



# OUR GROWTH STRATEGY

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. The business benefits from outstanding real estate expertise, an excellent dual-market operations platform, leading digital marketing capability and an established global peer network.

We conduct our strategic growth planning in five-year cycles. We are currently in the third year of the cycle ending 2025 and have undertaken strategic and meticulous planning for the five-year period. A key focus remains our digital transformation strategy, which significantly influences our business strategy.

In preparation for our strategic growth cycle to 2025, in 2020 we revisited the four major research projects completed in 2015 with a specific focus on supply levels, anticipated demand, customer profiling and consumer demographics. These projects provide key insights that inform and optimise our growth strategy, allowing us to better understand our residential and business customers, and anticipate future demand.

Organic growth through the expansion of existing stores, acquisitions and new developments are at the core of our growth strategy. With in-house development expertise and a disciplined and opportunistic approach, we ensure that our risk-adjusted yield expectations are met and that we are able to effectively secure development sites and obtain the necessary approval consents. We prioritise high barrier to entry areas in our key markets.

During the year we continued to execute our growth strategy, further expanding our footprint by acquiring trading properties, expanding existing stores and implementing our development strategy at newly acquired sites.

Our growth strategy aims to grow the portfolio in both markets and enhance performance and investor returns by:

- 
**Extracting organic growth** through active revenue management, developing additional GLA and optimising the unit mix at properties
- 
**Leveraging our tenant management software platform** to unlock value, drive cost efficiencies and entrench our competitive advantage
- 
**Pursuing acquisitions**, and consolidating our position as the leading and largest self storage brand in South Africa and one of the largest operators in the UK
- 
**Developing new properties** in prominent high barrier to entry locations in our core markets
- 
**Opportunistically leveraging the platform** through our operations and digital capability, as well as our real estate expertise
- 
**Managing financial risk** through prudent capital management policies
- 
**Integrating ESG principles** throughout the organisation by focusing on sustainability and the implementation of our ESG strategy



# OUR BUSINESS

- OUR GROWTH STRATEGY
- OUR PROPERTY PORTFOLIO
- OUR SUCCESS DRIVERS

### OUR GROWTH STRATEGY FOR THE SOUTH AFRICAN MARKET

Our South African growth strategy seeks to entrench Stor-Age's position as the leading and largest self storage property fund and brand in the country. For 17 years we have successfully identified key growth opportunities, expanding the South African portfolio to 57 properties. The portfolio represents a value of R5.57 billion<sup>1</sup>.

We benefit from the following:

- Largest store footprint
- Quality stores in high-profile and convenient locations
- Prominent and easily accessible stores
- The benchmark for modern, urban self storage development

While we see an opportunity to acquire trading properties, our new development strategy of bringing high-profile properties to market in prime locations remains a key component of our growth strategy. Our plan to 2025 includes aiming to grow the South African portfolio to 70+<sup>2</sup> properties.

Read more about our property pipeline on page 24.

### OUR GROWTH STRATEGY FOR THE UK MARKET

Our business plan for our UK portfolio, trading under the Storage King brand, is guided by our strategic and long-term focus on growing and optimally positioning our UK property portfolio and leveraging our high-quality in-place management platform.

During the year, we focused on strengthening the organisational infrastructure and management capacity of our UK team in order to sustainably support the rapid growth being experienced by Storage King, as well as to support anticipated future growth. Our UK and South African teams and platforms are now fully integrated in those areas where we believe it allows for optimal performance across the Group.

In addition to the property strategy outlined below, we continued to see the positive impact on enquiry generation during the year as a result of successfully leveraging our digital marketing capability into the UK. Read more about this from page 32.

Our five-year strategy for the UK market to 2025 seeks to grow the portfolio through a combination of acquiring trading properties and developing new properties in key target areas. We have identified a growth target of an average of two to four properties per annum. We are also aiming to add trading properties to our third-party management platform, Management 1<sup>st</sup>. Read more about this platform on page 30.

Key features of the medium-term growth plan include:

#### Acquiring existing self storage properties that meet Storage King's acquisition criteria:

- Good locations in Greater London and its commuter towns, as well as regional cities and towns
- Within/close to attractive urban or suburban nodes
- Ideally within/close to a retail corridor
- Ideally located with main road frontage to passing traffic
- Minimum requirements targeted:
  - 30 000+ sq. ft maximum lettable area (MLA)
  - 75 000+ population, 20-minute drive time

#### Developing investment-grade self storage properties in prominent, visible, convenient and accessible locations:

- High profile locations in Greater London and its commuter towns, as well as regional cities and towns
- Big Box (greenfield) – high-density retail or commercial type nodes, in attractive urban/suburban areas and with main road frontage to passing traffic
- Conversions (brownfield) of existing buildings in retail or commercial type nodes in close proximity to dense urban areas
- Minimum requirements targeted:
  - 45 000+ sq. ft MLA
  - 100 000+ population, 20-minute drive time

#### LEASEHOLD OWNERSHIP

Storage King's flexible approach to leasehold and freehold property ownership enables it to grow the business, secure prime locations and position the portfolio optimally.

While Storage King's approach to leasehold property valuation is conservatively based on future cash flows until the next contractual lease renewal date, it has a demonstrable track record of successfully regearing leases several years before renewal. The Company benefits from the Landlord and Tenant Act, which protects its right of renewal except in the case of redevelopment. In addition, the majority of its leasehold properties are located in retail parks and/or have building characteristics that make their current usage either the optimal or best use of the property.

Storage King's landlords value it as a quality tenant, with the Company often extending the length of leases in its portfolio, enabling Storage King to maintain favourable terms. By taking a flexible approach to leasehold ownership as part of a broader portfolio assembly strategy, Storage King has been able to operate from properties that would otherwise have been unavailable.

<sup>1</sup> Includes trading properties held in JVs.  
<sup>2</sup> Includes the Company's pipeline.

### JOINT VENTURES

In order to capitalise on expansion opportunities, we establish strategic joint ventures (JVs) with real estate and investment partners. Through these JVs, Stor-Age is able to expand its presence and achieve enhanced scale in South Africa and the UK, while generating an attractive return on invested capital.

Our JVs form a key component of our growth strategy in South Africa and the UK. Eight properties are currently being co-developed in JVs (SA 5; UK 3).

Read more about these joint ventures from page 31.

### THE DRIVERS OF SELF STORAGE

The decision to use self storage is based on a sensible financial and needs-based rationale, and the product serves a diverse range of customers. The primary drivers for residential users are life-changing events (death, separation, downsizing, moving and emigration), as well as more permanent discretionary use. The product also serves commercial customers, particularly SMMEs, e-commerce and home-based businesses, as well as larger companies. The key benefit to such businesses is the cost-effective and flexible storage and distribution solution that the product offers.

Our growth strategy is directly linked to these drivers. We identify acquisition and development sites in high-density urban areas where these trends are particularly prominent.



### STRENGTHENING OUR GROWTH STRATEGY THROUGH A ROBUST FOCUS ON ESG

We continue to integrate ESG principles throughout the business. Our ESG strategy, which focuses on the areas of environmental sustainability, social sustainability and corporate governance, aligns our Vision and Core Values with six relevant SDGs and takes guidance from the TCFD.

Our long-term ESG strategy is centred on:

Developing environmentally-friendly buildings Read more on page 23	Creating a culture of high integrity across the business Read more on page 62	An unwavering approach to good corporate governance Read more on page 67	Ensuring the ongoing sustainability of the business Read more on page 67
Preserving our resilience by maintaining balance sheet strength Read more on page 13	Effective management of financial and environmental risks, with significant value creation for our stakeholders Read more on page 54	Supporting the local communities in which we operate Read more on page 61	



### DEVELOPING ENVIRONMENTALLY-FRIENDLY BUILDINGS

Environmental sustainability is a key component of our ESG strategy. Each of our buildings are designed and developed to ensure minimal water and electricity consumption. We also place a great deal of focus on reducing our already low carbon emissions.

We achieve this through a variety of initiatives, including renewable energy generation, energy efficiency, rainwater harvesting, storm water management, wastewater management, reduced fuel consumption and through various other practices.

Read more about our ESG strategy and implementation framework on page 54.

## OUR PROPERTY PORTFOLIO

Our properties are located in highly visible, easily accessible locations in or near major economic centres. We seek investment opportunities where we can achieve strong market penetration and further benefit from improved economies of scale, driving high operating margins.

Stor-Age has a portfolio of 93 properties across South Africa and the UK, totalling R12.9 billion<sup>1</sup> in value.

Our growth strategy, which you can read about on page 21, details how and where we intend to execute high-quality acquisitions and new developments to further grow our asset base, while pursuing organic growth by expanding existing properties.

Joint venture partnerships are a key component of our growth strategy in South Africa and the UK. Read more about these partnerships from page 31.

### OUR PROPERTY PORTFOLIO IN SOUTH AFRICA

Stor-Age is a local market pioneer that introduced high-profile Big Box self storage properties in high-visibility and easily accessible prime urban and suburban locations in South Africa.

Stor-Age is the largest self storage property fund and most recognisable industry brand in South Africa. Assembled from scratch and offering exceptional quality, our South African portfolio is predominantly purpose-built with a national footprint.

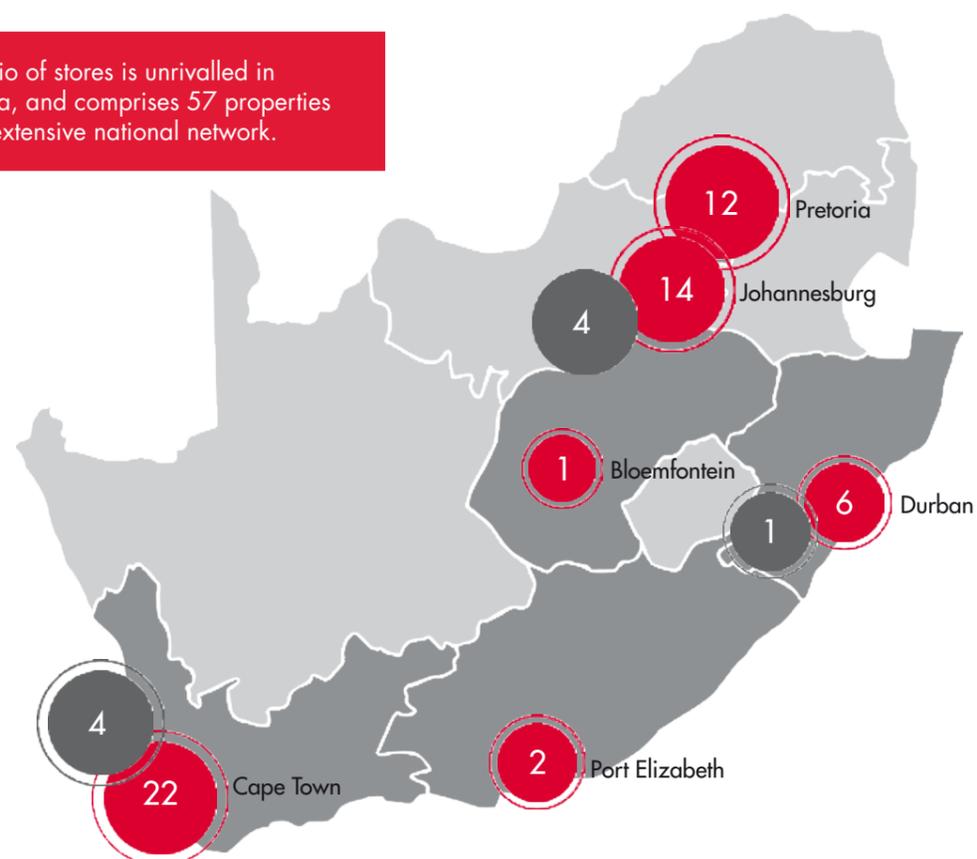
Our South African portfolio comprises 62 properties. This includes 57 trading properties and five new properties currently under development. Our 57 trading properties<sup>2</sup>, providing space to 30 300 customers, offers 393 400 m<sup>2</sup> GLA<sup>3</sup>. Our total pipeline of nine new developments (including the five currently under construction) will offer a further estimated 53 000 m<sup>2</sup> GLA on completion.

In defining our property strategy in South Africa, we identified the main target cities and the specific suburbs (including arterial routes) where we would like to establish a presence. This is not a restrictive or instructive strategy, but rather a guide that supports our full business growth strategy.

**57** Our portfolio of stores is unrivalled in South Africa, and comprises 57 properties across an extensive national network.

**PORTFOLIO:**  
57 properties  
R5.57 billion  
393 400 m<sup>2</sup> GLA  
30 300 tenants

**PIPELINE:**  
9 properties  
R880 million  
53 000 m<sup>2</sup> GLA



● Portfolio  
● Pipeline

<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.  
<sup>3</sup> Includes trading properties held in JVs as at 31 March 2023.

### ACQUISITIONS

The acquisition of high-quality and well-positioned properties remains a key component of our growth strategy. Since 2006, Stor-Age has acquired a total of 28 properties.

During the year we acquired an independent self storage property in Cape Town, Think Secure Self Storage. Secured for a purchase consideration of R65 million, the property is well located on the corner of Sandown and Koeberg Roads in Parklands, serving the broader Parklands, Sunningdale and Table View areas.

The property's location is highly complementary to the existing Stor-Age Sunningdale and Table View properties. The purpose-built multi-storey property offers an existing total potential of 4 000 m<sup>2</sup> GLA, while also benefiting from significant additional bulk. A planning application has been submitted to expand the property by an additional estimated 2 900 m<sup>2</sup> GLA, translating into approximately 6 900 m<sup>2</sup> GLA in total on completion.

Post acquisition the property has traded in line with forecasts.

### DEVELOPMENTS

Stor-Age's secured development pipeline in South Africa comprises nine properties with an approximate total development cost of R880 million that will add an estimated 53 000 m<sup>2</sup> GLA to the portfolio.

New developments are currently underway at five properties in South Africa, which are scheduled to bring online an additional estimated 28 200 m<sup>2</sup> of space. All properties recently completed or currently under development form part of our JV with Nedbank Property Partners ("Nedbank"), with the exception of Century City, which is being developed in a JV with the Rabie Property Group ("Rabie").

### DEVELOPMENTS COMPLETED

Post year end, we completed the R125 million development of a property in Morningside, Gauteng, increasing our GLA by 7 400 m<sup>2</sup>.

The property, which began trading in May 2023, is situated alongside the Wedge Shopping Centre on Rivonia Drive. It is exceptionally well located and benefits from prime exposure to passing traffic. The property trades into Morningside, Sandton and Kramerville.

### DEVELOPMENTS IN PROGRESS

We continued progress with the development of five properties in South Africa – three in Cape Town, located in Pinelands, Paarden Eiland and Century City, and two in Gauteng, located in Bryanston and Kramerville. Collectively these properties will add 28 200 m<sup>2</sup> to the portfolio.

Property	Status and location	Estimated development cost	Estimated GLA
Bryanston	The property, which is well-positioned alongside the Virgin Active at the busy Grosvenor Crossing intersection, will primarily trade into Bryanston, Riverclub, Kleve Hill and Petervale. The property is scheduled to open for trading in August 2023.	R75 million	4 700 m <sup>2</sup>
Pinelands	Situated opposite Howard Centre, on the corner of Howard Drive and Gardener Way, construction is underway at our Pinelands property, a brownfield conversion. The property, which will primarily trade into Pinelands, Mowbray, Rosebank and Rondebosch, is scheduled to open for trading in the second quarter of FY24.	R97 million	7 300 m <sup>2</sup>
Paarden Eiland	Located prominently in the service road alongside Marine Drive, the property, a brownfield conversion, enjoys high exposure to the busy Marine Drive, which carries significant traffic volume in both directions. The property, which will primarily trade into the broader Milnerton area as well as parts of the East City, is scheduled to open for trading in the second quarter of FY24.	R75 million	4 700 m <sup>2</sup>
Century City	In December 2022 Stor-Age and Rabie entered into a joint venture to develop a site within Century City ("Rabie JV"). The site is well positioned on Edison Way and enjoys good visibility by commuters travelling east and west along Bosmansdam Road. The property, which will primarily trade into Century City, Tijgerhof, Milnerton and Montague Gardens, is scheduled to open for trading in the first quarter of FY25.	R96 million	6 100 m <sup>2</sup>
Kramerville	Located in Kramerville (Sandown), the property is situated on the corner of Darfield Road and Commerce Crescent. Construction began in June 2023. The property, which benefits from having access on grade to all four levels, will primarily trade into Sandown, Wendywood, Strathavon and Atholl Gardens. The property is scheduled to open for trading in FY25.	R45 million	5 400 m <sup>2</sup>

**UNINTERRUPTED POWER SUPPLY**

To mitigate against the risk of an unstable electricity supply in South Africa, all trading properties have generators installed, except for the three smallest properties measured by GLA which have battery storage solutions. During periods of intermittent electricity supply, these backup diesel generators are used. Added to this, 25 of the 57 properties have solar PV systems installed, which to date have generated over 4.3 million kWh. A further ten properties in South Africa have been identified for solar investment in FY24.

During the period we also completed a successful trial to integrate our existing solar PV systems with battery storage, creating a hybrid solar PV system. Alongside our existing diesel generators, these systems provide an optimised solution in the event of a power outage. We anticipate a 3-year roll-out of these hybrid solar PV systems across the South African portfolio at an estimated cost of R45.0 to R50.0 million.

Read more about our hybrid solar PV system strategy on page 58.

**MAINTAINING OUR PROPERTIES**

As a customer-facing real estate business, we understand the critical importance of maintaining the quality of our assets by investing in a rolling programme of preventative maintenance, store cleaning and the repair and replacement of essential equipment.

We have an online Facilities Management System where store-based employees log, track and manage all maintenance requests until closed. In conjunction with employees at our stores and area managers, our national facilities manager and city-based regional facilities managers oversee property maintenance with the assistance of dedicated facilities teams in each city.



**OUR PROPERTY PORTFOLIO IN THE UK**

Stor-Age is now in its sixth year of trading in the UK under the Storage King brand – the sixth largest self storage operator in the country<sup>1</sup>. Storage King operates a regionally dominant portfolio of 36<sup>2</sup> properties throughout England.

The acquisition of Storage King in 2017 represented a portfolio of well-located properties and a growth platform with well-invested infrastructure. The in-country management team has considerable industry experience and a strong track record of operational management and improvement. In the period since acquisition, Storage King has increased the number of properties in its portfolio from 13 to 36 and the total GLA from 543 000 sq. ft to 1 431 600 sq. ft<sup>2</sup>, with a further three properties in the development pipeline offering an estimated 182 000 sq. ft GLA on full build-out (excluding the Heathrow property which began trading in July 2023).

**Overview of Storage King**

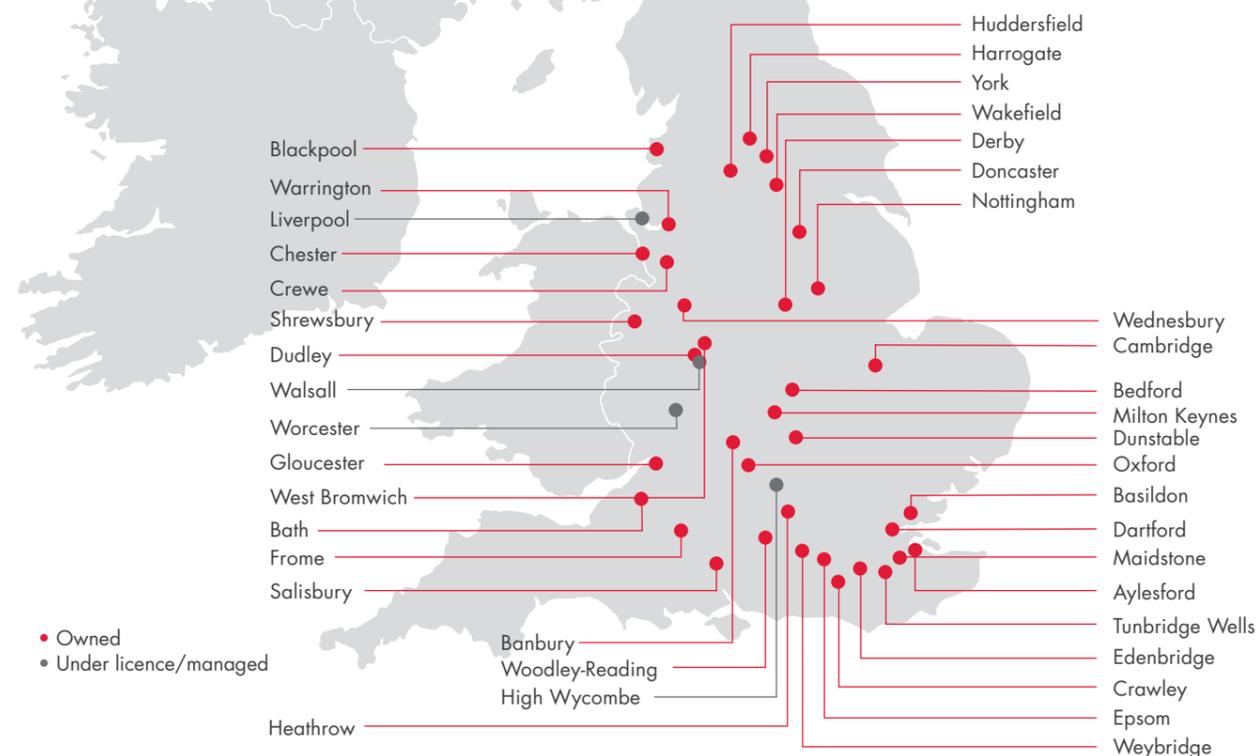
- Sixth largest operator in the UK by number of properties
- The portfolio of 36 properties is complemented by an additional three properties which trade under license of the Storage King brand
- Four strategic growth levers – expanding existing properties, acquiring independent trading stores, developing new high-quality properties and securing third-party management contracts (Management 1<sup>st</sup>)
- Highly scalable, well-invested infrastructure and experienced management
- Additional upside growth potential – operational cost savings and revenue enhancement
- Well-positioned to secure acquisition opportunities via long-established relationships with independent operators

**39**

Storage King operates 39 well-located properties throughout England, with a further four properties in the pipeline.

**UK PORTFOLIO<sup>2</sup>:**

**36 properties**  
**R7.37 billion<sup>3</sup>**  
**133 000 m<sup>2</sup> GLA**  
**16 800 tenants**



<sup>1</sup> Source: The Self Storage Association UK Annual Industry Report 2023.  
<sup>2</sup> As at 31 May 2023. Excludes Heathrow which began trading in July 2023.  
<sup>3</sup> Includes 100% of trading properties held in JVs.

## OUR PROPERTY PORTFOLIO (continued)

### ACQUISITIONS

Storage King is well-positioned to secure acquisition opportunities through its long-established relationships with independent operators. During the year we continued to review acquisition opportunities in line with our stated growth and investment strategy.

Post year end, we successfully acquired Easistore, a high-quality four-store portfolio in the south east of England with well-located properties across Kent and West Sussex. The portfolio was acquired in a JV with Nuveen Real Estate ("Nuveen"), with Stor-Age's equity contribution in the acquisition amounting to £4.4 million. Read more about this JV on page 31.

The Easistore acquisition represents the third, four-store portfolio that Stor-Age has either acquired or part-acquired in the UK in the preceding 16 months.

### DEVELOPMENTS

We continue to make significant progress in executing our UK development strategy, completing new developments and adding new sites for future development.

Our secured development pipeline in the UK now comprises three properties with an approximate total development cost of £45 million, that will add an estimated 182 000 sq. ft GLA to the portfolio. The properties are located in Canterbury, West Bromwich and Acton. Each of these three new developments are being completed in a JV with the Moorfield Group ("Moorfield"). Read more about this JV on page 31.

### DEVELOPMENTS COMPLETED

Property	Status and location	Estimated development cost	GLA
Bath	Located within the Western Lock Retail Park, in close proximity to Bath City Centre on the A36 Lower Bristol Road, this brownfield conversion is located adjacent to a M&S Foodhall. The property opened for trading in May 2023.	£11.7 million	46 000 sq. ft (4 300 m <sup>2</sup> )
Heathrow	This greenfield development is located on a prominent intersection to the west of London, on Great South-West Road (A30) and the Causeway (A312) and in close proximity to Heathrow Airport. The property opened for trading in July 2023.	£13.8 million	61 000 sq. ft (5 700 m <sup>2</sup> )



The acquisition provided an excellent opportunity to acquire a portfolio of trading stores in locations which complement the existing Storage King portfolio, offering additional scale to the platform from both a financial and trading perspective.

With properties located in Crawley, Edenbridge, Maidstone and Tunbridge Wells, the portfolio added 22 500 m<sup>2</sup> to the Group. Well-located and with excellent visibility and prominence, the four mature freehold properties trade into dense residential and commercial areas.

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

### DEVELOPMENTS IN PROGRESS

Property	Status and location	Estimated development cost	Estimated GLA
Canterbury	Located in close proximity to a large Big Box retail corridor, the site forms part of the new "to be created" Canterbury Trade Park which sits along Sturry Road (A28), in close proximity to the Canterbury Town Centre.  Construction of this greenfield development commenced in November 2022 and the property is scheduled to open for trading in the third quarter of FY24.	£9.8 million	54 000 sq. ft (5 000 m <sup>2</sup> )
Swan Village (West Bromwich)	The property is located in Great Bridge Street, Swan Village in the Carlyle Business Park, with excellent exposure at the roundabout to commuters travelling on the Solihull Bypass (A41). The property, a brownfield conversion, will also offer office and bulk storage space.  Construction commenced in February 2023 and the property is scheduled to open for trading in the third quarter of FY24.	£12 million	64 000 sq. ft (5 900 m <sup>2</sup> ) excluding bulk and office space
Acton	Located in a mixed residential and commercial area of Acton (Zone 3), a large residential suburb in West London in the borough of Ealing, the property enjoys frontage to Stanley Gardens, Bradford Road and Warple Way, just off Uxbridge Road (A4020), a busy main arterial through Acton.  A brownfield conversion, the property was acquired in April 2023 and a planning application was immediately submitted to extend the building vertically by up to two levels. Construction has not yet commenced.	Currently in planning	Currently in planning



**ADDITIONS**

During the year we concluded expansions at our Chester, Doncaster, Bedford and Weybridge properties, bringing online an additional 54 000 sq. ft GLA.

**Milton Keynes**

An estimated 21 000 sq. ft GLA expansion, comprising a three-floor extension to the existing property, including converting a portion of existing office space to self storage, began on site in February 2023. The building works are scheduled to be completed in the third quarter of FY24.

**Crewe**

The building adjacent to the existing property was acquired in August 2022 for a purchase consideration of £2.75 million. On completion, the newly acquired property will comprise an estimated 16 300 sq. ft of self storage space and 2 700 sq. ft of office space. The three-floor conversion of the newly acquired building and the addition of ancillary office space is scheduled for completion in the third quarter of FY24.

**TOWN PLANNING APPLICATIONS**

We continue to seek opportunities to unlock value in the existing portfolio. Accordingly, a number of town planning applications are currently either in hand and approved, or have recently been submitted:

- Huddersfield – an estimated 22 000 sq. ft GLA expansion.
- Wakefield – an estimated 7 000 sq. ft GLA expansion.
- Blackpool – an estimated 23 000 sq. ft GLA expansion.

**MANAGEMENT 1<sup>st</sup>**

The Group is making progress in building out Management 1<sup>st</sup>, our comprehensive third-party management solution for independent operators, developers and private equity owners in the UK self storage market.

Management 1<sup>st</sup> is a key component of our UK growth strategy and enables the Group to earn additional revenue with minimal capital investment given that we leverage our existing infrastructure and skills. The management solution will further provide a natural acquisitions pipeline over the medium to long term when third-party owners wish to exit.

We currently have 11<sup>1</sup> properties in the UK operating on our Management 1<sup>st</sup> platform, with a further three properties to be added once our current joint venture developments are complete. In addition, two properties managed on behalf of independent owners are anticipated to come online later in FY24 (subject to final agreements being concluded).

<sup>1</sup> Includes Heathrow property, which began trading in July 2023.

**THE UK SELF STORAGE MARKET**

In the recently published 2023 Self Storage Association UK Survey, self storage space per head of population in the UK is estimated to be 0.82 sq. ft. This shows that the market is less developed than the United States (9.4 sq. ft) and Australia (2.1 sq. ft), despite the growth in supply in recent years.

The market remains relatively fragmented with an estimated 2 200 self storage properties, including 739 predominantly container-based operations, supplying 55.5 million sq. ft across 1 086 brands. The top ten operators, including Storage King, account for approximately 23% by number, and 44% by area, of the market.

The survey also noted that the industry is transitioning from an exceptional period, with most mature stores remaining close to optimal occupancy with solid rental rates. This provides operators with the ability to absorb some price compression or occupancy loss as the sector moves to post-pandemic normalisation. While churn levels in 2022 increased slightly to 81% (annualised), compared to 76% in 2021, this is still significantly lower than the 118% experienced in the pre-pandemic period.



**JOINT VENTURES IN SOUTH AFRICA AND THE UK**

To further enable the Group to take advantage of expansion opportunities, in recent years we have formed selected joint ventures (JVs) with real estate and investment partners to acquire and develop new self storage properties. These JVs allow Stor-Age to grow and achieve further scale in South Africa and the UK whilst providing an attractive return on invested capital.

The JVs also allow for the mitigation of the financial impact of the lease-up of newly developed self storage properties which can take a number of years to reach a stabilised and mature level of occupancy. Moving forward, it is anticipated that the majority of new developments will be completed in a JV structure with a development partner.

All JV properties are either branded and managed by Stor-Age in South Africa, or Storage King in the UK. The JVs also enable the Group to leverage the management platform, through the generation of acquisition and ongoing property management fees.

**Garden Cities**

In September 2019 Stor-Age entered into a JV with Garden Cities to develop a site in Sunningdale in Cape Town. The property, comprising 6 300 m<sup>2</sup> GLA, commenced trading in April 2021.

An independent, Cape Town-based property development company, Garden Cities has a more than 100 year track record of successfully developing residential suburbs in the Western Cape. The JV came about as a result of Stor-Age having successfully developed its Edgemead and Pinehurst properties, with both of these residential townships having been originally developed by Garden Cities. Stor-Age has a 50% equity interest in the JV.

**Moorfield**

Entered into in October 2020, the JV with Moorfield aims to assemble a portfolio of high-quality self storage properties in prime locations in England through acquisitions and new developments. Stor-Age has a 24.9% equity interest in the JV.

Moorfield is a long-established, leading UK real estate fund manager with a more than 25-year track record of successfully investing in multiple real estate subsectors. The JV provides an attractive return on invested capital, thus presenting an avenue for Stor-Age to compete in a highly sought-after and competitive first-



world market by providing access to high quality self storage assets at attractive yields.

To date, the JV has committed approximately £125 million to acquisitions and new developments. Development properties forming part of the Moorfield JV include Heathrow, Bath, Canterbury, West Bromwich and Acton. In addition, the four-store Storagebase portfolio in the UK was acquired within the JV.

**Nedbank**

In September 2021, Stor-Age entered into a JV with Nedbank Corporate and Investment Bank (“Nedbank”) to initially develop two high profile properties in Morningside and Bryanston. The JV has also subsequently embarked on the development of the Pinelands, Paarden Eiland and Kramerville properties.

Nedbank has been a primary debt funder to Stor-Age for more than a decade and has a detailed understanding of the self storage asset class. Each party owns a 50% equity interest in the JV.

**Rabie**

Stor-Age entered into a JV with the Rabie Property Group (“Rabie”) in December 2022 to co-develop a property in Century City, Cape Town, with an estimated 6 100 m<sup>2</sup> GLA and at an estimated development cost of R96 million.

Rabie is an independent, Cape Town-based property development company operating predominantly in the Western Cape. Each party has a 50% equity interest in the JV.

**Nuveen**

Stor-Age entered into a JV with Nuveen Real Estate (“Nuveen”) in April 2023. Nuveen, which made its entry into the European self storage market in Sweden in late 2021, is one of the largest, most established global investment managers with USD154 billion of assets under management and an 85-year investment track record.

Nuveen holds 90% and Stor-Age a 10% equity interest in the JV respectively. In April 2023 the JV acquired Easistore, a four-store portfolio in the UK with properties located in Kent and West Sussex. 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.



# OUR SUCCESS DRIVERS

## OUR SOPHISTICATED DUAL-MARKET OPERATIONS PLATFORM

Our highly sophisticated and scalable dual-market operations platform is key to unlocking value for stakeholders. The scalable platform provides operating leverage for centralised services and is complemented and enhanced by our advanced digital capability, online enquiry generation and conversion skillset, all of which are fundamental to our long-term strategy.

We have invested significantly to develop a sophisticated and scalable management platform that provides centralised services and support across the portfolio, resulting in economies of scale and cost efficiencies. Our web-based tenant management systems provide real-time information on the operating and financial performance of each property. The systems have a unique built-in customer relationship management (CRM) capability.

The CRM enables all enquiries to be logged and tracked until closed, with management able to monitor employees' efforts.

Despite returning to a normalised trading environment post the onset of COVID-19, same-store enquiries generated across both markets were in line with that of 2022. Pricing is dynamic and varies according to unit size, location, demand and the stage of lease-up of the individual property. Internal space at properties can be reconfigured to create various unit sizes to meet the demand profile and optimise revenue streams from the property.

Operationally, Stor-Age consists of two elements: systems and people. Our approach to each is summarised below:

### 1 Systems, including processes, controls and responsibilities

- Defined in operating standards across the business to ensure consistency and continuously updated for improvements in operating capability
- Increasing use of technology and automation for continuous improvement and improved efficiency
- Ongoing enhancements to our layered network security systems to strengthen defences

### 2 People

- Strategic focus from inception
- Significant emphasis on recruiting the right people and training, developing and managing employees to achieve their highest potential
- Our e-learning platform, Edu-Space, complements face-to-face learning programmes
- Incentivised outperformance at all levels

## OUR BRAND STRENGTH

“ Our brand has been positioned at the quality end of the market and is well-defined, distinctive and differentiated. ”

Developing Stor-Age into the leading South African self storage brand has been a fundamental strategic objective since inception. We have successfully achieved this through our emphasis on the location, visibility and quality of our properties, underpinned by excellent customer service and a leading online platform.

Our Storage King brand in the UK is distinctive and unique, with its own differentiated style, attributes and positioning in the UK market. The portfolio has grown from 13 properties at acquisition in 2017 to 36 properties<sup>1</sup>, along with a further 3 properties trading under licence. This growth, complemented by the Group's elevated online visibility in targeted locations, has strengthened the brand, and increased brand recognition.

Our brand strategy is founded on big branding at properties in high-visibility locations, on key arterials in densely populated residential suburbs, with adjacent commercial and business corridors across South Africa and the UK. Our Big Box properties are especially impactful in this regard. Aligned to our focus on big branding, our digital 'drive-by' (online brand presence) plays an important role in positioning us as the brand of choice in each respective market.

We continue to leverage our extensive digital marketing capabilities to create high demand for our well-defined, distinctive and differentiated product across South Africa and the UK. Given the innate complexity and cost of online sales, our digital marketing capabilities further allow us to spread our marketing costs over a growing platform. This continues to raise the barrier to entry for competition.

Through our multi-year digital strategy, we continue to remain responsive to shifting consumer trends. This strategy allows us to adapt to the significant pace of technological change and innovation within the self storage sector and in society more broadly.

## PURSUING MUTUALLY BENEFICIAL COMMERCIAL PARTNERSHIPS

We actively pursue mutually beneficial, strategic commercial partnerships to increase brand visibility among residential and business audiences. These partnerships enhance our marketing efforts and create opportunities for cost-effective campaigns that improve enquiry generation. Commercial partners include removal companies, last mile logistics operators, SMMEs, e-commerce platforms, sports bodies and charitable organisations.

## INDUSTRY LEADING SALES, MARKETING AND E-COMMERCE

“ Leveraging our industry experience and digital capability, we continue to outperform our competitors in new customer acquisition. ”

The Group's marketing and e-commerce expertise complements the operational strength and local market knowledge of the management team. All acquired properties are incorporated onto our operations and online platforms, and benefit from increased web page visits and enquiries.

We innovate and improve the customer experience by continuously reviewing and refining our digital and in-store customer touchpoints. This creates a cohesive brand experience for our customers, cements loyalty and increases sales.

Forming part of our strategy to adapt to the evolving economic landscape, we leverage technology and use data analytics and automation tools to optimise pricing strategies and marketing campaigns. The rise of online platforms and mobile applications has transformed the way we connect with our customers, offering a broad and growing base of digital channels to source new leads. Our digital enquiry skillset provides a key competitive advantage in capturing and converting demand.

Ongoing management and optimisation of our online platforms maintains our leading rankings for the most popular search terms related to self storage in South Africa and the UK. The demand drivers of self storage are multi-dimensional and fluid, with the product servicing a diverse range of customers. We hyper-segment our potential customer userbase to deliver customised and relevant messages across various digital channels to specific target audiences. This relevancy-based and targeted strategy enables us to create bespoke advertising media (both static and rich media) that directs users to customised landing pages. The messaging in each of our adverts is curated to be relevant to each of these targeted audiences (in different life stages) that typically drive demand for self storage.

“ As an accredited Google and Meta partner, we benefit from exclusive access to their latest beta products and services. This enables us to further optimise our targeted messaging to the right audience, on the right platform, at the right time. ”

Our accredited partnership status with Google and Meta allows us to continue to bolster our digital marketing capabilities. We benefit from having dedicated teams at both platforms who provide us with additional resources and insights, enabling us to strengthen our messaging and target specific audiences on the platforms where they are most active. This has resulted in positive demand generation despite challenging macro conditions.

Benefiting from participating in the Google Partner program, for a number of years we have made use of AI tools to assist and experiment with Search Marketing techniques and practices. We have also made use of AI tools for content creation across multiple platforms, to assist in our messaging and targeted audience efforts.

As with any new technology, there are benefits and risks to its implementation. As early adopters of technology, we are well placed to take advantage of any shifting nuance within the digital marketing sphere. In addition to the more recent AI advances, and in reaction to privacy related issues, Google recently implemented Google Analytics 4 (GA4), while at the same time sunseting the use of Google Universal Analytics (UA).

Google stopped processing UA analytics in July 2023. This has changed the way that all digital marketing data is captured. We are well placed to ensure a smooth transition and continued data measurement, as well as efficient audience targeting.

We update our interactive and responsive websites taking careful consideration of the ever-shifting customer journey. This enables ongoing traction and encourages web prospects to enter into our digital sales funnels and be converted into a sale.

Our websites are designed to be simple and uncluttered so that they are easy to navigate, especially for the significant proportion of visitors that originate from mobile devices. Improvements during the year included a full rebuild in the latest version of code available for the back-end supporting the Storage King website, ongoing refinements to the user experience on both web platforms, as well as additional security enhancements and continued deeper integration of our South African and UK platforms.

<sup>1</sup> Includes trading properties held in JVs and managed by the Group. Excludes Heathrow property which began trading in July 2023.

## OUR SUCCESS DRIVERS (continued)

Our e-commerce platform comprises an online reservation system, live customer engagement and a real-time pricing module. This enables online customers to transition from getting a quote to moving in seamlessly, enhancing their experience, reducing move-in time and improving productivity. Our revenue management tool is fully integrated into our operating system to further streamline our pricing management process. It uses multiple signal modelling, which assists us in making pricing adjustments as required.

Our ongoing commitment to improving customer communication drives enquiry generation and sales conversion. Cloud-based customer service software enables a single centralised customer communication platform that incorporates Facebook messenger, WhatsApp Business API, Google Business Platform messaging and our website live chat. During the year we responded to more than 21 000 chats through this platform.

The Contact Centre team operates off the Group's bespoke in-house developed customer relationship management system (CRM), StorHub. StorHub integrates into the tenant management system (TMS) in both markets, allowing for seamless interaction between prospective tenants and staff. It sits at the intersection of new enquiries (digital and phone), the TMS and our digital and telephonic sales response. We continue to invest significant resources to further enhance the platform. The majority of new customers in South Africa and a large portion in the UK are onboarded digitally (e-leasing and e-signing), resulting in improved productivity across the business, as well as an enhanced customer experience.

### CONTACT CENTRE PERFORMANCE

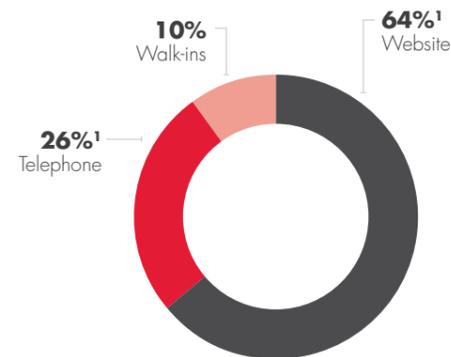
	<b>60 000+</b> Calls answered
	<b>21 000+</b> Online enquiries responded to
	<b>57 000 m<sup>2</sup>+ GLA</b> Space reserved
	<b>11</b> Full-time employees support our in-store sales strategy

Social media is a key advertising, consumer engagement and CRM medium for the Group. We are mainly active on Facebook, Instagram, TikTok, LinkedIn and YouTube. We currently have a combined total social media following of over 1 23 000, with the Stor-Age Facebook page ranking as the third most followed self storage business in the world. Through specific call-to-action buttons, we are able to engage with our customers in real time. Constant testing and access to resources via our Meta accredited partnership status, allows for enhanced performance on Facebook and Instagram, resulting in improved enquiry generation. We also use LinkedIn to increase enquiry generation from our commercial customer segment, and to attract talent for the business.

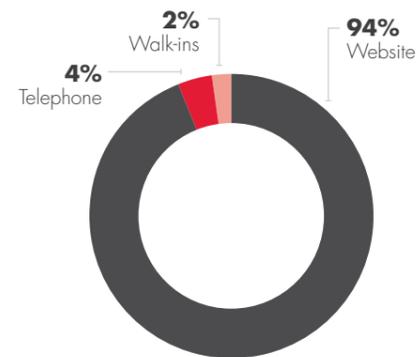
“ By continually refining our approach, while retaining our focus on the fundamentals that influence demand, we continue to improve the quantity and quality of enquiries generated. ”

We further use our social media presence and influence to support social impact initiatives, such as community projects and non-profit organisations. These include the JAG Foundation, Gary Kirsten Foundation and various other local communities and organisations. Refer to the Social Sustainability section from page 61 for more information on these projects and our other corporate social investment initiatives.

### ENQUIRIES – SOUTH AFRICA



### ENQUIRIES – UK



The Stor-Age website, whether accessed by desktop, tablet or smartphone, accounts for 64%<sup>1</sup> of all South African enquiries. The telephone accounts for 26%<sup>1</sup> of enquiries as the first point of contact, while walk-in enquiries, where we have had no previous contact with a customer, account for 10%.

In the UK 94% of all enquiries are made through the Storage King website, while 4% are via the telephone, with the balance comprising walk-in enquiries, amounting to 2%.

### MEASURING CUSTOMER SATISFACTION

We monitor customer service standards in South Africa and the UK through customer welcome and exit surveys using our in-house My Experience Surveys portal, a significant source of vital customer data. In South Africa, we also use Google reviews and our mystery shopper programme to ensure we maintain a consistent user experience across our brands. In the UK, we use Google reviews and TrustPilot (a third-party review platform).

We actively engage with customers in South Africa and the UK on all digital review platforms, including Google Business Profile. We encourage reviews through various engagement tactics to enhance organic search performance and foster brand credibility.

“ The exceptional quality of our properties and the high calibre of our staff is reflected in our average Google Business Profile review rating of 4.7 in South Africa and 4.8 in the UK out of 5. ”

Data from our welcome and exit surveys provides us with our Net Promoter Scores (NPS) in each market. Our NPS serves as an important measure of our customers' overall perception of the respective brand.

Our overall NPS for the year was 83<sup>1</sup> in South Africa and 70 in the UK. This indicates that our customer-centric approach is world class when compared to global NPS standards and other consumer-facing businesses.

Results and feedback from our customer satisfaction surveys drive our employee learning, development and training programmes. Read more about this from page 63.

<sup>1</sup> A score above 50 is considered "excellent" and above 70 is "world class".

### DIGITAL FIRST

A component of the Management 1<sup>st</sup> platform, which you can read about on page 42, Digital First is a digital marketing solution for independent operators. It provides an opportunity for smaller operators to leverage a publicly traded self storage REIT's digital platform at a fraction of the cost. With its sector-leading in-house digital marketing capability, Digital First made significant gains during the year, adding an additional 11 independent operators representing 60 properties.

A total of 95 properties (23 operators) are now contracted with the Group for the digital services offering. These operators are situated across 15 countries, with Digital First marketing these businesses in seven languages. None of the 95 properties compete directly with existing Storage King properties. While these new agreements will make a modest contribution to earnings in the short term, we look forward to the longer term prospects of building critical mass and further developing a meaningful revenue stream from the platform.

### ESG

To ensure the sustainability of our business, our people, the physical environment and the society in which we operate, we remain committed to executing our ESG strategy. This strategy aligns our Vision and Core Values with six relevant UN Sustainable Development Goals (SDGs). To further mitigate against climate risk, we have also taken guidance from the Task Force on Climate-related Financial Disclosures (TCFD). Through our ESG framework we continue to monitor our impact on the economy, the workplace, the social environment and the natural environment.

Read more about our ESG Strategy from page 54.

### OUR PEOPLE

The Group has a flat operational structure that recognises the pivotal role of our store-based teams in achieving our strategic objectives. This includes driving occupancy, revenue and cash flow growth in the portfolio. To foster a partnership culture within the business, management spends significant time at the properties and is accessible to all employees.

“ Stor-Age's bespoke e-learning platform, various learning and development initiatives and a comprehensive performance management system, provide our staff with unique opportunities for personal growth. ”

Edu-Space, our bespoke e-learning platform, provides many benefits to the business, including supporting a culture of continuous learning and the personal growth of staff, as well as providing for increased flexibility, efficiency and productivity. The knowledge and experience of senior managers is leveraged by our learning and development team, to produce business specific learning modules, thus ensuring that their knowledge and experience is shared. This supports the overall performance and sustainability of the business. Additional bespoke professionally-crafted online learning content is also available on the platform.

A range of in-person workshops were also held throughout the year. These included annual and half-year workshops to foster and support improved planning and alignment by the executives and senior management teams, as well as multi-day workshops for senior operations staff, management development workshops for middle managers at the head office, and also train-the-trainer workshops to bring through the next generation of operations trainers.

<sup>1</sup> A reclassification of WhatsApp enquiries from "web" to "telephone" took place in FY23. As a result, website enquiries have decreased and telephone enquiries have increased proportionately in FY23 relative to FY22.

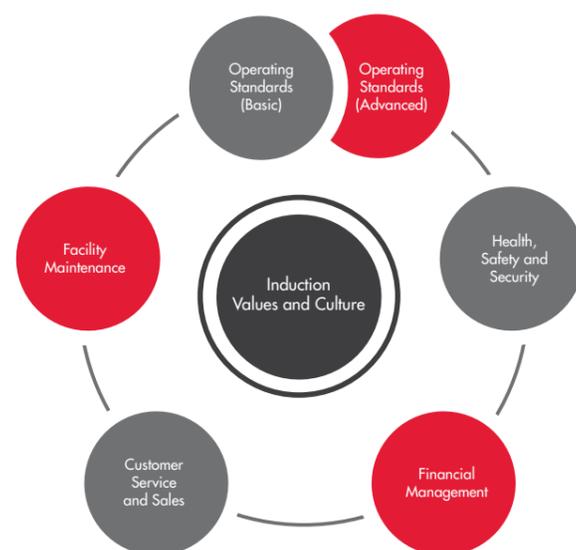
## OUR SUCCESS DRIVERS (continued)

In South Africa we also held the first in-person Annual Year-end Reviews since the on-set of the COVID-19 pandemic, where the focus was placed on learning from peers in the business, primarily through panel discussions and interactive quizzes. Read more about our Year-end Reviews from page 65.

In-store operations training is delivered by training accredited store managers. The training takes place over seven weeks, with bespoke course work covered in store and supported by the in-store trainer and by the relevant operations area manager. The head office based learning and development team monitor progress of all in-store training, with pre-defined success criteria used as the benchmark for quality control purposes.

Our South African-based management committee (manco) structure enhances our management planning capability and fosters the growth of senior managers in key portfolios across the business. The manco meets quarterly to develop strategic plans, set objectives and goals, report progress and make any adjustments required.

### E-LEARNING FRAMEWORK



 **49**  
New online courses designed

 **1 000+**  
Hours of online training completed

 **135+**  
Attendees across eight in-person workshops

## ENSURING SECURE STORAGE

“ We aim to provide the ultimate in secure storage. This includes ensuring our customers’ peace of mind regarding their personal security and the security of their possessions. ”

With an unwavering commitment to providing safe and secure self storage for our customers and to ensure reduced operational risk, the Company places a great deal of emphasis on security.

We work with a third-party security company in South Africa that remotely monitors our security camera surveillance systems and we have installed licence plate recognition technology at new and existing properties. These systems complement our existing systems and improve our ability to actively manage our on-site security infrastructure. Properties were selected for these installations based on our internal risk matrix, which takes into account various property and operational-related features at each store. At year end, 55 properties were fitted with these systems, with installation at an additional six properties in progress (this includes properties in the development pipeline).

Security remains a key focus in the UK. Third-party security companies monitor the security camera surveillance systems and access at all properties which have a keycode entry system, allowing customers to access their units after hours.

We developed a custom self storage door alarm and monitoring system in South Africa to enhance physical security. All newly developed properties in South Africa are fitted with this system, with a total of 18 stores now operational. In the UK, 24 of the 36 properties are fitted with door alarms throughout and we plan to complete the installation at the balance of the portfolio over the medium term. Smart locks were also installed at our recently opened Bath and Heathrow stores in the UK. These bluetooth enabled electronic locks allow customers to access the store and their unit with their smart device. In addition, the smart locks allow for automated lock checking and overlocking processes for our operations staff. The new smart locks are currently planned to be rolled out as part of new stores which are either already under development or where development is about to begin in the UK. The performance and customer acceptance of the new smart locks will be monitored and reviewed, with a decision still to be made in respect of their potential future roll out across additional stores in the portfolio.

In FY24 we plan to install smart electric fence monitoring systems at 13 properties in South Africa, that will trigger an alarm when low voltage is detected.

Access to our properties is automated and requires personal verification with an electronic tag in South Africa and a personal identification number in the UK.

## OUR SUCCESS DRIVERS (continued)

## ENHANCING OUR CYBER SECURITY

“ Together with a cloud-based approach for essential services, our objectives of employing effective redundancy measures, enhancing security and ensuring continuity, remain strategic priorities. ”

Cyber security is a critical area of focus for the Group. We continue to enhance our layered network security systems to strengthen defences in response to the global increase of ransomware and other cyber attacks. The Group’s various data sources are decentralised in separate locations to limit the severity of any potential breaches.

We note an increase in social engineering efforts to steal user passwords or make fraudulent payments by impersonating the management team digitally. Awareness and notifications that alert users when emails originate outside of the Group’s network, remain important components of our defence against such attacks.

We partner with reputable, specialist service providers to ensure cyber security measures are maintained at the highest level. At the same time, we regularly communicate with all staff to share best practice in terms of vigilance and cybercrime awareness.

To mitigate risks associated with the hybrid work-from-home environment, Virtual Private Network (VPN) connections are managed by a perimeter firewall. User behaviour and devices are subject to the same permissions and security when connected to the network remotely.

We continuously monitor our users to ensure the most effective use of resources and to limit opportunities to breach the Group’s cyber defences. Our cyber security strategy, suppliers and network design are reviewed regularly to stay abreast of leading best practice and remain relevant in the use of technology.

