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OUR PERFORMANCE

CEO'S REPORT

Our performance for the past 12 months again demonstrates the resilience and highly-defensive nature of the self storage asset class and its strong diversification benefits. Our underlying operating metrics remain strong, and our balance sheet continues to be exceptionally well managed.

We entered FY22 from a position of strength, which enabled us to continue pursuing the disciplined execution of our growth strategy. We continued to deploy capital strategically, adding further quality and scale to our high-quality portfolio on a select basis and in line with our strict investment criteria.

In South Africa, we closed two successful acquisitions and made excellent progress in acquiring new properties to add to our significant development pipeline. We also entered into a JV with Nedbank Corporate and Investment Bank (Nedbank) to develop two properties at an aggregated cost of approximately R200 million, with several other developments under consideration.

In the UK, our JV with Moorfield Group (Moorfield) continues to gain momentum. During the year we secured two new sites for future development and a further four trading properties – taking the total number of properties in the JV to eight. The four trading properties formed part of the Storagebase acquisition and will be managed under Storage King's third-party management programme – Management 1st.

We also continue to make significant progress with our digital services offering – Digital First. This offering is now active in five countries outside of South Africa, including England, Scotland, Ireland, Spain and Italy, with the number of independent operators using this offering growing to 12 (35 properties).

On the back of a superb financial and operational performance, Stor-Age also made excellent gains against our ESG goals during the year. This includes securing our first sustainability-linked loan and a commitment to developing our net zero carbon pathway, which builds on our long-term focus to reduce the environmental impact of our portfolio.

OUR PERFORMANCE

As we moved into FY22 our first priority was to hold onto the excellent occupancy gains that we achieved during the previous financial year, with the portfolio closing at 90% occupancy on a same-store basis. We are therefore pleased to report that total occupancy increased by 6.0% year-on-year and the closing average rental rate increased by 7.0% and 10.0% in South Africa and the UK respectively. This growth was fuelled by strong demand from domestic and commercial customers in South Africa and an outstanding performance in the UK, where occupancy peaked at 94.1%.

Supported by the growth in occupancy, Group rental income and net property operating income grew by 15% and 16.7% respectively, including same-store growth in rental income of 12.3%. Our hands-on management approach remains key to delivering superior performance, underpinned by strong operating metrics.

On the back of an exceptionally strong operating performance, Stor-Age delivered a total return of 16.5%[1] and an increase in the distributable income per share of 7.5% for the year, with our total shareholder distribution of R507.5 million (2021: R454.4 million) translating into a dividend per share of 111.90 cents (2021:106.08 cents). Excluding the impact of deferred tax, the adjusted net asset value (NAV) per share increased by 10.5% to R14.51 (2021: R13.13).

Our resilience continues to be underpinned by our balance sheet strength, which saw us raise R575 million in an oversubscribed bookbuild in January 2022. In addition, we finalised a UK debt restructuring process resulting in improved pricing, reduced concentration risk and improved funding

[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 the start of the year.*

flexibility. HSBC UK Bank Plc (HSBC) and Santander UK Plc (Santander) were selected as the two banks to participate in the club facility and Aviva Investors (Aviva) as the institutional loan provider. As an outcome of this process, we increased our lending capacity to support future growth, with the existing £52.0 million facility increasing to £96.0 million, including a £25.0 million accordion option.

Sitting within our 25% to 35% loan to value (LTV) target range at year end, our LTV ratio of 27.9% not only demonstrates our commitment to maintaining a well-placed balance sheet, but will also allow for the continued execution of our growth strategy moving forward.

GROWING OUR PROPERTY PORTFOLIO

We are now in the second year of our five-year growth plan to 2025. To ensure we execute this plan effectively, it sets out broad but nuanced targets for South Africa and the UK that consider each market's uniqueness and the different stages of their respective lifecycles.

More importantly, our property growth plan details how and where we intend to execute high-quality acquisitions and new developments to further grow our asset base, while pursuing organic growth via the expansion of our existing properties. We seek investment opportunities where we can achieve strong market penetration and further benefit from improved economies of scale, driving high operating margins.

Ultimately, we aim to assemble a portfolio of prime self storage assets 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 a significant in-house development capability, having successfully completed more than 20 new developments since 2006. The Group continues to benefit from this experience, alongside a well-defined development framework and meticulous quality control processes. Combined, this ensures that our risk-adjusted yield expectations are met.

The team understands the challenges of obtaining town planning approvals for properties in sought-after locations and is equipped with the financial acumen to plan for and manage the significant lease-up cost of new assets. 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 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.

Our highly sophisticated and scalable dual-market operations platform remains key to unlocking value for shareholders. This 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 remain fundamental to our long-term strategy.

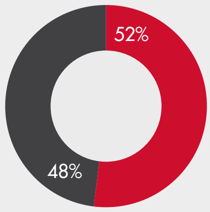
"Our success in building Stor-Age into a sector-leading business is supported by the strength and quality of our multi-year strategic planning."

PORTFOLIO ANALYSIS

• South Africa • UK

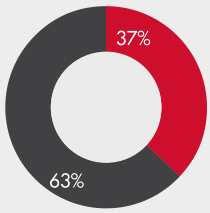
Total property value

VALUE OF PROPERTY (R10.2 billion)[1]



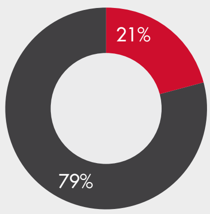
Total number of tenants

NUMBER OF TENANTS (44 800)



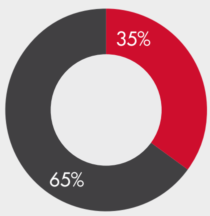
Total GLA

GLA (485 800 m²)



Total number of properties

NUMBER OF PROPERTIES (85)



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

GROWING THE SOUTH AFRICAN PORTFOLIO

> "We remain sector leaders in South Africa, offering a property portfolio that is unmatched in value, lettable area, number of tenants, location and geographic footprint. Our strict focus on growing the portfolio with properties that display excellent fundamentals continues to be a hallmark underpinning our success."

We completed the first phase of construction at Sunningdale (6 350 m² GLA on full fit-out) and Tyger Valley (7 100 m² GLA on full fit-out). Both properties are located in Cape Town and commenced trading in May 2021. We also completed the first phase of construction at Cresta in Johannesburg (7 400 m² GLA on full fit-out) and commenced trading in September 2021.

We successfully acquired Silver Park Self Storage (GLA 7 600 m²) and Green Cube Self Storage (GLA 5 500 m²) in November and December 2021 respectively. Both properties are located in Cape Town, complementing the existing portfolio and presenting an excellent opportunity for occupancy and rental rate growth, with both trading in line with expectations in the period post acquisition.

During the year we secured an additional five properties for future development. Dominated by high-profile big box properties in outstanding locations, our development pipeline in South Africa now comprises 10 properties with an approximate cost to complete of R900 million, and which will add an estimated 60 800 m² GLA to the portfolio. The pipeline represents more than 15.0% of the total current South African portfolio GLA.

As mentioned earlier, the lease-up of newly developed properties to a stabilised and mature level of occupancy forms a considerable component of a property's overall formation cost. To mitigate the financial impact, we announced a JV with Nedbank in September 2021 that will enable a measured

CEO'S REPORT (continued)

rollout of our South African development pipeline. Nedbank has been a primary debt funder to Stor-Age for more than a decade and has developed an excellent understanding and significant insight into the self storage asset class. Stor-Age has a 50% equity interest in the JV and all newly developed properties will be branded and managed by the Group. We will also earn development and property management fees from the JV.

Through the JV we are developing two high-profile properties in Morningside (7 400 m² GLA) and Bryanston (4 700 m² GLA), at a cost of approximately R200 million. Both properties form part of Stor-Age's existing pipeline. Construction has started at both properties and they are scheduled to open in the first half of 2023. We anticipate developing further properties in our South African development pipeline in the JV structure.

Our ongoing investment in the South African market demonstrates our belief in the opportunities the country presents. However, we recognise that there are challenges, none so pronounced as the violent disorder that took place in July 2021.

Our Waterfall property in KwaZulu-Natal suffered extensive damage. Widespread looting resulted in the theft and destruction of goods stored by our customers and deliberate acts of sabotage and sporadic fires caused significant structural damage to the buildings. The carrying value of the property represented less than 2% of the Group's property investments at 31 March 2021. However, at the time of the incident, the property was trading at 90% occupancy (total GLA 15 100 m²), with an annualised revenue stream of approximately R15 million and supporting a carrying value of approximately R137.5 million. The valuation of the property was impaired to R50.6 million as at 31 March 2022.

Prudently, Stor-Age not only had comprehensive SASRIA insurance in place for property damage and loss of revenue, but also for the benefit of our customers, insurance cover for theft, loss and damage of their stored goods.

While Stor-Age endured a negative financial impact, the theft and destruction of our customers' goods was in many instances far more significant, triggering a deep sense of loss and an emotional trauma for many of our tenants. This was also true for our own staff who have worked at the property for many years and who hold well-established and meaningful relationships with our customers.

As a business, we understand that our Core Purpose, or the reason that we exist, is to solve our customers' space problems and to look after their possessions with total care and commitment. We understand that the units we offer across our portfolio have value for our tenants as they contain items of varying worth, whether sentimental, personal or professional. The insurance cover that we have in place for the benefit of our tenants is an excellent example of the commitment that we hold towards them, and to date, I am pleased to report that approximately 95% of claims have been approved and settled by SASRIA.

We successfully reopened the first portion of the Waterfall property in October 2021. At year end, occupancy was 3 850 m² (63% of the total 6 100 m² GLA), comprising new lets and existing customers who continued to store at the property.

It's also important to note the incredible response of our teams – both on-site and in our head office. Our staff pulled together phenomenally to navigate the crisis, support customers and provide essentials and equipment to affected staff on-site.

Looking forward, we intend to play our part in South Africa's economic turnaround by growing our portfolio, creating employment opportunities and unlocking shareholder value.

We continue to see opportunities to develop high-quality self storage properties in prime locations across South Africa. From an acquisition perspective, we remain highly selective and decline opportunities if we are not fully satisfied that the underlying real estate fundamentals warrant capital investment. We also ensure sufficient demand relative to existing supply before we invest.

GROWING THE UK PORTFOLIO

It is now more than four years since Stor-Age made a strategic entry into the UK self storage market. In that period, Storage King has not only delivered superb operating results, but has also grown significantly from 13 properties to 30 throughout England, with a further 4 properties secured in the development pipeline.

Construction is also underway to expand three existing Storage King properties at Chester, Doncaster and Bedford. When complete, this will bring online 5 600 m² GLA at an estimated cost of £7.2 million. These additions, together with recently completed extensions, fit-outs and others that are in the planning stage, will grow the UK portfolio GLA by more than an estimated 10%. This demonstrates our approach to unlocking value within the existing portfolio to take advantage of the opportunities that lie therein.

We completed three acquisitions in the UK during the year, representing nine properties in total at a combined purchase price of £100 million and offering 43 000 m² GLA, with two of the acquisitions comprising multistore portfolios. The acquisitions fall within Stor-Age's strategy of acquiring high-quality self storage properties in attractive locations across the United Kingdom, which are complementary to the existing Storage King portfolio.

In April 2021 we acquired a self storage property in Blackpool comprising 2 800 m² GLA, with the potential to increase to 4 600 m² GLA, for £3.9 million.

In January 2022 we acquired McCarthy's Storage World (McCarthy's) for £37.5 million. Through this acquisition we have acquired a high-quality, regionally dominant freehold portfolio comprising four properties in Yorkshire, offering 12 100 m² GLA, and with the potential to increase to an estimated 18 900 m² GLA on a fully fitted-out basis. The properties are well-located, enjoy excellent visibility and prominence to passing vehicle traffic, trade into dense residential areas, and benefit from attractive trading histories.

In March 2022 we acquired Storagebase for £59.0 million as part of our existing JV with Moorfield. The high-quality regionally focused portfolio offers a combined 28 100 m² GLA, consisting of predominantly modern, bespoke, purpose-built properties located in the south of England and the West Midlands. Well-located and with excellent visibility and prominence, the three mature properties in Banbury, Wednesbury and Frome, representing a combined 18 600 m² GLA, trade into broad catchment areas and consist of above-average GLA target sizes, which will contribute to improved operating margins. The Salisbury property is a new-build and was opened post year end in April 2022 and will comprise nearly 9 500 m² GLA on full fit-out.

The Moorfield JV, in which Stor-Age holds a 24.9% equity interest, aims to assemble a portfolio of high-quality self storage properties in prime locations throughout England, through new developments and acquisitions. Stor-Age also earns management fees for acquiring, developing and managing properties therein. The four Storagebase properties will be managed by Storage King under its third-party management platform – Management 1st.

CEO'S REPORT (continued)

Moorfield is a leading UK real estate fund manager with a more than 25-year track record of successfully investing in multiple real estate subsectors. While the JV provides Moorfield with an opportunity to invest alongside Stor-Age as sector specialists into the attractive and growing niche self storage sector, it also presents Stor-Age with an opportunity to grow and achieve further scale in the UK. The JV also provides an attractive return on invested capital, thus presenting an avenue to compete in a highly sought-after and competitive first world market by providing access to high quality self storage assets at attractive yields.

In October 2021 the JV concluded the acquisition of a prime site in Heathrow, a large suburban town in West London, to develop a modern, bespoke, multistorey big-box self storage property. The property will offer an estimated 5 800 m² GLA on completion, at an approximate cost of £13 million. Construction began in March 2022 and the property is scheduled for completion in the first half of 2023. The JV also concluded the acquisition of a well-located retail warehouse in Bath in January 2022, to redevelop into an estimated 4 200 m² GLA property at an approximate cost of £11 million. Construction began in April 2022.

Two further opportunities, both subject to final planning consent, are expected to offer a combined estimated 11 045 m² GLA on completion, at an estimated development cost of £20 million. The JV is now more than 90% committed in relation to the initial allocation of £50 million (with the potential to increase to £100 million) and is actively pursuing further acquisition opportunities.

Looking forward, we see significant opportunity to further grow and strengthen our UK business through acquisitions and new developments over the medium term. Buoyed by the success of our underlying operations to date, we are pleased with the strong performance we have experienced in our regional locations over the previous two years, providing us with heightened confidence in our acquisition strategy.

TECHNOLOGY AS A BUSINESS ENABLER

While the visibility of our properties to potential users remains critical, online enquiry generation is the lifeblood of a self storage business. It is therefore essential to have a strong online presence, modern web user experience and highly effective multichannel online sales platform, supported by the required skill set to remain at the forefront of the sector digitally. The capability to leverage the underlying prospect and tenant data, and continuously adapt rapidly, is also critical.

> “Our multi-year digital strategy continues to ensure we remain responsive to shifting consumer trends and the significant pace of technological change and innovation within our own sector and society more broadly.”

Our digital transformation work completed in prior years has ensured that we are well positioned to embrace the rapid changes that continue to occur in the online space. Recognised by Google and Facebook as an accredited digital marketing agency, Stor-Age is a digitally engaged business. This enables us to benefit from online demand trends and gives us a significant competitive advantage, evidenced by the year-on-year growth in online enquiries of over 11%.

We continue to invest considerable time and resources to ensure that we have the in-house capability to respond and evolve as required. Our creative strategies and targeting approaches are uniquely formulated by overlaying real time customer data with existing tenant data. In this regard, our significant database and sector experience has allowed us to develop deep industry specific audience knowledge. This allows for optimal targeting across digital platforms, ensuring we can reach users at different life stages and serve content that resonates with them, thereby driving engagement.

In addition, we continue to digitalise existing processes throughout the business, making use of the powerful built-in tools and capability offered by the Office 365 platform. This solution provides a number of benefits to the business, including ensuring that we operate in an increasingly low-code environment, with rapid deployment of digital solutions to drive efficiencies.

We are excited about the prospects for our third-party digital services offering, Digital First, which leverages the benefits of our highly skilled in-house digital marketing capability and 'low-cost' emerging market base in South Africa. Services include paid media, search engine optimisation and social media advertising to increase online enquiry generation, underpinned by our strength as self storage digital specialists.

For Stor-Age it provides an avenue to generate additional revenue with minimal capital investment. We do this by leveraging in-place infrastructure and skills and building meaningful commercial relationships in the market that may lead to third-party management or acquisition opportunities down the line. In addition, by representing a greater proportion of the UK and European self storage market, it enables us to maintain and improve our agency status with Google and Facebook, allowing us to access better resources and products.

Looking ahead, we will continue to seamlessly transport our online capability across borders, further enabling us to unlock value for shareholders.

RESPONDING TO DRIVERS OF DEMAND

Accelerated by COVID-19, we have seen a boom in South Africa's e-commerce market. According to data from FNB Merchant Services, the e-commerce market is expected to reach more than R400 billion by 2025 on the back of more than one billion transactions per annum.[1] This shift to e-commerce has also increased the presence and competitiveness of smaller, independent retailers who are looking to expand their client base beyond their immediate regional locations.

As a result, we are seeing an increase in the demand for storage space that can be used by e-tailers who are looking for a flexible and more affordable solution to store stock and for e-commerce fulfilment or to use the space as a convenient distribution hub.

As a Group, we began exploring the convergence of e-commerce, last mile delivery technology and prime located secure self storage properties in the last mile through our working partnership with Picup, which was established in 2019. At year end, we had three last mile hubs in operation at Craighall, Centurion and Kempton Park.

Stor-Age contributes the use of the property and earns revenue per parcel on delivery and returns. The hub is driven off Picup's tech platform and crowdsourced driver network, with Picup typically providing its services into third-party logistics service providers who in turn are commissioned to execute on the fulfilment leg for online retailers.

While we do not believe that our properties will ever entirely focus on last mile fulfilment, we do see the opportunity to maximise each property's revenue potential. We are therefore continuing with the proof-of-concept trial, introducing new features and experimenting with the roll-out at additional properties.

We are also using the insights from our partnership with Picup to optimally position our product for our commercial customer base, with a particular focus on small businesses and e-tailers, among others. Over the past year we have seen an increase in this type of commercial activity on-site at our properties in South Africa, albeit that it is coming off a low base.

We believe the rise in these e-commerce trends, such as parcel receipt and dispatch, last mile delivery and mini-warehousing, presents a sizeable opportunity in the South African market over the medium- to long-term, particularly within a low growth economic environment.

ESG AS A BUSINESS ENABLER

> "We remain committed to investing in energy reduction initiatives and renewable energy capacity to meet each property's requirements. We continue to address sustainable practices in the areas of rainwater harvesting and storm water management and conservation."

MANAGING OUR ENVIRONMENTAL IMPACT

Building on our total investment in renewable energy of approximately R12 million across the portfolio as at 31 March 2021, we invested a further R4.6 million in renewable energy capacity and fitted an additional eight properties with solar PV during the year. This takes the total number of properties fitted with solar PV to 23.

Our total solar PV system size is now an estimated 750 kWh. To date this system has generated in excess of an estimated 1.7 million kWh, resulting in a CO_2 emissions reduction of an estimated 770 tonnes. Like-for-like total off-grid electricity consumption reduced to 1.8 million kWh, a reduction of 7% on the prior year.

We harvest rainwater at 25 of our properties in South Africa. During the year, total municipal water consumption reduced to 20 070 kl, a reduction of 3% year-on-year.

[1] *The explosive growth of e-commerce in South Africa, BusinessTech.co.za (March 2022).*

CEO'S REPORT (continued)

We remain committed to further reducing the already low environmental impact of our properties in South Africa and the UK. For newly acquired trading properties, we aim to install solar PV panels and LED lighting where not already installed and implement waste management initiatives. For new developments there are a range of initiatives in play. These include, among others, installing solar PV panels and LED lighting, harvesting rainwater, ensuring the general reduction of CO_2 emissions wherever possible, minimising waste and sourcing building materials from responsible local suppliers.

As discussed in the chairman's letter, a key initiative for the year was securing a seven-year £21.0 million sustainability-linked loan from Aviva, demonstrating our commitment to the sustainability of the environment in which we operate. During the year we also committed to developing our net zero carbon pathway, a process involving the setting of science-based targets using the Science-Based Targets initiative (SBTi) methodology. The SBTi drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets. The organisation defines and promotes best practice in emissions reductions and net zero targets in line with climate science.

SUPPORTING COMMUNITIES

A highlight for the year was the launch of the Stor-Age Business Hub, a complimentary platform for our commercial customers who are predominantly SMMEs to promote their products or services to other tenants. Our properties therefore act as business incubators, often assisting local businesses transition from home-based operations to larger scale entities that can employ more staff. This is supported by data from a recent customer survey, which indicates that our business customers (who are still storing with us) have on average created more than six jobs since starting to store with us. Considering that we had approximately 8 500 commercial tenants at year end, the positive contribution that Stor-Age is indirectly making towards sustainable job creation in South Africa is significant.

We also provided a 12-month business administration learnership to 12 previously disadvantaged and disabled learners during the year. Nine of these learners successfully completed the learnership and achieved an NQF level 3 qualification. The process is again underway to support another 12 previously disadvantaged and disabled learners for the academic year ending in December 2022.

> "We remain committed to using our resources to contribute to socio-economic development that promotes transformation and benefits previously disadvantaged groups, charities, communities and individuals."

Throughout the pandemic, we continued to partner with and support many aid and relief organisations. These organisations include the Kolisi Foundation, which supports people living in under-resourced communities in South Africa, as well as the Santa Shoebox Project, which collects and distributes essential items for underprivileged children throughout South Africa.

We continue to support our longer-standing NPO partners with the provision of complimentary storage space. Support is also provided on a select basis in the form of either financial contributions, leveraging our marketing platform, or providing the use of our vehicles and/or the use of our properties as drop-off/collection points.

OUR PEOPLE

> "Our people are vitally important to us and remain pivotal to achieving our strategic objectives. We therefore want to maintain a motivated and engaged workforce and ensure that they are given opportunities to develop personally and professionally."

Training, learning and development remains at the heart of our culture and we continue to invest in our in-house, bespoke learning and development programme, underpinned by a strategic focus on customer service and technology. This will only become more important as a developing business operating in a global growth sector.

During the year we recorded more than 47 000 hours of training across more than 150 separate courses on Edu-Space, our online learner management platform in South Africa and the UK. Other key initiatives include supplementing our in-house e-learning content with business and software learning content, as well as initiating a 12-month management learnership for six of our head office-based employees in South Africa.

We work tirelessly to create a rewarding culture that places significant focus on employee wellbeing. Our 'Wellness Wednesday' initiative continued throughout the year, supplemented by a Wellness Webinar and ongoing engagement with employees to help them maintain or improve their physical and emotional wellbeing.

Another important focus area arising from COVID-19 was understanding what our employees need in response to the significant impact the pandemic has had on their daily life. This includes adopting a progressive and open-minded approach to flexibility in the workplace and enabling head office employees to adopt a hybrid approach to where they work. At the same time, we recognise the importance of employees coming together in person to collaborate and connect with one another. We have adopted a formal policy in this area, providing our line managers with the authority to interact with their teams to determine an optimal working arrangement. We believe this is the right approach, which balances new ways of working with pre-pandemic norms.

Our exceptional team of dedicated, high-calibre employees are fundamental to and drive the ongoing growth and success of our business. We were therefore pleased to see the results of our annual anonymous staff survey, which once again indicated that more than 90% of our employees are proud to be part of the Stor-Age team.

OUTLOOK AND THANKS

Thank you to every employee for your dedication and commitment to Stor-Age and the role you played in helping the Group deliver another resilient performance. I also thank our chairman and the board for their ongoing support, wisdom, guidance and advice throughout a challenging but rewarding year in which we again saw the strength of our business and the potential it holds.

As we look to the year ahead, our core objectives remain unchanged. We are committed to delivering real and sustainable value to our shareholders driven by occupancy and revenue growth, closing high-quality acquisitions and completing new developments, and leveraging the economies of scale that our market-leading operating platform provides.

We are conscious of risks and economic uncertainties that include inflationary pressures stoked by high energy costs, supply-chain bottlenecks and geopolitical tensions – all of which may impact the future outlook. However, irrespective of how events may unfold, the self storage business model has proven its resilience through various economic cycles. This provides us with the confidence that we can manage the challenges and take advantage of opportunities that lie ahead.

Gavin Lucas
CEO
29 July 2022

FINANCIAL REVIEW

Stor-Age continued its track record of consistent earnings growth to deliver strong results for the year ended 31 March 2022, with a 7.5% increase in distributable income per share.

INTRODUCTION

Year-on-year occupancy grew by 24 100 m² (South Africa – 9 700 m²; UK – 14 400 m²) reflecting organic growth in the same-store portfolio, the impact of new developments in the early stages of lease-up, acquisitions and expansions at other properties in the portfolio. Same-store occupancy closed above 90.0% in both South Africa and the UK.

SA OCCUPANCY PROFILE

	31 March 2022			31 March 2021		
	GLA m²	Occupied m²	% occupied	GLA m²	Occupied m²	% occupied
Same-store	**353 900**	**318 600**	**90.0%**	350 900	315 900	90.0%
Non same-store*	**30 900**	**20 400**	**65.8%**	15 100	13 400	88.5%
Total	**384 800**	**339 000**	**88.1%**	366 000	329 300	90.0%

* *Non same-store in 2022 includes new developments that commenced trading during the year (Sunningdale – 50% equity interest, Tyger Valley and Cresta), Waterfall and acquisitions (Silver Park and Green Cube). Non same-store in 2021 relates to Waterfall.*

UK OCCUPANCY PROFILE

	31 March 2022			31 March 2021		
	GLA m²	Occupied m²	% occupied	GLA m²	Occupied m²	% occupied
Same-store	**86 300**	**77 900**	**90.1%**	82 800	74 900	90.4%
Non same-store*	**14 700**	**11 400**	**77.4%**	–	–	–
Total	**101 000**	**89 300**	**88.3%**	82 800	74 900	90.4%

* *Non same-store relates to the acquisitions of Blackpool (April 2021) and the McCarthy's Storage World portfolio (January 2022).*

CUSTOMER PROFILE

	31 March 2022		31 March 2021	
	South Africa	UK	South Africa	UK
Number of tenants	**28 300**	**16 500**	27 300	11 100
Commercial	**39%**	**26%**	39%	27%
Residential	**61%**	**74%**	61%	73%
Average length of stay – months (existing tenants)	**23.7**	**30.8**	22.7	31.3
Average length of stay – months (tenants vacating during the year)	**13.9**	**8.6**	14.2	10.0

Commercial and residential split analysed by area.

FINANCIAL RESULTS

The tables below set out the group's operating performance by geography:

SA	31 March 2022 SS Rm	Non SS Rm	Total Rm	31 March 2021 SS Rm	Non SS Rm	Total Rm	% change SS %	Total %
Rental income								
Self storage	**436.8**	**9.7**	**446.5**	397.0	13.5	410.5	10.0%	8.8
Other	**7.9**	**1.6**	**9.5**	7.2	0.6	7.8	9.7	21.5
Ancillary income	**18.6**	**0.4**	**19.0**	16.6	0.2	16.8	11.8	12.9
Sundry income	**1.6**	**0.0**	**1.6**	1.1	–	1.1	46.4	46.6
Bad debt	**(2.5)**	**(0.2)**	**(2.7)**	(5.6)	(0.1)	(5.7)	55.8	53.2
Direct operating costs	**(103.1)**	**(7.0)**	**(110.1)**	(97.3)	(3.4)	(100.7)	(6.0)	(9.3)
Net property operating income	**359.3**	**4.5**	**363.8**	319.0	10.8	329.8	12.6	10.3
Bad debt as a % of rental income	**0.56%**	**1.96%**	**0.59%**	1.40%	0.74%	1.38%		

SS – same-store
Non same-store relates to FY22 acquisitions, new developments and Waterfall
Ancillary income includes sale of merchandise, late fees charged to customers on overdue accounts and administration fees

UK	31 March 2022 SS £'000	Non SS £'000	Total £'000	31 March 2021 SS £'000	Non SS £'000	Total £'000	% change SS %	Total %
Rental income								
Self storage	**17 256**	**882**	**18 138**	14 232	–	14 232	21.2	27.4
Other	**537**	**4**	**541**	517	–	517	3.9	4.6
Ancillary income	**1 751**	**86**	**1 837**	1 450	–	1 450	20.8	26.7
Sundry income	**141**	**15**	**156**	122	–	122	15.5	27.8
Bad debt	**(47)**	**(6)**	**(53)**	(29)	–	(29)	(62.1)	(82.8)
Direct operating costs	**(5 112)**	**(364)**	**(5 476)**	(4 950)	–	(4 950)	(3.3)	(10.6)
Net property operating income	**14 526**	**617**	**15 143**	11 342	–	11 342	28.1	33.5
Bad debt as a % of rental income	**0.27%**	**0.68%**	**0.29%**	0.20%	–	0.20%		

Non same-store relates to FY22 acquisitions
Ancillary income includes sale of merchandise, late fees charged to customers on overdue accounts and customer insurance

CONSOLIDATED	31 March 2022 Non SS Rm	Total Rm	SS Rm	31 March 2021 Non SS Rm	Total Rm	SS %	% change Total %	Total %
Rental income								
Self storage	**787.0**	**27.6**	**814.6**	700.8	13.5	714.3	12.3	14.0
Other	**18.8**	**1.70**	**20.5**	18.2	0.6	18.8	3.4	9.1
Ancillary income	**54.1**	**2.1**	**56.2**	47.5	0.2	47.7	14.0	18.0
Sundry income	**4.5**	**0.3**	**4.8**	3.7	–	3.7	20.6	28.9
Bad debt	**(3.4)**	**(0.3)**	**(3.7)**	(6.3)	(0.1)	(6.4)	45.9	41.9
Direct operating costs	**(206.9)**	**(14.4)**	**(221.3)**	(203.0)	(3.4)	(206.4)	(1.9)	(7.2)
Net property operating income	**654.1**	**17.0**	**671.1**	560.9	10.8	571.7	16.6	17.4
Bad debt as a % of rental income	**0.43%**	**1.13%**	**0.46%**	0.90%	0.74%	0.90%		

The commentary below relates to the group's operating performance set out in the above tables. A reconciliation between the disclosures set out in the tables above and the consolidated statement of profit or loss and other comprehensive income is set out in Appendix 3.

FINANCIAL REVIEW (continued)

The table below shows the reconciliation between the group's operating performance ("performance table") and the condensed consolidated statement of profit or loss and other comprehensive income ("statement of profit or loss"):

	31 March 2022 R'000	31 March 2021 R'000
Reconciliation of rental income		
Performance table:		
Rental income – self storage	**814 552**	714 348
Rental income – other	**20 341**	18 844
Rental underpin	**4 504**	5 534
Insurance claim proceeds relating to loss of revenue	**10 319**	–
Rental income – Statement of profit or loss	**849 716**	738 726
Reconciliation of other income		
Performance table:		
Ancillary income	**56 259**	47 681
Sundry income	**4 707**	3 773
Rental guarantee	**–**	10 042
Other income – Statement of profit or loss	**60 966**	61 496

The trading results for FY22 have again demonstrated self storage to be an exceptionally resilient business with the positive momentum in occupancy and growth in the average rental rate continuing throughout the year.

Self storage rental income increased by 14.0% to R814.6 million (2021: R714.3 million) driven by organic growth and the impact of acquisitions and new developments, which was partially offset by a lower average foreign exchange rate compared to the prior year.

Same-store South African and UK rental income increased by 10.0% (occupancy 3.3%; rental rate 6.5%) and 21.2% (occupancy 11.7%; rental rate 8.5%), respectively.

Record occupancy levels in both markets at the start of FY22 provided a catalyst to earnings growth for the year. Although we experienced some seasonality trends in both markets (consistent with pre-pandemic patterns), demand remained strong. The elevated occupancy levels and strong demand allowed us to increase average rental rates. In the UK, occupancy in the same-store portfolio peaked at 94.1% in the year reflecting a strong economic recovery which, with our sophisticated operating platform and customer acquisition strategy, allowed us to capture the high levels of demand. In South Africa, despite the impact of COVID-19's third wave and the looting in the first half of FY22, we were able to recover quickly, with occupancy and earnings growth accelerating in the months that followed.

Other rental income (SA: R9.5 million; UK: £0.5 million) relates mainly to parking and the rental of office space at certain properties in the portfolio.

Bad debt as a percentage of rental income was 0.46% for the Group (2021: 0.90%), in line with pre-pandemic levels. An improvement in South African cash collections, driven by intense operational focus, resulted in a lower write-off for the year.

Ancillary income of R56.2 million (2021: R47.7 million) comprises merchandise sales (such as packaging materials and padlocks), administration fees, late fees and insurance income (UK only). Although this income stream is a relatively small proportion of total revenue, each component makes a meaningful contribution to earnings with little capital investment. There is usually a direct correlation between higher occupancy levels, increased move-in activity and ancillary income. In South Africa and the UK, ancillary income increased by 11.8% and 20.8% respectively year-on-year in the same-store portfolio.

Direct operating costs of R221.3 million (2021: R206.4 million) reflects strict cost control and the impact of acquisitions offset by the lower average foreign exchange rate.

Across both markets, property rates, staff costs, utilities, insurance, maintenance and marketing costs account for the majority of direct operating costs. Managing costs at a property level remains an important component of our strategy to improve operating margins. In South Africa and the UK, direct operating costs increased by 6.0% and 3.3% respectively in the same-store portfolio as expected.

The commentary below relates to disclosures set out in the consolidated statement of profit or loss and other comprehensive income.

Our Waterfall property in KwaZulu-Natal suffered extensive damage during the violent disorder that took place in July 2021. Stor-Age not only had comprehensive SASRIA insurance in place for property damage and loss of revenue but also, for the benefit of our customers, insurance cover for theft, loss and damage of their stored goods. Our claim for the building damage of R51.7 million (excluding VAT) was settled in full in January 2022. Over 95% of claims on behalf of our customers have also been settled in full by SASRIA. Also included in earnings for the year is an insurance claim of R10.3 million for loss of revenue. Due to a backlog in processing at SASRIA, an interim payment of R10.0 million in respect of the claim for the period to March 2022 was only approved by SASRIA on 17 June 2022. The board has elected to distribute earnings attributable to this claim in the next dividend period (i.e. once the interim payment of R10.0 million has been received).

Management fees of R14.6 million (2021: R4.5 million) comprises property management fees, development fees earned from the Moorfield JV, licence fee income from Storage King franchisee properties in the UK and a contribution from Digital First. Other income of R51.7 million relates to the insurance proceeds received in respect of property damaged incurred at Waterfall.

Administration expenses amounted to R103.5 million (2021: R89.3 million). After adjusting for the Conditional Share Plan charge of R11.3 million (2021: R14.3 million), and non-recurring once-off items, we saw an increase in costs relating mainly to increased IT infrastructure spend and staff costs.

The fair value adjustment to investment properties of R642.3 million reflects an increase in the carrying value of investment properties at 31 March 2022 (2021: R803.2 million). Further details are set out in the Investment Property section (see page 54 for further details). Other fair value adjustments to financial instruments of R121.5 million (2021: R62.7 million) relate to mark-to-market adjustments of interest rate derivatives, forward exchange contracts and cross currency interest rate swaps (CCIRS).

Interest income comprises the following:

	31 March 2022 Rm	31 March 2021 Rm
Share purchase scheme loans	**7.8**	13.6
CCIRS	**14.2**	24.3
Loans to JVs	**2.0**	0.8
Money market and deposit balances	**1.9**	5.7
Total	**25.9**	44.4

The lower interest received on share purchase scheme loans is the result of loan balances repaid over the last 12 months. The Group also reduced its exposure to CCIRS, resulting in a lower contribution to earnings for the year.

Interest expense of R116.8 million (2021: R107.9 million) comprises mainly interest on bank borrowings. Further details of bank borrowings are set out in the Capital Structure section on the next page.

FINANCIAL REVIEW (continued)

The normal tax charge of R36.0 million (2021: R6.6 million) relates to a provision for UK Corporations Tax of 19% on the estimated taxable income arising in the UK as a result of the change in UK tax laws whereby companies which were subject to tax under the Non-Resident Landlord Scheme have now become subject to Corporations Tax (effective 6 April 2020). The historic tax losses available for set off against future taxable income were substantially utilised in FY21. A deferred tax charge of R222.0 million was also recognised on the fair value adjustment to UK investment properties in the year. Under IFRS, a potential capital gains tax liability is required to be recognised as a deferred tax charge on revaluation gains of investment properties in the UK.

CAPITAL STRUCTURE

Our financing policy is to fund our expansion and strategic growth objectives through a mix of debt, equity and cash flow. We may also offer a dividend reinvestment plan as a mechanism to conserve cash for future expansion, which allows shareholders to reinvest their cash dividends into additional shares in the Company.

Stor-Age is well-capitalised with sufficient access to cash resources and funding options.

Details of the Group's borrowing facilities at 31 March 2022 are set out below:

	ZAR facilities Rm	GBP facilities £m	GBP facilities Rm	Total facilities Rm
Total debt facilities	**1 567.0**	**105.4**	**2 014.9**	**3 581.9**
Undrawn debt facilities	**285.0**	**20.5**	**392.0**	**677.0**
Gross debt	**1 282.0**	**84.9**	**1 622.9**	**2 904.9**
Gross debt net of cash held in facilities	**1 182.0**	**84.9**	**1 622.9**	**2 804.9**
Net debt	**1 032.7**	**81.1**	**1 549.9**	**2 582.6**
Investment property (net of lease obligations)	**5 044.4**	**220.8**	**4 219.4**	**9 263.8**
Hedge cover	**916.4**	**66.0**	**1 261.4**	**2 177.8**
– Interest rate derivatives	**600.0**	**45.0**	**860.1**	**1 460.1**
– Cross currency interest rate swaps	**102.3**	**–**	**–**	**102.3**
– Fixed rate loans	**214.0**	**21.0**	**401.4**	**615.4**
% hedge cover on:				
– Gross debt	**71.5%**	**77.7%**	**77.7%**	**75.0%**
– Gross debt net of cash held in debt facilities	**77.5%**	**77.7%**	**77.7%**	**77.6%**
– Net debt	**88.7%**	**81.4%**	**81.4%**	**84.3%**
Effective interest rate	**6.65%**	**3.41%**	**3.41%**	**4.84%**
LTV ratio	**23.2%**	**32.5%**	**32.5%**	**27.9%**
Weighted average expiry of debt (years)	**2.1**	**4.9**	**4.9**	**3.7**
Weighted average expiry of hedge cover (years)	**2.4**	**4.3**	**4.3**	**3.5**

LTV ratio is defined as net debt as a percentage of gross investment property of R9.535 billion less lease obligations relating to leasehold investment property of R271.2 million.

£7.167 million of the GBP facilities is secured against South Africa investment property assets – for the purposes of the above table, the SA LTV ratio includes the outstanding balance of this facility.

Hedge cover and effective interest includes interest rate derivatives entered into in May 2022 (R250 million) and excludes interest rate derivatives expiring in June 2022 (R200 million). Weighted average expiry of hedge cover calculated as at 31 May 2022.

Weighted average expiry of GBP debt includes two 12-month extension options on facilities of £75 million.

Our cash position at 31 March 2022, including cash held in our debt facilities, amounted to R322.3 million.

Total undrawn borrowing facilities amounted to R677.0 million at year end and the average cost of debt for the Group was 4.84%.

The Group has ZAR loan facilities of R1.567 billion with a weighted average maturity of 2.1 years (excluding a three-month rolling note of R160.0 million refinanced on a quarterly basis).

In October 2021, the Group refinanced its GBP borrowings with an enhanced two bank-club facility of £50 million (HSBC UK Bank Plc and Santander UK Plc) comprising a term loan of £30 million (priced at SONIA[1] + 2.40%) and a revolving credit facility of £20 million (priced at SONIA + 2.65%) with a three-year term and two 12-month extension options. The club facility was increased by a further £25 million in January 2022 (allocated equally to the term loan and revolving credit facility). An accordion facility of £25 million is also available. In addition, the Group also secured a seven-year £21 million sustainability-linked loan from Aviva Investors at an all-in fixed rate of 3.21%. The new facilities diversify the Group's funding sources with greater flexibility to fund future investment and growth.

On a net debt basis, 84.3% of borrowings are subject to fixed rates. Net debt stood at R2.583 billion with a LTV ratio of 27.9%.

The table below summarises the expiry profile of our debt facilities:

South Africa Expiry period	Facility Rm	Drawn Rm	Undrawn Rm	% of facility drawn
FY23	**160.0**	**160.0**	**–**	**100.0%**
FY24	**650.0**	**427.7**	**222.3**	**65.8%**
FY25	**757.0**	**694.3**	**62.7**	**91.7%**
Total	**1 567.0**	**1 282.0**	**285.0**	**81.8%**

FY23 includes a three-month rolling note (R160 million), refinanced quarterly.

UK Expiry period	Facility £m	Drawn £m	Undrawn £m	% of facility drawn
FY25	**9.4**	**7.2**	**2.2**	**76.6%**
FY27	**75.0**	**56.7**	**18.3**	**75.6%**
FY29	**21.0**	**21.0**	**–**	**100.0%**
Total	**105.4**	**84.9**	**20.5**	**80.6%**

[1] *Sterling Overnight Interbank Average Rate.*

FINANCIAL REVIEW (continued)

The Group makes use of CCIRS as part of its treasury management policy to create a synthetic matching of GBP funding to GBP-denominated assets at optimal levels. The CCIRS hedge part of the net investment in our offshore operations against foreign currency fluctuations. The Group has reduced its use of CCIRS over the past 18 months.

Details of the Group's CCIRS are set out in the table below:

	31 March 2022 £m	31 March 2021 £m
Investment property	**232.6**	155.3
Leasehold liabilities	**(11.8)**	(12.6)
Net investment property	**220.8**	142.7
Bank debt	**(77.7)**	(51.1)
Other assets	**10.5**	8.0
Deferred tax	**(14.7)**	(3.2)
Other liabilities	**(26.0)**	(7.7)
Net investment excluding deferred tax liabilities	**112.9**	88.7
Notional value of CCIRS	**10.0**	15.0
CCIRS as a % of net investment property	**4.5%**	10.5%
Effective hedge of net investment	**8.9%**	16.9%
Effective hedge of net investment property	**39.7%**	46.3%

Effective hedge of investment property calculated as the sum of bank debt and CCIRS as a percentage of investment property less leasehold liabilities.
Bank debt includes GBP-denominated borrowings secured against UK investment properties.

HEDGING OF GBP EARNINGS

To manage the impact of fluctuations in the GBP/ZAR exchange rate, the Group makes use of hedging instruments for the forecast GBP earnings to be repatriated to South Africa for distribution purposes in line with the following policy:

- 12 month forecast – at least 80%
- 13 – 24 month forecast – at least 75%
- 25 – 36 month forecast – at least 50%

Hedging instruments entered into by the Group as at the date of this announcement are summarised below:

Period	Hedging level %	Forward rate R/£
FY23	**90%**	**23.38**
FY24	**80%**	**23.25**
FY25[1]	**35%**	**23.78**

[1] *For FY25, hedging instruments in place for H1 earnings only.*

NET ASSET VALUE PER SHARE

	31 March 2022 Rm	31 March 2021 Rm
Total equity – statement of financial position	**6 643.2**	**5 656.7**
Less: Non-controlling interest	**(46.2)**	**(38.6)**
Net assets	**6 597.0**	**5 618.1**
Less: Goodwill and intangible assets	**(145.7)**	**(147.0)**
Net tangible assets	**6 451.3**	**5 471.1**
Number of shares in issue (million)	**474.6**	**432.9**
Net asset value (NAV) per share (R)*	**13.90**	**12.98**
Net tangible asset value (NTAV) per share (R)*	**13.59**	**12.64**
Deferred tax relating to UK investment property revaluations	**287.4**	**65.4**
Adjusted net assets^	**6 884.4**	**5 683.5**
Adjusted net tangible assets^	**6 738.7**	**5 536.5**
Adjusted NAV per share (R)^	**14.51**	**13.13**
Adjusted NTAV per share (R)^	**14.20**	**12.79**

* *NAV and NTAV metrics exclude the non-controlling interest.*
^ *Non-IFRS measure and shown for illustrative purposes only.*

NAV and NTAV per share increased by 7.1% and 7.5% respectively compared to the prior year.

NAV per share is principally determined by the fair value of investment property, the ZAR/GBP exchange rate at the reporting date and mark-to-market adjustments to derivative hedging instruments.

The changes to the UK tax regime whereby companies, which were subject to tax under the Non-Resident Landlord Scheme became subject to Corporations Tax (effective 6 April 2020), also resulted in a first-time recognition of deferred tax liabilities on fair value adjustments to UK investment property in FY21. Under IFRS, a potential tax liability which may arise if the properties were to be sold must be recognised as a deferred tax liability (and therefore a reduction of NAV) on the revaluation of investment properties. At 31 March 2022, a deferred tax liability of R287.4 million was reflected in the statement of financial position in respect of UK property revaluations.

Excluding the impact of this deferred tax liability, adjusted NAV was R14.51 per share and adjusted NTAV was R14.20 (both excluding the non-controlling interest), an increase of 10.5% and 11.0%, respectively, compared to the prior year.

It is not the current intention of the board to make any disposals of trading properties. Whilst individual disposals may be considered where it is clear that value can be added by recycling the capital, it is not envisaged that any tax will become payable in such a scenario due to the availability of rollover relief.

NAV is an important measure for property companies. However, management is of the view that NAV does not necessarily reflect the true value of the self storage business model and operating platform or the consistent track record of earnings growth. It also does not reflect the value of future revenue streams from our third-party management model.

The valuation approach, as set out in the Investment Property section, is based on conservative assumptions and understates the economic value of our leasehold properties.

FINANCIAL REVIEW (continued)

The property valuation for short leaseholds is conservatively based on future cash flows until the next contractual lease renewal date which, all things being equal, would result in a reduction of the valuation over the remaining lease period. Management expects to successfully re-gear leases before renewal. We also benefit from the Landlord and Tenant Act that protects our rights for renewal except in the case of redevelopment. Our leasehold stores have building characteristics or locations in retail and industrial parks that make self storage either the optimal and best use of the property or the only one authorised by planning. The majority of our landlords are property investors who value the tenancy of Storage King and would typically prefer to extend the length of the leases in their portfolio.

INVESTMENT PROPERTY

A fair value gain to investment property combined with acquisitions, capital expenditure and offset by exchange rate fluctuations, resulted in an increase in investment property of R1.666 billion from R7.869 billion at 31 March 2021 to R9.535 billion at 31 March 2022.

The table below summarises the increase in our investment properties over the period:

	SA R million	UK £ million	UK R million	Total R million
Balance at 31 March 2021	**4 699.7**	**155.3**	**3 169.6**	**7 869.3**
Acquisitions	**116.5**	**42.1**	**865.3**	**981.8**
Capital expenditure on:				
New developments	**37.7**	**–**	**–**	**37.7**
Existing properties	**47.8**	**5.2**	**98.9**	**146.7**
Properties held for development	**119.8**	**–**	**–**	**119.8**
Revaluation gain	**68.8**	**30.0**	**573.5**	**642.3**
Exchange rate fluctuations			**(262.6)**	**(262.6)**
Balance at 31 March 2022	**5 090.3**	**232.6**	**4 444.7**	**9 535.0**
Lease obligations relating to leasehold investment property	**(45.9)**	**(11.8)**	**(225.3)**	**(271.2)**
Investment property net of lease obligations	**5 044.4**	**220.8**	**4 219.4**	**9 263.8**

Investment properties are valued using the discounted cash flow ("DCF") method to arrive at a fair value. The valuation of freehold and long leasehold properties is based on a DCF of the net operating income over a 10-year period and a notional sale of the asset at the end of the 10th year. The same DCF methodology is used for short leasehold properties, except that the cash flows reflect only the unexpired lease period from the date of valuation.

The DCF assumes a notional management fee of 6.0% of income, subject to a cap and collar, which is deducted from net operating income. The notional management fee represents an allowance for the central administration costs on the basis that the properties would be externally managed.

In South Africa, 27 of the 53[1] trading properties in the portfolio were valued independently by Mills Fitchet Magnus Penny and Jones Lang LaSalle at 31 March 2022 for financial statement purposes. The Group's policy is to value 50% of its South African properties at year end and 50% at the interim reporting date. The other 26 properties[2] were valued internally by the board at 31 March 2022 using the same methodology applied by the external valuers. In the UK, the entire portfolio was valued independently by CBRE and Cushman and Wakefield at 31 March 2022 for the purposes of the financial statements. Further details of the assumptions used in the valuations are set out in the Group financial statements.

[1] *Excludes Sunningdale (50% JV interest). Waterfall (two locations) treated as a single property for valuation purposes.*
[2] *24 of the 26 properties were independently valued at 30 September 2021.*

The table below summarises the breakdown of investment properties at 31 March 2022:

SA	% of portfolio	Valuation (R million)
Short leasehold	0.7%	32.9
Gross value		53.3
Lease obligations		(20.4)
Freehold and long leasehold*	99.3%	5 011.5
Investment property net of lease obligations	100.0%	5 044.4
Trading properties	95.3%	4 807.2
Development properties	4.7%	237.2
Investment property net of lease obligations	100.0%	5 044.4

* Includes Constantia Kloof (long leasehold property – 29.2 years remaining) and Springfield (long land lease – 28.0 years remaining).

UK	% of portfolio	Valuation (£ million)	Valuation (R million)
Short leasehold	8.4%	18.6	354.6
Gross value		30.4	579.9
Lease obligations		(11.8)	(225.3)
Freehold[1]	91.6%	202.2	3 864.8
Investment property net of lease obligations	100.0%	220.8	4 219.4

[1] Freehold includes two properties with 999 year peppercorn leases which are classified as virtual freeholds. All propertied classified as trading properties.

	Average value per m² (R)	Discount rate	Exit cap rate
SA – Trading properties	12 400	14.00%	8.45%

	Average value per m² (£)	Discount rate	Exit cap rate
UK – Trading properties	211	8.84%	5.97%

Exit cap rate relates to freehold and long leasehold properties only.