

Stor-Age Property REIT Limited
Registration number: 2015/168454/06
Approved as a REIT by the JSE
Share code: SSS ISIN: ZAE000208963
("Stor-Age" or "the group" or "the company")

PRELIMINARY SUMMARISED CONSOLIDATED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021 AND DECLARATION OF A CASH DIVIDEND

Despite the challenges of the Covid-19 pandemic, the group's business model demonstrated its resilience resulting in strong performance for the year.

HIGHLIGHTS

- Final dividend 54.08 cents, up 4.0% on the interim dividend
- Rental income and net property operating income up 19.3% and 20.2% respectively¹
- Like-for-like rental income up 8.6% SA; 6.3% UK
- Portfolio occupancy up 28 500m² (SA 18 900m²; UK 9 600m²)
- Total occupancy of 90.1% (SA – 90.0%; UK – 90.4%)
- Net investment property value up 12.3% to R7.57 billion²
- Loan-to-value ratio of 24.1%³
- Collected over 98% and 99% of rental due in SA and the UK respectively
- Finalised development JV with Moorfield (UK-based private equity real estate group) – two development sites secured subject to planning consent
- SA development pipeline – secured three new sites, taking total pipeline of properties to nine
- Acquisition of self storage property in Blackpool (UK) in April 2021
- Developments at Sunningdale and Tyger Valley completed – trading commenced in May 2021
- First-time inclusion in FTSE EPRA Nareit Emerging Index (September 2020)

GROUP SNAPSHOT

Stor-Age is the largest self storage property fund and most recognisable industry brand in South Africa. The portfolio comprises 74 self storage properties⁴ across both SA (52) and the UK (22). The SA portfolio is valued at R4.7 billion and the UK portfolio – under the brand Storage King – at R2.9 billion. In the UK a further seven properties trade under the licence of the Storage King brand and generate licence and management fee revenue for the group (totalling 29 properties trading under the Storage King brand).

SA – South Africa
m² – square metres
UK – United Kingdom

¹ Rental income refers to self storage rental income excluding rental guarantee and rental underpin

² Net of leasehold obligations

³ Loan-to-value ratio is defined as net debt as a percentage of gross investment property of R7.869 billion less lease obligations relating to leasehold investment property of R301.7 million

⁴ Includes Sunningdale and Tyger Valley in SA (trading commenced May 2021) and Blackpool in the UK (acquired April 2021)

KEY FINANCIAL RESULTS

	Year ended 31 March 2021	Year ended 31 March 2020	Change %
Property revenue (R'000)	800 222	698 822	14.5
Distributable earnings (R'000)	454 393	452 463	0.4
Headline earnings per share (cents)	112.11	53.09	111.2
Earnings per share (cents)	282.68	26.76	956.4
Dividend per share (cents)	106.08	112.05	(5.3)
Net tangible asset value per share (cents)	1 272.8	1 119.29	13.7

DECLARATION OF A CASH DIVIDEND

Notice is hereby given of the declaration of the gross final dividend (number 11) of 54.08 cents per share for the six months ended 31 March 2021 ("Cash Dividend").

The salient dates and times in relation to the Cash Dividend are as follows:

Salient dates and times	2021
Last day to trade ("LDT") cum-dividend	Tuesday, 29 June
Shares to trade ex-dividend	Wednesday, 30 June
Record date	Friday, 2 July
Cheques posted to Certificated Shareholders and accounts credited by CSDP or brokers of Dematerialised Shareholders	Monday, 5 July

Notes:

- Shares may not be dematerialised or rematerialised between commencement of trade on Wednesday, 30 June 2021 and the close of trade on Friday, 2 July 2021.

TAX IMPLICATIONS

As the company has REIT status, Shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act (No. 58 of 1962), as amended, ("Income Tax Act"). The dividend on the shares will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

South African tax residents

The dividend received by or accrued to South African tax residents must be included in the gross income of such Shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exception, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT.

The dividend is exempt from dividend withholding tax in the hands of South African tax resident Shareholders, provided that the South African resident Shareholders provide the following forms to the CSDP or broker in respect of uncertificated shares, or to the company, in respect of certificated shares:

- a) a declaration that the dividend is exempt from dividend tax; and
- b) a written undertaking to inform the CSDP, broker or the company,

should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the company to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Non-resident Shareholders

Dividends received by non-resident Shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that up to 31 December 2013 dividends received by non-residents from a REIT were not subject to dividend withholding tax. Since 1 January 2014, any dividend received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (“DTA”) between South Africa and the country of residence of the shareholder concerned. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident Shareholders is 43.26400 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following form to their CSDP or broker in respect of uncertificated shares, or the company, in respect of certificated shares:

- a) a declaration that the dividend is subject to a reduced rate as a result of the application of DTA; and
- b) a written undertaking to inform their CSDP, broker or the company, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident Shareholders are advised to contact their CSDP, broker or the company to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

The company’s tax reference number is: 9027205245

This short-form announcement is the responsibility of the Board and does not include full or complete details. Any investment decision should be based as a whole on the preliminary summarised consolidated annual financial results (“full announcement”), which may be downloaded from: <https://senspdf.jse.co.za/documents/2021/jse/isse/SSSE/Finals.pdf>

The full announcement is available for inspection at the registered offices of the company at no charge, during office hours for a period of 30 calendar days following the date of this announcement. The full announcement is also available on the company’s website at: <https://investor-relations.storage.co.za/sens>

The short-form announcement has not been audited or reviewed by the company’s external auditors.

The preliminary summarised consolidated annual financial results are extracted from the financial statements, but is not audited. The consolidated financial statements for the year ended 31 March 2021 were audited by BDO South Africa Inc., who expressed an unmodified opinion thereon. The audited consolidated financial statements for the year ended 31 March 2021 and the auditor’s report includes communication of key audit matters. Key audit matters are those matters that, in their professional judgement, were of most significance in their audit of the consolidated financial statements of the current period. The full report is available for inspection at the company’s registered office and on the company’s website.

The directors take full responsibility for the preparation of these preliminary summarised consolidated annual financial results and confirm that the financial information has been correctly extracted from the consolidated financial statements.

The auditor's report does not necessarily report on all of the information contained in these preliminary summarised consolidated annual financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office or on the company's website.

By order of the Board
9 June 2021

GA Blackshaw (Chairman)*, GM Lucas (CEO)*, JAL Chapman#, KM de Kock#, SJ Horton*, SC Lucas*+, P Mbikwana#, MS Moloko#, MPR Morojele#^, A Varachhia#&

● Non-executive

Independent non-executive

* Executive

+ British citizen

^ MPR Morojele was appointed as an independent non-executive director and a member of the audit and risk committee on 1 September 2020

& A Varachhia was appointed as an independent non-executive director on 4 January 2021

Company secretary

HH-O Steyn

Registered office and business address

216 Main Road, Claremont, 7708

Transfer secretaries

Computershare Investor Services Proprietary Limited

2nd Floor, Rosebank Towers

15 Biermann Avenue, Rosebank 2196

Sponsor

Investec Bank Limited

100 Grayston Drive

Sandown, Sandton 2196