



NEWS RELEASE

# CubeSmart Reports First Quarter 2022 Results

4/28/2022

MALVERN, Pa., April 28, 2022 (GLOBE NEWSWIRE) -- CubeSmart (NYSE: CUBE) today announced its operating results for the three months ended March 31, 2022.

"The year got off to a strong start in the first quarter as we saw a continuation of positive trends from 2021," commented President and Chief Executive Officer Christopher P. Marr. "We believe that demand trends remain constructive and will continue to support growth going forward."

## Key Highlights for the First Quarter

- Reported earnings per share ("EPS") attributable to the Company's common shareholders of \$0.17.
- Reported funds from operations ("FFO") per share, as adjusted, of \$0.58.
- Increased same-store (523 stores) net operating income ("NOI") 21.4% year over year, driven by 15.6% revenue growth and a 2.9% increase in property operating expenses.
- Same-store occupancy during the quarter averaged 93.6% and ended the quarter at 94.1%.
- Closed on one property acquisition for \$32.0 million.
- Added 33 stores to our third-party management platform during the quarter, bringing our total third-party managed store count to 664.

## Financial Results

Net income attributable to the Company's common shareholders was \$38.2 million for the first quarter of 2022, compared with \$41.7 million for the first quarter of 2021. EPS attributable to the Company's common shareholders was \$0.17 for the first quarter of 2022, compared with \$0.21 for the same period last year.

FFO, as adjusted, was \$131.9 million for the first quarter of 2022, compared with \$98.4 million for the first quarter of 2021. FFO per share, as adjusted, increased 23.4% to \$0.58 for the first quarter of 2022, compared with \$0.47 for the same period last year.

#### Investment Activity

##### Acquisition Activity

During the three months ended March 31, 2022, the Company acquired one wholly-owned store in Maryland for \$32.0 million. Additionally, the Company is under contract to acquire a store in New Jersey for \$20.0 million. This acquisition is expected to close during the second quarter of 2022.

##### Disposition Activity

During the three months ended March 31, 2022, the Company sold the Los Angeles Athletic Club, which it purchased through its December 2021 acquisition of LAACO, Ltd. ("LAACO"), the owner of the Storage West self-storage platform, the Los Angeles Athletic Club and the California Yacht Club. The sales price for the Los Angeles Athletic Club was \$44.0 million.

##### Development Activity

As of March 31, 2022, the Company had three joint venture development properties under construction. The Company anticipates investing a total of \$92.3 million related to these projects and had invested \$51.2 million of that total as of March 31, 2022. These stores are located in New York (2) and Virginia (1) and are expected to open at various times between the second quarter of 2022 and the first quarter of 2023.

##### Unconsolidated Real Estate Venture Activity

The Company's joint venture, HVP V, is under contract to purchase a property located in New Jersey for \$35.2 million. This acquisition is expected to close during the second quarter of 2022.

##### Third-Party Management

As of March 31, 2022, the Company's third-party management platform included 664 stores totaling 44.9 million square feet. During the three months ended March 31, 2022, the Company added 33 stores to its third-party management platform.

## Same-Store Results

The Company's same-store portfolio at March 31, 2022 included 523 stores containing approximately 36.9 million rentable square feet, or approximately 84.6% of the aggregate rentable square feet of the Company's 608 consolidated stores. These same-store properties represented approximately 85.9% of property NOI for the three months ended March 31, 2022.

Same-store physical occupancy as of March 31, 2022 and 2021 was 94.1% and 94.2%, respectively. Same-store revenues for the first quarter of 2022 increased 15.6% and same-store operating expenses increased 2.9% from the same quarter in 2021. Same-store NOI increased 21.4% from the first quarter of 2021 to the first quarter of 2022.

## Operating Results

As of March 31, 2022, the Company's total consolidated portfolio included 608 stores containing 43.6 million rentable square feet and had physical occupancy of 92.6%.

Revenues increased \$49.7 million and property operating expenses increased \$9.3 million in the first quarter of 2022, as compared to the same period in 2021. Increases in revenues were primarily attributable to increased rental rates on our same-store portfolio as well as revenues generated from property acquisitions and recently opened development properties. Increases in property operating expenses were primarily attributable to a \$6.4 million increase from stores acquired or opened in 2021 and 2022 included in our non-same store portfolio as well as increased expenses from same-store properties primarily related to property taxes.

Interest expense increased from \$19.2 million during the three months ended March 31, 2021 to \$22.8 million during the three months ended March 31, 2022, an increase of \$3.6 million. The increase was attributable to a higher amount of outstanding debt during the 2022 period partially offset by lower interest rates. To fund a portion of the Company's growth, the average outstanding debt balance increased \$0.87 billion to \$3.20 billion during the three months ended March 31, 2022 as compared to \$2.33 billion during the three months ended March 31, 2021. The weighted average effective interest rate on our outstanding debt for the three months ended March 31, 2022 and 2021 was 2.84% and 3.39%, respectively.

Net income was also impacted by transaction-related expenses associated with the acquisition of LAACO in December 2021. LAACO entered into severance agreements with certain employees, including members of their executive team, prior to the acquisition. In accordance with GAAP, and based on the specific details of the arrangements with the employees prior to closing, \$9.2 million of these costs are considered post-combination compensation expenses for the three months ended March 31, 2022 and are included in the component of other income (expense) designated as Other. The Company expects that an additional \$1.1 million in severance costs will

be expensed during the three months ended June 30, 2022.

## Financing Activity

During the three months ended March 31, 2022, the Company did not sell any common shares of beneficial interest through its at-the-market (“ATM”) equity program. As of March 31, 2022, the Company had 5.9 million shares available for issuance under the existing equity distribution agreements.

## Quarterly Dividend

On February 23, 2022, the Company declared a quarterly dividend of \$0.43 per common share. The dividend was paid on April 18, 2022 to common shareholders of record on April 1, 2022.

## 2022 Financial Outlook

“The solid start to the year has improved our expectations for 2022 and led to an increase in our key guidance ranges,” commented Chief Financial Officer Tim Martin. “The transaction market remains active, and we remain focused on looking for opportunities to grow our portfolio in a manner that will create long-term value.”

The Company estimates that its fully diluted earnings per share for the year will be between \$0.95 and \$1.00 (previously \$0.93 to \$1.00), and that its fully diluted FFO per share, as adjusted, for 2022 will be between \$2.37 and \$2.42 (previously \$2.35 to \$2.42). Due to uncertainty related to the timing and terms of transactions, the impact of any potential future speculative investment activity is excluded from guidance. For 2022, the same-store pool consists of 523 properties totaling 36.9 million square feet.

<u>2022 Full Year Guidance Range Summary</u>	<u>Current Ranges for Annual Assumptions</u>		<u>Prior Guidance (1)</u>			
Same-store revenue growth	8.75%	to	10.25%	8.00%	to	10.00%
Same-store expense growth	5.50%	to	6.50%	5.50%	to	7.00%
Same-store NOI growth	10.25%	to	11.75%	9.50%	to	11.50%
Acquisition of consolidated operating properties	\$ 100.0M	to	\$ 300.0M	\$ 100.0M	to	\$ 300.0M
New development openings	\$ 54.9M	to	\$ 54.9M	\$ 54.9M	to	\$ 54.9M
Dispositions	\$ 0.0M	to	\$ 50.0M	\$ 0.0M	to	\$ 50.0M
Accretion from Storage West transaction	\$ 0.02	to	\$ 0.03	\$ 0.02	to	\$ 0.03
Dilution from properties in lease-up	\$ (0.05)	to	\$ (0.06)	\$ (0.05)	to	\$ (0.06)
Property management fee income	\$ 30.5M	to	\$ 32.5M	\$ 30.5M	to	\$ 32.5M
General and administrative expenses	\$ 54.0M	to	\$ 56.0M	\$ 54.0M	to	\$ 56.0M
Interest and loan amortization expense	\$ 99.0M	to	\$ 101.0M	\$ 99.0M	to	\$ 101.0M
Full year weighted average shares and units	227.6M		227.6M	227.1M		227.1M
Earnings per diluted share allocated to common shareholders	\$ 0.95	to	\$ 1.00	\$ 0.93	to	\$ 1.00
Plus: real estate depreciation and amortization	1.37		1.37	1.37		1.37
Plus: transaction-related expenses	0.05		0.05	0.05		0.05
FFO per diluted share, as adjusted	\$ 2.37	to	\$ 2.42	\$ 2.35	to	\$ 2.42

(1) Prior guidance as included in our fourth quarter earnings release dated February 24, 2022.

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2nd Quarter 2022 Guidance	Range or Value			
Earnings per diluted share allocated to common shareholders	\$	0.23	to	\$ 0.24
Plus: real estate depreciation and amortization		0.36	to	0.36
FFO per diluted share, as adjusted	\$	0.59	to	\$ 0.60

## Conference Call

Management will host a conference call at 11:00 a.m. ET on Friday, April 29, 2022 to discuss financial results for the three months ended March 31, 2022.

A live webcast of the conference call will be available online from the investor relations page of the Company's corporate website at [www.cubesmart.com](http://www.cubesmart.com). Telephone participants may avoid any delays in joining the conference call by pre-registering for the call using the following link to receive a special dial-in number and PIN:

<https://www.incommglobalevents.com/registration/q4inc/10698/cubesmart-first-quarter-2022-earnings-call/>.

Telephone participants who are unable to pre-register for the conference call may join on the day of the call using 1-844-200-6205 for domestic callers, +1-929-526-1599 for international callers, and 1-833-950-0062 for callers in Canada using access code 922969.

After the live webcast, the call will remain available on CubeSmart's website for 15 days. In addition, a telephonic replay of the call will be available through May 12, 2022. The replay numbers are 1-866-813-9403 for domestic callers, +44-204-525-0658 for international callers, and 1-226-828-7578 for callers in Canada. For callers accessing a telephonic replay, the conference number is 643500.

Supplemental operating and financial data as of March 31, 2022 is available on the Company's corporate website under Investor Relations - Financial Information - Financial Reports.

## About CubeSmart

CubeSmart is a self-administered and self-managed real estate investment trust. The Company's self-storage properties are designed to offer affordable, easily accessible and, in most locations, climate-controlled storage space for residential and commercial customers. According to the 2022 Self-Storage Almanac, CubeSmart is one of

the top three owners and operators of self-storage properties in the United States.

#### Non-GAAP Financial Measures

Funds from operations (“FFO”) is a widely used performance measure for real estate companies and is provided here as a supplemental measure of operating performance. The April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts (the “White Paper”), as amended, defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of real estate and related impairment charges, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

Management uses FFO as a key performance indicator in evaluating the operations of the Company's stores. Given the nature of its business as a real estate owner and operator, the Company considers FFO a key measure of its operating performance that is not specifically defined by accounting principles generally accepted in the United States. The Company believes that FFO is useful to management and investors as a starting point in measuring its operational performance because FFO excludes various items included in net income that do not relate to or are not indicative of its operating performance such as gains (or losses) from sales of real estate, gains from remeasurement of investments in real estate ventures, impairments of depreciable assets, and depreciation, which can make periodic and peer analyses of operating performance more difficult. The Company's computation of FFO may not be comparable to FFO reported by other REITs or real estate companies.

FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of the Company's performance. FFO does not represent cash generated from operating activities determined in accordance with GAAP and is not a measure of liquidity or an indicator of the Company's ability to make cash distributions. The Company believes that to further understand its performance, FFO should be compared with its reported net income and considered in addition to cash flows computed in accordance with GAAP, as presented in its Consolidated Financial Statements.

FFO, as adjusted represents FFO as defined above, excluding the effects of acquisition related costs, gains or losses from early extinguishment of debt, and other non-recurring items, which the Company believes are not indicative of the Company's operating results.

The Company defines net operating income, which it refers to as “NOI,” as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income (loss): interest expense on loans, loan procurement amortization expense, loss on early extinguishment of debt, acquisition related costs, equity in losses of real estate ventures, other expense, depreciation and amortization expense, general and administrative expense, and deducting from net income (loss): equity in earnings of real estate ventures, gains from

sales of real estate, net, other income, gains from remeasurement of investments in real estate ventures and interest income. NOI is not a measure of performance calculated in accordance with GAAP.

Management uses NOI as a measure of operating performance at each of its stores, and for all of its stores in the aggregate. NOI should not be considered as a substitute for net income, cash flows provided by operating, investing and financing activities, or other income statement or cash flow statement data prepared in accordance with GAAP. The Company believes NOI is useful to investors in evaluating operating performance because it is one of the primary measures used by management and store managers to evaluate the economic productivity of the Company's stores, including the ability to lease stores, increase pricing and occupancy, and control property operating expenses. Additionally, NOI helps the Company's investors meaningfully compare the results of its operating performance from period to period by removing the impact of its capital structure (primarily interest expense on outstanding indebtedness) and depreciation of the basis in its assets from operating results.

#### Forward-Looking Statements

This presentation, together with other statements and information publicly disseminated by CubeSmart ("we," "us," "our" or the "Company"), contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the "Exchange Act." Forward-looking statements include statements concerning the Company's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "expects," "estimates," "may," "will," "should," "anticipates," or "intends" or the negative of such terms or other comparable terminology, or by discussions of strategy. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Although we believe the expectations reflected in these forward-looking statements are based on reasonable assumptions, future events and actual results, performance, transactions or achievements, financial and otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. As a result, you should not rely on or construe any forward-looking statements in this presentation, or which management or persons acting on their behalf may make orally or in writing from time to time, as predictions of future events or as guarantees of future performance. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation or as of the dates otherwise indicated in such forward-looking statements. All of our forward-looking statements, including those in this presentation, are qualified in their entirety by this statement.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the

forward-looking statements contained in or contemplated by this presentation. Any forward-looking statements should be considered in light of the risks and uncertainties referred to in Item 1A. "Risk Factors" in our Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission ("SEC").

These risks include, but are not limited to, the following:

- adverse changes in economic conditions in the real estate industry and in the markets in which we own and operate self-storage properties;
- the effect of competition from existing and new self-storage properties and operators on our ability to maintain or raise occupancy and rental rates;
- the failure to execute our business plan;
- adverse impacts from the COVID-19 pandemic, other pandemics, quarantines and stay at home orders, including the impact on our ability to operate our self-storage properties, the demand for self-storage, rental rates and fees and rent collection levels;
- reduced availability and increased costs of external sources of capital;
- increases in interest rates and operating costs;
- financing risks, including the risk of over-leverage and the corresponding risk of default on our mortgage and other debt and potential inability to refinance existing or future debt;
- increases in interest rates and operating costs;
- counterparty non-performance related to the use of derivative financial instruments;
- risks related to our ability to maintain our qualification as a real estate investment trust ("REIT") for federal income tax purposes;
- the failure of acquisitions and developments to close on expected terms, or at all, or to perform as expected;
- increases in taxes, fees and assessments from state and local jurisdictions;
- the failure of our joint venture partners to fulfill their obligations to us or their pursuit of actions that are inconsistent with our objectives;
- reductions in asset valuations and related impairment charges;
- cyber security breaches, cyber or ransomware attacks or a failure of our networks, systems or technology, which could adversely impact our business, customer and employee relationships or result in fraudulent payments;
- changes in real estate, zoning, use and occupancy laws or regulations;
- risks related to or a consequence of natural disasters or acts of violence, pandemics, active shooters, terrorism, insurrection or war that affect the markets in which we operate;
- potential environmental and other liabilities;
- governmental, administrative and executive orders and laws, which could adversely impact our business operations, customer and employee relationships;

- uninsured or uninsurable losses and the ability to obtain insurance coverage or recovery from insurance against risks and losses;
- our ability to attract and retain talent in the current labor market;
- other factors affecting the real estate industry generally or the self-storage industry in particular; and
- other risks identified in Item 1A of our Annual Report on Form 10-K and, from time to time, in other reports that we file with the SEC or in other documents that we publicly disseminate.

Given these uncertainties, we caution readers not to place undue reliance on forward-looking statements. We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise except as may be required in securities laws.

Contact:

CubeSmart

Josh Schutzer

Vice President, Finance

(610) 535-5700

CUBESMART AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(in thousands, except share data)

	March 31, 2022 (unaudited)	December 31, 2021
<b>ASSETS</b>		
Storage properties	\$ 7,232,103	\$ 7,183,494
Less: Accumulated depreciation	(1,130,001)	(1,085,824)
Storage properties, net (including VIE assets of \$156,775 and \$149,467, respectively)	6,102,102	6,097,670
Cash and cash equivalents	7,890	11,140
Restricted cash	2,573	2,178
Loan procurement costs, net of amortization	2,074	2,322
Investment in real estate ventures, at equity	117,025	119,751
Assets held for sale	3,324	49,313
Other assets, net	226,553	265,705
Total assets	\$ 6,461,541	\$ 6,548,079
<b>LIABILITIES AND EQUITY</b>		
Unsecured senior notes, net	\$ 2,769,245	\$ 2,768,209
Revolving credit facility	185,400	209,900
Mortgage loans and notes payable, net	166,489	167,676
Lease liabilities - finance leases	65,783	65,801
Accounts payable, accrued expenses and other liabilities	197,685	199,985
Distributions payable	97,439	97,417
Deferred revenue	38,493	37,144
Security deposits	1,086	1,065
Liabilities held for sale	475	2,502
Total liabilities	3,522,095	3,549,699
Noncontrolling interests in the Operating Partnership	75,991	108,220
Commitments and contingencies		
<b>Equity</b>		
Common shares \$.01 par value, 400,000,000 shares authorized, 224,433,506 and 223,917,993 shares issued and outstanding at March 31, 2022 and December 31,		

2021, respectively			
Additional paid-in capital	2,244		2,239
Accumulated other comprehensive loss	4,112,183		4,088,392
Accumulated deficit	(551)		(570)
Total CubeSmart shareholders' equity	<u>(1,266,804)</u>		<u>(1,218,498)</u>
Noncontrolling interests in subsidiaries	2,847,072		2,871,563
Total equity	<u>16,383</u>		<u>18,597</u>
Total liabilities and equity	<u>2,863,455</u>		<u>2,890,160</u>
	\$ 6,461,541	\$	6,548,079

CUBESMART AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except share data)  
(unaudited)

	Three Months Ended March 31,	
	2022	2021
REVENUES		
Rental income	\$ 208,371	\$ 162,476
Other property related income	22,280	19,304
Property management fee income	7,914	7,061
Total revenues	<u>238,565</u>	<u>188,841</u>
OPERATING EXPENSES		
Property operating expenses	70,567	61,228
Depreciation and amortization	82,557	53,810
General and administrative	14,525	10,916
Total operating expenses	<u>167,649</u>	<u>125,954</u>
OTHER (EXPENSE) INCOME		
Interest:		
Interest expense on loans	(22,824)	(19,234)
Loan procurement amortization expense	(957)	(1,035)
Equity in earnings of real estate ventures	294	20
Other	(9,163)	677
Total other expense	<u>(32,650)</u>	<u>(19,572)</u>
NET INCOME	38,266	43,315
NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS		
Noncontrolling interests in the Operating Partnership	(292)	(1,549)
Noncontrolling interest in subsidiaries	181	(34)
NET INCOME ATTRIBUTABLE TO THE COMPANY'S COMMON SHAREHOLDERS	\$ 38,155	\$ 41,732
Basic earnings per share attributable to common shareholders	\$ 0.17	\$ 0.21
Diluted earnings per share attributable to common shareholders	\$ 0.17	\$ 0.21
Weighted average basic shares outstanding	224,663	199,160
Weighted average diluted shares outstanding	225,737	200,233

Same-Store Facility Results (523 stores)  
(in thousands, except percentage and per square foot data)  
(unaudited)

	Three Months Ended		Percent Change
	2022	2021	
REVENUES			
Rental income	\$ 178,074	\$ 154,074	15.6%
Other property related income	<u>7,204</u>	<u>6,184</u>	16.5%

Total revenues	185,278	160,258	15.6%
OPERATING EXPENSES			
Property taxes(1)	20,201	19,575	3.2%
Personnel expense	12,035	12,233	(1.6)%
Advertising	2,592	2,443	6.1%
Repair and maintenance	1,750	1,693	3.4%
Utilities	5,076	4,912	3.3%
Property insurance	1,667	1,507	10.6%
Other expenses	7,886	7,421	6.3%
Total operating expenses	51,207	49,784	2.9%
Net operating income(2)	\$ 134,071	\$ 110,474	21.4%
Gross margin	72.4%	68.9%	
Period end occupancy	94.1%	94.2%	
Period average occupancy	93.6%	93.6%	
Total rentable square feet	36,945		
Realized annual rent per occupied square foot(3)	\$ 20.59	\$ 17.82	15.5%
Reconciliation of Same-Store Net Operating Income to Operating Income			
Same-store net operating income(2)	\$ 134,071	\$ 110,474	
Non same-store net operating income(2)	21,947	5,842	
Indirect property overhead(4)	11,980	11,297	
Depreciation and amortization	(82,557)	(53,810)	
General and administrative expense	(14,525)	(10,916)	
Interest expense on loans	(22,824)	(19,234)	
Loan procurement amortization expense	(957)	(1,035)	
Equity in earnings of real estate ventures	294	20	
Other	(9,163)	677	
Net income	\$ 38,266	\$ 43,315	

(1) For comparability purposes, current year amounts related to the expiration of certain real estate tax abatements have been excluded from the same-store portfolio results (\$98k for the three months ended March 31, 2022).

(2) Net operating income ("NOI") is a non-GAAP (generally accepted accounting principles) financial measure. The above table reconciles same-store NOI to GAAP Net income.

(3) Realized annual rent per occupied square foot is computed by dividing rental income by the weighted average occupied square feet for the period.

(4) Includes property management income earned in conjunction with managed properties.

Non-GAAP Measure – Computation of Funds From Operations  
(in thousands, except percentage and per share data)  
(unaudited)

	Three Months Ended March 31,	
	2022	2021
Net income attributable to the Company's common shareholders	\$ 38,155	\$ 41,732
Add:		
Real estate depreciation and amortization:		
Real property	81,503	52,852
Company's share of unconsolidated real estate ventures	2,538	1,873
Noncontrolling interests in the Operating Partnership	292	1,549

FFO attributable to common shareholders and OP unitholders	\$	122,488	\$	98,006
Add:				
Loss on early repayment of debt(1)		—		423
Transaction-related expenses(2)		9,408		—
FFO, as adjusted, attributable to common shareholders and OP unitholders	\$	131,896	\$	98,429
Earnings per share attributable to common shareholders - basic	\$	0.17	\$	0.21
Earnings per share attributable to common shareholders - diluted	\$	0.17	\$	0.21
FFO per share and unit - fully diluted	\$	0.54	\$	0.47
FFO, as adjusted per share and unit - fully diluted	\$	0.58	\$	0.47
Weighted average basic shares outstanding		224,663		199,160
Weighted average diluted shares outstanding		225,737		200,233
Weighted average diluted shares and units outstanding		227,453		207,617
Dividend per common share and unit	\$	0.43	\$	0.34
Payout ratio of FFO, as adjusted		74.1%		72.3%

(1) For the three months ended March 31, 2021, loss on early repayment of debt relates to costs that are included in the Company's share of equity in earnings of real estate ventures.

(2) Transaction-related expenses include severance expenses (\$9.2 million) and other transaction expenses (\$0.2 million). The predecessor company, LAACO, Ltd., entered into severance agreements with certain employees, including members of their executive team, prior to our acquisition of LAACO, Ltd. on December 9, 2021. These costs were known to us and the assumption of the obligation to make these payments post-closing was contemplated in our net consideration paid in the transaction. In accordance with GAAP, and based on the specific details of the arrangements with the employees prior to closing, these costs are considered post-combination compensation expenses. We expect that an additional \$1.1 million in severance costs will be expensed during the three months ended June 30, 2022. Transaction-related expenses are included in the component of other income (expense) designated as Other.

Source: CubeSmart