

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")

CONDENSED UNAUDITED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 AND DECLARATION OF A CASH DIVIDEND

The board of Stor-Age is pleased to present strong trading results for the six months to 30 September 2023 ("the period" or "H1 of FY24") with a 2.2% increase in dividend per share to 61.36 cents.

HIGHLIGHTS

- Interim dividend of 61.36 cents per share
- Property revenue up 16.9%
- Same-store rental income up 13.6% SA and 3.1% UK
- Closing occupancy 89.1% (90.6% SA; 83.9% UK)
- Occupancy up 9 300m² (SA 13 000m² increase; UK 3 700m² decrease)
- Same-store achieved rental rate up 9.6% (SA) and 5.1% (UK)
- Net investment property value up 4.5% to R10.871 billion
- Net asset value up 7.2% to R15.58¹ per share
- Loan-to-value ratio of 31.9% and over 75% of net debt subject to interest rate hedging
- Six new properties (four in SA and two in the UK) completed in our JV structures and commenced trading
- Completed the £82.0 million acquisition of the four-property Easistore portfolio in the UK through a JV with Nuveen Real Estate where Stor-Age holds a 10% equity interest
- Development pipeline of over 66 000m² GLA, with 17 active projects at various stages of completion

GROUP SNAPSHOT

Stor-Age is the largest self storage property fund and most recognisable brand in SA. The portfolio comprises 97 trading properties across SA (60) and the UK (37), providing storage to over 49 000 customers. The combined value of the portfolio, including properties managed in our JV partnerships, was R16.2 billion (SA – R5.9 billion; UK – £449 million) at 30 September 2023 with the maximum lettable area, including the pipeline and ongoing developments, exceeding 650 000m². The group employs more than 470 staff across SA and the UK. Stor-Age has been listed on the Johannesburg Stock Exchange since November 2015.

SA – South Africa
m² – square metre
UK – United Kingdom
JV – joint venture
GLA – gross lettable area

Same-store – refers to properties trading for six months in both reporting periods
¹ Net asset value per share calculated in accordance with SA REIT Best Practices Recommendations.

KEY FINANCIAL RESULTS

	Unaudited 6 months ended 30 September 2023	Unaudited 6 months ended 30 September 2022	Change %
Property revenue (R'000)	600 462	513 711	16.9
Distributable earnings (R'000)	292 183	285 003	2.5
Headline earnings per share (cents)	50.85	73.29	(30.6)
Earnings per share (cents)	76.45	116.05	(34.1)
Dividend per share (cents)	61.36	60.05	2.2
Net asset value per share (cents)	1 556.49	1 479.03	5.2

DECLARATION OF A CASH DIVIDEND

Notice is hereby given of the declaration of the gross interim dividend (number 16) of 61.36 cents per share for the six months ended 30 September 2023 ("Cash Dividend"). The dividend has been declared from income reserves.

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

Salient dates and times

2023

Last day to trade cum-dividend

Tuesday, 28 November

Shares to trade ex-dividend

Wednesday, 29 November

Record date

Friday, 1 December

Payments to Certificated Shareholders and accounts credited by
CSDP or broker of dematerialised Shareholders

Monday, 4 December

Notes:

- Shares may not be dematerialised or rematerialised between commencement of trade on Wednesday, 29 November 2023 and the close of trade on Friday, 1 December 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 49.08800 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 condensed unaudited consolidated interim results ("full announcement"), which may be downloaded from:

<https://senspdf.jse.co.za/documents/2023/jse/isse/SSSE/Interims.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.

OUTLOOK

Stor-Age has successfully navigated the challenges of the evolving operating environment in H1 of FY24 and we continue to enhance every facet of our operations platform in the pursuit of growth. We have a high-quality property portfolio, a sophisticated operating platform, and a defensive and proven resilient business model.

While the macro environment remains uncertain, we remain confident in our business model which has proved its resilience through multiple economic crises. We will maintain our emphasis on organic growth through active revenue management, enquiry generation and conversion, technology and automation, and cost efficiencies. Our development pipeline and JV relationships offer significant growth potential, enabling us to build scale and improve operating margins.

The board expects the full year dividend per share to be approximately 118 to 122 cents for FY24.

This guidance is based on the following assumptions:

Specific assumptions

- Demand levels for self storage remain in line with expectation
- Occupancy and rental rate growth is in line with management's forecast
- Third-party management revenue streams increase in line with management's forecast
- 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
- No further increases in interest rates to 31 March 2024.

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 and is the responsibility of the directors.

By order of the Board

14 November 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

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