



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

Registration number 2015/168454/06

Share Code: SSS

Alpha code: SSSI

ISIN: ZAE000208963

Approved as a REIT by the JSE

(“Stor-Age” or the “group”)

TRADING UPDATE

Stor-Age is pleased to provide a trading update for the four-month period ending 31 July 2024 (“the period”).

OCCUPANCY SUMMARY – 31 JULY 2024

Owned portfolio

	GLA m ²	Occupied m ²	% occupied	YOY % increase	YTD % increase
SA	391 900	358 300	91.4%	2.3%	(0.7%)
UK	111 000	96 100	86.5%	4.7%	3.6%
Total	502 900	456 400	90.4%	2.8%	0.2%

JV portfolio

SA	GLA m ²	Occupied m ²	% occupied	YOY % increase	YTD % increase
Same-store	10 600	8 8900	83.3%	33.2%	5.7%
Non same-store	18 600	6 900	37.3%	+100%	44.5%
Total	29 200	15 800	54.0%	+100%	19.9%

UK	GLA m ²	Occupied m ²	% occupied	YOY % increase	YTD % increase
Same-store	51 300	35 200	68.7%	(1.2%)	3.3%
Non same-store	16 200	5 300	32.8%	+100%	48.8%
Total	67 500	40 500	60.1%	13.7%	7.6%

GLA and occupied space rounded to the nearest hundred.

During the period we delivered a strong trading performance in the UK, with occupancy in the owned portfolio increasing by 4 300m² year-on-year (up 4.7%) to close at 86.5% at 31 July 2024. Occupancy increased by 3.6% compared to 31 March 2024. In SA, occupancy increased by 8 100m² year-on-year (up 2.3%) to close at 91.4%. Occupancy decreased by 0.7% compared to 31 March 2024, in line with expectations and seasonality trends. We anticipate regaining and growing occupancy in the second half of FY25, during what is traditionally our busier period for demand.

The achieved average rental rate increased by 8.4% and 1.9% year-on-year in SA and the UK respectively.

Our JV properties continue to perform well in both markets in line with expectations.

The financial information on which this trading update is based is the responsibility of the Stor-Age board of directors and has not been reviewed by or reported on by the group's external auditors.

ACQUISITION AND DEVELOPMENT ACTIVITY

Acquisition of Extra Attic

In July 2024 we secured the acquisition of Extra Attic in Airport Industria, Cape Town for a purchase consideration of R73 million. Extra Attic is a single-storey self storage property that was developed and opened in 1998 by the founders of Metrofile and comprises 7 500m² GLA of ground floor drive-up access and 180m² of office space. With easy access off the N2 highway, the property is well constructed, supports a broad residential customer base from across the greater Cape Town area and is complementary to the existing Stor-Age portfolio in Cape Town. Given its close proximity to Cape Town International Airport, there is also a well-established commercial customer base that has been using the store for a number of years.

New developments – SA

In SA we completed the development of our Kramerville property in July 2024 (5 400m² GLA on full fit-out), developed in a JV partnership with Nedbank Property Partners (“NPP”). This brings the number of completed properties trading in our JV with NPP to five, with total GLA of over 29 200m² on full fit-out. We also completed the development of our Century City property (6 100m² GLA on full fit-out) in June 2024, developed in a JV partnership with Rabie Property Group. Stor-Age has a 50% equity interest in both JVs.

Sunningdale expansion

In April 2021 our Sunningdale property, developed in a 50:50 JV with Garden Cities, commenced trading. Since opening, the property has delivered an exceptionally strong trading performance underpinned by healthy levels of demand.

The West Coast has been recognised as a vital growth corridor within Cape Town's Spatial Development Framework, showing significant year-on-year growth in both residential and commercial developments. In response to the strong demand in the area, the JV recently finalised an agreement with Garden Cities to acquire an additional hectare of land adjacent to the existing property for further development. The planned expansion, currently in the planning phase, is expected to add approximately 5 000m² GLA, with a substantial portion dedicated to drive-up units tailored for commercial clients where demand for such units is strong.

New developments – UK

The table below summarises developments in progress in the UK with our JV partners:

Property	Status	JV partner	Estimated GLA
Acton	Brownfield conversion. Vertical extension of the building (two additional floors). Planning approval granted in January 2023. Under construction. Scheduled to open in the first quarter of FY26.	Moorfield	63 000 sq. ft (5 850m ²)
Leyton	Brownfield conversion. Planning approval granted in June 2024. Under construction. Scheduled to open in the third quarter of FY25.	Nuveen Real Estate	42 000 sq. ft (3 900m ²)

On 30 July 2024, the group reduced its shareholding in the Acton development from 24.9% to 15.0% by disposing of a 9.9% interest to Moorfield for a consideration of £1.361 million. The proceeds will be used to fund the group's proportionate share of the Acton development.

DIVIDEND PAYOUT RATIO

Since our listing in 2015, Stor-Age has maintained a 100% dividend payout ratio. In our FY24 year end results reported in June, the board noted that it was considering lowering the payout ratio to 90 – 95% of distributable income given the current high cost of capital and in line with the prudent management of our financial position.

Feedback from key shareholders on the merits of a reduced payout ratio has been overwhelmingly supportive. Accordingly, the board has elected to adopt a payout ratio to 90 – 95% of distributable income for FY25. This would bring us more in line with our UK and European self storage REIT peers and sustainably contribute to enhanced returns for shareholders over the medium to long term.

The group has carried forward assessed losses of approximately R373 million (which arose in the period prior to Stor-Age's listing) which will minimise potential tax leakage. Under the UK REIT rules, at least 90% of property rental profits must be distributed to shareholders as a dividend and we do not anticipate any material adverse tax implications in the UK from retaining any portion thereof (subject to satisfying the UK REIT rules).

Definitions

SA – South Africa

UK – United Kingdom

GLA – gross lettable area

JV – joint venture

FY – Financial Year

m² – square metres

sq. ft – square feet

Same-store – refers to properties trading at both 31 July 2024 and 31 July 2023

Non same-store – includes all properties not classified as same-store

YOY – year-on-year

YTD – year-to-date being the four-month period 1 April 2024 to 31 July 2024

Cape Town, 27 August 2024

Equity Sponsor

Investec Bank Limited

Debt Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited