



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")

CAUTIONARY ANNOUNCEMENT – PROPOSED ACQUISITION OF UK PORTFOLIO

1. INTRODUCTION

Stor-Age shareholders ("**Shareholders**") are hereby advised that the Company has made substantial progress in finalising the acquisition of four self storage properties (the "**Proposed Acquisition**") located in the United Kingdom ("**UK**"), for a purchase consideration of £37.5 million. It is envisaged that the Proposed Acquisition will be implemented on or about 31 January 2022, following the fulfilment of the conditions precedent, as is customary for a transaction of this nature.

The Proposed Acquisition demonstrates Stor-Age's commitment to deploy capital strategically, adding quality and scale to its high-quality portfolio of self storage assets in South Africa and the UK.

2. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition of four dominant freehold UK properties is in line with the stated growth and investment strategy of the Storage King business of pursuing value-added acquisitions in the UK.

Stor-Age believes that the Proposed Acquisition represents an excellent opportunity to acquire a high-quality self storage property portfolio in locations which complement the existing UK-based Storage King portfolio (the "**Properties**" or "**Portfolio**"), providing additional scale from both a balance sheet and trading perspective.

The Portfolio will be rebranded under the Storage King brand and managed under the existing operating infrastructure.

Salient details of the Portfolio are as follows:

- gross lettable area ("**GLA**") of c.133 500 sqf (12 400m²);
- potential to increase the maximum lettable area to an estimated 203 400 sqf (18 900m²) on a fully fitted-out basis;
- the Properties are well-built, trade into dense residential areas and have the potential to increase their GLA with further development;
- the initial acquisition yield is 6.0% (based on 77% occupancy), increasing to 7.8% assuming stabilised occupancy of 90%; and
- average rental rate £21.00 pa per sqf (rental rate quoted on an annual basis).

3. CATEGORISATION

The Proposed Acquisition is currently classified as a category 2 transaction in terms of the JSE Listings Requirements and is not subject to approval by shareholders.

4. AVAILABILITY OF INVESTOR PRESENTATION

Shareholders are advised that an investor presentation, is available for download on Stor-Age's website at <https://investor-relations.stor-age.co.za/results-presentations>

5. DIVIDEND GUIDANCE

The Proposed Acquisition has no impact on the Company's dividend guidance for the year ending 31 March 2022 as contained in the Interim Results for the six months ended 30 September 2021 published on SENS on 16 November 2021.

6. CAUTIONARY ANNOUNCEMENT

Shareholders are advised to exercise caution when dealing in Stor-Age's securities until a further announcement is made.

Johannesburg
20 January 2022

Transaction Advisor and Sponsor
Investec Bank Limited