



**ANNUAL INFORMATION FORM  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**June 7, 2021**

## TABLE OF CONTENTS

|                                                                 |    |
|-----------------------------------------------------------------|----|
| GLOSSARY .....                                                  | 1  |
| FORWARD-LOOKING STATEMENTS .....                                | 2  |
| PRESENTATION OF FINANCIAL INFORMATION .....                     | 4  |
| CORPORATE STRUCTURE .....                                       | 4  |
| GENERAL DEVELOPMENT OF THE BUSINESS.....                        | 5  |
| Three Year History .....                                        | 6  |
| BUSINESS OF STORAGEVAULT .....                                  | 11 |
| Growth Strategy .....                                           | 11 |
| Competitive Conditions.....                                     | 12 |
| Cycles and Seasonal Activity .....                              | 12 |
| Colleagues .....                                                | 13 |
| Industry Trends.....                                            | 13 |
| Environmental, Social and Governance .....                      | 13 |
| Borrowing.....                                                  | 14 |
| CAPITAL STRUCTURE OF STORAGEVAULT .....                         | 15 |
| Authorized Shares .....                                         | 15 |
| Common Shares .....                                             | 16 |
| Preferred Shares .....                                          | 16 |
| DIVIDENDS .....                                                 | 16 |
| MARKET FOR SECURITIES .....                                     | 17 |
| Trading Price and Volume.....                                   | 17 |
| Prior Sales.....                                                | 18 |
| DIRECTORS AND EXECUTIVE OFFICERS.....                           | 18 |
| Directors and Executive Officers of StorageVault .....          | 18 |
| Security Holding by Directors and Officers .....                | 19 |
| Cease Trade Orders .....                                        | 20 |
| Bankruptcies .....                                              | 20 |
| Penalties or Sanctions.....                                     | 20 |
| Conflicts of Interest .....                                     | 20 |
| RISK FACTORS .....                                              | 21 |
| Operational Risks .....                                         | 21 |
| Financial Risks .....                                           | 26 |
| AUDIT COMMITTEE .....                                           | 29 |
| LEGAL PROCEEDINGS AND REGULATORY ACTIONS .....                  | 29 |
| INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS..... | 29 |
| AUDITOR, TRANSFER AGENT AND REGISTRAR.....                      | 30 |
| MATERIAL CONTRACTS.....                                         | 30 |
| INTERESTS OF EXPERTS.....                                       | 30 |
| ADDITIONAL INFORMATION.....                                     | 30 |

The information in this AIF is given as of December 31, 2020, unless otherwise indicated. All dollar amounts set forth in this AIF are in Canadian dollars unless otherwise indicated. Capitalized terms and industry terms used herein without definition have the respective meanings set forth in the Glossary.

## GLOSSARY

In this AIF, in addition to terms defined in the body of this AIF, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing a gender include any genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time.

“**ABCA**” means the *Business Corporations Act* (Alberta), as amended from time to time, including the regulations promulgated thereunder.

“**affiliate**” or “**associate**” has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended from time to time.

“**AIF**” means this Annual Information Form.

“**Board**” means the board of directors of the Corporation.

“**Common Shares**” means common shares in the capital of the Corporation.

“**Corporation**” or “**StorageVault**” means StorageVault Canada Inc.

“**DSU**” means a deferred share unit granted pursuant to the Equity Incentive Plan.

“**Equity Incentive Plan**” means the equity incentive plan of the Corporation as constituted on the date hereof.

“**Option**” means an option to acquire a Common Share granted pursuant to the Option Plan.

“**Option Plan**” means the stock option plan of the Corporation as constituted on the date hereof.

“**Preferred Shares**” means preferred shares in the capital of the Corporation.

“**RSU**” means a restricted share unit granted pursuant to the Equity Incentive Plan.

“**Series 1 Preferred Shares**” means the series 1 preferred shares in the capital of the Corporation.

“**Shareholder**” means a holder of Common Shares.

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this AIF, and in certain documents incorporated by reference into this AIF, constitute forward-looking statements and forward-looking information (collectively referred to herein as “**forward-looking statements**”) within the meaning of applicable Canadian securities laws. Such forward-looking statements relate to future events or the Corporation’s future performance. All statements other than statements of historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this AIF should not be unduly relied upon. These forward-looking statements speak only as of the date of this AIF or as of the date specified in the documents incorporated by reference into this AIF, as the case may be.

In particular, this AIF, and the documents incorporated by reference, contain forward-looking statements, including, but not limited to, the following:

- StorageVault’s strategic objectives and focus;
- StorageVault’s acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- the expansion of certain of StorageVault’s portfolio of stores;
- potential growth and opportunities in the Canadian storage industry and potential factors in such growth and opportunities;
- StorageVault’s growth and growth strategy of StorageVault, including the potential expansion of existing stores and its portable storage business;
- potential acquisitions by StorageVault that have previously been announced by StorageVault, and closing dates for such acquisitions;
- StorageVault’s Five Year Business Plan and Potential Future Access Acquisitions;
- potential sources of financing for potential future growth and acquisitions;
- trends in the Canadian storage industry;
- StorageVault’s continuing focus on ESG and the policies and programs it will continue to pursue to support ESG initiatives;
- the Corporation’s plans with respect to dividend payments and its dividend reinvestment plan;
- supply and demand for storage;
- the impact of COVID-19 on StorageVault’s business; and
- expected levels of operating costs, general administrative costs, costs of services and other costs and expenses.

Although the forward-looking statements contained in this AIF are based upon assumptions which management of the Corporation believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this AIF, the Corporation has made assumptions regarding, but not limited to:

- the successful negotiation and execution of purchase agreements in respect of potential acquisitions;
- StorageVault completing current and future acquisitions in a manner consistent with previous disclosure and consistent with past acquisitions;
- market acceptance of StorageVault’s future acquisitions and store expansions;
- market acceptance and receipt of approvals, including StorageVault Board and acquisition committee approval, and TSX Venture Exchange (“**TSX-V**”) acceptance of the potential issuance of Common Shares, if any, for potential acquisitions, and the closing of such potential acquisitions;
- the satisfactory fulfilment of all of the conditions precedent to any acquisitions;

- the ability of StorageVault to rely on exemptions from the formal valuation and minority approval requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and TSX-V Policy 5.9 in respect of any related party transactions;
- the completion of satisfactory due diligence by StorageVault in relation to the potential acquisitions;
- the value of the appraisals received for potential acquisitions;
- factors and trends in Canada’s storage industry being consistent with the past and projections for such growth;
- no material adverse change in economic conditions or capital markets in Canada generally;
- no material adverse change in the Canadian self-storage industry;
- factors in StorageVault’s growth being consistent with the past and projections for such growth;
- the impact of increasing competition;
- receipt of regulatory approvals;
- the ability to obtain additional financing on satisfactory terms;
- the ability of StorageVault to successfully market its services;
- the Corporation’s future debt levels;
- anticipated adjustments, if any, to StorageVault’s operations as a result of the COVID-19 pandemic; 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.

The Corporation’s actual results could differ materially from those anticipated in the forward-looking statements as a result of the risk factors set forth herein and in the documents incorporated by reference herein, including but 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 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;
- changes in operating and capital costs;
- the availability of capital on acceptable terms;
- adverse claims made in respect of the Corporation’s properties or assets;
- failure to realize the anticipated benefits of recently completed acquisitions;
- 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, stay at home orders, curfews 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, which 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 the Corporation’s ability to obtain external financing; and
- other factors, many of which are beyond the control of the Corporation, some of which are discussed under “*Risk Factors*” in this AIF.

Forward-looking statements and other information contained herein concerning the storage industry in Canada and the Corporation’s general expectations concerning this industry are based on estimates prepared by management of the Corporation using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Corporation is not aware of any material misstatements

regarding any industry data presented herein, the storage industry involves numerous risks and uncertainties and is subject to change based on various factors.

Management of the Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this AIF in order to provide shareholders with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom.

Readers are cautioned that the foregoing list of important factors is not exhaustive and they should not unduly rely on the forward-looking statements included in this AIF or in any of the documents incorporated by reference. These forward-looking statements are made as of the date of this AIF and the Corporation disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. All forward-looking statements contained in this AIF are expressly qualified by this cautionary statement. Further information about the factors affecting forward-looking statements and management's assumptions and analysis thereof, is available in filings made by the Corporation with Canadian provincial securities commissions available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

## PRESENTATION OF FINANCIAL INFORMATION

### Non-IFRS Financial Measures

**This AIF refers to certain financial measures ("Non-IFRS Financial Measures") that are not determined in accordance with Canadian generally accepted accounting principles applicable to publicly traded companies ("GAAP"), including International Financial Reporting Standards ("IFRS"). Investors are cautioned, however, that these measures should not be construed as alternatives to measures determined in accordance with GAAP and IFRS.** StorageVault believes that these Non-IFRS Financial Measures are useful supplemental measures as they facilitate an understanding of StorageVault's operating and financial performance. Management of the Corporation uses both IFRS and Non-IFRS Financial Measures to assess the financial and operating performance of the Corporation's operations. These Non-IFRS Financial 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 Financial Measures referenced in this AIF include the following:

- **"Net Operating Income" ("NOI")** – NOI is defined as storage and related services 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.

NOI should not be viewed as an alternative to, in isolation from, or superior to, net income (or other measures calculated in accordance with IFRS). NOI 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. NOI is simply an additional measure of operating performance which highlights trends in StorageVault's core business that may not otherwise be apparent when relying solely on IFRS financial measures. StorageVault's management also uses this Non-IFRS Financial Measure in order to facilitate operating performance comparisons from period to period and to prepare operating budgets. In addition, the Corporation's definition of NOI may differ from that of other issuers.

## CORPORATE STRUCTURE

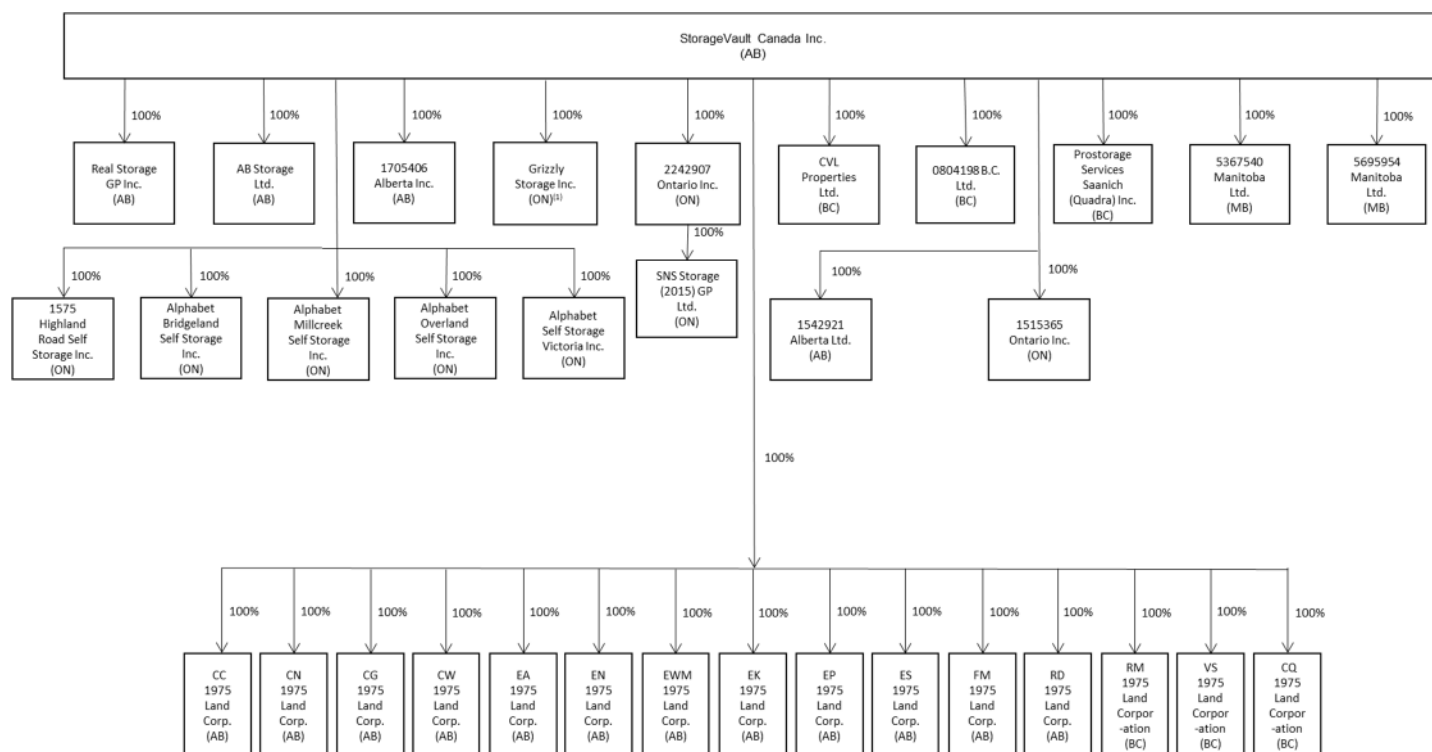
StorageVault Canada Inc. was incorporated on May 31, 2007 under the ABCA. The Corporation completed a vertical amalgamation with a wholly-owned subsidiary on January 1, 2013. On August 26, 2013, January 7, 2015 and August 27, 2015, the Corporation amended its articles to change the rights, privileges, restrictions and conditions of the Series 1 Preferred Shares. Effective April 15, 2019, the Corporation wound up its wholly owned limited partnerships that

were purchased pursuant to the Real Storage Acquisition (as defined below) which resulted in all of the assets and liabilities of these limited partnerships becoming the assets and liabilities of the Corporation. On January 1, 2020, the Corporation completed a vertical amalgamation with its wholly owned subsidiary, Sentinel Self-Storage Corporation, to form StorageVault Canada Inc. On January 1, 2021, the Corporation completed a vertical amalgamation with its wholly owned subsidiary, Spyhill Storage Ltd.

The Corporation's head office is located at 100 Canadian Road, Toronto, Ontario, M1R 4Z5 and its registered office is located at 1000, 250 - 2nd Street S.W., Calgary, Alberta, T2P 0C1.

The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Common Shares are listed and posted for trading on the TSX-V under the trading symbol "SVI".

The following chart depicts the intercorporate relationships among the Corporation and its subsidiaries as of the date hereof:



**Note:**

- (1) The common shares of Grizzly Storage Inc. are beneficially owned by StorageVault Canada Inc., but registered in the name of 2242907 Ontario Inc

## GENERAL DEVELOPMENT OF THE BUSINESS

### Business Overview

StorageVault was incorporated on May 31, 2007 under the ABCA. The Corporation's primary business is owning, operating and renting self storage and portable storage space to individual and commercial customers.

As at the date of this AIF, StorageVault owns 180 stores and over 4,400 portable storage units across Canada, for a total of over 9.9 million square feet of rentable storage space in over 88,500 rental units. The stores operate under the Access Storage, Depotium Mini-Entrepots and Sentinel Storage. Our portable storage business operates under the Cubeit and PUPS brands. Our records management business operates under the RecordXpress brand.

In addition to our owned stores, StorageVault manages 40 stores that are owned by third parties for a management fee, bringing the total number of stores owned and managed to 220.

The Corporation is able to leverage its national storage presence to offer last-mile storage solutions, such as personal protective equipment handling for health care organizations across the country with our over 200 locations. Through our portable and records management businesses, we offer mobilization solutions to move items from our locations directly to the end user. In April, 2021, the Corporation launched FlexSpace Logistics, its last mile end to end technology platform which connects businesses across Canada to storage space, logistics and inventory management services.

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

In April, 2015, StorageVault established a five year business plan (the "**Five Year Business Plan**") with the goal of enhancing the possibility that future acquisitions by StorageVault (such acquisitions are referred to as "**Future Access Acquisitions**") of assets owned by Access Self Storage Inc. ("**Access**") may occur in order to grow the business and operations of StorageVault (although the 5 year time frame of the Five Year Business Plan has passed, most of its guiding principals are still relevant and still guide Future Access Acquisitions). Steven Scott, the Chief Executive Officer and a director of the Corporation, is also a director, officer and shareholder of Access; and Iqbal Khan, the Chief Financial Officer and a director of the Corporation, is also a director, officer and shareholder of Access. Due to the related party nature of such Future Access Acquisitions, and because of the reconstitution of the StorageVault's board and management in April 2015, StorageVault established an Acquisition Committee ("**Acquisition Committee**") and an Acquisition Committee Mandate (the "**Acquisition Committee Mandate**"). The purpose of the Acquisition Committee as set out in the Acquisition Committee Mandate is to review, evaluate, and approve the terms of all proposed acquisitions in the context of the current strategic direction of the Corporation. In particular, the Acquisition Committee has the authority to appoint appraisers, environmental consultants, and professional advisors to evaluate and report to the Acquisition Committee on the suitability of such transactions. Thereafter, the Acquisition Committee provides its recommendation as to whether the Board of Directors should approve an acquisition. The Board of Directors of the Corporation must accept the recommendations that the Acquisition Committee may make with respect to any related party transaction, and in particular, an acquisition that includes the acquisition of assets or shares of Access or any of its subsidiaries or affiliates. The Board of Directors must give substantial weight and consideration to the recommendations the Acquisition Committee may make with respect to an acquisition from an arm's length third party. The Acquisition Committee currently consists of Alan Simpson, Glenn Fradette, Paul Smith, Jay Lynne Fleming, Steven Scott and Iqbal Khan.

### **Three Year History**

StorageVault is a publicly listed storage business in Canada.

The general development of StorageVault's business during the last three fiscal years and to the date of this AIF, including significant acquisitions and other events which have had an influence on the Corporation's development, are described below.

#### *Financial Year Ended December 31, 2018*

On February 1, 2018, the Corporation completed the acquisition from its arm's length partner of the remaining 50% interest in two Calgary stores resulting in the acquisition of all of the storage assets, property and business used in the operation and business of these stores. StorageVault had already acquired an initial 50% interest in these stores pursuant to the Sentinel Storage acquisition, which closed on July 31, 2017. The aggregate amount funded for the 50% interest was \$17,175,000 and included the purchase of the remaining common shares held by the vendor, the redemption of limited partnership units held by the vendor and the repayment to the vendor of loans made by the ownership of the stores. The above amounts were funded by cash on hand.



On February 1, 2018, the Corporation completed the acquisition from a private arm's length British Columbia vendor of portable storage containers and all associated equipment, contracts, customer lists and records, supplies and accounts receivable. The acquisition resulted in the termination of the Cubeit brand portable storage licensing agreement for British Columbia, opening up that market for StorageVault. The purchase price for the acquisition in the amount of \$2,290,000, subject to customary adjustments, was paid with funds on hand.

On May 22, 2018, the Corporation completed the acquisition of all of the storage assets, property and business used in the operation and business of two stores in the Greater Toronto Area (the "**GTA Acquisitions**") for \$66,500,000. The purchase price for the GTA Acquisitions totaling \$66,500,000, subject to adjustments, was paid with first mortgage financing, issuance of an aggregate of \$12,000,000 of Common Shares and funds on hand. The Common Shares were issued at a price of \$2.4832 per Common Share.

In June 2018, the Corporation purchased \$5,650,000 of Ontario based storage assets. The purchases were made in three separate arm's length transactions and were comprised of two self storage stores and a portable storage business. The purchase of the portable storage business allowed StorageVault to enter into a different segment of the portable storage market which services mainly the construction industry. The purchase price for the acquisitions was paid for with cash on hand and the assumption of mortgage financing.

On July 25, 2018, the Corporation completed the \$15,000,000 acquisition of all of the storage assets, property and business used in the operation and business of one store in Oakville, Ontario. The purchase price for the acquisition was paid for with cash on hand.

On September 6, 2018, the Corporation received conditional acceptance from the TSX-V to renew its Normal Course Issuer Bid to purchase for cancellation, during the 12-month period starting September 10, 2018, up to 17,704,359 of the Common Shares. The program ended on September 9, 2019 with no Common Shares being repurchased.

On September 21, 2018, the Corporation completed the \$22,400,000 acquisition of all of the storage assets, property and business used in the operation and business of four stores in Ottawa, Ontario. The purchase price for the acquisition was paid for with cash on hand and first mortgage financing.

On September 25, 2018, the Corporation completed the \$5,250,000 acquisition of all of the storage assets, property and business used in the operation and business of one store in Windsor, Ontario. The purchase price for the acquisition was paid for with cash on hand and first mortgage financing.

On October 10, 2018, the Corporation completed the \$11,800,000 acquisition of all of the storage assets, property and business used in the operation and business of two stores in Quebec. The purchase price for the acquisition was paid for with cash on hand and first mortgage financing.

On October 15, 2018, the Corporation completed the \$4,250,000 acquisition of all of the storage assets, property and business used in the operation and business of one store in Regina, Saskatchewan. The purchase price for the acquisition was paid for with cash on hand and first mortgage financing.

On October 18, 2018, the Corporation completed the acquisition of all of the storage assets, property and business used in two stores in Ottawa, Ontario (the "**October Access Acquisition**") from Access, for an aggregate purchase price of \$13.3 million. The purchase price for the October Access Acquisition in the amount of \$13,250,000, subject to customary adjustments, was paid by the issuance of 1,481,481 Common Shares at a deemed aggregate price of \$4,000,000 or \$2.70 per Common Share, with the remainder being paid with funds on hand and first mortgage financing. The October Access Acquisition was a non arm's-length transaction.

#### *Financial Year Ended December 31, 2019*

In early January, 2019, the Corporation: (a) completed a new 40,000 square foot building at its Mission, BC store; (b) completed a 10,000 square foot building at one of its Montreal, QC area stores; and (3) through better utilization of existing space, added 23,500 rentable square feet to various stores throughout the country. The expansion was completed to meet pent up demand and part of the development potential on lands owned by the Corporation. Both of the expansions were on unutilized lands and added over 400 indoor and drive-up units. All construction costs of the expansion were paid for with cash on hand.

On January 4, 2019, the Corporation completed the purchase of one store in Ontario at a purchase price of \$460,000. The purchase was an arm's length transaction and was paid with funds on hand.

In January, 2019, the Corporation completed a \$172.5 million 10 year term debt financing against 12 properties at a fixed annual interest rate of 4.23%. The proceeds from the term debt financing were used to reduce the amount outstanding under StorageVault's \$270 million variable interest credit facility, bringing the debt outstanding on this facility to \$83 million.

During January, 2019, the Corporation entered into three separate management agreements to manage three stores. These three stores are located in the Greater Toronto Area and help to improve efficiencies in online marketing, revenue management and property operations. Management commenced in the second quarter of 2019 for two of the stores, with the third store coming online at the end of 2019.

On February 13, 2019, the Corporation announced that it would increase its quarterly dividend for Q1 2019 by 0.5%.

On February 15, 2019, the Corporation completed the purchase of one store in Ontario at a purchase price of \$10,000,000. The purchase was an arm's length transaction and was paid with funds on hand.

On April 10, 2019, the Corporation completed the acquisition of two stores in the Greater Toronto Area, a 4 acre storage lot in London, Ontario and the assets and business of RecordXpress, an information and records management business (collectively, the "**RecordXpress Acquisition**") from Access and RecordXpress Inc. ("**RecordXpress**"), for an aggregate purchase price of \$32.5 million. The purchase price for the RecordXpress Acquisition in the amount of \$32,500,000, subject to customary adjustments, was paid by the issuance of 2,964,285 Common Shares at a deemed aggregate price of \$8,300,000 or \$2.80 per Common Share, with the remainder being paid with funds on hand and mortgage financing. The RecordXpress Acquisition was a non arm's-length transaction.

On April 15, 2019, the Corporation completed the acquisition of the Real Storage portfolio (the "**Real Storage Acquisition**"). The Real Storage Acquisition was an arm's length transaction. Real Storage was one of Canada's largest self storage portfolios and operated 25 stores in Ontario, 11 in Alberta, 1 in British Columbia and 1 in Manitoba. The purchase price of \$275 million, subject to customary adjustments, was satisfied with funds on hand and mortgage financing. In conjunction with the Real Storage Acquisition, StorageVault also entered into a \$320 million credit agreement for a 3 year term (the "**Credit Facility**"). This Credit Facility replaces the remaining \$83 million of outstanding indebtedness on the \$270 million revolving credit facility announced on August 1, 2017. StorageVault also entered into an interest rate swap transaction that will provide a fixed rate on \$300 million of its senior secured debt until April 2026. Effective April 15, 2019, the Corporation wound up its wholly owned limited partnerships that were purchased pursuant to the Real Storage Acquisition which resulted in all of the assets and liabilities of these limited partnerships becoming the assets and liabilities of the Corporation.

On May 15, 2019, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning in Q2 2019.

On May 27, 2019, the Corporation completed the acquisition of a British Columbia store. The Corporation paid \$27.25 million to an arms length vendor for the real property and paid \$1.25 million to Access, a non-arms length party, to buy out Access' long term lease, for an aggregate purchase price of \$28.5 million. The purchase price for the acquisition in the amount of \$28,500,000, subject to customary adjustments, was paid by the issuance of an aggregate of 2,500,000 Common Shares at a deemed aggregate price of \$7,000,000 or \$2.80 per Common Share, a promissory note in the principal amount of \$5,000,000, with the remainder being paid with funds on hand and mortgage financing.

On August 15, 2019, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning in Q3 2019.

On September 30, 2019, the Corporation completed the acquisition of all of the storage assets, property and business used in two stores located in Toronto and Barrie for an aggregate purchase price of \$26.2 million. The acquisition was an arm's length transaction. The purchase price for the acquisition was paid with mortgage financing and funds on hand.

On November 15, 2019, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning in Q4 2019.

On November 21, 2019, the Corporation received conditional acceptance from the TSX-V to renew its Normal Course Issuer Bid to purchase for cancellation, during the 12-month period starting November 25, 2019, up to 18,137,752 of the Common Shares.

#### *Financial Year Ended December 31, 2020*

On January 1, 2020, the Corporation completed a vertical amalgamation with its wholly owned subsidiary, Sentinel Self-Storage Corporation, to form StorageVault Canada Inc.

On February 28, 2020, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q1 2020 to \$0.002667.

On April 9, 2020, the Corporation announced that it had completed the acquisition of one store in Brandon, Manitoba from an arm's length vendor for an aggregate purchase price of \$3,700,000. The purchase price for the Brandon store acquisition was paid with mortgage financing and funds on hand.

On April 28, 2020, the Corporation announced that it had completed the acquisition of two stores in Winnipeg, Manitoba from Access, for an aggregate purchase price of \$7,845,000. The acquisition was a non arm's-length transaction. The purchase price for the acquisition in the amount of \$7,845,000, subject to customary adjustments, was paid by the issuance of 1,240,323 Common Shares at a deemed aggregate price of \$3,845,000 or \$3.10 per common share, with the remainder being paid with mortgage financing and funds on hand.

On May 15, 2020, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q2 2020 to \$0.002680.

On July 20, 2020, the Corporation completed the offering of listed senior unsecured hybrid debentures (the "**Debentures**") with a syndicate of underwriters co-led by Scotia Capital Inc., National Bank Financial Inc. and TD Securities Inc. and including BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Cormark Securities Inc., Raymond James Ltd., Stifel Nicolaus Canada Inc., and Industrial Alliance Securities Inc. on a bought deal basis. A total of \$75 million aggregate principal amount of Debentures were issued at a price of \$1,000 per Debenture. The Debentures bear interest at a rate of 5.75% per annum, payable semi-annually in arrears on July 31 and January 31 of each year, commencing on January 31, 2021, and will mature on January 31, 2026. The Debentures commenced trading on the TSX-V under the symbol "SVI.DB" on July 21, 2020.

On August 13, 2020, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q3 2020 to \$0.002693.

On November 12, 2020, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q4 2020 to \$0.002707.

On December 4, 2020, the Corporation announced that it had completed the acquisition of 13 stores and 1 piece of vacant land from six vendor groups, for an aggregate purchase price of \$220 million. Four of the acquisitions were arm's length and two, totaling \$30 million, were related party acquisitions with Access or its affiliates or associates as the vendor. The purchase price for the acquisitions in the amount of \$220 million, subject to customary adjustments, will be paid by the issuance of 2,178,964 Common Shares at an aggregate price of \$8 million with the remainder being paid with funds on hand, promissory note and mortgage financing.

On December 15, 2020, Benjamin Harris was appointed a director of the Corporation and Tamara Souglis was appointed the Corporate Secretary of the Corporation. On the same date, long-time director, Blair Tamblyn stepped-down from the StorageVault Board of Directors.

#### *Period After December 31, 2020*

On January 1, 2021, the Corporation completed a vertical amalgamation with its wholly owned subsidiary, Spyhill Storage Ltd., to form StorageVault Canada Inc.

On January 25, 2021, the Corporation received conditional acceptance from the TSX-V to renew its Normal Course Issuer Bid to purchase for cancellation, during the 12-month period starting January 25, 2021, up to 18,312,741 of the outstanding Common Shares of the Corporation, representing 5% of the Common Shares outstanding. In addition, the Corporation received conditional acceptance from the TSX-V to commence a Normal Course Issuer Bid to purchase for cancellation, during the 12-month period starting January 25, 2021, outstanding Debentures of the Corporation in the aggregate principal amount of \$3,750,000, representing 5% of the currently outstanding \$75,000,000 aggregate principal amount of Debentures.

On February 8, 2021, the Corporation announced that the Canadian Olympic Committee formally announced the Corporation as the new Official Storage and Moving Partner of Team Canada. The five-year partnership, which began in late 2020 and runs through 2024, will focus on providing residential, office, corporate and industrial storage and moving services to the COC, National Sport Organizations and Team Canada athletes.

On February 25, 2021, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q1 2021 to \$0.002720.

On April 1, 2021, the Corporation announced that it had completed the acquisition of 8 stores from four vendor groups, for an aggregate purchase price of \$44.1 million. Three of the completed acquisitions were arm's length and one, totaling \$6.7 million, was a related party acquisition with Access or its affiliates or associates as the vendor. The purchase price for the acquisitions in the amount of \$44.1 million, subject to customary adjustments, was paid by the issuance of 2,755,456 Common Shares at an aggregate price of \$10.8 million with the remainder being paid with funds on hand and mortgage financing.

On April 13, 2021, the Corporation announced that it is expanding its e-commerce presence with the launch of FlexSpace Logistics - a last mile end to end technology platform connecting businesses across Canada to storage space, logistics and inventory management services. On the FlexSpace Logistics portal, businesses will find storage space, logistics and inventory management solutions to solve their needs.

On May 4, 2021, the Corporation announced that it has completed the acquisition of one store in the Greater Toronto Area, from Access and its affiliates, for an aggregate purchase price of \$27,750,000. The acquisition was a non arm's-length transaction. The purchase price for the acquisitions in the amount of \$27,750,000, subject to customary adjustments, was paid by the issuance of 932,871 Common Shares at an aggregate price of \$4.0 million with the remainder being paid with funds on hand and mortgage assumption.

On May 5, 2021, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q2 2021 to \$0.002734.

On May 12, 2021, the Corporation announced that it would be the rebranding of all of its stores in British Columbia to the Sentinel Storage brand from Storage for Your Life. With the rebrand, there would be 59 stores under Sentinel Storage brand. The rebranding is intended to streamline communications, marketing initiatives and strengthens Sentinel Storage as the dominant brand offering innovative storage solutions and unparalleled client service in Western Canada. The launch of the new brand began on May 10, 2021 and includes over 15 properties throughout the Lower Mainland, Fraser Valley, Vancouver Island, and Interior BC. The rebranding is scheduled to be completed by June 2021.

#### **Significant Acquisitions**

During the fiscal year ended December 31, 2020, the Corporation did not complete any significant acquisitions as defined in National Instrument 51-102 - *Continuous Disclosure Obligations*.

## BUSINESS OF STORAGEVAULT

StorageVault's primary business is owning, managing and renting self storage and portable storage space to individual, governmental and commercial customers. The Corporation also stores, shreds, and manages documents and records for customers. Self storage involves the customer renting space at the Corporation's property for short or long term storage, although typically spaces are rented on a weekly or monthly basis. Rental rates vary according to the location of the property and the size of the space. Self storage units are used by individuals and by large and small businesses. Individuals usually employ the space for storage of, among other things, furniture, household appliances, personal belongings, motor vehicles, boats, campers, motorcycles and other household goods. Commercial customers usually employ the space for storage of excess inventory, business records, seasonal goods, equipment and fixtures. 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.

The stores operate under the Access Storage, Depotium Mini-Entrepots and Sentinel Storage brands. Our portable storage business operates under the Cubeit and PUPS brands. Our records management business operates under the RecordXpress brand.

As at March 31, 2021, the Corporation owned the following self storage and portable storage operations:

| Location               | Acres      | Number of Stores | Units         | Rentable Square Feet |
|------------------------|------------|------------------|---------------|----------------------|
| British Columbia       | 45         | 18               | 9,514         | 935,574              |
| Alberta                | 126        | 36               | 18,320        | 2,120,279            |
| Saskatchewan           | 26         | 8                | 1,766         | 238,201              |
| Manitoba               | 36         | 12               | 4,898         | 492,700              |
| Ontario                | 285        | 80               | 37,610        | 4,383,833            |
| Quebec                 | 37         | 16               | 7,629         | 732,497              |
| Nova Scotia            | 16         | 5                | 1,765         | 173,483              |
| Portable Storage Units |            |                  | 4,475         | 515,790              |
| <b>Total</b>           | <b>571</b> | <b>175</b>       | <b>85,977</b> | <b>9,592,357</b>     |

### Growth Strategy

StorageVault's growth strategy is described in the following five segments: acquisitions, organic growth through improved performance of existing stores, expansion of its existing stores to meet pent up demand and expansion of its portable storage and records management businesses.

#### Acquisitions

The combination of StorageVault's corporate platform, track record of closing transaction, industry relationships and storage experience provide StorageVault with a unique advantage in the Canadian market place. This advantage allows StorageVault to identify accretive and strategic purchasing opportunities at attractive prices that provide synergies in operations, marketing and revenue maximization.

StorageVault intends to be a disciplined purchaser in 2021 and beyond, with a focus on Canada's top markets. As there is more competition to acquire existing stores, especially from US purchasers, it may become more challenging for StorageVault to find acquisitions that meet its criteria.

#### Organic Growth

Scale has become increasingly important in the storage business and the increase in the size of StorageVault provides a significant advantage in negotiating better rates on: marketing, insurance, software, office supplies, resale retail

products, merchant services, technical support and long distance transport of portable units. These economies of scale translate into improved margins and better results.

Efficiencies are also gained through cross promotion and marketing of the self storage and portable storage platforms due to a larger national footprint, offering different but complementary product choices at various price points to StorageVault's customers.

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

#### *Existing Store Expansion*

There is over 1,000,000 square feet of development potential on the land currently owned and operated by StorageVault. When the market conditions are suitable and high occupancies indicate pent up demand, StorageVault expects to expand a number of its existing locations. In 2020, StorageVault completed 50,000 square feet of expansion and currently have plans to complete another 25,000 to 50,000 square feet of expansion in the next 15 months.

#### *Expansion of Portable Storage Business*

Management believes that the portable storage business continues to complement its overall business, providing additional synergies and efficiencies to its platform. While margins in the portable storage business are not as high as they are in the self storage business, they are still very attractive, and with the larger geographic and operating footprint achieved through our growth strategy, StorageVault believes that its margins will continue to improve.

#### *Expansion of Information and Records Management Business*

The records management business is a complementary vertical in the storage space, much like portable storage, fills up excess space, and delivers strong "sticky" cash flows. By virtue of consolidation in the records management industry, RecordXpress has become one of the largest Canadian records management companies in Canada, and as part of StorageVault, it is the only company that can provide a national platform. This is a significant competitive advantage as government organizations such as hospitals and charities do not want their confidential information in foreign hands.

#### **Competitive Conditions**

Based on internally developed estimates, management of StorageVault believes that the Canadian storage market is estimated to be 90 million square feet across 3,000 stores, with the top 10 operators owning less than 15% of these stores. By comparison, management also believes that the US market is estimated at over 2.7 billion square feet across over 51,000 stores. This translates into approximately 8.3 square feet per capita in the US versus 2.5 square feet per capita in Canada suggesting that Canada is an "under-stored" nation. This market fragmentation combined with the low square foot per capita provides significant consolidation, expansion and development opportunities in the Canadian storage industry.

The Corporation's competitors in the storage business are from national, regional and local operators. Management continuously monitors the impact of new competitors and new initiatives undertaken by competitors in order to respond appropriately. Presently, the Corporation competes by taking advantage of economies of scale, utilizing professional management, local and national marketing strategies, being a Costco supplier for its membership and utilizing technology and software tools that allow for quick adjustments to opportunities and threats in the marketplace.

#### **Cycles and Seasonal Activity**

The storage business is subject to seasonality. There is naturally more activity in the warmer months and less activity in the colder months. As a result, occupancies and revenue per square foot tend to be highest in Q2 and Q3 and lowest in Q1 and Q4. This trend is consistent with what is experienced in the Northern US. This seasonality is more significant

in the portable storage business as all of the Corporation's portable units are non-climate controlled. Also, operating costs tend to be higher during the winter months in Canada due to heating and snow removal costs resulting in lower NOI margins in Q1 and Q4 versus Q2 and Q3.

## **Colleagues**

As at the date of this AIF, StorageVault currently employs 675 colleagues.

## **Industry Trends**

The Corporation is the only Canadian publicly listed storage business. The significant growth in demand for storage space in Canada over the past decade has largely been driven by the following factors: population growth, change of circumstances, smaller living areas and workspaces, business incubation, last-mile solutions, immigration, downsizing, renovations, moving, death, divorce, insurance, e-commerce, etc. The Corporation has seen these trends continue or accelerate over the past year with the exception of immigration. We expect these trends to continue in 2021 and beyond and for immigration to recover going forward.

## **Environmental, Social and Governance**

Environmental integrity, social responsibility and adherence to strong governance practices are core values at StorageVault and StorageVault will continue to remain focused on reducing the already extremely low environmental impact of our stores, improving our engagement with colleagues and shareholders, supporting the communities in which we operate, and adopting sound corporate governance practices.

### *Environmental*

We are a community-based business that believes it is our responsibility to implement sustainable operating practices to minimize our impact on the world and protect the environment, while simultaneously improving the performance of our portfolio. With this in mind, incorporating environmental efficiencies into our building design and operations is core to our company, our shareholders, our clients and our communities.

When compared to other types of commercial properties, the storage industry has an inherently low environmental impact given low daily activity levels. Strategically, we offer a mix of square footage that is non-climate controlled and climate controlled, with non-climate controlled space having minimal ecological affect. For our properties that provide climate controlled storage, we hold inside temperatures at moderate levels which safeguard contents while minimizing energy required to heat or cool the space. Operationally, water usage is very low and minimal daily client activity helps to limit the carbon footprint within our communities.

Ongoing and forward-thinking energy saving initiatives include rooftop solar panels, solar walls, motion activated systems to turn lights on and off automatically and replacing older fixtures with modern energy saving fixtures and bulbs. In addition to this, we source and sell packing supplies made of recycled materials and have significantly reduced paper use with our no-contact rental process.

### *Social*

As a team, we are a united nation of 675 colleagues across 100 communities in Canada. Diversity is in our DNA and is the foundation of our strength and stability. Our culture of continuous improvement, together with our ongoing training programs, promote diversity of thought, development of skills, personal wellness and safety. As such, we naturally foster internal advancement opportunities and promotions within our organization.

At StorageVault, we are aware that our services support people in moments of transition, and we appreciate the importance of our role and the impact we have in our local communities. Through the strength of our business, we support over 150 local charities, grassroots initiatives and national organizations. We are passionate about supporting organizations across the country to support causes that are dear to our families and important within our communities, including those related to health, education, sports, equality and quality of life.

## *Governance*

StorageVault's Management and Board are committed to ensuring strong corporate governance that protects the long term interests of our stakeholders, strengthens management accountability and fosters public trust in StorageVault. We understand the importance of equality, diversity and good corporate governance, and are dedicated to maintaining the highest standards through the following practices:

- Independent Director led Audit, Acquisition and Governance, Nominating and Compensation Committees
- Acquisition Committee Mandate to review, approve and recommend transactions to the Board
- Diverse Management team and Board and Diversity Policy
- Annual review of executive compensation
- Annual election by shareholders of Directors at AGM
- Whistleblower Policy
- Insider Trading and Reporting Policy
- Disclosure and Confidentiality Policy
- Regular review and updates of all Corporate Governance principles and policies
- Code of Business Conduct & Ethics which is signed by all employees

A proud moment for us, and evidence of our ongoing commitment to gender diversity, StorageVault was recognized in the Report on Business Magazine's Women Lead Here inaugural list in 2020.

## **Borrowing**

The Corporation partially funds the purchase of storage assets through leverage. A number of factors are considered when evaluating the level of debt in StorageVault's capital structure, as well as the amount of fixed and variable rate debt. In making financing decisions, the factors that StorageVault considers include, but are not limited to interest rates, amortization period, covenants and restrictions, security requirements, prepayment rights and costs, overall debt level, maturity date in relation to existing debt, overall percentage of fixed and variable rate debt and expected store performance.

As at March 31, 2020 and December 31, 2020, the Corporation has the following debt outstanding with various lenders certain facilities of which are more particularly described below:



|                                                                                           | March 31, 2021                        |                     |                      | December 31, 2020                     |                     |                      |
|-------------------------------------------------------------------------------------------|---------------------------------------|---------------------|----------------------|---------------------------------------|---------------------|----------------------|
|                                                                                           | Rate<br>Range                         | Weighted<br>Average | Balance              | Rate<br>Range                         | Weighted<br>Average | Balance              |
| <b><u>Mortgages</u></b>                                                                   |                                       |                     |                      |                                       |                     |                      |
| At amortized cost - Fixed/Variable                                                        | 2.84% to 4.99%                        | 4.12%               | <b>412,435,190</b>   | 3.18% to 4.99%                        | 4.19%               | 382,219,232          |
|                                                                                           | <i>Maturity: Apr 2021 to Apr 2028</i> |                     |                      | <i>Maturity: Apr 2021 to Apr 2028</i> |                     |                      |
| At FVTPL -Variable                                                                        |                                       |                     | <b>411,064,140</b>   |                                       |                     | 394,261,163          |
| - Interest rate swap                                                                      |                                       |                     | <b>12,930,847</b>    |                                       |                     | 31,912,305           |
|                                                                                           |                                       | 3.93%               | <b>423,994,987</b>   |                                       | 3.93%               | 426,173,468          |
|                                                                                           | <i>Maturity: Jan 2024 to Dec 2030</i> |                     |                      | <i>Maturity: Jan 2024 to Dec 2030</i> |                     |                      |
|                                                                                           | 4.02%                                 |                     | <b>836,430,177</b>   | 4.05%                                 |                     | <b>808,392,700</b>   |
| <b><u>Lines of Credit and Promissory Notes</u></b>                                        |                                       |                     |                      |                                       |                     |                      |
| At amortized cost - Variable                                                              |                                       | 3.55%               | <b>62,180,323</b>    |                                       | 3.54%               | 61,413,656           |
|                                                                                           | <i>Maturity: Dec 2022 to May 2024</i> |                     |                      | <i>Maturity: Dec 2022 to May 2024</i> |                     |                      |
| At amortized cost - Fixed                                                                 |                                       | 4.25%               | <b>10,887,290</b>    |                                       | 4.25%               | 13,750,069           |
|                                                                                           | <i>Maturity: Apr 2021 to Dec 2023</i> |                     |                      | <i>Maturity: Jan 2021 to Dec 2023</i> |                     |                      |
| At FVTPL -Variable                                                                        |                                       |                     | <b>298,115,849</b>   |                                       |                     | 280,244,148          |
| - Interest rate swap                                                                      |                                       |                     | <b>1,884,151</b>     |                                       |                     | 19,755,852           |
|                                                                                           |                                       | 3.97%               | <b>300,000,000</b>   |                                       | 3.97%               | 300,000,000          |
|                                                                                           | <i>Maturity: Apr 2022</i>             |                     |                      | <i>Maturity: Apr 2022</i>             |                     |                      |
|                                                                                           | 3.86%                                 |                     | <b>373,067,613</b>   | 3.84%                                 |                     | <b>375,163,725</b>   |
| Deferred financing costs, net of accretion<br>of \$5,311,371 (Dec 31, 2020 - \$4,871,753) |                                       |                     | <b>(3,742,261)</b>   |                                       |                     | (3,817,293)          |
|                                                                                           | 3.97%                                 |                     | <b>1,205,755,529</b> | 3.98%                                 |                     | <b>1,179,739,132</b> |

The bank prime rate at March 31, 2021 was 2.45% (December 31, 2020 - 2.45%). The weighted average cost of debt at March 31, 2021 was 3.97% (December 31, 2020 - 3.98%).

## CAPITAL STRUCTURE OF STORAGEVAULT

### Authorized Shares

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of Preferred Shares, issuable in series, and an unlimited number of Series 1 Preferred Shares, of which, as at the date hereof 369,708,180 Common Shares are issued and outstanding as fully paid and non-assessable. As of December 31, 2020, 366,254,826 Common Shares were issued and outstanding. As at the date hereof and as of December 31, 2020, no Preferred Shares and no Series 1 Preferred Shares are issued or outstanding.

## **Common Shares**

The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attached to any Preferred Share, to dividends if, as and when declared by the directors, to one vote per share at meetings of the holders of Common Shares and, subject to the rights, privileges, restrictions and conditions attached to any Preferred Share, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares.

## **Preferred Shares**

The Corporation is also authorized to issue an unlimited number of Preferred Shares. The Preferred Shares may be issued in one or more series, and the directors are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The Preferred Shares are entitled to a priority over the Common Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of the Corporation. There are no Preferred Shares issued or outstanding.

## **Debentures**

As at the date hereof, a total of \$75 million aggregate principal amount of listed senior unsecured hybrid Debentures were outstanding. The Debentures bear interest at a rate of 5.75% per annum, payable semi-annually in arrears on July 31 and January 31 of each year, commencing on January 31, 2021, and will mature on January 31, 2026. The Corporation has the option to satisfy its obligations to pay on redemption or maturity, the principal amount of and premium (if any) on the Debentures, in whole or in part, by delivering freely tradeable Common Shares to Debenture holders. The amount of Common Shares required to satisfy such obligations will be the amount obtained by dividing the principal amount of the Debentures by 95% of the current market price of the Common Shares, which will be the arithmetic average of the per share volume weighted average trading price of the Common Shares for the 20 consecutive trading days ending five trading days before the date fixed for redemption or maturity, as applicable.

## **DIVIDENDS**

On April 18, 2016, the Board implemented a dividend policy (the “**Dividend Policy**”). Pursuant to the Dividend Policy, commencing at the end of the second quarter in 2016, the Corporation paid an annual aggregate dividend of \$0.01 per Common Share, payable quarterly in the amount of \$0.0025 per Common Share. Subject to approval by the Board, the record date for dividends is anticipated to be set as the last business day of March, June, September and December in each year and the payment date in each case is anticipated to be approximately two weeks from the record date. On May 1, 2017, the Corporation announced that its annual dividend would be increased by 2% commencing for the second quarter 2017 resulting in an annual dividend per share of \$0.0102 and a quarterly dividend per share of \$0.00255. On May 15, 2018, the Corporation announced that its annual dividend would be increased by 2% commencing for the second quarter 2018 resulting in an annual dividend per share of \$0.010404 and a quarterly dividend per share of \$0.002601. On February 13, 2019, the Corporation announced that its quarterly dividend for Q1 2019 would be increased by 0.5% (to \$0.002614). On May 15, 2019, the Corporation announced that its quarterly dividend for Q2 2019 would be increased by 0.5% (to \$0.002627). On August 15, 2019, the Corporation announced that its quarterly dividend for Q3 2019 would be increased by 0.5% (to \$0.002640). On November 15, 2019, the Corporation announced that its quarterly dividend for Q4 2019 would be increased by 0.5% (to \$0.002653). On February 28, 2020, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q1 2020 (to \$0.002667). On May 15, 2020, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q2 2020 (to \$0.002680). On August 13, 2020, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q3 2020 (to \$0.002693). On November 12, 2020, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q4 2020 (to \$0.002707). On February 25, 2021, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q1 2021 (to \$0.002720). On May 5, 2021, the Corporation announced that it would increase its quarterly dividend by 0.5% beginning Q2 2021 (to \$0.002734).

The declaration and payment of future dividends and the amount of any such dividends will be subject to the determination of the Corporation’s Board, in its discretion, taking into account, among other things, business performance, financial condition, growth plans and expected capital requirements, statutory solvency tests, as well as

any contractual restrictions on such dividends, including any agreements entered into with lenders to the Corporation. There can be no assurance that future dividends will be paid at the intended rate.

In conjunction with the implementation of the Dividend Policy, the Corporation also approved the adoption of a dividend reinvestment plan (the “**DRIP**”) for holders of Common Shares. Under the terms of the DRIP, eligible registered holders of a minimum of 10,000 Common Shares 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 number may be increased upon board approval and TSX-V acceptance of the increase, and upon public disclosure of the increase.

The following table shows the Corporation’s dividends declared for the past three financial years:

| Dividend Record Date | Amount per Common Share |
|----------------------|-------------------------|
| March 31, 2018       | \$0.00255               |
| June 30, 2018        | \$0.002601              |
| September 30, 2018   | \$0.002601              |
| December 31, 2018    | \$0.002601              |
| March 31, 2019       | \$0.002614              |
| June 30, 2019        | \$0.002627              |
| September 30, 2019   | \$0.002640              |
| December 31, 2019    | \$0.002653              |
| March 31, 2020       | \$0.002667              |
| June 30, 2020        | \$0.002680              |
| September 30, 2020   | \$0.002693              |
| December 31, 2020    | \$0.002707              |

## MARKET FOR SECURITIES

### Trading Price and Volume

#### *Common Shares*

The Common Shares are listed and posted for trading on the TSX-V under the symbol “SVI”. The following table sets out the price range (monthly high and low closing prices) of the Common Shares and monthly volumes of Common Shares traded on the TSX-V for the financial year ended December 31, 2020.

| Period      | High (\$) | Low (\$) | Volume    |
|-------------|-----------|----------|-----------|
| <b>2020</b> |           |          |           |
| January     | 3.920     | 3.720    | 1,920,672 |
| February    | 3.830     | 3.400    | 5,693,088 |
| March       | 3.780     | 2.320    | 6,742,766 |
| April       | 3.190     | 2.550    | 2,939,098 |
| May         | 3.490     | 2.960    | 2,121,877 |
| June        | 3.470     | 3.120    | 1,785,255 |
| July        | 3.330     | 3.100    | 2,540,834 |
| August      | 3.170     | 2.940    | 3,204,683 |
| September   | 3.440     | 3.020    | 2,879,348 |
| October     | 3.360     | 3.020    | 3,628,607 |

| Period   | High (\$) | Low (\$) | Volume    |
|----------|-----------|----------|-----------|
| November | 4.110     | 3.470    | 3,156,244 |
| December | 4.200     | 3.800    | 1,843,712 |

### Debentures

The Debentures are listed and posted for trading on the TSX-V and commenced trading under the symbol “SVI.DB” on July 21, 2021. The following table sets out the price range (monthly high and low closing prices) of the Debentures and monthly volumes of Debentures traded on the TSX-V for the financial year ended December 31, 2020.

| Period      | High (\$) | Low (\$) | Volume |
|-------------|-----------|----------|--------|
| <b>2020</b> |           |          |        |
| July 21-31  | 98.00     | 93.50    | 25,900 |
| August      | 93.90     | 91.74    | 61,280 |
| September   | 91.95     | 90.00    | 53,240 |
| October     | 91.00     | 88.00    | 63,190 |
| November    | 93.00     | 88.00    | 91,430 |
| December    | 97.00     | 94.00    | 52,350 |

### Prior Sales

The following table summarizes the securities of the Corporation not listed on a marketplace for the financial year ended December 31, 2020 and granted during the most recently completed financial year.

| Description of Security | Date Issued       | Number of Securities Issued | Exercise Price Per Security (\$) |
|-------------------------|-------------------|-----------------------------|----------------------------------|
| Options                 | December 15, 2020 | 6,000,000                   | \$3.98                           |
| DSUs                    | December 21, 2020 | 42,610                      | N/A                              |
| RSUs                    | March 4, 2020     | 290,665                     | N/A                              |

## DIRECTORS AND EXECUTIVE OFFICERS

### Directors and Executive Officers of StorageVault

The names, municipalities of residence, principal occupations for the five preceding years and committee membership of each of the directors and executive officers of StorageVault as of the date hereof are set out below:

| Name, Residence and Principal Occupation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Position and Offices Held                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Steven Scott</b><br>Toronto, Ontario, Canada<br>Chair and Chief Executive Officer of the Corporation. Mr. Scott is currently a director and Audit Committee Chair of Timbercreek Financial Corporation (TSX: TF) and Park Lawn Corporation (TSX-V: PLC). Mr. Scott is also a director and Chair of Parkit Enterprise Inc. (TSX - V: PKT). Mr. Scott is a Principal and Chief Executive Officer of The Access Group of Companies focusing on the ownership, acquisition and development of storage, multi-residential and commercial real estate in Canada. Mr. Scott is also a Director and Treasurer of the Canadian Self Storage Association. | <ul style="list-style-type: none"> <li>Chief Executive Officer and Chairman</li> <li>Director since April 28, 2015</li> <li>Member of the Governance, Nominating and Compensation Committee</li> <li>Member of the Acquisition Committee</li> </ul> |

| Name, Residence and Principal Occupation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Position and Offices Held                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Iqbal Khan</b><br/>Toronto, Ontario, Canada</p> <p>Chief Financial Officer of the Corporation. Mr. Khan is a Principal and Chief Financial Officer of The Access Group of Companies focusing on the ownership, acquisition and development of storage, multi-residential and commercial real estate in Canada, and prior to the internalization into the Corporation, President of RecordXpress, a records management company. Mr. Khan is also a director of Parkit Enterprise Inc. (TSX - V: PKT). He is the Chairperson of the Canadian Self Storage Association Tax Committee.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Chief Financial Officer</li> <li>• Director since April 28, 2015</li> <li>• Member of the Acquisition Committee</li> </ul>                                                                                |
| <p><b>Alan A. Simpson</b><br/>Regina, Saskatchewan, Canada</p> <p>In 2007, Mr. Simpson co-founded StorageVault Canada Inc. and was President and Chief Executive Officer until April 2015. He now serves the Corporation as a director and Acquisition Committee Chair. Mr. Simpson co-founded Hospitality Network Canada in 2000. He was President and Chief Executive Officer until 2005 and Chair from 2011 to 2017. Recently, Mr. Simpson founded Living Sky Sports and Entertainment Inc. Mr. Simpson holds a PgD Business Administration from Edinburgh Business School.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>• Director since May 31, 2007</li> <li>• Chair of the Acquisition Committee</li> </ul>                                                                                                                      |
| <p><b>Jay Lynne Fleming</b><br/>Vancouver, British Columbia, Canada</p> <p>In 1999, Ms. Fleming founded Storage For Your Life which was sold to the Corporation in September 2015. She currently serves the Corporation as a director and as a member of the Audit Committee, the Governance, Nominating and Compensation Committee and the Acquisition Committee. She is the President and CEO of CVL Investments Ltd., and is and is an active volunteer member of the Building &amp; Grounds Committee of Mulgrave School, West Vancouver. Ms. Fleming completed her Business Certificate with Capilano University in 1991.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>• Director since May 30, 2019</li> <li>• Member of the Audit Committee</li> <li>• Member of the Governance, Nominating and Compensation Committee</li> <li>• Member of the Acquisition Committee</li> </ul> |
| <p><b>Benjamin Harris</b><br/>Bedford Hills, NY, USA</p> <p>Mr. Harris has more than 20 years of real estate investment and management experience. Mr. Harris is the founder and CEO of Pinedale Capital Partners, a privately-held investment management firm focused on the acquisition, development and operation of industrial properties across the United States. Pinedale serves as the dedicated industrial partner to Rockpoint Group, a real estate private equity firm based in Boston. Prior to forming Pinedale, Mr. Harris was CEO of LINK Logistics, Blackstone's US industrial real estate platform. Prior to joining LINK, Mr. Harris served as President of Gramercy Property Trust, a publicly traded REIT based in New York, that was sold to Blackstone in 2018 in a \$7.6 billion take-private transaction. Mr. Harris is a graduate of Dalhousie University and the University of Kings College in Canada where he received joint science degrees in Economics. Mr. Harris also serves on the board of Rippowam Cisca School in Bedford, New York.</p> | <ul style="list-style-type: none"> <li>• Director since December 15, 2020</li> <li>• Member of the Audit Committee</li> <li>• Member of the Governance, Nominating and Compensation Committee</li> </ul>                                           |

Each director will hold office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the ABCA. Between annual meetings, the Board has the authority to appoint one or more additional directors to serve until the next annual meeting provided that the number of directors so appointed does not exceed 1/3 of the number of directors holding office at the expiration of the last annual meeting.

### Security Holding by Directors and Officers

As at the date hereof, the directors and executive officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 6,149,185 Common Shares, representing approximately 1.66% of the issued and outstanding Common Shares. The information as to Common Shares beneficially owned by directors and executive officers, not being within the knowledge of the Corporation, has been furnished by the respective directors or obtained from SEDI. This amount includes 3,250,000 Common Shares held by trusts, of which Ms. Fleming is a trustee. This amount includes 501,858 Common Shares owned by Noah Waters Holding Inc., a company controlled by Mr. Simpson. This amount does not include approximately 129,557,751 Common Shares (35.04%) controlled by Access, an associate of each of Mr. Scott and Mr. Khan, nor does it include approximately 6,720,588

Common Shares (1.82%) owned by Access Results Management Services Inc., a company owned by Mr. Scott and Mr. Khan.

### **Cease Trade Orders**

To the knowledge of management no director or executive officer as at the date hereof, is or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any corporation (including the Corporation), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, “order” means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant Corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

### **Bankruptcies**

To the knowledge of management, no director, executive officer of the Corporation or a Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

### **Penalties or Sanctions**

To the knowledge of management no director, executive officer or Shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has incurred any other penalties imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject to in connection with the operations of the Corporation. In particular, certain directors and officers of the Corporation are associated with other reporting issuers or other corporations, including Access, which may give rise to conflicts of interest with the Corporation.

In accordance with the applicable corporate and securities legislation, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation. Certain of the directors and each of the executive officers of the Corporation have either other employment or other business or time restrictions placed on them and accordingly, these directors and officers of the Corporation will only be able to devote part of their time to the affairs of the Corporation. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable corporate law. In addition, the Corporation has established the Acquisition Committee Mandate and the Acquisition Committee in order to manage conflicts that arise from Future Access Acquisitions and to ensure that Future Access Acquisitions are free from any related party influences. See “*GENERAL DEVELOPMENT OF THE BUSINESS –Business Overview*”.

## **RISK FACTORS**

**An investment in the Common Shares is speculative due to the nature and stage of development of the Corporation's business.**

In carrying out its business and operations, the Corporation deals with a number of risks. Generally, the Corporation's risks fall into two principal categories: (i) operational risks, including legal, regulatory and strategic risks; and (ii) financial risks. These categories are outlined below along with summaries of the specific risk factors within each general category. In some instances, risks may fall into both categories. In such cases StorageVault has classified risks based on the primary category in terms of how they affect the Corporation. The most significant risks in each category are listed first, based on the Corporation's current assessment of each risk. To the extent the Corporation's business or operations are affected by these risks, there could be an adverse effect on the Corporation's financial performance and cash flow available to pay dividends.

The Corporation continually works to identify and evaluate significant risks and to develop and maintain appropriate strategies to mitigate the impact of potential risks to its business. The Corporation's approach to risk management is integrated into its overall approach to decision making (both formal and informal) and also includes formal risk reviews with respect to certain matters. The summary provided below describes the main risks known to the Corporation and also identifies some of the steps that the Corporation takes to mitigate these identified risks.

All statements regarding the Corporation's business should be viewed in light of these risk factors. Investors should consider carefully whether investment in the Common Shares is suitable for them in light of the information in this AIF and in the documents incorporated by reference herein and their personal circumstances. If any of the identified risks were to materialize, the Corporation's business, financial position, results and/or future operations may be materially affected. Additional risks and uncertainties not presently known to the Corporation, or which the Corporation currently deems not to be material, may also have an adverse effect upon the Corporation and the Common Shares.

Readers should carefully consider all of the information set out in this AIF and in the documents incorporated by reference herein and the risks attaching to an investment in the Corporation including in particular, but not limited to, the factors set out below before making an investment decision. Readers are cautioned that this summary of risks may not be exhaustive, as there may be risks that are unknown and other risks that may pose unexpected consequences. Further, many of the risks are beyond the Corporation's control and, in spite of the Corporation's active management of its risk exposure, there is no guarantee that these risk management activities will successfully mitigate such exposure.

### **Operational Risks**

#### *Real Estate Industry Risk*

Real estate investments are subject to varying degrees of risk depending on the nature of each property. Such investments are affected by general economic conditions, local real estate markets, supply and demand for rental space, competition from others with similar developments, the perceived "attractiveness" of a given property and various other factors. The value of income-producing real property may also depend on the credit worthiness and financial stability of the borrowers and/or the tenants. Changes in market conditions may decrease the value of the secured property and reduce the cash flow from the property, thereby impacting on the ability of the borrower to service the debt and/or repay the loan based on the property income.

While the Corporation typically obtains independent appraisals before acquiring storage assets, the appraised values provided are not necessarily reflective of the market value of the underlying real property, which may fluctuate. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion of construction, rehabilitation or leasehold improvements on the real property providing security for the loan. There can be no assurance that these conditions will be satisfied and if, and to the extent they are not satisfied, the appraised value may not be achieved. Even if such conditions are satisfied, the appraised value may not necessarily reflect the market value of the real property at the time the conditions are satisfied.

The value of real property and any improvements thereon may depend on the strength of the real estate market in the Corporation's target markets. The Corporation's future income may be adversely affected if there is a marked increase in the current vacancy rates, or decrease in the market rental rates, for competitive storage space in the Corporation's target markets or if the Corporation is unable to continue to lease a significant number of its storage units on economically favourable lease terms.

#### *Possible Failure to Realize Anticipated Benefits of Recently Completed Acquisitions*

StorageVault has recently completed several acquisitions to achieve a variety of benefits. Achieving the benefits of such acquisitions depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as StorageVault's ability to realize the anticipated growth and development opportunities from the assets underlying such acquisitions. The integration of the assets underlying such acquisitions will require the dedication of considerable management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect StorageVault's ability to achieve the anticipated benefits of its recently completed and proposed acquisitions.

#### *Economic Conditions*

Downturns in the national, regional or a local economy could negatively affect StorageVault's business. In times of economic downturn, the level of activity in housing sales and housing renovation could decrease, thereby decreasing storage rental demand.

#### *Risks relating to the Corporation's Growth Strategy*

As part of management's business strategy, the Corporation has expanded across Canada. However, management's business strategy is dependent upon the Corporation's ability to identify acquisition targets in both new and existing markets, to obtain the financing required to complete such transactions, and to integrate the acquired businesses into the Corporation's existing operations. There is no guarantee that the Corporation will be able to identify suitable acquisition targets or to negotiate acceptable terms for such transactions. Even if the Corporation is able to identify acquisition targets on acceptable terms, it may not be able to obtain the financing required in order to complete such transactions on terms acceptable to the Corporation, or at all. In addition, while the Corporation is careful in selecting the businesses that it transacts with, management may not be able to successfully integrate new operations, and such transactions involve a number of risks, including:

- (a) the possibility that the Corporation will pay more than the acquired assets are worth, or that it may become subject to unknown or undisclosed liabilities for which it cannot seek indemnification;
- (b) the possibility that cost efficiencies realized at acquired locations may be less favourable than management's estimates, which are based on various assumptions as to purchasing and other efficiencies;
- (c) the difficulty of integrating and assimilating the operations and personnel of the acquired store into the Corporation's existing operations including the challenge of implementing uniform operating strategies, standards and policies throughout the acquired business;
- (d) the potential inability to integrate, train, retain and motivate key personnel of the acquired store; and
- (e) the fact that integration may require substantial attention from, and place substantial demands upon, the Corporation's senior management team.

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



### *The Corporation incurs fixed and operating costs which could increase*

Companies in the storage business must incur many of the costs of operating and maintaining their facilities, land and equipment, regardless of the level of sales and occupancy during any given period. For example, the Corporation must pay property taxes, salaries, utilities, insurance and maintenance costs on its properties regardless of the amount of storage services utilized. Because the Corporation cannot decrease these costs significantly or rapidly when it experiences declines in sales, declines in sales can cause margins, profits and cash flow to decline at a greater rate than the decline in revenue.

In addition, as a matter of conducting business in the ordinary course, certain significant expenditures, including property taxes, debt payments, maintenance costs and related charges, must be made throughout the period of ownership of the Corporation's properties, regardless of whether the Corporation's business is producing sufficient income to pay such expenses. In order to generate adequate revenue over the long term, the Corporation must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining its properties in accordance with market standards can entail significant costs, which the Corporation may not be able to pass on. Numerous factors could result in substantial unbudgeted costs for upkeep and maintenance. The timing and amount of capital expenditures required by the Corporation indirectly affects the amount of cash available to the Corporation.

In addition, operating costs could be negatively impacted from factors beyond the Corporation's control such as increases in property tax, staffing costs, insurance premiums, repairs and maintenance costs, utility costs and others due to various factors such as the need for governments to raise funds, natural disasters, commodity and energy prices.

### *If the Corporation is not able to respond effectively to changing consumer preferences, its market share, revenue and profitability could decrease*

Future market share, revenue and profit will depend in part on the Corporation's ability to anticipate, identify and respond to changing consumer preferences. Although the Corporation continually monitors consumer preferences, it may not correctly anticipate or identify trends in consumer preferences, or it may identify them later than its competitors do. In addition, any strategies the Corporation may implement to address these trends may prove incorrect or ineffective, which could have a material adverse effect on its financial condition, results of operations and cash flows.

### *The Corporation is subject to competition*

The Corporation is subject to competition. The Corporation competes with other individuals, corporations and institutions which currently own, or are anticipating owning a similar property in a given region. To compete successfully, the Corporation's storage properties must maintain good reputations and high professional standards in the industry, as well as offer attractive products and services at competitive prices. Management is monitoring the impact of competitors and new initiatives undertaken by them, in order to respond where appropriate. Competitive forces could have a negative effect on occupancy levels, rental rates or operating costs such as marketing. If the Corporation is unable to successfully compete, its revenue and margins could be adversely affected.

### *Employees and Contractors*

A skilled workforce is important to the ongoing success of the Corporation. If the Corporation is unable to attract and retain skilled employees and contractors in variable employment markets, the Corporation's business and operations could be adversely affected. Further, the cost of retaining employees and hiring contractors in some locations can place inflationary pressure on the Corporation's costs.

Given the demand for many of these skilled individuals, the Corporation devotes a significant amount of resources and planning to the recruitment, retention, and training of its employees and contractors to secure the required level of staffing and skills necessary to support its businesses. As a result, the Corporation maintains a relatively good relationship with its employees and tries to cultivate a work environment in which employees have internal growth opportunities. The Corporation also tries to cultivate good relationships with dependable contractors in order to try to benefit from reliability and continuity of service. Nevertheless, if the Corporation is not able to attract skilled employees and contractors, its ability to execute its business plans may be impaired.

### *Dependence on Key Personnel*

The success of the Corporation has been largely dependent on the skills and expertise of its key personnel to manage the overall business and achieve positive margins. The continued success of the Corporation will be dependent on its ability to retain such personnel. Costs associated with retaining key personnel could adversely affect the Corporation's business operations and financial results.

### *Environmental Risk*

Environmental risk is inherent in the ownership of property. Various municipal, provincial and federal regulations can result in penalties or potential liability for remediation, to the extent that hazardous materials enter the environment. The presence of hazardous substances could also impair the Corporation's ability to finance or sell a property, and might expose the Corporation to civil lawsuits. To mitigate such risk, the Corporation procures recent or updated environmental reports for all acquisitions to help to ascertain the risk, if any, that exist at a property. However, there is no guarantee that such reports will identify all environmental hazards or remove all environmental risks. Also, although the Corporation prohibits the storage of hazardous substances as a condition of the rental contract signed by customers, there is no guarantee that hazardous substances which could expose the Corporation to environmental risks are not stored on its properties.

### *Cyclical Nature of the Storage Industry*

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

### *Delays in "Lease-Up" of Newly Developed Self Storage Facilities*

Although the Corporation typically does not acquire newly developed self storage facilities, in the event that it does, delays in the "lease-up" of newly developed facilities, or the expansion of its current stores, as a result of competition or other factors could adversely impact the Corporation's profitability. It may take the Corporation a significant amount of time before it can fully take advantage of any newly developed facilities or any expansion of its current stores.

### *Geographic concentration of the Corporation*

The Corporation only operates in certain jurisdictions in Canada. As a result, the income generated by the Corporation and the performance of the Corporation will be sensitive to a decline in the economic conditions in Canada when compared to the rest of the globe.

### *Litigation Risk*

The Corporation is, in the course of its business, subject to lawsuits and other claims. Defence and settlement costs associated with such lawsuits and claims can be substantial, even with respect to lawsuits and claims that have no merit. Resolution of these claims would divert resources from the Corporation such as cash to pay expenses and damages and the diversion of management's time and attention from the Corporation's business. The impact and results from litigation cannot be predicted with certainty and can have a material adverse effect on the business. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have an adverse effect on the Corporation's operating results or financial performance.

### *Use and Dependency on Information Technology Systems*

StorageVault's business is heavily dependent on the use of information technology, with the majority of the Corporation's new customers communicating and transacting electronically or over the phone. Commerce over the internet and the nature of the Corporation's business requires it to retain private information about its customers. Significant aspects of these systems are centrally managed, such as the Corporation's financial information, and certain systems are managed by third party vendors. These systems may be subject to telecommunication failures, cyber-attack, computer worms and viruses and other disruptive security breaches. All or any of the above failures, attacks or viruses could materially impact the Corporation's operations, resulting in additional costs and/or legal action either by governments agencies or private individuals.

### *Conflicts of Interest*

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. In particular, certain directors and officers of the Corporation are associated with other reporting issuers or other corporations, including Access, which may give rise to conflicts of interest with the Corporation. In addition, certain of the Corporation's directors and officers may face actual or potential conflicts of interest due to their positions as directors or officers of the Corporation and other companies, including Access, for which they may act. These directors and officers may have a conflict of interest in allocating their time between their other respective businesses, projects and interests, and the business of the Corporation. In that regard, Mr. Scott and Mr. Khan are directors, officers and shareholders of Access.

The directors and officers of the Corporation are required by law to act in the best interests of the Corporation. Discharge by the directors and officers of their obligations to the Corporation may result in a breach of their obligations to those other companies, and in certain circumstances could expose the Corporation to liability to those companies. Similarly, discharge by the directors and officers of their obligations, if applicable, to any other company could result in a breach of their obligations to act in the best interests of the Corporation.

Directors of the Corporation may from time to time deal with parties with whom the Corporation is dealing, or may be seeking acquisitions similar to those being pursued by the Corporation. Corporate law requires directors to disclose material interests in material contracts and transactions and to refrain from voting thereon. See "*DIRECTORS AND EXECUTIVE OFFICERS –Conflicts of Interest*".

### *Change in Legislation*

There can be no assurance that certain laws applicable to the Corporation, including Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation thereof, will not change in a manner that will adversely affect the Corporation or fundamentally alter the consequences, including tax consequences, to shareholders acquiring, holding or disposing of Common Shares.

### *The COVID-19 Pandemic*

The Corporation's operations and financial results may be adversely affected by the COVID-19 pandemic. In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Instances of actual or perceived risk of infection among the Corporation's employees, or suppliers' or service providers' employees, could negatively impact its operations. The Corporation's operations could be negatively affected if its own personnel or those of its service providers and customers are quarantined or sickened as a result of exposure to COVID-19, or if they are subject to further restrictions, stay at home orders, advisories and quarantining requirements.

The Corporation may be subject to 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, stay at home orders, curfews 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.

To date, the pandemic has not had a significant adverse impact on the Corporation's operations or financial results, however, the Corporation is not able to predict the effect of the pandemic on its future operations or financial results. The extent of the impact that the pandemic will have on the Corporation's operations and financial results will depend on future developments, including the duration, spread, severity and any recurrence of the COVID-19 virus, the duration and scope of government orders and restrictions and the extent of the impact of the pandemic on the competitive landscape and overall economic conditions. These future developments are highly uncertain and cannot reasonably be predicted. For example, a prolonged pandemic and/or economic downturn may have negative effects on the overall demand for the Corporation's services and increase the difficulty and costs of protecting its employees and customers from the spread of the virus. If the Corporation is unable to successfully mitigate potential impacts from the COVID-19 pandemic, it could have a material adverse effect on its operations and financial results.

The impact that the COVID-19 pandemic may have on the Corporation may include: a short-term delay in payments from customers, an increase in accounts receivable and an increase of losses on accounts receivable; and a

deterioration of financial markets that could limit the Corporation's ability to obtain external financing. In addition, the COVID-19 pandemic or any future outbreak of other highly infectious or contagious diseases, could impact demand for our storage space and ancillary products and services, which can result in potential decreases in occupancy, rental rates and administrative fees, and increases in expenses, which could adversely affect our results.

## **Financial Risks**

### *Market Price*

A publicly-traded company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Common Shares will trade cannot be predicted. The market price of the Common Shares could be subject to significant fluctuations in response to variations in quarterly operating results, dividends and other factors. The annual yield on the Common Shares as compared to the annual yield on other financial instruments may also influence the price of Common Shares in the public trading markets.

An increase in market interest rates may lead purchasers of Common Shares to demand a higher annual yield and this could adversely affect the market price of the Common Shares. In addition, the market price for the Common Shares may be adversely affected by changes in general market conditions, fluctuations in the market for equity or debt securities and numerous other factors that are beyond the control of the Corporation.

### *Future Sales or Issuances of Securities*

The Corporation may sell Common Shares or other securities in subsequent offerings. The Corporation may also issue additional securities to finance future activities. The Corporation cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of Common Shares, or the perception that such sales could occur, may adversely affect the prevailing market price of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per share.

### *Dividends are not guaranteed and may fluctuate with the performance of the business*

There can be no assurance regarding the amount of income generated by the Corporation's business in the future. The ability of the Corporation to pay dividends and the actual amount distributed, is entirely dependent on the operations of the Corporation, and is subject to various factors including financial performance, cash generated from operations, obligations under applicable credit facilities, fluctuations in working capital and capital expenditure requirements. Unlike fixed-income securities, there is no obligation of the Corporation to distribute to shareholders any fixed amount, and reductions in, or suspensions of, cash dividends may occur that would reduce yield based on the price of the Common Shares. The market value of the Common Shares will deteriorate if the Corporation is unable to pay dividends in the future, and that deterioration may be significant.

### *Trading Liquidity*

Trading volumes on the TSX-V indicate that the market for the Common Shares may not always be liquid. Illiquid securities may trade at a discount from comparable, more liquid investments, and may be subject to wide fluctuations in market value. In addition, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Corporation.

### *Refinancing Risk and Debt Matters*

The Corporation relies on debt financing for some of its business activities, including capital and operating expenditures. There are no assurances that the Corporation will be able to refinance any or all of its borrowings, including mortgage financing, at their maturity. In addition, there are no assurances that the Corporation will be able to comply at all times with the covenants applicable under its current borrowings; nor are there assurances that the Corporation will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Corporation to secure refinancing, to obtain new financing or to comply with applicable covenants under its borrowings could have a material adverse effect on the Corporation's financial results. If the

Corporation is unable to refinance an existing indebtedness on favorable terms, the Corporation may need to dispose of one or more properties on disadvantageous terms. Prevailing interest rates, limited availability of credit or other factors at the time of refinancing could increase interest expense and ultimately decrease the return to investors. Further, any inability of the Corporation to obtain new financing may limit its ability to support future growth.

The Corporation believes that the existing credit facilities and debt (including mortgages) will be sufficient for its immediate requirements and has no reason to believe that it will not be able to renew its existing credit facilities on commercially reasonable terms. The Corporation's ability to raise debt in the future will be dependent upon, among other factors, the overall state of the capital markets and investor appetite for investments in the storage industry generally and in the Corporation's securities in particular. The ability to make scheduled payments on or to refinance debt obligations depends on the financial condition and operating performance of the Corporation, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. As a result, the Corporation may be unable to maintain a level of cash flow from operations sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness. These conditions could have an adverse effect on the industry in which the Corporation operates and its business, including future operating and financial results. There can be no assurance that the Corporation's cash flow will be adequate for future financial obligations or that additional funds will be able to be obtained.

The debt facilities relating to certain of the Corporation's assets contain restrictions that require the Corporation to satisfy specified financial ratios and tests. The Corporation's ability to comply with those financial ratios and tests may be affected by events beyond its control, and the Corporation may not be able to meet those ratios and tests. A breach of any of the covenants to comply with such ratios and tests could result in a default under such facilities and the lenders under such facilities could elect in certain circumstances to declare all amounts borrowed under the facilities, together with accrued interest, to be immediately due and payable and could proceed against the collateral securing that indebtedness.

#### *Overall Level of Indebtedness*

From time to time, the Corporation may have a significant amount of indebtedness from lenders whose interest in the assets of the Corporation would be senior to that of the equity holders of the Corporation. If the Corporation's business were to decline to a level where lenders were realizing on the Corporation's assets, this loss of value would be borne first by the equity holders of the Corporation. The Corporation's level of indebtedness could materially and adversely affect it in a number of ways. For example, it could:

- make it more difficult for the Corporation to conduct its operations;
- increase the Corporation's vulnerability to general adverse economic and industry conditions;
- require the Corporation to dedicate a portion of its cash flow from operations to service payments on its indebtedness, thereby reducing the availability of the Corporation's cash flow to fund working capital, capital expenditures and other general corporate purposes including impacting the ability of the Corporation to pay dividends to Shareholders;
- limit the Corporation's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- place the Corporation at a competitive disadvantage compared to its competitors that have less debt; and
- limit the Corporation's ability to borrow additional funds on commercially reasonable terms, if at all, to meet its operating expenses and for other purposes.

#### *Ability to Obtain Sufficient Funding*

The Corporation's ongoing activities may not generate sufficient cash flow from the operation of the storage business. The Corporation may require additional external financing and the amount of such financing may be significant. While there are various financing options available to the Corporation, including the sale of new equity or debt, the Corporation's ability to arrange such financing in the future may depend in part upon the prevailing capital market conditions, as well as the Corporation's business performance. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing on terms satisfactory to the Corporation or at all. Failure to obtain such financing on a timely basis could cause the Corporation to miss certain acquisition opportunities and reduce or terminate operations. This may have an adverse effect on its financial position. In addition, if the Corporation

obtains additional financing by the issuance of shares from treasury, control of the Corporation may change and existing Shareholders may suffer additional dilution.

From time to time the Corporation may enter into transactions to acquire assets. Such transactions may be financed partially or wholly with debt, which may temporarily increase the Corporation's debt levels above industry standards.

#### *Credit Risk*

The Corporation takes on credit risk with respect to its fee for service business, as well as other financial contracts into which it enters. In particular, the Corporation is exposed to credit-related losses in the event that counterparties to contracts become insolvent or otherwise fail to fulfill their present or future financial obligations to the Corporation. Credit risk includes the possibility that customers may experience financial difficulty and be unable to fulfill their financial obligations to the Corporation. The risk of incurring bad debts often arises if storage customers relocate and cannot be found to enforce payment, or if storage customers abandon their possessions. The extent of bad debts can be mitigated by quickly following up on any unpaid amounts shortly after the due date, enforcing late fees, denying access to any customers with delinquent accounts, and ultimately seizing the possessions of the customer. Additionally, the Corporation typically rents to numerous customers, each of which constitutes significantly less than 5% of the Corporation's monthly revenue. This diversification in the customer base reduces credit risk from any given customer. However, notwithstanding these mitigation strategies, the Corporation's business could be adversely affected by credit risk.

#### *Interest Rates*

The Corporation takes on interest rate risk in association with its debt financing. Amounts paid in respect of interest on debt reduce cash flow available for dividends to Shareholders. Interest rates are influenced by Canadian and global economic conditions beyond the Corporation's control. Floating rate debt obligations expose the Corporation to changes in interest payments, which could have an adverse effect on the Corporation's financial results, as variations in interest rates could result in changes in the amount required to service debt.

#### *Changes in Tax Legislation*

Tax laws may be amended (its interpretation may change), retroactively or prospectively, resulting in tax consequences that materially differ from those contemplated by the Corporation across the jurisdictions in which the Corporation has operations or sales which may create a risk of non-compliance and re-assessment. While the Corporation believes that its tax filing positions are appropriate and supportable, it is possible that tax authorities may: (a) amend tax legislation (or its interpretation may change), or (b) successfully challenge the Corporation's interpretation of tax legislation which may affect the Corporation's estimate of current and future income taxes affecting the financial condition, prospects, and cash flow available to pay dividends to the Corporation's Shareholders.

To help mitigate this risk, the Corporation retains knowledgeable, competent employees and consultants who are responsible for preparation of tax compliance filings, Canada Revenue Agency audits, quarterly provisions and tax forecasts to aid in predicting timing and the amount of cash taxability. In addition, the Corporation engages accountants who assist with the review of its tax filings and tax provisions to help the Corporation to comply with applicable legislation.

#### *Adequacy of Insurance*

The Corporation currently maintains customary insurance of the types and amounts consistent with prudent industry practice. In addition, the Corporation maintains director and officer liability coverage consistent with industry practice. The Corporation is not obligated to maintain insurance if it is not available to the Corporation on commercially reasonable terms. Further, there can be no assurance that such insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates. The insurance coverage obtained with respect to the Corporation's business will be subject to limits and exclusions or limitations on coverage that are considered to be reasonable, given the cost of procuring insurance and current operating conditions. Natural disasters, such as floods, earthquakes or severe winter storms may result in damage and business interruption losses that are greater than the aggregate limits of the Corporation's insurance coverage. Although the Corporation maintains a comprehensive insurance policy to cover such events, some insurance coverage may be or become unavailable or cost prohibitive.

Losses beyond the scope of the Corporation's insurance coverage could have a material adverse effect on its business, operations and financial performance. There can be no assurance that the insurance proceeds received by the Corporation in respect of a claim will be sufficient in any particular situation to satisfy the indebtedness of the Corporation.

#### *Property Taxes*

Real property taxes may increase in the future as property tax rates change and as the Corporation's properties are reassessed by tax authorities. Such increases could adversely impact the Corporation's profitability.

### **AUDIT COMMITTEE**

The Audit Committee of the Corporation consists of the following members as at the date of this AIF:

|                   |                                |                                     |
|-------------------|--------------------------------|-------------------------------------|
| Jay Lynne Fleming | Independent <sup>(1)</sup>     | Financially literate <sup>(1)</sup> |
| Alan Simpson      | Independent <sup>(1)</sup>     | Financially literate <sup>(1)</sup> |
| Benjamin Harris   | Independent <sup>(1) (2)</sup> | Financially literate <sup>(1)</sup> |

#### **Notes:**

- (1) As defined by National Instrument 52-110 ("NI 52-110").
- (2) Chairman of the Audit Committee.

Other information relating to the Corporation's Audit Committee can be found under the heading "Audit Committee" in the Corporation's management information circular dated April 16, 2021 regarding the annual general and special meeting of shareholders of the Corporation held on May 26, 2021, that was filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 26, 2021, and which information about the Corporation's Audit Committee is incorporated by reference herein.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no outstanding legal proceedings that the Corporation is or was a party to, or that any of the Corporation's property is or was the subject of, since January 1, 2020, that were or are material to the Corporation, and there are no such material legal proceedings that the Corporation knows to be contemplated. For the purposes of the foregoing, a legal proceeding is not considered to be "material" by the Corporation if it involves a claim for damages and the amount involved, exclusive of interest and costs, does not exceed 10% of the Corporation's current assets, provided that if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the Corporation has included the amount involved in the other proceedings in computing the percentage. See "Risk Factors".

There were no: (i) penalties or sanctions imposed against the Corporation by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this AIF; (ii) other penalties and sanctions imposed by court or regulatory body against the Corporation that the Corporation believes must be disclosed for this AIF to contain full, true and plain disclosure of all material facts relating to the Common Shares; or (iii) settlement agreements the Corporation entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority during the most recently completed financial year.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Except as described below or elsewhere in this AIF, there is no material interest, direct or indirect, of: (i) any director or executive officer of the Corporation; (ii) any person or corporation that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares; or (iii) an associate or any affiliate of any persons or companies referred to above in (i) or (ii), in any transaction within the three years before the date of this AIF that has materially affected or is reasonably expected to materially affect the Corporation.

Steven Scott, the Chief Executive Officer and a director of the Corporation, is also a director, officer and shareholder of Access and ARMS and a director and officer of RecordXpress and Depotium; and Iqbal Khan, the Chief Financial Officer and a director of the Corporation, is also a director, officer and shareholder of Access and ARMS and a director and officer of RecordXpress and Depotium.

On October 18, 2018, the Corporation completed the October Access Acquisition. See “*GENERAL DEVELOPMENT OF THE BUSINESS –Three Year History*” and also please refer to the Corporation’s news release dated October 22, 2018, filed on SEDAR at [www.sedar.com](http://www.sedar.com).

On April 10, 2019, the Corporation completed the RecordXpress Acquisition. See “*GENERAL DEVELOPMENT OF THE BUSINESS –Three Year History*” and also please refer to the Corporation’s news release dated April 12, 2019, filed on SEDAR at [www.sedar.com](http://www.sedar.com).

On May 27, 2019, the Corporation paid \$1.25 million to Access to buy out a long term lease. See “*GENERAL DEVELOPMENT OF THE BUSINESS –Three Year History*” and also please refer to the Corporation’s news release dated May 29, 2019, filed on SEDAR at [www.sedar.com](http://www.sedar.com).

On April 15, 2020, the Corporation completed the acquisition of all of the storage assets, property and business used in two stores in Winnipeg, Manitoba, from Access. See “*GENERAL DEVELOPMENT OF THE BUSINESS –Three Year History*” and also please refer to the Corporation’s news release dated April 28, 2020, filed on SEDAR at [www.sedar.com](http://www.sedar.com).

On December 4, 2020, the Corporation completed the acquisition of six stores from Access or its affiliates or associates as the vendor in such acquisitions. See “*GENERAL DEVELOPMENT OF THE BUSINESS –Three Year History*” and also please refer to the Corporation’s news release dated December 4, 2020, filed on SEDAR at [www.sedar.com](http://www.sedar.com).

On March 15, 2021, the Corporation completed the acquisition of one store from Access or its affiliates or associates as the vendor in such acquisition. See “*GENERAL DEVELOPMENT OF THE BUSINESS –Three Year History*” and also please refer to the Corporation’s news release dated April 1, 2021, filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The independent auditor of the Corporation is MNP LLP, Toronto, Ontario.

The transfer agent and registrar for the Common Shares is TSX Trust Company at its principal office in Calgary, Alberta.

#### **MATERIAL CONTRACTS**

Except for contracts entered into in the ordinary course of business, there have been no material contracts entered into by the Corporation within the most recently completed financial year, or before the most recently completed financial year that are still in effect.

#### **INTERESTS OF EXPERTS**

MNP LLP is the Corporation’s independent auditors. MNP LLP has advised they are independent with respect to the Corporation within the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

#### **ADDITIONAL INFORMATION**

- (a) Additional information in relation to StorageVault may be found on SEDAR at [www.sedar.com](http://www.sedar.com).
- (b) Additional information including directors’ and officers’ remuneration, principal holders of securities and securities authorized for issuance under equity compensation plans is contained in StorageVault’s management information circular dated April 16, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 26, 2021.
- (c) Additional financial information is provided in StorageVault’s most recent interim financial statements, audited annual financial statements and accompanying management discussion and analysis filed on SEDAR at [www.sedar.com](http://www.sedar.com).