



Stor-Age Property REIT Limited
Incorporated in the Republic of South Africa

Registration number 2015/168454/06
Share code: SSS ISIN ZAE000208963
Approved as a REIT by the JSE

(“Stor-Age” or the “Company”)

VOLUNTARY ANNOUNCEMENT – NUVEEN JOINT VENTURE AND EASISTORE ACQUISITION (UK)

1. INTRODUCTION

The board of directors of Stor-Age is pleased to announce that it has entered into a joint venture (“JV”) with Nuveen Real Estate (“Nuveen”) and that the JV has acquired the four property Easistore portfolio (“Easistore” or “the portfolio”) in the UK (the “Acquisition”).

Nuveen will acquire 90% and Stor-Age a 10% equity interest in the JV respectively, with the properties to be branded and managed by Storage King under its third-party management platform – Management 1st.

Stor-Age’s equity contribution in the Acquisition is £4.4 million (including transaction and rebrand costs), with an estimated forecast pre-tax yield on investment of 15%.

2. RATIONALE FOR THE ACQUISITION AND ENTERING INTO THE JV

The JV provides an opportunity for Stor-Age to partner with one of the largest, most established global investment managers. Nuveen has USD154 billion of assets under management, with an 85-year investment track record, for which the Acquisition forms part of their European Value Add strategy.

The JV allows Stor-Age to grow and achieve further scale in the UK whilst providing an attractive return on invested capital. It also continues to leverage the third-party management platform, through generating both acquisition and ongoing property management fees.

The initial objective of the JV is to implement the portfolio rebrand and management platform overlay, with a view to expanding Nuveen’s exposure to self storage assets across the UK over the medium-term.

The acquisition of four prominent freehold UK properties and entering into the JV with Nuveen, is in line with the stated ‘capital light’ growth and investment strategy of the Storage King business of pursuing value-added acquisitions in the UK.

The Acquisition represents an excellent opportunity to acquire a high-quality self storage property portfolio in locations which complement the existing Storage King portfolio, providing additional scale to the platform from both a financial and trading perspective.

With a gross lettable area (“GLA”) of 242 195 sqf (22 500m²), the portfolio consists of predominantly modern, bespoke, purpose-built properties located in Crawley, Edenbridge, Maidstone and Tunbridge Wells.

Well-located and with excellent visibility and prominence, the four mature properties trade into dense residential and commercial areas.

Stor-Age holds a right of first refusal should Nuveen wish to exit any of the properties or the portfolio at a point in time in the future.

Stor-Age CEO Gavin Lucas commented:

“We’ve built a strong foundation in the UK under the banner of our Storage King brand, which is enabling us to pursue significant growth on all fronts in a nimble manner. Our JV with Nuveen and the acquisition of Easistore demonstrates the strength, competitiveness and sophistication of our platform.

The Easistore acquisition represents the third, four-store portfolio that Stor-Age has either acquired or part-acquired in the UK in the last 15 months. The current 35 properties either owned or managed and trading under the Storage King brand are scheduled to increase to 39 properties by the end of the year, as current development projects come on stream. Across both markets, new developments and major expansions are currently underway across 11 properties (SA 5: UK 6), which are scheduled to bring on line an additional estimated 55 000m² of space in FY24.

Storage King remains well-positioned to continue taking advantage of the fantastic growth opportunity in the UK self storage market.”

3. PORTFOLIO OVERVIEW

The portfolio complements existing and to be developed Storage King properties, with the Edenbridge, Tunbridge Wells and Maidstone properties providing Storage King with a greater presence in Kent, while the Crawley property enables the Company to expand into West Sussex.

Details of the properties are set out in the table below:

Property description	Gross lettable area (sqf)	Rental rate per sqf	Occupancy (based on CLA)
Crawley, West Sussex	67 268	£33.41	85.7%
Edenbridge, Kent	59 869	£32.17	84.8%
Maidstone, Kent	44 922	£30.49	93.1%
Tunbridge Wells, Kent	70 136	£32.43	63.6%

CLA – current lettable area

4. ACQUISITION FUNDING

Natwest debt funding

Debt funding for the Acquisition is being provided by Natwest (which further expands Storage King’s existing debt funding relationships). The JV will enter into a £41.0 million interest only facility with a five year term on completion.

5. CATEGORISATION

The Acquisition is not a categorisable transaction in terms of the JSE Listings Requirements and is therefore not subject to approval by Stor-Age shareholders. This announcement is voluntary and for information purposes only.

Any forward looking statements have not been reviewed by the group’s external auditors.

Cape Town
12 April 2023

Sponsor
Investec Bank Limited