

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2022

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____
Commission File Number: 000-55617

SmartStop Self Storage REIT, Inc.

(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

46-1722812
(IRS Employer
Identification No.)

10 Terrace Road
Ladera Ranch, California 92694
(Address of principal executive offices)

(877) 327-3485
(Registrant's telephone number)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 11, 2022, there were 77,301,971 outstanding shares of Class A common stock and 8,085,550 outstanding shares of Class T common stock of the registrant.

FORM 10-Q
SMARTSTOP SELF STORAGE REIT, INC.
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Form 10-Q of SmartStop Self Storage REIT, Inc., other than historical facts, may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such statements include, in particular, statements about our plans, strategies, and prospects and are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “seek,” “continue,” or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the Securities and Exchange Commission. We cannot guarantee the accuracy of any such forward-looking statements contained in this Form 10-Q, and we do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Any such forward-looking statements are subject to risks, uncertainties, and other factors and are based on a number of assumptions involving judgments with respect to, among other things, future economic, competitive, and market conditions, including without limitation changes in the political and economic climate, economic conditions and fiscal imbalances in the United States, and other major developments, including wars, natural disasters, epidemics and pandemics, including the outbreak of COVID-19, military actions, and terrorist attacks. The occurrence or severity of any such event or circumstance is difficult or impossible to predict accurately. To the extent that our assumptions differ from actual results, our ability to realize the plans, strategies and prospects contemplated by such forward-looking statements, including our ability to generate positive cash flow from operations and provide distributions to stockholders, and our ability to find suitable investment properties, may be significantly hindered.

For further information regarding risks and uncertainties associated with our business, and important factors that could cause our actual results to vary materially from those expressed or implied in such forward-looking statements, please refer to the factors listed and described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the “Risk Factors” sections of the documents we file from time to time with the U.S. Securities and Exchange Commission, including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the Securities and Exchange Commission, as supplemented by the risk factors included in Part II, Item 1A of this Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The information furnished in the accompanying unaudited consolidated balance sheets and related consolidated statements of operations, comprehensive income (loss), equity and cash flows reflects all adjustments (consisting of normal and recurring adjustments) that are, in management's opinion, necessary for a fair and consistent presentation of the aforementioned consolidated financial statements.

The accompanying consolidated financial statements should be read in conjunction with the notes to our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this report on Form 10-Q. The accompanying consolidated financial statements should also be read in conjunction with our consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2021. Our results of operations for the three months ended March 31, 2022 are not necessarily indicative of the operating results expected for the full year.

SMARTSTOP SELF STORAGE REIT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2022 (Unaudited)	December 31, 2021
ASSETS		
Real estate facilities:		
Land	\$ 398,677,525	\$ 397,508,081
Buildings	1,137,375,132	1,117,204,944
Site improvements	80,019,145	78,910,603
	1,616,071,802	1,593,623,628
Accumulated depreciation	(167,156,756)	(155,926,875)
	1,448,915,046	1,437,696,753
Construction in process	2,016,833	1,799,004
Real estate facilities, net	1,450,931,879	1,439,495,757
Cash and cash equivalents	36,225,933	37,254,226
Restricted cash	7,265,835	7,432,135
Investments in unconsolidated real estate ventures (Note 4)	19,185,517	18,943,284
Investments in and advances to Managed REITs	13,632,661	12,404,380
Other assets, net	15,865,205	15,423,508
Intangible assets, net of accumulated amortization	11,344,310	14,337,820
Trademarks, net of accumulated amortization	16,017,647	16,052,941
Goodwill	53,643,331	53,643,331
Debt issuance costs, net of accumulated amortization	2,933,126	3,305,394
Total assets	\$ 1,627,045,444	\$ 1,618,292,776
LIABILITIES AND EQUITY		
Debt, net	\$ 892,618,376	\$ 873,866,855
Accounts payable and accrued liabilities	18,979,883	22,693,941
Due to affiliates	439,501	584,291
Distributions payable	8,376,529	8,360,420
Contingent earnout	15,000,000	30,000,000
Deferred tax liabilities	8,070,650	7,719,098
Total liabilities	943,484,939	943,224,605
Commitments and contingencies (Note 11)		
Redeemable common stock	76,578,073	71,334,675
Preferred stock, \$0.001 par value; 200,000,000 shares authorized:		
Series A Convertible Preferred Stock, \$0.001 par value; 200,000 shares authorized; 200,000 and 200,000 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively, with aggregate liquidation preferences of \$203,082,192 and \$203,150,685 at March 31, 2022 and December 31, 2021, respectively	196,356,107	196,356,107
Equity:		
SmartStop Self Storage REIT, Inc. equity:		
Class A common stock, \$0.001 par value; 350,000,000 shares authorized; 77,301,971 and 77,057,743 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	77,302	77,058
Class T common stock, \$0.001 par value; 350,000,000 shares authorized; 8,085,550 and 8,056,198 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	8,085	8,056
Additional paid-in capital	725,014,340	724,739,872
Distributions	(223,391,769)	(210,964,464)
Accumulated deficit	(171,063,030)	(170,846,475)
Accumulated other comprehensive income (loss)	264,255	(279,975)
Total SmartStop Self Storage REIT, Inc. equity	330,909,183	342,734,072
Noncontrolling interests in our Operating Partnership	79,657,398	64,632,417
Other noncontrolling interests	59,744	10,900
Total noncontrolling interests	79,717,142	64,643,317
Total equity	410,626,325	407,377,389
Total liabilities and equity	\$ 1,627,045,444	\$ 1,618,292,776

See notes to consolidated financial statements.

SMARTSTOP SELF STORAGE REIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Revenues:		
Self storage rental revenue	\$ 43,056,872	\$ 29,503,442
Ancillary operating revenue	1,974,320	1,557,430
Managed REIT Platform revenue	1,809,096	2,287,740
Reimbursable costs from Managed REITs	1,143,573	1,216,043
Total revenues	47,983,861	34,564,655
Operating expenses:		
Property operating expenses	13,105,325	10,343,281
Managed REIT Platform expenses	389,265	319,890
Reimbursable costs from Managed REITs	1,143,573	1,216,043
General and administrative	5,837,647	4,752,989
Depreciation	11,107,986	8,543,927
Intangible amortization expense	3,900,884	1,259,547
Acquisition expenses	417,774	305,650
Contingent earnout adjustment	513,821	2,119,744
Write-off of equity interest and preexisting relationships upon acquisition of control	—	8,389,573
Total operating expenses	36,416,275	37,250,644
Income (loss) from operations	11,567,586	(2,685,989)
Other income (expense):		
Interest expense	(7,575,784)	(8,616,071)
Net loss on extinguishment of debt	—	(2,444,788)
Other, net	(722,343)	1,443,382
Net income (loss)	3,269,459	(12,303,466)
Net (income) loss attributable to noncontrolling interests	(403,822)	1,476,994
Less: Distributions to preferred stockholders	(3,082,192)	(3,082,192)
Net loss attributable to SmartStop Self Storage REIT, Inc. common stockholders	\$ (216,555)	\$ (13,908,664)
Net loss per Class A share – basic and diluted	\$ (0.00)	\$ (0.22)
Net loss per Class T share – basic and diluted	\$ (0.00)	\$ (0.22)
Weighted average Class A shares outstanding – basic and diluted	76,946,796	56,398,876
Weighted average Class T shares outstanding – basic and diluted	8,070,949	7,927,821

See notes to consolidated financial statements.

SMARTSTOP SELF STORAGE REIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Net income (loss)	\$ 3,269,459	\$ (12,303,466)
Other comprehensive income (loss):		
Foreign currency translation adjustment	937,962	587,729
Foreign currency hedge contract gains (losses)	(834,436)	(803,069)
Interest rate swap and cap contract gains (losses)	506,515	1,241,434
Other comprehensive income	610,041	1,026,094
Comprehensive income (loss)	3,879,500	(11,277,372)
Comprehensive (income) loss attributable to noncontrolling interests:		
Comprehensive (income) loss attributable to noncontrolling interests	(469,633)	1,347,387
Comprehensive income (loss) attributable to SmartStop Self Storage REIT, Inc. stockholders	<u>\$ 3,409,867</u>	<u>\$ (9,929,985)</u>

See notes to consolidated financial statements.

SMARTSTOP SELF STORAGE REIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

	Common Stock		Common Stock		Additional Paid-in Capital	Distributions	Accumulated Deficit	Accumulated Other Comprehensiv e Income (Loss)	Total SmartStop Self Storage REIT, Inc. Equity	Noncontrolling Interests	Total Equity	Preferred Stock	Redeemable Common Stock
	Class A	Class T	Class A	Class T									
	Number of Shares	Common Stock Par Value	Number of Shares	Common Stock Par Value									
Balance as of December 31, 2020	52,660,402	\$ 52,661	7,903,911	\$ 7,904	\$ 492,408,006	\$ (163,953,169)	\$ (141,444,880)	\$ (3,834,228)	\$ 183,236,294	\$ 60,003,911	\$ 243,240,205	\$ 196,356,107	\$ 57,335,575
Gross proceeds from issuance of operating partnership units in SST VI OP	—	—	—	—	—	—	—	—	—	50,000	50,000	—	—
Issuance of common stock in connection with SST IV Merger	23,137,540	23,138	—	—	231,389,332	—	—	—	231,412,470	—	231,412,470	—	—
Offering costs	—	—	—	—	(150,000)	—	—	—	(150,000)	—	(150,000)	—	—
Issuance of Class A-1 Units in our Operating Partnership in connection with the contingent earnout related to the Self Administration Transaction	—	—	—	—	—	—	—	—	—	11,219,744	11,219,744	—	—
Acquisition of noncontrolling interest related to the Tenant Programs joint ventures	—	—	—	—	—	—	—	—	—	(10,900)	(10,900)	—	—
Changes to redeemable common stock	—	—	—	—	(3,737,890)	—	—	—	(3,737,890)	—	(3,737,890)	—	3,737,890
Redemptions of common stock	(66,238)	(66)	(4,110)	(4)	—	—	—	—	(70)	—	(70)	—	(684,947)
Issuance of restricted stock	54,192	54	—	—	—	—	—	—	54	—	54	—	—
Distributions	—	—	—	—	—	(9,375,185)	—	—	(9,375,185)	—	(9,375,185)	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	(1,393,957)	(1,393,957)	—	—
Issuance of shares for distribution reinvestment plan	310,860	311	48,553	49	3,737,530	—	—	—	3,737,890	—	3,737,890	—	—
Equity based compensation expense	—	—	—	—	244,187	—	—	—	244,187	246,843	491,030	—	—
Net loss attributable to SmartStop Self Storage REIT, Inc. common stockholders	—	—	—	—	—	—	(13,908,664)	—	(13,908,664)	—	(13,908,664)	—	—
Net loss attributable to noncontrolling interests	—	—	—	—	—	—	—	—	—	(1,476,994)	(1,476,994)	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	513,632	513,632	74,097	587,729	—	—
Foreign currency forward contract loss	—	—	—	—	—	—	—	(701,823)	(701,823)	(101,246)	(803,069)	—	—
Interest rate swap and cap contract gain	—	—	—	—	—	—	—	1,084,678	1,084,678	156,756	1,241,434	—	—
Balance as of March 31, 2021	<u>76,096,756</u>	<u>\$ 76,098</u>	<u>7,948,354</u>	<u>\$ 7,949</u>	<u>\$ 723,891,165</u>	<u>\$ (173,328,354)</u>	<u>\$ (155,353,544)</u>	<u>\$ (2,937,741)</u>	<u>\$ 392,355,573</u>	<u>\$ 68,768,254</u>	<u>\$ 461,123,827</u>	<u>\$ 196,356,107</u>	<u>\$ 60,388,518</u>

See notes to consolidated financial statements.

	Common Stock				Additional Paid-in Capital	Distributions	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total SmartStop Self Storage REIT, Inc. Equity	Noncontrolling Interests	Total Equity	Preferred Stock	Redeemable Common Stock
	Class A	Class T	Class A	Class T									
	Number of Shares	Common Stock Par Value	Number of Shares	Common Stock Par Value									
Balance as of December 31, 2021	77,057,743	\$ 77,058	8,056,198	\$ 8,056	\$ 724,739,872	\$ (210,964,464)	\$ (170,846,475)	\$ (279,975)	\$ 342,734,072	\$ 64,643,317	\$ 407,377,389	\$ 196,356,107	\$ 71,334,675
Offering costs	—	—	—	—	(53,949)	—	—	—	(53,949)	—	(53,949)	—	—
Tax withholding (net settlement) related to vesting of restricted stock	(8,098)	(8)	—	—	(74,487)	—	—	—	(74,495)	—	(74,495)	—	—
Issuance of Class A-1 Units in our Operating Partnership in connection with the contingent earnout related to the Self Administration Transaction	—	—	—	—	—	—	—	—	—	15,513,821	15,513,821	—	—
Issuance of noncontrolling interest in SST VI Advisor	—	—	—	—	—	—	—	—	—	1,000	1,000	—	—
Changes to redeemable common stock	—	—	—	—	(5,243,398)	—	—	—	(5,243,398)	—	(5,243,398)	—	5,243,398
Redemptions of common stock	(106,502)	(107)	(4,696)	(5)	—	—	—	—	(112)	—	(112)	—	—
Issuance of restricted stock	45,170	45	—	—	—	—	—	—	45	—	45	—	—
Distributions	—	—	—	—	—	(12,427,305)	—	—	(12,427,305)	—	(12,427,305)	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	—	(1,679,314)	(1,679,314)	—	—
Issuance of shares for distribution reinvestment plan	313,658	314	34,048	34	5,243,050	—	—	—	5,243,398	—	5,243,398	—	—
Equity based compensation expense	—	—	—	—	403,252	—	—	—	403,252	768,685	1,171,937	—	—
Net loss attributable to SmartStop Self Storage REIT, Inc. common stockholders	—	—	—	—	—	—	(216,555)	—	(216,555)	—	(216,555)	—	—
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	—	—	403,822	403,822	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	—	836,775	836,775	101,187	937,962	—	—
Foreign currency hedge contract loss	—	—	—	—	—	—	—	(744,417)	(744,417)	(90,019)	(834,436)	—	—
Interest rate swap and cap contract gain	—	—	—	—	—	—	—	451,872	451,872	54,643	506,515	—	—
Balance as of March 31, 2022	<u>77,301,971</u>	<u>\$ 77,302</u>	<u>8,085,550</u>	<u>\$ 8,085</u>	<u>\$ 725,014,340</u>	<u>\$ (223,391,769)</u>	<u>\$ (171,063,030)</u>	<u>\$ 264,255</u>	<u>\$ 330,909,183</u>	<u>\$ 79,717,142</u>	<u>\$ 410,626,325</u>	<u>\$ 196,356,107</u>	<u>\$ 76,578,073</u>

See notes to consolidated financial statements.

SMARTSTOP SELF STORAGE REIT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Cash flows from operating activities:		
Net income (loss)	\$ 3,269,459	\$ (12,303,466)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	15,008,869	9,803,474
Change in deferred tax liability	241,588	(1,872,866)
Accretion of fair market value adjustment of secured debt	(34,642)	(31,866)
Amortization of debt issuance costs	594,521	672,473
Equity based compensation expense	1,171,940	491,030
Contingent earnout adjustment	513,821	2,119,744
Equity in loss of unconsolidated joint ventures	402,552	—
Unrealized foreign currency and derivative (gain) loss	(159,358)	489,151
Net loss on extinguishment of debt	—	2,444,788
Write-off of equity interest and preexisting relationships upon acquisition of control	—	8,389,573
Increase (decrease) in cash from changes in assets and liabilities, net of acquisitions:		
Other assets, net	(1,794,330)	(1,486,741)
Accounts payable and accrued liabilities	(2,136,923)	(3,824,996)
Managed REITs receivables	(1,453,953)	(200,744)
Due to affiliates	(42,241)	3,902
Net cash provided by operating activities	15,581,303	4,693,456
Cash flows from investing activities:		
SST IV Merger, net of cash acquired	—	(46,486,510)
Purchase of real estate	(18,816,115)	(16,012,854)
Additions to real estate	(1,373,376)	(1,657,513)
Investments in unconsolidated real estate entities, net	(213,893)	—
Purchase of other investments	—	(1,400,000)
Deposits on acquisition of real estate	(1,188,410)	(710,668)
Net proceeds from the sale of real estate	228,146	—
Redemption of preferred equity investment in SSGT II	—	13,500,000
Net cash used in investing activities	(21,363,648)	(52,767,545)
Cash flows from financing activities:		
Gross proceeds from issuance of non-revolver debt	—	258,641,870
Proceeds from issuance of revolver debt	19,000,000	186,005,250
Repayment of non-revolver debt	—	(422,190,754)
Scheduled principal payments on non-revolver debt	(628,984)	(193,907)
Debt issuance costs	(2,050)	(4,933,363)
Debt defeasance costs	—	(525,728)
Offering costs	(156,500)	(308,556)
Redemption of common stock	(1,751,436)	(720,422)
Gross proceeds from issuance of equity in other non controlling interests	1,000	—
Distributions paid to preferred stockholders	(3,150,685)	(2,928,620)
Distributions paid to common stockholders	(7,180,866)	(5,010,842)
Distributions paid to noncontrolling interest in OP	(1,597,751)	(1,377,906)
Net cash provided by (used in) financing activities	4,532,728	6,457,022
Impact of foreign exchange rate changes on cash and restricted cash	55,024	139,954
Change in cash, cash equivalents, and restricted cash	(1,194,593)	(41,477,113)
Cash, cash equivalents, and restricted cash beginning of period	44,686,361	80,657,676
Cash, cash equivalents, and restricted cash end of period	\$ 43,491,768	\$ 39,180,563

Supplemental disclosures and non-cash transactions:

Cash paid for interest	\$	7,225,122	\$	8,330,968
Supplemental disclosure of noncash activities:				
Issuance of shares pursuant to distribution reinvestment plan	\$	5,243,398	\$	3,737,890
Distributions payable	\$	8,248,313	\$	7,446,393
Conversion of A-2 Units into A-1 Units	\$	15,513,821	\$	11,219,744
Deposits applied to the purchase of real estate	\$	190,000	\$	—
Debt assumed in the SST IV Merger	\$	—	\$	81,165,978
Issuance of common stock in connection with the SST IV Merger	\$	—	\$	231,412,470
Redemption of common stock included in accounts payable and accrued liabilities	\$	—	\$	697,249
Proceeds receivable from issuance of operating partnership units in SST VI OP	\$	—	\$	50,000

See notes to consolidated financial statements.

SMARTSTOP SELF STORAGE REIT, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022
(Unaudited)

Note 1. Organization

SmartStop Self Storage REIT, Inc., a Maryland corporation (the “Company”), is a self-managed and fully-integrated self storage real estate investment trust (“REIT”), formed on January 8, 2013 under the Maryland General Corporation Law. Our year-end is December 31. As used in this report, “we,” “us,” “our,” and “Company” refer to SmartStop Self Storage REIT, Inc. and each of our subsidiaries.

We acquire, own and operate self storage facilities—including facilities owned by us as well as those owned by the entities sponsored by us. As of March 31, 2022, we owned 140 self storage facilities located in 18 states (Alabama, Arizona, California, Colorado, Florida, Illinois, Indiana, Maryland, Massachusetts, Michigan, New Jersey, Nevada, North Carolina, Ohio, South Carolina, Texas, Virginia, and Washington) and the Greater Toronto Area of Ontario, Canada.

As discussed herein, we, through our subsidiaries, also served as the sponsor of Strategic Storage Trust IV, Inc., a public non-traded REIT (“SST IV”) through March 17, 2021, and currently serve as the sponsor of Strategic Storage Growth Trust II, Inc., a private REIT (“SSGT II”), Strategic Storage Trust VI, Inc., a publicly-registered non-traded REIT (“SST VI”), and Strategic Storage Growth Trust III, Inc., a new private REIT which is in its initial stages of formation (“SSGT III”), (SSGT II, SST VI, SSGT III, and prior to March 17, 2021, SST IV, the “Managed REITs”), and operate the properties owned by the Managed REITs, consisting of, as of March 31, 2022, 19 properties and approximately 14,000 units and 1.5 million rentable square feet. Through our Managed REIT Platform (as defined below), we have the internal capability to originate, structure, and manage additional investment products.

The square footage, unit count, and occupancy percentage data and related disclosures included in these notes to the consolidated financial statements are outside the scope of our independent registered accounting firm’s review.

Potential and Completed Transactions

Potential SSGT II Merger

On February 24, 2022, the Company, SSGT II, and SSGT II Merger Sub, LLC, a Maryland limited liability company and a wholly-owned subsidiary of the Company (“SSGT II Merger Sub”), entered into a definitive Agreement and Plan of Merger (the “SSGT II Merger Agreement”). Pursuant to the SSGT II Merger Agreement, the Company will acquire SSGT II by way of a merger of SSGT II with and into SSGT II Merger Sub, with SSGT II Merger Sub being the surviving entity (the “SSGT II Merger”). The SSGT II Merger is expected to close during the second quarter of 2022.

Assuming all of the conditions of the SSGT II Merger are satisfied and the SSGT II Merger is consummated in accordance with the terms in the SSGT II Merger Agreement, the Company will acquire all of the real estate owned by SSGT II, which as of February 24, 2022 consisted of (i) 10 self storage facilities located in seven states comprising approximately 7,740 self storage units and approximately 853,900 net rentable square feet, and (ii) SSGT II’s 50% equity interests in three unconsolidated real estate ventures located in the Greater Toronto Area of Ontario, Canada.

See Note 3 – Real Estate Facilities, for additional information related to the potential SSGT II Merger.

SST IV Merger

On March 17, 2021, we closed on our merger with SST IV (the “SST IV Merger”). As a result, we acquired all of the real estate owned by SST IV, consisting of (i) 24 self storage facilities located in 9 states comprising approximately 18,000 self storage units and approximately 2.0 million net rentable square feet, and (ii) SST IV’s 50% equity interest in six unconsolidated real estate ventures located in the Greater Toronto Area of Ontario, Canada (the “JV Properties”). The JV Properties consisted of three operating self storage properties and three parcels of land in various stages of development into self storage facilities as of the merger date, jointly owned with subsidiaries of SmartCentres Real Estate Investment Trust, an unaffiliated third party (“SmartCentres”).

As a result of the SST IV Merger, approximately 23.1 million shares of SmartStop class A common stock (“Class A Shares”) were issued in exchange for approximately 10.6 million shares of SST IV common stock.

New Credit Facility

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On March 17, 2021, we, through SmartStop OP, L.P. (our “Operating Partnership”), entered into a credit facility with KeyBank, National Association as administrative agent, with an initial aggregate commitment of \$500 million (the “Credit Facility”), which consisted of a \$250 million revolving credit facility and a \$250 million term loan. We used the initial draw proceeds of approximately \$451 million primarily to pay off certain existing indebtedness as well as indebtedness of SST IV in connection with the SST IV Merger.

On October 7, 2021, we amended the Credit Facility to increase the commitments on the revolving credit facility by \$200 million, to \$450 million. As a result of this amendment, the aggregate commitment under the Credit Facility is now \$700 million. See Note 5 – Debt and Note 13 – Subsequent Events, for additional information.

Equity

We commenced our initial public offering in January 2014, in which we offered a maximum of \$1.0 billion in common shares for sale to the public (the “Primary Offering”) and \$95.0 million in common shares for sale pursuant to our distribution reinvestment plan (collectively, the “Offering”). At the termination of our offering in January 2017, we had sold approximately 48 million Class A Shares and approximately 7 million Class T Shares for approximately \$493 million and \$73 million respectively.

In November 2016, we filed with the SEC a Registration Statement on Form S-3, which registered up to an additional \$100.9 million in shares under our distribution reinvestment plan (our “DRP Offering”). The DRP Offering may be terminated at any time upon 10 days’ prior written notice to stockholders. As of March 31, 2022, we had sold approximately 7.2 million Class A Shares and approximately 1.0 million Class T Shares for approximately \$77.8 million and \$11.1 million, respectively, in our DRP Offering.

On October 19, 2021, our board of directors, upon recommendation of our Nominating and Corporate Governance Committee, approved an estimated net asset value per share of our common stock of \$15.08 for our Class A Shares and Class T Shares based on the estimated value of our assets less the estimated value of our liabilities, or net asset value, divided by the number of shares outstanding on a fully diluted basis, calculated as of June 30, 2021.

As a result of the calculation of our estimated value per share, beginning in October 2021, shares sold pursuant to our distribution reinvestment plan are being sold at the estimated net asset value per share of \$15.08 for both Class A Shares and Class T Shares.

On March 7, 2022, the board of directors approved the suspension of the Company’s distribution reinvestment plan and share redemption program. See Note 11 – Commitments and Contingencies of the Notes to the Consolidated Financial Statements contained in this report for additional information.

Prior to the termination of our Primary Offering, Select Capital Corporation, a California corporation (our “Former Dealer Manager”), was responsible for marketing our shares offered pursuant to our Primary Offering. SAM indirectly owns a 15% non-voting equity interest in our Former Dealer Manager. Now that our Primary Offering has terminated, our Former Dealer Manager no longer provides such services for us. However, through March 31, 2022, we paid our Former Dealer Manager an ongoing stockholder servicing fee with respect to the Class T Shares sold. See Note 9 – Related Party Transactions – Former Dealer Manager Agreement.

Other Corporate History

Our Operating Partnership was formed on January 9, 2013. During 2013, Strategic Storage Advisor II, LLC, our former external advisor (“Former External Advisor”) purchased limited partnership interests in our Operating Partnership for \$200,000 and on August 2, 2013, we contributed the initial \$1,000 capital contribution we received to our Operating Partnership in exchange for the general partner interest.

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As we accepted subscriptions for shares of our common stock, we transferred all of the net Offering proceeds to our Operating Partnership as capital contributions in exchange for additional units of interest in our Operating Partnership. However, we were deemed to have made capital contributions in the amount of gross proceeds received from investors, and our Operating Partnership was deemed to have simultaneously paid the sales commissions and other costs associated with the Offering. In addition, our Operating Partnership is structured to make distributions with respect to limited partnership units that are equivalent to the distributions made to holders of common stock. Finally, a limited partner in our Operating Partnership may later exchange his or her limited partnership units in our Operating Partnership for shares of our common stock at any time after one year following the date of issuance of their limited partnership units, subject to certain restrictions outlined in our Operating Partnership's limited partnership agreement.

Our Operating Partnership owns, directly or indirectly through one or more subsidiaries, all of the self storage properties that we own. As of March 31, 2022, we owned approximately 88.2% of the common units of limited partnership interests of our Operating Partnership. The remaining approximately 11.8% of the common units are owned by current and former members of our executive management team or indirectly by Strategic Asset Management I, LLC (f/k/a SmartStop Asset Management, LLC), our former sponsor ("SAM"), its affiliates, and affiliates of our Former Dealer Manager. As the sole general partner of our Operating Partnership, we have the exclusive power to manage and conduct the business of our Operating Partnership. We conduct certain activities through SmartStop TRS, Inc. ("SmartStop TRS"), or other taxable REIT subsidiaries (collectively with SmartStop TRS, our "TRS Entities") which are directly or indirectly wholly-owned subsidiaries of our Operating Partnership.

COVID-19

Our rental revenue and operating results depend significantly on the demand for self storage space. Since the beginning of the COVID-19 pandemic in late March 2020, our operations have been affected by COVID-19 in various ways, including but not limited to, national and local jurisdictions issuing orders causing temporary restrictions on our business in certain markets, temporary shutdowns of certain of our facilities, customer behavior and their comfort levels visiting our facilities, as well as the broader economic impacts of COVID-19. The financial and operational impact associated with these items was most significant in the second quarter of 2020, with customer demand for self storage resuming at or above normalized levels during the second half of 2020, and through the first quarter of 2022. Future governmental orders, broad economic weakness, or inflationary pressures could adversely impact our business, financial condition, liquidity and results of operations, however, the extent and duration to which our operations will be impacted is highly uncertain and cannot be predicted.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") as contained within the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and the rules and regulations of the SEC.

Principles of Consolidation

Our financial statements, and the financial statements of our Operating Partnership, including its wholly-owned subsidiaries, are consolidated in the accompanying consolidated financial statements. The portion of these entities not wholly-owned by us is presented as noncontrolling interests. All intercompany accounts and transactions have been eliminated in consolidation.

Strategic Storage Operating Partnership VI, L.P. ("SST VI OP"), the operating partnership of SST VI, and its wholly-owned subsidiaries, were consolidated by us until May 1, 2021. From March 10, 2021 (the date of our initial investment in SST VI OP) until May 1, 2021, the portion not wholly-owned by us was presented as noncontrolling interests, and all intercompany accounts and transactions were eliminated in consolidation during that period.

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Consolidation Considerations

Current accounting guidance provides a framework for identifying a variable interest entity ("VIE") and determining when a company should include the assets, liabilities, noncontrolling interests, and results of activities of a VIE in its consolidated financial statements. In general, a VIE is an entity or other legal structure used to conduct activities or hold assets that either (1) has an insufficient amount of equity to carry out its principal activities without additional subordinated financial support, (2) has a group of equity owners that are unable to make significant decisions about its activities, or (3) has a group of equity owners that do not have the obligation to absorb losses or the right to receive returns generated by its operations. Generally, a VIE should be consolidated if a party with an ownership, contractual, or other financial interest in the VIE (a variable interest holder) has the power to direct the VIE's most significant activities and the obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE. A variable interest holder that consolidates the VIE is called the primary beneficiary. Upon consolidation, the primary beneficiary generally must initially record all of the VIE's assets, liabilities, and noncontrolling interest at fair value and subsequently account for the VIE as if it were consolidated based on majority voting interest.

Our Operating Partnership is deemed to be a VIE and is consolidated by the Company as we are currently the primary beneficiary. Our sole significant asset is our investment in our Operating Partnership; as a result, substantially all of our assets and liabilities represent those assets and liabilities of our Operating Partnership and its wholly-owned subsidiaries.

From March 10, 2021 until May 1, 2021, we were deemed to be the primary beneficiary of SST VI OP, and their operations were therefore consolidated by us. Subsequent to May 1, 2021, we are no longer the primary beneficiary, and their operations are no longer consolidated by us.

On March 1, 2022, Pacific Oak Holding Group, LLC, the parent company of Pacific Oak Capital Markets, LLC, the dealer manager for the public offering of SST VI, became a 10% non-voting member of Strategic Storage Advisor VI, LLC, the advisor to SST VI (the "SST VI Advisor"). We continue to be the primary beneficiary of SST VI Advisor, and their operations therefore continue to be consolidated by us.

As of March 31, 2022 and December 31, 2021, we were not a party to any other contracts/interests that would be deemed to be variable interests in VIEs other than our joint ventures with SmartCentres acquired in the SST IV Merger, which are all accounted for under the equity method of accounting (see Note 4 – Investments in Unconsolidated Real Estate Ventures for additional information), and our Tenant Protection Programs joint ventures with SSGT II and SST VI, which are consolidated.

Equity Investments

Under the equity method, our investments are stated at cost and adjusted for our share of net earnings or losses and reduced by distributions and impairments, as applicable. Equity in earnings will generally be recognized based on our ownership interest in the earnings of each of the unconsolidated investments.

Investments in and Advances to Managed REITs

As of March 31, 2022 and December 31, 2021, we owned equity and debt investments with a carrying value of approximately \$10.8 million and \$11.0 million, respectively, in the Managed REITs; such amounts are included in Investments in and advances to Managed REITs within our consolidated balance sheets. We account for the equity investments using the equity method of accounting as we have the ability to exercise significant influence, but not control, over the Managed REITs' operating and financial policies through our advisory and property management agreements with the respective Managed REITs. The equity method of accounting requires the investment to be initially recorded at cost and subsequently adjusted for our share of equity in the respective Managed REIT's earnings and reduced by distributions. We record the interest on the debt investments on the accrual basis and such income is included in other in our consolidated statements of operations.

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Also included in Investments in and advances to Managed REITs as of March 31, 2022 and December 31, 2021 are receivables from the Managed REITs of approximately \$2.9 million and \$1.4 million, respectively. For additional discussion, see Note 9 – Related Party Transactions.

Noncontrolling Interest in Consolidated Entities

We account for the noncontrolling interests in our Operating Partnership and the noncontrolling interests in SST VI Advisor and our Tenant Protection Programs joint ventures with SSGT II and SST VI in accordance with the related accounting guidance. Due to our control through our general partnership interest in our Operating Partnership and the limited rights of the limited partners, our Operating Partnership, including its wholly-owned subsidiaries, are consolidated with the Company and the limited partner interests are reflected as noncontrolling interests in the accompanying consolidated balance sheets. We also consolidate our interests in SST VI Advisor and the SSGT II and SST VI Tenant Protection Programs and present the minority interests as noncontrolling interests in the accompanying consolidated balance sheets. The noncontrolling interests shall be attributed their share of income and losses, even if that attribution results in a deficit noncontrolling interests balance.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The current economic environment has increased the degree of uncertainty inherent in these estimates and assumptions. Management will adjust such estimates when facts and circumstances dictate. Actual results could materially differ from those estimates. The most significant estimates made include the allocation of property purchase price to tangible and intangible assets acquired and liabilities assumed at relative fair value, the ongoing fair value determination of contingent liabilities, the determination if certain entities should be consolidated, the evaluation of potential impairment of indefinite and long-lived assets and goodwill, and the estimated useful lives of real estate assets and intangibles.

Cash and Cash Equivalents

We consider all short-term, highly liquid investments that are readily convertible to cash with a maturity of three months or less at the time of purchase to be cash equivalents.

We may maintain cash and cash equivalents in financial institutions in excess of insured limits, but believe this risk will be mitigated by only investing in or through major financial institutions.

Restricted Cash

Restricted cash consists primarily of impound reserve accounts for property taxes, insurance and capital improvements in connection with the requirements of certain of our loan agreements.

Real Estate Purchase Price Allocation and Treatment of Acquisition Costs

We account for acquisitions in accordance with GAAP which requires that we allocate the purchase price of a property to the tangible and intangible assets acquired and the liabilities assumed based on their relative fair values as of the date of acquisition. This guidance requires us to make significant estimates and assumptions, including fair value estimates, which requires the use of significant unobservable inputs as of the acquisition date. We engage third-party valuation specialists to assist in the determination of significant estimates and market-based assumptions used in the valuation models.

The value of the tangible assets, consisting of land and buildings, is determined as if vacant. Substantially all of the leases in place at acquired properties are at market rates, as the majority of the leases are month-to-month contracts. We also consider whether in-place, market leases represent an intangible asset. We recorded approximately \$0.8 million and \$20.0 million in intangible assets to recognize the value of in-place leases related to our acquisitions during the three months ended March 31, 2022 and 2021, respectively. We do not expect, nor to date have we recorded, intangible assets for the value of customer relationships because we expect we will not have concentrations of significant customers and the average customer turnover will be fairly frequent.

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Allocation of purchase price to acquisitions of portfolios of facilities are allocated to the individual facilities based upon an income approach or a cash flow analysis using appropriate risk adjusted capitalization rates which take into account the relative size, age, and location of the individual facility along with current and projected occupancy and rental rate levels or appraised values, if available.

Acquisitions that do not meet the definition of a business, as defined under current GAAP, are accounted for as asset acquisitions. During the three months ended March 31, 2022 and 2021, our property acquisitions, including the SST IV Merger, did not meet the definition of a business because substantially all of the fair value was concentrated in a single identifiable asset or group of similar identifiable assets (i.e. land, buildings, and related intangible assets) or because the acquisitions did not include a substantive process in the form of an acquired workforce or an acquired contract that cannot be replaced without significant cost, effort or delay. As a result, once an acquisition is deemed probable, acquisition related transaction costs are capitalized rather than expensed.

During the three months ended March 31, 2022 and 2021, we expensed approximately \$420,000 and \$305,000, respectively, of acquisition-related transaction costs that did not meet our capitalization policy during the respective periods.

Purchase Price Allocation for the Acquisition of a Business

Should the initial accounting for an acquisition that meets the definition of a business be incomplete by the end of a reporting period that falls within the measurement period, we report provisional amounts in our financial statements. During the measurement period, we adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date and we record those adjustments to our consolidated financial statements. We apply those measurement period adjustments in the period in which the provisional amounts are finalized.

Evaluation of Possible Impairment of Real Property Assets

Management monitors events and changes in circumstances that could indicate that the carrying amounts of our real property assets may not be recoverable. When indicators of potential impairment are present that indicate that the carrying amounts of the assets may not be recoverable, we will assess the recoverability of the assets by determining whether the carrying value of the real property assets will be recovered through the undiscounted future operating cash flows expected from the use of the asset and its eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying value, we will adjust the value of the real property assets to the fair value and recognize an impairment loss. For the three months ended March 31, 2022 and 2021, no real property asset impairment losses were recognized.

Goodwill Valuation

We initially recorded goodwill as a result of the Self Administration Transaction. Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible assets and other intangible assets acquired. Goodwill is allocated to various reporting units, as applicable, and is not amortized. We perform an annual impairment test for goodwill, and between annual tests, we evaluate the recoverability of goodwill whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be fully recoverable. In our impairment test of goodwill, we perform a quantitative analysis to compare the fair value of each reporting unit to its respective carrying amount. If the carrying amount of goodwill exceeds its fair value, an impairment charge will be recognized. For the three months ended March 31, 2022 and 2021, no goodwill impairment losses were recognized.

Trademarks

In connection with the Self Administration Transaction, we recorded the fair value associated with the two primary trademarks acquired therein. Prior thereto we had no amounts recorded related to trademarks.

Trademarks are based on the value of our brands. Trademarks are valued using the relief from royalty method, which presumes that without ownership of such trademarks, we would have to make a stream of payments to a brand or franchise owner in return for the right to use their name. By virtue of this asset, we avoid any such payments and record the related intangible fair value of our ownership of the brand name.

As of March 31, 2022 and December 31, 2021, \$15.7 million was recorded related to the SmartStop® Self Storage trademark, which is an indefinite lived trademark. As of March 31, 2022 and December 31, 2021, approximately \$0.3 million and \$0.4 million, respectively, was recorded to the “Strategic Storage®” trademark, which is a definite lived trademark. The

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total estimated future amortization expense of the “Strategic Storage®” trademark asset for the years ending December 31, 2022, 2023, 2024, and thereafter is approximately \$105,000, \$140,000, \$70,000 and none thereafter, respectively.

We qualitatively evaluate whether any triggering events or changes in circumstances have occurred subsequent to our annual impairment test that would indicate an impairment condition may exist. If any change in circumstance or triggering event occurs, and results in a significant impact to our revenue and profitability projections, or any significant assumption in our valuation methods is adversely impacted, the impact could result in a material impairment charge in the future. For the three months ended March 31, 2022 and 2021, no trademark impairment losses were recognized.

Revenue Recognition

Self Storage Operations

Management believes that all of our leases are operating leases. Rental income is recognized in accordance with the terms of the leases, which generally are month-to-month. Revenues from any long-term operating leases are recognized on a straight-line basis over the term of the lease. The excess of rents received over amounts contractually due pursuant to the underlying leases is included in accounts payable and accrued liabilities in our consolidated balance sheets, and contractually due but unpaid rent is included in other assets.

Managed REIT Platform

We earn property management and asset management revenue, pursuant to the respective property management and advisory agreement contracts, in connection with providing services to the Managed REITs. We have determined under ASC 606 – Revenue from Contracts with Customers (“ASC 606”), that the performance obligation for the property management services and asset management services are satisfied as the services are rendered. While we are compensated for our services on a monthly basis, these services represent a series of distinct daily services in accordance with ASC 606. Such revenue is recorded in the Managed REIT Platform revenue line within our consolidated statements of operations.

The Managed REITs’ advisory agreements also provide for reimbursement to us of our direct and indirect costs of providing administrative and management services to the Managed REITs. These reimbursements include costs incurred in relation to organization and offering services provided to the Managed REITs and the reimbursement of salaries, bonuses, and other expenses related to benefits paid to our employees while performing services for the Managed REITs. The Managed REITs’ property management agreements also provide reimbursement to us for the property manager’s costs of managing the properties. Reimbursable costs include wages and salaries and other expenses that arise in operating, managing and maintaining the Managed REITs’ properties.

Under ASC 606, direct reimbursement of such costs does not represent a separate performance obligation from our obligation to perform property management and asset management services. The reimbursement income is considered variable consideration, and is recognized as the costs are incurred, subject to limitations on the Managed REIT Platform’s ability to incur offering costs or limitations imposed by the advisory agreements. We have elected to separately record such revenue in the Reimbursable costs from Managed REITs line within our consolidated statements of operations.

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Additionally, we earn revenue in connection with our Tenant Protection Programs joint ventures with our Managed REITs. We also earn development and construction management revenue from services we provide in connection with the project design, coordination and oversight of development and certain capital improvement projects undertaken by the Managed REITs. We recognize such revenue in the Managed REIT Platform revenue line within our consolidated statements of operations as the services are performed or delivered. See Note 9 – Related Party Transactions, for additional information regarding revenue generated from our Managed REIT Platform.

Allowance for Doubtful Accounts

Tenant accounts receivable is reported net of an allowance for doubtful accounts. Management records this general reserve estimate based upon a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change in the future. As of March 31, 2022 and December 31, 2021, approximately \$0.4 million and \$0.5 million were recorded to allowance for doubtful accounts, respectively.

Advertising Costs

Advertising costs are expensed in the period in which the cost is incurred and are included in property operating expenses and general and administrative lines within our consolidated statements of operations, depending on the nature of the expense. The Company incurred advertising costs of approximately \$1.0 million and \$0.8 million for the three months ended March 31, 2022 and 2021, respectively, within property operating expenses, and approximately \$0.1 million and \$0.1 million for the three months ended March 31, 2022, and 2021, respectively, within general and administrative.

Real Estate Facilities

We capitalize costs incurred to develop, construct, renovate and improve properties, including interest and property taxes incurred during the construction period. The construction period begins when expenditures for the real estate assets have been made and activities that are necessary to prepare the asset for its intended use are in progress. The construction period ends when the asset is substantially complete and ready for its intended use.

Depreciation of Real Property Assets

Our management is required to make subjective assessments as to the useful lives of our depreciable assets. We consider the period of future benefit of the asset to determine the appropriate useful lives.

Depreciation of our real property assets is charged to expense on a straight-line basis over the estimated useful lives as follows:

Description	Standard Depreciable Life
Land	Not Depreciated
Buildings	30-40 years
Site Improvements	7-10 years

Depreciation of Personal Property Assets

Personal property assets consist primarily of furniture, fixtures and equipment and are depreciated on a straight-line basis over the estimated useful lives, generally ranging from 3 to 5 years, and are included in other assets on our consolidated balance sheets.

Intangible Assets

We have allocated a portion of our real estate purchase price to in-place lease intangibles. We amortize in-place lease intangibles on a straight-line basis over the estimated future benefit period. As of March 31, 2022 the gross amount allocated to in-place lease intangibles was approximately \$69.6 million and accumulated amortization of in-place lease intangibles totaled approximately \$60.6 million. As of December 31, 2021, the gross amounts allocated to in-place lease intangibles were approximately \$68.6 million and accumulated amortization of in-place lease intangibles totaled approximately \$56.8 million.

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The total estimated future amortization expense of intangible assets related to our self storage properties for the years ending December 31, 2022, 2023, 2024, 2025, 2026 and thereafter is approximately \$7.3 million, \$0.6 million, \$0.1 million, \$0.1 million, \$0.1 million, and \$0.9 million, respectively.

In connection with the Self Administration Transaction, we allocated a portion of the consideration to the contracts that we acquired related to the Managed REITs and the customer relationships related to the tenant protection programs ("Tenant Protection Programs") joint ventures. For these intangibles, we are amortizing such amounts on a straight-line basis over the estimated benefit period of the contracts and customer relationships.

As of March 31, 2022, the gross amount of the intangible assets related to the Managed REIT contracts and the customer relationships related to the Tenant Protection Programs joint ventures was approximately \$6.8 million and accumulated amortization of those intangibles totaled approximately \$4.5 million. As of December 31, 2021, the gross amount of the intangible assets related to the Managed REIT contracts and the customer relationships related to the Tenant Protection Programs joint ventures was approximately \$6.8 million and accumulated amortization of those intangibles totaled approximately \$4.3 million.

The total estimated future amortization expense for such intangible assets for the years ending December 31, 2022, 2023, 2024, 2025 and 2026 is approximately \$0.5 million, \$0.7 million, \$0.7 million, \$0.3 million, and none thereafter, respectively.

We evaluate whether any triggering events or changes in circumstances have occurred subsequent to our annual impairment test that would indicate an impairment condition may exist. If any change in circumstance or triggering event occurs, and results in a significant impact to our revenue and profitability projections, or any significant assumption in our valuations methods is adversely impacted, the impact could result in a material impairment charge in the future.

Debt Issuance Costs

The net carrying value of costs incurred in connection with obtaining non revolving debt are presented on the balance sheet as a deduction from debt; amounts incurred related to obtaining revolving debt are included in the debt issuance costs line on our consolidated balance sheet (see Note 5 - Debt). Debt issuance costs are amortized using the effective interest method.

As of March 31, 2022 the gross amount of debt issuance costs related to our revolving credit facility totaled approximately \$4.1 million and accumulated amortization of debt issuance costs related to our revolving credit facility totaled approximately \$1.2 million. As of December 31, 2021, the gross amount of debt issuance costs related to our revolving credit facility totaled approximately \$4.1 million, and accumulated amortization of debt issuance costs related to our revolving credit facility totaled approximately \$0.8 million.

As of March 31, 2022, the gross amount allocated to debt issuance costs related to non-revolving debt totaled approximately \$5.8 million and accumulated amortization of debt issuance costs related to non-revolving debt totaled approximately \$2.1 million. As of December 31, 2021, the gross amount allocated to debt issuance costs related to non-revolving debt totaled approximately \$5.8 million and accumulated amortization of debt issuance costs related to non-revolving debt totaled approximately \$1.9 million.

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Organizational and Offering Costs

Through March 31, 2022, we paid our Former Dealer Manager an ongoing stockholder servicing fee that was payable monthly and accrued daily in an amount equal to 1/365th of 1% of the purchase price per share of the Class T Shares sold in the Primary Offering. In accordance with the selling agreements we entered into with respect to the sale of Class T Shares, we ceased paying the stockholder servicing fee with respect to the Class T Shares sold in the Primary Offering at the fifth anniversary of the last day of the fiscal quarter in which our Primary Offering (i.e., excluding our distribution reinvestment plan offering) terminated (March 31, 2022). Our Former Dealer Manager entered into participating dealer agreements with certain other broker dealers which authorized them to sell our shares. Upon sale of our shares by such broker-dealers, our Former Dealer Manager re-allowed all of the sales commissions and, subject to certain limitations, the stockholder servicing fees paid in connection with sales made by these broker-dealers. Our Former Dealer Manager was also permitted to re-allow to these broker-dealers a portion of their dealer manager fee as marketing fees, reimbursement of certain costs and expenses of attending training and education meetings sponsored by our Former Dealer Manager, payment of attendance fees required for employees of our Former Dealer Manager or other affiliates to attend retail seminars and public seminars sponsored by these broker-dealers, or to defray other distribution-related expenses. We recorded a liability within due to affiliates for the future estimated stockholder servicing fees at the time of sale of Class T Shares as an offering cost.

Foreign Currency Translation

For non-U.S. functional currency operations, assets and liabilities are translated to U.S. dollars at current exchange rates. Revenues and expenses are translated at the average rates for the period. All adjustments related to amounts classified as long term net investments are recorded in accumulated other comprehensive income (loss) as a separate component of equity. Transactions denominated in a currency other than the functional currency of the related operation are recorded at rates of exchange in effect at the date of the transaction. Changes in investments not classified as long term are recorded in other income (expense) and represented a gain of approximately \$2.0 million and a gain of approximately \$0.1 million for the three months ended March 31, 2022 and 2021, respectively.

Redeemable Common Stock

We adopted a share redemption program ("SRP") that enables stockholders to sell their shares to us in limited circumstances.

We record amounts that are redeemable under the SRP as redeemable common stock in the accompanying consolidated balance sheets since the shares are redeemable at the option of the holder and therefore their redemption is outside our control. The maximum amount redeemable under our SRP is limited to the number of shares we can repurchase with the amount of the net proceeds from the sale of shares under the distribution reinvestment plan. However, accounting guidance states that determinable amounts that can become redeemable should be presented as redeemable when such amount is known. Therefore, the net proceeds from the distribution reinvestment plan are considered to be temporary equity and are presented as redeemable common stock in the accompanying consolidated balance sheets.

In addition, current accounting guidance requires, among other things, that financial instruments that represent a mandatory obligation of us to repurchase shares be classified as liabilities and reported at settlement value. When we determine we have a mandatory obligation to repurchase shares under the SRP, we reclassify such obligations from temporary equity to a liability based upon their respective settlement values.

On August 26, 2019, our board of directors approved a partial suspension of our SRP, effective as of September 27, 2019, so that common shares were redeemable at the option of the holder only in connection with (i) death or disability of a stockholder, (ii) confinement to a long-term care facility, or (iii) other exigent circumstances. In order to preserve cash in light of the uncertainty relating to COVID-19 and its potential impact on our overall financial results, on March 30, 2020, our board of directors approved the complete suspension of our SRP, effective on April 29, 2020. Due to the complete suspension, we were unable to honor redemption requests made during the quarter ended March 31, 2020 or the quarter ended June 30, 2020.

On August 20, 2020, our board of directors determined that it would be in our best interests to partially reinstate the SRP, effective as of September 23, 2020.

On March 7, 2022, our board of directors approved the complete suspension of the Company's SRP. See Note 11 – Commitments and Contingencies for additional information.

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For the year ended December 31, 2021, we received redemption requests totaling approximately \$5.6 million (approximately 0.4 million shares), approximately \$3.9 million of which were fulfilled during the year ended December 31, 2021, with the remaining approximately \$1.7 million included in accounts payable and accrued liabilities as of December 31, 2021 and fulfilled in January 2022.

Accounting for Equity Awards

We issue equity based awards generally in two forms: (1) restricted stock awards consisting of shares of our common stock and (2) long-term incentive plan units of our Operating Partnership (“LTIP Units”), both of which may be issued subject to either time based vesting criteria or performance based vesting criteria restrictions. For time based awards granted which contain a graded vesting schedule, compensation cost is recognized as an expense on a straight-line basis over the requisite service period as if the award was, in substance, a single award. For performance based awards, compensation cost is recognized over the requisite service period if and when we determine the performance condition is probable of being achieved. We record the cost of such equity based awards based on the grant date fair value, and have elected to record forfeitures as they occur.

Employee Benefit Plan

The Company terminated its relationship with a professional employer organization and began maintaining its own retirement savings plan in May of 2021 under Section 401(k) of the Internal Revenue Code under which eligible employees can contribute up to 100% of their annual salary, subject to a statutory prescribed annual limit. For the three months ended March 31, 2022, the Company made matching contributions to such plan of approximately \$0.2 million, based on a company match of 100% on the first 4% of an employee’s compensation.

Fair Value Measurements

Under GAAP, we are required to measure certain financial instruments at fair value on a recurring basis. In addition, we are required to measure other financial instruments and balances at fair value on a non-recurring basis. Fair value is defined by the accounting standard for fair value measurements and disclosures as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels. The following summarizes the three levels of inputs and hierarchy of fair value we use when measuring fair value:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access;
- Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as interest rates and yield curves that are observable at commonly quoted intervals; and
- Level 3 inputs are unobservable inputs for the assets or liabilities that are typically based on an entity’s own assumptions as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level that is significant to the fair value measurement in its entirety.

The accounting guidance for fair value measurements and disclosures provides a framework for measuring fair value and establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. In determining fair value, we will utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as consider counterparty credit risk in our assessment of fair value. Considerable judgment will be necessary to interpret Level 2 and 3 inputs in determining fair value of our financial and non-financial assets and liabilities. Accordingly, there can be no assurance that the fair values we will present will be indicative of amounts that may ultimately be realized upon sale or other disposition of these assets.

Financial and non-financial assets and liabilities measured at fair value on a non-recurring basis in our consolidated financial statements consist of real estate and related liabilities assumed related to our acquisitions along with the assets and

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liabilities described in Note 3 – Real Estate Facilities. The fair values of these assets and liabilities were determined as of the acquisition dates using widely accepted valuation techniques, including (i) discounted cash flow analysis, which considers, among other things, leasing assumptions, growth rates, discount rates and terminal capitalization rates, (ii) income capitalization approach, which considers prevailing market capitalization rates, and (iii) comparable sales activity. Additionally, certain such assets and liabilities are required to be fair valued periodically or valued pursuant to ongoing fair value requirements and impairment analyses and have been valued subsequently utilizing the same techniques noted above. In general, we consider multiple valuation techniques when measuring fair values. However, in certain circumstances, a single valuation technique may be appropriate. All of the fair values of the assets and liabilities as of the acquisition dates were derived using Level 3 inputs.

The carrying amounts of cash and cash equivalents, restricted cash, other assets, variable-rate debt, accounts payable and accrued liabilities, distributions payable and amounts due to affiliates approximate fair value.

The table below summarizes our fixed rate notes payable at March 31, 2022 and December 31, 2021. The estimated fair value of financial instruments is subjective in nature and is dependent on a number of important assumptions, including discount rates and relevant comparable market information associated with each financial instrument. The fair value of the fixed rate notes payable was estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. The use of different market assumptions and estimation methodologies may have a material effect on the reported estimated fair value amounts. Accordingly, the estimates presented below are not necessarily indicative of the amounts we would realize in a current market exchange.

	March 31, 2022		December 31, 2021	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Fixed Rate Secured Debt	\$ 335,000,000	\$ 340,303,486	\$ 353,600,000	\$ 340,967,113

During the three months ended March 31, 2022 and 2021, we held interest rate swaps, interest rate caps, and net investment hedges to hedge our interest rate and foreign currency exposure (See Notes 5 – Debt and 7 – Derivative Instruments). The valuations of these instruments were determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivative. The analyses reflect the contractual terms of the derivatives, including the period to maturity, and used observable market-based inputs, including interest rate curves, foreign exchange rates, and implied volatilities. The fair value of the interest rate swaps were determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash payments. Our fair values of our net investment hedges are based on the change in the spot rate at the end of the period as compared with the strike price at inception.

To comply with GAAP, we incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of derivative contracts for the effect of non-performance risk, we consider the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although we had determined that the majority of the inputs used to value our derivatives were within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilized Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparties. However, through March 31, 2022, we had assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of our derivatives. As a result, we determined that our derivative valuations in their entirety were classified in Level 2 of the fair value hierarchy.

Derivative Instruments and Hedging Activities

We record all derivatives on our balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted

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transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. We may enter into derivative contracts that are intended to economically hedge certain of our risks, even though hedge accounting does not apply or we elect not to apply hedge accounting.

For derivatives designated as net investment hedges, the effective portion of changes in the fair value of the derivatives are reported in accumulated other comprehensive income (loss). The ineffective portion of the change in fair value of the derivatives is recognized directly in earnings. Amounts are reclassified out of other comprehensive (loss) income into earnings (loss) when the hedged net investment is either sold or substantially liquidated.

Income Taxes

We made an election to be taxed as a Real Estate Investment Trust ("REIT"), under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with our taxable year ended December 31, 2014. To qualify as a REIT, we must continue to meet certain organizational and operational requirements, including a requirement to distribute at least 90% of the REIT's ordinary taxable income to stockholders (which is computed without regard to the dividends paid deduction or net capital gains and which does not equal net income as calculated in accordance with GAAP). For income tax purposes, distributions to common stockholders are characterized as ordinary dividends, capital gain dividends, or as nontaxable distributions. To the extent that we make a distribution in excess of our current or accumulated earnings and profits, the distribution will be a non-taxable return of capital, reducing the tax basis in each U.S. stockholder's shares, and the amount of each distribution in excess of a U.S. stockholder's tax basis in its shares will be taxable as gain realized from the sale of its shares. As a REIT, we generally will not be subject to federal income tax on taxable income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will then be subject to federal income taxes on our taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost unless the IRS grants us relief under certain statutory provisions. Such an event could materially adversely affect our net income and net cash available for distribution to stockholders. However, we believe that we are organized and operate in such a manner as to qualify for treatment as a REIT and intend to operate in the foreseeable future in such a manner that we will remain qualified as a REIT for federal income tax purposes.

Even if we continue to qualify for taxation as a REIT, we may be subject to certain state, local, and foreign taxes on our income and property, and federal income and excise taxes on our undistributed income.

We filed an election to treat SmartStop TRS as a taxable REIT subsidiary effective January 1, 2014. We have other TRS Entities for which we have made similar elections. In general, our TRS Entities perform additional services for our customers and provide the advisory and property management services to the Managed REITs and otherwise generally engages in any real estate or non-real estate related business. The TRS Entities are subject to corporate federal and state income tax.

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities. As of March 31, 2022, the net deferred tax liability of approximately \$8.1 million was comprised of a deferred tax liability of approximately \$0.6 million related to our intangible assets acquired in the Self Administration Transaction, and a net deferred tax liability of approximately \$7.5 million recorded at certain of our Canadian entities' properties. The \$7.5 million net deferred tax liability is comprised of a gross deferred tax liability of approximately \$10.4 million, net of a gross deferred tax asset of approximately \$3.0 million.

As of December 31, 2021, the net deferred tax liability of approximately \$7.7 million was comprised of a deferred tax liability of approximately \$0.6 million related to our intangible assets acquired in the Self Administration Transaction, and a net deferred tax liability of approximately \$7.1 million recorded at certain of our Canadian entities' properties. The \$7.1 million net deferred tax liability is comprised of a gross deferred tax liability of approximately \$10.2 million, net of a gross deferred tax asset of approximately \$3.1 million.

The income tax impact for the three months ended March 31, 2022 and 2021 includes a deferred tax expense of approximately \$0.2 million and benefit of approximately \$1.9 million, respectively, and a current tax expense of approximately \$0.1 million and \$0.1 million, respectively.

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The Company recorded a net combined foreign, federal, and state income tax expense of approximately \$0.3 million and a benefit of approximately \$1.8 million for the three months ended March 31, 2022 and 2021, respectively, which are included in other in our consolidated statements of operations.

At March 31, 2022 and December 31, 2021, there were unrecognized tax benefits of approximately \$3.6 million and \$3.7 million, respectively. These unrecognized tax benefits represent the tax benefit from the carry forward of non-capital losses at certain of our Canadian properties for Canadian income tax purposes which we have recorded a full valuation allowance against.

As of March 31, 2022 and December 31, 2021, the Company had no interest or penalties related to uncertain tax positions. Income taxes payable are classified within accounts payable and accrued liabilities in the consolidated balance sheets. As of March 31, 2022, the tax years 2017-2020 remain open to examination by the major taxing jurisdictions to which we are subject.

Concentration

No single self storage customer represents a significant concentration of our revenues. For the month of March 2022, approximately 21.5%, 20.3%, and 11.6% of our rental income was concentrated in Florida, California, and the Greater Toronto Area of Canada, respectively. Our properties within the aforementioned geographic areas are dispersed therein, operating in multiple different regions and sub-markets.

Segment Reporting

Our business is composed of two reportable segments: (i) self storage operations and (ii) the Managed REIT Platform business. Please see Note 8 – Segment Disclosures for additional detail.

Convertible Preferred Stock

We classify our Series A Convertible Preferred Stock (as defined in Note 6 – Preferred Equity) on our consolidated balance sheets using the guidance in ASC 480-10-S99. Our Series A Convertible Preferred Stock can be redeemed by us on or after the fifth anniversary of its issuance, or if certain events occur, such as the listing of our common stock on a national securities exchange, a change in control, or if a redemption would be required to maintain our REIT status. Additionally, if we do not maintain our REIT status the holder can require redemption. As the shares are contingently redeemable, and under certain circumstances not solely within our control, we have classified our Series A Convertible Preferred Stock as temporary equity.

We have analyzed whether the conversion features in our Series A Convertible Preferred Stock should be bifurcated under the guidance in ASC 815-10 and have determined that bifurcation is not necessary.

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Per Share Data

Basic earnings per share attributable to our common stockholders for all periods presented are computed by dividing net income (loss) attributable to our common stockholders by the weighted average number of common shares outstanding during the period, excluding unvested restricted stock.

Diluted earnings per share is computed by including the dilutive effect of the conversion of all potential common stock equivalents (which includes unvested restricted stock, convertible preferred stock, Class A and Class A-1 OP Units, and LTIP Units) and accordingly, adjusting net income to add back any changes in earnings that reduce earnings per common share in the period associated with the convertible security. For all periods presented, the dilutive effect of convertible preferred stock and unvested restricted stock was not included in the diluted weighted average shares as such impact was antidilutive.

The following table presents the weighted average Class A and Class A-1 OP Units, Preferred Stock, LTIP Units, and Restricted Stock Awards, that were excluded from the computation of earnings per share as their effect would have been antidilutive, and is calculated using the two-class, treasury stock or if-converted method, as applicable:

	For the Three Months Ended March 31,	
	2022	2021
	Equivalent Shares (if converted)	Equivalent Shares (if converted)
Class A and Class A-1 OP Units	10,416,211	9,248,375
Series A Convertible Preferred Stock	18,761,726	18,761,726
Unvested LTIP Units	304,762	61,511
Unvested Restricted Stock Awards	126,037	98,189
	<u>29,608,736</u>	<u>28,169,801</u>

Recently Adopted Accounting Guidance

In August 2020, the FASB issued ASU 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)." The new guidance simplifies the accounting for convertible instruments and amends the guidance for the derivatives scope exception for contracts in an entity's own equity. Additionally, this standard amends the related earnings per share guidance. The guidance in ASU 2020-06 became effective for fiscal years beginning after December 15, 2021. Our adoption of this standard did not have a material impact on the consolidated financial statements.

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Recently Issued Accounting Guidance

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848)." ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. We continue to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

Note 3. Real Estate Facilities

The following summarizes the activity in real estate facilities during the three months ended March 31, 2022:

Real estate facilities	
Balance at December 31, 2021	\$ 1,593,623,628
Facility acquisitions	18,156,701
Impact of foreign exchange rate changes	3,175,231
Improvements and additions	1,116,242
Balance at March 31, 2022	\$ 1,616,071,802
Accumulated depreciation	
Balance at December 31, 2021	\$ (155,926,875)
Depreciation expense	(10,862,117)
Impact of foreign exchange rate changes	(367,764)
Balance at March 31, 2022	\$ (167,156,756)

Merger with Strategic Storage Trust IV, Inc.

On November 10, 2020, we, SST IV Merger Sub, LLC, a Maryland limited liability company and a wholly-owned subsidiary of ours ("SST IV Merger Sub"), and SST IV entered into an agreement and plan of merger (the "SST IV Merger Agreement"). Pursuant to the terms and conditions set forth in the SST IV Merger Agreement, on March 17, 2021 (the "SST IV Merger Date"), we acquired SST IV by way of a merger of SST IV with and into SST IV Merger Sub, with SST IV Merger Sub being the surviving entity.

On the SST IV Merger Date, each share of SST IV common stock outstanding immediately prior to the SST IV Merger Date (other than shares owned by SST IV and its subsidiaries or us and our subsidiaries) was automatically converted into the right to receive 2.1875 Class A Shares (the "SST IV Merger Consideration"). Immediately prior to the SST IV Merger Effective Time, all shares of SST IV common stock that were subject to vesting and other restrictions also became fully vested and converted into the right to receive the SST IV Merger Consideration.

As a result of the SST IV Merger, we acquired all of the real estate owned by SST IV, consisting of 24 wholly-owned self storage facilities located across nine states and six self storage real estate joint ventures located in the Greater Toronto Area of Ontario, Canada. As of the SST IV Merger Date, the real estate joint ventures consisted of three operating properties and three properties in various stages of development.

The following table reconciles the total consideration transferred in the SST IV Merger:

Fair value of consideration transferred:	
Common stock issued	\$ 231,412,470
Cash ⁽¹⁾	54,250,000
Other	365,703
Total consideration transferred	\$ 286,028,173

⁽¹⁾ The approximately \$54.3 million in cash was primarily used to pay off approximately \$54.0 million of SST IV debt that we did not assume in the SST IV Merger, as well as approximately \$0.3 million in transaction costs.

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We issued approximately 23.1 million Class A Shares to the former SST IV stockholders in connection with the SST IV Merger. The estimated fair value of our common stock issued was determined by third party valuation specialists primarily based on an income approach to value the properties as well as our Managed REIT Platform, adjusted for market related adjustments and illiquidity discounts, less the estimated fair value of our debt and other liabilities.

These fair value measurements are based on significant inputs not observable in the market and thus represent a Level 3 measurement as discussed in Note 2 – Summary of Significant Accounting Policies. The key assumptions used in estimating the fair value of our common stock included a marketability discount of 6%, and projected annual net operating income, land sales comparisons, growth rates, discount rates, and capitalization rates.

The following table summarizes the relative fair values of the assets acquired and liabilities assumed in the SST IV Merger:

Assets Acquired:	
Land	\$ 54,385,560
Buildings	257,618,228
Site improvements	12,340,848
Construction in process	1,467,090
Intangible assets	20,052,449
Investments in real estate joint ventures	17,495,254
Cash and cash equivalents, and restricted cash	7,763,490
Other assets	4,145,394
Total assets acquired	\$ 375,268,313
Liabilities assumed:	
Debt ⁽¹⁾	\$ 81,165,978
Accounts payable and other liabilities	8,074,162
Total liabilities assumed	\$ 89,240,140
Total net assets acquired	\$ 286,028,173

- ⁽¹⁾ Debt assumed includes approximately \$40.5 million of debt on the KeyBank SST IV CMBS Loan, a \$0.1 million fair market value discount on such debt, and the approximately \$40.8 million SST IV TCF Loan. See Note 5 – Debt, for additional information.

Self Storage Facility Acquisitions

On February 8, 2022, we purchased a self storage facility located in Algonquin, Illinois (the "Algonquin Property"). The purchase price for the Algonquin Property was approximately \$19 million, plus closing costs. Upon acquisition, the property was approximately 72.4% occupied. The acquisition was funded with proceeds from a draw on the KeyBank Credit Facility Revolver of \$19 million.

The following table summarizes the purchase price allocation for the real estate related assets acquired during the three months ended March 31, 2022:

Acquisition	Acquisition Date	Real Estate Assets	Intangibles	Total ⁽¹⁾	2022 Revenue ⁽²⁾	2022 Net Operating Income ⁽²⁾⁽³⁾
Algonquin, IL	2/8/2022	\$ 18,156,701	\$ 849,414	\$ 19,006,115	\$ 186,503	\$ 110,267

- ⁽¹⁾ The allocations noted above are based on a determination of the relative fair value of the total consideration provided and represent the amount paid including capitalized acquisition costs.
- ⁽²⁾ The operating results of the self storage properties acquired have been included in our consolidated statements of operations since their respective acquisition dates.
- ⁽³⁾ Net operating income excludes corporate general and administrative expenses, interest expenses, depreciation, amortization and acquisition related expenses.

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Subsequent Acquisitions

On May 10, 2022, we purchased a self storage facility located in the city of Sacramento, California (the “Sacramento Property”). The purchase price for the Sacramento Property was approximately \$25.8 million, plus closing costs. See Note 13 — Subsequent Events, for additional information.

Potential Acquisitions

On February 22, 2022, one of our subsidiaries executed a purchase and sale agreement with an unaffiliated third party for the acquisition of an existing operating self storage facility located in the city of Burnaby, British Columbia (the “Regent Property”). The purchase price for the Regent Property is \$7.0 million CAD, plus closing costs. There can be no assurance that we will complete this acquisition. If we fail to acquire the Regent Property, in addition to the incurred acquisition costs, we may also forfeit earnest money as a result.

On March 17, 2022, one of our subsidiaries executed a purchase and sale agreement with an unaffiliated third party for the acquisition of an existing operating self storage facility located in the city of St. Johns, Florida (the “St. Johns Property”). The purchase price for the St. Johns Property is \$16.3 million, plus closing costs. There can be no assurance that we will complete this acquisition. If we fail to acquire the St. Johns Property, in addition to the incurred acquisition costs, we may also forfeit earnest money as a result.

On April 25, 2022, one of our subsidiaries executed a purchase and sale agreement with an unaffiliated third party for the acquisition of an existing operating self storage facility located in the city of Aurora, Colorado (the “Aurora Property”). The purchase price for the Aurora Property is \$12.0 million, plus closing costs. There can be no assurance that we will complete this acquisition. If we fail to acquire the Aurora Property, in addition to the incurred acquisition costs, we may also forfeit earnest money as a result.

On May 3, 2022, one of our subsidiaries executed a purchase and sale agreement with an unaffiliated third party for the acquisition of an existing operating self storage facility located in the city of St. Augustine, Florida (the “St. Augustine Property”). The purchase price for the St. Augustine Property is \$20.5 million, plus closing costs. There can be no assurance that we will complete this acquisition. If we fail to acquire the St. Augustine Property, in addition to the incurred acquisition costs, we may also forfeit earnest money as a result.

We may assign the above purchase and sale agreements in part or in full to one of our Managed REITs.

Potential SSGT II Merger

On February 24, 2022, the Company, SSGT II, and SSGT II Merger Sub, entered into the SSGT II Merger Agreement. The SSGT II Merger Agreement provides that, subject to satisfaction or waiver of various conditions set forth in the SSGT II Merger Agreement, we will acquire SSGT II by way of a merger of SSGT II with and into SSGT II Merger Sub, with SSGT II Merger Sub being the surviving entity.

At the effective time of the SSGT II Merger (the “Merger Effective Time”), SSGT II shall cease to exist as a separate entity in accordance with the applicable provisions of the Maryland General Corporation Law. The special committee of our board of directors (the “SmartStop Special Committee”), our board of directors, and the board of directors of SSGT II (the “SSGT II Board”) have unanimously approved the SSGT II Merger, the SSGT II Merger Agreement, and the transactions contemplated by the SSGT II Merger Agreement. The SmartStop Special Committee is composed entirely of independent directors of the Company.

Pursuant to the terms and subject to the conditions set forth in the SSGT II Merger Agreement, at the SSGT II Merger Effective Time, each share of SSGT II’s common stock, \$0.001 par value per share (“SSGT II Common Stock”), issued and outstanding immediately prior to the SSGT II Merger Effective Time (other than shares owned by us, any subsidiary of ours, or any subsidiary of SSGT II) will be converted into the right to receive 0.9118 shares of our Class A Shares, subject to the treatment of fractional shares in accordance with the SSGT II Merger Agreement (the “SSGT II Merger Consideration”).

Assuming all of the conditions of the SSGT II Merger are satisfied and the SSGT II Merger is consummated in accordance with the terms in the SSGT II Merger Agreement, we will acquire all of the real estate owned by SSGT II, which as of February 24, 2022 consisted of (i) 10 wholly-owned self storage facilities located in seven states comprising approximately 7,740 self storage units and approximately 853,900 net rentable square feet, and (ii) SSGT II’s 50% equity interest in three unconsolidated real estate ventures located in the Greater Toronto Area of Ontario, Canada.

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The unconsolidated real estate ventures consist of one operating self storage property and two parcels of land being developed into self storage facilities, with subsidiaries of SmartCentres owning the other 50% of such entities.

The SSGT II Merger Agreement contains customary representations, warranties, and covenants, including covenants relating to the conduct of our business and the business of SSGT II during the period between the execution of the SSGT II Merger Agreement and the earlier of the completion of the SSGT II Merger or the termination of the SSGT II Merger Agreement in accordance with its terms. The closing of the SSGT II Merger (the “Closing”) is subject to and conditioned on the approval of the SSGT II Merger by the affirmative vote of the holders of not less than a majority of all outstanding shares of SSGT II Common Stock (the “Stockholder Approval”). Pursuant to the terms of the SSGT II Merger Agreement, the Closing is also subject to other customary conditions, including the delivery of certain documents and legal opinions, the accuracy of the representations and warranties of the parties (subject to the materiality standards contained in the SSGT II Merger Agreement), and the absence of a “SmartStop Material Adverse Effect” or “SSGT II Material Adverse Effect” (as each term is defined in the SSGT II Merger Agreement). Our obligation to consummate the SSGT II Merger is not subject to a financing condition. The Closing is not subject to the approval of our stockholders.

In connection with the termination of the SSGT II Merger Agreement and SSGT II’s entry into an alternative transaction with respect to a Superior Proposal (as defined in the SSGT II Merger Agreement), as well as under other specified circumstances, SSGT II will be required to pay to us a termination payment of \$5,200,000. In addition, the SSGT II Merger Agreement provides for customary expense reimbursement (not to exceed \$1,000,000) under specified circumstances set forth in the SSGT II Merger Agreement.

Note 4. Investments in Unconsolidated Real Estate Ventures

As a result of the SST IV Merger, we acquired six self storage real estate joint ventures located in the Greater Toronto Area of Ontario, Canada. As of March 31, 2022, the real estate joint ventures consisted of five operating properties and one property under development. These joint venture agreements are with a subsidiary of SmartCentres, an unaffiliated third party, to acquire tracts of land and develop and operate the properties as self storage facilities.

We account for these investments using the equity method of accounting and they are stated at cost and adjusted for our share of net earnings or losses and reduced by distributions. Equity in earnings (loss) will generally be recognized based on our ownership interest in the earnings (loss) of each of the unconsolidated investments. For the three months ended March 31, 2022 and 2021 respectively, we recorded aggregate earnings (loss) of approximately \$(230,000) and \$2,000 respectively, from our equity in earnings related to our unconsolidated real estate ventures in Canada.

The following table summarizes our 50% ownership interests in investments in unconsolidated real estate ventures in the Greater Toronto Area, Canada:

JV Property	Date Real Estate Venture Became Operational	Carrying Value of Investment as of March 31, 2022
Oshawa	August 2021	\$ 1,731,009
East York	June 2020	6,537,259
Brampton	November 2020	2,365,553
Vaughan	January 2021	2,891,125
Scarborough	November 2021	2,738,915
Kingspoint	Under Development	2,921,656
		\$ 19,185,517

Financing Agreement

We, through our acquisition of the Oshawa, East York, Brampton, Vaughan, and Scarborough joint venture partnerships, also became party to a master mortgage commitment agreement (the “MMCA”) with SmartCentres Storage Finance LP (the “SmartCentres Lender”) (collectively, the “SmartCentres Financing”). The SmartCentres Lender is an affiliate of SmartCentres.

On August 18, 2021, the Kingspoint property was added to the MMCA, increasing the available capacity. The SmartCentres Financing includes an accordion feature such that borrowings pursuant thereto may be increased up to approximately CAD \$120 million subject to certain conditions set forth in the MMCA.

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As of March 31, 2022 and December 31, 2021, approximately CAD \$70.5 million and CAD \$67.2 million, respectively, was outstanding on the SmartCentres Financing. The proceeds of the SmartCentres Financing will be used to finance the development and construction of the JV Properties.

The SmartCentres Financing is secured by first mortgages on each of the JV Properties. Interest on the SmartCentres Financing is a variable annual rate equal to the aggregate of: (i) the BA Equivalent Rate, plus: (ii) a margin based on the External Credit Rating, plus (iii) a margin under the Senior Credit Facility, each as defined and described further in the MMCA. As of March 31, 2022, the total interest rate was approximately 3.05%.

The SmartCentres Financing, as amended, has a maturity date of May 11, 2024, and contains two one year extension options. Monthly interest payments are initially capitalized on the outstanding principal balance. Upon a JV Property generating sufficient Net Cash Flow (as defined in the MMCA), the SmartCentres Financing provides for the commencement of quarterly payments of interest. As of March 31, 2022, no such payments had commenced. The borrowings advanced pursuant to the SmartCentres Financing may be prepaid without penalty, subject to certain conditions set forth in the MMCA.

The SmartCentres Financing contains customary affirmative and negative covenants, agreements, representations, warranties and borrowing conditions (including a loan to value ratio of no greater than 70% with respect to each JV Property) and events of default, all as set forth in the MMCA. We serve as a full recourse guarantor with respect to 50% of the SmartCentres Financing.

Note 5. Debt

The Company's debt is summarized as follows:

Loan	March 31, 2022	December 31, 2021	Interest Rate	Maturity Date
KeyBank CMBS Loan ⁽¹⁾	\$ 94,034,346	\$ 94,459,583	3.89 %	8/1/2026
KeyBank Florida CMBS Loan ⁽²⁾	52,000,000	52,000,000	4.65 %	5/1/2027
Midland North Carolina CMBS Loan ⁽³⁾	45,577,408	45,758,741	5.31 %	8/1/2024
CMBS Loan ⁽⁴⁾	104,000,000	104,000,000	5.00 %	2/1/2029
SST IV CMBS Loan ⁽⁶⁾	40,500,000	40,500,000	3.56 %	2/1/2030
SST IV TCF Loan ⁽⁶⁾⁽⁷⁾	40,782,500	40,782,500	3.75 %	3/30/2023
Credit Facility Term Loan - USD ⁽⁶⁾	250,000,000	250,000,000	2.05 %	3/17/2026
Credit Facility Revolver - USD ⁽⁶⁾	252,201,288	233,201,288	2.10 %	3/17/2024
Oakville III BMO Loan ⁽⁵⁾⁽⁶⁾	12,991,875	12,795,250	3.21 %	5/16/2024
Ladera Office Loan	3,991,771	4,014,185	4.29 %	11/1/2026
Premium on secured debt, net	199,961	234,604		
Debt issuance costs, net	(3,660,773)	(3,879,296)		
Total debt	\$ 892,618,376	\$ 873,866,855		

(1) This fixed rate loan encumbers 29 properties (Whittier, La Verne, Santa Ana, Upland, La Habra, Monterey Park, Huntington Beach, Chico, Lancaster I, Riverside, Fairfield, Lompoc, Santa Rosa, Federal Heights, Aurora, Littleton, Bloomingdale, Crestwood, Forestville, Warren I, Sterling Heights, Troy, Warren II, Beverly, Everett, Foley, Tampa, Boynton Beach, and Lancaster II) with monthly interest only payments until September 2021, at which time both interest and principal payments became due monthly. The separate assets of these encumbered properties are not available to pay our other debts.

(2) This fixed rate loan encumbers five properties (Pompano Beach, Lake Worth, Jupiter, Royal Palm Beach, and Delray) with monthly interest only payments until June 2022, at which time both interest and principal payments will be due monthly. The separate assets of these encumbered properties are not available to pay our other debts.

(3) This fixed rate loan encumbers 11 properties (Asheville I, Arden, Asheville II, Hendersonville I, Asheville III, Asheville IV, Asheville V, Asheville VI, Asheville VII, Asheville VIII, and Hendersonville II) with monthly interest only payments until September 2019, at which time both interest and principal payments became due monthly.

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- (4) This fixed rate loan encumbers 10 properties (Myrtle Beach I, Myrtle Beach II, Port St. Lucie, Plantation, Sonoma, Las Vegas I, Las Vegas II, Las Vegas III, Ft Pierce, Nantucket Island). The separate assets of these encumbered properties are not available to pay our other debts.
- (5) The amounts shown above are in USD based on the foreign exchange rate in effect as of the date presented.
- (6) For additional information regarding this loan, see below.
- (7) This loan was fully paid off subsequent to March 31, 2022. See Note 13 – Subsequent Events, for additional information.

The weighted average interest rate on our consolidated debt as of March 31, 2022 was approximately 3.09%. We are subject to certain restrictive covenants relating to the outstanding debt, and as of March 31, 2022, we were in compliance with all such covenants.

Credit Facility

On March 17, 2021, we, through our Operating Partnership (the “Borrower”), entered into a credit facility with KeyBank, National Association, as administrative agent, KeyBanc Capital Markets, LLC, Wells Fargo Securities, Citibank, N.A., and BMO Capital Markets, as joint book runners and joint lead arrangers, and certain other lenders party thereto (the “Credit Facility”).

The initial aggregate amount of the Credit Facility was \$500 million, which consisted of a \$250 million revolving credit facility (the “Credit Facility Revolver”) and a \$250 million term loan (the “Credit Facility Term Loan”). The Borrower had the right to increase the amount available under the Credit Facility by an additional \$350 million (the “Accordion Feature”), for an aggregate amount of \$850 million, subject to certain conditions. The Credit Facility also includes sublimits of (a) up to \$25 million for letters of credit and (b) up to \$25 million for swingline loans; each of these sublimits are part of, and not in addition to, the amounts available under the Credit Facility Revolver. Borrowings under the Credit Facility may be in either U.S. dollars (each, a “US Borrowing”) or Canadian dollars (each, a “CAD Borrowing”). Upon the closing of the Credit Facility, the Borrower immediately made the following drawdowns: (i) under the Credit Facility Revolver (A) \$199 million in USD Borrowings and (B) CAD \$2.5 million in CAD Borrowings (approximately \$2 million equivalent in U.S. dollars), and (ii) under the Credit Facility Term Loan (A) \$150 million in USD Borrowings and (B) CAD \$124.7 million in CAD Borrowings (approximately \$100 million equivalent in U.S. dollars), for an aggregate amount of approximately \$451 million. We used the initial proceeds primarily to pay off certain existing indebtedness as well as indebtedness of SST IV in connection with the SST IV Merger.

The maturity date of the Credit Facility Revolver is March 17, 2024, subject to a one-year extension option. The maturity date of the Credit Facility Term Loan is March 17, 2026, which cannot be extended. The Credit Facility may be prepaid or terminated at any time without penalty; provided, however, that the lenders shall be indemnified for certain breakage costs.

Amounts borrowed under the Credit Facility Revolver and Credit Facility Term Loan bear interest based on both the type of borrowing (either ABR Loans or Eurodollar Loans, each as defined in the Credit Facility), as well as the currency of the borrowing. ABR Loans bear interest at the lesser of (x) the alternate base rate plus the applicable rate, or (y) the maximum rate. Eurodollar Loans bear interest at the lesser of (a) the adjusted LIBO rate or CDOR rate (depending on whether the loan is a US Borrowing or a CAD Borrowing, respectively) for the interest period in effect plus the applicable rate, or (b) the maximum rate. The corresponding applicable rate varies depending on the type of borrowing and our consolidated leverage ratio. As of March 31, 2022, advances under the Credit Facility Term Loan bear interest at 160 basis points over 30-day LIBOR or 30-day CDOR, while advances under the Credit Facility Revolver bear interest at 165 basis points over 30-day LIBOR or 30-day CDOR. The Credit Facility is also subject to an annual unused fee based upon the average amount of the unused portion of the Credit Facility Revolver, which varies from 15 bps to 25 bps, depending on the size of the unused amount, as well as whether a Security Interest Termination Event (defined below) has occurred.

The Credit Facility is fully recourse, jointly and severally, to us, our Operating Partnership, and certain of our subsidiaries (the “Subsidiary Guarantors”). In connection with this, we, our Operating Partnership, and our Subsidiary Guarantors executed guarantees in favor of the lenders. The Credit Facility is also cross-defaulted to (i) any recourse debt of ours, our Operating Partnership, or the Subsidiary Guarantors and (ii) any non-recourse debt of ours, our Operating Partnership, or the Subsidiary Guarantors of at least \$75 million.

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The Credit Facility is initially secured by a pledge of equity interests in the Subsidiary Guarantors. However, upon the achievement of certain security interest termination conditions, the pledges shall be released and the Credit Facility shall become unsecured (the “Security Interest Termination Event”). The Security Interest Termination Event occurs at the Borrower’s election, once the Borrower satisfies the following security interest termination conditions: (i) a fixed charge coverage ratio of no less than 1.50:1.00; (ii) an unsecured interest coverage ratio of not less than 2.00:1.00; (iii) a consolidated capitalization rate leverage ratio of not greater than 60%; and (iv) a secured debt ratio of no greater than 40%. Following the occurrence of the Security Interest Termination Event, certain terms and conditions of the Credit Facility are modified, including, but not limited to: (i) in certain circumstances, a reduction in the applicable interest rate under the Credit Facility, (ii) the modification or addition of certain financial covenants, (iii) the addition of a floor of at least \$25 million for any cross-defaulted recourse debt of ours, our Operating Partnership, or any Subsidiary Guarantor, and (iv) in certain circumstances, a reduction in the annual unused fee for the Credit Facility Revolver.

The Credit Facility contains certain customary representations and warranties, affirmative, negative and financial covenants, borrowing conditions, and events of default. In particular, the financial covenants imposed include: a maximum leverage ratio, a minimum fixed charge coverage ratio, a minimum tangible net worth, certain limits on both secured debt and secured recourse debt, certain payout ratios of dividends paid to core funds from operations, limits on unhedged variable rate debt, and minimum liquidity. If an event of default occurs and continues, the Borrower is subject to certain actions by the administrative agent, including, without limitation, the acceleration of repayment of all amounts outstanding under the Credit Facility.

On May 3, 2021, we converted all of our CAD borrowings to USD Borrowings.

On October 7, 2021, the Borrower and lenders who were party to the Credit Facility amended the Credit Facility to increase the commitment on the Credit Facility Revolver by \$200 million for a total commitment of \$450 million. In connection with the increased commitments, additional lenders were added to the Credit Facility. The commitments on the Credit Facility Term Loan remain unchanged. As a result of this amendment, the aggregate commitment on the Credit Facility is now \$700 million. In addition, the Accordion Feature was also amended such that Borrower has the right to increase the aggregate amount of the Credit Facility by an additional \$350 million, for an aggregate amount of up to \$1.05 billion, subject to certain conditions.

As of March 31, 2022, the Borrower had borrowed approximately \$252 million of the \$450 million current capacity of the Credit Facility Revolver and all \$250 million of the \$250 million current capacity of the Credit Facility Term Loan.

On April 19, 2022, we amended the Credit Facility to transition from the London interbank offering rate to a secured overnight financing rate (SOFR) for floating rate borrowings. See Note 13 – Subsequent Events for additional information regarding the Credit Facility amendment.

SST IV CMBS Loan

On March 17, 2021, in connection with the SST IV Merger, we assumed a \$40.5 million CMBS financing with KeyBank as the initial lender pursuant to a mortgage loan (the “SST IV CMBS Loan”). The SST IV CMBS Loan is secured by a first mortgage or deed of trust on each of seven properties owned by us (Jensen Beach, Texas City, Riverside, Las Vegas IV, Puyallup, Las Vegas V, and Plant City). The separate assets of these encumbered properties are not available to pay our other debt. The loan has a maturity date of February 1, 2030. Monthly payments due under the loan agreement (the “SST IV CMBS Loan Agreement”) are interest only, with the full principal amount becoming due and payable on the maturity date.

The amounts outstanding under the SST IV CMBS Loan bear interest at an annual fixed rate equal to 3.56%. Commencing two years after securitization, the CMBS Loan may be defeased in whole, but not in part, subject to certain conditions as set forth in the SST IV CMBS Loan Agreement.

The loan documents for the SST IV CMBS Loan contain: customary affirmative and negative covenants; agreements; representations; warranties and borrowing conditions; reserve requirements and events of default all as set forth in such loan documents. In addition, and pursuant to the terms of the limited recourse guaranty in favor of KeyBank, we serve as a non-recourse guarantor with respect to the SST IV CMBS Loan.

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SST IV TCF Loan

On March 17, 2021, in connection with the SST IV Merger, we assumed a term loan with TCF National Bank, a national banking association (“TCF”), as lead arranger and administrative agent for up to \$40.8 million (the “SST IV TCF Loan”). The SST IV TCF Loan is secured by a first mortgage on each of the Ocoee Property, the Ardrey Kell Property, the Surprise Property, the Escondido Property, and the Punta Gorda Property (the “SST IV TCF Properties”).

The interest rate on the SST IV TCF Loan is equal to the greater of (i) 3.75% per annum or (ii) an adjustable annual rate equal to LIBOR plus 3.00%. Upon achievement of certain financial conditions, the interest rate will be equal to the greater of (i) 3.50% per annum or (ii) an adjustable annual rate equal to LIBOR plus 2.50%. As of March 31, 2022, the interest rate on the SST IV TCF Loan was 3.75%. In connection with the SST IV Merger, we also assumed an interest rate cap with a notional amount of \$30.5 million, such that in no event will LIBOR exceed 0.75% thereon through May 2022.

The SST IV TCF Loan matures on March 30, 2023, with two one-year extension options subject to certain conditions outlined further in the SST IV TCF Loan documents. During the initial term, monthly payments are interest only; during any extension periods, monthly payments are principal and interest. The SST IV TCF Loan may be prepaid in whole or in part, subject to certain conditions as set forth in the SST IV TCF loan agreement.

The SST IV TCF loan agreement also contains a debt service coverage ratio covenant applicable to the borrowers whereby, commencing on March 31, 2022, the SST IV TCF Properties must have a debt service coverage ratio of not less than 1.20 to 1.00. The SST IV TCF loan agreement also contains: customary affirmative, negative and financial covenants; agreements; representations; warranties and borrowing conditions; and events of default all as set forth in such loan agreement.

We serve as a limited recourse guarantor with respect to the SST IV TCF Loan during the initial term. Our obligations as guarantor may decrease based on the debt service coverage ratio on the SST IV TCF Properties.

On April 28, 2022, we paid in full the entire outstanding principal balance on the SST IV TCF Loan, see Note 13, - Subsequent Events for additional information.

Oakville III BMO Loan

On April 15, 2021, we purchased the Oakville III Property. We partially financed the Oakville III property acquisition with a loan from Bank of Montreal (the “Oakville III BMO Loan”), which is secured by a first lien on the Oakville III property. The loan is denominated in Canadian dollars and the proceeds from the loan were approximately CAD \$16.3 million. We provided a full recourse guaranty on the loan, which will remain in effect until the property achieves 75% physical occupancy, at which point such guaranty will be reduced to 50% of the loan balance. The interest only loan is prepayable at any time without penalty, and bears interest at a rate of 2.25% + CDOR. The Oakville III BMO Loan contains customary affirmative and negative covenants, agreements, representations, warranties and borrowing conditions.

The following table presents the future principal payment requirements on outstanding debt as of March 31, 2022:

2022	\$	2,285,549
2023		44,166,668
2024		312,236,131
2025		2,869,187
2026		341,916,098
2027 and thereafter		192,605,555
Total payments ⁽¹⁾		896,079,188
Premium on secured debt, net		199,961
Debt issuance costs, net		(3,660,773)
Total	\$	892,618,376

⁽¹⁾ On April 19, 2022, we, as guarantor, and our Operating Partnership, as issuer, entered a private placement notes offering for the placement of \$150 million of 4.53% Senior Notes due April 19, 2032. The sale and purchase of the notes will occur in two closings, with the first such closing having occurred on April 19, 2022 with \$75 million having been issued on such date. The proceeds from the first closing were used to pay off the entire outstanding principal balance of \$40.8 million on the SST

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IV TCF Loan, which had a maturity date of March 30, 2023, with the remaining funds used to pay down a portion of the Credit Facility Revolver, which has a maturity date of March 17, 2024. See Note 13 - Subsequent Events, for additional information.

Note 6. Preferred Equity

Series A Convertible Preferred Stock

On October 29, 2019 (the “Commitment Date”), we entered into a preferred stock purchase agreement (the “Purchase Agreement”) with Extra Space Storage LP (the “Investor”), a subsidiary of Extra Space Storage Inc. (NYSE: EXR), pursuant to which the Investor committed to purchase up to \$200 million in preferred shares (the aggregate shares to be purchased, the “Preferred Shares”) of our new Series A Convertible Preferred Stock (the “Series A Convertible Preferred Stock”), in one or more closings (each, a “Closing,” and collectively, the “Closings”). The initial closing (the “Initial Closing”) in the amount of \$150 million occurred on the Commitment Date, and the second and final closing in the amount of \$50 million occurred on October 26, 2020. We incurred approximately \$3.6 million in issuance costs related to the Series A Convertible Preferred Stock, which were recorded as a reduction to Series A Convertible Preferred stock on our consolidated balance sheets.

The shares of Series A Convertible Preferred Stock rank senior to all other shares of our capital stock, including our common stock, with respect to rights to receive dividends and to participate in distributions or payments upon any voluntary or involuntary liquidation, dissolution or winding up of the Company. Dividends payable on each share of Series A Convertible Preferred Stock will initially be equal to a rate of 6.25% per annum. If the Series A Convertible Preferred Stock has not been redeemed on or prior to the fifth anniversary date of the Initial Closing, the dividend rate will increase an additional 0.75% per annum each year thereafter to a maximum of 9.0% per annum until the tenth anniversary of the Initial Closing, at which time the dividend rate shall increase 0.75% per annum each year thereafter until the Series A Convertible Preferred Stock is redeemed or repurchased in full. The dividends are payable in arrears for the prior calendar quarter on or before the 15th day of March, June, September and December of each year.

Upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of Series A Convertible Preferred Stock will be entitled to receive a payment equal to the greater of (i) aggregate purchase price of all outstanding Preferred Shares, plus any accrued and unpaid dividends (the “Liquidation Amount”) and (ii) the amount that would have been payable had the Preferred Shares been converted into common stock pursuant to the terms of the Purchase Agreement immediately prior to such liquidation.

Subject to certain additional redemption rights, as described herein, we have the right to redeem the Series A Convertible Preferred Stock for cash at any time following the fifth anniversary of the Initial Closing. The amount of such redemption will be equal to the Liquidation Amount. Upon the listing of our common stock on a national securities exchange (the “Listing”), we have the right to redeem any or all outstanding Series A Convertible Preferred Stock at an amount equal to the greater of (i) the amount that would have been payable had such Preferred Shares been converted into common stock pursuant to the terms of the Purchase Agreement immediately prior to the Listing, and then all of such Preferred Shares were sold in the Listing, or (ii) the Liquidation Amount, plus a premium amount (the “Premium Amount”) of 10%, 8%, 6%, 4%, or 2% if redeemed prior to the first, second, third, fourth, or fifth anniversary dates of issuance, respectively, or 0% if redeemed thereafter, as set forth in the Articles Supplementary. Upon a change of control event, we have the right to redeem any or all outstanding Series A Convertible Preferred Stock at an amount equal to the greater of (i) the amount that would have been payable had the Preferred Shares been converted into common stock pursuant to the terms of the Purchase Agreement immediately prior to such change of control or (ii) the Liquidation Amount, plus the Premium Amount, as set forth in the Articles Supplementary. In addition, subject to certain cure provisions, if we fail to maintain our status as a real estate investment trust, the holders of Series A Convertible Preferred Stock have the right to require us to repurchase the Series A Convertible Preferred Stock at an amount equal to the Liquidation Amount with no Premium Amount.

At any time after the earlier to occur of (i) the second anniversary of the Initial Closing or (ii) 180 days after a Listing, the holders of Series A Convertible Preferred Stock have the right to convert any or all of the Series A Convertible Preferred Stock held by such holders into common stock at a rate per share equal to the quotient obtained by dividing the Liquidation Amount by the conversion price. The conversion price is \$10.66, as may be adjusted in connection with stock splits, stock dividends and other similar transactions.

The holders of Series A Convertible Preferred Stock are not entitled to vote on any matter submitted to a vote of our stockholders, except that in the event that the dividend for the Series A Convertible Preferred Stock has not been paid for at

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least four quarters (whether or not consecutive), the holders of Series A Convertible Preferred Stock have the right to vote together with our stockholders on any matter submitted to a vote of our stockholders, upon which the holders of the Series A Convertible Preferred Stock and holders of common stock shall vote together as a single class. The number of votes applicable to a share of Series A Convertible Preferred Stock will be equal to the number of shares of common stock a share of Series A Convertible Preferred Stock could have been converted into as of the record date set for purposes of such stockholder vote. This foregoing limited voting right shall cease when all past dividend periods have been paid in full. In addition, the affirmative vote of the holders of a majority of the outstanding shares of Series A Convertible Preferred Stock is required in certain customary circumstances, as well as other circumstances, such as (i) our real estate portfolio exceeding a leverage ratio of 60% loan-to-value, (ii) entering into certain transactions with our Executive Chairman as of the Commitment Date, or his affiliates, (iii) effecting a merger (or similar) transaction with an entity whose assets are not at least 80% self storage related and (iv) entering into any line of business other than self storage and ancillary businesses, unless such ancillary business represents revenues of less than 10% of our revenues for our last fiscal year.

In connection with the issuance of the Series A Convertible Preferred Stock, we and the Investor also entered into an investors' rights agreement (the "Investors' Rights Agreement") which provides the Investor with certain customary protections, including demand registration rights and "piggyback" registration rights with respect to our common stock issued to the Investor upon conversion of the Preferred Shares.

As of March 31, 2022, there were 200,000 Preferred Shares outstanding with an aggregate liquidation preference of approximately \$203.1 million, which consists of \$150 million from the Initial Closing, \$50 million from a closing on October 26, 2020 and approximately \$3.1 million of accumulated and unpaid distributions. As of December 31, 2021, there were 200,000 Preferred Shares outstanding with an aggregate liquidation preference of approximately \$203.2 million, which consists of \$150 million from the Initial Closing, \$50 million from a closing on October 26, 2020 and approximately \$3.2 million of accumulated and unpaid distributions.

Note 7. Derivative Instruments

Interest Rate Derivatives

Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish this objective, we use interest rate swaps and caps as part of our interest rate risk management strategy. The effective portion of the change in the fair value of the derivative that qualifies as a cash flow hedge is recorded in accumulated other comprehensive income (loss) ("AOCI") and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. Amounts reported in AOCI related to derivatives will be reclassified to interest expense as interest payments are made on our variable-rate debt.

We do not use interest rate derivatives for trading or speculative purposes. Derivatives not designated as hedges are not speculative and are used to manage our exposure to interest rate movements and other identified risks but we have elected not to apply hedge accounting. Changes in the fair value of interest rate derivatives not designated in hedging relationships are recorded in other income (expense) within our consolidated statements of operations.

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Foreign Currency Hedges

Our objectives in using foreign currency derivatives are to add stability to potential fluctuations in exchange rates between foreign currencies and the U.S. dollar and to manage our exposure to exchange rate movements. To accomplish this objective, we use foreign currency forwards and foreign currency options as part of our exchange rate risk management strategy. A foreign currency forward contract is a commitment to deliver a certain amount of currency at a certain price on a specific date in the future. By entering into the forward contract and holding it to maturity, we are locked into a future currency exchange rate in an amount equal to and for the term of the forward contract. A foreign currency option contract is a commitment by the seller of the option to deliver, solely at the option of the buyer, a certain amount of currency at a certain price on a specific date. For derivatives designated as net investment hedges, the changes in the fair value of the derivatives are reported in accumulated other comprehensive income. Amounts are reclassified out of accumulated other comprehensive income (loss) into earnings when the hedged net investment is either sold or substantially liquidated.

The following table summarizes the terms of our derivative financial instruments as of March 31, 2022:

	Notional Amount	Strike	Effective Date	Maturity Date
Foreign Currency Forward:				
Denominated in CAD	\$ 125,925,000 ⁽¹⁾	1.2593	April 12, 2021	April 12, 2023
Denominated in CAD	122,020,000 ⁽¹⁾	1.2202	May 6, 2021	April 12, 2022 ⁽²⁾

⁽¹⁾ Notional amounts shown are denominated in CAD.

⁽²⁾ On April 12, 2022, we settled this foreign currency forward, receiving a net settlement of approximately \$3.2 million, and simultaneously entered into a new CAD \$126.2 million currency forward with a settlement date of October 12, 2022.

On February 10, 2021, we rolled a previously existing CAD \$95 million currency forward into a two month CAD \$95 million foreign currency forward, with a settlement date of April 12, 2021. On April 12, 2021, we settled this foreign currency forward, paying a net settlement of approximately \$4.5 million, and simultaneously entered into a new CAD \$125.9 million currency forward with a settlement date of April 12, 2023. On May 6, 2021, we entered into a second currency forward, for approximately CAD \$122 million, with a settlement date of April 12, 2022.

A portion of our gain (loss) from our settled and unsettled foreign currency hedges is recorded net in foreign currency hedge contract gain (loss) in our consolidated statements of comprehensive income (loss), the other portion, a loss of approximately \$1.8 million and \$0.3 million related to the portion that is not designated for hedge accounting, was recorded in other income (expense) within our consolidated statements of operations for the three months ended March 31, 2022 and 2021, respectively.

The following table summarizes the terms of our derivative financial instruments as of December 31, 2021:

	Notional Amount	Strike	Effective Date	Maturity Date
Interest Rate Swap:				
LIBOR Swap	\$ 235,000,000	1.79 %	June 15, 2019	February 15, 2022
Foreign Currency Forward:				
Denominated in CAD	\$ 125,925,000 ⁽¹⁾	1.2593	April 12, 2021	April 12, 2023
Denominated in CAD	122,020,000 ⁽¹⁾	1.2202	May 6, 2021	April 12, 2022

⁽¹⁾ Notional amount shown is denominated in CAD.

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The following table presents a gross presentation of the fair value of our derivative financial instruments as well as their classification on our consolidated balance sheets as of March 31, 2022 and December 31, 2021:

Balance Sheet Location	Asset/Liability Derivatives Fair Value	
	March 31, 2022	December 31, 2021
Interest Rate Swaps		
Accounts payable and accrued liabilities	\$ —	\$ 490,341
Foreign Currency Hedges		
Other assets	\$ 2,316,801	\$ 4,261,100
Accounts payable and accrued liabilities	(721,983)	—

Note 8. Segment Disclosures

We operate in two reportable business segments: (i) self storage operations and (ii) our Managed REIT Platform business.

Management evaluates performance based upon property net operating income (“NOI”). For our self storage operations, NOI is defined as leasing and related revenues, less property level operating expenses. NOI for the Company’s Managed REIT Platform business represents Managed REIT Platform revenues less Managed REIT Platform expenses.

The following tables summarize information for the reportable segments for the periods presented:

	Three Months Ended March 31, 2022			
	Self Storage	Managed REIT Platform	Corporate and Other	Total
Revenues:				
Self storage rental revenue	\$ 43,056,872	\$ —	\$ —	\$ 43,056,872
Ancillary operating revenue	1,974,320	—	—	1,974,320
Managed REIT Platform revenue	—	1,809,096	—	1,809,096
Reimbursable costs from Managed REITs	—	1,143,573	—	1,143,573
Total revenues	45,031,192	2,952,669	—	47,983,861
Operating expenses:				
Property operating expenses	13,105,325	—	—	13,105,325
Managed REIT Platform expense	—	389,265	—	389,265
Reimbursable costs from Managed REITs	—	1,143,573	—	1,143,573
General and administrative	—	—	5,837,647	5,837,647
Depreciation	10,878,956	—	229,030	11,107,986
Intangible amortization expense	2,663,825	1,237,059	—	3,900,884
Acquisition expenses	417,774	—	—	417,774
Contingent earnout expense	—	513,821	—	513,821
Total operating expenses	27,065,880	3,283,718	6,066,677	36,416,275
Income (loss) from operations	17,965,312	(331,049)	(6,066,677)	11,567,586
Other income (expense):				
Interest expense	(7,532,887)	—	(42,897)	(7,575,784)
Other, net	(164,906)	(40,557)	(516,880)	(722,343)
Net income (loss)	\$ 10,267,519	\$ (371,606)	\$ (6,626,454)	\$ 3,269,459

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	Three Months Ended March 31, 2021			
	Self Storage	Managed REIT Platform	Corporate and Other	Total
Revenues:				
Self storage rental revenue	\$ 29,503,442	\$ —	\$ —	\$ 29,503,442
Ancillary operating revenue	1,557,430	—	—	1,557,430
Managed REIT Platform revenue	—	2,287,740	—	2,287,740
Reimbursable costs from Managed REITs	—	1,216,043	—	1,216,043
Total revenues	31,060,872	3,503,783	—	34,564,655
Operating expenses:				
Property operating expenses	10,343,281	—	—	10,343,281
Managed REIT Platform expense	—	319,890	—	319,890
Reimbursable costs from Managed REITs	—	1,216,043	—	1,216,043
General and administrative	—	—	4,752,989	4,752,989
Depreciation	8,347,819	—	196,108	8,543,927
Intangible amortization expense	587,741	671,806	—	1,259,547
Acquisition expenses	305,650	—	—	305,650
Contingent earnout adjustment	—	2,119,744	—	2,119,744
Write-off of equity interest and preexisting relationships in SST IV upon acquisition of control	—	8,389,573	—	8,389,573
Total operating expenses	19,584,491	12,717,056	4,949,097	37,250,644
Income (loss) from operations	11,476,381	(9,213,273)	(4,949,097)	(2,685,989)
Other income (expense):				
Interest expense	(8,572,256)	—	(43,815)	(8,616,071)
Net loss on extinguishment of debt	(2,444,788)	—	—	(2,444,788)
Other, net	(218,027)	1,872,866	(211,457)	1,443,382
Net income (loss)	\$ 241,310	\$ (7,340,407)	\$ (5,204,369)	\$ (12,303,466)

The following table summarizes our total assets by segment:

Segments	March 31, 2022	December 31, 2021
Self Storage ⁽¹⁾	\$ 1,558,551,434	\$ 1,546,835,094
Managed REIT Platform ⁽²⁾	21,539,025	21,707,326
Corporate and Other	46,954,985	49,750,356
Total assets⁽³⁾	\$ 1,627,045,444	\$ 1,618,292,776

- (1) Included in the assets of the Self Storage segment as of March 31, 2022 and December 31, 2021 is approximately \$49.8 million of goodwill. Additionally, as of March 31, 2022 and December 31, 2021, there were no accumulated impairment charges to goodwill within the Self Storage segment.
- (2) Included in the assets of the Managed REIT Platform segment as of March 31, 2022 and December 31, 2021 is approximately \$3.9 million of goodwill. Such goodwill is net of accumulated impairment charges in the Managed REIT Platform segment of approximately \$24.7 million, which relates to the impairment charge recorded during the quarter ended March 31, 2020.
- (3) Other than our investments in and advances to Managed REITs, substantially all of our investments in real estate facilities and intangible assets made during the year and quarter ended December 31, 2021 and March 31, 2022, respectively, were associated with our self storage platform.

Note 9. Related Party Transactions

On June 28, 2019, we, our Operating Partnership and SmartStop TRS entered into a series of transactions, agreements, and amendments to our existing agreements and arrangements with our then-sponsor, SAM, and SmartStop OP Holdings, LLC ("SS OP Holdings"), a subsidiary of SAM, pursuant to which, effective June 28, 2019, we acquired the self storage advisory, asset management and property management businesses and certain joint venture interests of SAM, along with certain other assets of SAM (collectively, the "Self Administration Transaction"). In relation to the Self Administration

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Transaction, SS OP Holdings received 3,283,302 Class A-2 limited partnership units of the Operating Partnership, See Note 11 – Commitment and Contingencies – Contingent Earnout for additional information.

As a result of the Self Administration Transaction, SAM is no longer our sponsor, and we became self-managed and succeeded to the advisory, asset management and property management businesses and certain joint ventures previously in place for us, SST IV (until the SST IV Merger Date), and SSGT II, and we acquired the internal capability to originate, structure and manage additional future investment products which would be sponsored by SmartStop REIT Advisors, LLC (“SRA”), our indirect subsidiary. The Former Dealer Manager Agreement and the Transfer Agent Agreement described below were not impacted by the Self Administration Transaction.

Certain of our executive officers and two of our directors hold ownership interests in and/or are officers of SAM, our Former Dealer Manager, and other affiliated entities. Accordingly, any agreements or transactions we have entered into with such entities may present a conflict of interest. However, none of SAM and its affiliates or our directors or executive officers receive any compensation, fees or reimbursements from our Managed REITs, other than with respect to fees and reimbursements in accordance with the Administrative Services Agreement and the transfer agent agreement, or as otherwise described in this section.

Former Dealer Manager Agreement

In connection with our Primary Offering, our Former Dealer Manager received a sales commission of up to 7.0% of gross proceeds from sales of Class A Shares and up to 2.0% of gross proceeds from the sales of Class T Shares in the Primary Offering and a dealer manager fee of up to 3.0% of gross proceeds from sales of both Class A Shares and Class T Shares in the Primary Offering under the terms of the Former Dealer Manager Agreement. In addition, our Former Dealer Manager received an ongoing stockholder servicing fee as discussed in Note 2 – Summary of Significant Accounting Policies – Organization and Offering Costs.

Affiliated Former Dealer Manager

SAM indirectly owns a 15% non-voting equity interest in our Former Dealer Manager. Affiliates of our Former Dealer Manager own limited partnership interests in our Operating Partnership.

Transfer Agent Agreement

SAM owns 100% of the membership interests of Strategic Transfer Agent Services, LLC, our transfer agent (“Transfer Agent”), which is a registered transfer agent with the SEC. Pursuant to our transfer agent agreement, our Transfer Agent provides transfer agent and registrar services to us. These services are substantially similar to what a third party transfer agent would provide in the ordinary course of performing its functions as a transfer agent, including, but not limited to: providing customer service to our stockholders, processing the distributions and any servicing fees with respect to our shares and issuing regular reports to our stockholder. Our Transfer Agent may retain and supervise third party vendors in its efforts to administer certain services. We believe that our Transfer Agent, through its knowledge and understanding of the direct participation program industry which includes non-traded REITs, is particularly suited to provide us with transfer agent and registrar services. Our Transfer Agent also conducts transfer agent and registrar services for other non-traded REITs sponsored by SRA.

Fees paid to our Transfer Agent include a fixed quarterly fee, one-time account setup fees, monthly open account fees and fees for investor inquiries. In addition, we will reimburse our Transfer Agent for all reasonable expenses or other changes incurred by it in connection with the provision of its services to us, and we will pay our Transfer Agent fees for any additional services we may request from time to time, in accordance with its rates then in effect. Upon the request of our Transfer Agent, we may also advance payment for substantial reasonable out-of-pocket expenditures to be incurred by it.

The initial term of the transfer agent agreement was three years, which term is automatically renewed for one year successive terms, but either party may terminate the transfer agent agreement upon 90 days’ prior written notice. In the event that we terminate the transfer agent agreement, other than for cause, we will pay our transfer agent all amounts that would have otherwise accrued during the remaining term of the transfer agent agreement; provided, however, that when calculating

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the remaining months in the term for such purposes, such term is deemed to be a 12 month period starting from the date of the most recent annual anniversary date.

Pursuant to the terms of the agreements described above, the following table summarizes related party costs incurred and paid by us for the year ended December 31, 2021 and the three months ended March 31, 2022, as well as any related amounts payable as of December 31, 2021 and March 31, 2022:

	Year Ended December 31, 2021			Three Months Ended March 31, 2022		
	Incurring	Paid	Payable	Incurring	Paid	Payable
Expensed						
Transfer Agent fees	\$ 967,341	\$ 916,349	\$ 86,992	\$ 280,230	\$ 322,471	\$ 44,751
Additional paid-in capital						
Transfer Agent fees	150,000	150,000	—	—	—	—
Stockholder servicing fee ⁽¹⁾	161,545	636,654	156,320	53,660	156,209	53,771
Stockholder servicing fee - SST IV ⁽²⁾	1,155,887	814,908	340,979	—	—	340,979
Total	<u>\$ 2,434,773</u>	<u>\$ 2,517,911</u>	<u>\$ 584,291</u>	<u>\$ 333,890</u>	<u>\$ 478,680</u>	<u>\$ 439,501</u>

(1) We pay our Dealer Manager an ongoing stockholder servicing fee that is payable monthly and accrues daily in an amount equal to 1/365th of 1% of the purchase price per share of the Class T Shares sold in the Primary Offering. The amount incurred during the year ended December 31, 2021 and the three months ended March 31, 2022 represent adjustments to the estimated stockholder servicing fee recorded at the time of the sale of the Class T Shares, based on the cessation date of such stockholder servicing fee of March 31, 2022.

(2) Represents the stockholder servicing fee liability assumed in the SST IV Merger.

Acquisition of Self Storage Platform from SAM and Other Transactions

As a result of the Self Administration Transaction, we acquired the self storage sponsorship platform of SAM. Accordingly, the advisor and property manager entities of SST IV and SSGT II became our indirect subsidiaries, and we became entitled to receive various fees and expense reimbursements under the terms of the SST IV and SSGT II advisory and property management agreements as described below. In addition, we also own the advisor and property manager entities of SST VI and are entitled to receive various fees and expense reimbursements under the terms of the SST VI advisory and property management agreements as described below.

Advisory Agreement Fees

Our indirect subsidiaries, Strategic Storage Advisor IV, LLC, the advisor to SST IV (the “SST IV Advisor”), SS Growth Advisor II, LLC, the advisor to SSGT II (the “SSGT II Advisor”), and the SST VI Advisor are or were entitled to receive various fees and expense reimbursements under the terms of the SST IV, SSGT II, and SST VI advisory agreements.

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SST IV Advisory Agreement

The SST IV Advisor provided acquisition and advisory services to SST IV pursuant to an advisory agreement (the “SST IV Advisory Agreement”) with SST IV up until the SST IV Merger on March 17, 2021.

Effective April 30, 2020, SST IV suspended its offering due to various factors, including the uncertainty relating to the ongoing COVID-19 outbreak and its potential economic impact, the status of fundraising in the non-traded REIT industry due to such uncertainty and the termination of its dealer manager agreement. SST IV’s public offering terminated on September 11, 2020.

The SST IV Advisor received a monthly asset management fee equal to 0.0833%, which is one-twelfth of 1%, of SST IV’s aggregate asset value, as defined. The SST IV Advisor was potentially also entitled to various subordinated distributions under SST IV’s operating partnership agreement pursuant to the special limited partnership interest and its cash flow participation distribution rights if SST IV (1) listed its shares of common stock on a national exchange, (2) terminated the SST IV Advisory Agreement, (3) liquidated its portfolio, or (4) entered into an Extraordinary Transaction, as defined in the SST IV operating partnership agreement.

Effective March 17, 2021, in connection with the SST IV Merger, the SST IV Advisory Agreement was terminated and none of the aforementioned subordinated distributions or fees were paid. As a result of us acquiring SST IV and terminating such contracts, we recorded a write-off of approximately \$5.3 million related to the carrying value of the SST IV Advisory Agreement contract. Similarly, we recorded a write-off of approximately \$1.2 million related to our special limited partnership interest, which per the terms of the SST IV Merger Agreement, terminated without consideration.

As a result of the Self Administration Transaction, we recorded a deferred tax liability, which was the result of the difference between the GAAP carrying value of the SST IV Advisory Agreement and its carrying value for tax purposes. As we reduced the GAAP carrying value of such intangible asset, as noted above, we adjusted the value of our deferred tax liabilities by pro-rata amounts, reducing the deferred tax liabilities in aggregate by approximately \$1.3 million during the three months ended March 31, 2021, and recorded such adjustment as other income within the other line-item in our consolidated statements of operations.

SSGT II Advisory Agreement

The SSGT II Advisor provides acquisition and advisory services to SSGT II pursuant to an advisory agreement (the “SSGT II Advisory Agreement”). In connection with the SSGT II private placement offering, SSGT II is required to reimburse the SSGT II Advisor for organization and offering costs from the SSGT II private offering pursuant to the SSGT II Advisory Agreement.

Effective as of April 30, 2020, SSGT II suspended its offering due to various factors, including the uncertainty relating to the ongoing COVID-19 outbreak and its potential economic impact, the status of fundraising in the non-traded REIT industry due to such uncertainty and the termination of its dealer manager agreement.

The SSGT II Advisor receives a monthly asset management fee equal to 0.1042%, which is one-twelfth of 1.25%, of SSGT II’s aggregate asset value, as defined.

The SSGT II Advisor may also be potentially entitled to various subordinated distributions under SSGT II’s operating partnership agreement pursuant to the special limited partnership interest and its cash flow participation distribution rights. So long as the SSGT II Advisory Agreement has not been terminated (including by means of non-renewal), SSGT II is required to pay the SSGT II Advisor a distribution from its operating partnership (other than net sale proceeds), pursuant to a special limited partnership interest, equal to 10.0% of any amount distributed to stockholders in excess of the amount required to provide stockholders with an annual aggregate distribution equal to 5.0% (reflective of the weighted average purchase price per share), cumulative within the subject calendar year (as adjusted for partial periods outstanding). Such distribution will be reconciled and paid annually. The cash flow participation distribution may be payable in cash or operating partnership units (or any combination thereof), at the election of the SSGT II Advisor.

Pursuant to SSGT II’s operating partnership agreement if SSGT II (1) lists its shares of common stock on a national exchange, (2) terminates the SSGT II Advisory Agreement, (3) liquidates its portfolio, or (4) merges with another entity or enters into an Extraordinary Transaction, as defined in the SSGT II operating partnership agreement, the SSGT II Advisor may potentially be entitled to various subordinated distributions.

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The SSGT II Advisory Agreement provides for reimbursement of the SSGT II Advisor's direct and indirect costs of providing administrative and management services to SSGT II.

SST VI Advisory Agreement

The SST VI Advisor provides acquisition and advisory services to SST VI pursuant to an advisory agreement (the "SST VI Advisory Agreement"). In connection with the SST VI private placement offering, SST VI is required to reimburse the SST VI Advisor for organization and offering costs from the SST VI private offering pursuant to the SST VI Advisory Agreement.

Pursuant to the SST VI Advisory Agreement, the SST VI Advisor will receive acquisition fees equal to 1.00% of the contract purchase price of each property SST VI acquires plus reimbursement of any acquisition expenses that SST VI Advisor incurs. The SST VI Advisor also receives a monthly asset management fee equal to 0.0625%, which is one-twelfth of 0.75%, of SST VI's aggregate asset value, as defined.

The SST VI Advisor may also be potentially entitled to various subordinated distributions under SST VI's operating partnership agreement if SST VI (1) lists its shares of common stock on a national exchange, (2) terminates the SST VI Advisory Agreement, (3) liquidates its portfolio, or (4) merges with another entity or enters into an Extraordinary Transaction, as defined in the SST VI operating partnership agreement.

The SST VI Advisory Agreement provides for reimbursement of the SST VI Advisor's direct and indirect costs of providing administrative and management services to SST VI.

The SST VI Advisory Agreement provides for reimbursement of the SST VI Advisor's direct and indirect costs of providing administrative and management services to SST VI. Beginning four fiscal quarters after commencement of SST VI's public offering, which was declared effective March 17, 2022, the SST VI Advisor will be required to pay or reimburse SST VI the amount by which SST VI's aggregate annual operating expenses, as defined, exceed the greater of 2% of SST VI's average invested assets or 25% of SST VI's net income, as defined, unless a majority of SST VI's independent directors determine that such excess expenses were justified based on unusual and non-recurring factors.

On March 1, 2022, Pacific Oak Holding Group, LLC, became a 10% non-voting member of the SST VI Advisor. Pacific Oak Capital Markets, LLC (a subsidiary of Pacific Oak Holding Group, LLC) is SST VI's dealer manager, and as such, is responsible for the marketing of SST VI shares being offered pursuant to SST VI's private offering, and subsequent to March 17, 2022, SST VI's public offering.

Managed REIT Property Management Agreements

Our indirect subsidiaries, Strategic Storage Property Management IV, LLC, SS Growth Property Management II, LLC, and Strategic Storage Property Management VI, LLC (collectively the "Managed REITs Property Managers"), are entitled to receive fees for their services in managing the properties owned by the Managed REITs pursuant to property management agreements entered into between the owner of the property and the applicable Managed REIT's Property Manager.

The Managed REITs' Property Managers will receive a property management fee equal to 6% of the gross revenues from the properties, generally subject to a monthly minimum of \$3,000 per property, plus reimbursement of the costs of managing the properties, and a one-time fee of \$3,750 for each property acquired that would be managed by the Managed REITs' Property Managers. Reimbursable costs and expenses include wages and salaries and other expenses of employees engaged in operating, managing and maintaining such properties. Pursuant to the property management agreements, we through our Operating Partnership employ the on-site staff for the Managed REITs' properties.

The SST IV and SST VI property managers are or were entitled to a construction management fee equal to 5% of the cost of a related construction or capital improvement work project in excess of \$10,000.

Effective March 17, 2021, in connection with the SST IV Merger, the SST IV property management contracts were terminated. As a result of us acquiring SST IV and terminating such contracts, we recorded a write-off of approximately \$1.9 million related to the carrying value of the SST IV property management contracts.

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In connection with the Self Administration Transaction, we previously recorded a deferred tax liability, which is the result of the difference between the GAAP carrying value of the SST IV property management contracts and their carrying value for tax purposes. As we reduced the GAAP carrying value of such intangible assets, we adjusted the value of our deferred tax liabilities by pro-rata amounts, reducing the deferred tax liabilities in aggregate by approximately \$0.5 million during the three months ended March 31, 2021, and recorded such adjustment as other income within the other line-item in our consolidated statement of operations.

Summary of Fees and Revenue Related to the Managed REITs

Pursuant to the terms of the various agreements described above for the Managed REITs, the following summarizes the related party fees for the three months ended March 31, 2022 and 2021:

Managed REIT Platform Revenues	Three Months Ended	
	March 31, 2022	March 31, 2021
Advisory agreement – SST IV ⁽¹⁾	\$ —	\$ 716,278
Advisory agreement – SSGT II ⁽⁴⁾	471,526	463,262
Advisory agreement – SST VI	155,332	—
Property management agreement – SST IV ⁽¹⁾	—	346,179
Property management agreement – SSGT II ⁽⁴⁾	230,058	140,234
Property management agreement – SST VI	79,050	—
Tenant Protection Program revenue – SST IV ⁽²⁾	—	285,959
Tenant Protection Program revenue – SSGT II ⁽⁴⁾	174,145	122,042
Tenant Protection Program revenue – SST VI	49,444	—
Other Managed REIT revenue ⁽³⁾	649,541	213,786
Total Managed REIT Platform Revenue	\$ 1,809,096	\$ 2,287,740

(1) On March 17, 2021, we acquired SST IV and no longer earn such fees.

(2) On March 17, 2021, we acquired SST IV and such revenue is now included in ancillary operating revenue in our consolidated statements of operations.

(3) Such revenue primarily includes acquisition fees, construction management fees, development fees, and other miscellaneous revenues.

(4) Upon the successful closing of the SSGT II Merger, we will no longer earn the advisory agreement and property management agreement fees. Additionally, the Tenant Protection Program revenue for SSGT II will be included in ancillary operating revenue in our consolidated statements of operations.

Reimbursable costs from Managed REITs includes reimbursement of SST IV (until the SST IV Merger Date), SSGT II, and SST VI Advisors' direct and indirect costs of providing administrative and management services to the Managed REITs. Additionally, reimbursable costs includes reimbursement pursuant to the property management agreements for reimbursement of the costs of managing the Managed REITs' properties, including wages and salaries and other expenses of employees engaged in operating, managing and maintaining such properties.

As of March 31, 2022 and December 31, 2021 we had receivables due from the Managed REITs totaling approximately \$2.9 million and \$1.4 million, respectively. Such amounts are included in investments in and advances to the Managed REITs line-item in our consolidated balance sheets. Such amounts included unpaid amounts relative to the above table, in addition to other direct routine expenditures of the Managed REITs that we directly funded.

Investment in SSGT II OP

On September 21, 2020, a wholly-owned subsidiary of our Operating Partnership (the "Preferred Investor"), entered into a preferred unit purchase agreement (the "SSGT II Unit Purchase Agreement") with SS Growth Operating Partnership II, L.P. (the "SSGT II OP") and SSGT II. Pursuant to the terms of the SSGT II Unit Purchase Agreement, the Preferred Investor agreed to purchase, in one or more tranches, up to 1.6 million units of limited partnership interest in SSGT II OP (the "SSGT

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II Preferred Units”) for an aggregate of up to \$40 million (the “SSGT II Investment”). Upon the closing of each tranche of the SSGT II Investment, the Preferred Investor was due an investment fee equal to 1% of the investment amount of such tranche.

The Preferred Investor received distributions, payable monthly in arrears, at a rate of 7.25% per annum from the date of investment until 180 days after the date of investment, 8.25% per annum from 181 days after the date of investment until 360 days after the date of investment, and 9.25% per annum thereafter (collectively, the “Pay Rate”). The proceeds of the SSGT II Investment may be used by SSGT II OP to finance self storage acquisition, development, and improvement activities, and working capital or other general partnership purposes. Each SSGT II Preferred Unit had a liquidation preference of \$25.00, plus all accumulated and unpaid distributions. The foregoing distributions are payable monthly, and calculated on an actual/360 day basis, and any unpaid distributions accrue at the applicable Pay Rate.

On September 21, 2020, October 29, 2020, and November 4, 2020, the Preferred Investor invested approximately \$6.5 million, \$13 million, and \$13 million, respectively, in the SSGT II Operating Partnership. On November 12, 2020, SSGT II redeemed \$19 million of our SSGT II Preferred Units, reducing our investment in SSGT II Preferred Units to \$13.5 million, which was recorded in investments in and advances to Managed REITs in our consolidated balance sheets as of December 31, 2020.

On January 21, 2021, SSGT II redeemed the remaining \$13.5 million of our outstanding SSGT II Preferred Units.

As of March 31, 2022 and December 31, 2021, we were potentially required to purchase an additional \$7.5 million in SSGT II Preferred Units.

For the three months years ended March 31, 2022 and 2021, we recorded income related to the SSGT II Preferred Units totaling none, and approximately \$0.1 million, respectively, which is recorded within the Other line item in our consolidated statements of operations.

Investment in SST VI OP

On March 10, 2021, SmartStop OP made an investment of \$5.0 million in SST VI OP, in exchange for common units of limited partnership interest in SST VI OP.

On March 11, 2021, SST VI OP, through a wholly-owned subsidiary, used these funds, in part, to acquire its first self storage facility in Phoenix, Arizona for approximately \$16 million. In connection with SST VI OP’s acquisition of the Phoenix property, we provided a \$3.5 million mezzanine loan to a wholly-owned subsidiary of SST VI OP with an initial interest rate of 8.5% and term of six months; as well as a 180 day extension option which was exercised and increased the interest rate to 9.25% for the remainder of the term.

On April 16, 2021, in connection with SST VI OP’s investment in a real estate joint venture property located in North York, Ontario Canada, we provided a \$2.1 million term loan with similar terms as the mezzanine loan discussed above.

On November 12, 2021, SST VI OP repaid the outstanding balance on the \$3.5 million mezzanine loan and the \$2.1 million term loan along with all accrued interest. The loans were terminated in accordance with the mezzanine loan agreement and the term loan agreement without fees or penalties.

On December 30, 2021, in connection with SST VI’s acquisition of two self storage facilities, SmartStop OP entered into a mezzanine loan agreement with SST VI OP for up to \$45 million (the “SST VI Mezzanine Loan”). The SST VI Mezzanine Loan required a commitment fee equal to 1.0% of the amount drawn at closing of the SST VI Mezzanine Loan. The SST VI Mezzanine Loan is secured by a pledge of the equity interest in the indirect, wholly-owned subsidiaries of SST VI that collectively currently own two self storage facilities in Florida. SST VI OP also serves as a non-recourse guarantor.

The interest rate on the SST VI Mezzanine Loan is a variable rate equal to LIBOR plus 3%. Payments on the SST VI Mezzanine Loan are interest only until December 30, 2022, which is the initial maturity date of the SST VI Mezzanine Loan. SST VI OP may, in certain circumstances, extend the ultimate maturity date of the SST VI Mezzanine Loan through December 30, 2023 upon written notice to us, in which event the interest rate of the SST VI Mezzanine Loan will increase to LIBOR plus 4% per annum. The SST VI Mezzanine Loan may be prepaid in whole or in part at any time without fees or penalty and, in certain circumstances, equity interests securing the SST VI Mezzanine Loan may be released from the pledge of collateral. As of March 31, 2022, and December 31, 2021, SST VI OP had borrowed \$6.8 million pursuant to the SST VI Mezzanine Loan and we were potentially required to fund an additional \$38.2 million.

Additionally, SmartStop OP already had a special limited partnership interest, whereby SmartStop OP would receive a subordinated distribution upon certain returns on equity being met.

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For the three months ended March 31, 2022, we recorded a loss related to our equity interest in SST VI OP of approximately \$140,000, and received distributions in the amount of approximately \$68,000. The loss related to our equity interest in SST VI OP is recorded within the Other line item in our consolidated statements of operations, and the distributions received directly reduce our equity interest in SST VI OP.

As discussed in Note 2, for the three months ended March 31, 2021, we consolidated our equity interest in SST VI OP.

Administrative Services Agreement

On June 28, 2019, we along with our Operating Partnership, SmartStop TRS and SSA (collectively, the “Company Parties”) entered into an Administrative Services Agreement with SAM (the “Administrative Services Agreement”), which, as amended, requires that the Company Parties will be reimbursed for providing certain operational and administrative services to SAM which may include, without limitation, accounting and financial support, IT support, HR support, advisory services and operations support, and administrative support as set forth in the Administrative Services Agreement and SAM will be reimbursed for providing certain operational and administrative services to the Company Parties which may include, without limitation, due diligence support, marketing, fulfillment and offering support, events support, insurance support, and administrative and facilities support. SAM and the Company Parties will reimburse one another based on the actual costs of providing their respective services. Additionally, SAM will pay the Company Parties an allocation of rent and overhead for the portion it occupies in the Ladera Office. Such agreement has a term of three years and is subject to certain adjustments as defined in the agreement.

For the three months ended March 31, 2022 and 2021, we incurred reimbursements payable to SAM under the Administrative Services Agreement of approximately \$16,000 and approximately \$63,000, respectively, which were recorded in the Managed REIT Platform expenses line item in our consolidated statement of operations.

We recorded reimbursements from SAM of approximately \$140,000 and \$130,000 during the three months ended March 31, 2022 and 2021, respectively, related to services provided to SAM as well as reimbursements of rent and overhead for the portion of the Ladera Office occupied by SAM, which were included in Managed REIT Platform revenue in our consolidated statements of operations.

As of March 31, 2022 and December 31, 2021, a receivable of approximately \$35,000 and approximately \$60,000 was due from SAM related to the Administrative Services Agreement, respectively.

Note 10. Equity Based Compensation

We issue equity based compensation pursuant to the employee and director long-term incentive plan of SmartStop Self Storage REIT, Inc. (the “Plan”). Pursuant to the Plan, we are able to issue various forms of equity based compensation. Through March 31, 2022, we have generally issued equity based awards in two forms: (1) restricted stock awards consisting of shares of our common stock and (2) long-term incentive plan units of our Operating Partnership (“LTIP Units”).

Through March 31, 2020, we had only issued restricted stock, which shares are subject to a time based vesting period. In April 2020, the Compensation Committee of the Board of Directors approved awards for our executive officers, which include (1) performance based awards, and (2) time based awards. For both such type of awards, the recipient can choose either LTIP Units or restricted stock consisting of shares of our common stock.

The fair value of the restricted stock and the LTIP Units are determined based on an estimated value per share, adjusted for an illiquidity discount due to the illiquid nature of the underlying equity. The fair value of the LTIP Units are further adjusted by applying an additional discount as the LTIP Units are not initially economically equivalent to our restricted stock. For the performance based awards, a fair value was determined for each performance ranking scenario, with stock compensation expense recorded using the fair value of the scenario determined to be probable of achievement.

Time Based Awards

We have granted various time based awards, which generally vest ratably over either one, three, or four years commencing in the year of grant, subject to the recipient’s continued employment or service through the applicable vesting date. All grants of time based restricted stock have limitations on transferability during the vesting period, and the grantee does not have the ability to vote any unvested shares. Transferability during the vesting period depends upon when the grant was made, as follows (i) with respect to grants of time based restricted stock made prior to April 2020, the restriction on

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transfers applies to the entirety of the grant, regardless of vesting, and (ii) with respect to grants of time based restricted stock made in or subsequent to April 2020, the restriction on transfer applies only to the unvested portion of the restricted stock.

With respect to grants of time based LTIP Units made to our executive officers in 2020, 2021, and 2022, distributions began to accrue effective January 1 of each respective year, and are payable as distributions are paid on our Class A Shares without regard to whether the underlying awards have vested. With respect to time based restricted stock, distributions accrue on non-vested shares granted and are paid when the underlying restricted shares vest.

Holders of time based LTIP Units receive allocations of profits and losses with respect to the LTIP Units as of the effective date, distributions from the effective date in an amount equivalent to the distributions declared and paid on our Class A Shares, and the same voting rights as holders of common units, voting as a class with each LTIP Unit holder having one vote per LTIP Unit held. Prior to vesting, time based LTIP Units generally may not be transferred, other than by laws of descent and distribution.

The following table summarizes the activity related to our time based awards:

Time Based Award Grants	Restricted Stock		LTIP Units	
	Shares	Weighted-Average Grant-Date Fair Value	Units	Weighted-Average Grant-Date Fair Value
Unvested at December 31, 2020	249,271	\$ 9.58	160,891	\$ 9.09
Granted	78,192	9.85	222,581	9.30
Vested	(105,328)	9.64	(109,276)	9.20
Forfeited	(2,189)	9.78	—	—
Unvested at December 31, 2021	219,946	9.64	274,196	9.22
Granted	46,192	14.18	170,144	13.18
Vested	(28,852)	9.67	—	—
Forfeited	(1,022)	9.78	—	—
Unvested at March 31, 2022	<u>236,264</u>	<u>\$ 10.53</u>	<u>444,340</u>	<u>\$ 10.74</u>

Performance Based Awards

With respect to performance based awards, the number of shares of restricted stock granted as of the grant date equaled 100% of the targeted award, whereas the number of LTIP Units granted as of the grant date equaled 200% of the targeted award. The targeted award for each executive was determined and approved by the Compensation Committee of our Board of Directors. The actual number of shares of restricted stock or LTIP Units, as applicable, to be issued upon vesting may range from 0% to 200% of the targeted award, such determination being based upon the results of the performance measure. Performance based awards vest based upon our performance as ranked amongst a peer group of self storage related companies. This comparison will be conducted using a performance measure of average annual same-store revenue growth, analyzed over a three-year period. Earned awards for the 2021 and 2022 grants will vest, as applicable, no later than March 31, 2024 and March 31, 2025, respectively.

Recipients of performance based restricted stock accrue distributions during the performance period, and such distributions will only be payable on the date that any such shares of restricted stock vest, based upon the performance level attained. Recipients of performance based LTIP Units are issued LTIP Units at 200% of the targeted award and are entitled to receive distributions and allocations of profits and losses with respect to the performance based LTIP Units as of the effective date of each award in an amount equal to 10% of the distributions and allocations available to such LTIP Units, until the Distribution Participation Date (as defined in the Operating Partnership Agreement). The remaining 90% of distributions will accrue and will be payable on the Distribution Participation Date based upon the performance level attained and number of performance based LTIP Units that vest. Following the Distribution Participation Date, recipients will be entitled to receive the full amount of distributions and allocations of profits and losses with respect to the vested performance-based LTIP Units, such amount being equivalent to distributions declared and paid on our Class A Shares.

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The following table summarizes our activity related to our performance based awards:

Performance Based Award Grants	Restricted Stock		LTIP Units	
	Shares	Weighted-Average Grant-Date Fair Value	Units	Weighted-Average Grant-Date Fair Value
Unvested at December 31, 2020	5,752	\$ 9.78	130,638	\$ 9.09
Granted	—	—	148,387	9.30
Vested	—	—	—	—
Forfeited	—	—	(11,918)	9.09
Unvested at December 31, 2021	5,752	9.78	267,107	9.21
Granted	—	—	113,429	13.18
Vested	—	—	—	—
Forfeited	—	—	—	—
Unvested at March 31, 2022	5,752	\$ 9.78	380,536	\$ 10.39

Holders of performance based restricted stock do not have any rights as a stockholder with respect to the unvested portion of such restricted stock awards. Prior to vesting, shares of performance based restricted stock generally may not be transferred, other than by laws of descent and distribution.

Holders of performance based LTIP Units have the same voting rights as holders of common units, voting as a class with each LTIP Unit holder having one vote per LTIP Unit held. Prior to vesting, performance based LTIP Units generally may not be transferred, other than by laws of descent and distribution.

LTIP Units are designed to qualify as “profits interests” in the Operating Partnership for federal income tax purposes. The profits interests’ characteristics of the LTIP Units mean that initially they will not be treated as economically equivalent in value to a common unit and the issuance of LTIP Units will not be a taxable event to the Operating Partnership or the recipient. If and when certain events occur pursuant to applicable tax regulations and in accordance with the Operating Partnership Agreement, LTIP Units may become economically equivalent to common units of limited partnership interest of our Operating Partnership on a one-for-one basis.

As of March 31, 2022, 7,100,165 shares of stock were available for issuance under the Plan.

We recorded approximately \$1.2 million of equity based compensation expense in general and administrative expense during the three months ended March 31, 2022, compared to approximately \$0.5 million during the three months ended March 31, 2021. We recorded approximately \$35,000 of equity based compensation expense in property operating expenses, within our consolidated statements of operations for the three months ended March 31, 2022, compared to approximately \$20,000 during the three months ended March 31, 2021. As of March 31, 2022, there was approximately \$7.3 million of total unrecognized compensation expense related to non-vested equity awards, with such cost expected to be recognized over a weighted-average period of approximately 2.6 years. As of December 31, 2021, there was approximately \$4.5 million of total unrecognized compensation expense related to non-vested equity awards, with such cost expected to be recognized over a weighted-average period of approximately 2.1 years.

On February 26, 2021, we announced the retirement of Michael S. McClure, then our Chief Executive Officer, effective as of April 15, 2021 (the “Transition Date”). In connection with Mr. McClure’s retirement, and in order to provide an orderly transition, we entered into an Executive Transition Services Agreement with Mr. McClure (the “Agreement”) on February 26, 2021, pursuant to which Mr. McClure was to provide consulting services to the Company for a twelve-month period (the “Transition Period”) commencing on the Transition Date.

Pursuant to the Agreement, during the Transition Period and subject to the early termination provisions contained in the Agreement, we paid Mr. McClure a monthly fee as well as provided reimbursement for costs of continuing group health insurance coverage. Mr. McClure’s existing time-based equity awards continued to vest during the Transition Period and, upon the successful completion of the Transition Period, the remaining outstanding unvested time-based equity awards vested in full. Mr. McClure’s existing performance-based equity awards will remain outstanding and vest on a pro rata basis at the rate of two-thirds of the amount that would have otherwise vested based on the terms of the awards and actual performance of the Company during the performance period.

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In February 2022, the compensation committee of our board of directors approved the 2022 executive compensation terms for our executives, which included (1) performance-based equity grants in the form of either, at the election of the executive, restricted stock awards or LTIP Units, and (2) time-based equity grants in the form of either, at the election of the executive, restricted stock awards or LTIP Units.

In February 2022, an aggregate of 113,429 performance-based LTIP Units and approximately 170,144 time-based LTIP Units were issued to our executive officers. The performance-based LTIP Units vest after the three year performance period, based upon the performance level attained. The time-based LTIP Units vest ratably over four years, with the first tranche vesting on December 31, 2022, subject to the recipient's continued employment through the applicable vesting date.

Note 11. Commitments and Contingencies

Contingent Earnout

On June 28, 2019, in relation to the Self Administration Transaction, 3,283,302 Class A-2 limited partnership units of the Operating Partnership ("Class A-2 Units"), were issued to SS OP Holdings as consideration. Class A-2 Units may convert into Class A-1 Units as earnout consideration, as described below. The Class A-2 Units are not entitled to cash distributions or the allocation of any profits or losses in the Operating Partnership until the Class A-2 Unit into Class A-1 Units.

The conversion features of the Class A-2 Units are as follows: (A) the first time the aggregate incremental assets under management, as amended ("AUM") (as defined in the Operating Partnership Agreement) of the Operating Partnership equals or exceeds \$300,000,000, one-third of the Class A-2 Units will automatically convert into Class A-1 Units, (B) the first time the incremental AUM of the Operating Partnership equals or exceeds \$500,000,000, an additional one-third of the Class A-2 Units will automatically convert into Class A-1 Units, and (C) the first time the incremental AUM equals or exceeds \$700,000,000, the remaining one-third of the Class A-2 Units will automatically convert into Class A-1 Units (each an "Earnout Achievement Date"). On each Earnout Achievement Date, the Class A-2 Units will automatically convert into Class A-1 Units based on an earnout exchange ratio, which is equal to \$10.66 divided by the then current value of our Class A-1 Units, as provided in the Operating Partnership Agreement.

The Class A-2 Units conversion rights will expire seven years following the closing date of the Self Administration Transaction. Notwithstanding the foregoing, the earnout consideration will be earned and automatically convert in the event of an "Earnout Acceleration Event" (as defined in the Operating Partnership Agreement), which includes each of the following: certain change of control events (as described in the Operating Partnership Agreement), or H. Michael Schwartz being removed either as a member of our board of directors or as one of our executive officers for any reason other than for cause.

On March 24, 2021, we, as the general partner of our Operating Partnership, entered into Amendment No. 3 (the "Amendment") to the Operating Partnership Agreement, to make certain revisions to Exhibit D (Description of Class A-2 Units) to the Operating Partnership Agreement.

The Amendment (i) revised the definition of "AUM" in connection with the earnout of the Class A-2 Units so that it (A) includes assets acquired by us and our affiliates and (B) includes 100% of any joint venture assets, rather than a pro rata percentage, and (ii) clarifies that the Class A-2 Units may be transferred after the two-year holding period.

On March 24, 2021, 1,094,434 Class A-2 Units held by SS OP Holdings, were converted into 1,121,795 Class A-1 Units pursuant to the achievement of the first tier of earnout consideration. The fair value of the contingent earnout liability was reduced as the Class A-2 Units were converted into Class A-1 Units in our Operating Partnership and the fair value of such units was reclassified to the noncontrolling interest in our Operating Partnership line in the equity section of our consolidated balance sheet.

On October 19, 2021, the Nominating and Corporate Governance Committee of our board of directors and our board of directors approved resolutions providing that the denominator in the calculation of the earnout exchange ratio will be \$10.66 (the value of the Class A common stock at the time of the Self Administration Transaction, pursuant to which the earnout was established) for the next 12 months, until October 19, 2022. Thereafter the denominator in the calculation of the earnout exchange ratio will be as provided in the Operating Partnership Agreement.

On March 29, 2022, 1,094,434 Class A-2 Units were converted into 1,094,434 Class A-1 Units pursuant to the achievement of the second tier of earnout consideration. The fair value of the contingent earnout liability was reduced as the Class A-2 Units were converted into Class A-1 Units in our Operating Partnership and the fair value of such units was

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reclassified to the noncontrolling interest in our Operating Partnership line in the equity section of our consolidated balance sheet.

As of March 31, 2022, pursuant to the revised definition of “AUM” as described above, we had added incremental assets under management of approximately \$540.4 million, and the estimated fair value of the contingent earnout liability was approximately \$15.0 million.

Distribution Reinvestment Plan

We have adopted an amended and restated distribution reinvestment plan that allows both our Class A and Class T stockholders to have distributions otherwise distributable to them invested in additional shares of our Class A and Class T Shares, respectively. The purchase price per share pursuant to our distribution reinvestment plan is equivalent to the estimated value per share approved by our board of directors and in effect on the date of purchase of shares under the plan. In conjunction with the board of directors’ declaration of a new estimated value per share of our common stock on October 19, 2021, beginning in October 2021, shares sold pursuant to our distribution reinvestment plan were and will continue to be sold at our new estimated value per share of \$15.08 per Class A Share and Class T Share.

On November 30, 2016, we filed with the SEC a Registration Statement on Form S-3, which registered up to \$100.9 million in shares under our distribution reinvestment plan (our “DRP Offering”). We may amend or terminate the amended and restated distribution reinvestment plan for any reason at any time upon 10 days’ prior written notice to stockholders. No sales commissions, dealer manager fee, or stockholder servicing fee will be paid on shares sold through the amended and restated distribution reinvestment plan. Through the termination of our Offering on January 9, 2017, we had sold approximately 1.1 million Class A shares and 0.1 million Class T Shares through our original distribution reinvestment plan. As of March 31, 2022, we had sold approximately 7.2 million Class A Shares and approximately 1.0 million Class T Shares through our DRP Offering.

As described below, on March 7, 2022, our board of directors approved the suspension of our DRP, effective on April 15, 2022.

Share Redemption Program

As described in Note 2 – Redeemable Common Stock, we have an SRP, which is suspended. Pursuant to the SRP, we may redeem the shares of stock presented for redemption for cash to the extent that such requests comply with the below terms of our SRP and we have sufficient funds available to fund such redemption.

Our board of directors may amend, suspend or terminate the SRP with 30 days’ notice to our stockholders. We may provide this notice by including such information in a Current Report on Form 8-K or in our annual or quarterly reports, all publicly filed with the SEC, or by a separate mailing to our stockholders.

On August 20, 2020, our board of directors determined that it would be in the best interests of the Company to amend the terms of the SRP to revise the redemption price per share for all redemptions under the SRP to be equal to the most recently published estimated net asset value per share of the applicable share class (the “SRP Amendment”). Prior to the SRP Amendment, the redemption amount was the lesser of the amount the stockholders paid for their shares or the price per share in the current offering. On October 19, 2021, we declared a new estimated net asset value per share and the redemption price under our SRP immediately changed to \$15.08 (our current estimated net asset value per share).

There are several limitations in addition to those noted above on our ability to redeem shares under the SRP including, but not limited to:

- During any calendar year, we will not redeem in excess of 5% of the weighted-average number of shares outstanding during the prior calendar year.
- The cash available for redemption is limited to the proceeds from the sale of shares pursuant to our distribution reinvestment plan, less any prior redemptions.
- We have no obligation to redeem shares if the redemption would violate the restrictions on distributions under Maryland law, which prohibits distributions that would cause a corporation to fail to meet statutory tests of solvency.

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For the year ended December 31, 2021, we received redemption requests totaling approximately \$5.6 million (approximately 0.4 million shares), approximately \$3.9 million of which were fulfilled during the year ended December 31, 2021, with the remaining approximately \$1.7 million included in accounts payable and accrued liabilities as of December 31, 2021 and fulfilled in January 2022.

As described below, on March 7, 2022, our board of directors approved the complete suspension of our SRP, effective immediately.

Suspension of DRP and SRP

In connection with a review of liquidity alternatives by our Board, on March 7, 2022, the Board approved the full suspension of our DRP and SRP. Under our DRP, the Board may amend, modify, suspend or terminate our plan for any reason upon 10 days' written notice to the participants.

Consistent with the terms of our DRP, distributions declared by the Board for the month of February 2022, which were paid on or about March 15, 2022, were not affected by this suspension. However, beginning with the distributions declared by the Board for the month of March 2022, which will be paid in April 2022, and continuing until such time as the Board may approve the resumption of the DRP, if ever, all distributions declared by the Board will be paid to our stockholders in cash.

Prior to the suspension of our share redemption program, consistent with its terms, all redemption requests received, and not withdrawn, on or prior to the last day of the applicable quarter were processed on the last business day of the month following the end of the quarter in which the redemption requests were received. Accordingly, redemption requests received during the fourth quarter of 2021 were processed on January 31, 2022, and redemption requests received during the first quarter of 2022 ordinarily would have needed to be received on or prior to March 31, 2022 and would have been processed on April 30, 2022. However, the effective date of the aforementioned suspension of our share redemption program occurred prior to March 31, 2022. Accordingly, any redemption requests received during the first quarter of 2022, or any future quarter, will not be processed until such time as the Board may approve the resumption of our share redemption program, if ever.

Operating Partnership Redemption Rights

Generally, the limited partners of our Operating Partnership, excluding any limited partners with respect to their Class A-2 Units, have the right to cause our Operating Partnership to redeem their limited partnership units for cash equal to the value of an equivalent number of our shares, or, at our option, we may purchase their limited partnership units by issuing one share of our common stock for each limited partnership unit redeemed. These rights may not be exercised under certain circumstances that could cause us to lose our REIT election. Furthermore, limited partners may exercise their redemption rights only after their limited partnership units have been outstanding for one year.

Additionally, the Class A-1 Units issued in connection with the Self Administration Transaction are subject to the general restrictions on transfer contained in the Operating Partnership Agreement. The Class A-1 Units are otherwise entitled to all rights and duties of the Class A limited partnership units in the Operating Partnership, including cash distributions and the allocation of any profits or losses in the Operating Partnership.

Other Contingencies

We have a severance plan which covers certain officers; this plan provides for severance payments upon certain events, including after a change of control.

As of March 31, 2022 and December 31, 2021, pursuant to the SSGT II Unit Purchase Agreement, we were also contractually obligated to purchase up to an additional \$7.5 million in SSGT II Preferred Units at SSGT II's option. Additionally, as of March 31, 2022 and December 31, 2021, pursuant to the SST VI Mezzanine Loan, we were potentially required to fund an additional \$38.2 million in debt to SST VI at their option. See Note 9 – Related Party Transactions for more information about our obligations under these agreements.

From time to time, we are party to legal, regulatory and other proceedings that arise in the ordinary course of our business. In accordance with applicable accounting guidance, management accrues an estimated liability when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. We are not aware of any such proceedings of which the outcome is reasonably likely to have a material adverse effect on our results of operations or financial condition.

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Note 12. Declaration of Distributions

On March 25, 2022, our board of directors declared a distribution rate for the month of April 2022 of approximately \$0.00164 per day per share on the outstanding shares of common stock payable to Class A and Class T stockholders of record of such shares as shown on our books at the close of business on each day of the period commencing on April 1, 2022 and ending April 30, 2022. Such distributions payable to each stockholder of record during a month will be paid the following month.

On April 26, 2022, our board of directors declared a distribution rate for the month of May 2022 of approximately \$0.00164 per day per share on the outstanding shares of common stock payable to Class A and Class T stockholders of record of such shares as shown on our books at the close of business on each day of the period commencing on May 1, 2022 and ending May 31, 2022. Such distributions payable to each stockholder of record during a month will be paid the following month.

Note 13. Subsequent Events

On May 10, 2022, we purchased a self storage facility located in the city of Sacramento, California (the "Sacramento Property"). The purchase price for the Sacramento Property was approximately \$25.8 million, plus closing costs. On May 10, 2022 we drew an additional \$25.5 million on the KeyBank Credit Facility Revolver to fund such acquisition.

Private Placement Note Purchase Agreement and Related

On April 19, 2022, we as guarantor, and our Operating Partnership as issuer, entered into a Note Purchase Agreement (the "Note Purchase Agreement") which provides for the private placement of \$150 million of 4.53% Senior Notes due April 19, 2032 (the "Notes"). The sale and purchase of the Notes will occur in two closings, with the first of such closings having occurred on April 19, 2022 with \$75 million aggregate principal amount of the Notes having been issued on such date (the "First Closing") and the second of such closings to occur on May 25, 2022 with \$75 million aggregate principal amount of the Notes to be issued on such date (the "Second Closing").

Interest on the Notes is subject to a potential prospective 75 basis points increase, if, as of March 31, 2023, the ratio of total indebtedness to EBITDA (as defined in the Note Purchase Agreement) (the "Total Leverage Ratio") of the Company and its subsidiaries, on a consolidated basis, is greater than 7.00 to 1.00 (a "Total Leverage Ratio Event"). If a Total Leverage Ratio Event shall have occurred as of such date, the interest accruing on the Notes would be 5.28% until such time as the Total Leverage Ratio is less than or equal to 7.00 to 1.00 for two consecutive fiscal quarters. Interest on each series of the Notes will be payable semiannually on the nineteenth day of April and October in each year, beginning on October 19, 2022, until maturity.

We are permitted to prepay at any time all, or from time to time any part of, the Notes, in amounts not less than 5% of the Notes then outstanding at (i) 100% of the principal amount so prepaid and (ii) the Make-Whole Amount (as defined in the Note Purchase Agreement). The "Make-Whole Amount" is equal to the excess, if any, of the discounted value of the remaining scheduled payments with respect to the Notes being prepaid over the amount of such Notes. In addition, in connection with a Change of Control (as defined in the Note Purchase Agreement), the Operating Partnership is required to offer to prepay the Notes at 100% of the principal amount plus accrued and unpaid interest thereon, but without the Make Whole Amount or any other prepayment premium or penalty of any kind.

The Note Purchase Agreement contains certain customary representations and warranties, affirmative, negative and financial covenants, and events of default that are substantially similar to our existing Credit Facility.

On April 19, 2022, in connection with the initial close of the Notes, we amended the Credit Facility (the "Credit Facility Amendment"). The primary purpose of the Credit Facility Amendment was to: (i) allow for the issuance of the notes, (ii) make conforming changes between the Note Purchase Agreement and the Credit Facility, and (iii) modify the Credit Facility to reflect a transition from the London interbank offering rate to a secured overnight financing rate (SOFR) for floating rate borrowings.

On April 28, 2022, proceeds from First Closing of the Notes were used to fully pay off the outstanding balance on the SST IV TCF Loan in the amount of \$40.9 million. There were no prepayment penalties for the pay off of the SST IV TCF Loan. The remaining funds from the First Closing were used to partially pay down the outstanding principal on the Credit Facility.

In connection with the issuance of the above Notes, the Company received an investment grade credit rating (BBB-) from Kroll Bond Rating Agency, Inc.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our consolidated financial statements and notes thereto contained elsewhere in this report. The following Management’s Discussion and Analysis of Financial Condition and Results of Operations should also be read in conjunction with our consolidated financial statements and notes thereto and Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2021. See also “Cautionary Note Regarding Forward-Looking Statements” preceding Part I.

Overview

We are a self-managed and fully-integrated self storage real estate investment trust (“REIT”). Our year-end is December 31. As used in this report, “we,” “us,” “our,” and “Company” refer to SmartStop Self Storage REIT, Inc. and each of our subsidiaries.

We focus on the acquisition, ownership, and operation of self storage properties located primarily within the top 100 metropolitan statistical areas, or MSAs, throughout the United States and the Greater Toronto Area in Canada. According to the Inside Self Storage Top-Operators List for 2021, we are the 11th largest owner and operator of self storage properties in the United States based on number of properties, units, and rentable square footage. As of March 31, 2022, our wholly-owned portfolio consisted of 140 self storage properties diversified across 18 states and the Greater Toronto Area of Ontario, Canada comprising approximately 93,000 units and 10.7 million net rentable square feet. Additionally, we had a 50% equity interest in six unconsolidated real estate ventures located in the Greater Toronto Area, which consisted of five operating self storage properties and one parcel of land currently under development into a self storage facility. Further, through our Managed REIT Platform, we now serve as the sponsor of three Managed REITs: Strategic Storage Growth Trust II, Inc., a private REIT (“SSGT II”), Strategic Storage Trust VI, Inc., a publicly-registered non-traded REIT (“SST VI”), and Strategic Storage Growth Trust III, Inc., a new private REIT which is in its initial stages of formation (“SSGT III”), all of which pay us fees to manage these programs and operate their 19 self storage properties (as of March 31, 2022).

Our primary business model is focused on owning and operating high quality self storage properties in high growth markets in the United States and Canada. Our business model is designed to maximize cash flow available for distribution to our stockholders and to achieve sustainable long-term growth in cash flow in order to maximize long-term stockholder value at acceptable levels of risk. We execute our organic growth strategy by pursuing revenue-optimizing and expense-minimizing opportunities in the operations of our existing portfolio. We execute our external growth strategy by developing, redeveloping, acquiring and managing self storage facilities in the United States and Canada, and we look to acquire properties that are physically stabilized, recently developed, in various stages of lease up or at certificate of occupancy. We seek to acquire undermanaged facilities that are not operated by institutional operators, where we can implement our proprietary management and technology to maximize net operating income.

As discussed herein, we, through our subsidiaries, also served as the sponsor of Strategic Storage Trust IV, Inc., a public non-traded REIT (“SST IV”) through March 17, 2021, and currently serve as the sponsor of SSGT II, SST VI, and SSGT III, (SSGT II, SST VI, SSGT III, and prior to March 17, 2021, SST IV, the “Managed REITs”), and operate the properties owned by the Managed REITs, consisting of, as of March 31, 2022, 19 properties and approximately 14,000 units and 1.5 million rentable square feet. In addition, we have the internal capability to originate, structure and manage additional self storage investment programs (the “Managed REIT Platform”) which would be sponsored by SmartStop REIT Advisors, LLC (“SRA”), our indirect subsidiary. We generate asset management fees, property management fees, acquisition fees, and other fees and also receive substantially all of the tenant protection program revenue earned by our Managed REITs. For the property management and advisory services that we provide, we are reimbursed for certain expenses that otherwise helps to offset our net operating expense burden.

As of March 31, 2022, our wholly-owned self storage portfolio was comprised as follows:

State	No. of Properties	Units ⁽¹⁾	Sq. Ft. (net) ⁽²⁾	% of Total Rentable Sq. Ft.	Physical Occupancy % ⁽³⁾	Rental Income % ⁽⁴⁾
Alabama	1	1,090	163,300	1.5 %	95.2 %	0.8 %
Arizona	3	2,540	265,000	2.5 %	93.2 %	2.2 %
California	27	17,190	1,824,700	17.1 %	95.0 %	20.3 %
Colorado	7	4,010	436,000	4.1 %	94.7 %	3.5 %
Florida	22	17,010	2,049,800	19.1 %	94.9 %	21.5 %
Illinois	6	3,785	429,500	4.0 %	90.4 %	3.1 %
Indiana	2	1,030	112,700	1.1 %	94.8 %	0.7 %
Massachusetts	1	840	93,200	0.9 %	98.9 %	1.9 %
Maryland	2	1,610	169,500	1.6 %	93.7 %	1.6 %
Michigan	4	2,220	266,100	2.5 %	93.6 %	2.0 %
New Jersey	2	2,350	205,100	1.9 %	93.1 %	2.2 %
Nevada	8	6,210	757,100	7.1 %	96.0 %	6.8 %
North Carolina	19	9,190	1,192,400	11.1 %	94.8 %	8.8 %
Ohio	5	2,310	279,700	2.6 %	95.8 %	1.7 %
South Carolina	3	1,940	246,000	2.3 %	93.3 %	1.7 %
Texas	11	6,320	844,600	7.9 %	95.6 %	6.6 %
Virginia	1	830	71,100	0.7 %	98.2 %	1.0 %
Washington	3	1,680	196,600	1.8 %	94.4 %	2.0 %
Ontario, Canada	13	10,610	1,092,300	10.2 %	95.4 %	11.6 %
Total	140	92,765	10,694,700	100 %	94.8 %	100 %

(1) Includes all rentable units, consisting of storage units and parking (approximately 3,200 units).

(2) Includes all rentable square feet, consisting of storage units and parking (approximately 948,000 square feet).

(3) Represents the occupied square feet of all facilities in a state or province divided by total rentable square feet of all the facilities in such state or area as of March 31, 2022).

(4) Represents rental income (excludes administrative fees, late fees, and other ancillary income) for all facilities we owned in a state or province divided by our total rental income for the month ended March 31, 2022.

Additionally, we own our office located at 10 Terrace Rd, Ladera Ranch, California (the “Ladera Office”) which houses our corporate headquarters.

Critical Accounting Policies

We have established accounting policies which conform to generally accepted accounting principles (“GAAP”). Preparing financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. Following is a discussion of the estimates and assumptions used in setting accounting policies that we consider critical in the presentation of our consolidated financial statements. Many estimates and assumptions involved in the application of GAAP may have a material impact on our financial condition or operating performance, or on the comparability of such information to amounts reported for other periods, because of the subjectivity and judgment required to account for highly uncertain items or the susceptibility of such items to change. These estimates and assumptions affect our reported amounts of assets and liabilities, our disclosure of contingent assets and liabilities at the dates of the financial statements and our reported amounts of revenue and expenses during the period covered by this report. If management’s judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied or different amounts of assets, liabilities, revenues and expenses would have been recorded, thus resulting in a materially different presentation of the financial statements or materially different amounts being reported in the financial statements. Additionally, other companies may use different estimates and assumptions that may impact the comparability of our financial condition and results of operations to those companies.

We believe that our critical accounting policies include the following: real estate purchase price allocations; the evaluation of whether any of our long-lived assets have been impaired; the valuation of goodwill and related impairment considerations, the valuation of our trademarks and related impairment considerations, the valuation of our contingent consideration liability, the determination of the useful lives of our long-lived assets; and the evaluation of the consolidation of our interests in joint ventures. The following discussion of these policies supplements, but does not supplant the description of our significant accounting policies, as contained in Note 2 – Summary of Significant Accounting Policies, of the Notes to the Consolidated Financial Statements contained in this report, and is intended to present our analysis of the uncertainties involved in arriving upon and applying each policy.

Real Estate Purchase Price Allocation

We account for acquisitions in accordance with GAAP which requires that we allocate the purchase price of a property to the tangible and intangible assets acquired and the liabilities assumed based on their relative fair values. This guidance requires us to make significant estimates and assumptions, including fair value estimates, which requires the use of significant unobservable inputs as of the acquisition date.

The value of the tangible assets, consisting of land and buildings is determined as if vacant. Because we believe that substantially all of the leases in place at properties we will acquire will be at market rates, as the majority of the leases are month-to-month contracts, we do not expect to allocate any portion of the purchase prices to above or below market leases. We also consider whether in-place, market leases represent an intangible asset. Acquisitions of portfolios of facilities are allocated to the individual facilities based upon an income approach or a cash flow analysis using appropriate risk adjusted capitalization rates which take into account the relative size, age, and location of the individual facility along with current and projected occupancy and rental rate levels or appraised values, if available.

Our allocations of purchase prices are based on certain significant estimates and assumptions, variations in such estimates and assumptions could result in a materially different presentation of the consolidated financial statements or materially different amounts being reported in the consolidated financial statements.

Real Property Assets Valuation

We evaluate our real property assets for impairment based on events and changes in circumstances that may arise in the future and that may impact the carrying amounts of such assets. When indicators of potential impairment are present, we will assess the recoverability of the particular asset by determining whether the carrying value of the asset will be recovered, through an evaluation of the undiscounted future operating cash flows expected from the use of the asset and its eventual disposition. This evaluation is based on a number of estimates and assumptions. Based on this evaluation, if the expected undiscounted future cash flows do not exceed the carrying value, we will adjust the value of the real property asset and recognize an impairment loss. Our evaluation of the impairment of real property assets could result in a materially different presentation of the financial statements or materially different amounts being reported in the financial statements, as the amount of impairment loss, if any, recognized may vary based on the estimates and assumptions we use.

Intangible Assets Valuation

In connection with the acquisition of the self storage advisory, asset management and property management businesses and certain joint venture interests of Strategic Asset Management I, LLC (f/k/a SmartStop Asset Management, LLC), our former sponsor (“SAM”), along with certain other assets of SAM (collectively, the “Self Administration Transaction”), we allocated a portion of the consideration to the contracts that we acquired related to the Managed REITs and the customer relationships related to our tenant insurance, tenant protection plans or similar programs (the “Tenant Protection Programs”). For these intangibles, we are amortizing such amounts on a straight-line basis over the estimated benefit period of the contracts and customer relationships. We evaluate these intangible assets for impairment when an event occurs or circumstances change that indicate the carrying value may not be recoverable. In such an event, an impairment charge is recognized and the intangible asset is marked down to its fair value.

Goodwill Valuation

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible assets and other intangible assets acquired. Goodwill is allocated to various reporting units, as applicable, and is not amortized. We perform an annual impairment test for goodwill and between annual tests, we evaluate the recoverability of goodwill whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be fully recoverable. If circumstances indicate the carrying amount may not be fully recoverable, we perform a quantitative impairment test of goodwill to compare the fair value of each reporting unit to its respective carrying amount. If the carrying amount of goodwill exceeds its fair value, an impairment charge will be recognized.

Trademarks Valuation

Trademarks are based on the value of our brands. Trademarks are valued using the relief from royalty method, which presumes that without ownership of such trademarks, we would have to make a stream of payments to a brand or franchise owner in return for the right to use their name. By virtue of this asset, we avoid any such payments and record the related intangible value of our ownership of the brand name.

We qualitatively evaluate whether any triggering events or changes in circumstances have occurred subsequent to our annual impairment test that would indicate an impairment condition may exist. If any change in circumstance or triggering event occurs, and results in a significant impact to our revenue and profitability projections, or any significant assumption in our valuation methods is adversely impacted, the impact could result in a material impairment charge in the future.

Contingent Earnout Valuation

In connection with the Self Administration Transaction, we issued the Class A-2 Units, as a form of contingent consideration, which is required to be revalued at each reporting period, based on the discounted probability weighted forecast of achieving the requisite AUM thresholds or the occurrence of an Earnout Acceleration Event (both as defined in Note 11 – Commitments and Contingencies, of the Notes to the Consolidated Financial Statements contained in this report).

Estimated Useful Lives of Real Property Assets

We assess the useful lives of the assets underlying our properties based upon a subjective determination of the period of future benefit for each asset. We record depreciation expense with respect to these assets based upon the estimated useful lives we determine. Our determinations of the useful lives of the assets could result in a materially different presentation of the consolidated financial statements or materially different amounts being reported in the consolidated financial statements, as such determinations, and the corresponding amount of depreciation expense, may vary dramatically based on the estimates and assumptions we use.

Consolidation Considerations

Current accounting guidance provides a framework for identifying a variable interest entity (“VIE”) and determining when a company should include the assets, liabilities, noncontrolling interests, and results of activities of a VIE in its consolidated financial statements. In general, a VIE is an entity or other legal structure used to conduct activities or hold assets that either (1) has an insufficient amount of equity to carry out its principal activities without additional subordinated financial support, (2) has a group of equity owners that are unable to make significant decisions about its activities, or (3) has a group of equity owners that do not have the obligation to absorb losses or the right to receive returns generated by its operations. Generally, a VIE should be consolidated if a party with an ownership, contractual, or other financial interest in the VIE (a variable interest holder) has the power to direct the VIE’s most significant activities and the obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE. A variable interest holder that consolidates the VIE is called the primary beneficiary. Upon consolidation, the primary beneficiary generally must initially record all of the VIE’s assets, liabilities, and noncontrolling interest at fair value and subsequently account for the VIE as if it were consolidated based on majority voting interest.

We evaluate the consolidation of our investments in joint ventures in accordance with relevant accounting guidance. This evaluation requires us to determine whether we have a controlling interest in a joint venture through a means other than voting rights, and, if so, such joint venture may be required to be consolidated in our financial statements. Our evaluation of our joint ventures under such accounting guidance could result in a materially different presentation of the financial statements or materially different amounts being reported in the financial statements, as the joint venture entities included in our consolidated financial statements may vary based on the estimates and assumptions we use.

REIT Qualification

We made an election under Section 856(c) of the Internal Revenue Code of 1986 (the Code) to be taxed as a REIT under the Code, commencing with the taxable year ended December 31, 2014. By qualifying as a REIT for federal income tax purposes, we generally will not be subject to federal income tax on income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax on our taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year in which our qualification is denied. Such an event could materially and adversely affect our net income and could have a material adverse impact on our financial condition and results of operations. However, we believe that we are organized and operate in a manner that will enable us to continue to qualify for treatment as a REIT for federal income tax purposes, and we intend to continue to operate as to remain qualified as a REIT for federal income tax purposes.

COVID-19 Pandemic

Our rental revenue and operating results depend significantly on the demand for self storage space. Since the beginning of the COVID-19 pandemic in late March 2020, our operations have adjusted to meet the needs of our customers and employees, while striving to create a safe environment for everyone at our properties and corporate offices. We also adjusted our in-store operations in order to comply with the various governmental orders, and, in certain cases, we had to temporarily close some of our offices. Additionally, we expanded our options for customers to rent units via contactless means, including directly through our website and call center. The operational and financial impacts associated with COVID-19 were most significant to our business in the second quarter of 2020, with customer demand for self storage resuming at or above normalized levels during the second half of 2020 and continuing through 2022.

The challenges associated with the COVID-19 pandemic were partially offset by other trends that helped maintain the demand for self storage. The broader shift of people working from home, elevated migration patterns and strength in the housing market helped drive continued growth in self storage demand through 2022, resulting in the highest first quarter physical occupancies we have achieved in our company's history.

As rental activity, occupancy levels, and rental rates recovered during the second half of 2020 and through 2022, our financial performance has continued to improve. Same-store and overall results are expected to normalize over the coming quarters as the comparable periods change.

The underlying relative strength in the self storage industry in the midst of the COVID-19 pandemic continued into 2022. The ultimate extent and duration of the COVID-19 pandemic could still affect the self storage industry and/or us, potentially by the impact of governmental orders or broader economic conditions, and inflation which could impact our customers, and in turn could affect our financial condition, collections, liquidity, and results of operations. These potential future developments are uncertain and cannot be predicted. This includes new information that may also emerge concerning the breadth of the COVID-19 outbreak, as well as the actions to contain or treat its impact, including the distribution and broad acceptance of various vaccines for COVID-19 or the efficacy of those vaccines against new COVID-19 variants.

Results of Operations

Overview

We derive revenues principally from: (i) rents received from our self storage tenant leases; (ii) fees generated from our Managed REITs; (iii) our Tenant Protection Programs; and (iv) sales of packing and storage-related supplies at our storage facilities. Therefore, our operating results depend significantly on our ability to retain our existing tenants and lease our available self storage units to new tenants, while maintaining and, where possible, increasing the prices for our self storage units.

Competition in the market areas in which we operate is significant and affects the occupancy levels, rental rates, rental revenues and operating expenses of our facilities. Development of any new self storage facilities would intensify competition of self storage operators in markets in which we operate.

As of March 31, 2022 and 2021, we wholly-owned 140 and 136 operating self storage facilities, respectively. Our operating results for the three months ended March 31, 2022 include full quarter results for 139 self storage facilities. Our operating results for the three months ended March 31, 2021 include full quarter results for 112 self storage facilities. Operating results in future periods will depend on the results of operations of these properties and of the real estate properties that we acquire in the future.

As discussed previously, the results of operations presented herein cover a period of time prior to the SST IV Merger. Our 2021 and 2022 operating results have been and will continue to be significantly impacted by the SST IV Merger as a result of acquiring 24 operating self storage facilities and 50% equity interests in six unconsolidated real estate ventures, as well as the elimination of fees that we previously earned from SST IV.

SST IV Merger

On March 17, 2021, we acquired 24 operating self storage facilities and six real estate joint ventures by way of merger with SST IV. The 24 SST IV operating properties had a weighted average physical occupancy of 92.6%, and 94.8% as of March 31, 2021, and 2022, respectively.

We expect the SST IV Merger to continue to be accretive to FFO, as adjusted as we continue to recognize a lower cost of capital, as the former SST IV properties reach higher levels of physical and economic occupancy and from continued growth from the six joint venture properties in various stages of lease up and development.

Comparison of the Three Months Ended March 31, 2022 and 2021

Total Self Storage Revenues

Total self storage related revenues for the three months ended March 31, 2022 and 2021 were approximately \$45.0 million and \$31.1 million, respectively. The increase in total self storage revenues of approximately \$14.0 million, or approximately 45%, is primarily attributable to the 24 operating self storage facilities acquired in connection with the SST IV Merger (approximately \$7.4 million) and an increase in same-store revenues (approximately \$5.2 million, or approximately 18.4%).

We expect self storage revenues to increase in future periods as our lease-up properties continue to increase occupancy and rates, and to otherwise fluctuate based on the performance of our same-store pool, which will be influenced by the overall economic environment and increases in self storage supply, amongst other things. Additionally, we expect to see increases in self storage revenues from our future acquisitions, including the properties currently owned by SSGT II if and when the SSGT II Merger closes.

Managed REIT Platform Revenue

Managed REIT Platform revenue for the three months ended March 31, 2022 and 2021 was approximately \$1.8 million and \$2.3 million, respectively. The decrease in Managed REIT Platform revenue of approximately \$0.5 million is primarily attributable to the SST IV Merger in March of 2021. If and when the SSGT II Merger closes, we expect Managed REIT Platform Revenue to decrease as a result, and subsequently increase as our other Managed REITs grow their assets under management.

Reimbursable Costs from Managed REITs

Reimbursable costs from Managed REITs for the three months ended March 31, 2022 and 2021 were approximately \$1.1 million and \$1.2 million, respectively. Such revenues consist of costs incurred by us as we provide property management and advisory services to the Managed REITs, which are reimbursed by our Managed REITs, pursuant to our related contracts with the Managed REITs. We expect reimbursable costs from Managed REITs to fluctuate commensurate with our Managed REITs' increase in operations as we receive reimbursement for providing such services, and decline in the short term if and when the SSGT II Merger closes.

Property Operating Expenses

Property operating expenses for the three months ended March 31, 2022 and 2021 were approximately \$13.1 million (or 29.1% of self storage revenue) and \$10.3 million (or 33.3% of self storage revenue), respectively. Property operating expenses include the costs to operate our facilities including payroll expense, utilities, insurance, real estate taxes, and marketing. The increase in property operating expenses of approximately \$2.8 million is primarily attributable to the 24 operating self storage facilities acquired in connection with the SST IV Merger (approximately \$2.1 million). We expect property operating expenses to decrease as a percentage of revenue as revenues increase.

Managed REIT Platform Expenses

Managed REIT Platform expenses for the three months ended March 31, 2022 and 2021 were approximately \$0.4 million and \$0.3 million, respectively. Such expenses include expenses related to the Administrative Services Agreement (as discussed in Note 9 – Related Party Transactions, of the notes to consolidated financial statements contained in this report), and other non-reimbursable costs associated with the operation of the Managed REIT Platform. We expect Managed REIT Platform expenses to fluctuate in future periods commensurate with the level of services provided to the Managed REITs.

Reimbursable Costs from Managed REITs

Reimbursable costs from Managed REITs for the three months ended March 31, 2022 and 2021 were approximately \$1.1 million and \$1.2 million, respectively. Such expenses consist of costs incurred by us as we provide property management and advisory services to the Managed REITs, which are reimbursed by our Managed REITs, pursuant to our related contracts with the Managed REITs. We expect reimbursable costs from Managed REITs to fluctuate commensurate with our Managed REITs' increase in operations as we receive reimbursement for providing such services, and decline in the short term if and when the SSGT II Merger closes.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2022 and 2021 were approximately \$5.8 million and \$4.8 million, respectively. These expenses consist primarily of compensation-related costs, legal expenses, accounting expenses, transfer agent fees, directors' and officers' insurance expense and board of directors related costs. The increase is primarily attributable to increased board of directors related costs, transfer agent costs and compensation-related expenses. We expect general and administrative expenses to decrease as a percentage of total revenues over time.

Depreciation and Amortization Expenses

Depreciation and amortization expenses for the three months ended March 31, 2022 and 2021 were approximately \$15.0 million and \$9.8 million, respectively. Depreciation expense consists primarily of depreciation on the buildings and site improvements at our properties. Amortization expense consists of the amortization of our in place lease intangible assets resulting from our self storage acquisitions and amortization of certain intangible assets acquired in the Self Administration Transaction. The increase in depreciation and amortization expense is primarily attributable to additional depreciation and amortization on the properties and intangible assets acquired in the SST IV Merger.

Acquisition Expenses

Acquisition expenses for the three months ended March 31, 2022 and 2021 were approximately \$0.4 million and \$0.3 million, respectively. These acquisition expenses were incurred prior to acquisitions becoming probable in accordance with our capitalization policy.

Contingent Earnout Adjustment

The contingent earnout adjustments for the three months ended March 31, 2022 and 2021 reflects increases in the contingent earnout liability of approximately \$0.5 million and \$2.1 million, respectively. The contingent earnout adjustment reflects the change in the liability on a net basis based on an updated discounted probability weighted forecast of our projected assets under management (as defined in the Operating Partnership Agreement, as amended).

Write-off of equity interest and preexisting relationships upon acquisition of control

Write-off of equity interest and preexisting relationships upon acquisition of control for the three months ended March 31, 2022 and 2021 was none and approximately \$8.4 million, respectively. Such expense represents the Company's write-off of the SST IV special limited partnership interest we held in SST IV, which per the terms of the SST IV Merger, terminated without consideration, as well as the write-off of the intangible assets related to the SST IV advisory agreement and property management contracts due to the termination of such contracts with the SST IV Merger.

Interest Expense

Interest expense for the three months ended March 31, 2022 and 2021 was approximately \$7.6 million and \$8.6 million, respectively. Interest expense includes interest expense, accretion of fair market value of debt, and amortization of debt issuance costs. The decrease of approximately \$1.0 million is primarily attributable to lower rates on a year over year basis due in part to the expiration of our \$235 million LIBOR swap, partially offset by an increase in the average outstanding principal balance, primarily as a result of the SST IV Merger. We expect interest expense to fluctuate in future periods commensurate with our future debt levels and interest rates.

Other

Other income (expense) for the three months ended March 31, 2022 and 2021 were approximately (\$0.7) million of expense, and \$1.4 million of income, respectively. Other consists primarily of state and federal tax expense, adjustments to deferred tax liabilities, foreign currency fluctuations, changes in value related to our foreign currency and interest rate hedges not designated for hedge accounting, and equity in earnings attributable to our unconsolidated joint ventures. The change of approximately \$2.2 million is primarily the result of a reduction in the deferred tax liabilities of approximately \$1.9 million during the three months ended March 31, 2021 as a result of the write-off of the asset management and property management intangible assets.

Same-Store Facility Results - Three Months Ended March 31, 2022 and 2021

The following table sets forth operating data for our same-store facilities (those properties included in the consolidated results of operations since January 1, 2021, excluding three lease-up properties we owned as of January 1, 2021) for the three months ended March 31, 2022 and 2021. We consider the following data to be meaningful as this allows for the comparison of results without the effects of acquisition, lease up, or development activity.

	Same-Store Facilities			Non Same-Store Facilities			Total		
	2022	2021	% Change	2022	2021 ⁽⁶⁾	% Change	2022	2021	% Change
Revenue ⁽¹⁾	\$ 33,324,465	\$ 28,155,999	18.4 %	\$ 9,952,229	\$ 1,568,105	N/M	\$ 43,276,694	\$ 29,724,104	45.6 %
Property operating expenses ⁽²⁾	9,767,729	9,418,146	3.7 %	3,337,596	925,135	N/M	13,105,325	10,343,281	26.7 %
Net operating income	\$ 23,556,736	\$ 18,737,853	25.7 %	\$ 6,614,633	\$ 642,970	N/M	\$ 30,171,369	\$ 19,380,823	55.7 %
Number of facilities	109	109		31	28		140	137	
Rentable square feet ⁽³⁾	8,034,200	8,034,200		2,660,500	2,393,600		10,694,700	10,427,800	
Average physical occupancy ⁽⁴⁾	95.1 %	93.2 %		93.6 %	68.6 %		94.7 %	92.5 %	
Annualized rent per occupied square foot ⁽⁵⁾	\$ 17.77	\$ 15.24		N/M	N/M		\$ 17.54	\$ 15.13	

N/M Not meaningful

⁽¹⁾ Revenue includes rental revenue, certain ancillary revenue, administrative and late fees, and excludes Tenant Protection Program revenue.

- (2) Property operating expenses excludes corporate general and administrative expenses, interest expense, depreciation, amortization expense, and acquisition expenses.
- (3) Of the total rentable square feet, parking represented approximately 948,000 square feet and 920,000 square feet as of March 31, 2022 and 2021, respectively. On a same-store basis, for the same periods, parking represented approximately 680,000 square feet.
- (4) Determined by dividing the sum of the month-end occupied square feet for the applicable group of facilities for each applicable period by the sum of their month-end rentable square feet for the period.
- (5) Determined by dividing the aggregate realized rental income for each applicable period by the aggregate of the month-end occupied square feet for the period. Properties are included in the respective calculations in their first full month of operations, as appropriate. We have excluded the realized rental revenue and occupied square feet related to parking herein for the purpose of calculating annualized rent per occupied square foot.
- (6) Included in the non same-store data is a self storage facility consisting of approximately 84,000 square feet owned by SST VI OP, which was consolidated by us from March 10, 2021 until May 1, 2021.

Our same-store revenue increased by approximately \$5.2 million, or approximately 18.4%, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021 primarily due to higher annualized rent per occupied square foot as well as increased occupancy.

The following table presents a reconciliation of net income (loss) as presented on our consolidated statements of operations to net operating income, as stated above, for the periods indicated:

	For the Three Months Ended March 31,	
	2022	2021
Net income (loss)	\$ 3,269,459	\$ (12,303,466)
Adjusted to exclude:		
Tenant Protection Program revenue ⁽¹⁾	(1,754,498)	(1,336,768)
Managed REIT Platform revenue	(1,809,096)	(2,287,740)
Managed REIT Platform expenses	389,265	319,890
General and administrative	5,837,647	4,752,989
Depreciation	11,107,986	8,543,927
Intangible amortization expense	3,900,884	1,259,547
Acquisition expenses	417,774	305,650
Contingent earnout adjustment	513,821	2,119,744
Write-off of equity interest and preexisting relationships upon acquisition of control	—	8,389,573
Interest expense	7,575,784	8,616,071
Net loss on extinguishment of debt	—	2,444,788
Other, net	722,343	(1,443,382)
Total net operating income	\$ 30,171,369	\$ 19,380,823

⁽¹⁾ Approximately \$1.3 million of Tenant Protection Program revenue was earned at same-store facilities during three months ended March 31, 2022, with the remaining approximately \$0.4 million earned at non same-store facilities.

Non-GAAP Financial Measures

Funds from Operations

Funds from operations ("FFO"), is a non-GAAP financial metric promulgated by the National Association of Real Estate Investment Trusts (NAREIT) that we believe is an appropriate supplemental measure to reflect our operating performance. We define FFO consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, or the White Paper. The White Paper defines FFO as net income (loss) computed in accordance with GAAP, excluding gains or losses from sales of property and real estate related asset impairment write downs, plus depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Additionally, gains and losses from change in control are excluded from the determination of FFO. Adjustments for unconsolidated partnerships

and joint ventures are calculated to reflect FFO on the same basis. Our FFO calculation complies with NAREIT's policy described above.

FFO, as Adjusted

We use FFO, as adjusted, as an additional non-GAAP financial measure to evaluate our operating performance. FFO, as adjusted, provides investors with supplemental performance information that is consistent with the performance models and analysis used by management. In addition, FFO, as adjusted, is a measure used among our peer group, which includes publicly traded REITs. Further, we believe FFO, as adjusted, is useful in comparing the sustainability of our operating performance with the sustainability of the operating performance of other real estate companies.

In determining FFO, as adjusted, we make further adjustments to the NAREIT computation of FFO to exclude the effects of non-real estate related asset impairments and intangible amortization, acquisition related costs, other write-offs incurred in connection with acquisitions, contingent earnout expenses, accretion of fair value of debt adjustments, gains or losses from extinguishment of debt, adjustments of deferred tax liabilities, realized and unrealized gains/losses on foreign exchange transactions, and gains/losses on foreign exchange and interest rate derivatives not designated for hedge accounting, which we believe are not indicative of our overall long-term operating performance. We exclude these items from GAAP net income (loss) to arrive at FFO, as adjusted, as they are not the primary drivers in our decision-making process and excluding these items provides investors a view of our continuing operating portfolio performance over time, which in any respective period may experience fluctuations in such acquisition, merger or other similar activities that are not of a long-term operating performance nature. FFO, as adjusted, also reflects adjustments for unconsolidated partnerships and jointly owned investments. We use FFO, as adjusted, as one measure of our operating performance when we formulate corporate goals and evaluate the effectiveness of our strategies.

Presentation of FFO and FFO, as adjusted, is intended to provide useful information to investors as they compare the operating performance of different REITs. However, not all REITs calculate FFO and FFO, as adjusted, the same way, so comparisons with other REITs may not be meaningful. Furthermore, FFO and FFO, as adjusted, are not necessarily indicative of cash flow available to fund cash needs and should not be considered as an alternative to net income (loss) as an indication of our performance, as an alternative to cash flows from operations as an indication of our liquidity or indicative of funds available to fund our cash needs including our ability to make distributions to our stockholders. FFO and FFO, as adjusted, should be reviewed in conjunction with other measurements as an indication of our performance.

The following is a reconciliation of net loss, which is the most directly comparable GAAP financial measure, to FFO and FFO, as adjusted (attributable to common stockholders), for each of the periods presented below:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Net loss (attributable to common stockholders)	\$ (216,555)	\$ (13,908,664)
Add:		
Depreciation of real estate	10,862,117	8,377,485
Amortization of real estate related intangible assets	3,660,083	562,085
Depreciation and amortization of real estate and intangible assets from unconsolidated entities	300,013	34,074
Deduct:		
Adjustment for noncontrolling interests ⁽⁶⁾	(1,599,064)	(1,118,036)
FFO (attributable to common stockholders)	13,006,594	(6,053,056)
Other Adjustments:		
Intangible amortization expense - contracts ⁽¹⁾	240,801	697,462
Acquisition expenses ⁽²⁾	417,774	305,650
Acquisition expenses and foreign currency (gains) losses, net from unconsolidated entities	20,496	—
Contingent earnout adjustment ⁽³⁾	513,821	2,119,744
Write-off of equity interest and preexisting relationships upon acquisition of control	—	8,389,573
Accretion of fair market value of secured debt	(34,642)	(31,866)
Net loss on extinguishment of debt ⁽⁴⁾	—	2,444,788
Foreign currency and interest rate derivative losses, net ⁽⁵⁾	(175,532)	217,998
Adjustment of deferred tax liabilities ⁽¹⁾	241,588	(1,872,866)
Adjustment for noncontrolling interests ⁽⁶⁾	(131,971)	(1,433,296)
FFO, as adjusted (attributable to common stockholders)	\$ 14,098,929	\$ 4,784,131

The following is a reconciliation of FFO and FFO, as adjusted (attributable to common stockholders), to FFO and FFO, as adjusted (attributable to common stockholders and OP Unit holders), for each of the periods presented below:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
FFO (attributable to common stockholders and OP unit holders) Calculation:		
FFO (attributable to common stockholders)	\$ 13,006,594	\$ (6,053,056)
Net income (loss) attributable to the noncontrolling interests	403,822	(1,476,994)
Adjustment for noncontrolling interests ⁽⁶⁾	1,599,064	1,118,036
FFO (attributable to common stockholders and OP unit holders)	\$ 15,009,480	\$ (6,412,014)
FFO, as adjusted (attributable to common stockholders and OP unit holders) Calculation:		
FFO, as adjusted (attributable to common stockholders)	\$ 14,098,929	\$ 4,784,131
Net income (loss) attributable to the noncontrolling interests	403,822	(1,476,994)
Adjustment for noncontrolling interests ⁽⁶⁾	1,731,035	2,551,332
FFO, adjusted (attributable to common stockholders and OP unit holders)	\$ 16,233,786	\$ 5,858,469

⁽¹⁾ These items represent the amortization, accretion, or adjustment of intangible assets or deferred tax liabilities.

⁽²⁾ This represents acquisition expenses associated with investments in real estate that were incurred prior to the acquisitions becoming probable and therefore not capitalized in accordance with our capitalization policy.

(3) The contingent earnout adjustment represents the adjustment to the fair value during the period of the Class A-2 Units issued in connection with the self administration transaction.

(4) The net loss associated with the extinguishment of debt includes prepayment penalties, the write-off of unamortized deferred financing fees, and other fees incurred.

(5) This represents the mark-to-market adjustment for our derivative instruments not designated for hedge accounting and the ineffective portion of the change in fair value of derivatives recognized in earnings, as well as changes in foreign currency related to our foreign equity investments not classified as long term.

(6) This represents the portion of the above stated adjustments in the calculations of FFO and FFO, as adjusted, that are attributable to our non-controlling interests.

Cash Flows

A comparison of cash flows for operating, investing and financing activities for the three months ended March 31, 2022 and 2021 is as follows:

	Three Months Ended		Change
	March 31, 2022	March 31, 2021	
Net cash flow provided by (used in):			
Operating activities	\$ 15,581,303	\$ 4,693,456	\$ 10,887,847
Investing activities	(21,363,648)	(52,767,545)	31,403,897
Financing activities	4,532,728	6,457,022	(1,924,294)

Cash flows provided by operating activities for the three months ended March 31, 2022 and 2021 were approximately \$15.6 million and \$4.7 million, respectively, an increase of approximately \$10.9 million. The increase in cash provided by our operating activities is primarily the result of an increase in net income when excluding the impact of non-cash items included in the determination of net income, which resulted in an increase in cash provided by operating activities of approximately \$10.8 million, as well as an increase of approximately \$0.1 million resulting from a change in working capital accounts.

Cash flows used in investing activities for the three months ended March 31, 2022 and 2021 were approximately \$21.4 million and \$52.8 million, respectively, a decrease in the use of cash of approximately \$31.4 million. The decrease in cash used in investing activities primarily relates to the SST IV Merger and the acquisitions of Oakville III and Riverside III, all of which were completed during the three months ended March 31, 2021 as compared to the single acquisition of Algonquin during the three months ended March 31, 2022.

Cash flows provided by financing activities for the three months ended March 31, 2022 and 2021 were approximately \$4.5 million and \$6.5 million, respectively, a change of approximately \$1.9 million. The change in financing activities is primarily attributable to the approximately \$2.6 million of additional distributions paid during the three months ended March 31, 2022 when compared to the three months ended March 31, 2021, partially offset by approximately \$1.0 million of additional net debt issued during the three months ended March 31, 2022 when compared to the three months ended March 31, 2021.

Liquidity and Capital Resources

Short-Term Liquidity and Capital Resources

We generally expect that we will meet our short-term liquidity requirements from the combination of existing cash balances and net cash provided from property operations and the Managed REIT Platform. Alternatively, we may issue additional secured or unsecured financing from banks or other lenders, or we may enter into various other forms of financing. On March 17, 2021, we entered into a debt facility (the "Credit Facility"), which was further expanded in October 2021. On April 19, 2022, we entered into a note purchase agreement which provides for the private placement of \$150 million in senior notes, with a maturity date of April 19, 2032. As a result of the increased capacity on our Credit Facility and the note purchase agreement, we have additional operational flexibility and are better positioned to take advantage of additional opportunities, while meeting our liquidity needs.

COVID-19 initially caused significant volatility in the debt and equity markets and the continued and/or further impact will depend on future developments, which are highly uncertain. While we do not expect such events to have a material impact upon our liquidity in the short-term, continued uncertainty or deterioration in the debt and equity markets over an extended period of time could potentially impact our liquidity over the long-term.

Distribution Policy and Distributions

Preferred Stock Dividends

The shares of Series A Convertible Preferred Stock rank senior to all other shares of our capital stock, including our common stock, with respect to rights to receive dividends and to participate in distributions or payments upon any voluntary or involuntary liquidation, dissolution or winding up of the Company. Dividends payable on each share of Series A Convertible Preferred Stock will initially be equal to a rate of 6.25% per annum, which accrues daily but is payable quarterly in arrears. If the Series A Convertible Preferred Stock has not been redeemed on or prior to the fifth anniversary date of the Initial Closing, the dividend rate will increase an additional 0.75% per annum each year thereafter to a maximum of 9.0% per annum until the tenth anniversary of the Initial Closing, at which time the dividend rate shall increase 0.75% per annum each year thereafter until the Series A Convertible Preferred Stock is either converted or repurchased in full.

Common Stock Distributions

On March 25, 2022, our board of directors declared a daily distribution rate of approximately \$0.00164 per day per share on the outstanding shares of common stock payable to both Class A and Class T stockholders of record of such shares as shown on our books at the close of business on each day during the period commencing on April 1, 2022 and ending April 30, 2022. Such distributions payable to each stockholder of record during a month will be paid the following month.

On April 26, 2022, our board of directors declared a daily distribution rate of approximately \$0.00164 per day per share on the outstanding shares of common stock payable to both Class A and Class T stockholders of record of such shares as shown on our books at the close of business on each day during the period commencing on May 1, 2022 and ending May 31, 2022. Such distributions payable to each stockholder of record during a month will be paid the following month.

Background and History of Common Stock Distributions

Since substantially all of our operations are performed indirectly through our Operating Partnership, our ability to pay distributions depends in large part on our Operating Partnership's ability to pay distributions to its partners, including to us. In the event we do not have enough cash from operations to fund cash distributions, we may borrow, issue additional securities or sell assets in order to fund the distributions. The terms of the Series A Convertible Preferred Stock place certain restrictions on our ability to pay distributions to our common stockholders. In general, we are prohibited from paying distributions to our common stockholders other than regular cash dividends on a basis consistent with past practice and dividends payable in shares of common stock in connection with an initial listing of such shares. Accordingly, we are presently only permitted to pay cash distributions, which may be reinvested in stock pursuant to our DRP, unless otherwise approved by the holder of the Series A Convertible Preferred Stock. Absent the foregoing restrictions, our charter allows our board of directors to authorize payments to stockholders in cash or other assets of the Company or in stock, including in stock of one class payable to holders of stock of another class.

We may not be able to pay distributions from our cash flows from operations, in which case distributions may be paid in part from debt or other financing sources.

Distributions are paid to our common stockholders based on the record date selected by our board of directors. Such distributions are based on daily declaration and record dates. We expect to continue to regularly pay distributions unless our results of operations, our general financial condition, general economic conditions, or other factors inhibit us from doing so. Distributions are authorized at the discretion of our board of directors, which are directed, in substantial part, by its obligation to cause us to comply with the REIT requirements of the Code. Absent the restrictions noted above, our board of directors may increase, decrease or eliminate the distribution rate that is being paid on our common stock at any time. Distributions are made on all classes of our common stock at the same time. The funds that are available for distribution may be affected by a number of factors, including the following:

- our operating and interest expenses;
- our ability to keep our properties occupied;
- our ability to maintain or increase rental rates;

- construction defects or capital improvements;
- capital expenditures and reserves for such expenditures;
- the issuance of additional shares;
- financings and refinancings; and
- dividends with respect to the outstanding shares of our Series A Convertible Preferred Stock.

The following shows our distributions paid and the sources of such distributions for the respective periods presented:

	Three Months Ended March 31, 2022		Three Months Ended March 31, 2021	
Distributions paid in cash — common stockholders	\$	7,180,866	\$	5,010,842
Distributions paid in cash — Operating Partnership unitholders		1,597,751		1,377,906
Distributions paid in cash — preferred stockholders		3,150,685		2,928,620
Distributions reinvested		5,243,398		3,737,890
Total distributions	\$	<u>17,172,700</u>	\$	<u>13,055,258</u>
Source of distributions				
Cash flows provided by operations	\$	15,581,303	91%	\$ 4,693,456 36%
Cash on hand		—	0%	4,623,912 35%
Offering proceeds from distribution reinvestment plan		1,591,397	9%	3,737,890 29%
Total sources	\$	<u>17,172,700</u>	100%	\$ <u>13,055,258</u> 100%

From our inception through March 31, 2022, we paid cumulative distributions of approximately \$262 million, of which approximately \$219 million were paid to common stockholders, as compared to cumulative FFO of approximately \$32.0 million.

For the three months ended March 31, 2022, we paid distributions of approximately \$17.2 million, of which approximately \$12.4 million were paid to common stockholders, as compared to FFO (attributable to common stockholders) of approximately \$13.0 million, which reflects acquisition related expenses of approximately \$0.4 million.

For the three months ended March 31, 2021, we paid distributions of approximately \$13.1 million, of which approximately \$8.7 million were paid to common stockholders, as compared to FFO (attributable to common stockholders) of approximately (\$6.1) million, which reflects a write-off of equity interest and preexisting relationships of approximately \$8.4 million and acquisition related expenses of approximately \$0.3 million.

The payment of distributions from sources other than FFO may reduce the amount of proceeds available for investment and operations or cause us to incur additional interest expense as a result of borrowed funds.

We must distribute to our stockholders at least 90% of our taxable income each year in order to meet the requirements for being treated as a REIT under the Code. Our directors may authorize distributions in excess of this percentage as they deem appropriate. Because we may receive income from interest or rents at various times during our fiscal year, distributions may not reflect our income earned in that particular distribution period, but may be made in anticipation of cash flow that we expect to receive during a later period and may be made in advance of actual receipt of funds in an attempt to make distributions relatively uniform. To allow for such differences in timing between the receipt of income and the payment of expenses, and the effect of required debt payments, among other things, we could be required to borrow funds from third parties on a short-term basis, issue new securities, or sell assets to meet the distribution requirements that are necessary to achieve the tax benefits associated with qualifying as a REIT. We are not prohibited from undertaking such activities by our charter, bylaws or investment policies, and we may use an unlimited amount from any source to pay our distributions. These methods of obtaining funding could affect future distributions by increasing operating costs and decreasing available cash, which could reduce the value of our stockholders' investment in our shares. In addition, such distributions may constitute a return of investors' capital.

We may not be able to pay distributions from our cash flows from operations, in which case distributions may be paid in part from available funds or from debt financing and pursuant to our distribution reinvestment plan. The payment of distributions from sources other than cash flows from operations may reduce the amount of proceeds available for investment and operations or cause us to incur additional interest expense as a result of borrowed funds.

Over the long-term, we expect that a greater percentage of our distributions will be paid from cash flows from operations. However, our operating performance cannot be accurately predicted and may deteriorate in the future due to numerous factors, including our ability to raise and invest capital at favorable yields, the financial performance of our investments in the current real estate and financial environment and the types and mix of investments in our portfolio. As a result, future distributions declared and paid may exceed cash flow from operations.

Indebtedness

As of March 31, 2022, our net debt was approximately \$892.6 million, which included approximately \$340.1 million in fixed rate debt, \$556.0 million in variable rate debt and approximately \$0.2 million in net debt premium less approximately \$3.7 million in net debt issuance costs. See Note 5 – Debt, of the Notes to the Consolidated Financial Statements contained in this report for more information about our indebtedness.

Additionally, we are party to a master mortgage commitment agreement (the "SmartCentres Financing") with SmartCentres Storage Finance LP (the "SmartCentres Lender"). The SmartCentres Lender is an affiliate of SmartCentres Real Estate Investment Trust, an unaffiliated third party ("SmartCentres"), that owns the other 50% of our unconsolidated real estate joint ventures located in the Greater Toronto Area of Canada. As of March 31, 2022, approximately \$70.5 million Canadian Dollars ("CAD") was outstanding on the SmartCentres Financing. The proceeds of the SmartCentres Financing have been and will be used to finance the development and construction of the SmartCentres joint venture properties. See Note 4 – Investments in Unconsolidated Real Estate Ventures, of the Notes to the Consolidated Financial Statements contained in this report for additional information regarding the SmartCentres Financing.

Long-Term Liquidity and Capital Resources

On a long-term basis, our principal demands for funds will be for potential property acquisitions, either directly or through entity interests, for the payment of operating expenses and distributions, and for the payment of principal and interest on our outstanding indebtedness.

Long-term potential future sources of capital include proceeds from secured or unsecured financings from banks or other lenders, issuance of equity instruments, undistributed funds from operations, and additional public or private offerings. To the extent we are not able to secure requisite financing in the form of a credit facility or other debt, we will be dependent upon proceeds from the issuance of equity securities and cash flows from operating activities in order to meet our long-term liquidity requirements and to fund our distributions.

Our material cash requirements from contractual and other obligations primarily relate to our debt obligations. The expected timing of those outstanding principal payments are shown in the table below. The information in this section should be read in conjunction with Note 5 – Debt, and Note 11 – Commitments and Contingencies, of the Notes to the Consolidated Financial Statements contained within this report.

	Principal payments due during the years ending December 31:	
2022	\$	2,285,549
2023		44,166,668
2024		312,236,131
2025		2,869,187
2026		341,916,098
2027 and thereafter		192,605,555
Total payments ⁽¹⁾	\$	896,079,188

⁽¹⁾ On April 19, 2022, we, as guarantor, and our Operating Partnership, as issuer, entered a private placement notes offering for the placement of \$150 million of 4.53% Senior Notes due April 19, 2032. The sale and purchase of the notes will occur in two closings, with the first such closing having occurred on April 19, 2022 with \$75 million having been issued on such date. The proceeds from the first closing were used to pay off the entire outstanding principal balance of \$40.8 million on the SST IV TCF Loan, which had a maturity date of March 30, 2023, with the remaining funds used to pay down a portion of the Credit Facility Revolver, which has a maturity date of March 17, 2024. See Note 13 - Subsequent Events, of the Notes to the Consolidated Financial Statements contained in this report for additional information.

As of March 31, 2022, pursuant to the SSGT II Unit Purchase Agreement, we were also contractually obligated to purchase up to an additional \$7.5 million in SSGT II Preferred Units at SSGT II's option. Additionally, as of March 31, 2022, pursuant to the SST VI Mezzanine Loan, we were potentially required to fund an additional \$38.2 million in debt to SST VI at their option. See Note 9 – Related Party Transactions of the Notes to the Consolidated Financial Statements for more information about our obligations under these agreements. Subsequent to March 31, 2022, SmartStop committed to contribute \$5.0 million to SSGT III's operating partnership in exchange for common units in SSGT III's operating partnership at such time as SSGT III has raised \$10 million in their private placement offering.

For cash requirements related to potential acquisitions currently under contract, please see Note 3 – Real Estate Facilities of the Notes to the Consolidated Financial Statements.

Subsequent Events

Please see Note 13 – Subsequent Events of the Notes to the Consolidated Financial Statements contained in this report.

Seasonality

We believe that we will experience minor seasonal fluctuations in the occupancy levels of our facilities, which we believe will be slightly higher over the summer months due to increased moving activity.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business plan, we expect that the primary market risk to which we will be exposed is interest rate risk and to a lesser extent, foreign currency risk. We may be exposed to the effects of interest rate changes primarily as a result of borrowings used to maintain liquidity and fund acquisition, expansion, and financing of our real estate investment portfolio and operations. Our interest rate risk management objectives will be to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve our objectives, we may borrow at fixed rates or variable rates. We may also enter into derivative financial instruments such as interest rate swaps and caps in order to mitigate our interest rate risk on a related financial instrument. We will not enter into derivative or interest rate transactions for speculative purposes.

As of March 31, 2022, our net debt was approximately \$892.6 million, which included approximately \$340.1 million in fixed rate debt, \$556.0 million in variable rate debt and approximately \$0.2 million in net debt premium less approximately \$3.7 million in net debt issuance costs. As of December 31, 2021, our net debt was approximately \$873.9 million, which included approximately \$340.7 million in fixed rate debt, \$536.8 million in variable rate debt and approximately \$0.2 million in net debt premium less approximately \$3.9 million in net debt issuance costs. Our debt instruments were entered into for other than trading purposes.

Changes in interest rates have different impacts on the fixed and variable debt. A change in interest rates on fixed rate debt impacts its fair value but has no impact on interest incurred or cash flows. A change in interest rates on variable debt could impact the interest incurred and cash flows and its fair value. If the underlying rate of the related index on our variable rate debt were to increase by 100 basis points, the increase in interest would decrease future earnings and cash flows by approximately \$5.4 million annually.

Interest rate risk amounts were determined by considering the impact of hypothetical interest rates on our financial instruments. These analyses do not consider the effect of any change in overall economic activity that could occur. Further, in the event of a change of that magnitude, we may take actions to further mitigate our exposure to the change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, these analyses assume no changes in our financial structure.

The following table summarizes annual debt maturities and average interest rates on our outstanding debt as of March 31, 2022:

	Year Ending December 31,						
	2022	2023	2024	2025	2026	Thereafter	Total
Fixed rate debt	\$ 2,285,549	\$ 3,384,168	\$ 47,042,968	\$ 2,869,187	\$ 91,916,098	\$ 192,605,555	\$ 340,103,525
Average interest rate ⁽¹⁾	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.4 %	
Variable rate debt	\$ —	\$ 40,782,500	\$ 265,193,163	\$ —	\$ 250,000,000	\$ —	\$ 555,975,663
Average interest rate ⁽¹⁾	2.2 %	2.2 %	2.1 %	2.1 %	2.1 %	2.1 %	

⁽¹⁾ Interest expense for fixed rate debt was calculated based upon the contractual rate and the interest expense on variable rate debt was calculated based on the rate in effect on March 31, 2022, excluding the impact of interest rate derivatives. Debt denominated in foreign currency has been converted based on the rate in effect as of March 31, 2022.

Currently, our only foreign exchange rate risk comes from our Canadian properties and the Canadian Dollar (“CAD”). Our existing foreign currency hedges mitigate most of our foreign currency exposure of our net CAD denominated investments; however, we generate all of our revenues and expend essentially all of our operating expenses and third party debt service costs related to our Canadian Properties in CAD. As a result of fluctuations in currency exchange, our cash flows and results of operations could be affected.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this report, management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported as and when required. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file and submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

The following should be read in conjunction with the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2021. With the exception of the risk factors set forth below, there have been no material changes from the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2021.

We have incurred and intend to continue to incur, mortgage indebtedness and other borrowings, which may increase our business risks.

We have placed, and intend to continue to place, permanent financing on our properties and we may obtain additional credit facilities or other similar financing arrangements in order to acquire additional properties. We are a party to various debt arrangements, including our Credit Facility with KeyBank, National Association of up to \$700 million, consisting of a term loan of up to \$250 million and a revolver of up to \$450 million. As of December 31, 2021, approximately \$233 million was borrowed of the \$450 million current capacity revolver and all \$250 million was borrowed of the \$250 million current capacity of the term loan. The Credit Facility may be increased by an additional \$350 million, for an aggregate amount of up to \$1.05 billion, subject to certain conditions. We are also party to a note purchase agreement, whereby we have agreed to issue to the purchasers named therein an aggregate of \$150 million of secured notes payable. The notes are to be issued in two closings, with the first of such closings having occurred on April 19, 2022 with \$75,000,000 aggregate principal amount of the notes having been issued on April 19, 2022 and the second of such closings to occur on May 25, 2022 with \$75,000,000 aggregate principal amount of the notes to be issued on May 25, 2022. The notes are subject to a series of financial and other covenants substantially similar to the Credit Facility. The notes will be pari passu with the Credit Facility and share in the existing pool of collateral. Both the notes and Credit Facility are currently secured by a pledge of equity interests, but can become unsecured at our election and upon the achievement of certain security interest termination conditions. We may also decide to later further leverage our properties. We may incur mortgage debt and pledge all or some of our real properties as security for that debt to obtain funds to acquire real properties. If we default on our secured indebtedness, the lender may foreclose and we could lose our entire investment in the properties securing such loan, which could adversely affect distributions to our stockholders. To the extent lenders require us to cross-collateralize our properties, or our loan agreements contain cross-default provisions, a default under a single loan agreement could subject multiple properties to foreclosure.

In addition, we may borrow if we need funds to pay a desired distribution rate to our stockholders. We may also borrow if we deem it necessary or advisable to assure that we maintain our qualification as a REIT for federal income tax purposes. If there is a shortfall between the cash flow from our properties and the cash flow needed to service mortgage debt, then the amount available for distribution to our stockholders may be reduced.

If we or the other parties to our loans or secured notes payable, as applicable, breach covenants thereunder, such loan or loans or secured notes payable could be deemed in default, which could accelerate our repayment date and materially adversely affect the value of our stockholders' investment in us.

Certain of our loans are secured by first mortgages on some of our properties, and other loans and our secured notes payable are secured by pledges of equity interests in the entities that own certain of our properties. Such loans and our secured notes payable also impose a number of financial or other covenant requirements on us. If we, or the other parties to these loans or notes, should breach certain of those financial or other covenant requirements, or otherwise default on such loans or notes, then the respective lenders or noteholders, as the case may be, could accelerate our repayment dates. If we do not have sufficient cash to repay the applicable loan or note at that time, such lenders or noteholder could foreclose on the property securing the applicable loan or note or take control of the pledged collateral, as the case may be. Such foreclosure could result in a material loss for us and would adversely affect the value of our stockholders' investment in us. In addition, certain of our loans are cross-collateralized and cross-defaulted with each other such that a default under one loan would cause a default under the other loans.

We are in the process of migrating to a new property management platform, and, if this new platform proves ineffective or we experience difficulties with the migration, we may experience disruptions to our business that may adversely affect our results from operations.

We are in the process of migrating to a new property management platform, which has been recently developed and does not have a proven operating history. As we migrate to the new platform and implement it at our self storage facilities, we may experience disruptions to our operations associated with the new platform. Such disruptions could include software defects or errors, system failures, technical or integration issues with specific features of the platform, technical or integration issues with other third party technologies currently used in our business, or human error associated with the implementation

of the platform, any of which could adversely affect our operations or financial reporting. Additionally, we could experience disruptions associated with capacity constraints as the new platform is initially implemented across our business. In the event such disruptions persist, or our property managers are unable to adequately respond to such disruptions, the ability of our property managers to perform their duties could suffer, which may have an adverse effect on our results from operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

- (a) None.
- (b) Not applicable.
- (c) Our share redemption program enabled our stockholders to have their shares redeemed by us, subject to the significant conditions and limitations described in our publicly filed documents. During the three months ended March 31, 2022, we redeemed shares as follows:

For the Month Ended	Total Number of Shares Redeemed	Average Price Paid per Share	Total Number of Shares Redeemed as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet be Purchased Under the Plans or Programs
January 31, 2022	111,198	\$ 15.08	111,198	3,971,919 ⁽¹⁾
February 28, 2022	—	\$ —	—	3,971,919 ⁽¹⁾
March 31, 2022	—	\$ —	—	3,971,919 ⁽¹⁾

- ⁽¹⁾ A description of the maximum number of shares that may be purchased under our share redemption program is included in Note 11 – Commitments and Contingencies, of the Notes to the Consolidated Financial Statements contained in this report.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The exhibits required to be filed with this report are set forth on the Exhibit Index hereto and incorporated by reference herein.

EXHIBIT INDEX

The following exhibits are included in this report on Form 10-Q for the period ended March 31, 2022 (and are numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Description
2.1	<u>Agreement and Plan of Merger, dated as of February 24, 2022, by and among SmartStop Self Storage REIT, Inc., Strategic Storage Growth Trust II, Inc., and SSGT II Merger Sub, LLC, incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed on February 24, 2022, Commission File No. 000-55617</u>
3.1	<u>Second Articles of Amendment and Restatement of SmartStop Self Storage REIT, Inc., incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on September 19, 2019, Commission File No. 000-55617</u>
3.2	<u>Articles Supplementary for Series A Convertible Preferred Stock of SmartStop Self Storage REIT, Inc., incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on October 30, 2019, Commission File No. 000-55617</u>
3.3	<u>Articles of Amendment to the Second Articles of Amendment and Restatement of SmartStop Self Storage REIT, Inc., incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on June 23, 2021, Commission File No. 000-55617</u>
3.4	<u>Amended and Restated Bylaws of SmartStop Self Storage REIT, Inc., incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed on September 19, 2019, Commission File No. 000-55617</u>
31.1*	<u>Certification of Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2*	<u>Certification of Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1*	<u>Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2*	<u>Certification of Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002</u>
101*	The following SmartStop Self Storage REIT, Inc. financial information for the three months ended March 31, 2022 formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss) (iv) Consolidated Statements of Equity, (v) Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104*	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 has been formatted in Inline XBRL.

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SMARTSTOP SELF STORAGE REIT, INC.
(Registrant)

Dated: May 11, 2022

By: /s/ James R. Barry
James R. Barry
Chief Financial Officer and Treasurer
(Principal Financial Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, H. Michael Schwartz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SmartStop Self Storage REIT, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 11, 2022

By: /s/ H. Michael Schwartz
H. Michael Schwartz
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, James R. Barry, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SmartStop Self Storage REIT, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 11, 2022

By: /s/ James R. Barry

James R. Barry
Chief Financial Officer and Treasurer
(Principal Financial Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of SmartStop Self Storage REIT, Inc. (the “Company”), in connection with the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2022 (the “Report”) hereby certifies, to his knowledge, that:

- (i) the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 11, 2022

By: /s/ H. Michael Schwartz
H. Michael Schwartz
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of SmartStop Self Storage REIT, Inc. (the “Company”), in connection with the Company’s Quarterly Report on Form 10-Q for the period ended March 31, 2022 (the “Report”) hereby certifies, to his knowledge, that:

- (i) the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 11, 2022

By: /s/ James R. Barry

James R. Barry
Chief Financial Officer and Treasurer
(Principal Financial Officer)
