

StorageVault Canada Inc.

(the “Corporation”)

Form 51-102F1

Management’s Discussion and Analysis For the Three Months Ended March 31, 2025

The following Management’s Discussion and Analysis (“MD&A”) provides a review of corporate and market developments, results of operations and the financial position of StorageVault Canada Inc. (“SVI” or “the Corporation”) for the three months ended March 31, 2025. This MD&A should be read in conjunction with the March 31, 2025 unaudited interim consolidated financial statements and accompanying notes contained therein, which have been prepared in Canadian dollars and in accordance with IFRS Accounting Standards. This MD&A is based on information available to Management as of April 23, 2025.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking information. All statements, other than statements of historical fact, included in this MD&A, may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, forward-looking information included in this MD&A includes statements with respect to: the Corporation’s outlook as to the market for self storage and portable storage; economic conditions; the availability of credit; the expectation of cash flows; the Corporation’s strategic objectives, growth strategies, goals and plans; potential sources of financing including issuing additional common shares as a source of financing, generally, and as a source of financing for potential acquisitions; future expansion of existing SVI Stores; the size of potential future acquisitions the Corporation may make in 2025; and the general outlook for the Corporation. This forward-looking information is contained in “Nature of Our Business”, “Business and General Corporate Strategy”, “Outlook”, “Financial Results Overview” and “Working Capital, Debt and Share Capital” and other sections of this MD&A.

Forward-looking information is subject to known risks, unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information. Certain of such risks are discussed in the “Risks and Uncertainties” section of this MD&A.

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to be not as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The factors identified above are not intended to represent a complete list of the factors that could affect the Corporation.

The forward-looking information in this MD&A should not be relied upon as representing the Corporation’s views as of any date subsequent to the date of this MD&A. Such forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Corporation to obtain sufficient or necessary financing, satisfy conditions under previously announced acquisition agreements, or satisfy any requirements of the TSX with respect to these acquisitions and any related private placement; the level of activity in the storage business and the economy generally; consumer interest in the Corporation’s services and products; competition and SVI’s competitive advantages; trends in the storage industry, including, increased growth in self storage, portable storage and management segments; the availability of attractive and financially competitive asset acquisitions in the future. A description of additional assumptions used to develop such forward-looking information and a description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Corporation’s disclosure documents on the SEDAR

website at www.sedarplus.ca. The Corporation undertakes no obligation to publicly update or review any forward-looking information, except in accordance with applicable securities laws. Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations.

The amount of potential future acquisitions by the Corporation in fiscal 2025 and revenue and NOI growth for 2025 may be considered a financial outlook, as defined by applicable securities legislation, contained in this MD&A and the accompanying news release. Such information and any other financial outlooks or future-oriented financial information has been approved by management of the Corporation as of the date hereof. Such financial outlook or future-oriented financial information is provided for the purpose of presenting information about management's current expectations and goals relating to the future business of the Corporation. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Additional information relating to StorageVault Canada Inc. can be found at www.sedarplus.ca.

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GLOSSARY OF TERMS

The following abbreviated terms are used in the Management's Discussion & Analysis and have the following respective meanings:

"AFFO" means FFO plus acquisition and integration costs and interest expense on lease-up stores. Acquisition and integration costs are one time in nature to the specific assets purchased or pending and are expensed under IFRS. AFFO is a non-IFRS measure – see Accounting Policies Non-IFRS Measures;

"Existing Self Storage" means stabilized stores that the Corporation has owned or leased since the beginning of the previous fiscal year; Existing Self Storage is a non-IFRS measure – see Accounting Policies Non-IFRS Measures;

"FFO" means net income (loss) excluding gains or losses from the sale of depreciable real estate, plus depreciation and amortization, stock based compensation expenses, realized gains or losses on real estate, realized and unrealized gains or losses on interest rate swaps, interest accretion on convertible debentures, realized and unrealized gains or losses on derivative financial instruments and deferred income taxes; and after adjustments for equity accounted entities and non-controlling interests;

"IFRS" means IFRS Accounting Standards;

"MD & A" means this Management's Discussion and Analysis disclosure document;

"New Self Storage" means non-stabilized stores that have not been owned or leased continuously since the beginning of the previous fiscal year or stores that are under significant renovations; New Self Storage is a non-IFRS measure – see Accounting Policies Non-IFRS Measures;

"NOI" means net operating income, calculated as revenue from storage and related services less related property operating costs; NOI is a non-IFRS measure – see Accounting Policies Non-IFRS Measures;

"Non-IFRS Measures" means operating and performance metrics that are not always calculated with reference to IFRS, but are used commonly in the storage industry to measure operating results for assets owned or leased;

"Q1, Q2, Q3 or Q4" means a three month fiscal quarter of the Company, ending on March 31, June 30, September 30 and December 31 respectively;

"Revenue Management" means the operating principle of achieving optimal revenue through a combination of rental rate increases on existing customers (increases the existing revenue base and rent per square foot) and dynamic pricing of available inventory;

"Store" means self storage property or location or facility or site;

"Subsequent Events" means material transactions that have occurred from April 1, 2025 to April 23, 2025;

"SVI" means StorageVault Canada Inc.;

"The Company" or "The Corporation" or "We" or "Our" or "StorageVault" means StorageVault Canada Inc.

NATURE OF OUR BUSINESS

Business Overview

The Corporation's primary business is owning, managing and renting self storage and portable storage space to individuals and commercial customers. The Corporation also stores, shreds, and manages documents and records for customers. The common shares of the Company are publicly traded on the TSX under the symbol 'SVI'.

As of March 31, 2025, SVI owned 221 stores and 5,091 portable storage units across Canada, for a total of 12,684,224 square feet of rentable storage space in 110,155 rental units. The stores operate under the Access Storage, Depotium Mini-Entrepôts and Sentinel Storage brands. Our portable storage business operates under the Cubeit and PUPS brands. Our information and records management business operates under the RecordXpress brand. Our larger commercial and warehouse storage business operates under the FlexSpace Logistics brand.

In addition to our owned stores, SVI manages 30 stores that are owned by third parties for a management fee, bringing the total number of stores owned and managed to 251.

Through our FlexSpace, information and records management and portable storage services, we are able to leverage our national storage presence to offer last-mile storage, warehouse and mobilization solutions to store and move items from our locations directly to the end user.

SVI's objective is to own and manage storage assets in Canada's top markets. The Corporation will focus on acquiring storage assets with strong existing cash flows, in strategic markets, preferably with excess capacity and land allowing for future development and expansion of our self, portable, and information and records management storage businesses. Financing for this growth is intended to come from a combination of free cash flow from operations, mortgage financing, and the issuance of debt or equity securities.

The Storage Landscape

The significant growth in demand for storage space in Canada over the past decade has largely been driven by the following factors: change of circumstances, smaller living areas and workspaces, business incubation, economic disruption, e-commerce, last-mile solutions, lack of warehouse space, population growth, immigration, downsizing, renovations, moving, death, divorce, insurance, and others. We expect these trends to continue in 2025 and beyond.

Market Size

The Canadian storage market is estimated to be 90 million square feet across 3,000 stores, with the top 10 operators owning less than 15% of these stores; by comparison, the US market is estimated at over 2 billion square feet across 51,000 plus stores, suggesting that Canada is an under-stored nation.

The market fragmentation of the Canadian storage industry combined with the low square foot per capita provides significant opportunities for consolidation, expansion and development. Our existing platform, relationships, reputation and knowledge of the storage industry allows us to identify and take advantage of accretive and strategic acquisition opportunities.

Pricing and Occupancy

A store's rental rates and level of occupancy are dependent upon factors such as lead generation, population density and growth, the local economy, pricing, customer service and curb appeal. We believe in managing our inventory (units) through pricing. Since our rentals are either weekly or monthly, we are able to react to market demand and inflationary pressures quickly. Our objective is to maximize revenue by increasing rent per square foot first, and maximizing occupancy second.

Competition

New development in a market impacts the occupancy and the ability to raise rates at existing stores until the market absorbs the new space. New entrants tend to offer significant move-in specials to achieve rapid occupancy gains. Once the new space has leased up, promotions are reduced or eliminated and the focus switches to maximizing revenue through demand and supply pricing strategies. This can result in short term fluctuations in occupancy and revenue per square foot at existing stores.

Seasonality

The storage business is subject to seasonality. There is naturally more activity in the warmer months and less activity in the colder months. As a result, occupancies and revenue per square foot tend to be highest in Q2 and Q3 and lowest in Q1 and Q4. This trend is consistent with what is experienced in the Northern US. This seasonality is more significant in the portable storage business as all of our portable units are non-climate controlled. Also, operating costs tend to be higher during the winter months in Canada due to heating and snow removal costs resulting in lower NOI margins in Q1 and Q4 versus Q2 and Q3.

BUSINESS AND GENERAL CORPORATE STRATEGY

SVI owns and manages storage locations offering both self storage and portable storage for rent on a weekly or monthly basis, for personal and commercial use. We are focused on owning and operating locations in the top markets in Canada with a plan to have multiple stores, where possible, in each market we operate.

Growth Strategies

Our growth strategy is described in the following six segments: acquisitions, organic growth through improved performance of existing stores, expansion of our existing stores to meet pent up demand, expansion of our portable storage, records management and FlexSpace Logistics business segments.

Acquisitions

The combination of our corporate platform, our track record of closing transactions, our industry relationships and our storage experience provides SVI with a unique advantage in the Canadian marketplace. This advantage allows us to identify accretive and strategic purchasing opportunities at attractive prices that provide synergies in operations, marketing and revenue maximization.

We intend to be a disciplined purchaser, with a focus on Canada's top markets. As there is more competition to acquire existing stores, especially from US purchasers, we may find it difficult to acquire assets that meet our criteria.

Organic Growth

Scale is important and the increased size of SVI provides a significant advantage in negotiating better rates on: marketing, insurance, software, moving and storage supplies, merchant services, technical support, and long distance transport of portable units. These economies of scale translate into improved margins and better results.

Efficiencies are also gained through the cross promotion and marketing of the self storage and portable storage platforms, and our records management services due to our national footprint, and offering different but complementary product choices at various price points to our customers.

The most significant evolution in the storage industry has been in the area of revenue management. Revenue management is the principle of achieving optimal revenue through a combination of rental rate increases on existing customers (increases the existing revenue base and rent per square foot) and dynamic pricing of available inventory so that we are selling the right space, to the right customer, at the right time, for the right price. With a focus on providing the best value to the customer, stores are able to achieve significant top and bottom line growth, even when occupancies are stable.

Existing Store Expansion

There is over 1,500,000 square feet of development potential on excess land currently owned and operated by SVI. When market conditions are suitable and high occupancies and leads indicate pent up demand, we expect to expand a number of our existing locations. In fiscal 2025, we expect to complete a total of 150,000 square feet of expanded and renovated space; of this, 100,000 square feet was completed in Q1 2025. In fiscal 2024, we completed 110,000 square feet of expanded and renovated space. In addition, we have another 500,000 rentable square feet of expansions projects in the entitlement and permitting stage.

Expansion of Portable Storage Business

The portable storage business continues to complement our overall business, providing additional synergies and efficiencies to our platform. While margins in portable storage are not as high as they are in self storage, they are still very attractive, and

with the larger geographic and operating footprint achieved through our growth strategy, we believe that margins will continue to improve.

Expansion of Information and Records Management Business

The records management business is a complementary vertical in the storage space, much like portable storage, and fills up excess space, delivering strong "sticky" cash flows. RecordXpress is one of the largest records management companies in Canada and is the only Canadian owned company that can provide a national platform. This provides a significant competitive advantage as government organizations, such as hospitals and charities, do not want their confidential information under foreign ownership.

Expansion of FlexSpace Logistics Business

The FlexSpace Logistics business is a platform that focuses on providing end to end solutions for business clients with our storage, logistics, and inventory management offerings. Services are provided across Canada through SVI's existing portfolio of businesses and our extensive network of partners, allowing us to offer everything from warehousing and storage to last mile delivery to inventory management. A true one-stop shop for businesses, especially small to medium sized companies who were previously underserved in the space.

Financing Strategy

We anticipate funding the capital requirements of our growth strategy through excess operating cash flow, utilization of suitable leverage and from the issuance of equity and debt securities.

Financing With Secured Debt and Lines of Credit

The Corporation may partially fund the purchase of storage assets with debt. A number of factors are considered when evaluating the level of debt in our capital structure, as well as the amount of debt that will be fixed or variable rate. In making financing decisions, the factors that we consider include, but are not limited to: interest rates, amortization periods, covenants and restrictions, security requirements, prepayment rights and costs, overall debt level, maturity date in relation to existing debt, overall percentage of fixed and variable rate debt and expected store performance.

Issuance of Common Shares

The Corporation may, from time to time, issue common shares to the public or to vendors to fund the purchase of storage assets or pay down debt. SVI will consider issuances of additional common shares for cash proceeds or as consideration in the purchase of storage assets in the upcoming fiscal year if accretive to shareholders. Future issuances will be dependent upon financing needs, acquisitions and expansion, equity market conditions at the time and transaction pricing.

OUTLOOK

The Corporation's outlook for acquisitions, share capital, results from operations and subsequent events are:

Acquisitions

At start of 2025, we expected to acquire over \$100 million of assets. To date, in fiscal 2025, SVI has announced a total of \$126.2 million in acquisitions.

Share Capital

The Corporation may, from time to time, issue common shares to the public or to vendors to fund the purchase of storage assets. With the significant cash flow retained by the Corporation, future issuances will be dependent upon financing needs, acquisition opportunities, expansion plans, equity market conditions and transaction pricing.

Based on market conditions, the Corporation may from time to time purchase its' common shares in accordance with the rules prescribed under the TSX or regulatory policies.

Results from Operations

We expect continued growth in revenue and NOI in 2025 as we execute on our revenue management system, grow occupancy and control costs. We also expect contributions from the acquisitions and expansions made in 2025 and in fiscal 2024 as stores move towards stabilization.

The Corporation may use discounts in select markets to match competitive forces and retain its customer base as a result of competitors trying to jump-start their lease up periods by offering significant discounts to new customers. This can result in short term fluctuations in occupancy and rent per square foot at existing stores. The effect on overall revenues is not expected to be significant, but it may be enough to slow the rate of growth in revenues experienced in past years.

Subsequent Events

The following item(s) have been announced by the Corporation:

- On April 23, 2025, approved the increase to the quarterly dividend for Q2 2025 by 0.5% to \$0.002961 per common share.
- On April 23, 2025, announced that it has agreed to acquire 11 stores and one adjacent vacant parcel of land from eight vendor groups for an aggregate purchase price of \$126.2 million, subject to customary adjustments and due diligence conditions. Seven of the transactions are arm's length and one, consisting of two stores and totaling \$21.9 million, is a related party acquisition with Access Self Storage Inc. It is anticipated that the acquisitions will close in Q2 and Q3 2025.

DESCRIPTION OF OUR OPERATIONS

As at March 31, 2025, the Corporation owned the following self storage and portable storage operations:

Location	Acres	Number of Stores	Units	Rentable Square Feet
British Columbia	48	20	10,850	1,131,374
Alberta	154	44	22,275	2,567,142
Saskatchewan	38	12	3,130	413,654
Manitoba	41	12	5,311	522,646
Ontario	382	104	51,201	6,158,852
Quebec	43	22	10,328	1,053,575
Nova Scotia	22	7	1,969	255,235
Portable Storage Units			5,091	581,746
Total	728	221	110,155	12,684,224

Management is focused on increasing NOI and value as follows:

Revenue Management

Revenue per square foot is the greatest driver in increasing NOI and shareholder value. Our management platform has intelligent software, supported by dedicated personnel, that understands the nuances of each local market. Our in-depth knowledge of our customer base and the competition allows us to implement strategic rate increases and optimize proven promotions to attract clientele that will become long-term customers, repeat renters and strong referral sources.

Professional Management

The management team at SVI has extensive experience in all aspects of the storage industry including:

- delivering superior results
- management of over 250 storage locations throughout Canada
- acquisition, development and management of over 18 million square feet of storage space
- over 200 years of combined experience in the storage industry by senior management

Marketing

We implement specific marketing plans for the different localities, stages and seasons of our business with emphasis on maximizing return on investment for every dollar spent. Our strategies to attract customers include strong search engine marketing, user friendly online presence and no-contact “self serve” rental processes, community connection programs and development of large national accounts to fulfill their last-mile storage needs. We conduct specific store and market analysis to determine how, when and where to focus our marketing dollars with the goal of efficiently and consistently increasing the value of our stores.

Costco Supplier

Our storage business is the exclusive supplier to Costco Wholesale Canada Ltd. (Costco) members across Canada. This relationship provides exclusive access to Costco’s vast membership base as a marketing channel.

Reservation Centre

Our management platform includes a Reservation Centre (call centre) that provides call management services designed to increase reservations and move-ins, increase productivity at the store level and improve our corporate image through professionalism, consistency of messaging and willingness to resolve issues. Our Reservation Centre agents have training in the storage business and understand the need for a professional introduction and greeting, establish rapport with customers, build trust, listen, ask the right questions, ask for the business, and close the sale. The overall result is an increased close rate leading to improved financial performance.

Technology and Software

SVI stores utilize modern and intelligent software, technology and security systems. We work with vendors and developers, who have knowledge of the storage business, to take advantage of developing trends, including: (i) exception reports that allow management to monitor key performance and indicators ensuring that management's time is more effectively spent preventing and resolving issues than identifying them; and (ii) web-based software reporting that allows authorized individuals to view specific store information in real time. The user can choose to see daily rental rates achieved and the number of customers moving-in or moving-out. This tool allows us to adjust quickly to opportunities and threats in each marketplace.

Economies of Scale

The size and scope of our management platform, combined with the growing size of our own operations, translates into higher margins through the centralization of many functions such as revenue management, property management, employee compensation and benefits programs, as well as the development and documentation of standardized operating procedures and best practices.

FINANCIAL RESULTS OVERVIEW

To date, in fiscal 2025, SVI has announced a total of \$126.2 million in acquisitions. In fiscal 2024, SVI completed a total of \$215.0 million of acquisitions (9 locations and one records management and shredding business). The timing of these acquisitions affects the comparative results.

Selected Financial Information

	(unaudited)					(unaudited)				
	Three Months Ended March 31					Fiscal				
	2025	2024	Change			2025	2024	Change		
	\$		\$	%		\$		\$	%	
Storage revenue and related services	\$ 75,822,832	\$ 70,944,870	\$ 4,877,962	6.9%		\$ 75,822,832	\$ 70,944,870	\$ 4,877,962	6.9%	
Management fees	448,471	446,208	2,263	0.5%		448,471	446,208	2,263	0.5%	
	76,271,303	71,391,078	4,880,225	6.8%		76,271,303	71,391,078	4,880,225	6.8%	
Operating costs	28,615,810	27,148,549	1,467,261	5.4%		28,615,810	27,148,549	1,467,261	5.4%	
Net operating income ¹	47,655,493	44,242,529	3,412,964	7.7%		47,655,493	44,242,529	3,412,964	7.7%	
Less:										
Acquisition and integration costs	1,612,851	1,512,594	100,257	6.6%		1,612,851	1,512,594	100,257	6.6%	
Selling, general and administrative	6,087,577	5,507,508	580,069	10.5%		6,087,577	5,507,508	580,069	10.5%	
Interest	24,597,948	22,090,472	2,507,476	11.4%		24,597,948	22,090,472	2,507,476	11.4%	
Stock based compensation	83,959	234,379	(150,420)	-64.2%		83,959	234,379	(150,420)	-64.2%	
Realized (gain) loss on real estate	39,827	1,932,705	(1,892,878)	-97.9%		39,827	1,932,705	(1,892,878)	-97.9%	
Unrealized (gain) loss on derivative financial instruments	969,752	(2,014,752)	2,984,504	-148.1%		969,752	(2,014,752)	2,984,504	-148.1%	
Interest accretion on convertible debentures	1,129,896	1,105,212	24,684	2.2%		1,129,896	1,105,212	24,684	2.2%	
Depreciation and amortization	26,653,029	23,585,744	3,067,285	13.0%		26,653,029	23,585,744	3,067,285	13.0%	
	61,174,839	53,953,862	7,220,977	13.4%		61,174,839	53,953,862	7,220,977	13.4%	
Net income (loss) before tax	(13,519,346)	(9,711,333)	(3,808,013)	-39.2%		(13,519,346)	(9,711,333)	(3,808,013)	-39.2%	
Deferred tax (expense) recovery	2,150,336	1,753,251	397,085	22.6%		2,150,336	1,753,251	397,085	22.6%	
Net income (loss) after tax	\$ (11,369,010)	\$ (7,958,082)	\$ (3,410,928)	-42.9%		\$ (11,369,010)	\$ (7,958,082)	\$ (3,410,928)	-42.9%	
¹ Non-IFRS Measure.										
Weighted average number of common shares outstanding										
Basic	366,505,096	374,612,730	(8,107,634)	-2.2%		366,505,096	374,612,730	(8,107,634)	-2.2%	
Diluted	366,505,096	382,718,335	(16,213,239)	-4.2%		366,505,096	382,718,335	(16,213,239)	-4.2%	
Net income (loss) per common share										
Basic	\$ (0.031)	\$ (0.021)				\$ (0.031)	\$ (0.021)			
Diluted	\$ (0.031)	\$ (0.021)				\$ (0.031)	\$ (0.021)			

Storage revenue and related services

For the three months ended March 31, 2025, the Corporation had revenues of \$75.8 million (March 31, 2024 - \$70.9 million), an increase of 6.9% for the quarter. This increase is attributable to incremental revenue from organic revenue growth and from the stores acquired in the prior fiscal year. For additional information, see "Segmented, Existing and New Self Storage and Portable Storage Results."

Management fees

For the three months ended March 31, 2025, management fees increased by 0.5% over the same prior year period. The nominal increase in management fees is a result of acquiring managed stores.

Operating costs

Operating costs for the three months ended March 31, 2025 were \$28.6 million (March 31, 2024 - \$27.1 million) resulting in an increase of \$1.5 million or 5.4% over the same period. The increase mainly relates to stores acquired in the past 12 months.

Net income (loss)

Our net loss of \$11.4 million for the three months ended March 31, 2025 results from non-cash items of \$26.7 million of depreciation and amortization, \$0.1 million in stock based compensation, \$1.1 million of interest accretion on convertible debentures, \$1.0 million of unrealized loss on derivative financial instruments and is offset with \$2.2 million of deferred tax recovery.

Net operating income

For the three months ended March 31, 2025, the Corporation had net operating income (NOI), a non-IFRS measure, of \$47.7 million (March 31, 2024 - \$44.2 million), an increase of \$3.4 million or 7.7% over the same period. The NOI increase was achieved from stores purchased in the past 12 months and increased rates through our revenue management systems.

Acquisition and integration costs

Acquisition and integration costs include costs and professional fees incurred to identify, qualify, close and integrate the assets purchased and pending, as well as transactions that were not completed or we elected not to pursue. To date, in fiscal 2025, SVI has announced a total of \$126.2 million in acquisitions. We closed a total of \$215.0 million in acquisitions in fiscal 2024.

Selling, general and administrative

Selling, general and administrative expenses include all expenses not related to the stores including corporate office overhead and payroll, operations platform innovation and professional fees. These costs have increased as a result of increased activity associated with the growth and anticipated future growth and changes in our business.

Stock based compensation

Relates to RSUs, DSUs and stock options issued to directors, officers and consultants under the Corporation's stock option plan. The expense is estimated at the date of issue using the Black-Scholes option pricing model as detailed in Note 9 of the accompanying notes to our audited fiscal 2024 consolidated financial statements.

Interest

Interest expense increased due to an increase in the balance outstanding over the same period. As at March 31, 2025, our debt was \$1.7 billion compared to \$1.4 billion at March 31, 2024, with a weighted average interest rate of 4.85% at March 31, 2025 compared to 4.84% at March 31, 2024.

Interest accretion on convertible debentures

The convertible senior unsecured debentures are measured at the amortized cost, using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The effective interest less the actual interest expense is classified as interest accretion expense in the Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

Depreciation and amortization

The increase in depreciation and amortization expense is primarily due to the acquisition of \$215.0 million of assets in fiscal 2024.

Realized loss on disposal of assets

The Corporation recognized a loss on the derecognition of assets, primarily related to replacement of those assets and other capital improvements made at our facilities.

Realized and unrealized (gain) loss on derivative financial instruments

The realized and unrealized (gain) loss on derivative financial instruments occurs as result of both the Interest Rate Swaps and the Total Return Swaps which are held to hedge the Corporation's debt; and RSUs, DSUs and stock options, respectively. A realized gain or loss is recorded when the Interest Rate Swaps or Total Return Swaps are terminated. An unrealized gain or loss is recorded as a result of the fluctuations in the market interest rates and the Corporation's share price.

Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO)

FFO and AFFO are non-IFRS measures and allow management and investors to evaluate the financial results of an entity without taking into consideration the impact of non-cash items and non-recurring items, as shown below. Acquisition and integration costs, adjusted for in our AFFO, are one time in nature to the specific assets purchased or pending. While the specific acquisition and integration costs may vary from period to period, given that the Corporation is planning to continue to complete acquisitions as part of its growth strategy, these costs will continue to be included as an adjustment in determining AFFO (i.e. the amount of the costs are "non-recurring" but the actual adjustment for these types of costs is "recurring" and relate to acquisitions pursued and completed).

FFO for the three months ended March 31, 2025 was \$15.4 million versus \$15.1 million for the same period in 2024, a 1.5% increase or 3.7% increase per basic common share outstanding. AFFO for the three months ended March 31, 2025 was \$17.0 million versus \$16.6 million for the same period in 2024, a 2.0% increase or 4.2% increase per basic common share outstanding. The increases is muted due to an increase in move-in promotions and in interest expense on a period over period basis.

Our Q1 2025 FFO and AFFO results are also muted by operational and interest expenses related to lease-up stores acquired in fiscal 2024 (\$127.0 million of the \$215.0 million of acquisitions) and a nominal contribution from the 210,000 square feet of expanded and renovated space completed in Q4 2024 and Q1 2025. As these acquisitions and expansions stabilize, the Corporation expects to add an incremental annual \$8.5 million of NOI within the next 3 years resulting in an equivalent incremental growth of FFO and AFFO.

The FFO and AFFO for the three months and fiscal year ended March 31, 2025 and 2024 are:

	(unaudited) Three Months Ended March 31				(unaudited) Fiscal			
	2025	2024	Change		2025	2024	Change	
			\$	%			\$	%
Net income (loss)	\$ (11,369,010)	\$ (7,958,082)	\$ (3,410,928)	-42.9%	\$ (11,369,010)	\$ (7,958,082)	\$ (3,410,928)	-42.9%
Adjustments:								
Stock based compensation	83,959	234,379	(150,420)	-64.2%	83,959	234,379	(150,420)	-64.2%
Interest accretion on convertible debentures	1,129,896	1,105,212	24,684	2.2%	1,129,896	1,105,212	24,684	2.2%
Realized (gain) loss on real estate	39,827	1,932,705	(1,892,878)	-97.9%	39,827	1,932,705	(1,892,878)	-97.9%
Unrealized (gain) loss on derivative financial instruments	969,752	(2,014,752)	2,984,504	-148.1%	969,752	(2,014,752)	2,984,504	-148.1%
Deferred tax expense (recovery)	(2,150,336)	(1,753,251)	(397,085)	22.6%	(2,150,336)	(1,753,251)	(397,085)	22.6%
Depreciation and amortization	26,653,029	23,585,744	3,067,285	13.0%	26,653,029	23,585,744	3,067,285	13.0%
	26,726,127	23,090,037	3,636,090	15.7%	26,726,127	23,090,037	3,636,090	15.7%
FFO ¹	\$ 15,357,117	\$ 15,131,955	\$ 225,162	1.5%	\$ 15,357,117	\$ 15,131,955	\$ 225,162	1.5%
Adjustments:								
Acquisition and integration costs	1,612,851	1,512,594	100,257	6.6%	1,612,851	1,512,594	100,257	6.6%
AFFO ¹	\$ 16,969,968	\$ 16,644,549	\$ 325,419	2.0%	\$ 16,969,968	\$ 16,644,549	\$ 325,419	2.0%

¹ Non-IFRS Measure.

FFO and AFFO Per Basic Common Share Outstanding

FFO	\$ 0.042	\$ 0.040	\$ 0.002	3.7%	\$ 0.042	\$ 0.040	\$ 0.002	3.7%
AFFO	\$ 0.046	\$ 0.044	\$ 0.002	4.2%	\$ 0.046	\$ 0.044	\$ 0.002	4.2%

Segmented, Existing and New Self Storage and Portable Storage Results

The Corporation operates three reportable business segments - self storage, portable storage and management fees. Self storage involves customers renting space at the Corporation's property for short or long term storage. Portable storage involves delivering a storage unit to the customer. The customer can choose to keep the portable storage unit at their location or have it moved to one of our locations. Management fees are revenues generated from the management of stores owned by third parties.

Revenue, operating costs and net operating income

	(unaudited) Three Months Ended March 31				(unaudited) Fiscal			
	2025	2024	Change		2025	2024	Change	
			\$	%			\$	%
Revenue								
Existing Self Storage ¹	\$ 64,080,666	\$ 63,197,178	\$ 883,488	14%	\$ 64,080,666	\$ 63,197,178	\$ 883,488	14%
New Self Storage ¹	9,842,748	5,747,083	4,095,665	713%	9,842,748	5,747,083	4,095,665	713%
Total Self Storage	73,923,414	68,944,261	4,979,153	7.2%	73,923,414	68,944,261	4,979,153	7.2%
Portable Storage	1,899,418	2,000,609	(101,191)	-5.1%	1,899,418	2,000,609	(101,191)	-5.1%
Management Fees	448,471	446,208	2,263	0.5%	448,471	446,208	2,263	0.5%
Combined	76,271,303	71,391,078	4,880,225	6.8%	76,271,303	71,391,078	4,880,225	6.8%
Operating Costs								
Existing Self Storage	22,156,821	22,334,984	(178,163)	-0.8%	22,156,821	22,334,984	(178,163)	-0.8%
New Self Storage	5,135,358	3,296,657	1,838,701	55.8%	5,135,358	3,296,657	1,838,701	55.8%
Total Self Storage	27,292,179	25,631,641	1,660,538	6.5%	27,292,179	25,631,641	1,660,538	6.5%
Portable Storage	1,323,631	1,516,908	(193,277)	-12.7%	1,323,631	1,516,908	(193,277)	-12.7%
Combined	28,615,810	27,148,549	1,467,261	5.4%	28,615,810	27,148,549	1,467,261	5.4%
Net Operating Income ¹								
Existing Self Storage	41,923,845	40,862,194	1,061,651	2.6%	41,923,845	40,862,194	1,061,651	2.6%
New Self Storage	4,707,390	2,450,426	2,256,964	92.1%	4,707,390	2,450,426	2,256,964	92.1%
Total Self Storage	46,631,235	43,312,620	3,318,615	7.7%	46,631,235	43,312,620	3,318,615	7.7%
Portable Storage	575,787	483,701	92,086	19.0%	575,787	483,701	92,086	19.0%
Management Fees	448,471	446,208	2,263	0.5%	448,471	446,208	2,263	0.5%
Combined	\$ 47,655,493	\$ 44,242,529	\$ 3,412,964	7.7%	\$ 47,655,493	\$ 44,242,529	\$ 3,412,964	7.7%

¹ Non-IFRS Measure.

Existing Self Storage

Commencing in Q1 2025, a net three stores were added to our existing self storage set of stores. For the three months ended March 31, 2025, revenue and NOI increased by 1.4% and 2.6%, over the same prior year period. Revenue and NOI increases are a result of continued execution of our revenue management program, despite increased move-in promotions to counter lower levels of seasonal activity. For operating costs, we continue to control costs through operational efficiencies.

New Self Storage

Increases are a result of our 2024 and 2023 acquisitions, non-stabilized acquisitions and stores under renovations.

Portable Storage

Revenue is lower due to lower period over period occupancies resulting from a decrease in the level of activity in housing sales, moving and housing renovations.

Quarterly net operating income

The Corporation's quarterly results are affected by the timing of acquisitions, both in the current year and prior year. The Corporation also incurs non-recurring initial expenses when a new location is acquired. These costs may include labor, severance, training, travel, advertising and or office expenses.

The storage business is subject to seasonality. There is naturally more activity in the warmer months and less activity in the colder months. Operating costs are higher during the winter months due to heating and snow removal costs resulting in lower NOI margins in Q1 and Q4, versus Q2 and Q3. This is consistent with results experienced in the Northern US.

	Fiscal 2025 ('000)		Fiscal 2024 ('000)				
	Q1	Total	Q4	Q3	Q2	Q1	Total
NOI ¹							
Existing Self Storage	\$ 41,924	\$ 41,924	\$ 46,806	\$ 48,926	\$ 45,104	\$ 40,862	\$ 181,699
New Self Storage	4,707	4,707	5,421	3,602	3,409	2,450	14,883
Total Self Storage	46,631	46,631	52,228	52,529	48,513	43,313	196,582
Portable Storage	576	576	630	1,064	915	484	3,092
Management Fees	448	448	499	484	498	446	1,928
	\$ 47,655	\$ 47,655	\$ 53,356	\$ 54,077	\$ 49,926	\$ 44,243	\$ 201,602

¹ Non-IFRS Measure

Existing Self Storage

While muted by increased move-in promotions and lower levels of seasonal activity, the increase in Q1 2025 over Q1 2024 was driven from continued execution of our revenue management program and controlling costs through operational efficiencies.

New Self Storage

Increase is a result of our 2024 and 2023 acquisitions, non-stabilized acquisitions throughout 2024 and stores under renovations.

Portable Storage

Revenue and NOI are lower due to lower period over period occupancies resulting from a decrease in the level of activity in housing sales and housing renovations.

Summary of Quarterly Results (unaudited)

Period	Revenue	Net Income / (Loss)	Net Income / (Loss) per share	Fully diluted Net Income / (Loss) per share	Total Assets	Total Liabilities	Dividends
2025 – Q1	\$76,271,303	(\$11,369,010)	(\$0.031)	(\$0.031)	\$2,258,874,994	\$2,153,066,824	\$1,076,981
Total 2025	\$76,271,303	(\$11,369,010)	N/A	N/A	N/A	N/A	\$1,076,981
2024 – Q4	\$80,240,735	(\$6,603,486)	(\$0.018)	(\$0.018)	\$2,233,968,260	\$2,103,157,560	\$1,075,911
2024 – Q3	\$78,961,903	(\$6,973,213)	(\$0.019)	(\$0.018)	\$2,231,393,303	\$2,068,392,626	\$1,088,517
2024 – Q2	\$74,111,489	(\$8,688,351)	(\$0.023)	(\$0.023)	\$2,176,620,967	\$2,006,023,134	\$1,083,058
2024 – Q1	\$71,391,078	(\$7,958,082)	(\$0.021)	(\$0.021)	\$2,042,871,899	\$1,856,959,672	\$1,081,531
Total 2024	\$304,705,205	(\$30,223,132)	N/A	N/A	N/A	N/A	\$4,329,017
2023 – Q4	\$74,268,913	(\$27,786,974)	(\$0.074)	(\$0.072)	\$2,044,217,956	\$1,848,344,223	\$1,076,487
2023 – Q3	\$75,745,468	\$16,378,937	\$0.043	\$0.043	\$1,997,703,262	\$1,783,807,524	\$1,073,547
2023 – Q2	\$71,292,759	\$12,612,251	\$0.033	\$0.032	\$1,988,295,493	\$1,778,917,293	\$1,075,022
2023 – Q1	\$67,417,472	(\$2,904,372)	(\$0.008)	(\$0.007)	\$2,019,426,187	\$1,819,889,288	\$1,069,922
Total 2023	\$288,724,612	(\$1,700,158)	N/A	N/A	N/A	N/A	\$4,294,978
2022 – Q4	\$69,089,853	(\$23,265,493)	(\$0.062)	(\$0.062)	\$2,020,752,160	\$1,813,597,057	\$1,064,875
2022 – Q3	\$69,323,716	(\$2,120,375)	(\$0.006)	(\$0.006)	\$2,014,223,967	\$1,793,844,969	\$1,059,674
2022 – Q2	\$65,959,444	(\$7,278,364)	(\$0.019)	(\$0.019)	\$2,019,833,429	\$1,793,878,037	\$1,055,547
2022 – Q1	\$57,455,276	(\$8,577,725)	(\$0.023)	(\$0.023)	\$1,874,780,768	\$1,640,438,694	\$1,050,674
Total 2022	\$261,828,289	(\$41,241,957)	N/A	N/A	N/A	N/A	\$4,230,770
2021 – Q4	\$56,845,289	(\$13,005,460)	(\$0.035)	(\$0.035)	\$1,836,156,209	\$1,613,949,693	\$1,034,371
2021 – Q3	\$56,854,002	(\$4,286,770)	(\$0.012)	(\$0.012)	\$1,710,707,686	\$1,503,314,182	\$1,021,120
2021 – Q2	\$51,701,291	(\$7,172,789)	(\$0.019)	(\$0.019)	\$1,693,800,047	\$1,487,413,665	\$1,012,517
2021 – Q1	\$43,260,095	(\$11,400,073)	(\$0.031)	(\$0.031)	\$1,610,798,998	\$1,403,279,361	\$1,002,868
Total 2021	\$208,660,678	(\$35,865,092)	N/A	N/A	N/A	N/A	\$4,070,876
2020 - Q4	\$42,150,289	(\$9,987,848)	(\$0.027)	(\$0.027)	\$1,587,379,939	\$1,377,204,772	\$991,452
2020 - Q3	\$40,053,371	(\$6,276,846)	(\$0.017)	(\$0.017)	\$1,354,801,560	\$1,149,197,801	\$978,240
2020 - Q2	\$37,425,908	(\$8,651,142)	(\$0.024)	(\$0.024)	\$1,369,097,150	\$1,155,700,318	\$973,985
2020 - Q1	\$35,834,354	(\$8,366,386)	(\$0.023)	(\$0.023)	\$1,371,022,824	\$1,151,432,603	\$966,317
Total 2020	\$155,463,922	(\$33,282,222)	N/A	N/A	N/A	N/A	\$3,909,994
2019 - Q4	\$37,174,365	(\$11,563,878)	(\$0.032)	(\$0.032)	\$1,392,865,962	\$1,162,117,984	\$961,654
2019 - Q3	\$37,310,765	(\$9,399,776)	(\$0.026)	(\$0.026)	\$1,377,237,690	\$1,134,721,033	\$958,230
2019 - Q2	\$34,255,855	(\$16,310,988)	(\$0.045)	(\$0.045)	\$1,385,491,977	\$1,132,963,923	\$952,321
2019 - Q1	\$26,222,055	(\$8,843,827)	(\$0.025)	(\$0.025)	\$1,044,914,091	\$794,584,280	\$930,288
Total 2019	\$134,963,040	(\$46,118,469)	N/A	N/A	N/A	N/A	\$3,802,493
2018 - Q4	\$26,562,429	(\$843,810)	(\$0.002)	(\$0.002)	\$1,022,791,417	\$761,864,860	\$925,235
2018 - Q3	\$25,733,852	(\$6,355,654)	(\$0.018)	(\$0.018)	\$990,262,630	\$731,939,098	\$920,981
2018 - Q2	\$23,173,856	(\$9,158,368)	(\$0.026)	(\$0.026)	\$959,256,102	\$694,025,713	\$920,562
2018 - Q1	\$20,913,462	(\$7,793,463)	(\$0.022)	(\$0.022)	\$922,656,903	\$661,214,665	\$889,786
Total 2018	\$96,383,599	(\$24,151,295)	N/A	N/A	N/A	N/A	\$3,656,564
2017 - Q4	\$20,744,110	\$15,343,505	\$0.044	\$0.044	\$895,496,381	\$627,421,264	\$880,328
2017 - Q3	\$18,453,960	(\$15,402,377)	(\$0.046)	(\$0.046)	\$839,525,204	\$585,777,091	\$879,376
2017 - Q2	\$12,557,306	(\$2,995,895)	(\$0.010)	(\$0.010)	\$400,216,946	\$237,005,503	\$765,016
2017 - Q1	\$10,133,138	(\$10,797,865)	(\$0.037)	(\$0.037)	\$404,743,767	\$238,025,850	\$749,946
Total 2017	\$61,888,514	(\$13,852,632)	N/A	N/A	N/A	N/A	\$3,274,666
2016 - Q4	\$8,900,182	(\$18,657,288)	(\$0.070)	(\$0.070)	\$342,803,581	\$187,115,587	\$724,931
2016 - Q3	\$7,307,070	(\$537,379)	(\$0.022)	(\$0.022)	\$253,955,856	\$131,931,530	\$630,309
2016 - Q2	\$6,320,322	(\$663,764)	(\$0.004)	(\$0.004)	\$179,885,223	\$118,343,352	\$440,398
2016 - Q1	\$5,296,970	(\$1,331,005)	(\$0.008)	(\$0.008)	\$176,728,097	\$114,010,014	-
Total 2016	\$27,824,544	(\$21,189,436)	N/A	N/A	N/A	N/A	\$1,795,638
2015 - Q4	\$4,795,266	(\$2,702,281)	(\$0.026)	(\$0.026)	\$171,486,477	\$112,922,559	-
2015 - Q3	\$3,137,527	(\$821,330)	(\$0.012)	(\$0.012)	\$108,865,822	\$85,594,955	-
2015 - Q2	\$2,111,281	(\$677,127)	(\$0.012)	(\$0.012)	\$54,449,748	\$25,372,609	-
2015 - Q1	\$1,096,513	(\$374,472)	(\$0.010)	(\$0.010)	\$27,910,360	\$25,033,929	-
Total 2015	\$11,140,587	(\$4,575,210)	N/A	N/A	N/A	N/A	-

WORKING CAPITAL, DEBT AND SHARE CAPITAL

Working Capital

Cash provided by operating activities was \$20.8 million for the three months ended March 31, 2025, compared to \$18.5 million for the same prior year period. While cash provided by operating activities was higher due to cash flows from recently purchased stores and increased rates through our revenue management systems, it was muted by higher interest expense year over year, increased move-in promotions and lower levels of seasonal activity.

As at March 31, 2025, the Corporation had \$17.9 million of cash compared to \$16.3 million at December 31, 2024. The Corporation expects its cash flow from operations to continue to increase as we continue to execute our operational plans and realize the full benefit of recently purchased stores. In addition, the Corporation will manage its cash flows and borrow against existing assets to minimize interest expense, fund acquisitions, capital improvement and its expansion plans and repurchase the Corporation's common shares.

Debt

As at March 31, 2025 and December 31, 2024, the Corporation held the following debt:

	March 31, 2025			December 31, 2024		
	Rate Range	Weighted Average	Balance	Rate Range	Weighted Average	Balance
<u>Mortgages</u>						
At amortized cost - Fixed	2.84% to 6.00 %	4.96%	559,319,328	2.84% to 6.00%	4.94%	554,199,300
	<i>Maturity: Nov 2025 to Sep 2031</i>			<i>Maturity: Mar 2025 to Sep 2031</i>		
At amortized cost - Variable		5.95%	3,119,804		6.45%	3,161,703
	<i>Maturity: Jul 2027</i>			<i>Maturity: Jul 2027</i>		
At FVTPL - Variable			715,941,426			725,308,752
- Fixed via interest rate swap			6,692,811			1,335,567
		4.86%	722,634,237		4.86%	726,644,319
	<i>Maturity: Jun 2025 to Jan 2031</i>			<i>Maturity: Jun 2025 to Jan 2031</i>		
		4.90%	1,285,073,369		4.90%	1,284,005,322
<u>Lines of Credit and Promissory Notes</u>						
At amortized cost - Fixed			-		4.50%	500,000
				<i>Maturity: Mar 2025</i>		
At amortized cost - Variable		5.54%	123,645,131		6.12%	92,145,131
	<i>Maturity: May 2025 to Feb 2028</i>			<i>Maturity: Feb 2025 to Dec 2027</i>		
At FVTPL - Variable			297,126,345			300,895,063
- Fixed via interest rate swap			2,873,655			(895,063)
		4.32%	300,000,000		3.88%	300,000,000
	<i>Maturity: Feb 2028</i>			<i>Maturity: Feb 2025</i>		
		4.68%	423,645,131		4.41%	392,645,131
Deferred financing costs, net of accretion			(5,093,601)			(4,137,295)
		4.85%	1,703,624,899		4.78%	1,672,513,158

Reconciliation of Debt

The following table reconciles the changes in cash flows from financing activities for the Corporation's debt:

	March 31, 2025	December 31, 2024
Debt, beginning of period	\$ 1,672,513,158	\$ 1,412,708,149
Advances from debt	58,972,574	606,589,054
Repayment of debt	(26,904,527)	(346,389,518)
Change in fair value of debt measured at FVTPL	9,125,962	24,425,145
Change in fair value of interest rate swaps	(9,125,962)	(24,425,145)
Total cash flow from debt financing activities	32,068,047	260,199,536
Change in deferred financing costs	(956,306)	(394,527)
Debt, end of period	\$ 1,703,624,899	\$ 1,672,513,158

The bank prime rate at March 31, 2025 was 4.95% (December 31, 2024 - 5.45%). The weighted average cost of debt at March 31, 2025 is 4.85% (December 31, 2024 - 4.78%). The Corporation's variable interest rate exposure is limited with only 7.4% of debt being variable and the balance being fixed interest rate debt. The increase from the prior year and year end is a result of the Corporation utilizing its lines of credit to fund common share repurchases, acquisitions and capital improvement projects.

The weighted years to maturity, excluding lines of credit, at March 31, 2025 is 3.18 years (December 31, 2024 – 3.39 years).

Mortgages are secured by a first mortgage charge on the real estate and equipment of the Corporation, general security agreements, assignment of rents and leases and assignments of insurance coverages. The Corporation must maintain certain financial ratios to comply with the facilities. These covenants include debt service coverage ratios, a tangible net worth ratio, and a loan to value ratio. As of March 31, 2025 and December 31, 2024, the Corporation is in compliance with all covenants.

The deferred financing costs are made up of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization into income of these costs.

Principal repayments on mortgages and lines of credit in each of the next five years are estimated as follows:

Year 1	\$	596,267,801 (includes lines of credit of \$423.6 million)
Year 2	\$	101,858,328
Year 3	\$	285,528,996
Year 4	\$	418,838,333
Year 5	\$	256,525,638
Thereafter	\$	49,699,404

Of the repayments shown in Year 1, \$29.3 million are required under our amortizing term debt mortgages, \$143.4 million relates to loans due in the upcoming twelve months that are expected to be refinanced, and \$423.6 million relates to our lines of credit. Our lines of credit are covenant based (debt service coverage ratios, tangible net worth ratios, and loan to value ratios) and do not require repayment as long as the covenants are met. As of March 31, 2025 and December 31, 2024, the Corporation is in compliance with all covenants.

The Corporation terms out assets on our lines of credit when deemed appropriate, which includes determining whether the Corporation has been able to implement its operating systems to increase the value of the assets and that the Corporation has an appropriate mix of assets supporting our lines of credit. The Corporation's detailed debt maturity profile as at March 31, 2025 is:

Contractual Mortgage Maturities and Interest Rates

Year of Debt Maturity	Mortgages Payable	Weighted Average Interest Rate	Lines of Credit	Weighted Average Interest Rate	Total Debt	Weighted Average Interest Rate
2025/26	\$ 143,359,496	5.00%	\$ 10,000,000	6.20%	\$ 153,359,496	5.08%
2026/27	75,548,673	4.33%	-	0.00%	75,548,673	4.33%
2027/28	269,729,358	5.24%	413,645,131	4.64%	683,374,489	4.88%
2028/29	448,563,530	4.86%	-	0.00%	448,563,530	4.86%
2029/30	290,652,140	4.88%	-	0.00%	290,652,140	4.88%
Thereafter	57,220,172	4.27%	-	0.00%	57,220,172	4.27%
	\$ 1,285,073,369	4.90%	\$ 423,645,131	4.68%	\$ 1,708,718,500	4.85%
Deferred financing costs net of accretion					(5,093,601)	
Balance					\$ 1,703,624,899	

The Corporation entered into interest rate swap contracts in order to fix the interest rate on \$1.0 billion of debt at a weighted average rate of 4.70%. On \$177 million of this debt, the bank entered into interest rate swap cancellation agreements, allowing them to cancel the original swap agreements between June 24, 2025 and April 22, 2027.

Debentures

2020 Hybrid Debentures

On July 20, 2020, \$75 million of unsecured senior hybrid debentures were issued at a price of \$1,000 per debenture with a term of sixty-six months, due January 31, 2026. These debentures bear a fixed interest rate of 5.75% per annum, payable semi-annually in arrears on January 31 and July 31 of each year, commencing January 31, 2021. The intended use of the net proceeds of the debentures is to pay down the credit facility and fund anticipated capital expenditures.

On and after January 31, 2025 and prior to the maturity date, the debentures will be redeemable, in whole or in part, from time to time at the Corporation's option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption.

On redemption or at maturity on January 31, 2026, the Corporation may elect to, in whole or part, convert the debentures into freely tradable common shares. In such event, payment will be satisfied by delivering for each \$1,000 due, that number of freely tradable shares obtained by dividing \$1,000 by 95% of the current market price on the date fixed for redemption or maturity, as the case may be. Any accrued and unpaid interest will be paid in cash.

The debentures were recorded as a financial instrument. The debentures were recorded at a fair value of \$75 million net of deferred financing costs of \$3.5 million. Each embedded feature was evaluated separately and it was determined that the economic and risk characteristics are closely related to the host contract and therefore were not accounted for as separate financial instruments.

2021 Hybrid Debentures

On July 19, 2021, \$57.5 million of unsecured senior hybrid debentures were issued at a price of \$1,000 per debenture with a term of sixty-six months, due September 30, 2026. These debentures bear a fixed interest rate of 5.5% per annum, payable semi-annually in arrears on March 31 and September 30 of each year, commencing September 30, 2021. The intended use of the net proceeds of the debentures is to fund potential future opportunities and for general corporate purposes.

On and after September 30, 2024 and prior to September 30, 2025, the debentures will be redeemable in whole or in part from time to time at the Corporation's option at a redemption price equal to 102.750% of the principal amount of the debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. On and after September 30, 2025 and prior to the maturity date, the debentures will be redeemable, in whole or in part, from time to time at the Corporation's option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption.

On redemption or at maturity on September 30, 2026, the Corporation may elect to, in whole or part, convert the debentures into freely tradable common shares. In such event, payment will be satisfied by delivering for each \$1,000 due, that number of freely tradable shares obtained by dividing \$1,000 by 95% of the current market price on the date fixed for redemption or maturity, as the case may be. Any accrued and unpaid interest will be paid in cash.

The debentures were recorded as a financial instrument. The debentures were recorded at a fair value of \$57.5 million net of deferred financing costs of \$2.5 million. Each embedded feature was evaluated separately and it was determined that the economic and risk characteristics are closely related to the host contract and therefore were not accounted for as separate financial instruments.

2023 Convertible Debentures

On January 9, 2023, \$150 million of convertible senior unsecured debentures were issued at a price of \$1,000 per debenture with a term of sixty-six months, due March 31, 2028. These debentures bear a fixed interest rate of 5% per annum, payable semi-annually in arrears on March 31 and September 30 of each year, commencing March 31, 2023. The intended use of the net proceeds of the debentures is to fund potential future opportunities and for general corporate purposes.

On and after March 31, 2026 and prior to March 31, 2027, the debentures will be redeemable in whole or in part from time to time by the Corporation at a redemption price equal to 125% of the principal amount of the debentures redeemed plus accrued and unpaid interest, if any, up to but excluding the date set for redemption. On and after March 31, 2027 and prior to the maturity date, the debentures will be redeemable, in whole or in part, from time to time at the Corporation's option at par plus accrued and unpaid interest, if any, up to but excluding the date set for redemption.

On redemption or at maturity on March 31, 2028, the debentures will be convertible into freely tradeable common shares of the Corporation at the option of the holder at a conversion price of \$8.65 per share.

The debentures were recorded as a financial instrument at a fair value of \$150 million, net of deferred financing costs of \$6.0 million, an equity component of \$18.2 million, and a deferred tax liability of \$4.7 million. The equity component of the convertible debentures relates to the portion of the debentures' value that is attributed to the conversion option, which allows the holder to convert the debentures into common shares of the Corporation.

The debentures are subsequently measured at amortized cost using the effective interest method over the life of the debenture. The balance of the debentures is:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Opening balance	\$ 267,038,477	\$ 261,437,659
Accretion on hybrid debentures	282,750	1,130,998
Accretion on convertible debentures	1,129,896	4,469,820
Interest payable	3,700,348	14,965,475
Interest paid	(5,571,395)	(14,965,475)
Ending balance	<u>\$ 266,580,076</u>	<u>\$ 267,038,477</u>

Share Capital

The common shares issued are:

	Number of Shares	Amount
Balance, December 31, 2023	374,560,308	\$ 404,045,009
Issued on acquisitions	640,000	4,000,000
Dividend reinvestment plan	374,619	1,810,124
Stock options redeemed	-	(108,510)
Common shares repurchased	(8,620,137)	(36,309,062)
Share buyback tax	-	(725,903)
Balance, December 31, 2024	366,954,790	372,711,658
Dividend reinvestment plan	124,920	478,318
Stock options redeemed	1,930,500	702,455
Common shares repurchased	(3,436,275)	(13,549,700)
Share buyback tax	-	(271,571)
Balance, March 31, 2025	365,573,935	\$ 360,071,160

Dividend Reinvestment Plan

Represents common shares issued under the Corporation's dividend reinvestment plan ("DRIP") for holders of common shares. Under the terms of the DRIP, eligible registered holders of a minimum of 10,000 Common Shares (the "Shareholders") may elect to automatically reinvest their cash dividends, payable in respect to the common shares, to acquire additional common shares, which will be issued from treasury or purchased on the open market. The Corporation may initially issue up to 5,000,000 common shares under the DRIP, which may be increased upon Board of Directors approval, acceptance of the increase by the Exchange, and upon public disclosure of the increase.

Stock Options

A total of 35,454,000 options were outstanding as at March 31, 2025 (December 31, 2024 – 35,834,500). Of the outstanding amount, 35,454,000 options were exercisable (December 31, 2024 – 35,834,500). The details are as follows:

Exercise Price	Vesting Date	Expiry Date	March 31, 2025	December 31, 2024
\$ 0.41	Apr. 28, 2015	Apr. 28, 2025	150,000	1,125,500
\$ 0.50	Sep. 14, 2015	Sep. 14, 2025	300,000	1,305,000
\$ 1.36	Dec. 21, 2016	Dec. 21, 2026	2,420,000	2,420,000
\$ 1.78	Mar. 16, 2017	Mar. 16, 2027	2,645,000	2,645,000
\$ 2.52	May 4, 2018	May 4, 2028	2,655,000	2,655,000
\$ 2.90	May 28, 2019	May 28, 2029	5,296,500	5,296,500
\$ 3.98	Dec. 15, 2020	Dec. 15, 2030	5,433,000	5,433,000
\$ 6.31	Dec. 20, 2021	Dec. 20, 2031	6,595,000	6,595,000
\$ 5.94	Dec. 19, 2022	Dec. 19, 2032	6,793,500	6,793,500
\$ 5.23	Dec. 28, 2023	Dec. 28, 2033	1,566,000	1,566,000
\$ 4.00	Jan. 2, 2025	Jan. 2, 2035	1,600,000	-
Options exercisable and outstanding			35,454,000	35,834,500

The Board of Directors of the Corporation may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Corporation, non-transferable options to purchase common shares.

Equity Incentive Plan

Under the Corporation's Equity Incentive Plan passed on May 30, 2018 (the "Plan"), directors, employees and consultants are eligible to receive awards, in the form of Restricted Share Units ("RSUs"), Deferred Share Units ("DSUs") and Named Executive Officer Restricted Share Units ("Neo RSUs"), as and when granted by the Board, at its sole discretion. The maximum number of awards that may be issued under the Plan is 17,545,677. The maximum number of shares that may be reserved for issuance

under the Plan, together with any of the Corporation's other stock based compensation arrangements, may not exceed 10% of the issued shares of the Corporation.

The RSUs and DSUs granted vest in equal annual amounts over three years. The Neo RSUs vest three years after the date of grant. RSUs, DSUs and Neo RSUs are entitled to be credited with dividend equivalents in the form of additional RSUs, DSUs and Neo RSUs, respectively.

With certain exceptions, the Plan provides that (i) the maximum number of awards that may be granted to any one participant together with any other stock based compensation arrangements, in any 12 month period, may not exceed 5% of the issued shares, and, in the case of any consultant, may not exceed 2% of the issued shares; and (ii) the total value of all securities that may be issued to any non-employee director under all of the Corporation's security based compensation arrangements may not exceed \$150,000 per annum.

The Corporation entered into Total Return Swaps ("TRS") as economic hedges of the Corporation's DSUs and RSUs. Under the terms of the TRS, a bank has the right to purchase the Corporation's shares in the marketplace as a hedge against the returns in the TRS. At March 31, 2025, 5,619,028 TRS were outstanding at a value of (\$2,915,140) (December 31, 2024 – 4,621,428 TRS were outstanding at a value of (\$2,759,070)). At March 31, 2025, 100% of the combined DSU and RSU exposures were economically hedged. Hedge accounting is not applied for the DSU/RSU hedging program.

During the three months ended March 31, 2025, the Corporation issued nil common shares at a value of \$nil (December 31, 2024 – nil common shares at a value of nil) under the Plan. A total of 979,878 common shares at a value of \$4,917,329 were outstanding at March 31, 2025 (December 31, 2024 – 979,878 common shares at a value of \$4,917,329).

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

Lease Liabilities

The Corporation leases buildings and land in British Columbia, Alberta, Manitoba, Ontario, Quebec, and the North West Territories. The leases expire between 2026 and 2057, with the leases expiring in 2026 and 2027 having up to 5 years and 20 years of renewals, respectively, which are expected to be exercised by the Corporation.

The lease liabilities are measured at the present value of the lease payments that are not paid at the balance sheet date. Lease payments are apportioned between interest expense and a reduction of the lease liability using the Corporation's incremental borrowing rate to achieve a constant rate of interest on the remaining balances of the liability.

For the three months ended March 31, 2025, the Corporation recognized \$1,142,597 (March 31, 2024 - \$957,738) in interest expense related to its lease liabilities.

A reconciliation of the lease liabilities associated with self storage properties is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Balance, beginning of period	\$ 92,142,366	\$ 99,715,973
Additions and reassessments	20,698,593	(2,966,335)
Cash payments	(2,514,557)	(8,485,753)
Interest	1,142,597	3,878,481
Balance, end of period	<u>\$ 111,468,999</u>	<u>\$ 92,142,366</u>

Lease payments in each of the next five years are estimated as follows:

Year 1	\$ 10,184,503
Year 2	\$ 10,184,361
Year 3	\$ 9,294,438
Year 4	\$ 9,162,203
Year 5	\$ 7,961,368
Thereafter	\$ 112,348,303

Off-Balance Sheet Arrangements

The Corporation is not party to any industry contracts or arrangements other than those disclosed in the financial statements.

RELATED PARTY TRANSACTIONS

The Corporation holds a Master Franchise Agreement from Canadian PUPS Franchises Inc. ("CPFI") which provides the Corporation with the exclusive Canadian franchise rights for the development and operation of portable storage throughout Canada. CPFI is a corporation related to Iqbal Khan and Steven Scott who are directors of the Corporation. The Corporation pays a monthly royalty of 3.5% on the gross sales. During the three months ended March 31, 2025, the Corporation paid \$68,285 (March 31, 2024 - \$72,914) for royalties and \$1,499,551 (March 31, 2024 - \$nil) for storage containers and other equipment under the Master Franchise Agreement. Included in accounts payable and accrued liabilities, relating to the previously noted transactions, at March 31, 2025 was \$24,607 (December 31, 2024 - \$57,625) payable to CPFI.

The Corporation has management agreements with Access Self Storage Inc. and related companies ("Access Group"). These companies are related to Iqbal Khan and Steven Scott who are directors of the Corporation. The Corporation invoices the Access Group for management fees as well as additional services it provides as part of the management agreements. The Access Group will also invoice the Corporation for construction, maintenance and other services related to its day-to-day operations. During the three months ended March 31, 2025, the Corporation received \$1,215,780 (March 31, 2024 - \$1,239,246) in payments and reimbursements related to the management agreements. During the three months ended March 31, 2025, the Corporation also incurred \$14,485,080 (March 31, 2024 - \$11,928,974) in expenditures related to construction, maintenance and other services related to its day-to-day operations. Included in accounts payable and accrued liabilities as at March 31, 2025 was \$527,180 (December 31, 2024 - \$2,671,226) payable to the Access Group. Included in accounts receivable as at March 31, 2024 was \$1,157,156 (December 31, 2024 - \$398,254) receivable from the Access Group.

Key management personnel are those persons having authority and responsibility for planning, directly and indirectly directing, and controlling the activities of the Corporation. Key management personnel are defined as officers and Directors of the Corporation.

The remuneration of key management personnel for employment services rendered are as follows:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Wages, management fees, bonuses and directors fees	\$ 700,017	\$ 316,214
Stock based compensation	-	59,375
	<u>\$ 700,017</u>	<u>\$ 375,589</u>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

StorageVault prides itself on having best-in-country ESG practices prioritizing long-term sustainable environmental and social responsibilities consistent with our governance policies.

Environmental integrity, social responsibility, and a commitment to strong corporate governance are core values at StorageVault. We remain focused on further reducing the already minimal environmental impact of our stores, enhancing our engagement with colleagues and shareholders, supporting the over 100 communities in which we operate, and upholding sound corporate governance practices.

Environmental

We believe that sustainability and success go hand in hand, and to thrive as a business, we must make a positive contribution to our communities. As a community focused company, we recognize our responsibility to adopt sustainable operating practices that minimize our environmental impact while enhancing the performance of our portfolio. Our goal is to create a positive impact on the environment, our communities, shareholders and the broader self storage industry.

As part of our commitment to energy conservation, we strategically offer a range of square footage options, including both non-climate controlled and temperature controlled spaces. For properties with temperature controlled storage, we regulate temperatures to protect the integrity of stored items while minimizing energy consumption for heating and cooling. Non-climate controlled areas have minimal environmental impact. This approach not only reduces our energy usage but also lowers expenses, benefiting all stakeholders.

We actively seek forward thinking energy saving initiatives, including the use of geothermal heating systems, rooftop solar panels, solar walls, motion activated lighting systems, and retrofitting older fixtures with modern, energy efficient alternatives. Our solar program helps reduce our carbon footprint by generating renewable energy, while also delivering financial returns. Water usage at our properties is kept to a minimum. Additionally, we source and sell packing supplies made from recycled materials, and our digital rental process has significantly reduced paper consumption.

The self storage industry has one of the lowest environmental impacts in terms of energy consumption, water usage, and waste production compared to other real estate asset classes. This is primarily due to the inherently low environmental footprint of storage properties, as they experience minimal daily activity. With limited client traffic and activity, the storage industry plays a key role in reducing carbon emissions and minimizing its overall environmental impact within our communities.

Energy Reduction and Generation

- Solar power generation through rooftop panels and solar walls.
- Geothermal heating and cooling systems, which uses the earth as a source for heating and cooling. Geothermal heat pumps are among the most energy efficient technologies for HVAC and water heating, using significantly less energy than traditional systems.
- Automated and self adjusting internal thermostat temperature controls.
- Energy efficient HVAC systems and use of in floor radiant heating.
- All new or replaced roofs are reflective “cool” roofs, designed to minimize energy consumption.
- Over 90% of all properties feature motion sensor lighting, enabling on demand usage.
- Over 80% of properties have been retrofitted with interior LED lighting, and over 60% with exterior LED lighting.

Green Building Design and Construction Practices

- Energy efficient windows used in all new construction and expansion projects.
- SolarWall systems or insulated metal panels are used in the construction of new and retrofitted buildings.
- Standard exterior storage doors are being replaced with energy efficient doors.
- Insulated foundation walls are installed to help maintain and keep the foundation slab warm.
- All proposed acquisitions undergo environmental site assessments prior to closing.

Waste Reduction and Recycling

- RecordXpress, our information and records management, paper shredding and recycling division, recycled over 10.2 million pounds of paper, saving 444,000 trees, diverting 99,000 cubic meters from landfills, and eliminating the need for 198,000 barrels of oil that would otherwise be required to harvest raw materials.
- Sale of moving and packaging supplies made from recycled materials.
- Garbage and waste recycling programs at our stores and corporate offices.
- Paperless and digital rental process that reduces paper usage through more efficient technology options.
- Electronic recycling and e-waste reduction program for decommissioned computer equipment, which either donates refurbished equipment to local charities or recycles equipment that cannot be repurposed.

Water Reduction and Conservation

- One washroom per property, on average, due to low occupant levels and client activity at our locations.
- Low flow and energy efficient plumbing systems and appliances.
- Low water irrigation systems.
- Landscaping featuring native and drought tolerant plant species.
- Water run off controls to manage and minimize waste.
- Stormwater retention systems to improve water management and reduce environmental impact.

Social

As a Canadian company, our passion and commitment to supporting our colleagues, clients, communities, and country has never been stronger. We are truly grateful for the opportunity to serve and support our fellow Canadians from coast to coast.

Supporting our Communities

StorageVault is committed to fostering healthy and strong communities through our pillars of support, including healthcare, food security, the arts, education, and sports. From grassroots initiatives to gold medals, and from food banks to shelters, we are passionate about our commitment to service and community. Our over 300 partnership initiatives span local, regional, and national organizations, strategically supporting our communities and creating meaningful, lasting impact.

Our team of over 900 colleagues are grateful for the opportunity to service and support our clients in more than 100 communities across Canada, as well as for the strong partnerships we have built along the way.

Employee Engagement and Wellbeing

StorageVault is committed to cultivating a culture that prioritizes well-being, promotes healthy practices, and supports work life balance. At the heart of our philosophy is a strong belief in developing and retaining talented individuals. We emphasize active engagement from management at all levels, fostering meaningful connections between colleagues, clients, the board, and other stakeholders. Our conviction is rooted in the belief that by prioritizing the well-being of our team, we support and empower each other to extend that care to our clients, stores, and communities.

Employee Engagement and Well-being Highlights:

- Bonus opportunities – based on individual, store and corporate performance success.
- Change Committee – self storage team members have established a volunteer committee to offer feedback on presented topics or propose ideas that would benefit the organization. Some successful ideas that have been implemented include those related to health and safety, communications and training.
- Corporate events – we offer a variety of events including team building activities, Family Bowling, Pot-Luck Lunches and Christmas gatherings.
- Health and insurance benefits – we provide competitive health and insurance benefits, employee assistance programs, paid time off, and leave of absence and bereavement support.
- Incentive programs – we provide a variety of programs and contests, such as our Step Challenge, which encourages our employees to meet step goals and promotes a healthier lifestyle.
- Internal promotions – strong commitment to fostering merit based growth and advancement from within. Many of our senior team members have been with our company for many years and have continuously grown and developed throughout their tenure.
- Wellness Wednesdays – a monthly webinar for all our colleagues with topics including finance, wellness, meditation, exercise, mental health and hobbies.
- Training and Career Development – dedicated Corporate Training team has created an industry leading program for our New Hires. In addition to New Hire training, our team also hosts Monthly All-Store webinars and offer specialized sessions for Store Managers (teaching leadership, customer service and wellness skills) as part of our Elite Academy Sessions to support career development.

Governance

StorageVault's Board and Management recognize the importance of equality and diversity and are committed to upholding the highest standards of governance. This commitment is demonstrated through the following:

- Diverse Board and Management team
 - 66% of our Directors are independent
 - 50% Board diversity (gender and race)
 - 33% of our Directors are female
 - 52% of our senior management are female
- Annual Board review and approval of executive compensation
 - Performance targets set, approved and reviewed by Board to determine payouts
- Annual election of Directors by shareholders at AGM
- Independent Director led Audit, Acquisition and Governance, Nominating and Compensation Committees
- Acquisition Committee Mandate to review, approve and recommend transactions to the Board

- Regular review, update and reapproval by our Board of all Corporate Governance mandates, principles and policies:
 - Charter of the Audit Committee
 - Charter of the Board of Directors
 - Charter of the Governance, Nominating and Compensation Committee
 - Code of Business Conduct (mandatory for all employees)
 - Disclosure and Confidentiality Policy
 - Diversity Policy
 - Insider Trading and Reporting Policy
 - Majority Voting Policy
 - Whistleblower Policy

We take pride in the diverse composition of our team, which has naturally evolved within our organization. Additionally, we are committed to fostering merit based growth and advancement from within. Many of our senior team members have progressed through the ranks, not only spending many years with our company but also continuously growing and developing throughout their tenure.

For the 5th time, StorageVault has been recognized by The Globe and Mail's 2025 Report on Business, *Women Lead Here*. This annual editorial benchmark identifies best-in-class gender diversity in corporate Canada. This award recognizes and is representative of StorageVault's equity and inclusion that is organic within our organization.

StorageVault is dedicated to supporting and ensuring stability to protect the long term interests of all its stakeholders through disciplined corporate governance practices. In line with our commitment to transparency and strong governance, we make all corporate policies, mandates, and charters publicly available on our website.

ACQUISITION COMMITTEE AND ACQUISITION COMMITTEE MANDATE

The Corporation may, from time to time, purchase assets from parties related to the Corporation, and in particular, assets or shares owned or controlled by management of the Corporation or Access Self Storage Inc. (Access) or any of its subsidiaries or affiliates. To govern such potential related party transactions, the Corporation has established an Acquisition Committee and an Acquisition Committee Mandate.

The Acquisition Committee is comprised of five voting members, three members being independently appointed and independent of management and two of which are appointed by Access. Acquisition Committee members who are deemed to be in a conflict of interest position with respect to related party transactions are required to abstain from voting on such related party transactions.

The mandate of the Corporation's Acquisition Committee is to review, evaluate, and approve the terms of proposed acquisitions in the context of the current strategic direction of the Corporation. In particular, and with respect to related party property acquisitions, the Acquisition Committee has the authority to appoint appraisers, environmental consultants, and professional advisors to evaluate and report to the Acquisition Committee on the suitability of such transactions. Thereafter, the Acquisition Committee provides its recommendation as to whether the Board of Directors should approve an acquisition.

The Board of Directors of the Corporation must accept the recommendations that the Acquisition Committee makes with respect to any related party transaction, and in particular, an acquisition involving assets or shares of Access or any of its subsidiaries or affiliates.

ACCOUNTING POLICIES

The Corporation's significant accounting policies are summarized in Note 3 to the December 31, 2024 annual audited consolidated financial statements. There has been no change in significant accounting policies from the Corporation's annual audited financial statements from December 31, 2024. In addition, there has been no change in the Company's financial instrument risks.

Non-IFRS Financial Measures

Management uses both IFRS and Non-IFRS measures to assess the Corporation's operating performance. In this MD&A, management uses the following terms and ratios which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other companies:

- i. Net Operating Income ("NOI") – NOI is defined as storage and related services less operating costs. NOI does not include interest expense or income, depreciation and amortization, selling, general and administrative costs, acquisition and integration costs, stock based compensation costs or taxes. NOI assists management in assessing profitability and valuation from principal business activities.
- ii. Funds from Operations ("FFO") – FFO is defined as net income (loss) excluding gains or losses from the sale of depreciable real estate, plus depreciation and amortization, realized gains or losses on real estate, realized and unrealized gains or losses on interest rate swaps, interest accretion on convertible debentures, realized and unrealized gains or losses on derivative financial instruments, stock based compensation expenses, and deferred income taxes; and after adjustments for equity accounted entities and non-controlling interests. FFO should not be viewed as an alternative to cash from operating activities, net income, or other measures calculated in accordance with IFRS. The Corporation believes that FFO can be a beneficial measure, when combined with primary IFRS measures, to assist in the evaluation of the Corporation's ability to generate cash and evaluate its return on investments as it excludes the effects of real estate amortization and gains and losses from the sale of real estate, all of which are based on historical cost accounting and which may be of limited significance in evaluating current performance.
- iii. Adjusted Funds from Operations ("AFFO") – AFFO is defined as FFO plus acquisition and integration costs. Acquisition and integration costs are one time in nature to the specific assets purchased in the current period or pending and are expensed under IFRS.
- iv. Existing Self Storage and New Self Storage performance – "Existing Self Storage" are stabilized stores that the Corporation has owned or leased at least since the beginning of the previous fiscal year. "New Self Storage" are non-stabilized stores that have not been owned or leased continuously since the beginning of the previous fiscal year or stores that are under significant renovations. We believe the use of this metric combined with primary IFRS measures is beneficial in understanding the full operating performance of our operations during a growth period. Comparative figures for the New Self Storage and Existing Self Storage categories may differ from amounts reported in previous MD&A reports.

Recent and Future Accounting Pronouncements

The IASB and the International Financial Reporting Interpretations Committee have issued a number of new or revised standards or interpretations that will become effective for future periods and have a potential implication for the Corporation. There have been no pronouncements in addition to those disclosed in the December 31, 2024 annual audited consolidated financial statements.

Disclosure Controls and Procedures

Pursuant to National Instrument 52-109, which requires certification of disclosure in an issuer's annual and interim filings, the Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Corporation's internal disclosure controls and procedures for the three months ended March 31, 2025, including the design of internal controls over financial reporting, to provide reasonable assurance regarding the reliability of financial reporting in accordance with IFRS. These officers have concluded that the Corporation's disclosure controls and procedures are designed effectively to ensure that information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded, processed and reported within the time specified in those rules.

There have been no changes in the Corporation's internal controls over financial reporting that have materially affected or are reasonably likely to affect the Corporation's internal controls over financial reporting for the three months ended March 31, 2025.

RISKS AND UNCERTAINTIES

As our primary business consists of owning and operating storage real estate, we are exposed to risks related to such ownership and operations that can adversely impact our business and financial position. The following is a brief overview of some of the potential risks and the potential impacts these risks and uncertainties may have on the operations of the Corporation:

Real Estate Industry

Real estate investments are subject to varying degrees of risk depending on the nature of each property. Such investments are affected by general economic conditions, local real estate markets, supply and demand for rental space, competition from others with similar developments, the perceived “attractiveness” of a given property and various other factors.

Liquidity Risk

Liquidity risk is the risk that the Corporation will be unable to meet its financial obligations as they fall due. The Corporation manages liquidity risk through cash flow forecasting and regular monitoring of cash requirements including anticipated investing and financing activities. Typically, the Corporation ensures that it has sufficient cash or liquid investments available to meet expected operating expenses for a period of 30 days, excluding the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. For the foreseeable future, the Corporation anticipates that cash flows from operations, working capital, and other sources of financing will be sufficient to meet its operating requirements, debt repayment obligations and will provide sufficient funding for anticipated capital expenditures.

Refinancing Risk

There is no certainty that financing will be available upon the maturity of any existing mortgage at terms that are as favorable as the expiring mortgage, or at all. If the Corporation is unable to refinance an existing indebtedness on favorable terms, the Corporation may need to dispose of one or more properties on disadvantageous terms. Prevailing interest rates, limited availability of credit or other factors at the time of refinancing could increase interest expense and ultimately decrease the return to investors.

Interest Rate Risk

Interest rate risk arises from changes in market interest rates that may affect the fair value of future cash flows from the Corporation’s financial assets or liabilities. Interest rate risk may be partially mitigated by holding both fixed and floating rate debt, or by staggering the maturities of fixed rate debt. The Corporation is exposed to interest rate risk primarily relating to its long term debt. The Corporation will manage interest rate risk by utilizing fixed interest rates on its mortgages where possible, entering into floating-to-fixed interest rate swaps, staggering maturities over a number of years to mitigate exposure to any single year, and by attempting to ensure access to diverse sources of funding.

Economic Conditions

While storage is less susceptible to changes in the local economy as storage space is often needed during times of both growth and recession, downturns in a local economy could negatively affect our revenues and NOI. A significant portion of storage customers use storage while moving from one residence to another or when a residence is being renovated. In times of economic downturn, the level of activity in housing sales and housing renovation could decrease, thereby decreasing storage rental demand.

Contagious Diseases

Outbreaks of highly infectious or contagious diseases, such as the COVID-19 pandemic, may impact demand for our storage space and ancillary products and services, which can result in potential decreases in occupancy, rental rates and administrative fees, and increases in expenses, which could adversely affect our results.

Environmental Risk

Environmental risk is inherent in the ownership of property. Various municipal, provincial and federal regulations can result in penalties or potential liability for remediation, to the extent that hazardous materials enter the environment. The presence of hazardous substances could also impair the Corporation’s ability to finance or sell the property, and might expose the Corporation to civil lawsuits. To mitigate such risk, the Corporation procures recent or updated environmental reports for all acquisitions to ascertain the risk, if any, that exist at a property. It also prohibits the storage of hazardous substances as a condition of the user agreement signed by customers.

Credit Risk

Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their financial obligations to the Corporation. The risk of incurring bad debts often arises if storage customers relocate and cannot be found to enforce payment, or if storage customers abandon their possessions. The extent of bad debts can be mitigated by quickly following up on any unpaid amounts shortly after the due date, enforcing late fees, denying access to any customers with delinquent accounts, and ultimately seizing the possessions of the customer. Additionally, the Corporation typically rents to numerous customers, each of which constitutes significantly less than 5% of the Corporation's monthly revenue. This diversification in the customer base reduces credit risk from any given customer.

Other Self Storage Operators or Storage Alternatives

The Corporation competes with other individuals, corporations and institutions which currently own, or are anticipating owning a similar property in a given region. Competitive forces could have a negative effect on occupancy levels, rental rates or operating costs such as marketing.

Acquisition of Future Locations

Competition also exists when the Corporation attempts to grow through acquisitions of storage locations. An increase in the availability of investment funds in the general market, and a subsequent increase in demand for storage locations would have a tendency to increase the price for future acquisitions of storage locations and reduce the yields thereon.

Anticipated Results from New Acquisitions

The realization of anticipated results and value from acquisitions can be jeopardized from unexpected circumstances in integrating stores into our existing operations, from situations we did not detect during our due diligence, or from increases in property taxes following reassessments of newly acquired locations.

Increase in Operating Costs

Our operating margins can be negatively impacted from increases in operating costs such as property taxes, staffing costs, insurance premiums, repairs and maintenance costs, utility costs and other costs due to various factors such as the need for governments to raise funds, natural disasters, and energy prices.

Climate and Natural Disasters

The storage industry in Canada can be cyclical. Due to the climate, demand for storage is generally weaker in winter months with an increase in operating costs resulting in potentially lower NOI during Q1 and Q4.

Natural disasters, such as floods, wildfires, earthquakes or severe winter storms may result in damage and business interruption losses that are greater than the aggregate limits of our insurance coverage. We maintain a comprehensive insurance policy to cover such events, however some insurance coverage may be or become unavailable or cost prohibitive.

Litigation

Legal claims may arise from the ordinary course of our business. Resolution of these claims would divert resources from the Corporation such as cash to pay expenses and damages and the diversion of management's time and attention from the Corporation's business. The impact and results from litigation cannot be predicted with certainty and can have a material adverse effect on the business.

Use and Dependency on Information Technology Systems

Our business is heavily dependent on the use of information technology, with the majority of our new customers communicating and transacting with us electronically or over the phone. Commerce over the internet and the nature of our business requires us to retain private information about our customers. Significant aspects of these systems are centrally managed, such as our financial information and some are managed by third party vendors. These systems may be subject to telecommunication failures, cyber-attacks, computer worms and viruses, and other disruptive security breaches, all of which could materially impact our operations, resulting in additional costs and or in legal action either by government agencies or private individuals.

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