b>	<b>1,596,101</b>	<b>1,215,737</b>
Adjustments:		
Compensation expense related to stock-based awards	54,041	—
Business development expenses	25,000	14,295

Severance related to the departure of a company officer	—	66,347
<b>AFFO attributable to common stockholders</b>	<b>\$ 1,675,142</b>	<b>\$ 1,296,379</b>
Earnings per share attributable to common stockholders - basic	\$ 0.07	\$ (0.02 )
Earnings per share attributable to common stockholders - diluted	\$ 0.07	\$ (0.02 )
FFO per share - diluted	\$ 0.21	\$ 0.16
AFFO per share - diluted	\$ 0.22	\$ 0.17
Weighted average shares outstanding - basic <sup>(1)</sup>	7,620,747	7,619,469
Weighted average shares outstanding - diluted	7,621,769	7,619,469

(1) For purposes of calculating FFO and AFFO per share, unvested restricted stock is not included.

## Dividends

On September 4, 2018, the Company declared a quarterly dividend of \$0.065 per share, consistent with the quarterly dividend from a year ago and last quarter.

## Balance Sheet

At September 30, 2018, cash, cash equivalents, and marketable equity securities totaled \$3.4 million compared with \$3.7 million at December 31, 2017.

For more information on the Company's quarterly results, including financial statements and notes thereto, please refer to the Company's Quarterly Report on Form 10-Q for the third quarter of 2018 filed with the Securities and Exchange Commission today.

## About Global Self Storage

Global Self Storage, Inc. is a self-administered and self-managed REIT that owns, operates, manages, acquires, develops and redevelops self storage properties in the United States. The Company's self storage properties are designed to offer affordable, easily accessible and secure storage space for residential and commercial customers. It currently owns and operates, through its wholly owned subsidiaries, eleven self storage properties located in Connecticut, Illinois, Indiana, New York, Ohio, Pennsylvania, and South Carolina. For more information, go to <http://ir.globalselfstorage.us/> or visit our self storage customer site at [www.globalselfstorage.us](http://www.globalselfstorage.us). You can also follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

## Non-GAAP Financial Measures

This press release contains certain non-GAAP financial measures. FFO and FFO per share are non-GAAP measures defined by the National Association of Real Estate Investment Trusts ("NAREIT") and are considered helpful measures of REIT performance

by REITs and many REIT analysts. NAREIT defines FFO as a REIT's net income, excluding gains or losses from sales of property, and adding back real estate depreciation and amortization. FFO and FFO per share are not a substitute for net income or earnings per share. FFO is not a substitute for GAAP net cash flow in evaluating our liquidity or ability to pay dividends, because it excludes financing activities presented on our statements of cash flows. In addition, other REITs may compute these measures differently, so comparisons among REITs may not be helpful. However, the Company believes that to further understand the performance of its stores, FFO should be considered along with the net income and cash flows reported in accordance with GAAP and as presented in the Company's financial statements.

AFFO represents FFO excluding the effects of business development and acquisition related costs and non-recurring items, which we believe are not indicative of the Company's operating results. We present AFFO because we believe it is a helpful measure in understanding our results of operations insofar as we believe that the items noted above that are included in FFO, but excluded from AFFO, are not indicative of our ongoing operating results. We also believe that the investment community considers our AFFO (or similar measures using different terminology) when evaluating us. Because other REITs or real estate companies may not compute AFFO in the same manner as we do, and may use different terminology, our computation of AFFO may not be comparable to AFFO reported by other REITs or real estate companies.

We believe net operating income or "NOI" is a meaningful measure of operating performance because we utilize NOI in making decisions with respect to, among other things, capital allocations, determining current store values, evaluating store performance, and in comparing period-to-period and market-to-market store operating results. In addition, we believe the investment community utilizes NOI in determining operating performance and real estate values, and does not consider depreciation expense because it is based upon historical cost. NOI is defined as net store earnings before general and administrative expenses, interest, taxes, depreciation, and amortization. A reconciliation of this measure to its most directly comparable GAAP measure is provided later in this release.

NOI is not a substitute for net income, net operating cash flow, or other related GAAP financial measures, in evaluating our operating results.

### **Same-Store Self Storage Operations Definition**

We consider our same-store portfolio to consist of only those stores owned and operated on a stabilized basis at the beginning and at the end of the applicable periods presented. We consider a store to be stabilized once it has achieved an occupancy rate that we believe, based on our assessment of market specific data, is representative of similar self storage assets in the applicable market for a full year measured as of the most recent January 1 and has not been significantly damaged by natural disaster or undergone significant renovation or expansion. We believe that same-store results are useful to investors in evaluating our performance because they provide information relating to changes in store-level operating performance without taking into account the effects of acquisitions, dispositions or new ground-up developments. At September 30, 2018, we



owned ten same-store properties and one non same-store property. The Company believes that by providing same-store results from a stabilized pool of stores, with accompanying operating metrics including, but not limited to variances in occupancy, rental revenue, operating expenses, NOI, etc., stockholders and potential investors are able to evaluate operating performance without the effects of non-stabilized occupancy levels, rent levels, expense levels, acquisitions or completed developments. Same-store results should not be used as a basis for future same-store performance or for the performance of the Company's stores as a whole.

### **Cautionary Note Regarding Forward Looking Statements**

Certain information presented in this press release may contain “forward-looking statements” within the meaning of the federal securities laws including, but not limited to, the Private Securities Litigation Reform Act of 1995. Forward looking statements include statements concerning the Company’s plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions, and other information that is not historical information. In some cases, forward looking statements can be identified by terminology such as “believes,” “plans,” “intends,” “expects,” “estimates,” “may,” “will,” “should,” “anticipates,” or the negative of such terms or other comparable terminology, or by discussions of strategy. All forward-looking statements by the Company involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the Company’s actual results to be materially different from those expressed or implied by such statements. The Company may also make additional forward looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by the Company or on its behalf, are also expressly qualified by these cautionary statements. Investors should carefully consider the risks, uncertainties, and other factors, together with all of the other information included in the Company’s filings with the Securities and Exchange Commission, and similar information. All forward-looking statements, including without limitation, the Company’s examination of historical operating trends and estimates of future earnings, are based upon the Company’s current expectations and various assumptions. The Company’s expectations, beliefs and projections are expressed in good faith, but there can be no assurance that the Company’s expectations, beliefs and projections will result or be achieved. All forward looking statements apply only as of the date made. The Company undertakes no obligation to publicly update or revise forward looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events. The amount, nature, and/or frequency of dividends paid by the Company may be changed at any time without notice.

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**Global Self Storage, Inc.**  
**Consolidated Balance Sheets**  
**(Unaudited)**

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
<b>Assets</b>		
Real estate assets, net	\$ 54,109,160	\$ 55,045,563
Cash and cash equivalents	1,878,591	2,147,460
Restricted cash	166,765	108,955
Marketable equity securities	1,547,511	1,552,090
Accounts receivable	96,466	103,289
Prepaid expenses and other assets	407,835	221,830
Goodwill	694,121	694,121
Total assets	\$ 58,900,449	\$ 59,873,308
<b>Liabilities and equity</b>		
Note payable	\$ 19,373,414	\$ 19,417,405
Accounts payable and accrued expenses	1,923,348	1,954,919
Total liabilities	21,296,762	21,372,324
Commitments and contingencies		
<b>Equity</b>		
Preferred stock, \$0.01 par value: 50,000,000 shares authorized, no shares outstanding	—	—
Common stock, \$0.01 par value: 450,000,000 shares authorized, 7,692,624 and 7,619,469 issued and outstanding at September 30, 2018 and December 31, 2017, respectively	76,926	76,195
Additional paid in capital	33,935,173	33,881,863
Accumulated other comprehensive income	—	796,603
Retained earnings	3,591,588	3,746,323
Total equity	37,603,687	38,500,984
Total liabilities and equity	\$ 58,900,449	\$ 59,873,308

**Global Self Storage, Inc.**  
**Consolidated Statements of Operations**  
**(Unaudited)**

<b>For the Three Months Ended September 30,</b>	<b>For the Nine Months Ended September 30,</b>
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	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>				
Rental income	\$ 1,988,133	\$ 1,871,642	\$ 5,844,286	\$ 5,357,521
Other property related income	70,020	61,515	195,482	171,556
Total revenues	<u>2,058,153</u>	<u>1,933,157</u>	<u>6,039,768</u>	<u>5,529,077</u>
<b>Expenses</b>				
Property operations	785,795	777,872	2,459,160	2,190,818
General and administrative	436,335	640,566	1,358,088	1,489,566
Depreciation and amortization	349,507	439,342	1,047,553	1,341,261
Business development	15,000	105	25,000	14,295
Total expenses	<u>1,586,637</u>	<u>1,857,885</u>	<u>4,889,801</u>	<u>5,035,940</u>
Operating income	471,516	75,272	1,149,967	493,137
<b>Other income (expense)</b>				
Dividend, interest, and other income	17,665	15,591	58,790	41,965
Unrealized loss on marketable equity securities	(180,021 )	—	(4,579 )	—
Interest expense	(219,792 )	(220,209 )	(660,209 )	(660,626 )
Total other income (expense), net	<u>(382,148 )</u>	<u>(204,618 )</u>	<u>(605,998 )</u>	<u>(618,661 )</u>
Net income (loss)	<u>\$ 89,368</u>	<u>\$ (129,346 )</u>	<u>\$ 543,969</u>	<u>\$ (125,524 )</u>
<b>Earnings per share</b>				
Basic	<u>\$ 0.01</u>	<u>\$ (0.02 )</u>	<u>\$ 0.07</u>	<u>\$ (0.02 )</u>
Diluted	<u>\$ 0.01</u>	<u>\$ (0.02 )</u>	<u>\$ 0.07</u>	<u>\$ (0.02 )</u>
<b>Weighted average shares outstanding</b>				
Basic	7,623,182	7,619,469	7,620,747	7,619,469
Diluted	7,626,286	7,619,469	7,621,769	7,619,469

### Reconciliation of GAAP Net Income (Loss) to Same-Store Net Operating Income

The following table presents a reconciliation of same-store net operating income to net income (loss) as presented on our unaudited consolidated statements of operations for the periods indicated:

	<u>For the Three Months Ended September 30,</u>		<u>For the Nine Months Ended September 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net income (loss)	\$ 89,368	\$ (129,346 )	\$ 543,969	\$ (125,524 )
<b>Adjustments:</b>				
General and administrative	436,335	640,566	1,358,088	1,489,566
Depreciation and amortization	349,507	439,342	1,047,553	1,341,261

Business development	15,000	105	25,000	14,295
Dividend, interest, and other income	(17,665 )	(15,591 )	(58,790 )	(41,965 )
Unrealized loss on marketable equity securities	180,021	—	4,579	—
Interest expense	219,792	220,209	660,209	660,626
Non same-store revenues	(215,069 )	(180,179 )	(610,578 )	(528,048 )
Non same-store cost of operations	55,855	50,257	193,101	148,045
Other real estate expenses	2,388	4,982	7,749	9,907
Total same-store net operating income	<u>\$ 1,115,532</u>	<u>\$ 1,030,345</u>	<u>\$ 3,170,880</u>	<u>\$ 2,968,163</u>
	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Same-store revenues	\$ 1,842,555	\$ 1,752,628	\$ 5,428,288	\$ 4,999,807
Same-store cost of operations	727,023	722,283	2,257,408	2,031,644
Total same-store net operating income	<u>\$ 1,115,532</u>	<u>\$ 1,030,345</u>	<u>\$ 3,170,880</u>	<u>\$ 2,968,163</u>

### Reconciliation of GAAP Net Income (Loss) to Combined Same-Store and Non Same-Store Net Operating Income

The following table presents a reconciliation of combined same-store and non same-store net operating income to net income (loss) as presented on our unaudited consolidated statements of operations for the periods indicated:

	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net income (loss)	\$ 89,368	\$ (129,346 )	\$ 543,969	\$ (125,524 )
Adjustments:				
General and administrative	436,335	640,566	1,358,088	1,489,566
Depreciation and amortization	349,507	439,342	1,047,553	1,341,261
Business development and property acquisition costs	15,000	105	25,000	14,295
Dividend and interest income	(17,665 )	(15,591 )	(58,790 )	(41,965 )
Unrealized loss on marketable equity securities	180,021	—	4,579	—
Interest expense	219,792	220,209	660,209	660,626
Other real estate expenses	2,390	4,982	7,750	9,907
Total combined same-store and non same-store net				

operating income	<u>\$ 1,274,748</u>	<u>\$ 1,160,267</u>	<u>\$ 3,588,358</u>	<u>\$ 3,348,166</u>
	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Combined same-store and non same-store revenues	\$ 2,057,624	\$ 1,932,807	\$ 6,038,866	\$ 5,527,855
Combined same-store and non same-store cost of operations	<u>782,876</u>	<u>772,540</u>	<u>2,450,508</u>	<u>2,179,689</u>
Total combined same-store and non same-store net operating income	<u>\$ 1,274,748</u>	<u>\$ 1,160,267</u>	<u>\$ 3,588,358</u>	<u>\$ 3,348,166</u>



Source: Global Self Storage, Inc.