ANNUAL REPORT 2023

STORAGEVAULT
CANADA SELF STORAGE CENTRES

SHOP STORE

About StorageVault Canada Inc.

StorageVault is Canada's largest storage provider and is dedicated to safeguarding the belongings of Canadian families and businesses - owning and managing 243 storage locations across Canada. StorageVault owns 212 of these locations plus over 5,000 portable storage units representing over 11.8 million square feet of rentable space on 686 acres of land. StorageVault is represented regionally under the following brands: Access Storage, Sentinel Storage, Depotium Mini-Entrepôt and Cubeit Portable Storage. StorageVault also provides last mile storage and logistics solutions through FlexSpace Logistics and professional records management services, such as document and media storage, imaging and shredding services through RecordXpress.

Corporate Information

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LETTER TO OUR SHAREHOLDERS

Dear Fellow Shareholders,

As the self storage industry returned to its regular cadence in 2023, our business continued to produce solid results. StorageVault acquired $94.6 million of assets in 2023, with another 3 acquisitions expected to be completed in the first half of 2024. We were again recognized as one of the country's most gender diverse companies and continue to support over 250 charities and community organizations throughout Canada. StorageVault has also been recognized as a Dividend Aristocrat after 5 years of consistent dividend increases. There have been many questions about interest rates and debt, but you can see from our Financial Statements that our Balance Sheet is very healthy with 95% of our debt being fixed interest debt and our weighted average interest rate remaining relatively flat at 4.8% compared to 4.73% in 2022. We were more active on our NCIB having accretively repurchased 4.4 million shares at a cost of $21.6 million or $4.91 per share in 2023 compared to issuing 4.9 million shares at a value of $31.3 million or $6.44 on acquisitions in 2022 and 2023.

Operations

Immigration continues to provide a solid tailwind for our business, even with the substantial slowdown in housing transactions. After achieving a cumulative same store NOI growth of 32.7% over the prior two pandemic years, same store results were very respectable with a 4.8% increase in revenues and 4.5% increase in NOI, and in line with our long term objective of 4% to 6% average annual NOI growth. We have been very pleased with the performance of our FlexSpace Logistics last mile solution platform and are excited to launch our MoveBuddy platform which will focus on Business-to-Consumer relationship.

Platform Strength and Scale

We acquired 7 self storage locations and 2 parcels of land (to expand an existing store) for $94.6 million in 2023 and have announced 3 additional acquisitions expected to close in the first half of 2024 for $35.5 million. Our bespoke acquisition pipeline continues to pay dividends as we expect to complete $70 to $100 million of acquisitions in 2024.

We expect that the $850 million of acquisitions completed over the last 4 years will provide synergies, efficiencies and free cash flow growth for many years to come. While slower than we would like, we continue to make progress on the over 450,000 square feet of expansion projects that are currently in development, permitting and entitlement. These projects will produce significant cash flows and create substantial value going forward.

ESG

StorageVault continues to be recognized for having best-in-class ESG practices that focus on long term sustainable environmental and social responsibilities, which are consistent with our sound governance policies. Some of this year's accomplishments are:

- Recognition as a Dividend Aristocrat
- The largest solar, motion sensor, LED lighting and in floor radiant heating platform in the Canadian storage industry
- Use of geothermal heating and cooling systems - geothermal heating systems use the earth as a heating and cooling source. Geothermal heat pumps are among the most energy-efficient technologies for providing HVAC and water heating, using far less energy than traditional systems
- Our paper shredding and recycling business, through our RecordXpress brand, saved over 430,000 trees in 2023
- Three time recipient of The Globe and Mail's Report on Business Women Lead Here award
- Support of over 250 charities and community programs across Canada
- The ongoing investment in our diverse team continues to foster merit based growth and advancement in all levels of our organization, as well as tolerance, personal well being and safety

Thank you for your continued confidence and support of our ever growing platform, we will continue to grow cash flow and shareholder value for many years to come.

Steven Scott
Chief Executive Officer
February 22, 2024

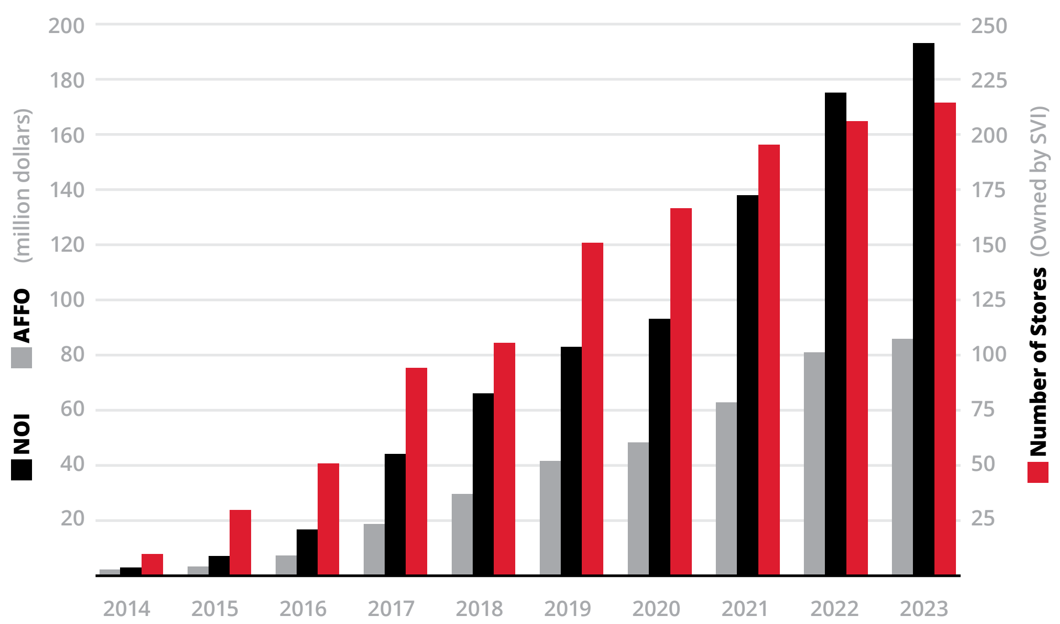
SHOP STORE

2023 HIGHLIGHTS

10.3% REVENUE

10.0% NOI

7.6% AFFO PER SHARE



SQUARE FOOTAGE

We grew to **11.8 million sqft** of rentable space in **103,000 storage units**

ACQUISITIONS

$94.6 million
in acquisitions
completed in 2023

REVENUE

Revenue growth of **10.3%** to **$288.7 million** from $261.8 million

NOI

NOI growth of **10.0%** to **$193.6 million** from $176.0 million

OUTLOOK

Expecting
$70 - $100 million in
acquisitions in 2024

SHAREHOLDER RETURN

1,066%
9 year total
shareholder return

OUR NATIONAL FOOTPRINT

Brand Portfolio

ACCESS STORAGE
DEPOTIUM MINI ENTREPÔT
SENTINEL STORAGE
cubeit
FlexSpace Logistics
RECORDXPRESS Safeguarding Canada's Information Journey
movebuddy
PUPS CONTAINERS

240+ locations owned and managed across Canada and growing!

SHOP STORE™

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

At StorageVault, we consider environmental sustainability, social responsibility, and commitment to strong corporate governance practices as core values and the foundation of what we do day-in and day-out. Our ongoing efforts involve reducing the already minimal environmental impact of our stores, enhancing engagement with colleagues and shareholders, supporting the over 100 communities in which we operate, and upholding sound corporate governance practices. Together with our business objectives, these core values ensure we continuously deliver strong and sustainable results for all stakeholders.

ENVIRONMENTAL

We hold the belief that sustainability and success are intertwined, and to prosper as a business, we must contribute positively to our communities. As a community based business, we recognize our responsibility to implement sustainable operating practices, aiming to minimize our impact and preserve the environment while enhancing the performance of our portfolio. Our objective is to positively impact the environment, our communities, shareholders, the broader self storage industry, and future generations.

In our commitment to energy conservation, we strategically offer a mix of square footage, including non-climate controlled and temperature-controlled spaces. For properties with temperature-controlled storage, we regulate temperatures to ensure the safety of stored contents while minimizing energy consumption for heating or cooling. Non-climate-controlled areas have minimal environmental effects. This not only reduces our usage, but our expenses as well, benefiting all stakeholders.

We continually implement forward-thinking energy-saving initiatives, such as using geothermal heating systems, rooftop solar panels, solar walls, motion-activated lighting systems, and the retrofitting of older fixtures with modern, energy-efficient alternatives. Water usage at our properties is at very low levels. Furthermore, we source and sell packing supplies made from recycled materials, and our digital rental process has significantly reduced paper usage.

The self storage industry has the lowest environmental impact for energy consumption, water usage, and waste production when compared to all other real estate asset classes. The storage industry has an inherently low environmental impact due to its minimal daily activity levels compared to other commercial properties dues to the limited daily client activity and traffic which contribute to minimizing our carbon footprint within our communities.

The self storage industry has the lowest environmental impact in comparison to all the other real estate asset classes

***Source**: Urban Land Institute, Greenprint Performance Report, Volume 12*

** Other property types include Industrial, Multifamily, Office and Retail*

ENERGY REDUCTION & GENERATION

- over 90% of all properties have motion sensor lighting, allowing for usage on-demand
- 80% of interior and 60% of exterior lighting have been retrofitted with LED lighting
- automated and self-adjusting internal thermostat temperature controls
- use of geothermal heating and cooling systems - geothermal heating systems use the earth as a heating and cooling source. Geothermal heat pumps are among the most energy-efficient technologies for providing HVAC and water heating, using far less energy than traditional systems
- energy efficient HVAC systems
- solar power generation using roof top and solar walls
- all new roofs installed or replaced are reflective “cool” roofs that help minimize energy consumption
- use of in-floor radiant heating

GREEN BUILDING DESIGN & CONSTRUCTION PRACTICES

- all new construction projects are built using energy efficient windows
- use of SolarWall systems or insulated metal panels used in construction of new and retrofitted buildings
- replacing standard exterior storage doors with energy efficient doors
- insulated foundation walls to help maintain and keep the foundation slab warm
- all proposed acquisitions are subject to environmental site assessments prior to the closing

WASTE REDUCTION & RECYCLING

- RecordXpress, our paper shredding and recycling division, recycled over 9.89 million pounds of paper; saving 430,000 trees, diverting 96,000 cubic meters from landfills and pre-emptively eliminating 193,000 barrels of oil required to harvest the raw product.
- sale of moving and packaging supplies made from recycled materials
- garbage and waste recycling at our stores and corporate offices
- digital rental process that reduces paper usage through more efficient technology options
- electronic recycling and e-waste reduction program for decommissioned computer equipment that either donates refurbished equipment to local charities or recycles equipment that cannot be repurposed

WATER REDUCTION & CONSERVATION

- one washroom per property, on average, given low occupant levels and client activity at our properties
- low flow and energy efficient plumbing systems and appliances
- low-water irrigation systems
- landscaping using drought-tolerant and native species
- water run-off controls
- storm water retention

SOCIAL

At StorageVault, our foremost commitment is to support both our colleagues and the communities in which we reside and operate. With over 800 colleagues across more than 100 communities throughout Canada, we express gratitude for the privilege of being a part of these diverse locales. In 2023, we proudly supported over 250 community organizations; working together to create meaningful and enduring impacts.

Engagement and Wellbeing

StorageVault is dedicated to fostering a culture that prioritizes wellbeing, promotes healthy practices, and supports work-life balance. Central to our philosophy is a strong belief in developing and retaining talented people. We emphasize active engagement from management at all levels, fostering connections between colleagues, clients, the Board, and other stakeholders. Our conviction is rooted in the belief that by prioritizing the wellbeing of our colleagues, we enable our team to reciprocate that care towards our clients, our stores and our communities. 2023 engagement and wellbeing highlights include:

- Wellness Wednesdays - a monthly webinar for all our colleagues with topics including finance, wellness, meditation, exercise, mental health and hobbies.
- Change Committee – our self storage team members have established a volunteer committee that convenes monthly 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 & safety, communications and training.
- Training and Career Development - our dedicated Corporate Training team has created an industry leading program for our New Hires. In addition to New Hire training, our team 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.
- We provide competitive health and insurance benefits, employee assistance programs, paid time off, and leave of absence and bereavement support.
- Bonus opportunities are based on individual, store and corporate performance.
- We organize incentive programs such as our Step Challenge, which encourages our employees to meet step goals to help promote a healthier lifestyle.
- Annual corporate events including Family Bowling, Pot-Luck Lunches and Christmas parties.

Supporting our Communities

At StorageVault, we take great pride in fostering long-term, sustainable relationships that make a difference year over year. In 2023, our commitment to Canadian communities was steadfast as we aligned with not-for-profit agencies and grassroots organizations to provide tangible support for meaningful outcomes. With emphasis placed on our five community pillars: food security, healthcare, education, sports, and the arts, we work intimately with over 250 local, regional and national partners to enhance their ability to support communities. We strategically align and leverage the power and influence of our national partners, using their reach to elevate our grassroots partners in need which results in enhanced support.

As a Canadian company, our passion and desire to be there for our colleagues, clients, and communities has never been greater. We are incredibly grateful to be able to support our fellow Canadians from coast to coast.

GOVERNANCE

StorageVault's Board and Management recognize the importance of equality, diversity and is dedicated to maintaining the highest governance standards, which is exemplified through the following:

- Increased our Board of Directors from 5 to 6 members
  - 66% of our directors are independent
- Diverse Board and Management team
  - 50% Board Diversity (gender and race)
  - 33% of our directors are female
  - 52% of our senior management are female
- Annual Board review and vote to approve executive compensation
- Annual election of Directors by shareholders at AGM
- Tri-annual approval of the Stock Option Plan 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

For the third time, StorageVault has been recognized by The Globe and Mail's 2023 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 workplace across Canada.

StorageVault remains committed to supporting and ensuring stability to safeguard the long-term interests of all its stakeholders through our disciplined corporate governance practices. In a commitment to transparency and good governance practices, StorageVault makes its corporate policies, mandates, and charters publicly accessible on our corporate website.

OUR BOARD MEMBERS

JAY LYNNE FLEMING
Director

In 1999, Ms. Fleming founded Storage For Your Life which was sold to the Corporation in September 2015. She now serves the Corporation as a director and as a member of the Audit Committee, Acquisition Committee and is the Chair of the Governance, Nominating and Compensation Committee. Ms. Fleming is the President and CEO of CVL Investments Ltd., a private investment entity. Throughout her career, she has been continuously active in private commercial real estate. She holds a Business Certificate from Capilano University received in 1991.

BEN HARRIS
Director

Mr. Harris has more than 20 years of real estate investment and management experience. Mr. Harris is the founder and CEO of Pinedale Capital Partners, a privately held investment management firm focused on the acquisition, development and operation of industrial properties across the United States. Mr. Harris is a graduate of Dalhousie University and the University of Kings College in Canada where he received joint Science degrees in Economics. He also serves on the board of Rippowam Cisqua School in Bedford, NY and is on the boards of Sonida Senior Living (NYSE:SNDA) and Outerspace Ops Inc.

IQBAL KHAN
CFO & Director

Chief Financial Officer of the Corporation. Mr. Khan is a Principal and Chief Financial Officer of The Access Group of Companies focusing on the ownership, acquisition and development of storage, multi-residential and commercial real estate in Canada, and prior to the internalization into the Corporation, President of RecordXpress, a records management company. Mr. Khan is the Chief Executive Officer and a director of Parkit Enterprise Inc. (TSX-V: PKT). He is also the Chairperson of the Canadian Self Storage Association Tax Committee.

STEVEN SCOTT
CEO & Director

Chair and Chief Executive Officer of the Corporation. Mr. Scott is currently a director and Audit Committee Chair of Park Lawn Corporation (TSX: PLC). Mr. Scott is also a director and Chair of Parkit Enterprise Inc. (TSX-V: PKT). Mr. Scott is a Principal and Chief Executive Officer of The Access Group of Companies focusing on the ownership, acquisition and development of storage, multi-residential and commercial real estate in Canada. Mr. Scott is also a Director and Treasurer of the Canadian Self Storage Association.

AL SIMPSON
Director

In 2007, Mr. Simpson co-founded the Corporation and was President and Chief Executive Officer until April 2015. He serves as a director and Acquisition Committee Chair. In 2000, Mr. Simpson co-founded Hospitality Network Canada now operating as HealthHub Patient Engagement Solutions Inc. and was President and Chief Executive Officer. Recently, Mr. Simpson co-founded Proton Capital Corp. (TSX-V: PTN.P), a capital pool corporation. Mr. Simpson is also a member of the Saskatchewan Government House Board of Trustees.

MARY VITUG
Director

Ms. Vitug has over 30 years of capital markets experience, including 24 years at Scotiabank as a Managing Director in Investment Banking and Equity Capital Markets. Ms. Vitug is a currently a member of the Board of Trustees of Slate Grocery REIT and an independent member of the Private Capital Investment Committee of Nicola Wealth. Ms. Vitug is a Chartered Professional Accountant, holds a BA in Economics from the University of Toronto and a MBA from the Rotman School of Management.

FINANCIAL STATEMENTS

StorageVault Canada Inc.
Financial Statements

For the Years Ended December 31, 2023 and 2022

To the Shareholders of StorageVault Canada Inc.:

Opinion

We have audited the financial statements of StorageVault Canada Inc. (the "Corporation"), which comprise the statements of financial position as at December 31, 2023 and December 31, 2022, and the statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the acquisition date fair value for property, plant and equipment and intangible assets related to the current year business acquisitions

Key Audit Matter Description

We draw attention to note 4 to the financial statements. Over the course of the year ended December 31, 2023, the Corporation acquired 6 self-storage facilities and commercial properties. The Corporation recorded property, plant and equipment ("PP&E") of $88 million and intangible assets ("IA") of $4 million. These acquisitions have been accounted for using the acquisition method.These acquisitions consisted of both arm's length and non-arm's length transactions.

We identified the evaluation of the acquisition date fair value for PP&E and IA related to the business acquisitions as a key audit matter. Significant auditor judgment was required to evaluate the results of our audit procedures regarding the approach and significant assumptions with respect to the estimated acquisition date fair value of PP&E and IA. In addition, specialized skills and knowledge were required in evaluating the results of our audit procedures.

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Audit Response

We responded to this matter by performing procedures in relation to the evaluation of the acquisition date fair value of PP&E and IA. Our audit work in relation to this included, but was not restricted to, the following:

We involved internal and external valuation professionals with specialized skills and knowledge, who assisted in assessing:

- the appropriateness of the valuation methodologies utilized;
- the reasonableness of certain valuation assumptions applied;
- the mathematical accuracy of the valuation calculations utilized in the fair value analysis; and
- the reasonableness of the discount rates applied in determining the fair value of the assets.

Assessment of the recoverable amount of goodwill and indefinite life intangible assets allocated to various cash generating units

Key Audit Matter Description

Assessment of the recoverable amount of goodwill allocated to various cash generating units and intangible assets with indefinite useful lives.

We draw attention to note 5 and 6 to the financial statements. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually or more frequently if there is an indication that a cash generating unit ("CGU") or group of CGUs to which the goodwill and intangible assets with indefinite useful lives relate, may be impaired. When the carrying amount of a CGU or group of CGUs, to which the goodwill and intangible assets with indefinite useful lives exceeds its recoverable amount the goodwill and intangible assets with indefinite useful lives with respect thereto are considered impaired and its carrying amount is reduced to its recoverable amount.
The Corporation completed the annual impairment tests on the group of CGUs. Total goodwill at December 31, 2023 pertaining to the group of CGUs was $108 million and the total value of intangible assets with indefinite useful lives was $16 million.

For the year ended December 31, 2023, the Corporation has not recognized any impairment relating to goodwill and intangible assets with indefinite useful lives.

We identified the assessment of the recoverable amount of goodwill and indefinite life intangible assets as a key audit matter due to the degree of judgment and subjectivity in evaluating management's estimates and assumptions in determining the recoverable amount of the group of CGUs. Significant assumptions included:

- Forecasted income before finance costs, taxes, depreciation and amortization, share based compensation, and certain other income and expenses;
- Growth rates; and
- Discount rates.

Audit Response

We responded to this matter by performing procedures in relation to the assessment of the recoverable amount of goodwill and indefinite life intangible assets allocation to various CGU's. Our audit work in relation to this included, but was not restricted to, the following:

We compared the Corporation's 2023 actual income and expenses to the amount budgeted for 2023 to assess the Corporation's ability to accurately forecast.

We evaluated the appropriateness of the forecasted income and expenses used in the estimate of the recoverable amount for the group of CGUs by:

- Comparing the forecasted income and expenses for the group of CGUs to historical results.

We involved internal valuation professionals with specialized skills and knowledge, who assisted in:

- Evaluating the appropriateness of the Corporation's discount rates by comparing the discount rates to market and other external data; and,
- Assessing the reasonableness of the Corporation's estimates of the recoverable amounts for the group of CGUs by comparing the Corporation's estimates to market metrics and other external data.

MNP

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Scott Laluk.

Calgary, Alberta

February 22, 2024

MNP LLP

Chartered Professional Accountants

StorageVault Canada Inc.
Statement of Financial Position
As at December 31

	2023	2022
Assets		
Real estate and equipment, net (Note 5)	**$ 1,880,004,992**	$ 1,854,904,102
Goodwill and intangible assets, net (Note 6)	**124,960,340**	122,026,220
Cash and short term deposits	**13,861,106**	22,534,826
Prepaid expenses and other current assets	**15,840,630**	9,946,492
Unrealized fair value of derivative assets (Note 10)	**1,028,346**	4,700,494
Accounts receivable	**8,522,542**	6,640,026
	$ 2,044,217,956	$ 2,020,752,160
Liabilities and Shareholders' Equity		
Debt (Note 7)	**$ 1,412,708,149**	$ 1,526,719,769
Debentures (Note 8)	**261,437,659**	128,682,883
Lease liability (Note 15)	**99,715,973**	80,518,572
Deferred tax liability (Note 11)	**39,566,673**	40,468,430
Accounts payable and accrued liabilities	**21,860,758**	20,860,268
Unearned revenue	**13,055,011**	14,125,077
Unrealized fair value of derivative liabilities (Notes 7, 10)	**-**	2,222,058
	1,848,344,223	1,813,597,057
Shareholders' Equity		
Share capital (Note 9)	**404,045,009**	424,954,374
Dividends paid (Note 9)	**(29,035,979)**	(24,741,001)
Equity component of convertible debentures (Note 8)	**13,506,670**	-
Contributed surplus (Note 9)	**40,568,013**	38,451,552
Deficit	**(233,209,980)**	(231,509,822)
	195,873,733	207,155,103
	$ 2,044,217,956	$ 2,020,752,160

Commitments and Contingencies (Note 15)
Subsequent Events (Note 16)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:

"signed" Steven Scott
Director

"signed" Iqbal Khan
Director

StorageVault Canada Inc.
Statement of Changes in Equity
For the Years Ended December 31

	2023	2022
Share Capital		
Balance, beginning of the period	**$ 424,954,374**	$ 406,565,894
Common shares issued, net of issuance costs (Note 9)	**5,691,790**	28,829,905
Share options, RSU and DSU redemptions (Note 9)	**(5,038,500)**	184,139
Common shares repurchased (Note 9)	**(21,562,655)**	(10,625,564)
Balance, end of the period	**404,045,009**	424,954,374
Dividends Paid		
Balance, beginning of the period	**(24,741,001)**	(20,510,231)
Dividends paid during the period (Note 9)	**(4,294,978)**	(4,230,770)
Balance, end of the period	**(29,035,979)**	(24,741,001)
Equity Component of Convertible Debentures		
Balance, beginning of the period	**-**	-
Equity component of convertible debentures, net of deferred tax (Note 8)	**13,506,670**	-
Balance, end of the period	**13,506,670**	-
Contributed Surplus		
Balance, beginning of the period	**38,451,552**	26,418,718
RSU and DSU redemptions (Note 9)	**(1,679,165)**	(1,598,194)
Stock based compensation (Note 9)	**3,795,626**	13,631,028
Balance, end of the period	**40,568,013**	38,451,552
Deficit		
Balance, beginning of the period	**(231,509,822)**	(190,267,865)
Net loss and comprehensive loss	**(1,700,158)**	(41,241,957)
Balance, end of the period	**$ (233,209,980)**	$ (231,509,822)

The accompanying notes are an integral part of these financial statements.

StorageVault Canada Inc.
Statement of Income (Loss) & Comprehensive Income (Loss)
For the Years Ended December 31

		2023		2022
Revenue				
Storage and related services	$	**286,687,556**	$	259,933,061
Management fees		**2,037,056**		1,895,228
		288,724,612		261,828,289
Expenses				
Operating costs		**95,131,868**		85,794,347
Depreciation and amortization (Notes 5,6)		**100,518,182**		104,126,661
Interest (Notes 7,15)		**83,297,441**		74,801,847
Selling, general and administrative		**24,290,628**		21,048,950
Acquisition and integration costs		**5,904,217**		9,587,840
Interest accretion on convertible debentures (Note 8)		**4,195,644**		-
Stock based compensation (Note 9)		**3,795,626**		13,631,028
Unrealized loss on derivative financial instruments (Note 7)		**1,450,089**		3,664,312
Realized gain on derivative financial instruments (Note 7)		**(3,994,356)**		-
Realized gain on real estate (Note 5)		**(15,528,115)**		-
		299,061,224		312,654,985
Net loss and comprehensive loss before tax		**(10,336,612)**		(50,826,696)
Deferred tax recovery (Note 11)		**8,636,454**		9,584,739
Net loss and comprehensive loss after tax	$	**(1,700,158)**	$	(41,241,957)
Net loss per common share				
Basic	$	**(0.005)**	$	(0.109)
Diluted	$	**(0.004)**	$	(0.105)
Weighted average number of common shares outstanding				
Basic		**376,930,150**		378,051,496
Diluted		**385,604,697**		390,970,412

The accompanying notes are an integral part of these financial statements.

StorageVault Canada Inc.
Statement of Cash Flows
For the Years Ended December 31

	2023	2022
Cash from (used for) the following activities:		
Operating activities		
Net loss and comprehensive loss after tax	**$ (1,700,158)**	$ (41,241,957)
Adjustment for non-cash items:		
Deferred tax recovery	**(8,636,454)**	(9,584,739)
Depreciation, amortization (Notes 5,6)	**100,518,182**	104,126,661
Amortization of deferred financing costs	**2,762,685**	2,919,741
Accretion of lease liabilities (Note 15)	**3,668,569**	3,035,180
Interest accretion on convertible debentures (Note 8)	**4,195,644**	-
Unrealized loss on derivative financial instruments (Note 7)	**(2,520,812)**	3,664,312
Stock based compensation (Note 9)	**3,795,626**	13,631,028
Realized gain on disposal of real estate and equipment (Note 5)	**(16,242,182)**	(183,669)
Cash flow from operations before non-cash working capital balances	**85,841,100**	76,366,557
Net change in non-cash working capital balances		
Accounts receivable	**(1,882,516)**	(9,025,972)
Prepaid expenses and other current assets	**(5,894,138)**	(3,564,686)
Accounts payable and accrued liabilities	**1,000,490**	2,352,553
Unearned revenue	**(1,070,066)**	1,181,477
Cash flows from operating activities	**77,994,870**	67,309,929
Financing activities		
Common shares issued, net of issuance costs (Note 9)	**20,059**	448,659
Dividends paid (Note 9)	**(2,841,590)**	(2,370,421)
Payments of lease liabilities (Note 15)	**(7,887,925)**	(6,181,239)
Debt issuance costs	**(1,849,751)**	(1,735,302)
Cash advances from long term debt (Note 7)	**286,760,989**	610,341,010
Cash repayment of long term debt (Note 7)	**(401,685,562)**	(409,662,963)
Cancellation of share options, RSUs/DSUs (Note 9)	**(6,717,665)**	(632,798)
Proceeds from derivative financial instruments	**3,970,902**	-
Proceeds from debenture issuance, net of issuance costs (Note 8)	**143,990,089**	-
Repurchase of common shares (Note 9)	**(21,562,655)**	(10,625,564)
Cash flows from financing activities	**(7,803,109)**	179,581,382
Investing activities		
Cash additions to real estate and equipment (Note 5)	**(66,875,057)**	(35,600,294)
Cash paid in business combinations (Note 4)	**(86,825,000)**	(214,085,000)
Proceeds on disposal of real estate and equipment (Note 5)	**74,834,576**	185,209
Cash flows used for investing activities	**(78,865,481)**	(249,500,085)
Decrease in cash and short term deposits	**(8,673,720)**	(2,608,774)
Cash and short term deposits balance, beginning of period	**22,534,826**	25,143,600
Cash and short term deposits balance, end of period	**$ 13,861,106**	$ 22,534,826

The accompanying notes are an integral part of these financial statements.

1. Description of Business

StorageVault Canada Inc. (the "Corporation") is incorporated under the Business Corporations Act of Alberta and is domiciled in Canada. Its shares are publicly traded on the Toronto Stock Exchange ("Exchange"). The address of its registered office is 1000 – 250 2nd Street SW, Calgary, AB, T2P 0C1.

The Corporation's primary business is owning, managing and renting self storage and portable storage space to individual and commercial customers. The Corporation also stores, shreds, and manages documents and records for customers.

2. Basis of Presentation

These financial statements and the notes thereto present the Corporation's financial results of operations and financial position under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as at January 1, 2023. These financial statements as at and for the year ended December 31, 2023, were authorized for issuance by the Board of Directors of the Corporation on February 22, 2024.

The financial statements have been prepared under the historical cost method, except for the revaluation of certain financial assets and financial liabilities to fair value. The financial statements were prepared on a going concern basis, and are presented in Canadian dollars, which is the Corporation's functional currency.

3. Material Accounting Policies

Revenue Recognition
Revenue from the rendering of services and sale of goods is recognized at the fair value of consideration received or receivable after the deduction of any trade discounts and excluding sales taxes.

The Corporation's revenue comprises the renting of storage units to customers, information and records management, managing storage facilities on behalf of third parties and sale of merchandise, including locks, boxes, packing supplies and equipment.

Revenue earned from the renting of storage units is accounted for under IFRS 16 – Leases. Storage units are rented to customers pursuant to rental agreements which provide for weekly or monthly rental terms with non-refundable rental payments. The rental agreements may be terminated by the customer without further obligation or cost upon vacating the storage unit. Revenue from rental agreements is recognized over the rental term pursuant to the rental agreement. Non-refundable customer deposits, which are received to hold a unit for rent at a future date, are deferred and recognized as revenue upon commencement of the rental agreement. Receipts of rental fees for future periods are deferred and recognized as revenue when each respective monthly period commences.

The Corporation earns a management fee based on a percentage of gross revenues of the operations for managing storage facilities for third parties. Revenue is recognized over time when the services are rendered.

Revenue for other storage related services is recognized in the month the respective services are provided. Receipts of fees for other storage related services for future periods are deferred and recognized as revenue when each respective monthly period commences. A provision is made for expected credit losses.

Revenue from the sale of merchandise, including locks, boxes, packing supplies and equipment, is recognized at the point in time when the merchandise is delivered to the customer.

Business Combinations
All business combinations are accounted for by applying the acquisition method. Upon acquisition, the assets (including intangible assets), liabilities and contingent liabilities acquired are measured at their fair value. The Corporation

Note 3 – Continued

recognizes intangible assets as part of business combinations at fair value at the date of acquisition. The determination of these fair values is based upon management's judgment and includes assumptions on the timing and amount of future cash flows generated by the assets acquired and the selection of an appropriate discount rate. Acquisition and integration costs are recognized in profit or loss as incurred.

Goodwill represents the excess of the identifiable cost of an acquisition over the fair value of the Corporation's share of the net assets acquired at the date of acquisition. If the identifiable cost of acquisition is less than the fair value of the Corporation's share of the net assets acquired (i.e. a discount on acquisition) the difference is credited to the Statement of Income (Loss) and Comprehensive Income (Loss) in the period of acquisition. At the acquisition date, goodwill acquired is recognized as an asset and allocated to each cash-generating unit ("CGU") expected to benefit from the business combination's synergies, and to the lowest level at which management monitors the goodwill.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Corporation reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date. The measurement period is the period from the date of acquisition to the date the Corporation obtains complete information about facts and circumstances that existed as of the acquisition date, up to a maximum of one year.

Joint operations will be recognized and measured in accordance with IFRS 11 - Joint Arrangements. Under this standard, the Corporation will recognize its interest in the joint operation using the proportionate consolidation method. This involves recognizing the assets, liabilities, revenues, and expenses of the joint operation in proportion to the Corporation's share of ownership in the operation.

Cash and Short Term Deposits
Cash and short term deposits on the Statement of Financial Position are comprised of cash at bank and on hand, and short term, highly liquid deposits with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, cash and short term deposits are defined as above, net of outstanding bank overdrafts, except where no right of set-off exists.

Real Estate and Equipment
Real estate and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. The carrying amount of a replaced part is derecognized. All other repairs and maintenance are charged to the Statement of Income (Loss) and Comprehensive Income (Loss) during the financial period in which they are incurred.

Once an asset is available for use in the location and condition intended by management, it is depreciated to its residual value using the appropriate depreciation rate set forth by management. Land is not depreciated.

Depreciation is calculated using the declining balance method to depreciate the cost of real estate and equipment to their residual values over their estimated useful lives, as follows:

Note 3 – Continued

Land, Yards, Buildings & Improvements -	Buildings	4%
	Leasehold improvements	20%
	Business operating equipment	10%
	Fences and parking lots	8%
Storage Containers -	Storage containers	10%
Vehicles -	Vehicles	30% to 40%
	Truck decks and cranes	20%
Office and Computer Equipment -	Furniture and equipment	20%
	Computer equipment	45%

The residual value and useful lives of real estate and equipment are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying value is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. These impairment losses are recognized in the Statement of Income (Loss) and Comprehensive Income (Loss). Following the recognition of an impairment loss, the depreciation charge applicable to the asset is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Goodwill and Intangible Assets
Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable assets and liabilities acquired at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses.

Finite life intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Amortization begins when an asset is available for use and is calculated on a straight-line basis to allocate the cost of assets over their estimated useful lives as follows: Tenant Relationships – 22 to 180 months, Websites – 3 years, Trademarks – 10 years.

Indefinite life intangible assets, consisting of management contracts, are carried at cost and are not amortized. The useful lives of indefinite life intangible assets are reviewed at each Statement of Financial Position date.

Goodwill and indefinite life intangibles are reviewed for impairment annually by assessing the recoverable amount of each CGU to which it relates. The recoverable amount is the higher of fair value less costs of disposal, and value in use. When the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognized. Any impairment is recognized immediately in the Statement of Income (Loss) and Comprehensive Income (Loss). Any impairment recognized on goodwill is not subsequently reversed.

Income Taxes
Income tax is comprised of current tax and deferred tax. Income tax is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the tax expected to be payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred

Note 3 – Continued

tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Stock Based Compensation
The fair value of stock options issued to directors, officers and consultants under the Corporation's stock option plan is estimated at the date of issue using the Black-Scholes option pricing model and charged to the Statement of Income (Loss) and Comprehensive Income (Loss) and contributed surplus. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. On the exercise of options, the cash consideration received and the fair value of the option previously credited to contributed surplus are credited to share capital.

The fair value of options issued to advisors in conjunction with financing transactions is estimated at the date of issue using the fair value of the goods and services received first, if determinable, then by the Black-Scholes option pricing model, and charged to share capital and contributed surplus over the vesting period. On the exercise of agent options, the cash consideration received and the fair value of the option previously credited to contributed surplus are credited to share capital.

When stock options are cancelled, it is treated as if the stock options had vested on the date of cancellation and any expense not yet recognized for the award is recognized immediately. However, if a new option is substituted for the cancelled option and is designated as a replacement option on the date that it is granted, the cancelled and the new options are treated as if they were a modification of the original option.

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Corporation's share purchase options. Forfeitures are estimated for each reporting period and adjusted as required to reflect actual forfeitures that have occurred in the period.

Income (Loss) per Share
Basic income (loss) per common share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is calculated by dividing the net income by the weighted average number of shares outstanding as adjusted for the potential dilution that would occur if outstanding stock options, subordinated debentures, preferred shares or other potentially dilutive financial instruments were exercised or converted to common shares. The weighted average number of diluted shares is calculated in accordance with the treasury stock method. The treasury stock method assumes that the proceeds received from the exercise of all potentially dilutive instruments are used to repurchase common shares at the average market price.

Share Capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of shares are shown in equity as a deduction from the proceeds received.

Note 3 – Continued

Segment Reporting
An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by the Corporation's CEO and/or CFO in order to make decisions regarding the allocation of resources to the segment. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Financial Instruments
a) Financial assets - Pursuant to IFRS 9, the classification of financial assets is based on the Corporation's assessment of its business model for holding financial assets. The classification categories are as follows:
   - Financial assets measured at amortized cost: assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Corporation classifies the following financial assets as measured at amortized cost: cash and short term deposits, and accounts receivable.
   - Financial assets at fair value through other comprehensive income: assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Corporation has no financial assets classified in this category.
   - Financial assets at fair value through profit or loss: assets that do not meet the criteria for amortized cost or fair value through other comprehensive income. The Corporation classifies its total return swaps as financial assets at fair value through profit or loss.

   Financial assets measured at amortized cost are measured at cost using the effective interest method. When assessing impairment of financial assets measured at amortized cost, the Corporation applied the simplified approach and has calculated expected credit losses based on lifetime expected credit losses. Under the simplified method the Corporation uses a provision matrix to calculate expected credit losses for accounts receivable which is based on the Corporation's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amounts of the assets and the loss is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss). When a trade receivable is uncollectible, it is written off against the allowance for expected credit losses.

   Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

b) Financial liabilities - The classification of financial liabilities is determined by the Corporation at initial recognition. The classification categories are as follows:
   - Financial liabilities measured at amortized cost: financial liabilities initially measured at fair value less directly attributable transaction costs are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss). The Corporation classifies the following financial liabilities as measured at amortized cost: certain debt facilities, and accounts payable and accrued liabilities.

   - Financial liabilities measured at fair value through profit or loss: financial liabilities measured at fair value with changes in fair value and interest expense recognized in the Statement of Income (Loss) and Comprehensive Income (Loss). The Corporation classifies the following financial liabilities as measured at fair value: certain debt facilities and interest rate swaps.

Note 3 – Continued

Financial liabilities are derecognized when the obligation is discharged, cancelled or expired.

Debentures
When a contract contains an embedded derivative, the economic and risk characteristics of both the embedded derivative and host contract are analyzed to understand whether or not they are closely related and to decide whether the embedded derivative should be accounted for separately from the host contract.

The embedded features in the financial instrument issued by the Corporation are identified at inception. Each feature is evaluated separately and classified either as part of the host liability, as a separate embedded liability or as an equity instrument in accordance with the substance of the contractual arrangement.

Significant Accounting Estimates and Judgments
The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include, but are not necessarily limited to:

- Real estate and equipment - The Corporation determines the carrying value of its real estate and equipment based on policies that incorporate estimates, assumptions, and judgments relative to the useful lives and residual values of the assets.
- Impairment of non-financial assets - Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for the disposal of the asset. The value in use calculation is based on a discounted cash flow model. The estimated future cash flows are derived from management estimates, budgets, and past performance, and do not include activities to which the Corporation is not yet committed or significant future investments that will enhance the asset's performance in the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.
- Purchase price allocations - Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of a business combination. These estimates may be further based on management's best assessment of the related inputs used in valuation models, such as future cash flows and discount rates.
- Income taxes - Income taxes are subject to measurement uncertainty due to the possibility of changes in tax legislation or changes in the characterization of income sources.
- Stock based compensation - Compensation costs accrued for stock based compensation plans are subject to the estimation of the ultimate payout using pricing models such as the Black-Scholes model which is based on significant assumptions such as volatility, dividend yield and expected term.

Note 3 – Continued

Management judgments that may affect reported amounts of assets and liabilities, income and expenses include but are not necessarily limited to:

- For the purpose of assessing impairment of tangible and intangible assets, assets are grouped at the lowest level of separately identified cash inflows which make up the CGU. Determination of what constitutes a CGU is subject to management's judgment. Management has identified each location as a separate CGU. The asset composition of the CGU can directly impact the recoverability of the assets included within the CGU.
- The determination of which entities require consolidation is subject to management's judgment regarding levels of control, assumptions of risk and other factors that may ultimately include or exclude an entity from the classification of a subsidiary or other entity requiring consolidation. For the purpose of recording asset acquisitions, management must exercise judgment to determine if the acquisition meets the definition of a business. Such determinations may affect the recorded amounts of specific assets and liabilities, goodwill and/or transaction costs.
- Management has applied judgment in assessing that the management contracts acquired have an indefinite useful life because the Corporation purchased a complete system to operationally manage its own business and that of other self storage businesses. The Corporation has acquired substantial know-how and expertise in managing stores owned by third parties, including long term relationships, of which the Corporation will have the benefit for an indefinite period of time. The management contracts have therefore been deemed to have an indefinite useful life.

4. Acquisitions

During the year ended December 31, 2023, the Corporation completed the below transactions that met the definition of a business under IFRS 3 - Business Combinations. These acquisitions have been accounted for using the acquisition method with the results of the operations being included in the financial statements of the Corporation since the date of acquisition. Details of the acquisitions are:

First Quarter Acquisition:

During the first quarter, the Corporation completed the acquisition of an adjacent commercial property for $7,400,000 (subject to customary adjustments). This acquisition was an arm's length transaction. The purchase was paid for by advances from debt, the issuance of common shares and cash on hand.

A summary of the acquisition is as follows:

	Adjacent Commercial Property
Acquisition date:	March 29, 2023
Land, Yards, Buildings & Improvements	$ 7,400,000
Deferred tax	(1,408,086)
Goodwill	1,408,086
Net assets acquired	7,400,000
Consideration paid for the net assets acquired was obtained from the following:	
Issuance of common shares	2,000,000
Cash	1,402,519
Debt	3,997,481
	7,400,000
Selected information for the acquisition, since its acquisition date:	
Revenue	275,884
Operating costs	-
	275,884
Amortization	169,511
Interest	120,502
Net income (loss)	$ (14,129)

Note 4 – Continued

Second Quarter Acquisitions:

During the second quarter, the Corporation completed the acquisitions of two self storage locations and one adjacent commercial property for $22,725,000 (subject to customary adjustments). These acquisitions consisted of both arm's length and non-arm's length transactions. The purchases were paid for by the issuance of common shares and cash on hand.

A summary of the acquisitions are as follows:

	One Self Storage Location	One Self Storage Location	Adjacent Commercial Property	Total
Acquisition date:	May 18, 2023	May 31, 2023	June 1, 2023	
Land, Yards, Buildings & Improvements	$ 11,118,055	$ 1,142,783	$ 8,050,000	$ 20,310,838
Tenant Relationships	2,131,945	282,217	-	2,414,162
Net assets acquired	13,250,000	1,425,000	8,050,000	22,725,000
Consideration paid for the net assets acquired was obtained from the following:				
Issuance of common shares	2,250,000	-	-	2,250,000
Cash	11,000,000	1,425,000	8,050,000	20,475,000
	13,250,000	1,425,000	8,050,000	22,725,000
Selected information for the acquisitions, since their acquisition date:				
Revenue	974,705	120,764	335,674	1,431,143
Operating costs	336,640	35,578	8,684	380,902
	638,065	85,186	326,990	1,050,241
Amortization	730,417	84,950	125,301	940,668
Net income (loss)	$ (92,352)	$ 236	$ 201,689	$ 109,573

Note 4 – Continued

Fourth Quarter Acquisitions:

During the fourth quarter, the Corporation completed the acquisitions of two self storage locations for $60,950,000 (subject to customary adjustments). These acquisitions consisted of both arm's length and non-arm's length transactions. The purchases were paid for by advances from debt and cash on hand.

A summary of the acquisitions are as follows:

	One Self Storage Location	One Self Storage Location	Total
Acquisition date:	November 29, 2023	December 21, 2023	
Land, Yards, Buildings & Improvements	$ 47,089,929	$ 12,730,332	$ 59,820,261
Tenant Relationships	360,071	769,668	1,129,739
	47,450,000	13,500,000	60,950,000
Deferred tax	-	(1,588,278)	(1,588,278)
Goodwill	-	1,588,278	1,588,278
Net assets acquired	47,450,000	13,500,000	60,950,000
Consideration paid for the net assets acquired was obtained from the following:			
Cash	22,950,000	13,500,000	36,450,000
Debt	24,500,000	-	24,500,000
	47,450,000	13,500,000	60,950,000
Selected information for the acquisitions, since their acquisition date:			
Revenue	207,097	86,551	293,648
Operating costs	82,435	1,686	84,121
	124,662	84,865	209,527
Amortization	195,442	27,394	222,836
Interest	187,833	-	187,833
Net income (loss)	$ (258,613)	$ 57,471	$ (201,142)

5. Real Estate and Equipment

	Land, Yards, Buildings & Improvements	Storage Containers	Intangible Tenant Relationships	Vehicles	Office & Computer Equipment	Total
COST						
December 31, 2021	$ 1,844,956,787	$ 19,671,492	$ 179,653,935	$ 6,085,558	$ 9,009,177	$ 2,059,376,949
Additions	32,526,371	2,215,261	-	2,679,712	3,665,779	41,087,123
Disposals	(124,645)	(84,180)	-	(197,690)	(28,625)	(435,140)
Business acquisitions	216,524,501	-	21,119,813	-	-	237,644,314
December 31, 2022	2,093,883,014	21,802,573	200,773,748	8,567,580	12,646,331	2,337,673,246
Additions	80,258,751	2,779,957	-	1,640,040	4,842,352	89,521,100
Disposals	(57,670,257)	(145,898)	(5,573,217)	(108,583)	(79,113)	(63,577,068)
Business acquisitions	87,531,099	-	3,543,901	-	-	91,075,000
December 31, 2023	$ 2,204,002,607	$ 24,436,632	$ 198,744,432	$ 10,099,037	$ 17,409,570	$ 2,454,692,278
ACCUMULATED DEPRECIATION						
December 31, 2021	$ 236,832,170	$ 8,976,624	$ 124,835,884	$ 4,563,139	$ 3,704,344	$ 378,912,161
Depreciation	76,249,193	1,102,639	24,564,623	739,120	1,449,337	104,104,912
Disposals	(21,224)	(44,216)	-	(182,351)	(138)	(247,929)
December 31, 2022	313,060,139	10,035,047	149,400,507	5,119,908	5,153,543	482,769,144
Depreciation	76,236,725	1,277,429	19,398,207	1,608,036	1,929,917	100,450,314
Disposals	(4,889,168)	(102,105)	(3,434,573)	(92,206)	(14,120)	(8,532,172)
December 31, 2023	$ 384,407,696	$ 11,210,371	$ 165,364,141	$ 6,635,738	$ 7,069,340	$ 574,687,286
NET BOOK VALUE						
December 31, 2022	1,780,822,875	11,767,526	51,373,241	3,447,672	7,492,788	1,854,904,102
December 31, 2023	**1,819,594,911**	**13,226,261**	**33,380,291**	**3,463,299**	**10,340,230**	**1,880,004,992**

Included in Land, Yards, Buildings & Improvements is Land at a carrying value of $655,859,597 (December 31, 2022 - $660,211,893).

Included in Land, Yards, Buildings & Improvements is $32,051,720 (December 31, 2022 - $31,812,900) of construction in process that is not being depreciated.

Included in Land, Yards, Buildings & Improvements are right-of-use assets at a carrying value of $92,781,005 (December 31, 2022 - $75,282,052), net of accumulated depreciation of $16,343,082 (December 31, 2022 - $10,425,278). The continuity of the right-of-use assets is as follows:

	Self Storage Properties
Balance, December 31, 2021	$ 73,478,491
Additions	6,356,372
Depreciation charge for the period	(4,552,811)
Balance, December 31, 2022	$ 75,282,052
Additions and reassessments	23,416,757
Depreciation charge for the period	(5,917,804)
Balance, December 31, 2023	$ 92,781,005

During the year, the corporation recognized a gain of $15,528,115 on the disposal of real estate and business related to an expropriation by a government agency.

6. Goodwill and Intangible Assets

	Goodwill	Management Contracts	Trademarks	Website	Total
COST					
December 31, 2021	$ 97,527,924	$ 16,300,000	$ 54,880	$ 66,371	$ 113,949,175
Additions	-	-	6,080	-	6,080
Business acquisitions	7,792,271	-	326,868	-	8,119,139
December 31, 2022	105,320,195	16,300,000	387,828	66,371	122,074,394
Additions	-	-	1,091	4,533	5,624
Business acquisitions	2,996,364	-	-	-	2,996,364
December 31, 2023	$ 108,316,559	$ 16,300,000	$ 388,919	$ 70,904	$ 125,076,382
ACCUMULATED AMORTIZATION					
December 31, 2021	$ -	$ -	$ 4,302	$ 22,123	$ 26,425
Amortization	-	-	6,949	14,800	21,749
December 31, 2022	-	-	11,251	36,923	48,174
Amortization	-	-	38,291	29,577	67,868
December 31, 2023	$ -	$ -	$ 49,542	$ 66,500	$ 116,042
NET BOOK VALUE					
December 31, 2022	105,320,195	16,300,000	376,577	29,448	122,026,220
December 31, 2023	**108,316,559**	**16,300,000**	**339,377**	**4,404**	**124,960,340**

At December 31, 2023, the Corporation performed its annual impairment test on goodwill and its indefinite life intangible assets. Goodwill is allocated to the group of CGUs that benefited from the synergies of the business combination on which the goodwill arose. The Corporation used the fair value less costs of disposal method to determine the recoverable amount of the CGUs. Based on the impairment test performed, the Corporation concluded that no impairment exists on its goodwill and indefinite life intangible assets.

Information regarding each impairment test is as follows:

Manitoba and Saskatchewan group of CGUs

- The cash flow projection includes specific estimates based on the expected life of the properties, with a net operating income growth rate of 2% which is consistent with management's knowledge of the local market and is lower than the CGUs recent historical growth rate.
- Cash flows were discounted at a pre-tax rate of 5.18% based on management's judgement in this geographic region.

Kamloops, BC group of CGUs

- The cash flow projection includes specific estimates based on the expected life of the properties, with a net operating income growth rate of 3%. The Corporation has seven stores in the region and is able to distribute costs and operate more efficiently.
- Cash flows were discounted at a pre-tax rate of 6.83% based on management's experience in this geographic region and the fact that the properties are on leased land.

London, ON group of CGUs

- The cash flow projection includes specific estimates based on the expected life of the property, with a net operating income growth rate of 2% which is consistent with management's knowledge of the local market.
- Cash flows were discounted at a pre-tax rate of 5.05% based on management's experience in this geographic region.

Note 6 – Continued

Sentinel Self-Storage group of CGUs

- The cash flow projection includes specific estimates based on the expected life of the properties, with a net operating income growth rate of 3.75%.
- Given the location of the stores in this portfolio, over 20 stores in major markets and highly desirable locations in Canada, management believes that this growth rate is sustainable, and is consistent with the CGUs historical growth rate.
- Cash flows were discounted at a pre-tax rate of 4.61% based on management's experience and the superior quality and location of these properties.

Portable Storage group of CGUs

- The cash flow projection includes specific estimates based on the expected life of storage containers, with a net operating income growth rate of 3% based on management's experience and the exclusive marketing channels the Corporation has for this product type.
- Cash flows were discounted at a pre-tax rate of 6.64% based on management's experience in these markets.

Real Storage group of CGUs

- The cash flow projection includes specific estimates based on the expected life of the properties, with a net operating income growth rate of 4%.
- Given the location of the 38 stores in this portfolio and with the Corporation already operating in many of the markets in which these stores are located, management believes that this growth rate is sustainable.
- Cash flows were discounted at a pre-tax rate of 4.89% based on management's experience and location of these properties.

Management Division CGU

- The cash flow projection includes specific estimates for five years with a terminal growth rate of 4%, which management feels would be representative of the future indefinite cash flows from these assets.
- Cash flows were discounted at a pre-tax rate of 20% based on what management deemed appropriate for the nature of this type of revenue stream.

RecordXpress Division CGU

- The cash flow projection includes specific estimates for five years with a growth rate of 2%, which management feels would be representative of the future cash flows from these assets.
- Cash flows were discounted at a pre-tax rate of 7.50% based on management's experience in the records management business.

Toronto - Danforth CGU

- The cash flow projection includes specific estimates based on the expected life of the properties, with a net operating income growth rate of 10% during the first four years and 5% thereafter, which is consistent with management's knowledge of the local market.
- Cash flows were discounted at a pre-tax rate of 4.76% based on management's experience in this geographic region.

Shredding Division CGU

- The cash flow projection includes specific estimates for five years with a growth rate of 2%, which management feels would be representative of the future cash flows from these assets.
- Cash flows were discounted at a pre-tax rate of 9.20% based on management's experience in the records management business.

Note 6 – Continued

Dartmouth, NS CGU

- Goodwill on this CGU arose as a result of a deferred tax liability recorded on acquisition, therefore an impairment test was not performed this period.

Quebec City, QC CGU

- Goodwill on this CGU arose as a result of a deferred tax liability recorded on acquisition, therefore an impairment test was not performed this period.

The most sensitive inputs to the value in use model used for these groups of CGUs are the growth rate and the discount rate:

- A 1% increase or decrease in the growth rate would not result in an impairment of these groups of CGUs.
- A 1% increase or decrease in the discount rate would not result in an impairment of these groups of CGUs.

	December 31, 2023		December 31, 2022	
Group of CGUs	**Goodwill**	**Carrying Value**	Goodwill	Carrying Value
Manitoba and Saskatchewan	**$ 2,621,716**	**$ 26,465,066**	$ 2,621,716	$ 27,238,439
Kamloops, BC	**76,470**	**5,747,765**	76,470	6,029,878
London, ON	**142,807**	**1,915,298**	142,807	1,967,836
Sentinel Self-Storage	**52,442,159**	**358,579,285**	52,442,159	358,530,620
Portable Storage	**2,578,968**	**17,392,211**	2,578,968	15,649,269
Real Storage	**33,622,150**	**207,142,717**	33,622,150	206,517,809
Management Division	**3,364,706**	**19,364,705**	3,364,706	19,364,705
RecordXpress Division	**2,678,948**	**10,527,788**	2,678,948	18,034,988
Toronto - Danforth	**3,659,608**	**48,905,727**	3,659,608	43,335,304
Shredding Division	**4,132,663**	**7,168,187**	4,132,663	8,250,000
Dartmouth, NS	**1,408,086**	**9,043,455**	-	-
Quebec City, QC	**1,588,278**	**15,060,884**	-	-
	$ 108,316,559	**$ 727,313,088**	$ 105,320,195	$ 704,918,848

7. Debt

	December 31, 2023			December 31, 2022		
	Rate Range	Weighted Average	Balance	Rate Range	Weighted Average	Balance
Mortgages						
At amortized cost - Fixed	2.84% to 9.20%	5.13%	**306,666,120**	2.84% to 4.98%	4.48%	251,048,897
	Maturity: Mar 2025 to Dec 2029			*Maturity: Apr 2023 to Dec 2029*		
At amortized cost - Variable	7.47% to 8.20%	7.56%	**26,490,427**	7.45% to 8.60%	8.08%	84,653,250
	Maturity: Jan 2024 to Jul 2024			*Maturity: Feb 2023 to Jul 2024*		
At FVTPL - Variable			**747,907,274**			783,891,417
- Fixed via interest rate swap			**(15,112,904)**			(32,836,542)
		4.74%	**732,794,370**		4.31%	751,054,875
	Maturity: Apr 2024 to Jan 2031			*Maturity: Jan 2024 to Jan 2031*		
		4.92%	**1,065,950,917**		4.65%	1,086,757,022
Lines of Credit and Promissory Notes						
At amortized cost - Fixed		4.50%	**500,000**		3.50%	4,000,000
	Maturity: Mar 2025			*Maturity: Dec 2023*		
At amortized cost - Variable		7.73%	**50,000,000**		7.28%	140,618,468
	Maturity: Dec 2024 to Feb 2025			*Maturity: Jun 2023 to Oct 2025*		
At FVTPL - Variable			**308,871,737**			314,288,134
- Fixed via interest rate swap			**(8,871,737)**			(14,288,134)
		3.88%	**300,000,000**		3.88%	300,000,000
	Maturity: Feb 2025			*Maturity: Feb 2025*		
		4.43%	**350,500,000**		4.95%	444,618,468
Deferred financing costs, net of accretion			**(3,742,768)**			(4,655,721)
		4.80%	**1,412,708,149**		4.73%	1,526,719,769

Reconciliation of Debt

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

	December 31, 2023	December 31, 2022
Debt, beginning of period	**$ 1,526,719,769**	$ 1,332,474,745
Advances from debt	**286,760,989**	610,341,010
Repayment of debt	**(401,685,562)**	(409,662,963)
Amounts offset against accounts receivable	**-**	(6,486,464)
Change in fair value of debt measured at FVTPL	**23,140,035**	(60,949,884)
Change in fair value of interest rate swaps	**(23,140,035)**	60,949,884
Total cash flow from debt financing activities	**(114,924,573)**	194,191,583
Change in deferred financing costs	**912,953**	53,441
Debt, end of period	**$ 1,412,708,149**	$ 1,526,719,769

Note 7 – Continued

The bank prime rate at December 31, 2023 was 7.20% (December 31, 2022 – 6.45%).

Mortgages are secured by a first mortgage charge on the real estate and equipment of the Corporation, general security agreements covering all assets of the Corporation, general assignment of rents and leases, and assignments of insurance coverage over all assets of the Corporation. The Corporation must maintain certain financial ratios to comply with the facilities. These covenants include debt service coverage ratios, a fixed charge coverage ratio, a tangible net worth ratio, and a loan to value ratio. As of December 31, 2023, the Corporation is in compliance with all covenants.

The deferred financing costs consist of fees and costs incurred to obtain the related mortgage financing, less accumulated amortization.

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

Year 1	$	448,302,885 (includes lines of credit and promissory note of $350.0 million)
Year 2	$	178,944,623
Year 3	$	45,300,549
Year 4	$	152,308,388
Year 5	$	387,200,322
Thereafter	$	204,394,150

The Corporation entered into interest rate swap contracts in order to fix the interest rate on $1 billion of debt at a weighted average rate of 4.49%. On $447 million of this debt, the bank entered into interest rate swap cancellation agreements, allowing them to cancel the original swap agreements between April 8, 2024 and October 27, 2025.

At December 31, 2023, the Corporation recognized a derivative liability of $nil (December 31, 2022 – $2.2 million). During the year ended December 31, 2023, the Corporation recognized an unrealized loss on derivative financial instruments of $1.5 million (December 31, 2022 – $3.7 million loss) and a realized gain on derivative financial instruments of $4.0 million (December 31, 2022 – $nil). These derivative financial instruments mature between April 2024 and January 2031.

8. 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, 2024 and prior to January 31, 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 102.875% 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 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.

Note 8 – Continued

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.

Note 8 – Continued

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:

	December 31, 2023	December 31, 2022
Opening balance	**$ 128,682,883**	$ 127,551,885
Additions during period	**150,000,000**	-
Issuance costs	**(6,009,911)**	-
Equity component of convertible debentures	**(18,245,003)**	-
Accretion during period	**5,326,643**	1,130,998
Interest payable	**1,871,047**	
Debentures repurchased	**(188,000)**	-
Ending balance	**$ 261,437,659**	$ 128,682,883

9. Share Capital

Authorized: Unlimited number of common, voting shares of no par value.
Authorized: Unlimited number of preferred non-voting shares issuable in series at an issuance price of $1 per share.

Common shares issued:

	Number of Shares	Amount
Balance, December 31, 2021	374,636,443	$ 406,565,894
Issued on acquisitions	4,171,246	27,000,000
Dividend reinvestment plan	306,499	1,829,905
Share option redemption	661,151	(448,659)
RSU/DSU redemption	94,421	632,798
Common shares repurchased	(1,852,400)	(10,625,564)
Balance, December 31, 2022	378,017,360	424,954,374
Issued on acquisitions	681,601	4,250,000
Dividend reinvestment plan	252,145	1,441,790
Share option redemption	5,000	(5,038,500)
Common shares repurchased	(4,395,798)	(21,562,655)
Balance, December 31, 2023	374,560,308	$ 404,045,009

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

The Corporation may from time to time purchase its common shares in accordance with the rules prescribed by the Exchange or regulatory policies.

Note 9 – Continued

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.

Contributed surplus:

	December 31, 2023	December 31, 2022
Opening balance	**$ 38,451,552**	$ 26,418,718
Stock based compensation	**3,795,626**	13,631,028
Share option, RSU/DSU redemptions	**(1,679,165)**	(1,598,194)
Ending balance	**$ 40,568,013**	$ 38,451,552

Stock Options

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 technical consultants of the Corporation, non-transferable options to purchase common shares provided that: i) the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares; ii) the options are exercisable for a period of up to 10 years from the date of grant; iii) the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares; and iv) the number of common shares reserved for issuance to all technical consultants, if any, will not exceed 2% of the issued and outstanding shares. The exercise price for purchasing these shares cannot be less than the minimum exercise price as provided by Exchange rules.

The following table summarizes information about stock options outstanding and exercisable as at:

	December 31, 2023		December 31, 2022	
		Weighted Average		Weighted Average
	Options	**Exercise Price**	Options	Exercise Price
Opening	**36,342,000**	**$3.88**	30,319,650	$3.34
Exercised/Expired	**(1,355,000)**	**2.53**	(949,650)	1.48
Granted	**1,600,000**	**5.23**	6,972,000	5.94
Closing and Exercisable	**36,587,000**	**$3.99**	36,342,000	$3.88

The fair value of options granted was estimated on the date of the grant, as determined by using the Black-Scholes option pricing model with the following assumptions:

	2023	2022
Dividend Yield	**0.01%**	0.01%
Risk-Free Interest Rate	**3.28%**	3.11%
Expected Life of Options	**4 Years**	4 Years
Expected Volatility of the Corporation's Common Shares	**31.73%**	30.15%

Note 9 – Continued

Stock options exercisable and outstanding are as follows:

Exercise Price		Vesting Date	Expiry Date	**December 31, 2023**	December 31, 2022
$	0.41	Apr. 28, 2015	Apr. 28, 2025	**1,125,500**	1,125,500
$	0.50	Sep. 14, 2015	Sep. 14, 2025	**1,305,000**	1,480,000
$	1.36	Dec. 21, 2016	Dec. 21, 2026	**2,620,000**	2,770,000
$	1.78	Mar. 16, 2017	Mar. 16, 2027	**2,645,000**	2,795,000
$	2.52	May 4, 2018	May 4, 2028	**2,660,000**	2,810,000
$	2.90	May 28, 2019	May 28, 2029	**5,376,500**	5,764,000
$	3.98	Dec. 15, 2020	Dec. 15, 2030	**5,515,500**	5,858,000
$	6.31	Dec. 20, 2021	Dec. 20, 2031	**6,767,500**	6,767,500
$	5.94	Dec. 19, 2022	Dec. 19, 2032	**6,972,000**	6,972,000
$	5.23	Dec. 28, 2023	Dec. 28, 2033	**1,600,000**	-
Options exercisable and outstanding				**36,587,000**	36,342,000

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 share-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 share-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 December 31, 2023, 3,486,628 TRS were outstanding at a value of $2,141,355 (December 31, 2022 – 3,081,360 TRS were outstanding at a value of $4,700,494).

At December 31, 2023, 100% of the combined DSU and RSU exposures were economically hedged. Hedge accounting is not applied for the DSU/RSU hedging program.

During the year ended December 31, 2023, the Corporation issued 160,176 common shares at a value of $1,007,507 (December 31, 2022 – 266,268 common shares at a value of $1,786,852) under the Plan. A total of 980,328 common shares at a value of $4,923,332 were outstanding at December 31, 2023 (December 31, 2022 – 1,123,429 common shares at a value of $5,069,112).

Dividends
A cash dividend of $0.002831 per common share was declared on March 15, 2023, and paid to shareholders of record on March 31, 2023.

Note 9 – Continued

A cash dividend of $0.002845 per common share was declared on June 15, 2023, and paid to shareholders of record on June 30, 2023.

A cash dividend of $0.002859 per common share was declared on September 15, 2023, and paid to shareholders of record on September 29, 2023.

A cash dividend of $0.002874 per common share was declared on December 14, 2023, and paid to shareholders of record on December 29, 2023.

10. Financial Risk Management and Fair Value

The Corporation is required to disclose certain information concerning its financial instruments. The fair values of the Corporation's cash and short term deposits, accounts receivable and, accounts payable and accrued liabilities approximate their carrying amount due to the relatively short periods to maturity of these financial instruments. The fair value of the Corporation's debt obligations is estimated based on discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. Such fair value estimates are not necessarily indicative of the amounts the Corporation might pay or receive in actual market transactions.

IFRS establishes a three tier fair value hierarchy to reflect the significance of the inputs used in measuring the fair value of the Corporation's financial instruments. The three levels are:

Level 1 – This level includes assets and liabilities measured at fair market value based on unadjusted quoted prices for identical assets and liabilities in active markets that the Corporation can access on the measurement date.
Level 2 – This level includes measurements based on directly or indirectly observable inputs other than quoted prices included in Level 1. Financial instruments in this category are measured using valuation models or other standard valuation techniques that rely on observable market inputs.
Level 3 – The measurements used in this level rest on inputs that are unobservable, unavailable, or whose observable inputs do not justify the largest part of the fair value instrument.

The fair value of financial instruments was as follows:

		December 31, 2023		December 31, 2022	
	Fair Value Hierarchy	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial instruments:					
Debt - at amortized cost	Level 2	**(379,913,779)**	**(368,668,877)**	(475,664,894)	(467,190,719)
Debt - at FVTPL	Level 2	**(1,056,779,011)**	**(1,056,779,011)**	(1,098,179,551)	(1,098,179,551)
Interest rate swaps	Level 2	**23,984,641**	**23,984,641**	47,124,676	47,124,676
Derivative assets - at FVTPL	Level 2	**1,028,346**	**1,028,346**	4,700,494	4,700,494
Derivative liabilities - at FVTPL	Level 2	**-**	**-**	(2,222,058)	(2,222,058)

Financial instruments may expose the Corporation to a number of financial risks including interest rate risk, credit risk and environmental risk.

a) 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

Note 10 – Continued

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 interest rate swap contracts, 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. There is interest rate risk associated with variable rate mortgages and lines of credit as interest expense is impacted by changes in the prime rate. The impact on the Statement of Income (Loss) and Comprehensive Income (Loss) if interest rates on variable rate debt had been 1% higher or lower for the year ended December 31, 2023 would have been approximately $764,904 (December 31, 2022 - $2,252,717).

b) 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 1% of the Corporation’s monthly revenue. This diversification in the customer base reduces credit risk from any given tenant.

The Corporation has $1,030,000 of receivables from related parties at December 31, 2023 (December 31, 2022 - $847,000). Management believes there is low credit risk associated with related party balances due to the nature of the relationships and the historical loss rates.

Change in the Corporation’s allowance for expected credit losses is as follows:

Balance December 31, 2021	$	735,396
Charges or adjustments during the period		(235,860)
Balance December 31, 2022		499,536
Charges or adjustments during the period		-
Balance December 31, 2023	$	499,536

The creation and release of the allowance for expected credit losses has been included in operating costs in the Statement of Income (Loss) and Comprehensive Income (Loss). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

c) 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. It is the Corporation’s intention to renew any debt coming due in the next fiscal year. The maturities of long term financial liabilities are summarized in Note 7.

d) 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 should hazardous materials enter the environment. The presence of hazardous substances could also impair the Corporation’s ability to finance or sell the property, or it may expose the Corporation to civil lawsuits. To mitigate such risk, the Corporation will procure recent or updated environmental reports for all acquisitions.

Note 10 – Continued

It also prohibits the storage of hazardous substances as a condition of the rental contract signed by customers.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant currency risk.

11. Income Tax

	2023	2022
Loss before taxes	**(10,336,612)**	(50,826,696)
Combined federal and provincial statutory income tax rate	**26.50%**	26.50%
Income tax recovery calculated at statutory rate	**(2,739,202)**	(13,469,074)
Non-deductible items	**848,127**	3,549,770
Change in estimate	**(6,584,653)**	-
Change in tax rate and other items	**(160,726)**	334,565
Income tax expense (recovery)	**(8,636,454)**	(9,584,739)

Movements in deferred tax assets (liabilities) related to temporary differences during the year are as follows:

	December 31, 2022	Recognized in earnings	Recognized in Equity	Acquired in Business Combinations	**December 31, 2023**
Property, plant and equipment	(129,957,336)	(1,842,696)	-	(2,814,949)	**(134,614,981)**
Goodwill and intangible assets	11,054,825	3,151,162	-	(181,415)	**14,024,572**
Debt	(2,206,483)	65,689	(4,738,333)	-	**(6,879,127)**
Unrealized fair value of derivatives	(645,430)	378,363	-	-	**(267,067)**
Lease liability	20,968,522	4,928,295	-	-	**25,896,817**
Deferred financing costs	1,839,574	698,089	-	-	**2,537,663**
Non-capital loss carry forwards	58,477,898	1,257,552	-	-	**59,735,450**
Deferred tax asset (liability)	(40,468,430)	8,636,454	(4,738,333)	(2,996,364)	**(39,566,673)**

12. 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 year ended December 31, 2023, the Corporation paid $382,400 (December 31, 2022 - $405,196) for royalties and $3,054,716 (December 31, 2022 - $3,046,665) 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 December 31, 2023 was $52,758 (December 31, 2022 - $58,225) payable to CPFI.

Note 12 – Continued

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 year ended December 31, 2023, the Corporation received $6,017,053 (December 31, 2022 - $8,471,116) in payments and reimbursements related to the management agreements. During the year ended December 31, 2023, the Corporation also incurred $50,583,697 (December 31, 2022 - $32,508,783) 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 December 31, 2023 was $2,790,800 (December 31, 2022 - $522,072) payable to the Access Group. Included in accounts receivable as at December 31, 2023 was $1,030,452 (December 31, 2022 - $846,587) 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:

	December 31, 2023	December 31, 2022
Wages, management fees, bonuses and directors fees	**$ 1,324,495**	$ 610,212
Stock based compensation	**1,047,580**	6,065,672
	$ 2,372,075	$ 6,675,884

13. Capital Risk Management

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation defines capital as shareholders' equity excluding contributed surplus and long term debt. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets, and adjust the amount of cash and short term deposits. The Board of Directors does not establish a quantitative return on capital criteria, but rather promotes year over year sustainable growth.

The Corporation reviews and assesses its capital structure on an ongoing basis. The Corporation determines the appropriate mortgage debt to be placed on properties at the time a particular property is acquired or when an existing mortgage financing matures. Consideration is given to various factors including, but not limited to: interest rates, financing costs, the term of the mortgage and the strength of cash flow arising from the underlying asset. Mortgage debt is usually only secured by the underlying asset. The Corporation monitors its capital using a debt to fair value ratio. Except for the debt covenants described in Note 7, the Corporation is not subject to any externally imposed capital requirements.

14. Segmented Information

The Corporation operates three reportable business segments. Each segment is a component of the Corporation for which separate discrete financial information is available for evaluation by the chief operating decision makers of the Corporation.

- Self Storage – involves the customer leasing space at the Corporation's property for short or long term storage. Self storage also includes customers utilizing space for inventory storage for last mile delivery, small commercial operations, and vehicles.
- Portable Storage – involves delivering a portable storage unit to the customer. The customer can opt to keep the portable storage unit at their location, or have it moved to another location for further storage.
- Management Division – involves revenues generated from the management of stores owned by third parties.

The Corporation evaluates performance and allocates resources based on earnings before interest, taxes, depreciation and amortization, and stock based compensation. Corporate costs are not allocated to the segments and are shown separately.

For the Year Ended December 31, 2023

	Self Storage	Portable Storage	Management Division	Corporate	Total
Revenue	$ 276,116,878	$ 10,570,678	$ 2,037,056	$ -	$ 288,724,612
Operating costs	87,901,374	7,230,494	-	-	95,131,868
Net operating income	188,215,504	3,340,184	2,037,056	-	193,592,744
Acquisition and integration	-	-	-	5,904,217	5,904,217
Selling, general and admin.	-	-	-	24,290,628	24,290,628
Stock based compensation	-	-	-	3,795,626	3,795,626
Depreciation and amortization	97,665,700	1,951,873	-	900,609	100,518,182
Interest	83,297,441	-	-	-	83,297,441
Accretion of interest on convertible debentures	-	-	-	4,195,644	4,195,644
Realized gain on real estate	-	-	-	(15,528,115)	(15,528,115)
Realized gain on derivative financial instruments	-	-	-	(3,994,356)	(3,994,356)
Unrealized loss on derivative financial instruments	-	-	-	1,450,089	1,450,089
Deferred tax recovery	-	-	-	(8,636,454)	(8,636,454)
Net income (loss)	$ 7,252,363	$ 1,388,311	$ 2,037,056	$ (12,377,888)	$ (1,700,158)
Additions:					
Real estate and equipment	173,119,868	5,814,306	-	1,661,926	180,596,100

Note 14 – Continued

For the Year Ended December 31, 2022

	Self Storage	Portable Storage	Management Division	Corporate	Total
Revenue	$ 248,624,166	$ 11,308,895	$ 1,895,228	$ -	$ 261,828,289
Operating costs	78,000,948	7,793,399	-	-	85,794,347
Net operating income	170,623,218	3,515,496	1,895,228	-	176,033,942
Acquisition and integration	-	-	-	9,587,840	9,587,840
Selling, general and admin.	-	-	-	21,048,950	21,048,950
Stock based compensation	-	-	-	13,631,028	13,631,028
Depreciation and amortization	101,624,227	1,658,206	-	844,228	104,126,661
Interest	74,801,847	-	-	-	74,801,847
Unrealized loss on derivative financial instruments	-	-	-	3,664,312	3,664,312
Deferred tax recovery	-	-	-	(9,584,739)	(9,584,739)
Net income (loss)	$ (5,802,856)	$ 1,857,290	$ 1,895,228	$ (39,191,619)	$ (41,241,957)
Additions:					
Real estate and equipment	275,662,009	2,797,573	-	271,855	278,731,437

Total Assets

	Self Storage	Portable Storage	Management Division	Corporate	Total
As at December 31, 2022	$ 1,963,914,228	$ 18,003,918	$ 16,564,940	$ 22,269,074	$ 2,020,752,160
As at December 31, 2023	**$ 1,887,649,008**	**$ 20,767,600**	**$ 16,587,785**	**$ 119,213,563**	**$ 2,044,217,956**

15. Commitments and Contingencies

Lease Liabilities
The Corporation leases buildings and land in British Columbia, Alberta, Manitoba, Ontario and Quebec. The leases expire between 2026 and 2057, with the leases expiring in 2024 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 year ended December 31, 2023, the Corporation recognized $3,668,569 (December 31, 2022 - $3,035,180) in interest expense related to its lease liabilities.

Note 15 – Continued

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

	December 31, 2023	December 31, 2022
Balance, beginning of period	$ 80,518,572	$ 77,094,742
Additions and reassessments	23,416,757	6,356,372
Cash payments	(7,887,925)	(6,181,239)
Interest	3,668,569	3,035,180
Capitalized interest	-	213,517
Balance, end of period	$ 99,715,973	$ 80,518,572

Contingency
The Corporation has no legal contingency provisions at December 31, 2023 or December 31, 2022.

16. Subsequent Events

On February 22, 2024, the Corporation approved an increase to the quarterly dividend for Q1 2024 by 0.5% to $0.002888 per common share.

StorageVault Canada Inc.

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Vancouver, BC

Ben Harris
Bedford, NY

Iqbal Khan
Toronto, ON

Steven Scott
Toronto, ON

Alan Simpson
Regina, SK

Mary Vitug
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MANAGEMENT DISCUSSION AND ANALYSIS

StorageVault Canada Inc.

(the “Corporation”)

Form 51-102F1
Management’s Discussion and Analysis
For the Three Months and Fiscal Year Ended December 31, 2023

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 and fiscal year ended December 31, 2023. This MD&A should be read in conjunction with the audited fiscal 2023 financial statements and accompanying notes contained therein, which have been prepared in Canadian dollars and in accordance with International Financial Reporting Standards (“IFRS”). This MD&A is based on information available to Management as of February 22, 2024.

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 2024; the annualized net operating income (NOI), a non-IFRS measure, and annualized funds from operations (FFO), a non-IFRS measure, assumes acquisitions that occurred in fiscal 2023 were purchased on January 1, 2023; and the general outlook for the Corporation. This forward-looking information is contained in “Nature of Business”, “Business and General Corporate Strategy”, “Outlook”, “Financial Results Overview” and “Working Capital, Long Term Debt and Share Capital” and other sections of this MD&A.

Forward-looking information is subject to known and 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; the revenue from acquisitions completed in fiscal 2023 being extrapolated to the entire period for 2023 and being consistent with, and reproducible as, revenue in future periods; and anticipated and unanticipated costs. 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 2024 and revenue and NOI growth for 2024 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. 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 International Financial Reporting 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; 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 January 1, 2024 to February 22, 2024;

"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 December 31, 2023, SVI owned 212 stores and 5,015 portable storage units across Canada, for a total of 11,776,218 square feet of rentable storage space in 103,349 rental units. The stores operate under the Access Storage, Depotium Mini-Entrepots and Sentinel Storage brands. Our portable storage business operates under the Cubeit and PUPS brands. Our records management business operates under the RecordXpress brand.

In addition to our owned stores, SVI manages 31 stores that are owned by third parties for a management fee, bringing the total number of stores owned and managed to 243.

We are able to leverage our national storage presence to offer last-mile storage solutions, such as personal protective equipment handling for health care organizations across the country. Through our portable storage and records management businesses, we offer mobilization solutions to 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: population growth, immigration, change of circumstances, smaller living areas and workspaces, business incubation, e-commerce, last-mile solutions, lack of warehouse space, downsizing, renovations, moving, death, divorce, insurance, etc. We expect these trends to continue in 2024 and beyond.

<u>Market Size</u>

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.

<u>Pricing and Occupancy</u>

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.

<u>Competition</u>

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 2023, we completed 40,000 square feet of expanded and renovated space and currently expect to complete 50,000 square feet of expanded and renovated space by the end of the fiscal year 2024. In addition, we have another 450,000 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 will 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 rate, amortization period, 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 will, 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
In 2024, we expect to acquire and complete $70 million to $100 million of assets.

Historically we have been successful in meeting our acquisition targets; however, as there is uncertainty in the Canadian economy, and more competition to acquire existing stores, we may not be able to find acquisitions that meet our criteria.

Share Capital
The Corporation will, 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.

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 2024 as we execute on our revenue management system and as we continue to control costs. We also expect contributions from the acquisitions made in 2023, in fiscal 2022, and as well as those we completed in fiscal 2021 that are now stabilizing.

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 February 22, 2024, approved the increase to the quarterly dividend for Q1 2024 by 0.5% to $0.002888 per common share.

DESCRIPTION OF OUR OPERATIONS

As at December 31, 2023, the Corporation owned the following self storage and portable storage operations:

Location	Acres	Number of Stores	Units	Rentable Square Feet
British Columbia	46	19	10,179	1,027,489
Alberta	154	44	22,153	2,543,417
Saskatchewan	34	11	2,715	356,554
Manitoba	40	12	4,846	490,057
Ontario	347	97	46,444	5,507,499
Quebec	43	22	10,107	1,029,038
Nova Scotia	22	7	1,890	249,035
Portable Storage Units			5,015	573,129
Total	**686**	**212**	**103,349**	**11,776,218**

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 240 storage locations throughout Canada
- acquisition, development and management of over 17 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 to introduce and greet professionally, 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 gross 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

As of December 31, 2023, SVI acquired 7 locations plus 2 adjacent parcels of land for $94.6 million. There are 3 additional locations totaling $35.5 million announced in fiscal 2023 that are expected to close in 2024. In fiscal 2022, SVI acquired 10 stores, 1 adjacent property and 3 records management operations for $241.1 million. The timing of these acquisitions affects the comparative results.

Selected Financial Information

	(unaudited)				(audited)			
	Three Months Ended December 31				Fiscal			
			Change				Change	
	2023	2022	$	%	**2023**	2022	$	%
Storage revenue and related services	**$ 73,750,304**	$ 68,605,992	$ 5,144,312	*7.5%*	**$ 286,687,556**	$ 259,933,061	$ 26,754,495	*10.3%*
Management fees	**518,609**	483,861	34,748	*7.2%*	**2,037,056**	1,895,228	141,828	*7.5%*
	74,268,913	69,089,853	5,179,060	*7.5%*	**288,724,612**	261,828,289	26,896,323	*10.3%*
Operating costs	**24,336,840**	23,068,991	1,267,849	*5.5%*	**95,131,868**	85,794,347	9,337,521	*10.9%*
Net operating income [1]	**49,932,073**	46,020,862	3,911,211	*8.5%*	**193,592,744**	176,033,942	17,558,802	*10.0%*
Less:								
Acquisition and integration costs	**1,959,784**	1,666,565	293,219	*17.6%*	**5,904,217**	9,587,840	(3,683,623)	*-38.4%*
Selling, general and administrative	**6,300,966**	5,461,630	839,336	*15.4%*	**24,290,628**	21,048,950	3,241,678	*15.4%*
Interest	**20,809,179**	21,321,051	(511,872)	*-2.4%*	**83,297,441**	74,801,847	8,495,594	*11.4%*
Stock based compensation	**2,944,323**	12,587,262	(9,642,939)	*-76.6%*	**3,795,626**	13,631,028	(9,835,402)	*-72.2%*
Realized (gain) loss on real estate	**87,689**	-	87,689	-	**(15,528,115)**	-	(15,528,115)	-
Realized (gain) loss on derivative financial instruments	**(23,454)**	-	(23,454)	-	**(3,994,356)**	-	(3,994,356)	-
Unrealized (gain) loss on derivative financial instruments	**18,458,800**	(422,566)	18,881,366	*-4468.3%*	**1,450,089**	3,664,312	(2,214,223)	*-60.4%*
Interest accretion on convertible debentures	**4,195,644**	-	4,195,644	-	**4,195,644**	-	4,195,644	-
Depreciation and amortization	**25,278,530**	34,124,962	(8,846,432)	*-25.9%*	**100,518,182**	104,126,661	(3,608,479)	*-3.5%*
	80,011,461	74,738,904	5,272,557	*7.1%*	**203,929,356**	226,860,638	(22,931,282)	*-10.1%*
Net income (loss) before taxes	**(30,079,388)**	(28,718,042)	(1,361,346)	*-4.7%*	**(10,336,612)**	(50,826,696)	40,490,084	*79.7%*
Deferred tax (expense) recovery	**2,292,414**	5,452,549	(3,160,135)	*-58.0%*	**8,636,454**	9,584,739	(948,285)	*-9.9%*
Net income (loss)	**$ (27,786,974)**	$ (23,265,493)	$ (4,521,481)	*-19.4%*	**$ (1,700,158)**	$ (41,241,957)	$ 39,541,799	*95.9%*

[1] Non-IFRS Measure.

Weighted average number of common shares outstanding								
Basic	**374,749,506**	377,962,879	(3,213,373)	*-0.9%*	**376,930,150**	378,051,496	(1,121,346)	*-0.3%*
Diluted	**383,424,053**	390,881,796	(7,457,743)	*-1.9%*	**385,604,697**	390,970,412	(5,365,715)	*-1.4%*
Net income (loss) per common share								
Basic	**$ (0.074)**	$ (0.062)			**$ (0.005)**	$ (0.109)		
Diluted	**$ (0.072)**	$ (0.060)			**$ (0.004)**	$ (0.105)		

Storage revenue and related services

For the three months ended December 31, 2023, the Corporation had revenues of $73.8 million (December 31, 2022 - $68.6 million), an increase of 7.5% for the quarter and contributing to a $26.8 million or 10.3% increase over fiscal 2022. This increase is attributable to mainly 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 December 31, 2023, management fees increased by 7.2% over the same prior year period resulting in a 7.5% increase for the fiscal year. The increase in management fees, while muted by the acquisition of managed stores, is mainly a result of increases in revenue from managed stores.

Operating costs
Operating costs for the three months ended December 31, 2023 were $24.3 million (December 31, 2022 - $23.1 million) resulting in a fiscal year increase of $9.3 million or 10.9% over fiscal 2022. The increase relate to stores acquired in 2022 and mainly increases to costs in advertising, property taxes, repairs and maintenance and wages.

Net income (loss)
Our net loss of $27.8 million for the three months ended December 31, 2023 results from non-cash items of $25.3 million of depreciation and amortization, $2.9 million in stock based compensation, $18.5 million of unrealized loss on derivative financial instruments, $4.2 million of interest accretion on convertible debentures and $2.3 million of deferred tax recovery.

Net operating income
For the three months ended December 31, 2023, the Corporation had net operating income (NOI), a non-IFRS measure, of $49.9 million (December 31, 2022 - $46.0 million), an increase of $3.9 million or 8.5% for the quarter and contributing to a $17.6 million or 10.0% increase over fiscal 2022. The increase was achieved from increased rates through our revenue management systems, controlling costs, NOI from assets purchased throughout fiscal 2023 and 2022 and from streamlining and integration of operations.

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. SVI completed $94.6 million of acquisitions and announced an additional $35.5 million of transactions that we expect to close in 2024, following completing $241.1 million of acquisitions in fiscal 2022 and $270.2 million of acquisitions in fiscal 2021.

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 RSUs, DSUs and to stock options issued to directors, officers and consultants under the Corporation's stock option plan and 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 2023 financial statements.

Interest
Interest expense increased due to an increase in interest rates, on both fixed and variable rate debt. As at December 31, 2023, our debt was $1.4 billion compared to $1.5 billion at December 31, 2022. The decrease in debt is as result of the issuance of $150 million 5.00% Convertible Senior Unsecured Debentures on January 9, 2023.

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 statement of income (loss) and comprehensive income (loss).

Depreciation and amortization
The slight decrease in depreciation and amortization expense is primarily due to the declining balance method of depreciating assets and lower acquisitions in fiscal 2023 compared to fiscal 2022 and 2021.

Realized gain on real estate
The Corporation recognized a gain on the disposal of real estate and business related to an expropriation by a government agency.

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 DSUs, RSUs and 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. They 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 acquisition and integration costs and realized gains or losses on real estate on the Statement of Income (Loss) and Comprehensive Income (Loss). Net income (loss) assumes that the values of our assets diminish over time through depreciation and amortization, irrespective of the value of our real estate assets in the open market. Other non-cash and non-recurring capital items include stock based compensation costs, deferred income tax expenses (recoveries), realized and unrealized gain or loss on interest rate swap contracts, realized and unrealized gain or loss on derivative financial instruments, interest accretion on convertible debentures and acquisition and integration costs, if any. 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 December 31, 2023 was $20.9 million versus $17.6 million for the same period in 2022, an 18.7% increase or 19.7% increase per basic common share outstanding. AFFO for the three months ended December 31, 2023 was $22.8 million versus $19.2 million for the same period in 2022, an 18.6% increase or 19.6% increase per basic common share outstanding. The increases is a result of increase in NOI.

For the fiscal year, while we achieved $17.6 million or 10.0% in overall NOI growth, FFO growth of $9.5 million or 13.5% and AFFO growth of $5.8 million or 7.3%, our fiscal 2023 FFO and AFFO results were muted by higher interest expense of $8.5 million compared to the same prior year period.

The FFO and AFFO for the three months and fiscal year ended December 31, 2023 and 2022 are:

	(unaudited) Three Months Ended December 31				*(audited)* Fiscal			
	2023	**2022**	Change $	Change %	**2023**	**2022**	Change $	Change %
Net income (loss)	$ **(27,786,974)**	$ (23,265,493)	$ (4,521,481)	-19.4%	$ **(1,700,158)**	$ (41,241,957)	$ 39,541,799	95.9%
Adjustments:								
Stock based compensation	**2,944,323**	12,587,262	(9,642,939)	-76.6%	**3,795,626**	13,631,028	(9,835,402)	-72.2%
Interest accretion on convertible debentures	**4,195,644**	-	4,195,644	-	**4,195,644**	-	4,195,644	-
Realized (gain) loss on real estate	**87,689**	-	87,689	-	**(15,528,115)**	-	(15,528,115)	-
Realized (gain) loss on derivative financial instruments	**(23,454)**	-	(23,454)	-	**(3,994,356)**	-	(3,994,356)	-
Unrealized (gain) loss on derivative financial instruments	**18,458,800**	(422,566)	18,881,366	-4468.3%	**1,450,089**	3,664,312	(2,214,223)	-60.4%
Deferred tax (expense) recovery	**(2,292,414)**	(5,452,549)	3,160,135	-58.0%	**(8,636,454)**	(9,584,739)	948,285	-9.9%
Depreciation and amortization	**25,278,530**	34,124,962	(8,846,432)	-25.9%	**100,518,182**	104,126,661	(3,608,479)	-3.5%
	48,649,118	40,837,109	7,812,009	19.1%	**81,800,616**	111,837,262	(30,036,646)	-26.9%
FFO [1]	$ **20,862,144**	$ 17,571,616	$ 3,290,528	18.7%	$ **80,100,458**	$ 70,595,305	$ 9,505,153	13.5%
Adjustments:								
Acquisition and integration costs	**1,959,784**	1,666,565	293,219	17.6%	**5,904,217**	9,587,840	(3,683,623)	-38.4%
AFFO [1]	$ **22,821,928**	$ 19,238,181	$ 3,583,747	18.6%	$ **86,004,675**	$ 80,183,145	$ 5,821,530	7.3%

[1] Non-IFRS Measure.

FFO and AFFO Per Basic Common Share Outstanding								
FFO	$ **0.056**	$ 0.046	$ 0.009	19.7%	$ **0.213**	$ 0.187	$ 0.026	13.8%
AFFO	$ **0.061**	$ 0.051	$ 0.010	19.6%	$ **0.228**	$ 0.212	$ 0.016	7.6%

Annualized Net Operating Income and Funds from Operations

The Company completed the purchase of 7 locations and 2 adjacent parcels of land and the revenues and operating expenses from each acquisition are reflected in the statements from the date of acquisition forward for these stores. To understand a full year of operations with the acquired assets, utilizing historical data, the following is an annualized NOI, FFO and AFFO (all non-IFRS measures) statement annualizing the revenues and expenses as if the stores purchased in fiscal 2023, were purchased as of January 1, 2023 and owned for the entire 12-month period.

The results of this annualized statement show that NOI, FFO and AFFO would be higher by $4.0 million, $3.7 million and $3.7 million, respectively. NOI would have been $197.6 million, FFO would be $83.8 million and the AFFO would be $89.7 million.

	For the Year Ended December 31, 2023			
	Actual	**Annualized Results**	*Incremental*	Notes
Storage revenue and related services	$ 286,687,556	**$ 292,222,963**	*$ 5,535,407*	*1*
Management fees	2,037,056	**2,037,056**	-	
	288,724,612	**294,260,019**	*5,535,407*	
Property operating costs	95,131,868	**96,652,357**	*1,520,489*	*1*
Net operating income	193,592,744	**197,607,662**	*4,014,918*	
Adjustments:				
Acquisition and integration costs	5,904,217	**5,904,217**	-	*2*
Selling, general and administrative	24,290,628	**24,512,044**	*221,416*	*3*
Interest	83,297,441	**83,389,579**	*92,138*	*4*
	113,492,286	**113,805,840**	*313,554*	
Funds from Operations	80,100,458	**83,801,822**	*3,701,364*	
Adjustment:				
Acquisition and integration costs	5,904,217	**5,904,217**	-	*2*
Adjusted Funds from Operations	$ 86,004,675	**$ 89,706,039**	*$ 3,701,364*	

Note 1 – the results from all stores acquired in fiscal 2023, have been adjusted as if the purchase occurred on January 1, 2023. For revenues, we assumed achieved occupancies and rent per square foot were repeated from the period prior to acquisition. Information regarding expenses incurred during 2023 and prior to acquisition, has been sourced from due diligence materials received during the acquisition process to determine a full year of operating costs.

Note 2 – these costs are one time in nature and do not change based on acquisition date.

Note 3 – based on existing scale and management infrastructure.

Note 4 – annualized amount determined based on interest rate and debt outstanding at December 31, 2023.

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 December 31				(audited) Fiscal			
	2023	2022	Change $	Change %	2023	2022	Change $	Change %
Revenue								
Existing Self Storage [1]	**$ 56,114,074**	$ 53,412,184	$ 2,701,890	5.1%	**$ 220,710,547**	$ 210,510,124	$ 10,200,423	4.8%
New Self Storage [1]	**15,211,762**	12,562,310	2,649,452	21.1%	**55,406,331**	38,114,042	17,292,289	45.4%
Total Self Storage	**71,325,836**	65,974,494	5,351,342	8.1%	**276,116,878**	248,624,166	27,492,712	11.1%
Portable Storage	**2,424,468**	2,631,498	(207,030)	-7.9%	**10,570,678**	11,308,895	(738,217)	-6.5%
Management Fees	**518,609**	483,861	34,748	7.2%	**2,037,056**	1,895,228	141,828	7.5%
Combined	**74,268,913**	69,089,853	5,179,060	7.5%	**288,724,612**	261,828,289	26,896,323	10.3%
Operating Costs								
Existing Self Storage	**16,876,711**	16,063,929	812,782	5.1%	**66,062,969**	62,523,396	3,539,573	5.7%
New Self Storage	**5,738,487**	5,111,720	626,767	12.3%	**21,838,405**	15,477,552	6,360,853	41.1%
Total Self Storage	**22,615,198**	21,175,649	1,439,549	6.8%	**87,901,374**	78,000,948	9,900,426	12.7%
Portable Storage	**1,721,642**	1,893,341	(171,699)	-9.1%	**7,230,494**	7,793,399	(562,905)	-7.2%
Combined	**24,336,840**	23,068,990	1,267,850	5.5%	**95,131,868**	85,794,347	9,337,521	10.9%
Net Operating Income [1]								
Existing Self Storage	**39,237,363**	37,348,255	1,889,108	5.1%	**154,647,578**	147,986,728	6,660,850	4.5%
New Self Storage	**9,473,275**	7,450,590	2,022,685	27.1%	**33,567,926**	22,636,490	10,931,436	48.3%
Total Self Storage	**48,710,638**	44,798,845	3,911,793	8.7%	**188,215,504**	170,623,218	17,592,286	10.3%
Portable Storage	**702,826**	738,157	(35,331)	-4.8%	**3,340,184**	3,515,496	(175,312)	-5.0%
Management Fees	**518,609**	483,861	34,748	7.2%	**2,037,056**	1,895,228	141,828	7.5%
Combined	**$ 49,932,073**	$ 46,020,863	$ 3,911,210	8.5%	**$ 193,592,744**	$ 176,033,942	$ 17,558,802	10.0%

[1] Non -IFRS Measure.

Existing Self Storage

For the three months ended December 31, 2023, revenue and NOI increased by 5.1% and 5.1%, respectively, over the same prior year period, resulting in a full year same store revenue and NOI growth of 4.8% and 4.5%. Revenue and NOI increases are a result of continued execution of our revenue management program, despite lower period over period occupancies. For operating costs, we continue to control costs through operational efficiencies, however we experienced increases in advertising, property taxes, repairs and maintenance and wages.

New Self Storage

Increase is a result of our 2023 and 2022 acquisitions and non-stabilized acquisitions throughout 2021 resulting in revenue, operating costs and NOI growth as we commenced reporting results.

Portable Storage

Revenue and NOI are lower due to lower period over period occupancies.

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 2023 ('000)					Fiscal 2022 ('000)				
	Q4	**Q3**	**Q2**	**Q1**	**Total**	Q4	Q3	Q2	Q1	Total
NOI [1]										
Existing Self Storage	$ 39,237	$ 42,290	$ 38,650	$ 34,471	**$ 154,648**	$ 37,348	$ 40,400	$ 37,809	$ 32,429	$ 147,987
New Self Storage	9,473	8,723	8,222	7,150	**33,568**	7,451	6,836	5,061	3,288	22,636
Total Self Storage	48,711	51,013	46,871	41,621	**188,216**	44,799	47,236	42,871	35,718	170,623
Portable Storage	703	1,149	1,011	477	**3,340**	738	1,326	959	493	3,515
Management Fees	519	515	529	474	**2,037**	484	481	517	413	1,895
	$ 49,932	$ 52,678	$ 48,411	$ 42,572	**$ 193,593**	$ 46,021	$ 49,043	$ 44,346	$ 36,624	$ 176,034

[1] Non-IFRS Measure

Existing Self Storage

The increase in Q4 2023 over Q4 2022 was driven from continued execution of our revenue management program and controlling costs through operational efficiencies.

New Self Storage

SVI has acquired 7 locations plus 2 adjacent parcels of land in fiscal 2023 and 10 stores, 1 adjacent property and 3 records management operations in fiscal 2022 and 29 stores in fiscal 2021. These additions have resulted in NOI growth quarter over quarter as we commenced reporting results.

Portable Storage

NOI is lower due to lower period over period occupancies.

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
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	$0.040	$1,997,703,262	$1,783,807,524	$1,073,547
2023 – Q2	$71,292,759	$12,612,251	$0.033	$0.030	$1,988,295,493	$1,778,917,293	$1,075,022
2023 – Q1	$67,417,472	($2,904,372)	($0.008)	($0.008)	$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 [1]	$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 [1]	$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**	**-**

Note 1:
The Corporation reversed $12,420,000 of goodwill impairment taken in Q1 2017 and Q3 2017.

The Q1 2017 goodwill impairment that was recorded was $5,361,176, and as a result, Q1 2017 previously reported net loss of $10,797,865, would have been $5,436,689 without such goodwill impairment. The Q3 2017 goodwill impairment that was recorded was $7,058,823, and as a result, Q3 2017 reported net loss of $15,402,377 would have been $8,343,553 without such goodwill impairment.

The previously reported Total Assets for Q1 2017 of $404,743,767 would have been $410,104,943. The previously reported Total Assets for Q2 2017 of $400,216,946 would have been $405,578,122. The previously reported Total Assets for Q3 2017 of $839,525,204 would have been $851,945,204.

WORKING CAPITAL, DEBT AND SHARE CAPITAL

Working Capital

Cash provided by operating activities was $85.8 million for fiscal 2023, compared to $76.4 million for fiscal 2022. The increase arises from increased rates through our revenue management systems, continued streamlining and integration of operations and controlling costs.

As at December 31, 2023, the Corporation had $13.9 million of cash compared to $22.5 million at December 31, 2022. The decrease in cash is due to managing cash flow to minimize interest expense, acquisitions, expansions, capital improvements and the repurchase of the Corporation's common shares. The Corporation expects its cash flow from operations to continue to increase as we continue to execute our operational plans and the full benefit of recently purchased stores are realized. In addition, the Corporation will borrow against existing assets to fund acquisitions and its expansion plans.

Debt

As at December 31, 2023 and December 31, 2022, the Corporation held the following debt:

	December 31, 2023			December 31, 2022		
	Rate Range	**Weighted Average**	**Balance**	Rate Range	Weighted Average	Balance
Mortgages						
At amortized cost - Fixed	2.84% to 9.20%	5.13%	**306,666,120**	2.84% to 4.98%	4.48%	251,048,897
	Maturity: Mar 2025 to Dec 2029			*Maturity: Apr 2023 to Dec 2029*		
At amortized cost - Variable	7.47% to 8.20%	7.56%	**26,490,427**	7.45% to 8.60%	8.08%	84,653,250
	Maturity: Jan 2024 to Jul 2024			*Maturity: Feb 2023 to Jul 2024*		
At FVTPL - Variable			**747,907,274**			783,891,417
- Fixed via interest rate swap			**(15,112,904)**			(32,836,542)
		4.74%	**732,794,370**		4.31%	751,054,875
	Maturity: Apr 2024 to Jan 2031			*Maturity: Jan 2024 to Jan 2031*		
		4.92%	**1,065,950,917**		4.65%	1,086,757,022
Lines of Credit and Promissory Notes						
At amortized cost - Fixed		4.50%	**500,000**		3.50%	4,000,000
	Maturity: Mar 2025			*Maturity: Dec 2023*		
At amortized cost - Variable		7.73%	**50,000,000**		7.28%	140,618,468
	Maturity: Dec 2024 to Feb 2025			*Maturity: Jun 2023 to Oct 2025*		
At FVTPL - Variable			**308,871,737**			314,288,134
- Fixed via interest rate swap			**(8,871,737)**			(14,288,134)
		3.88%	**300,000,000**		3.88%	300,000,000
	Maturity: Feb 2025			*Maturity: Feb 2025*		
		4.43%	**350,500,000**		4.95%	444,618,468
Deferred financing costs, net of accretion			**(3,742,768)**			(4,655,721)
		4.80%	**1,412,708,149**		4.73%	**1,526,719,769**

Reconciliation of Debt

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

	December 31, 2023	December 31, 2022
Debt, beginning of period	**$ 1,526,719,769**	$ 1,332,474,745
Advances from debt	**286,760,989**	610,341,010
Repayment of debt	**(401,685,562)**	(409,662,963)
Amounts offset against accounts receivable	**-**	(6,486,464)
Change in fair value of debt measured at FVTPL	**23,140,035**	(60,949,884)
Change in fair value of interest rate swaps	**(23,140,035)**	60,949,884
Total cash flow from debt financing activities	**(114,924,573)**	194,191,583
Change in deferred financing costs	**912,953**	53,441
Debt, end of period	**$ 1,412,708,149**	$ 1,526,719,769

The bank prime rate at December 31, 2023 was 7.20% (December 31, 2022 - 6.45%). The weighted average cost of debt at December 31, 2023 is 4.80% (December 31, 2022 - 4.73%). The Corporation's variable interest rate exposure is limited with only 5.40% of debt being variable and the balance being fixed interest rate debt.

The weighted years to maturity, excluding lines of credit, at December 31, 2023 is 4.00 years (December 31, 2022 – 4.26 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 December 31, 2023 and December 31, 2022, 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, lines of credit and promissory notes in each of the next five years are estimated as follows:

Year 1	$	448,302,885 (includes lines of credit and promissory note of $350.0 million)
Year 2	$	178,944,623
Year 3	$	45,300,549
Year 4	$	152,308,388
Year 5	$	387,200,322
Thereafter	$	204,394,150

Of the repayments shown in Year 1, $23.8 million are required under our amortizing term debt mortgages, $74.5 million relates to loans due in the upcoming twelve months that are expected to be refinanced, and $350.0 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 December 31, 2023 and December 31, 2022, the Corporation is in compliance with all covenants.

The Corporation terms out assets on our lines of credit when deemed appropriate, which includes determination that 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 December 31, 2023 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
2024	$ 74,502,885	5.20%	$ 43,000,000	7.72%	$ 117,502,885	6.12%
2025	156,441,283	5.78%	307,500,000	3.97%	463,941,283	4.58%
2026	23,498,716	3.54%	-	0.00%	23,498,716	3.54%
2027	141,738,557	4.92%	-	0.00%	141,738,557	4.92%
2028	428,483,814	4.84%	-	0.00%	428,483,814	4.84%
Thereafter	241,285,662	4.56%	-	0.00%	241,285,662	4.56%
	$ 1,065,950,917	4.92%	$ 350,500,000	4.43%	$ 1,416,450,917	4.80%
Deferred financing costs net of accretion					(3,742,768)	
Balance					$ 1,412,708,149	

The Corporation entered into interest rate swap contracts in order to fix the interest rate on $1 billion of debt at a weighted average rate of 4.49%. On $447 million of this debt, the bank entered into interest rate swap cancellation agreements, allowing them to cancel the original swap agreements between April 8, 2024 and October 27, 2025.

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, 2024 and prior to January 31, 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 102.875% 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 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:

	December 31, 2023	December 31, 2022
Opening balance	**$ 128,682,883**	$ 127,551,885
Additions during period	**150,000,000**	-
Issuance costs	**(6,009,911)**	-
Equity component of convertible debentures	**(18,245,003)**	-
Accretion during period	**5,326,643**	1,130,998
Interest payable	**1,871,047**	
Debentures repurchased	**(188,000)**	-
Ending balance	**$ 261,437,659**	**$ 128,682,883**

Share Capital
The common shares issued are:

	Number of Shares	Amount
Balance, December 31, 2021	374,636,443	$ 406,565,894
Issued on acquisitions	4,171,246	27,000,000
Dividend reinvestment plan	306,499	1,829,905
Share option redemption	661,151	(448,659)
RSU/DSU redemption	94,421	632,798
Common shares repurchased	(1,852,400)	(10,625,564)
Balance, December 31, 2022	378,017,360	424,954,374
Issued on acquisitions	681,601	4,250,000
Dividend reinvestment plan	252,145	1,441,790
Share option redemption	5,000	(5,038,500)
Common shares repurchased	(4,395,798)	(21,562,655)
Balance, December 31, 2023	374,560,308	$ 404,045,009

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 36,587,000 options were outstanding as at December 31, 2023 (December 31, 2022 – 36,342,000). Of the outstanding amount, 36,587,000 options were exercisable (December 31, 2022 – 36,342,000). The details are as follows:

Exercise Price	Vesting Date	Expiry Date	**December 31, 2023**	December 31, 2022
$ 0.41	Apr. 28, 2015	Apr. 28, 2025	**1,125,500**	1,125,500
$ 0.50	Sep. 14, 2015	Sep. 14, 2025	**1,305,000**	1,480,000
$ 1.36	Dec. 21, 2016	Dec. 21, 2026	**2,620,000**	2,770,000
$ 1.78	Mar. 16, 2017	Mar. 16, 2027	**2,645,000**	2,795,000
$ 2.52	May 4, 2018	May 4, 2028	**2,660,000**	2,810,000
$ 2.90	May 28, 2019	May 28, 2029	**5,376,500**	5,764,000
$ 3.98	Dec. 15, 2020	Dec. 15, 2030	**5,515,500**	5,858,000
$ 6.31	Dec. 20, 2021	Dec. 20, 2031	**6,767,500**	6,767,500
$ 5.94	Dec. 19, 2022	Dec. 19, 2032	**6,972,000**	6,972,000
$ 5.23	Dec. 28, 2023	Dec. 28, 2033	**1,600,000**	-
Options exercisable and outstanding			**36,587,000**	36,342,000

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 share-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 share-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 December 31, 2023, 3,486,628 TRS were outstanding at a value of $2,141,355 (December 31, 2022 – 3,081,360 TRS were outstanding at a value of $4,700,494).

At December 31, 2023, 100% of the combined DSU and RSU exposures were economically hedged. Hedge accounting is not applied for the DSU/RSU hedging program.

During the year ended December 31, 2023, the Corporation issued 160,176 common shares at a value of $1,007,507 (December 31, 2022 – 266,268 common shares at a value of $1,786,852) under the Plan. A total of 980,328 common shares at a value of $4,923,332 were outstanding at December 31, 2023 (December 31, 2022 – 1,123,429 common shares at a value of $5,069,112).

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

Lease Liabilities

The Corporation leases buildings and land in British Columbia, Alberta, Manitoba, Ontario and Quebec. The leases expire between 2026 and 2057, with the leases expiring in 2024 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 year ended December 31, 2023, the Corporation recognized $3,668,569 (December 31, 2022 - $3,035,180) in interest expense related to its lease liabilities.

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

	December 31, 2023	December 31, 2022
Balance, beginning of period	**$ 80,518,572**	$ 77,094,742
Additions and reassessments	**23,416,757**	6,356,372
Cash payments	**(7,887,925)**	(6,181,239)
Interest	**3,668,569**	3,035,180
Capitalized interest	**-**	213,517
Balance, end of period	**$ 99,715,973**	$ 80,518,572

Contingency
The Corporation has no legal contingency provisions at December 31, 2023 or December 31, 2022.

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 year ended December 31, 2023, the Corporation paid $382,400 (December 31, 2022 - $405,196) for royalties and $3,054,716 (December 31, 2022 - $3,046,665) 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 December 31, 2023 was $52,758 (December 31, 2022 - $58,225) 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 year ended December 31, 2023, the Corporation received $6,017,053 (December 31, 2022 - $8,471,116) in payments and reimbursements related to the management agreements. During the year ended December 31, 2023, the Corporation also incurred $50,583,697 (December 31, 2022 - $32,508,783) 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 December 31, 2023 was $2,790,800 (December 31, 2022 - $522,072) payable to the Access Group. Included in accounts receivable as at December 31, 2023 was $1,030,452 (December 31, 2022 - $846,587) 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:

	December 31, 2023	December 31, 2022
Wages, management fees, bonuses and directors fees	**$ 1,324,495**	$ 610,212
Stock based compensation	**1,047,580**	6,065,672
	$ 2,372,075	$ 6,675,884

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

At StorageVault, we consider environmental sustainability, social responsibility, and commitment to strong corporate governance practices as core values and the foundation of what we do day-in and day-out. Our ongoing efforts involve reducing the already minimal environmental impact of our stores, enhancing engagement with colleagues and shareholders, supporting the over 100 communities in which we operate, and upholding sound corporate governance practices. Together with our business objectives, these core values ensure we continuously deliver strong and sustainable results for all stakeholders.

Environmental

We hold the belief that sustainability and success are intertwined, and to prosper as a business, we must contribute positively to our communities. As a community-based business, we recognize our responsibility to implement sustainable operating practices, aiming to minimize our impact and preserve the environment while enhancing the performance of our portfolio. Our objective is to positively impact the environment, our communities, shareholders, the broader self-storage industry, and future generations.

In our commitment to energy conservation, we strategically offer a mix of square footage, including non-climate controlled and temperature-controlled spaces. For properties with temperature-controlled storage, we regulate temperatures to ensure the safety of stored contents while minimizing energy consumption for heating or cooling. Non-climate-controlled areas have minimal environmental effects. This not only reduces our usage, but our expenses as well, benefiting all stakeholders.

We continually implement forward-thinking energy-saving initiatives, such as using geothermal heating systems, rooftop solar panels, solar walls, motion-activated lighting systems, and the retrofitting of older fixtures with modern, energy-efficient alternatives. Water usage at our properties is at very low levels. Furthermore, we source and sell packing supplies made from recycled materials, and our digital rental process has significantly reduced paper usage.

The self-storage industry has the lowest environmental impact for energy consumption, water usage, and waste production when compared to all other real estate asset classes. The storage industry has an inherently low environmental impact due to its minimal daily activity levels compared to other commercial properties dues to the limited daily client activity and traffic which contribute to minimizing our carbon footprint within our communities.

Energy Reduction and Generation

- over 90% of all properties have motion sensor lighting, allowing for usage on-demand
- 80% of interior and 60% of exterior lighting have been retrofitted with LED lighting
- automated and self-adjusting internal thermostat temperature controls
- use of geothermal heating and cooling systems - geothermal heating systems use the earth as a heating and cooling source; geothermal heat pumps are among the most energy-efficient technologies for providing HVAC and water heating, using far less energy than traditional systems
- energy efficient HVAC systems
- solar power generation using roof top and solar walls
- all new roofs installed or replaced are reflective "cool" roofs that help minimize energy consumption
- use of in-floor radiant heating

Green Building Design and Construction Practices

- all new construction projects are built using energy efficient windows
- use of SolarWall systems or insulated metal panels used in construction of new and retrofitted buildings
- replacing standard exterior storage doors with energy efficient doors
- insulated foundation walls to help maintain and keep the foundation slab warm
- proposed acquisitions are subject to environmental site assessments prior to the closing

Waste Reduction and Recycling

- RecordXpress, our paper shredding and recycling division, recycled over 9.89 million pounds of paper; saving 430,000 trees, diverting 96,000 cubic meters from landfills and pre-emptively eliminating 193,000 barrels of oil required to harvest the raw product
- sale of moving and packaging supplies made from recycled materials
- garbage and waste recycling at our stores and corporate offices
- digital rental process that reduces paper usage through more efficient technology options
- electronic recycling and e-waste reduction program for decommissioned computer equipment that either donates refurbished equipment to local charities or recycles equipment that cannot be repurposed

Water Reduction and Conservation

- one washroom per property, on average, given low occupant levels and client activity at our properties
- low flow and energy efficient plumbing systems and appliances
- low-water irrigation systems
- landscaping using native and drought-tolerant species
- water run-off controls
- storm water retention

Social

At StorageVault, our foremost commitment is to support both our colleagues and the communities in which we reside and operate. With over 800 colleagues across more than 100 communities throughout Canada, we express gratitude for the privilege of being a part of these diverse locales. In 2023, we proudly supported over 250 community organizations; working together to create meaningful and enduring impacts.

Engagement and Wellbeing

StorageVault is dedicated to fostering a culture that prioritizes wellbeing, promotes healthy practices, and supports work-life balance. Central to our philosophy is a strong belief in developing and retaining talented people. We emphasize active engagement from management at all levels, fostering connections between colleagues, clients, the board, and other stakeholders. Our conviction is rooted in the belief that by prioritizing the wellbeing of our colleagues, we enable our team to reciprocate that care towards our clients, our stores and our communities. Engagement and Wellbeing Highlights include:

- Wellness Wednesdays - a monthly webinar for all our colleagues with topics including finance, wellness, meditation, exercise, mental health and hobbies.
- Change Committee – our self storage team members have established a volunteer committee that convenes monthly 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 & safety, communications and training.
- Training and Career Development - our dedicated Corporate Training team has created an industry leading program for our New Hires. In addition to New Hire training, our team 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.
- We provide competitive health and insurance benefits, employee assistance programs, paid time off, and leave of absence and bereavement support.
- Bonus opportunities are based on individual, store and corporate performance.
- We organize incentive programs such as our Step Challenge, which encourages our employees to meet step goals to help promote a healthier lifestyle.
- Annual corporate events including Family Bowling, Pot-Luck Lunches and Christmas parties

Supporting our Communities

At StorageVault, we take great pride in fostering long-term, sustainable relationships that make a difference year over year. In 2023, our commitment to Canadian communities was steadfast as we aligned with not-for-profit agencies and grassroots organizations to provide tangible support for meaningful outcomes. With emphasis placed on our five community pillars: food security, healthcare, education, sports, and the arts, we work intimately with over 250 local, regional and national partners to enhance their ability to support communities. We strategically align and leverage the power and influence of our national partners, using their reach to elevate our grassroots partners in need which results in enhanced support.

As a Canadian company, our passion and desire to be there for our colleagues, clients, and communities has never been greater. We are incredibly grateful to be able to support our fellow Canadians from coast to coast.

Governance
StorageVault's Board and Management recognize the importance of equality, diversity and is dedicated to maintaining the highest governance standards, which is exemplified through the following:

- Increased our Board of Directors from 5 to 6 members
    - 66% of our directors are independent
- Diverse Board and Management team
    - 50% Board Diversity (gender and race)
    - 33% of our directors are female
    - 52% of our senior management are female
- Annual Board review and vote to approve executive compensation
- Annual election of Directors by shareholders at AGM
- Tri-annual approval of the Stock Option Plan 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 re-approval 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 are extremely proud to once again have been recognized in The Globe and Mail's 2023 Report on Business *Women Lead Here* list. This annual editorial benchmark identifies best-in-class executive gender diversity in corporate Canada. This award recognizes StorageVault's shared vision for equity and inclusion among the other honorees. It is StorageVault's continued desire to promote strong leadership in our workplace and within communities across Canada.

With StorageVault's graduation to the TSX in 2022, we have adopted more stringent compliance requirements which include but are not limited to additional audit scrutiny and testing to ensure that our corporate policies, practices and accounting standards are met. To ensure good governance practices and transparency for all our stakeholders, StorageVault's corporate policies, mandates and charters are publicly accessible on our corporate website.

StorageVault is committed to supporting and providing stability to assure the long-term interests of all stakeholders through strong corporate governance practices.

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 six voting members, four 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, 2023 annual audited financial statements. There has been no change in significant accounting policies from the Corporation's audited annual audited financial statements from December 31, 2022. 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 (gain) or loss 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. 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, 2023 annual audited 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 and fiscal year ended December 31, 2023, 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 and fiscal year ended December 31, 2023.

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
Even though 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 during periods of 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 increased property tax following reassessment of newly acquired locations.

Increase in Operating Costs
Our operating margins can be negatively impacted from increases in operating costs such as property tax, staffing costs, insurance premiums, repairs and maintenances costs, utility costs and others 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.

StorageVault Canada Inc.

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STORAGEVAULT
CANADA SELF STORAGE CENTRES

SHOP STORE