CHAIRMAN'S LETTER

Stor-Age achieved another strong financial and operational performance this year, demonstrating the ongoing strength and resilience of the Group's business model, which continues to drive the business forward despite economic and market uncertainty.

SECTOR FUNDAMENTALS REMAIN ROBUST

The past year was once again characterised by tough trading conditions. South Africa continued to battle with implementing meaningful growth-enhancing structural reforms, while the Government of National Unity grappled with internal fractures and external trade tensions following its formation post the general elections in 2024. On the back of consecutive years of record growth, trading activity in the UK remained subdued as the economy struggled to shake off slow growth and weakened consumer and business confidence. These challenges were compounded by the rapidly evolving global macroenvironment, including shifting economic and trade policy and rising national sovereignty.

While Stor-Age is not immune to these events, our performance demonstrates our ability to navigate them effectively. Self storage remains a specialist asset class that is needs-based and recession resilient, and we continue to see long-term structural tailwinds offering growth potential in South Africa and the UK. These include an undersupply of high quality self storage properties in both markets and a broad mix of historical and new demand drivers.

Leveraging the sector's defensive strengths and underpinned by our deep sector specialisation, sophisticated operating platform and industry-leading digital capability, Stor-Age delivered ongoing occupancy and rental rate gains. The Group also continued to grow its multi-dimensional portfolio, focusing on new developments (including JV partnerships), acquisitions and its third-party management offering.

BOARD FOCUS AREAS

Effective corporate governance is critical to preserving long-term value, and the board continued to oversee the Group's growth strategy, which included guiding decision-making and capital allocation.

Multi-year strategic planning was a key focus during the year, culminating in the finalisation of the Group's latest five-year growth strategy to 2030. During discussions and engagements with the executive team, it was satisfying to reflect on what Stor-Age has achieved in the last five years, including establishing a sector-leading portfolio of more than 100 properties strategically located in South Africa's largest cities and key UK markets. This progress demonstrates the Group's ability to innovate and deploy capital responsibly while delivering superior returns. Gavin provides further commentary on the multi-year strategy in the CEO report. From a board perspective, we are more than satisfied that the growth strategy to 2030 is underpinned by meticulous planning and careful consideration of the risks and opportunities present in our operating markets.

With 12 new developments completed over the past two years (six in each market), the board continued to assess the merits of new growth opportunities against the well-defined strategy. This included reviewing and approving several acquisitions and developments across both markets. Other focus areas included monitoring the domestic medium-term note programme launched in April 2024 and prioritising ongoing engagement with our independent external assurance provider GRIPP Advisory to ensure our internal controls remain robust.

As reported in last year's annual report, Phakama Mbikwana resigned as an independent non-executive director in March 2024. Following Phakama's resignation, we made several changes to the composition of the board's subcommittees to ensure these remain effective and properly constituted. These changes are detailed in our Corporate Governance report on page 65. In May 2024, we also welcomed Akua Koranteng as an independent non-executive director and member of the investment committee. Her appointment has brought a wealth of knowledge and experience to the board.

In our FY24 year end results, the board noted its consideration to lower the dividend payout ratio from 100% (maintained since the Group's listing in 2015) to between 90 and 95% of distributable income in line with the prudent management of our financial position. Feedback from our key shareholders was overwhelmingly supportive and we adopted the adjusted payout ratio of 90% for FY25, delivering a full-year dividend of 110.72 cents per share and a total return for the year of 12.4%[1].

INVESTING IN ENVIRONMENTAL AND SOCIAL RESILIENCE

Sustainability is central to what we do and we continue to invest in environmentally and socially sustainable business practices, guided by our ESG strategy and implementation framework.

Self storage benefits from being one of the least carbon-intensive sectors compared to other real estate sub-sectors[2]. That said, we continue to place a significant amount of focus on reducing our environmental impact. At the end of FY25, Stor-Age had invested R85.3 million in renewable energy across South Africa and the UK with 65 of our 107 properties generating rooftop solar energy (South Africa: 45; UK: 20). Our efforts resulted in an estimated 19% reduction in our carbon emissions across both markets this year (FY24: 19%).

In the UK we continue to secure sustainability-linked financing to fund new developments, and we entered into a green loan with HSBC Bank within our Nuveen JV this year to finance our Leyton property. We also continue to meet the targets for our Sustainability-Linked Loan facility with Aviva plc, which includes an additional four properties in our Moorfield JV, and achieved a total loan margin reduction of 5bps in FY25.

> “Alongside environmental sustainability, we aim for our properties to be relevant and active in the communities in which they operate by not only providing storage solutions but also utilising our resources for good.”

In FY25, we partnered with 20 local charities and non-profit organisations from across South Africa, providing an average of 320 m² rental space monthly at a total approximate rental value of R400 000. A highlight was partnering with CATCH TRUST (previously the Gary Kirsten Foundation) to provide storage space for over 16 000 pairs of sports shoes that were donated by 400 schools in Ireland. These shoes were later distributed to communities in need.

Stor-Age also supports job creation and economic development. For example, we act as a business incubator for more than 8 600 commercial customers, with over 51%[3] classifying themselves as SMMEs. Added to this, our proprietary data shows that each commercial customer has created more than eight new jobs on average since beginning to store with Stor-Age, indirectly contributing significantly to job creation across South Africa.

OUTLOOK AND THANKS

As we navigate heightened disruption and uncertainty, we can find confidence in the strong performance our teams have once again delivered in South Africa and the UK. Thank you to the executive directors, management and all the staff in South Africa and the UK for your dedication and commitment. Thanks also to my fellow non-executive directors for helping to steer and govern Stor-Age for the benefit of all stakeholders.

Backed by its specialist skills, clear strategy and asset class resilience, Stor-Age is well-positioned to continue making strategic and operational progress in both markets in the year ahead.

Graham Blackshaw
Chairman

31 July 2025

[1] *Dividend per share plus the increase in net tangible asset value (NTAV) per share (for the 12-month period) as a percentage of NTAV at the start of the 12-month period. Based on a 90% dividend payout per share*
[2] *Source: KPMG EPRA, "Deep dive into non-financial performance: Listed real estate companies across Europe" – November 2024.*
[3] *Proprietary data collated between April 2024 and March 2025.*