



1500 HUGH ALLAN DRIVE

KAMLOOPS



20 | OPERATIONS 22 | Semi-Annual Review

NATIONWIDE SELF STORAGE & AUTO WASH

We are pleased to provide you this semi-annual summary update and review of events and operations for the year ending December 31, 2022.

NationWide Self Storage & Express Auto Wash Kamloops (the “Property”) is a dual-purpose property with a self-storage facility and automatic car wash business working in tandem with each other. The property is located at 1500 Hugh Allan Drive Kamloops, BC. The property is strategically located with easy access via the Trans-Canada Highway and Pacific Way, and just 5 minutes from downtown, Kamloops.

07/2020

Opened for Business

468

Total Walk-in Units Opening Day



REPORT ON SELF-STORAGE

The self storage facility 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 self storage buildout was to have 750 lockers. However, the City of Kamloops' planning and development department restricted us to only 468 lockers of varied sizes, as they would not issue a permit for our planned sky lockers.

After our original opening with 468 lockers, we spent the next 2 years in meetings with various groups of engineers and city planners working to gain approval for the sky lockers. We are pleased to report that finally, in December 2022, we received our building permit to add the additional 290 sky lockers. This is welcomed news.

The development plans for these sky lockers are now being finalized. The addition of these sky lockers will bring the total number of rentable storage units at the facility to 758. Depending on deliveries of the locker equipment, it is estimated the initial construction of these unit will start in Spring 2023 and should be available for rent early summer.

The addition of the sky lockers will provide a further competitive opportunity. Offering these sky lockers enables the facility to add a popular storage unit segment size, more commonly known in the market as mini storage units. Based on expressions of interest to date, we expect these sky lockers to be in demand and to rent relatively well due to their affordable price point, and available inventory in the Kamloops market being low.

As you can imagine, these sky lockers are important to our operations as they will add approx. 25% to our cash flow, with very little, if any additional operating costs. In the Vancouver market, the sky lockers at our Pender St. location have proven to be popular, with approximately 30% of the sky lockers leased within 6 months.

“ 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



REPORT ON SELF-STORAGE

The Kamloops storage facility currently has occupancy rates, by number of units at 89.9%, and by sq. ft. at 91.5%, for the Q4 period ending December 2022. Kamloops ended the year on a strong note, with very little seasonal turnover, going against the usual trend for this time of year. During Q4, the facility drew in 83 new rentals averaging 27 rentals per month, which is excellent.

We successfully raised rental rates by 10% on October 1st, at the start of Q4. The next scheduled rental rate increases will be in the spring 2023.

The storage facility is experiencing a stabilized, occupancy rate of 85% (excluding the sky lockers which are yet to be installed), which is well ahead of the industry norm of 36 months to achieve this level of occupancy. In this regard, we are quite pleased with our performance. Year over year occupancy has grown once again with the peak at the end of July reaching 96%. In 2022, the facility completed 506 move-ins, 432 move-outs, having a positive intake of 74 units and an increase of 5,133 sq. ft. rented. With the increase to Board/Rack Rates, the gross potential rental rate has increased from \$77,264 in 2021 to \$85,481, a 10% increase year over year.

Another notable achievement, in Aug. 2022, the Kamloops facility received the Kamloops This Week, Readers Choice Awards for “The Best Self Storage Facility”. The Kamloops team also increased their Google Reviews from 43 reviews to over 200 in 2022, in addition to bringing their Google Review rating to a very impressive 5 Stars overall.

Mr. Shane Doyle, CEO Of NationWide Self Storage stated: “These are outstanding achievements for the Kamloops location team! The Reader’s Choice Award, the 200+ Google Reviews and the 5-star ranking reflect their commitment, dedication and success on delivering top notch customer service. They are deserving of this award and the well-earned, stellar reviews. The team is proud of the facility and their accomplishments. Congratulations to them!”



REPORT ON AUTO WASH

Located on the same lot as the storage building, 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 highly visible area with heavy traffic off Pacific Way and the Trans-Canada Highway, this exceptional corner lot is a mere 2 blocks from Costco. It is across the street from a very busy McDonald's and only 5 minutes from Kamloops' downtown core.

Since opening in July 2020, Express Auto Wash has washed over 365,000 cars or an approximate average of 12,175 cars per month!

Our tunnel is an automatic, high tech, 160' EDT (Exterior Detail Tunnel) system that has the capacity to wash, wax, shine and dry up to 180 cars per hour and has been testing these limits several times since day one.

In the months of November and December 2022, the numbers of cars per day was impacted by a severe temperature drop in the Kamloops area, resulting in the wash shutting down for safety and freezing issues. Typically, during the coldest and wettest months of the year, the numbers decrease and increase again heading into the spring break-up months. The below illustration gives a good indication of the seasonal nature of the car wash.

365,228

Total Washes, Dec. 31, 2022

Platinum

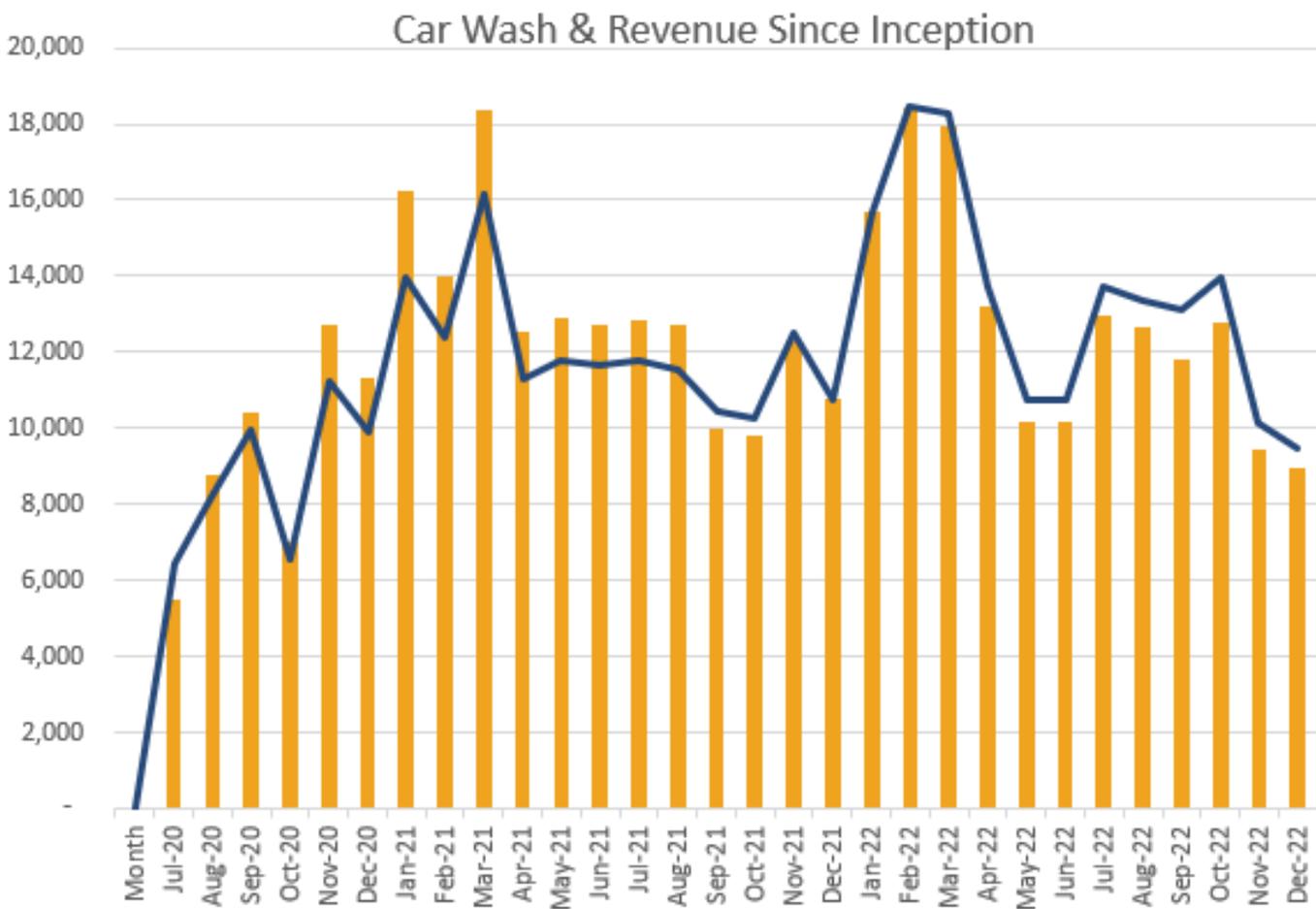
Our Most Popular Car Wash Level



REPORT ON AUTO WASH

Our Unlimited Wash Club memberships and corporate Fleet Programs have been beneficial to smoothing out the seasonality of the car wash business. With 906 members as of December 31, 2022, the monthly membership fees provide a dependable, non-variable revenue stream. For 2023, we plan on aggressively marketing our memberships and fleet programs to gain more customer loyalty and recurring revenues.

Note that January, February and March are our high seasons and late spring, and early fall are our low periods.



NATIONWIDE SELF STORAGE & AUTO WASH

Looking ahead to 2023, we are excited to finally be installing the 290 new sky lockers which should add meaningful revenue and growth opportunities to our storage business.

For the car wash, we will be focusing on membership sales and undertaking a price increase of \$1.00 per wash in the fall of 2023 with a view to driving improved cash flow and investor distributions.

We are pleased with our Kamloops property as the businesses have developed nicely with an exceptional operations management team, 5-star reviews and industry awards.

