



# WHO WE ARE

Stor-Age is the leading and largest self storage property fund and brand in South Africa, and the first and only self storage Real Estate Investment Trust (REIT) listed on any emerging market exchange. In November 2017, we entered the United Kingdom (UK) with the strategic acquisition of Storage King – the sixth largest self storage brand in the UK<sup>1</sup>.

Our portfolio of 93 trading properties comprises 57 properties in South Africa and a further 36 properties in the UK<sup>2</sup>, providing storage space to over 47 000 customers across both markets. The combined value of the portfolio, including properties in our JV partnerships, is R12.9 billion (SA – R5.57 billion; UK – R7.37 billion) with the maximum lettable area (MLA), including the pipeline and ongoing developments, exceeding 620 000 m<sup>2</sup>. Each of our properties are strategically concentrated in South Africa’s largest cities and in key markets in the UK.

We continue to deploy capital strategically, adding quality and scale to our high-quality portfolio in South Africa and the UK on a select basis and in line with our strict investment criteria.

- DYNAMIC SELF STORAGE SECTOR SPECIALISTS**
- Leading and largest self storage property fund in South Africa
- SA portfolio – exceptional quality and almost impossible to replicate; assembled from scratch
- UK market entry, growth and performance – nuanced, skilfully executed and highly successful, with excellent growth prospects
- Business model based on global best practice
- Bespoke, best-in-class new developments in prime locations – unlock value and support outperformance over the medium term
- Market-leading operations and digital platform
- Investment in sustainable technology to support business efficiency

	Portfolio	South Africa	United Kingdom	Pipeline Portfolio
Number of properties <sup>2</sup>	93	57	36	13
GLA (m <sup>2</sup> ) <sup>3</sup>	526 400 m <sup>2</sup>	393 400 m <sup>2</sup>	133 000 m <sup>2</sup>	75 700 m <sup>2</sup>
Loan to value (LTV) ratio <sup>4</sup>	29.9%	24.9%	34.6%	n/a



# INTRODUCING STOR-AGE

- WHO WE ARE
- WHAT WE DO
- A SNAPSHOT OF OUR PORTFOLIO
- INVESTMENT CASE
- OUR STAKEHOLDERS

<sup>1</sup> Source: The Self Storage Association UK Annual Industry Report 2023.  
<sup>2</sup> Includes trading properties held in JVs and managed by the Group as at 31 May 2023. Excludes Heathrow which began trading in July 2023.  
<sup>3</sup> Includes trading properties held in JVs as at 31 March 2023.  
<sup>4</sup> LTV ratio is defined as net debt as a percentage of the sum of net investment property and investments in JVs. Group LTV in accordance with the SA REIT Best Practice Recommendations – 30.8%.

A HIGHLY SPECIALISED, LOW RISK, INCOME PAYING SELF STORAGE REIT

A sector leading dual market operations platform

Listed on the Johannesburg Stock Exchange (JSE) in November 2015

One of only 12 publicly traded self storage REITs globally, and the first and only one listed on an emerging market exchange

17-year track record of developing, tenanting and operating self storage assets

R5.9 billion<sup>1</sup> – market capitalisation

R12.9 billion<sup>2</sup> – property portfolio value

106 properties across South Africa and the UK, including a 13 property development pipeline

37% of the portfolio with solar technology installed

15% reduction in Scope 1, 2 and 3 GHG emissions in FY23

A CLEAR VISION AND MISSION, UNDERPINNED BY OUR CORE VALUES

**OUR VISION** To be the best self storage business in the world

**OUR MISSION** To rent space

**OUR CORE VALUES** Excellence • Sustainability • Relevance • Integrity

<sup>1</sup> As at 30 June 2023.

<sup>2</sup> Includes 100% of trading properties held in JVs as at 31 March 2023.



**SOUTH AFRICA'S LEADING SELF STORAGE COMPANY**

With an unrivalled reputation for excellence and a market-leading operating platform, Stor-Age is the largest self storage property fund and most recognisable brand in South Africa. As leaders in the local industry, we have set the standard for secure, convenient and flexible self storage.

Big branding is at the core of our brand strategy, with well-branded properties located in high-visibility locations in densely populated residential suburbs with adjacent commercial and business corridors.

## WHAT WE DO

Our highly specialised business focuses on the fast-growing self storage sector – a niche subsector of the broader commercial property market. Stor-Age develops, acquires and manages high-quality self storage properties that enable us to compete strongly in new market segments and grow our market share across South Africa and the UK. This creates economies of scale and produces favourable operating margins.

### MANAGING AND MAINTAINING OUR PROPERTIES

Stor-Age rents space to individuals and businesses on a short-term flexible lease basis. Across our portfolio of 93 properties, we manage more than 47 000 tenants.

Our sophisticated and scalable operating platform and ongoing investment in infrastructure and maintenance maximises revenue, reduces costs and ultimately delivers enhanced returns. At a property level, our people, use of technology and the high-quality, secure and convenient space offered by our portfolio attract and retain a diverse customer base.

Read more about our operations platform and digital capabilities on page 32.

### ACQUIRING AND DEVELOPING PROPERTIES

#### ACQUISITION CAPABILITY

Our leading corporate platform, skilled operational management team, industry relationships and specialist sector experience ensure that Stor-Age is well-positioned to identify and capitalise on strategic acquisition and development opportunities with attractive growth potential. This is evidenced by our successful acquisition and development track record since listing.

We have also consistently demonstrated our ability to close transactions and integrate trading properties seamlessly onto our operating platform.

Read more about the acquisitions completed this year from page 25.

#### DEVELOPMENT CAPABILITY

Stor-Age develops investment-grade self storage properties in visible, convenient and accessible locations where there are favourable demographics and where suitable acquisitions are not available. The decision to develop is based on the cost of development versus the cost of acquisition, the demographic market analysis and the existence of barriers to entry. We have significant experience and a demonstrable track record of successfully developing and expanding properties in South Africa and the UK, along with clearly defined key success criteria.

Read more about our development pipeline and developments completed this year from page 25.

### GROWING OUR PORTFOLIO

“ With deep product understanding and experience in an emerging and first-world market, Stor-Age boasts a successful track record of developing, acquiring and managing self storage assets. ”

We aim to grow our portfolio of prime self storage assets by adding properties with complementary and consistent attributes. This takes a significant amount of time and skill. It requires the ability to:

- identify the right opportunities at the right price;
- negotiate for, secure and integrate those acquisitions successfully (or obtain the necessary town planning and local council approvals for new developments); and
- design and build modern, bespoke self storage properties.

Stor-Age boasts significant in-house development capabilities having successfully completed a multitude of new developments since 2006. Together with our significant experience and well-defined development framework and meticulous quality control processes, we are able to ensure that we meet our risk-adjusted yield expectations on new developments.

The team further understands the challenges of obtaining town planning approvals for properties in sought-after locations. These capabilities are critical in overcoming what are otherwise significant and real barriers to entry for new Big Box self storage developments in prime locations.

The financial acumen, operational expertise, experience and skills required to then take new assets through the multi-year lease-up phase of their lifecycle should also not be underestimated. Here, Stor-Age benefits from vastly experienced management teams in South Africa and the UK that boast substantial intellectual property developed over more than a decade of operating self storage assets successfully. This includes understanding how to generate new enquiries to support the take-up of space, pricing the product optimally and managing the natural churn of tenants.

### JOINT VENTURE PARTNERSHIPS

In recent years, the Group has established several JV partnerships to acquire and develop new self storage properties. The JV model allows us to achieve growth and scale in both markets while providing an attractive return on invested capital. It also helps mitigate the financial impact of the lease-up phase of new properties, which can take several years to reach mature occupancy levels.

Read more about our JV partnerships in South Africa on page 31 and in the UK on page 31.

## SECURE SELF STORAGE

Stor-Age has an unwavering commitment to providing safe and secure self storage. The Company has invested significantly to ensure that our customers' goods are secure and to ensure reduced operational risk. We have various state-of-the-art security measures in place to achieve this, which includes bespoke door alarm systems, license plate recognition technology, third-party monitoring and smart electric fencing (amongst others). We also conduct weekly and month-end padlock counts of every storage unit at our properties.

Read more about these security features on page 36.



# A SNAPSHOT OF OUR PORTFOLIO

Stor-Age began developing, acquiring and managing self storage properties in South Africa in 2006. We are local market pioneers who introduced high-profile Big Box self storage properties in high-visibility and easily accessible prime suburban locations in South Africa.

We have a long and successful track record of acquiring, developing, and managing self storage properties in prime locations across South Africa and the UK which have delivered high occupancy and rental rate growth. Our property portfolio, predominantly freehold (94.5% by value), has been strategically assembled with a focus on locations where the primary drivers of self storage, population density and household income, are strongest. This disciplined focus on markets with strong

demographics positions us well to perform in all macro environments and complements our resilient business model.

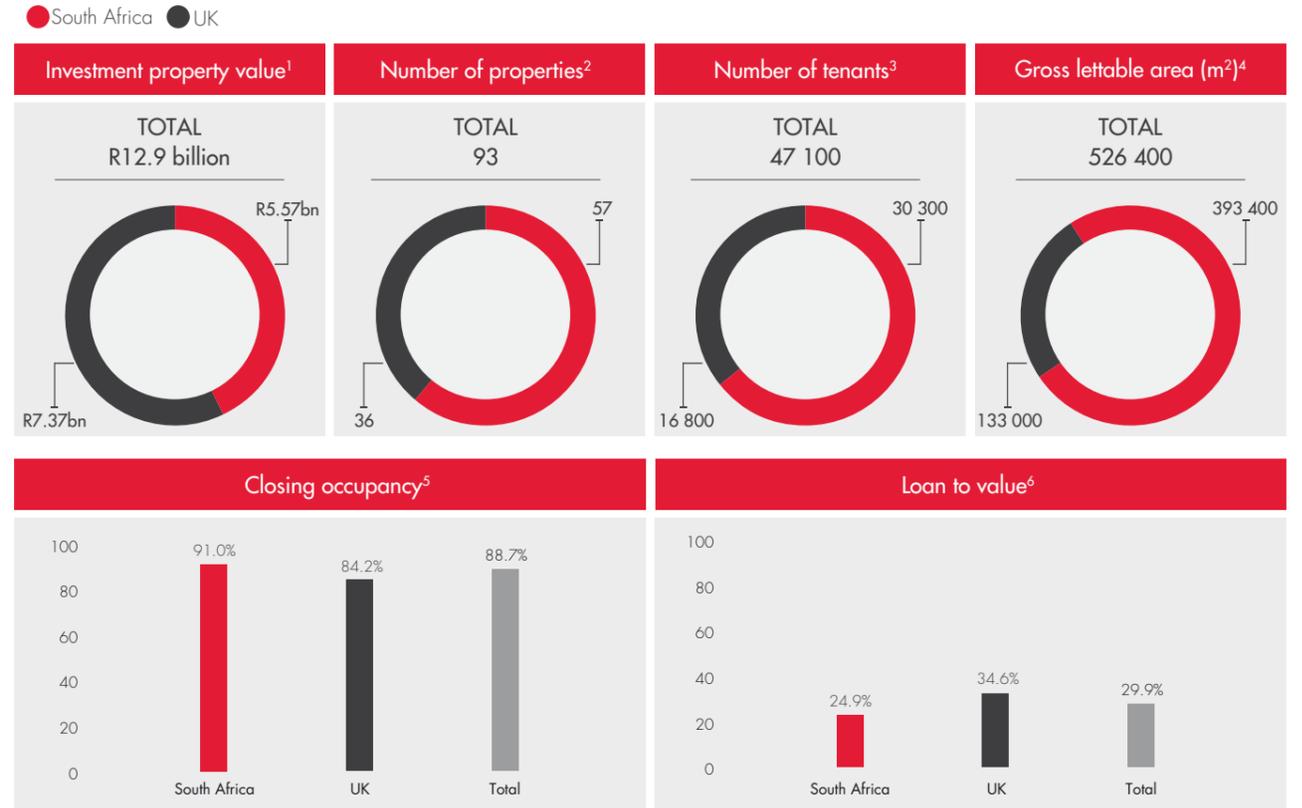
We entered the United Kingdom in 2017 with the strategic acquisition of Storage King – the sixth largest self storage brand in the UK.

Today, our portfolio has grown to 93 properties<sup>1</sup> comprising 561 600 m<sup>2</sup> of GLA<sup>2</sup>, strategically concentrated in South Africa's largest cities and in key markets in the UK.

We continue to deploy capital strategically, adding quality and scale to our portfolio on a select basis and in line with our strict investment criteria. Properties currently being developed and in the acquisition pipeline will add a further 75 700 m<sup>2</sup> GLA on completion.



<sup>1</sup> Includes trading properties held in JVs and managed by the Group as at 31 May 2023. Excludes Heathrow which began trading in July 2023.  
<sup>2</sup> Includes trading properties held in JVs as at 31 May 2023. At 31 March 2023 the GLA comprised 526 400m<sup>2</sup>



## BARRIERS TO ENTRY AND THE DEFENSIVE NATURE OF OUR PORTFOLIO

There are significant barriers to new supply in key target nodes. Self storage properties were historically positioned in industrial areas or on the urban edge. As a result, there are limited multi-storey premium-grade self storage assets in prime urban and suburban nodes in South Africa where population density and average household income are higher.

Town planning presents a major challenge in South Africa and the UK, with long lead times to get planning consents for properties situated in prime, sought-after locations. This, in addition to the long lease-up period (financing cost implications) required to reach stabilised occupancy at new properties, is a significant barrier to entry and contributes to the defensive nature of our portfolio.

Read more about our portfolio from page 24.

<sup>1</sup> Includes 100% of trading properties held in JVs as at 31 March 2023.  
<sup>2</sup> Includes trading properties held in JVs and managed by the Group as at 31 May 2023. Excludes Heathrow which began trading in July 2023.  
<sup>3</sup> Includes trading properties held in JVs and managed by the Group as at 31 March 2023.  
<sup>4</sup> Includes trading properties held in JVs as at 31 March 2023.  
<sup>5</sup> Excludes trading properties held in JVs and managed by the Group as at 31 March 2023.  
<sup>6</sup> LTV ratio is defined as net debt as a percentage of the sum of net investment property and investment in JVs.



# INVESTMENT CASE

As the leading and largest self storage property fund and brand in South Africa, and with a growing presence in the UK through Storage King, Stor-Age has continued with its impressive track record of growing investor returns. We are one of only 12 publicly traded self storage REITs globally and the only one to be listed on an emerging market exchange.

While the self storage sector is not immune to the impacts of economic shocks and the resultant uncertainty, it has remained remarkably resilient to economic stresses. This was seen during both the Global Financial Crisis and the COVID-19 pandemic, both of which highlighted the industry's resilience.

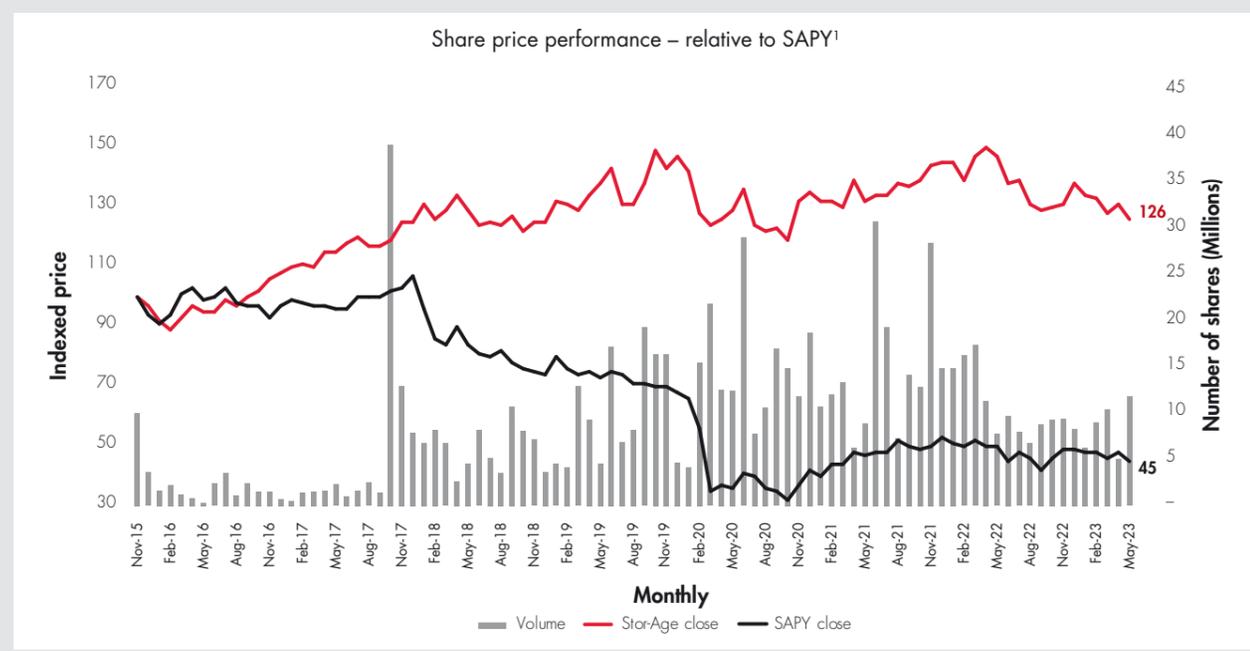
This is true of Stor-Age as well, with the Company continuing to produce robust operational results.

With the benefit of a clear strategy and a track record of disciplined execution, Stor-Age has been able to deliver a strong financial performance since its listing.

Self storage is a niche asset class uncorrelated to traditional drivers of property. As a highly defensive sector, it has proven its resilience through various economic cycles, including throughout the pandemic.

## Track record of delivery

- Stor-Age has significantly outperformed the listed property index (SAPY) since listing in 2015.
- We are dynamic sector specialists, allowing for focused attention, and with a track record of growing investor returns and a proven ability to identify, close and integrate value-add acquisitions.
- Our property portfolio has grown from a listing value of R1.4 billion (24 properties) to R12.9 billion (93 properties) in less than eight years.



<sup>1</sup> Bloomberg, as at 31 May 2023.



## Share price performance – relative to UK peers

- Stor-Age is well entrenched in the UK market and benefits from a more than 50% exposure to Sterling based assets through Storage King.
- This geographic underpin is coupled with an attractive yield spread relative to UK peers.



1. Bloomberg, as at 31 May 2023.  
2. conversion to GBP at respective spot exchange rates across the time series.  
3. LSE listed – Safestore and Big Yellow.

## Excellent operating metrics and well-placed balance sheet

- FY23 full year dividend of 118.14 cents per share is underpinned by robust self storage metrics.
- Strong cash flows, favourable operating margins and a healthy balance sheet with a conservative gearing level of 30.8%<sup>1</sup> at year end.
- Our portfolio has demonstrated attractive net property operating income growth of 15.3%, with low bad debts at 0.65% of rental income.
- We have limited obsolescence and low ongoing maintenance capex.

## Resilient sector with growth opportunities globally

- Business model based on global best practices and has proven resilient through various economic cycles.
- Significant secured pipeline of development opportunities.
- High barriers to entry in key target locations.
- Niche growth sector globally, driven by societal trends:
  - Consumerism, including the increase in e-commerce
  - Densification and an increasingly mobile population

## OUR SUCCESS DRIVERS

- Management – founder-led and vastly experienced, true-sector specialists.
- Operations platform
  - Highly sophisticated and dual market
  - Scalable and the key to unlocking value
- Diversified tenant risk (47 100 tenants across South Africa and the UK).
- Prominent locations on main roads or arterials, with high visibility to passing traffic.
- Average length of stay
  - South Africa 24.5 months (2022: 23.7)
  - UK 31.8 months (2022: 30.8)
- Committed and passionate employees.
- Growing demand and awareness among customers.
- Strong customer satisfaction, with customer service rated as “world class” in 2023 according to the global Net Promoter Score (NPS) standard.
- In South Africa, 54% of customers have been storing for more than one year.
- In the UK, 58% of customers have been storing for more than one year.

Read more about what drives our success on page 32.

<sup>1</sup> Calculated in accordance with the SA REIT Best Practice Recommendations.



## OUR STAKEHOLDERS

We recognise that the Group's ability to create and protect value depends on the quality of our stakeholder relationships.

Regular engagements ensure that we understand stakeholder needs and expectations, and that these are considered in strategic decisions, board deliberations and our day-to-day activities. We aim to achieve an appropriate balance between the interests of different stakeholder groups as well as between stakeholders and the long-term interests of the Group.

### OUR MOST MATERIAL STAKEHOLDER GROUPS:

OUR CUSTOMERS

OUR PEOPLE

OUR SHAREHOLDERS

OUR SUPPLIERS

The Social and Ethics Committee oversees the Group's stakeholder engagement processes, while the executives have the responsibility of engaging directly with all stakeholders. Material engagements and their outcomes are reported to the Board.

### OUR CUSTOMERS

The individuals and businesses who trust us to solve their space problems and to look after their possessions with total care and commitment are the reason that we exist.

#### Key interests and expectations:

- Offering a safe and secure space to store goods with high-quality, environmentally sustainable, prominently located properties.
- Excellent customer service and the ability to engage through their preferred channels.
- Flexible self storage offering.
- Value for money.
- In line with our ESG strategy, the Company has committed to reducing and minimising the impact that our properties and operations have on the local environment in which they trade.
- A commitment to support the communities in which we operate by contributing to local social upliftment initiatives.

#### Quality of the relationship: ●

We measure customer satisfaction through welcome and exit surveys, digital review platforms, a mystery shopper programme and through Net Promoter Score (NPS) surveys.

- In 2023, we achieved an NPS score of 83 in South Africa and 70 in the UK, both considered 'world class'. Our average Google Business Profile rating was 4.7 (SA) and 4.8 (UK) out of 5.

#### How we respond:

- Our properties are located in highly visible, easily accessible locations.
- We have a broad offering of different unit sizes and customers can stay for as short as one month.
- Our properties benefit from being inherently low intensity users of electricity and water.
- We place a great deal of focus on designing and developing environmentally-friendly buildings. Newly developed properties are designed and built in accordance with the latest design attributes and in accordance with all town planning and local council guidelines.
- Trading stores acquired from third parties must meet pre-defined minimum standard quality criteria.
- New solar installations are continuously being installed at existing properties and at acquired properties where such systems are not already installed. All new developments also feature solar PV systems.
- We continually invest in maintaining our properties and enhancing their security infrastructure.
- Insurance cover is in place for customers' belongings where the customer has chosen this option.
- Customers can contact us through our websites, social media, by phone and in person.
- Our integrated CRM system, e-commerce platform and bespoke online training programmes contribute towards our aim of achieving service excellence.
- Feedback from customer satisfaction surveys drives employee learning, development and training programmes.
- Ongoing support is provided to a range of charities, non-profit organisations and local community interest groups.

Quality of our stakeholder relationships  
 ● Good ● Area for improvement ● Needs attention

OUR PEOPLE

Our people are critical to our success. Our ability to create value depends on our capability to recruit, develop and retain employees with appropriate skills.

Key interests and expectations:

- Safe, healthy working conditions.
- Skills development and opportunities to advance.
- Fair remuneration.
- Effective performance management and recognition.
- Diversity and inclusivity.
- Employee wellness.
- Effective and efficient communication across the business.

Quality of the relationship: ●

We engage with employees through ongoing day-to-day interactions, our Company intranet (Connect) and in biannual performance reviews.

The results of our annual anonymous staff survey indicate that more than 96% of employees are proud to be part of the Stor-Age team, with a NPS of 15<sup>1</sup>, an increase on the year prior. We also monitor employee turnover, which has shown a decline year-on-year.

How we respond:

- Stor-Age places a significant emphasis on recruiting the right people and training, developing and managing employees to achieve their highest potential.
- Learning and development programmes delivered on our e-learning platform, Edu-Space, complement face-to-face learning to help employees develop to their optimal potential.
- We incentivise outperformance at all levels.
- We offer competitive remuneration packages and financial rewards.
- Our partnership culture is a key part of our success. Management is accessible at all levels and employees are encouraged to improve and challenge the status quo.
- A succession planning strategy is in place, which includes talent retention.
- The Conditional Share Plan for high performing employees includes more than 50 participants.
- We continued to roll out a wellness initiative in South Africa focused on encouraging our employees to practice and improve their habits to attain better physical and mental health.
- Connect (our intranet) keeps our staff informed of news and happenings across the business.
- Ongoing engagement with our staff ensures their deliverables meet strategic objectives and the overall business strategy.

<sup>1</sup> A score above zero is considered 'good'.



Quality of our stakeholder relationships  
● Good ● Area for improvement ● Needs attention

OUR SHAREHOLDERS

Our shareholders provide the financial capital we require to grow our business. We engage with shareholders at results presentations, annual general meetings, property tours and in ongoing one-on-one meetings throughout the year.

Key interests and expectations:

- Transparent and balanced reporting.
- Acting in a responsible, ethical and transparent manner.
- Provide a secure investment underpinned by high-quality physical property assets.
- Share price appreciation and regular distributions.
- A well-maintained balance sheet and gearing levels maintained within the board's target range.
- Execution of our growth strategy.
- A commitment to and responsible ESG practices.
- Regular updates to the market.
- Succession management.

Quality of the relationship: ●

At the Annual General Meeting in September 2022, all resolutions were passed with support from shareholders of 85% and above.

Stor-Age benefits from having a stable and broad range of institutional shareholders, many of whom have been supportive of the Company from the time of its listing in 2015.

How we respond:

- The board is ultimately responsible for guiding our strategy and for approving policies and practices within an appropriate framework of governance and oversight to ensure shareholder interests are safeguarded.
- The execution of our five-year growth strategy to 2025 aims to grow and improve the quality of the portfolio, enhance performance and support increasing investor returns.
- The Company maintains regular communications to the market through various channels, including the annual integrated report, annual and interim results presentations, the investor relations website, media releases and on SENS.
- Prudent capital management policies ensure effective financial risk management.
- Our ESG strategy and reporting framework aligns our Vision and Core Values with six key United Nations Sustainable Development Goals (UN SDGs).
- We offer investors an investment opportunity with a strong management team that has a proven track record, and adheres to high levels of corporate governance and transparent reporting standards.
- We give our shareholders confidence that the Company is a well-governed and well-conducted business.
- We continue to maintain our LTV ratio within the target range.

OUR SUPPLIERS

We depend on our suppliers and service providers to ensure the high-quality development and maintenance of our properties, as well as to provide ongoing support in the execution of our operations.

Key interests and expectations:

- Sustainable business opportunities and potential for growth, in a manner that is transparent and equitable.
- Responsible and compliant business partner.
- Collaboration to build a sustainable ecosystem of mutual benefit.
- Fair treatment and equitable payment terms.

Quality of the relationship: ●

The Group prides itself on maintaining mutually beneficial and long-term relationships with suppliers in South Africa and the UK.

How we respond:

- We work with our suppliers and service providers to achieve a common goal.
- We are committed to good corporate governance and ensuring compliance across all facets of the business.
- We are committed to treating suppliers and service providers fairly to create mutually beneficial long-term relationships.
- We form long-lasting relationships with our preferred business partners.
- We have invested more than R18.0 million in supplier development initiatives to date.
- We have invested more than R9.0 million in enterprise development initiatives to date.



Quality of our stakeholder relationships  
● Good ● Area for improvement ● Needs attention

# CHAIRMAN'S LETTER

I am pleased to report that Stor-Age delivered another resilient performance, driven by ongoing gains in occupancy and rental rates, strong organic growth, the successful integration of acquisitions and the further expansion of the portfolio through new developments.

## A RESILIENT PERFORMANCE

The past year was once again characterised by geopolitical instability and tough trading and operating conditions, which included surging inflation, rapidly rising interest rates and an ongoing energy crisis. While self storage is not immune to these events and the resultant economic uncertainty, our performance during the year, alongside throughout the COVID-19 pandemic and the sector's resilience throughout the global financial crisis, demonstrates our ability to navigate the current challenges. Self storage remains a specialist asset class that is needs-based and recession-resilient.

The sector benefits from a broad mix of historical demand drivers and longer-term structural changes accelerated by the pandemic, which gave rise to new drivers of demand. These include, for example, the hybrid working model, greater levels of mobility, micro-living and the growth of online retailers, which continue to underpin demand. These trends are particularly prevalent in high-density urban areas where the majority of Stor-Age's properties are located. We also continued to benefit during the year from the trends of an increasing length of stay for those tenants still storing with us, as well as a significantly lower level of churn relative to pre-pandemic levels.

“ Self storage is also one of the few commercial property sub-sectors that is well-placed to navigate a high inflationary environment. ”

The short-term nature of the leasing model provides the opportunity to pass on inflationary cost pressures and adjust pricing in near real-time. For operators with a sophisticated and dynamic revenue management model such as Stor-Age, it also provides an opportunity to be defensive relative to peers across the broader commercial property market.

Underpinned by Stor-Age's deep sector specialisation, highly sophisticated operating platform and industry-leading digital capability, we are pleased to have delivered a full year dividend of 118.14 cents per share, representing an increase of 5.6% against the prior year. The growth in dividend further supported the total return for the year of 16.9%<sup>1</sup>.

## ENVIRONMENTAL AND SOCIAL PERFORMANCE

In line with our ESG strategy and implementation framework, and on the back of our resilient financial and operational performance, Stor-Age continued to embed responsible and sustainable business practices throughout the organisation.

To date, we have invested more than R21.0 million in renewable energy infrastructure across South Africa and the UK (FY22 R11.6 million). During the period we installed solar PV systems at nine additional properties across both markets, bringing the total number of properties with solar PV systems to 34, representing 37% of our portfolio. These properties have generated over 4.3 million kWh in solar energy to date. An additional 12 properties have been identified for solar investment in FY24.

On the back of multi-year efforts to optimise our electricity consumption and reduce our carbon footprint, it was pleasing to see the outcomes of our most recent Carbon Footprint Report. Key takeaways include avoiding an estimated 2 771 tonnes of CO<sub>2</sub> equivalent emissions since FY18, a downward trend in emissions generated through municipal electricity consumption since FY21, and an estimated 15% year-on-year reduction in our total Scope 1, 2 and 3 emissions in FY23 (FY22 13%). These insights are being used to inform the ongoing development of our Group-wide net zero energy strategy.

Following the finalisation of our UK debt restructuring and the entering into of a 7-year Sustainability-Linked Loan with Aviva plc, we made progress during the year in achieving the environmental KPIs that will trigger a reduction in loan margin. This includes completing solar installations at our Dartford, Derby and Gloucester properties.

We further launched a pilot recycling project at one of our South African properties during the year, which we believe will have a broad positive environmental and social impact in the communities in which we operate. Customers can recycle paper and cardboard products at the property, with these items then collected by the non-profit organisation Oasis Recycling as part of a community initiative to create sustainable employment for people with intellectual disabilities. Following the trial, we will consider rolling this initiative out at multiple locations across the country.

The board also continued to oversee the Group's efforts to improve compliance with the amended Property Sector Codes. We are pleased to report that Stor-Age's share register reflected 44.65% black ownership at the time of conducting our 2023 empowerment scorecard review. We continue to investigate further opportunities to meaningfully support the transformation of the property sector.

## GOVERNANCE PERFORMANCE

We remain steadfast in our view that effective corporate governance is critically important to preserve value over the long term on behalf of all stakeholders.

In recent years the business has grown significantly, strengthening its sector leading position in South Africa and successfully executing its growth plan in the UK. Entering into strategic partnerships in the form of joint ventures with multiple partners in South Africa and the UK has been a key part of the growth strategy. Given the natural increase in risk as the business has grown, to strengthen internal controls and reduce overall levels of risk, during the year the board oversaw the finalisation of an internal audit charter, as well as the selection and appointment of an independent external assurance provider, GRIPP Advisory, to perform internal audit work.

“ The board continued to exercise oversight of the Group's growth strategy, which provides a clear framework to guide decision-making and capital allocation. ”

The board further reviewed the investment committee's terms of reference and approved an increase in the committee's authority level. It remains critical that key investment hurdles are met when considering new acquisition and development opportunities.

Seeking to further strengthen the board's skill set, expertise, diversity and independence, we welcomed Alan Menigo to our board this year as an independent non-executive director. Alan also took up a position on the investment committee. He brings with him a set of complementary skills as well as a wealth of knowledge and experience in both the financial and property arenas and we look forward to his contribution.

Another key focus area for the board was overseeing Stor-Age's secondary listing on A2X, which complements our primary listing on the JSE. In addition to providing our shareholders with another platform on which to trade the Company's shares, the secondary listing brings the benefits of added liquidity, narrower spreads and lower exchange fees.

The board continues to work towards the transparent and fair implementation of our remuneration policy and welcomed shareholders' improved support of this policy at our 2022 AGM.

## OUTLOOK AND THANKS

We are moving from another challenging year into an even more uncertain future. In such trying times, we look back on the financial and operational performance delivered by our teams in South Africa and the UK with pride. We know that to continue delivering robust operating performances over multiple years requires our employees to be engaged, committed and motivated.

To the entire Stor-Age team, I thank you for your exceptional dedication and commitment to the business which gave rise to another set of stellar results. I would like to commend our executive management team for their leadership and ongoing efforts in executing the Group's growth strategy and inspiring our teams. Thanks also to my fellow non-executive directors for bringing their formidable knowledge and experience to bear on the strategic direction and governance of Stor-Age. Thank you for the energy, commitment, skill and competence you bring to our business.

Guided by our well-articulated Vision and Mission and supported by our high-quality property portfolios in both markets, we remain confident in our business model, which has proved its resilience through multiple economic crises. Accordingly, I remain confident about the Group's future prospects, to the benefit of all stakeholders.

Graham Blackshaw  
Chairman  
31 July 2023



<sup>1</sup> Calculated as distributable income per share for the year plus increase in tangible net asset value (TNAV) per share as a percentage of TNAV at start of the year.