

2
0
2
5

SEPTEMBER

NationWide Property Update



Investor Update – September 2025

Dear Investors,

On behalf of the Trusts, we would like to thank you for your continued support, patience, and commitment to the long-term success of your investment.

Portfolio Update

We are pleased to share that all eight of our facilities are now fully operational. Several recently completed projects remain in the ramp-up phase, but all are performing in line with expectations.

At this stage, only our Kamloops and Pender self-storage facilities are considered “mature,” ie 80%+ occupancy with the others moving steadily toward that milestone.

Because most (6 of the businesses) of the portfolio are still new and in the ramp-up stage, our construction financing remains on floating interest rate terms. As you know, lenders typically only provide fixed-term financing once assets have reached maturity.

Interest Rate Environment

Between spring 2022 and 2023, the Bank of Canada raised its policy rate from 0.25% to over 5.0%, which pushed our commercial borrowing costs from approximately 3.25% to over 8%. This significantly increased the amounts of cash used for debt servicing and when combined with the increased cost to build due to the COVID driven construction cost inflation, we have experienced pressure on free cash flow and as a result, the delay in commencement of investor distributions.

Encouragingly, the interest rate environment is now improving a little bit. Since the peak, the Bank of Canada has reduced its policy rate several times, bringing it down to 2.75%. While lenders have been slower to adjust term rates, we anticipate refinancing opportunities at or around 4%-4.5% will become available late this year or next year.

Once our storage facilities reach maturity (targeting 80%+ occupancy), we plan to refinance the floating-rate construction loans into lower-cost fixed-term financing. This shift could reduce interest expenses by roughly 2%-3%, and thereby meaningfully improve cash flow and enable the commencement of distributions.

Progress on Fund Reorganization and Municipal Approvals

We are pleased to report that we have also made strong progress on the fund reorganization. Working alongside our legal, engineering, and architectural partners, we have addressed most of the municipal requirements for property stratification.

Although the facilities are all relatively new as previously reported, municipalities required that each strata parcel meet current new building code standards. This involved securing new building permits which is a time consuming process, completing minor upgrades, and passing inspections. We are pleased to report that:

- All building permits have been received.
- Improvements have been completed and passed inspection.

- Municipal sign-offs have been secured for all BP's and properties.

With this step complete, subdivision applications have now been submitted to each municipality. Approvals are expected later this fall, as we continue to push for expedited responses. Upon receiving approvals, we will immediately proceed with the amalgamation process.

While this process has taken longer than expected, we are now very close to completing this important milestone. Finalizing the reorganization will streamline operations, increase efficiency, and unlock significant value across the portfolio.

Benefits of the Reorganization

This restructuring represents a pivotal step in our value creation strategy, positioning the portfolio for both near-term distributions and long-term sale opportunities. Key benefits include:

- **Increased Trust Unit Values** – We anticipate 4%–6% efficiency gains expected to lift NOI, EBITDA, and FFO.
- **Enhanced Capital Raising Platform** – Stronger foundation for redemptions, distributions, and growth capital.
- **Improved Liquidity for Investors** – Greater flexibility in meeting redemption requests.
- **Higher Cash Distributions** – Efficiency gains should drive more distributable cash.
- **Greater Institutional Appeal** – “Pure-Play” self-storage and “Pure-Play” car wash Trusts are highly attractive to institutional buyers.
- **Reduced Risk via Diversification** – Larger, more geographically diverse portfolio improves stability.
- **More Favorable Profit-Sharing** – Profit split shifts from 70/30 to 80/20 in favor of investors.
- **\$8M–\$10M Estimated Portfolio Value Gain** – Restructuring projected to add significant unit value.
- **\$20M–\$25M Potential Terminal Value Upside** – Further value creation possible through cap rate compression.

Looking Ahead

Our businesses continue to perform well:

- **Self-Storage:** Leasing momentum remains as targeted, moving steadily toward stabilization.
- **Car Washes:** Continued strong customer reception across all markets.
- **Financing Outlook:** Anticipated refinancing and reorganization milestones will materially strengthen cash flow.

We intend to commence investor distributions as soon as cash flow permits.

For the Storage Trust, distributions should commence upon the following three factors being achieved:

1. Refinancing at lower rates thereby freeing up cash flow.
2. All 4 properties achieving stabilized occupancy. Right now, Kamloops and Pender are stabilized, and Boundary is at 63% and Surrey is 62%.
3. Realizing the cost saving from greater efficiency of operations post amalgamation.

We may be able to commence distribution from the storage trust before stabilization of all 4 of the properties if the floating rates fall further.

For investors in the Car Wash Trust, depending on financing rates at the time, we hope to commence distribution shortly post amalgamation as these assets are less capital intensive and cash flow sooner than storage properties.

In any event, we are committed to the commencement of distribution for both the storage trust and the car wash trust as soon as cash flows permits.

We will provide a further update at that time.

For more information on each property, as well as prior updates, please visit our investor website.

We look forward to sharing further progress with you in the months ahead.

Warm regards,



Hugh Cartwright.

On behalf of the Trusts.