

NEWS RELEASE

For Release

April 24, 2024
Toronto, Ontario

StorageVault Reports 2024 First Quarter Results and Increases Dividend

STORAGEVAULT CANADA INC. (“StorageVault” or the “Corporation”) (SVI-TSX) reported the Corporation’s 2024 first quarter results and increases its dividend. Iqbal Khan, Chief Financial Officer, commented:

“Our national strategically located portfolio achieved same store NOI growth of 5.2%, AFFO growth of 6.6% per common share, while maintaining over 90% fixed rate debt. We are pleased to have announced the acquisition of two stores for \$43 million earlier this week with quick closings that demonstrate the strength of our balance sheet and team. With the recent change to the capital gains inclusion rate, the ability to close quickly is critical. For the balance of the year, we will continue to be disciplined purchasers of assets, and will focus on controlling expenses, while maximizing revenues, NOI and free cash flow.”

2024 First Quarter Results

Revenue for the first quarter of 2024 increased to \$71.4 million compared to \$67.4 million in Q1 2023 and net operating income (“NOI”), a non-IFRS measure, grew to \$44.2 million from \$42.6 million for the comparative period. Our cash flow from operations increased year over year and when combined with our financing, acquisitions and expansions resulted in a cash balance of \$14.3 million at the end of the quarter. The Q1 2024 net loss of \$8.0 million (net loss of \$2.9 million for Q1 2023) is impacted by the following non-cash and non-recurring items – \$23.6 million of depreciation and amortization, \$0.2 million in stock based compensation, \$1.1 million interest accretion on convertible debentures, \$2.0 million of unrealized gain on derivative financial instruments, and deferred tax recovery of \$1.8 million.

Revenue and NOI from Existing Self Storage stores increased by 5.9% and 5.2%, compared to the same period last year. Funds from operations (“FFO”), a non-IFRS measure, were \$15.1 million for Q1 2024 compared to \$14.8 million in Q1 2023, a 2.3% increase year over year. Adjusted funds from operations (“AFFO”), a non-IFRS measure, were \$16.6 million for Q1 2024 compared to \$15.8 million in Q1 2023, a 5.6% increase. On a per basic common share basis, FFO and AFFO increased by 3.3% and 6.6%, 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 months ended March 31, 2024 filed on SEDAR+ at www.sedarplus.ca.

Increased Dividend

StorageVault is increasing its quarterly dividend by 0.5% beginning Q2 2024 to \$0.002903 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 months ended March 31, 2024 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 months ended March 31, 2024 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, interest accretion on convertible debentures, realized and unrealized gains or losses on derivative financial instruments, stock based compensation expenses and deferred income taxes; and after adjustments for equity accounted entities and non-controlling interests. FFO should not be viewed as an alternative to cash from operating activities, net income, or other measures calculated in accordance with IFRS. The Corporation believes that FFO can be a beneficial measure, when combined with primary IFRS measures, to assist in the evaluation of the Corporation's ability to generate cash and evaluate its return on investments as it excludes the effects of real estate amortization and gains and losses from the sale of real estate, all of which are based on historical cost accounting and which may be of limited significance in evaluating current performance.
- iii. Adjusted Funds from Operations (“**AFFO**”) – AFFO is defined as FFO plus acquisition and integration costs. Acquisition and integration costs are one time in nature to the specific assets purchased in the current period or pending and are expensed under IFRS.
- iv. Existing Self Storage – 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 March 31				Fiscal			
	<u>2024</u>	<u>2023</u>	Change		<u>2024</u>	<u>2023</u>	Change	
		\$	%			\$	%	
Storage revenue and related services	\$ 70,944,870	\$ 66,943,141	\$ 4,001,729	6.0%	\$ 70,944,870	\$ 66,943,141	\$ 4,001,729	6.0%
Management fees	446,208	474,331	(28,123)	-5.9%	446,208	474,331	(28,123)	-5.9%
	71,391,078	67,417,472	3,973,606	5.9%	71,391,078	67,417,472	3,973,606	5.9%
Operating costs	27,148,549	24,845,593	2,302,956	9.3%	27,148,549	24,845,593	2,302,956	9.3%
Net operating income ¹	44,242,529	42,571,879	1,670,650	3.9%	44,242,529	42,571,879	1,670,650	3.9%
Less:								
Acquisition and integration costs	1,512,594	972,297	540,297	55.6%	1,512,594	972,297	540,297	55.6%
Selling, general and administrative	5,507,508	5,835,146	(327,638)	-5.6%	5,507,508	5,835,146	(327,638)	-5.6%
Interest	22,090,472	20,975,025	1,115,447	5.3%	22,090,472	20,975,025	1,115,447	5.3%
Stock based compensation	234,379	309,837	(75,458)	-24.4%	234,379	309,837	(75,458)	-24.4%
Realized (gain) loss on real estate	1,932,705	(35,359)	1,968,064	-5565.9%	1,932,705	(35,359)	1,968,064	-5565.9%
Realized (gain) loss on derivative financial instruments	-	(3,970,902)	3,970,902	-100.0%	-	(3,970,902)	3,970,902	-100.0%
Unrealized (gain) loss on derivative financial instruments	(2,014,752)	(2,074,497)	59,745	-2.9%	(2,014,752)	(2,074,497)	59,745	-2.9%
Interest accretion on convertible debentures	1,105,212	-	1,105,212	-	1,105,212	-	1,105,212	-
Depreciation and amortization	23,585,744	25,621,018	(2,035,274)	-7.9%	23,585,744	25,621,018	(2,035,274)	-7.9%
	53,953,862	47,632,565	6,321,297	13.3%	53,953,862	47,632,565	6,321,297	13.3%
Net income (loss) before taxes	(9,711,333)	(5,060,686)	(4,650,647)	-91.9%	(9,711,333)	(5,060,686)	(4,650,647)	-91.9%
Deferred tax (expense) recovery	1,753,251	2,156,314	(403,063)	-18.7%	1,753,251	2,156,314	(403,063)	-18.7%
Net income (loss)	\$ (7,958,082)	\$ (2,904,372)	\$ (5,053,710)	-174.0%	\$ (7,958,082)	\$ (2,904,372)	\$ (5,053,710)	-174.0%

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 March 31				Fiscal			
	<u>2024</u>	<u>2023</u>	Change		<u>2024</u>	<u>2023</u>	Change	
		\$	%			\$	%	
Net income (loss)	\$ (7,958,082)	\$ (2,904,372)	\$ (5,053,710)	-174.0%	\$ (7,958,082)	\$ (2,904,372)	\$ (5,053,710)	-174.0%
Adjustments:								
Stock based compensation	234,379	309,837	(75,458)	-24.4%	234,379	309,837	(75,458)	-24.4%
Interest accretion on convertible debentures	1,105,212	-	1,105,212	-	1,105,212	-	1,105,212	-
Realized (gain) loss on real estate	1,932,705	(35,359)	1,968,064	-5565.9%	1,932,705	(35,359)	1,968,064	-5565.9%
Realized (gain) loss on derivative financial instruments	-	(3,970,902)	3,970,902	-100.0%	-	(3,970,902)	3,970,902	-100.0%
Unrealized (gain) loss on derivative financial instruments	(2,014,752)	(2,074,497)	59,745	-2.9%	(2,014,752)	(2,074,497)	59,745	-2.9%
Deferred tax (expense) recovery	(1,753,251)	(2,156,314)	403,063	-18.7%	(1,753,251)	(2,156,314)	403,063	-18.7%
Depreciation and amortization	23,585,744	25,621,018	(2,035,274)	-7.9%	23,585,744	25,621,018	(2,035,274)	-7.9%
	23,090,037	17,693,783	5,396,254	30.5%	23,090,037	17,693,783	5,396,254	30.5%
FFO ¹	\$ 15,131,955	\$ 14,789,411	\$ 342,544	2.3%	\$ 15,131,955	\$ 14,789,411	\$ 342,544	2.3%
Adjustments:								
Acquisition and integration costs	1,512,594	972,297	540,297	55.6%	1,512,594	972,297	540,297	55.6%
AFFO ¹	\$ 16,644,549	\$ 15,761,708	\$ 882,841	5.6%	\$ 16,644,549	\$ 15,761,708	\$ 882,841	5.6%

¹ Non-IFRS Measure.

FFO and AFFO Per Basic Common Share Outstanding

FFO	\$ 0.040	\$ 0.039	\$ 0.001	3.3%	\$ 0.040	\$ 0.039	\$ 0.001	3.3%
AFFO	\$ 0.044	\$ 0.042	\$ 0.003	6.6%	\$ 0.044	\$ 0.042	\$ 0.003	6.6%

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

	(unaudited)				(unaudited)			
	Three Months Ended March 31				Fiscal			
	2024	2023	Change		2024	2023	Change	
		\$	%			\$	%	
Revenue								
Existing Self Storage ¹	\$ 61,617,516	\$ 58,189,571	\$ 3,427,945	5.9%	\$ 61,617,516	\$ 58,189,571	\$ 3,427,945	5.9%
New Self Storage ¹	7,326,745	6,687,304	639,441	9.6%	7,326,745	6,687,304	639,441	9.6%
Total Self Storage	68,944,261	64,876,875	4,067,386	6.3%	68,944,261	64,876,875	4,067,386	6.3%
Portable Storage	2,000,609	2,066,266	(65,657)	-3.2%	2,000,609	2,066,266	(65,657)	-3.2%
Management Fees	446,208	474,331	(28,123)	-5.9%	446,208	474,331	(28,123)	-5.9%
Combined	71,391,078	67,417,472	3,973,606	5.9%	71,391,078	67,417,472	3,973,606	5.9%
Operating Costs								
Existing Self Storage	21,278,327	19,843,439	1,434,888	7.2%	21,278,327	19,843,439	1,434,888	7.2%
New Self Storage	4,353,314	3,412,835	940,479	27.6%	4,353,314	3,412,835	940,479	27.6%
Total Self Storage	25,631,641	23,256,274	2,375,367	10.2%	25,631,641	23,256,274	2,375,367	10.2%
Portable Storage	1,516,908	1,589,319	(72,411)	-4.6%	1,516,908	1,589,319	(72,411)	-4.6%
Combined	27,148,549	24,845,593	2,302,956	9.3%	27,148,549	24,845,593	2,302,956	9.3%
Net Operating Income¹								
Existing Self Storage	40,339,189	38,346,132	1,993,057	5.2%	40,339,189	38,346,132	1,993,057	5.2%
New Self Storage	2,973,431	3,274,469	(301,038)	-9.2%	2,973,431	3,274,469	(301,038)	-9.2%
Total Self Storage	43,312,620	41,620,601	1,692,019	4.1%	43,312,620	41,620,601	1,692,019	4.1%
Portable Storage	483,701	476,947	6,754	1.4%	483,701	476,947	6,754	1.4%
Management Fees	446,208	474,331	(28,123)	-5.9%	446,208	474,331	(28,123)	-5.9%
Combined	\$ 44,242,529	\$ 42,571,879	\$ 1,670,650	3.9%	\$ 44,242,529	\$ 42,571,879	\$ 1,670,650	3.9%

¹ Non-IFRS Measure.

About StorageVault Canada Inc.

StorageVault owns and operates 244 storage locations across Canada. StorageVault owns 213 of these locations plus over 5,000 portable storage units representing over 11.8 million rentable square feet on over 690 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: the Corporation's goal to continue to be disciplined purchasers of assets, focusing on controlling expenses, while maximizing revenues, NOI and free cash flow; and the Corporation's strategy, including having multiple stores in the top markets in Canada with complementary portable storage units and records management storage services, to take advantage of economies of scale, and a growth strategy focused on acquisitions, organic growth, expansion of existing stores and 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 the Corporation's services and products; competition and StorageVault's competitive advantages; trends in the storage industry, including, increased growth and growth in the portable storage business; the availability of attractive and financially competitive asset acquisitions in the future; the closing of previously announced acquisitions; the revenue and costs from acquisitions and operations conducted in fiscal 2023 being extrapolated to the entire period for 2024 and being consistent with, and reproducible as, costs and revenue in future periods; and anticipated and unanticipated costs. 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 of directors, third party 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; and lack of qualified, skilled labour or loss of key individuals. 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 risks and 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.