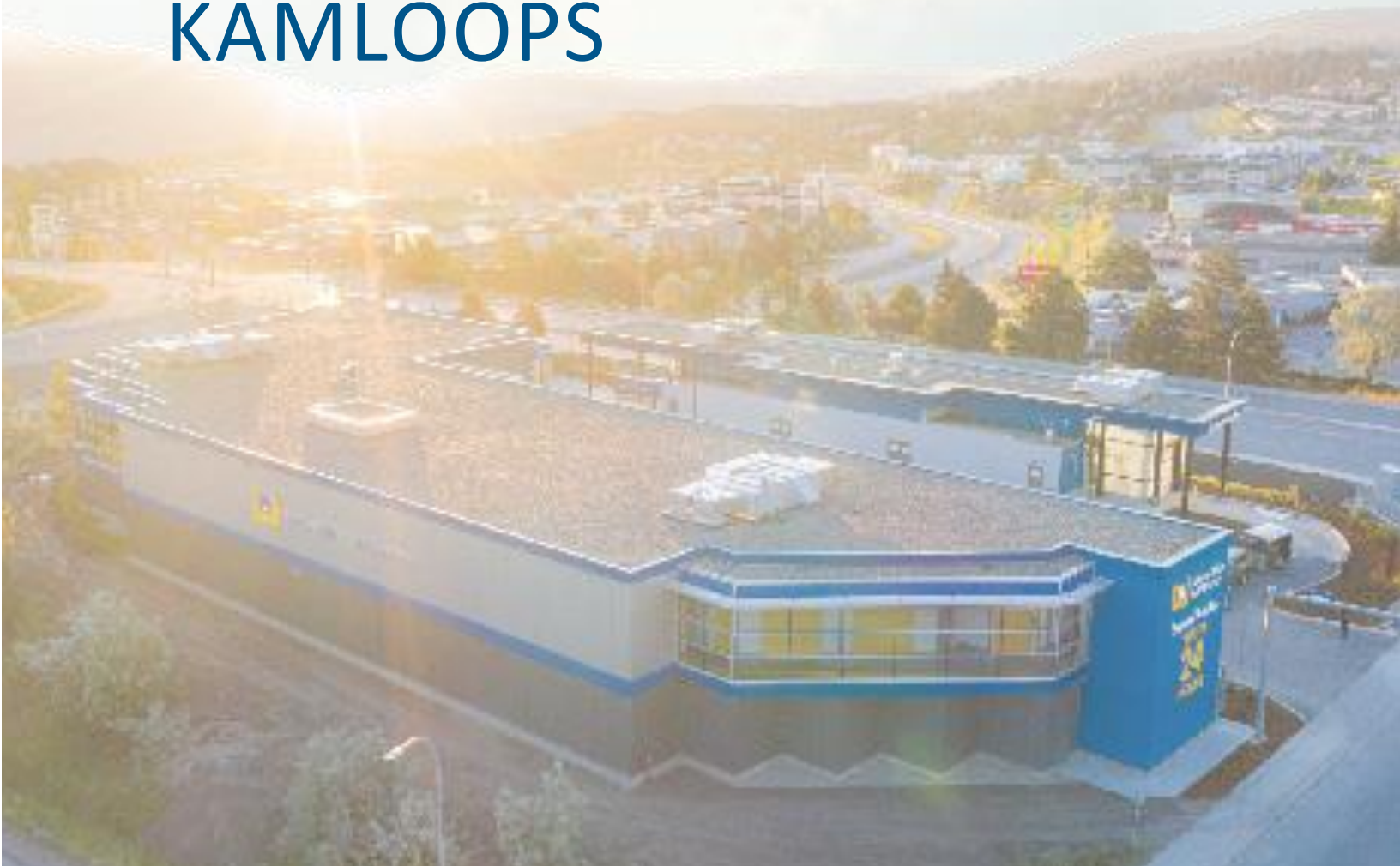




NationWide
SELF STORAGE & AUTO WASH

1500 HUGH ALLAN DRIVE

KAMLOOPS



20
23

OPERATIONS
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 period ending June 30, 2023.

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, finally receiving the building permit in December 2022.

The development plans for these sky lockers were finalized and installation finally began at the start of 2023. The addition of these sky lockers will bring the total number of rentable storage units at the facility to 758.

At this time 106 of the lockers are installed on the first floor, they have been pre-marketed for rent and will be available in the next two weeks. The remaining lockers are also in the final installation stage and should be available for rent by the end of the summer.

Sky Locker rentals are Nationwide's affordably priced mini storage lockers. These mini storage lockers are half the size (height) of the average self-storage unit. They are typically 4' high but have the same length and width as a full-size self storage unit.

From our analysis of the Sky locker rentals at our Pender facility we have noted that while standard lockers are more transactional in nature, in contrast the Sky Lockers are more oriented towards seasonal lifestyle items like seasonal decorations, camping equipment, sporting equipment like skis and hockey gear and business records storage. They are typically used to store excess household items that are used periodically and therefore have proven to be suited to more long-term tenants.

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.



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 additional lockers have come at the best possible time as our occupancy without the Sky Lockers as of June 30, 2023 was 92%. With the soon available 106 lockers occupancy has fallen from 92% to 75% adding more inventory to serve additional customers.

Along with growing the inventory, there is rental rate increase schedule for July 1, 2023, for all existing tenants.

Since opening in 2020, we have successfully grown self storage revenues rapidly. Our revenue grew from \$0 in July 2020 to \$ 67,725 by the end 2020. Our 2021 revenue reached \$ 622,956. Revenues for 2022 was \$884,147. We estimate 2023 revenue to be in the \$987,000 range.

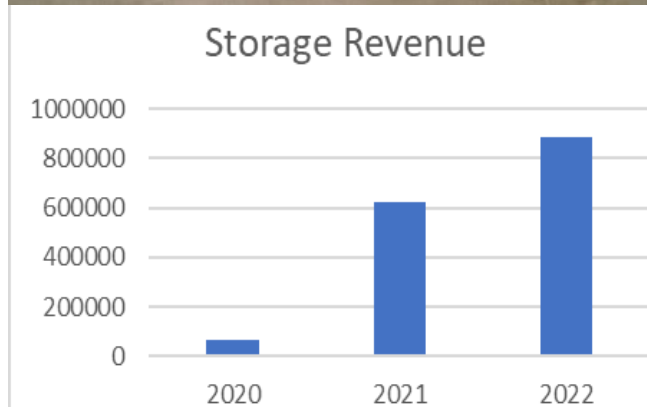
Combing both the self storage and car wash figures Adjusted EBITDA for 2020 was \$146,748, for 2021 EBITDA was \$752,189 and for 2022 was \$1,129,136.

We successfully termed out the two construction loans at the rates and times below.

- \$7,335,284 in September 2021 – 3.15% five year
 - \$1,000,000 in April 2022 – 4.8 % five year
- Kamloops currently has \$7.9mm of bank financing at blended average rate of 3.35%. The loan to value ratio is a very fiscally responsible .25:1

Another notable achievement in June 2023, is being selected and approved for the CBRB Best Businesses in Canada 2023. This award is only presented to businesses that have maintained a 4+ star Google review rating or equivalent proof of customer satisfaction.

As at the end of June 2023, the NationWide Self Storage team and location have amassed over 250 Google reviews with an overall Google review rating of 5 stars!



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. 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.

Since opening in July 2020, Express Auto Wash has washed over 404,000 cars or an approximate average of 13,480 cars per month, our last reported figure in December 2022 of average car per month was 12,175.

Kamloops has seen an overall 13.4% YTD increase in overall car wash volumes, the team is doing a great job at keeping the lines down and ensuring customers are leaving with a clean car. We plan to do a membership refresher by the end of Q3 to help push our overall membership numbers, the memberships currently site at 970. We are revamping our website and on-site team to now include a membership team whose sole focus will be driving membership sales and providing our customers with a better experience all around.

400,000

Total Washes, June 30, 2023

Platinum

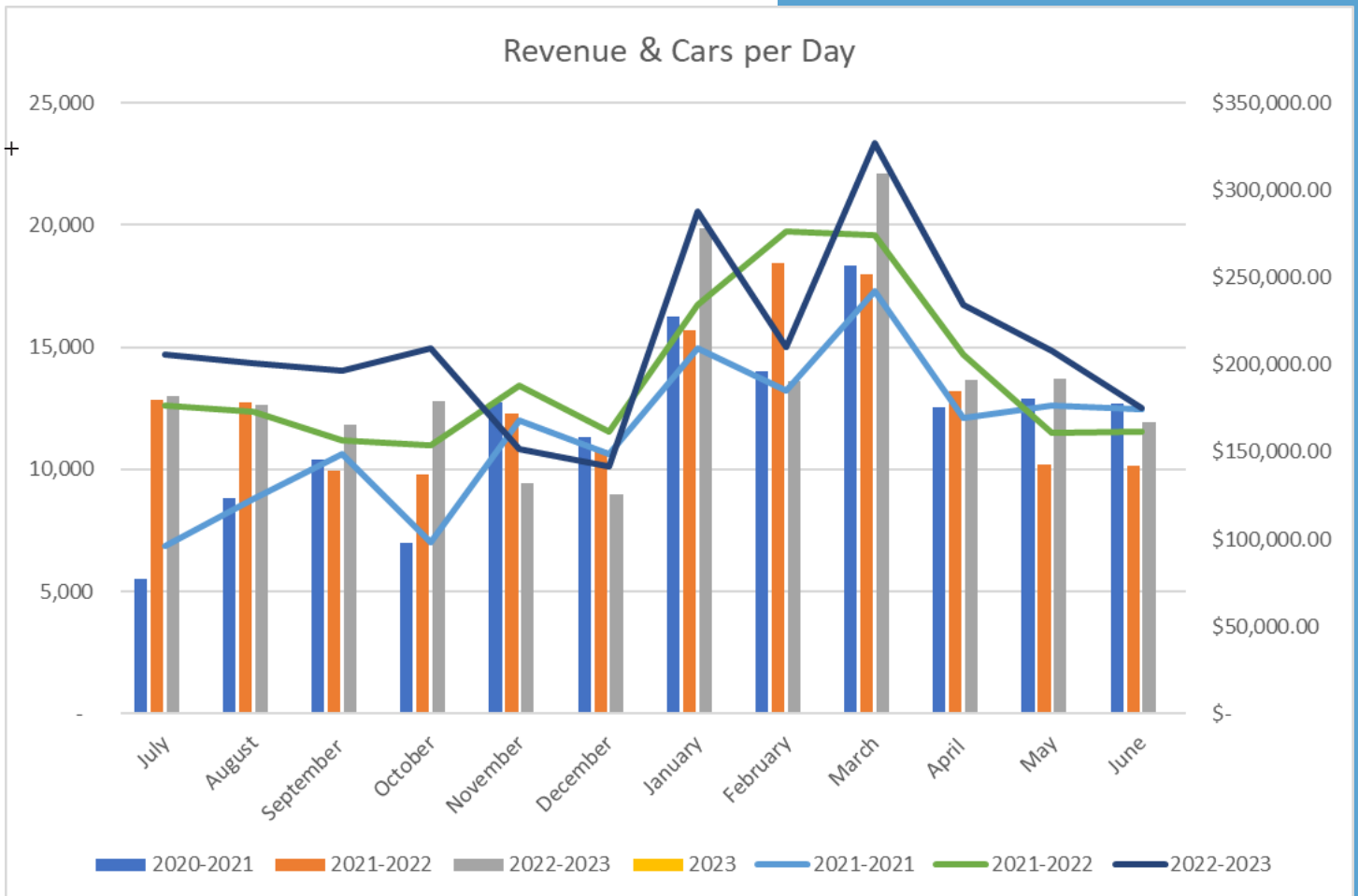
Our Most Popular Car Wash Level



REPORT ON AUTO WASH

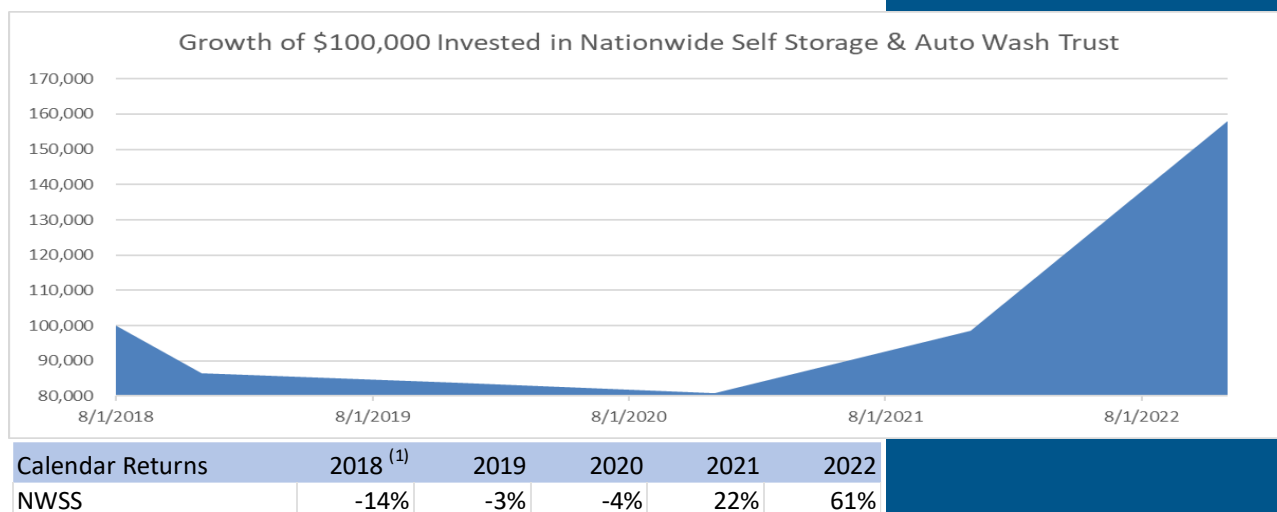
Our Unlimited Wash Club memberships and corporate Fleet Programs have been beneficial to smoothing out the seasonality of the car wash business. With 970 members as of June 30, 2023, the monthly membership fees provide a dependable, non-variable revenue stream.

We will be increasing our bronze wash package by \$1 and increasing the ceramic X3 to \$6 from \$5, effective September 1st, 2023. Kamloops Car Wash has also been nominated in the “Best of Kamloops” Car Wash category for 2023, which speaks to the great work the team is doing on site.



NAV OF TRUST UNITS

Most recently, the Property received an estimated fair market value of \$22mm (before any brokerage commissions). This estimated property value was provided by Western Canada's leading self-storage real estate brokerage firm, based on comparable historical data in the Kamloops area. Using this value, the current NAV per Trust Unit is \$158.01.



INCREASED CASH DISTRIBUTIONS

We are pleased to announce that the Board of Directors have approved a 20% increase in cash distributions, effective June 30, 2023 (from \$0.15 per unit to \$0.18 per unit).

The Self Storage facility has successfully added 280 Sky Lockers utilizing internal cash flow (accumulated over the past 2 years). These new lockers will soon be generating revenue.

As a result of these achievements, our cash flow now allows for this increase in cash distributions.

Overall, we are delighted with the steady progress made over the past 3 years, both with the self storage and car wash operations. We aim to steadily increase the distributions as we lease up the Sky Lockers and continue to grow our car wash revenue.