



NationWide
SELF STORAGE & AUTO WASH

1500 HUGH ALLAN DRIVE

KAMLOOPS



20
21

OPERATIONS
Year-in-Review

NATIONWIDE SELF STORAGE & AUTO WASH

We are pleased to provide you this annual summary of events and operations review as at December 31, 2021.

As you probably know, NationWide Self Storage & Auto Wash is a dual-purpose property with a self-storage and car wash business working in tandem with each other (the "Property").

Our self-storage building is a three-story, 58,500 sq. ft., state-of-the-art structure with the very latest in technology including enterprise level built-in security and keyless access control features. The initial development included 468 lockers of varied sizes with the intention of installing an additional 250+ sky lockers at a later date. We are continuing to work with the City of Kamloops to secure a building permit for these sky lockers.

Located on the same lot, Express Auto Wash is a dynamic, environment-friendly, 160' EDT (Exterior Detail Tunnel) that can wash, wax, shine and dry up to 180 cars per hour.

Strategically located in a heavily trafficked and highly visible area off Pacific Way and the Trans-Canada Hwy, this exceptional corner lot Property is a mere 2 blocks from Costco, across the street from a very busy McDonald's and only 5 minutes from Kamloops' downtown core.

07/2020

Opened for Business

468

Total Units, Opening Day

160' EDT

Exterior Detail Wash Tunnel



SELF STORAGE

Fires, floods & pandemics, oh my!

Self-storage is known to be resilient in all sorts of economic environments and since opening July 2020, we have been able to test this resiliency firsthand.

We ended the 2021 year with a total occupancy of 78% (excluding the sky lockers that will be installed in 2022) which not only outperformed industry standards, but it is also exceptional considering the province had declared 3 states of emergency in 2021.

COVID-10 PANDEMIC

In March 2020, the world declared a state of emergency due to the COVID-19 Pandemic and came with many orders and travel and distancing restrictions that impacted businesses around the globe.

In July 2020, at the height of the pandemic, we received our occupancy permit and were able to successfully open our doors for business, on a very distanced basis, despite Pandemic restrictions. We were fortunate in that within 6 months of opening we achieved 40% occupancy (not including sky lockers).

As planned, the combination of a self storage and auto wash business work well together.

Our car wash immediately started producing positive cash flow and we were able to commence income distributions to investors within the first 2 months of opening.

As the self storage business moves towards achieving its goal of stabilized occupancy of 85% (including sky lockers), we continue to navigate and adjust to the many challenges brought on by the Pandemic.

347

Occupied Units, December 31, 2021

121

Vacant Units, December 31, 2021

3

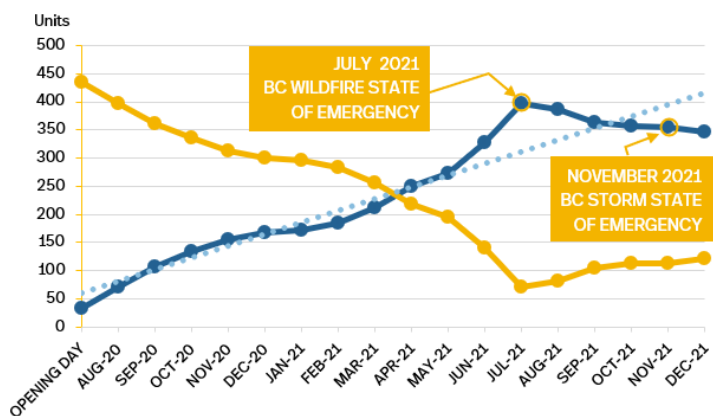
States of Emergency

BC WILDFIRES 2021

The 2021 wildfire season in BC's Okanagan was the third-worst on record in terms of area burned and left many people evacuated from their homes and in a need of short-term storage. This unfortunate event positively impacted our business activity during the summer months.

As indicated in the following chart we saw a large increase in rentals in June and July due to the provincial state of emergency declared on July 20, 2021, as residents were forced to evacuate their homes.

KAMLOOPS OCCUPANCY VS. VACANCY SINCE OPENING BY UNITS



In July 2021, we hit a peak in its unit occupancy of almost 80% (excluding sky lockers) but this was fleeting. Many tenants quickly found alternate housing and their stay with us was short-lived so our occupancy subsequently fell back to 74.1%.

Fall and Winter are typically slower months in the self-storage industry, and while this was somewhat anticipated, the decline in occupancy was exacerbated by the temporary influx of new tenants coming and going due to the fires.

BC STORM 2021

Wipe Out of Major Transportation Routes

In November 2021, BC was again, under a state of emergency for more than a month after being hit with a series of extreme floods and mudslides that wiped out the Coquihalla Highway, the Trans-Canada Highway and Highway 99 - all leading into Kamloops.

Kamloops experienced the impact of these floods, especially as its nearby neighbors in the City of Merritt were evacuated to Kamloops and all surrounding highways were closed for repairs until December 2021.

Despite this setback, our self storage held its own with an average occupancy of 75% throughout Q4 2021 (excluding sky lockers).

“Occupancy rates of self-storage facilities range from 70% to 95%.

With a facility that is newly constructed or that's being repositioned, a new owner often will face a lease-up period of 18 to 36 months before a facility reaches occupancy stabilization.”

www.Storable.com
July 26, 2021

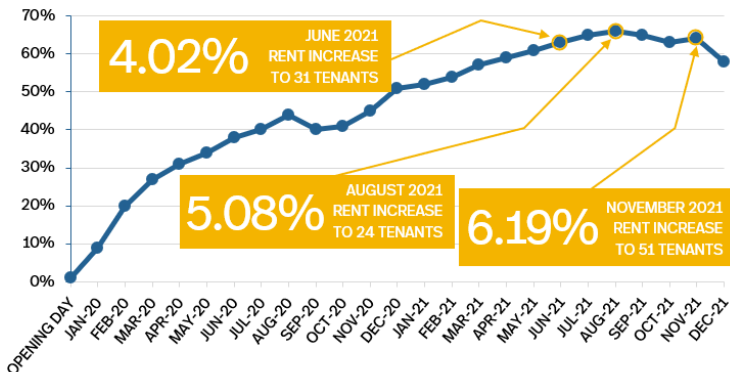
ANNUAL RENT INCREASES 2021

It is important to note that as we are a brand-new self-storage facility, we kicked off our opening with special “grand opening” move-in incentives to help accelerate lease-up. As such, the majority of tenants were on incentive pricing promotions as we planned.

Once the self-storage began to fill, we next undertook a series of price increases to get our rental rates up to industry average or slightly above due to the quality of our property. This is normal industry practice for new properties, and it worked well for us.

By December 31, 2021, the Property had been open for only 18 months. More than 60% of tenants had been renting for over 6 months and 11.5% of tenants had reached 1 year with us. As such, we were able to complete 2 rounds of rent increases in 2021 for units leased in the previous year as indicated in the following chart.

KAMLOOPS ANNUAL RENT INCREASES VS OCCUPANCY SINCE OPENING BY UNITS



To-date, we have had little to no resistance to rent increases. The next round of increases were enacted in January 2022 and again, virtually no move-outs.

Please note, that rent increases are determined by many factors such as the economic atmosphere, the season (i.e. Q2 and Q3 are typically peak rental season so we can afford to be more aggressive), typical rack rates amongst the community, how well the previous rent increase was received, and other factors.

78%

Occupancy as at December 31, 2021¹
(excluding sky lockers)

3

Annual Rent Increases, 2021

CONTINUED DEVELOPMENT OF PROPERTY

While the Property has been open for 18 months, there continues to be ongoing development and site improvements to maximize operational efficiency.

One of the biggest developments we are continuing to work on is the addition of approximately 250+ sky lockers to our self-storage.

Sky lockers are smaller second-level lockers typically used for smaller items that can be carried by one person up a secure platform ladder.

These sky lockers have always been a part of our business initiatives and we hope to be issued a building permit for the installation of our sky lockers sometime within 2022.

We have already received approvals from the City of Vancouver for sky lockers at both of our Vancouver properties, but the City of Kamloops is proving to be challenging in granting similar approvals. We will continue to work with the City on this and hope to get approvals soon and look forward to the increased profits these will bring.

250+

Outstanding sky lockers
to be installed in 2022



*Kamloops sky lockers
to be installed in 2022*

AUTO WASH

Let's see what this thing can do!

Since opening in July 2020, Express Auto Wash has washed over 200,000 cars or an approximate average of 11,000 cars per month! This is good; really good.

Our tunnel is a dynamic, modern 160' EDT (Exterior Detail Tunnel System) that has the capacity to wash, wax, shine and dry up to 180 cars per hour and it has certainly been testing its limits since day 1.

Q4 2020 VS. Q4 2021 WASH VOLUME

First, let's look at wash volume vs. revenue. As we do not have a full 2 years of operation under our belts to compare year-over-year, let's compare Q4 2020 to Q4 2021.



We only saw a small 5% increase in wash volume in Q4 2021 compared to Q4 2020 and the significant factor impeding our growth was extreme weather in 2021. As previously mentioned, BC was hit with an "Atmospheric River" in November 2021 causing extreme flooding and mudslides and closures of most highways leading into Kamloops, thereby reducing potential daily volume increases.

Further, in December 2021, Kamloops and BC Interior faced what was called an "Arctic Freeze". This record-breaking Arctic outflow forced us to close our car wash tunnel for a week bringing our wash volume down slightly. That said, we can now see the volume is back up in the new year and now higher than last year.

205,411

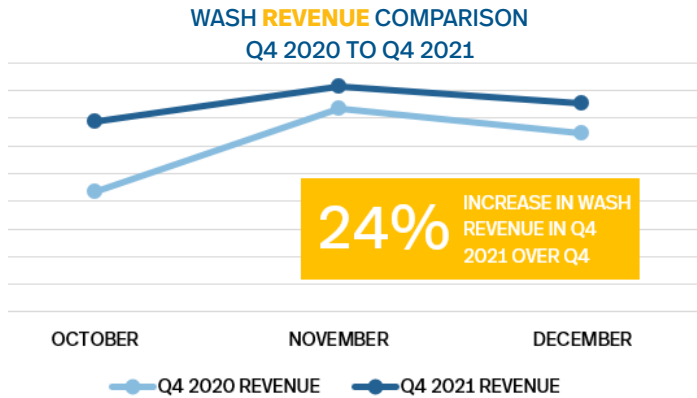
Total Washes, December 31, 2021

Platinum

Our Most Popular Car Wash Level

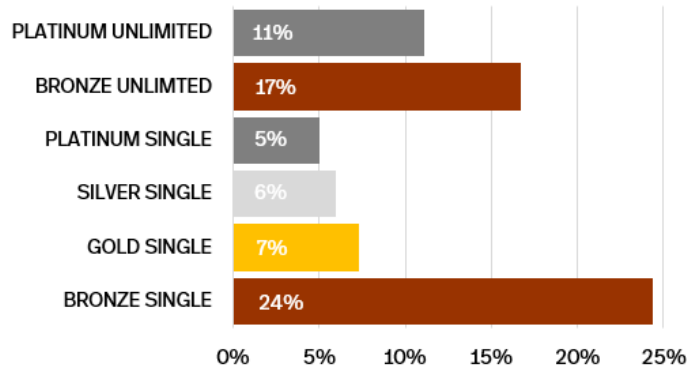
Q4 2020 VS. Q4 2021 WASH REVENUE

The good news amongst the floods and extreme weather was that we strategically increased our wash prices in September 2021 by \$1 per wash. This price increase, combined with the increased car volume resulted in a 24% bump in revenue for Q4 2021 compared to the previous Q4 2020 as shown below.



These price increases were applied to all levels of wash with the most significant increases given to the Bronze Wash as a \$1 increase represented a 24% increase and Bronze Unlimited Wash Club membership, where a \$1 increase represented a 17% increase.

NEW! WASH PRICE INCREASE ENACTED SEPTEMBER 2021



This increase was most significant to the Bronze level as planned, has effectively encouraged clients to choose the Platinum level wash and the Platinum membership more often, resulting in higher overall revenue and margins.

09/2021

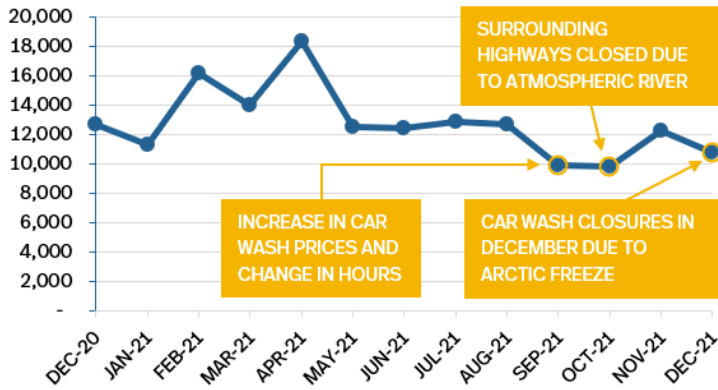
Wash Prices Increase by \$1

1 YEAR REVIEW

When reviewing the whole year from December 2020 through to December 2021 as shown below, February, March and April 2021 were the busiest months in Kamloops in terms of wash volume due to the amount of salt and mud on the roads during the spring thaw-up as winter starts subsiding.

We anticipate that February, March, and April 2022 will surpass the wash volume of February, March and April 2021.

MONTHLY WASH VOLUME
FROM DECEMBER 2020 TO DECEMBER 2021

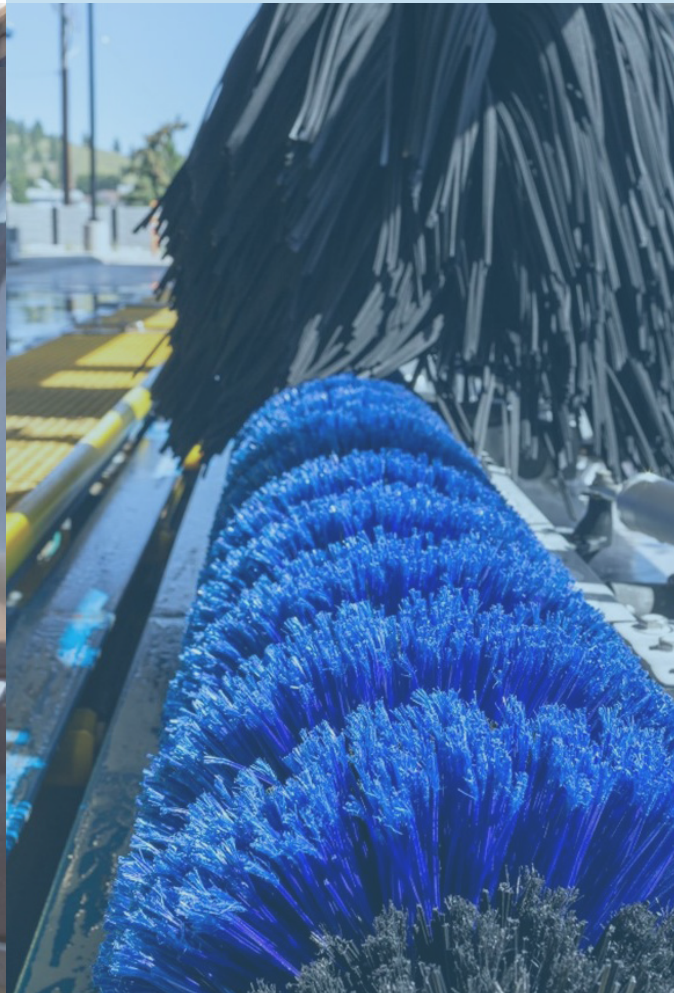


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States of Emergency

+1

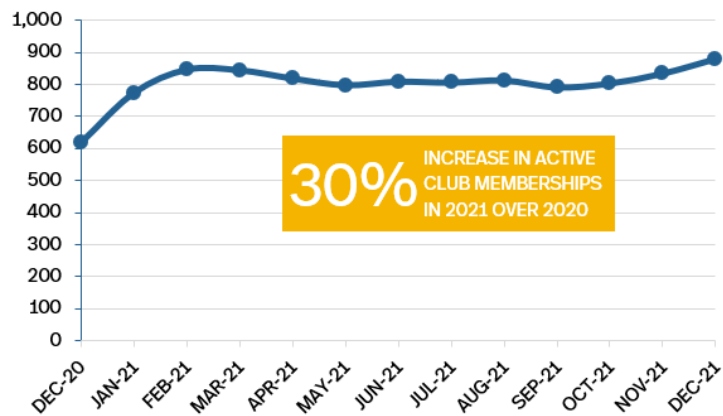
Arctic Freeze Weather-front



UNLIMITED WASH CLUB MEMBERSHIPS

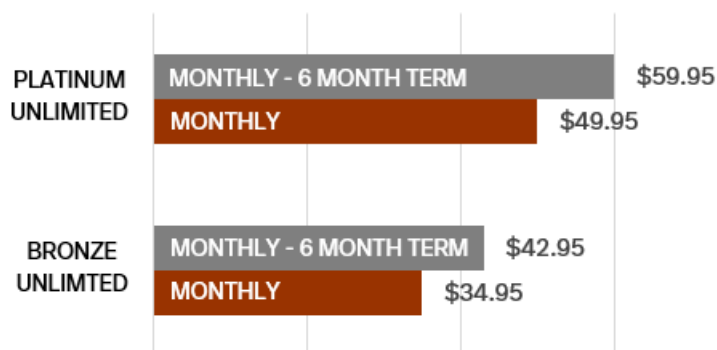
Our Unlimited Wash Club program was launched at the end of October 2020 and by December 2020, we had over 600 active members. From December 2020 to December 2021 we show a 30% increase in active wash club memberships (as shown below), with most members choosing our Platinum Unlimited Wash Club membership.

STEADY GROWTH OF ACTIVE WASH CLUB MEMBERS FROM DECEMBER 2020 TO DECEMBER 2021



The Unlimited Wash Club membership numbers continue to grow through the busy winter season and to encourage people to keep their memberships active throughout the year (as opposed to only being active in winter) we have now enacted 2 levels of wash club prices as of January 2022 as shown below.

NEW! WASH CLUB PRICE TIERS EFFECTIVE JANUARY 2022



We look forward to the positive revenue results this new wash tier pricing will bring throughout the year, rather than just our busy season.

880

Active Unlimited Wash Club Members,
December 31, 2021

CONTINUED DEVELOPMENT OF PROPERTY

Between self storage and the auto wash tunnel we have invested over \$500,000 into the Property in 2021 to maximize our long-term operational efficiency and reduce our utility expenses.

Some of these site improvements were requirements of the City of Kamloops, like extensive landscaping and HVAC screening.

Other improvements were for utility efficiency such as adding heat tracing and pneumatic doors with 5 second close times with a view to keeping the heat in our tunnel throughout the winter.

One of the biggest things clients enjoy at a car wash (aside from a clean car) is new well placed, functional signage and ambient lighting. People want bells and whistles and we have worked to complete these improvements to our wash.

As such, in Spring 2021 we installed a new fully lit Ceramic X3 Wash Arch and Monster Arch to our tunnel, and other ambient lighting. This has paid off nicely with a large number of upgrades to the Ceramic X3 coating.

These site improvements were costly but essential to move forward with a thriving business for years to come.

17

Monthly Cash Distributions to Investors
since September 2020

\$0.10

Per Unit Monthly Distribution from
September 2020 to January 2021

\$0.15

Per Unit Monthly Distribution from
February 2021 to December 2021
(+ 1 anniversary bonus distribution in July 2020)



CHAIRMAN'S CONCLUSION

It has been an exciting year for NationWide Self Storage & Auto Wash.

For as many unpredicted hiccups we have experienced such as the Pandemic, flooding, fires and arctic freezes, we have still managed to equal out in success.

Industry standards in a normal economic environment dictate that it takes as long as 3 years to reach 85% occupancy and we are almost there after 18 months at 78% occupancy (excluding sky lockers) in December 2021.

We are pleased that we were able to provide our first distribution to investors 8 weeks after opening from the revenue received from our auto wash. Our goal is to increase distributions now that most capital improvement projects are complete.

We will continue to work with the City of Kamloops to get our sky lockers approved for installation. While this will be a \$500,000 capital improvement project, it will, in the long run, add significant value and net free cash flow for distribution to investors.

Our objective has always been to operate as efficiently and maximize cash distributions to investors. We are confident that 2022 will be a good year for revenue growth for both the self-storage and auto wash businesses and we anticipate another increase in distributions after the sky lockers have been installed.

07/2022

Please note, going forward all investor updates will be provided as at June 30th and December 31st each year.

The next June 30th update will be provided on or before July 31, 2022.

