

INTRODUCING STOR-AGE

ABOUT STOR-AGE

Stor-Age is the leading and largest self storage property fund and brand in South Africa, and the first and only self storage Real Estate Investment Trust (REIT) listed on any emerging market exchange. November 2020 marked the five-year anniversary since listing on the Johannesburg Stock Exchange (JSE) and during this period we have successfully grown the portfolio from 24 to 74 properties, GLA from 181 300 m² to 448 800 m² and the value of the property portfolio by more than fivefold to R7.6 billion. We continue to deploy capital strategically, adding quality and scale to our high-quality portfolio in South Africa and the UK on a select basis and in-line with our strict investment criteria.

Our highly specialised business focuses on the fast-growing self storage sector – a niche subsector of the broader commercial property market. Stor-Age develops, acquires and manages high-quality self storage properties that enable us to compete strongly in new market segments and grow our market share. This allows us to benefit from economies of scale and produce favourable operating margins. Stor-Age is managed internally.

The South African portfolio comprises 52 properties, totalling 366 000 m² and represents R4.7 billion in value. In the UK, Stor-Age owns a 97.8% majority interest in Storage King, comprising 22 properties with 82 800 m² GLA and representing R2.9 billion in value.

DYNAMIC SELF STORAGE SECTOR SPECIALISTS

Leading and largest self storage property fund in South Africa, with a successful strategic entry into the UK in 2017, which continues to grow

High-quality properties with excellent visibility and easy access from arterial roads

Outstanding locations with high barriers to entry

Business model based on global best practice

Development capability and innovation

Market-leading operations and digital platform

15 year track record of developing, tenanting and operating self storage assets

Investment in sustainable technology to support business efficiency

	Portfolio	South Africa	United Kingdom	Pipeline Portfolio
Number of properties	74 ¹	52	22	11 ²
GLA (m ²)	448 800	366 000	82 800	54 000
Value (Rm)	7 600	4 700	2 900	700

¹ Includes Sunningdale and Tyger Valley in SA (opened May 2021) and Blackpool in the UK (acquired April 2021).

² Includes 8 properties in SA, Cresta (under construction) and two properties in the UK.

ABOUT STOR-AGE (continued)

OUR INVESTMENT CASE

- Dynamic sector specialists, allowing for focused attention
- Track record of growing investor returns
- Recession-resilient sector: self storage is a niche asset class uncorrelated to traditional property drivers
- Distribution underpinned by robust self storage metrics
- Significant secured pipeline of acquisition and development opportunities
- Proven ability to identify, close and integrate value-add acquisitions
- Strong cash flow
- Favourable operating margins
- Attractive earnings growth
- Healthy balance sheet and conservative gearing
- Low bad debt record
- Low obsolescence and ongoing maintenance capex
- High barriers to entry in key target locations

is underpinned by

OUR SUCCESS DRIVERS

- Diversified tenant risk (38 000+ tenants across South Africa and the UK)
- Presence in South Africa's main metropolitan centres – Johannesburg, Tshwane, Cape Town and Durban
- Prominent locations on main roads or arterials, with high visibility to passing traffic
- Committed and passionate employees
- UK management team with significant self storage operations experience, proven local expertise and a well-located property portfolio
- Average length of stay in South Africa – 22.7 months
- Average length of stay in UK – 31.3 months
- Growing demand and awareness among customers
- Strong customer satisfaction, with customer service rated as "excellent" in 2021 according to the global Net Promoter Score (NPS) standard
- In South Africa, 53% (2020: 52%) of customers have been storing for more than one year
- In the UK, 54% (2020: 61%) of customers have been storing for more than one year

and

OUR VISION

To be the best self storage business in the world

OUR MISSION

To rent space

OUR CORE VALUES

Excellence • Sustainability • Relevance • Integrity

HIGHLIGHTS

	106.08 cents Total dividend
	19.3% and 20.2% Growth in rental income and net property operating income
	13.1% SA 8.6%; UK 6.3% Growth in like-for-like rental income
	90.1% SA 90.0%; UK 90.4% Total occupancy
	28 500 m² GLA SA 18 900 m²; UK 9 600 m² Increase in portfolio occupancy
	R7.57 billion up 12.3% Investment property value
	24.1% Loan To Value (LTV) ratio
	R250 million Raised in oversubscribed bookbuild Equity capital raise in May 2020
	Sunningdale and Tyger Valley Developments completed Trading commenced in May 2021
	9 properties¹ SA development pipeline Secured three new sites during the year
	Moorfield development JV entered First two development sites in London and the South East secured
	FTSE EPRA Nareit Emerging Index First-time inclusion

¹ Includes Cresta.

Big Box self storage properties

Our properties are developed in prime locations across South Africa. Light, bright, safe and secure, our Big Box properties are modern, purpose-built and multistorey.

As the leading developer of these properties in the South African market, we capitalise on market requirements more efficiently than our competitors.



CHAIRMAN'S LETTER

I am pleased to report that Stor-Age again delivered an excellent financial performance underpinned by strong growth in enquiries, record occupancy and move-ins, with revenue growth in both markets. This was achieved despite the disruption of the COVID-19 lockdowns and significantly curtailed economic activity in South Africa and the UK.

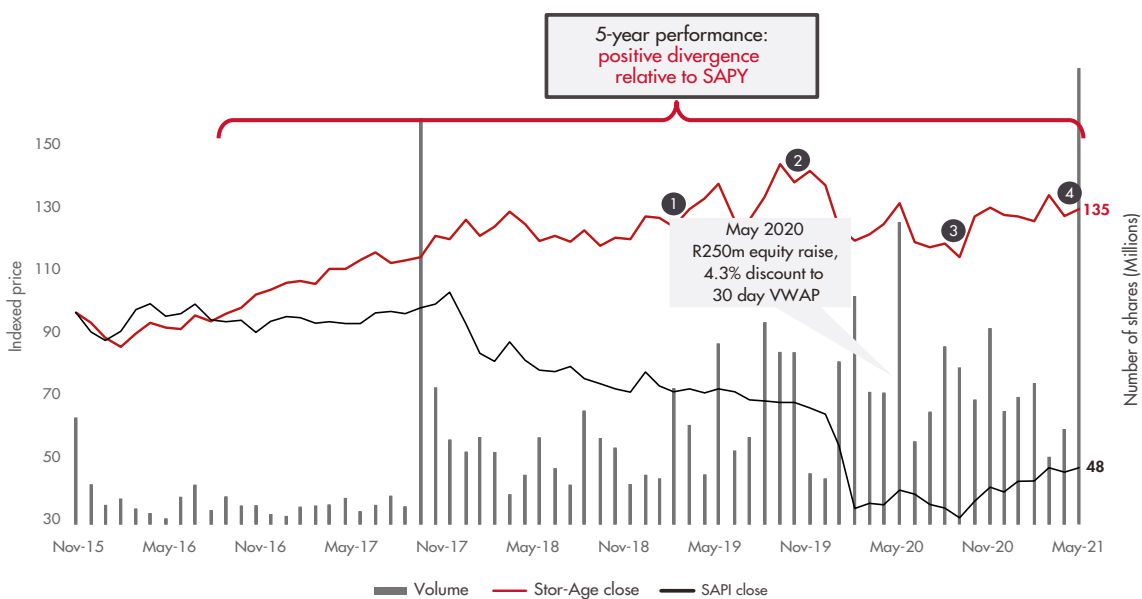
A UNIQUE PROPOSITION

A niche asset class uncorrelated to traditional drivers of property, Stor-Age has delivered an impressive performance relative to its peers on the JSE since its listing. Assuming R100 was invested on the date of our listing in November 2015, and provided that the full pre-tax dividend was reinvested, the investment would be worth R209 as at 30 June 2021. This is compared to the same investment in the JSE All Share Index, which would be worth R153, or in the SAPY, which would be worth R74.

Our relative performance over the more than five-year period since listing demonstrates the attractive diversification benefits that Stor-Age offers when compared to other SAPY constituents. It further speaks to the strength of our business model, which is based on global best practice and strong networks with leading first world market peers – evidenced by more than a decade of successfully acquiring, developing, leasing and operating self storage assets in South Africa and the UK.

SHARE PRICE PERFORMANCE – RELATIVE TO SAPY

Consistently outperformed the listed property index and SA REITs since listing in 2015, with ever improving liquidity



1. APLI inclusion – March 2019
2. SAPY inclusion – September 2019
3. FTSE EPRA Nareit Emerging Index inclusion – September 2020
4. As at 30 June 2021

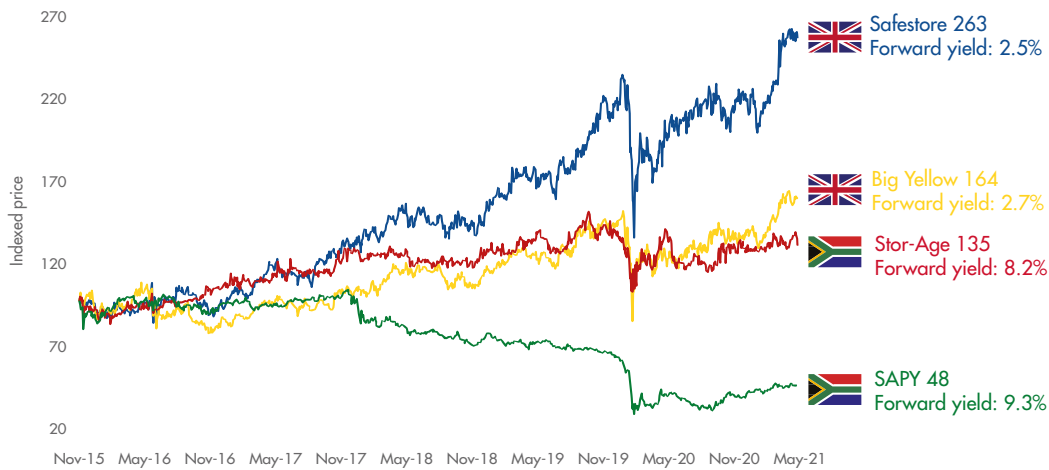
CHAIRMAN'S LETTER (continued)

SHARE PRICE PERFORMANCE – RELATIVE TO UK PEERS

Publicly traded self storage REITs trading at premiums to NAV

Stor-Age has a c. 40% exposure to GBP assets through Storage King

Stor-Age is significantly diversified and entrenched within the UK market. This geographic underpin is coupled with an attractive yield spread relative to UK peers and significant SAPY GBP outperformance.



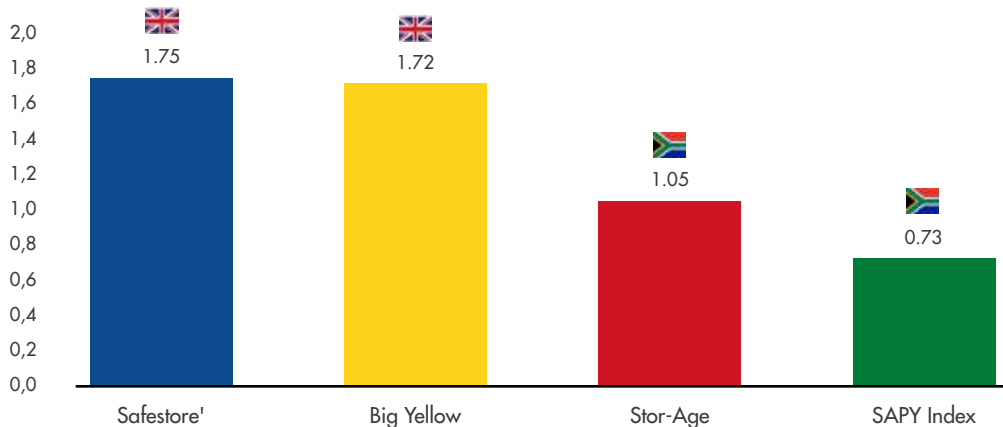
1. Bloomberg, as at 30 June 2021
 2. Conversion to GBP at respective spot exchange rates across the time series
 3. LSE listed – Safestore and Big Yellow

PRICE/NET ASSET VALUE (NAV) COMPARISON – SAPY AND UK PEERS

Publicly traded self storage REITs trading at premiums to NAV

Self storage REITs trading at premiums to NAV

- Self storage businesses which operate sizable portfolios benefit from a unique operational platform overlay which is embedded 'on top of' the real estate
- The operating platform can be leveraged into pipeline assets, single or multi-property portfolio acquisitions, as well as to manage third-party assets (with limited incremental cost)
- NAV does not reflect the true value of the operating platform and understates the value derived from leasehold assets
- Stor-Age benefits from having a highly sophisticated dual-market platform in South Africa and the UK



¹ As at 30 June 2021; LSE listed – Safestore and Big Yellow

With a market capitalisation of approximately R6.0 billion, Stor-Age remains a highly specialised income paying REIT and South Africa's leading and largest self storage property fund and brand. It is also one of only ten publicly traded self storage REITs globally and the only one to be listed on an emerging market exchange.

MEETING THE CHALLENGES

Since the onset of the pandemic, the global REIT sector has encountered particularly tough trading and operating conditions. While the degree of impact is largely dependent on region and the different property sub-sectors, key challenges faced by the over-arching sector include preservation of value and liquidity, an increase in vacancies due to reduced workforce needs, a decrease in rental collection rates, compliance with regulatory and governmental requirements and ensuring properties are safe for tenants, customers and staff.

Self storage has a track record of resilience in constrained economic environments. Our customers use the product on a short and long term basis for various reasons throughout the different economic cycles, resulting in persistent market depth.

As a specialist asset class, self storage offers unique financial performance and growth prospects in the face of the challenges arising from the pandemic. While COVID-19 caused us to examine how we operate more so than ever before, the strength of our operating model allowed us to quickly transform to meet COVID-19 safety requirements and regulations, enabling our properties to remain open throughout the

year. At the same time, we were able to leverage the specialist sector skills and experience of our seasoned management team to deliver strong and sustainable growth in returns.

We believe that the core demand drivers for self storage are set to continue, accelerated by consumption led economies and the further impact of COVID-19.

“ Despite the difficult trading environment in South Africa and the UK as a result of the pandemic, Stor-Age continued to deliver an excellent operating performance, including growth in enquiries, like-for-like revenue and occupancy year-on-year. ”

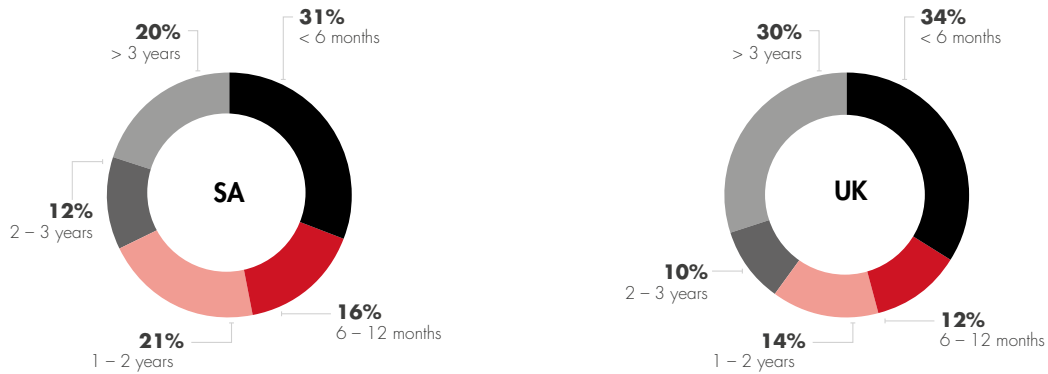
CONTINUED GROWTH AND DELIVERY

Since our listing in November 2015 we have consistently delivered on all strategic initiatives and grown the portfolio from 24 to 74 properties, representing approximately R7.6 billion in value. The South African portfolio comprises 52 properties and represents a value of R4.7 billion, while the UK portfolio under the brand Storage King, comprises 22 properties and represents a value of R2.9 billion.



CHAIRMAN'S LETTER (continued)

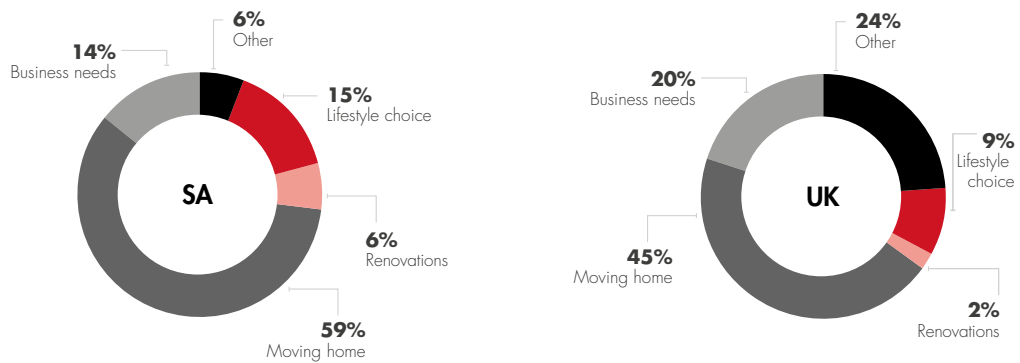
AVERAGE LENGTH OF STAY



DEMAND PROFILE

Demand is driven by two significant customer groups: those needing the product for short stays due to life-changing events (< 6 months: 30%+) and those requiring the product for longer term space requirements (>1 year: 50%+).

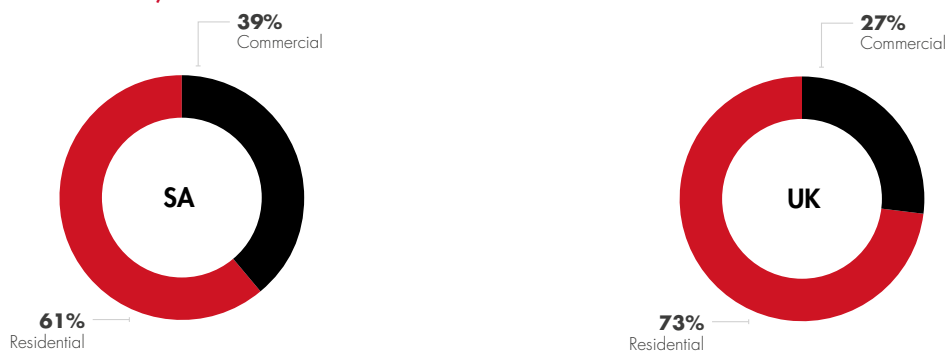
REASONS FOR STORING



SELF STORAGE – A NEEDS DRIVEN PRODUCT

All tenants initially use our product due to a tangible need. This makes the business case cyclically resilient.

RESIDENTIAL/COMMERCIAL TENANCY¹



RESIDENTIAL VERSUS COMMERCIAL TENANTS

Commercial tenants typically store in a larger unit size than residential customers and tend to stay for a longer period of time.

¹ By GLA

Since acquiring Storage King, the sixth largest self storage operator in the UK in November 2017, we have not only successfully grown the size of our UK business and overseen the delivery of attractive underlying operating results, but also seamlessly fully integrated two distinct yet complementary self storage operating platforms across South Africa and the UK.

In the past year we remained disciplined but opportunistic in allocating capital to select development and acquisition opportunities, securing five new development properties. Three of these are in South Africa and two are in the UK, the latter falling under our joint venture ("JV") with Moorfield. Read more about our JV with Moorfield from page 23.

Post year end in April 2021 we acquired a trading self storage property in Blackpool in the UK and in May 2021 we completed the development of two prime properties in Tyger Valley and Sunningdale in Cape Town. The development of a new high-profile big-box property at Cresta in Johannesburg is ongoing and scheduled for completion and opening in October 2021.

We continue to have a significant development pipeline of prime high barrier-to-entry properties in outstanding locations in South Africa's major cities, and as at 31 March 2021 the pipeline comprised eight new properties (excluding Sunningdale, Tyger Valley and Cresta) at an estimated cost to complete of R685 million. This will add approximately 46 500 m² GLA to the portfolio.

A consistent and underlying theme in executing our growth strategy has been the conservative management of our balance sheet. An oversubscribed bookbuild in May 2020 successfully raised over R250 million in equity, thereby bolstering the Group's liquidity, further strengthening the balance sheet and, together with retaining cash from dividend reinvestment plans, reducing our loan to value ratio to a sector leading 24.1%. The successful bookbuild further reflects sustained investor confidence in the Group's performance, which continues to build on our impressive track record.

OUR FUTURE GROWTH STRATEGY

Stor-Age is a sector specialist with deep product understanding and significant emerging and first-world market experience, boasting a successful track-record of developing, acquiring and managing self storage assets.

Driven by societal trends including consumerism, densification and an increasingly mobile population, self storage remains a resilient niche sector with excellent growth opportunities globally.

Our growth strategies are completed in five-year tranches, with the current year marking the first year of our strategic planning cycle to take us to 2025. This cycle builds on the successful creation and execution of our previous five-year growth strategies to 2015 and 2020. Planning behind the current five-year strategy was meticulous with specific geographical targets and nodes identified. Research projects included location mapping, supply and demand components, risk management, as well as leveraging existing customer data.

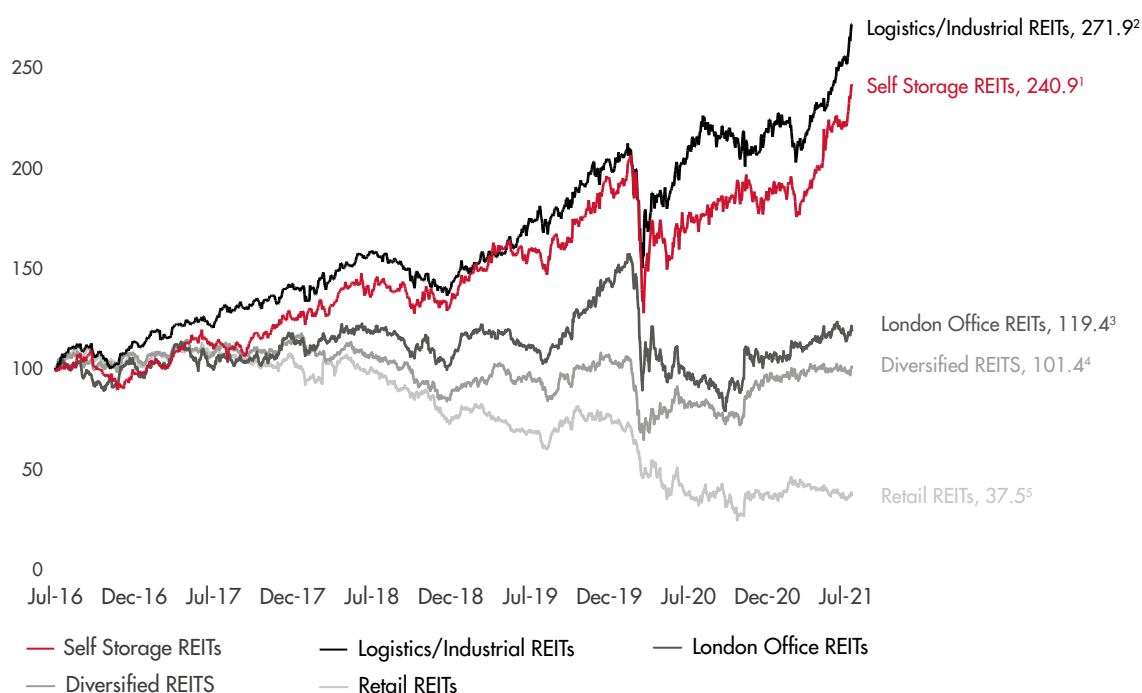
We continue to see attractive opportunities to grow our portfolios in South Africa and the UK. The strategy will see us continuing to target value enhancing independent operators for acquisition, while new developments will principally be targeted at prominent high-barrier-to-entry big-box properties in outstanding locations.

“ Indirectly recognising the successful and disciplined execution of our growth strategy over multiple years, I'm pleased to report that in September 2020 Stor-Age was included in the FTSE EPRA Nareit Emerging Index. ”

CHAIRMAN'S LETTER (continued)

UK REIT SECTOR – SHARE PRICE PERFORMANCE (POUNDS)

Stor-Age has a c. 40% exposure to GBP assets through Storage King.



The social and economic disruption caused by the pandemic gave rise to a new demand driver for self storage, with the same sector themes and trends fuelling demand in first-world markets equally present in South Africa.

Factors driving this demand include, but are not limited to, work/study-from-home, home improvements, migration in and out of metropolitan markets, business disruption and an acceleration of e-commerce. These demand drivers complement the historical demand driver for self storage being “life-changing events” such as separation, bereavement, downsizing, emigration and home moves which occur regardless of economic conditions.

The resilient nature of the self storage sector and the relative outperformance of the broader commercial property market during the pandemic has led to significant investor demand for self storage assets and operating platforms in the UK. As a result of this, the sector experienced significant yield compression over the last 12 months.

“While we do not have perfect visibility as to the long-term impact of the socio-economic and structural changes on the industry or customer behaviour, we expect that some of the additional demand will be longer-lasting and more permanent in nature.”

¹ Self Storage REIT index: Big Yellow, Safestore, Lok'nStore (non-REIT).

² Logistics/Industrial REIT index: Segro, Tritax Big Box, Hansteen.

³ London office REIT index: Great Portland, Derwent, Workspace Group.

⁴ Diversified REIT Index: Schroder Real Estate, LXI REIT, Standard Life Investments, British Land Co., Land Securities REIT, Ediston Property, Custodian REIT, Redefine International AEW UK REIT, Regional.

⁵ Retail REIT index: Shaftesbury, Supermarket Income, Hammerson, New River, Capital Regional.

Source: Bloomberg – 13 July 2021.

LEVERAGING OUR DIGITAL CAPABILITY

Traditionally our growth strategy was led solely by our property strategy, however, in recent years it has been complemented by our multi-year digital strategy. Off the back of these strategic planning workstreams, we have been able to optimally position Storage King for further expansion with our third-party management platform – Management 1st. We further leveraged our sector leading in-house digital marketing capability through the provision of our digital services offering – Digital 1st. Read more about these initiatives from page 26.

This digital capability has additionally created the ability to leverage the benefits of our established low-cost emerging market head office infrastructure into the significantly more mature UK self storage market.

It is exciting to see our digital advancement, driven by the rapid rate of change that society is experiencing more broadly. I continue to be impressed with how Stor-Age has adapted and embraced technology in all aspects of the business. The record levels of enquiries and move-ins across both markets is testament not only to the business's ability to deliver exceptional performance regardless of the economic conditions, but also the effect of the planning and implementation of our digital growth strategy.



DEEP PRODUCT UNDERSTANDING AND EXPERIENCE

As a business, we consistently remain focused on improving our sector knowledge. Since inception, our management team has spent significant time in more mature first-world self storage markets, primarily the US, UK, Europe and Australia. By entrenching themselves in these markets, they were able to fast-track their product understanding, gain valuable country-specific sector insights and establish significant relationships and networks with publicly traded and privately-operated peers. The board continues to encourage management to deepen and maintain its networks in these and other international markets.

“ Looking forward, Stor-Age remains well-placed to successfully execute its growth strategy, benefitting from a clear strategic growth plan, outstanding real estate expertise, an excellent dual-market operations platform, a leading digital marketing capability and established global peer networks. ”



CHAIRMAN'S LETTER (continued)

PERFORMANCE BACKED BY SOLID GOVERNANCE

Stor-Age is still a relatively young business that continues to grow and evolve, and we are mindful that actions taken today will impact on short and medium-term risks and opportunities. Underpinning our Vision to be the best self storage business in the world are our four Core Values of Excellence, Sustainability, Relevance and Integrity.

Despite all the challenges and uncertainty endured during the course of the year, we continued to innovate and make Stor-Age not only a better business but also better for the communities and environments in which we operate.

Accordingly, I am pleased to report on the formal adoption of our revised ESG strategy and framework during the period. This framework aligns our Vision and Core Values with the six UN Sustainable Development Goals ("SDGs") most relevant to our business as well as with the Task Force on Climate-related Financial Disclosures ("TCFD").

Our ESG strategy places great importance on not only ensuring business sustainability, but also the sustainability of the natural and social environment around us. Through our ESG framework, we will continue to monitor our impact on the economy, the

workplace, the social environment and the natural environment. Read more about our ESG strategy and framework from page 53.

GOOD CORPORATE GOVERNANCE

Stor-Age promotes and supports ethical business conduct and corporate governance, and endorses the principles of The King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)¹. We continue to make good progress towards compliance with the amended Property Sector Codes, which support transformation within the property sector. Our approach is based on our Transformation Plan and our philosophy is to drive empowerment from within the Group.

In line with King IV, Stor-Age supports the view that effective corporate governance is critically important to preserve value over the long term on behalf of all stakeholders. During the year we continued to strengthen our governance structures and strengthened the composition of certain sub-committees by the inclusion of additional independent non-executive directors. Stor-Age undertakes a full internal board assessment every second year, with the next assessment commencing in November 2021.

The board and its subcommittees continued to focus on key areas during the year, each built around ensuring sound ethical standards, principles of



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good corporate governance and strengthening risk management across the business. Read more about these key focus areas and risk management in our Corporate Governance section from page 66.

Seeking to further strengthen our corporate governance practices during the year, we welcomed two additional independent non-executive directors to our board – Mntungwa Morojele and Abu Varachhia – each of whom brings with them a wealth of knowledge and experience. We look forward to their contributions to the board’s skill set, expertise, diversity and independence. I have no doubt that they will add significant value to Stor-Age in the coming years.

OUTLOOK AND THANKS

The past year was challenging and uncertain, but also a year which I look back on with pride. The operational performance delivered by our teams in South Africa and the UK was quite extraordinary and the strategic focus of management in trying circumstances was most commendable.

I thank all our staff for their exceptional commitment, dedication, passion, teamwork and determination, all of which gave rise to another set of excellent results.

Thanks also to my fellow non-executive directors for their invaluable contributions. Each of them continues to bring their formidable knowledge and experience to bear on the strategic direction and governance of Stor-Age. Thank you for the energy, commitment, skill and competence you bring to our business. At the end of June we said farewell to Sello Moloko, as he stepped down after being an integral member of our board since our listing in 2015. I’d like to personally thank Sello for the extensive contribution that he made to Stor-Age over the period, imparting his significant experience and wisdom.

After the early setbacks brought on by the lockdowns in both countries, we not only bounced back and delivered a remarkably strong operational performance, but also continued to successfully execute our growth strategy. While the past year was a difficult one, the year ahead will continue to pose its own challenges and risks. Guided by a well-articulated Vision and Mission, the disciplined

execution of Stor-Age’s strategy continues to cement our position of market leadership, and I remain confident about the Group’s growth prospects, to the benefit of all stakeholders.



Graham Blackshaw
Chairman
30 June 2021

