

Principal Risks and Uncertainties

The Directors have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, or liquidity. The Group maintains a low appetite to risk, in line with our strategic objectives of providing a low volatility, high distribution business.

The section below details the emerging and principal risks and uncertainties that are considered to have the most material impact on the Group's strategy and objectives. These key risks are monitored on an ongoing basis by the Executive Directors and considered fully by the Board in its annual risk review.

Risk and impact	Mitigation	Change during the year and outlook
<p>Self storage market risk</p> <p>There is a risk to the business that the self storage market does not grow in line with our projections, and that economic growth in the UK is below expectations, which could result in falling demand and a loss of income.</p>	<p>Self storage is a relatively immature market in the UK compared to other self storage markets such as the United States and Australia, and we believe has further opportunity for growth. Awareness of self storage and how it can be used by domestic and business customers is relatively low throughout the UK, although higher in London.</p> <p>The rate of growth of branded self storage on main roads in good locations has historically been limited by the difficulty of acquiring sites at affordable prices and obtaining planning consent.</p> <p>Our performance during the past six years has been resilient with revenue growing by 62% from £129.3 million in the year ended 31 March 2020 to £209.1 million for this year. We believe that this performance is due to a combination of factors including:</p> <ul style="list-style-type: none"> – a high quality and growing portfolio of freehold properties delivering higher operating margins; – a focus on London and the South East and other large urban conurbations, where the drivers in the self storage market are at their strongest and the barriers to competition are at their highest; – continuing innovation and automation; – an inclusive and non-hierarchical culture with a highly engaged team; – a focus on delivering the highest levels of customer service; – delivering on our strong ESG commitments; – the UK's leading self storage brand, with high and growing public awareness and online strength; and – strong cash flow generation from a secure capital structure. <p>We have a large current storage customer base occupying approximately 71,000 rooms spread across the portfolio of stores and hundreds of thousands more who have used our stores over the years. In any month, customers move in and out at the margin resulting in changes in occupancy. This is a seasonal business and typically we see growth over the spring and the summer months, with the seasonally weaker period being the winter months.</p>	<p>The past four financial years have seen a challenging geopolitical and macroeconomic backdrop, with the Russian invasion of Ukraine in February 2022, the US regional banking crisis, the collapse of Credit Suisse, the conflict in the Middle East, the impact of rising inflation and interest rates, the imposition of tariffs by the United States, and the Iran conflict.</p> <p>The Iran conflict has led to an increase in mortgage rates in the UK, and the spectre of rising inflation. This could impact cost of living in the UK, and the level of housing transactions may fall as the cost of mortgages increases.</p> <p>The Group's activity levels can be impacted by macro-economic and geo-political dislocations, and we saw a reduction in our activity levels in April and May 2025, and again in March 2026.</p> <p>We have seen some competitor openings in the year in our areas of operation, although the overall level of penetration of self storage in the UK remains significantly below that of the US and Australia.</p>

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<p>Property risk</p> <p>There is a risk that we will be unable to acquire new development sites which meet management's criteria. This would impact on our ability to grow the overall store platform.</p> <p>Changing climate and resulting likely changes to planning restrictions will narrow choice of available sites further.</p> <p>The Group is also subject to the risk of failing to obtain planning consents on its development sites, and the risk of a rising cost of development.</p> <p>Planning approval is increasingly dependent on Social or Environmental enhanced features (e.g. social enterprise at Battersea, BREEAM standards, local planners demands for green spaces) – adding cost and complexity.</p>	<p>Our management has significant experience in the property industry generated over many years and in particular acquiring property on main roads in high profile locations and obtaining planning consents. We do take planning risk where necessary, although the availability of land, and competition for it makes acquiring new sites challenging.</p> <p>Our in-house development team and our professional advisers have significant experience in obtaining planning consents for self storage centres.</p> <p>We manage the construction of our properties very tightly, working with an established professional team of external advisers and sub-contractors who have worked with us for many years to our Big Yellow specification.</p> <p>We carried out an external benchmarking of our construction costs and tendering programme during 2023, which reinforced our current approach, but also gave some areas where further efficiencies and cost savings can be achieved, which we have been implementing since then.</p>	<p>The Group has a pipeline of 12 sites which, when opened, would expand the Group's current MLA by 13%.</p> <p>The planning process remains difficult and to achieve a planning consent can take anything from eighteen months to three years. Local planning policy is favouring residential development over other uses, and we don't expect this to change given the shortage of housing in the UK.</p> <p>We have planning consent on nine of the 12 development sites and expect to open four stores during the year ending 31 March 2027.</p>
<p>Valuation risk</p> <p>The valuation of the Group's investment properties may fall due to external pressures or the impact of performance.</p> <p>Lack of transactional evidence in the self storage sector leads to more subjective valuations.</p>	<p>The portfolio is diverse with approximately 71,000 rooms currently occupied in our stores for a wide variety of reasons.</p> <p>The valuations are carried out by independent, qualified external valuers who have significant experience in the UK self storage industry.</p>	<p>The revaluation surplus on the Group's open store investment properties was £15.7 million in the year (an uplift of 0.5%), due to a slight improvement in the underlying cash flows used in the valuations.</p> <p>There have been several larger portfolio transactions across Europe over the past four years, notably including the acquisition of Lok 'n Store by Shurgard, which completed in August 2024 and there is a weight of institutional money looking to invest in self storage.</p> <p>There is significant headroom on our loan to value banking covenants.</p>

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<p>Treasury risk</p> <p>The Group may face increased costs from adverse interest rate movements.</p>	<p>Our financing policy is to fund our current needs through a mix of debt, equity, and cash flow to allow us to selectively build out the remaining development pipeline and achieve our strategic growth objectives, which we believe improve returns for shareholders. We have made it clear that we believe optimal leverage for a business such as ours should be a debt to EBITDA ratio in the range of 3 to 4 times and this informs our management of treasury risk.</p> <p>We aim to ensure that there are sufficient medium-term facilities in place to finance our committed development programme, secured against the freehold portfolio, with debt serviced by our strong operational cash flows.</p> <p>We have a fixed rate loan in place from Aviva Commercial Finance Limited, with two and a half years remaining. The Group has a £120 million loan from M&G Investments, which is repayable in 2029. For our revolving credit facility, we borrow at floating rates of interest.</p> <p>The Group has a \$225 million credit approved shelf facility with Pricoa Private Capital ("Pricoa"), to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million with terms of between 7 and 15 years at short notice, typically 10 days.</p> <p>Our policy is to maintain a flexible borrowing structure, with a long-term average of approximately 50% of our total borrowings fixed, with the balance floating. At 31 March 2026 44% of the Group's total drawn borrowings were fixed or subject to interest rate derivatives. The Group reviews its current and forecast projections of cash flow, borrowing and interest cover as part of its monthly management accounts. In addition, an analysis of the impact of significant transactions is carried out regularly, as well as a sensitivity analysis assuming movements in interest rates and store occupancy on gearing and interest cover. This sensitivity testing underpins the viability statement below.</p> <p>The Group regularly monitors its counterparty risk. The Group monitors compliance with its banking covenants closely. During the year it complied with all its covenants and is forecast to do so for the foreseeable future.</p>	<p>The Bank of England base rate has continued to reduce during the year, with it currently at 3.75%, down from 4.25% at the start of our financial year. The projection for interest rates for the year ahead is uncertain.</p> <p>During the year, the Group fixed an additional £30 million of debt, by way of a callable swap. 44% of the Group's drawn debt is fixed, with the balance floating.</p> <p>Debt providers currently remain supportive to companies with a strong capital structure.</p> <p>The Group's interest cover ratio for the year ended 31 March 2026 was 6.1 times, comfortably ahead of our banking covenants, as disclosed in note 19.</p> <p>We keep our hedging arrangements under review and if the long-term cost of borrowing for durations of ten to twelve years falls, we will consider taking out more longer-term debt, which would increase the weighting of the fixed element.</p>
<p>Tax and regulatory risk</p> <p>The Group is exposed to changes in the tax regime affecting the cost of corporation tax, property rates, VAT, Stamp Duty and Stamp Duty Land Tax ("SDLT").</p> <p>The Group is exposed to potential tax penalties or loss of its REIT status by failing to comply with the REIT legislation.</p>	<p>We regularly monitor proposed and actual changes in legislation with the help of our professional advisers, through direct liaison with HMRC, and through trade bodies to understand and, if possible, mitigate or benefit from their impact.</p> <p>HMRC has designated the Group as having a low-risk tax status, and we hold regular meetings with them. We carry out detailed planning ahead of any future regulatory and tax changes using our expert advisers.</p> <p>The Group has internal monitoring procedures in place to ensure that the appropriate REIT rules and legislation are complied with. To date all REIT regulations have been complied with, including projected tests.</p>	<p>The Group has seen a significant increase in its property rates bill over recent years, with the 2023 rating list reflecting the rise in industrial rents over the past few years, alongside higher levels of CPI inflating our cost. The rating list for 2026 was published in November 2025 and will lead to a like-for-like increase of 8.5% (£1.8 million) in our rates cost for the financial year ending 31 March 2027.</p> <p>There is a risk that corporate tax rates will rise in the medium-term to fund the increasing government deficits.</p> <p>The Group has also experienced an increase in cost from the recent rises in National Insurance and the National Living Wage. We have sought to mitigate the impact of these through reductions in store headcount as we continue our investment in automation.</p>

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<p>Human resources risk</p> <p>Our people are key to our success and as such we are exposed to a risk of high staff turnover, and a risk of the loss of key personnel.</p>	<p>We have developed a professional, lively, and enjoyable working environment and believe our success stems from attracting and retaining the right people. We encourage all our staff to build on their skills through appropriate training and regular performance reviews. We believe in an accessible and open culture and everyone at all levels is encouraged to review, and challenge accepted norms to contribute to the performance of the Group.</p>	<p>The Group carried out an engagement survey of its employees during the year, which showed very pleasing results of the level of engagement of our teams.</p> <p>We have listened to the feedback from our employees raised during our engagement survey and made several changes to the Group's operations. This has included enhancing our careers pages and launching a vacancies mini-site, developing diversity-focused dashboards and promotion toolkits and partnering with apprenticeship providers to support employee progression and foster an inclusive workplace. A range of initiatives have been implemented to support employee development, including career insights videos, virtual masterclasses, expanded eLearning and workshops, mentoring and a video-based induction for part-time staff. These measures, alongside new performance reviews and talent mapping, aim to increase flexibility, accessibility, personal growth and succession planning across the business.</p>
<p>Brand and reputation risk</p> <p>The Group is exposed to the risk of a single serious incident materially affecting our customers, people, financial performance and hence our brand and reputation, including the risk of a data breach.</p>	<p>We have always aimed to run this business in a professional way, which has involved strict adherence with all regulations that affect our business, such as health and safety legislation, building regulations in relation to the construction of our buildings, anti-slavery, anti-bribery, and data regulations.</p> <p>We also invest in cyber security (discussed below), and make an ongoing investment in staff training, facilities management, and the maintenance of our stores.</p> <p>We work closely with our key suppliers to ensure a consistency of service from them.</p> <p>To ensure consistency of service and to understand the needs of our customers, we send surveys to every customer who moves in and moves out of the business. The results of the surveys and mystery shops are reviewed to continuously improve and deliver consistent performance throughout the business.</p> <p>We experienced a fire caused by arson at our Armadillo Cheadle store in 2022. Our crisis response team worked effectively in managing the incident.</p> <p>We maintain regular communication with our key stakeholders, customers, employees, shareholders, and debt providers.</p>	<p>The Group has a crisis response plan which was developed in conjunction with external consultants to ensure the Group is well placed to effectively deal with a major incident.</p>

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Risk and impact	Mitigation	Change during the year and outlook
<p>Security risk</p> <p>The Group is exposed to the risk of the damage or loss of a store due to vandalism, fire, or natural incidents such as flooding. This may also cause reputational damage.</p>	<p>The safety and security of our customers, their belongings, stores, and our staff remains a key priority. To achieve this, we invest in state-of-the-art access control systems, individual room alarms, digital CCTV systems, intruder and fire alarm systems and the remote monitoring of all our stores outside of our trading hours. We are the only major operator in the UK self storage industry that has every room in every Big Yellow store individually alarmed.</p> <p>We have implemented customer security procedures in line with advice from the Police and continue to work with the regulatory authorities on issues of security, reviewing our operational procedures regularly. The importance of security and the need for vigilance is communicated to all store staff and reinforced through training and routine operational procedures.</p>	<p>We have continued to run courses for all our staff to enhance the awareness and effectiveness of our procedures in relation to security.</p> <p>We have further invested in security improvements in our stores during the year, and are in the middle of a roll-out of app-based access to our stores. We have automated reports and alerts which notify our overnight monitoring station and the operating team of suspicious customer activity.</p> <p>We regularly review and implement improvements to our security processes and procedures.</p> <p>During the year, we increased our stake in our monitoring company, Doncaster Security Operations Centre Limited, now owing 74% of the business.</p>
<p>Cyber risk</p> <p>High profile cyber-attacks and data breaches are a regular staple in today's news. The results of any breach may result in reputational damage, fines, or customer compensation, causing a loss of market share and income.</p>	<p>The Group engages specialist cyber security advisors and consultants to inform our security strategy. We maintain dedicated in-house monitoring capabilities and conduct systematic reviews of our security infrastructure. Customer data retention is limited to the minimum regulatory and operational requirements.</p> <p>Our policies and procedures are subject to ongoing review and benchmarking against industry best practice by our external consultants. These encompass defence, detection, and response protocols.</p>	<p>Whilst we do not assess the risk exposure for the Group to have increased disproportionately relative to comparable organisations, we recognise that threats across the digital landscape continue to intensify and adapt. Accordingly, we have maintained our investment programme in cyber security, upgrading and replacing infrastructure components as necessary to ensure resilience.</p>
<p>Climate change related risk</p> <p>The Group is exposed to climate-change related transition and physical risks. Physical risks may affect the Group's stores and may result in higher maintenance and repair costs. Failing to transition to a low carbon economy may cause an increase in taxation, decrease in access to loan facilities and reputational damage.</p>	<p>The good working order of our stores is of critical importance to our business model.</p> <p>We visually inspect each of our stores at least once per annum and planned and unplanned work is discussed immediately.</p> <p>Maintenance requirements are discussed at budget reviews; proposals are made to raise climate change related issues to the Board, who may request more holistic adaptation work to be carried out.</p> <p>The key mitigation strategy to address transitional risks is the delivery of our Sustainability Strategy and the Net Zero Scope 1 and Scope 2 Emissions Strategy. Our investment to decarbonise our business over the coming years is expected to mitigate fully against taxation (carbon tax) risk and reputational risks (both investors and customers).</p>	<p>Our Sustainability Committee, chaired by a Non-Executive Director, has delivered an ambitious strategic plan to 2032.</p> <p>We appreciate that both physical and transition risks are expected to materialise to lesser or greater extents over the coming years and costs may go up gradually, hidden within what may be perceived as 'natural variations'. Our focus and strong governance will allow us to continue to mitigate the effects.</p>

Internal audit

The Group employs a Head of Store Compliance responsible for reviewing store operational and financial controls. He reports to the Chief Financial Officer and meets with the Audit Committee at least once a year. This role is supported by three other team members, enabling additional work and support to be carried out across the Group's store portfolio. The Store Compliance team visits each operational store at least once every nine months to carry out a detailed store audit. These audits are unannounced, and the Store Compliance team carry out detailed tests on financial management, administrative standards, and operational standards within the stores. Part of the store staff's bonus is based on the scores they achieve in these audits. The results of each audit are reviewed by the Chief Financial Officer, the Chief Operating Officer, the Financial Controller, and the Head of Store Operations. This is the equivalent of an internal audit function for the Group's store operations.

For the key business cycles conducted at the Group's head office, external consultants are used to review the Group's controls on a rotational basis. The consultants produce a report with recommendations which is discussed with management and reviewed by the Audit Committee. The cycles covered by this activity include construction expenditure, treasury, taxation, and facilities management.

During the prior year, the Group implemented new software to enable us to better capture risks and controls and implement a formal testing cycle ahead of the new Corporate Governance Code. With the assistance of external consultants, we performed a detailed walk through of key processes. We have developed a detailed Risk and Controls Matrix in these areas and documented the workflows. These are embedded in the software, and with reference to best practice will highlight any risks we can further develop controls around, or any controls that could be improved.

With the combination of the store compliance process, the external assessment of the key business cycles, and the software to manage and report on risks, the Audit Committee considers that this provides a robust internal audit assessment for the Group, and hence there is no need for a separate Internal Audit function.

Going concern

A review of the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are shown in the balance sheet, cash flow statement and accompanying notes to the financial statements. Further information concerning the Group's objectives, policies, and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk can be found in this Report and in the notes to the financial statements.

At 31 March 2026 the Group had available liquidity of approximately £92 million, from a combination of cash and undrawn bank debt facilities. In addition, since the year end, the Group put in place a \$225 million credit approved shelf facility with Pricoa Private Capital to be drawn in fixed sterling notes. The Group can draw the debt in minimum tranches of £10 million with terms of between 7 and 15 years at short notice, typically 10 days. The Group is cash generative and for the year ended 31 March 2026, had cash flow from operating activities (after net finance

costs and pre-working capital movements) of £111.5 million, with capital commitments at the balance sheet date of £54.3 million. The Group has net current liabilities at the balance sheet date and draws on its Revolving Credit Facility (current headroom of £83 million) as required, as it is inefficient for the Group to hold significant amounts of cash.

The Directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements, taking into account the Group's operating plan and budget for the year ending 31 March 2027 and projections contained in the longer-term business plan which cover the 18 month going concern assessment period. After reviewing these projected cash flows together with the Group's and Company's cash balances, borrowing facilities and covenant requirements, and potential property valuation movements over that period, the Directors believe that, taking account of severe but plausible downsides, the Group and Company will have sufficient funds to meet their liabilities as they fall due for that period.

In making their assessment, the Directors have carefully considered the outlook for the Group's trading performance and cash flows as a result of the current economic environment, taking into account the trading performance of the Group over the recent dislocations in the global economy from Covid-19, the Russian invasion of Ukraine, the impact of rising inflation and the war in Iran. The Directors have also considered the performance of the business during the Global Financial Crisis. The Directors modelled several different scenarios, including material reductions in the Group's occupancy rates and property valuations, and assessed the impact of these scenarios against the Group's liquidity and the Group's banking covenants. The scenarios considered did not lead to breaching any of the banking covenants, and the Group retained sufficient liquidity to meet its financial obligations as they fall due.

Consequently, the Directors continue to adopt the going concern basis in preparing the Group and Company financial statements.

Viability statement

The Directors have assessed the Group's viability over a four-year period to March 2030. This period is selected based on the Group's long-term strategic plan to give greater certainty over the forecasting assumptions used. As in the assessment of going concern, the Directors have modelled several different scenarios on the Group's future prospects.

In making their assessment, the Directors took account of the Group's current financial position, including committed capital expenditure. The Directors carried out a robust assessment of the emerging and principal risks and uncertainties facing the business, their potential financial impact on the Group's cash flows, REIT compliance and financial covenants and the likely effectiveness of the mitigating options detailed. The Directors have assumed that funding for the business in the form of equity, bank debt and debt provided by insurance companies will be available in all reasonably plausible market conditions. Whilst the eventual impact of the current economic environment on the Group is uncertain, and may not be known for some time, the Group has a highly cash generative business, good liquidity and has proved resilient in its trading in recent years.

Based on this assessment the Directors have a reasonable expectation that the Company and the Group will be able to continue operating and meeting all their liabilities as they fall due to March 2030.