

StorageVault Canada Inc.

Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited interim consolidated financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of StorageVault Canada Inc. have been prepared by and are the responsibility of the Corporation's management.

The Corporation's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim consolidated financial statements by an entity's auditor.

StorageVault Canada Inc.
Unaudited Interim Consolidated Statements of Financial Position

	September 30 2024	December 31 2023
Assets		
Real estate and equipment, net (Note 5)	\$ 2,065,716,645	\$ 1,880,004,992
Goodwill and intangible assets, net (Note 6)	128,321,327	124,960,340
Cash and short term deposits	12,277,791	13,861,106
Prepaid expenses and other current assets	15,098,428	15,840,630
Accounts receivable	9,979,112	8,522,542
Unrealized fair value of derivative assets (Note 10)	-	1,028,346
	\$ 2,231,393,303	\$ 2,044,217,956
Liabilities and Shareholders' Equity		
Debt (Note 7)	\$ 1,633,255,975	\$ 1,412,708,149
Debentures (Note 8)	263,754,803	261,437,659
Lease liabilities (Note 14)	98,406,804	99,715,973
Deferred tax liability	34,588,916	39,566,673
Accounts payable and accrued liabilities	24,685,964	21,860,758
Unrealized fair value of derivative liabilities (Note 10)	1,086,571	-
Unearned revenue	12,613,593	13,055,011
	2,068,392,626	1,848,344,223
Shareholders' Equity		
Share capital (Note 9)	398,079,421	404,045,009
Dividends paid (Note 9)	(32,289,085)	(29,035,979)
Equity component of convertible debentures (Note 8)	13,506,670	13,506,670
Contributed surplus (Note 9)	40,533,297	40,568,013
Deficit	(256,829,626)	(233,209,980)
	163,000,677	195,873,733
	\$ 2,231,393,303	\$ 2,044,217,956

Subsequent Events (Note 15)

Comparative Figures (Note 16)

Approved on behalf of the Board:

"signed" Steven Scott
 Director

"signed" Iqbal Khan
 Director

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

StorageVault Canada Inc.
Unaudited Interim Consolidated Statements of Changes in Equity

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Share Capital				
Balance, beginning of the period	\$ 397,135,904	\$ 419,249,181	\$ 404,045,009	\$ 424,954,374
Common shares issued, net of issuance costs (Note 9)	453,688	441,946	5,354,451	5,605,671
Stock options, RSUs/DSUs cancelled and redeemed (Note 9)	709,390	-	(108,510)	(5,038,500)
Share buyback tax (Note 9)	(219,561)	-	(219,561)	-
Common shares repurchased (Note 9)	-	(11,469,673)	(10,991,968)	(17,300,091)
Balance, end of the period	398,079,421	408,221,454	398,079,421	408,221,454
Dividends Paid				
Balance, beginning of the period	(31,200,568)	(26,885,945)	(29,035,979)	(24,741,001)
Dividends paid during the period (Note 9)	(1,088,517)	(1,073,547)	(3,253,106)	(3,218,491)
Balance, end of the period	(32,289,085)	(27,959,492)	(32,289,085)	(27,959,492)
Contributed Surplus				
Balance, beginning of the period	41,012,240	38,816,907	40,568,013	38,451,552
Stock options, RSUs/DSUs cancelled and redeemed (Note 9)	(709,390)	-	(729,874)	(246,073)
Stock based compensation (Note 9)	230,447	239,875	695,158	851,303
Balance, end of the period	40,533,297	39,056,782	40,533,297	39,056,782
Deficit				
Balance, beginning of the period	(249,856,413)	(221,801,943)	(233,209,980)	(231,509,822)
Net (loss) income and comprehensive (loss) income	(6,973,213)	16,378,937	(23,619,646)	26,086,816
Balance, end of the period	\$ (256,829,626)	\$ (205,423,006)	\$ (256,829,626)	\$ (205,423,006)

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

StorageVault Canada Inc.
Unaudited Interim Consolidated Statements of Income (Loss) & Comprehensive Income (Loss)

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Revenue				
Storage and related services	\$ 78,477,526	\$ 75,230,070	\$ 223,035,678	\$ 212,937,252
Management fees	484,377	515,398	1,428,792	1,518,447
	78,961,903	75,745,468	224,464,470	214,455,699
Expenses				
Operating costs	24,885,313	23,067,863	76,219,131	70,795,028
Depreciation and amortization (Notes 5,6)	27,404,913	24,939,018	76,441,660	75,239,652
Interest (Notes 7,14)	22,562,498	21,165,729	65,847,025	62,488,262
Selling, general and administrative	6,247,389	6,274,047	18,226,892	17,989,662
Realized loss (gain) on disposal of assets (Note 5)	1,319,112	-	3,932,716	(15,615,804)
Acquisition and integration costs	2,135,152	1,396,194	6,244,431	3,944,433
Unrealized loss (gain) on derivative financial instruments (Note 7)	1,604,100	(15,615,211)	2,114,917	(17,008,711)
Interest accretion on convertible debentures (Note 8)	1,135,916	-	3,339,943	-
Stock based compensation (Note 9)	230,447	239,875	695,158	851,303
Realized gain on derivative financial instruments (Note 7)	-	-	-	(3,970,902)
	87,524,840	61,467,515	253,061,873	194,712,923
Net (loss) income and comprehensive (loss) income before tax	(8,562,937)	14,277,953	(28,597,403)	19,742,776
Deferred tax recovery	1,589,724	2,100,984	4,977,757	6,344,040
Net (loss) income and comprehensive (loss) income after tax	\$ (6,973,213)	\$ 16,378,937	\$ (23,619,646)	\$ 26,086,816
Net (loss) income per common share				
Basic	\$ (0.019)	\$ 0.043	\$ (0.063)	\$ 0.069
Diluted	\$ (0.018)	\$ 0.043	\$ (0.062)	\$ 0.068
Weighted average number of common shares outstanding				
Basic	373,149,258	376,880,329	373,732,153	377,665,019
Diluted	381,328,119	381,369,811	381,911,014	382,154,501

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

StorageVault Canada Inc.
Unaudited Interim Consolidated Statements of Cash Flows

	Nine months ended September 30	
	2024	2023
Cash from (used for) the following activities:		
Operating activities		
Net (loss) income and comprehensive (loss) income after tax	\$ (23,619,646)	\$ 26,086,816
Adjustment for non-cash items:		
Deferred tax recovery	(4,977,757)	(6,344,040)
Depreciation, amortization (Notes 5,6)	76,441,660	75,239,652
Amortization of deferred financing costs	1,764,803	3,069,375
Interest accretion on lease liabilities (Note 14)	3,046,781	2,720,926
Interest accretion on convertible debentures (Note 8)	3,339,943	-
Unrealized loss (gain) on derivative financial instruments (Note 7)	2,114,917	(17,008,711)
Stock based compensation (Note 9)	695,158	851,303
Interest expensed on convertible debentures (Note 8)	11,226,021	-
Realized loss (gain) on disposal of real estate and equipment (Note 5)	3,932,716	(15,615,804)
Cash flow from operations before non-cash working capital balances	73,964,596	68,999,517
Net change in non-cash working capital balances		
Accounts receivable	(1,456,570)	(1,884,501)
Prepaid expenses and other current assets	742,202	(8,772,125)
Accounts payable and accrued liabilities	2,825,205	520,719
Unearned revenue	(441,418)	(2,050,858)
Cash flows from operating activities	75,634,015	56,812,752
Financing activities		
Dividends paid (Note 9)	(1,886,625)	(1,854,164)
Payments of lease liabilities (Note 14)	(6,379,760)	(5,813,909)
Debt issuance costs	(1,651,021)	(244,705)
Cash advances from long term debt (Note 7)	440,100,000	146,775,989
Cash repayment of long term debt (Note 7)	(219,665,956)	(327,885,638)
Stock options, RSUs/DSUs cancelled and redeemed (Note 9)	(817,900)	(5,018,441)
Interest paid on convertible debentures (Note 8)	(13,097,069)	-
Common shares repurchased (Note 9)	(10,991,968)	(17,300,091)
Share buyback tax (Note 9)	219,561	-
Proceeds from derivative financial instruments	-	(3,970,902)
Proceeds from debenture issuance, net of issuance costs (Note 8)	-	144,287,427
Cash flows from financing activities	185,829,262	(71,024,434)
Investing activities		
Cash additions to real estate and equipment (Note 5)	(62,598,849)	(45,928,006)
Cash paid in business combinations (Note 4)	(200,500,000)	(25,875,000)
Proceeds on disposal of real estate and equipment (Note 5)	52,257	74,156,954
Cash flows used for investing activities	(263,046,592)	2,353,948
Decrease in cash and short term deposits	(1,583,315)	(11,857,734)
Cash and short term deposits balance, beginning of period	13,861,106	22,534,826
Cash and short term deposits balance, end of period	\$ 12,277,791	\$ 10,677,092

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

StorageVault Canada Inc.

Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

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 interim consolidated financial statements and the notes thereto present the Corporation's financial results of operations and financial position under IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and accordingly these interim consolidated financial statements do not include all the necessary annual disclosures in accordance with IFRS. These interim consolidated financial statements as at and for the three and nine months ended September 30, 2024, were authorized for issuance by the Board of Directors of the Corporation on October 23, 2024.

These interim consolidated financial statements should be read in conjunction with the Corporation's annual audited financial statements for the year ended December 31, 2023.

The interim consolidated 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 interim consolidated 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

Basis of Consolidation

The consolidated financial statements include the accounts of StorageVault Canada Inc. and its wholly owned subsidiary 507399 N.W.T. Ltd., both of which are headquartered in Toronto, Ontario. The financial statements for the consolidated entity are prepared for the same reporting period as StorageVault Canada Inc. using consistent accounting policies. All intercompany transactions and balances have been eliminated in the preparation of these interim consolidated financial statements.

The accounting policies and methods of computation followed in the preparation of these interim consolidated financial statements are consistent with those used in the preparation of the Corporation's annual audited financial statements for the year ended December 31, 2023.

StorageVault Canada Inc.

Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

4. Acquisitions

During the nine months ended September 30, 2024, 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 operation being included in the interim consolidated 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 one self storage location for \$10,000,000 (subject to customary adjustments). This acquisition was an arm's length transaction. The purchase was paid for with cash on hand.

A summary of the acquisition is as follows:

	One Self Storage Location
Acquisition date:	March 22, 2024
Land, Yards, Buildings & Improvements	\$ 9,076,496
Tenant Relationships	923,504
Net assets acquired	<u>10,000,000</u>
Consideration paid for the net assets acquired was obtained from the following:	
Cash	<u>10,000,000</u>
Selected information for the acquisition, since its acquisition date:	
Revenue	340,471
Operating costs	<u>159,512</u>
	180,959
Amortization	344,757
Interest	59,361
Net income (loss)	<u>\$ (223,159)</u>

StorageVault Canada Inc.

Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

Note 4 – Continued

Second Quarter Acquisitions:

During the second quarter, the Corporation completed the acquisitions of three self storage locations, one records management business, and two commercial properties for \$123,000,000 (subject to customary adjustments). These acquisitions were arm's length transactions. The purchases were paid for by the issuance of common shares, advances from debt and cash on hand.

A summary of the acquisitions is as follows:

	Records			
	Management Business	One Self Storage Location	One Self Storage Location	One Commercial Property
Acquisition date:	April 1, 2024	May 6, 2024	May 15, 2024	June 11, 2024
Land, Yards, Buildings & Improvements	\$ 1,608,525	\$ 33,612,129	\$ 7,640,502	\$ 15,500,000
Tenant Relationships	1,270,672	887,871	859,498	-
Goodwill	3,120,803	-	-	-
Net assets acquired	6,000,000	34,500,000	8,500,000	15,500,000
Consideration paid for the net assets acquired was obtained from the following:				
Cash	6,000,000	34,500,000	8,500,000	13,100,000
Debt	-	-	-	2,400,000
	6,000,000	34,500,000	8,500,000	15,500,000
Selected information for the acquisitions, since their acquisition date:				
Revenue	942,607	405,661	220,247	258,252
Operating costs	484,133	246,635	146,284	81,270
	458,474	159,026	73,963	176,982
Amortization	491,391	728,797	254,022	130,104
Interest	107,353	212,731	221,492	131,504
Net income (loss)	\$ (140,270)	\$ (782,502)	\$ (401,551)	\$ (84,626)
	One Self Storage			One Commercial
	Location		Property	
	June 24, 2024		June 30, 2024	
Acquisition date:	June 24, 2024		June 30, 2024	
Land, Yards, Buildings & Improvements	\$ 37,750,120	\$ 20,000,000	\$ 116,111,276	
Tenant Relationships	749,880	-	3,767,921	
Goodwill	-	-	3,120,803	
Net assets acquired	38,500,000	20,000,000	123,000,000	
Consideration paid for the net assets acquired was obtained from the following:				
Cash	34,500,000	5,000,000	101,600,000	
Issuance of common shares	4,000,000	-	4,000,000	
Debt	-	15,000,000	17,400,000	
	38,500,000	20,000,000	123,000,000	
Selected information for the acquisitions, since their acquisition date:				
Revenue	308,718	237,580	2,373,065	
Operating costs	281,309	247,211	1,486,842	
	27,409	(9,631)	886,223	
Amortization	543,860	136,535	2,284,709	
Interest	224,174	150,000	1,047,254	
Net income (loss)	\$ (740,625)	\$ (296,166)	\$ (2,445,740)	

StorageVault Canada Inc.**Notes to the Interim Consolidated Financial Statements**

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

Note 4 – ContinuedThird Quarter Acquisition:

During the third quarter, the Corporation completed the acquisition of one self storage location for \$71,500,000 (subject to customary adjustments). This acquisition was an arm's length transaction. The purchase was paid for with advances from debt and cash on hand.

A summary of the acquisition is as follows:

	One Self Storage Location
Acquisition date:	September 16, 2024
Land, Yards, Buildings & Improvements	\$ 65,845,114
Tenant Relationships	5,654,886
Net assets acquired	<u>71,500,000</u>
Consideration paid for the net assets acquired was obtained from the following:	
Cash	29,500,000
Debt	42,000,000
	<u>71,500,000</u>
Selected information for the acquisition, since its acquisition date:	
Revenue	119,854
Operating costs	30,938
	<u>88,916</u>
Amortization	141,967
Net income (loss)	<u>\$ (53,051)</u>

StorageVault Canada Inc.

Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

5. Real Estate and Equipment

	Land, Yards, Buildings & Improvements	Storage Containers	Intangible Tenant Relationships	Vehicles	Office & Computer Equipment	Total
COST						
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
Additions	61,120,101	997,516	-	1,732,179	4,653,504	68,503,300
Disposals	(9,148,637)	(582,069)	-	-	(50,030)	(9,780,736)
Business acquisitions	190,544,886	-	10,346,311	488,000	-	201,379,197
September 30, 2024	\$ 2,446,518,957	\$ 24,852,079	\$ 209,090,743	\$ 12,319,216	\$ 22,013,044	\$ 2,714,794,039
ACCUMULATED DEPRECIATION						
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
Depreciation	58,573,621	979,145	13,043,531	1,215,360	2,546,832	76,358,489
Disposals	(1,617,978)	(347,463)	-	-	(2,940)	(1,968,381)
September 30, 2024	\$ 441,363,339	\$ 11,842,053	\$ 178,407,672	\$ 7,851,098	\$ 9,613,232	\$ 649,077,394
NET BOOK VALUE						
December 31, 2023	1,819,594,911	13,226,261	33,380,291	3,463,299	10,340,230	1,880,004,992
September 30, 2024	2,005,155,618	13,010,026	30,683,071	4,468,118	12,399,812	2,065,716,645

Included in Land, Yards, Buildings & Improvements is Land at a carrying value of \$722,409,763 (December 31, 2023 - \$655,859,597).

Included in Land, Yards, Buildings & Improvements are investment properties at a carrying value of \$36,536,575 (December 31, 2023 - \$8,217,169).

Included in Land, Yards, Buildings & Improvements is \$44,759,519 (December 31, 2023 - \$32,051,720) 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 \$90,020,011 (December 31, 2023 - \$92,781,005), net of accumulated depreciation of \$21,127,886 (December 31, 2023 - \$16,343,082). The continuity of the right-of-use assets is as follows:

Self Storage Properties

Balance, December 31, 2022	\$ 75,282,052
Additions	23,416,757
Depreciation charge for the period	(5,917,804)
Balance, December 31, 2023	92,781,005
Additions and reassessments	2,023,810
Depreciation charge for the period	(4,784,804)
Balance, September 30, 2024	\$ 90,020,011

StorageVault Canada Inc.**Notes to the Interim Consolidated Financial Statements**

For the Three and Nine Months Ended September 30, 2024 and 2023

*(Unaudited)***6. Goodwill and Intangible Assets**

	Management				
	<u>Goodwill</u>	<u>Contracts</u>	<u>Trademarks</u>	<u>Website</u>	<u>Total</u>
COST					
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
Additions	-	-	8,757	314,598	323,355
Business acquisitions	3,120,803	-	-	-	3,120,803
September 30, 2024	\$ 111,437,362	\$ 16,300,000	\$ 397,676	\$ 385,502	\$ 128,520,540
ACCUMULATED AMORTIZATION					
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
Amortization	-	-	29,226	53,945	83,171
September 30, 2024	\$ -	\$ -	\$ 78,768	\$ 120,445	\$ 199,213
NET BOOK VALUE					
December 31, 2023	108,316,559	16,300,000	339,377	4,404	124,960,340
September 30, 2024	111,437,362	16,300,000	318,908	265,057	128,321,327

StorageVault Canada Inc.
Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

7. Debt

	September 30, 2024			December 31, 2023		
	Rate Range	Weighted Average	Balance	Rate Range	Weighted Average	Balance
<u>Mortgages</u>						
At amortized cost - Fixed	2.84% to 6.00 %	4.95%	438,977,621	2.84% to 9.20%	5.13%	306,666,120
	<i>Maturity: Mar 2025 to Sep 2031</i>			<i>Maturity: Mar 2025 to Dec 2029</i>		
At amortized cost - Variable	6.74% to 7.45%	6.82%	26,407,306	7.47% to 8.20%	7.56%	26,490,427
	<i>Maturity: Oct 2024</i>			<i>Maturity: Jan 2024 to Jul 2024</i>		
At FVTPL - Variable			753,156,816			747,907,274
- Fixed via interest rate swap			2,098,087			(15,112,904)
		4.90%	755,254,903		4.74%	732,794,370
	<i>Maturity: Jun 2025 to Jan 2031</i>			<i>Maturity: Apr 2024 to Jan 2031</i>		
		4.96%	1,220,639,830		4.92%	1,065,950,917
<u>Lines of Credit and Promissory Notes</u>						
At amortized cost - Fixed		4.50%	500,000		4.50%	500,000
	<i>Maturity: Mar 2025</i>			<i>Maturity: Mar 2025</i>		
At amortized cost - Variable		7.03%	115,745,131		7.73%	50,000,000
	<i>Maturity: Dec 2024 to May 2025</i>			<i>Maturity: Dec 2024 to Feb 2025</i>		
At FVTPL - Variable			302,970,716			308,871,737
- Fixed via interest rate swap			(2,970,716)			(8,871,737)
		3.88%	300,000,000		3.88%	300,000,000
	<i>Maturity: Feb 2025</i>			<i>Maturity: Feb 2025</i>		
		4.76%	416,245,131		4.43%	350,500,000
Deferred financing costs, net of accretion			(3,628,986)			(3,742,768)
		4.91%	1,633,255,975		4.80%	1,412,708,149

Reconciliation of Debt

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

	September 30, 2024	December 31, 2023
Debt, beginning of period	\$ 1,412,708,149	\$ 1,526,719,769
Advances from debt	440,100,000	286,760,989
Repayment of debt	(219,665,956)	(401,685,562)
Change in fair value of debt measured at FVTPL	23,112,012	23,140,035
Change in fair value of interest rate swaps	(23,112,012)	(23,140,035)
Total cash flow from debt financing activities	220,434,044	(114,924,573)
Change in deferred financing costs	113,782	912,953
Debt, end of period	\$ 1,633,255,975	\$ 1,412,708,149

StorageVault Canada Inc.

Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

Note 7 – Continued

The bank prime rate at September 30, 2024 was 6.45% (December 31, 2023 – 7.20%).

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 September 30, 2024, 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	\$	595,542,159 (includes lines of credit and promissory note of \$416.2 million)
Year 2	\$	55,763,506
Year 3	\$	286,302,126
Year 4	\$	139,587,004
Year 5	\$	343,834,663
Thereafter	\$	215,855,503

The Corporation entered into interest rate swap contracts in order to fix the interest rate on \$1.1 billion of debt at a weighted average rate of 4.61%. On \$477 million of this debt, the bank entered into interest rate swap cancellation agreements, allowing them to cancel the original swap agreements between January 15, 2025 and April 22, 2027.

During the nine months ended September 30, 2024, the Corporation recognized an unrealized loss on derivative financial instruments of \$2.1 million (September 30, 2023 – gain of \$17.0 million) and a realized gain on derivative financial instruments of \$nil (September 30, 2023 – \$4.0 million). These derivative financial instruments mature between February 2025 and January 2031.

8. Debentures

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.

StorageVault Canada Inc.**Notes to the Interim Consolidated Financial Statements**

For the Three and Nine Months Ended September 30, 2024 and 2023

*(Unaudited)***Note 8 – Continued**

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 debentures. The balance of the debentures is:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Opening balance	\$ 261,437,659	\$ 128,682,883
Additions during period	-	150,000,000
Issuance costs	-	(6,009,911)
Equity component of convertible debentures	-	(18,245,003)
Accretion during period	4,188,192	5,326,643
Interest payable	11,226,021	1,871,047
Interest paid	(13,097,069)	-
Debentures repurchased	-	(188,000)
Ending balance	<u>\$ 263,754,803</u>	<u>\$ 261,437,659</u>

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:

	<u>Number of Shares</u>	<u>Amount</u>
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
Stock options redeemed	5,000	(5,038,500)
Common shares repurchased	(4,395,798)	(21,562,655)
Balance, December 31, 2023	<u>374,560,308</u>	<u>404,045,009</u>
Issued on acquisitions	640,000	4,000,000
Dividend reinvestment plan	276,906	1,354,451
Stock options redeemed	-	(817,900)
Stock options cancelled	-	709,390
Common shares repurchased	(2,314,144)	(10,991,968)
Share buyback tax	-	(219,561)
Balance, September 30, 2024	<u>373,163,070</u>	<u>\$ 398,079,421</u>

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.

StorageVault Canada Inc.**Notes to the Interim Consolidated Financial Statements**

For the Three and Nine Months Ended September 30, 2024 and 2023

*(Unaudited)***Note 9 – Continued**

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

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:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Opening balance	\$ 40,568,013	\$ 38,451,552
Stock options, RSUs/DSUs cancelled and redeemed	(729,874)	(1,679,165)
Stock based compensation	695,158	3,795,626
Ending balance	<u>\$ 40,533,297</u>	<u>\$ 40,568,013</u>

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:

	<u>September 30, 2024</u>		<u>December 31, 2023</u>	
	<u>Weighted Average</u>		<u>Weighted Average</u>	
	<u>Options</u>	<u>Exercise Price</u>	<u>Options</u>	<u>Exercise Price</u>
Opening	36,587,000	\$3.99	36,342,000	\$3.88
Cancelled/Redeemed	(752,500)	4.21	(1,355,000)	2.53
Granted	-	-	1,600,000	5.23
Closing and Exercisable	<u>35,834,500</u>	<u>\$3.99</u>	<u>36,587,000</u>	<u>\$3.99</u>

StorageVault Canada Inc.**Notes to the Interim Consolidated Financial Statements**

For the Three and Nine Months Ended September 30, 2024 and 2023

*(Unaudited)***Note 9 – Continued**

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

Stock options exercisable and outstanding are as follows:

Exercise Price	Vesting Date	Expiry Date	September 30, 2024	December 31, 2023
\$ 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	1,305,000
\$ 1.36	Dec. 21, 2016	Dec. 21, 2026	2,420,000	2,620,000
\$ 1.78	Mar. 16, 2017	Mar. 16, 2027	2,645,000	2,645,000
\$ 2.52	May 4, 2018	May 4, 2028	2,655,000	2,660,000
\$ 2.90	May 28, 2019	May 28, 2029	5,296,500	5,376,500
\$ 3.98	Dec. 15, 2020	Dec. 15, 2030	5,433,000	5,515,500
\$ 6.31	Dec. 20, 2021	Dec. 20, 2031	6,595,000	6,767,500
\$ 5.94	Dec. 19, 2022	Dec. 19, 2032	6,793,500	6,972,000
\$ 5.23	Dec. 28, 2023	Dec. 28, 2033	1,566,000	1,600,000
Options exercisable and outstanding			35,834,500	36,587,000

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 September 30, 2024, 3,486,628 TRS were outstanding at a value of \$1,884,078 (December 31, 2023 – 3,486,628 TRS were outstanding at a value of \$2,141,355).

At September 30, 2024, 100% of the combined DSU and RSU exposures were economically hedged. Hedge accounting is not applied for the DSU/RSU hedging program.

StorageVault Canada Inc.

Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

Note 9 – Continued

During the three and nine months ended September 30, 2024, the Corporation issued nil common shares at a value of \$nil (December 31, 2023 – 160,176 common shares at a value of \$1,007,507) under the Plan. A total of 979,878 common shares at a value of \$4,917,329 were outstanding at September 30, 2024 (December 31, 2023 – 980,328 common shares at a value of \$4,923,332).

Dividends

A cash dividend of \$0.002888 per common share was declared on March 15, 2024, and paid to shareholders of record on March 28, 2024.

A cash dividend of \$0.002903 per common share was declared on June 17, 2024, and paid to shareholders of record on June 28, 2024.

A cash dividend of \$0.002917 per common share was declared on September 13, 2024, and paid to shareholders of record on September 27, 2024.

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:

	Fair Value Hierarchy	September 30, 2024		December 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial instruments:					
Debt - at amortized cost	Level 2	(578,001,072)	(571,871,393)	(379,913,779)	(368,668,877)
Debt - at FVTPL	Level 2	(1,056,127,532)	(1,056,127,532)	(1,056,779,011)	(1,056,779,011)
Interest rate swaps	Level 2	872,629	872,629	23,984,641	23,984,641
Derivative liabilities - at FVTPL	Level 2	(1,086,571)	(1,086,571)	-	-
Derivative assets - at FVTPL	Level 2	-	-	1,028,346	1,028,346

StorageVault Canada Inc.**Notes to the Interim Consolidated Financial Statements**

For the Three and Nine Months Ended September 30, 2024 and 2023

*(Unaudited)***Note 10 – Continued**

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 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 Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) if interest rates on variable rate debt had been 1% higher or lower for the three and nine months ended September 30, 2024 would have been approximately \$355,381 and \$1,066,143, respectively (September 30, 2023 - \$167,518 and \$502,554, respectively).
- 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 \$811,111 of receivables from related parties at September 30, 2024 (December 31, 2023 - \$1,030,000). 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, 2022	\$ 499,536
Charges or adjustments during the period	<u>-</u>
Balance December 31, 2023	499,536
Charges or adjustments during the period	<u>(290,509)</u>
Balance September 30, 2024	<u>\$ 209,027</u>

The creation and release of the allowance for expected credit losses has been included in operating costs in the Interim Consolidated Statements 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

StorageVault Canada Inc.

Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

Note 10 – Continued

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. 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. Related Party Transactions

The Corporation holds a Master Franchise Agreement from Canadian PUPS Franchises Inc. (CPFI) which provides the Corporation with the exclusive Canadian franchise rights for the development and operation of portable storage throughout Canada. CPFI is a corporation related to Iqbal Khan and Steven Scott who are directors of the Corporation. The Corporation pays a monthly royalty of 3.5% on the gross sales. During the three and nine months ended September 30, 2024, the Corporation paid \$106,793 and \$267,607, respectively (September 30, 2023 - \$162,484 and \$338,640, respectively) for royalties and \$797,430 and \$1,690,635, respectively (September 30, 2023 - \$460,842 and \$3,054,716, respectively) 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 September 30, 2024 was \$72,847 (December 31, 2023 - \$52,758) payable to CPFI.

The Corporation has management agreements with Access Self Storage Inc. and related companies ("Access Group"). These companies are related to Iqbal Khan and Steven Scott who are directors of the Corporation. The Corporation invoices the Access Group for management fees as well as additional services it provides as part of the management agreements. The Access Group will also invoice the Corporation for construction, maintenance and other services related to its day-to-day operations.

During the three and nine months ended September 30, 2024, the Corporation received \$1,099,291 and \$3,501,335, respectively (September 30, 2023 - \$1,186,672 and \$4,523,146, respectively) in payments and reimbursements related to the management agreements. During the three and nine months ended September 30, 2024, the Corporation also incurred \$22,716,468 and \$49,491,900, respectively (September 30, 2023 - \$15,009,653 and \$34,646,691, respectively) 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 September 30, 2024 was \$4,173,692 (December 31, 2023 - \$2,790,800) payable to the Access Group. Included in accounts receivable as at September 30, 2024 was \$811,111 (December 31, 2023 - \$1,030,452) 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.

StorageVault Canada Inc.

Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

Note 11 – Continued

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

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Wages, management fees, bonuses and directors fees	\$ 1,019,393	\$ 419,085
Stock based compensation	178,125	365,625
	<u>\$ 1,197,518</u>	<u>\$ 784,710</u>

12. 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.

13. 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.

StorageVault Canada Inc.**Notes to the Interim Consolidated Financial Statements**

For the Three and Nine Months Ended September 30, 2024 and 2023

*(Unaudited)***Note 13 – Continued****For the Three Months Ended September 30, 2024**

	Self Storage	Portable Storage	Management Division	Corporate	Total
Revenue	\$ 75,526,986	\$ 2,950,540	\$ 484,377	\$ -	\$ 78,961,903
Operating costs	22,998,426	1,886,887	-	-	24,885,313
Net operating income	52,528,560	1,063,653	484,377	-	54,076,590
Acquisition and integration	-	-	-	2,135,152	2,135,152
Selling, general and admin.	-	-	-	6,247,389	6,247,389
Stock based compensation	-	-	-	230,447	230,447
Depreciation and amortization	26,077,532	722,185	-	605,196	27,404,913
Interest	22,562,498	-	-	-	22,562,498
Interest accretion on convertible debentures	-	-	-	1,135,916	1,135,916
Loss on disposal of assets	-	-	-	1,319,112	1,319,112
Unrealized loss on derivative financial instruments	-	-	-	1,604,100	1,604,100
Deferred tax recovery	-	-	-	(1,589,724)	(1,589,724)
Net income (loss)	<u>\$ 3,888,530</u>	<u>\$ 341,468</u>	<u>\$ 484,377</u>	<u>\$ 11,687,588</u>	<u>\$ (6,973,213)</u>
Additions:					
Real estate and equipment	94,160,608	1,392,215	-	3,172,512	98,725,335

For the Three Months Ended September 30, 2023

	Self Storage	Portable Storage	Management Division	Corporate	Total
Revenue	\$ 71,927,750	\$ 3,302,320	\$ 515,398	\$ -	\$ 75,745,468
Operating costs	20,914,957	2,152,906	-	-	23,067,863
Net operating income	51,012,793	1,149,414	515,398	-	52,677,605
Acquisition and integration	-	-	-	1,396,194	1,396,194
Selling, general and admin.	-	-	-	6,274,047	6,274,047
Stock based compensation	-	-	-	239,875	239,875
Depreciation and amortization	24,186,971	522,236	-	229,811	24,939,018
Interest	21,165,729	-	-	-	21,165,729
Unrealized gain on derivative financial instruments	-	-	-	(15,615,211)	(15,615,211)
Deferred tax recovery	-	-	-	(2,100,984)	(2,100,984)
Net income	<u>\$ 5,660,093</u>	<u>\$ 627,178</u>	<u>\$ 515,398</u>	<u>\$ 9,576,268</u>	<u>\$ 16,378,937</u>
Additions:					
Real estate and equipment	21,094,187	3,180,127	-	107,397	24,381,711

StorageVault Canada Inc.**Notes to the Interim Consolidated Financial Statements**

For the Three and Nine Months Ended September 30, 2024 and 2023

*(Unaudited)***Note 13 – Continued****For the Nine Months Ended September 30, 2024**

	Self Storage	Portable Storage	Management Division	Corporate	Total
Revenue	\$ 215,648,736	\$ 7,386,942	\$ 1,428,792	\$ -	\$ 224,464,470
Operating costs	71,294,337	4,924,794	-	-	76,219,131
Net operating income	144,354,399	2,462,148	1,428,792	-	148,245,339
Acquisition and integration	-	-	-	6,244,431	6,244,431
Selling, general and admin.	-	-	-	18,226,892	18,226,892
Stock based compensation	-	-	-	695,158	695,158
Depreciation and amortization	73,207,038	1,853,910	-	1,380,712	76,441,660
Interest	65,847,025	-	-	-	65,847,025
Interest accretion on convertible debentures	-	-	-	3,339,943	3,339,943
Loss on disposal of assets	-	-	-	3,932,716	3,932,716
Unrealized loss on derivative financial instruments	-	-	-	2,114,917	2,114,917
Deferred tax recovery	-	-	-	(4,977,757)	(4,977,757)
Net income (loss)	<u>\$ 5,300,336</u>	<u>\$ 608,238</u>	<u>\$ 1,428,792</u>	<u>\$ 30,957,012</u>	<u>\$ (23,619,646)</u>
Additions:					
Real estate and equipment	259,601,337	2,802,316	-	7,478,844	269,882,497

For the Nine Months Ended September 30, 2023

	Self Storage	Portable Storage	Management Division	Corporate	Total
Revenue	\$ 204,791,042	\$ 8,146,210	\$ 1,518,447	\$ -	\$ 214,455,699
Operating costs	65,286,176	5,508,852	-	-	70,795,028
Net operating income	139,504,866	2,637,358	1,518,447	-	143,660,671
Acquisition and integration	-	-	-	3,944,433	3,944,433
Selling, general and admin.	-	-	-	17,989,662	17,989,662
Stock based compensation	-	-	-	851,303	851,303
Depreciation and amortization	73,203,401	1,382,047	-	654,204	75,239,652
Interest	62,488,262	-	-	-	62,488,262
Realized gain on real estate	-	-	-	(15,615,804)	(15,615,804)
Realized gain on derivative financial instruments	-	-	-	(3,970,902)	(3,970,902)
Unrealized gain on derivative financial instruments	-	-	-	(17,008,711)	(17,008,711)
Deferred tax recovery	-	-	-	(6,344,040)	(6,344,040)
Net income (loss)	<u>\$ 3,813,203</u>	<u>\$ 1,255,311</u>	<u>\$ 1,518,447</u>	<u>\$ (19,499,855)</u>	<u>\$ 26,086,816</u>
Additions:					
Real estate and equipment	88,725,926	3,884,636	-	894,611	93,505,173

StorageVault Canada Inc.**Notes to the Interim Consolidated Financial Statements**

For the Three and Nine Months Ended September 30, 2024 and 2023

*(Unaudited)***Note 13 – Continued****Total Assets**

	Self Storage	Portable Storage	Management Division	Corporate	Total
As at December 31, 2023	\$ 1,887,649,008	\$ 20,767,600	\$ 16,587,785	\$ 119,213,563	\$ 2,044,217,956
As at September 30, 2024	\$ 2,075,100,555	\$ 21,439,865	\$ 16,544,874	\$ 118,308,009	\$ 2,231,393,303

14. Lease Liabilities

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

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

For the three and nine months ended September 30, 2024, the Corporation recognized \$1,056,506 and \$3,046,781, respectively (September 30, 2023 - \$957,725 and \$2,720,926, respectively), in interest expense related to its lease liabilities.

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Balance, beginning of period	\$ 99,715,973	\$ 80,518,572
Additions and reassessments	2,023,810	23,416,757
Cash payments	(6,379,760)	(7,887,925)
Interest	3,046,781	3,668,569
Balance, end of period	<u>\$ 98,406,804</u>	<u>\$ 99,715,973</u>

15. Subsequent Events

On October 23, 2024, the Corporation approved an increase to the quarterly dividend for Q4 2024 by 0.5% to \$0.002932 per common share.

16. Comparative Figures

Certain comparative figures have been reclassified to comply with the current presentation.

StorageVault Canada Inc.

Notes to the Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Unaudited)

StorageVault Canada Inc.

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