BLUE GEM RESEARCH

Stor-Age Property REIT

1H 26 Note

Results Note
8 December 2025

Did not sign-up for this report?
[Sign-up for future reports here]

Stor-Age Property REIT Ltd
Still Steady - Growth Ahead

Share Code: SSS – Market Cap: R8.7 billion – PB: 1.0x – DY: 6.3%

12m Target Price (17 Nov 26)	**R19.70**
Share Price (17 Nov 25)	**R18.10**
Implied Return	**16%**

Self-storage | South Africa

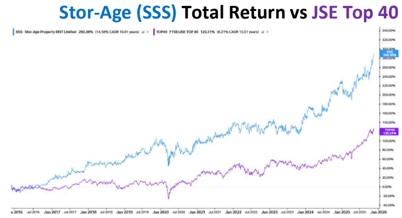
1H 26 Results: Well Run, Well Positioned & Globally Competitive

- Stor-Age REIT owns a well-managed, growing self-storage property portfolio that was built out of a strong SA base (that remains robust & growing) & is increasingly allocating capital towards the UK (offering Rand Hedge benefits) while cleverly leveraging the capital-light JV structures to build what could become a substantial portfolio.
- The Group's 1H 26 rental income growth has been strong (+6% annualised) & has historically outpaced inflation; occupancies remain high in owned properties. 1H 26 EBITDA and NPOP grew by 5% and 6% respectively, with distributable earnings increasing by 8% with stable profit margins.
- From FY 25, the Group adjusted its distribution payout ratio from 100% to 90% of distributable income—retaining some capital for growth.
- 1H 26's Net Asset Value (NAV) per share increased by 2% (annualised).
- The Group remains comfortably geared, though comparable international peers do have somewhat lower average gearing.
- Stor-Age's Total Return (in Rands) has outperformed *all* listed global self-storage companies over 3, 5, & 10 years.

Valuation and 12m TP: Relative Model & Dividend Discount Model

- Stor-Age's share price has fallen behind its NAV growth, leading to a Price/Book ("PB") ratio range of 0.8~0.9x (to 1H 26). The Group's quality, its potential for Rand Hedge benefits from its UK portfolio, optionality from organic and acquisitive growth, and the fact that the properties are fairly valued (on quite reasonable assumptions), informs our view that the share should (at *least*) track its historic 1.0x PB over time, if not at a premium to book. The share currently has a PB fractionally higher than 1.0x, having strongly re-rated over the last six months.
- We have updated our Relative Valuation Model and Dividend Discount Models to arrive at an equal-weighted average valuation of R18.50 per share (FY 25: R16.71).
- Rolling this fair value forward at our Cost of Equity, we arrive at a 12m Target Price—factoring in dividends—of R19.70 (Previously: R17.80); we expect this to generate a 12m (total) return of c.16%.
- The Group's next five-year plan (FY 26 to FY 30) sees a 50% growth in number of properties (SA and UK combined) & could drive a re-rating in the Group's listed size (it is currently a small cap) that could support increasing institutional appetite as self-storage remains an attractive growth market in both SA and the UK and a sought-after property class. See the Group's recent oversubscribed bookbuild as evidence of this.

Stor-Age (SSS) Total Return vs JSE Top 40

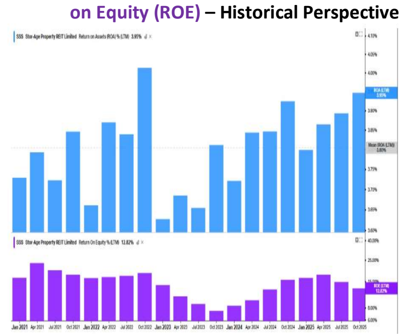


Source: Koyfin(18/11/25), JSE Top 40 represented by Satrix Top 40 ETF

Stor-Age's (SSS) Price/Book (x) History

Source: Koyfin (18/11/25)

Stor-Age (SSS) Return on Asset (ROA) & Return on Equity (ROE) – Historical Perspective



Source: Koyfin (18/11/25)

Forecast (Rm)	FY 24A	FY 25A	1H:26A	FY 26E	FY 27E	FY 28E
Property revenue	**1,228**	**1,319**	**699**	**1,398**	**1,496**	**1,600**
Distributable earnings	**563**	**593**	**321**	**643**	**688**	**736**
Dividends	563	533	289	579	619	662
Dividend / distributable earnings	100%	90%	90%	90%	90%	90%
Number of shares (millions)	476.2	481.7	483.2	483.2	483.2	483.2
Dividend per share	**R1.18**	**R1.11**	**R0.60**	**R1.20**	**R1.28**	**R1.37**
Revenue growth		*7%*	*6%*	*6%*	*7%*	*7%*
Distributable earnings % of revenue	*46%*	*45%*	*46%*	*46%*	*46%*	*46%*
Growth in distributable earnings		***5%***		***8%***	***7%***	***7%***
Dividend growth				***8%***	***7%***	***7%***

Source: Stor-Age & Blue Gem Research

Harry van der Merwe*

BLUE GEM RESEARCH

Stor-Age Investment Snapshot

- **Stor-Age Property REIT ("Stor-Age"** or **"the Group") is a fully integrated and internally managed** Real Estate Investment Trust (REIT). It is the **leading and largest self-storage property fund and brand in South Africa (SA)** and the only one listed on a stock exchange in SA (since 2015).
- As a highly specialised property fund, **the Group focuses on the fast-growing self-storage sector in both South Africa (SA) and the United Kingdom (UK)**. This is a niche sub-sector of the broader commercial property market.
- Stor-Age services more than 56,100 tenants across its portfolio of 109[1] properties with 19 additional properties in the development pipeline. The South African portfolio comprises 63 self-storage properties (c. 436,600 m² of GLA[2]). In the UK, Stor-Age owns Storage King (the 5th largest UK self-storage brand), comprising 46 self-storage properties (c. 190,600 m² of GLA). **The Group's current pipeline (19 new developments) will offer c. 78,000 m² of GLA once fully developed.**
- **Stor-Age's objective is to deliver an attractive income stream from a portfolio of high-quality self-storage properties with potential for income and capital growth** through increasing rentals and occupancy levels, expanding existing properties and acquiring additional self-storage properties.
- **The Group's management team has delivered over time and remained immensely stable, thus offering investors strong continuity.** They have been with the Group since the outset (20 years since commencement and 10 years since listing on the JSE), and we feel are likely to remain with the Group for many years to come, continuing to build on their great track record (see **Annexure C** for management and directors' details).
- **The share price is not demanding**; it should increase in line with the growth in investment properties whilst paying an annual Dividend Yield ("**DY**") of at least c.6~7% that should grow slightly faster than inflation. Shareholder returns should be in the range of c.5 to 8% p.a. from asset base + DY and, thus, could annualise at around 11 to 14% p.a.

Global Self-Storage Sector

Self-storage demand drivers

- Self-storage is a needs-based service and benefits from a wide array of stable and recurring demand drivers that are evident throughout all economic cycles. Demand is largely underpinned by "life-changing events" such as bereavement, separation/divorce, marriage, family expansion, downsizing, moving house and emigration. These events, often disruptive and unplanned, create a need for temporary or longer-term storage. In such moments, **self-storage offers customers a secure, flexible and easily accessible space to store personal belongings while new living or logistical arrangements are made**.
- **For residential users, life transitions and discretionary lifestyle choices remain the primary sources of demand**. Customers are increasingly using self-storage for more permanent needs, such as decluttering or to accommodate a more minimalist lifestyle. The product's flexibility – short-term leases, varying unit sizes and accessible locations – further supports its appeal to residential customers across a wide range of demographics.
- **On the commercial side, demand continues to grow among SMMEs, e-commerce operators, and home-based businesses as self-storage offers these businesses greater affordability, scalability, and convenience than traditional warehousing or industrial space**, particularly as industrial rental costs rise and availability declines. Larger organisations also increasingly use self-storage for decentralised storage and last-mile logistics, helping to improve operational efficiency.
- While the sector is not entirely immune to macroeconomic shocks or volatility, it has demonstrated strong resilience during periods of economic stress, most notably through the Global Financial Crisis and the Covid-19 pandemic. More recently, the industry has successfully adapted to a post-pandemic period of normalisation, which has included managing inflationary pressures and rising interest rates. The performance of the self-storage sector over the past five years has underscored its defensive and counter-cyclical characteristics.
- From a macroeconomic perspective, **the key structural drivers of demand include**:
  - **Urbanisation and population density growth**: In densely populated cities, the average size of homes is shrinking, leaving less space for storage. This trend is particularly relevant in the UK, where living space per capita is among the smallest in Europe, but similarly a driver via urbanisation rates boosting city density in SA.
  - **Limited availability of industrial/logistics space**: Rising rents and constrained supply of traditional storage or warehousing facilities have pushed businesses toward more flexible alternatives like self-storage.
  - **Hybrid and remote work**: The post-pandemic shift toward flexible working has changed how people use their homes. Increasingly, people are repurposing spare or storage rooms into home offices or workspaces and turning to self-storage to compensate for the lost space.
  - **Greater mobility and transience**: A more mobile population, whether due to professional relocations, international moves, or short-term rentals, has driven demand for short- and medium-term storage options.
  - **E-commerce growth**: Online retailers, particularly SMMEs and start-ups, continue to use self-storage as decentralised inventory management hubs. This trend is expected to persist as e-commerce expands and customer expectations for fast, local delivery increase.

[1] *Includes 100% of trading properties held in JVs and managed by the Group*
[2] *Gross Lettable Area - includes 100% of trading properties held in JVs*

- New customer adoption: Increased brand awareness, digitisation and online bookings have broadened the user base. More customers are being introduced to the product than ever before, and digital-native younger generations are showing increasing openness to using self-storage as a service.

- These trends are particularly evident in high-density urban areas where many of Stor-Age's self-storage properties are strategically located. As cities continue to densify and living and working spaces become more compact, self-storage is well-positioned as an essential service supporting both personal and business needs.

Global industry characteristics *(Please refer to **Annexure C** for extracts from publicly listed global peers' reports)*

An industry of 50+ years with high occupancy and profit margins

- The **two largest (listed) self-storage companies (USA-based)** have been in business for **over 50 years**, followed by Shurgard in Europe (which has operated for more than 30 years).
- **All the (mature) self-storage companies have high occupancy rates (80% to 94%).**
- **The self-storage companies that have been in business for the longest (apart from Shurgard), are both the largest in size *and* have the highest EBITDA margins (65% average).** The highest margin is that of Public Storage (USA), which is also the largest and longest established at 73% (more than 3,000 properties). Stor-Age averages a 67% EBITDA margin in recent years, with a high of 72% in FY22 (post-COVID recovery).
- We believe that the above demonstrates that the **self-storage sector enjoys good economies of scale** and highlights how scale becomes increasingly important over time for these businesses as they evolve.

The market and growth – runway for many years of growth

- **Self-storage remains a fragmented market** with the largest part of the market (still) serviced by independent private operators. This bodes *well* for growth through acquisition, particularly by the larger funds that have (and are) enjoying returns to scale and have the balance sheets that can consolidate the sector in their specific region(s).
- Based on *per capita* self-storage space in SA and the UK (Stor-Age's markets) and the trends described above, we logically deduce that there **remains continuing and substantial growth in demand for years to come**.
- Almost without exception, each of **the self-storage peers grows each year by way of new developments, expansions of existing properties and acquisition of other self-storage properties**. Many, including Stor-Age, *also* managed third-party properties as an additional revenue stream (property management, marketing and new development management), which is only available due to the fragmentation in this market.
- Apart from the USA, **rental rate growth has been above inflation for many years**. The growth in USA households using self-storage has grown each year since 1987, and revenue of the USA self-storage sector (public and private) has grown each year since 2005, except for 2009 (after the global financial crisis). Other self-storage geographies can be expected to follow these patterns.

The UK market

- The UK self-storage industry has an annual turnover estimated at £1.2 billion in the most recent UK Self-storage Association Annual Survey. **Over the recent trading period, occupancy has continued softening from pandemic peaks and remains below historical highs**, with the survey showing overall occupancy of around 75%, with mature stores averaging 79%. **Operators are reporting modest churn increases and higher promotional activity in certain locations.**
- The UK market remains relatively fragmented, with an estimated 2,915 self-storage properties, including approximately 1,135 predominantly container-based operations and around 1,480 individual operators. **The top ten operators in the UK, including the Group subsidiary Storage King, account for approximately 19% of total store numbers and 40% of total GLA** (see our above comments on the fragmentation in self-storage markets). The remaining properties, including container-based operations, are independently owned or part of smaller portfolios.
- Operators are increasingly using targeted promotions and dynamic pricing to protect occupancy while trying to lift achieved net rents. Supply growth has increased, although penetration levels remain significantly below developed markets such as the USA and Australia. **Self-storage supply in the UK has increased from 18 million sq. ft in 2005 to 64.3 million sq. ft by the end of 2024 (c. 7% CAGR).** This equates to 0.9 sq. ft per person in the UK, compared to 6.2 sq. ft in the US, 2.5 sq. ft in Australia, and 0.3 sq. ft in mainland Europe.
- Inflationary pressures, including staff costs, repairs and maintenance, business rates and insurance, have pushed operating costs higher, trimming underlying earnings growth. Cost control and efficiency remain top-of-mind across the sector.
- **The sector remains structurally attractive due to high operating leverage and defensive demand characteristics.**
- Institutional capital continues to be active, with new entrants and corporate activity contributing to market growth.

The SA market

- There is limited industry data available for the SA market, although many of **the trends observed in more developed markets are applicable**.
- See our earlier comments on the urbanisation rate driving city density that lifts self-storage demand while the market remains largely under-penetrated (i.e. supply remains on a *per capita* basis quite limited).
- Stor-Age's own dominant presence and its excellently performing operations in this geography are likely very representative of how the broader self-storage sector in SA is doing.

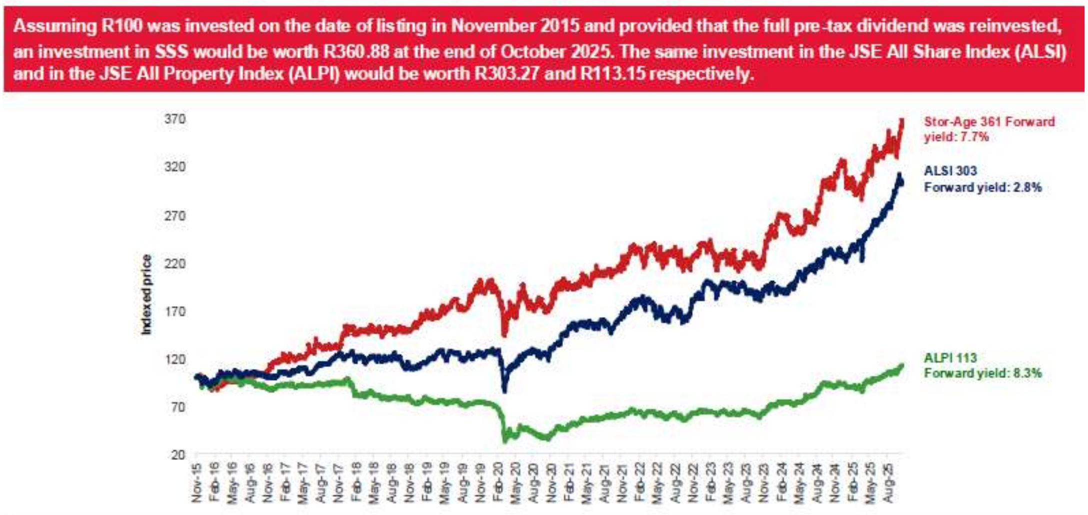
Self-storage Characteristics – low costs, low re-investment needs, & low customer concentration risk

- In comparison to other property types, self-storage has a **low intensity of maintenance capital expenditure** (as opposed, for example, a hotel, casino or shopping centre).
- Likewise, as compared to other property types, **self-storage does not use a lot of utilities, and most public companies now have a high use of renewable energy and water saving initiatives, resulting in self-sufficiency, cost savings and a green(er) footprint**.
- Finally, self-storage properties tend to have a large number of (small) customers (**low customer concentration risk**), with the largest part being consumers that, on average, have a tenure of c. 30 months, with c. 50% of customers renting for longer than 1 year.
- We find all these characteristics quite attractive and, while not unique to Stor-Age, we think that this adds to their appeal in the institutional market (see Stor-Age's recent oversubscribed bookbuild as evidence of this).

Outstanding Investment Performance

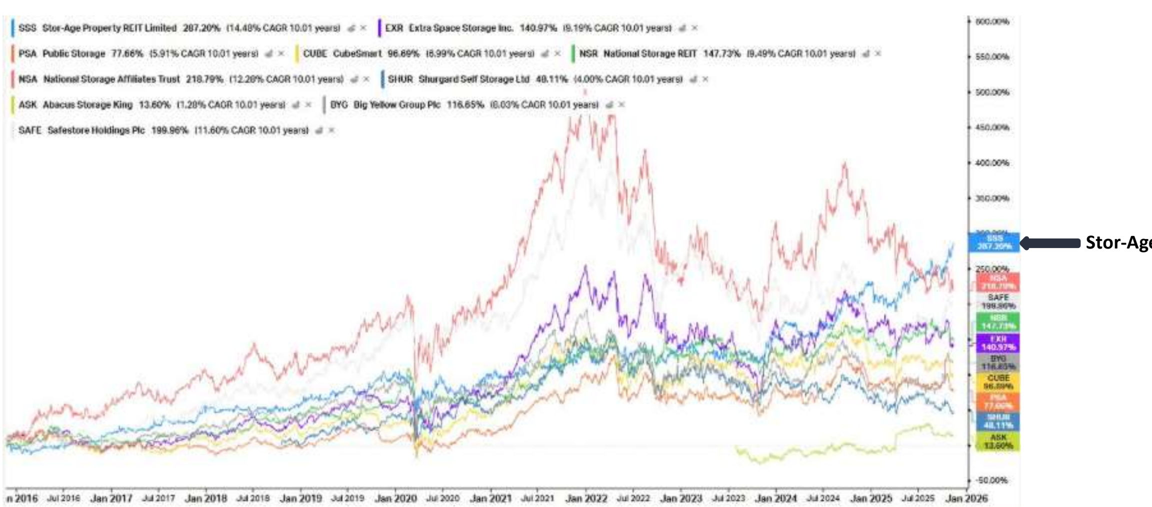
- **Over 10 years, USA self-storage REITS have had the lowest volatility and highest returns to shareholders of all property classes. Over 20 years, USA self-storage REITS delivered the second-best property REIT sector performance** with the highest proportion from dividends (the only property class beating them was 'data centres').
- **Self-storage REITS *also* outperformed the general listed property indices in the UK and Australia**, with **Stor-Age outperforming the SA listed property REIT index *substantially*** over the same period (**Figure 1**).

Figure 1: Stor-Age share performance vs All Share and All Property Indexes



Source: Stor-Age Property REIT 1H 26 financial report

Figure 2: Stor-Age versus global listed peers investment performance over ten years



Sources: Koyfin (19/11/2025)

- **Stor-Age's 3-year, 5-year, and 10-year Total Returns (i.e. share price with dividends reinvested) rank first place against global self-storage peers over the three periods** (**Figure 2**)! - *See **Annexure B** for the graphs of the three- and five-year periods.*
  - This is despite Stor-Age being materially smaller and younger than these other self-storage REITS; and
  - Despite Stor-Age having nearly half its property portfolio exposed to Emerging Markets (i.e. South Africa), with all of these peers being USA, UK, Europe and Australia-focused.
- **This highlights—amongst the other peer comparison metrics—the *quality* of Stor-Age's underlying operations, properties and management.**
- **In other words, we believe that this is an extremely well-run company, and investors appear to agree.**

Historical Financial & Operational Analysis & Commentary

This note focuses on the 1H 26 results in relation to the more *recent* history. Refer to our prior note on Stor-Age (LINK) for background on the Group's historical performance.

Table 1: Stor-Age's Property Portfolio (year-end March)

	2020	2021	2022	2023	2024	2025	1H26
Number of properties:	**71**	**74**	**85**	**93**	**103**	**107**	**109**
SA - owned, leased, managed & JVs	50	52	55	57	60	63	63
UK - owned, leased, managed & JVs	21	22	30	36	43	44	46
Number of new properties:	**6**	**3**	**11**	**8**	**10**	**4**	**2**
Properties in Joint Ventures (JV):		**2**	**11**	**14**	**17**	**20**	**20**
SA		2	2	4	5	7	7
UK*			9	10	12	13	14
Number of new JV properties:		**2**	**9**	**3**	**3**	**3**	**1**

*Sources: Stor-Age Property REIT (various reports) & Blue Gem Research workings and assumptions. JV = joint ventures. * Includes Acton in 1H26*

- Wholly owned properties represent 81 of the 109 at 1H 26 (SA: 55 & UK: 26), 20 properties were in JVs with 8 managed (SA: 1 & UK: 7, which is up from 5 in FY 25). This excludes LockUp Storage properties (located in Pinetown and New Germany) that were acquired in October 2025.
- Since listing in 2015, the Group's SA portfolio has grown on average by 3.4 properties per year, and since acquiring Storage King in 2017, the UK portfolio has grown on average by 4 properties per year.
- In 1H 26, two properties were under development (SA 1 – owned & UK 1 - managed), and there were 19 properties in the pipeline.

Table 2: Stor-Age's Rental Income Growth, Occupancy & Rental Rate

	Unit	2020	2021	2022	2023	2024	2025	1H26
Same store rental income growth								
SA	*%*	6.5	8.6	10.0	9.8	12.7	10.2	9.8
UK	*%*	5.0	6.3	21.2	8.9	3.0	6.5	2.5
Closing occupancy (same store)								
SA	*%*	85	90	90	92	92	94	92
UK	*%*	79	90	90	85	84	84	85
Rental rate progression (same store)								
SA	*%*	6.0	5.1	6.5	7.6	9.5	7.9	8.7
UK	*%*	1.0	1.3	8.5	8.0	4.7	2.9	2.0

Sources: Stor-Age integrated annual reports, interim report and presentations

- Commendably, since FY 20 (with 1H 26 being no exception), **Stor-Age has historically managed to grow rental rates above inflation in most periods**:
  - Since FY 20, average rental rate progression was ca 7~10% for SA and 5~9% for the UK.
  - The rental rate growth slowed for both territories in FY 25 but in the SA segment, it picked up nicely in 1H 26.
  - Specifically, and more of interest to investors, **SA rates increased by substantially more than inflation.**
  - The Group's UK rates remained somewhat subdued, but (looking across the UK self-storage REITs) we can see that this merely reflects the broader experience of other UK operators and is *more* a reflection on the UK industry than on Stor-Age's own operations.
- As in prior periods, a **high occupancy was maintained in 1H 26 in both territories** (this has held even through the COVID lockdown period, which is reflected in the Group's FY 21 and FY 22/23 results):
  - Management believes that the high SA occupancy is due to the Group's dominant position in the market, which we think should be sustainable due to the size, location and prominence of the properties.
  - The UK has become a more competitive market (along with Stor-Age being much less dominant here), and there has been and is substantial new capacity coming to market, with institutional investors increasingly interested in the sector. Interestingly, while a short-term headwind, this could offer a longer-term tailwind as these sources of capital and their development are unlikely to remain there long-term (thereafter offering acquisitive upside).
  - Anecdotally, a symptom of the relatively higher competition and lack of dominant position in the UK is revealed by the fact that the Group spends relatively *more* on marketing in the UK than in SA.
- The 1H 26 JV properties' occupancy was 78% in SA (FY 25: 74%) and 61% in the UK (FY 25: 63%). This is well below the 92% (SA) and 85% (UK) of the owned portfolio (owned and leased) and indicates that these properties are still in the 3~5 year ramp-up process of reaching optimal occupancy levels (so-called "lease-up period").

Table 3: Stor-Age Property Statistics

	Unit	2020	2021	2022	2023	2024	2025	1H26
Number of tenants per region								
SA	*thousand*	25	27	28	30	32	34	34
UK	*thousand*	9	11	17	17	20	21	22
% residential tenants per region								
SA	*%*	60	61	61	63	63	66	67
UK	*%*	73	69	74	77	76	76	77
Gross lettable area ("GLA") composition (Owned portfolio)								
SA	*%*	81	82	79	78	78	78	78
UK	*%*	19	18	21	22	22	22	22
Rental income composition								
SA	*%*	63	57	55	54	51	52	52
UK	*%*	37	43	45	46	49	48	48
NPOP[3] composition								
SA	*%*					50	52	52
UK	*%*					50	48	48
Property asset value composition (including proportionate JV values)								
SA	*%*					45	47	48
UK	*%*					55	53	52

Sources: Stor-Age Property REIT (various reports) & Blue Gem Research workings and assumptions

- We believe that the numbers in **Table 3** illustrate what a consistent business Stor-Age operates.
- Though the SA GLA is a much larger part of the total, the property value and profit contribution from the two regions are similar. The SA contribution to NPOP has grown from 50% in FY24 to 52% in 1H 26, and the SA investment property value has likewise grown from 45% to 48%. There are a number of factors contributing to these movements, including the exchange rate, which has been remarkably stable and is even currently stronger in favour of the Rand.
- Management has indicated that only the Nedbank JV properties are subject to put and call options (five properties with five years (put by Nedbank) and six years (call by the Group) after completion (estimated from FY 27~FY 28).
- There are no defined acquisitive or consolidation plans concerning the other JVs where the Group accounts for its share of annual net profit (Earnings from Associates) and can be expected to receive dividends from these JVs in due course.

Table 4: Stor-Age's Income Statement

R million		2020	2021	2022	2023	2024	2025	1H26	% change[1]
Property revenue (rental & other)		**699**	**800**	**911**	**1,071**	**1,228**	**1,319**	**699**	*6*
Net property operating income (NPOI)		**517**	**587**	**686**	**791**	**904**	**971**	**513**	*6*
Proceeds from insurance claim		0	0	52	0	0	0	0	
Management fees		5	5	15	36	63	71	32	*-10*
Administration expenses		-55	-89	-103	-153	-184	-198	-97	*-2*
EBITDA		**477**	**514**	**657**	**682**	**810**	**884**	**463**	*5*
Net Property Operating Profit (NPOP)		**466**	**503**	**648**	**674**	**784**	**844**	**449**	*6*
Fair Value Adj, forex losses & other		-306	860	746	231	179	412	204	*1*
Profit Before Interest and Tax		**160**	**1,363**	**1,394**	**905**	**963**	**1,256**	**652**	*4*
Net Interest Paid		58	63	91	140	204	267	141	*6*
Income From Associates after tax		0	0	0	30	37	48	19	*-21*
Profit Before Tax		**102**	**1,299**	**1,303**	**795**	**796**	**1,037**	**530**	*2*
Taxation		-3	97	271	63	85	-392	8	
Profit After Tax (PAT)		**105**	**1,203**	**1,031**	**732**	**711**	**1,429**	**522**	
Income Attributable to Minorities		0	10	12	7	5	17	3	
Earnings Attributable - Equity Holders		**105**	**1,192**	**1,020**	**725**	**706**	**1,411**	**519**	
Total Comprehensive Income[3]		348	1,082	893	1,133	970	1,426	422	
Headline Earnings[4]		208	473	482	500	424	484	284	*17*
Distributable Earnings		453	454	508	561	563	593	321	*8*
Dividends		453	454	508	560	562	535	289	*8*
Growth[1]									
Revenue	*%*	*33*	*15*	*14*	*18*	*15*	*7*	*6*	
NPOP	*%*	*32*	*8*	*29*	*4*	*16*	*8*	*6*	
Distributable earnings	*%*	*17*	*0*	*12*	*10*	*0*	*5*	*8*	
Margins									
NPOI	*%*	*74*	*73*	*75*	*74*	*74*	*74*	*73*	
EBITDA	*%*	*68*	*64*	*72*	*64*	*66*	*67*	*66*	
NPOP	*%*	*67*	*63*	*71*	*63*	*64*	*64*	*64*	
PAT	*%*	*15*	*150*	*113*	*68*	*58*	*108*	*75*	
Distributable earnings	*%*	*65*	*57*	*56*	*52*	*46*	*45*	*46*	
Interest / NPOP	*%*	*12*	*13*	*14*	*21*	*26*	*32*	*31*	
Returns									
NPOP / fixed assets	*%*	*6.6*	*6.4*	*6.8*	*6.3*	*6.7*	*6.8*	*7.1*	
Equity accounted profits/equity accounted investment value	*%*				*6.7*	*5.0*	*6.7*	*5.3*	
Historical DY	*%*	*8.7*	*8.5*	*8.5*	*8.0*	*9.2*	*8.2*	*8.2[2]*	

[3] Net property operating profit - Property Revenue (Rental Income + Sales of Packaging Materials *et al*) minus Direct Property Costs (rates, labour *et al*) plus management fees earned minus Group administration costs

Sources: Stor-Age Property REIT (various reports) & Blue Gem Research workings and assumptions
Note 1: 1H 26 numbers annualised (times two) and compared to FY25
Note 2: Dividend annualised by multiplying the dividend by 2
Note 3: Total comprehensive income is after exchange differences on translating foreign operations (Storage King + UK JVs)
Note 4: The difference between Earnings Attributable to Equity Holders and Headline Earnings is fair value adjustments of investment properties of own and JV properties is added back (note on page 33 of the Stor-Age 1H 26 financial report). In FY 25 it included the adjustment for the deferred tax written back due to Storage King obtaining UK REIT status

- Based on the past two years and the Group's operational consistency, the 1H 26 numbers of revenue and NPOP can (simplistically) be annualised to estimate the full FY 26 numbers for comparison purposes. **On this annualised basis, the 1H 26 revenue and NPOP grew by 6% y/y** (see **Annexure A**).
- The Group's NPOI[4] margin has averaged 74% since FY 20 and has consistently been around 74% each year, despite the relative contribution of profit from SA and the UK changing over this period (it was 73% in 1H 26).
- We consider the EBITDA[5] margin as a good performance metric and indicator of quality, and, thus, relevant for a valuation:
  - In Stor-Age's case, depreciation relates to other operating fixed assets such as IT equipment and is not material relative to other (operating) costs of the REIT.
  - Thus, Stor-Age's EBITDA margin is close to the NPOP margin.
- **Stor-Age's EBITDA and NPOP margins are 66% and 64%, which compare well with globally listed peers and highlight how <u>well</u> the Group is managed relative to some of the *best* (and *biggest*) global players in self-storage (Table 18)**.
- The NPOP margin averaged 65% from FY 20 and was 64% in 1H 26.
- The "Fair Value Adjustment" line relates to the changes in valuations of the investment properties and financial hedges of financial instruments.
  - In FY 20, R176 million related to financial instruments and the balance to assumptions in the valuation of the investment properties. Both adjustments were negative due to the unusual circumstances of the COVID-19 period and are unlikely to be repeated.
  - We note that the discount and cap rates in FY 20 were conservative relative to the UK ten-year gilt yield at the time and versus the current yield.
  - Note, however, the substantial upward adjustments in FY 21 and FY 22.
- In **Table 5** below, there is a **valuation assumption comparison for Stor-Age's properties at FY 24, FY 25 and 1H 26**:
  - **It is notable that management is forecasting lower rental escalation in SA** (**red numbers**), which may indicate that these properties (on average) are nearing maturity and that future rental escalations may be more in line with inflation.
  - **The forecast rental escalation in the UK is back to the level in FY 24**. Though it is an over-simplification to use averages over the portfolio of properties, it does seem to indicate that future (foreseeable) rental income growth from same-store properties may be more muted, flowing through to lower than historical revenue growth, though occupancy may still increase to counter this.
  - The cost escalation assumptions (**purple numbers**) for SA seem high relative to the South African Reserve Bank's (SARB) target CPI of c. 3% (most recently 3.6%).
  - Stor-Age management is best placed to determine the assumptions, though **it does seem that the assumptions are conservative, which logically leads to more conservative or lower valuations of the Group's underlying properties**.
  - We consider a conservative approach is commendable, and one of the main effects of the valuation of investment properties is on the Group Loan-to-Value (LTV)[6] ratio. A conservative approach to the valuation will thus lead to a higher LTV ratio, and a lower ratio indicates lower risk.
  - **This conservatism in valuation inputs furthermore comes through in, potentially, a lower "book value" which influences our interpretation of the market-based "Price-to-Book" ratio for valuation purposes**.

Table 5: Stor-Age's Property Valuation Assumptions/Ranges

	South Africa (SA)			United Kingdom (UK)		
	2024	2025	1H26	2024	2025	1H26
(1) Discount rate	13.8%~15.3%	13.8%~15%	14%~15.8%	8.8%~9.5%	8.3%~9.8%	8.3%~11%
(2) Cap rate	8.3%~10.5%	8.3%~11%	8.3%~11%	5.8%~6.8%	5.3%~6.5%	5.3%~6.5%
(1) – (2) = Difference: Growth	**5.5%~4.8%**	**5.5%~4%**	**5.7%~4.8%**	**3%~2.7%**	**3%~3.3%**	**3%~4.5%**
Rental escalations	6%~10%	**2.5%~8%**	**4.5%~8%**	2.5%~3.5%	2.5%~3%	2.5%~3.5%
Operating cost inflation	**6%~7.2%**	**6%~7.2%**	**6%~7.2%**	2.8%~3.5%	2.5%~2.8%	2.5%~2.8%
Occupancy	90%~95%	90%~95%	90%~95%	80%~95%	80%~95%	80%~95%

*Sources: Stor-Age Property REIT integrated annual reports and Blue Gem Research workings; * Actual, projections were not disclosed*

- "Income from Associates" represents Stor-Age's share of the JV profits after tax:
  - From FY 21, the Group has preferred to do new developments and acquisitions inside JVs with property groups and private partners.

[4] Property Revenue (Rental Income + Sales of Packaging Materials *et al*) minus Direct Property Costs (rates, labour *et al*)
[5] Earnings before interest, tax, depreciation and amortization
[6] LTV is defined as net debt (debt minus cash on hand) divided by the sum of investment property at fair value

- The disclosure of JV profits and statistics until the JV properties' occupancies reach the optimum level (3~5 years) does not affect efficiency or performance metrics of the rest of the Group, and the Group's proportion of debt is reflected in the JV carrying value, thereby not affecting the LTV ratio.
    - The Group's **process of increasingly investing through JV's allows the Group's finite capital to be allocated to *more* properties (as it need only finance a portion of each and the JV partners finance the rest), which allows the Group to move *faster*, build *more* and *spread its risk better* while (we believe) enhancing its returns from its existing operating platform.**
- The historic years where the tax charge is more material were due to deferred tax raised for revaluation of investment properties to fair value in the UK. This changed due to the UK operation's Real Estate Investment Trust (REIT) status changing (i.e. it became recognised as a UK REIT then):
    - Storage King was not previously a REIT, and, thus, attracted normal UK tax and was required by IFRS to account for related deferred tax.
    - In the FY 25 results, the large add-back of tax is because of the UK operations obtaining (UK) REIT status during the period related to the past revaluation of UK properties to fair value (the tax is raised as if the properties will eventually be sold and the profit would have been taxed).
    - Logically, we do not expect this to recur in the future.
    - The Minority Interest value is due to the subsidiary in Guernsey, where the Storage King management has a 2.2% minority shareholding. As with some of the JV's, we logically expect Stor-Age to acquire these shares in the future.
- For an investor looking at a REIT, total comprehensive income and headline earnings are simply inferior metrics to assess its performance. More important are the distributable earnings on which the dividend is based (see **Table 6**) and the growth in net asset value per share, which includes items such as exchange rate changes in converting the foreign operation into rands.
- Distributable earnings averaged 55% of revenue from FY 21 to FY 23 and have averaged 46% for the past two and a half years to 1H 26. The main reasons for the decline are that the NPOP margin has declined from an average of 67% of revenue from FY 20 to FY 22 to an average of c. 64% thereafter; and the interest expenses as percentage of NPOP have steadily climbed each year from 12% in FY 20 to an average of c. 31% in the 18 months to 1H 26.

Table 6: Distributable Earnings and Dividends per share calculations

	1H 25 SA Rm	1H 25 UK £m	1H 25 Total Rm	1H 26 SA Rm	1H 26 UK £m	1H 26 Total Rm	Total +/- Rm	*Total +/- %*	*SA +/- %*	*UK +/- %*
Net property operating income	**253**	**10**	**478**	**284**	**10**	**513**	**35**	***7.4%***	***12.3%***	***-1.2%***
Waterfall – loss of revenue claim	3		3				-3			
Management fees	16	1	35	14	1	32	-3	*-8.0%*	*-16.5%*	*-3.0%*
Administration expenses	-50	-1	-77	-53	-1	-82	-5	*-6.2%*	*-5.2%*	*-2.3%*
EBITDA	**222**	**9**	**438**	**245**	**9**	**463**	**25**	***5.6%***	***10.3%***	***-1.8%***
Net finance costs	-53	-3	-123	-66	-3	-141	-18	*-14.3%*	*-23.2%*	*-4.4%*
Distributable earnings before items below	**169**	**6**	**315**	**180**	**6**	**322**	**7**	***2.2%***	***6.2%***	***-4.8%***
Realised FX gains			-1			3	4			
Net contribution from JVs			6			5	0			
Antecedent dividend adjustment			4			1	-3			
Minorities (Storage King)			-1			-3	-2			
Tax			-17			-8	9			
Distributable earnings			**306**			**321**	**15**	***4.9%***		
Shares in issue entitled to dividends (million)			482			483		*0.3%*		
Distributable income per share (cents)			64			66		*4.5%*		
Payout ratio			90%			90%				
Dividend per share (cents)			57.16			59.74		*4.5%*		

Source: Stor-Age 1H 26 results presentation (P20)

- From a dividend perspective, the important number is Distributable Earnings, as, via management's target 90% payout ratio, the Distributions Per Share (and ultimately the yield) is derived.
- **Distributable earnings increased by 4.9% and the dividend by 4.5% over 1H 25 (Table 6).**
- **We are forecasting a dividend for the full FY 26 to be 120 cents per share (cps), which is an increase of 7.9% over the full year dividend of FY 25 (110.48 cents).**

Table 7: Stor-Age's Assets

R million	2020	2021	2022	2023	2024	2025	1H26
Fixed Assets & Investment Properties	7,092	7,885	9,555	10,764	11,706	12,449	12,621
Joint ventures & unlisted investments	9	34	257	450	734	711	712
Goodwill	152	147	146	156	161	160	160
Deferred Tax Asset	25	3	7	13	11	0	0
Other Assets	186	172	184	173	47	44	48
Total Long-Term Assets	**7,464**	**8,241**	**10,149**	**11,555**	**12,659**	**13,364**	**13,541**
Stock	6	6	7	7	7	8	7
Debtors	146	83	127	139	126	162	101
Cash & Other (such as derivative assets)	76	171	222	356	322	343	356
Total Current Assets	**228**	**260**	**357**	**501**	**455**	**513**	**465**
Total Assets	**7,692**	**8,501**	**10,506**	**12,056**	**13,114**	**13,877**	**14,006**

Sources: Stor-Age Property REIT (various reports) & Blue Gem Research workings and assumptions

Table 8: Stor-Age's Equity and Liabilities

R million	2020	2021	2022	2023	2024	2025	1H26
Ordinary Share Capital	4,360	4,784	5,375	5,362	5,363	5,420	5,419
Reserves & Other	212	834	1,222	1,774	2,171	3,045	3,170
Ordinary Shareholders' Interest	**4,572**	**5,618**	**6,597**	**7,136**	**7,534**	**8,465**	**8.588**
Minority Interest	33	39	46	58	65	79	82
Total Shareholders' Interest	**4,605**	**5,657**	**6,643**	**7,195**	**7,599**	**8,544**	**8,670**
Interest Bearing Loans (long + short term)	2,206	1,347	1,994	3,550	4,047	4,285	4.311
Deferred Tax Liability	0	65	287	369	436	0	0
Other long-term liabilities	461	334	249	316	359	405	390
Interest-bearing liabilities (exc. overdraft)	**2,667**	**2,394**	**3,295**	**4,236**	**4,841**	**4,690**	**4,701**
Creditors and Provisions	161	184	237	276	325	337	292
Dividends	226	234	262	276	271	258	289
Tax & Other	33	32	68	74	79	46	54
Total Current Liabilities	**420**	**451**	**567**	**626**	**674**	**641**	**635**
Total Liabilities	**3,087**	**2,844**	**3,862**	**4,862**	**5,515**	**5,333**	**5,337**
Total Equity and Liabilities	**7,692**	**8,501**	**10,506**	**12,056**	**13,114**	**13,877**	**14,006**
Market Capitalisation (rounded)	**5,000**	**5,700**	**7,000**	**6,100**	**6.500**	**7,000**	**7,500**
Enterprise value (EV)[1] (rounded)	**7,900**	**8,200**	**10,400**	**10,300**	**11,400**	**11,700**	**12,200**

Sources: Stor-Age Property REIT (various reports) & Blue Gem Research workings and assumptions

Note 1: Market cap + interest bearing liabilities + outside shareholders – cash (Blue Gem Calculation)

Table 9: Stor-Age's Number of Shares

Share/unit data		2020	2021	2022	2023	2024	2025	1H26
Number of Shares in Issue	million	397.8	432.9	474.6	474.6	476.2	481.7	483.2
Shares issued	million	4.9	35.0	41.7	0.0	1.5	5.4	1.5
Weighted Average Shares in Issue	million	391.9	421.8	440.5	474.6	475.4	479.0	481.7
Fully Diluted Weighted Average Shares in Issue	million	394	425.5	445.8	478.7	479.8	483.6	485.8

Sources: Stor-Age Property REIT (various reports) & Blue Gem Research workings and assumptions

- Fixed Assets mainly represent investment properties at fair value and is quite predictably the largest (and most important!) asset on the balance sheet for the Group.

Table 9.1: Stor-Age Investment Properties

R million	FY 25	1H 26
Historical cost	7,072	7,082
Subsequent expenditure capitalised	1,381	1,476
Fair value adjustment	2,709	2,922
Remeasurement of lease obligations	172	172
Exchange differences	1,087	942
Carrying amount at period end	**12,421**	**12,594**
Movement in Investment properties		
Carrying amount at start of period	11,673	12,420
Additions to investment property	73	11
Remeasurement of lease obligations	96	0
Subsequent expenditure capitalised	156	95
Fair value adjustment	443	213
Exchange differences	-21	-144
Carrying amount at period end	**12,420**	**12,594**
Properties held for development	127	139
Properties under development	45	10
Trading properties	12,248	12,445
Carrying amount at end of the period	**12,420**	**12,594**

Source: Stor-Age 1H 26 results

- The Group's policy is to externally value 50% of the SA portfolio at each reporting date (31 March and 30 September):
  - The valuation methodology for freehold and long leasehold properties is based on a discounted cash flow of the net operating income over 10 years, and the notional sale of the asset at the end of the tenth year.
  - NOI is based on the projected revenue less projected direct operating costs, including a notional property management fee based on a percentage of revenue, subject to a cap and collar. For properties that have not reached a stabilised mature occupancy level, the growth in occupancy in future periods is calculated assuming a straight-line lease-up to stabilised mature occupancy. The number of months to achieve stabilised mature occupancy is based on an estimate taking account of the historical lease-up of the property being valued and experience from similar properties in the portfolio.
  - The projected revenue and costs are adjusted for estimated revenue growth and cost inflation. The exit capitalisation rates and discount rates applied to future net cash flow have been estimated by reference to underlying yields for asset types such as industrial, distribution and retail warehousing, inflation and available evidence of transactions in the sector. Any outstanding costs to take an investment property from its current state to completion and full fit-out is deducted from the valuation.
  - For short leasehold properties, the same methodology has been used as for freehold and long leasehold properties, except that the cash flows reflect only the unexpired lease period from the valuation date.
  - Properties under development take approximately twelve months to complete, and the costs incurred would equate to the fair value of the development. Vacant land is determined by assessing comparable land values.
- **28 of the 55 trading properties in the SA portfolio were independently valued for interim reporting purposes**. The remaining properties were valued internally using the same methodology applied by the external valuers.

- **In the UK, the Group's policy is to value the entire portfolio at year-end for financial statement purposes. The portfolio was valued internally on 30 September 2025 using the same methodology applied by the external valuers.**
- The Joint Ventures balance represents the Group's equity accounted investment in and loans to JVs. The reduction in the balance at FY 25 relates to the sale of shares in a UK JV (Acton) from 24.9% to 15% shareholding.

Given our reliance on a book-value-based valuation model, the above are critical aspects that lend comfort in our view of the Group's NAV per share and (if you see earlier comments on the conservatism in some of the assumptions used) our view of any upside versus this figure.

Table 9.2: Stor-Age Joint Ventures

Company name	Partner	Nature	Interest %	FY25 Rm	1H 26 Rm
SA					
Sunningdale Self Storage Proprietary Limited	Garden Cities	JV	50	30	36
SSS JV 1 Proprietary Limited	Nedbank Property Partners	JV	50	35	37
SSS JV 2 Proprietary Limited	Nedbank Property Partners	JV	50	34	50
SSS JV 3 Proprietary Limited	Nedbank Property Partners	JV	50	23	17
Storage Century City JV Proprietary Limited	Century City Property Investment Trust	JV	50	15	21
UK					
SK Heathrow Limited	Moorfield Group	JV	24.9	59	57
SK Canterbury 1 Limited	Moorfield Group	JV	24.9	62	60
SK Bath Limited	Moorfield Group	JV	24.9	53	52
SKJV Bidco Limited	Moorfield Group	JV	24.9	199	187
SK West Brom Limited	Moorfield Group	JV	24.9	34	32
SK Acton Limited	Moorfield Group	JV	15	55	53
SK Enterprise JV Limited	Nuveen Real Estate	Associate	10	115	111
		Total		**711**	**712**

Source: Stor-Age 1H 26 results

- Debtors remain well managed at c.54 days outstanding at 1H 26 (**Table 12)**.
- Share capital movements relate to the issue of shares for acquisitions, new developments and expansions. The Group also acquired or issued shares for the conditional share plan in some years (not material for our purposes).
- The increase in Reserves relates largely to revaluation of properties and the translation differences of converting Storage King's Pound values to Rand, as 100% of distributable income was historically paid out as dividends:
  - As mentioned above, **in FY 24, management changed the distribution policy from 100% of distributable income to 90% of distributable income and 90% was distributed in FY 25 as well as 1H 26.**
  - The retained funds can be used as contributions to JVs (share capital and shareholder loans) and thus ensure a wider range of investment opportunities whilst keeping the LTV at the Group stated level of 30˜35%.
- Stor-Age's undrawn debt facilities of R672 million and R349 million cash on hand add up to c. R1 billion. After deducting net working capital (stock, debtors and creditors), paying the dividend, creditors and taxes, leaves c. R500 million for acquisitions, developments, extensions and JV investment – see the recent R500m bookbuild as more firepower.
- "Other long-term liabilities" relates almost entirely to capitalised lease obligations:
  - This represents the present value of future lease payments to the end of the term of the lease (the 'principal debt').
  - Lease payments are allocated to interest (Income Statement) and a reduction in the lease liability (capital portion).
- Enterprise Value ("EV") minus (net) debt equates to market capitalisation in most years, as **the share has historically traded around its Net Asset Value ("NAV") – the share has a trailing 6-year Price-to-Book Ratio that averages c.1.0x.**

Table 10: Stor-Age's Cash Flow History

R million	2020	2021	2022	2023	2024	2025	5 Yr Total	1H26
Cash flow from operating activities	**449**	**583**	**652**	**702**	**808**	**812**	**3,557**	**462**
Net interest and tax paid	-67	-118	-113	-192	-235	-291	-949	-119
Available for dividend	**382**	**465**	**539**	**510**	**573**	**521**	**2,608**	**343**
Dividends paid	-430	-460	-481	-550	-572	-548	2,611	-258
Net Cash flow from operating activities	**-48**	**5**	**58**	**-40**	**1**	**-27**	**- 3**	**84**
Additions to investment properties & PPE & Intangibles & other	-471	-156	-1,004	-398	-134	-142	-1,834	-95
Disposal of interest in equity accounted JV	0	0	0	0	0	31	31	0
Additional investment in equity accounted JVs	0	-22	-219	-118	-403	-109	- 871	-10
Advance / repayment of loans to equity accounted JVs	-4	0	0	284	232	125	641	9
Net cash flow from investing activities	**-475**	**-178**	**-1,223**	**-232**	**-305**	**-100**	**-2,033**	**-96**
Loans raised (repaid)	287	-113	669	380	297	240	1,473	77
Share issues minus costs	66	417	591	0	0	0	1,008	0
Leases paid	-30	-33	-32	-37	-47	-55	-204	-24
Conditional share plan	0	0	0	-37	-3	-16	-56	-20
Net cash flow from financing activities	**323**	**271**	**1,227**	**306**	**248**	**169**	**2,221**	**32**
Net increase (decrease) in cash	**-201**	**98**	**63**	**34**	**-55**	**41**	**181**	**20**
Cash & Cash Equivalent beginning of period	260	76	171	222	356	309	76	337
Translation effects on cash & cash equivalents	18	-3	-11	99	8	-13	80	-9
Cash & Cash Equivalent end of period	**76**	**171**	**222**	**356**	**309**	**337**	**337**	**348**
Funds From Operations ("FFO")[1]	**n/a**	**437**	**527**	**504**	**536**	**565**	**2,569**	**303**

Sources: Stor-Age Property REIT (various reports) & Blue Gem Research workings and assumptions. Note 1: "FFO" is a term widely used in the industry. It is similar to operating cash flow before working capital movements for the main operating activity of the business. It is disclosed in the annual report and is described as "SA REIT best practice recommendations disclosure"

- The 5 years from FY 21 to FY 25 were the period the company's previous "strategic plan" covered:
  - Cumulative cash from operations before dividend payments was R2.6 billion, equalling FFO. FFO is therefore also a good indication of actual cash flow generated by the business. This was also paid out as dividends (net aggregate cash flows over the period of -R3m, i.e. cash generated was paid out to shareholders).
  - R2 billion was invested in new investment properties, equipment, intangibles & other.
  - Net investment in JVs totalled R0.2 billion, which is only 10.5% of the investment in properties.
  - Net total investments were R2 billion.
  - The investment amount was funded by raising new debt of R1.5 billion, issuing shares for R1 billion, whilst R260 million was paid out to leases and the conditional share plan. Total funding came to R2.2 billion. Cash thus increased by c. R0.2 billion.

Table 11: Stor-Age Per share numbers

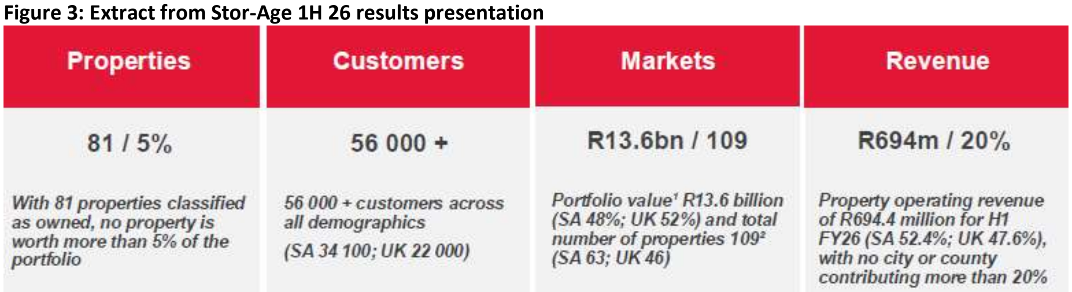
	2020	2021	2022	2023	2024	2025	5 Yr Total	1H26[2]
Distributable earnings	R1.14	R1.05	R1.07	R1.18	R1.18	R1.23	R5.71	R0.66
FFO[3]		R1.01	R1.11	R1.06	R1.13	R1.17	R5.48	R0.63
Cash from operations before dividends	R1.58	R1.07	R1.13	R1.07	R1.20	R1.09	R5.56	R0.71
Total Dividend	R1.12	R1.05	R1.07	R1.18	R1.18	R1.11	R5.65	R0.60
Net Asset Value (NAV)[3]	R11.58	R13.06	R14.00	R15.16	R15.96	R17.74		R17.95
JSE Market Price at Period End	R12.45	R13.10	R14.78	R12.85	R13.56	R14.59		R15.50
Growth							***5 Year CAGR***	
Distributable earnings / Share		*-8*	*2*	*10*	*0*	*4*	*2*	*7*
Funds From Operations / Share			*15*	*-12*	*7*	*4*		*7*
Total Dividend / Share		*-5*	*2*	*10*	*0*	*5[1]*		*8*
Net Asset Value (NAV) / share		*13*	*7*	*8*	*5*	*11*	*9*	*2*
JSE Market Price at Period End		*5*	*13*	*-13*	*6*	*8*	*3*	*12*

Sources: Stor-Age Property REIT (various reports) & Blue Gem Research workings and assumptions; 1 Calculated per REIT best practice recommendations which renders a different result than dividing Total Shareholders' Interest (including outside shareholders) by the number of issued shares at reporting date
Note 1: Payout ratio changed to 90% of distributable earnings. Calculated as if 90% also paid out in FY 24. Note 2: Growth calculations based on annualization of half year numbers (change times two). Note 3: Total shareholders' interest / number of shares in issue. Note 3: FFO/closing issued shares

- As shown above, the 5-year total (FY 21 to FY 25) distributable earnings, FFO and cash available for dividend come to almost the same number.
- **The Group's Net Asset Value (NAV) per share increased by 9% p.a. from FY 21 to FY 25, when coupled with an average dividend yield (Table 4) of c. 8.5%, has provided a return substantially beating the SA c.3% to 5% annual inflation rate**.
- Interestingly, the share price had a more muted (+3.2% y/y CAGR) appreciation, which is reflected in the Price/Book Ratio ("PB") that has ranged from 1~1.1x in earlier years to its current range of 0.8~0.9x (**Table 16**):
  - In **other words, the share's valuation has slowly derated over time despite the operational performance we have noted above and below.**
  - **Note that at the time of this report, the PB had increased to just over 1.0x.**
- **Thus, we view the share as "slightly cheap" to "reasonably priced" versus its valuation.**

Risk

Figure 3: Extract from Stor-Age 1H 26 results presentation



Source: Stor-Age financial reports

- With **81 properties across the Group's portfolio and *no* property valuation making up more than 5% of its value**, the Group's risk of any one property or properties in a specific area losing value, being lost to a natural event, or to the total portfolio number is low.
- The Group has **56,000+ customers** (generally of small accounts) and, thus, has no anchor tenant risk, which few other property sub-asset classes (e.g. shopping centres, hotels and hospitals) can offer.
- The Group has **dual geographic exposure**—namely, SA and UK and, thus, is not exposed to one market only, as the two self-storage REITS in Australia and the listed UK self-storage REITS.

Table 12: Stor-Age's Risk Ratios

		2020	2021	2022	2023	2024	2025	1H26
Debt / Equity (Blue Gem Calculation)[1]	%	61	44	51	59	64	54	54
LTV	%	33	24	27	30	31	31	31
Current Ratio	times	0.4	0.2	0.5	0.6	0.6	0.8	0.8
Interest cover (EBITDA / interest)	times	8.2	8.2	7.2	4.9	4.0	3.3	3.3
Dividend cover: FFO per share / Div per share	times		1.0	1.1	0.9	1.0	1.1	1.0
Debtors Collection Period	days	76	38	51	47	38	45	54

Sources: Stor-Age (various reports) & Blue Gem Research workings and assumptions. Note 1: Recalculation from previous reports – long term + dividends due + tax due + overdraft – cash / total shareholders' interest

- The fact that Stor-Age's Debt/Equity ratio is at 54% may seem high. However, the income streams have a high probability of being consistent and growing, and debt service is thus not a material risk.
- Rather and as is more traditional for REITs, Stor-Age's Loan-to-Value (LTV) is in line with some global peers (peers average 21% versus Stor-Age's LTV of c. 31% — **Table 17**).
- "Look-through LTV" (i.e. consolidating debt onto its balance sheet for underlying held non-consolidated holdings) for Owned and JV portfolios in local currencies:

Table 13: Look-through LTV

	FY25			1H26		
Loan-to-Value:	Total	Owned	JV	Total	Owned	JV
SA	30%	28%	64%	33%	27%	60%
UK	38%	39%	36%	38%	38%	36%
Total	**34%**	**33%**	**44%**	**34%**	**33%**	**43%**

- **This "Look-through" LTV demonstrates that the JV LTV is substantially higher than the owned portfolio, but has *improved* from FY 25**. The JV properties are typically still in the three-to-five-year initial lease-up period, where occupancy tends to increase each year and should ultimately reach the same occupancy levels as the other owned properties. **These JV property valuations should increase in concert with the occupancy and hence NPOP**, which will lower the LTV of the JVs to the same level as the owned portfolio.
- Stor-Age also employs a policy of hedging its interest rates and, in our opinion, **the balance sheet is conservatively managed with interest cover of 3.3x, seeming quite comfortable**.

Strategy and Objectives to 2030 (Five years from 1 March 2025)

- **Management has a successful track record** of executing their recurring 5-year strategies with past ones running to 2015, 2020 and 2025. Previous strategies have been traditionally led by a **property-focused strategy (which is quite natural for a REIT!), and, most recently, we note that this is to be complemented by a *digital* strategy.**
- **Management has undertaken multiple research projects to develop the Group's strategy to 2030 – including location mapping, supply and demand components, and leveraging existing customer and market data with targets to:**
  - **Continue growing the portfolios through acquisitions, new developments and third-party management contracts.**
  - **Leverage the benefits of low-cost emerging market head office infrastructure into first-world market/s.**
  - **Leverage third-party management platform and *digital* capability to support a natural acquisition pipeline.**

Table 14: Five-year objectives per territory

South Africa	UK
Grow the portfolio to 90 properties (63 at FY25). Add 5.4 per annum (growth rate of c. 7% per annum). **27 added**. FY20 – FY25 7 added.	**Grow the portfolio to 70 properties** (44 at FY25). Add 5.2 per annum (growth rate of c. 9% per annum). **26 added**. FY20 – FY25 21 added.
Focus on **Johannesburg, Cape Town, Durban** and **Pretoria**.	**Prioritise London** and its **commuter towns**, the **South East** and **key regional towns and cities**.
Achieve **annual growth through new developments** and trading store acquisitions.	Achieve annual growth through **new developments (in JV** or sale and manage back structures), trading store acquisitions and the **third-party management platform**.
	Expand portfolio scale and diversification through targeted acquisitions, developments and conversions.
	Build a geographically balanced portfolio across six key target regions.
Reinforce Stor-Age's position as **South Africa's leading self-storage property fund and brand**.	Strengthen **Storage King's positioning as an institutionally investable platform** capable of operating at scale.
Maintain a visible, accessible national footprint that sets the benchmark for modern, urban self storage.	Maintain focus on prime, visible and accessible locations, underpinned by strong demographic and demand fundamentals.

Source: Stor-Age 1H 26 presentation and half-year financial report

- **The current five-year plan (FY 25 to FY 30) envisages 27 and 26 properties to be added in SA and the UK, respectively, which is substantially (+60%) higher than the growth in the previous five-year period**. It does seem logical that many of these properties will be done in JVs, or share capital will probably have to be raised to keep the LTV ratio in the 30% to 35% target range (depending on whether Stor-Age shares maintain or re-rate higher above book value, equity raising starts to become more viable) – **Note Stor-Age's successful R500 million bookbuild on 5 December 2025.**

- Expressed differently, **the next five-year plan envisages 50% more properties than at FY 25 (same as the prior 5 years). Applying simple maths, this could result in the market cap increasing from the current R8.7 billion to R13 billion**, with the share potentially being reclassified from its currently small cap status into a mid cap. This could widen institutional shareholding and potentially lead to higher valuation multiples. The actual outcome will be dictated by property acquisition, extension and development activity in the owned portfolio vs JVs.

Forecasts

Table 15: Forecast Income Statements

	Rm	2024 Actual	2025 Actual	1H 26 Actual	2026 Forecast	2027 Forecast	2028 Forecast
Property revenue (rental income + other income)		**1,228**	**1,319**	**699**	**1,398**	**1,496**	**1,600**
Distributable earnings		**563**	**593**	**321**	**643**	**688**	**736**
Dividends		563	533	289	579	619	662
Dividend / distributable earnings		100%	90%	90%	90%	90%	90%
Number of shares	million	476.2	481.7	483.2	483.2	483.2	483.2
Dividend per share		R1.18	R1.11	R0.60	R1.20	R1.28	R1.37
Ratios							
Revenue growth			*7%*	*6%*	*6%*	*7%*	*7%*
Distributable earnings % of revenue		*46%*	*45%*	*46%*	*46%*	*46%*	*46%*
Growth in distributable earnings			*5%*		*8%*	*7%*	*7%*
Dividend growth					*8%*	*7%*	*7%*

Source: Stor-Age Summary Financial Statements and Blue Gem calculations

Forecast Assumptions and Rationale

- Please see **Annexure A** – 1H 26 revenue and distributable earnings doubled up for the full year.
- **We are projecting a 7% growth in revenue** (combination of rising occupancy, rising rates, and new developments previously made annualising), and made several other high-level assumptions **culminating in a c.8% to 7% growth in distributable income for FY 26 to FY 28**:
- **Our forecasts compare optimistically against management's own guidance of 5%~6% distributable income growth for FY 26, and we note this here for the reader to arrive at their own conclusions, but balancing this against management's own conservatism (see our property valuation commentary) and management's great track record, coupled with its exciting new 5-year plan (as outlined above).**
- **We expect the dividends (at 90% payout of distributable income) to show a similar growth of c.7%.**
- We are not going to hazard a forecast on NAV per share, given the complexities of forecasting *future* property fair values and related interest rates, but we do note that NAV has grown consistently across years and, currently, the macro-environment appears poised for a shallow rate-cutting cycle that should support valuations.
- Finally, given the strong underlying cash flows, margins and steady asset base, we do not expect any deterioration (and, indeed, likely improvement) in the Group's liquidity and solvency position going forward.

Valuation

Table 16: Stor-Age's Valuation Multiples

		2020	2021	2022	2023	2024	2025	1H26
Price/Book (NAV)	**times**	**1.1**	**1.0**	**1.0**	**0.9**	**0.8**	**0.8**	**0.9**
EV/EBITDA	times	17	16	16	15	14	14	13
Price/Sales Per Share	times	7.2	7.1	7.7	5.7	5.3	5.7	5.4

Sources: Sharedata and Blue Gem Research

- Historically, Stor-Age has been a "low beta share" (1-year beta is 0.1˜0.2x & its 5-year beta is 0.3x) and the share has a reasonably wide institutional shareholder base with relatively good liquidity for its relatively small size.
- Our thoughts on the various market valuation metrics and ratios for Stor-Age are as follows:
  - A Price Earnings ("PE") ratio is less useful due to a REIT's earnings, including fair value adjustments, which fluctuate materially over the years, and therefore, we have not focused on this valuation approach.
  - **We consider the Price/Book ("PB") ratio as far more useful, given that the largest line item on the Group's balance sheet (Investment Properties) is regularly fair valued**. The share's PB averaged c. 1x from FY20 to FY 23 and c. 0.8x to 0.9x in the three periods after that.
  - The Enterprise Value[7] is a widely used measure when performing a Market Approach valuation. The EBITDA number is before fair value adjustments. EV/EBITDA averaged c. 16 up to FY23 and 13 thereafter.
  - Finally, **Price/Sales per share ("P/S") can also be a useful valuation metric over the years**. It averaged c. 7x to FY23 and 5.5x in the past three periods, also indicating potentially higher future valuation.
- **From FY 24 to 1H 26, all valuation multiples were lower than the historical averages:**
  - We may reasonably expect the multiples to revert to the historical averages, especially as the business becomes *more* profitable (i.e. better) and *more* diversified (i.e. lower risk) as more properties are added.

[7] Under IFRS, the definition of Enterprise Value (EV) for a REIT is the total market value of its business operations, calculated by adding its market capitalization (equity value) and total debt, then subtracting any cash and cash equivalent

- As noted above, at the date of this report, the share price had increased substantially, bringing the share price valuation more in line with its prior history.

Peer comparison

- Globally, **we regard Shurgard (UK & Europe), Big Yellow & Safestore (UK) as the *most* comparable listed peers**.
- Big Yellow recently received a confirmation of interest from Blackstone to acquire all shares in it, once again highlighting the attractiveness of this sector (at scale).
- From the Big Yellow website - https://corporate.bigyellow.co.uk/index.php/investors/possible-offer
    - *"On 13 October 2025, Blackstone Europe LLP ("Blackstone") announced that one or more of the investment funds advised by Blackstone or any of its affiliates (the "Blackstone Funds") were considering their position in relation to the Company, which could include a cash offer for the entire issued, and to be issued, share capital of the Company."*
    - *"Blackstone Funds are required either to announce a firm intention to make an offer for Big Yellow or to announce that it does not intent to make an offer, until 5.00 p.m. (London time) on 8 December 2025."*
- Below we set out the Stor-Age and peers' financial statements:

Table 17: Peer Comparison Income Statement, Balance Sheet

Income statement	Stor-Age Mar-25 Rm	Stor-Age Sept-25 Rm	Shurgard Dec-24 €m	Big Yellow Mar-25 £m	Safestore Oct-24 £m
Property revenue (rental income + other income)	**1,319**	**699**	**407**	**205**	**223**
Net property operating income (NPOI)	**971**	**513**	**268**	**142**	**150**
Other	0	0	-11	9	0
Management fees earned	71	32	0	0	0
Administration expenses	-198	-97	-28	-16	-16
EBITDA	**884**	**463**	**233**	**138**	**136**
Net Property Operating Profit (NPOP)	**844**	**449**	**229**	**135**	**134**
Fair Value Adjustments, forex losses & other	412	204	331	80	292
Profit Before Interest and Tax	**1,256**	**652**	**560**	**215**	**426**
Net Interest Paid	267	141	35	16	27
Income From Associates Before Tax / other income	48	19	0	4	0
Income Before Tax	**1,037**	**530**	**526**	**204**	**399**
Taxation	-392	8	122	2	26
Profit For the Period	**1,429**	**522**	**404**	**202**	**373**
Income Attributable to Minority Interests	17	3	1	0	0
Income Attributable to Equity Holders	**1,411**	**519**	**403**	**202**	**373**
Dividends	533	289	71	89	66
Balance sheet	**Stor-Age Mar-25 Rm**	**Stor-Age Sept-25 Rm**	**Shurgard Dec-24 €m**	**Big Yellow Mar-25 £m**	**Safestore Oct-24 £m**
Fixed Assets	**12 449**	**12 621**	**6 413**	**3 013**	**3 290**
Joint ventures equity accounted	711	712	0	0	7
Goodwill & intangibles	160	160	14	1	0
Deferred Tax Asset	0	0	0	0	6
Other Assets	44	48	7	0	0
Total Non-Current Assets	**13 364**	**13 541**	**6 434**	**3 014**	**3 303**
Stock	8	7	0	1	1
Debtors	162	101	46	6	32
Cash & derivatives	343	357	143	9	26
Total Current Assets	**513**	**464**	**189**	**16**	**59**
Total Assets	**13 877**	**14 006**	**6 623**	**3 030**	**3 362**
Ordinary Shareholders' Interest	**8 465**	**8 589**	**4 011**	**2 566**	**2 227**
Minority Interest	79	82	9	0	0
Total Shareholders' Interest	**8 544**	**8 671**	**4 020**	**2 566**	**2 227**
Interest Bearing Loans	4 285	4 311	1 480	393	824
Deferred Tax Liability	0	0	782	0	155
Other Long-Term Liabilities (leases & derivatives)	405	389	146	19	104
Total Long-Term Liabilities	**4 690**	**4 731**	**2 408**	**412**	**1 083**
Creditors and Provisions	337	292	185	52	52
Dividends	258	289	0	0	0
Tax & Other	46	55	10	0	0
Bank Overdrafts	0	0	0	0	0
Total Current Liabilities	**641**	**606**	**195**	**52**	**52**
Total Liabilities	**5 333**	**5 337**	**2 603**	**464**	**1 135**
Total Equity and Liabilities	**13 877**	**14 008**	**6 623**	**3 030**	**3 362**
Total interest-bearing liabilities net of cash & dividends due	4 543	4 663	1 483	403	902
Market capitalisation (reporting currency)	7 027	7 500	3 641	1 957	1 457
Enterprise value	12 672	12 480	5 124	2 360	2 359
Exchange rate	18	17	1.17	1.38	1.38
Comparison in same currency	**US$m**	**US$m**	**US$m**	**US$m**	**US$m**
Market capitalisation	390	441	4 260	2 700	2 010
Revenue	73	82*	348	149	162

*Sources: Company financial statements * annualised*

Table 17.1 Peer comparison Cash Flows

Cash flow	Stor-Age Mar-25 Rm	Stor-Age Sept-25 Rm	Shurgard Dec-24 €m	Big Yellow Mar-25 £m	Safe Stor Oct-24 £m
Cash flow from operating activities	**812**	**462**	**241**	**136**	**127**
Net interest and tax paid	-291	-119	-64	21	31
Available for dividend	**521**	**343**	**177**	**157**	**158**

Sources: Company financial statements and Blue Gem Research

Table 17.2: Peer comparison Ratio Analysis

Ratios	Unit	Stor-Age FY 25	Stor-Age 1H 26	Shur-gard	Big Yellow	Safe Stor	*Peer Average*
Profitability							
NPOI / revenue	%	74	73	66	69	67	*67*
EBITDA / revenue	%	67	66	57	67	61	*62*
NPOP / revenue	%	64	64	56	66	60	*61*
NPOP + income from associates / revenue	%	68	67	56	68	60	*61*
Tax / NPOP	%	2*	2	11	19	19	*16*
PAT - fair value adjustments / revenue	%	45*	45	18	60	36	*38*
Cash from operations / revenue	%	62	66	59	66	57	*61*
Risk							
EBITDA / interest (interest cover)	times	3.3	3.3	6.7	8.6	5.0	*6.8*
Interest / NPOP + income from associates	%	30	30	15	12	20	*16*
Interest bearing debt / fixed assets (LTV proxy)	%	36	37	23	13	27	*21*
Interest bearing debt / equity (gearing)	%	53	54	37	16	41	*31*
Interest bearing debt / EBITDA	times	5.3	5.4	6.4	2.9	6.7	*5.3*
Property valuation							
Fair value adjustments / NPOP	%	50	48	145	59	218	*141*
Fair value adjustments / fixed assets - fair value adjustments	%	4	3	5	3	10	*6*
Dividend returns							
Dividend / PAT - fair value adjustments (payout ratio)	%	0.9	0.9	1.0	0.7	0.8	*0.8*
Dividend / opening market capitalisation (dividend yield)	%	8.2	8.2	2.0	4.5	4.5	*3.7*
Valuation							
NPOP / fixed assets (capitalisation rate)	%	6.8	7.1	3.6	4.5	4.1	*4.0*
EV / (EBITDA + Income from associates)	times	12	13	22	17	17	*19*
Equity / PAT	times	8	8	10	13	6	*10*
Price / book	times	0.8	0.9	0.9	0.8	0.7	*0.8*

*Sources: Company financial statements and Blue Gem Research. Note: valuation multiples calculated at each company's year-end. * Normalised for UK deferred tax*

- **Stor-Age's profitability ratios are *better* than the average of the peers, with its cash generation on par.**
- The Group's 54% gearing is higher than its peer average of 31% and its LTV is 50% above their average too; however, Stor-Age's Debt / EBITDA ratio is similar – a symptom of a highly competitive margin being earned by the Group.
- **The Group is valued well *below* the peer average on an EV / EBITDA multiple**. The reasons may be attributed to the higher Stor-Age gearing and higher interest rates in SA vs the peer countries and country risk.
- That said, **we do feel it is more comparably valued on a Price/Book basis, and Stor-Age's P/B of 0.9x versus a peer average of 0.8x implies a slight premium in Stor-Age's valuation in the market, especially considering the large emerging market (i.e. SA) component in Stor-Age vs the competitors (basically zero emerging market exposure).**
- **Stor-Age's dividend yield at 8.2% is well above the average of 3.7% of the peers in ZAR. It pays out a bit more than the average of distributable income. In our view, this could justify higher than peer valuation multiples.**
- **Finally, we have updated our valuation model (Tables 18 and 19) and, between the Relative Value and Dividend Discount Model's blended average, we view Stor-Age's fair value as R18.50 at 30 September 2025.**
- **Rolling this forward, we arrive at a 12m (30 September 2025) TP of R19.43. Our valuation target price at 17 November 2025 is R19.70.**

Table 18: Stor-Age Valuation – Relative Valuation Model

Company	Country	March 2025 (FY25 results) EV/EBITDA	March 2025 (FY25 results) Price/Book	September 2025 (1H 26 annualised) EV/EBITDA	September 2025 (1H 26 annualised) Price/Book
Shurgard Self-storage Ltd	Europe	22x	0.9x	22x	0.8x
Big Yellow Group PLC	UK	18x	0.8x	17x	0.9x
Safestore Holdings PLC	UK	17x	0.7x	17x	0.7x
Average of peers		**19x**	**0.8x**	**19x**	**0.8x**
Selected multiple		**19x**	**0.8x**	**19x**	**0.8x**
Adjustments: Country risk, size, gearing, interest rates[1]		20%	5.0%	10%	0%
Adjusted multiple		**15x**	**0.8x**	**17x**	**0.8x**
Stor-Age NAV (R million)			8,544		8,671
Stor-Age EBITDA + income from ass (Rm)		932		964	
Enterprise value (R million)		**13,980**		**16,388**	**6,937**
Less: Net Debt (R million)(after dividend and tax)[2]		-4,651		-4,688	
Equity value (R million)		**9,329**	**6,835**	**11,700**	**6,937**
Average equity value (R million)			**8,082**		**9,319**
Shares outstanding (million)			*481.7*		*483.2*
Equity value per share (31 March 2025 / 30 September 2025)			**R16.78**		**R19.29**

Sources: Stor-Age and Blue Gem Research workings and assumptions

Note 1: We regard Stor-Age as a superior investment due to it being represented in two geographies, higher profit margins, substantially higher dividend yield and past performance. Higher gearing is a consideration, though on balance, Stor-Age is on par with the peers as investment opportunity

Note 2: We calculated the net debt differently in the FY 25 Report where we valued the share at R16.71 on this basis

Table 19: Stor-Age Valuation – Dividend Discount Model

Input	Assumptions/Source	March 2025 Value	September 2025 Value
Cost of Equity	**CAPM formula (rounded)**	**10%**	**10%**
Risk free	*SA R2032*	8.25%	8.29%
Equity risk premium	*PWC Valuation Survey*	6.0%	6.0%
Beta	*Sharedata 5 Yr average*	0.30	0.25
Terminal growth rate (real)	**Inflation + moderate growth**	**3.0%**	**3.0%**
Projected dividend (next 12 months)		R1.17	R1.24
GGM Valuation Rounded: Formula is (R1.17 & R1.24) / (10% - 3%)		**R16.71**	**R17.71**

Sources: Stor-Age, Koyfin, various data providers, and Blue Gem Research workings and assumptions

Table 20: Stor-Age's Equal-weighted Valuation

Summary valuation and expected 12-month return	March 2025 Assumption	September 2025 Assumption	March 2025 Value	September 2025 Value
Average of two valuations			**R16.75**	**R18.50**
Share price 31 March 2025 / 30 September 2025			R14.59	R15.50
Target price 31 March 2026 / 30 September 2026 (valuation + 5% growth in NAV)			**R17.58**	**R19.43**
Expected return from 31 March 2025 / 30 September 2025:				
Dividend	8.0%	8.0%	R1.17	R1.24
Price appreciation	20.5%	25.3%	R2.99	R3.93
Total 12m Expected Return	**10.6%**		**R4.17**	**R5.17**
As a % of 31 March 2025 / 30 September 2025 share price			*29%*	*33%*
As a % of valuation			*5%*	*28%*
Hypothetical expected return from 30 June 2025 / 17 November 2025				
Share price 30 June 2025 / 17 November 2025			R15.95	R18.10
Target price 30 June 2026 / 17 November 2026 (valuation + growth)			**R17.80**	**R19.70**
12 m dividend (potentially higher thus conservative)			R1.17	R1.24
Total return			**R3.02**	**R2.84**
Return as % of share price on 30 June 2025 / 30 September 2026			*19%*	*16%*

Source: Blue Gem Research

Annexure A: Analysis of half-year and full-year results for FY24 and FY25

Table 21: Half year and full year results comparison and FY 26 projection

Description	H1 24 Actual	FY 24 Actual	H1 25 Actual	FY 25 Actual	% (1)	% (2)	H1 26 Actual	FY 26 Projected	% (3)
Property revenue	**600**	**1 228**	**649**	**1 319**	*49*	*49*	**699**	**1 398**	*6.0*
Rental income	559	1 144	604	1 227	*49*	*49*	651	1 302	*6.1*
Other income	42	84	45	92	*50*	*49*	48	96	*4.3*
Expected credit losses recognised on tenant receivables	-3	-6	-3	-6	*53*	*50*	-5	-9	
Direct property costs	-156	-317	-165	-342	*49*	*48*	-182	-364	*6.6*
Net property operating income (NPOI)	**441**	**904**	**481**	**971**	***49***	***49***	**513**	**1 025**	***5.5***
Other revenue - management fees	39	63	35	71	*61*	*50*	32	64	*-9.9*
Administration expenses	-87	-184	-90	-198	*47*	*45*	-97	-193	*-2.8*
Net property operating profit (NPOP)	**393**	**784**	**426**	**844**	***50***	***50***	**448**	**896**	***6.2***
Foreign exchange (losses)/gains	4	8	-4	-2			-6	-12	
Fair value adjustment to investment properties	106	251	186	443	*42*	*42*	213	425	*-4.1*
Other fair value adjustment to financial instruments	-23	-70	-7	-20			1	2	
Depreciation and amortisation	-5	-10	-5	-9	*48*	*52*	-4	-8	
Profit from operations	**475**	**963**	**596**	**1 256**	***49***	***47***	**652**	**1 303**	***3.7***
Net finance cost	-101	-204	-123	-267	*50*	*46*	-141	-282	*5.6*
Share of net profit of equity-accounted investees	9	37	3	48	*24*		19	38	*-21*
Profit before taxation	**382**	**796**	**476**	**1 037**	***48***	***46***	**530**	**1 059**	***2.1***
Growth									
Property revenue			*8.1%*	*7.4%*			*7.7%*	*6.0%*	
NPOP			*8.2%*	*7.6%*			*5.3%*	*6.2%*	
Profit from operations			*25.6%*	*30.4%*			*9.3%*	*3.7%*	
Margins									
NPOI	*73%*	*74%*	*74%*	*74%*			*73%*	*73%*	

Sources: Stor-Age financial reports and Blue Gem calculations.
Note 1: H1 24 vs FY 24.
Note 2: H1 25 vs FY 25
Note 3: FY 26 Projected vs FY 25

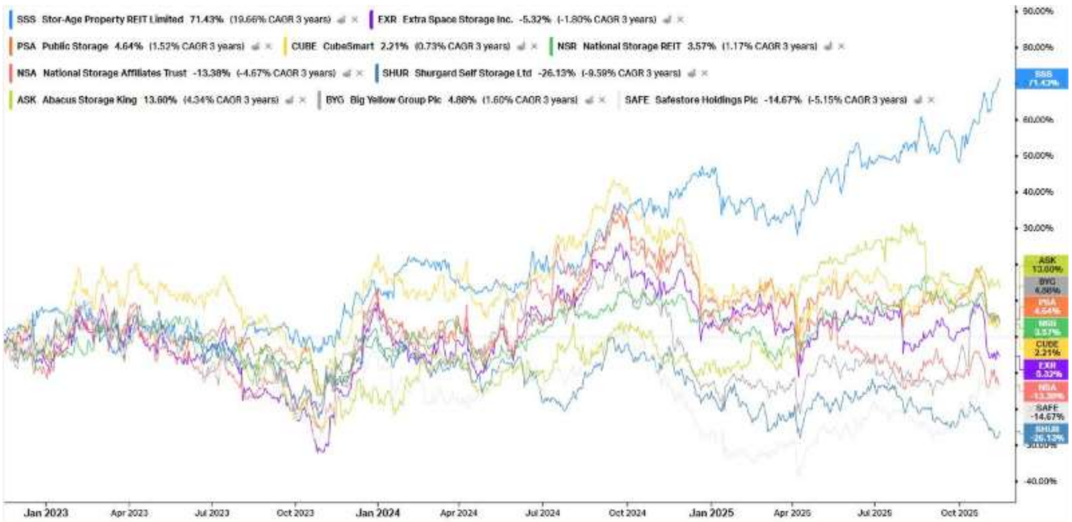
- The calculations in **Table 21** indicate that, based on the prior two years, the full-year results can (reasonably) be annualised as approximately double the half-year results for all material numbers – showing the consistency of Stor-Age's operations.
- It is noticeable that revenue growth is slightly higher in the second half, which likely reflects some of the pressure in the UK self-storage space.
- The profit margins are very similar in the second half, revealing that despite 2H 26 growth pressure, management continues to carefully manage their costs.
- The 1H 26 Fair Value and other items leading to Profit from operations were multiplied by two, though it's less predictable than the numbers leading to NPOP.
- Actual Profit from operations and Profit before tax will thus likely differ by a larger margin from the projection than the other profit numbers.

ANNEXURE B: Share price performance vs global listed peers

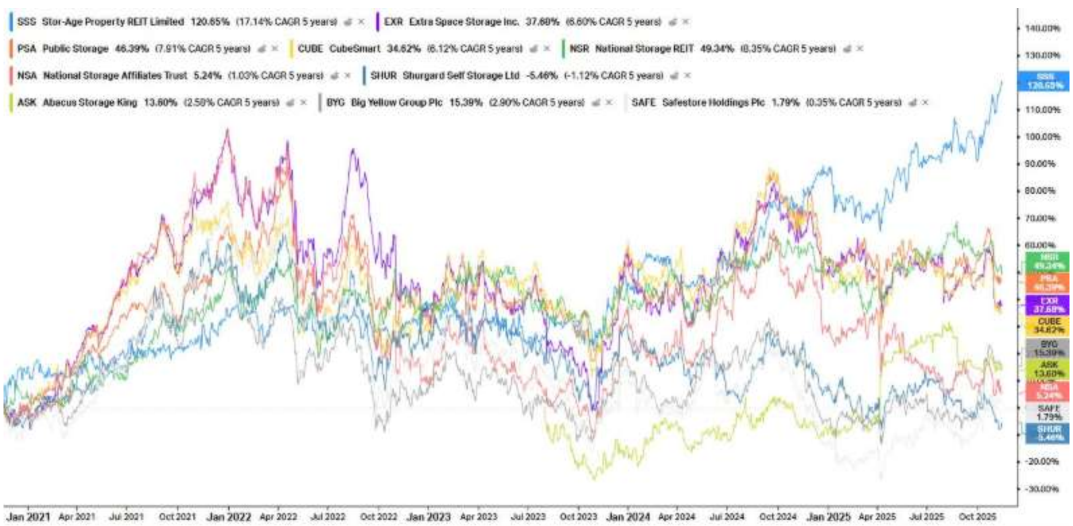
Below are graphs for three-, five- and ten-year periods:

Figure 4: Share price graphs

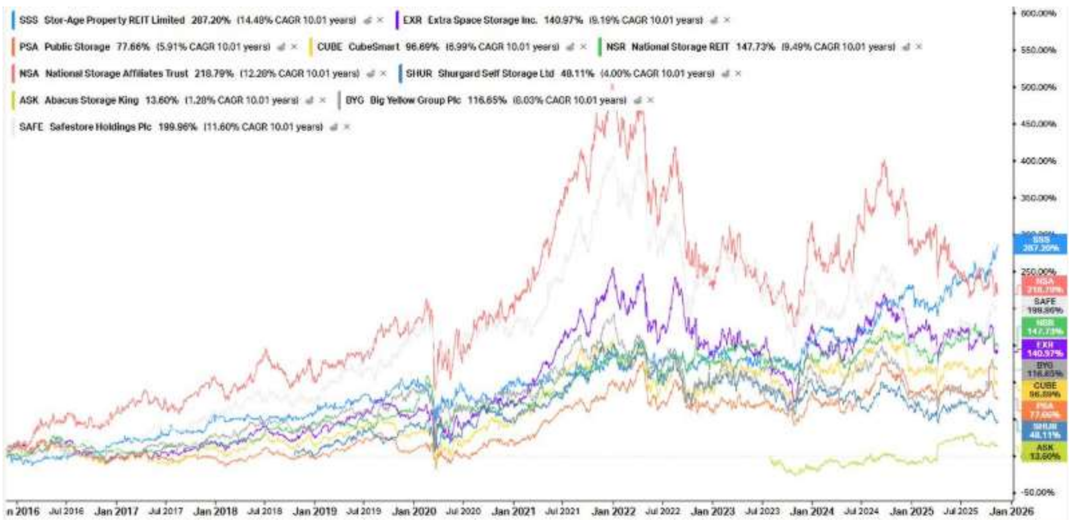
<u>Three years</u>



<u>Five years</u>



Ten years



Source: TradingView (performance in Rands)

- **In Figure 4, Stor-Age's 3-year, 5-year, and 10-year Total Returns (i.e. share price with dividends reinvested) , remarkably outperform all other listed peers over these periods!**
  - This is despite Stor-Age being materially smaller and younger than these other self-storage REITS, *and*
  - This is despite Stor-Age having nearly half its property portfolio exposed to Emerging Markets (i.e. South Africa) with most of these peers being USA, UK and Australian-focussed.
  - **This highlights—amongst the other peer comparison metrics—the *quality* of Stor-Age's underlying operations, properties and its management.**

Annexure C: Management and Directors

Graham Blackshaw. *Chairman BA LLB. Joined the board prior to listing in 2015. A former lead development partner in the Faircape group of companies, Graham played an integral role in driving the formation of the Stor-Age joint venture between Acucap, Faircape and Stor-Age Property Holdings in 2010. An attorney, Graham practised law at Herold Gie and Broadhead before joining the Cape of Good Hope Bank, where he went on to head up the Property Lending Division. Appointed to the position of chairman in January 2020.*

Gavin Lucas *Chief Executive Officer (CEO) CA (SA). Joined the board before listing in 2015. An entrepreneurial property developer backed by an experienced management team of professionals with a range of skills including investment banking, finance, property and construction, Gavin founded the Stor-Age Group in 2005. Leading the organisation by providing a common vision and mission, Gavin is responsible for the strategic direction of the Group, coordinating plans to meet strategic goals, overseeing the overall operations and stakeholder engagement.*

Stephen Lucas *Financial Director CA (SA). Joined the board before listing in 2015.*
Stephen is one of the founding shareholders of Stor-Age and has worked alongside Gavin and Steven in developing the business since its inception. Stephen focuses on the Group's financial and operational management, human resources and developing and executing the operations strategy. He has advisory experience in corporate finance and transaction support.

Steven Horton *Executive Director CA (SA). Joined the board before listing in 2015.*
Steven is head of property and directs the Group's property growth strategy. He oversees the procurement of all opportunities and the planning, development and property management of the portfolio across South Africa and the UK. Steven drives Stor-Age's acquisition and expansion efforts in both markets.

Non-executive directors: John Chapman BSc, Abu Varachhia BSc QS (SA), Alan Menigo CA (SA), Akua Koranteng MSc IntFin (ABS), BCom Hons (UCT), PGDipOL (SBS).

The above illustrates and highlights that Stor-Age has had (and still has) an entrepreneurial executive management team with a strong 20-year track record that will likely remain in place for the foreseeable future.

Disclaimer

Confused by this report? View our FAQ and the below disclaimer.

Potentially a Commissioned Report

With reference to the disclosure contained within the 'Disclosures*' section below, it is possible that Blue Gem Research (Pty) Ltd has agreed with Stor-Age Property REIT Ltd (here after referred to as 'the Company') for the inclusion of the Company in its coverage universe for a certain time period. Part of this agreement includes payment to Blue Gem Research (Pty) Ltd by the Company and, as such, Blue Gem Research (Pty) Ltd, any employees, contractors and/or contracted analysts who worked on this report cannot be considered independent in any way. Thus, it is safest for you to consider this as a commissioned report, marketing material, and it cannot be considered financial advice, investment advice or any such similar material.

In the event that this is not a 'Commissioned Report', then all the usual disclaimers concerning independent research are applicable per industry norms.

Ownership of the Report

While this report was produced by the Analyst—under supervision of and using templates produced by Blue Gem Research (Pty) Ltd—this report is the property of Blue Gem Research (Pty) Ltd but may be freely distributed so long as in the act of such a distribution no additions to, deletions from and modifications to this report are made. Furthermore, no party without the express permission of Blue Gem Research (Pty) Ltd may sell this report or make any direct form of compensation from the re-distribution thereof.

Frequency of Next Update

The frequency of new and/or updated report is left at the discretion of Blue Gem Research (Pty) Ltd and/or the Analyst. No guaranty or promise is made for any level of frequency or timeliness concerning an update or related report with regards to this report.

Disclosures*

A. The Analyst is an officer, board member, or director of the Company
B. The Company is a client of Blue Gem Research (Pty) Ltd (i.e. this is a Commissioned Report) and Blue Gem Research (Pty) Ltd has received money in exchange for the production of this report.
C. Analyst holds long or short personal positions in a class of common equity securities of this company

Stor-Age Property REIT Ltd	B

Financial Numbers, Forecasts, Valuations and other Assumptions

While every effort has been made by the Analyst and Blue Gem Research (Pty) Ltd to ensure the accuracy and integrity of the financial numbers, ratios, forecast, valuations and other quantitative and qualitative data in this report, Blue Gem Research (Pty) Ltd does not warranty or guaranty its accuracy. The reader relies on this data and information from this report at his/her own risk. Furthermore, in the case of forecasts and valuations, Blue Gem Research (Pty) Ltd wholly and completely cannot be held liable for any damage or loss caused by any individual, collection of individuals or business or any other party by said party acting or not acting based on the forecasts and valuation(s) included in this report. By their very nature, forecasts and valuations may not be accurate and, indeed, may be wholly and completely wrong. All opinions, views, forecasts and valuations are solely the responsibility of and the independent opinion of the Analyst and, while Blue Gem Research (Pty) Ltd, has endeavoured the ensure the Analyst's view expressed stands up to scrutiny, the view is solely that of the Analyst and, thus, Blue Gem Research (Pty) Ltd cannot be held liable for it nor does the act of publishing this/these opinions, views, forecasts and valuations in any way show agreement, endorsement or sharing of the Analyst's view.

Legal Entities

To South African Residents: **Blue Gem Research (Pty) Ltd is not an Authorised Financial Services Provider.** This report is not financial advice, investment advice or any such similar material. **This report constitutes "marketing information".** Blue Gem Research (Pty) Ltd and/or its employees and/or officers and/or the Analyst(s) have no knowledge of any reader's or readers' financial position(s) and, hence, this cannot in any way be construed as direct or indirect advice leading any person or persons to act thereon. Any decision made or not made which can in any way be linked to this report is solely the responsibility of the party or parties making such a decision. I.e. Blue Gem Research (Pty) Ltd cannot be held liable for any result based on any decision that can be directly or indirectly linked to this report.

General

For the purposes of this report Blue Gem Research (Pty) Ltd refers to all directors, employees, contractors, sub-contractors and any Analysts of Blue Gem Research (Pty) Ltd. This research report is based on information from sources that Blue Gem Research (Pty) Ltd believes to be reliable. Artificial intelligence (AI) may have been utilized to assist in the preparation of certain components or analyses within this report. Whilst every care has been taken in preparing this document, no research analyst or employee or director of Blue Gem Research (Pty) Ltd gives any representation, warranty or undertaking and accepts no responsibility or liability as to the accuracy or completeness of the information set out in this document (except with respect to any disclosures relative to members of Blue Gem Research (Pty) Ltd and the research analyst/s involvement with any issuer referred to above. All views, opinions and estimates contained in this document may be changed after publication at any time without notice. Past performance is not indicative of future results. The investments and strategies discussed here may not be suitable for all investors or any particular class of investors; if you have any doubts, you should consult your investment advisor. The investments discussed may fluctuate in price or value. Changes in rates of exchange may have an adverse effect on the value of investments. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Directors, employees, contractors, sub-contractors and any Analysts of Blue Gem Research (Pty) Ltd and/or their respective directors' may own the investments of any of the issuers discussed herein and may sell them to or buy them from clients on a principal or agent basis. The contents of this report may be out of date from the date it was published and facts, circumstances, markets, prices, exchange rates and other relevant financial context may have changed significantly that renders this report null and void, and the onerous to consider this is placed on the reader at the time of reading. This report is for information purposes only. By accepting this document, you agree to be bound by the foregoing limitations and release Blue Gem Research (Pty) Ltd from any potential legal or otherwise liability.

NOT FOR DISTRIBUTION OUTSIDE OF SOUTH AFRICA OR IN ANY JURISTICTION WHERE THIS MAY BREACH THE LOCAL LAWS OR REGULATIONS.