



Stor-Age Property REIT Limited
Incorporated in the Republic of South
Africa

Registration number
2015/168454/06 Share code: SSS
ISIN ZAE000208963
(Approved as a REIT by the JSE)
("Stor-Age" or the "Company")

VOLUNTARY ANNOUNCEMENT: ACQUISITION OF A SELF STORAGE PROPERTY IN WEYBRIDGE, UNITED KINGDOM AND INVESTOR PRESENTATION

1. INTRODUCTION

The board of directors of Stor-Age (the "**Board**") is pleased to announce that Stor-Age, through its wholly-owned subsidiary, Betterstore Properties UK Limited ("**Betterstore**"), has concluded an agreement with Robert Baigrie, Alexander MacLachlan and Peakpoint Limited (collectively, the "**Sellers**"), in terms of which Betterstore will acquire 100% of the issued share capital of The Storage Pod Limited ("**Pod**") (the "**Acquisition**"), for a purchase consideration of £11.49 million (R213.4 million at an exchange rate of R18.57 as at 6 March 2019) ("**Purchase Price**"), plus or minus (as the case may be) the net working capital balance as at the effective date (which is anticipated to be approximately £100 000, but is limited to a maximum of £300 000).

2. RATIONALE

The Acquisition is in line with the stated growth and investment strategy of the Storage King business of pursuing value-added acquisitions in the United Kingdom ("**UK**") self storage market. The Board believes that the Acquisition represents an excellent opportunity to acquire a high-quality self storage property in a location which complements the existing UK-based Storage King portfolio, providing additional scale from both a balance sheet and trading perspective (the "**Property**"). The Property will be re-branded under the Storage King brand and managed under the existing operating infrastructure.

Located in Weybridge, Surrey, in the South East of England, the Property has a gross lettable area ("**GLA**") of approximately 42 800 square feet ("**sqf**") and a maximum lettable area of 55 000 sqf. The Property is well-built, trades into dense residential areas in and around Weybridge and has the potential to increase its GLA with the construction of additional mezzanine floors.

3. TERMS OF THE ACQUISITION

- 3.1 The sale and purchase agreement in respect of the Acquisition was signed on 6 March 2019 and the effective date of the Acquisition is anticipated to be on or about 26 March 2019.
- 3.2 The Sellers have provided warranties and indemnities that are standard for a transaction of this nature.

4. PROPERTY SPECIFIC INFORMATION

Details of the Property are set out below:

Property name	Geographic location	GLA (sqf)	Weighted average annual rental rate per sqf	Total consideration payable	Acquisition yield
Storage Pod	Trade City, Avro Way, Brooklands, Weybridge, Surrey, KT13 OYF	42 848	£22.72	£11.49 million adjusted by the net working capital balance	6.51%

Notes

1. The Property is classified as self storage and is held on a freehold basis.
2. The total consideration payable is considered to be in line with fair market value of the property of £11.48 million, subject to the special assumption of zero purchaser's costs, as determined by an external valuation performed by Oliver Close, a Professional Valuer and Registered Valuer of The Royal Institution of Chartered Surveyors, of Cushman & Wakefield Debenham Tie Leung Limited as at 30 November 2018. The valuation methodology adopted for the Property is consistent with the methodology used for the valuation of Stor-Age's properties as at 31 March 2018.
3. The acquisition yield is based on the forecast GBP net operating income (pre-UK corporation tax) for the year ending 31 March 2020 (the "Forecast") and the total consideration payable of £11.49 million. The Forecast, including the assumptions upon which it is based and the financial information from which it has been prepared, is the responsibility of the Board. The Forecast has not been reviewed or reported on by independent reporting accountants.

5. CATEGORISATION

The Acquisition is not a categorised transaction in terms of the JSE Listings Requirements and is therefore not subject to shareholder approval. This announcement is voluntary and for information purposes only.

6. AVAILABILITY OF INVESTOR PRESENTATION

Shareholders are advised that an investor presentation, setting out further details in respect of both the Acquisition and the announcement in respect of the acquisition of a self storage property in Bedford, UK, published on SENS on 5 March 2018, is available for download on Stor-Age's website at <https://investor-relations.stor-age.co.za/Results-Presentations>.

7. DIVIDEND GUIDANCE

The Acquisition has no impact on the Company's dividend guidance for the year ending 31 March 2019.

Johannesburg

11 March 2019

Financial Advisor and Transaction Sponsor

Investec Bank Limited

JSE Sponsor

Questco Corporate Advisory Proprietary Limited