INTRODUCING STOR-AGE

ABOUT STOR-AGE

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. November 2021 marked the six-year anniversary since listing on the Johannesburg Stock Exchange (JSE). During this period we have successfully grown the portfolio from 24 to 85 properties, GLA from 181 500 m² to 485 800 m² and the value of the property portfolio by more than sevenfold to R10.2 billion[1]. 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.

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. This allows us to benefit from economies of scale and produce favourable operating margins. Stor-Age is managed internally.

The South African portfolio comprises 55 properties, totalling 384 800 m² and represents R5.04 billion in value. In the UK, Stor-Age owns a 97.8% majority interest in Storage King, comprising 30 properties with 101 000 m² GLA and representing R4.22 billion in value[2].

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 medium term
- Market-leading operations and digital platform
- 16 year track record of developing, tenanting and operating self storage assets
- Investment in sustainable technology to support business efficiency

	Portfolio	South Africa	United Kingdom	Pipeline Portfolio
Number of properties	85	55	30	14[3]
GLA (m²)	485 800 m²	384 800 m²	101 000 m²	81 800
Loan to value (LTV) ratio	27.9%	23.2%	32.5%	n/a

[1] *Includes trading properties held in JVs and managed by the Group.*

[2] *The 101 000 m² GLA and R4.22 billion in value excludes trading properties held in JVs in the UK. Including JV properties, the Storage King portfolio comprises 120 700 m² GLA and represents R5.58 billion in value.*

[3] *Includes 10 properties in South Africa and four properties in the UK.*

ABOUT STOR-AGE (continued)

OUR INVESTMENT CASE

- Dynamic sector specialists, allowing for focused attention
- Consistently outperformed the listed property index and South African REITs since listing in 2015 – outperforming by c.189%[1]
- Self storage business model – proven its resilience through various economic cycles, including throughout the pandemic
- Distribution underpinned by robust self storage metrics
- Significant secured pipeline of acquisition and development opportunities
- Proven ability to identify, close and integrate value-add acquisitions
- Strong cash flow
- Favourable operating margins
- Attractive earnings growth
- Healthy balance sheet and conservative gearing
- Low bad debt record
- Low obsolescence and ongoing maintenance capex
- High barriers to entry in key target locations

[1] *Bloomberg, as at 31 May 2022*

is underpinned by

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 (44 800 tenants across South Africa and the UK)
- Prominent locations on main roads or arterials, with high visibility to passing traffic
- Committed and passionate employees
- Average length of stay in South Africa – 23.7 months
- Average length of stay in UK – 30.8 months
- Growing demand and awareness among customers
- Strong customer satisfaction, with customer service rated as "excellent" in 2022 according to the global Net Promoter Score (NPS) standard
- In South Africa, 54% (2021: 53%) of customers have been storing for more than one year
- In the UK, 56% (2021: 54%) of customers have been storing for more than one year

and

OUR VISION

To be the best self storage business in the world

OUR MISSION

To rent space

OUR CORE VALUES

Excellence • Sustainability • Relevance • Integrity

HIGHLIGHTS

111.90 cents	Total dividend
7.5%	Growth in distributable income per share
16.5%	Total return[1]
15.0% and 16.7%	Growth in rental income and net property operating income
12.3% | SA 10.0%; UK 21.2%	Growth in same-store rental income
88.1% | SA 88.1%; UK 88.3%	Total occupancy, with same-store occupancy over 90% in SA and the UK
24 100 m² GLA | SA 9 700 m²; UK 14 400 m²	Increase in portfolio occupancy
R9.26 billion[2] | up 22.4%	Net investment property value
27.9%	Loan To Value (LTV) ratio, with net debt effectively hedged at 84.3% for 3.5 years
R575 million | Raised in oversubscribed bookbuild	Equity capital raise in January 2022
£21 million | Seven-year sustainability-linked loan from Aviva Investors	Completed restructuring of GBP debt facilities
14 properties | Development pipeline	Secured four new opportunities (SA 2; UK 2)
10 properties | SA development pipeline	Representing c. R900 million and 60 800 m² GLA
Nedbank JV	Construction commenced at Morningside and Bryanston
Moorfield JV	Construction commenced at Heathrow and Bath
11 trading properties | Acquisitions completed	Two properties in South Africa and nine the UK

[1] *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.*
[2] *Net of leasehold obligations and excludes properties held in JVs.*

Big Box self storage properties

Our properties are developed in prime locations across South Africa. Light, bright, safe and secure, our Big Box properties are modern, purpose-built and multistorey.

As the leading developer of these properties in the South African market, we capitalise on market requirements more efficiently than our competitors.

CHAIRMAN'S LETTER

I am pleased to report that Stor-Age has delivered another excellent set of results, demonstrating the ongoing resilience of the Group's business model which continues to move Stor-Age forward despite considerable economic and market uncertainty. Driven by strong organic growth in both South Africa and the UK, the successful integration of acquisitions and the further expansion of the portfolio through new developments, Stor-Age has delivered an outstanding financial and operational performance.

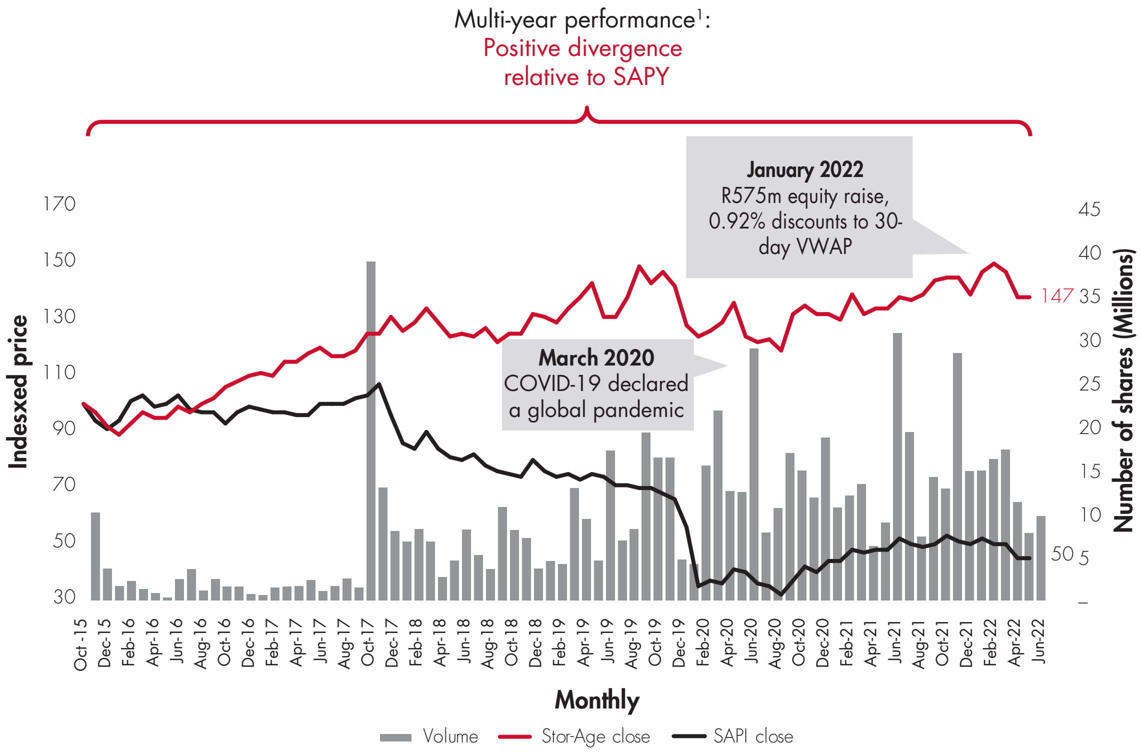
A UNIQUE VALUE PROPOSITION, UNDERPINNED BY A TRACK RECORD OF DELIVERY

Stor-Age remains a highly specialised income paying REIT. It is one of only 11 publicly traded self storage REITs globally and the only one to be listed on an emerging market exchange. In September 2019, Stor-Age was included in the JSE SA Property Index (SAPY), recognising our clear strategy, consistent growth and strong financial performance since listing.

A niche asset class uncorrelated to traditional drivers of property, Stor-Age has consistently outperformed the SAPY since its listing in 2015. Assuming R100 was invested on the date of our listing in November 2015 and provided that the full pre-tax dividend was reinvested, the investment would be worth R235 on 30 June 2022. This is compared to the same investment in the JSE All Share Index, which would be worth R175, or in the SAPY, which would be worth R83.

SHARE PRICE PERFORMANCE – RELATIVE TO SAPY

Consistently outperformed the listed property index and SA REITs since listing in 2015, with ever improving liquidity



[1] *Bloomberg,as at 30 June 2022*

CHAIRMAN'S LETTER (continued)

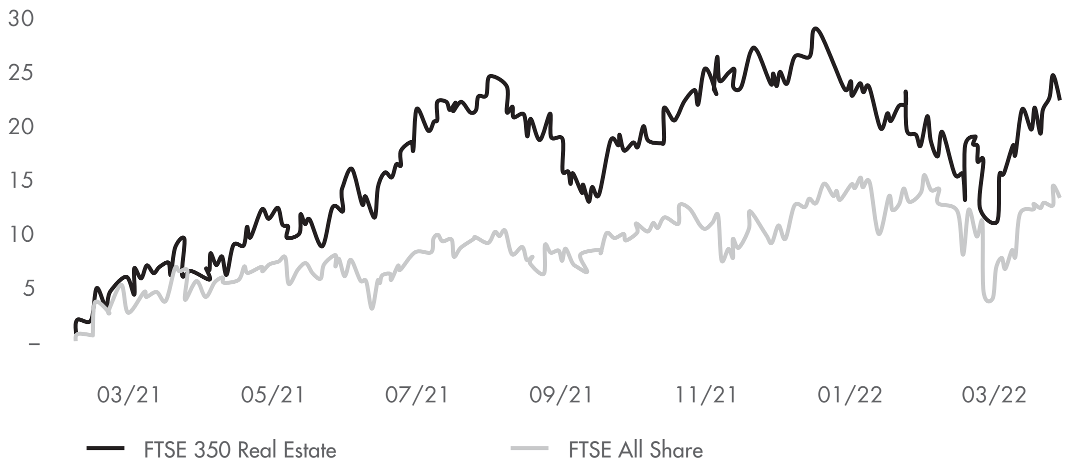
UK REIT SECTOR – SELF STORAGE THE STANDOUT

Self storage was the leading performer across all UK REIT subsectors for the 12-month period ended March 2022

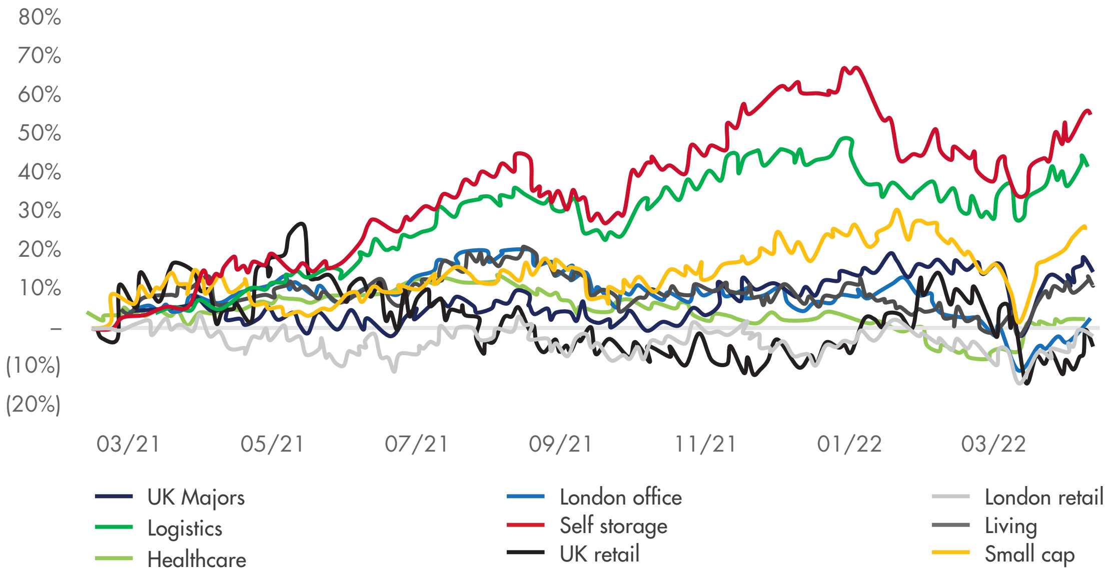
Stor-Age benefits from significant and growing exposure (c.50%) to GBP assets through Storage King

UK listed real estate experienced a strong recovery in 2021, and despite giving back some gains in early 2022, the sector delivered a one-year total shareholder return of 21% vs 13% for the wider market. With the pandemic accelerating underlying fundamentals, self storage was a significant beneficiary, with a sizable step up in occupancy levels as the sector has continued to mature.

UK real estate comfortable outperformer (Total return)[1]



Self storage, logistics and small caps the winners[2]



[1] *Bloomberg*
[2] *DataStream*

Our relative performance since listing demonstrates the attractive diversification benefits Stor-Age offers compared to other SAPY constituents. It also speaks to the strength of our business model, which is based on global best practice and a unique, scalable developing and first-world dual-market operating platform. This is underpinned by our specialist sector skills and the experience of our seasoned management team. The combined strength of these attributes is evidenced by more than a decade of successfully acquiring, developing, leasing and operating self storage assets in South Africa and the UK.

Since listing, we have grown the portfolio from 24 to 85 properties, reflecting an increase in the total available space to let from 181 500 m^2 to 485 800 m^2. This growth represents an increase in the value of the portfolio at listing from R1.4 billion to approximately R10.2[1] billion at year end.

Stor-Age is the largest self storage property fund and most recognisable industry brand in South Africa. Assembled from scratch and offering exceptional quality, the South African portfolio comprises 55 properties and represents a value of R5.04 billion. The UK portfolio, which operates under the Storage King brand, offers excellent growth prospects. It has been strategically grown post our market entry into the UK in November 2017 and now comprises 30 properties, representing a value of R4.22 billion.

SECTOR FUNDAMENTALS REMAIN ROBUST, SUPPORTING A RESILIENT PERFORMANCE

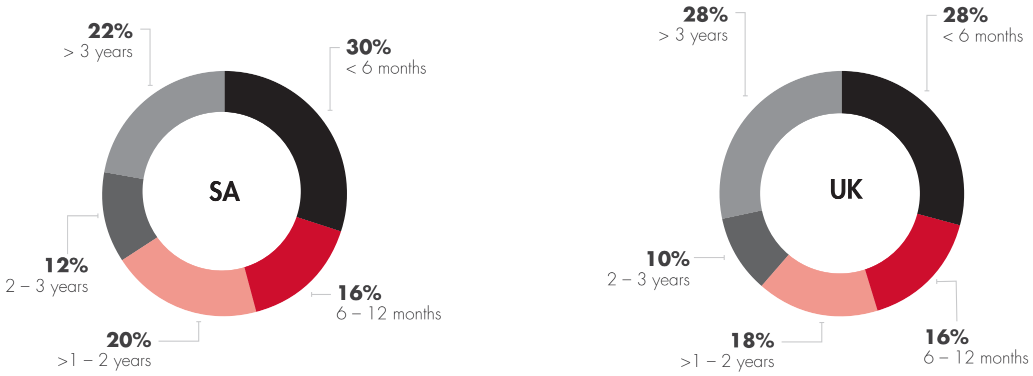
The past year continued to present challenges. The pandemic remained disruptive, with additional waves of infection, new variants and lockdown restrictions slowing economic recovery. In South Africa, the social and economic consequences of looting and civil unrest further undermined growth.

As a specialist asset class that is needs-based and recession-resilient, self storage offers financial performance and growth prospects in the face of these challenges. Additionally, the self storage industry continues to benefit from longer-term structural changes accelerated by the pandemic, which gave rise to new drivers of demand. The sector themes and trends fuelling this demand are equally present in both first-world markets and South Africa.

These changes include, for example, greater demand for self storage due to home improvements, business disruption, flexible working arrangements and an increasingly mobile population. The e-commerce boom has also created a need for mini-warehousing space from which to operate small scale storage and e-fulfilment or last mile delivery hubs. Our prime location self storage properties offer a perfect point of convergence for these needs as they are secure and often close to the end consumer. These demand drivers complement the

[1] *Total portfolio value including properties held in JVs and managed by the Group.*

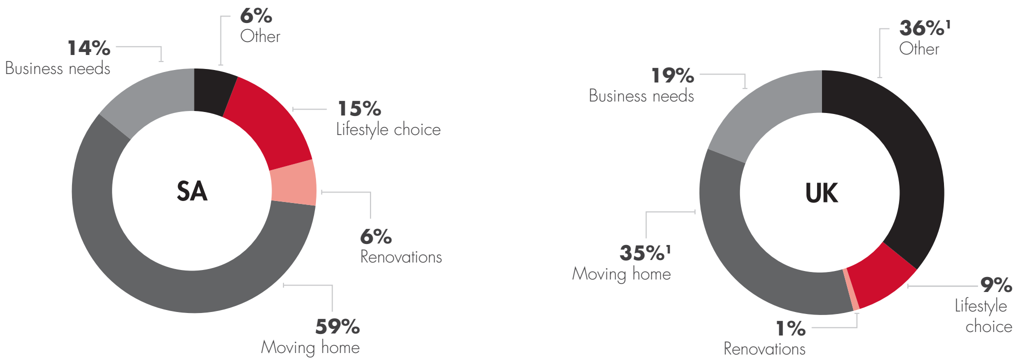
AVERAGE LENGTH OF STAY



DEMAND PROFILE

Demand is driven by two significant customer groups: those needing the product for short stays due to life-changing events (< 6 months: 30%) and those requiring the product for longer term space requirements (>1 year: 50%+).

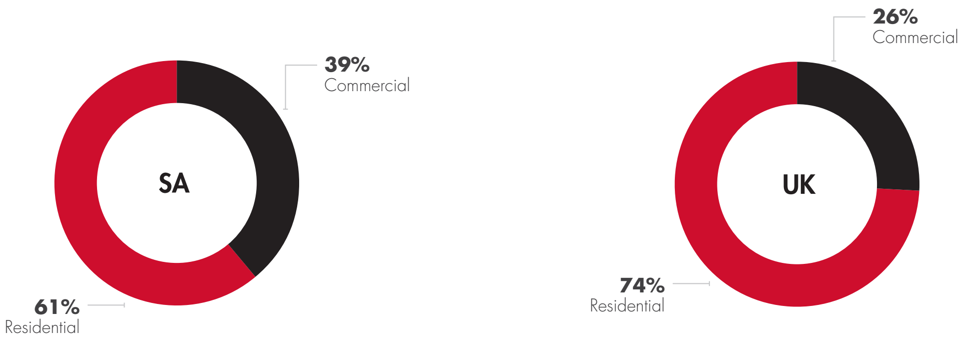
REASONS FOR STORING



SELF STORAGE – A NEEDS DRIVEN PRODUCT

All tenants initially use our product due to a tangible need. This makes the business case cyclically resilient.

RESIDENTIAL/COMMERCIAL TENANCY[2]



RESIDENTIAL VERSUS COMMERCIAL TENANTS

Commercial tenants typically store in a larger unit size than residential customers and tend to stay for a longer period of time.

[1] *Significant decrease in Moving home – 35% (FY21: 45%) and increase in Other category – 36% (FY21: 24%), is largely as a result of acquisitions concluded during the period and the merging of historical customer data.*

[2] *By GLA.*

historical demand driver for self storage being "life-changing events" such as separation, bereavement, downsizing, emigration and home moves which occur regardless of economic conditions.

The underlying strength of the asset class enabled the Group to capitalise on these and other opportunities during the year to deliver a resilient performance and strategically identify and execute value enhancing acquisitions.

Enquiry levels, our lead indicator of demand, remain elevated and continued to grow during the year. Total occupancy (excluding the impact of looting on our Waterfall property in KwaZulu-Natal) increased by 9 700 m^2 year-on-year in South Africa and by 14 400 m^2 year-on-year in the UK, with occupancy finishing the year at 88.1% in South Africa and 88.3% in the UK. Group self storage rental income and net property operating income were up 15.0% and 16.7% respectively for the year.

In South Africa, the acquisitions of Silver Park Self Storage and Green Cube Self Storage, as well as the commencement of trading at three newly-developed properties, positioned us well in a low growth macroenvironment. This growth is supplemented by a robust development pipeline. The addition of nine well-located high-quality properties at a total cost of more than £100.0 million across three acquisitions in the UK during the year demonstrates our ability to source, fund and conclude high-quality acquisitions in this market. These acquisitions are further evidence of our ability to scale our business in a manner that satisfies our investment criteria.

Our joint venture (JV) model with Moorfield in the UK and Nedbank in South Africa (announced in 2021) affords us the opportunity to grow and achieve further scale in both markets while providing an attractive return on invested capital. It also allows us to mitigate 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 occupancy level.

A consistent and underlying theme in executing our growth strategy has been the conservative management of our balance sheet, which ensures adequate liquidity to withstand any challenges and added flexibility to target select development and acquisition opportunities as they arise. The Group bolstered its liquidity and further strengthened the balance sheet during the year via an oversubscribed bookbuild in January that successfully raised R575 million in equity as well as by finalising a restructure of our GBP debt facilities with UK lenders. The strong demand evidenced in the bookbuild is testament to the high regard in which Stor-Age is held and reflects investor support for our growth strategy.

Read more about the strategic initiatives undertaken during the year in the CEO's report on page 37.

ONGOING PROGRESS IN PURSUING OUR ESG GOALS

The Group's ESG Framework continued to guide how we monitor our impact on the economy, the workplace, the social environment and the natural environment. This framework aligns our Vision and Core Values with the six Sustainable Development Goals (SDGs) most relevant to our business and takes guidance from the Task Force on Climate-related Financial Disclosures (TCFD).

In particular, we recognise the urgency of the climate crisis. The Group has long identified climate-related risk as a strategic business risk and therefore continuously monitors what is needed to formulate an effective response. This is underpinned by close supervision by the board with the support of its subcommittees.

In both markets, Stor-Age continues to address sustainable practices in the areas of energy efficiency, renewable energy generation and reducing CO_2 emissions. To date, the Group has invested R12 million in renewable energy. In addition, Stor-Age undertook major initiatives during the year to propel the Group's sustainable energy journey forward.

As part of the UK debt restructure, the Group entered into its first sustainability-linked loan facility with Aviva Investors to refinance five existing UK properties. The facility targets the achievement of certain KPIs to reduce the loan margin. These KPIs include solar installations, reducing scope 1 and 2 carbon emissions and developing a net zero carbon pathway using science-based targets.

Looking across the Group more broadly, and in line with Stor-Age's continued focus on environmental sustainability, during the year the Group selected an independent sustainability consultant to set energy and water consumption and carbon emissions baselines for properties in the South African and UK portfolios. These baseline measurements will be used to set medium-term performance indicators to reduce our environmental impact and assist in the development of a Group-wide net zero energy strategy.

As a board, we are pleased with the Group's progress from an environmental perspective and in terms of Stor-Age's ongoing investment in socio-economic development and the upskilling and development of its people. Details of these activities are covered more fully in the CEO's report and in the Environmental, Social and Corporate Governance section of this report.

“The Group’s ESG framework continued to guide how we monitor our impact on the economy, the workplace, the social environment and the natural environment.”

Locally, we remain optimistic about the opportunities the country presents. However, as recently raised by the South African Property Owners' Association, we are concerned about the state of South Africa's ageing infrastructure and the condition of most of the country's local municipalities. These matters present particular ESG-related risks to the country.

The provision of basic services to people and effective local governance plays a critical role in supporting the overall well-being of society and also in ensuring that economic activity can be sustained. The social, economic and human consequences of poor maintenance were highlighted during the tragic and devastating floods recently seen in KwaZulu-Natal, where rapid, high rainfall placed exceptional strain on ageing infrastructure.

As a business committed to playing our part in South Africa's economic turnaround, we will continue to invest in growing our portfolio responsibly. This includes investing in our people and in sustainable energy and water infrastructure. We also hope to see greater engagement on this important matter between government, industry and the private sector.

PERFORMANCE BACKED BY SOLID GOVERNANCE

"The board is ultimately responsible for guiding the Group's strategy and performance within an appropriate framework of governance and oversight. This includes maintaining a comprehensive view of the risks and opportunities facing the Group across our South African and UK operations to ensure stakeholder interests are safeguarded."

CHAIRMAN'S LETTER (continued)

To improve the board's understanding of the UK self storage market and reduce overall risk exposure, our UK operations are included in the regular risk reviews conducted by the audit committee. This ensures a comprehensive view of the risks and opportunities facing the Group.

The board continues to exercise oversight of the Group's growth strategy, which provides a clear framework to guide decision-making. The strength of this strategy and framework was evidenced through our investment activities during the year. These activities required strict adherence to a well-defined process, including meeting key investment hurdles when considering new acquisition or development opportunities. As a result of these strict investment criteria, the Group chose not to proceed with several potential transactions during the year.

As noted in last year's remuneration report, we approved the introduction of a short-term incentive plan and adjusted executive remuneration for FY22 to ensure it is market-related and reflective of the roles and responsibilities performed.

For the first time since listing in 2015, a non-executive director (NED) remuneration benchmarking exercise was undertaken to determine whether the NEDs are remunerated at market related levels.

With the expansion into the UK in 2017, the growth in the investment property portfolio to over R10 billion, and the joint ventures with Moorfield and Nedbank, the business has become significantly more complex than it was in the early years after the listing in 2015. The results of the benchmarking exercise confirmed that NED remuneration for all roles was significantly below the median of the comparator group. It was decided to propose adjustments to the FY23 NED remuneration, to be approved by shareholders at the forthcoming AGM, to ensure that it is more in line with acceptable levels. Further details are set out in the remuneration report on page 88.

The board undertook a detailed self-evaluation in FY22 to assess performance and to identify improvement opportunities. Pleasingly, this evaluation highlighted the board's high ethical standards and the active exercise of its oversight duties. The evaluation also recognised the board's diversity of skills, experience and perspectives which allowed it to meaningfully support Stor-Age's vision and strategy. Ahead of the next board assessment, which will be conducted in FY24, we plan to review the content and format of the self-evaluation to ensure it remains best in class.

As an outcome of the focused implementation of our Transformation Plan and our philosophy to drive empowerment from within the Group, we achieved compliance with the amended Property Sector Codes. These codes support transformation within the property sector, and we remain committed to contributing to this transformation in a meaningful manner.

OUTLOOK AND THANKS

The past two years have been a time of great uncertainty globally, nationally and individually, and there are no economies and few businesses that have not been negatively impacted. To deliver the consistent financial performance for which Stor-Age has become known through these difficult times is no small achievement, and to show not only stability but strong growth during the past financial year is exceptional. While there are persistent economic headwinds nationally and cause for concern internationally, Stor-Age has every reason to remain confident that whatever challenges the year ahead may present, its specialist skills, clear strategy and resilience as an asset class will allow it to move forward with a careful sense of optimism.

I would like to thank our highly capable teams in South Africa and the UK for their relentless pursuit of excellence. Driven by the example of our executive management team, the focus, energy and pride shown by all employees is palpable and is key to the success of the business. I would also like to thank my dedicated team of fellow non-executive directors for their insight, invaluable expertise and active contribution to the governance and strategic guidance of Stor-Age.

The Group approaches the new financial year with optimism, with a full belief in its strategy and growth prospects, and with confidence that it can meet the expectations of all of its stakeholders.

Graham Blackshaw
Chairman
29 July 2022

“I would like to thank our highly capable teams in South Africa and the UK for their relentless pursuit of excellence.”