

NEWS RELEASE

For Release

**October 25, 2023
Toronto, Ontario**

StorageVault Reports 2023 Third Quarter Results and Increases Dividend

STORAGEVAULT CANADA INC. (“StorageVault” or the “Corporation”) (SVI-TSX) reported the Corporation’s 2023 third quarter results and increases its dividend. Iqbal Khan, Chief Financial Officer, commented:

“For Q3, driven by our best in class platform and robust demand for our space, we once again achieved a strong same store revenue and NOI growth of 5.1% and 4.7%. In addition, at the end of Q3, 95% of our debt is fixed and we have reduced our average cost of debt to 4.47% from 4.73% since the start of the year. These achievements, together with our strong balance sheet, have placed us in a strong position to realize our annual expectations.”

2023 Third Quarter Results

Revenue for the third quarter of 2023 increased to \$75.7 million compared to \$69.3 million in Q3 2022 and net operating income (“NOI”), a non-IFRS measure, grew to \$52.7 million from \$49.0 million for the comparative period. Our cash flow from operations increased year over year and when combined with our financing and investing activities resulted in a cash balance of \$10.7 million at the end of the quarter. The Q3 2023 net income of \$16.4 million (net loss of \$2.1 million for Q3 2022) is impacted by the following non-cash items – \$24.9 million of depreciation and amortization, \$15.6 million of unrealized gain on derivative financial instruments and deferred tax recovery recorded in the quarter of \$2.1 million.

Revenue and NOI from Existing Self Storage stores increased by 5.1% and 4.7%, compared to the same period last year. Funds from operations (“FFO”), a non-IFRS measure, were \$23.8 million for Q3 2023 compared to \$21.3 million in Q3 2022, an 11.9% increase year over year. Adjusted funds from operations (“AFFO”), a non-IFRS measure, were \$25.2 million for Q3 2023 compared to \$23.4 million in Q3 2022, a 7.7% increase. On a per basic common share basis, FFO and AFFO increased by 12.4% and 8.2%, respectively.

For a reconciliation of the above NOI, FFO, and AFFO amounts to IFRS, please see “Non-IFRS Financial Measures” and the reconciliation tables below, and the Corporation’s Management’s Discussion & Analysis for the three and nine months ended September 30, 2023 filed on SEDAR+ at www.sedarplus.ca.

2023 Nine Months Year to Date Results

Revenue for the nine months ended September 30, 2023 increased to \$214.5 million from \$192.7 million, an 11.3% increase, and NOI, a non-IFRS measure, grew to \$143.7 million from \$130.0 million, for the comparative period, a 10.5% increase. For the nine months ended September 30, 2023, cash flow from operations was \$69.0 million and when combined with our financing and investing activities resulted in a cash balance of \$10.7 million. The net income of \$26.1 million for the nine months ended September 30, 2023 (net loss of \$18.0 million for 2022) is a result of the following non-cash and non-recurring items – \$75.2 million in depreciation and amortization, \$4.0 million realized gain on derivative financial instruments, \$17.0 million of unrealized gain on derivative financial instruments, a \$15.6 million gain on real estate disposition from an expropriation and deferred tax recovery of \$6.3 million.

Our Revenue and NOI from Existing Self Storage, a non-IFRS measure, increased by 4.8% and 4.3%, compared to the same period last year. FFO, a non-IFRS measure, were \$59.2 million compared to \$53.0 million for the same period in 2022, an 11.7% increase year over year. AFFO, a non-IFRS measure, were

\$63.2 million compared to \$60.9 million for the same period in 2022, a 3.7% increase year over year. On a basic common per share basis, FFO and AFFO increased by 11.8% and 3.8%, respectively.

For a reconciliation of the above NOI, FFO, and AFFO amounts to IFRS, please see “Non-IFRS Financial Measures” and the reconciliation tables below, and the Corporation’s Management’s Discussion & Analysis for the three and nine months ended September 30, 2023 filed on SEDAR+ at www.sedarplus.ca.

Increased Dividend

StorageVault is increasing its quarterly dividend by 0.5% beginning Q4 2023 to \$0.002874 per common share.

Our Strategy

StorageVault is focused on owning and operating storage in the top markets in Canada. Our goal is to have multiple stores in each market, with complementary portable storage units and records management storage services, to take advantage of economies of scale. Our growth strategy is focused on acquisitions, organic growth, expansion of our existing stores and expansion of our portable storage and records management businesses.

Further Information

For comprehensive disclosure of StorageVault’s performance for the three and nine months ended September 30, 2023 and its financial position as at such date, please see StorageVault’s Unaudited Interim Financial Statements and Management’s Discussion and Analysis for the three and nine months ended September 30, 2023 filed on SEDAR+ at www.sedarplus.ca.

Non-IFRS Financial Measures

Management uses both IFRS and non-IFRS Measures to assess the financial and operating performance of the Corporation’s operations. These non-IFRS Measures are not recognized measures under IFRS, do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other companies. The non-IFRS Measures referenced in this news release include the following:

- i. Net Operating Income (“**NOI**”) – NOI is defined as storage and related services revenue less related property operating costs. NOI does not include interest expense or income, depreciation and amortization, corporate administrative 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, realized and unrealized gains or losses on derivative financial instruments, stock based compensation expenses and deferred income taxes; and after adjustments for equity accounted entities and non-controlling interests. FFO should not be viewed as an alternative to cash from operating activities, net income, or other measures calculated in accordance with IFRS. The Corporation believes that FFO can be a beneficial measure, when combined with primary IFRS measures, to assist in the evaluation of the Corporation’s ability to generate cash and evaluate its return on investments as it excludes the effects of real estate amortization and gains and losses from the sale of real estate, all of which are based on historical cost accounting and which may be of limited significance in evaluating current performance.
- iii. Adjusted Funds from Operations (“**AFFO**”) – AFFO is defined as FFO plus acquisition and integration costs. Acquisition and integration costs are one time in nature to the specific assets purchased in the current period or pending and are expensed under IFRS.

- iv. Existing Self Storage – means stabilized stores that StorageVault has owned or leased at least since the beginning of the previous fiscal year.

NOI, FFO, AFFO and Existing Self Storage, should not be viewed as an alternative to, in isolation from, or superior to, net income or cash flow from operations, or results from StorageVault’s comprehensive operations, respectively, or other measures calculated in accordance with IFRS. NOI, FFO and AFFO should not be interpreted as an indicator of cash generated from operating activities and is not indicative of cash available to fund operating expenditures, or for the payment of cash distributions. Existing Self Storage should not be considered a measure of StorageVault’s comprehensive operations. NOI, FFO, AFFO and Existing Self Storage are simply additional measures of operating performance which highlight trends in StorageVault’s core business that may not otherwise be apparent when relying solely on IFRS financial measures. StorageVault’s management also uses these non-IFRS measures in order to facilitate operating performance comparisons from period to period and to prepare operating budgets. In addition, the Corporation’s definitions of NOI, FFO, AFFO and Existing Self Storage may differ from that of other issuers.

Non-IFRS Financial Measures Reconciliation

The following table reconciles Net Income (Loss) and Net Operating Income:

	<i>(unaudited)</i>				<i>(unaudited)</i>			
	Three Months Ended September 30				Nine Months Ended September 30			
	2023	2022	Change		2023	2022	Change	
		\$	%			\$	%	
Storage revenue and related services	\$ 75,230,070	\$ 68,842,468	\$ 6,387,602	9.3%	\$ 212,937,252	\$ 191,327,069	\$ 21,610,183	11.3%
Management fees	515,398	481,248	34,150	7.1%	1,518,447	1,411,367	107,080	7.6%
	75,745,468	69,323,716	6,421,752	9.3%	214,455,699	192,738,436	21,717,263	11.3%
Operating costs	23,067,863	20,280,684	2,787,179	13.7%	70,795,028	62,725,356	8,069,672	12.9%
Net operating income ¹	52,677,605	49,043,032	3,634,573	7.4%	143,660,671	130,013,080	13,647,591	10.5%
Less:								
Acquisition and integration costs	1,396,194	2,121,706	(725,512)	-34.2%	3,944,433	7,921,275	(3,976,842)	-50.2%
Selling, general and administrative	6,274,047	5,376,892	897,155	16.7%	17,989,662	15,587,320	2,402,342	15.4%
Interest	21,165,729	20,243,361	922,368	4.6%	62,488,262	53,480,796	9,007,466	16.8%
Stock based compensation	239,875	347,922	(108,047)	-31.1%	851,303	1,043,766	(192,463)	-18.4%
Realized (gain) loss on real estate	-	-	-	-	(15,615,804)	-	(15,615,804)	-
Realized (gain) loss on derivative financial instruments	-	-	-	-	(3,970,902)	-	(3,970,902)	-
Unrealized (gain) loss on derivative financial instruments	(15,615,211)	(379,831)	(15,235,380)	4011.1%	(17,008,711)	4,086,878	(21,095,589)	-516.2%
Depreciation and amortization	24,939,018	24,805,897	133,121	0.5%	75,239,652	70,001,699	5,237,953	7.5%
	38,399,652	52,515,947	(14,116,295)	-26.9%	123,917,895	152,121,734	(28,203,839)	-18.5%
Net income (loss) before taxes	14,277,953	(3,472,915)	17,750,868	511.1%	19,742,776	(22,108,654)	41,851,430	189.3%
Deferred tax recovery	2,100,984	1,352,540	748,444	55.3%	6,344,040	4,132,190	2,211,850	53.5%
Net income (loss)	\$ 16,378,937	\$ (2,120,375)	\$ 18,499,312	872.5%	\$ 26,086,816	\$ (17,976,464)	\$ 44,063,280	245.1%

¹ Non-IFRS Measure.

The following table reconciles Net Income (Loss), and Funds from Operations and Adjusted Funds from Operations:

	<i>(unaudited)</i>				<i>(unaudited)</i>			
	Three Months Ended September 30				Nine Months Ended September 30			
	<u>2023</u>	<u>2022</u>	Change		<u>2023</u>	<u>2022</u>	Change	
			\$	%			\$	%
Net income (loss)	\$ 16,378,937	\$ (2,120,375)	\$ 18,499,312	872.5%	\$ 26,086,816	\$ (17,976,464)	\$ 44,063,280	245.1%
Adjustments:								
Stock based compensation	239,875	347,922	(108,047)	-31.1%	851,303	1,043,766	(192,463)	-18.4%
Realized (gain) loss on real estate	-	-	-	-	(15,615,804)	-	(15,615,804)	-
Realized (gain) loss on derivative financial instruments	-	-	-	-	(3,970,902)	-	(3,970,902)	-
Unrealized (gain) loss on derivative financial instruments	(15,615,211)	(379,831)	(15,235,380)	4011.1%	(17,008,711)	4,086,878	(21,095,589)	-516.2%
Deferred tax recovery	(2,100,984)	(1,352,540)	(748,444)	55.3%	(6,344,040)	(4,132,190)	(2,211,850)	53.5%
Depreciation and amortization	24,939,018	24,805,897	133,121	0.5%	75,239,652	70,001,699	5,237,953	7.5%
	<u>7,462,698</u>	<u>23,421,448</u>	<u>(15,958,750)</u>	<u>-68.1%</u>	<u>33,151,498</u>	<u>71,000,153</u>	<u>(37,848,655)</u>	<u>-53.3%</u>
FFO ¹	\$ 23,841,635	\$ 21,301,073	\$ 2,540,562	11.9%	\$ 59,238,314	\$ 53,023,689	\$ 6,214,625	11.7%
Adjustments:								
Acquisition and integration costs	1,396,194	2,121,706	(725,512)	-34.2%	3,944,433	7,921,275	(3,976,842)	-50.2%
AFFO ¹	\$ 25,237,829	\$ 23,422,779	\$ 1,815,050	7.7%	\$ 63,182,747	\$ 60,944,964	\$ 2,237,783	3.7%

¹ Non-IFRS Measure.

The following table reconciles Existing Self Storage Revenue, Operating Costs and Net Operating Income:

	<i>(unaudited)</i>				<i>(unaudited)</i>			
	Three Months Ended September 30				Nine Months Ended September 30			
	2023	2022	Change		2023	2022	Change	
		\$	%			\$	%	
Revenue								
Existing Self Storage ¹	\$ 57,806,248	\$ 54,998,853	\$ 2,807,395	5.1%	\$ 164,596,473	\$ 157,097,940	\$ 7,498,533	4.8%
New Self Storage ¹	14,121,502	10,541,920	3,579,582	34.0%	40,194,569	25,551,732	14,642,837	57.3%
Total Self Storage	71,927,750	65,540,773	6,386,977	9.7%	204,791,042	182,649,672	22,141,370	12.1%
Portable Storage	3,302,320	3,301,695	625	0.0%	8,146,210	8,677,397	(531,187)	-6.1%
Management Fees	515,398	481,248	34,150	7.1%	1,518,447	1,411,367	107,080	7.6%
Combined	75,745,468	69,323,716	6,421,752	9.3%	214,455,698	192,738,436	21,717,262	11.3%
Operating Costs								
Existing Self Storage	15,516,696	14,598,821	917,875	6.3%	49,186,258	46,459,467	2,726,791	5.9%
New Self Storage	5,398,261	3,705,947	1,692,314	45.7%	16,099,917	10,365,831	5,734,086	55.3%
Total Self Storage	20,914,957	18,304,768	2,610,189	14.3%	65,286,175	56,825,298	8,460,877	14.9%
Portable Storage	2,152,906	1,975,916	176,990	9.0%	5,508,852	5,900,058	(391,206)	-6.6%
Combined	23,067,863	20,280,684	2,787,179	13.7%	70,795,027	62,725,356	8,069,671	12.9%
Net Operating Income¹								
Existing Self Storage	42,289,552	40,400,032	1,889,520	4.7%	115,410,215	110,638,473	4,771,742	4.3%
New Self Storage	8,723,241	6,835,973	1,887,268	27.6%	24,094,652	15,185,901	8,908,751	58.7%
Total Self Storage	51,012,793	47,236,005	3,776,788	8.0%	139,504,867	125,824,374	13,680,493	10.9%
Portable Storage	1,149,414	1,325,779	(176,365)	-13.3%	2,637,358	2,777,339	(139,981)	-5.0%
Management Fees	515,398	481,248	34,150	7.1%	1,518,447	1,411,367	107,080	7.6%
Combined	\$ 52,677,605	\$ 49,043,032	\$ 3,634,573	7.4%	\$ 143,660,671	\$ 130,013,080	\$ 13,647,591	10.5%

¹ Non -IFRS Measure.

About StorageVault Canada Inc.

StorageVault owns and operates 240 storage locations across Canada. StorageVault owns 209 of these locations plus over 5,000 portable storage units representing over 11.5 million rentable square feet on over 680 acres of land. StorageVault also provides last mile storage and logistics' solutions and professional records management services, such as document and media storage, imaging and shredding services.

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Forward-Looking Information: This news release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. In particular, this news release contains forward-looking information regarding: statements regarding StorageVault’s expected future performance, including being in a strong position to achieve annual expectations; and StorageVault’s strategic objectives, goals, growth strategy and focus, including focusing on acquisitions, improving StorageVault’s operational performance, expansion of StorageVault’s existing stores and expansion of StorageVault’s portable storage and records management businesses. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects StorageVault’s current beliefs and is based on information currently available to StorageVault and on assumptions StorageVault believes

are reasonable. These assumptions include, but are not limited to: the level of activity in the storage business and the economy generally; consumer interest in StorageVault's services and products; competition and StorageVault's competitive advantages; trends in the storage industry, including macro-trends in relation to increased growth and growth in the portable storage business; the availability of attractive and financially competitive asset acquisitions in the future; the potential closing of previously announced acquisitions, if any, continuing to proceed as they have progressed to date and StorageVault's continued response and ability to navigate the COVID-19 pandemic being consistent with, or better than, its ability and response to date. 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 StorageVault to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board or regulatory approvals; the actual results of StorageVault's future operations; competition; changes in legislation, including environmental legislation, affecting StorageVault; the timing and availability of external financing on acceptable terms; conclusions of economic evaluations and appraisals; lack of qualified, skilled labour or loss of key individuals; and risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; the impact that the COVID-19 pandemic may have on StorageVault may include: a short-term delay in payments from customers, an increase in accounts receivable and an increase of losses on accounts receivable; decreased demand for the services that StorageVault offers; and a deterioration of financial markets that could limit StorageVault's ability to obtain external financing. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in StorageVault's disclosure documents on the SEDAR+ website at www.sedarplus.ca. Although StorageVault has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of StorageVault as of the date of this news release and, accordingly, is subject to change after such date. However, StorageVault expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.