

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”)

Summarised Consolidated Annual Financial Results For The Year Ended 31 March 2023 And Declaration Of A Cash Dividend

Stor-Age achieved a 5.6% increase in dividend per share for the year ended 31 March 2023, in line with its revised guidance of 5.0 - 6.0%.

HIGHLIGHTS

- Final dividend of 58.09 cents
- Rental income and net property operating income up 17.3% and 15.3% respectively
- Same-store rental income up 9.8% SA; 8.9% UK
- Portfolio occupancy up 21 200m² (SA 19 200m²; UK 2 000m²)
- SA same-store closing occupancy finished at a record high of 92.2%
- UK same store occupancy of 85.4%
- Achieved rental rate growth of 7.6% SA and 8.0% UK
- Third-party management fees up 146% to R36.0 million
- Net investment property value up 12.2% to R10.4 billion
- Loan-to-value ratio of 30.8% with over 83% of net debt subject to hedging
- First two JV developments (Bath – UK; Morningside – SA) commenced trading shortly after year end.
- Six developments scheduled for completion in FY24 (SA – 3; UK – 3)
- Entered into a JV with Nuveen Real Estate post year end and acquired the four-property Easistore portfolio in the UK

GROUP SNAPSHOT

Stor-Age is the largest self storage property fund and most recognisable brand in SA. The portfolio comprises 93 trading properties across SA (57) and the UK (36), providing storage to 49 000 customers. The combined value of the portfolio, including properties managed in our JV partnerships, was R12.9 billion (SA – R5.6 billion; UK – £335 million) at year end with the maximum lettable area, including the pipeline and ongoing developments, exceeding 620 000m². The group employs more than 480 staff across SA and the UK. Stor-Age has been listed on the Johannesburg Stock Exchange since November 2015.

KEY FINANCIAL RESULTS

	Year ended 31 March 2023	Year ended 31 March 2022	Change %
Property revenue (R'000)	1 070 788	910 682	17.6
Distributable earnings (R'000)	560 704	517 789	8.3
Headline earnings per share (cents)	105.38	109.35	(3.6)
Earnings per share (cents)	152.67	231.49	(34.0)
Dividend per share (cents)	118.14	111.90	5.6
Net tangible asset value per share (cents)	1 483.02	1 369.01	8.3

DECLARATION OF A CASH DIVIDEND

Notice is hereby given of the declaration of the gross final dividend (number 15) of 58.09 cents per share for the six months ended 31 March 2023 ("Cash Dividend").

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

Salient dates and times	2023
Last day to trade ("LDT") cum-dividend	Tuesday, 4 July
Shares to trade ex-dividend	Wednesday, 5 July
Record date	Friday, 7 July
Payments to Certificated Shareholders and accounts credited by CSDP or broker of dematerialised Shareholders	Monday, 10 July

Notes:

- Shares may not be dematerialised or rematerialised between commencement of trade on Wednesday, 5 July 2023 and the close of trade on Friday, 7 July 2023, both days inclusive.
- The above dates and times are subject to change. Any changes will be released on SENS.

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 46.47200 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 summarised consolidated annual financial results (“full announcement”), which may be downloaded from:

<https://senspdf.jse.co.za/documents/2023/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.stor-age.co.za/sens>

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

These summarised consolidated annual financial results are extracted from the audited financial statements, but are not themselves audited. The consolidated financial statements for the year ended 31 March 2023 were audited by BDO South Africa Incorporated, who expressed an unmodified opinion thereon. The audited consolidated financial statements for the year ended 31 March 2023 and the auditor’s report thereon is available for inspection at the company’s registered office and on the company’s website at www.stor-age.co.za.

The directors take full responsibility for the preparation of these 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 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.

OUTLOOK

Over the past three years, we have conducted our planning and prepared our financial forecasts amid significant uncertainty. Looking ahead to FY24, it becomes even more challenging to predict the economic landscape and the potential macroeconomic and geopolitical outcomes that may impact customer demand and behaviour.

Our business is founded on the core principles of a clearly defined vision, disciplined execution of our strategy, and deep sector specialisation. We have a high-quality property portfolio, a sophisticated operating platform, and a defensive and resilient business model, which positions us strongly to navigate challenges that arise. While a higher interest rate environment would inevitably have a negative impact on earnings growth, we anticipate additional revenue growth from our third-party management platform, offsetting some of this impact. We remain confident in our business model which has proved its resilience through multiple economic crises.

The board expects a dividend per share of between 115 and 121 cents for FY24. This guidance is based on the following assumptions:

Specific assumptions

- Demand levels for self storage remain elevated
- Occupancy and rental rate growth is in line with management's forecast
- Third-party management revenue streams increase in line with management's forecast
- The Storage King group of companies is classified as a UK REIT with effect from 1 July 2023
- A 100% dividend payout ratio is maintained

Macroeconomic assumptions

- There is no unforeseen and / or significant deterioration in the macroeconomic environment or other factors that are beyond our control
- Loadshedding in SA does not remain above level 4 for extended periods of time
- Interest rates increase by no more than 50bps in SA and 25bps in the UK in FY24

This guidance is provided in good faith, however there is no guarantee that management's expectations, projections or assumptions will be achieved. This guidance has not been reviewed or reported on by the company's auditors.

By order of the Board

19 June 2023

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

- Non-executive
- # Independent non-executive
- * Executive
- + British citizen

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

¹ As at 31 March 2023

SA – South Africa

UK – United Kingdom

GLA – gross lettable area

m² – square metres

JV – joint venture