ANNUAL REPORT 2022

JANUARY 1, 2022 TO DECEMBER 31, 2022

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Picture:
Andre Johnson
Kensington store, UK

Shurgard is the largest owner and operator of self-storage facilities in Europe by both number of stores and rentable space. We operate 1.4 million sqm of space across 267 stores in seven countries where over 182,000 customers lease our storage units every year.

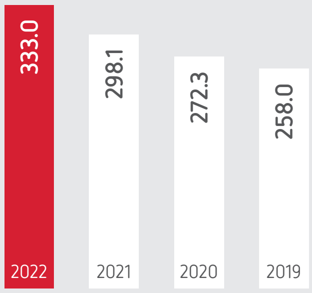
The consolidated financial statements presented on page 188 and following in pdf format is only a supplementary document.
The official ESEF (European Single Electronic Format) version prevails.

Key financials

Shurgard has delivered a very strong financial performance in 2022, driven by the dual engines of same-store sales growth and portfolio expansion through the ramp-up of new developments. We have seen revenue growth in all our markets, where high occupancy and in-place rents are underpinned by in-demand locations, and we have a pipeline of similarly desirable new developments for 2023 and 2024.

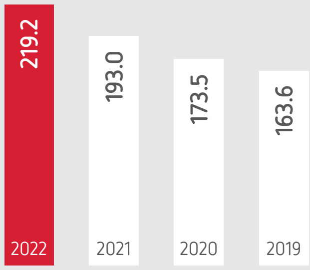
Property operating revenue
€ million (at CER)

+11.7%



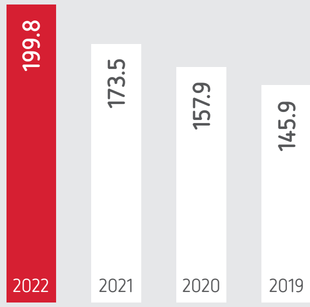
Income from property (NOI)
€ million (at CER)

+13.6%



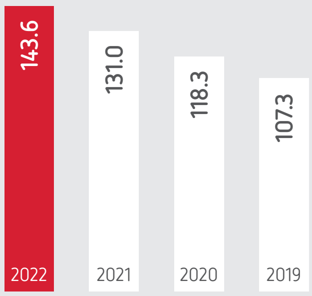
EBITDA
€ million (at CER)

+15.1%



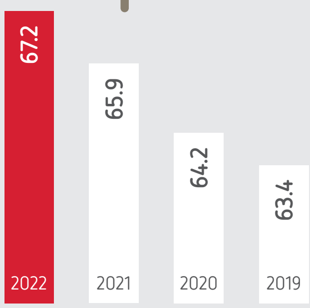
Adjusted EPRA earnings
€ million

+9.5%



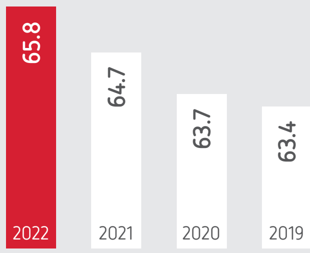
NOI margin (Same store)
% (at CER)

+1.3p



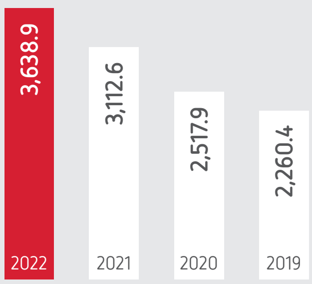
NOI margin (All store)
% (at CER)

+1.1p



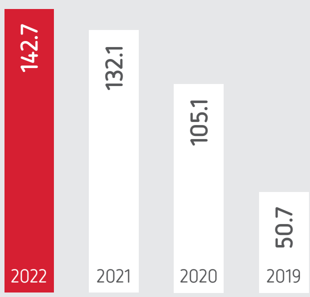
Epra net tangible assets (NTA)
€ million

+16.9%

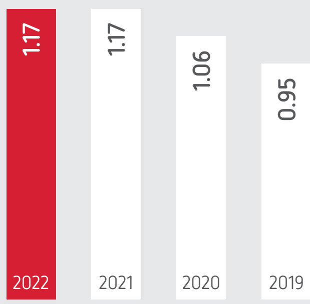


Investments
€ million (at CER)

+8.2%



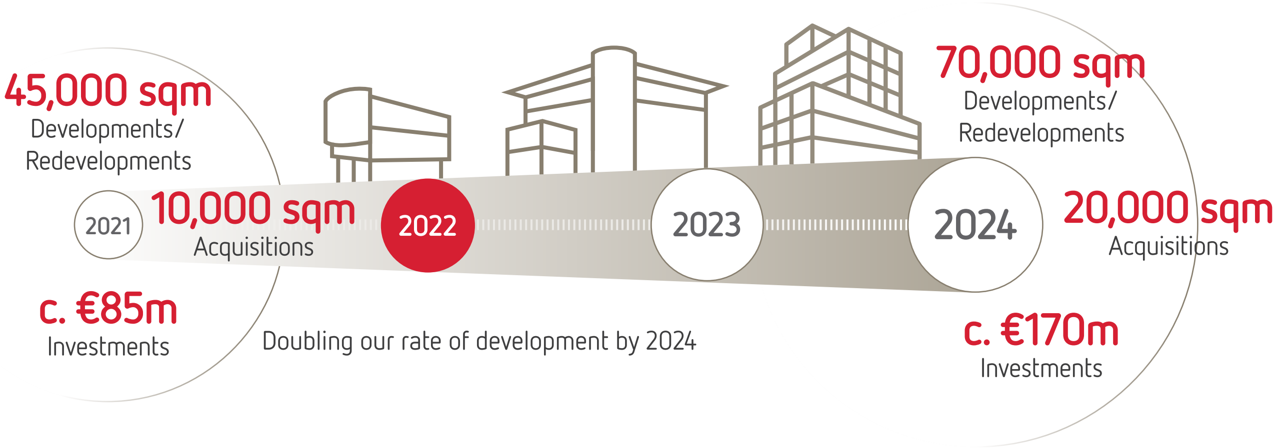
Dividend per share
€



Notes See page 22 for notes to Key Financials.

Growing from solid foundations

Shurgard is in a new phase of expansion, undertaking accelerated growth to double the rate of development by 2024. The foundations of our successful self-storage platform are laid, now we are building on an already agile organization to maximize speed and minimize risk as we execute our strategic growth plan.



This agility and speed is evident in our 2022 success. We delivered 11.7% growth in property operating revenue to €333.0 million from €298.1 million. Through a combination of 14 projects (redevelopments, new developments and acquisitions) in 2022, we added 65,400 sqm to our portfolio.

THE JOURNEY

As laid out during our Investor Day in September 2021, the plan is to double our development and acquisition pipeline by 2024, increasing our square footage by 90,000 sqm per year. To facilitate this acceleration, we will double our investment in new developments from c. €60 million to c. €120 million per year, and increase our acquisition target to c. €50 million per year. The lead time for new property development is usually around two years, so we have been expanding our team and improving our processes to be able to achieve this ambitious growth.

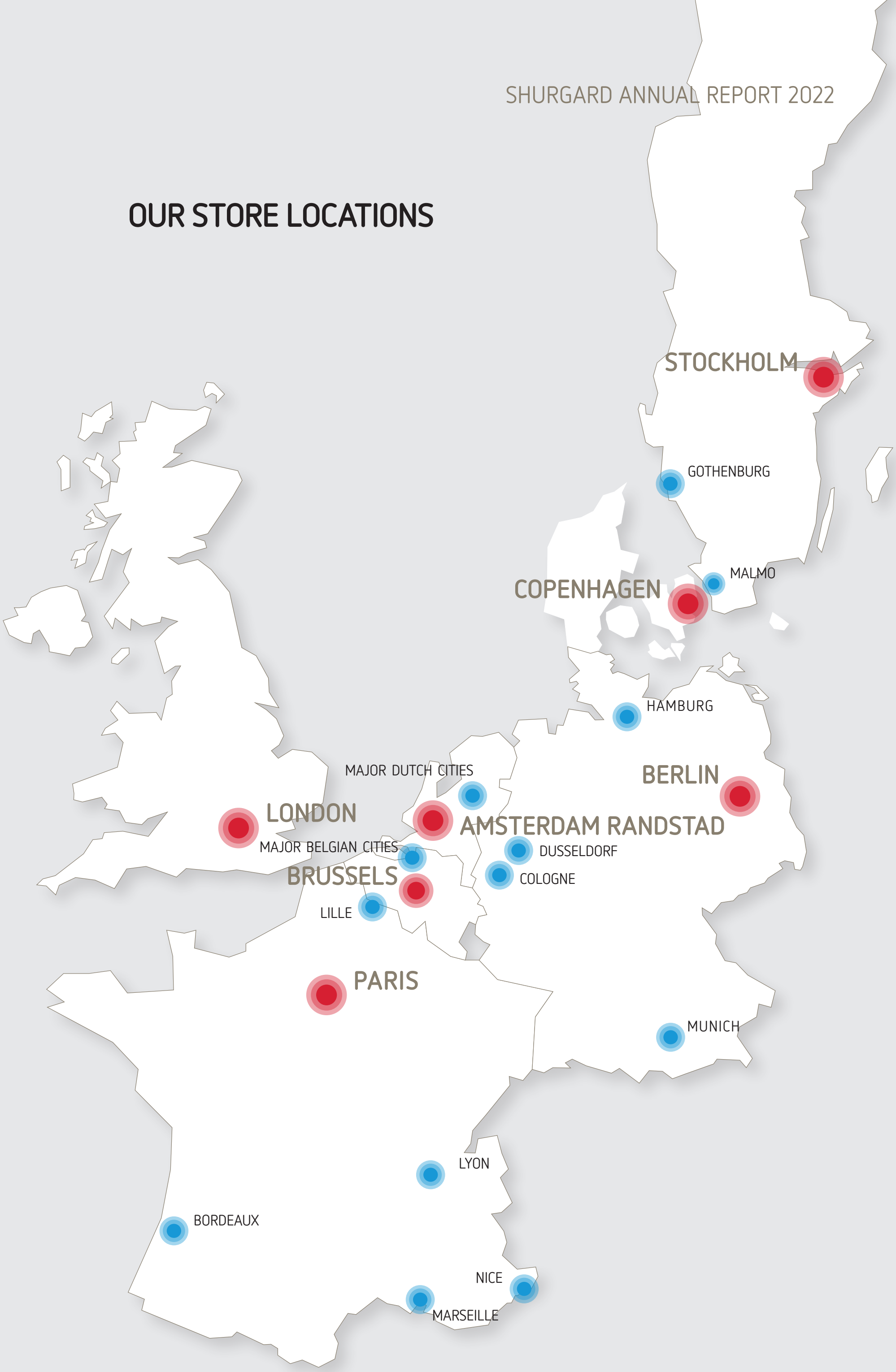
Acceleration does not just mean doing things more quickly though. Increasing volume without extracting more value will not be enough to propel Shurgard to the new heights we set out at the end of 2021.

At the forefront of our acceleration plan is a transformation agenda. Shurgard is examining all the processes and systems that drive our growth and finding ways to improve them. We have introduced a transformation department to lead these innovations and accelerate the positive changes throughout the business.

We are doing this against the backdrop of a worsening global economic environment. Post pandemic hopes for a bounce back in economic activity have been stymied by the Ukraine war and high inflation. But self storage is a very resilient sector, as the pandemic itself proved. Life stages will not stop because of the cost-of-living crisis. People still need to downsize or sell up, they are still getting married or divorced, and their children are still becoming independent, necessitating the need for storage at any and all of these points. We have maintained occupancy in the face of these headwinds, with average same store occupancy in 2022 at 90.5%.

Of course, we are not immune to the environment in which the business operates. The significant inflationary pressures experienced across global markets have pushed the cost of goods and services up. Despite this environment, the growth of our operating expenses remained below revenue growth, resulting in NOI margin improvement. Our digital transformation program has enabled Shurgard to manage current inflationary salary pressure. As our customer needs change, we are amending some store operating practices - remotely managing stores from nearby locations, and adjusting store opening hours - to reflect customer behavior. Natural attrition has allowed for a seamless transition where these changes have been made. The structural characteristics and resilience of the sector coupled with our operational leverage and strong positioning in dense urban locations, continues to underpin our growth. This has enabled Shurgard to improve its profitability despite rising costs. In 2022, income from property (NOI) increased to €219.2 million from €193.0 million, reflecting growth of 13.6%.

OUR STORE LOCATIONS



SHURGARD SELF-STORAGE

THE LARGEST

owner and operator of self-storage facilities in Europe by both number of stores and rentable space.

267
in seven countries

1.4 million sqm
of space

over
182,000
customers

● CAPITAL CITIES

180

● MAJOR CITIES

69

As of December 31, 2022 18 stores are located in other cities not highlighted on the map. "Major cities" defined as non-capital cities with a certain level of population.

Shurgard has built its portfolio of 93% freehold properties on a focused location strategy of tier one and capital cities. There are several key advantages to this strategy which feed into our resilient business model, including barriers to entry (for potential competitors) and population density. Central city locations are harder to acquire and build on than less dense areas, and Shurgard has a long history of succeeding in building, expanding or acquiring in these areas. We also use the population density to our advantage, with more prospects or customers within close proximity to our stores, and living/work space at a premium necessitating external storage. A direct outcome of our ability to continue delivering quality products in quality locations is high occupancy and rental growth, which is especially relevant as we navigate the challenging macro environment.

Transformational change

Shurgard is in the process of accelerating growth, and this means making more decisions more quickly to reach our ambitious development goals. We are also undertaking this evolution at a time when the external environment is changing quickly.

The pandemic has irrevocably changed how our customers interact with us. For example, they now expect enhanced automation and a digital customer experience, and these new interactions present us with opportunities to improve our services and control our costs. In response, we have formally created a transformation department to identify and evaluate enterprise-wide opportunities that will benefit the company and our customers, as well as ensure their effective implementation. Our new Transformation Director, Carlo Swaab, is a long-term veteran of Shurgard and will be working with all departments across the business to improve our agility and speed without compromising on quality.

CARLO SWAAB

TRANSFORMATION DIRECTOR

"I have been working at Shurgard in an operational capacity for almost 23 years and have seen a lot of transformational change in that time. The company underwent a period of centralization which has allowed us to manage our operations more efficiently with a central back office, become leaner, and improve operations as we have grown.

The Shurgard model is well-proven and with our disciplined and consistent approach, we have maintained a steady rate of expansion using our three levers of growth.

But the world changed during COVID-19. It turned out to be an incubator for new ideas and new ways of operating, forcing us to quickly increase our online and digital offer. This is where the e-rental came in and we have seen very substantial adoption of the service in just the two years it has been operational. Today, c. 30% of our total move-ins are done via the e-rental site.

On top of the digital service, internal data has become increasingly important - to help us understand our prospects and customers and ensure we are offering them the best service.

Now, alongside data and digitalization, we are also accelerating our operations, meaning more construction projects, more site exploration, more redevelopment projects and more M&A.

The transformation team will identify, select, and roll out changes to the way we do business. It is a case of prioritizing the most effective and efficient technologies and processes, measuring their efficacy, and ensuring that the outcome is a better service for our prospects and customers and improved agility for the company.

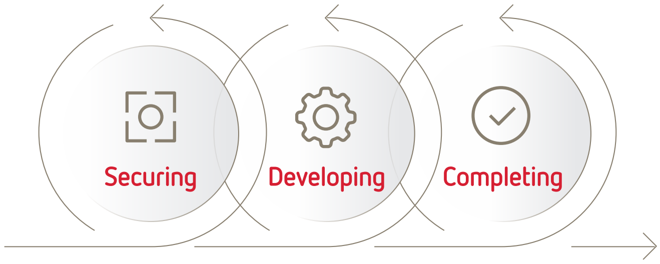
Some of the first changes will be reflected in the adoption of new technologies. We have already implemented our open access control app as part of the digital transformation, and it has been widely adopted. we have been laying the foundations of our digital future in 2022 and we expect to see further benefits of our tech transformation plan in 2023.

Meanwhile, the transformation team is working across departments to develop new frameworks for development and project management. Our biggest challenge is uncertainty. The world is changing so fast and we need to anticipate and respond to these changes so we can help our prospects and customers in the best possible way. It is a journey we have to take together, which is why we are also committed to helping our employees manage these organizational changes. People's jobs will change over time, creating new opportunities for growth and development.

Transformation only works if we all look for opportunities to change for the better, for our customers, our staff and our shareholders."

Capturing investment opportunities

Shurgard's accelerated growth strategy has come with a commitment to expand investment in order to return greater value to all our stakeholders. Chief Investment Officer Isabel Neumann is leading the capital allocation strategy and ensuring it is effectively financed and executed.



Our nimble processes allow us to take advantage of investment opportunities

ISABEL NEUMANN

CHIEF INVESTMENT OFFICER

“We have already begun to build a denser pipeline that will feed the development commitments, but this takes time, so we're upping our game to ensure we reach these targets while maintaining a disciplined approach.

The process from securing a site to completing a new storage facility is complex, requiring commitment and collaboration from all departments, and stringent coordination to complete projects on time and budget. As the activity ramps up, we are evolving our processes to make us leaner, more nimble, more focused and faster to market. We have streamlined the development process by adopting a project-oriented and standardized approach, so our development goals are on track.

Our strategic acceleration has come at a time of significant economic upheaval. Construction costs have been rising and Shurgard has not been immune to these impacts. Improving efficiencies in the development process at a time when we are investing in many more projects will help us manage our costs and maximize returns. Shurgard has also been able to adjust rates to reflect the higher costs, maintaining profitability. For all investment decisions taken as from 2023, we are increasing our expected property yield of c. 8% to 9% at maturity (from 7% to 8%). Becoming more nimble means we do not need to shy away from opportunities that arise in the midst of, or as a result of, economic pressure.

This is also true within Shurgard's third pillar of growth - M&A. As construction costs increase, the attractiveness of buying completed properties also increases. Improved agility means we can investigate opportunities quickly and make measured decisions that give us a competitive edge, taking advantage of opportunities despite the uncertain environment.

We can do this because Shurgard has a very strong balance sheet. Our robust cash position (€87.3 million as of December 31, 2022) is augmented by a €250 million undrawn revolving credit facility and a €250 million uncommitted shelf note facility. And our €800 million senior loan notes have a well-distributed reimbursement schedule, with all maturities on a fixed interest rate with no variable component.

We are getting more agile at finding and acting on investment opportunities and we have the balance sheet to take advantage of them.”

Portfolio growth

2022	65,400 sqm
2023/24/25	83,900 sqm

Project costs

2022	€142.7 million
2023/24/25	€169.8 million

Digital foundations

To remain relevant and competitive Shurgard has always kept pace with global technological transformation. John Turner, Director of Marketing and Pricing has been with the company from the start of this journey.

JOHN TURNER

DIRECTOR OF MARKETING AND PRICING

"Digitalization started a long time ago. We were quick to integrate and centralize our operating platform over a decade ago, which has underpinned smooth operational growth for many years. In 2012 we introduced transparent pricing, and for many years we have been able to target specific audiences depending on their catchment areas.

The tech revolution, already in full swing, was given a substantial boost during the pandemic. Even as the world returns to near normal, consumers have retained the behaviors they adopted when only digital interactions were possible.

Shurgard's biggest digital change came through the introduction of e-rental in 2021 and the rapid uptake by our customers means it already accounts for c. 30% of move-ins. Throughout this period of digitalization, we continue to invest in the website and in understanding how our customers react and respond to our digital touchpoints. For example, we noticed that fewer people were completing online bookings in Germany and Belgium, and traced the obstruction to the types of payment method we were offering. Now we are making changes to offer more relevant ways to pay in these countries. 99.9% of our customers use non-cash methods of payment, and this has a positive impact on client defaults which means we have very low levels of bad debt.

We monitor our customer feedback through trusted review portals like Google Reviews and TrustPilot, where we scored an average of 4.8 all-time and 4.6 (out of 5) respectively during 2022. The scores are collated from over 300 reviews per property on average across our entire portfolio of 267 stores, underpinning the integrity of our customer feedback channels.

Digital innovations also underpin our marketing and branding investments. Our strong brand presence lowers the cost of Search Engine Advertising, and digital insights allow for pricing agility and adjustments through predictive pricing models.

Change is constant. To keep up with the demands of our customers, employees and all stakeholders, we're laying the groundwork for a series of digital innovations that will improve the customer journey, facilitate customer engagement and expand our data insights. In 2022 we upgraded our access control systems to allow customers to gain access to their unit using an app instead of having to remember a code. Not only do our customers find it easier and more convenient, we can use the anonymized data to understand access behaviors and improve our service for them.

This is just the first step in a wider rollout of improved digital solutions that our customers will be able to use at the touch of a button. To ensure we invest in technology that really adds value, all our proposed innovations are tested and trialed, and we have used 2022 to lay the foundations for bigger changes next year.

While consumer digital solutions like new apps or e-rental are the obvious response to changes in social interaction, the pandemic and subsequent behavior changes have impacted on our physical store interactions too. We are currently running trials and pilots for new ways of store operation and will look to optimize a leaner in-store presence. What this will look like is still in development. We will not be rushed to change services if that's not what customers want. 2022 has been an opportunity to try out new ways of working, collect data, and prepare for the future with confidence."

Becoming a REIT

In November, Shurgard announced its intention to become a United Kingdom Real Estate Investment Trust (REIT), Shurgard Self Storage Ltd, incorporated in Guernsey. This will lift our investor profile, increase our ability to enhance shareholder returns and open us up to a greater investor base.

The proposal was approved at an extraordinary shareholder meeting on December 6, 2022, with the aim of becoming a UK REIT in March 2023. The Group's shares will continue to be listed and traded on Euronext Brussels, and we will retain our strong governance and financial reporting obligations. We will also continue to report under IFRS and in euros.

Shurgard will be legally migrating from Luxembourg to Guernsey, falling under Guernsey corporate law, and become a UK tax resident, after establishing central management and control in the UK. We will not need to make changes to our corporate governance structure or financial reporting protocols, which we have worked very hard to strengthen.

UK REIT status means the effective tax rate guidance for the Group will reduce to a stable 18% in the medium term (it was previously predicted that the tax rate would reach 22% in 2025 based on the current tax regime).

Going forward, the Board of Directors and its Committees will meet and make all strategic decisions in the UK, ensuring that central management and control of the business is taking place in the UK. We will continue to declare a dividend of €1.17 per share per year.

HIGH GOVERNANCE STANDARDS MAINTAINED

Shurgard came to the market in 2018 with a strong governance focus and its Board and governance bodies were established with transparency and accountability at their heart. Our new REIT status is an opportunity for Shurgard to further strengthen our corporate governance, by simplifying the Board structure and increasing the representation of independent directors to 67% from 55%. Subject to the approval from our shareholders in May 2023, Chairman Ronald L. Havner, Jr. will resign from the Board along with Daniel C. Staton, Everett B. Miller and Isabelle Moins, at the AGM in May. The current lead independent director Ian Marcus will be appointed Chairman, and Tom Boyle and Lorna Brown will join the Board. Ron will retain the honorary title of Chairman Emeritus and continue to provide advisory services to the Board as needed. He, along with Daniel, Everett and Isabelle have provided excellent strategic insight during a critical time in Shurgard's growth, and we thank them for helping to steer our platform to maturity.

As the changes take effect, we will also increase our gender diversity ratio, with 33% of female directors on the Board member, up from 27%.

Our efforts at transparency have not gone unnoticed. For the second consecutive year, Shurgard scored a maximum 100 points in the public-disclosure category of the GRESB property asset sustainability framework and was awarded a gold medal at the EPRA Sustainability best practices recommendations for its reporting.

The change to REIT status and incorporation location will not affect our strategic direction or our commitment to governance standards and we will continue to aim for the highest ratings in our ESG frameworks.

Independent directors[1]

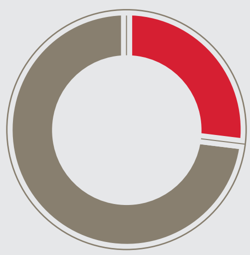
55%
Independent directors

45%
Non-independent directors

Board gender diversity[1]

27%
Female

73%
Male



1. Board composition Dec 31, 2022.

Our ESG Commitment

Over the past few years, we have been solidifying our position as a European leader in sustainable self-storage operations. This has required us to embrace industry-leading initiatives while working to reduce the environmental footprint of our assets. Across the business, initiatives that endorse and embrace ESG principles and practice are being implemented as a priority, from climate-related mitigation to social engagements and improved governance. Over the long term we have clear targets for continuous improvement, including becoming operational Net Zero by 2030, and each year we are recognized for these widespread efforts through the industry bodies whose principles we adhere to. 2022 has again been a year of gains across all the key touchpoints - Environmental, Social and Governance.

CLIMATE RELATED RISKS AND OPPORTUNITIES

Climate change poses material risk to the environment around us, and Shurgard has undertaken to assess these risks in order to be prepared to mitigate and adapt to them as part of our ESG strategy. We undertook a physical climate risk assessment in 2022, identifying physical risks like localized flooding or hot temperatures. Our processes include identifying emerging issues through inspections thereby allowing for maintenance to take place, and modelling a potential increase in energy costs for cooling.

ENVIRONMENTAL SUSTAINABILITY

Along our path to Net Zero, Shurgard continues to make inroads into reducing its energy consumption. In 2022 we reduced like-for-like energy consumption across our portfolio by 7.2% compared to 2021. Meanwhile, our like-for-like carbon emissions reduced by further 9.3% compared with 2021, and by 10.5% when including the impact of our green energy procurement.

Total Shurgard obtained electricity for stores has decreased by 4.2%, reflecting the effect of our rollout of energy efficiency measures such as our LED program.

The LED lighting rollout is part of a €10 million per year investment program which also includes heating optimization.

Shurgard is undertaking a major project to install new heat pumps in stores across our portfolio to replace gas heating, and 10 heat pumps were installed in 2022. We are accelerating the transition so that by 2029, all our stores currently heated with gas will be equipped with heat pumps. Concentrating on the thermal properties of our buildings will help us achieve our energy and GHG targets while delivering best-in-class buildings ratings.

Although water usage is low across our portfolio of stores, we are still determined to reduce this further and are pleased to report that water consumption has decreased by 35.5% in 2022 at our European Support Centre. By the end of 2022 we had installed smart water meters in 160 stores, representing 60% of our store portfolio, with the remainder to be installed in 2023. These new technologies enable us to continue to lower our water consumption.

LFL ENERGY USAGE

-7.2%

160

WATER METERS

Installed by the end of 2022

LFL CARBON EMISSIONS

-10.5%

SOCIAL AND COMMUNITY ENGAGEMENT

Continuity is a key strategy in our community and social engagements. It provides our charity partners with the certainty of our support over the long term, allowing them to plan effectively. In 2022 we continued to provide support for charities in the countries we operate, including Le Rire Médecin, a leading association in France working with clowns entertaining children in hospitals, Stichting Babyspullen, the Netherlands foundation providing free baby essentials to low-income parents and parents-to-be, and the Mayor's Fund for London, amongst many others. Our charitable giving includes the provision of time, resources or financial assistance, and we endeavor to increase our support every year.

GOVERNANCE

Shurgard maintains a robust and transparent governance structure. The ESG Management Group is chaired by the CEO and directly oversees the Environmental Management System, which was put in place to implement environmental and social management best practice throughout the business, via a series of policies, procedures and protocols. In 2022 a workshop with key members of the Shurgard team was organized to better understand, and prepare for, the disclosure requirements of the EU Taxonomy Regulation. Subject to approval from our shareholders in May 2023, Shurgard will be increasing the ratio of independent directors, reducing the total Board members from 11 to 9 and ensuring the majority, including the chair, are independent of the business. The changes will also increase the gender diversity on the Board to 33%. We look forward to a diverse and strengthened Board.

HUMAN CAPITAL

Shurgard's success is a direct result of the dedication of our employees, and we ensure they continue to deliver great service by providing access to training, career progression and relevant support for each job type. The Shurgard Academy, launched in 2018 to provide structured career progression from Junior Assistant Store Manager to Senior Store Manager, has been expanded, and we implemented a new Training Management System in our HR tool. In addition 100% of our employees underwent the performance appraisal process, an increase of 7.0 pp year-on-year. We will continue to invest in our people to help the business grow.

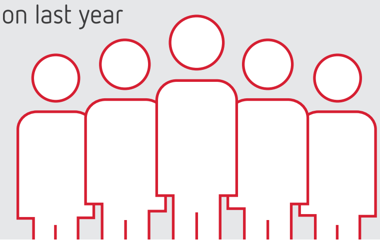
Performance appraisal

100%

Up 7.0 pp
on last year

Percentage of employees that completed at least one training course in 2022

100%



ESG PERFORMANCE

AN OUTSTANDING YEAR OF ESG ACHIEVEMENT

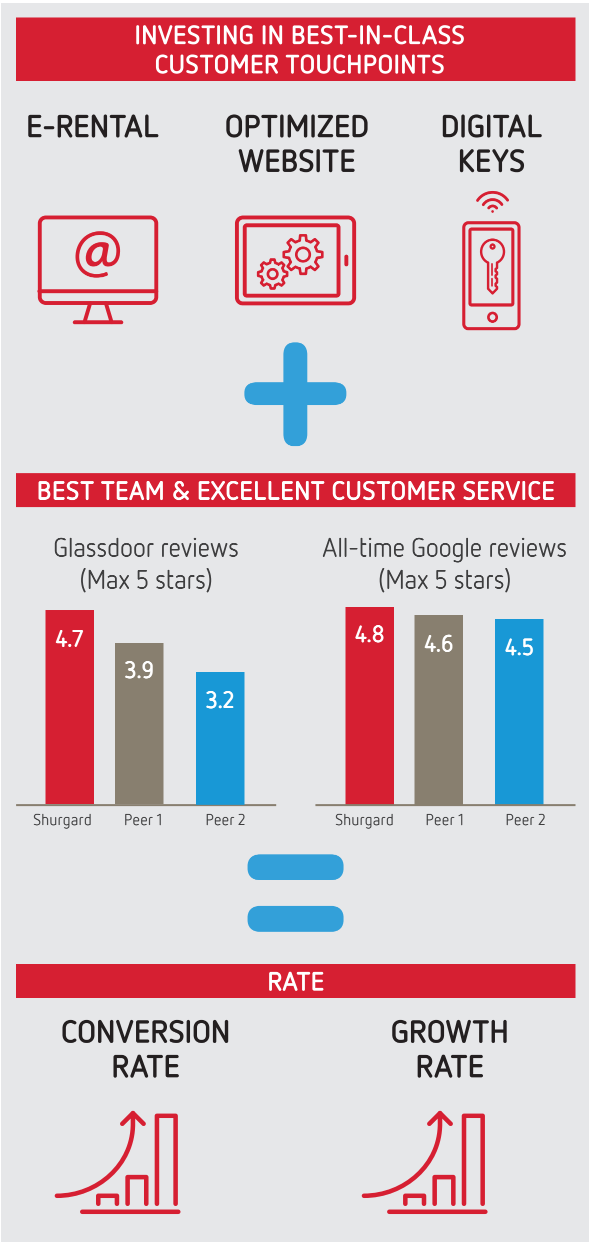
Shurgard adheres to the highest ESG standards based on widely accredited frameworks, and our focus on continuous improvement is recognized in the awards we receive. For the second year in a row, we were recognized with a Gold EPRA sBPR Award, reflecting the highest standards of European real estate sustainability reporting. We also improved our score in S&P Global's Corporate Sustainability Assessment by a further 5 points, placing us in the top 12% of scores achieved by real estate companies this year. And perhaps most importantly, we excelled against the Global Real Estate Sustainability Benchmark, where we were awarded an excellent 5-star rating (the top banding) and a score of 90 out of 100 in the 2022 results. This reflects the care and attention we place on integrating ESG issues throughout our business.

Operational highlights

TECHNOLOGY

In 2022, Shurgard upgraded its access control system to make it easier, more reliable and consistent for customer to access our stores. The new system allows customers to use the Shurgard app for access rather than remembering a code. This is only the first of the technological innovations we are developing that will improve customer engagement and provide them with the digital service they have come to expect from all their service providers.

We have used 2022 to build the foundations on which to expand our interactive digital solution and plan further innovations for in 2023.



PEOPLE DEVELOPMENT

For the first time in 2022, a graduate of the Shurgard Academy has become a district manager.

The Shurgard Academy, which has been supporting store staff through a process of structured career progression since 2018, underwent a major training overhaul in 2022. The training content was fundamentally reviewed and upgraded, ensuring the software was easy to use and switching to more video delivery rather than relying on text content. For the first time in 2022, a graduate of the Academy has risen through the ranks to district manager level, blazing a trail for other ambitious and dedicated employees to aim for substantial career progression.

Shurgard's acceleration strategy is pushing the company to innovate and digitalize. This will invariably mean a shift in some job roles as we respond to changing customer requirements, offering new opportunities across the business. The transformation team will be working closely with all departments to ensure people management is always prioritized.

SUSTAINABILITY

Shurgard has once again proved its commitment to high ESG standards by accelerating our major LED refit project, the rollout of heat pumps, and strengthening our social collaborations.

We are being recognized for these efforts by the bodies that govern the ESG frameworks, including MSCI where we have received an inaugural AA rating (AAA being the highest rating). We have also maintained our sector-leading position in the GRESB ratings. This property asset sustainability framework is widely adhered to by many in our industry, and it is a testament to the dedication from everyone across the business that we achieved five-star status for the third year running with a score of 90%. Meanwhile EPRA (the European Public Real Estate Association) has again awarded a sBPR Gold medal to Shurgard.

REDEVELOPMENTS

Shurgard completed one redevelopment in Randstad, the Netherlands, adding 1,000 sqm to the total portfolio at a cost of €0.9 million. We have prepared a strong pipeline for redevelopments in 2023 and 2024

NEW DEVELOPMENTS

Shurgard opened seven new stores in 2022 across three of our core markets, France, Germany and the Netherlands. Our Lagny, France property opened in March 2022 adding 5,500 sqm at a cost of €10.3 million. Two further properties opened in France in the fourth quarter in Sartrouville and Versailles South, which added another 10,200 sqm to our portfolio at a direct cost of €20.5 million. All three properties are within the Paris metropolis where self storage is in high demand as property prices are steep and space is at a premium.

Two properties were opened in Germany in North Rhine Westphalia. The first opened in Dusseldorf in September and the second in Cologne in October with additional space totalling 10,300 sqm for €26.0 million.

Our Dutch properties were opened in September and December, both in Rotterdam within the Randstad conurbation where the majority of our Dutch properties are located. Randstad consists of the four largest cities in the Netherlands along with the surrounding suburbs and towns. The Rotterdam developments added 6,900 sqm at a cost of €8.3 million.

FRANCE		
Paris - Lagny March 2022	Paris - Sartrouville October 2022	Paris - Versailles South December 2022

GERMANY	
NRW - Dusseldorf Rath September 2022	NRW - Cologne Merheim October 2022

NETHERLANDS	
Randstad - Rotterdam Capelle September 2022	Randstad - Rotterdam Spijkenisse December 2022

ACQUISITIONS

In 2022, Shurgard completed five acquisitions for a total consideration of €76.6 million, adding 31,600 sqm to our portfolio. The acquisitions have an expected yield at maturity of c. 7% to 8%.

In May 2022, Shurgard completed the acquisition of CityStore Self Storage's property in Central London (2,500 sqm), reinforcing our strong position in the center of the capital with 9 stores and 21,600 sqm. Our total London estate is now 41, and we have further openings scheduled for 2023 and 2024.

Our second acquisition in 2022 was the c. 3,000 sqm Grepu Vastgoed facility located in Amsterdam Diemen (Randstad), completed in September. The newly acquired property will become the primary building of a project (Diemen Visseringweg) currently in our development pipeline and set to open in 2023.

In Paris, Shurgard announced the acquisition in November of the Box à la Carte facility located in Brie-Comte-Robert comprising 5,900 sqm or 800 units. Shurgard currently has 66 self-storage facilities in France totalling more than 330,000 sqm.

In late November Shurgard acquired three purpose-built properties in Stockholm, Sweden from Instorage, with a combined net rentable space of 13,100 sqm or 2,100 units.

We completed our year of acquisitions with the HuurEenBox self-storage business from the Loogman Group in Amsterdam, the Netherlands. The 6,800 sqm of rentable storage space will become an extension of the Shurgard property it is located directly next to, resulting in our largest self-storage facility in Europe.

Acquisitions	Total sqm	Total cost
5	31,600	€76.6m
Average occupancy	Average yield at purchase	Average expected yield at maturity
65%	3.4%	c. 7%-8%

CHAIRMAN'S LETTER

This will be my last letter to you as Chairman of the Board of Directors. Effective with the next AGM, I will step down and be succeeded by Ian Marcus. I will remain very involved in with Shurgard as Chairman Emeritus.
In addition, three other directors will be stepping down and two new directors added to the Shurgard board. Some perspective on where Shurgard has been, its outlook and why these changes are being made is warranted.

HISTORICAL PERSPECTIVE

When Public Storage acquired Shurgard in 2006, the results for the full year 2006 were as follows for the 165 properties owned by Shurgard and the Joint Ventures:

Revenues on owned/JV properties.	€130 million
Property NOI.	€57 million
Debt.	€933 million
Sq meters owned/JV properties.	804,000

You will note debt was equal to about 16 times property NOI, i.e., the company was "mortgaged to the hilt" and there was nominal shareholder equity, but lots of potential. In addition, the company had no access to the capital markets and all properties were mortgaged.

Fast forward to today:

Revenues from owned properties.	€333 million
Property NOI.	€219 million
Debt.	€800 million
Sq meters owned.	1,343,000

Shurgard now has 266 wholly owned properties and a strong development and acquisition pipeline. You will note that debt is now less than 4 time property NOI. Shurgard now has tremendous access to the capital markets as a public company. I would expect it to attain an investment grade rating.
This was achieved while working thru the GFC, COVID-19 and a complete restructuring of the operating processes and management team. As Marc noted in his letter, there has been a transformational change at Shurgard.

BOARD RESTRUCTURING

At our IPO we thought 11 directors would be optimal. This was in part dictated by needing a majority of independent directors and having five insiders to start (two from PSA and New York Common and the CEO). In the past year we have, as appropriate, spent time thinking about board structure and succession planning. As a result, we concluded that reducing the number of inside directors to three versus five and adding some new directors would enable us to reduce the board size to nine from 11 and begin a succession planning process. The two "PSA directors", myself and Dan Staton, will be stepping down and Tom Boyle, PSA's CFO will be taking our place. One of New York Commons directors, Everett Miller will also be stepping down and Jamie Behar will remain. In addition, Isabelle Moins will also be stepping down to be replaced by Lorna Brown who is UK based. Additional changes are planned for 2024 and 2025.
Ian Marcus will become Chairman. His knowledge of both UK and European real estate is exceptional and his awards and accomplishments are industry leading. Most importantly, he is UK based and an exceptional businessman of extraordinary integrity.

I would like to thank Dan Staton for his service to Shurgard. Dan was a director at Public Storage for 20 years. His knowledge of real estate, self storage and capital markets have been invaluable to Shurgard.
I've been working with Everett Miller for over 20 years doing business with New York Common. Everett is practical, and like Dan, really knows real estate.
Isabelle Moins has participated to Shurgard adventure since the IPO five years ago, and her depth and breadth of experience in digital business, marketing and new technologies added important competencies to Shurgard's Board. I thank her for her active participation and advice.

Our new directors, Tom and Lorna, are exceptional people with a deep understanding of real estate and capital markets.

OUTLOOK

As Marc noted in his message, Shurgard is poised for opportunity. To put this in perspective, let's look at the nascent European self-storage industry versus the mature US self-storage industry.
If the European market were to build self-storage facilities to the same population density as in the US, we could see the need for an additional 80,000 facilities.
With less than 5,500 currently operating in Europe, there is enormous potential for growth. In the region of Paris alone, where there are currently about 180 facilities, the population base could support 800 facilities.
After operating Shurgard for nearly 20 years, we know customer behavior and usage is about the same in US as Europe, so it is reasonable to conclude that the same densities can be achieved.
As noted earlier and in Marc's letter, we have the financial strength, people and operating platform to take advantage of this excellent growth opportunity. I'm very excited about the future of Shurgard.

Ron Havner
Chairman of the Board

CHIEF EXECUTIVE OFFICER'S LETTER

Shurgard has been preparing the foundations for growth for many years, and 2022 was the year we put our foot on the accelerator. As part of the ramp up to building and acquiring 90,000 sqm annually by 2024, we have delivered accelerated revenue, margin and pipeline growth, while also improving our leading ESG results. This exceptional performance is a consequence of a strategic focus on transformational change. We are doing things faster and smarter, executed by our dedicated and committed teams that have once again delivered, and exceeded, our stretch targets. The inflationary environment across Europe looks set to continue into 2023, and we expect to manage these effects through a combination of operational efficiencies, digitization, and cost optimization.
The below data are presented at constant exchange rate (CER).

REVENUE GROWTH

The acceleration of our three levers of growth – redevelopments, new developments, and acquisitions – and a great performance from our same store pool has resulted in a substantial increase in top line growth. All-store property operating revenue, which includes same store and non-same store revenue rose 11.7% in 2022 to €333.0 million. The trajectory of top-line growth clearly demonstrates the validity of our long-term strategy. Between 2019 and 2020, all-store property operating revenue grew 5.5%, the following year we grew by 9.5% and last year by 11.7%.

This trend is clear across both mature same stores and newly opened or acquired stores. Same store property operating revenue in 2022 increased 8.6% to €313.7 million. This compares to growth of 3.2% in 2020 and 7.0% in 2021.

MARGIN EXPANSION

Against a backdrop of high inflation and a cost-of-living crisis, Shurgard managed to control costs and increase margins significantly again in 2022. Our margins have been rising consistently as we have grown revenues faster than costs, a particularly impressive achievement in the current economic climate.

The margin improvement follows a similar trajectory to revenue growth. All-store margin rose to 65.8% in 2022, from 64.7% in 2021. This in itself was an improvement on the 63.7% margin in 2020 and means we have more than achieved our medium-term target of increasing margins by 2.0pp (from a 2020 baseline).

Shurgard's transformation strategy has been a key component of cost management. We introduced a Transformation Department in 2022 that has allowed the company to explore a range of new solutions, quickly select those that will deliver improvements, and ensure they add value to customers, employees, or development property.

Despite accelerating the rate at which we are adding sqm to our portfolio, we contained costs through efficiencies in the development process. This has enabled Shurgard to temper the substantial construction cost increases experienced in 2022.

Digitalization has also helped to keep costs under control. Shurgard has long been a digital leader, transitioning our customer journey from store-led to hybrid digital solutions that cater to our increasingly online customers. They are pleased with their seamless customer journey, as evidenced by our Google review scores (4.8 out of 5 collated from over 300 reviews per property all-time) which have improved year-on-year. Where the pandemic speeded up our e-rental offer, we have continued to explore the best service options across our portfolio. This has meant changing the way we operate some properties, including remote, partial, or fully managed, depending on customer needs.

Meanwhile, transformation improvements in the employee journey include new ways of operating that increase our speed, efficiency, and communication across departments.

PIPELINE ACCELERATION

The transformation of our property journey has been a vital part of Shurgard's acceleration program. We are filling the pipeline with redevelopments, new developments, and acquisition opportunities to achieve our target of increasing sqm by c. 90,000 annually by 2024.

We can see the new strategy at work, when comparing the increase in percentage of non-same store revenue over the last three years. In 2020, revenue from acquisitions less than a year old, or developments less than three years old, accounted for just 4.3% of total revenue. This rose to more than 5.2% in 2021 and 5.8% in the year just ended, and the outlook for 2023 is another substantial increase.

Shurgard set out a strategy of increased investment to accelerate property development and compared with 2021 we will double our annual investment by 2024. Included in these investments are projects to ensure our new development opportunities are cost-effective, efficient and adhere to high environmental standards. This means ensuring LED lighting in all our properties, including heat pumps and solar panels where feasible, and implementing a smart building management system, all of which are designed to both lower our energy footprint and maintain tight cost controls.

We have been recognized for our concerted ESG efforts by the industry bodies whose principles we adhere to. We were rated by MSCI for the first time in 2022 and initiated with a AA rating, only one grade away from their highest level. We also retained our leading rating from Global Real Estate Sustainability Benchmark (GRESB), where we were awarded an excellent 5-star rating (the top banding) and a score of 90 out of 100.

FINANCIAL STRENGTH - BECOMING A UK REIT

Shurgard's financial strength is based on a prudent finance strategy that aims to allow us to execute our operational and investment strategy no matter the market conditions. In 2022, we decided to support this strategy by taking the decision to become a UK REIT. As part of this, we migrated our corporate seat back to Guernsey, although we will continue to be listed and traded on Euronext Brussels. This structural change brings with it many benefits.

Previously we forecasted that our effective tax rate would be around 22% in 2025 and we now believe that, based on the implementation of the REIT status in the UK, this rate will be around 18%. In addition, the move will allow us to be better positioned to take part of investments opportunities present in the UK market.

We will also propose to our shareholders to vote in May 2023 on the strengthening of our already robust governance by increasing the ratio of independent directors on the Board (67%) and broadening our diversity profile by increasing the ratio of women in governance (33%).

With our strong balance sheet and financing strategy, we have access to all types of capital markets to optimally address any financing needs. We also have an undrawn €250 million revolving facility and an uncommitted €250 million shelf USPP note available.

OUTLOOK

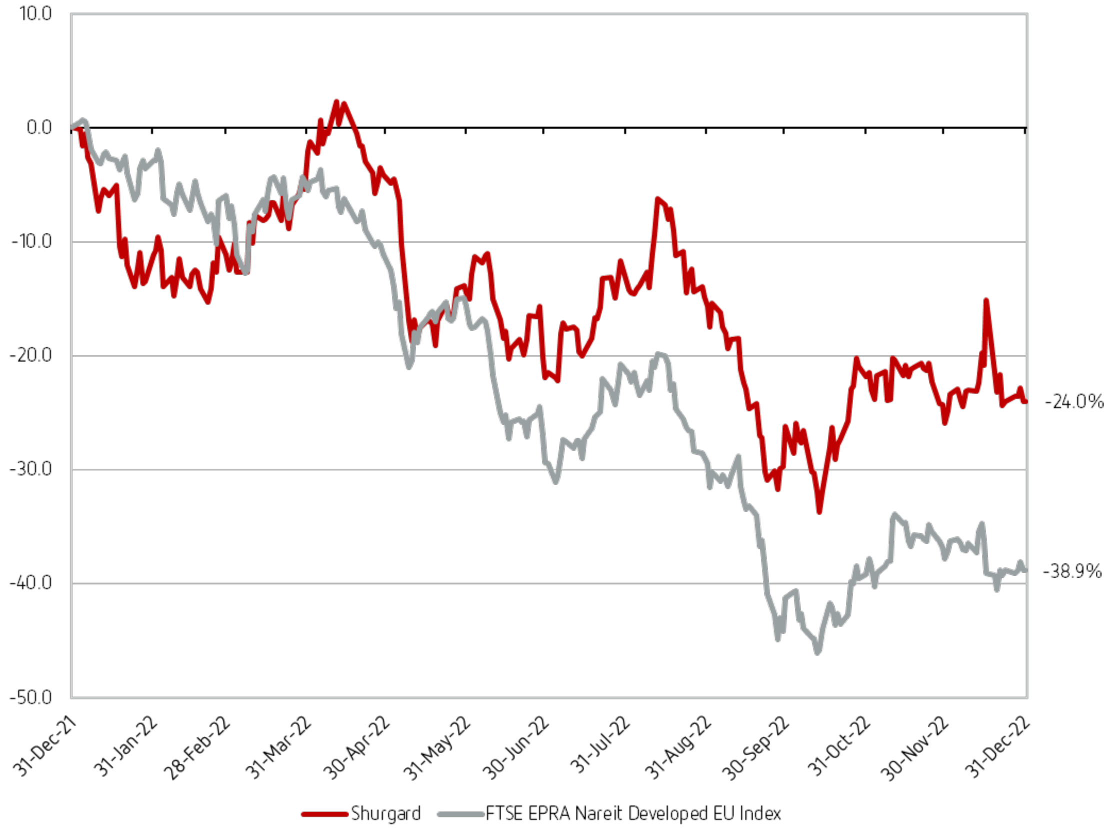
So far, Shurgard has proved itself resilient amid all social, political, and economic challenges. In this climate we have proved that our services remain vital for customers going through life changes, and we have been able to increase rental prices to reflect our own increased costs while maintaining strong levels of occupancy.

We are mindful of the external environment, nonetheless, we expect our all-store revenue to grow over 8% in 2023. We are on track to increase our portfolio by c. 90,000 sqm per year by 2024 and expect to add around 70,000 sqm in 2023. We are confident our accelerated development will add substantial value for shareholders now and in the future.

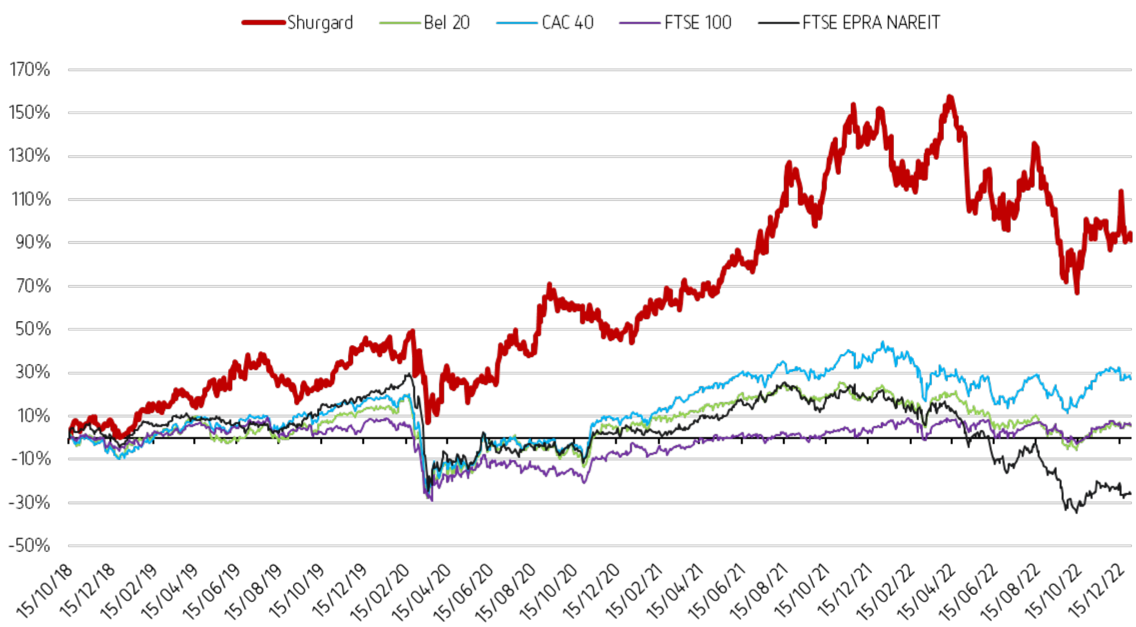
I would like to take the opportunity to thank all our company members and Board of Directors for their support.

Marc Oursin
Chief Executive Officer

THE SHURGARD SHARE



Stock performance vs indices since IPO (Oct 2018)



BASIC SHARE DATA

ISIN / common code	LU1883301340 / 188330134
CFI code	ESVUFX
Ticker	SHUR
Stock exchange	Euronext Brussels
Shares issued / outstanding as of December 31, 2022	89,131,131
Subscribed capital	€63,610,156
Share price as of December 31, 2022[1]	€42.85
52-week high / low[2]	€58.80 / €37.35
Market capitalization as of December 31, 2022	€3,819 million
Average daily trading volume	137,894 shares

1 Closing price on last trading day of the month.
2 In each case from start of trading on January 1, 2022 to December 31, 2022, based on Euronext Brussels closing price.

DIVIDEND

We have proposed a total dividend of €1.17 per share for the year 2022.
With respect to the first half of 2022, our Board of Directors approved an interim dividend of €51.7 million or €0.58 per share paid on September 29, 2022.

The Board of Directors recommended, subject to shareholders' approval, a final dividend for the year 2022 of a maximum amount of €52.6 million (taking into account the number of outstanding shares as of December 31, 2022).

The second and final dividend on 2022 results will be payable on or around May 24, 2023 to Shareholders on the record at close of business on May 23, 2023.

SHARE TRADING

The Company appointed KBC Securities as liquidity provider starting in June 2019, with the contract being officially recognized by Euronext. The Company aims to make the necessary efforts to improve the liquidity of its order book and increase the trading volumes of its share, to benefit current and potential investors.

The Company also worked with Bank Degroof Petercam from January 2020 until August 2022 (included) as liquidity provider.

SHAREHOLDERS

The following table sets forth the shareholders of the Company as of December 31, 2022:

Shareholder	Number	%
New York State Common Retirement Fund	32,544,722	36.5
Public Storage	31,268,459	35.1
Public	25,317,950	28.4
Total	**89,131,131**	**100.0**

MANAGEMENT REPORT

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KEY FINANCIALS

(in € millions, except where indicated otherwise, excluding property under management contract)	Q4 2022	Q4 2021	+/- (CER)[1]	FY 2022	FY 2021	+/-	+/- (CER)[1]
Property KPIs at period end							
Number of properties	266	254		266	254	4.7%	
Closing rentable sqm[2]	1,343	1,281		1,343	1,281	4.8%	
Closing rented sqm[3]	1,167	1,123		1,167	1,123	3.9%	
Closing occupancy rate[4]	86.9%	87.7%		86.9%	87.7%	-0.7pp	
Property KPIs for the period							
Average rented sqm[5]	1,162	1,131	2.8%	1,146	1,108	3.4%	
Average occupancy rate[6]	88.2%	89.3%	-1.1pp	88.5%	89.1%	-0.6pp	
Average in-place rent (in € per sqm)[7]	260.3	243.4	8.8%	252.4	233.3	8.2%	8.9%
Average revPAM (in € per sqm)[8]	263.0	250.7	6.6%	257.0	241.0	6.6%	7.3%
Financial KPIs for the period							
Property operating revenue[9]	86.6	79.4	10.9%	333.0	299.9	11.0%	11.7%
Income from property (NOI)[10]	59.0	53.0	13.2%	219.2	194.4	12.8%	13.6%
NOI margin[11]	68.1%	66.8%	1.4pp	65.8%	64.8%	1.0pp	1.1pp
EBITDA[12]	55.3	47.6	18.3%	199.8	174.9	14.2%	15.1%
Adjusted EPRA earnings[13]	39.7	34.5	16.7%	143.6	131.0	9.5%	10.1%
Adjusted EPRA earnings per share (basic) (in €)[14]	0.45	0.39	16.5%	1.61	1.48	9.2%	9.8%
Average number of shares (in millions - basic)	89.1	88.9	0.2%	89.1	88.8	0.3%	
Total dividend per share (in €)				1.17	1.17	0.0%	

(in € millions)	FY 2022	FY 2021	+/-
Financial KPIs at period end			
EPRA net tangible assets (NTA)[15]	3,638.9	3,112.6	16.9%
Loan-to-value (LTV)[16]	18.0%	17.4%	0.6pp
Interest coverage ratio (ICR)[17]	9.7x	8.7x	0.9x
Net debt/EBITDA[18]	4.1x	3.8x	0.2x

1 In the constant exchange rate (CER) comparison, 2021 financials are recalculated using 2022 exchange rates.
2 Closing rentable sqm is presented in thousands of sqm and calculated as the sum of available sqm for customer storage use at our stores, as of the reporting date.
3 Closing rented sqm is presented in thousands of sqm and calculated as the sum of sqm rented by customers, as of the reporting date.
4 Closing occupancy rate is presented in % and calculated as the closing rented sqm divided by closing rentable sqm as of the reporting date.
5 Average rented sqm is presented in thousands of sqm and calculated as the sum of sqm rented by customers, for the reporting period.
6 Average occupancy rate is presented in % and is calculated as the average of the rented sqm divided by the average of the rentable sqm, each for the reporting periods.
7 Average in-place rent is presented in euros per sqm per year and calculated as rental revenue, divided by the average rented sqm for the reporting period.
8 Average revPAM, which stands for revenue per available sqm, is presented in euros per sqm per year for the reporting period and calculated as property operating revenue, divided by the average rentable sqm for the reporting period.
9 Property operating revenue represents our revenue from operating our properties, and comprises our rental revenue, insurance revenue and ancillary revenue.
10 Income from property (NOI) is calculated as property operating revenue less real estate operating expense for the reporting period.
11 NOI margin is calculated as income from property (NOI) divided by property operating revenue for the reporting period.
12 EBITDA is calculated as earnings before interest, tax, depreciation and amortization, excluding (i) valuation gains or losses from investment property and investment property under construction, (ii) gains or losses on disposal of investment property, plant and equipment and assets held for sale, (iii) acquisition and dead deals costs and (iv) casualty losses (gains).
13 Adjusted EPRA earnings is calculated as EPRA earnings adjusted for (i) deferred tax expenses on items other than the revaluation of investment property and (ii) special items ('one-offs') that are significant and arise from events or transactions distinct from regular operating activities. Excluding one-off insurance reimbursements received in H1 2021 for €5.6 million (at CER, net of taxes), the growth versus prior year is 15.3% (at CER).
14 Adjusted EPRA earnings per share in euros (basic) is calculated as adjusted EPRA earnings divided by the weighted average number of outstanding shares.
15 EPRA Net Tangible Assets (NTA) scenario is focused on reflecting a company's tangible assets and assumes that companies buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax liability.
16 Loan-to-Value is the net debt expressed as a percentage of the fair value of the group's investment property and investment property under construction.
17 Interest coverage ratio is calculated as EBITDA divided by total interest expenses for the reporting period.
18 Net debt to EBITDA ratio is calculated as the net financial debt divided by EBITDA for the reporting period.

PRELIMINARY REMARKS

Shurgard Self Storage S.A. (referred to as the "Company", "Shurgard", "we", "us", "our" or the "Group", which includes the Company together with its consolidated subsidiaries) has the form of a public limited liability company (Société Anonyme) and is governed by the laws of the Grand Duchy of Luxembourg (Luxembourg).

Certain statements contained herein may be statements of future expectations and/or other forward-looking statements that are based on our current views and assumptions. These involve known and unknown risks and uncertainties that may cause actual results, performance, or events to differ materially from those expressed or implied in such statements. Shurgard does not intend and does not undertake any obligation to revise these forward-looking statements.

GROUP OVERVIEW

BUSINESS MODEL

We are the largest operator of self-storage facilities, which we refer to as properties, stores, assets, or locations, in Europe in terms of number of properties and net rentable sqm.[1] We started our operations in 1995 and are one of the pioneers of the self-storage concept in Europe. As of December 31, 2022, we operate 267 self-storage stores (including one under management contract) in France, the Netherlands, the United Kingdom (UK), Sweden, Germany, Belgium, and Denmark.

Across this network, we have developed an integrated self-storage group with local expertise in the seven countries. We have centralized in-house capabilities to design, develop, acquire, and operate properties. This allows us to provide a consistent experience to residential and commercial customers.

We generate revenue through the lease of storage units and related activities such as the sale of storage products and packaging, but also through the fees paid by customers for the insurance cover of the stored goods. Our property operating revenue and income from property (NOI) have increased steadily in recent years. Over this time, we increased rental rates across our network and grew our portfolio through new developments, redevelopments, and acquisitions. The table below shows our property operating revenue and NOI for the financial year 2022 compared to 2021.

(in € millions)	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
Property operating revenue	86.6	79.4	9.1%	333.0	299.9	11.0%
NOI	59.0	53.0	11.3%	219.2	194.4	12.8%
NOI margin	68.1%	66.8%	1.3pp	65.8%	64.8%	1.0pp

1 FEDESSA "European Self Storage Annual Survey" 2022.

OUR OPERATING PLATFORM

Our integrated, digitalized, and centralized operating platform allows us to manage many operational functions for our portfolio of properties from a central location/head office. This centralization of skills and management enables us to run a lean organization and provides significant operational leverage. The resulting economies of scale have a direct positive impact on our NOI margin, which was 65.8% in 2022 compared to 64.8% in 2021.

Our platform approach relies on consistency in our performance measures and key support functions across the portfolio. This means managing the yield achieved from our properties through a balance of occupancy and pricing levels. It also means we have consistency in operational and management initiatives, such as aligning sales processes, branding, shop design and supplier relations. On a granular level though, we can gather information on local conditions and monitor online traffic, conversion rates and other key metrics through our automated centralized information management systems.

We continue to target growth through further development and bolt-on acquisitions. As an increasing proportion of our sales and marketing activities migrate to online customer interactions, we believe this platform approach will play a significant role in maintaining efficient operations across our network. This belief is supported by the scalability of our information management systems and centralized platform, and the consistency of operations in each of our properties.

GROUP STRUCTURE

Shurgard Self Storage S.A. is the parent Company and principal holding Company of the Group. The Company's significant holding and operational subsidiaries are in France, the Netherlands, the United Kingdom (UK), Sweden, Germany, Belgium and Denmark.

Name[1]	Jurisdiction	Percentage ownership (directly or indirectly)
Shurgard Luxembourg S.à r.l.	Luxembourg	100.0%
Shurgard Holding Luxembourg S.à r.l.	Luxembourg	100.0%
Eirene RE S.A.	Luxembourg	100.0%
Shurgard France SAS	France	100.0%
Shurgard Belgium NV/SA	Belgium	100.0%
Shurgard Europe VOF/SNC	Belgium	100.0%
Shurgard Germany GmbH	Germany	100.0%
First Shurgard Deutschland GmbH	Germany	94.8%
Second Shurgard Deutschland GmbH	Germany	94.8%
Shurgard Nederland B.V.	The Netherlands	100.0%
Shurgard UK Ltd	The United Kingdom	100.0%
Shurgard Denmark ApS	Denmark	100.0%
Shurgard Sweden AB	Sweden	100.0%
Shurgard Storage Centers Sweden KB	Sweden	100.0%

1 The entities listed are our main operating and holding entities. For a complete list of the Company's subsidiaries, please refer to the Note 39 of Shurgard's financial statements.

Since 2021, Eirene RE S.A. acts as a reinsurance undertaking for the Company and its subsidiaries.

All the Company's subsidiaries are, directly and indirectly, wholly owned, except for First Shurgard Deutschland GmbH and Second Shurgard Deutschland GmbH. We own 94.8% of these two companies and the remaining 5.2% therein is held by our two principal shareholders through Shurgard German Holdings LLC.

MANAGEMENT

The Group is managed by the Board of Directors together with the Senior Management in accordance with applicable laws and as laid out in the Company's Articles of Association. As of December 31, 2022, the Board of Directors comprised the following 11 members:

Name	Position	Age	Mandate expires
Ronald L. Havner, Jr.[1]	Chairman	65	Annual shareholders' meeting 2023
Marc Oursin	Chief Executive Officer	60	Annual shareholders' meeting 2023
Z. Jamie Behar[2]	Director	65	Annual shareholders' meeting 2023
Everett B. Miller III[2]	Director	77	Annual shareholders' meeting 2023
Daniel C. Staton[1]	Director	69	Annual shareholders' meeting 2023
Ian Marcus	Lead Independent Director	63	Annual shareholders' meeting 2023
Muriel De Lathouwer	Independent Director	50	Annual shareholders' meeting 2023
Olivier Faujour	Independent Director	57	Annual shareholders' meeting 2023
Frank Fiskers	Independent Director	61	Annual shareholders' meeting 2023
Padraig McCarthy	Independent Director	62	Annual shareholders' meeting 2023
Isabelle Moins	Independent Director	58	Annual shareholders' meeting 2023

1 Director elected on the designation of Public Storage.
2 Director elected on the designation of New York State Common Retirement Fund (NYSCRF).

At the Annual General Meeting of Shareholders to be held on May 10, 2023, Shareholders will be asked to vote on the following proposed Board composition and Directors:

Public Storage and New York State Common Retirement Fund (NYSCRF) have historically been entitled to designate two directors each to sit on the Board of Directors. Effective May 10, 2023, they will each designate only one Director. Accordingly, the total number of Directors on the Board will be nine rather than eleven.
On behalf of Public Storage, Tom Boyle, whose biography is below, shall be the Public Storage proposed designee. Ronald L. Havner, Jr. and Daniel C. Staton will resign from the Board. Mr. Havner will retain the honorary title of Chairman Emeritus. This will be a non-voting position wherein Mr. Havner will provide advisory services to the Board as needed. Mr. Havner 's extensive leadership experience and company and industry knowledge for almost 30 years provides him with an invaluable perspective in Board discussions about the operations and strategic direction of the Company. This is especially pertinent in a market, Europe, where self-storage awareness has not yet reached the same level as in the United States.

On behalf of NYSCRF, Z. Jamie Behar shall remain the proposed Director designee. Everett B. Miller III will resign. Additionally, Isabelle Moins will resign and Lorna Brown, whose biography is below, shall be proposed as a new Director.

All other current Directors' mandates will be up for renewal.

The current Lead Independent Director, Ian Marcus, assuming renewal of his mandate on May 10, 2023, will be appointed Chairman of the Board. Therefore, the Chairman of the Board will be an independent director.

In summary, assuming the election of the Directors as set forth above, the Board of Directors will be comprised of nine individuals, six of whom are considered independent. This will raise the percentage of independent directors from 55% to 67%. Furthermore, 33% of the Directors will be female.

Please find below a short bio of each member of the Board of Directors.

MARC OURSIN, CHIEF EXECUTIVE OFFICER SINCE 2012

Before joining Shurgard in January 2012 as Chief Executive Officer, Mr. Marc Oursin held different executive positions for several major retailers. In 2010 and 2011, Mr. Oursin managed the turnaround of Sport 2000 in France with the Private Equity firm Activa Capital.

He started his professional career working at Promodes from 1987 to 1995 in France and Switzerland. He then joined Carrefour, working at the French retail giant from 1995 until 2009 in leadership and CEO roles in France, Thailand, South Korea, Taiwan and Belgium. His experience in leading the development and reorganization of major business to consumer industries is a cornerstone of the current strong management of Shurgard.

He has also served abroad on the Boards of various French chambers of commerce.

Mr. Oursin holds an MBA from Essec Business School Paris and a Master's degree in Agricultural and Food Industries Engineering from AgroParisTech.

Z. JAMIE BEHAR, DIRECTOR SINCE OCTOBER 2018

From 2005 to 2015, Ms. Z. Jamie Behar was Managing Director, Real Estate & Alternative Investments, for GM Investment Management Corporation (GMIMCo), having previously served as Portfolio Manager at the company for 19 years. Ms. Behar was responsible for the management of approximately $12 billion at peak portfolio value of primarily private market and publicly traded real estate on behalf of both General Motors Company and other unaffiliated clients. She has served on numerous Boards within the real estate sector and she brings this investment, real estate and financial expertise to the Shurgard Board.

Ms. Behar currently serves on the Board of Armour Residential REIT, Inc. (NYSE: ARR), as well as on the Boards of Sila Realty Trust, a public, non-traded REIT, and Benefit Street Partners Multifamily Trust, an open-ended, private real estate fund. She also serves as an Independent Member of the CBRE Investment Management - Indirect Private RE Investment Committee. Ms. Behar is a member of the Real Estate Investment Advisory Council of the National Association of Real Estate Investment Trusts (Nareit), and serves as an advisor to the Investment Committee of the Board of the non-profit Guiding Eyes For The Blind. Ms. Behar previously served on the Boards of Sunstone Hotel Investors, Inc., Gramercy Property Trust, Forest City Realty Trust, Desarrolladora Homex, SAB de CV and Hospitality Europe, B.V., as well as on the Board of the Pension Real Estate Association (PREA), having held the position of Board Chair of PREA from March 2010 to March 2011.

Ms. Behar holds a B.S.E (magna cum laude) from The Wharton School, University of Pennsylvania, an M.B.A. from Columbia University Graduate School of Business, and the Chartered Financial Analyst (CFA) designation. In December 2018, Ms. Behar was the recipient of Nareit's E. Lawrence Miller Industry Achievement Award for her contributions to the REIT industry.

TOM BOYLE, PROPOSED DIRECTOR

Mr. Tom Boyle is Chief Financial Officer and Chief Investment Officer of Public Storage. He is responsible for capital allocation including development, acquisitions, asset management and third-party management as well as leading finance and accounting, revenue management and risk management including the storage insurance program.

Mr. Boyle has experience building and leading teams and has worked closely with Public Storage's executive leadership since his arrival in 2016. He was also instrumental in diversifying the company's capital structure beginning with the company's inaugural public bond offering in 2017.

From 2005-2016, Mr. Boyle held various positions at Morgan Stanley. In his last role, Mr. Boyle was Executive Director, Equity and Debt Capital Markets. In that role, he led a capital markets team for equity and debt financing for US real estate lodging and gaming companies.

Mr. Boyle holds a Bachelor of Arts in Economics from the University of Notre Dame.

OLIVIER FAUJOUR, INDEPENDENT DIRECTOR SINCE OCTOBER 2018

Mr. Olivier Faujour held various CEO positions in Fast-Moving Consumer Goods companies at local, regional and global levels. He was the Chief Executive Officer of the Smartbox group, the European leading experience gift company, from 2018 to 2020. From 2010 to 2018 he worked at General Mills International and served in executive leadership roles that included Global Chief Executive Officer of Haagen-Dazs & Yoplait, Chief Executive Officer and Executive Chairman of Yoplait, and President of General Mills France, Southern Europe and Benelux. His experience of brand building and strategic company development underpin the insight Mr. Faujour brings to the Shurgard Board. Prior to joining General Mills, Mr. Faujour served in various executive and marketing roles at Michelin, Danone and Procter & Gamble.

Mr. Faujour is also a senior advisor for various private equity firms (e.g. KKR, Blackstone, BC Partners) and for several digital companies with active consulting roles linked to digital stakeholders. He is also an Angel Investor in various start-ups.

Mr. Faujour holds an MBA from ESCP Graduate Business School.

FRANK FISKERS, INDEPENDENT DIRECTOR SINCE OCTOBER 2018

Mr. Frank Fiskers is a member of the Board of Whitbread PLC, the UK's largest hospitality company. He has extensive experience leading large organizations in the hospitality, retail and consumer services industry, and brings this broad experience to his current Board positions. Previously, Mr. Fiskers was on the Board of Norstedt, as Chairman, and for two years from 2010, Mr. Fiskers served as Chairman of the Board of Akademibokhandln. Mr. Fiskers has served as a Board member of the Swedish Hospitality Employers Association, Dame Thomas Foundation for Young People, and British Hospitality Association.

In his executive roles, he served as Chief Executive Officer of Scandinavian hotel chain First Hotels, retailer Kooperativa Forbundet (KF), and of Scandic Hotels Group AB where he was previously President and Chief Executive Officer, as well as in various management positions within Hilton Hotels Corporation.
Mr. Fiskers attended William & Mary University, Cornell University, London School of Economics and IMD.

IAN MARCUS, INDEPENDENT DIRECTOR SINCE OCTOBER 2018

Mr. Ian Marcus is a member of Redevco's Advisory Board and a Non-Executive Director for Town Centre Securities Plc. He was appointed as a Senior Consultant to Eastdil Secured in 2013. He is also a Trustee of the Saracens Multi Academy Trust, a Senior Advisor to Work Life and Elysian Residences. He chaired the Princes Regeneration Trust for 11 years and was a Trustee of the Princes Foundation for 4 years.

Formerly Mr. Marcus was in the banking industry for over 32 years having previously worked for Bank of America, UBS, NatWest and Bankers Trust/Deutsche, always focusing on the real estate industry.
He joined Credit Suisse First Boston in 1999 to establish the Real Estate Group and became Managing Director and Chairman of the European Real Estate Investment Banking.

Mr. Marcus is a former Crown Estate Commissioner, a past President of the British Property Federation, past Chairman of the Investment Property Forum, Past President of the Cambridge University Land Society, a Fellow of the RICS and for 10 years chaired the Bank of England Commercial Property Forum.

Mr. Marcus graduated from the University of Cambridge in 1981 with a degree in Land Economy.
Mr. Marcus was made an Officer of the Order of the British Empire in HM Queen's 2020 Birthday Honours List.

PADRAIG MCCARTHY, INDEPENDENT DIRECTOR SINCE OCTOBER 2018

Mr. Padraig McCarthy is a Senior Advisor and Partner in NewSpace Capital, a private equity firm which he joined in 2018 and where he also previously served as Chief Financial Officer. Prior to this he served in various financial leadership positions during his 23-year tenure at SES, Europe's leading satellite operator, including Chief Financial Officer of SES Astra from 2002 to 2011 and of SES from 2013 to 2018. His extensive experience as a global senior finance and business leader is brought to bear in his role on Shurgard's Board. He currently also serves as a Senior Advisor to Kleos SA where he previously served on the board and he has also previously served on various Boards within the NewSpace Capital structure.

He has been on the Board of SES Astra, a subsidiary of SES, since 2013, relinquishing his executive role in 2018. From 2013 until 2018, Mr. McCarthy also chaired the Board of SES Insurance International, SES Insurance International Re, SES's insurance companies, and has served on various other Board roles with SES for wholly- and non-wholly-owned entities.

Prior to joining SES, Mr. McCarthy was Financial Director for Europe at Norton S.A.

Mr. McCarthy holds an Honors Bachelor of Commerce from University College Cork. He is a Fellow of the Irish Institute of Chartered Accountants and pursued advanced management programs at Babson College U.S.A. and INSEAD.

MURIEL DE LATHOUWER, INDEPENDENT DIRECTOR SINCE OCTOBER 2018

Mrs. Muriel De Lathouwer is an independent Board member of several listed and private companies including Shurgard listed on Euronext, the family groups Etex and Olympia Group of companies, as well as CPH bank in Belgium. She is also president of the Board of ULB dev (in charge of the economic development of the patents issued by the Research and Development from the "Université Libre de Bruxelles"), member of the deep tech investment committee of the SRIW and vice-president of the non-profit organization Coderdojo Belgium.

From 2014 to 2018 she served as Chief Executive Officer and Managing Director of the public company EVS, global leader of live video production technology. Prior to that, Mrs. De Lathouwer was Chief Marketing Officer of Base and co-founder of a sustainable real-estate consulting company. She was Associate Principal at McKinsey from 2001 to 2008.

Her role as senior advisor to a wide range of international companies, and her interest and focus on digital transformation and sustainable real estate provide a range of skills and experience that enhances Shurgard's Board.

Mrs. De Lathouwer holds a Master's degree in Nuclear Physics Engineering from the University of Brussels and a MBA from INSEAD.

LORNA BROWN, PROPOSED INDEPENDENT DIRECTOR

Ms. Lorna Brown is an established real estate professional with extensive experience investing in real estate debt and equity, gained during a 22-year career spanning a number of major financial institutions and asset managers. In 2022, she assumed the role of Chief Executive Officer and established Birchwood Real Estate Capital as a new commercial real estate investment manager with US insurer WR Berkley as the cornerstone investor.

Ms. Brown's diverse career has seen her hold senior positions at a range of real estate investment firms including at UK-based real estate management and advisory firm Delancey, where she was Head of Capital Markets between 2020 and 2022. There she managed direct real estate investment and debt sourcing for an existing £1bn UK real estate fund, and established the first debt fund, raising new external equity. Prior to this, Ms. Brown was Head of Real Estate Debt at Legal and General Investment Management and held Managing Director positions at Blackstone Real Estate and The Royal Bank of Scotland. She holds a master's degree in Land Economy from the University of Aberdeen, and an Honours degree in Environmental Planning from the University of Strathclyde and is a fellow of the Royal Institution of Chartered Surveyors.

As of December 31, 2022, the Senior Management of the Group was made up of the following five members, who hold their positions through employment contracts with entities of the Group, except for the Chief Executive Officer who has a management agreement and who is appointed and may be removed by the Board of Directors.

Name	Responsibilities	Age	Initial appointment
Marc Oursin	Chief Executive Officer	60	January 9, 2012
Jean Kreusch	Chief Financial Officer	58	November 1, 2003
Duncan Bell	Chief Operating Officer	59	April 14, 2009
Ammar Kharouf	General Counsel	52	March 17, 2014
Isabel Neumann	Chief Investment Officer	47	August 30, 2021

MARKET OVERVIEW

SELF-STORAGE BASICS

Self storage is a business to consumer (B2C) enterprise in a niche real estate sector that rents storage units, typically on a monthly basis, to individuals (approximately 71%) and business users (approximately 29%).[1] Individuals primarily use self storage as a "remote attic or basement" to store household goods, while businesses usually store excess inventory or archived records. Storage units often differ in size and can range from one sqm to more than 50 sqm. One of the key drivers of self-storage adoption is population density, where space is at a premium, and householders or businesses need cost-effective storage solutions.

For individuals, the industry accommodates storage needs generated by a broad set of "life changes", e.g. death, divorce, marriage, relocation, moving and university, as well as longer-term discretionary uses. On the commercial side, self storage is used by small businesses, e-businesses and other home-based operations as well as large companies looking for overflow storage or the ability to place materials in various locations for sales people or retail distribution.

EUROPEAN SELF-STORAGE MARKET

The European self-storage market has been characterized by a period of sustained growth in recent years. It currently comprises approximately 5,430 facilities across Europe, providing nearly 11.5 million sqm of space.[1] In the seven countries where we operate, there are approximately 9.0 million sqm of rentable area across approximately 3,890 self-storage properties (including UK containers).[1]

The largest self-storage market in Europe is the United Kingdom, accounting for 38% of total facilities. Over 78% of the facilities are located in the six most mature countries within Europe (UK, France, Spain, the Netherlands, Germany and Norway).[1] The average amount of self-storage floor area per capita across Europe is 0.023 sqm.[1] This compares to 0.84 sqm in the much more mature US market, indicating significant further growth potential.[2] In terms of competition, the European self-storage market is still highly fragmented. Shurgard, as the largest operator, represents approximately 5% of the stores, 11% of the total space across Europe and accounts for 15% of total space in the seven countries in which we operate.[1] Moreover, we have a market share of more than 25% in the cities where we operate.

The industry growth has been driven by increases in customer demand, supported by demographic and macroeconomic trends, increasing customer awareness of self storage, and continued development in the supply of self-storage properties. During the pandemic the industry proved its resilient nature as it did during the global financial crisis in 2008. Self storage recorded excellent rent collection levels from customers and an increase in occupancy and rental levels. In addition, the trend towards greater online functionality and more sophisticated platforms has been accelerated by the COVID-19 pandemic, with many customers becoming more comfortable with online transactions, especially in the older age groups.

Several factors have supported demand for self storage from residential customers in recent years. These include favorable demographic and macroeconomic trends, such as population growth, urbanization, higher levels of mobility, micro-living, increasing personal wealth and ownership of more storable goods, as well as increased consumer awareness. Furthermore, with the increase in hybrid working, many people have created a home office so have turned to self storage to create space for this by storing household items that they do not need every day. These trends have been particularly strong in urban areas, where high density levels, elevated housing costs and the scarcity of housing and storage space are expected to support longer-term pricing rates and occupancy levels. Demand from business customers has generally been supported by the growth of new online retailers and small businesses, which require flexible and cost-effective storage options. We expect these trends to continue to support the demand for self storage in the coming years.

1 FEDESSA "European Self Storage Annual Survey" 2022.
2 FEDESSA "European Self Storage Annual Survey" 2020.

Supply of self-storage properties has grown significantly in recent years, alongside increases in customer demand. This growth is also influenced by the high level of fragmentation in the European self-storage industry. As a result, the market has been characterized by periods of consolidation in recent years, which we expect to continue in the future.

GROWTH STRATEGY

Our goal is to enhance shareholder value by further strengthening our position as the leading self-storage operator in Europe, operating strategically-located properties and providing an increasingly digitalized customer service designed to satisfy the requirements and priorities of both residential and business customers.

We aim to expand our position in the seven countries where we operate, with a particular focus on attractive urban areas such as London, Paris, Berlin and other major German cities, as well as Randstad in the Netherlands. Our growth strategy benefits from our established track record of redeveloping, developing, and acquiring properties. With our centralized and technology-focused operating platform, we will benefit from immediate operating leverage and additional economies of scale.

REDEVELOPMENT

Thanks to our 93% freehold portfolio, we are able to continuously analyze our operations for opportunities to undertake remix projects. As part of this, we monitor a variety of demand metrics across our existing property network. These are based on factors like occupancy rates for various unit sizes, customer visits to our website, online pricing searches, and in-store interactions with our customers. Where these metrics indicate the property could benefit from a remix, we reorganize the units at a property to reflect customer demand in that particular market to improve occupancy levels or increase rental rates.

We also expand our existing properties when there is an increase in local demand and the returns justify the expansion of rentable area.

NEW DEVELOPMENT

We are seeking to develop 70,000 sqm per year from 2024, with our reinforced development team of dedicated development and construction specialists. We plan to increase our (re)development pipeline from 32,800 sqm opened in 2022 and 51,400 sqm planned to open in 2023, to 70,000 sqm as from 2024. To do so, we are focusing on a set of clear selection criteria, both operational and financial, including attractive and cycle-resilient locations in our existing markets.

ACQUISITIONS

Finally, we intend to continue to take advantage of the strong fragmentation of the self-storage market in Europe to acquire properties from competitors across the seven countries where we operate, as well as strategic acquisitions where we deem appropriate. We believe that our experience and knowledge of the markets in which we currently operate should enable us to identify opportunities with attractive potential returns. We are targeting to add 20,000 sqm through acquisitions per year on average in the medium term, benefiting from immediate operating leverage and additional economies of scale. We continue to focus on urban areas that we anticipate will enjoy strong demand during all economic cycles and provide attractive growth potential.

YIELD MANAGEMENT

Our goal is to maximize revenue through increased occupancy levels and rental rates. When the occupancy rate of a property reaches maturity, we generally seek to increase rental rates to drive revenue growth through best-in-class yield management. We regularly evaluate our properties' rental rates based on unit demand and unit availability. We adjust our marketing and promotional activities and change rental rates as necessary to enhance revenue.

BRAND AND MARKETING

We believe that the Shurgard brand is a critical marketing tool and we use a variety of channels to increase customer awareness of our name. These include highly visible property locations, site signage and architectural features. In addition, our marketing and sales processes are supported by several activities on social media and other websites to improve our brand awareness and direct potential customers to our website and properties.

RESEARCH AND DEVELOPMENT

As part of our marketing activities, we regularly conduct focus group research and online surveys to identify the primary considerations in customers' self-storage choices and satisfaction. This allows us to better attract and service customers.

PROPERTY PORTFOLIO

OUR PROPERTIES

The number of properties we operate (including stores under management contract) has grown to a network of 267 properties comprising 1,350,906 net rentable sqm, as of December 31, 2022. We primarily operate in urban areas across Europe, with 93% of our properties located in capital and major cities. At the end of December 2022, 93% of our net square rentable area was in properties that we own ("freehold properties") or operate under long-term lease agreements of at least 80 years remaining life ("long leasehold properties"). The occupancy rate across all properties averaged 88.4% for the full year 2022. The average in-place rent per sqm was €252.2 during the year.

The following table shows our portfolio by country, as of December 31, 2022:

	Total number of properties	Net rentable sqm (in thousands)	Freehold and long leasehold[1]	Average occupancy rate[2]	Average in-place rent (in € per sqm)[3]
France	66	332	94.5%	85.8%	254.8
The Netherlands	65	321	84.4%	90.2%	214.8
United Kingdom	41	202	96.7%	86.0%	332.2
Sweden	39	196	94.4%	91.5%	256.2
Germany	25	130	95.6%	85.0%	246.6
Belgium	21	117	100.0%	91.7%	201.3
Denmark	10	53	100.0%	93.3%	275.4
Total	**267**	**1,351**	**93.2%**	**88.4%**	**252.2**

1 Average calculated as a weighted average by net rentable sqm.
2 Average occupancy rate is calculated as the average of the rented sqm divided by the average of the rentable sqm, each for the reporting period.
3 Average in-place rent is presented in euros per sqm and calculated as rental revenue divided by the average rented sqm for the reporting period.

Our net rentable sqm have grown by 4.8%, from 1,289,325 sqm as of December 31, 2021 to 1,350,906 sqm as of December 31, 2022. This growth is mainly a result of our portfolio expansion in 2022 (65,359 net rentable sqm), offset by the closure of one store in Germany (3,687 net rentable sqm).

During the last quarter of 2022, Shurgard purchased three properties in Sweden, adding 7.2% (13,135 sqm) to our Swedish portfolio.
The second biggest increase in our portfolio has come from France, where we added 6.8% (21,584 sqm) with the opening of Lagny in March, Sartrouville in October and Versailles South in December; and the acquisition of one property from Box à la Carte in Paris in November.
We have further increased our portfolio by 6.5% (6,580 sqm) in Germany mainly from the opening of Dusseldorf Rath in September and Cologne Merheim in October. This increase was partially offset by the closure of Munich Obersendling following the end of the lease, removing 3.0% (3,687 sqm) net rentable sqm from our German portfolio.
During the second half of 2022, Shurgard also increased its portfolio in the Netherlands by 5.6% (16,915 sqm), by acquiring and (re)developing a total of five properties.
Finally, we also acquired one property in the UK in May 2022, expanding our portfolio by 1.2% (2,491 sqm).

PORTFOLIO EXPANSION

Property	Region	Country	Completion date	Net sqm	Direct project cost / purchase price[1]
Opened in 2022				**65,359**	**142,666**
Major redevelopments					
Arnhem	Randstad	Netherlands	Dec-22	967	944
New developments					
Lagny	Paris	France	Mar-22	5,531	10,349
Dusseldorf Rath	NRW	Germany	Sep-22	4,530	12,278
Rotterdam Capelle	Randstad	Netherlands	Sep-22	4,356	3,214
Cologne Merheim	NRW	Germany	Oct-22	5,737	13,695
Sartrouville	Paris	France	Oct-22	4,890	10,235
Rotterdam Spijkenisse	Randstad	Netherlands	Dec-22	2,525	5,134
Versailles South	Paris	France	Dec-22	5,263	10,224
M&A / Asset Acquisition					
CityStore Self Storage	London	UK	May-22	2,491	6,781
Grepu Vastgoed	Randstad	Netherlands	Sep-22	3,266	9,000
Box à la Carte	Paris	France	Nov-22	5,900	9,200
Instorage	Stockholm	Sweden	Nov-22	13,135	33,012
HuurEenBox	Randstad	Netherlands	Dec-22	6,768	18,600
Scheduled to open in 2023				**51,372**	**87,130**
Major redevelopments					
Unterfoehring	Munich	Germany	Q1 2023	2,302	2,933
Unterfoehring	Munich	Germany	Q2 2023	1,610	1,227
Euston	London	UK	Q2 2023	692	123
Danmarksgatan[2]	Stockholm	Sweden	Q2 2023	1,676	-
Rotterdam	Randstad	Netherlands	Q4 2023	4,537	2,221
New developments					
Diemen Visseringweg	Randstad	Netherlands	Q2 2023	4,004	3,072
Amersfoort	Randstad	Netherlands	Q3 2023	3,060	5,240
Portsmuiden	Randstad	Netherlands	Q4 2023	7,505	6,095
Chiswick	London	UK	Q4 2023	6,566	23,151
Chadwell Heath	London	UK	Q4 2023	6,812	17,093
Nice project	Nice	France	Q4 2023	1,263	2,458
1 property	Randstad	Netherlands	Q4 2023	3,177	2,630
1 property	London	UK	Q4 2023	8,168	20,887
Scheduled to open in 2024				**25,248**	**61,709**
Major redevelopments					
Almere Buiten	Randstad	Netherlands	2024	1,160	1,867
Handen	Stockholm	Sweden	2024	1,582	3,193
Nacka	Stockholm	Sweden	2024	2,028	4,262
Southwark	London	UK	2024	2,692	7,140
New developments					
Charlottenburg	Berlin	Germany	2024	4,923	12,766
1 property	Stuttgart	Germany	2024	7,049	16,380
1 property	NRW	Germany	2024	5,814	16,101
Scheduled to open in 2025				**7,329**	**20,928**
New developments					
1 property	Frankfurt	Germany	2025	7,329	20,928
Total portfolio expansion				**149,308**	**312,433**

Footnotes – see next page

1 In € thousands at closing rate December 2022, including development fees and excluding absorption costs. The total purchase price of our 2022 acquisitions amounts to €76.6 million (€0.1 million higher than the 'acquisition of investment properties and other assets' in our cash flow statement, note 12 of the Financial Statements). This is explained by currency translation impacts (-€0.9 million), the deduction of a lease liability acquired to Box à la Carte to the final purchase price paid to the seller (+1.3 million) and the other assets and liabilities acquired as part of the transactions and adjusted to the final purchase price (-€0.3 million).

2 Redevelopment project part of the 2022 acquisition of Instorage.

In 2022, our portfolio and pipeline of stores we operate continued to grow, with 11.7% (or 149,308 sqm) of our rentable sqm realized, being developed, acquired, under construction and secured. Out of 12 development projects in the pipeline for 2023, 2024 and 2025, the permits have been received for all but five properties where the regular building permit process is ongoing. Construction is in progress for two properties in Randstad, two in London, and one in Berlin.

PROPERTY LAYOUT

Although the size of our properties varies, most consist of multi-story buildings. The rental units typically range from one to 20 sqm in size. The average unit size is approximately six sqm, although unit sizes are typically smaller in major metropolitan areas at approximately five to six sqm. As of December 31, 2022, we had approximately 790 units on average at each property, and our properties had an average rentable area of nearly 5,100 sqm.

OPERATIONAL AND FINANCIAL REVIEW

GROUP RESULTS

(in € thousands, except where indicated otherwise)	Q4 2022	Q4 2021	+/- CER	FY 2022	FY 2021	+/-	+/- CER
Real estate operating revenue	88,662	79,408	13.5%	335,290	300,375	11.6%	12.3%
Real estate operating expense	(27,639)	(26,371)	6.4%	(113,821)	(105,566)	7.8%	8.3%
Net income from real estate operations	**61,023**	**53,037**	**17.0%**	**221,469**	**194,809**	**13.7%**	**14.5%**
General, administrative and other expenses	(6,732)	(5,923)	15.0%	(22,515)	(19,440)	15.8%	16.3%
of which depreciation and amortization expense	(763)	(663)	15.4%	(2,866)	(2,624)	9.2%	9.4%
Acquisition benefit of business combinations	775	-	N/A	775	-	N/A	N/A
Royalty fee expense	(854)	(785)	10.6%	(3,289)	(2,971)	10.7%	11.4%
Operating profit before property related adjustments	**54,212**	**46,329**	**19.1%**	**196,440**	**172,398**	**13.9%**	**14.8%**
Valuation gain from investment property and investment property under construction	185,605	321,259	-41.1%	586,181	466,575	25.6%	27.3%
Proceeds from property insurance recovery and gain on disposal of investment property, property, plant and equipment	-	-	-100.0%	-	5,717	-100.0%	-100.0%
Operating profit	**239,817**	**367,588**	**-33.5%**	**782,621**	**644,690**	**21.4%**	**22.8%**
Finance cost	(4,589)	(5,129)	-9.0%	(20,785)	(19,970)	4.1%	4.8%
Profit before tax	**235,228**	**362,459**	**-33.8%**	**761,836**	**624,720**	**21.9%**	**23.4%**
Income tax expense	(58,170)	(95,038)	-37.7%	(186,235)	(177,134)	5.1%	5.9%
Attributable profit for the period	**177,058**	**267,421**	**-32.4%**	**575,601**	**447,586**	**28.6%**	**30.3%**
Profit attributable to non-controlling interests	(486)	(398)	22.0%	(1,317)	(738)	78.4%	78.4%
Profit attributable to ordinary equity holders of the parent	**176,572**	**267,023**	**-32.5%**	**574,284**	**446,848**	**28.5%**	**30.3%**
Earnings per share attributable to ordinary equity holders of the parent:							
Basic, profit for the period (in €)	1.98	3.00	-32.7%	6.45	5.03	28.1%	29.9%
Diluted, profit for the period (in €)	1.97	2.98	-32.7%	6.40	5.00	28.1%	29.8%
Adjusted EPRA earnings per share (basic - in €)	0.45	0.39	16.5%	1.61	1.48	9.2%	9.8%
Average number of shares (basic - in millions)	89.1	88.9	0.2%	89.1	88.8	0.3%	0.3%

The following discussion of group revenue and expenses down to EBITDA is on a constant exchange rate (CER) basis, where 2021 actual exchange rate (AER) numbers are recalculated using 2022 exchange rates.

REAL ESTATE OPERATING REVENUE

Our real estate operating revenue is comprised of property operating revenue, which includes rental revenue, insurance and ancillary revenue, and other revenue.

(in € thousands)	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
Rental revenue	75,645	67,680	11.8%	289,380	257,007	12.6%
Insurance revenue	8,173	7,708	6.0%	32,075	30,118	6.5%
Ancillary revenue[1]	2,792	2,681	4.1%	11,594	10,989	5.5%
Property operating revenue (CER)	**86,610**	**78,069**	**10.9%**	**333,049**	**298,114**	**11.7%**
Other revenue[2]	2,052	54	3742.0%	2,241	429	N/A
Real estate operating revenue (CER)	**88,662**	**78,123**	**13.5%**	**335,290**	**298,543**	**12.3%**
Foreign exchange	-	1,285	-100.0%	-	1,832	-100.0%
Real estate operating revenue (AER)	**88,662**	**79,408**	**11.7%**	**335,290**	**300,375**	**11.6%**

1 Ancillary revenue consists of merchandise sales and other revenue from real estate operations.
2 Other revenue consists of management fee revenue and other, non-recurring income resulting from operations. In Q4 2022, the company received a €2.0 million compensation for the lease termination of its Obersendling store in Munich.

Rental Revenue

Rental revenue is derived from our core business of renting storage units. The key levers of rental revenue growth are more storage space (from acquisitions, new developments, and redevelopments), as well as higher occupancy and higher rental rates.

In 2022, rental revenue increased by 12.6% to €289.4 million, from €257.0 million in 2021. This was driven by an increase in rental rates combined with stable occupancy at our same stores, and the solid performance of our non-same stores during their "ramp-up" phase, where occupancy and rental rates rose strongly. Across our expanded network, our closing rented sqm increased by 3.9% to 1,167 thousand sqm as of December 31, 2022 from 1,123 thousand sqm on December 31, 2021.

Insurance Revenue

Customers renting storage from Shurgard are required to have insurance for their stored goods. They can use their own insurance provider or Shurgard can offer its customers insurance protection via an independent insurance company for customers' stored goods. Any advice and claims regarding customer insurance are directly handled by our insurance broker/insurer. Since 2021, the Company manages its insurable risks through a combination of self-insurance and commercial insurance coverage for property damage, business interruption and customer goods-related claims via our insurance captive.

As of December 31, 2022, insurance revenue increased by 6.5% to €32.1 million (2021: €30.1 million). This was driven by our non-same stores, as well as an increase in the proportion of new customers in our same store segment.

Ancillary Revenue

Ancillary revenue is derived from the sale of storage products in our properties including cardboard boxes and packing materials. It also includes other revenue from real estate operations. Ancillary revenue increased from €11.0 million to €11.6 million in 2022.

REAL ESTATE OPERATING EXPENSE

(in € thousands)	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
Payroll expense	10,665	10,352	3.0%	42,151	41,192	2.3%
Real estate and other taxes	2,115	2,127	-0.6%	16,834	15,940	5.6%
Repairs and maintenance	3,036	3,476	-12.7%	10,913	9,831	11.0%
Marketing expense	2,418	2,088	15.8%	9,162	8,243	11.1%
Utility expense	887	811	9.4%	3,574	3,734	-4.3%
Other operating expenses[1]	5,731	5,054	13.4%	20,810	17,399	19.6%
Doubtful debt expense	1,460	988	47.8%	5,088	3,383	50.4%
Cost of insurance and merchandise sales	1,327	1,078	23.1%	5,289	5,393	-1.9%
Real estate operating expense (CER)	**27,639**	**25,974**	**6.4%**	**113,821**	**105,115**	**8.3%**
Foreign exchange	-	397	-100.0%	-	451	-100.0%
Real estate operating expense (AER)	**27,639**	**26,371**	**4.8%**	**113,821**	**105,566**	**7.8%**

1 Other operating expenses mainly include travel expenses, legal and consultancy fees, insurance expenses, non-deductible VAT, information system expenses and miscellaneous rental expenses.

During 2022, our real estate operating expenses went up by 8.3%. This is mainly attributed to an increase in doubtful debt expense (€1.7 million), which was driven by the exceptionally low comparable amount in 2021, approximately 21% below 2020. Further, repair and maintenance expenses increased (€1.1 million) due to higher expenses in security, and higher overall maintenance cost, mainly following the addition of stores. Payroll expense, real estate tax and marketing have gone up by €1.0 million, €0.9 million, and €0.9 million, respectively, following the expansion of our store network. Finally, other operating expenses increased by €3.4 million following the reinforcement of our IT team with consultants supporting various IT changes and projects, as well as an increase in travel expenses, a one-off rent adjustment related to prior years in Germany, and higher office administration and insurance-related expenses.

NET INCOME FROM REAL ESTATE OPERATIONS

Net income from real estate operations reflects the revenue received minus the expenses incurred in running our real estate operations. Net income growth indicates the strong strategic position of Shurgard's operating platform. We can leverage economies of scale as we acquire or develop properties, using our standardized IT and marketing platform to contain costs and ensure our revenues grow faster than our normalized expenses. Net income from real estate operations rose by 14.5%, up to €221.5 million in 2022, from €194.8 million in 2021.

Segment information

The following table shows the development of our property network (same stores and non-same stores) and our property operating revenue split by the two segments on a year-on-year basis.

(at CER)	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
Same stores	234	234	-	234	234	-
Non-same stores	32	20	12	32	20	12
All Store	**266**	**254**	**12**	**266**	**254**	**12**
Same store property operating revenue in € thousands	80,666	74,604	8.1%	313,669	288,912	8.6%
Non-same store property operating revenue in € thousands	5,944	3,465	71.5%	19,380	9,202	110.6%
All store property operating revenue in € thousands	**86,610**	**78,069**	**10.9%**	**333,049**	**298,114**	**11.7%**

Same stores

"Same stores" are all developed properties that have been in operation for at least three full years, and all acquired properties that we have owned for at least one full year from the start of the year. The following table shows certain performance measures across our same store portfolio.

(at CER)	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
Property KPIs at period end						
Number of properties	234	234	-	234	234	-
Closing rentable sqm[1]	1,197	1,189	0.6%	1,197	1,189	0.6%
Closing rented sqm[2]	1,074	1,070	0.4%	1,074	1,070	0.4%
Closing occupancy rate[3]	89.7%	89.9%	-0.2pp	89.7%	89.9%	-0.2pp
Property KPIs for the period						
Average rented sqm[4]	1,078	1,080	-0.2%	1,077	1,072	0.5%
Average occupancy rate[5]	90.4%	90.8%	-0.4pp	90.5%	90.3%	0.2pp
Average in-place rent (in € per sqm)[6]	262.4	240.2	9.2%	253.9	233.1	8.9%
Average revPAM (in € per sqm)[7]	270.7	250.9	7.9%	263.5	243.5	8.2%
Financial KPIs for the period						
Property operating revenue[8] in € thousands	80,666	74,604	8.1%	313,669	288,912	8.6%
Income from property (NOI)[9] in € thousands	56,197	50,974	10.2%	210,820	190,316	10.8%
NOI margin[10]	69.7%	68.3%	1.3pp	67.2%	65.9%	1.3pp

1 Closing rentable sqm is presented in thousands of sqm and calculated as the sum of available sqm for customer storage use at our stores, as of the reporting date.
2 Closing rented sqm is presented in thousands of sqm and calculated as the sum of sqm rented by customers, as of the reporting date.
3 Closing occupancy rate for our same stores is presented as a percentage and calculated as the closing rented sqm in our same stores divided by closing rentable sqm in our same stores, each as of the reporting date.
4 Average rented sqm is presented in thousands of sqm and calculated as the sum of sqm rented by customers, for the reporting period.
5 Average occupancy rate for our same stores is presented as a percentage and is calculated as the average of the rented sqm in our same stores divided by the average of the rentable sqm in our same stores, each for the reporting period.
6 Average in-place rent is presented in euros per sqm per year and calculated as rental revenue, divided by the average rented sqm for the reporting period.
7 Average revPAM, which stands for revenue per available sqm, is presented in euros per sqm per year for the reporting period and calculated as property operating revenue, divided by the average rentable sqm for the reporting period.
8 Property operating revenue for our same stores represents our revenue from operating our same stores, and comprises our rental revenue, insurance revenue and ancillary revenue.
9 Income from property operations (NOI) for our same stores is calculated as property operating revenue less real estate operating expense for our same stores, each for the reporting period.
10 NOI margin for our same stores is calculated as income from property (NOI) divided by property operating revenue for our same stores, each for the reporting period.

The average occupancy rates for our same store network increased by 0.2pp to 90.5%. The average in-place rent per sqm for our same store facilities increased by 8.9% to €253.9 in 2022 from €233.1 the previous year.

Property operating revenue generated by our same store facilities increased by €24.8 million or 8.6% to €313.7 million in 2022, driven by increases in average in-place rental rates and higher average rented sqm (up by 0.5%).

NOI for our same stores rose from €190.3 million in 2021 to €210.8 million in 2022, reflecting our ability to control operating expenses so that they grow slower than operating revenues. NOI margin for our same stores increased from 65.9% to 67.2% in 2022.

Non-same stores

Non-same stores are any properties that are not classified as same store for a given year. Occupancy and in-place rent can vary greatly between these properties depending on their maturity.

Non-same store property operating revenue increased from €9.2 million in 2021 to €19.4 million in 2022. This increase was due to the continued "ramp-up" at our new properties and the net addition of 12 non-same stores.

OPERATIONS BY COUNTRY

All store Property operating revenue (in € thousands)	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
France	20,829	19,148	8.8%	79,595	73,438	8.4%
The Netherlands	18,129	16,106	12.6%	68,718	62,184	10.5%
The United Kingdom	17,157	14,844	15.6%	65,894	53,618	22.9%
Sweden	12,007	11,373	5.6%	48,439	45,540	6.4%
Germany	8,059	6,898	16.8%	29,981	26,177	14.5%
Belgium	6,534	5,985	9.2%	25,033	22,884	9.4%
Denmark	3,895	3,715	4.8%	15,389	14,273	7.8%
Total	**86,610**	**78,069**	**10.9%**	**333,049**	**298,114**	**11.7%**

Same store Property operating revenue (in € thousands)	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
France	19,984	18,929	5.6%	77,453	72,873	6.3%
The Netherlands	17,484	15,774	10.8%	66,785	61,060	9.4%
The United Kingdom	14,081	12,856	9.5%	55,211	49,427	11.7%
Sweden	11,895	11,373	4.6%	48,327	45,540	6.1%
Germany	6,793	5,972	13.8%	25,471	22,855	11.4%
Belgium	6,534	5,985	9.2%	25,033	22,884	9.4%
Denmark	3,895	3,715	4.8%	15,389	14,273	7.8%
Total	**80,666**	**74,604**	**8.1%**	**313,669**	**288,912**	**8.6%**

Same store Average occupancy rate[1]	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
France	89.0%	89.6%	-0.6pp	89.2%	89.2%	0.0pp
The Netherlands	91.1%	90.2%	1.0pp	90.7%	90.1%	0.6pp
The United Kingdom	88.7%	89.9%	-1.2pp	88.8%	89.2%	-0.3pp
Sweden	91.1%	91.9%	-0.8pp	91.7%	92.2%	-0.5pp
Germany	91.4%	91.6%	-0.2pp	91.1%	89.8%	1.2pp
Belgium	92.2%	92.0%	0.2pp	91.7%	90.9%	0.8pp
Denmark	91.6%	95.0%	-3.4pp	93.3%	94.3%	-1.0pp
Total	**90.4%**	**90.8%**	**-0.4pp**	**90.5%**	**90.3%**	**0.2pp**

Same store Average in-place rent[2]	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
France	272.4	253.7	7.4%	262.1	244.2	7.3%
The Netherlands	226.5	205.5	10.2%	216.9	199.7	8.6%
The United Kingdom	347.1	309.6	12.1%	336.6	299.8	12.3%
Sweden	255.3	239.8	6.4%	256.4	237.5	7.9%
Germany	270.1	239.4	12.8%	254.7	232.7	9.5%
Belgium	209.7	191.8	9.4%	201.3	184.4	9.2%
Denmark	284.9	260.0	9.6%	275.4	249.9	10.2%
Total	**262.4**	**240.2**	**9.2%**	**253.9**	**233.1**	**8.9%**

Same store NOI margin[3]	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
France	67.4%	68.2%	-0.8pp	62.5%	61.5%	1.0pp
The Netherlands	73.5%	72.1%	1.4pp	70.4%	69.1%	1.3pp
The United Kingdom	66.7%	64.4%	2.4pp	65.7%	63.9%	1.8pp
Sweden	71.9%	71.3%	0.6pp	72.4%	72.0%	0.4pp
Germany	70.3%	61.0%	9.3pp	67.4%	62.3%	5.1pp
Belgium	68.9%	70.0%	-1.2pp	65.3%	66.0%	-0.7pp
Denmark	68.2%	66.7%	1.5pp	69.1%	67.3%	1.7pp
Total	**69.7%**	**68.3%**	**1.3pp**	**67.2%**	**65.9%**	**1.3pp**

1 Average occupancy rate is presented as a percentage and is calculated as the average of the rented sqm divided by the average of the rentable sqm, each for the reporting period.
2 Average in-place rent is presented in euros per sqm per year and calculated as rental revenue divided by the average rented sqm, each for the reporting period.
3 NOI margin is calculated as income from property (NOI) divided by property operating revenue, each for the reporting period.

Compared to the prior year period, our all-store property operating revenue grew by 11.7% in 2022, delivering revenue of €333.0 million, and confirming the strong trend observed in the first three quarters of the year. All our markets contributed to that performance, with a standout performance in the UK where growth of 22.9% was driven by our successful expansion in London and our capacity to increase our rates while maintaining occupancy. Our portfolios in Germany and the Netherlands also delivered double-digit growth, benefiting from all our levers of revenue growth (expansion, same store rate and occupancy increases).

Same store revenue grew by 8.6% compared to the prior year, mainly fueled by an average in-place rent increase of 8.9% versus the prior year, and a 0.2pp increase in average same store occupancy. Shurgard has managed to deliver strong fourth quarter results because all its markets were able to implement price rises while maintaining high occupancy, even in the traditionally weaker season for self storage.

- In our largest market France, same store revenue grew by 6.3% compared to the prior year. This is attributed to a 7.3% rise in average in-place rent, with stable occupancy compared to 2021 at 89.2%;

- The Netherlands increased revenue by 9.4% versus the prior year. Rental rates were the main driver, growing 8.6% compared to 2021, with an acceleration in the last quarter, while average occupancy also continued to grow (+0.6pp versus 2021);

- The United Kingdom remains our fastest growing market at the moment. An impressive 12.3% increase in rental rates partially offset by a 0.3pp occupancy decrease to 88.8%, resulted in an 11.7% rise in revenue compared to the prior year;

- Sweden's revenue for 2022 was 6.1% higher than the prior year, fully driven by an increase in rental rates of 7.9% compared to 2021, with a strong 91.7% occupancy;

- In Germany, we saw the strongest increase in occupancy of all our markets, up +1.2pp versus the prior year (91.1%). Combined with rental rate growth of 9.5%, this market was able to achieve 11.4% revenue growth compared to 2021;

- Belgium's revenue grew 9.4% versus the prior year due to a 9.2% increase in rental rates coupled with all time high occupancy levels (+0.8pp versus the prior year) at 91.7%;

- In Denmark, rental rate growth of 10.2% compensated for the 1.0pp occupancy decline (the occupancy still being at a high 93.3%) versus the prior year, resulting in revenue growth of 7.8% versus the prior year;

- Shurgard's same store revenue performance was minimally impacted by a loss on SEK (-4%, or - €2.1 million), which was partially countered by a favorable fluctuation in the GBP exchange rate (+1% or +€0.4 million).

GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

(in € thousands, at CER)	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
Payroll expense	2,969	2,343	26.7%	11,982	9,232	29.8%
Share-based compensation expense	920	1,745	-47.2%	3,899	3,792	2.8%
Capitalization of internal time spent on development	(1,063)	(681)	56.1%	(3,831)	(2,252)	70.1%
Depreciation and amortization expense	763	661	15.4%	2,866	2,620	9.4%
Other general and administrative expenses[1]	3,143	1,788	75.8%	7,599	5,974	27.2%
Total	**6,732**	**5,856**	**15.0%**	**22,515**	**19,366**	**16.3%**

4 Other general and administrative expenses mainly include legal, consultancy and audit fees and non-deductible VAT.

General, administrative and other expenses increased by 16.3%, from €19.4 million in 2021 to €22.5 million in 2022. Our payroll expense has gone up by €2.8 million versus the prior year, mainly resulting from new hires to support our development plans, while the capitalization of internal time spent went up by €1.6 million reflecting our increased development pipeline. Other general and administrative expenses mainly went up following an exceptional insurance recovery proceed (€ 0.8 million) received in 2021.

ROYALTY FEE EXPENSE

We pay our shareholder Public Storage a royalty fee equal to 1.0% of revenues (net of doubtful debt expenses) in exchange for the rights to use the "Shurgard" trade name and other services. In 2022, we incurred royalty fees of €3.3 million.

OPERATING PROFIT BEFORE PROPERTY RELATED ADJUSTMENTS

Operating profit before property related adjustments increased by 14.8%, from €171.1 million in 2021 to €196.4 million in 2022, reflecting the operational strength of the core business (before non-cash adjustments and exceptional items).

EBITDA

(in € thousands)	Q4 2022	Q4 2021	+/-	FY 2022	FY 2021	+/-
Operating profit before property related adjustments	**54,212**	46,329	**17.0%**	**196,440**	172,398	**13.9%**
Depreciation and amortization expense	763	663	15.2%	2,866	2,624	9.2%
Other[1]	362	621	-41.9%	459	(157)	N/A
EBITDA (AER)	**55,337**	47,613	**16.2%**	**199,765**	174,865	**14.2%**
Foreign exchange	-	(853)	-100.0%	-	(1,336)	-100.0%
EBITDA (CER)	**55,337**	46,760	**18.3%**	**199,765**	173,529	**15.1%**

1 Other includes abandoned project costs, acquisition benefits of business combinations, cease-use lease expense and casualty gain (excluding property insurance recovery proceeds).

At constant exchange rates, EBITDA rose by 15.1% in 2022, from €173.5 million the previous year to €199.8 million this year, mainly due to an increase in property operating revenue of 13.9%.

VALUATION GAINS FROM INVESTMENT PROPERTY, INVESTMENT PROPERTY UNDER CONSTRUCTION AND RIGHT-OF-USE INVESTMENT PROPERTY

The Company recognized a valuation gain from investment property, investment property under construction and the Right of Use Investment Property (ROU IP) of €586.2 million for 2022, which compares to a valuation gain of €466.6 million for 2021. The valuation assumptions made by external valuers Cushman & Wakefield include predicted occupancy levels, rental rates, expenses, and other factors, such as cap and discount rates, that, depending on each assumption, can cause substantial fluctuations in valuation gains each year.

The valuation gain of €586.2 million, combined with capital expenditure, and exchange rate effects, resulted in total investment property increase of €676.7 million (+17.6%) to €4,523.8 million, compared to December 31, 2021. The valuation gain is mainly a result of a 46bp exit cap rate contraction (from 5.65% in December 2021 to 5.19% on December 31, 2022), combined with higher operating cash flows.

OPERATING PROFIT

Operating profit increased by 21.4% from €644.7 million in 2021 to €782.6 million in 2022, mostly due to €119.6 million higher gains on valuation from investment property and an improvement in NOI.

FINANCE COSTS

(in € thousands)	FY 2022	FY 2021	+/-
Total interest expense	20,696	19,985	3.6%
Foreign exchange (gain)/loss	89	(15)	N/A
Finance cost, net	**20,785**	19,970	**4.1%**

Finance costs increased by 4.1% (or €0.8 million) to €20.8 million in 2022 from €20.0 million in 2021. This mainly reflects the impact of our new €300 million notes issuance in July 2021 (+€0.7 million).

INCOME TAX EXPENSE

(in € thousands)	FY 2022	FY 2021	+/-
Current tax expense	30,311	26,019	16.5%
Deferred tax expense	155,924	151,115	3.2%
Income tax expense	**186,235**	**177,134**	**5.1%**
Adjusted EPRA earnings effective tax rate[1]	17.4%	16.6%	0.9pp

1 Adjusted EPRA earnings effective tax rate is current tax expenses divided by adjusted EPRA earnings before tax.

Current tax expense increased in line with expectations from €26.0 million in 2021 to €30.3 million in 2022. Deferred tax expense of €155.9 million in 2022 were predominately impacted by the revaluation gains on our investment property and investment property under construction. Consequently, the adjusted EPRA earnings effective tax rate for 2022 ended at 17.4%, compared to 16.6% in 2021.

ATTRIBUTABLE PROFIT AND ATTRIBUTABLE PROFIT PER SHARE

For 2022, €574.3 million (2021: €446.8 million) profit was attributable to the shareholders of Shurgard Self Storage S.A., and €1.3 million (2021: €0.7 million) was attributable to non-controlling interests. Based on the average number of shares (2022: 89.1 million), this translates into basic earnings of €6.45 per share.

EPRA KPIS

(in € thousands, except where indicated)	FY 2022	FY 2021	+/-
EPRA Earnings	144,225	129,426	11.4%
Adjusted EPRA Earnings	143,556	131,049	9.5%
Capital Expenditure	188,887	131,077	44.1%
EPRA Vacancy Rate	13.1%	12.3%	0.7pp
EPRA LFL Rental Growth[1]	9.5%	7.8%	1.7pp
EPRA Cost ratio (including direct vacancy costs)	46.6%	48.1%	-1.5pp
EPRA Cost ratio (excluding direct vacancy costs)	46.6%	48.1%	-1.5pp
EPRA Net Initial Yield (NIY)	6.4%	6.5%	-0.2pp
EPRA Net Initial Yield "topped-up" NIY	6.4%	6.5%	-0.2pp

1 Shurgard classifies as "LFL" (i) all developed stores that have been in operation for at least three full years, and (ii) all acquired stores that we have owned for at least one full year, each measured as of January 1 of the relevant year. This definition corresponds to our same store definition.

We have identified certain non-GAAP measures that we believe give a good reflection of the performance of our underlying business. They are based on definitions from the European Public Real Estate Association (EPRA) in their best practices guidelines dated February 2022. They include EPRA earnings and adjusted EPRA earnings which are presented in detail below. The basis on which we calculate these EPRA KPIs are illustrated in the Appendix of the annual report (Alternative Performance Measures).

EPRA EARNINGS

(in € thousands, except for EPRA EPS)	FY 2022	FY 2021	+/-
Profit attributable to ordinary equity holders of the parent	**574,284**	446,848	**28.5%**
Adjustments:			
Gain on revaluation of investment properties[1]	(586,181)	(466,575)	25.6%
Acquisition benefit of business combinations and other	(775)	-	N/A
Current and deferred tax in respect of EPRA adjustments	155,878	148,668	4.9%
Non-controlling interests in respect of the above[2]	1,019	485	109.7%
EPRA earnings	**144,225**	129,426	**11.4%**
EPRA earnings per share (basic - in €)	1.62	1.46	11.1%
EPRA earnings per share (diluted - in €)	1.61	1.45	11.1%

1 Including investment property under construction and right-of-use investment property assets.
2 Non-controlling interests are presented net of current income taxes.

EPRA earnings exclude acquisition costs which can fluctuate depending on the number and size of acquisitions, the gains or losses on the revaluation of investment property, and other asset sales which are not part of the operational running of the business.

ADJUSTED EPRA EARNINGS

(in € thousands, except for Adjusted EPRA EPS)	FY 2022	FY 2021	+/-
EPRA earnings	**144,225**	129,426	**11.4%**
Company specific adjustments:			
Non-recurring expenses[1]	(1,269)	(966)	31.3%
Tax adjustments[2]	600	2,589	-76.8%
Adjusted EPRA earnings	**143,556**	131,049	**9.5%**
Adjusted EPRA earnings per share (basic - in €)	1.61	1.48	9.2%
Adjusted EPRA earnings per share (diluted - in €)	1.60	1.47	9.2%

1 Non-recurring expenses consist of (i) insurance recovery proceeds, (ii) compensation received for lease agreement termination and (iii) UK REIT set up costs.
2 Tax adjustments consist of (i) deferred tax expense on items other than revaluation of investment property, (ii) net impact of tax assessments and (iii) current income tax effect of the Company specific adjustment items included in this Adjusted EPRA earnings table.

Adjusted EPRA earnings exclude significant one-off items that arise from events and transactions distinct from the Company's regular operating activities, and deferred tax expenses on items other than the revaluation of investment property. In 2022, adjusted EPRA earnings were €143.6 million, 9.5% higher than the €131.0 million in 2021.

We received insurance reimbursements in 2021 of €5.6 million (at CER, net of taxes). If we exclude these reimbursements, the €143.6 million adjusted EPRA earnings represents growth of 15.0% versus 2021 (at CER).

RECONCILIATION OF EBITDA TO ADJUSTED EPRA EARNINGS

(in € thousands)	**FY 2022**	FY 2021	**+/-**
EBITDA	**199,765**	174,865	**14.2%**
Net attributable profit adjustments:			
Casualty gain	-	6,495	-100.0%
Cease-use lease expense	(185)	-	N/A
Depreciation and amortization expense	(2,866)	(2,624)	9.4%
Finance costs	(20,785)	(19,970)	4.1%
Current tax expense	(30,311)	(26,019)	16.5%
Non-controlling interests, net of EPRA adjustments	(1,348)	(874)	54.2%
Company specific EPRA adjustments:			
Non-recurring expenses[1]	(1,269)	(966)	31.3%
Tax adjustments[2]	555	143	N/A
Adjusted EPRA earnings	**143,556**	131,049	**9.5%**

1 Non-recurring expenses consist of (i) insurance recovery proceeds, (ii) compensation received for lease agreement termination and (iii) UK REIT set up costs.
2 Tax adjustments consist of (i) net impact of tax assessments and (ii) current income tax effect of the Company specific adjustment items included in the Adjusted EPRA earnings table.

Adjusted EPRA earnings increased by 9.5% mainly due to a 14.2% increase in EBITDA partially offset by insurance reimbursements received in H1 2021.

EPRA NAV METRICS

The table below provides a summarized overview of the Company's key Alternative Performance Measures (APM) that are NAV related, consisting of NAV, EPRA NRV, EPRA NTA and EPRA NDV:

(in € thousands)	FY 2022	FY 2021	+/-
Net Asset Value (NAV)	2,860,993	2,472,543	15.7%
EPRA Net Restatement Value (NRV)	3,989,647	3,409,642	17.0%
EPRA Net Tangible Assets (NTA)	3,638,892	3,112,598	16.9%
EPRA Net Disposal Value (NDV)	2,974,095	2,417,628	23.0%

The basis of calculation for each of the measures set out above are illustrated in the Appendix of the report (Alternative Performance Measures).

LIQUIDITY

Our primary cash requirements are for operating expenses, debt servicing, improvements to existing properties, developments and acquisitions of new properties, and for the payment of dividends. Historically, these requirements were funded by operating cash flows, the issuance of equity and borrowings, including the U.S. Private Placement Notes, the 2018 syndicated revolving credit facility and the proceeds of the October 2018 equity issuance. Going forward, we believe that our financing strategy, as well as our strong operating performance allow us to access all financing options, ranging from private debt to bank loans, as well as equity issuances and use of our current bank credit facility or other type of borrowings.

Our loan-to-value ratio on December 31, 2022, was 18.0%, compared to 17.4% on December 31, 2021. This increase was due to a proportionally higher increase in net debt than in market value. We are targeting a loan-to-value ratio of 25%, with a short-to-mid-term maximum of 35%. Our net debt to EBITDA multiple was at 4.1 times versus 3.8 on December 31, 2021. We are currently targeting a net debt to EBITDA multiple between 4 to 5 times.

We maintain cash and cash equivalent balances at banking institutions in certain countries where we operate. In Sweden, the United Kingdom and Denmark, these balances are held in local currencies. It is our policy that investments of surplus funds are made only with approved counterparties with a minimum investment grade credit rating.

CASH FLOW OVERVIEW

(in € thousands)	FY 2022	FY 2021	+/-
Cash flows from operating activities	186,534	161,589	15.4%
Cash flows from investing activities	(184,005)	(125,330)	46.8%
Cash flows from financing activities	(131,380)	79,099	N/A
Net (decrease) increase in cash and cash equivalents	(128,851)	115,358	N/A
Effect of exchange rate fluctuations	(2,974)	814	N/A
Cash and cash equivalents on January 1	219,170	102,998	112.8%
Cash and cash equivalents at period end	87,345	219,170	-60.1%

CASH FLOWS FROM OPERATING ACTIVITIES

Operating cash inflow increased by 15.4% from €161.6 million in 2021 to €186.5 million in 2022. This was mainly due to a €20.2 million increase in cash flows from operations and €7.5 million of favorable movements in working capital, partially offset by €2.7 million increased income tax payments.

The favorable movement in working capital has been driven by €5.0 million higher accrued expenses, VAT payable and accounts payable, €4.4 million decrease in trade and other receivables, partially offset by €1.9 million movement in deferred revenue.

CASH FLOWS FROM INVESTING ACTIVITIES

Our cash outflow from investing activities increased by €58.7 million, from €125.3 million for the year ended December 31, 2021, to €184.0 million for the year ended December 31, 2022. The increase reflects larger investments on (re)developments, capital expenditures and acquisitions.

Cash outflows in relation to capital expenditure on investment property under construction and completed investment property increased from €81.5 million in 2021 to €111.3 million in 2022.

These cash flows fluctuate over years, as construction expenditures depend on the stage of the various development projects at that time. In FY 2022, we opened seven new properties (six in 2021) and acquired seven new properties (six properties in 2021).

CASH FLOWS FROM FINANCING ACTIVITIES

Cash outflow during the year ended December 31, 2022, was €131.4 million, representing a €210.5 million increase versus the €79.1 million net cash inflow in the year ended December 31, 2021.

In 2021, the Company received €200.0 million net proceeds from the issuance and repayment of notes. In addition, in 2022, we observed the following impacts: €7.4 million more dividend payments, €1.9 million decreased net proceeds from the sale of treasury shares, €1.2 million decreased equity issuance net proceeds and €2.6 million increased interest paid, partially offset by €1.2 million decreased principal lease payments and €1.5 lower debt financing costs.

EFFECT FROM EXCHANGE RATE FLUCTUATIONS

During the year ended December 31, 2022, we had a €3.0 million negative effect of exchange rate fluctuations on our cash flow movements, which compares to a €0.8 million favorable effect during the previous year.

FINANCIAL POSITION

TOTAL ASSETS

During the year ended December 31, 2022, the Company's total assets increased by 13.6% from €4,102.5 million on December 31, 2021, to €4,659.8 million on December 31, 2022, mainly due to the €676.7 million increase in investment property and investment property under construction, partially offset by a decrease in cash of €131.8 million.

As of December 31, 2022, approximately 97.5% of the Company's total assets consisted of non-current assets. Investment property (including ROU IP) and IPUC represent 97.1% of total assets.

Investment Property

Investment property (including IPUC but excluding ROU IP assets recognized under IFRS 16) increased by 17.7% (or €664.6 million) in the year ended December 31, 2022, to €4,428.6 million. The main reasons are incremental expenditure of €112.6 million, predominantly for developments and redevelopments, and acquisitions of €76.3 million. These additions were partially offset by €99.8 million unfavorable exchange rate fluctuations and the disposal of one of our Dutch properties for €14.3 million. In addition, the Company recognized €589.8 million of favorable fair value revaluation income on its investment property and investment property under construction.

Cash and cash equivalents

The Company had cash and cash equivalents of €87.3 million as of December 31, 2022, compared to €219.2 million cash and cash equivalents as of December 31, 2021, a decrease of €131.9 million.

CAPITAL RESOURCES AND FINANCING STRUCTURE

Shurgard's financial resources comprise the Company's total equity as well as certain debt financing instruments.

The Company's total equity increased by €389.8 million from €2,478.0 million on December 31, 2021, to €2,867.8 million on December 31, 2022, mainly due to €575.6 million net profit realized during the period, €2.2 million decrease in treasury shares, €3.9 million increase in share-based compensation reserves and €0.4 million net proceeds from the issuance of equity. These increases were partially offset by €106.9 million dividend distribution in 2022 regarding the Company's 2021 and first half of 2022 results and €85.4 million net revaluation loss on consolidation of our British, Swedish and Danish operations because of currency movements.

As of December 31, 2022, the equity ratio was 61.5% (December 31, 2021: 60.4%).

(in € thousands)	**FY 2022**	FY 2021
Total equity	2,867,808	2,478,041
Total equity and liabilities	4,659,831	4,102,468
Equity ratio	**61.5%**	**60.4%**

Shurgard has senior guaranteed notes issued in the years 2014, 2015 and 2021 with a total nominal amount of €800 million and maturities varying between 2024 and 2031. Effective interest rates vary from 1.3% to 3.4%.

Shurgard has a €250 million syndicated revolving loan facility with BNP Paribas Fortis bank, Société Générale bank and Belfius bank (with BNP Paribas Fortis bank as agent) that matures in October 2025 and that bears interest of Euribor plus a margin varying between 0.45% and 0.95% per annum (currently 0.45%) dependent on the most recent loan-to-value ratio. There are no mandatory repayments of principal debt due for this facility before its maturity, and a commitment fee equal to 35.0% of the applicable margin per annum applies to undrawn amounts and is currently at 0.16%. The facility is subject to certain customary covenants. As of December 31, 2022, and December 31, 2021, the Company had no outstanding borrowings under this facility.

SHURGARD GREEN BOND

On July 23, 2021, the Group, via its financing entity Shurgard Luxembourg S.à r.l., issued ten year senior notes for €300.0 million. The proceeds of the issue were used to repay tranche A (€100.0 million) of its 2014 senior guaranteed notes maturing in July 2021, to finance potential acquisitions, and to finance or refinance, in whole or in part, recently completed and future projects that are underpinned by sustainable criteria such as, for instance, a BREEAM certification (Eligible Green Projects).

As of December 31, 2022, the proceeds allocated to Eligible Green Projects amounted to €184.7 million, representing an increase of €36.6 million compared to June 30, 2022.

Store Name	Certification date	Rating	Address	Total ('000€) 31/12/2022
Park Royal	September 9, 2019	Outstanding	London	12,793
Greenwich	February 5, 2019	Excellent	London	14,079
Depford	March 5, 2020	Excellent	London	15,428
Herne Hill	July 16, 2020	Excellent	London	13,886
Barking (*)	September 30, 2020	Excellent	London	12,697
City Airport	April 1, 2021	Excellent	London	6,044
Camden (*)	August 17, 2022	Excellent	London	2,941
Morangis	October 11, 2022	Very Good	Paris	10,278
Projects with BREEAM certificate "Very Good or Higher"				**88,146**
Croydon Purley Way	Upcoming certification		London	9,044
Bow	Upcoming certification		London	25,401
Lagny	Upcoming certification		Paris	10,155
Satrouville	Upcoming certification		Paris	9,814
Versailles South	Upcoming certification		Paris	9,794
Chiswick	Upcoming certification		London	16,548
Chadwell Heath	Upcoming certification		London	9,670
Rotterdam Stadionweg	Upcoming certification		Rotterdam	6,157
Other Eligible Green Projects (upcoming certification)				**96,583**
Total Eligible Green Projects				**184,729**

(*) interim certificate

A portion of €89.0 million has been used to refinance existing projects at issuance, whereas €95.7 million has been used to finance new projects. A total of €115.3 million unallocated proceeds of the Green Bond remains available and is expected to be used before the Bond maturity.

Shurgard's Green Bond Committee is held annually around July 1, to review the Green Bond Framework and the amounts of the net proceeds allocated to the Eligible Projects.

In addition, the amounts allocated to Green Projects are reviewed by an independent external audit firm and the reports and auditor's assurance on the Eligible Green Projects are available on Shurgard's corporate website: https://www.shurgard.com/corporate/corporate-responsibility/reports-and-publications.

DIVIDEND

It is the Company's objective to pay dividends in May and September/October of each year. The amount of any interim or final dividends and the determination of whether to pay dividends in any year may be affected by a number of factors, including our earnings, business prospects and financial performance, the condition of the market, the general economic climate and other factors considered important by the Board of Directors.

We have proposed a total dividend of €1.17 per share for the year 2022.
With respect to the first half of 2022, our Board of Directors approved an interim dividend of €51.7 million or €0.58 per share paid on September 29, 2022.

The Board of Directors recommended, subject to shareholders' approval, a final dividend for the year 2022 of a maximum amount of €52.6 million (taking into account the number of outstanding shares as of December 31, 2022).

The second and final dividend on 2022 results will be payable on or around May 24, 2023 to Shareholders on the record at close of business on May 23, 2023.

EMPLOYEES

Our employees play a crucial role in the success of our organization by providing our customers with outstanding levels of service and support. We facilitate this by ensuring our people are well trained and motivated, with clear career progression, and feel safe and supported at work.

Due to the company's focus on digitalization, with amongst other initiatives such as e-rental, our workforce has decreased in 2022 versus the prior year. The following table shows the number of full-time equivalent employees by category of activity as of December 31, 2022 and 2021:

	FY 2022	FY 2021	+/-
Store personnel	547	588	-41
Operational management	46	47	-1
Support functions	123	108	15
Total	**716**	743	**-27**

RISKS

Shurgard is exposed to several risks that are described in detail in the "Principal Risks and Uncertainties" section of the 2022 Annual Report.

As the Global Financial Crisis and the COVID-19 pandemic have shown, Shurgard operates in a resilient industry. This is evidenced by the Group's ability to continue improving its operating KPIs, including occupancy, rates and operational costs, throughout these periods of economic and social disruption. The volatility that occurred in the (recent) past has shown that Shurgard responds to all life movements – from downsizers in a contracting economy, to up-sizers when the market is growing. This reflects the fundamental nature of self storage as a life event driven business in highly urban markets. While these life events might shift during different market cycles, they never disappear altogether. So far, we have not noticed any shift in demand or price elasticity.

We are carefully monitoring the challenges that lie ahead of us, such as the continued war in Ukraine, inflation, interest rates and currency movements, all of which are adding to the uncertainty. We pay particular attention to the impact on our construction, energy, and interest expenses. With typically long-term contracts in place, we are often shielded from short-term market movements, ensuring that our cash flows remain predictable in the foreseeable future. Finally, Shurgard's geographic diversity and platform operating approach add to the Group's overall resilience.

The Group — while acknowledging that the uncertainties and risks with respect to the global economy remain high — has currently not identified any new major sources of uncertainty to be reflected in its financial statements, compared to December 31, 2021.
As part of this review, Shurgard obtained updated valuation reports of our investment properties from external valuation experts (we refer to Note 15 in the Notes to the consolidated financial statements of this report) and did not identify any impairment indications that would hint towards the Group not being able to recover the carrying value of its assets, either by using or selling it.
Based on our borrowing agreements, the Group is obliged to regularly test certain debt covenants, of which senior leverage, loan-to-value and fixed charge cover ratios are the most prominent. During 2022, the Group did not breach any covenants' limits and retained significant headroom.

Finally, the enterprise risk management program in place provides Shurgard with a comprehensive understanding of the Group's key business risks, and the control activities in place to mitigating these risks. Overall and based on its current performance, the Group did not identify any uncertainties that would cast any doubt on Shurgard's ability to continue as a going concern.

EVENTS AFTER THE REPORTING PERIOD

Please refer to Note 40 in the Notes to the Consolidated Financial Statements of this report.

SUSTAINABILITY REPORT

Some of Shurgard's employees in our stores in the London area.

BASIS OF THE SUSTAINABILITY REPORT

This Sustainability Report of Shurgard Self Storage, headquartered in Luxembourg, presents the quantitative and qualitative information needed to understand its material sustainability issues for the calendar year 2022. It covers all activities of the company, which is the same entity reported on in our consolidated financial statements.

GRI 2-1 / 2-2 / 2-3

REPORTING SCOPE

The scope in this report covers 100% of the total workforce.

GRI 2-1

REPORTING FRAMEWORK

Shurgard has published a Sustainability Report annually since 2019, referencing the Global Reporting Initiative (GRI) standards and aiming to comply with EPRA sBPR guidelines.

GRI 2-3

DATA REVIEW

Shurgard engaged an independent third-party assurance provider, IHS Markit Ltd (part of S&P Global as of February, 2022) to review the data published. Their limited assurance report on a selection of key performance indicators can be found in the chapter titled 'Assurance Summary Statement' in this document.

GRI 2-5

MATERIALITY ASSESSMENT

In 2022, Shurgard conducted an internal materiality assessment to identify and select the most significant social, environmental and governance issues. Further information can be found in the chapter titled 'Materiality' in this document.

GRI 3-1

PARTICIPATION IN SUSTAINABILITY INITIATIVES

In 2015, the member states of the United Nations adopted 17 Sustainable Development Goals (SDGs) as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. As a responsible company, we are committed to contribute to the SDGs as recommended by the United Nations. Therefore, we have identified the following most significant SDGs for our company:

NO POVERTY

We organize charity events and provide services to vulnerable communities, to contribute to creating a world without poverty.

GOOD HEALTH AND WELLBEING

We help to ensure healthy lives and promote wellbeing for all of our customers and employees, by making our stores safe, supportive environments for all.

AFFORDABLE AND CLEAN ENERGY

By continually seeking to source energy sustainably at our stores, we support the transition to affordable, reliable, sustainable and modern energy for all.

DECENT WORK AND ECONOMIC GROWTH

As a responsible business, we are always ensuring that we provide decent, equal work to all our employees, as part of an economy which is fairer for everyone.

SUSTAINABLE CITIES AND COMMUNITIES

We play our part in making cities inclusive, safe, resilient and sustainable, by developing modern, resource-efficient stores which provide excellent service to their communities.

RESPONSIBLE CONSUMPTION AND PRODUCTION

By its nature, our business enables people to reduce their waste footprint, and we seek to ensure that our own material consumption is sourced and disposed of responsibly.

CLIMATE ACTION

We understand our role in mitigating and adapting to the impacts of climate change, and our Net Zero goals demonstrate our commitment to urgent climate action.

LIFE ON LAND

We seek to preserve nature and biodiversity wherever possible at our development sites, constructing green buildings and respecting ground permits.

The SDG framework brings together society, governments and business to drive positive change. As a responsible company, Shurgard is determined to play an active role, on its own scale, contributing materially to these SDGs via our Sustainability Strategy. To affirm this, Shurgard has been a signatory of the United Nations Global Compact since 2021.

GRI 2-28

CONTACT

For any question or comment on the published content of this report, please contact: investor.relations@shurgard.co.uk

GRI 2-1

SHURGARD SELF STORAGE

Shurgard is the largest owner and operator of self-storage properties ('stores') in Europe.

Our network of 267 stores (including one store under management) comprises approximately 1.4 million rentable square meters and serves more than 182,000 customers in France, the Netherlands, the United Kingdom (UK), Sweden, Germany, Belgium, and Denmark.

At the date of report compilation, we employ 742 personnel (who identify as 57.7% men, 42.3% women), with a range of over 36 nationalities (top three: 24.6% French, 18.3% Dutch and 13.7% Belgian).

GRI 2-6 / 2-7

HOW WE OPERATE

Shurgard commenced operations in 1995 and is one of the pioneers of the self-storage concept in Europe. We generate revenue through the lease of storage units and related activities, including insurance referrals and the sale of storage products and packaging.

Our real estate operating revenue and income from property have increased steadily in recent years, as we increased rental rates across our network while growing occupancy, alongside redevelopments, new developments and acquisition activity. We integrate local expertise in the seven countries where we operate, with centralized in-house capabilities to provide a consistent experience to residential and commercial customers. We primarily operate in urban areas across Europe, with approximately 93% of our properties located in capital and major cities.

OUR DEVELOPMENT STRATEGY

Shurgard has an established track record of redeveloping, developing and acquiring stores.

Between December 31, 2014 and December 31, 2022, we developed 27 new stores, completed redevelopment projects at 30 stores, and acquired 59 stores, a total of 116 stores.

Our investment criteria are focused on acquiring and developing high-quality properties that are easily accessible by our customers in markets believed to have strong growth potential. We continue to focus on attractive and cycle-friendly urban areas that we anticipate will enjoy strong demand and provide attractive growth potential.

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

Welcome to our sustainability report.

Over the past few years, we have been solidifying our position as a European leader in sustainable self-storage operations. This required embracing industry-leading innovations while continuously working to reduce the environmental footprint of our assets.

Sustainability is not just a buzzword at Shurgard, as we recognize the necessity for us to ensure we leave this planet in better shape than we found it. This past year, we have hired an internal ESG Reporting Specialist, who is dedicated to ensuring our ESG reporting is consistent with evolving sustainability regulations. She will also help us understand and address our ESG-related needs and support Shurgard in evolving our ESG strategy further.

Throughout 2022, we made substantial changes across our portfolio, reducing like-for-like energy consumption by 7.2% compared to 2021. Like-for-like carbon emissions declined by 9.3% compared to 2021, and by 10.5% when including the impact of green-energy procurement.

The projects we have undertaken to improve sustainability cover the full range of energy and resource management. We installed smart water meters in 160 stores by the end of 2022 and will equip all the remaining stores in 2023. Similarly, we have been rolling out a program of LED light installation and movement sensors to reduce electricity consumption, allowing us to successfully lower our consumption by 4.2% in absolute terms, despite our growing store network footprint.

Our plans include a commitment to accelerate the installation of heat pumps in stores that currently use gas for heating. In 2022, ten more heat pumps were installed in our properties, and we aim to equip all our gas heated stores with heat pumps by 2029. As part of our strategy to diversify into alternative energy sources, we already had roof-mounted solar panels on 18 of our properties at the end of 2022 and are currently refining our groupwide strategy in this respect.

Shurgard recognizes that the impact we make is also influenced by the partners we work with, and we have developed an internal process to monitor how our critical suppliers manage their ESG outcomes. To ensure all our employees come on the sustainability journey with us, we have launched an ESG-specific training course on our internal online learning platform.

Making Shurgard a great place to work has become a priority in our employee wellbeing plan. To this end, we have developed in 2022 four value pillars that represent our work identity and the foundations for each employee to build a successful career at Shurgard: happiness, training, team spirit and perspective. As part of the roll-out, companywide campaigns to fill these values with substance, have taken place.

Shurgard continues the strive to be a positive force in the development of strong integrated local communities in the markets in which we operate. This year, we have organized new events with the charity organizations we continuously support and increased our philanthropic contributions to provide better funding for initiatives that support the most vulnerable groups.

The acceleration of our development plans means we have an even greater opportunity to ensure more of our operations are sustainable. Instead of looking at ESG in isolation, we have incorporated it into the various stages of our operations. For example, to optimize our energy consumption control and avoid wasted energy, we have selected a supplier to roll out smarter building management systems. The technology to monitor and manage systems remotely is increasingly sophisticated and we will be installing building management systems in existing stores as well as part of the standard suite of energy efficiencies in our new developments.

The steps we have taken to improve sustainability are recognized by the awards and scores from the ESG frameworks to which we adhere. We improved our score in S&P Global's Corporate Sustainability Assessment by a further five points, placing us in the world's top 12% of scores achieved by real estate companies this year. And we were awarded an excellent 5-star rating (the top banding) and a score of 90 out of 100 in the GRESB 2022 results. We were rated by MSCI for the first time in 2022 and initiated with AA rating, only one grade away from their highest level. This reflects the growing care, attention, and integration of ESG issues throughout our business.

As Chief Executive Officer, I, alongside my colleagues, work to develop and implement our ESG strategy. To fulfil our ESG objectives, we set up an efficient governance structure which includes a formal, cross departmental ESG Management Group entrusted to implement the ESG goals of the Group. Ultimately, the oversight of ESG matters is, with the ESG Committee of the Board of Directors, reflecting the importance the topic has across our organization.

We commit to further expanding our climate resilience, carbon reduction (through our Net Zero commitment established in 2021) and community enhancement programs as part of our ESG strategy.

The company is well positioned to navigate the next 12 months with motivated employees and a clear strategy.

Marc Oursin

Chief Executive Officer

GRI 2-14 / 2-22

INTRODUCTION

Shurgard has established sustainable and responsible policies and practices, for the benefit of the environment and to promote long-term economic value for our customers, shareholders, and employees. The Company's sustainability strategy aligns its management of ESG issues across the life cycle of its storage properties. Our properties are designed to be resilient, minimizing their environmental footprint and exposure to climate-related risks.

Our people are our most valuable asset. We invest in our people and focus on maximizing their health and wellbeing by providing safe, productive, and positive environments.

Shurgard strives, where possible, to be a positive force in the development of strong integrated local communities. We support a range of not-for-profit organizations, charities, and community groups across Europe.

Our governance framework exists to provide an ESG strategy which drives our actions and strives to create positive results that are manifested in the day-to-day operation of our business. In 2021, we established an ISO-14001 aligned environmental management system ('EMS'). This was overseen by a formal cross-departmental ESG Management Group (chaired by our Chief Executive Officer). This EMS works to implement best practice environmental (and social) management throughout the business, via a series of policies, procedures, and protocols. The ESG Management Group is striving to continuously develop the EMS, progress the ESG objectives and maintain transparent ESG reporting. Our EMS will evolve over time to deliver continual improvement.

On a monthly basis, the ESG Management Group reports to members of the Senior Management at Executive Committee meetings. Ultimately, the oversight of ESG matters is entrusted to the ESG Committee of the Board of Directors. Thanks to the ESG Management Group, Shurgard benefits from an efficient chain of command. ESG materiality is supervised at the highest level of the Company.

Our 2022 ESG performance reported here builds on our achievements in 2021, as demonstrated by our GRESB score, where we improved further on last year's result. We look forward to progressing on a number of ESG initiatives. This includes acceleration of our LED energy efficient lighting rollout and heating optimization. We will report our progress transparently under several reporting frameworks (GRESB, CSA, Sustainalytics) and within annual sustainability reports. Follow our progress online at https://corporate.shurgard.eu/. We welcome feedback and comments.

Summary of our ESG investment programme

SUSTAINABILITY AIMS

Our plans are clear. Whether serving our customers, hiring our employees, respecting the natural resources in our storage assets or building relationships with communities, we focus on what is good for the business and for a sustainable future. This step-by-step approach leads to responsible investment solutions and decisions, with more committed employees and enhanced value for all our stakeholders. We must help individuals, companies, and the economy to move towards a more sustainable and balanced system, focused on the management of non-financial risks. We look forward to continuing to work to make positive changes, relentlessly advancing self-storage solutions for every move in life.

GRI 2-23 / 2-24

PILLAR	MISSION	AIMS
ENVIRONMENTAL IMPACT	LIMIT & CONTROL OUR ENVIRONMENTAL IMPACT	Reduce and optimize energy consumption
		Reduce and manage our water usage
		Make progress in responsible waste management
IMPACT ON SOCIETY	HELP TO BUILD A SUSTAINABLE SOCIETY	Have a positive societal impact
		Report on the impact of our commitments
		Deliver best-in-class customer service
HUMAN CAPITAL	BE AN EMPLOYER OF CHOICE	Strengthen engagement and social cohesion
		Share and live the Shurgard culture
		Invest in the development of our human capital
ETHICS AND GOVERNANCE	RECONCILE RISK MANAGEMENT WITH INNOVATION	Incorporate sustainability solutions into Shurgard's corporate management systems and Code of conduct

MATERIALITY

We must address the ESG issues that materially affect Shurgard, our shareholders, our employees, and our community, to drive continual positive and transformational change. We seek to identify the issues that will impact our ability to operate successfully and create long-term value. To this end, a comprehensive materiality review was conducted in 2022 to ensure that we are addressing the most important sustainability issues. This exercise was designed to refine and supplement our new objectives as part of the establishment of our Environmental Management System (EMS), building on the results of our previous materiality assessments undertaken. Every year, the ESG Management Group identifies and assesses the relative importance of specific ESG and sustainability topics for Shurgard.

Aligned with the Non-Financial Reporting Directive (issued by the European Commission), we employed a double materiality perspective, covering both financial materiality, and environmental and social materiality. Double materiality is a concept which provides criteria for determination of whether a sustainability topic or information must be included in our sustainability report. A sustainability topic or information meets the criteria of double materiality if it is material from the environmental impact perspective or from the financial perspective or from both perspectives.

The Board of Directors is ultimately responsible for considering how sustainability topics interrelate with our business strategy and developing sustainability materiality processes that link with the wider risk management process. By assessing and understanding the range of ESG factors, together with many other investment criteria, we believe we will be better positioned to deliver consistent, superior long-term investment returns for our investors.

OUR MATERIAL ISSUES

Material Issues	Where to read more
Climate Change	See in Particular the Section 'Climate-related Risks and Opportunities', as well as 'Our Net Zero Commitment'.
Managing our Carbon Emissions	See 'Our Net Zero Commitment'
Waste Management and Recycling	See 'Make Progress in Responsible Waste Management'
Water	See 'Manage our Water Usage'
Climate Risk Assessment	See 'Climate Related Risks and Opportunities'
Health and Safety	See 'Prioritize Workplace Health and Safety'
Committed Governance	See 'Corporate Governance'
Transparency and Reporting	See 'Reporting on our ESG Impact', 'Green Bond' and 'EU Taxonomy'
Financial and Non-Financial Risk Management	See 'Principal Risks and Uncertainties
Data Security	See 'Cyber Security'
Strong Corporate Culture	See 'Conviction' and 'Sustainability Aims'
Economic Performance	See 'Operational and Financial Review'
Customer Wellbeing	See 'Providing Best-in-Class Customer Service'
Community Wellbeing	See 'Delivering a Positive Social Impact'

Employee Wellbeing	See 'Strengthen Engagement & Social Cohesion'
Social Impact	See 'Delivering a Positive Societal Impact'
Supply Chain Engagement	See 'Encouraging ESG through the Supply Chain'
Integration of ESG Dialogue and Engagement	See 'Environmental Management System'
Director Remuneration	See 'Corporate Governance'
Diversity and Inclusion	See 'Diversity, Equality and Inclusion'
Talent Management	See 'Invest in the Development of our Human Capital'
Learning and Development	See 'Invest in the Development of our Human Capital'

GRI 3-1 / 3-2 / 3-3

Other areas have been identified in connection with our activities but have not been selected as priorities. We integrate them into the monitoring and measurement system used to further develop our sustainability program under our EMS. Our main challenges are directly linked to the United Nations Sustainable Development Goals (SDGs). We monitor our sustainability program in line with the most significant SDGs for our business sector. Through our actions, our investment strategies, our partnerships and our decisions, we seek to provide concrete responses to the SDGs that concern us.

Shurgard team at the recruitment live event in London.

STAKEHOLDERS

Our ability to provide solutions to sustainability issues has become more important to our business model. Our capacity to achieve this is linked to our commitments and our vision. In the same vein, we place great importance on building lasting relationships with our stakeholders. Our success depends on the quality of the relationships we build inside and outside Shurgard. A dialogue with our stakeholders and communication based on transparency allows for better risk management.

We define stakeholders as individuals, groups or organizations that may benefit or be affected by our business activities. We strive to create a balance between activities that generate value and short-term returns through effective management of current business activities and investments in people, properties and technologies designed to produce sustainable returns over the long term.

Our key stakeholders have been identified and prioritized according to the level of sustainability impact we believe our operations have on their day-to-day activities, and, in turn, their sustainability impact on our day-to-day activities. These impacts span our identified material ESG sustainability risks.

Reporting on our results, our commitments, our progress and our transformation is essential to maintaining lasting relationships. Maintaining a permanent dialogue with our various stakeholders helps us to improve, meet material issues and achieve our objectives. Our financial strength and reputation give our stakeholders the assurance of our ability to fulfill our obligations to them and make us trusted partners.

We know that transparency and collaboration offer the opportunity to make a difference and improve our operations. This is why we are committed to:

- Maintaining a strong governance structure to manage risks and take advantage of opportunities;
- Providing superior services to advance the environment and society;
- Engaging with stakeholders in an ethical and socially responsible manner;
- Partnering with suppliers who share the same commitment to ethics, human rights and environmental management;
- Pursuing efforts to reduce carbon emissions and protect biodiversity;
- Fostering a working environment that supports employee health and safety, diversity and inclusion;
- Collating social and environmental measurements to assess our progress in meeting these commitments;
- Sharing data on sustainability indicators with stakeholders in order to continuously improve our performance.

GRI 2-29

Key ESG highlights

ACHIEVED 5 STAR GRESB
with a score of 90 out of a maximum of 100

GOLD MEDAL
at the EPRA Sustainability Best Practices Recommendations awards

LOW RISK
at the Sustainalytics ESG Risk Ratings Report, in the top 5 percent globally

AA
at the MSCI ESG Ratings, excellent initiation coverage in April 2022

ENVIRONMENTAL HIGHLIGHTS

ENERGY USE

-7.2%

MWh*

2022	11,318
2021	12,192

* Like-for-like total energy used (degree day corrected)

GREENHOUSE GAS EMISSIONS

-9.3%

Tonnes CO_2**

2022	1,448.4
2021	1,597.3

** Total Scope 1 & 2 like-for-like location-based emissions. NB: Procurement of green supplies have reduced market-based carbon emissions by -10.5% year-on-year. See EPRA tables for further information.

GREEN CERTIFIED PROPERTIES

+23.9%

Number of voluntary certified stores (BREEAM***)

2022	57
2021	46
2020	35
2019	29

*** Building Research Establishment Environmental Method (BREEAM) green building certification, both BREEAM in use and BREEAM New Construction.

SOCIAL HIGHLIGHTS

EMPLOYEE PERFORMANCE

100.0%

Appraisal engagement - %

2022	100
2021	93.0
2020	86.9
2019	79.4

GENDER PAY GAP

-5.0%

Gender pay gap**** - %

**** (in favor of male colleagues) in stores

COMMUNITY ENGAGEMENT

100.0%

Stores that have implemented local community engagement -%

2022	100.0
2021	100.0
2020	93.8
2019	42.9

ENVIRONMENTAL IMPACT

As an owner and operator of real estate, we understand our impact on the built environment and the importance of managing these impacts in a sustainable manner.

Storage assets generally present low operational environmental impacts with minimal utility use given the nature of the business. Despite this, we continuously explore and, where feasible, implement solutions designed to mitigate climate change risk, reduce our carbon emissions, and limit our overall impact on the environment.

A key driver of Shurgard's ESG strategy is the desire to improve the sustainability of our storage portfolio. Our approach identifies opportunities for efficiencies in energy and water consumption, and for strengthening climate resilience across the portfolio. Any efficiency projects undertaken are assessed on the basis of return on investment for both the environment and our investors.

We recognize the crucial importance of sustainable design in our buildings and consider appropriate measures in all our construction and refurbishment work. Where possible we seek passive design solutions that aim to reduce heating, cooling, lighting and ventilation energy use. Our external design and material specifications aim to incorporate the benefits of thermal mass and reduce cooling energy use. We also utilize a range of technologies to minimize heat transfer (particularly in climate- and/or humidity-controlled storage). To remediate land or check contaminated sites, we seek expert advice and endeavor to conduct works in a sustainable manner.

Natural hazards including severe storms and flooding may impact our operations and our real estate assets. Comprehensive business continuity and disaster recovery plans detail our management and operational approach in hazardous situations. Should rectification works be required, where necessary, we seek expert advice and where possible we conduct works in a sustainable manner.

We follow the Greenhouse Gas Protocol standards to measure and report greenhouse gas (GHG) emissions under Scopes 1 and 2 and have initiated work to quantify our most material categories of Scope 3 emissions. As a responsible company, we have a duty to combat climate change through commitments and actions that create the right conditions to build the world of tomorrow.

GRI 2-23 / 2-24

Our mission in this area:

Limit and control our environmental impact

How we aim to do this:

Reduce & optimize energy consumption
Reduce & manage our water usage
Make progress in responsible waste management

OUR NET ZERO COMMITMENT

The scientific community has clearly stated the need to reach Net Zero global carbon emissions by 2050, to keep global warming below 1.5°C and reduce the destructive impacts of climate change on human society and nature.

The Intergovernmental Panel on Climate Change (IPCC) defines Net Zero as the point when "anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period". The Paris Agreement sets out the need to achieve this balance by the second half of this century.

The concept of Net Zero has risen in prominence ever since, as countries, cities, companies and others are increasingly committed to reaching this ambitious goal. Regulations have been introduced to direct the sector towards energy efficiency and emissions reduction, which give rise to obligations Shurgard is required to adhere to. Of particular importance are the European Energy Performance of Buildings Directive (EPBD) and Energy Efficiency Directive (EED), which commit the sector to an energy efficiency improvement target of 32.5%. They include policies to stimulate deep renovation (Building Renovation Passport) and the enforcement of energy performance of buildings (Renovation Wave) in development.

However, we recognize that Shurgard must go beyond this to keep up with the required transformation, building on our pledge from 2021 to source 100% of our electricity from traceable, zero-carbon energy contracts. As such, Shurgard has committed to decarbonizing its business to be Net Zero in our operations by 2030 (operational NZC), with the further objective to reach Net Zero across our value chain by 2040 (material NZC). We will use the energy hierarchy to drive down carbon emissions to levels which are "Paris agreement proof"; neutralize our remaining climate impact by investing in carbon offsetting projects; and engage our suppliers to tackle their climate impact.

OUR NET ZERO STRATEGY

We define operational Net Zero for our properties as when the greenhouse gas emissions associated with their operation each year is zero or negative. A Net Zero building is highly energy efficient and powered by renewable energy sources on-site and/or off-site, with any remaining emissions balanced by high quality carbon offset projects.

This strategy describes our plans to achieve our 2030 Net Zero goal, including the targets we have set and the metrics we will be using to track our progress. This is the first phase on our journey to Net Zero, focusing on operational emissions (i.e., Scopes 1 & 2 emissions as classified in the GHG Protocol). The second phase will involve a plan to achieve material Net Zero by 2040, or sooner, for further Scope 3 emissions including business travel, employee commuting and embodied carbon from our developments.

PHASE ONE

Our Phase One Net Zero commitment, for 2030, applies to the Scope 1 & 2 emissions of our stores, where we have operational control and a direct ability to impact energy use and their associated emissions. Scope 1 & 2 greenhouse gas emissions come from the fuels and electricity that we purchase and use to operate our assets. This commitment also includes the Scope 1 & 2 emissions from our offices. We have occupied an all-electric head office building for a number of years, which has eliminated Scope 1 emissions from the use of natural gas. We have been measuring and reporting the carbon emissions associated with managing our stores for many years and will continue to do so to demonstrate our progress towards this objective.

PHASE TWO

Our Phase Two Net Zero commitment, for 2040 or sooner, covers our Scope 3 emissions. Scope 3 emissions are from indirect sources, such as the embodied carbon in capital goods used to build new developments and refurbishments. We will set out a full description of the scope of this commitment when industry guidance has developed further.

The availability and quality of Scope 3 emissions data is currently limited. An important component of our roadmap to Net Zero is to improve the breadth and depth of this data, and to develop more accurate monitoring and reporting protocols.

NET ZERO CARBON DELIVERY STRATEGY

We follow the greenhouse gas management hierarchy when planning to deliver our Net Zero commitment. The first step is to 'eliminate' sources of emissions from our operations, through low-carbon business decisions. The next step is to 'reduce' those emissions sources which cannot be eliminated, by increasing efficiency across our operations. When no further reductions can be achieved, we then aim to 'substitute' energy-intensive technologies for low-carbon alternatives. Finally, the hierarchy 'compensates' for residual emissions through offsetting and carbon removal. This will only be considered as a final step should the emissions be unavoidable. In line with this hierarchy, we set out the measures we will use in our Net Zero strategy at core stages of our business below.

ACQUISITION

During acquisition we are determined to:

- Appraise the potential for installations of renewable energy sources such as solar PV – for example, no over sighting / shadowing from natural daylight/ planned neighboring developments;
- Consider the potential for renewable energy generation from local supplies or schemes;
- Incorporate climate scenario mapping to understand resilience to physical climate threats.

DEVELOPMENT & REFURBISHMENT

In development and refurbishment we will:

- Explore the assessment of whole life embodied carbon for new developments, including end of life;
- Specify all-electric heating and cooling systems, with resilience against power outages;
- Maximize on-site renewable energy generation.

OPERATIONS

During operation of our stores, we are determined to:

- Identify priority assets for Net Zero carbon audits and implement auditing schedule if/where required;
- Set out energy efficiency measures in the store management plans and maintenance programs for all properties, including new developments;

- Identify properties in the portfolio for retrofit to all electric heating and cooling systems;
- Explore opportunities for on-site solar photovoltaic panels;
- Procure 100% of electricity from Renewable Energy Guarantees of Origin (REGO) backed sources.

At corporate head office we will:

- Set out energy efficiency measures in plans and maintenance programs for all offices;
- Review the energy demand of our offices, set operational energy intensity targets and monitor ongoing performance;
- Explore opportunities for reducing carbon emissions from business travel.

MONITORING & REPORTING

To track progress, we will:

- Increase the granularity of operational energy consumption data by: (1) ensuring the accuracy of existing meters, (2) upgrading to automatic meter reading (AMR) technology where possible, (3) installing additional sub-metering, where considered valuable;
- Report progress against Net Zero ambitions transparently on an annual basis within our ESG report and through GRESB.

2022 EMISSIONS REDUCTION ACHIEVEMENTS

- Procedures for monitoring of emissions from business travel established;
- Our like-for-like market-based emissions have decreased by 10.5% year on year, through renewable energy procurement and energy efficiency measures.

EMISSIONS REDUCTION OBJECTIVES

- Reach operational Net Zero emissions by 2030 or sooner;
- Reduce carbon emissions by 10.0% in 2023 (against a baseline of 2017) on a like-for-like basis.

2023 EMISSIONS REDUCTION ACTIONS

- Establish new emissions reduction objectives, aligned to upcoming Science-Based Targets Initiative guidance;
- Understand the impact of business travel on our emissions;
- Replace gas heating with heat pumps by 2029.

REDUCE & OPTIMIZE ENERGY CONSUMPTION

Our environmental impacts include the emissions generated by the energy used to heat, light, and operate our properties (lighting, lifts, systems, and controls etc.). As such, sustainable energy management is a key component of our ESG Strategy, especially in our Net Zero Strategy as described above.

LED upgrades are progressing across our stores:

Type	Description	LED upgrade % complete		
		2023 targets	2022	2021
External lighting	Facade, above accessible units, parking spots, canopy	100.0%	94.0%	89.6%
Storage lighting	Corridor lighting	100.0%	32.5%	29.6%
Employees room lighting	Office, back office, IT-room, toilet, janitor	100.0%	65.0%	54.0.%
Drive lighting	Internal drives	100.0%	100.0%	100.0%

SOLAR PV ROLLOUT

We are developing a coherent alternative energy supply strategy and 18 of our properties already have roof-mounted solar panels installations. We are continuing to look for opportunities to install solar photovoltaic panels across our portfolio. The solar panels are monitored for their electricity generation performance, and we are paid by energy companies for the energy we export.

2022 ENERGY REDUCTION AND OPTIMIZATION ACHIEVEMENTS

- New heat pumps were installed to replace gas heating at 10 stores across our portfolio;
- Our like-for-like energy usage decreased by 7.2%;
- Total electricity usage in stores has decreased by 4.2%, reflecting the effect of our roll-out of energy efficiency measures such as our LED program;
- To optimize our energy consumption control and avoid wasted energy, we have subscribed to smarter building management systems.

ENERGY REDUCTION AND OPTIMIZATION OBJECTIVES

- Reduce energy consumption by 10.0% in 2023 (against a baseline of 2017) on a like-for-like basis;

2023 ENERGY REDUCTION AND OPTIMIZATION ACTION

- Establish new energy reduction milestones, aligned to upcoming Science-Based Targets Initiative guidance;
- Accelerate LED program roll out and install LED in all stores by 2023.

REDUCE AND MANAGE OUR WATER USAGE

Water use for self-storage properties is typically very low compared to sites of a similar size. Our employees and visitors have toilet facilities, some stores have showers for employees who choose to travel by bike and our employees have access to a small kitchen.

We are continuing to roll out water efficiency measures, such as new low flow taps and other fittings, and investigating the increase in consumption reflected in our like-for-like water data. In 2023, we plan to equip our stores with smart water metering facilities, which can detect leaks and improve our water management.

2022 WATER ACHIEVEMENT

- Water intensity has decreased by 5.0% across our whole portfolio;
- To reduce our water consumption, we are equipping our stores with smart water meters that will centrally track our daily consumption (60% of our stores were equipped);
- Water consumption has decreased by 35.5% in 2022 at our European Support Center.

REDUCE AND MANAGE OUR WATER USAGE OBJECTIVE

- Reduce water consumption by 5.0% by 2023 (against a baseline of 2017) on a like-for-like basis.

2023 WATER ACTIONS

- Maintain protocols for low water consumption in design and operations of our storage properties, for instance the provision of low flow taps;
- Install submetering with smart leak detection systems in the remaining stores.

MAKE PROGRESS IN RESPONSIBLE WASTE MANAGEMENT

We have equipped our properties with waste bins for general waste and recycling; and we have special collection arrangements for waste electronic and electrical equipment and lightbulbs. We provide guidance on use and recycling to our store teams during induction. Our main source of waste is from the operational activities of our stores. Our employees apply best practice waste segregation for general and mixed dry recyclable materials.

2022 WASTE ACHIEVEMENT

- Maintained our record of 100% diversion from landfill.

RESPONSIBLE WASTE MANAGEMENT OBJECTIVE

- Maintain our waste diverted from landfill percentage (tracked annually under GRESB).

2023 WASTE ACTION

- Maintain protocols for low waste consumption in design and operations of our stores.

GREEN CERTIFIED BUILDINGS

Shurgard encourages the achievement and maintenance of green building certifications to protect value and stay ahead of regulations. The Real Estate department at Shurgard is responsible for achieving and maintaining green building certifications, with the support of our ESG Management Group. The Group initiates feasibility studies and provides support to meet certification requirements and performance objectives. BREEAM (Building Research Establishment Environmental Method) is the certification of choice across our seven markets. BREEAM is a sustainability assessment method used to assess the environmental performance of buildings. Currently 28.5% of our portfolio's floor area holds BREEAM certification, and we are committed to certify developing assets in our pipeline where relevant.

2022 GREEN BUILDING CERTIFICATION ACHIEVEMENT

- Energy Performance Certificate (EPC) across 97.8% of our operational assets. Over 80% of these EPCs are rated at A+ or A (or equivalent);
- For BREEAM New Construction, the coverage in 2022 is 7.1% of total floor area, up from 5.4% in 2021;
- For BREEAM In Use, the coverage in 2022 is 21.4% of floor area, up from 20.0% in 2021.

2023 GREEN BUILDING CERTIFICATION ACTION

- Obtain appropriate BREEAM certificates at future constructions, where relevant.

Shurgard Alperton Park Royal, BREEAM "Outstanding"

ENVIRONMENTAL MANAGEMENT SYSTEM

We believe that using an Environmental Management System (EMS) supports continuous improvement in our ESG results. Shurgard's EMS is aligned with the International Standards Organization (ISO) 14001 standard, which is an internationally recognized approach to environmental management. The key elements of our strategy include:

1. Plan: The results of our materiality review, together with asset level risk and opportunity analysis, are used to develop control procedures, objectives and targets, with the overall objective of achieving continual improvement.
2. Implement: We implement improvement programs in conjunction with our local partners and suppliers.
3. Monitor and Measure: We use a variety of approaches to monitor and measure ESG performance. Performance is tracked on a regular basis.
4. Review: We complete regular progress reviews. This is a vital element of our approach and is designed to help ensure our approach is refined and improved. A further, in-depth annual review is also completed. We also use external methodologies, including GRESB, Sustainalytics and CSA, to benchmark our performance.
5. Reporting: Finally, we commit to reporting progress on an annual basis.

2022 EMS ACHIEVEMENTS

- A new reporting specialist joined our team, who will also work to continuously improve our EMS.

2023 EMS COMMITMENTS

- Maintain accuracy of the EMS, keeping up to date with the evolving regulations.

CLIMATE RELATED RISKS AND OPPORTUNITIES

NFRD, TCFD AND CLIMATE RELATED DISCLOSURES

Shurgard recognizes the importance of developing good practices and standards for the transparency of disclosures related to climate related risks and opportunities. We are aligning them with disclosure best practices and work with recognized standards and frameworks, such as NFRD (Non-Financial Reporting Directive, 2014/95/EU) or TCFD (Task Force on Climate Related Financial Disclosures).

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate scenario analysis allows a company to plan for what it considers to be the material impacts of climate change. We believe that, depending on the location and risk potential, physical climate risks can be expected to have a certain impact on our business in the future, and, taking double materiality into account, we trust that we can act to minimize risks associated with climate change. Climate change is deemed a material issue to the Group from a financial, environmental and social perspective.

During 2022, we performed a physical climate risk assessment of our entire portfolio of 266 stores[1]. We partnered with Munich RE, one of the most recognized providers of reinsurance, primary insurance, and insurance-related risk solutions in the world, having 40 years of climate experience and systematic recording of global hazard data over the past decades.

The Intergovernmental Panel on Climate Change (IPCC), a United Nations body, established a framework which formed the basis for the Paris Agreement in 2015. Our physical climate hazard assessment is based on this framework and uses the Representative Concentration Pathway ("RCP") scenarios for atmospheric greenhouse gas concentrations from the latest IPCC Assessment Report (IPCC AR5, 2014). Several RCP scenarios are proposed by Munich RE and were considered and analyzed for this assessment, from the most moderate (RCP 2.6) to the most severe one (RCP 8.5):

- RCP 2.6: Moderate scenario leading to a warming at the end of the 21st century of probably less than 2°C relative to the pre-industrial period (1850–1900)
- RCP 4.5: Intermediate scenario leading to a warming at the end of the 21st century of around 2.5°C relative to the pre-industrial period (1850–1900)
- RCP 8.5: Most severe scenario leading to a warming at the end of the 21st century of probably around 4°C relative to the pre-industrial period (1850–1900)

For our 2022 disclosures, we decided to opt for the intermediate scenario RCP 4.5. This scenario is deemed appropriate by the EU Taxonomy for projections up to 2060, whereas scenario 8.5 is largely considered as a 'worst-case scenario' that is possible but unlikely to happen.

[1] For the purpose of this study, the store under management (Argenteuil) has not been included.

Based on Munich RE's assessment, we considered and reviewed the following climate risks, hazards, and meteorological stresses, which are classified from low to high risk:

Risks Description	Risk definition considered for the disclosures
Tropical Cyclone	
Rapid rotating storm originating over tropical oceans, bringing violent winds, torrential rain, high waves and, in some cases, very destructive storm surges and coastal flooding.	Considering an exceedance probability of 10% in ten years, the maximum intensity of the storm is: - Low risk: < 184km/h - Medium risk: between 185 and 299km/h - High risk: > 300km/h
River Flood	
Fluvial, or river flood, occurring when the water level in a river, lake or stream rises and overflows onto the neighboring land. The water level rise of the river could be due to excessive rain or snowmelt.	Areas threatened by extreme floods: - Low risk: minimal flood risk - Medium risk: extreme flood risk every 500 years - High risk: extreme flood risk every 100 years
Sea Level Rise	
Increase of the level of the sea, causing erosion, wetland flooding, aquifer and agricultural soil contamination with salt, and lost habitat for fish, birds, and plants.	Areas threatened by sea level rise based on storm surge events with 100 years return period (likely mean 0.26 meters): - Low risk: minimal risk - Medium risk: moderate risk - High risk: high and extreme risk
Climatological stresses: Heat Stress; Precipitation Stress; Fire Weather Stress; Drought stress	
Global warming is increasing the risk of various climatological stresses which affects humans, infrastructure as well as ecosystems. Temperature changes are increasing the intensity and frequency of heat waves, high-precipitation, wildfires, and drought events. Munich RE uses different scientifically recognized climate models with reference period and data from latest high-resolution local and global models to classify the stress risks.	Model classifies the climatological stress situations on a scale ranging from 0 (very low) to 10 (very high): - Low risk: <= 4.0 - Medium risk: 4.1 to 8.0 - High risk: >= 8.1

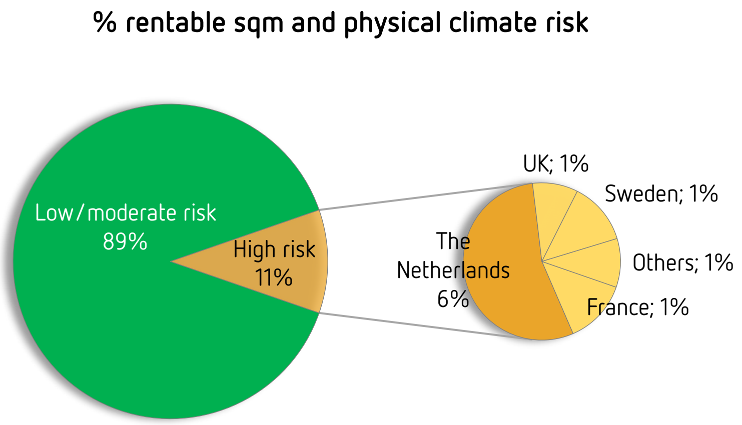
For the purpose of the climate-related disclosures, projections up to the year 2050 were used for all risks, except for the "sea-level rise" risk, for which only long-term projections up to 2100 were available. This is in line with the typical lifetime of our properties and aligned with the requirements of the EU Taxonomy for our asset class.

The assessment was made at the individual asset level, using precise geo-localization. The below chart summarizes the number of stores affected by climate related risks and the associated risk assessment, as defined in the above table.

Based on this detailed analysis, river floods and sea level rise are currently the most relevant climate related risks for Shurgard that could have a financial and / or reputational impact on our assets and operations. The financial consequences could come from a range of impacts, such as damage to goods stored, unblocking drains, clearing up large scale flooding, and more frequent maintenance of the building infrastructure resulting in higher repair and maintenance, as well as higher insurance costs and preventive investments in our properties. The analysis also showed that river flood and sea level rise risks would impact only the ground and underground floors, if any, i.e., not impact the total building, which in Shurgard's case are typically multi-level properties.

In total, we identified in 2022, 78 stores that were associated with at least one "high" physical climate risk, with 54 for the sea level rise risk and 24 for the river flood risk.

The rentable sqm at high physical climate risk represent 11% of our total lettable area. Most of these properties are located in the Netherlands (with 6% of our total rentable sqm), due to its geographic situation and low elevation against sea levels, followed by France, the UK and Sweden.



TRANSITION RISKS

There are several developments in connection with climate change that we deem likely to occur in the foreseeable future:

- A focus on electrification and decarbonization;
- An increase in carbon/emission taxation and fines (may vary across countries);
- An increase in standards, especially for buildings;
- A significantly higher reporting burden including Scope 3; and
- The introduction of a carbon price.

Decarbonizing Shurgard's operations will allow us to:

- Avoid the risk of stranded assets;
- Minimize the costs by investing at the right time;
- Minimize taxation, including carbon/emission taxation; and
- Utilize our sustainability credentials to attract stakeholders.

INTERNAL PROCESSES

Shurgard is monitoring closely the impact climate change might have on our operations through various activities. These include for instance Identifying emerging issues through visual inspection for planned and unplanned maintenance. This is particularly useful for physical risk.

IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Shurgard is increasingly considering the impact of climate-related risks and opportunities on its business. For example, we recognize the importance of, and the opportunities for, integrating sustainability considerations in the investment process. This could include investments in LED technology, heat-pumps and solar panels and the target to obtain very good or better BREEAM certificates for all of our new developments. We are making strides in introducing consideration of climate-related risks into our own corporate processes. This includes working towards incorporation of climate-related risks into our ISO 14001-aligned Environmental Management System (see section 'Environmental Management System') and enhancing our reporting, which will help identify and assess the impact of climate related risks and opportunities.

IMPACT OF SHURGARD'S BUSINESS MODEL ON CLIMATE

Shurgard is the largest provider of self-storage facilities in Europe. Our business has negative impacts on the climate in a variety of ways - our carbon footprint being the main source. Conversely, as a leader in our field we aim to continually raise the bar and set standards for others to emulate. We report transparently and openly, participating in reporting frameworks where it is considered valuable. We invest significantly in energy saving initiatives, as detailed hereabove (LED, heat-pumps, certifications, solar panels, sensors, smart leak detection systems, etc.).

BUSINESS MODEL AND RESILIENCE OF THE COMPANY'S BUSINESS MODEL AND STRATEGY

We believe our evolving ESG strategy, incorporating our Net Zero ambitions, is resilient to the range of energy transition pathways and scenarios including those outlined at the UN Climate Change Conference in Paris. Our strategy is validated annually by the Board to ensure it remains relevant and resilient, as part of our standard governance processes. Elements of the strategy may be refreshed earlier if there are significant changes in the external or internal environment. See Section 'Our Net Zero Carbon Ambition'. We are developing Net Zero pathways for all our individual investments to refine our approach to future spending and investment decision-making.

COMPANY POLICIES RELATED TO CLIMATE

We seek to ensure that eventually environmental sustainability is managed like any other critical business activity in an integrated, systematic way. To this end, we adopted an ESG Policy, which formalizes Shurgard's commitment to managing climate-related risks. Further, our EMS framework is designed to ensure pollution prevention, carbon reduction, waste minimization, responsible use of resources and compliance with legislation through good practice and continuous improvement.

CLIMATE RELATED TARGETS

See Section 'Our Net Zero carbon strategy'.

THE BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

The role of the Board of Directors (the "Board") is to promote Shurgard's sustainable success for the benefit of its shareholders, while having regard to the interests of our other stakeholders, the impact of our operations on the communities where we operate and the environment. In performing this role, the Board is responsible for oversight of the overall conduct of the Group's business, which extends to setting our ESG strategy and approach to decarbonization. The Board and its associated committees, where appropriate, have oversight of climate-related matters, which include climate risks and opportunities. They are updated on these matters quarterly.

These climate related matters include formal analysis of Shurgard's Net Zero ambition and aims, briefings with subject matter experts, reviews of regulatory correspondence regarding climate disclosures, site visits and the preparation and consideration of corporate reporting documents and other investor briefing materials.

During 2022, climate matters were part on the agenda at every board meeting. This includes reviewing that appropriate progress is being made against our ESG aims. The committee will continue to cover existing sustainability-related activities, including the oversight of climate-related risks and opportunities.

The role of the Audit Committee is to monitor the effectiveness of Shurgard's financial reporting, systems of internal control and risk management, and the integrity of Shurgard's external and internal audit processes. In fulfilling this purpose, the committee has oversight of financial disclosure.

The role of the ESG Committee is to address the climate-related matters, as well as to recommend to the Board the remuneration policy for employees. It also reviews and monitors related policies, satisfying itself that incentives and rewards are aligned to Shurgard's strategy, culture and long-term sustainable success.

The role of the Real Estate Investment Committee is to oversee all acquisitions and disposals of assets, properties or subsidiaries under €50 million. An essential component of their role is to ensure we have the most appropriate portfolio to deliver our ESG strategy and Net Zero ambition.

MANAGEMENT'S ROLE IN ASSESSING AND MANAGING CLIMATE RELATED RISKS AND OPPORTUNITIES

The assessment and management of climate-related matters is embedded across Shurgard at various levels and delegated authority flows down from the Board.

The ESG Management Group provides internal oversight of Shurgard's progress against the aims and objectives in the sustainability framework, including Net Zero. This Group is chaired by the Chief Executive Officer and comprises members of the Shurgard leadership team - covering all key departments to ensure information is effectively disseminated. The Group meets on a quarterly basis (as a minimum) to review progress against the sustainability framework and decide on critical strategic positions related to climate change that present risks or opportunities to delivery. The ESG Management Group reports to the main Board and other committees as required.

OUTCOMES OF THE COMPANY'S POLICY ON CLIMATE CHANGE

Shurgard monitors the following indicators and targets to manage climate-related risks and opportunities:

Climate-related risks: regulation	**2022**	**2021**
Percentage floor area of EPCs (or European equivalent) rated A or more	80.7%	80.4%

Climate-related risks: material physical risk	**2022**	**2021**
% of rentable sqm associated with a high likelihood of being impacted by physical climate risk in the period up to 2050	10.6%	N/A

Climate related opportunities: transitioning to a low carbon economy	**2022**	**2021**
% of gas purchased from renewable sources	72.7%	64.9%
% of electricity purchased from renewable sources	100.0%	100.0%
Greenhouse Gas (GHG) emissions intensity from building energy consumption (Scope 1 & 2, market based) – $kgCO_2e$/GIA (sq m)	0.75	1.03

Shurgard also monitors the development of GHG emissions against the targets set and the related risk over time. We refer to the GHG Emissions data in the section 'EPRA Performance Measures'.

SHURGARD'S PROCESS FOR IDENTIFYING AND ASSESSING CLIMATE RELATED RISKS

As part of our risk management system, our operating departments are responsible for identifying, assessing, managing, and monitoring risks associated with their business area. Risks are assessed in line with Shurgard's risk management policy, and this includes an impact and likelihood assessment which supports relative prioritization. Climate-related risks are classified as physical and transition risks:

- Physical risks – risks related to the physical impacts of climate change including event-driven risks such as changes in the severity and/or frequency of extreme weather events.
- Transition risks – risks related to the transition to a lower carbon economy including policy and legal, technology, markets and reputational risks.

HOW WE MANAGE THOSE RISKS

As detailed hereabove, climate change and the transition to a lower carbon economy have been identified as principal risks. This covers various aspects of how risks associated with the energy transition could manifest (technology evolution, changes in regulations, etc.). Similarly, physical climate-related risks such as extreme weather are covered in our principal risks related to safety and operations. We manage risks on a case-by-case basis, seeking to reduce our exposure to the risk followed by reducing the vulnerability of the business or asset to any risk. This could include any number of risk-specific adaptations or mitigation measures. If risks cannot be managed in this way, we actively seek to transfer the risk or acknowledge that the risk must be accepted in line with our risk tolerances. Our processes for identifying, assessing, managing and monitoring climate-related risks are integrated into Shurgard's risk management policy and the associated risk management procedures.

OTHER KPIS

In addition to the KPIs listed in this section, Shurgard is following up on other metrics, further details of which are provided in different parts of this document:

- GHG Emissions - See Section 'EPRA Performance Measures'
- Energy - See Section 'EPRA Performance Measures'
- Physical Risks - See Section 'EPRA Performance Measures'
- EU Taxonomy aligned CapEx, OpEx and turnover – See section 'EU Taxonomy'
- Green Bond – See Section 'Green Bond'

IMPACT ON SOCIETY

Shurgard is committed to finding and catalyzing effective solutions to pressing societal issues and prioritizing sustainability. We partner internally and externally to make a difference in society. We are attentive to societal changes in order to provide our expertise through social and societal impact programs.

Our mission in this area:
Contribute to a sustainable society

How we aim to do this:
Delivering a positive societal impact
Reporting on the impact of our ESG commitments
Providing best-in-class customer service
Encouraging ESG through the supply chain

DELIVERING A POSITIVE SOCIETAL IMPACT

At Shurgard, to help enable meaningful action, we define community as our immediate neighbors and those in the local catchment areas surrounding our stores. We support and empower our community partners by focusing on building positive and lasting relationships and maintaining a sustainable operation. We believe that having an open and transparent dialogue with our local communities enables us to create a harmonious environment for our neighbors, customers, and employees alike.

All our stores (as well as our corporate offices) have time and financial budgets to provide in-kind support and sponsorship to our community partners and this financial year they have continued to utilize these budgets to make a positive contribution.

The effectiveness of our community engagement is continuously reviewed and adjusted to ensure that we sufficiently address community interests and opportunities.

Our customers can now round up their payments in our Swedish and Danish stores and directly donate the difference to our charity partner Team Rynkeby to support children with a critical illness.

GRI 413-1

2022 ACHIEVEMENTS

- We continued our charity partnership with Le Rire Médecin, a leading association in France working with clowns entertaining children in hospitals. Shurgard provides free storage space at three of our stores in the Paris region; and a large number of our staff participated in a fundraising flea market event across the country during the Christmas period;

- We continued our charity partnership with Stichting Babyspullen, a leading foundation in the Netherlands providing free baby essentials to low-income parents and parents-to-be. Shurgard serves as a collection point for the foundation by placing donation containers at selected self-storage locations across the Netherlands. In addition, Shurgard provides free storage space for Stichting Babyspullen at 23 of our locations in the Netherlands;
- We continued our charity partnership with the Mayor's Fund for London, an independent pan-London charity offering support to young Londoners from low-income backgrounds. Through the Access Aspiration Program Shurgard regularly facilitates CV writing workshops, interview workshops and on the job experience for young adults;
- We continued our support of Team Rynkeby, a Nordic charity cycling team raising money for organizations that support children with critical diseases across Europe. Shurgard is providing free storage space at three locations in Denmark and eight locations in Sweden;
- We continued support of Off Road Kids, a German non-profit organization that runs a street social work system to prevent homeless young people from becoming street children. We provide free storage space for this charity at five of our stores in Germany. Several of our staff also participated in a blood donation fundraising event;
- We continued our charity partnership with Pelicano, a foundation that fights to end child poverty in Belgium. The foundation is committed to ensuring all children's basic needs of healthy living conditions, nutritious food, education, and meaningful leisure time are met. Shurgard provides the foundation with free storage space at 7 different self-storage locations.

SOCIETAL IMPACT OBJECTIVES

Below we set out our core social objectives:

- Implement, and make publicly available, a Community and Charity Policy;
- Maintain existing reporting on corporate citizenship and philanthropic endeavors.

2023 SOCIETAL IMPACT ACTIONS

To deliver our social objectives in 2023, we will take the following actions:

- Maintain existing reporting on corporate citizenship and philanthropic endeavors;
- Continue the active charity programs in each of our seven markets.

PHILANTHROPIC CONTRIBUTIONS

For 2022, we estimate below the total monetary value (at cost) of Shurgard's corporate citizenship/philanthropic contributions for each of the following categories. 100% of our corporate citizenship and/or philanthropic activities are comprised of charitable donations, a breakdown is provided in the table below:

Type of Contribution	2022	2021
Cash Contributions	€19,833	€18,344
Time: employee volunteering during paid working hours	€16,214	€2,081
In-kind giving: product or service donations, projects/partnerships or similar	€83,924	€75,650
Total Charitable Contributions	**€119,972**	**€96,795**

Our employees from London stores are engaged into several philanthropic activities, such as helping youth in communities to write qualitative CV's and interview coaching

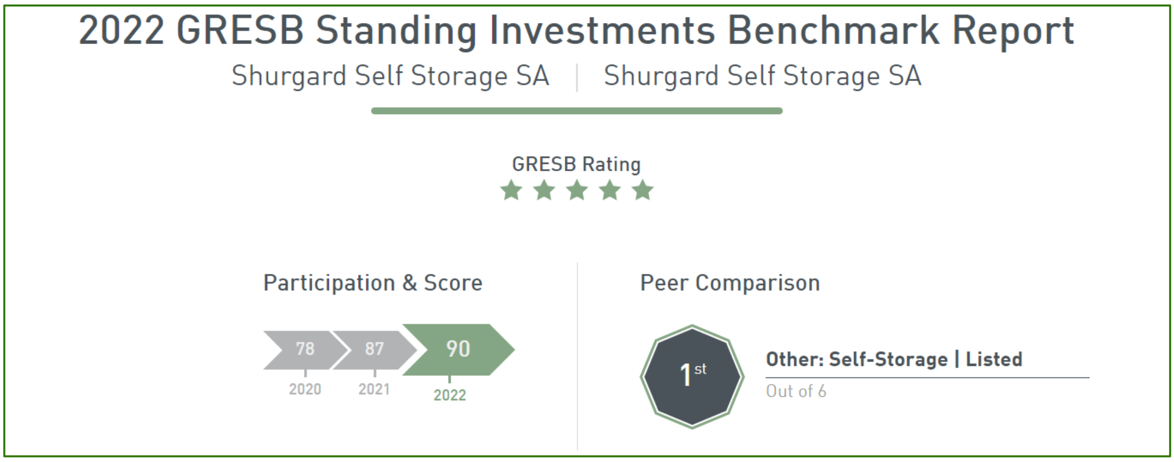
REPORTING ON OUR ESG IMPACT

GRESB

GRESB is the Global Real Estate Sustainability Benchmark. GRESB is a mission-driven and investor-led organization that provides actionable and transparent Environmental, Social and Governance (ESG) data to financial markets. GRESB collect, validate, score and benchmark ESG data to provide business intelligence, engagement tools, and regulatory reporting solutions.

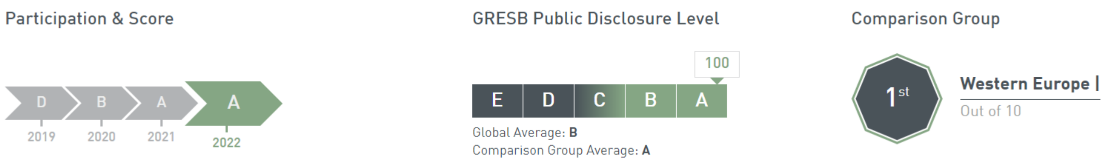
In 2022, more than 1,820 property entities, REITs, funds and developers participated in the Real Estate Assessment, representing $6.9 trillion of GAV. The Assessment covers nearly 150,000 assets across 74 countries.

Shurgard is delighted to announce a 5-star result in 2022, with a score of 90 out of 100.



This is an improvement of 30 points versus our first submission in 2019. In addition, we performed well in the Public Disclosure element of the assessment, receiving full marks.

Significantly, Shurgard also maintained our status as a GRESB Real Estate Sector leader – denoting our position as first in our peer group. The result reflects Shurgard's continued efforts over the last three years to improve our ESG management and performance.



GRESB
REAL ESTATE
sector leader 2022

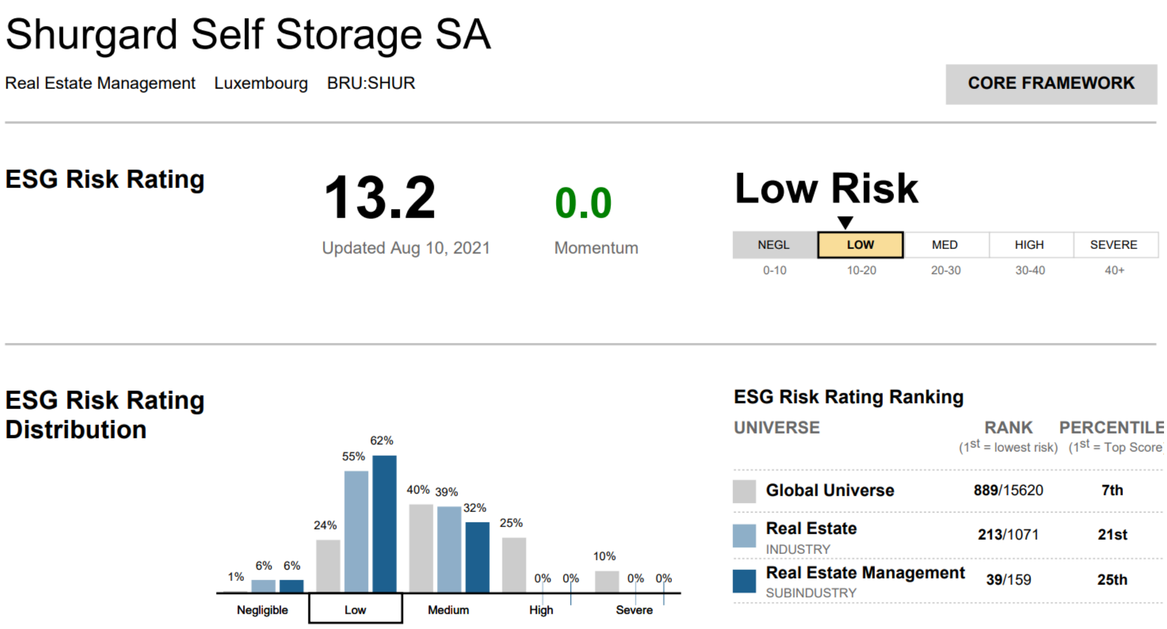
S&P GLOBAL ESG SCORE AND CORPORATE SUSTAINABILITY ASSESSMENT

The Corporate Sustainability Assessment (CSA) and the collaboration with S&P Dow Jones Indices is a foremost global sustainability benchmark. It compares companies across 61 industries via questionnaires assessing a mix of 80-100 cross-industry and industry-specific questions.

In 2022, we participated in the CSA again and achieved a score of 44/100, an improvement of five points over our 2021 submission. This placed us in the 88% percentile within our peer group, meaning our score was in the top 12% of the real estate industry. We will continue to participate in the CSA in 2023 and strive to keep improving our performance.

SUSTAINALYTICS

Our risks and control measures were last evaluated via the https://www.sustainalytics.com/ ESG Risk Rating in August 2021. The 2022 results are expected to be communicated by Sustainalytics soon. Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We were awarded a score of 13.2, a significant improvement on our 2020 score of 21.7 (the lower the better). This places us now in the "low risk" category. Shurgard is in the top 13% in real estate and the top 5% globally.



EPRA SBPR

Shurgard reports the Company's sustainability indicators based on EPRA's (European Public Real Estate Association) latest recommendations: Best Practice Recommendations on Sustainability Reporting, third version September 2017. The EPRA Sustainability Best Practices Recommendations (sBPR) are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe. As with the EPRA financial BPR Awards, each year EPRA recognizes companies which have issued the best-in-class annual sustainability performance report. Based on adherence to the EPRA sBPR in their public disclosure, companies are identified for Gold, Silver or Bronze Awards. The Award winners are announced each year at EPRA's Conference.

In 2022, we maintained our Gold Award, which we first achieved in 2021.

INVESTOR RELATIONS

In addition to reporting frameworks and benchmarks above, our executive team runs a program of face-to-face investor engagement activities including annual and quarterly reporting cycles, and attends investor events across Europe and the US.

PROVIDING BEST-IN-CLASS CUSTOMER SERVICE

Delivering excellent customer service is central to the Shurgard ethos and we view it as a key competitive advantage. We are committed to understanding our customers' needs, providing tailored storage solutions and delivering on our brand promise. Our focus on customer engagement and insights informs our customer experience strategy which aims to deliver superior experiences and in turn, drive retention and referrals.

Our policies and procedures are designed to protect the health, safety, and privacy of our customers. We monitor and assess these programs which are updated regularly based on our learnings.

Around 71% of the Shurgard customer base are residential customers whose storage needs range from short term due to moving home, renovating, or simply needing more room, through to long term needs for collectibles or hobbies. The remainder of the Shurgard customer base is businesses, from online retailers or local businesses through to multi-national companies requiring a distribution network.

In the 2021 Sustainability Report, we set ourselves two ambitious actions to ensure our continuous Best-in-Class Customer Service. These were to continue to seek customer feedback through Google reviews and seek improvement opportunities at each store; and to aim for 100% of stores and districts to be reviewed at the high-end of the Google rating range (4.5+ out of 5). We are delighted to report that both of these actions were met and exceeded, and we will continue to seek further improvements to our customer service and feedback.

In order to go beyond ratings and deepen the insights we get from our customer feedback; we are aiming to improve the amount of written feedback and closed portal reviews we receive. We have a strategy for our store staff to encourage customers on each contact with us, to give their Google review with written feedback on our service.

Our Swedish colleague Marie Tjernberg was first runner up in the FEDESSA Manager of the Year Award contest, in recognition of her talent, training skills and dedication.

2022 CUSTOMER SERVICE ACHIEVEMENTS

- We received 25,000 Google reviews in 2022. Our overall all-time reviews account for 84,500 reviews out of which 75,100 are 5-star. Our overall all-time rating stands at 4.8 out of 5 stars, collated from over 300 reviews per property;
- As of December 2022, 82.9% of our Google reviews contained written feedback.
- As of December 2022, our Trustpilot rating is 4.6 out of 5 stars.

2023 CUSTOMER SERVICE ACTIONS

- Continue to seek customer feedback through Google reviews and seek improvement opportunities at each store;
- Aim for minimum one Google review per week for each store to ensure customers' recent reviews and feedback on a continuous basis.

ENCOURAGING ESG THROUGH THE SUPPLY CHAIN

We commit to working with appointed partners, suppliers, and contractors to improve ESG performance through our supply chain.

To drive positive change and as part of our procurement process, we ask our suppliers strategic questions and evaluate different options using a wider variety of criteria. Sustainable procurement means going beyond price, quality, and value to also incorporate environmental, social, and governance considerations into our supply-chain decisions and purchases. Our sustainable procurement strategy contributes to local communities and, by buying locally, helps reduce negative environmental and health impacts, by notably promoting high labor standards and local job creation.

As part of our sustainable procurement strategy, Shurgard:

- Considers environmental, social and governance matters when procuring products, services and equipment;
- Provides our employees and suppliers with knowledge and resources about sustainable procurement principles;
- Proactively implements compliance provisions in contract templates;
- Reviews modern slavery and bribery risks throughout the supply chain through the ESG questionnaire and due diligence processes in place.

We continually look for opportunities to increase dialogue and improve understanding, both internally and externally, on sustainable sourcing. Strategies include addressing sustainability-specific requirements in our standard procurement agreements. Within all our contracts we have clauses relating to anti-bribery, human rights and modern slavery, as we intend to partner with suppliers who share the same values. It is a commitment we have towards our customers, employees, and investors to ensure sustainable sourcing of services. To this end, Shurgard has developed an internal process to understand how our critical suppliers' approach adverse ESG impacts.

To ensure ongoing compliance with these ethical and environmental standards, we survey our critical suppliers every three years on their ESG performance. These suppliers have been identified through an internal assessment based on various factors, including the magnitude of the financial relationship, the access to our corporate information and network, as well as the impact to Shurgard's operations if the services were to be disrupted. These suppliers were asked to complete the ESG questionnaire, assessing whether they have appropriate policies, systems and resources in place to manage potential adverse ESG impacts. The result has shown that the critical suppliers who participated in the survey share and respect the internationally recognized norms of ethics, diversity, as well as environmental norms.

Shurgard is committed to preserving rainforests and other natural forests with high conservation value and will work systematically and purposefully to ensure that our products do not contribute to deforestation. This commitment applies to all our operations and sourcing.

Shurgard uses paper and board in the packaging sold to customers to aid their moving needs. We impose that all our suppliers of wood fiber-based products for packaging applications only use wood fibers from certified forests, which are managed sustainably and provide appropriate traceability. All forestry-based products Shurgard procures are used for our packaging solutions and are either Forest Stewardship Council (FSC) or PEFC (and other certifications recognized by PEFC) certified. We promote these credentials alongside the packing materials for sale. Other documentation given to customers is on FSC certified paper.

2022 SUPPLY CHAIN ACHIEVEMENT

- Carried out an assessment to identify our critical suppliers in each market where we operate;
- Conducted ESG surveys of over 50 of our critical suppliers, assessing the results to determine compliance and screen for sustainability risks.

SUPPLY CHAIN OBJECTIVE

- Maintain and further develop sustainable supply chain engagement frameworks.

2023 SUPPLY CHAIN ACTION

- Require our supply chain to confirm their approach on environmental practices, anti-bribery and corruption, modern slavery and diversity and inclusion policies every three years.

HUMAN CAPITAL

Human capital is a key pillar in our sustainability strategy.

Our mission in this area:

Be an employer of choice

How we aim to do this:

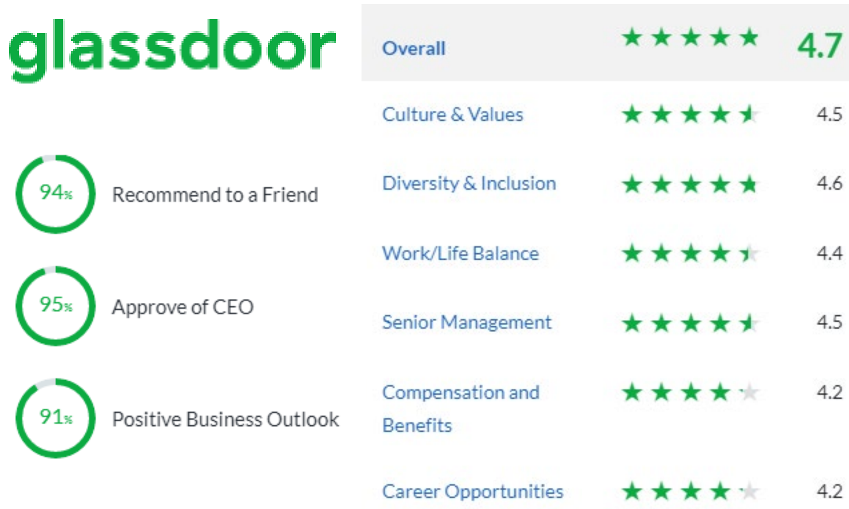
Strenghten engagement and social cohesion
Share and live the Shurgard culture
Prioritize workplace health and safety
Invest in the development of our human capital

The commitment of our Human Resources teams to the development of our human capital is based on sharing common values such as collective effort, a strict sense of ethics and the search for excellence. The sustainability objectives are set in line with these goals and are consistent with values and convictions.

STRENGTHEN ENGAGEMENT & SOCIAL COHESION

We place a high degree of trust and authority in our center teams and operational management to run each store and region, with support and oversight from our European Support Center.

Shurgard is passionate about creating excellent workplaces which maximize the health, wellbeing, and productivity of our employees, and foster an open, supportive, diverse, and inclusive culture. Our policies and programs are designed to make our employees' working life productive and rewarding, and we regularly evaluate the success of these efforts.



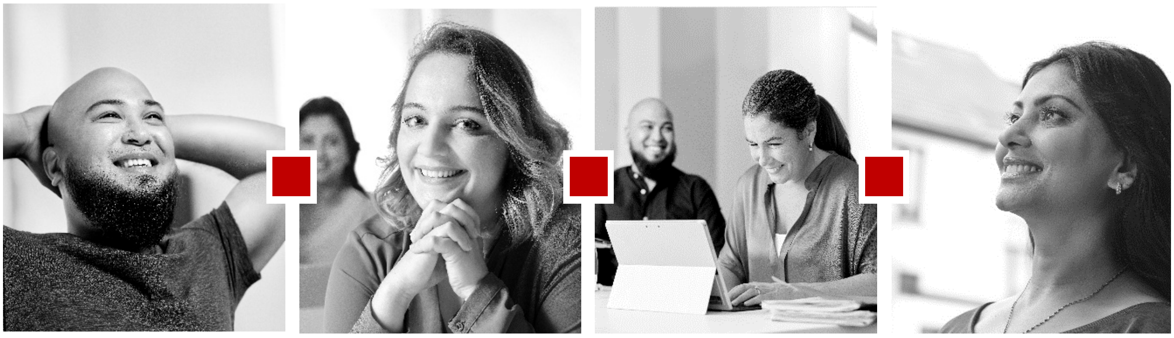
Glassdoor operates a review site for employees for large corporations, such as ours. Our current ranking is higher than average (4.7/5 vs. an average of 3.7/5, and 95% CEO approval vs. average rating of 74%). The results prove that our mission is well reflected in the employees' experience.

We are accredited by Investors in People, an internationally recognized people management accreditation association. The accreditation recognizes Shurgard as having principles and practices in place to support our employees and that our employees are aware of how to use them to make our work environment better. The accreditation will require renewal in 2023.

SHARE AND LIVE THE SHURGARD CULTURE

Our ambition is to anchor Shurgard's culture in everyday practices in order to forge positive relationships, improve the employee experience and create a united internal environment. To this end, Shurgard has developed four value pillars that represent our work identity and are recognized by all employees in their day-to-day job: happiness, training, team spirit and perspective. They represent what we stand for as employees at Shurgard and are the foundations for each employee to build a successful career at Shurgard.

Happiness – Training – Team Spirit – Perspective



In 2023, we are launching our new pillars training, an e-learning module that all new hires will follow during their onboarding period to help integrate them into the working culture of Shurgard.

DIVERSITY, EQUALITY AND INCLUSION

Shurgard is committed to an inclusive workplace that embraces and promotes diversity, pay equity and equal opportunity. The principle of non-discrimination permeates all the processes inherent to Human Resources. To meet this commitment, we make sure that Shurgard guarantees gender equality in all its processes, including:

- Talent review;
- Compensation review;
- Promotions;
- Development programs.

Our teams are located in eight countries. We therefore benefit from a naturally diverse and high-quality employee base. Our diversity of thinking and experience fosters innovation and long-term relationships. We strive to create a working environment that is synonymous with warmth, respect, support, and appreciation. We strive to increase the diversity of gender, culture, age, origin, and training within our workforce. We value, respect, and leverage the unique contributions of people with diverse backgrounds and perspectives to enhance the understanding of the needs of our customers. We believe that this encourages innovative solutions and exceptional customer service to an equally diverse community. Our commitment to creating and ensuring a diverse work environment contributes to Shurgard's corporate objectives and embeds the importance and value of diversity within the culture of our organization.

Shurgard aims to create an inclusive environment that supports people and removes artificial barriers from the workplace. Training for all employees on sexual harassment and discrimination occurs at induction and is refreshed on a regular basis. The management of Equal Employment Opportunities within Shurgard is the responsibility of all employees. Recruitment, selection, and promotion of individuals into specific positions or for development opportunities are determined on personal/professional merit, and all employees are subjected to the same rules and conditions of employment without regard to any individual differences. Shurgard also respects the right of all employees to form and join a trade union of their choice without fear of intimidation or reprisal, in accordance with national law.

OVER 36 NATIONALITIES REPRESENTED IN THE BUSINESS

38% OF PROMOTIONS WENT TO WOMEN

44% OF EMPLOYEES RECRUITED WERE WOMEN

2022 DIVERSITY, EQUALITY & INCLUSION ACHIEVEMENT

- Maintained a 27% women ratio for our Non-Executive Directors;
- Launched new employee training program on diversity, equality, and inclusion.

DIVERSITY, EQUALITY AND INCLUSION OBJECTIVES

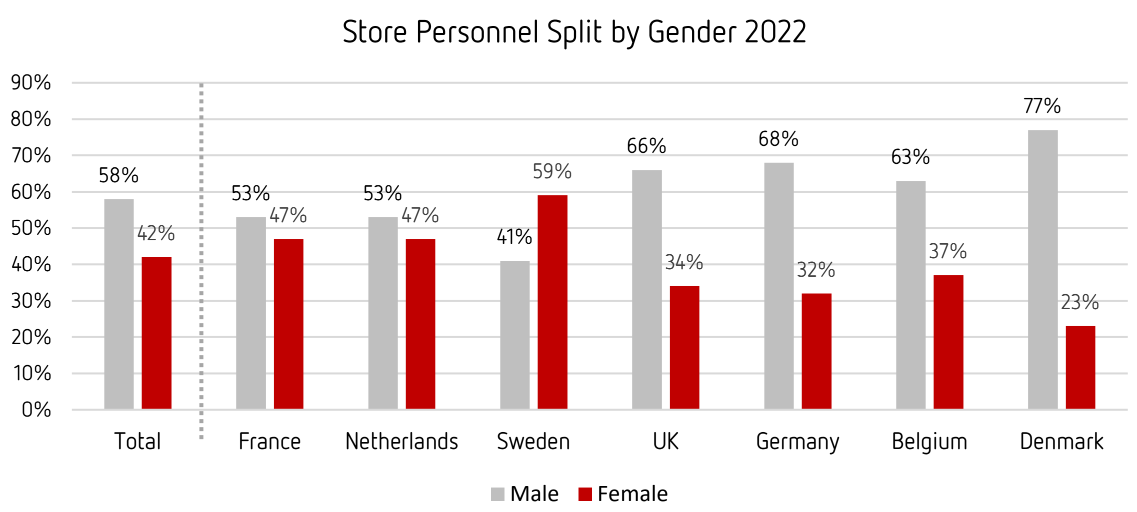
- Create public group-wide non-discrimination and anti-harassment policy;
- Compile and report on equal pay analysis.

2023 DIVERSITY, EQUALITY AND INCLUSION ACTION

- Conduct further employee engagement activities on equality and inclusion.

Within our stores, we foster an inclusive culture which engages with all potential candidates. The outcome of this culture is a good gender balance at our properties, which employ 77% of the total Shurgard personnel. Within stores across our seven operating countries, the total gender split is 58% male and 42% female. In 2021, the gender split was 60% male and 40% female.

The gender split for our European Support Center employees was 53% male and 47% female in 2022, against 50% male and 50% female in 2021.



The gender pay difference for store personnel is marginal across our different operating countries. The total difference is 5.0% (in favor of male personnel) across all geographies which reflects a range between -11.4% and –1.5%.

PRIORITIZE WORKPLACE HEALTH AND SAFETY

The safety of our employees and our customers is our chief priority. Safe practices are inherent in our systems, our operating procedures, and most importantly in the way we think and act. Shurgard is fully committed to providing safe storage facilities to our customers and our employees. Health and safety criteria are regularly assessed in our properties to ensure that applicable health and safety rules are respected. All the properties are audited from a health and safety perspective:

- By Internal Audit within a three-year cycle (more than one third of the properties are audited each year);
- By the District Managers three times per year (self-assessments).

A workplace health and safety organizational induction is provided to all new team members and contractors upon initial employment or engagement with Shurgard.

Regular periodic training is conducted with all team members, in addition to instances of changes to the workplace or operations; plant or equipment; legislation, policies, work processes or processes, and generally as required. Furthermore, task-specific training is conducted to provide knowledge of health and safety issues and safe work practices relevant to work activities, workplaces or equipment. Training is hands on and interactive, to ensure complete understanding of procedures. Records of training conducted, participation and acknowledgment of training by team members are kept in an online learning management system or filed with the Human Resources department.

2022 HEALTH AND SAFETY ACHIEVEMENTS

- Launched a monthly newsletter covering health and safety topics, along with a revised health and safety manual;
- First Aid and Fire Safety training is conducted for all employees and new hires.

HEALTH AND SAFETY OBJECTIVE

- Maintain Shurgard commitment to zero harm;
- Continue to educate and train on the importance of maintaining strict Health and Safety standards.

2023 HEALTH AND SAFETY ACTION

- Create a learning module in Shurgard Academy on Health and Safety.

INVEST IN THE DEVELOPMENT OF OUR HUMAN CAPITAL

CONTINUOUS TRAINING

Our ambition is to place the development of human capital at the center of our priorities by devoting attention to the continuous improvement of skills and knowledge, and therefore to a continuous process of education and learning. A comprehensive training offer is defined and updated every year, in line with Shurgard's strategy, the Investors in People accreditation and regulatory requirements. We support our managers and business units in setting development priorities through specific training or on-the-job learning activities, and each employee has a personalized skills development plan.

We believe the quality of customers' interaction with our employees is critical to our long-term success. Accordingly, we emphasize customer service and teamwork in our employee training programs. Each in-store employee is required to complete a training program which builds a foundation to assist our customers with their storage needs. All support centers' new employees are also engaged in an extensive induction program which lasts several weeks. We offer a continuous feedback program to help employees improve their performance. We invest in a wide range of training to grow both professional skills as well as soft skills, such as communication, problem-solving and time management.

The Shurgard Academy was launched in 2018 to enable us to attract, retain and train top talent within our stores. The academy provides a transparent program of progression which empowers our employees to develop throughout their careers. The Academy ensures a structured process of career progression, from Junior Assistant Store Manager to Senior Store Manager and District Trainer.

2022 TRAINING ACHIEVEMENT

- 100% of our employees underwent the performance appraisal process, an increase of 7% year-on-year;
- We implemented a new Training Management System in our online training platform, and expanded the Shurgard Academy;
- We began employee training programs on sustainability, which remain ongoing;
- Training hours completed per employee: 254h;
- Trained workforce: 100%

TRAINING OBJECTIVE

- Ongoing employee training in environmental, health and safety.

2023 TRAINING ACTIONS

- Develop and promote in-person trainings for the Shurgard Academy, for new employees to be trained together across markets;
- Implement new leadership training programs across the company, with our own certified trainers.

Some of Shurgard's employees of the month or quarter (top left to bottom right): Benjamin (France), Terry (UK), Minna (Sweden), Billy (Sweden), Ditte (Denmark).

INTERNAL MOBILITY AND PROMOTION

Shurgard's priority is to develop support for employees in their career development projects, in line with the business needs, and to help them build a rich career while strengthening their employability. Mobility is an act that demonstrates the employee's commitment to building a long-term career. It aims to match personal aspirations with the needs of Shurgard, prepare for the future in line with strategic focus, develop a shared culture, retain employees, and strengthen our employer brand. Various measures have been implemented or will be implemented soon:

- Systematic publication of open positions on our website;
- Priority given to internal applications.

Our UK Market Manager Karen Murrel has been appointed to the Self Storage Association UK Board. She will be representing both self-storage operators and industry supplier members' interests in the UK.

Our NL Market Manager Mathieu Knipping, receiving the FEDESSA award for Multi-Site Operator of the Year 2022, for the successful completion of a challenging development at our Amsterdam West store.

A DYNAMIC REMUNERATION POLICY

The philosophy of Shurgard's remuneration policy is to reward long-term performance, attracting and retaining talent through competitive, fair and gender-neutral compensation. Performance is as much individual as it is collective. Shurgard is committed to the sincerity and transparency of the link between performance and remuneration. This link must also be a driver for employee motivation and commitment. We are looking at pay equity at all levels. Thus, people with similar roles and responsibilities receive comparable salaries. Remuneration policies are reviewed each year by the ESG Committee. We ensure our alignment with best practices and our compliance with the various legislation in force. We regularly participate in remuneration surveys in order to assess our conditions within the business.

GRI 2-20

ETHICS & GOVERNANCE

Ethics and integrity are founding values of Shurgard. All activities and developments are guided by a strict sense of responsibility and a duty of transparency. We expect our employees and stakeholders to respect our fundamental values, sense of ethics and compliance with the applicable regulations.

The adoption of ethical and responsible practices defines the way we do business. This is a required condition for our development and its sustainability. Maintaining and reinforcing the trust established with our customers, employees and shareholders is our daily priority.

In our opinion, robust corporate governance focused on managing sustainability issues helps to:

- Be more competitive;
- Maintain success;
- Create long-term value.

We align our strategy with the challenges facing our industry and regulatory changes related to sustainability. Since the beginning we have integrated non-financial risks into our governance and processes. This approach has been reinforced during the latest cycle of sustainability objectives under our environmental management system. Supporting the transformations of our industry and a strict alignment with current societal challenges are our priorities. We will strengthen the alignment of our values and processes, as well as internal synergies around sustainability issues. In addition, we will formalize the links between our existing policies, guidelines and processes and sustainability issues. With regard to our stakeholders, this strengthens our transparency and our sense of duty.

As a Luxembourg Société Anonyme whose shares are listed on Euronext Brussels, Shurgard's governance requirements are shared between the Luxembourg corporate governance and the Belgian corporate governance regime. As we recognize the importance of high standards of corporate governance, we have set up our own Corporate Governance Charter that meets the specific needs and interests of our Company. The charter came into effect when the Company was listed on Euronext Brussels. Our governance structure is designed to foster principled actions, informed and effective decision-making, and appropriate monitoring of both compliance and performance. For additional information please refer to the Corporate Governance Charter in the "Governance" section of the Shurgard website: Governance Documents | Shurgard Investor Relations. The last update to the Corporate Governance Charter occurred on November 24, 2022. For the latest updates on our structure, please refer to page 105 of the annual report.

The governing bodies of our Company are the Board of Directors and the General Shareholders' Meeting. The powers of these governing bodies are defined in the 1915 Companies Act of Luxembourg and our Articles of Association. The Board together with the Senior Management manages the Company in accordance with applicable laws.

Our mission in this area:

Reconcile risk management with innovation

How we aim to do this:

Incorporate sustainability issues into Shurgard's management systems and Code of conduct

2022 ETHICS & GOVERNANCE ACHIEVEMENTS

- We rolled-out the Code of conduct among all employees;
- There were no fines, notifications, penalties, or settlements during 2022;
- There have been no breaches to our Code of conduct throughout the year (across areas of privacy, bribery, corruption and discrimination);
- We made no contributions to or expenditures to political campaigns or organizations, lobbying, tax-exempt entities, or other groups whose role is to influence political campaigns or public policy and legislation in reporting year (GRI 415-1);
- The group is part of local trade associations for self-storage. In 2022 the total amount of the membership fees across the group was around €32,339[2].

ETHICS & GOVERNANCE OBJECTIVE

- Continue reviewing competencies required for Board members.

2023 ETHICS & GOVERNANCE ACTION

- Establish Board rotation based on competencies required.

[2] Belgian Self Storage association (Belgium) = €2,100; CISS (France) = €6,500; NSSA (The Netherlands) = €6,300; VDSU (Germany) = €3,680; Self Storage Association Denmark (Denmark) = DKK 12,500; Self Storage Association UK (UK) = £ 9,010; Self Storage Association (Sweden) = SEK 16,000.

CORPORATE GOVERNANCE

The management and supervision of Shurgard comprises a Board of Directors which is the body responsible for Shurgard's Senior Management, supervision, and control. To support the Board, there are three main committees: the Audit Committee, the ESG Committee and the Real Estate Investment Committee.

Having robust governance bodies is a priority for Shurgard. A diversity of profiles is required among the members of its collegiate bodies. Thus, the collective expertise of each of them contributes to the implementation, management, and supervision of all business activities. The Board of Directors provide guidance, direction, and oversight to advance the interests of Shurgard and our stakeholders.

Shurgard is committed to respecting the rules of governance. To this end, it has established transparent financial reporting and effective internal controls. It is organized in such a way as to promote a strong culture of awareness of compliance, business ethics and risk management.

GRI 2-9

BOARD OF DIRECTORS

According to our Articles of Association, the Directors are appointed by the General Shareholders' Meeting for a term of one year. The General Shareholders' Meeting also determines the number of members of the Board of Directors, their remuneration and the terms of their office (which may not exceed one year). The Directors are eligible for reelection, and they can be removed at any time by the General Shareholders' Meeting, with or without cause. If the Board has a vacancy, the remaining Directors have the right to appoint a replacement until the next General Shareholders' Meeting.

The Board of Directors is currently composed of 11 members - one Executive Director and ten Non-Executive Directors. We consider a majority (six) of the members of our Board of Directors to be independent, of which one has been appointed Lead Independent Director. At the Annual General Shareholders' Meeting of May 4, 2022, all the members of the Board were re-appointed for a term of one year ending at the Company's Annual General Shareholders' Meeting to be held in 2023.

For more detailed information on the composition of the Board of Directors, see below.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors retains sole responsibility for the following matters:

a) convene the general meeting of shareholders of the Company;

b) establish the internal regulations of governance of the Company;

c) elect the members of the Audit Committee, the ESG Committee and the Real Estate Investment Committee;

d) appoint and remove the Chief Executive Officer of the Company;

e) delegate the day-to-day management of the Company to the Chief Executive Officer;

f) appoint and remove the other executive board members when their appointment or removal is proposed by the Chief Executive Officer;

g) approve the overall Company strategy;

h) approve the annual overall Company budget;

i) approve the annual balance sheet and profit and loss accounts and propose an allocation of the annual profits;

j) approve any acquisition or disposal of assets, properties or subsidiaries worth more than €50.0 million; and

k) decide on a Company basis on the introduction or major amendments of pension schemes, share option schemes, participation of employees in profits, or similarly important labor relations schemes.

BOARD MEETINGS

The Board of Directors meets as often as the interests of the Company require and at least four times a year. The meetings are called by the Chairperson of the Board. Except in urgent cases or with the prior consent of all the Directors, at least 48 hours' written notice must be given for Board meetings.

The Chairperson prepares the agenda of the Board meetings after consultation with the Chief Executive Officer and/or the Lead Independent Director.

The Chairperson presides at meetings of the Board. If they are absent the Board can vote by majority to appoint another Director as Chairperson for the relevant meeting. At least half of the Directors must be present at the meeting for any deliberation and voting to be valid. No Directors can be represented by another Director at any meeting of the Board.

The convening notice provides details of the day, time, and place of the Board meetings. The Board and its committee meetings are conducted in English and can be held remotely (e.g., by video or telephone conference). In these circumstances, the connection must be uninterrupted, all members taking part in the meeting must be identified, and they must be able to communicate with each other on a continuous basis.

During the financial year 2022, the Board of Directors held four meetings. All members of the Board were present at these meetings.

GRI 2-10 / 2-11

DIRECTORSHIPS HELD BY BOARD MEMBERS

As of December 31, 2022, our Board members held directorship mandates in the following companies:

Name	Mandates
Ronald L. Havner, Jr.	Public Storage, AvalonBay Communities, Inc., Huntington Hospital
Marc Oursin	CAG23 Capital
Z. Jamie Behar	Armour Residential REIT, Inc., Sila Realty Trust, Benefit Street Partners Multifamily Trust, CBRE Investment Management, Real Estate Investment Advisory Council of the National Association of Real Estate Investment Trusts, Guiding Eyes For The Blind (Advisor)
Everett B. Miller III	No other directorship
Daniel C. Staton	Staton Capital LLC, ARMOUR Residential REIT Inc, ACM, Terran Orbital, Techiya LLC
Ian Marcus	Town Center Securities plc, Anschutz Entertainment, Work-Life, Elysian Residences, the Wharton Business School Real Estate Faculty, Eastdil Secured LLP, Redevco NV
Muriel De Lathouwer	Coderdojo Belgium asbl, Etex, Olympia group of companies, CPH, ULB dev (economic development of the research from the Free University of Brussels)
Olivier Faujour	Wegrow SaaS, Neosilver Silver Economy, Alpange Pianos Company, Bon Vivant Food
Frank Fiskers	Whitbread PLC, Rak hospitality holding LLC
Padraig McCarthy	No other directorship
Isabelle Moins	April International Care France, Smile Corp (SAS), Innovaas

SHARE OWNERSHIPS OF DIRECTORS

As of December 31, 2022, the members of the Board of Directors owned 181,081 shares or 0.2% of the total share capital of the Company. The breakdown of share ownership is:

Name	Number of shares
Ronald L. Havner, Jr.	10,000
Marc Oursin	137,092
Z. Jamie Behar	1,901
Everett B. Miller III	7,500
Muriel De Lathouwer	2,979
Olivier Faujour	4,347
Frank Fiskers	4,347
Ian Marcus	2,515
Padraig McCarthy	2,000
Isabelle Moins	1,700
Daniel C. Staton	12,500
Total	181,081

INDEPENDENCE OF BOARD MEMBERS

Six of the Non-Executive directors – Muriel De Lathouwer, Olivier Faujour, Frank Fiskers, Ian Marcus, Padraig McCarthy and Isabelle Moins – are independent of management and other outside interests that might interfere with the exercise of their independent judgement. We define an "independent Board member" as a member who:

a) is not an executive or managing director of the Company or an associated company;

b) is not an employee of the Company or an associated company;

c) does not receive significant additional remuneration from the Company or an associated company apart from a fee received as Non-Executive Director;

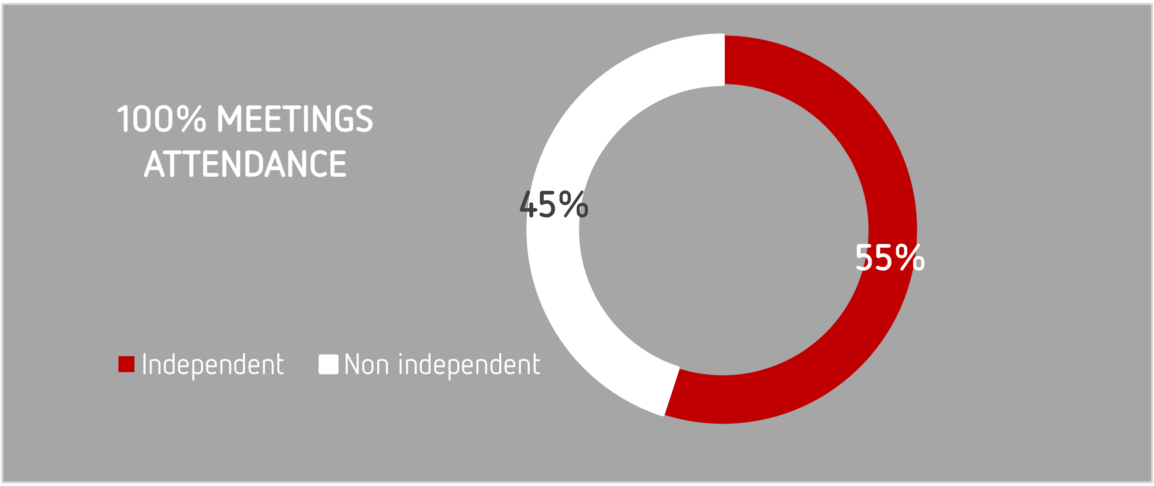
d) does not have an employee, contractual or managerial relationship with, is not an agent of, nor has a financial interest in or receives compensation from, the controlling shareholder(s) (i.e., a strategic shareholder with a 10.0% or larger holding);

e) has no significant business relationship with the Company. Business relationships include significant suppliers of goods or services (including financial, legal, advisory or consulting services), a significant customer and organizations that receive significant contributions from the Company or Group;

f) is not a partner or employee of the external auditor of the Company or an associated company;

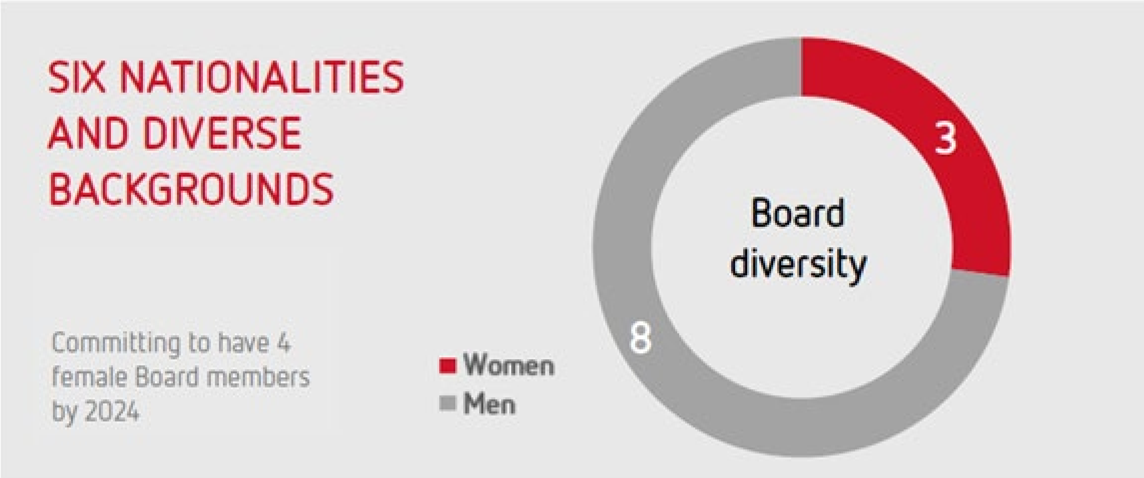
g) is not an executive or managing director in another company in which an executive or managing director of the Company is a non-executive or supervisory director, and does not have other significant links with executive directors of the Company through involvement in other companies or bodies; and

h) is not a close family member of an executive or managing director, or of persons in the situations referred to in points (a) to (h).



DIVERSITY OF BOARD MEMBERS

Shurgard is committed to achieving a high level of diversity at all levels in qualities such as age, gender, race, ethnicity, geography, sexual orientation, gender identity and diverse background. The commitment to diversity also extends to the Company's Board. Our Board reflects diverse perspectives, including a complementary mix of skills, experience, and backgrounds, which we believe is paramount to the Company's ability to represent the interest of all shareholders. As disclosed below, 27% of Board members are women, and the Company aims to increase that ratio. Also, six nationalities are represented on the Board of Directors which allows for an enriching cultural exchange.



Furthermore, the Board members have different skills backgrounds: all of them have management experience, three quarters have finance experiences, and seven directors have a strong background in real-estate, including self storage. The Board members profile is further complemented by experience in marketing, engineering, and insurance, as well as in digitalization, transformation and technology. To enhance the self-storage and corporate governance skills of the members of the Board, ongoing training is provided by the Company.

GRI 405-1

COMMITTEES OF THE BOARD

The Board of Directors has set up the following committees, each of which is governed by internal rules and regulations approved by the Board:

- the Audit Committee;
- the ESG Committee; and
- the Real Estate Investment Committee.

The Board of Directors can amend or rescind the powers delegated to each of the committees and amend the internal rules and regulations to which the committee is subject.

According to their internal rules and regulations, each of the committees convenes at appropriate times and whenever required by our affairs. The meetings are called by the Chairperson or by two members acting jointly. The meetings of the committee are held either in the Grand Duchy of Luxembourg or at other places indicated on the convening notice; or via an online secured videoconference system due to certain circumstances and as authorized by the law (such as the COVID-19 safety rules and travel restrictions experienced). Except in urgent cases or for regularly scheduled meetings, the meetings of the committee are announced in writing at least 48 hours in advance. This notice can be waived if each member of the committee provides documented consent. Meetings previously scheduled by the committee do not require a separate notice. Members of the committee can participate in a meeting remotely by conference call or videoconference. Remote participation is equivalent to a physical presence at the meeting. At least half of the committee members present or represented at a committee meeting constitutes a quorum, and resolutions are adopted by a simple majority vote of the committee members present or represented. In case of a tie, the resolution will not be approved. The committees provide periodic reports to the Board of Directors, which retains ultimate responsibility, and assesses their own effectiveness annually.

AUDIT COMMITTEE

The Audit Committee is responsible for all matters set forth in the Luxembourg law of July 23, 2016, on the audit profession, as amended (the "Audit Act"), the Audit Committee should, in particular, perform the following activities:

a) inform the Board of Directors of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process;

b) monitor the financial reporting drawing-up process and submit recommendations or proposals to ensure its integrity;

c) monitor the effectiveness of our internal quality control and risk management systems and, where applicable, its internal audit, regarding our financial reporting, without breaching its independence;

d) monitor the statutory audit of the annual and consolidated financial statements, in particular its performance, taking into account any findings and conclusions by the CSSF pursuant to Article 26(6) of Regulation (EU) No 537/2014;

e) review and monitor the independence of the approved statutory auditor(s) (réviseur(s) d'entreprises agréé(s)), in particular the appropriateness of the provision of non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) No 537/2014;

f) be responsible for the selection of the approved statutory auditor(s) (réviseur(s) d'entreprises agréé(s)) and recommend the approved statutory auditor(s) (réviseur(s) d'entreprises agréé(s)) for approval by the Company's shareholders except when Article 16(8) of Regulation (EU) No 537/2014 is applied.

At least one member of the Audit Committee should be competent in accounting and/or auditing. The Audit Committee members as a whole should be competent in the relevant sector in which we are operating. A majority of the members of the Audit Committee should be independent of the Company. The chairperson of the Audit Committee should be appointed by its members and should also be independent of the Company.

As of December 31, 2022, the Audit Committee consisted of four members: Padraig McCarthy (chairperson), Z. Jamie Behar, Isabelle Moins and Muriel De Lathouwer. Padraig McCarthy, Isabelle Moins and Muriel De Lathouwer are considered independent Board members. Padraig McCarthy, Z. Jamie Behar and Muriel De Lathouwer have a special competence in accounting and/or auditing in listed companies. Three out of the four members of the Audit Committee are independent, which ensures good governance and nonpartisan decision-making. Z. Jamie Behar, non-independent director has been appointed onto the Audit Committee due to her renowned academic knowledge in finance and twenty-five years of senior experience in both public and private market real-estate investment.

During the financial year 2022, the Audit Committee held four meetings, where all committee members were present.

ESG COMMITTEE

The ESG Committee is responsible for the following matters:

a) the review and approval of corporate goals and objectives relevant to the Senior Management's compensation, and the evaluation of their performance related to these goals;

b) making recommendations to the Board on incentive compensation plans and equity-based plans;

c) submitting proposals to the Board on the remuneration of members of the Senior Management;

d) making recommendations to the Board on the Company's framework of remuneration for Senior Management and other members of the executive management, and assisting the Board in drawing up the remuneration policy of the Company;

e) identifying candidates qualified to serve as members of the Board and executive officers;

f) recommending candidates to the Board for appointment by the General Meeting or for appointment by the Board to fill interim vacancies on the Board;

g) facilitating the evaluation of the Board and reporting to the Board on all matters relating to remuneration (including, for example, on internal pay disparity);

h) preparing a remuneration report (which should contain, among others, disclosure on the remuneration of each executive officer) and which should be submitted to the annual Shareholders' Meeting for an advisory vote;

i) overseeing the Environment, Social and Governance (ESG) strategy of the Company and monitoring the completion of the ESG objectives;

j) reviewing any ESG report filed by the Company;

k) assisting the Board in reviewing and assessing the Company's ESG risks;

l) submitting a list of candidates to the Board on the appointment of new directors and Senior Management;

m) assessing the existing and required skills, knowledge and experience for any post to be filled and preparing a description of the role, together with the skills, knowledge and experience required;

n) making an assessment about the independence of candidate directors; and,

o) assessing, together with the Chief Executive Officer, the way in which the Senior Management operates and the performance of its members at least once a year.

The ESG Committee members should be competent in the relevant sector in which we are operating. The committee will be composed of independent Directors and Non-Executive Directors of the Board of Directors.

As of December 31, 2022, the ESG Committee consisted of five members: Frank Fiskers (chairperson), Muriel De Lathouwer, Ian Marcus, Padraig McCarthy and Olivier Faujour, all of whom are considered independent Board members.

During the financial year 2022, the ESG Committee held five meetings where all committee members were present.

GRI 2-12

REAL ESTATE INVESTMENT COMMITTEE

The Real Estate Investment Committee is authorized by the Board to review and approve all acquisitions or disposal of assets, properties or subsidiaries under €50 million.

As of December 31, 2022, the Real Estate Investment Committee consisted of six members: Z. Jamie Behar (chairperson), Olivier Faujour, Frank Fiskers, Daniel C. Staton, Ian Marcus and Everett B. Miller III. Ian Marcus, Olivier Faujour and Frank Fiskers are considered independent Board members.

During the financial year 2022, the Real Estate Investment Committee held five meetings, where all committee members were present.

SENIOR MANAGEMENT

The Senior Management of the Group is made up of five members, who hold their positions through employment contracts with entities of the Group, except for the Chief Executive Officer who has a management agreement and who is appointed and may be removed by the Board of Directors.

The Board of Directors has delegated the daily management of the business to the Chief Executive Officer. The Chief Executive Officer has the authority to represent the Board, as well as a number of ancillary specific powers. In addition, the Chief Executive Officer has been granted powers to approve any development or refurbishment of real estate assets.

DIRECTORSHIPS HELD BY SENIOR MANAGEMENT

As of December 31, 2022, the members of the Senior Management held directorship mandates in the following companies:

Name	Mandates
Marc Oursin	CAG23 Capital
Jean Kreusch	Transforming Talent SPRL, Sports Abroad asbl
Duncan Bell	No other directorship
Ammar Kharouf	No other directorship
Isabel Neumann	Belfius Bank & Insurance

SHARE OWNERSHIP OF THE MEMBERS OF SENIOR MANAGEMENT

As of December 31, 2022, members of the Senior Management owned the following numbers of shares, adding up to 283,134 shares or 0.32% of the total share capital:

Name	Number of shares
Marc Oursin	137,092
Jean Kreusch	86,521
Duncan Bell	15,173
Ammar Kharouf	44,348
Isabel Neumann	0
Total	283,134

The members of the Senior Management have to meet share ownership requirements proportional to their fixed compensation over five years. This shareholding requirement is set at 2.5 times the fixed compensation for the Chief Executive Officer, 2.0 times for the Chief Financial Officer and 1.5 times for the other Senior Management members. For all members, except for Isabel Neumann, who recently joined the Company, these requirements were satisfied well in advance of the five-year period.

DIRECTOR AND MANAGEMENT CONFLICTS OF INTEREST

Members of the Senior Management have employment agreements with an entity of the Group, other than the Chief Executive Officer who has a management contract. Certain members of the Senior Management also serve on the boards of various Group companies. In addition, the Chief Executive Officer is a member of the Board of Directors of the Company. Therefore, conflicts of interest could arise for members of the Board of Directors and of Senior Management between their duties towards the Group, the relevant individual Group company and their duties as members of the Board of Directors of the Company or as a member of Senior Management, respectively.

As of December 31, 2022, the following members of the Board of Directors are partners, directors, representatives and/or employees of Public Storage or an affiliate thereof: Ronald L. Havner, Jr. and Daniel C. Staton. Z. Jamie Behar and Everett B. Miller III are members of the Board of Directors elected on the designation of our shareholder New York State Common Retirement Fund. Apart from these potential conflicts of interest and the transactions and legal relations described in the section "Related Party Transactions", there are no other actual or potential conflicts of interest between the obligations of the members of the Board of Directors or Senior Management toward the Company and their respective private interests or other obligations.

None of the Board members or members of the Senior Management are related to one another by blood or marriage. We have not granted any Board members or members of the Senior Management any loans, nor have we assumed any guarantees or sureties on their behalf.

Pursuant to the 1915 Companies Act, in the event that a member of the Board of Directors has a financial conflict of interest in any Company transaction submitted to the approval of the Board of Directors, they must inform the Board of Directors at that meeting and include a record of their statement in the minutes of the meeting. The member of the Board of Directors may not take part in the deliberations relating to that transaction and may not vote on the resolutions relating to that transaction. At the following General Shareholders' Meeting, before any other resolution is put to a vote, a special report should be made on any transactions in which any of the directors may have had a conflict of interest with that of the Company.

GRI 2-15

ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders must be held within six months following the end of the financial year at the place and on the day set by the Board of Directors. The Board of Directors can convene Extraordinary General Meetings as often as the Company's interests require. In accordance with the Luxembourg Company Law, a General Meeting of Shareholders must be convened on the request of one or more shareholders who together represent at least one tenth of the Company's capital.

The right of a shareholder to participate in a General Meeting and to exercise the voting rights attached to his shares are determined with respect to the shares held by such shareholder the 14th day before the General Meeting of Shareholders at 24 hours (Luxembourg time), which is known as the "Record Date". Each shareholder has the right to ask questions about the items on the agenda of a General Meeting of Shareholders. Each share entitles the holder to one vote. Each shareholder can exercise their voting rights in person, through a proxy holder, or by correspondence in advance of the General Meeting of Shareholders, by means of the form made available by the Company.

In 2022, the Annual General Meeting of Shareholders took place on May 4, 2022. Due to COVID-19, physical attendance was excluded, and a vote was only possible by power of attorney to the Chairman of the meeting or by correspondence (further information can be found on our Corporate website: 2022 Annual General Assembly | Shurgard Investor Relations)

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

In the financial year 2022, an extraordinary general meeting of the shareholders took place on December 9, 2022. During that meeting, the Shareholders approved all proposed resolutions relating to the Company's plan to migrate the Company to Guernsey and become a UK REIT in March 2023. Due to COVID-19, physical attendance was excluded, and a vote was only possible by power of attorney to the Chairman of the meeting or by correspondence (further information can be found on our Corporate website: 2022 Extraordinary General Meeting of Shareholders | Shurgard Investor Relations.)

STATUTORY AUDITOR

During the financial year 2022, the Company's statutory auditor (réviseur d'entreprise agréé) was Ernst & Young S.A., registered with the CSSF as a cabinet de révision agréé and with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, Luxembourg) under number B47771. The registered office of Ernst & Young Luxembourg S.A. is 35E, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. Ernst & Young S.A. is a member of the Luxembourg body of registered auditors (Institut des Réviseurs d'Entreprises). At the Annual General Meeting of Shareholders of May 4, 2022, Ernst & Young S.A. was re-appointed as independent auditor (réviseur d'entreprises agréé) of the Company for a term of one year ending at the Company's Annual General Meeting of Shareholders to be held in 2023.

Audit fees in 2022 were €724,275 for the audits of consolidated and statutory financial statements of the Company and its subsidiaries.

CODE OF CONDUCT

At all times, our employees must act with loyalty, competence, care and diligence, in the best interests of customers and other stakeholders. Identifying and understanding irresponsible behavior is a pre-requisite for any corrective action. Ethical and accountability principles are a mandatory part of each employee's annual performance review. In addition, the whistleblowing procedures in place guarantee employees complete confidentiality in the event of a report. In all our activities, checks and balances ensure the proper monitoring of the systems put in place, in support of our corporate values and objectives. Employee training involves courses related to business ethics, compliance and regulations.

Business Ethics and Compliance training	2022	2021
Percentage of employees who attended at least one Ethics and Compliance refreshment training session	100.0%	82.0%

Our Code of conduct aims to:

- Define the expected behavior of all employees;
- Make the connection between our company values, policies and guidelines, and individual actions;
- Promote ethical decision-making;
- Ensure that our behavior meets the highest standards of professional conduct.

It covers a number of important topics, including:

- Compliance with the laws and regulations of the countries in which we operate;
- Ethics and transparency in the services provided to customers;
- Protecting confidential information;
- The fight against money laundering and corruption;
- Maintaining a healthy environment, free from harassment and discrimination.

It underlines our desire to have a positive and lasting impact on society and our commitment to sustainability. It provides the overall framework for all topics relevant to our activities. Shurgard employees must comply with it at all times. Shurgard further expects its employees to promote Shurgard values outside their business activities and to speak up when they have a concern about a possible violation of the underlying Shurgard policies or the applicable laws.

We have put in place internal guidelines for each issue that may impact our activities, our employees or our other stakeholders. These arrangements ensure the active monitoring of compliance with regulations. Thanks to them, all employees facing these risks are informed of any regulatory changes. Shurgard's objective is twofold: maintain active communication on procedures and guidelines, and review ethics-related policies to integrate non-financial risks.

GRI 102-15 / 102-17 / 102-29

ANTI-CORRUPTION AND BRIBERY

Shurgard prohibits employees from participating in schemes involving any payment or transfer of Shurgard funds or assets to any representative of suppliers, customers, public authorities, officials or others in the form of commercial bribes, kickbacks, and other similar payoffs and benefits, as detailed in the Ethical Behavior policy of the Company.

Bribery and corruption of suppliers and/or customers includes, but is not limited to:

- Gifts (except if customary business practice or in compliance with Shurgard's business expense policy);
- Cash payments reimbursed by Shurgard (except expenditures for meals and entertainment of suppliers and customers that are a customary business expense and in compliance with Shurgard's business expense policy);
- The uncompensated use of Shurgard services, facilities or property (except if customary business practice and lawful);
- Loans, loan guarantees or other extensions of credit (except at prevailing commercial rates);
- Giving or receiving anything of value to (foreign) government officials, (foreign) political parties, party officials, or candidates for public office, suppliers or customers for the purposes of obtaining, facilitating (facilitation payments) or retaining business for Shurgard.

Shurgard also prohibits employees from receiving (other than salary, wages or other ordinary compensation from Shurgard), directly or indirectly, from suppliers, customers or others in connection with a transaction entered by Shurgard, anything of a significant value, excessive hospitality, loans or other special treatments. The same applies to any person having a close personal relationship with the employee.

Failure to comply with such commitments may lead to disciplinary or other measures against culpable employees, including the termination of employment and/or the termination of contracts with business partners, or to such contracts not being extended or changed for precautionary reasons.

As part of the mitigation of corruption risks, employees and Directors of the Board of Shurgard (more information on page 112) make an annual declaration relating to conflicts of interest. In addition, in 2022, our employees participated in an online training about anti-bribery as part of our Code of conduct refreshment training.

In 2022, no cases of corruption or bribery were reported. There were no legal proceedings against Shurgard or its employees and no confirmed incidents when contracts with business partners were terminated.

GRI 205-1 / 205-2 / 205-3

COMMUNITY CONTRIBUTION

Shurgard encourages employees' participation in supporting the community and charity organizations. Shurgard realizes employee giving as an important part of the employee engagement process and supports the contribution of our staff to organizing activities for non-profit organizations we are engaged with.

CONFLICT OF INTERESTS

Shurgard wants its employees to remain neutral and independent when acting for the Company. Hence, conflicts of interests are to be avoided by employees. If a conflict of interest is unavoidable it must be disclosed at the earliest opportunity. An online assessment is carried out every year for employees, as per the Conflict of Interest policy.

INSIDER DEALING

Shurgard wants to ensure that its employees do not abuse, or place themself under suspicion of abusing, price sensitive or inside information that they may have or be thought to have, especially in periods leading up to an announcement of financial results or of price sensitive events or decisions. Basically, any of Shurgard's directors or employees (or people closely associated with them) are prohibited from dealing or attempting to deal in financial instruments for his, her or its own account or for the account of a third party at any time (i) when such person is in possession of inside information or (ii) during a close period (as communicated by the management). Other restrictions, such as the prohibition of short sales, hedging, or disclosing or using inside information, also apply.

In 2022, all employees participated in an online training course about Insider Dealing as part of our Code of conduct refreshment training.

WHISTLEBLOWING

Shurgard annually reviews and updates its whistleblowing procedure, consistent with best practice. The policy is proactively communicated and made available to all employees in local languages. It is also available on the Shurgard website for suppliers, customers and other third parties.

The policy is designed to allow all Concerned Persons (e.g., employees, shareholders, executive or non-executive directors, contractors or suppliers) to disclose information internally on actual or potential acts, which they believe shows malpractice, unethical conduct or illegal practices in the workplace, without being penalized in any way. The policy also sets forth how Concerned Persons are to (i) safely express concerns, (ii) know who to contact, (iii) make a report, and (iv) to be protected for raising concerns. Concerned Persons are expected to disclose or report the acts/incidents (e.g., crime, offense, misconduct, threat or prejudice) that could occur in various contexts (e.g., financial markets, money laundering, anti-bribery, product safety and compliance, health and safety, consumer protection and regulations). Shurgard ensures that employees act within the law and expects all Concerned Persons to adhere to all rules, policies and procedures.

A clear reporting procedure is in place to raise any wrongdoing in an appropriate way. Since 2021, cases can be reported anonymously via a secure online platform, or any other way as per the local laws. Reported cases are handled by the Internal Audit department (independent reporting line to the Audit Committee) and, in case of conflict of interest, by the Legal Department, treating any whistleblowing disclosure with the highest level of confidentiality. The identity of the reporting person will be protected at all stages in any internal matter to the extent reasonably possible and subject to national legislation. Concerned Persons will be protected from retaliation, harassment, victimization or disciplinary action as a result of any disclosure.

The policy is proactively communicated and made available to all employees in local languages. Online training as well as regular refresher courses are organized for all employees. Finally, employees in stores are regularly tested by the Internal Audit department on their knowledge about this policy.

In 2022, all employees participated in an online training course about whistleblowing as part of our Code of conduct refreshment training.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Shurgard supports freedom of association. As part of this, it respects the right of employees to join unions and to be represented by representatives of these unions internally and externally in accordance with the applicable national or local laws and practices. The same standard is applicable for suppliers.

Suppliers must observe the right of their employees to strike and to be members of trade unions.

In 2022, Shurgard knows of no cases in which freedom of association or the right to collective bargaining have been jeopardized or even breached.

Shurgard is assessing its suppliers in relation to freedom of association, among other social, governance, and environmental topics. To ensure ongoing compliance with these ethical and environmental standards, we survey our critical suppliers every three years on their ESG performance. For more information on this topic, please refer to the chapter "Encouraging ESG through the supply chain".

GRI 407

RISKS AND OPPORTUNITIES

Understanding the risks analyzed and their potential impact on the commitments made is at the heart of the Shurgard's sustainable approach. The way we manage risks allows us to see how risks interact over time and at different stress levels. It benefits from our commitment to transparency and informed decision-making. By adhering to monitoring our risks and opportunities, we commit to a long-term resilient business model.

For more information on this subject, please refer to the "Principal Risks and Uncertainties" chapter on page 171 of the Annual Report 2022.

DATA PROTECTION

Ensuring the privacy of our customers' personal data is a daily concern at Shurgard. We are committed to protecting the privacy of the data collected for the sole purpose of executing the self-storage contract, and to ensuring the security of the premises.

The Company has set up a privacy policy that can be found on our commercial website, available in all languages in the country where we operate and also on the Company's corporate website. Our contracts with our customers, but also with our suppliers and employees, contain a data privacy provision, to ensure that all the rights and duties are understood by the parties. A dedicated email address is available to raise any request or issue regarding the protection of personal data: dataprotection@shurgard.eu

The Security Committee, a cross-departmental body (IT, finance, legal, HR, internal audit, operations, real estate), has been established for the purposes of proactively engaging and monitoring data security across the organization as well as spreading awareness on the topic and training employees about it.

The Security Committee convenes on a bi-monthly basis and discusses the different security topics related to each department based on findings, experiences, proposals, actions and reactions and dedicated reporting. Activities of this committee are reported to the Board of Directors.

The Security Committee actively monitor security and privacy risks, improving our ability to mitigate them through:

- Company-wide programs;
- Established industry practices;
- Assessments and responses to threats and vulnerabilities.

Digitization is accelerating and, with it, the risks of invasion of privacy. We are supporting these changes with digitization projects. Our goal is to optimize certain processes and offer our customers new service options. At the same time, we pay attention to the smallest details to support seamless protection for our stakeholders. Information security policies and procedures define the classification and rules to be adopted for the purposes of confidentiality of information and compliance with regulations on the protection of personal data. They describe the organizational controls put in place to protect information. Our other security measures include firewalls, data encryption and 24-hour monitoring. This enables us to maintain the quality of technological systems and proactively detect unusual activity. In addition, all our employees are trained on the collection, the process, and the protection of personal data.

We ensure the confidentiality, integrity, and availability of data. This is essential to maintain the trust placed in us by our customers, employees, and other stakeholders. Since the spread of teleworking for our corporate employees, we have further strengthened our security capabilities. We can thus monitor the increasing number of threats involving phishing and social engineering.

We also focused on improving the user experience. To do this, we have simplified the processes and controls and consolidated security. We are continually and exponentially adapting all our systems.

In the financial year 2022, employees from the HR, Marketing and IT departments participated in mandatory GDPR training specifically designed for their area of business.

CYBER SECURITY

Cyberattacks against businesses are increasing in size, speed, and sophistication. To protect its information and systems, Shurgard takes a defense-in-depth approach:

- Incorporates detailed information security controls;
- Provides end-to-end protection;
- Offers multiple possibilities to detect, prevent, respond to, and recover from cyber threats.

Representing an essential component of information security management, this approach aims to strengthen the security and stability of technological platforms. In addition, we are constantly developing awareness campaigns. Shurgard's employees are trained, business by business, in the risk of cyber-attacks and the importance of data protection. Shurgard's prevention methods and controls include :

Threat intelligence;

- The prevention of data leaks;
- Vulnerability;
- Ongoing employee awareness programs.

At the same time, we focus on detection, supported by a robust incident response process. Responsible teams endeavor to anticipate and respond to incidents proactively. Security incident management covers unwanted or unexpected events that affect confidentiality and the integrity of information that may have an impact on Shurgard, our customers or employees. Management and escalation processes are designed to best respond to cyber-attacks or threats to information security, minimizing losses, leaks, or disturbances. We use the information obtained by handling incidents for the purpose of continuous improvement of our activities. We look to increase stability through a better understanding and proactive management of our cyber security risks.

In the financial year 2022, all employees participated in online cybersecurity training and phishing simulation exercises were designed to securely test user behavior and increase employees' awareness.

EU TAXONOMY

EU Taxonomy objectives

The European Union ("EU") is aiming to address the global climate change challenges through ambitious climate and energy targets to reach the objectives of the European Green Deal, as well as regulatory actions. As part of these activities, the EU Taxonomy has been issued. This establishes a common understanding of green economic activities that make a substantial contribution to the environmental goals of the EU, by providing consistent and objective criteria to classify and list activities that are environmentally sustainable. The EU Taxonomy aims to provide companies, investors, and policymakers with appropriate definitions to objectively measure how sustainable a company is, enabling comparability and helping direct investments towards sustainable projects.

The EU Taxonomy defined six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems.

For the years 2021 and 2022, only the criteria for the first two objectives were issued by the EU. The criteria for the remaining objectives are expected to be published in the foreseeable future.

Shurgard's Taxonomy-eligible activities

A taxonomy-eligible activity according to the EU Taxonomy is an economic activity that is described in the European Commission's Delegated Acts. The activities described were prioritized due to their significance in contributing to the environmental objectives of the EU. Hence, these activities focus on specific high CO_2 emitting sectors such as construction, transport, manufacturing, and energy production.

As a first step, entities must analyze whether their activities are part of the scope of the Technical Screening Criteria ("TSC") of the EU Taxonomy, which are linked to the relevant NACE codes. Entities performing several economic activities, might have to map them to different NACE codes. If an activity is not defined in the TSC, it is currently not covered by the EU Taxonomy.

With both the guidance on these topics and market practices developing, we note that the interpretation and implementation of this mapping or the implementation of the technical screening criteria might change going forward.

Shurgard specific interpretation / application:

- Ensuring that an activity is in line with the definition behind the NACE codes, is crucial. Judgement needs to be applied when determining the activities that are in scope for Shurgard. For example, the Group is frequently involved in the construction of new properties. This activity is not performed with the purpose of reselling the asset, but for future use as part of our self-storage activities. Based on available guidance, we al concluded that Shurgard should also not be considered as to be a professional developer or construction company for the purpose of the EU Taxonomy.

- As such, the activity 7.1 "Construction of new buildings" was considered to be not applicable for Shurgard, in particular, as the EU Taxonomy makes specific reference to properties being constructed for subsequent sale. We therefore included new developments in the activity 7.7 "acquisition and ownership of buildings", which covers the acquisition and exercising of ownership of properties.
- Other activities, such as installation and / or operation of heat pumps, while specifically mentioned in the TSC, are considered "supporting" activities for the Group. Consequently, activities that would fall under 4.1 "Electricity generation using solar photovoltaic technology" and 4.16 "Installation and operation of electric heat pumps" are included in our main activity "7.6 Installation, maintenance and repair of renewable energy technologies" and "7.3. Installation, maintenance and repair of energy efficiency equipment", respectively.

Based on the above, we concluded that the Group is currently engaged into the following eligible activities:

Activity reference	Activity description	Shurgard examples
7.2	Renovation of existing buildings	Major renovation of existing stores, leading to a reduction of the primary energy demand
7.3	Installation, maintenance and repair of energy efficiency equipment	Improving insulation of our properties, installing energy efficient windows or doors, replacement of lights with LED, heat pumps, installation of water flow reduction on the stores' water taps
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Installation of charging stations in the close surroundings of our stores for electric vehicles
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation of smart meters for electricity, motion control for lights, building energy management systems, smart thermostat systems
7.6	Installation, maintenance and repair of renewable energy technologies	Installation of solar panels
7.7	Acquisition and ownership of buildings	Acquisition of new stores and ownership of current portfolio of stores

The remaining economic activities of Shurgard were classified as non-eligible as they are not part of the activities defined in the EU Taxonomy.

Taxonomy-aligned activities

Shurgard has assessed the alignment of the eligible activities by reviewing (i) their substantial contribution based on the TSC outlined in the Climate Delegated Acts, (ii) the fact they do not significantly harm the other five environmental objectives and (iii) the compliance with minimum safeguards checks. The result of the alignment assessment is reported through Key Performance Indicators (KPIs) as detailed below.

All activities were first tested for their alignment with the first environmental objective (Climate Change Mitigation). When a specific activity was partly or totally not aligned, we tested the alignment versus Climate Change Adaptation, while avoiding any double count.

Clarification of existing guidance and additional commentary on the EU Taxonomy implementation and technical requirements has been published throughout 2022 and continued until the day of preparation of this report. That meant that our understanding of the requirements evolved during the year and that obtaining evidence required to meet the alignment criteria for each property was not always possible. In these cases, Shurgard reported these properties as "not-aligned", knowing that this affected our KPI's negatively. Going forward we expect the number of existing properties that are reported as aligned to increase and consequently positively impact our KPIs, as evidence collection progresses.

Climate Change Mitigation ("CCM")— substantial criteria

In 2022, Shurgard incurred capital expenditures and operating expenses for the below activities, and their substantial contribution to the CCM was reviewed against the TSC outlined in the Climate Delegated Acts. For example:

- **7.3 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings:**
  The substantial criteria are met when the activity respects nationally defined measures implementing the EU Directive 2010/31/EU. In 2022, Shurgard replaced old lighting bulbs with energy efficient LED's, and equipped numerous stores with flow tap reducing equipment (see the sections 'LED Lighting initiative' and 'Manage our water usage'). Both programs are aligned with the requirements outlined in the TSC.

- **7.6 Installation, maintenance and repair of renewable energy technologies:**
  During 2022, Shurgard invested in the installation of heat pumps in several buildings, to replace gas heating (see section 'Net Zero Carbon delivery strategy'). That activity is an enabling activity contributing substantially to the climate change mitigation objective.

- **7.7 Acquisition and ownership of buildings:**
  Existing Buildings: According to the TSC, when a property has been constructed before December 31, 2020, it is substantially contributing to the climate objective in the event it has an Energy Performance Certificate ("EPC") of A or equivalent. This is the case for most of our properties. Alternatively, an entity can demonstrate that the property is in the top 15% of the national or regional building stock, expressed as Primary Energy Demand ("PED"), in order to count as substantially contributing to the climate objective.

  Shurgard evaluated this criterion, where necessary, country by country, based on national studies and surveys and assessed the outcome at property level. When construction for a property was completed after December 31, 2020, the TSC require that the property has a PED at least 10% lower than the Nearly Zero Emitting Building (NZEB) requirements, usually expressed as a maximum PED in terms of KWh/sqm per year. In addition, when a property has a size of at least 5,000 sqm, the TSC require that it needs to undergo air tightness and thermal integrity testing. The life-cycle Global Warming Potential resulting from the construction should be calculated for each stage in the life cycle. In any event, large non-residential properties are required to be efficiently operated through energy performance monitoring and assessment, which is reviewed on a property-by-property basis.

Properties under construction: As indicated above, while Shurgard does construct self-storage properties, these activities are not included under EU Taxonomy activity 7.1, but 7.7. This requires applying the above-described requirements for existing properties to assets under construction. It will typically not be possible to test most of the TSC before the construction has been substantially completed, at which point most of the capital expenditures have been already incurred. For instance, when Shurgard constructs a new property, there is no EPC available and air tightness testing can only be done late in the construction process. In such cases, we use our best estimates, based on the designed construction and materials used, to evaluate whether we can reasonably expect that the TSC will be met at completion and only then include the capital expenditures in our reporting. In line with EU Taxonomy guidance, any outcome that would materially differ from our initial expectations will result in a restatement of prior year information.

Climate Change Adaptation ("CCA")— substantial criteria

Shurgard also tested the activity "7.7 Acquisition and Ownership of buildings" for its contribution to the CCA criteria.

In 2022, we performed a physical climate risk assessment of our entire portfolio of stores. We refer to the section "Climate related risks and Opportunities". This assessment evaluated the various potential physical climate risks (e.g., floods, fires, sea level rise, tropical cyclones, etc.) that could affect our properties. To obtain aligned KPIs with CCA, Shurgard needs to demonstrate that it has implemented physical and non-physical adaptation solutions, substantially reducing the most important physical climate risks, even if the risk has been assessed to be not material. With the results of the risk assessment, the Company will now be in position to consider adaptation measures and increase CCA alignment.

For the CapEx KPI, the Disclosures Delegated Act requires the nature and scope of CapEx in an activity that contributes substantially to CCM to be differentiated from the CapEx that make that activity adapted to climate change. On the other hand, where the adaptation solution is an inherent part of the design of the new asset that is itself aligned to CCM, and that it is difficult to distinguish both CapEx, both can be reported under CCM.

Regarding the turnover KPI, in accordance with the Annex I to the Disclosures Delegated Act, the revenue generated from an activity that is adapted to climate may not be computed in the numerator of the turnover KPI of the undertaking unless that activity is an activity enabling, or is aligned with CCM or any non-climate environmental objective.

Do Not Harm

After testing the substantial contribution criteria (CCM and CCA), Shurgard also confirmed that the activities were not significantly harming other EU Taxonomy objectives.

For all activities in scope for Shurgard in 2022, a physical climate risk assessment is necessary to consider the activity as aligned. This is to ensure that investments made are climate risk proof.

In addition, measures are in place to ensure that the building is not dedicated to extraction, storage, transport or manufacture of fossil fuels. Finally, when testing properties for their alignment on CCA, Shurgard reviewed whether the property built before December 31, 2020, had an EPC of at least class C or was in the top 30% of the national or regional building stock, expressed as PED. For properties built after December 31, 2020, we made sure that the PED was lower than the threshold for the NZEB requirements. This has been reviewed using national studies and surveys.

Minimum Safeguards

We continuously monitor the relevance of our policies governing e.g., human rights, fair labor practices, modern slavery, health and safety, diversity, and compensation against the latest standards. To assess our social safeguards alignment with the EU Taxonomy-approved frameworks, we further analyzed our compliance with the following: ILOs Core Conventions, OECD MNEs, UN Guiding Principles and the International Bill of Human Rights.

Implementation of social safeguards is assessed internally by the Executive Committee and the ESG Management Group through regular monitoring and reporting on outcomes that are included in the organization's internal communication.

Besides having internal procedures, employees and dedicated working groups (e.g., ESG Management Group) are in place to ensure our business' alignment with the social safeguards. We use external advisors to review and benchmark these policies and their implementation annually.

As a signee of the UN Global Compact since December 2021, we align our ESG Strategy with the universal principles on human rights, labor, environment, and anti-corruption. We monitor our existing policies for updates and make sure that our ESG agenda tackles these topics.

Additionally, we participate in the Global Reporting Initiative (GRI), making annual disclosures on our business practices, where an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights are represented.

We have established adequate due diligence processes that allow us to monitor that all third-party agreements have clauses relating to anti-bribery, human rights and modern slavery, among other topics. In addition, we enquire about the business practices of our suppliers on a regular basis, to ensure their alignment with our principles.

Based on the above, we concluded that our business activities are aligned with the social safeguard requirements stated in the EU Taxonomy.

Turnover, CapEx and OpEx KPIs

Article 8 of the Taxonomy Regulation defines 3 KPIs to assess the proportion of (i) turnover, (ii) CapEx and (iii) OpEx associated with economic activities that qualify as environmentally sustainable.

The basis for providing these KPIs is Shurgard's financial information, prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The KPIs calculated below are based on EU Regulation definitions. In order to increase the readers understanding of these KPIs, qualitative information is provided to give some clarity on what is included or excluded from the KPIs to detail how these KPIs were calculated, allowing the reader to compare these to the financial statements of the Group.

Note that the KPIs related to the taxonomy alignment are calculated for the first time in 2022. As such, no comparative figures are available this year.

EU Taxonomy Turnover

The turnover KPI represents the proportion of Shurgard's net turnover derived from products or services that are Taxonomy aligned, as currently covered by the first Delegated Act. The EU Taxonomy turnover corresponds to the real estate operating revenue, as per IFRS 4.

EU Taxonomy turnover APM	Notes	31/12/2022 ('000 EUR)
Rental revenue	6,11	289,380
Other real estate revenue	6,11	2,383
Ancillary revenue, excl. other real estate revenue	6,11	9,211
Insurance revenue	6,11	32,075
Other revenue	6,11	2,241
Turnover considered for EU Taxonomy denominator		**335,290**

Shurgard specific interpretation / application:

- The EU Taxonomy's first Delegated Act covers, in connection with activity 7.7 "Acquisition and ownership of buildings", revenues derived from the ownership of a building, i.e. owners renting out their properties to generate rental income directly from the property itself.
- In a draft Commission notice from December 2022, the Commission clarified that only revenues derived from the ownership of the building (whether through freehold or right-of-use asset), should be considered, regardless of the activities that take place in a building. Other non-related revenues, i.e., revenues that are not derived from the ownership of the building, are not in scope.
- Based on this guidance, Shurgard concluded that the revenue generated from renting storage space is to be considered as a rental income covered by the EU Taxonomy, whereas the revenue generated from related services such as merchandise, insurance sales or third-party property management income should not be considered for EU Taxonomy, a change to our 2021 assessment.

			Substantial contribution						Do not significant harm								
Economic activities	Turnover ('000€)	% of EU Taxonomy Turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy / recycling	Pollution	Ecosystems protection	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy / recycling	Pollution	Ecosystems protection	Taxonomy-aligned proportion FY2022	Taxonomy-aligned proportion FY2021	Enabling (E) / Transitional (T) activity
A. Taxonomy Eligible activities	291,763	87.0%													32.5%	N/A	
A.1 Taxonomy Aligned activities	**108,853**	**32.5%**													**32.5%**	**N/A**	
7.7 - Acquisition and ownership of buildings	108,853	32.5%	32.5%							Y					32.5%	N/A	
A.2 Taxonomy non-Aligned activities	**182,909**	**54.6%**													**0.0%**	**N/A**	
7.7 - Acquisition and ownership of buildings	182,909	54.6%													0.0%	N/A	
B. Taxonomy non-Eligible activities	43,527	13.0%															
Insurance revenue	32,075	9.6%															
Ancillary revenue, excl. other real estate revenue	9,211	2.7%															
Other revenue	2,241	0.7%															
A+B Total Turnover	335,290	100.0%													32.5%	N/A	

Total EU taxonomy turnover is €335.3 million, of which €108.9 million is aligned (32.5%), €182.9 million is eligible but not aligned and €43.5 million is not eligible. All of the EU Taxonomy-aligned revenue is coming from its substantial contribution to Climate Change Mitigation.

EU Taxonomy Capital Expenditures ("CapEx")

The CapEx KPI represents the proportion of Shurgard's capital expenditure that is either already associated with environmentally sustainable economic activities or is part of a credible plan to extend such activities, or for activities which are not yet taxonomy-aligned to reach environmental sustainability.

The CapEx defined under the EU Taxonomy differs from the information included in our financial statements in the sense that it excludes e.g. remeasurements, revaluations, impairments, and fair value changes. For 2022, the total CapEx considered for EU Taxonomy amounts to €204.1 million and consists of acquisition of stores (accounted for under IAS 40), expenditures on our investment property (IAS 40), rights of use assets from lease agreements (IFRS 16), as well as additions to property, plant and equipment ("PP&E", IAS 16) and intangible assets (IAS 38):

EU Taxonomy CapEx APM	Notes	31/12/2022 ('000 EUR)
Acquisition of investment property	14	76,310
Capital expenditure on investment property	14	112,577
Addition of investment property ROU assets	14	12,001
Investment property subtotal		**200,888**
Additions of PP&E (IAS 16, IFRS 16)	16	577
Additions of intangible assets (IAS 38)	16	2,654
PP&E and intangible assets subtotal		**3,231**
CapEx considered for EU Taxonomy denominator		**204,119**

In total, we concluded that 98.4% of the EU Taxonomy CapEx is eligible. The non-eligible activities relate to the acquisitions of intangible assets (mainly software capitalized costs and IT developments) and the PP&E additions related to equipment and other assets.

We reviewed the substantial contribution of the eligible CapEx against the technical screening criteria, their compliance with the "Do no significant harm" principles, and the "minimum safeguards". 17.2% of our CapEx was assessed to be aligned with the Climate Change Mitigation objective.

Economic activities	CapEx ('000€)	% of EU taxonomy CapEx	Substantial contribution: Climate change mitigation	Substantial contribution: Climate change adaptation	Substantial contribution: Water and marine resources	Substantial contribution: Circular economy / recycling	Substantial contribution: Pollution	Substantial contribution: Ecosystems protection	Do not significant harm: Climate change mitigation	Do not significant harm: Climate change adaptation	Do not significant harm: Water and marine resources	Do not significant harm: Circular economy / recycling	Do not significant harm: Pollution	Do not significant harm: Ecosystems protection	Taxonomy-aligned proportion FY2022	Taxonomy-aligned proportion FY2021	Enabling (E) / Transitional (T) activity
A. Taxonomy Eligible activities	200,887	98.4%													17.2%	N/A	
A.1 Taxonomy Aligned activities	35,019	17.2%													17.2%	N/A	
7.3 - Installation, maintenance and repair of energy efficiency equipment	1,001	0.5%	0.5%	0.0%					Y				Y		0.5%	N/A	E
7.6 - Installation, maintenance and repair of renewable energy technologies	1,028	0.5%	0.5%	0.0%					Y						0.5%	N/A	E
7.7 - Acquisition and ownership of buildings	32,990	16.2%	16.2%	0.0%					Y	Y					16.2%	N/A	
A.2 Taxonomy non-Aligned activities	165,868	81.3%													0.0%	N/A	
7.7 - Acquisition and ownership of buildings	165,868	81.3%													0.0%	N/A	
B. Taxonomy non-Eligible activities	3,231	1.6%															
Additions of intangible assets related to IT software and IT development	2,654	1.3%															
Additions of PP&E related to equipment & company cars	577	0.3%															
A+B Total CapEx	204,118	100.0%													17.2%	n.a.	

EU Taxonomy Operating Expenditures ("OpEx")

The OpEx KPI represents the proportion of operating expenditure associated with environmentally sustainable economic activities or the above-mentioned CapEx plan. The operating expenditure covers essentially direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

Consequently, the OpEx defined under the EU Taxonomy differs significantly from the IFRS operating expenses:

EU Taxonomy OpEx APM - 31/12/2022 ('000 EUR)	Notes	IFRS Operating expenses	EU Taxonomy OpEx
Payroll expense, net of capitalization of internal time spent on IP development	7, 8	50,303	1,604
Shared based compensation expense	8	3,899	240
Real estate and other taxes	7	16,834	0
Repairs and maintenance	7	10,913	8,824
Marketing expense	7	9,162	0
Utility expense	7	3,574	0
Other operating expenses and other general and administrative expenses	7, 8	28,409	3,768
Doubtful debt expenses	7	5,088	0
Cost of insurance and merchandise sales	7	5,289	0
Depreciation and amortization expenses	8	2,866	0
Total		**136,336**	**14,436**

Shurgard specific interpretation / application:

- We considered in the EU Taxonomy OpEx KPI that all direct expenses related to searching, acquiring, and developing our portfolio of properties are part of the "direct non-capitalized costs that relate to research and development" ("R&D") referred to in the definition. We excluded indirect costs such as travel expenses, and included all direct employee benefits, accounted for in line with IAS 19.
- Even though they are not specifically mentioned in the definition, we also included R&D and repair and maintenance related to our intangible assets in the denominator, in line with guidance issued by the EU Commission, explaining that "(…) maintenance and repair or other direct costs could be also relevant for intangible assets (e.g., right-of-use assets, software)".
- We excluded most property linked costs that are not necessary to ensure their continued and effective functioning. These costs are usually associated with our operations (e.g., real estate taxes, marketing expenses, utilities, etc.).
- Most expenses in scope for the OpEx KPI can be directly linked to individual assets. However, for some specific expenses we used allocation keys to spread the cost on the relevant assets.

In line with the EU Taxonomy OpEx definition, the following operating expenses were considered for the denominator:

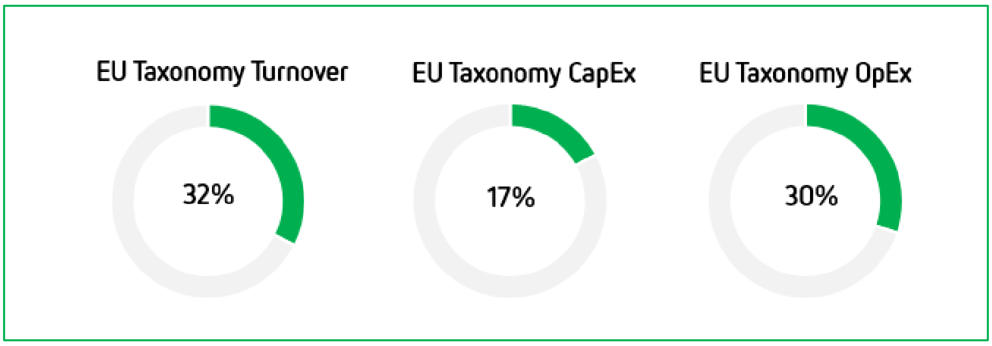
- The non-capitalized employee compensation and benefits expenses, including share-based compensations, of our personnel directly related to research and development, maintenance and repair, and other direct expenses related to the day-to-day servicing of our assets.
- Repair and maintenance expenses, excluding specific expenses that are not directly necessary to the day-to-day servicing of our properties and are rather associated with our operating activity (e.g., snow removal, carpets, trash collection, etc.). Other operating expenses include mainly IT related contracts, non-capitalized IT development expenses, real estate lawyer fees, outsourced architecture, design or engineering services, and non-capitalized office equipment.

			Substantial contribution						Do not significant harm								
Economic activities	**OpEx ('000€)**	**% of EU taxonomy OpEx**	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy / recycling	Pollution	Ecosystems protection	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy / recycling	Pollution	Ecosystems protection	**Taxonomy-aligned proportion FY2022**	**Taxonomy-aligned proportion FY2021**	Enabling (E) / Transitional (T) activity
A. Taxonomy Eligible activities	**10,968**	**76.0%**													**30.4%**	**N/A**	
A.1 Taxonomy Aligned activities	**4,384**	**30.4%**													**30.4%**	**N/A**	
7.7 - Acquisition and ownership of buildings	4,384	30.4%	30.4%	0.0%					Y	Y					30.4%	N/A	
A.2 Taxonomy non-Aligned activities	**6,583**	**45.6%**													**0.0%**	**N/A**	
7.7 - Acquisition and ownership of buildings	6,583	45.6%													0.0%	N/A	
B. Taxonomy non-Eligible activities	**3,468**	**24.0%**															
OpEx related to miscellaneous activities	1,505	10.4%															
OpEx related to our intangible assets	1,109	7.7%															
Opex related to our office equipment and datacenter	854	5.9%															
A+B Total OpEx	**14,436**	**100.0%**													**30.4%**	**N/A**	

Based on the above, we concluded that 76.0% of the total EU Taxonomy OpEx is eligible. The non-eligible activities relate to expenses that are not directly related to the acquisition and ownership of buildings (e.g. intangible assets, office equipment, general and administrative tasks, etc.).

We reviewed the substantial contribution of the eligible OpEx against the technical screening criteria, and their compliance with the "Do no significant harm" principles. 30.4% of our OpEx was assessed as aligned with the Climate Change Mitigation objective.

Summary



GRI CONTENT INDEX

Our sustainability reporting has been prepared with reference to the guidelines developed by the Global Reporting Initiative (GRI). This content index demonstrates our alignment with the General Disclosures and Topic-Specific Standards for the Priority 1 material topics that were identified following our most recent materiality review in 2022.

The index is attached as an appendix, available on our investor relations website or upon request.

GRI 1-7

EPRA PERFORMANCE MEASURES

Shurgard reports the Company's sustainability indicators based on EPRA's (European Public Real Estate Association) latest recommendations: Best Practice Recommendations on Sustainability Reporting, third version September 2017.

OVERARCHING RECOMMENDATIONS

ORGANIZATIONAL BOUNDARY

Shurgard limits its report to properties controlled by Shurgard (operational control) in accordance with the principles of the Greenhouse Gas Protocol. This includes all real estate assets owned or managed by Shurgard. Data is reported for our storage center portfolio and separately for our own occupied offices.

Operational control has been chosen since it provides Shurgard with the best conditions for demonstrating statistics and data that Shurgard can directly influence.

COVERAGE

Shurgard works actively to access relevant data for the properties that Shurgard owns and manages. Having access to data is important to Shurgard, as the information creates conditions for efficient and sound technical management of the buildings. The proportion of properties included in each indicator is mentioned in connection with respective key indicators.

Measurement data is affected by changes in the portfolio – i.e., recently purchased, sold and project properties – which complicate access to relevant data. Shurgard constantly strives to access all relevant data as comprehensively as possible. We commit to reporting on progress annually.

ESTIMATIONS OF DATA

In order to meet Annual Report deadlines, all environmental data under measured indicators has been estimated for the last three months in 2022 i.e., October 1, 2022 to December 31, 2022. To fill this quarter's data, we have used the following estimation methodology:

1. Where full data was available for the previous year, we have scaled the observed data from the corresponding period in 2021 by the percentage change observed between the known data in the two years.
2. Where there was insufficient previous data to employ this method, we have used the average consumption per day from 2022 to fill out the unknown periods (only where at least 180 days of actual data is available).
3. Where insufficient data is available for either of these methods, the property has been excluded from reporting.

This method is used for Q4 estimation to ensure that the estimates produced are in line with the trends observed in the first three quarters of data. In addition, due to the availability of invoices for consumption data, some data in the first three quarters is filled in by our energy managers using supplier forecasts. In previous years we have not included this data as being estimated, as the information is sourced from our energy suppliers.

We have updated this methodology in this report, so that forward projections by both Shurgard and our energy suppliers are counted as estimated data. This is to set ourselves a higher standard for data quality and provide a baseline which will demonstrate the effect of our smart metering projects.

Where newly acquired assets have entered the portfolio and accurate meter readings are not able to be obtained straight away, we have calculated back dated estimates of an initial meter reading based on pro rata estimates of actual meter reading data after this time. We have only back dated these estimates to the date that the asset became Shurgard's responsibility if less than a year prior to the first available meter reading, or the beginning of the current reporting year if the acquisition date is more than a year before the first available actual meter reading.

THIRD PARTY VERIFICATION/ASSURANCE

This report has been independently assured by a third-party, IHS Markit. The assurance statement can be found at the end of this report.

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CHANGES SINCE LAST YEAR'S REPORT

In order to meet last year's Annual Report deadlines, all environmental data under measured indicators were estimated for the last three months in 2021. Shurgard now possesses the data for the entire calendar year. As such, there is a difference between 2021 figures reported in last year's report and 2021 figures reported below, which now consists of a full year of actual data.

In addition, there has been a change in our methodology for classifying data as estimated, which we have applied retrospectively to the previous years of data included in this report. The reasons for this are explained above in the section 'Estimations of Data'.

NORMALIZATION

Shurgard calculates energy and water intensity ratios by dividing by the buildings' floor area. This is the most widely accepted method in Europe for a self-storage facility to compare energy utilization and resource consumption.

SEGMENTAL ANALYSIS (BY PROPERTY TYPE, GEOGRAPHY)

Segmental analysis is conducted by property type. The Shurgard portfolio consists of only one building type — self-storage properties.

We operate in seven different countries — all located in the European Union and UK. We have chosen not to perform segmental analysis at country level in this report, but this granularity is available upon request.

We do report on the split of our energy labels (EPCs) and green building certifications (BREEAM) by rating.

DISCLOSURE ON OWN OFFICES

Disclosure on performance for our office occupation is reported separately. Shurgard has a European Support Center office where it is the landlord, located in Brussels, next to our Groot-Bijgaarden store. The European Support Center has a floor space of 1,518 sqm and approximately 90 employees work there.

LOCATION OF EPRA SUSTAINABILITY PERFORMANCE IN COMPANIES' REPORTS

This document is a supplement within the Annual Report, available on Shurgard's official website.

NARRATIVE ON PERFORMANCE

Where appropriate, we have provided a narrative on our performance alongside the relevant performance measures in this document.

REPORTING ON LANDLORD AND TENANT CONSUMPTION

Due to the nature of the self-storage business model, Shurgard do not have any 'tenants' - as such all utilities are the responsibility of the landlord i.e., Shurgard. Shurgard does have 'customers' - those that use the portfolio to store belongings - but these are not responsible for any utility consumption.

REPORTING PERIOD

Reporting for each year accounted for in the EPRA table refers to the calendar year, e.g., January 1, 2022 to December 31, 2022.

ENVIRONMENTAL SUSTAINABILITY PERFORMANCE MEASURES

The table below provides an overview of the EPRA sustainability performance measures that Shurgard is able to report on, and an explanation of where data cannot be reported. It also provides an index of the GRI Topic Standards which these metrics have been disclosed with reference to.

GRI Topic Standard	EPRA sBPR Measure	ENVIRONMENTAL PERFORMANCE MEASURES	Storage assets	Own offices	Pages
302	Elec-Abs	Total electricity consumption	✓	✓	68-75
302	Elec-LfL	Like-for-like total electricity consumption	✓	✓	68-75
302	DH&C-Abs	Total district heating & cooling consumption	✓	N/A	68-75
302	DH&C-LfL	Like-for-like total district heating & cooling consumption	✓	N/A	68-75
302	Fuels-Abs	Total fuel consumption	✓	N/A	68-75
302	Fuels-LfL	Like-for-like total fuel consumption	✓	N/A	68-75
302	Energy-Int	Building energy intensity	✓	✓	68-75
305	GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	✓	N/A	68-75
305	GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	✓	✓	68-75
305	GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption	✓	✓	68-75
303	Water-Abs	Total water consumption	✓	✓	142
303	Water-LfL	Like-for-like total water consumption	✓	✓	142
303	Water-Int	Building water intensity	✓	✓	142
306	Waste-Abs	Total weight of waste by disposal route	✓	✓	144
306	Waste-LfL	Like-for-like total weight of waste by disposal route	✓	✓	144
n/a	Cert-Tot	Type and number of sustainably certified assets	✓	×	152

Key:				
	Fully reported	✓	Partially reported	–
	Not reported	×	Not applicable	N/A

METHODOLOGY

We have reported on all EPRA Sustainability Performance Measures, using the EPRA Best Practices Recommendations on Sustainability Reporting 3rd Version, the main requirements of the GHG Protocol Corporate Standard (revised edition) and emissions factors from country-specific, best practice conversion factors for the appropriate year, such as the UK Government's Conversion Factors for Company Reporting 2020 and 2021. At the time of report production, the International Energy Agency conversion factors relating to 2019 have been applied to both 2021 and 2022 data for relevant countries.

We have used the GHG Protocol's location-based methodology for conversion factors for Scope 2 emissions and have also reported market-based emissions to demonstrate the effect of green procurement.

Greenhouse gas emissions are reported as metric tons CO_2 equivalent (tCO_2e) and greenhouse gas intensity is reported as kilograms of CO_2 equivalent per square meter of Gross Internal Area ($kgCO_2e$/sqm).

Like-for-like measures cover those assets held for the full two-year period from January 1, 2021 to December 31, 2022, for which we have at least two full quarters of actual data in each year (under our updated methodology for classifying this). We also exclude from these measures any newly acquired assets or assets where a building extension has been added, or stores that have been temporary closed. Stores opened in 2022 were therefore excluded from the like-for-like measures. These were all included in the absolute measures.

Any further exclusions from absolute and like-for-like measures have been reported in the data notes accompanying the EPRA tables.

Applicable properties refer to the number of properties within our organizational boundaries for this indicator.

The absolute performance measures are each reported in two sections, one for the own office occupation and one for owned assets. "Own office" refers to our European Support Center located in Groot-Bijgaarden, near Brussels, Belgium. "Owned assets" refers to our storage properties.

SOCIAL AND GOVERNANCE SUSTAINABILITY PERFORMANCE MEASURES

We report on all Social and Governance Performance Measures. The EPRA sBPR compliance table below provides an overview of the EPRA sustainability performance measures that Shurgardreports on, and an explanation of where data cannot be reported.

GRI Topic Standard	EPRA sBPR Measure	SOCIAL PERFORMANCE MEASURES	Storage assets	Corporate	Own office occupation	Pages
405	Diversity-Emp	Employee gender diversity	N/A	✓	N/A	154
405	Diversity-Pay	Gender pay ratio	N/A	✓	N/A	154
405	Diversity-Pay	Equal pay analysis	N/A	✓	N/A	154
404	Emp-Training	Employee training and development	N/A	✓	N/A	154
404	Emp-Dev	Employee performance appraisals	N/A	✓	N/A	154
401	Emp-Turnover	New hires and turnover	N/A	✓	N/A	156
403	H&S-Emp	Employee health and safety	N/A	✓	N/A	157
416	H&S-Asset	Asset health and safety assessments	✓	N/A	✓	157
416	H&S-Comp	Asset health and safety compliance	✓	N/A	✓	157
413	Comty-Eng	Community engagement, impact assessments and development programs	✓	N/A	✓	158
GRI Topic Standard	**EPRA sBPR Measure**	**GOVERNANCE PERFORMANCE MEASURES**	**Storage assets**	**Corporate**	**Own office occupation**	**Pages**
2-9	Gov-Board	Composition of the highest governance body	N/A	✓	N/A	158
2-10	Gov-Selec	Process for nominating and selecting the highest governance body	N/A	✓	N/A	159
2-15	Gov-Col	Process for managing conflicts of interest	N/A	✓	N/A	161

ENVIRONMENTAL PERFORMANCE MEASURES

ABSOLUTE ENERGY MEASURES

	GRI Topic Standard	EPRA sBPR Code	Metric	2022 Absolute Value	2022 % Estimated	2022 Coverage	2022 YoY Trend	2021 Absolute Value	2021 % Estimated	2021 Coverage	2021 YoY Trend	2020 Absolute Value	2020 % Estimated	2020 Coverage
Own Offices	302-1	Elec-Abs	Consumption	50.8	50.8%	1 of 1	3.4%	49.1	20.5%	1 of 1	-2.4%	50.3	25.0%	1 of 1
			% Renewable	100.0%		1 of 1	0.0%	100.0%		1 of 1		0.0%		1 of 1
			(Sub)metered exclusively to tenants	0.0	0.0%	0 of 0		0.0	0.0%	0 of 0		0.0%	0 of 0	0.0%
	302-1	Energy	Total energy consumption	50.8	50.8%	1 of 1	3.4%	49.1	20.5%	1 of 1	-2.4%	50.3	25.0%	1 of 1
	302-3	Energy -Int	Energy intensity	33.5		1 of 1	3.4%	32.4		1 of 1	-2.4%	33.2		1 of 1
Owned Assets	302-1	Elec-Abs	Consumption	18,835.8	55.5%	259 of 259	-4.2%	19,666.0	34.1%	253 of 253	-1.7%	20,006.5	23.6%	243 of 243
			% Renewable	100.0%		259 of 259	0.0%	100.0%		253 of 253		0.0%		243 of 243
			(Sub)metered exclusively to tenants	0.0	0.0%	0 of 0		0.0	0.0%	0 of 0		0.0%	0 of 0	0.0%
	302-1	DH&C -Abs	Consumption	2,437.0	51.1%	36 of 36	-15.0%	2,868.0	28.4%	36 of 36	16.8%	2,456.0	42.0%	36 of 36
			% Renewable	0.0%		36 of 36		0.0%		36 of 36		0.0%		36 of 36
			(Sub)metered exclusively to tenants	0.0	0.0%	0 of 0		0.0	0.0%	0 of 0		0.0%	0 of 0	0.0%
	302-1	Gas-Abs	Consumption	8,776.2	85.0%	108 of 108	-0.4%	8,810.2	66.1%	112 of 112	-1.0%	8,903.1	74.2%	134 of 134
			% Renewable	72.7%		108 of 108	12.0%	64.9%		112 of 112		0.0%		134 of 134
			(Sub)metered exclusively to tenants	0.0	0.0%	0 of 0		0.0	0.0%	0 of 0		0.0%	0 of 0	0.0%
	302-1	Energy	Total energy consumption	30,049.0	63.7%	259 of 259	-4.1%	31,344.2	42.6%	253 of 253	-0.1%	31,365.7	0.0%	243 of 243
	302-3	Energy -Int	Energy intensity	19.6		259 of 259	-12.7%	22.5		253 of 253	-10.8%	25.2		243 of 243

Data notes for absolute energy: All reported energy totals are in MWh, and energy intensity is reported in kWh/sqm GIA. We have been able to report fuel consumption for all 108 properties for which we purchase fuels and 36 properties for which we purchase district heating. We have also been able to report electricity data for all 259 properties. Please note that Shurgard does not have any tenants, so tenant consumption is zero.

Narrative on performance for OT absolute energy: Total Shurgard obtained electricity for stores has decreased by 4.2%, reflecting the effect of our roll-out of energy efficiency measures such as our LED program. Shurgard obtained consumption of district heating has decreased by 15.0%, which represents a reversion to 2020 consumption levels after an increase in consumption last year. Consumption of gas decreased slightly by 0.4% but has remained fairly constant across the reported years. This consumption can be expected to decrease as electric heating systems are installed to replace gas heating across our portfolio.

GRI 302-1 / 302-3

ABSOLUTE GHG EMISSIONS MEASURES

	GRI Topic Standard	EPRA sBPR Code	Metric	2022 Absolute Value	2022 Coverage	2022 YoY Trend	2021 Absolute Value	2021 Coverage	2021 YoY Trend	2020 Absolute Value	2020 Coverage
Own Offices	305-2	GHG-Indir-Abs	Scope 2 Emissions (Location Based)	8.4	1 of 1	3.4%	8.2	1 of 1	-19.0%	10.1	1 of 1
			Scope 2 Emissions (Market Based)	0.0	1 of 1		0.0	1 of 1	-100.0%	7.1	1 of 1
	305-4	GHG-Int	Scope 1+2 intensity	5.6	1 of 1	3.4%	5.4	1 of 1	-19.0%	6.6	1 of 1
Owned Assets	305-1	GHG-Dir-Abs	Scope 1 Emissions (Location Based)	2,095.4	108 of 108	-0.9%	2,114.4	112 of 112	-0.7%	2,128.8	134 of 134
			Scope 1 Emissions (Market Based)	564.6	108 of 108	-24.0%	742.9	112 of 112	-65.1%	2,128.8	134 of 134
	305-2	GHG-Indir-Abs	Scope 2 Emissions (Location Based)	3,695.6	259 of 259	-5.1%	3,894.0	253 of 253	-10.3%	4,341.8	243 of 243
			Scope 2 Emissions (Market Based)	589.0	259 of 259	-14.7%	690.4	253 of 253	-84.1%	4,341.8	243 of 243
	n/a	GHG	Scope 1+2 Emissions (Location Based)	5,791.0	259 of 259	-3.6%	6,008.5	253 of 253	-7.1%	6,470.6	243 of 243
			Scope 1+2 Emissions (Market Based)	1,153.6	259 of 259	-19.5%	1,433.3	253 of 253	-77.8%	6,470.6	243 of 243
	305-4	GHG-Int	Scope 1+2 intensity (Location Based)	3.8	259 of 259	-12.2%	4.3	253 of 253	-17.1%	5.2	243 of 243
			Scope 1+2 intensity (Market Based)	0.8	259 of 259	-26.7%	1.0	253 of 253	-80.2%	5.2	243 of 243

Data notes for Scope 1 and 2 GHG emissions: All total emissions numbers are reported in tCO_2e, and GHG intensity is reported in $kgCO_2e$/sqm GIA. We have been able to report scope 1 GHG emissions for all 108 properties for which we purchase fuels. We have also been able to report scope 2 GHG emissions data for 259 of 259 properties, which includes the 36 properties for which we purchase district heating. Please note that Shurgard does not have any tenants, so tenant emissions are zero and therefore not reported in this table. Please see the paragraph 'Reporting on Landlord and Tenant Consumption' in our 'Overarching Recommendations' section.

Narrative on performance for absolute GHG emissions: Total Shurgard obtained Scope 1 GHG emissions have decreased slightly by 0.9%, as we begin to replace gas heating systems across our portfolio. In 2021, Shurgard adopted green gas contracts, procured from 100% renewable sources, for all of its stores in the two highest demand markets (Germany and the Netherlands). We have continued to expand this green procurement program, and so under the market-based approach our Scope 1 emissions have decreased by a further 24.0%. Shurgard obtained Scope 2 (location-based) emissions have reduced by 5.1%, due to a reduction in absolute energy consumption. In 2021 Shurgard adopted zero carbon electrical supply contracts at all stores, procured from 100% renewable sources. Consequently, under the market-based approach we have zero Scope 2 emissions from our electricity, and only our indirect emissions from district heating are included.

GRI 305-1 / 305-2 / 305-4

ABSOLUTE WATER MEASURES

	GRI Topic Standard	EPRA sBPR Code	Metric	2022 Absolute Value	2022 % Estimated	2022 Coverage	2022 YoY Trend	2021 Absolute Value	2021 % Estimated	2021 Coverage	2021 YoY Trend	2020 Absolute Value	2020 % Estimated	2020 Coverage
Own Offices	303-5	Water-Abs	Shurgard-obtained water	85.9	44.0%	1 of 1	-35.5%	133.1	25.6%	1 of 1	-9.4%	146.9	100.0%	1 of 1
			Tenant-obtained water	0.0	0.0%	0 of 0		0.0	0.0%	0 of 0		0.0	0.0%	0 of 0
			Total-obtained water	85.9	44.0%	1 of 1	-35.5%	133.1	25.6%	1 of 1	-9.4%	146.9	100.0%	1 of 1
	303-5	Water-Int	Water intensity for -total obtained water	0.057		1 of 1	-35.5%	0.088		1 of 1	-9.4%	0.097		1 of 1
Owned Assets	303-5	Water-Abs	Shurgard-obtained water	30,149.3	67.5%	259 of 259	4.4%	28,882.6	49.0%	253 of 253	11.3%	25,939.9	64.5%	243 of 243
			Tenant-obtained water	0.0	0.0%	0 of 0		0.0	0.0%	0 of 0		0.0	0.0%	0 of 0
			Total-obtained water	30,149.3	67.5%	259 of 259	4.4%	28,882.6	49.0%	253 of 253	11.3%	25,939.9	64.5%	243 of 243
	303-5	Water-Int	Water intensity for- total obtained water	0.020		259 of 259	-5.0%	0.021		253 of 253	-0.6%	0.021		243 of 243

Data notes for absolute water: Water consumption is reported in m^3, and water intensity is reported in cbm/sqm GIA (Gross Internal Area). We have been able to report water usage for all 259 properties for which we purchase water. Please note that Shurgard does not have any tenants, so tenant consumption is zero.

Narrative on performance for absolute water: All water is municipal potable water discharged from taps in the communal areas of Shurgard properties. There is minimal landlord obtained water across Shurgard's portfolio and as the business does not operate in water-stressed locations, water consumption is not considered material. Total Shurgard obtained water has increased due to the opening of 14 new properties in 2021 and 3 new properties in 2022. Water intensity has decreased by 5.0% in this time, indicating that overall water efficiency has improved when normalizing for the increase in floor area. However, we are continuing to investigate the increase in consumption reflected in the data above, and plan to install smart metering and leak detection in 2023 in order to better monitor and control our usage.

GRI 303-5

ABSOLUTE WASTE MEASURES

	GRI Topic Standard	EPRA sBPR Code	Metric	2022 Absolute Value	2022 Absolute Proportion	2022 YoY Trend	2021 Absolute Value	2021 Absolute Proportion	2021 YoY Trend	2020 Absolute Value	2020 Absolute Proportion
Own Offices	306-4	Waste-Abs	Recycled	3.8	46.8%	-63.6%	10.5	52.2%	-28.1%	14.6	52.5%
	306-5		Incinerated (with and without energy recovery)	4.3	53.2%	-54.8%	9.6	47.8%	-27.3%	13.2	47.5%
	306-5		Landfill (non-hazardous)	0.0	0.0%		0.0	0.0%		0.0	0.0%
	306-5		Hazardous Waste Treatment	0.0	0.0%		0.0	0.0%		0.0	0.0%
	306-4		Materials Recovery Facility - Unknown	0.0	0.0%		0.0	0.0%		0.0	0.0%
			Total tenant-obtained waste	0.0	0.0%		0.0	0.0%		0.0	0.0%
	306-3		Total	8.2	100.0%	-59.4%	20.1	100.0%	-27.7%	27.8	100.0%
			Coverage of applicable properties	1 of 1			1 of 1			1 of 1	
Owned Assets	306-4	Waste-Abs	Recycled	939.3	48.1%	19.4%	786.5	35.0%	12.7%	697.9	29.0%
	306-5		Incinerated (with and without energy recovery)	1,012.4	51.9%	10.0%	920.4	40.9%	23.4%	746.2	31.0%
	306-5		Landfill (non-hazardous)	0.0	0.0%		0.0	0.0%		0.0	0.0%
	306-5		Hazardous Waste Treatment	0.0	0.0%		0.0	0.0%		0.0	0.0%
	306-4		Materials Recovery Facility - Unknown	0.7	0.0%	-99.9%	541.1	24.1%	-43.7%	960.3	39.9%
			Total tenant-obtained waste	0.0	0.0%		0.0	0.0%		0.0	0.0%
	306-3		Total	1,952.4	100.0%	-13.1%	2,247.9	100.0%	-6.5%	2,404.4	100.0%
			Coverage of applicable properties	259 of 259			253 of 253			242 of 242	

Data notes for absolute waste: All waste totals are reported in tons. Waste for the final quarter, October 1, 2022 to December 31, 2022, has been estimated. Please note that Shurgard does not have any tenants, so tenant waste is zero.

Narrative on performance for absolute waste: Waste data is gathered for all 259 properties in the portfolio where Shurgard has waste management contracts. Absolute waste has decreased by 13.1%. One factor behind the reduction in overall waste volumes has been the removal of customer waste facilities from our properties. Total volumes of absolute recycled waste have increased by 19.4%, as minimum standards are in place to ensure that all cardboard at stores is recycled, along with plastic use being minimized.

Waste going to hazardous waste treatment facilities has been completely phased out, and our record of 100% landfill diversion was maintained. Where actual waste data was not available from the supplier, estimates of tonnages have been based on the volume, frequency and type of waste being collected dependent on country specific available conversion factors.

GRI 306-3 / 306-4 / 306-5

LIKE-FOR-LIKE ENERGY MEASURES

	GRI Topic Standard	EPRA sBPR Code	Metric	2022 Like-for-Like Value	2022 % Estimated	2022 Coverage	2022 YoY Trend	2021 Like-for-Like Value	2021 % Estimated	2021 Coverage
Owned Assets	302-1	Elec-Abs	Consumption	8,767.2	45.9%	97 of 97	-5.5%	9,278.3	21.7%	97 of 97
			% Renewable	100.0%		97 of 97	0.0%	100.0%		97 of 97
			(Sub)metered exclusively to tenants	0.0%	0.0%	0 of 0		0.0%	0.0%	0 of 0
	302-1	DH&C-Abs	Consumption	1,815.7	38.6%	23 of 23	-10.8%	2,036.6	10.5%	23 of 97
			% Renewable	0.0%		23 of 23		0.0%		23 of 97
			(Sub)metered exclusively to tenants	0.0%	0.0%	0 of 0		0.0%	0.0%	0 of 0
	302-1	Gas-Abs	Consumption	735.6	30.9%	11 of 11	-16.1%	877.0	2.5%	11 of 97
			% Renewable	2.9%		11 of 11	-81.5%	15.5%		11 of 97
			(Sub)metered exclusively to tenants	0.0%	0.0%	0 of 0		0.0%	0.0%	0 of 0
	302-1	Energy	Total energy consumption	11,318.4	43.8%	97 of 97	-7.2%	12,191.9	18.5%	97 of 97
	302-3	Energy-Int	Energy intensity	20.9		97 of 97	-7.2%	22.5		97 of 97

Data notes for like-for-like energy: All reported energy totals are in MWh, and energy intensity is reported in kWh/sqm GIA. Under the new classification of estimated data (see methodology section), we have included 97 properties in our like-for-like energy reporting. These are those properties which have been owned and operated by Shurgard for the complete 24-month period and for which the majority is classified as actual data. We therefore include electricity data from all 97 of these properties, as well as gas data for the 11 properties and district heating data for the 23 properties within this pool which use these utilities.

Note that here and throughout the like-for-like performance measures we do not include our own office figures, as these would duplicate the absolute figures for this single location.

Please note that Shurgard does not have any tenants, so tenant consumption is zero.

Narrative on performance for like-for-like energy and energy intensity: Like-for-like electricity has fallen by a similar percentage to the trend observed across the whole portfolio, due to continuing installation of efficiency measures. Gas consumption has decreased by 16.1% within the like-for-like portfolio, reflecting the impact of our efficiency measures and gas replacement program. Almost all our stores with district heating systems fall into the like-for-like group, so the trend displayed here is the same as that in the absolute data.

We have used the floor area of assets under management as our intensity normalization measure. Our like-for-like energy intensity has fallen year-on-year, driven by electricity efficiency measures and reduced dependence on district heating systems.

GRI 302-1 / 302-3

LIKE-FOR-LIKE GHG EMISSIONS MEASURES

	GRI Topic Standard	EPRA sBPR Code	Metric	2022 Like-for-Like Value	2022 Coverage	2022 YoY Trend	2021 Like-for-Like Value	2021 Coverage
Owned Assets	305-1	GHG-Dir-Abs	Scope 1 Emissions (Location Based)	165.7	11 of 11	-21.3%	210.5	11 of 97
			Scope 1 Emissions (Market Based)	160.6	11 of 11	-9.7%	177.9	11 of 97
	305-2	GHG-Indir-Abs	Scope 2 Emissions (Location Based)	1,282.7	97 of 97	-7.5%	1,386.8	97 of 97
			Scope 2 Emissions (Market Based)	448.6	97 of 97	-10.9%	503.2	97 of 97
	n/a	GHG	Scope 1+2 Emissions (Location Based)	1,448.4	97 of 97	-9.3%	1,597.3	97 of 97
			Scope 1+2 Emissions (Market Based)	609.3	97 of 97	-10.5%	681.1	97 of 97
	305-4	GHG-Int	Scope 1+2 intensity (Location Based)	2.7	97 of 97	-9.3%	2.9	97 of 97
			Scope 1+2 intensity (Market Based)	1.1	97 of 97	-10.5%	1.3	97 of 97

Data notes for like-for-like GHG emissions: All total emissions numbers are reported in tCO_2e, and GHG intensity is reported in $kgCO_2e$/sqm GIA. This table covers the same 97 properties included in our like-for-like reporting for energy, 11 of which use gas and therefore report Scope 1 Emissions. Please note that Shurgard does not have any tenants, so tenant emissions are zero and therefore not reported in this table. Please see the paragraph 'Reporting on Landlord and Tenant Consumption' in our 'Overarching Recommendations' section.

Narrative on performance for GHG emissions intensity: We have used the floor area of assets under management as our intensity normalization measure. The overall trend in like-for-like emissions measures is similar to that observed for the absolute portfolio. It should be noted that, given the nature of our properties, these Scope 1+2 intensities are already very low, so year-on-year percentage changes correspond to very small differences in the actual GHG intensity of our portfolio.

GRI 305-1 / 305-2 / 305-4

LIKE-FOR-LIKE WATER MEASURES

	GRI Topic Standard	EPRA sBPR Code	Metric	2022 Like-for-Like Value	2022 % Estimated	2022 Coverage	2022 YoY Trend	2021 Like-for-Like Value	2021 % Estimated	2021 Coverage
Owned Assets	303-5	Water-Abs	Shurgard-obtained water	10,969.7	49.4%	75 of 75	-17.1%	13,229.7	26.7%	75 of 75
			Tenant-obtained water	0.0	0.0%	0 of 0		0.0	0.0%	0 of 0
			Total obtained water	10,969.7	49.4%	75 of 75	-17.1%	13,229.7	26.7%	75 of 75
	303-5	Water-Int	Water intensity for total obtained water	0.027		75 of 75	-17.1%	0.032		75 of 75

Data notes for like-for-like water: Water consumption is reported in cbm, and water intensity is reported in cbm/sqm GIA. The 75 assets included are those properties which have been owned and operated by Shurgard for the complete 24 months' period and for which the majority is classified as actual data. We will expand the coverage of this measure in 2023 with the installation of smart water-metering across our portfolio. Please note that Shurgard does not have any tenants, so tenant consumption is zero.

Narrative on performance for like-for-like water: All water is municipal potable water discharged from taps in the communal areas of Shurgard properties. There is minimal landlord obtained water across Shurgard's portfolio and as the business does not operate in water-stressed locations, water consumption is not considered material. The decrease in water consumption shown in this subset demonstrates that the increase across the whole portfolio does not reflect the performance of all assets and is skewed by a handful of anomalies. We have begun to install smart metering and leak detection systems across our portfolio, which will continue in 2023, in order to better monitor and control our usage.

GRI 303-5

LIKE-FOR-LIKE WASTE MEASURES

	GRI Topic Standard	EPRA sBPR Code	Metric	2022 Like-for-Like Value	2022 Like-for-Like Proportion	2022 YoY Trend	2021 Like-for-Like Value	2021 Like-for-Like Proportion
Owned Assets	306-4	Waste-Abs	Recycled	895.7	47.8%	17.9%	759.7	35.2%
	306-5		Incinerated (with and without energy recovery)	979.4	52.2%	7.4%	912.1	42.2%
	306-5		Landfill (non-hazardous)	0.0	0.0%		0.0	0.0%
	306-5		Hazardous Waste Treatment	0.0	0.0%		0.0	0.0%
	306-4		Materials Recovery Facility - Unknown	0.0	0.0%	-100.0%	488.0	22.6%
			Tenant-obtained waste	0.0	0.0%		0.0	0.0%
	306-3		Total	1,875.1	100.0%	-13.2%	2,159.9	100.0%
			Coverage of applicable properties	251 of 251			251 of 251	

Data notes for like-for-like waste: All waste totals are reported in tons. Waste for the final quarter, October 1, 2022 to December 31, 2022, has been estimated. Please note that Shurgard does not have any tenants, so tenant waste is zero.

Narrative on performance for like-for-like waste: Like-for-like waste data is gathered for 251 properties in the portfolio where Shurgard has waste management contracts. Like-for-like waste has decreased by 13.2%, reflecting our initiatives to continuously reduce and manage waste in our properties. Total volumes of like-for-like recycled waste have increased by 17.9%, as minimum standards are in place to ensure that all cardboard at stores is recycled, along with plastic use being minimized.

Waste going to hazardous waste treatment facilities has been completely phased out, and our record of 100% landfill diversion was maintained. Where actual waste data was not available from the supplier, estimates of tonnages have been based on the volume, frequency and type of waste being collected dependent on country specific available conversion factors.

GRI 306-3 / 306-4 / 306-5

TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS

				2022		2021		2020	
GRI Topic Standard	EPRA sBPR Code	Certification	Level	No. of Certified Stores	Percentage of portfolio certified (by floor area)	No. of Certified Stores	Percentage of portfolio certified (by floor area)	No. of Certified Stores	Percentage of portfolio certified (by floor area)
n/a	Cert-Tot	EU Energy Perfomance Certificate		260	97.8%	254	98.5%	7	2.7%
		BREEAM - In Use	Pass	17	8.0%	12	6.1%	10	4.6%
			Good	20	8.5%	20	9.3%	15	6.2%
			Very Good	7	4.0%	6	4.6%	3	2.0%
			Excellent	2	0.9%	0	0.0%	0	0.0%
			Outstanding	0	0.0%	0	0.0%	0	0.0%
		BREEAM – New Construction	Pass	0	0.0%	0	0.0%	0	0.0%
			Good	0	0.0%	0	0.0%	0	0.0%
			Very Good	3	1.9%	1	0.7%	1	0.7%
			Excellent	7	4.6%	6	4.1%	5	3.7%
			Outstanding	1	0.6%	1	0.6%	1	0.6%

EU ENERGY PERFORMANCE CERTIFICATES 2022

EPC Score	A+	A	B	C	D	E	F	G	N/A
Number of Assets	5	206	10	23	15	0	0	1	6
% of portfolio (by floor area)	2.8%	77.9%	4.2%	7.4%	5.1%	0.0%	0.0%	0.4%	2.2%

Narrative on performance for green building certificates: EU energy performance certificates are not mandatory for all of Shurgard's properties, because they are only mandatory for buildings which are marketed or sold, or those that have been recently constructed. As Shurgard holds assets long-term this is not a material aspect, however, to better understand the portfolio makeup energy performance certificates have been obtained for the entire portfolio in 2021 and continue to be obtained for new properties.

Shurgard recognizes the benefits of green building certification and seeks to increase the percentage coverage year-on-year. We focus on pursuing BREEAM (Building Research Establishment Environmental Assessment Method) certification, with the goal to obtain BREEAM certificates at all new constructions wherever possible. Further properties have been entered for BREEAM certification but have not yet had their certification finalized as of the compilation of this report.

SOCIAL PERFORMANCE MEASURES

Note that our CEO has two functions: one as Board member and one as Senior Management. In order to avoid double count, the CEO has been excluded from the Senior Management level's social performance measures.

EMPLOYEE GENDER DIVERSITY

GRI Topic Standard	EPRA sBPR Measure	Indicator	2022		2021	
			Female	Male	Female	Male
405-1	Diversity-Emp	Employees in the organization's Board of Directors	27.3%	72.7%	27.3%	72.7%
		Employees in the organization's senior management	25.0%	75.0%	25.0%	75.0%
		All employees	42.3%	57.7%	40.0%	60.0%

Narrative on performance:

Shurgard believes that a diverse perspective is key to success. Our current female representation on the Board stands at 27.3%. We are committed to have 4 female Board members by 2024, increasing the gender diversity ratio.

GRI 405-1

GENDER PAY RATIO

GRI Topic Standard	EPRA sBPR Measure	Indicator	2022	2021
			Mean	Mean
405-2	Diversity-Pay	Mean (average) percentage by which female pay is lower than male pay.	-5.0%	-2.4%

Narrative on performance:

For all in-store employees, Shurgard discloses the mean percentage pay gap between female and male pay.

GRI 405-2

In 2022, Shurgard reported no significant change in the business' mean gender pay gap. We believe that this is reflective of our continual commitment to maintaining a workplace that is free from discrimination.

EQUAL PAY ANALYSIS 2022

Employee Level	Average Salary Female	Average Salary Male
Executive level (base salary only)	€320,000	€299,618
Executive level (base salary + other cash incentives)	€427,000	€597,374
Management level (base salary only)	€86,015	€81,986
Management level (base salary + other cash incentives)	€106,735	€112,625

Data notes for equal pay analysis 2022: Executive level functions include all Senior Management, with the exception of the CEO position. Management level functions include all positions with people management responsibilities.

Narrative on performance for equal pay analysis 2022:

We believe that our salary paid is reflective of our continued commitment to maintain a workplace that is free from discrimination.

We anticipate that future reporting will demonstrate a more equal balance.

GRI 405-2

GENDER PAY RATIO FOR DIRECTORS AND EMPLOYEES

GRI Topic Standard	EPRA sBPR Measure	Indicator	Mean (average) percentage by which female pay is lower than male pay	
			2022	2021
405-2	Diversity-Pay	Employees in the organization's Board of Directors	-8.3%	-3.4%
		Employees in the organization's Senior Management	6.3%	8.6%
		All employees	-15.1%	-10.7%

Narrative on performance for gender pay ratio for directors and employees:

Shurgard discloses the mean percentage pay gap between female and male pay for three levels of employees. Shurgard's remuneration policy makes no difference between female and male functions, therefore, all differences are mandate specific.

GRI 405-2

EMPLOYEE TRAINING & DEVELOPMENT

GRI Topic Standard	EPRA sBPR Measure	Indicator	2022	2021
404-1	Emp-Training	Average hours of training undertaken by employees in the reporting period (per employee)	254	68
404-3	Emp-Dev	% of total employees who received regular performance and career development reviews during the reporting period	100.0%	93.0%
	N/A	Average spent on training per FTE in the reporting period	€ 177	€ 210
	N/A	Total of hours of training undertaken by all employees in the reporting period (overall)	205,250	52,534

Narrative on performance:

Participation in the Company's learning and development program remained high with 68% participation across the year. Overall, the amount of training provided increased, with over 205,250 hours provided, equating to 254 hours per employee.

Shurgard has progressed in effectively implementing both e-learning and classroom training during 2022.

Each in-store employee is required to complete a rigorous four-month training program that builds the foundation to assist our customers with their storage needs. European Support Center employees are also engaged in an extensive induction program which lasts several weeks. Shurgard recruited 300 new employees over 2022 who all went through induction training.

The Shurgard Academy was launched in 2018 to enable us to attract, retain and train top talent within our stores. The academy provides a transparent program of progression which empowers our employees to develop throughout their careers. The Academy ensures a structured process of career progression, from Junior Assistant Store Manager to Senior Store Manager.

GRI 404-1 / 404-3

NEW HIRES AND TURNOVER

GRI Topic Standard	EPRA sBPR Measure	Indicator	2022		2021	
			Number	Rate	Number	Rate
401-1	Emp-Turnover	New employee hires	300	40.4%	247	32.0%
		Employee turnover	331	44.6%	289	37.0%

Narrative on performance:

We continued to increase new hires in 2022, both because of additional stores in our portfolio and because of the higher employee turnover (difficult market conditions). This increase has been partly mitigated by an increasing number of stores that are partially or remotely managed.

GRI 401-1

EMPLOYEE HEALTH AND SAFETY

GRI Topic Standard	EPRA sBPR Measure	Indicator	2022	2021
403-2	H&S-Emp	Injury rate	0.003%	0.003%
		Lost day rate	0.25%	0.07%
		Absentee rate	5.8%	4.8%
		Fatalities	0.0%	0.0%

Narrative on performance:

Shurgard has specific internal control and management systems to mitigate health and safety risks, including technological solutions and a program of audit and assurance.

In 2022, we maintained our record of no reportable health and safety incidents for employees. Our absentee rate increased slightly in 2022.

GRI 403-2

ASSET HEALTH AND SAFETY ASSESSMENTS AND COMPLIANCE

GRI Topic Standard	EPRA sBPR Measure		2022	2021
416-1	H&S-Assets	% of assets for which H&S impacts are assessed or reviewed	34.0%	35.0%
416-2	H&S-Comp	Number of incidents of non-compliance with regulations and/or voluntary standards	0	1

Narrative on performance:

Shurgard is fully committed to providing safe storage facilities to our customers and our staff. Health and safety criteria are regularly assessed in our properties to ensure that applicable health and safety rules are respected. All the properties are audited with respect to health and safety criteria:

- By Internal Audit within a 3-year cycle (more than one third of the properties are audited each year).
- By the District Managers three times per year (self-assessments).

The organization has not identified any non-compliance with regulations and/or voluntary codes. We continue to comply fully with COVID-19 recommendations issued by local governments and health authorities.

GRI 416-1 / 416-2

COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS AND DEVELOPMENT PROGRAMS

GRI Topic Standard	EPRA sBPR Measure	Indicator	2022	2021
413-1	Comty-Eng	% of assets under operational control that have implemented local community engagement, impact assessments, and/or development programs	100.0%	100.0%

Narrative on performance:

Shurgard has a corporate community program that applies across all activities. Further details of which are included under the 'Community Enhancement' section above.

Community engagement activities are undertaken at a growing number of stores.

All our community initiatives are based on an assessment of the local communities' needs and we conduct social and environmental impact assessments for planning purposes. We provide grievance processes for all stakeholders, including a formal complaints procedure.

GRI 413-1

GOVERNANCE PERFORMANCE MEASURES

COMPOSITION OF THE HIGHEST GOVERNING BODY

GRI Topic Standard	EPRA sBPR Measure	Indicator	2022	2021
2-9	Gov-Board	Number of Executive Board members	1	1
		Number of independent Board members	6	6
		Number of Non-Executive Board members	10	10
		Average tenure on the governance body	4.1 years	3.1 years
		Number of independent / Non-Executive Board members with competencies relating to environmental and social topics	6	6

Narrative on performance:

The Board of Directors (highest governance body) is currently composed of 11 members, one Executive Director and ten Non-Executive Directors. We define "Executive" as a Director with executive functions within the Shurgard group (such as Chief Executive Officer, Chief Financial Officer, etc.). The Chairman, Ronald L. Havner, Jr. leads the Board. The Environment, Social and Governance (ESG) Committee oversees the ESG strategy of the Company and monitors the completion of the ESG objectives. Also, it is considered that all the Non-Executive Board members have competencies related to environmental and social topics, through academic and professional backgrounds, and/or charity work.

GRI 2-9

PROCESS FOR NOMINATING AND SELECTING THE HIGHEST GOVERNING BODY

GRI Topic Standard	EPRA sBPR Measure	Indicator	2022	2021
2-10	Gov-Select	Composition of the Board of Directors	(Relevant for the reporting rules and did not change between 2021 and 2022 in relation to the nomination and selection of the Directors; rules last reviewed February 2022 in relation to overseeing the ESG strategy of the Company) Source : Internal Rules and Regulations of the ESG Committee Available under https://corporate.shurgard.eu/governance/committee-charter The ESG Committee acts to: - Identify candidates qualified to serve as members of the Board and executive officers; - Recommend candidates to the Board for appointment by the general meeting of shareholders or for appointment by the Board to fulfil interim vacancies at the Board; - Submit a list of candidates to the Board on the appointment of new Directors and executive officers; - Make an assessment of the existing and required skills, knowledge and experience for any post to be filled and prepare on that basis a description of the role, together with the skills, knowledge and experience required - this includes ESG topics; - Make an assessment as to whether candidate Directors meet the criteria of independence. In respect of diversity: "Within 6 years from the effective date of the initial public offering of the Company, at least 1/3 of the members of the proposed candidates shall be female"	

Narrative on performance:

The rules for the nomination and selection of members of the Board of Directors have not changed since 2019. The ESG Committee makes recommendations to the Board about the renewal of the Directors' mandates and the nomination of new Directors when requested. It is then the prerogative of the shareholders of the Company to approve the mandates of the Directors.

GRI 2-10

PROCESS FOR MANAGING CONFLICTS OF INTEREST

GRI Topic Standard	EPRA sBPR Measure	Indicator	2022
2-15	Gov-Col	Composition of the Board of Directors	Source 1: Corporate Governance Charter Available under https://corporate.shurgard.eu/governance/governance-documents procedure - In relation to any transaction, submitted for approval to the Board or any committee of the Board conflicting with that of the Company, a Director having a direct or indirect financial interest shall notify the Board or any committee of the Board of directors and shall not participate in any discussions or vote of the Board or any committee of the Board, and the decision shall be taken by simple majority of the voting Directors. - Where, due to a conflict of interests, the number of Directors required to be present for a valid quorum is not reached, the Board may defer the decision to the general meeting of shareholders. Source 2: Directors Code of conduct Directors must take appropriate actions in case of conflicts of interest. Directors must use their best efforts to avoid any potential conflict of interest with the Company or any company controlled by it. If a Director has a direct or indirect personal and conflicting interest of a financial nature in a decision or transaction within the authority of the Board, he must so notify the other Directors prior to a decision by the Board. A Director who has a conflicting interest may not participate nor vote in the deliberations of the Board on such transactions or decisions. This procedure does not apply if the decisions of the Board relate to transactions at arm's length and concerning the daily affairs of the Company. Source 3: Disclosure into the annual report of the other directorships of the Directors of the Board

Narrative on performance: No conflicts of interest were identified in either year.

This indicator describes our processes to ensure that conflicts of interest are avoided and managed in the highest governance body, and how conflicts of interest are disclosed to stakeholders.

GRI 2-15

REMUNERATION REPORT

PRELIMINARY NOTE

This Remuneration Report has been prepared in accordance with the principles provided for under the Company's Remuneration Policy as approved by the Annual Shareholders' Meeting held on April 29, 2020 and complies in all aspects with such policy and its principles. There has been no derogation from the Remuneration Policy. The Remuneration Policy can be found on the Company's website (Governance Documents | Shurgard Investor Relations).

2022 PERFORMANCE HIGHLIGHTS

In 2022, the Company delivered another year of solid results and is further positioned to deliver long-term value creation. Under the leadership of our Senior Management, and with our Board's oversight, the Company achieved significant performance successes, including:

Record Property operating revenue
€333.0mil (+11.7% at CER)

EPRA NTA per share
€40.67

Record NOI
€219.2mil

EPRA NTA Per Share Growth
+17.6%

Same store NOI margin
67.2%
(+1.3pp at CER)

Total Investment property value
€4.5billion (+17.6%)

EBITDA Growth (at CER)
+15.1%

+65K SQM
Added through acquisitions, developments, and redevelopments

Record Adjusted EPRA earnings
€143.6mil
(+10.1% at CER)

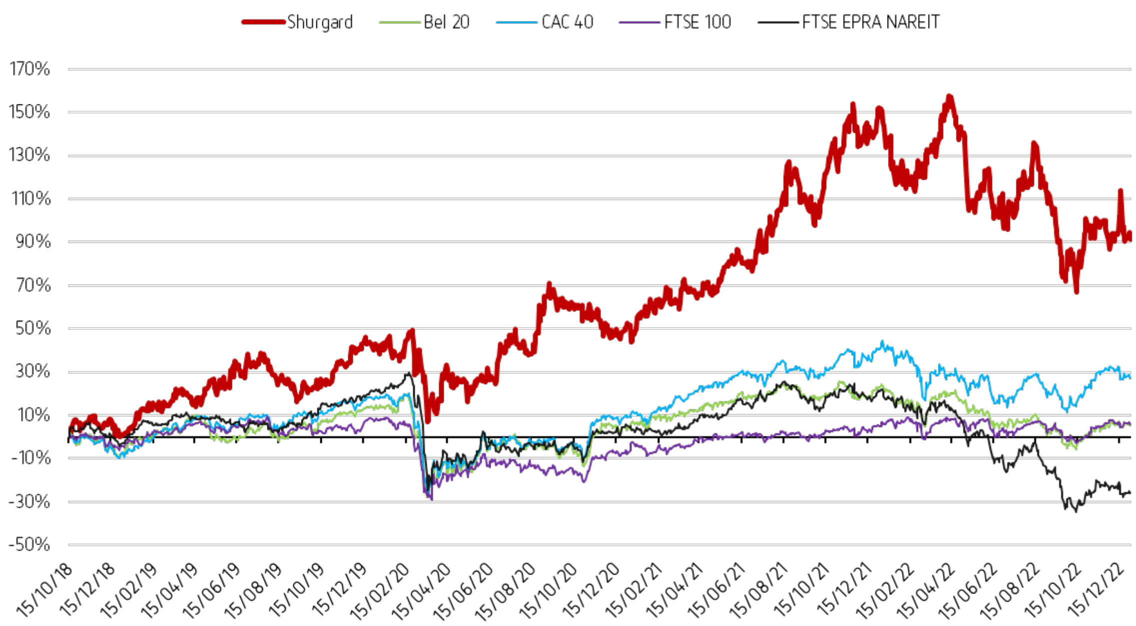
ESG
Achieved **5-STAR GRESB** rating out of a maximum of five stars.
We are our sector leader.

Record Adjusted EPRA earnings per share
€1.61

ESG
A GOLD MEDAL
at the EPRA Sustainability Best Practices Recommendations (sBPR)

In addition, the Company's stock and total return has consistently traded significantly higher than various indices for the last four years.

Stock performance vs indices since IPO (Oct 2018)



2022 COMPENSATION FRAMEWORK AND TARGETS FOR SENIOR MANAGEMENT

We believe that the 2022 executive compensation was aligned with the Company's strong performance, while recognizing the impact of the significant challenges the Company faced. The following is a summary of the ESG Committee's decisions with respect to the key components of the 2022 compensation program for our Senior Management. The compensation of the members of the Senior Management consists of a balance between fixed and variable compensation components and fringe benefits aligned with market practice, such as company cars or allowances, insurance, and standard pension benefits.

Framework of CEO Compensation

The annual base salary for Mr. Oursin is €500,000 which has remained unchanged since 2012. Additionally, an annual cash bonus incentive award of €500,000, representing 100% of his base salary, was set assuming the achievement of performance criteria as set forth below, which were established by the ESG Committee.

Framework of Short-Term Performance-Based Bonus Awards for all Senior Management

The annual performance-based cash bonus program provides an opportunity to reward Senior Management for their performance during the fiscal year. Although the ESG Committee may set annual incentive award targets, this bonus amount does not preclude the ESG Committee from approving higher or lower annual incentive awards in the future.

The actual awards are determined by the ESG Committee after determining whether the targeted corporate performance metrics have been achieved. The ESG Committee will consider the recommendations of the Chief Executive Officer with respect to the performance of the other members of Senior Management and their achievement of individual and other goals. In addition, the ESG Committee will solicit the views of the Chairman and the Board, particularly with respect to the performance of the Chief Executive Officer.

For the year ended December 31, 2022, compensation targets were set as follows by the ESG Committee for all executives. They can range from 0% to 100% of an individual's short-term bonus potential target based on the performance of the Company and the performance of each respective individual (taking into account both financial and non-financial criteria). The potential target is equal to the executive's annual base salary.

Executive position	**CEO**	**All other Executives**
Amount of potential target	100% of base salary	100% of base salary
Revenue performance *All store >6%*	0%-30%	0%-40%
NOI growth and Adj. EPRA earnings *2% medium-term* *Adj. EPRA earnings growth*	0%-20%	0%-25%
Development and M&A (new sqm) *2022 openings (11 properties)* *2023 pipeline (13 properties)*	0%-15%	0%-45%
TSR benchmark with peers	0%-20%	0%-20%
Other projects and ESG (non-financial performance criteria)[1]	0%-15%	0%-20%

[1] More information about ESG targets is in our ESG Report available at https://corporate.shurgard.eu/corporate-responsibility/reports-and-publications.

2022 COMPENSATION DECISIONS

After consideration of the individual performances of each member of Senior Management, the solid results achieved by the Company in 2022, and that the executive team achieved each short-term performance objective set forth above, the decisions made by the ESG Committee are as follows:

2022 CEO COMPENSATION

In recognition of Mr. Oursin's performance in 2022, the ESG Committee approved a cash bonus of €500,000, to be paid in 2023. Mr. Oursin's annual base salary for 2023 will remain at €500,000.

2022 COMPENSATION FOR EXECUTIVES OTHER THAN OUR CHIEF EXECUTIVE OFFICER

Base salaries for 2022 for Mr. Kreusch, Mr. Bell, Mr. Kharouf, and Ms. Neumann were €355,584, £250,000, €250,000, and €320,000, respectively. The base salaries will also remain the same for 2023.

Annual Cash Incentives for 2022: After consideration of the achievement of each of the 2022 short-term incentive targets and the individual performances of the direct reports of Mr. Oursin, the ESG Committee awarded the following annual incentive bonuses, which will be paid in 2023, to the following executives: Mr. Kreusch, €350,000; Mr. Bell, £250,000; Mr. Kharouf €250,000 and Ms. Neumann €320,000.

For comparative purposes, the following summarizes Senior Management compensation over the last two years:

Name and position	Year	Fixed remuneration		Variable remuneration		Total	Proportion of fixed and variable remuneration
		Base Salary	All other compensation[2]	Short-term performance-based Bonus[3]	Option awards[5]		
Marc Oursin	**2022**	**500,000**	**52,000**	**500,000**	**956,816**	**2,008,816**	**1 : 2.64**
CEO	2021	500,000	52,000	450,000	670,360	1,672,360	1 : 2.03
Jean Kreusch	**2022**	**355,584**	**32,796**	**350,000**	**598,010**	**1,336,390**	**1 : 2.44**
CFO	2021	355,584	32,796	300,000	426,000	1,114,380	1 : 1.87
Duncan Bell	**2022**	**293,269**	**26,629**	**293,269**	**478,408**	**1,091,575**	**1 : 2.41**
COO	2021	293,269[1]	26,629	187,692	329,560	837,150	1 : 1.62
Ammar Kharouf	**2022**	**250,000**	**13,099**	**250,000**	**478,408**	**991,507**	**1 : 2.77**
General Counsel	2021	250,000	13,099	150,000	318,320	731,419	1 : 1.78
Isabel Neumann[4]	**2022**	**320,000**	**36,841**	**107,000**	**478,408**	**942,249**	**1 : 1.64**
CIO	2021	320,000	36,841	0	205,920	562,761	1 : 0.58

1 The amounts for Mr. Bell are converted from pound Sterling. The original Sterling value was £250,000 for 2022. As a constant exchange rate, we took the average exchange rate of 2022.
2 The amounts shown in this column for all named executives reflect contributions to their individual group insurance and also includes the amounts for their car, being either a car allowance or the benefit in kind for using a company car. For Mr. Kreusch this amount also includes his representation allowance.
3 The amounts shown in this column reflect annual cash incentive awards paid to the executive management based on performance targets for the prior year. The amounts for Mr. Bell are converted from pound Sterling. The original Sterling value was £250,000 paid in 2022. As a constant exchange rate, we took the average exchange rate of 2022.
4 Isabel Neumann joined the company on September 1, 2021 but for completeness and comparative reasons, the amounts reflect a full year.
5 With respect to the option awards, the total value is spread over the vesting period and earned in the respective years as opposed to the full value of the stock options attributed to the grant year. Additional information is available under Note 33 "Share-based Compensation Expense" in the notes to the consolidated financial statements.

The total aggregate compensation to the members of the Senior Management in the year ended December 31, 2022 amounted to €6,370,537.

2023 COMPENSATION TARGETS

For the year ending December 31, 2023, the table below sets forth the targets that have been set by the ESG Committee. Payouts can range from 0% to 125% of a Senior Manager's annual salary based on the performance of the Company in various metrics and each Senior Manager's individual performance.

Executive positions	CEO	All other Executives
Amount of potential target	0%-125% of base salary	0%-125% of base salary[1]
Revenue performance *All stores growth 2023 vs 2022 above 8.0%* *Same store growth 2023 vs 2022*	0%-30%	0%-40%
NOI growth & Adj. EPRA earnings growth *All stores NOI margin % above 2022* *Adj. EPRA earnings growth*	0%-15%	0%-25%
Development & M&A (all new sqm) *2023 total added new sqm above 70,000 sqm* *2024 total potential above 70,000 sqm (pipeline exc. M&A)*	0%-20%	0%-45%
Other KPIs *Other projects* *ESG (based on GRESB rating)* *Shurgard share, TSR benchmark vs peers*	0%-35%	0%-45%

[1] weight per section varies per Executive

EMPLOYEE STOCK OPTION PLAN (2017)

The Company granted stock options under an incentive plan in 2017 which is still outstanding. No new grants may be made under this plan. The total number of stock options granted under this plan was 265,000.

The key features of the stock options outstanding under the 2017 plan are as follows:

- upon exercise, each stock option gives the right to one ordinary share;
- the stock options were granted for free;
- the stock options were exercisable in tranches of 25% per year from the first anniversary of the date of the grant, so that the grant was fully vested after four years;
- the stock options have a term of 10 years;
- the stock options vest subject to customary service rules; and
- the exercise price of each stock option is €21.51

EQUITY COMPENSATION PLAN (2018)

The Company also granted stock options under an incentive plan in 2018 which is still outstanding. No new grants may be made under this stock option plan. The total number of stock options granted under this plan was 680,000.

The key features of the stock options outstanding under the 2018 equity compensation plan are as follows:

- Upon exercise, each stock option gave the right to one ordinary share;
- The stock options were granted for free;
- The exercise price of each stock option was equal to the stock exchange price of the underlying share at the time of the grant;
- The stock options only vested three years after their grant;
- The stock options have a term of ten years;
- The exercise date can occur any time as of the vesting and before the term; and
- The stock options vesting were subject to customary service rules.

EQUITY COMPENSATION PLAN (2021)

The Company approved a new equity compensation plan in 2021, which replaced all prior equity compensation plans. Initial grants took place on August 2, 2021. The intent of this grant was to incentivize certain members of the Senior Management and a number of existing or future employees of the Group as well as to support retention and further strengthen the link between compensation and our stock price development. This plan enables the Company to grant stock options and, possibly, restricted stock units in 2021 and following years. The options have a two-stage vesting period with (i) 60% of the stock options vesting three years after the date of grant; and (ii) the remaining 40% of the stock options vesting five years after the date of grant.

The maximum number of stock options and restricted stock units intended to be granted under the plan is 2,000,000.

1,651,000 stock options were granted and accepted under this plan on August 2, 2021, at an exercise price equal to €43.05. A second grant of 200,000 stock options under this plan took place on September 1, at an exercise price equal to €47.75. A third grant of 19,000 stock options under this plan took place on July 18, 2022, at an exercise price equal to €46.81. A total of 1,250,000 stock options were granted to Senior Management.

For additional information regarding the Company's stock option plans please refer to Notes 24 and 33 "Share-based payment reserve" and "Share-based compensation expense" in the Notes to the consolidated financial statements.

The table below shows the grant of stock options held by each member of the Senior Management for all outstanding stock option plans, as of December 31, 2022.

Position	Main conditions				financial year 2022			
					Opening balance	During the year		Closing balance
	Plan	Award date	Vesting date(s)	Expiration date	Shares awarded originally	Awarded	Vested	Shares awarded but still unvested at year end
CEO								
	2017 plan	03/07/2017	03/07/2018 03/07/2019 03/07/2020 03/07/2021	02/07/2027	60,000	-	-	-
	2018 plan	16/10/2018	16/10/2021	15/10/2028	230,000	-	-	-
	2021 plan	02/08/2021	02/08/2024 02/08/2026	01/08/2031	400,000	-	-	400,000
Total					810,000	-	-	400,000
CFO								
	2017 plan	03/07/2017	03/07/2018 03/07/2019 03/07/2020 03/07/2021	02/07/2027	40,000	-	-	-
	2018 plan	16/10/2018	16/10/2021	15/10/2028	150,000	-	-	-
	2021 plan	02/08/2021	02/08/2024 02/08/2026	01/08/2031	250,000	-	-	250,000
Total					520,000	-	-	250,000
COO								
	2017 plan	03/07/2017	03/07/2018 03/07/2019 03/07/2020 03/07/2021	02/07/2027	35,000	-	-	-
	2018 plan	16/10/2018	16/10/2021	15/10/2028	110,000	-	-	-
	2021 plan	02/08/2021	02/08/2024 02/08/2026	01/08/2031	200,000	-	-	200,000
Total					405,000	-	-	200,000
General Counsel								
	2017 plan	03/07/2017	03/07/2018 03/07/2019 03/07/2020 03/07/2021	02/07/2027	30,000	-	-	-
	2018 plan	16/10/2018	16/10/2021	15/10/2028	100,000	-	-	-
	2021 plan	02/08/2021	02/08/2024 02/08/2026	01/08/2031	200,000	-	-	200,000
Total					370,000	-	-	200,000
CIO	2021 plan	01/09/2021	01/09/2024 01/09/2026	31/08/2031	200,000	-	-	200,000
Total					200,000	-	-	200,000

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

For comparison purposes, the figures of: (i) Senior Management total aggregate compensation, (ii) Company performance and (iii) the average remuneration on a full-time equivalent basis of the other employees of the Company over the five most recent financial years are shown in the table:

Annual change	2018	2019	2020	2021	2022
Senior Management remuneration[1]					
CEO	1,558,444	1,193,32	1,262,797	1,672,360	2,008,816
CFO	1,057,093	811,565	858,034	1,114,380	1,336,390
COO[2]	472,505	630,815	632,319	837,150	1,091,575
General Counsel	533,377	446,449	505,089	731,419	991,507
Chief Investment Officer	N/A	N/A	N/A	562,761	942,249
Company Performance					
Property Operating Revenue Growth[3]	2.7%	5.0%	5.5%	10.7%	11.7%
Adj. EPRA earnings growth	-1.3%	8.1%	9.9%	11.0%	10.1%
Average share price per year (€)	25.49	29.88	33.30	44.62	48.17
Directors[4]	165,000	690,000	700,000	700,000	797,500
Employees Average remuneration (full-time equivalent basis)	40,487	40,732	41,537	44,598	48,059

1 For detailed breakdown of Senior Management remuneration see the comparative table 2021-2022 above. With respect to the option awards included in the remuneration, the total value is spread over the vesting period and earned in the respective years as opposed to the full value of the stock options attributed to the grant year.
2 The amounts for the Chief Operating Officer are converted from pound Sterling at constant exchange rate.
3 At actual exchange rates. Same for Adj. EPRA earnings growth.
4 Amount paid in 2018 represents only the quarter following the Company's public offering.

REMUNERATION PAID OUT BY OTHER GROUP COMPANIES

For the year ended December 31, 2022, there was no remuneration paid out by other group companies.

MALUS AND CLAWBACK MECHANISMS

Under the Equity Compensation Plans of 2021, unvested equity awards will be canceled if the Company's financial statements are restated as a result of errors, omission, or fraud, or if a grantee has engaged in conduct that resulted in substantial losses for the Company or is responsible for such losses.

EXCEPTION TO THE REMUNERATION POLICY

For the year ended December 31, 2022, there is no departure from or exception to the remuneration policy.

NON-EXECUTIVE DIRECTOR COMPENSATION POLICY

Non-Executive Directors receive cash retainers for serving on the Board, chairing a committee and/or serving on a committee. The retainers are paid quarterly and pro-rated when a Non-Executive Director (1) joins the Board or a committee or (2) changes his or her position on a committee or no longer serves on the Board. The ESG Committee is tasked with evaluating Directors' compensation and recommends any changes. If there are any changes to Non-Executive Directors' compensation, the proposed changes will be presented for approval at the Annual General Meeting of Shareholders for approval. Last year, at the Annual General Meeting of Shareholders that occurred on May 4, 2022, the Shareholders approved the increases of Non-Executive Directors' compensation as set forth below.

COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS IN 2022

From the time of their appointment, each Non-Executive Director of the Company receives €50,000 per year (increased to €60,000 per year since July 2022). Each member who serves on a committee receives an additional €10,000 in compensation. Each member who serves as the chair of a committee receives an additional €5,000 per year (increased to €15,000 per year since July 2022). The Lead Independent Director receives an additional €10,000 per year (increased to €15,000 per year since July 2022). The Chairman of the Board of Directors receives a flat fee €75,000 per year (increased to €140,000 per year since July 2022). An Executive Director of the Company will not receive any additional compensation for their mandate as Director.

The total compensation of the Board of Directors in fiscal year 2022 amounted to €797,500.

Name	Position	Committee membership	Year	Compensation in €[1]
Ronald L. Havner, Jr.	Chairman		**2022**	**107,500**
			2021	75,000
Marc Oursin	Chief Executive Officer			N/A
Z. Jamie Behar	Director	Real Estate (Chair), Audit	**2022**	**85,000**
			2021	75,000
Daniel C. Staton	Director	Real Estate	**2022**	**65,000**
			2021	60,000
Ian Marcus	Lead Independent Director	ESG, Real Estate	**2022**	**90,000**
			2021	80,000
Muriel De Lathouwer	Independent Director	Audit, ESG	**2022**	**75,000**
			2021	70,000
Olivier Faujour	Independent Director	Real Estate, ESG	**2022**	**75,000**
			2021	70,000
Frank Fiskers	Independent Director	ESG (Chair), Real Estate	**2022**	**85,000**
			2021	75,000
Padraig McCarthy	Independent Director	Audit (Chair), ESG	**2022**	**85,000**
			2021	75,000
Isabelle Moins	Independent Director	Audit	**2022**	**65,000**
			2021	60,000
Everett B. Miller	Director	Real Estate	**2022**	**65,000**
			2021	60,000
Total			**2022**	**797,500**
			2021	700,000

1 The compensation amounts listed above are gross amounts and do not include any applicable VAT or the deduction of any applicable withholding tax.

DIRECTORS' AND OFFICERS' INSURANCE

We maintain a Directors and Officers insurance policy covering claims that might be made against members of the Board of Directors and Senior Management of the Company in relation to their functions. The Company entered into indemnification agreements with its Directors and Senior Management supplementing this policy.

PRINCIPAL RISKS AND UNCERTAINTIES

OVERALL STATEMENT ON THE RISK POSITION

As set out in the Market Overview and Growth Strategy sections of this report, our business activities are supported by favorable market conditions. We see a variety of opportunities to continue our growth through optimization of our existing operations, including leveraging our platform across planned redevelopment and development activities and bolt-on acquisitions. Besides these opportunities, Shurgard regularly faces risks that can have negative effects on the operating results, financial position, and net assets of the Group.

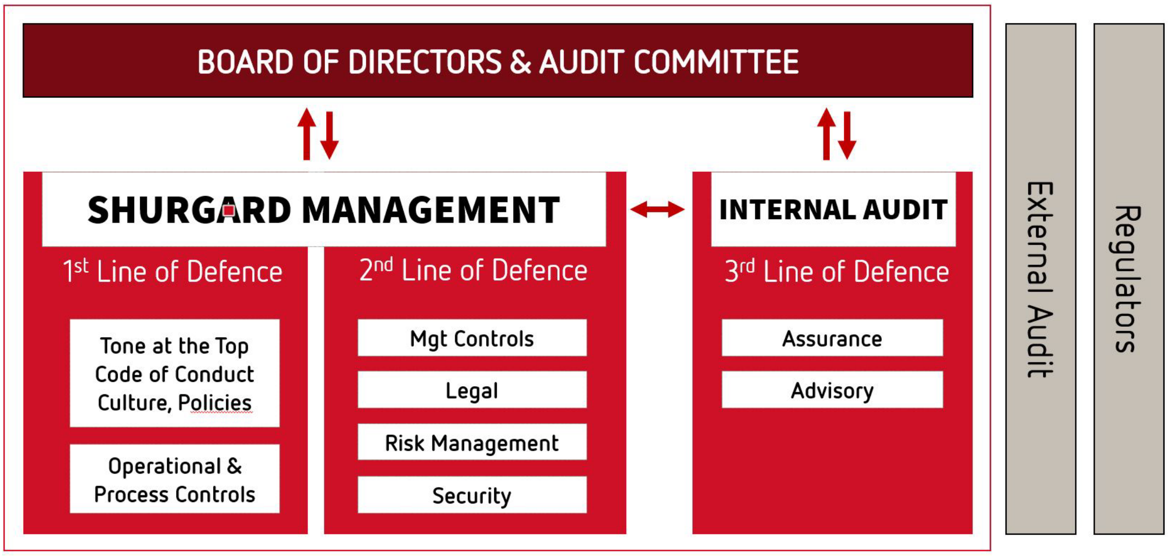
The risks set out below represent the principal risks and uncertainties that may adversely impact the Group's performance and the execution of our strategy.

To identify risks at an early stage and manage them adequately, Shurgard deploys effective risk management and control systems which are also described below. Accordingly, we continuously assess the risks and conclude at the time of the preparation of the management report the risks identified herein are limited and properly mitigated. No identifiable risks currently exist that either individually or together would lead to a significant or sustainable impairment of the Shurgard Group's operating results, financial position, and net assets.

RISK MANAGEMENT SYSTEM

Shurgard's Risk Management is carried out by the Senior Management, under policies approved by the Board of Directors. The Board provides principles for the overall risk management, as well as policies covering specific areas, such as foreign exchange risk, real estate risk and credit risk, the use of derivative and non-derivative financial instruments and investment of excess liquidity. The Group's risk exposure is regularly reported to the Company's Executive Committee, which comprises the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel, and Chief Investment Officer. The Company's Audit Committee is responsible for monitoring the effectiveness of our risk management system. It receives a report about the Group's risk situation every quarter.

The Group's risk management process is designed to systematically record and assess risks. We aim to identify unfavorable developments at an early stage and promptly take counteractive measures and monitor them. All risks are recorded in a risk register and are assigned to specific risk owners. Risk owners are responsible for providing periodically updated risk fact sheets. The assessment of the risks is carried out, as much as possible, according to quantitative parameters, likelihood of occurrence and the potential financial and reputational impact. According to the results of this assessment, risks are qualified in a risk map as low, medium, high, or very high. Risks that are categorized as high or very high on the risk map receive special attention and are monitored very closely. The risk register and the resulting risk map are updated every year based on risk owners' input (new risks, closed risks, mitigation factors, change of positioning).



KEY RISKS SPECIFIC TO THE GROUP AND ITS INDUSTRY

The risks set out below represent the principal risks and uncertainties that may adversely impact the Group's performance and the execution of our strategy. Other factors could also adversely affect the Group's performance. Accordingly, the risks described below should not be considered a comprehensive list of all potential risks and uncertainties. The principal risks are not listed in order of significance. In addition to the principal risks described below, we are exposed to certain specific market risks such as foreign exchange risk, credit risk and liquidity risk. A detailed discussion of these risks is included in Note 35 to the consolidated financial statements.

Risk & Impact	Risk Mitigating Activities
Self Storage Misuse	
We do not generally have access to and monitor our customers' storage units and cannot prevent our customers from storing hazardous materials, stolen goods, counterfeit goods, drugs, or other illegal substances in our properties. It is possible that our customers will violate their lease agreements and we cannot exclude the possibility that we may be held ultimately liable with respect to the goods stored by our customers. This also includes a potential close-down by local authorities. In addition, unfavorable publicity from illegal contents stored at one of our properties, or items that have been used or are planned to be used in crimes or for other illegal purposes, including terrorist attacks, could have a material adverse effect on our business, financial condition, and results of operations.	The safety and security of our customers and goods, stores, and our employees is a key priority. This is achieved using access control systems, CCTV systems and intruder and fire alarm systems. Additionally, training and awareness sessions around safety and security are provided regularly to all our employees. We review our operational procedures on a continuous basis through regular store audits. Our customer lease contract terms prohibit the storage of illegal and certain other goods on our premises. In 2022, we started the upgrade of our access control systems with the aim to strengthen control through a more centralized managed and digitalized system.
Pandemic Diseases	
The COVID-19 outbreak caused a significant contraction in economic growth and impacted our overall risk profile. The main risks areas are to (i) the Health and Safety of our employees and customers, (ii) business disruptions based on government restrictions and (iii) development schedules. The roll-out of vaccines provided a return to more normal economic conditions, however risks around new variants remain. We need to be adaptable in ensuring our business resilience and maintaining our strong performance.	Shurgard is monitoring pandemic risks and is taking mitigation actions, with a focus on protecting our employees and customers, and ensuring the continuity of our operations. Overall and based on its performance during the height of the current pandemic, we did not identify any uncertainties that would cast any doubt on Shurgard's ability to continue as a going concern. Our performance during the Covid pandemic has been resilient. We continue to adapt, if necessary, to respect the guidance issued by the various health organizations across our markets to ensure the security of our employees and customers.
Climate risk	
We are exposed to climate change related transition and physical risks. Physical risks may affect our stores and result in higher maintenance, repair, and insurance costs. Failing to transition to a low carbon economy may have a financial or reputational impact. As part of our journey to comply with new ESG requirements, Shurgard continues to develop its understanding of its exposure and vulnerability to climate change risk.	At the board level, the ESG Committee oversees our ESG strategy, monitors completion of ESG objectives, reviews the ESG report, and assists the Board in reviewing and assessing the Company's ESG risks. We are committed to build to a minimum standard of BREEAM "Very Good" on all our new store developments. Additionally, our stores are regularly inspected and maintained following sustainable principles where possible. Climate related risk assessments are performed on all our properties to identify and register the applicable risks to the property (flood, hurricane, earthquake, etc.). As a result, we deploy risk mitigation measures, where necessary. We implemented an Environmental Management System (EMS) to integrate ESG processes, train personnel, review efficiency and report on outcomes of environmental commitments. We also actively seek out external advice to ensure compliance with the applicable ESG framework (e.g. Taskforce Climate related Financials Disclosure).

Housing Market Development

Our business is dependent on residential and commercial demand for self-storage areas, and our operating results are driven by our ability to maximize occupancy levels and rental rates at our properties. As a result, we are exposed to local, national, and international economic conditions and other events and factors that affect customer demand for self storage in the European markets in which we operate. Demand for self storage could decrease if these or other growth trends declined or reversed in the future.

Moreover, we own substantially all our properties. Property investments are subject to varying degrees of risks. The value of these properties can fluctuate significantly when economic conditions are unfavorable or could be adversely affected by a downturn in the property market in terms of capital and/or rental values. Rents and values are affected (among other things) by changing demand for self storage, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices.

Shurgard owns most of its assets and has a good spread of properties (and risks) across different European countries. In our markets, we have high concentrations of self-storage properties in urban areas. In recent years, our operating results have been supported by structural trends, including increased migration and mobility, growth in urban areas and increased population density. Further, our operating model allows efficient execution in various building types and sizes.

Our development team pro-actively and continuously follows-up the housing market trends to adjust the development strategy when needed.

Effective Internal Controls are in place to review cap rates, store trading data and property status rates.

Our investment criteria and returns are carefully reviewed and adjusted based on market conditions and risks profile. Investments are not pursued when they fail to meet our set return targets. Performance of individual properties once opened is benchmarked against target returns and post-investment reviews are performed.

Price War

Competitors may offer lower prices, better locations, better services, or other attractive features in any given property's catchment area, which may heighten competition for customers. Local market conditions have a significant impact on our business. This impacts the prices we can set, and from time-to-time additional competition has lowered occupancy levels and rental revenue of our properties in specific markets. Aggressive price discounting measures by our competitors (i.e. a price war) can have a significantly negative impact on our property operating revenue from activities at affected properties. Also, increased pricing transparency because of the increasing prevalence of online pricing, may increase pricing pressure in our markets.

The industry of self storage is very fragmented across Europe. The presence of Shurgard in seven different markets dilutes the price risk. Moreover, no individual operator competes with Shurgard in all markets in which we operate.

Shurgard's pricing model has proven resilient versus local market conditions. Shurgard also actively monitors prices of competitors. Price fluctuations are continuously reviewed, discussed, and reported.

Competition for Suitable Properties

Shurgard primarily operates in capital and major cities, where undeveloped or available sites are generally in short supply and where real estate prices have historically been at a premium. As a result, there is generally a limited number of prime sites available for new self-storage properties, and competition for these sites can be intense and may constrain our growth. At times of economic growth, this competition can lead to significant inflation of property prices. This can contribute to higher purchase prices or rents for prime properties, or result in the selection of less suitable properties, either of which could result in a material adverse effect on our business, financial condition, and results of operations.

We can leverage on an increased and experienced Development team dispersed across our markets and on an adjustable development strategy. Thanks to our efficient and scalable operating platform, as well as the limited building requirements to operate a self-storage property, we can consider a wide range of opportunities, including buildings requiring a conversion or buildings that might appear be too small for competition.

Compliance Risks

We must operate our properties in compliance with numerous building codes and regulations and other land-use regulations. These include fire and Health and Safety regulations, labor codes, building codes, data privacy and other regulatory requirements. Failure to comply with the applicable regulations could result in the imposition of substantial fines or require us to incur significant additional costs, or to limit or cease part of our operations. This could have a material adverse effect on our business, financial condition, and results of operations.

We are subject to several laws and strive to comply with all applicable laws and regulations. However, it is possible that such requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or our practices.

We are subject from time to time to disputes with tax or other governmental or regulatory bodies. We may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise). Any such resolution could involve the payment of damages or expenses by us, which may be significant. In addition, any such resolution could involve our agreement to terms that restrict the operation of our business.

As we are a publicly listed company, we also must comply with a large amount of ongoing reporting and disclosure requirements. Any failure in meeting these requirements could result in significant penalty fees.

Shurgard is committed to conduct business with respect to laws and its values. Our Business Code of conduct is a guidebook for putting these values into practice. This Code applies to every Shurgard employee in all countries where Shurgard is present.
We continuously communicate, train and review compliance with our Health and Safety standards. Employee awareness is high in this area.

We seek legal and tax advice from our local lawyers and tax advisors. When needed, specific projects are set up to address the implementation of regulatory requirements. Training is provided to our new and existing employees on applicable and new regulations included in company policies.

As part of their audits, Internal Audit assesses compliance with applicable laws and regulations, including Health and Safety, fire, building permits and data privacy.

Legislation Changes

We operate our business and our properties in compliance with laws, regulations or government policies which may be adopted or changed from time to time. These include laws and regulations relating to Health and Safety and environmental compliance, numerous building codes and regulations, other land-use regulations, labor codes and other regulatory requirements. Changes in such laws and regulations may increase the costs of complying with these provisions, increase construction, operating and maintenance costs, increase liabilities or lower the value of our properties.

The regulatory regimes might also evolve, including in relation to data privacy and our ability to share customer data within our organization. This could result in a material adverse effect on our future business, financial condition, and results of operations.

New regulations might develop in the United Kingdom because of a change in its relationship with the European Union.

Legislation changes are actively monitored by our legal team and external lawyers in our local markets. Our policies and procedures are updated accordingly to reflect applicable legislative updates and employees are regularly trained. When needed, specific projects are set up to address the implementation of new regulatory requirements.

Tax Increases

Taxes and levies are or might be increasing in our operating markets, beyond Shurgard's direct span of control. We might not be able or not willing to pass on the higher taxes to our customers. As a result, our earnings might be adversely impacted during periods immediately following such increases.

We are advised by external consultants for the review of all applicable taxes. We regularly monitor actual changes in tax legislation with the support of our tax advisers to understand and mitigate the impact. We evaluate tax changes against the projected demand in the relevant markets, in order to anticipate the effect on our earnings and decide on whether we should and can adjust our prices accordingly.

When changes apply, our policies and procedures are updated accordingly, and training is provided to relevant employees.

Acquisitions

One aspect of our growth strategy includes acquiring and integrating acquisitions of properties, either as individual sites or existing businesses. Demand for storage services at an acquired site may not be as strong as we had projected prior to the acquisition. We may fail to realize the occupancy levels or rental rates that were expected, either at the levels or within the timeframe anticipated. We may also experience stabilization of rental and occupancy rates of acquired properties that differs from our expectations. The costs of achieving and maintaining high occupancy levels and rental rates at acquired sites may be higher than expected.
The integration of newly acquired properties could also result in unanticipated operating costs and exposure to undisclosed or previously unknown potential liabilities, such as liabilities for clean-up of undisclosed environmental contamination, claims by persons dealing with the former owners of the properties and claims for indemnification by general partners, directors, officers, and others indemnified by the former owners of the properties. If we fail to successfully integrate any acquired sites, or if doing so requires investments beyond budgeted amounts or other liabilities, it could have a material adverse effect on our business, financial condition, and results of operations.
Finally, we may face significant competition from other real estate investors to acquire suitable properties, which might prevent Shurgard from acquiring as many properties as it intends.

Management has an established and clear strategy for targeting and acquiring properties in our markets. Thorough due diligence is conducted and detailed analysis is undertaken with the support of external experts prior to deciding on property investment and development. This includes amongst other an in-depth review of the potential revenue and risk coverage in purchase agreements through disclosure requirement, warranties, escrow and external insurance, if necessary. Projects are not pursued when they fail to meet the required investment criteria.

Integration of acquired properties follows a standard process with the involvement of cross-departmental specialists.

Performance of individual properties is benchmarked against target returns and post-investment reviews are undertaken.

Shurgard Trademarks and Logos

We believe that the Shurgard brand is a critical marketing tool, and we use a variety of channels to increase customer awareness of our name, including highly visible store locations, site signage and architectural features. However, we do not own the trademarks for the Shurgard name and the Shurgard logos, which are held by Public Storage. Certain standards of quality must be met and there are certain restrictions on the use of any other trademarks. We pay Public Storage monthly fees of 1.0% of the Group's gross revenues for the right to use the trademarks.

The Relationship Agreement will terminate after 75 years or earlier if we do not extend the license after each 25-year term. We would then be required to purchase the ownership rights to the trademarks in the jurisdictions covered by the license. Public Storage may terminate the Relationship Agreement if we fail to make payments or if we are in material breach of the agreement. If this happens, we will no longer be able to use the Shurgard trademarks, which would materially adversely affect our ability to run our business. We are also responsible for all costs and expenses in relation to the filing, registration, and defense of the trademarks within the territories covered by the license. If we fail to protect the trademarks against infringement or misappropriation, our competitive position could suffer, and we could suffer a decrease in demand for storage units, which could materially adversely affect our results of operations.

We have a license agreement with Public Storage (the "Relationship Agreement") stating that Public Storage owns the rights to the Shurgard name and licenses these rights to us in a number of European countries for a fixed term of 25 years from the date of Shurgard's admission to trading on a regulated market. This term can be extended for two consecutive 25-year periods. Following the initial 25-year period Shurgard may elect to purchase the ownership rights to the trademarks. Public Storage may not terminate the Relationship Agreement except for certain specific situations.

Public Storage and Shurgard management are in regular contact regarding the use of the trademarks.

Access to Capital Market

We may face risks in relation to financing future development, redevelopment, or acquisition activities. Our ability to undertake future investments may depend on our ability to arrange necessary (or desired) financing, and we may not have access to capital markets or sufficient availability under existing or future credit facilities when such opportunities arise. As a result, we may be unable to finance future acquisition activity, on favorable terms or at all. If financing is available, but only on unfavorable terms (i.e., only expensive lending options available), this could have a significant impact on our interest expense, impose additional or more restrictive covenants or reduce cash available for distribution or for other investments in the business. We could also be restrained from raising significant debt for future acquisition activity due to covenants in our existing debt agreements.

Also, significant systemic political, economic, or financial crises or sustained periods of slow growth may restrict our ability to access the capital markets and generate sufficient financing due to cautious investor attitudes.

We also face risks related to the outstanding U.S. Private Placement Notes and the €250 million revolving credit facility. Under the terms of these financings, we may not incur financial indebtedness unless it is incurred in certain permitted circumstances. Additionally, we are subject to certain customary affirmative, financial and negative covenants, which could affect, limit, or prohibit our ability to undertake certain activities. These include limitations on mergers, changes of business, disposal of assets and certain specific acquisitions and joint ventures.

A clear financial strategy is in place for the coming years. This strategy is based on the underlying principle that Shurgard's financial position should allow the execution of our strategy, independent of the capital market conditions, i.e., should enable Shurgard to have access to funding at any point in time. Funding requirements for investments and timing for commitments are reviewed regularly. Shurgard manages liquidity in accordance with Board approved policies designed to ensure that the Group has adequate funds for its ongoing needs.

Our LTV is low and our debts could be mostly repaid with cash flow.

Financial covenants are either tested quarterly or semi-annually. We do not currently believe there is a risk of our breaching any of the covenants contained in those financings.

Currency Exchange Movements

We publish our financial statements in euros as we conduct a significant portion of our business in euros. However, we record revenue, expenses, assets and liabilities in a number of different currencies other than the euro, specifically, the UK Pound Sterling, the Swedish Krona and the Danish Krone. As of December 31, 2022, 59.8% of our assets were denominated in euros, while 21.8%, 13.9% and 4.5% were denominated in UK Pound Sterling, Swedish Krona and Danish Krone, respectively. Assets and liabilities denominated in local currencies are translated into euros at exchange rates prevailing at the balance sheet date, and revenues and expenses are translated at average exchange rates over the relevant period. Fluctuations in the exchange rate of the euro versus these other currencies will affect the amount of these items in our consolidated financial statements, even if their value remains unchanged in their original currency.

When deemed appropriate, we seek to mitigate the risk and exposure through natural hedging, investing in assets whose performance is inherently negatively correlated to the exposed balance.

We also review our outstanding intercompany debts & receivables on a continuous basis and adjust to minimize impact.

Cyber Security

An increasing proportion of our business operations is conducted over the internet, increasing the risk of viruses that could cause system failures and disruption of operations. Experienced computer programmers may be able to penetrate our network security and misappropriate our confidential information, create system disruptions, or cause shutdowns. Cyber incidents could also cause disruption and impact our operations, which could require substantial restoration costs or investment in new systems to protect against future cyber incidents.

In the ordinary course of our business, we collect and may store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our customers and employees.

Our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost, or stolen.
Any network interruptions or problems with our websites that could prevent customers from accessing our website could have a negative impact on potential new rentals or damage our brand and reputation.

Security measures are in place, including securing our systems and applications, designing, and implementing an IT control framework, maintaining policies on the handling of customer information, conducting awareness training programs for our employees, regularly reviewing assessments of the effectiveness of controls, and maintaining a security committee that regularly meets to discuss and review cyber security related matters.

We have established and tested business continuity and disaster recovery plans. Our environment is regularly reviewed by external and internal specialists in respect of cyber security. We have dedicated monitoring in place.

Cyber Risk Insurance is in place covering data breaches. We minimize the retention of customer and employee data in accordance with GDPR best practice.

Recruitment and Personnel Leakage

We depend in significant part on the contribution of our Management team who make significant contributions to our strategy and operations. In addition, our ability to continue to identify and develop properties depends on Management team’s knowledge and expertise in the property market. There is no guarantee that any member of the Management team will remain employed with us. The failure to retain these individuals in key management positions could have a material adverse effect on our business.

We also depend on our store personnel responsible for the management and operation of our properties. Our store managers’ customer service, marketing skills and knowledge of local market demand and competitive dynamics are significant contributing factors to our ability to maximize customer satisfaction and rental, insurance, and ancillary revenue. Difficulties in hiring, training, and retaining skilled store personnel may adversely affect our occupancy and rental revenues.

We may face risks related to relations with our employees. Across our network, turnover of our personnel in recent years has been approximately 39% per year, which has historically been moderately higher in certain markets from year to year.

Our Employee Engagement campaign stimulates Internal Mobility, benchmarks competitive compensation & benefits, and training in the Shurgard Academy. We are supported by external recruitment agencies to find the right talents.
Our employer branding "we believe in you" is in place on social media.

We implemented employee development plans and succession planning at our Support Center and in our Operations.

Long Term Incentive plans are in place to incentivize employees to continue working for Shurgard.

Public Relations

As a listed company, Shurgard is a transparent company for its investors. It is a legal requirement with potential significant impacts of the price share and the placing on the market of Shurgard's shares. The group shall also be reactive regarding its public relations (PR), in case of any event.

Our company is exposed to risks of serious incidents materially affecting our customers, people, financial performance and hence our brand and reputation. The main risks could be: failure to quickly response to PR issues, public communication and response plan, monitoring of news media, negative press on/from competitors affecting the Company's image.

Our Investors Relations is supported by external advisors to communicate with investors and the market. Investor Relations and the executive team conduct every year a roadshow to meet investors and to promote good communication on the Group. We maintain regular communication with our key stakeholders, customers, employees, shareholders, and debt providers.

Our management team is supported by PR agencies which monitors news media and the Group set up a communication plan to address the main risks it is facing. The management team follows regular media training.

Finally, the Group is part of the professional associations of the self-storage industry, in the markets where we operate. It allows the Group to have a global consideration of the market, to exchange good practices with peers and to have, when needed, a global response to the challenges faced by the self-storage industry.

Property Damage

We face risks relating to potential catastrophic property damage due to fires or other disasters. Any catastrophic events that cause significant property damage or affect the areas where a store operates could limit our ability to continue operations at a store, or in a portion of a store, after such an event, while restoration or rebuilding works are undertaken. Property damage could be caused by a variety of factors, including external events such as natural disasters, earthquakes, hurricanes, or other severe weather events. Property damage could also be caused by catastrophic events inside a store, such as power outages, fires, flooding, plumbing problems, or other issues, such as infestation. Moreover, our properties can be damaged or destroyed by acts of violence, civil unrest or terrorist attacks or accidents, including accidents linked to the goods stored.

We are also subject to potential liability relating to damage to customer goods. Such damage can arise from a variety of factors, such as fire, flooding, pest infestations and moisture infiltration, which can result in mold or other damage to our customers' property, as well as potential health concerns. Although we maintain reasonable liability cover where possible, certain types of losses may be either uninsurable or not economically insurable in some countries, such as losses due to hurricanes, tornadoes, riots, acts of war or terrorism. In such circumstances, we would remain liable for any debt or other financial obligation related to that property. Our business, financial condition and results of operations could be materially and adversely affected in such circumstances.

Business continuity plans are in place and tested regularly. Our system backups are at offsite locations and we have remote working capabilities.
During store audits, we review and assess risks related to potential natural disasters, Health and Safety, building, and facilities. This also includes a specific focus on fire prevention and safety procedures. As a result of audits, we enhance the existing compliant aspects of buildings and processes. Fire risk assessments are done as part of all new store developments.

Our terms and conditions define what customers can and cannot do with their unit. Additionally, every customer must sign an insurance contract or prove that the customer's goods are adequately covered by personal insurance. Our staff is continuously training on respect of all operational procedures, including Health and Safety, and fire.

The Group manages its insurable risks relating to property damage, business interruption ("PDBI") and customer goods-related claims through a combination of self-insurance and commercial insurance coverage. For this, the Group uses a reinsurance undertaking.

All our stores are equipped and monitored by fire alarms, instruction alarms and CCTV. Store access is secured by a new access system implemented in 2022 and Q1 2023.

We have a Crisis Management Plan designed to be used if necessary.

Constructions and Developments

We consider strategic acquisitions of existing properties and sites for development, as well as redevelopment and remix activities at specific properties in our network, to be a significant part of our growth strategy. Our redevelopment activities often entail significant building works at an existing site, requiring material levels of investment and, at times, severe disruption to ongoing operations.

We undertake many of our development activities through service contracts where specific builders and other personnel tender for particular roles in the construction process, rather than comprehensive design-and-build agreements. Construction delays due to adverse weather conditions, unforeseen site conditions, personnel problems, or cost overruns could prevent us from commencing operations at these locations on the timing or scale anticipated at the time we commenced development activities. If we experience significant cost increases after acquiring or commencing construction at a particular site, we could be required to alter, or in severe circumstances, curtail development plans. In future periods, construction costs may also increase due to increases in the cost of local contractors, in high demand markets, as well as changes in the cost of raw materials, whether due to market forces or other events, such as changes in tariff regimes or trade policy.

Other risks arising from developing new properties may arise from any unfamiliarity with local development regulations or delays in obtaining construction permits or risks in relation to the quality of available contractors.
However, the environmental assessments that we have undertaken might not have revealed all potential environmental liabilities. It is possible that the remedial measures subsequently prove to be inadequate, or that former owners are found not to be liable or, even in situations where they are found to be liable, they are otherwise unable to compensate us fully for such liabilities.

Our in-house development team and our professional advisers have significant experience in obtaining planning consents for self-storage sites.

We manage the construction of our properties very tightly. We work with established professional advisers and sub-contractors who have worked with us for many years to our specifications.

We obtain environmental assessment reports on the properties we acquire, develop, and operate to evaluate their environmental condition and potential environmental liability associated with them.

LUXEMBOURG TAKEOVER LAW DISCLOSURE

Shurgard Self Storage S.A. is required to make the following disclosures in compliance with article 11 of the Luxembourg Law of May 19, 2006, transposing Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004, on takeover bids (the **"Transparency Law"**):

a) Capital Structure

The Company has issued a single category of shares (ordinary shares). As of December 31, 2022, the share capital was set at €63,610,156 divided into 89,131,131 shares, with no nominal value. The share capital has been fully paid up. The shares exist in dematerialized form (titres dématérialisés) and have been issued pursuant to the Luxembourg law dated April 6, 2013 on dematerialized shares. According to Article 7.1. of the Company's Articles of Association each share is entitled to one vote. The shareholder structure as of December 31, 2022 is set out in the Share Capital section of this management report.

b) Restrictions on the transfer of securities

The Shurgard shares are freely transferable in accordance with the legal requirements for dematerialized shares. The Board of Directors may, however, impose transfer restrictions for shares that are registered, listed and admitted to trading, quoted, dealt in or have been placed in certain jurisdictions in compliance with the requirements applicable therein. The transfer of a dematerialized share occurs by book-entry.

c) Direct and indirect shareholdings

The ownership in the Company by each shareholder who is known to be the (direct or indirect) holder of shares of the Company representing 5% or more of the Company's voting rights is set out in the Share Capital section of this management report.

d) Special control rights

All the issued and outstanding ordinary shares in the Company have equal voting rights and there are no special control rights attached to the ordinary shares. As per article 7.1 of the Articles of Association of the Company each share is entitled to one vote.

e) Control system of employee share schemes

There is no system of control of any employee stock option plan where the control rights are not exercised directly by the employees.

f) Restrictions on voting rights

In general, there are no restrictions on the voting rights of the Shurgard shares. However, the sanction of suspension of voting rights automatically applies to any shareholder (or group of shareholders) who has (or have) crossed the thresholds set out in articles 8 to 15 of the Transparency Law but have not notified the Company accordingly. The sanction of suspension of voting rights will apply until the notification has been properly made by the relevant shareholder(s).

g) Restrictions on the transfer of securities and/or voting rights provided in agreements between shareholders

The Company is not aware of any agreements between shareholders which may result in restriction on the transfer of securities and/or voting rights.

h) Appointment / replacement of Board members and Amendments of the Articles of Association

According to Articles 9.1 to 9.3 of our Articles of Association, the Company shall be managed by a Board of Directors. Each Director will be appointed by the General Meeting. The General Meeting shall determine the number of Directors, and the duration of their mandate is set at one year. Each Director is eligible for re-appointment and may be removed at any time, with or without cause by a resolution of the General Meeting. In the event of a vacancy on the Board of Directors, the remaining Directors may elect by co-optation a new Director to fill such vacancy until the next General Meeting, which shall ratify such co-optation or elect a new Director instead.

An amendment of our Articles of Association must be adopted by an extraordinary resolution at a General Meeting in front of a Luxembourg public notary. A two-thirds majority of the votes cast by the shareholders present or represented is required (with a quorum of 50% upon the initial convening and no quorum upon a reconvened General Meeting). Our Articles of Association do not provide for any specific conditions that are stricter than required by Luxembourg law.

i) Powers of Board Members

According to Article 10 of our Articles of Association, the Board of Directors is vested with the broadest powers to perform all acts necessary or useful to accomplish the Company's object. All powers not expressly reserved by the Articles of Association or by applicable laws to the General Meeting or to the Auditor(s) shall be within the competence of the Board of Directors.

Authorized Capital

According to Article 6.1 of our Articles of Association, the authorized capital of the Company (including the issued share capital) was set at €95,800,729.98 divided into 134,236,856 shares (the Authorized Capital) without nominal value. According to Article 6.2 of our Articles of Association, the Board of Directors is authorized, up to the maximum amount of the Authorized Capital, to:

- increase the issued share capital in one or several tranches with or without share premium, against payment in cash or in kind, by conversion of claims on the Company or in any other manner;
- issue subscription and/or conversion rights in relation to new shares or instruments under the terms and conditions of warrants (which may be separate or linked to shares, bonds, notes or similar instruments issued by the Company), convertible bonds, notes or similar instruments;
- determine the place and date of the issue or successive issues, the issue price, the terms and conditions of the subscription of and paying up on the new shares and instruments; and
- remove or limit the statutory preferential subscription right of the shareholders.

The above authorizations are valid until September 26, 2023, which corresponds to a period ending five years after the date of the General Meeting creating the Authorized Capital. The above authorizations may be renewed, increased or reduced by a resolution of the General Meeting with a two-thirds majority of the votes cast by the shareholders present or represented (with a quorum of 50% upon the initial convening and no quorum upon a reconvened General Meeting).

The Company’s share capital was increased several times during this financial year (through the use and within the limits of the Authorized Capital) further to the exercise of certain stock options granted by the Company (the Capital Increases). Please refer to Note 21 to the consolidated financial statements of the Company for further details about such Capital Increases.

j) Change of control agreements

If a change of control occurs, each individual lender under the €250 million revolving facility entered into in 2018, may cancel its commitment by not less than a 30 days' notice and require repayment of its share in all outstanding loans. The outstanding U.S. Private Placement Notes requires us to make an offer to prepay all outstanding U.S. Private Placement Notes if, within a period of 90 days following the occurrence of a change of control, the rating assigned to the U.S. Private Placement Notes (or any other of our unsecured and unsubordinated indebtedness having an initial maturity of five years or more) immediately prior to the change of control is lowered below investment grade and/or withdrawn (or, in absence of any rated U.S. Private Placement Notes, we fail to obtain an investment grade rating of such rated debt instruments).

k) End of employment compensation

There are no agreements between the Company and its Board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

RELATED PARTY TRANSACTIONS

We are engaged in certain commercial and financial transactions with related parties. Please refer to Note 34 to the consolidated financial statements for further details.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that:

the consolidated financial statements of Shurgard presented in this Annual Report and established in conformity with International Financial Reporting Standards as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and results of Shurgard and its subsidiaries included within the consolidation taken as a whole; and the management report presented in this Annual Report includes a fair review of the position and performance, business model and strategy of Shurgard and the subsidiaries included within the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

Luxembourg, February 16, 2023

Marc Oursin
Chief Executive Officer

Jean Kreusch
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31

(in € thousands)	Notes	December 31, 2022	December 31, 2021
Real estate operating revenue	6, 11	335,290	300,375
Real estate operating expense	7, 11	(113,821)	(105,566)
Net income from real estate operations	**11**	**221,469**	**194,809**
General, administrative and other expenses	8	(22,515)	(19,440)
Of which depreciation and amortization expense	*16*	*(2,866)*	*(2,624)*
Acquisition benefit of business combinations		775	-
Royalty fee expense	34	(3,289)	(2,971)
Operating profit before property related adjustments		**196,440**	**172,398**
Valuation gain from investment property and investment property under construction	14, 15	586,181	466,575
Proceeds from property insurance recovery and loss on disposal of investment property, property, plant and equipment		-	5,717
Operating profit		**782,621**	**644,690**
Finance cost, net	9	(20,785)	(19,970)
Profit before tax		**761,836**	**624,720**
Income tax expense	10	(186,235)	(177,134)
Attributable profit for the period		**575,601**	**447,586**
Profit attributable to non-controlling interests	26	(1,317)	(738)
Profit attributable to ordinary equity holders of the parent		574,284	446,848
Earnings per share in €, attributable to ordinary equity holders of the parent:			
Basic, profit for the period	13	6.45	5.03
Diluted, profit for the period	13	6.40	5.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31

(in € thousands)	Notes	December 31, 2022	December 31, 2021
Profit for the period		**575,601**	**447,586**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Foreign currency translation reserve[1]		(85,640)	29,891
Net other comprehensive (loss) income, net of tax, that may be reclassified to profit or loss in subsequent periods		(85,640)	29,891
Net other comprehensive income (loss), net of tax, not to be reclassified to profit or loss in subsequent periods		251	(79)
Total comprehensive income for the period, net of tax		490,212	477,398
Attributable to non-controlling interests	26	(1,317)	(738)
Attributable to ordinary equity holders of the parent		488,895	476,660

1 The movement in the foreign currency translation reserve for the year ended December 31, 2022 mainly consists of translation losses incurred on translation of assets and liabilities and statements of profit and loss of our UK (€43.7 million) and Swedish (€42.0 million) operations, marginally offset by translation gains for our Danish (€0.1 million) operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31

(in € thousands)	Notes	December 31, 2022	December 31, 2021
Assets			
Non-current assets:			
Investment property	14, 15	4,469,572	3,817,235
Investment property under construction	14, 15	54,217	29,832
Property, plant and equipment	16	2,737	3,196
Intangible assets	16	6,729	5,926
Deferred tax assets	10	972	1,723
Other non-current assets	17	11,326	1,067
Total non-current assets		**4,545,553**	**3,858,979**
Current assets:			
Trade and other receivables	18	18,671	16,370
Other current assets	19	8,262	7,950
Cash and cash equivalents	20	87,345	219,170
Total current assets		**114,278**	**243,490**
Total assets		**4,659,831**	**4,102,469**
Equity and liabilities			
Equity			
Issued share capital	21, 22	63,610	61,383
Share premium	23	540,087	539,712
Share-based payment reserve	24	8,562	4,691
Distributable reserves	25	146,277	253,195
Other comprehensive loss		(138,422)	(53,033)
Retained earnings		2,240,879	1,666,595
Total equity attributable to equity holders of the parent		**2,860,993**	**2,472,543**
Non-controlling interests	26	**6,815**	**5,498**
Total equity		**2,867,808**	**2,478,041**
Non-current liabilities:			
Interest-bearing loans and borrowings	27, 29	797,980	797,579
Deferred tax liabilities	10	781,094	642,174
Lease obligations	28, 29	95,665	84,475
Other non-current liabilities	30	-	140
Total non-current liabilities		**1,674,739**	**1,524,368**
Current liabilities:			
Lease obligations	28, 29	4,157	3,893
Trade and other payables and deferred revenue	31	106,531	91,925
Income tax payable		6,596	4,242
Total current liabilities		**117,284**	**100,060**
Total liabilities		**1,792,023**	**1,624,428**
Total equity and liabilities		**4,659,831**	**4,102,469**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousands)	Notes	Issued share capital	Treasury shares[1]	Share premium	Share-based payment reserve	Distri-butable reserves	Other Compre-hensive loss[2]	Retained Earnings	Total	Non-con-trolling interests	Total equity
On January 1, 2021		**63,506**	**(6,994)**	**538,229**	**3,037**	**352,701**	**(82,845)**	**1,219,747**	**2,087,381**	**4,760**	**2,092,141**
Proceeds from issuance of equity	21,23	86	-	1,510	-	-	-	-	1,596	-	1,596
Transaction costs incurred in connection with issuance of equity	23	-	-	(27)	-	-	-	-	(27)	-	(27)
Cash dividends on ordinary shares declared and paid	25	-	-	-	-	(99,506)	-	-	(99,506)	-	(99,506)
Share-based compensation expense[3]	24,33	-	-	-	2,946	-	-	-	2,946	-	2,946
Sale of treasury shares to option holders	21,22	-	4,785	-	(1,292)	-	-	-	3,493	-	3,493
Net profit		-	-	-	-	-	-	446,848	446,848	738	447,586
Other comprehensive gain		-	-	-	-	-	29,812	-	29,812	-	29,812
On January 1, 2022		**63,592**	**(2,209)**	**539,712**	**4,691**	**253,195**	**(53,033)**	**1,666,595**	**2,472,543**	**5,498**	**2,478,041**
Proceeds from issuance of equity	21,23	18	-	398	-	-	-	-	416	-	416
Transaction costs incurred in connection with issuance of equity	23	-	-	(23)	-	-	-	-	(23)	-	(23)
Cash dividends on ordinary shares declared and paid	25	-	-	-	-	(106,918)	-	-	(106,918)	-	(106,918)
Share-based compensation expense[3]	24,33	-	-	-	4,501	-	-	-	4,501	-	4,501
Sale of treasury shares to option holders	21,22	-	2,209	-	(630)	-	-	-	1,579	-	1,579
Net profit		-	-	-	-	-	-	574,284	574,284	1,317	575,601
Other comprehensive loss		-	-	-	-	-	(85,389)	-	(85,389)	-	(85,389)
On December 31, 2022		**63,610**	**-**	**540,087**	**8,562**	**146,277**	**(138,422)**	**2,240,879**	**2,860,993**	**6,815**	**2,867,808**

1 In the Statement of Financial Position, the value of our treasury shares is deducted from issued share capital (Notes 21 and 22).
2 Other comprehensive loss as of January 1, 2022 and December 31, 2022 consists only of the foreign currency translation reserve except for a net investment hedge reserve amounting to €4.9 million.
3 Share-based compensation expense for the year ended December 31, 2022 and the year ended December 31, 2021 includes €70,795 and €168,171 in deferred tax assets, respectively.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31

(in € thousands)	Notes	December 31, 2022	December 31, 2021
Operating activities			
Profit for the period before tax		761,836	624,720
Adjustments to reconcile profit before tax to net cash flows:			
Valuation gain on investment property and investment property under construction	15	(586,181)	(466,575)
Depreciation and amortization expense	16	2,866	2,624
Share-based compensation expense	24,33	4,430	2,777
Finance cost	9	20,785	19,970
Working capital movements:			
Change in trade receivables, other current and non-current assets	11,12	(5,081)	(9,436)
Change in other current and non-current liabilities and deferred revenue	18	16,740	13,632
Income tax paid		(28,861)	(26,123)
Cash flows from operating activities		**186,534**	**161,589**
Investing activities			
Capital expenditures on investment property under construction and completed investment property	14,15	(111,261)	(81,542)
Capital expenditures on property, plant and equipment	16	(254)	(287)
Acquisition of investment properties and other assets, net	12	(76,533)	(47,346)
Proceeds from disposal of investment property, property, plant and equipment and insurance recovery proceeds		4,697	5,717
Proceeds from the termination of lease agreements	6,11	2,000	-
Acquisition of intangible assets	16	(2,654)	(1,872)
Cash flows from investing activities		**(184,005)**	**(125,330)**
Financing activities			
Proceeds from the issuance of equity	21,23	416	1,596
Payment for equity issuance costs	23	(23)	(27)
Proceeds from the issuance of Green Notes	27	-	300,000
Repayment of Series A 2014 notes issued	27	-	(100,000)
Payment for debt issuance costs	27	-	(1,491)
Repayment of principal amount of lease obligations	28,29	(4,591)	(5,770)
Cash dividends on ordinary shares paid to company's shareholders	25	(106,918)	(99,506)
Proceeds from the sales of treasury shares	22,24,33	1,580	3,493
Interest paid	27,28,29	(21,844)	(19,196)
Cash flows from financing activities		**(131,380)**	**79,099**
Net decrease in cash and cash equivalents		(128,851)	115,358
Effect of exchange rate fluctuation		(2,974)	814
Cash and cash equivalents on January 1		219,170	102,998
Cash and cash equivalents at the end of the period		**87,345**	**219,170**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. CORPORATE INFORMATION

The Group has been listed on Euronext Brussels since October 15, 2018 (ticker "SHUR").

Shurgard Self Storage S.A. (referred to collectively with its consolidated subsidiaries, as the "Group", "Company", "we", "our", or "us") is organized under the laws of the Grand Duchy of Luxembourg and has its registered office and principal place of business at 11 Rue de l'Industrie, L-8399 Windhof.

Our principal business activities are the acquisition, development and operation of self-storage facilities providing month-to-month leases for business and personal use. We also provide ancillary services at our self-storage properties consisting primarily of sales of storage products (merchandise) and protection of customers' stored goods.

As of December 31, 2022, we operate 267 self-storage stores (including one under management contract) in France, the Netherlands, the United Kingdom (UK), Sweden, Germany, Belgium, and Denmark.

BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The Company's financial statements have been prepared on a historical cost basis, except for the following:

- Investment property and investment property under construction, which are measured at fair value;
- Equity-settled share-based compensation plans, for which the share-based compensation expense is measured at fair value; and
- Defined benefit pension plans, for which the assets are measured at fair value. Pension plan liabilities are measured according to the projected unit credit method.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand, except where otherwise indicated.

The war in Ukraine does not have an impact on the financial statements.

The financial statements were authorized for issue by the Board of Directors on February 16, 2023. The Board of Directors has the power to amend and reissue the financial statements.

SIGNIFICANT EVENTS AND TRANSACTIONS

Events and/or transactions significant to an understanding of the changes since December 31, 2021 have been included in the Notes of these consolidated financial statements and mainly relate to:

- On April 8, 2022, the Group entered into a sale-and-leaseback transaction with the City of Rotterdam relating to one property in the Netherlands, which did not result in the recognition of any gain or loss. At the same time, the Group acquired a new plot of land for the construction of a replacement store. The parties agreed that Shurgard will continue using the existing property, until the new store will be operational;
- On May 20, 2022, the Group acquired a self-storage property in the UK, adding 2,491 net rentable sqm of storage space in total to its existing owned portfolio;
- In the second quarter of 2022, the Group terminated the lease agreement for one property in Munich that we left at the end of November 2022. The termination was anticipated when acquiring Zeitlager in 2020, accommodating redevelopment plans of the owner of the property. The Group received €2.0 million compensation from the landlord when it left the property in the last quarter of 2022;
- On September 6, 2022, the Group acquired a self-storage property in the Netherlands adding 3,266 net rentable sqm of storage space in total to its existing owned portfolio;
- On November 9, 2022, the Group acquired a self-storage property in France adding 5,900 net rentable sqm of storage space in total to its existing owned portfolio;
- On November 30, 2022, the Group acquired three self-storage properties in Sweden adding 13,135 net rentable sqm of storage space in total to its existing owned portfolio;
- On December 14, 2022, the Group acquired a self-storage property in the Netherlands adding 6,768 net rentable sqm of storage space in total to its existing owned portfolio.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the 2022 consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2021, except for the adoption of amended standards effective as of January 1, 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments and interpretations apply for the first time in 2022, but do not have a material impact on the consolidated financial statements of the Company:

- Amendments to IFRS3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations;
- Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss;
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making;
- Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases;

- Amendments to IFRS 16 Leases Covid 19-Related Rent Concessions beyond June 30, 2021 (effective April 1, 2021), with early application permitted). The amendments extend, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. In particular, the amendment permits a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022 (rather than only payments originally due on or before June 30, 2021).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of and for the years ended December 31, 2022 and 2021. Specifically, the Group controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Company and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-company assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

PROPERTY ACQUISITIONS

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.
Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity or assets and liabilities, as well as directly attributable acquisition costs, are allocated between the identifiable assets and liabilities (of the entity) based on their relative values at the acquisition date.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with the changes in fair value recognized in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests), and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

FOREIGN CURRENCIES

The Company's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currencies used by the Company's main subsidiaries are the UK Pound Sterling, the Swedish krona and the Danish krone. The Company uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in finance cost on our consolidated statement of profit or loss, except for monetary items that are considered to be part of the Company's net investment of a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to finance cost. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency by the Company's entities are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured, by the Company's entities, at fair value in a foreign currency (e.g. investment properties) are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of such non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

SUBSIDIARIES

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The ecutive Committee and consist of Chief Executive Officer, Chief Finance Officer, Chief Operating Officer, Chief Investment Officer and General Counsel ("the Executive Committee").

INVESTMENT PROPERTY AND INVESTMENT PROPERTY UNDER CONSTRUCTION

Investment property comprises completed property and property under construction or re-development that is held to earn rentals. Property held under a lease is classified as investment property when it is held to earn rentals, rather for use in production or administrative functions.

Investment property is initially measured at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in valuation gain and loss from investment property and investment property under construction on our consolidated statement of profit and loss in the period in which they arise, including the corresponding tax effect.

Transfers are made to (or from) investment property only when there is a change in use which can be evidenced, for example with the commencement or end of owner-occupation.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

LEASES

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

COMPANY AS A LESSEE

The Company leases various plots of land, self-storage facilities, equipment and company cars. Certain contracts may contain both lease and non-lease components. The Group elected to apply the practical expedient of IFRS 16 to not separate lease and non-lease components and thus accounts for these as a single lease component.

Leases are recognized as a right-of-use asset, representing the right to use the underlying asset, and a corresponding liability to make lease payments at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured at the present value of the lease payments to be made over the lease term.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments: the Company is exposed in all countries it operates to potential future increases in variable lease payments based on an index or rate which are not included in the lease liability until they take effect; when adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate ("IBR") is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine IBR for leases denominated the various functional currencies, we are using relevant swap rates increased by a credit spread to reflect the incremental borrowing rate for such an asset, taking into account the payment pattern applicable under the leases. This credit spread is based on the credit spreads observed on retail mortgage market and is adjusted for LTV and non-commercial character of the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Except for investment property held by the Company as a right-of-use asset, right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

For leased investment properties, IAS 40.50(d) requires recognizing both the fair value of the property, as obtained by the external valuation expert, as well as the right-of-use assets (see Note 15), as the cash flows relating to the lease liability have also been considered when estimating the fair value of the investment property and would otherwise be included twice in the financial statements. This add-back avoids thus a double-counting of the same liability in the financial statements.

Payments associated with short-term leases and all leases of low value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

COMPANY AS A LESSOR

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. We refer to the accounting policy on revenue recognition for further information on the accounting policies on rental income.

PROPERTY, PLANT AND EQUIPMENT

Our property, plant and equipment mainly consist of building improvements and office equipment in use at the local head offices in the countries in which we operate. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant and equipment is depreciated on a straight-line basis over its estimated economic useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

When there is an impairment indicator, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

INTANGIBLE ASSETS

The Company's intangible assets mainly consist of internally developed computer software. Software development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the criteria, as defined in IAS 38, are met.

Capitalized software development costs are recorded as intangible assets and amortized on a straight-line basis over their economic useful lives (of three to five years) from the moment at which the asset is ready for use.

Costs associated with maintaining software programs are recognized as an expense as incurred.

Research expenditure and development expenditure that do not meet the criteria for capitalization above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

BORROWINGS

All borrowings are initially recognized at fair value less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest method.

Borrowings are derecognized when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

BORROWING COSTS

General borrowing costs attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings. Interest is capitalized as from the commencement of the development work until the date of practical completion, i.e., when substantially all the development work is completed. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and cash equivalents with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

RENT AND OTHER RECEIVABLES

Rent and other receivables are recognized at their original invoiced value except where the time value of money is material, in which case receivables are recognized at fair value and subsequently measured at amortized cost and are subject to impairment. For rent and other receivables, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

REVENUE RECOGNITION

The Company is in the business of operating self-storage facilities providing month-to-month rental agreements for business and personal use in scope of IFRS 16. We also provide ancillary services at our self-storage facilities consisting primarily of sales of storage products (included in "Ancillary revenue") and protection of customers' stored goods (referred to as "Insurance revenue").

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Group concluded that it is the principal in all of its revenue arrangements, because it controls the goods or services before transferring them to the customer.

RENTAL INCOME

In the rental agreements with its customers, the Company is acting as the lessor in operating lease agreement. Rental income arising from such operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognized when it arises. Generally, the Group requires advance payments from new contracts (customers), and the proceeds received are deferred on the balance sheet under the caption "Deferred rent".

Initial direct costs incurred in negotiating and arranging an operating lease are recognized as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancelable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, management is reasonably certain that the tenant will exercise that option. Typically, this has been assessed to be one month.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the statement of profit or loss when the right to receive them arises.

INSURANCE REVENUE

Revenue from insurance is recognized on a straight-line basis over the period that a customer occupies its storage unit.

SERVICE CHARGES, MANAGEMENT CHARGES AND OTHER EXPENSES RECOVERABLE FROM TENANTS

Income arising from expenses recharged to tenants is recognized in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in real estate operating revenue gross of the related costs, as management considers that the Company acts as principal in this respect.

EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Bonuses received by company employees and management are based on pre-defined Company and individual target achievements. The estimated amount of the bonus is recognized as an expense over the period the bonus is earned.

PENSION BENEFITS

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and has no legal or constructive obligation to pay further contributions regardless of the performance of the funds held to satisfy future benefit payments. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has defined contribution plans in various countries in which it operates, whereby contributions by the Company are charged to real estate operating expense and general, administrative and other expenses in our consolidated statement of profit and loss in the period in which services are rendered by the covered employees.

The defined contribution plans in Belgium include a legally guaranteed minimum return, which has to be provided by the Group (based on the so-called "Law Vandenbroucke"). The external insurance company that receives and manages all plan contributions does also provide a different return guarantee, which may be higher (still the case for the majority of contributions paid) or lower than the one that has to be provided by the Group. Therefore, these plans also have defined benefit plan features, as the Group is exposed to the investment and funding risk relating to the difference in returns, if any.

For these plans, the projected unit credit method has been used as the actuarial technique to measure the defined benefit obligation, calculated by independent actuaries.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when it can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

SHARE-BASED COMPENSATION

The Group operates various equity-settled share-based compensation plans, under which the Company receives services from employees and senior executives as consideration for equity instruments (options) of the Group.

The cost of equity-settled compensation plans is determined by the fair value at the grant date of the awards using the Black-Scholes model. The cost is recognized, together with a corresponding increase in retained earnings in equity, over the period in which the service conditions are fulfilled (the vesting period).
The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as of the beginning and end of that period and is recognized in general administrative and other expenses. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

INCOME TAX

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI. Interest and penalties related to income taxes, including uncertain tax treatments, can be accounted for under IAS 12 Income taxes or under IAS 37 Provisions, Contingent Liabilities and Contingent Assets depending on the specific nature of the particular interest and penalties and whether the relevant law considered these interest and penalties as income taxes.

CURRENT INCOME TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

DEFERRED TAX

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax basis used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences and tax losses carried forward can be utilized.

Deferred tax assets and liabilities are not recognized when the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

For taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements:

- Deferred tax liabilities are not recognized when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The measurement of deferred tax reflects the tax consequences that would follow from the manner, in which the Group expects, at the reporting date, to recover or settle the carrying amount of assets and liabilities, at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group concluded that its investment properties are held with the objective to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale, which is reflected in the measurement of deferred tax assets and liabilities.

EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- The profit attributable to equity holders of the Company by;
- The weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (including outstanding share options).

FAIR VALUE MEASUREMENTS

The Group measures investment property and investment property under construction at fair value. Fair value related disclosures for items measured at fair value or where fair values are disclosed, are summarized in Notes 14 and 15: Investment property and investment property under construction.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer, the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy (described as follows), based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements in conformity with IFRS requires us to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and inherently contain some degree of uncertainty. These estimates are based on experience and assumptions the Group believes to be reasonable under the circumstances. This uncertainty could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

In preparing the Consolidated Financial Statements, we considered the impact of climate change (both physical and transition risks) on our financial statements, in particular in connection with a possible impact on estimates and assumptions applied. For example, climate change, including associated regulations, could impact the useful life, residual value and / or repair and maintenance expectations relating to our assets or require additional investments in connection with climate change adaption or mitigation. Further, the fair value of our properties may at one point be affected by climate events, the costs involved by the transition to a low carbon economy or changes to legislation and regulation. In addition, our insurance contract liabilities include assumptions on the frequency of claims and loss ratios. Climate risk, and specifically floods, can affect the frequency or magnitude of insured events and have in turn an impact on the claim charges or insurance liabilities. Governments in the countries we operated may enact climate-related changes to tax legislations (e.g. restriction on cost deductibility or penalties), which might negatively impact our ability to generate profits. Finally, our short-term incentive plans of the management team incorporates sustainability targets, which might impact strategic decisions taken by the company.

Shurgard's ESG strategy and internal processes aim at considering and addressing the impact climate change might have on our financial statements. Currently, we have not identified any material impact that would require specific disclosure beyond what has been disclosed in our ESG reporting. Currently, we have not identified any material impact that would require specific disclosure.

The areas involving significant estimates or judgements are:

ASSET ACQUISITIONS AND BUSINESS COMBINATIONS (NOTE 12)

- From time to time**,** the Group acquires entities that own real estate. At the time of acquisition, the Company considers whether such a transaction represents the acquisition of a business or the acquisition of an asset (a group of assets) for IFRS purposes. The Company accounts for an acquisition as a business combination when the integrated set which includes the property contains processes that have the ability to create output (mainly in the form of rental income). Judgement is required to make this determination and the Group applies the guidance included in IFRS 3 (as amendment) to supports its judgement;
- When the acquisition does not represent a business combination, it is accounted for as an acquisition of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax (see Note 3 above) is recognized.

FAIR VALUE OF INVESTMENT PROPERTY AND INVESTMENT PROPERTY UNDER CONSTRUCTION (NOTE 15)

- The fair value of investment property and investment property under construction is determined by external real estate valuation experts using recognized valuation techniques and the principles of IFRS 13 Fair Value Measurement. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in Note 15.

Other disclosures relating to the Company's exposure to risks and uncertainties include:

- Note 35: Financial risk management objectives and policies;
- Note 36: Capital management.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The most significant new and amended standards and interpretations that are issued, have been endorsed by the European Union, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective:

- Amendments to IAS 1 - Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective January 1, 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The IAS 1 amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. To support this amendment, the Board also amended IFRS Practice Statement 2, "Making Materiality Judgements", to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted (subject to any local endorsement process);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective January 1, 2023). The amendment to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted (subject to any local endorsement process);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective January 1, 2023). The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change in the amendments is an exemption from the initial recognition exemption of IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

- IFRS 17 Insurance Contracts: In 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required;
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective January 1, 2023). The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 1The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning January 1, 2022 and have not been endorsed by the European Union:

- Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as current or non-current" (effective January 1, 2023), affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

  Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least 12 months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

  Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  Clarify how conditions with which an entity must comply within 12 months after the reporting period, such as covenants, affect the corresponding liability's classification.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective January 1, 2024). The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction, specifically where some or all the lease payments are variable lease payments that do not depend on an index or rate. They state that, in subsequently measuring the lease liability, the seller-lessee determines "lease payments" and "revised lease payments" in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognized when they occur as these relate to the right of use terminated and not the right of use retained.

The Group is currently in the process of assessing the impact, if any, on its consolidated financial statements. Shurgard intends to adopt these pronouncements when they become effective, but currently does not expect any of them to have material impact.

6. REAL ESTATE OPERATING REVENUE

(in € thousands)	December 31, 2022	December 31, 2021
Rental revenue	289,380	258,626
Insurance revenue	32,075	30,282
Ancillary revenue[1]	11,594	11,038
Property operating revenue	**333,049**	**299,946**
Other revenue[2]	2,241	429
Real estate operating revenue	**335,290**	**300,375**

1 Ancillary revenue consists of merchandise sales and other revenue from real estate operations.
2 Other revenue mainly consists of management fee revenue and other, non-recurring, income resulting from operations.
For the year ended December 31, 2022, other revenue includes a €2.0 million compensation we received from the landlord of one of our German properties under leasehold that we abandoned at the end of November 2022.

7. REAL ESTATE OPERATING EXPENSE

Real estate operating expense of investment property which generates property operating revenue consists of the following:

(in € thousands)	December 31, 2022	December 31, 2021
Payroll expense	42,151	41,418
Real estate and other taxes	16,834	15,918
Repairs and maintenance	10,913	9,886
Marketing expense	9,162	8,258
Utility expense	3,574	3,754
Doubtful debt expense	5,088	3,397
Cost of insurance and merchandise sales	5,289	5,409
Other operating expenses[1]	20,810	17,526
Real estate operating expense	**113,821**	**105,566**

1 Other operating expenses mainly include: travel expenses, legal and consultancy fees, insurance expenses, non-deductible VAT, information system expenses and property lease expense.

8. GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

General, administrative and other expenses for the periods concerned consists of the following:

(in € thousands)	December 31, 2022	December 31, 2021
Payroll expense	11,982	9,231
Share-based compensation expense	3,899	3,804
Capitalization of internal time spent on development of investment property	(3,831)	(2,254)
Depreciation and amortization expense	2,866	2,624
Other general and administrative expenses, net[1]	7,599	6,035
General, administrative and other expenses	**22,515**	**19,440**

1 Other general and administrative expenses, net, mainly include legal, consultancy and audit fees and non-deductible VAT. During 2021, we recovered €0.8 million from the insurance company in connection with fire incidents. The remaining €0.8 million net increase mainly consists of €0.6 million abandoned project and lease termination cost.

9. FINANCE COST, NET

Finance cost comprises the following:

(in € thousands)	December 31, 2022	December 31, 2021
Interest on revolving syndicated loan facility	500	496
Interest on senior guaranteed notes	18,714	18,140
Interest on lease obligations	2,852	2,448
Capitalized borrowing costs[1]	(1,316)	(1,722)
Other interest (income) expense	(54)	623
Net interest expense	**20,696**	**19,985**
Foreign exchange loss (gain)	89	(15)
Finance cost	**20,785**	**19,970**

1 The capitalization rate of the borrowing costs was on average 2.34% and 2.71% in 2022 and 2021, respectively. We primarily capitalize these borrowing costs as investment property under construction (Note 14).

10. INCOME TAX

INCOME TAX EXPENSE

(in € thousands)	December 31, 2022	December 31, 2021
Current tax expense	30,311	26,019
Deferred tax expense	155,924	151,115
Income tax expense	**186,235**	**177,134**
Profit before tax	**761,836**	**624,720**
Effective tax rate[1]	**24.4%**	**28.3%**

1 The average effective current income tax rates based on adjusted EPRA earnings before tax are disclosed in the Appendix on Alternative Performance Measures.

Tax expenses have been calculated in accordance with local and international tax laws. The tax expense on the Group's consolidated profit (loss) before tax differs from the theoretical amount that would arise using the domestic rate in each individual jurisdiction (on the pretax profits/losses) of the consolidated companies as follows:

(in € thousands)	December 31, 2022	%	December 31, 2021	%
Profit before tax	761,836		624,720	
Expected tax based on local tax rates	179,231	23.5	146,131	23.4
Disallowed expenses	1,255	0.2	1,216	0.2
Non-taxable income (incl. notional interest deduction)	(84)	0.0	(464)	-0.1
Non recognition of deferred tax assets on current year tax losses	4,285	0.5	2,489	0.4
Prior year adjustments and other changes to the deferred tax balances	(10,043)	-1.3	(3,081)	-0.5
Impact of changes to substantively enacted tax rates	11,581	1.5	30,750	4.9
Other	10	0.0	93	0.0
Tax expense for the year	186,235	24.4	177,134	28.3

The theoretical tax expenses based on the domestic rates applicable to the different Group entities decreased compared to prior year mainly as a result of reductions in corporate income tax rates in France in 2022.

"Prior year adjustments and other changes to deferred tax balances" relate to events in the current reporting period and reflects the effect of changes in rules, facts or other factors compared with those used in establishing the current or deferred tax position in prior periods. For 2022, these adjustments reside mainly in the United Kingdom (€8.7 million) and France (€1.1 million). For 2021, they mainly concerned the United Kingdom (€0.9 million), the Netherlands (€0.8 million) and France (€0.8 million).

DEFERRED TAXES

The movement in deferred tax assets and liabilities during the year ended December 31, 2021 is as follows:

(in € thousands)	January 1, 2021	(Charged)/ credited to the statement of profit or loss	Charged to other comprehensive income	Credited to equity	December 31, 2021
Deferred tax assets:					
Tax loss carry-forwards	8,872	(2,157)	45	-	6,760
Deductible temporary differences	1,387	(574)	4	-	817
Total Deferred tax assets	**10,259**	**(2,731)**	**49**	**-**	**7,577**
Deferred tax liabilities:					
Investment property	(495,009)	(148,668)	(3,393)	-	(647,070)
Other taxable temporary differences[1]	(1,410)	284	-	168	(958)
Total Deferred tax liabilities	**(496,419)**	**(148,384)**	**(3,393)**	**168**	**(648,028)**
Total Deferred Tax Asset/(Liabilities)	**(486,160)**	**(151,115)**	**(3,344)**	**168**	**(640,451)**
Reflected in our statement of financial position as follows:					
Deferred tax assets	**1,787**	**-**	**-**	**-**	**1,723**
Deferred tax liabilities	**(487,947)**	**-**	**-**	**-**	**(642,174)**

1 The amount recognized in equity relates to the share-based payment transaction which reflect the excess of the tax deductibility above the cumulative expense recognized in accordance with IFRS 2.

Net deferred tax liabilities as of December 31, 2021, amount to €640.5 million, of which €6.8 million relates to recognized tax losses carried forward and €647.1 million relates to deferred tax liabilities arisen from investment property.

Main changes impacting the deferred tax liabilities on investment property are the increase in tax rates in the United Kingdom and in the Netherlands in addition to a substantial increase of deferred tax liabilities related to our investment property, due to changes in their fair values (see Notes 14 and 15).

The movement in deferred tax assets and liabilities during the year ended December 31, 2022 is as follows:

(in € thousands)	January 1, 2022	(Charged)/ credited to the statement of profit or loss	Charged to other comprehensive income	Credited to equity	December 31, 2022
Deferred tax assets:					
Tax loss carry-forwards	6,760	(2,311)	(40)	-	4,409
Deductible temporary differences	817	3,029	(10)	-	3,836
Total Deferred tax assets	**7,577**	**718**	**(50)**	**-**	**8,245**
Deferred tax liabilities:					
Investment property	(647,070)	(155,879)	16,232	-	(786,717)
Other taxable temporary differences[1]	(958)	(763)	-	71	(1,650)
Total Deferred tax liabilities	**(648,028)**	**(156,642)**	**16,232**	**71**	**(788,367)**
Total Deferred Tax Asset/(Liabilities)	**(640,451)**	**(155,924)**	**16,182**	**71**	**(780,122)**
Reflected in our statement of financial position as follows:					
Deferred tax assets	**1,723**	**-**	**-**	**-**	**972**
Deferred tax liabilities	**(642,174)**	**-**	**-**	**-**	**(781,094)**

1 The amount recognized in equity relates to the share-based payment transaction which reflect the excess of the tax deductibility above the cumulative expense recognized in accordance with IFRS 2.

Net deferred tax liabilities as of December 31, 2022 amount to €780.1 million, of which €4.4 million relates to recognized tax losses carried forward and €786.7 million relates to deferred tax liabilities arisen from investment property.

Main changes impacting the deferred tax liabilities on investment property are a substantial increase of deferred tax liabilities related to our investment property, due to changes in their fair values (see Notes 14 and 15).

Deferred tax assets and liabilities expressed in euros were also influenced by the exchange rate variations for the EUR/GBP and the EUR/SEK conversion rates.

For the period ended December 31, 2022, the Group has tax losses carried forward of €223.4 million (prior year: €269.7 million), of which €53.4 million (prior year: €77.4 million) are subject to recapture rules. In total, €159.0 million (prior year: €192.3 million) tax losses are available indefinitely for offsetting against future taxable profits of the entities in which the losses arose. The remaining tax losses (€11.0 million) expire between 2034 and 2039.

No deferred tax assets have been recognized in respect of these losses, as currently it is not probable that sufficient recurring future taxable profits will be available in the near future against which the Group can utilize the losses.

If the Group were to recognize all unrecognized deferred tax assets, the profit would increase by €56.4 million (prior year: €52.3 million).

No deferred tax liability was recognized on the unremitted earnings of subsidiaries. Management had no intention to pay dividends or repatriate from its subsidiaries, and no tax is expected to be payable on them in the foreseeable future. If all earnings were remitted, tax of €0.8 million for the period ended December 31, 2022 would be payable.

As explained in Note 3, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The Group has therefore considered the following amendments to the tax legislation for the year ended December 31, 2022:

- The UK Finance Bill 2021 has been published on March 11, 2021. The UK corporation tax main rate will increase to 25.0% as from the financial year beginning April 1, 2023 (instead of 19.0% as from April 1, 2021). Rate increase has been confirmed at the Autumn Statement 2022 on November 17, 2022;
- On December 21, 2021, the Dutch Senate adopted the 2022 Tax Plan. The high rate of corporate income tax will become 25.8% as from January 1, 2022 (instead of 25.0% as from January 1, 2021). In addition, on December 27, 2022, the Netherlands adopted the 2023 Tax Plan. As from 2023, the first bracket of the corporate income tax, to which a rate of 15.0% applies, will be shortened to €200,000 (instead of €395,000);
- On December 30, 2022, Belgium enacted a law which temporarily increases the minimum taxable income base for companies with a taxable profit that exceeds €1.0 million via the limitation of certain tax attributes as from assessment year 2024;
- Further to the Finance Bill 2017, it was announced that the corporate income tax rate in France will be progressively reduced from corporate income tax rate of 33.3% to 26.5% over the period 2017 to 2021. Following the Finance Bill 2018, the French corporate income tax rate has been gradually reduced to 25.0% by 2022.

Accordingly, these rates have been applied in the measurement of the Group's deferred tax assets and liabilities at reporting date.

11. SEGMENT INFORMATION

For earnings from investment property, discrete financial information is provided on an operating segment basis to the CODM. The individual properties are aggregated into operating segments which are defined as the individual countries where the Company owns or leases properties and split between same store facilities and non-same store facilities.

The same store facilities segment for a given year comprises stores in operations since more than three full years as of January 1 of that year in case of self-developed properties or stores in operations for one full year as of January 1 of that year in case the properties have been acquired. The non-same store facilities segment comprises any other self-storage facilities that we operate.

The operating segments (individual countries where the Company operates properties, split between same store facilities and non-same store facilities) have been aggregated into two reportable segments which reflect the significant components of our operations. Therefore, we present our self-storage operations in two reportable segments: "the same store facilities" and "the non-same store facilities" because we believe that the individual countries exhibit similar economic characteristics and the operations are similar with respect to their main elements (e.g.: nature of products and services offered, the class of customers, the distribution method).
As of December 31, 2022, the Company operated 267 self-storage properties (255 self-storage facilities as of December 31, 2021). Based on the aforementioned criteria, 234 self-storage stores were classified as same store facilities when comparing 2022 with 2021.

Royalty fee expense, valuation gain and loss from investment property and investment property under construction, depreciation expense, acquisition costs on business combinations, general, administrative and other expenses, gain/loss on disposal of investment property and assets held for sale, finance costs and income tax expense are not reported to the CODM on a segment basis.

The CODM does not receive or review assets or liabilities on a segment basis.

The below table sets forth segment data for the year ended December 31, 2022 and 2021 based on the 2022 same store/non-same store definition:

(in € thousands)	December 31, 2022	December 31, 2021
Same store facilities	313,669	290,723
Non-same store facilities	19,380	9,223
Property operating revenue[1]	**333,049**	**299,946**
Same store facilities	210,820	191,685
Non-same store facilities	8,408	2,695
Income from property (NOI)	**219,228**	**194,380**

1 Property operating revenue from same store facilities for the years ended December 31, 2022 and 2021 includes insurance revenue, which falls under IFRS 15, of €30.0 and €29.3 million, respectively. Property operating revenue from non-same store facilities for the years ended December 31, 2022 and 2021 includes insurance revenue of €2.1 and €1.0 million, respectively.

The following reconciles Income from property, including property lease expense as presented in the above segment table, and Net income from real estate operations presented in the consolidated statement of profit and loss:

(in € thousands)	December 31, 2022	December 31, 2021
Income from property (NOI)	**219,228**	**194,380**
Add: Other revenue[1]	2,241	429
Net income from real estate operations	**221,469**	**194,809**

1 Other revenue comprises management fee revenue from self storage and other income resulting from operations.
For the year ended December 31, 2022, other revenue includes a €2.0 million compensation we received from the landlord of one of our German properties under leasehold that we abandoned at the end of November 2022.

SEGMENT INFORMATION BY COUNTRY FOR THE YEAR ENDED DECEMBER 31, 2022

(in € thousands)	France	The Netherlands	UK	Sweden	Germany	Belgium	Denmark	Total
Same store facilities	77,453	66,785	55,211	48,327	25,471	25,033	15,389	313,669
Non-same store facilities	2,142	1,933	10,683	112	4,510	-	-	19,380
Property operating revenue	**79,595**	**68,718**	**65,894**	**48,439**	**29,981**	**25,033**	**15,389**	**333,049**
Same store facilities	48,423	47,011	36,260	34,983	17,167	16,346	10,630	210,820
Non-same store facilities	341	1,202	4,950	48	1,867	-	-	8,408
Income from property	**48,764**	**48,213**	**41,210**	**35,031**	**19,034**	**16,346**	**10,630**	**219,228**
Investment property	1,040,689	894,516	980,742	641,609	426,466	277,131	208,419	4,469,572
Investment property under construction	12,164	8,630	26,104	-	7,319	-	-	54,217
Property, plant and equipment and intangible assets	480	253	78	162	234	8,251	8	9,466
Deferred tax assets	-	384	-	28	-	560	-	972
Other non-current assets[1]	705	9,819	161	33	8	584	16	11,326
Non-current assets	**1,054,038**	**913,602**	**1,007,085**	**641,832**	**434,027**	**286,526**	**208,443**	**4,545,553**

1 Other non-current assets include €9.6 million receivable from the sale of one of our Dutch properties. We will recover the amount when we vacate the building, which is estimated to occur in the first half of 2024.

SEGMENT INFORMATION BY COUNTRY FOR THE YEAR ENDED DECEMBER 31, 2021

(in € thousands)	France	The Netherlands	UK	Sweden	Germany	Belgium	Denmark	Total
Same store facilities	72,873	61,060	49,059	47,714	22,855	22,884	14,278	290,723
Non-same store facilities	565	1,124	4,212	-	3,322	-	-	9,223
Property operating revenue	**73,438**	**62,184**	**53,271**	**47,714**	**26,177**	**22,884**	**14,278**	**299,946**
Same store facilities	44,786	42,161	31,352	34,423	14,243	15,108	9,612	191,685
Non-same store facilities	(115)	701	1,205	-	904	-	-	2,695
Income from property	**44,671**	**42,862**	**32,557**	**34,423**	**15,147**	**15,108**	**9,612**	**194,380**
Non-current assets as of December 31, 2021								
Investment property	887,248	763,746	828,604	589,887	337,767	234,612	175,371	3,817,235
Investment property under construction	11,327	228	1,537	-	16,740	-	-	29,832
Property, plant and equipment and intangible assets	608	371	54	220	254	7,597	18	9,122
Deferred tax assets	-	-	-	446	393	884	-	1,723
Other non-current assets	376	86	98	10	-	485	12	1,067
Non-current assets	**899,559**	**764,431**	**830,293**	**590,563**	**355,154**	**243,578**	**175,401**	**3,858,979**

12. ACQUISITION OF PROPERTIES

2021 ACQUISITIONS

In the second half of 2021, the Group acquired four six self-storage facilities in the London area. As part of the transaction the Group assumed other net current liabilities for €0.5 million.

These acquisitions have been accounted for as acquisitions of assets, with the acquisition cost (total of €50.2 million, including €2.8 million of capitalized transaction costs) being allocated to the individual identifiable assets and liabilities (if any) based on their relative fair values at the date of purchase.

2022 ACQUISITIONS

In the first six months of 2022, the Group acquired a self-storage property in the UK.

In the second half of 2022, the Group acquired two self-storage properties in the Netherlands, one property in France, and three properties in Sweden. As part of the transaction the Group acquired other net current assets for €0.2 million.

These acquisitions have been accounted for as acquisitions of assets, with the acquisition cost (total of €80.3 million, including €3.8 million of capitalized transaction costs) being allocated to the individual identifiable assets and liabilities (if any) based on their relative fair values at the date of purchase.

13. EARNINGS PER SHARE (EPS)

The table below provides a summarized overview of the Company's Earnings per share:

(in € thousands, except for earnings per share)	December 31, 2022	December 31, 2021
Earnings per share (basic) €	6.45	5.03
Earnings per share (diluted) €	6.40	5.00

The basis of calculation of each of the above measures set out above, are illustrated below.

EARNINGS PER SHARE

The following tables reflect the income and share data used in the basic and diluted EPS computations:

(in € thousands, except for shares and earnings per share)	December 31, 2022	December 31, 2021
Profit attributable to ordinary equity holders of the parent for basic earnings	**574,285**	**446,848**
Weighted average number of ordinary shares for basic EPS[1]	89,096,132	88,838,483
Earnings per share (basic) €	**6.45**	**5.03**

1 The own shares the Company holds in treasury are excluded from the weighted average number of ordinary shares for the purpose of calculating basic and diluted EPS as they are not outstanding.

Effect of dilution:

(in € thousands, except for shares and earnings per share)	December 31, 2022	December 31, 2021
Profit attributable to ordinary equity holders of the parent for dilutive earnings	**574,285**	**446,848**
Weighted average number of ordinary shares for basic EPS	89,096,132	88,838,483
Dilutive effect from share options	610,056	560,167
Weighted average number of ordinary shares adjusted for the effect of dilution	89,706,188	89,398,650
Earnings per share (diluted) €	**6.40**	**5.00**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

14. INVESTMENT PROPERTY AND INVESTMENT PROPERTY UNDER CONSTRUCTION

The table below sets forth the movement in completed investment property and investment property under construction.

(in € thousands)	Completed investment property Level 3	Investment property ROU assets Level 3	Total completed investment property Level 3	Investment property under construction Level 3[2]	Total investment property Level 3
December 31, 2021					
As of January 1, 2021	**3,064,647**	**74,247**	**3,138,894**	**65,631**	**3,204,525**
Exchange rate differences	31,513	115	31,628	1,507	33,135
Addition of ROU assets	-	9,126	9,126	-	9,126
Remeasurement of ROU assets[1]	-	2,629	2,629	-	2,629
Transfers for new development	80,958	-	80,958	(80,958)	-
Capital expenditure[3]	27,700	-	27,700	55,564	83,264
Acquisition of investment property	47,813	-	47,813	-	47,813
Net gain (loss) of fair value adjustment	481,564	(3,077)	478,487	(11,912)	466,575
As of December 31, 2021	**3,734,195**	**83,040**	**3,817,235**	**29,832**	**3,847,067**
December 31, 2022					
As of January 1, 2022	**3,734,195**	**83,040**	**3,817,235**	**29,832**	**3,847,067**
Exchange rate differences	(98,947)	(1,726)	(100,673)	(862)	(101,535)
Addition of ROU assets[1]	-	12,001	12,001	-	12,001
Remeasurement of ROU assets[1]	-	5,455	5,455	-	5,455
Transfers for new development	51,654	-	51,654	(51,654)	-
Capital expenditure[3]	37,105	-	37,105	75,472	112,577
Acquisition of investment property[4]	76,310	-	76,310	-	76,310
Disposals[5]	(14,267)	-	(14,267)	-	(14,267)
Net gain (loss) of fair value adjustment	588,311	(3,559)	584,752	1,429	586,181
As of December 31, 2022	**4,374,361**	**95,211**	**4,469,572**	**54,217**	**4,523,789**

1 At initial recognition, the Right of Use (ROU) assets are recognized for an equal amount as the related lease liabilities.

2 In accordance with IAS 40, the Group measures its investment property under construction at cost until such time as fair value becomes reliably measurable on a continuing basis. The valuation loss of investment properties under construction, if any, results mainly from the uncertainties surrounding the assumptions on future cash flows and discount rates due to current trading uncertainties and is typically a temporary, technical valuation effect.

3 For the year ended December 31, 2021, capital expenditure includes €2.3 million capitalized internal time spent, €1.7 million capitalized interest and €2.8 million capitalized transaction costs we incurred on our acquisitions.
For the year ended December 31, 2022, capital expenditure includes €3.8 million capitalized internal time spent, €1.3 million capitalized interest and €3.8 million capitalized transaction costs we incurred on our acquisitions.

4 In 2022, we paid on aggregate €76.3 million for the acquisition of seven self-storge facilities located in UK, the Netherlands, Sweden and France. These acquisitions have been accounted for as acquisitions of assets, whereby the cost of the acquisition has been allocated to the individual identifiable assets and liabilities (if any) based on their relative fair values at the date of purchase (see Note 1 and Note 12).

5 On April 8, 2022, the Group entered into a sale-and-leaseback transaction with the City of Rotterdam relating to one property in the Netherlands, which did not result in the recognition of any gain or loss. At the same time, the Group acquired a new plot of land for the construction of a replacement store. The parties agreed that Shurgard will continue using the existing property, until the new replacement store will be operational.

Reconciliation of completed investment property and investment property under construction values calculated by our external valuer with value of completed investment property and investment property under construction disclosed for financial reporting purposes:

(in € thousands)	December 31, 2022	December 31, 2021
Market value of completed investment property and investment property under construction estimated by the external valuer	4,353,121	3,758,099
Properties acquired in 2022 valued at their acquisition cost	53,726	-
Projects under pre-development valued at historical cost	18,642	2,553
Addition of lease obligations recognized separately	3,089	3,375
Fair value for financial reporting purposes[1]	**4,428,578**	**3,764,027**

1 Fair value for financial reporting purposes excludes Investment property ROU assets (€95.2 million in 2022 and €83.0 in 2021).

Using the Discounted Cash Flows ("DCF") method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real estate property interest. To this projected cash flow series, an appropriate, market derived discount rate is applied to establish the present value of the income stream associated with the asset. Finally, an exit yield is determined, which differs from the discount rate in order to determine any terminal value, if any.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real estate property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, if any, is then discounted.

Except for the valuation of the Investment Property right-of-use asset, the valuations were performed by Cushman and Wakefield ("C&W"), an accredited independent valuer with a recognized and relevant professional qualification and with recent experience in the locations and categories of the investment property being valued. The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13 for the period ended December 31, 2022 as compared to the year ended December 31, 2021.

15. FAIR VALUE MEASUREMENT – INVESTMENT PROPERTY

C&W's external valuation has been carried out in accordance with the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS"), published by The Royal Institution of Chartered Surveyors ("the RICS Red Book"). The valuation of each of the investment properties and the investment properties under construction has been prepared on the basis of either Fair Value or Fair Value as a fully equipped operational entity, having regard to trading potential (as appropriate) subject to the Special Assumption referenced below in this note.

SPECIAL ASSUMPTION – MANAGEMENT COSTS

C&W was instructed to adopt the actual allocated management costs of the Group for each individual property, rather than a market assumption in this regard. For this the Group provides C&W with a fixed amount per property, based on Shurgard's best estimate of its cost of management. This fixed amount replaces the percentage of revenue assumption (which is combined with a cap and a collar), usually applied by C&W in his valuations. As such, there is no systematic valuation effect, as for some properties the fixed amount allocated will be above what would have been estimated applying a percentage of revenue approach and in other cases the amount would be below. The application of the special assumption increased the value of the total portfolio by approximately €27.7 million.

VALUER DISCLOSURE REQUIREMENTS

C&W's valuation has been provided for reporting purposes and as such, is a Regulated Purpose Valuation as defined in the Red Book. In compliance with the disclosure requirements of the Red Book, C&W has confirmed that:

- C&W has carried out bi-annual valuations for this purpose in an independent way since the financial year ending December 31, 2015;
- In relation to the preceding financial year of C&W, the proportion of the total fees payable by the Group to the total fee income of the firm is less than 5.0%; and
- The fee payable to C&W is a fixed amount per property and is not contingent on the appraised value.

Outside of the subject portfolio, C&W has, and may continue to do so going forward, provided Shurgard with valuation advice in relation to potential acquisitions.

MARKET CONDITIONS AND UNCERTAINTY

Our valuation is not reported as being subject to "material valuation uncertainty" as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

CURRENCY AND AGGREGATE VALUES REPORTED

C&W's valuation report confirms that each property has been valued individually in local currency. C&W's valuation report then converts each property valuation to a euro amount at the spot exchange rates provided by the Company. The total value reported in euro is the aggregate amount for each individual value reported in euro.

PORTFOLIO PREMIUM

C&W's valuation report confirms that the properties have been valued individually but that if the portfolio was to be sold as a single lot or in selected groups of properties, the total value could differ significantly. C&W states that current market conditions dictate that there would likely be a premium value if the portfolio were to be sold as a whole or broken down into smaller lot sizes.

In particular, C&W's individual property valuations reflect full Stamp Duty (or its equivalent in each country considered) on the sale of each property whereas a sale of the whole portfolio or selected groups of assets would most likely be affected by way of a shares transaction, which would typically attract a lower level of stamp duty.

VALUATION METHODOLOGY AND ASSUMPTIONS

C&W has adopted different approaches for the valuation of the leasehold and freehold assets as follows:

FREEHOLD AND LONG LEASEHOLD

The valuation is based on a discounted cash flow of the net operating income over a 10-year period and a notional sale of the asset at the end of the tenth year.

Assumptions:

The following assumptions have been applied by C&W for the valuation of our investment properties for the periods concerned:

	December 31, 2022	December 31, 2021
Stabilized occupancy	91.14%	91.08%
Average time to stabilization (months)	4.77	5.95
Exit capitalization rate	5.19%	5.65%
Weighted average annual discount rate	8.21%	8.20%
Average rental growth rate	2.57%	2.58%

On December 31, 2022, the increase in fair value of investment properties was mainly driven by a decrease in discount and capitalization rates and an increase of our operating cash flows, combined with additions during the year of €188.9 million.

Purchaser's costs in the range of approximately 0.6% to 12.5% have been assumed initially, reflecting the stamp duty levels anticipated in each local market, and sales plus purchaser's costs totaling approximately 0.6% to 12.5% are assumed on the notional sales in the tenth year in relation to freehold and long leasehold stores. Both assumptions are unchanged compared to December 31, 2021.

SHORT LEASEHOLDS

The same methodology has been used as for freeholds, except that no sale of the assets in the tenth year is assumed but the discounted cash flow continues until the expiry of the lease.

The Group operates a number of short leases where there is an assumption that the Group has the sole discretion and will extend the current agreements for a significant number of years. These have been valued on the same basis as the freehold and long leasehold assets due to their security of tenure arrangements and the potential compensation provisions in the event of the landlord wishing to take possession at expiry. The capitalization rates on these properties reflect the risk of not extending the lease at the expiration date.

INVESTMENT PROPERTIES UNDER CONSTRUCTION

When a reliable estimate is possible, C&W has valued the properties in development using the same methodology as set out above but based on the cash flow projection expected for the property at opening and allowing for the outstanding costs to take each property from its current state to completion and full fit out. C&W has allowed for carry costs and construction contingency, as appropriate.

CHANGES IN VALUATION TECHNIQUES

There were no other changes in valuation techniques during the periods concerned.

HIGHEST AND BEST USE

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

FAIR VALUE HIERARCHY

Based on the significant unobservable inputs to the DCF method used for determining the fair value of all our investment property and investment property under construction that we recognized in our statement of financial position as of December 31, 2022 and 2021, our investment property is a Level 3 fair market value measurement, and for the periods concerned, there have been no transfers to or from Level 3.

The geographical split of our investment property and investment property under construction is set forth in Note 11.

Unrealized gains and (losses) for recurring fair value measurements relating to investment property and investment property under construction held at the end of the reporting period categorized within Level 3 of the fair value hierarchy amount to €586.2 million in 2022 and €466.6 million in 2021 and are presented in the consolidated statement of profit and loss in the line-item "Valuation (loss) gain from investment property and investment property under construction".

SENSITIVITY OF THE VALUATION TO ASSUMPTIONS

All other factors being equal, higher net operating income would lead to an increase in the valuation of a property and an increase in the capitalization rate or discount rate would result in a lower valuation, and vice versa. Higher assumptions for stabilized occupancy, absorption rate, rental rate and other revenue, and a lower assumption for operating costs, would result in an increase in projected net operating income, and thus an increase in valuation.

For the year ended December 31, 2022, all other factors being equal, the effect of changes in the following key variables on the valuation of our property portfolio is as follows:

(in € thousands)	Amount increase (decrease) valuation	% change
One hundred basis points increase in occupancy rates	51,194	1.2%
One hundred basis points decrease in occupancy rates	(51,360)	-1.2%
Twenty- five basis points increase (real) in both discount and capitalization rate	(254,330)	-5.8%
Twenty-five basis points decrease (real) in both discount and capitalization rate	265,540	6.1%
One hundred basis points increase in average rental growth rates	103,940	2.4%
One hundred basis points decrease in average rental growth rates	(113,450)	-2.6%

16. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment mainly consists of building improvements and office machinery and equipment in use in the local head offices located in the countries in which we operate.

(in € thousands)	Building[1]	Equipment[1]	ROU assets[2]	Total property, plant and equipment	Intangible assets[3]
Historical cost					
As of January 1, 2022	**1,592**	**5,432**	**3,413**	**10,437**	**15,299**
Additions and remeasurements	-	254	323	577	2,654
Disposals	-	-	(99)	(99)	-
Exchange rate differences	(14)	(23)	(24)	(61)	-
As of December 31, 2022	**1,578**	**5,663**	**3,613**	**10,854**	**17,953**
Depreciation and impairment					
As of January 1, 2022	**(673)**	**(5,046)**	**(1,522)**	**(7,241)**	**(9,373)**
Depreciation and amortization charge of the period	(59)	(214)	(742)	(1,015)	(1,851)
Disposals	-	-	99	99	-
Exchange rate differences	8	22	10	40	-
As of December 31, 2022	**(724)**	**(5,238)**	**(2,155)**	**(8,117)**	**(11,224)**
Net book value					
As of December 31, 2022	**854**	**425**	**1,458**	**2,737**	**6,729**
As of January 1, 2022	**919**	**386**	**1,891**	**3,196**	**5,926**

1 Building and equipment mainly consists of building improvements and office machinery and equipment in use in the local head offices located in the countries in which we operate.
2 Right-of-use assets mainly relates to company cars and offices we lease. These assets were recognized in exchange for an equal amount of additional lease liabilities.
3 Intangible assets consist of capitalized computer software.

17. OTHER NON-CURRENT ASSETS

Other non-current assets mainly consist of deposits paid to vendors, capitalized pre-acquisition expense and the unamortized non-current portion of capitalized debt financing cost in incurred in connection with the revolving syndicated loan facility (see Note 27). The increase during the year ended December 31, 2022 includes a €9.6 million receivable from a sale and lease back operation regarding one of our Dutch properties. The receivable will mature when we will have exited and demolished the property we sold, as agreed with the purchaser. The exit is estimated to occur in the first half of 2024. (See Note 14).

18. TRADE AND OTHER RECEIVABLES

(in € thousands)	December 31, 2022	December 31, 2021
Gross amount	23,895	24,154
Provision for doubtful debt	(5,224)	(7,784)
Trade and other receivables	**18,671**	**16,370**

Rent and service charge receivables are non-interest-bearing and are typically due within thirty days (Note 35). The receivables are due from local retail and business tenants.

19. OTHER CURRENT ASSETS

(in € thousands)	December 31, 2022	December 31, 2021
Prepayments	3,997	4,727
Receivables from tax authorities other than VAT[1]	1,321	1,529
Other[2]	2,944	1,694
Other current assets	**8,262**	**7,950**

1 As of December 31, 2022 and 2021, Receivables from tax authorities other than VAT consists of prepaid income taxes for 2022 and 2021, respectively.
2 "Other" mainly consists of VAT recoverable in less than one year, Inventory and insurance compensation proceeds and the unamortized current portion of capitalized debt financing cost incurred in connection with the revolving syndicated loan facility (see Note 27).

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents primarily consist of cash. There are no cash and cash equivalents which are restricted from withdrawal or general corporate use as of December 31, 2022 and December 31, 2021.

21. ISSUED SHARE CAPITAL

As of December 31, 2021, the share capital of the Company as presented in the statement of financial position of €61,382,803, net of treasury shares held of €2,209,562 (70,771 treasury shares), was represented by 89,106,202 ordinary shares that all have been fully paid up.

During the year ended December 2022, the Company used all treasury shares at hand in connection with the exercise of share options granted under the 2017 and 2018 plans, resulting in a decrease of the share-based payments reserve in equity by €629,913.

During the year ended December 31, 2022, the Group issued 24,929 new shares to satisfy the exercise of stock options under the Group's stock option plans. Of the €416,273 subscription price, €17,791 has been allocated to share capital and the remainder has been allocated to share premium

As of December 31, 2022, the share capital of the Company as presented in the statement of financial position of €63,610,156 is represented by 89,131,131 ordinary shares that all have been fully paid up.

22. TREASURY SHARES

As of December 31, 2021, the Company owned 70,771 treasury shares that are deducted from share capital for an amount of €2,209,562.

As explained in Note 21, the Group used these 70,771 treasury shares in connection with the exercise of 32,271 options granted under the 2017 plan and 38,500 options granted under the 2018 plan.

As of December 31, 2022, the Company does not own any treasury shares.

23. SHARE PREMIUM

As of December 31, 2021, the share premium of the Company was €539,711,663.

During 2022, in connection with the issuance of 24,929 new ordinary shares, the share premium was increased by €398,482, representing the part of the subscription price of the issuance of new shares that has not been allocated to share capital and reduced by €22,703 for equity issuance costs incurred.

As of December 31, 2022, the share premium of the Company amounts to €540,087,442.

24. SHARE-BASED PAYMENT RESERVE

As of December 31, 2021, the share-based payment reserve of the Company was €4,690,937.

During the year ended December 31, 2022, we recognized a share-based compensation expense of €4,430,048 for our equity-settled share-based compensation plans in share-based payment reserve, and we realized a loss of €629,913 on the sale of treasury shares based on the difference between the acquisition costs of the treasury shares and the respective exercise prices of the share options. During the year ended December 31, 2022, we allocated €70,795 in deferred income tax assets to our share-based payment reserve.

As of December 31, 2022, the share-based payment reserve of the Company amounts to €8,561,867.

25. DISTRIBUTABLE RESERVES AND DISTRIBUTIONS MADE

Our distributable reserves have been established under IFRS 1 at the moment of the IPO and have been used since then for the distribution of dividends

As of December 31, 2022, and December 31, 2021, the Company's distributable reserves were €146,277,202 and €253,195,409, respectively.

On May 4, 2022, the distributable reserves were reduced by €55,228,937 in connection with the distribution of a final dividend of 2021 of €0.62 per outstanding share, paid on May 12, 2022.

On August 18, 2022, the distributable reserves were reduced by €51,689,270 in connection with the distribution of the interim dividend for 2022 of €0.58 per ordinary share, paid on September 29, 2022.

26. NON-CONTROLLING INTERESTS

Non-controlling interests represent 5.2% ownership interests in our German subsidiaries First Shurgard Deutschland GmbH and Second Shurgard Deutschland GmbH, which own in total 13 properties (12 properties at the end of 2021) in Germany. We allocated €1.3 million and €0.7 million of net income to non-controlling interests during the years ended December 31, 2022 and 2021, respectively, based upon their respective interests in the net income of the subsidiaries.

During the period starting January 1, 2021 and ending December 31, 2022, there were no transactions with non-controlling interests.

27. INTEREST-BEARING LOANS AND BORROWINGS

(in € thousands)	Effective interest rate	Maturity	December 31, 2022	December 31, 2021
Non-current				
Senior guaranteed notes – issued July 2014	3.24%	July 24, 2024	100,000	100,000
Senior guaranteed notes – issued July 2014	3.38%	July 24, 2026	100,000	100,000
Senior guaranteed notes – issued June 2015	2.67%	June 25, 2025	130,000	130,000
Senior guaranteed notes – issued June 2015	2.86%	June 25, 2027	110,000	110,000
Senior guaranteed notes – issued June 2015	3.03%	June 25, 2030	60,000	60,000
Senior notes – issued July 2021	1.28%	July 23, 2031	300,000	300,000
Nominal values			**800,000**	**800,000**
Less:				
Unamortized balance of debt issuance cost on notes issued			(2,020)	(2,421)
Borrowings as reported on statement of financial position			**797,980**	**797,579**

The reported borrowings are presented as follows in our statement of financial position:

(in € thousands)	December 31, 2022	December 31, 2021
Borrowings as reported on statement of financial position	**797,980**	**797,579**
Non-current portion	797,980	797,579
Current portion	-	-
Weighted average cost of debt	**2.36%**	**2.36%**

Set out below is a comparison of the carrying amounts and fair value of the Company's senior guaranteed notes:

(in € thousands)	December 31, 2022	December 31, 2021
Carrying value	797,980	797,579
Fair values	684,878	852,494

The fair values of the different senior guaranteed notes are a Level 3 fair market value measurement and for the periods concerned, there have been no transfers to or from Level 1 or Level 2. The same methodology was used to estimate the fair values for all reported periods.

The strong decrease in fair value of the notes we issued is due to the significant increase in discount rates in the year ended December 31, 2022.

NOTES ISSUED

On July 24, 2014, the Group, via its financing entity Shurgard Luxembourg S.à r.l., issued to certain European and U.S. investors three tranches of senior guaranteed notes. The Company paid €2.3 million of placement and legal fees and other expenses that are being amortized as interest expense using the effective interest method. As of December 31, 2022, and 2021, the unamortized balances of the debt financing costs on the 2014 Issuance were €0.4 million and €0.6 million, respectively. At their maturity date of July 23, 2021, the Group repaid Series A of these notes, totaling €100.0 million.

On June 25, 2015, the Group, via its financing entity Shurgard Luxembourg S.à r.l., issued to certain European and U.S. investors three tranches of senior guaranteed notes. The Company paid €1.4 million of placement and legal fees and other expenses that are being amortized as interest expense using the effective interest method. As of December 31, 2022, and December 31, 2021, the unamortized balances of the debt financing costs on the 2015 Issuance were €0.6 million and €0.7 million, respectively.

On July 23, 2021, the Group, via its financing entity Shurgard Luxembourg S.à r.l., issued new ten years Senior Notes for €300.0 million bearing fixed interest of 1.24% per annum (effective interest rate of 1.28% per annum), of which the proceeds were used to repay Tranche A (€100.0 million) of its 2014 senior guaranteed notes maturing on July 24, 2021, to finance acquisitions and to finance or refinance, in whole or in part, recently completed and future Eligible Green Projects.

The Company paid €1.2 million of placement and legal fees and other expenses that are being amortized as interest expense using the effective interest method. As of December 31, 2022, and December 31, 2021, the unamortized balances of the debt financing costs on the 2021 Senior Notes Issuance was €1.1 million and €1.2 million, respectively.

The senior guaranteed notes (both principal amount and interest payments) are denominated in euro.

REVOLVING SYNDICATED LOAN FACILITY

As of December 31, 2022 and December 31, 2021, the Company has access to a €250 million syndicated revolving loan facility with BNP Paribas Fortis bank, Société Générale bank and Belfius bank (with BNP Paribas Fortis bank as agent) with maturity of October 16, 2025, bearing interest of Euribor plus a margin varying between 0.45% and 0.95% per annum dependent on the most recent loan-to-value ratio (the "RCF").

There are no mandatory repayments of principal debt due for this facility before its maturity and a commitment fee of 35% of the applicable margin (or 0.16% per annum for the period ended December 31, 2022 and the year ended December 31, 2021) applies to undrawn amounts.

As of December 31, 2022 and December 31, 2021, the Company had no outstanding borrowings under this facility. During the period ended December 31, 2022, the Company incurred commitment fees of €400,313 on the revolving syndicated loan facility (€399,219 in the year ended December 31, 2021).

SHELF NOTES FACILITY

On February 23, 2021, the Group entered into an uncommitted Shelf Note Facility for an amount of up to €250 million, which can be drawn during a three-year period.

PARENT GUARANTOR AND COVENANTS

The full and prompt performance and observance by Shurgard Luxembourg S.à r.l. of all its obligations under the 2014, 2015 and 2021 note purchase agreements and the revolving syndicated loan facility is unconditionally guaranteed by Shurgard Self Storage S.A. as Parent Guarantor pursuant to the terms and conditions provided for under the respective note purchase agreements.

The 2014, 2015 and 2021 Issuances and the revolving credit facility are subject to certain customary covenants, including senior leverage, fixed charge cover or fixed interest cover and unencumbered asset value to total unsecured liabilities (2014 and 2015 Notes Issuances only) that we test for compliance on a quarterly basis. As of December 31, 2022, and December 31, 2021, we are in compliance with all such covenants.

28. LEASES

Shurgard leases various investment properties with an aggregate fair value of €703.2 million as of December 31, 2022 (€607.5 million as of December 31, 2021).

The Company repaid in 2022 €4.6 million in lease liabilities, paid €2.9 million in interest expense on lease liabilities and €0.3 million in lease amounts for contracts with maturity of less than one year and low-value leases, representing a total cash outflow of €7.8 million (a total cash outflow of €7.3 million in 2021). The expense relating to short-term leases, low value leases and variable lease payments not included in the measurement of the lease liabilities is not material for 2022 or any future years for us. There are no material lease commitments for leases not commenced at year-end.

The lease contracts where Shurgard is acting as lessor consist of month-to-month rental agreements that are classified as operating leases. Rental revenues do not include material contingent rental income.

For the other relevant information regarding our leases, we refer to Notes 14 (for right-of-use assets classified as investment property), 16 (for right-of-use assets classified as property, plant and equipment) and 29 (movement schedule of the lease liability).

29. ANALYSIS OF MOVEMENTS IN INTEREST-BEARING LOANS AND BORROWINGS

The below tables provide an analysis of financial debt and movements in financial debt for each of the periods presented.

(in € thousands)	Interest-bearing loans and borrowings	Lease obligations	Total financial debt
January 1, 2021	**598,428**	**81,717**	**680,145**
Repayments of debt	(100,000)	(5,770)	(105,770)
Interest payments	(16,109)	(2,416)	(18,525)
Issuance of Notes	300,000	-	300,000
Debt financing cost paid for Senior Notes issued	(1,248)	-	(1,248)
Addition of lease obligations (net)	-	12,276	12,276
Non-cash movements[1]	16,508	2,561	19,069
December 31, 2021	**797,579**	**88,368**	**885,947**

(in € thousands)	Interest-bearing loans and borrowings	Lease obligations	Total financial debt
January 1, 2022	**797,579**	**88,368**	**885,947**
Repayments of debt	-	(4,591)	(4,591)
Interest payments	(18,757)	(2,852)	(21,609)
Addition of lease obligations (net)	-	17,778	17,778
Non-cash movements[1]	19,158	1,119	20,277
December 31, 2022	**797,980**	**99,822**	**897,802**

1 Non-cash movements for the years ended December 31, 2022 and December 31, 2021 mainly consist of accrued interest.

30. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of VAT due after more than one year and pension plan obligations (Note 32).

31. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

Trade and other payables and deferred revenue

(in € thousands)	December 31, 2022	December 31, 2021
Accrued compensation and employee benefits	9,955	9,838
Accrued share-based compensation expense[1]	510	1,174
Accounts payable (including accrued expenses)[2]	56,072	43,681
Payables to affiliated companies	1,144	789
Deferred revenue – contract liabilities	32,456	30,226
Accrued interest on notes issued and other external borrowings	1,820	1,847
Other payables[3]	4,574	4,370
Trade and other payables and deferred revenue	**106,531**	**91,925**

1 See Note 33.
2 The increase in accounts payable is mainly due to increased accruals for construction costs and real estate taxes.
3 Other payables consist of VAT payable, accrued interest and deposits received from customers.

32. PENSIONS

DEFINED CONTRIBUTION PLANS

For each of the years ended December 31, 2022 and December 31, 2021, the Group incurred €1.2 million expense. These amounts are included in property operating expenses or general, administrative and other expenses in our consolidated statements of profit and loss.

The Company operates a Belgian pension plan that while structured as a defined contribution plan requires to be accounted for as a defined benefit plan in accordance with IAS 19.

During each of the years ended December 31, 2022 and December 31, 2021, we contributed €0.5 million to a third-party insurance company. We expect to contribute the same amount in 2023. The insurance company invests the majority of its funds in sovereign and corporate bonds and provides a guaranteed investment return on these funds. Investment decisions are based on strategic asset allocation studies and risk management best practices.

As of December 31, 2022, the defined benefit obligation amounted to €6.8 million (€5.7 million as of December 31, 2021), offset by plan assets of €7.0 million as of December 31, 2022 (€5.6 million as of December 31, 2021).

For former plan participants with deferred pension rights, the defined benefit obligation equals plan assets.

The weighted average assumptions used to determine net benefit obligations for our pension plans were as follows:

(in € thousands)	December 31, 2022	December 31, 2021
Discount rate	3.70%	1.00%
Inflation	2.20%	2.00%
Rate of salary increases	3.20%	3.00%
Mortality tables	MR-5/FR-5	MR-5/FR-5

The weighted average assumptions used to determine defined benefit costs for our pension plans were as follows:

(in € thousands)	December 31, 2022	December 31, 2021
Discount rate	1.00%	0.45%
Inflation	2.00%	1.75%
Rate of salary increases	3.00%	2.75%
Mortality tables	MR-5/FR-5	MR-5/FR-5

33. SHARE-BASED COMPENSATION EXPENSE

Under various share option plans, the Group granted to a number of employees stock options of the parent entity. The exercise prices equal the fair values of the share at the respective grant dates. The terms of these grants were established by our Board of Directors:

- Under the 2017 long-term incentive plan, the stock options vested ratably over a four-year period and expire ten years after the grant date.
- Stock options granted under the 2018 equity compensation plan had a three-year cliff vesting period and expire ten years after the grant date.
- Stock options granted under the 2021 equity compensation plan have a two-stage vesting period with (i) 60% of the stock options vesting after three years after the date they are being offered; and (ii) the remaining 40% of the stock options will vest after a period of five years after the date they are being offered. They expire ten years after the grant date.

None of the share-based compensation plans have performance conditions and all plans are accounted for as equity-settled awards and do not contain any cash settlement alternatives. Further details are described in the Remuneration Report on page 162 and following.

The following weighted average assumptions were used to determine the fair value of the options that are outstanding as of December 31, 2022 for the options granted under the 2017 and 2018 plans:

	2017 grants	2018 grants
Estimated fair value of Shurgard shares	€23.00	€26.50
Expected volatility	20.00%	20.00%
Risk free interest rate	-0.08%	0.11%
Expected remaining term (in years)	6.0	7.0
Dividend yield	-	3.68%
Expected forfeiture rate per annum	5.00%	5.00%
Fair value per option	€2.35	€3.45

The following weighted average assumptions were used to determine the fair value of the options that are outstanding as of December 31, 2022 for the options granted under the 2021 plan in August and September 2021:

	August 2021 3-yr vesting	August 2021 5-yr vesting	Sept. 2021 3-yr vesting	Sept. 2021 5-yr vesting
Estimated fair value of Shurgard shares	€50.80	€50.80	€53.00	€53.00
Expected volatility	20.00%	20.00%	20.00%	20.00%
Risk free interest rate	-0.58%	-0.05%	-0.23%	-0.02%
Expected remaining term (in years)	7.0	8.0	7.0	8.0
Dividend yield	2.30%	2.30%	2.21%	2.21%
Expected forfeiture rate per annum	5.00%	5.00%	5.00%	5.00%
Fair value per option	€8.42	€9.05	€8.33	€8.67

On July 18, 2022, the Company granted 19,000 options under the 2021 equity compensation plan at an exercise price of €46.81 (the "2022 option grants").

We used the following weighted average assumptions to determine the fair value of the 2022 option grants as of December 31, 2022:

	July 2022 3-yr vesting	July 2022 5-yr vesting
Estimated fair value of Shurgard shares	€42.90	€42.90
Expected volatility	20.00%	20.00%
Risk free interest rate	1.77%	1.79%
Expected remaining term (in years)	7.0	8.0
Dividend yield	2.73%	2.73%
Expected forfeiture rate per annum	5.00%	5.00%
Fair value per option	€5.39	€5.65

For all plans, we incurred €3.9 million and €3.8 million in share-based compensation expense, including social security charges in the years ended December 31, 2022 and 2021, respectively.

The year-on-year increase is explained by €2.6 million increased cost incurred in connection with the options granted under the 2021 share option plan, mostly offset by €1.6 million decreased employers' social security cost, resulting from the decrease of the Shurgard share price and €1.0 million decreased gross cost for the 2017 and 2018 plans of which the vesting periods terminated in 2021.

The €0.5 million and €1.2 million liabilities, respectively, for share-based compensation as of December 31, 2022 and December 31, 2021 consists of an accrual for employers' share in social security.

As of December 31, 2022, and December 31, 2021, we had €8.1 million, and €12.6 million, respectively, of unrecognized share-based compensation expense, net of estimated pre-vesting forfeitures, related to unvested option awards. For the years ended December 31, 2022 and 2021, the weighted average remaining vesting period of our share options was 1.8 and 2.3 years, respectively.

The following table sets forth the number of share options granted, forfeited, exercised and outstanding at December 31, 2022 and December 31, 2021:

	2022		2021	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price (a)
Outstanding, January 1	**2,727,500**	**€36.81**	**1,151,000**	**€21.61**
Granted (a)	19,000	€46.81	1,851,000	€43.56
Forfeited (b)	(9,000)	€43.05	-	-
Exercised (c)	(95,700)	€22.26	(274,500)	€18.54
Outstanding, December 31	**2,641,800**	**€37.44**	**2,727,500**	**€36.81**
Exercisable, December 31	780,800	€22.79	876,500	€22.58

The following table summarizes information about our share options outstanding as of December 31, 2022 under the 2017, 2018 and 2021 plans:

	As of December 31, 2022						
		Options outstanding			Options exercisable		
Year of grant	Fair value per option on December 31, 2022	Number of Options	Weighted average exercise price	Weighted average remaining contractual life	Number of Options	Weighted average exercise price	Weighted average remaining contractual life
2017	€2.35	112,300	€21.51	4.5 years	112,300	€21.51	4.5 years
2018	€3.45	668,500	€23.00	5.9 years	668,500	€23.00	5.9 years
2021-August-3 yr.	€8.42	985,200	€43.05	8.6 years	-	-	-
2021-August-5 yr.	€9.05	656,800	€43.05	8.6 years	-	-	-
2021-September-3	€8.33	120,000	€47.75	8.7 years	-	-	-
2021-September-5	€8.67	80,000	€47.75	8.7 years	-	-	-
2022-July-3 yr.	€5.39	11,400	€46.81	9.6 years	-	-	-
2022-July-5 yr.	€5.65	7,600	€46.81	9.6 years	-	-	-
		2,641,800	**€37.44**	**7.7 years**	**780,800**	**€22.79**	**5.7 years**

34. RELATED PARTY DISCLOSURES

SUBSIDIARIES

Interests in subsidiaries are set out in Note 39.

KEY MANAGEMENT PERSONNEL COMPENSATION

(in € thousands)	December 31, 2022	December 31, 2021
Short-term employee benefits	3,273	2,893
Post-employment benefits	116	108
Share-based payments	2,833	2,295
Total	**6,222**	5,296

Key management personnel consists of the members of the Executive Committee.
In addition, the Company incurred in the year ended December 31, 2022 €0.8 million expense for the provision of services by non-executive board members that were provided by separate management entities (€0.7 million in the year ended December 31, 2021).

TRANSACTIONS WITH OTHER RELATED PARTIES

As of December 31, 2022, the Group had two significant shareholders: Public Storage ("PS"), which owned directly and indirectly in total 35.1% of the interest in Shurgard and the New York State Common Retirement Fund ("NYSCRF"), which held directly and indirectly 36.5%.

We pay PS a royalty fee equal to 1.0% of our pro rata equity share of revenues in exchange for the rights to use the "Shurgard" trade name and other services. During the periods ended December 31, 2022 and December 31, 2021, we incurred royalty fees of €3.3 million and €3.0 million, respectively.

During the years ending December 31, 2022 and December 31, 2021 there were no transactions with NYSCRF.

We also refer to Note 26 in respect of the non-controlling interest held by the two main shareholders in certain subsidiaries in Germany.

OUTSTANDING BALANCES ARISING FROM TRANSACTIONS WITH RELATED PARTIES

As of December 31, 2022 and 2021, trade and other payables and deferred revenue include short-term cash advances payable to Public Storage totaling €0.9 million and €0.8 million, respectively, comprised primarily of royalty fees incurred during each of the three months ended December 31, 2022 and December 31, 2021.

We also refer to Note 26 in respect of the non-controlling interest held by the two main shareholders in certain subsidiaries in Germany.

Several of the Group's subsidiaries provide post-employment benefit plans for the benefit of employees of the Group. Payments made to these plans and receivables from and payables to these plans have been disclosed, if any, in Note 32.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance.

The Company has tenant and other receivables, trade and other payables, deferred revenue and cash and cash equivalents that arise directly from its operations. The Company's principal financial liabilities consist of loans and borrowings, as well as trade and other payables. The main purpose of the Company's loans and borrowings is to finance the acquisition and development of the Company's property portfolio.

The Group is exposed to market risk, credit risk and liquidity risks:

- **Market risk** is the risk that the fair value or future cash flows of a financial instrument fluctuates due to change in market prices and can be broken down into interest rate, currency and other price (e.g., equity or commodity) risks. Not all these risks are relevant to the Group, which is mainly exposed to foreign currency risks. The Group is currently not exposed to significant interest rate risk, as it does not have any long-term debt with variable interest rates;
- **Credit risk** is the risk that one party to an agreement will cause a financial loss to another party by failing to discharge its obligation. For Shurgard, credit risk mainly covers its tenant receivables and financing activities, which include cash and cash equivalents with banks and financial institutions;
- **Liquidity risks** include the risk that the Group will encounter difficulties in raising financing and in meeting payment obligations when they come due.

The Company's risk management is carried out by Senior Management, under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, real estate risk and credit risk, the use of derivative and non-derivative financial instruments and investment of excess liquidity. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

FOREIGN EXCHANGE RISK

We publish our financial statements in euros, however, we record revenue, expenses, assets and liabilities in several different currencies other than the euro, more specifically, the UK Pound Sterling (GBP), the Swedish Krona (SEK) and the Danish Krone (DKK). Assets and liabilities denominated in local currencies are translated into euros at exchange rates prevailing at the balance sheet date and revenues and expenses are translated at average exchange rates over the relevant period. Consequently, variations in the exchange rate of the euro versus these other currencies will affect the amount of these items in our consolidated financial statements, even if their value remains unchanged in their original currency. We implement policies to protect against exchange rate risk only when required to do so by covenants contained in our debt agreements. These translations have resulted in the past and could result in the future in changes to our results of operations, balance sheet and cash flows from period to period.

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A breakdown of the foreign exchange related amounts recognized in profit or loss and comprehensive income can be found in Note 9 and in the Consolidated statements of changes in equity, respectively.
The main statement of financial position items exposed to foreign exchange risk are cash and cash equivalents, trade and other receivables, assets held for sale, other current and non-current assets, trade and other payables and deferred revenue, lease obligations and other non-current liabilities.

As of December 31, 2022, and 2021, the net assets (liabilities) exposure on our consolidated statement of financial position is as follows:

(in € thousands)	EUR	GBP	SEK	DKK	Total
As of December 31, 2022	55,481	(70,618)	(12,211)	32,693	5,345
As of December 31, 2021	173,616	(57,122)	(342)	25,116	141,268

The following table presents the sensitivity analysis of the year end statement of financial position balances in EUR in case the euro would weaken by 10% versus the GBP, SEK and DKK, respectively:

(in € thousands)	December 31, 2022	December 31, 2021
GBP denominated		
Changes in carrying amount of monetary assets and liabilities[1]	706	571
SEK denominated		
Changes in carrying amount of monetary assets and liabilities[1]	122	3
DKK denominated		
Changes in carrying amount of monetary assets and liabilities[1]	(327)	(251)

1 These are increases in net liabilities.

The table below shows the sensitivity of profit or loss after tax to changes in the GBP/EUR, SEK/EUR and DKK/EUR exchange rates:

IMPACT ON PROFIT AFTER TAX

(in € thousands)	December 31, 2022	December 31, 2021
GBP/EUR exchange rate – increase 10%	17,023	10,622
SEK/EUR exchange rate – increase 10%	7,788	8,449
DKK/EUR exchange rate – increase 10%	3,277	2,996

Positive amounts represent an increase in profit after tax.
The table below shows the sensitivity of equity to changes in the GBP/EUR, SEK/EUR and DKK/EUR exchange rates:

IMPACT ON EQUITY

(in € thousands)	December 31, 2022	December 31, 2021
GBP/EUR exchange rate – increase 10%	77,679	64,574
SEK/EUR exchange rate – increase 10%	50,896	47,273
DKK/EUR exchange rate – increase 10%	20,330	17,043

Positive amounts represent an increase in profit after tax.

CREDIT RISK

Credit risk from balances with banks and financial institutions is managed by the Company's Senior Management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties with a minimum investment grade credit rating. The Company's maximum exposure to credit risk for the balances with banks and financial institutions as of December 31, 2022 is the carrying value of the cash and cash equivalents.

Credit risk is managed by requiring tenants to pay rentals in advance. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. There are no significant concentrations of credit risk, whether through exposure to individual customers or regions.

The Group applies the IFRS 9 simplified approach to measure its expected credit losses, which uses a lifetime expected loss allowance for all lease receivables.

Loss allowances are recognized in profit or loss within real estate operating expense. Subsequent recoveries of amounts previously provided for are offset against the previously recognized loss on debtors within real estate operating expense.

Set out below is the information about the credit risk exposure on our trade receivables using a provision matrix:

December 31, 2021

(in € thousands)	Outstanding < 60 days	Past due > 60 days	Total
Expected credit loss rate	6.0%	89.6%	32.2%
Carrying amount	15,650	8,503	24,153
Expected credit loss	(931)	(6,852)	(7,783)
Net amount	**14,719**	**1,651**	**16,370**

December 31, 2022

(in € thousands)	Outstanding < 60 days	Past due > 60 days	Total
Expected credit loss rate	6.0%	73.2%	21.9%
Carrying amount	18,256	5,639	23,895
Expected credit loss	(1,095)	(4,129)	(5,224)
Net amount	**17,161**	**1,510**	**18,671**

Lease receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include among others:

- Significant financial difficulties of the debtor; and
- Probability that the debtor will enter bankruptcy or financial reorganization

The other classes within trade and other receivables and other current assets do not contain impaired assets and are not past due. It is expected that these amounts will be received when due. The Company does not hold any collateral in relation to these receivables.

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company maintains flexibility in funding by maintaining availability under committed credit lines.

The operating activities of our subsidiaries and the resulting cash inflows are the main source of liquidity. Our cash pooling system enables us to benefit from surplus funds of certain subsidiaries to cover the financial requirements of other subsidiaries. We invest surplus cash in current accounts and short-term cash equivalents, selecting instruments with appropriate maturities or sufficient liquidity.

Management monitors rolling forecasts of the Company's liquidity reserve (comprising the undrawn credit facilities listed below) and cash and cash equivalents (see Note 20) based on expected cash flows.

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

(in € thousands)	December 31, 2022	December 31, 2021
Expiring within one year (floating rate)	-	-
Expiring beyond one year (floating rate)	500,000[1]	500,000
Total	**500,000**	**500,000**

1 The amounts consist of the uncommitted Shelf Note Facility for an amount of up to €250.0 million and the RCF for the same amount (Note 27).

The tables below analyze the Company's financial liabilities based on their contractual maturities.

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES ON DECEMBER 31, 2021

(in € thousands)	Less than one year	Between one and five years	Over five years	Total contractual cash flows
Interest-bearing loans and borrowings	18,707	391,585	496,252	906,544
Lease liabilities	6,453	23,663	694,650	724,766
Other non-current liabilities	-	-	140	140
Trade and other payables	91,925	-	-	91,925
Total	**117,085**	**415,248**	**1,191,042**	**1,723,375**

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES ON DECEMBER 31, 2022

(in € thousands)	Less than one year	Between one and five years	Over five years	Total contractual cash flows
Interest-bearing loans and borrowings	18,707	488,892	380,190	887,789
Lease liabilities	7,203	27,086	740,574	774,863
Trade and other payables	106,531	-	-	106,531
Total	**132,441**	**515,978**	**1,120,764**	**1,769,183**

The amounts disclosed in the tables are the contractual undiscounted cash flows (including interest payments).

FAIR VALUES

Management has assessed that the fair values of cash and cash equivalents, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Set out below is a comparison of the carrying amounts and fair value of the Company's guaranteed notes, which have a fixed interest rate:

(in € thousands)	December 31, 2022	December 31, 2021
Carrying value	797,980	797,579
Fair values	684,878	852,494

The following methods and assumptions were used to estimate the fair values:

- The fair values of our senior guaranteed notes (level 3) consist of the discounted value of principal amounts and any future interest payments;
- The discount rates used take into account the various maturities of the notes issued and are based on risk free interest rates plus spreads that are in line with market spreads for private placements as of the respective reporting dates.

36. CAPITAL MANAGEMENT

The Group's Executive Committee reviews the capital structure on an ongoing basis. The primary objective of the Group's capital management is to ensure that it complies with its covenants. The Group targets a loan-to-value ratio of around 25% with the flexibility to go up to a short- to mid-term maximum amount up to 35%. The Company reviews each reporting period the appropriateness of the loan-to-value ratio. The Company is currently satisfied with its current loan-to-value ratio and the applicable covenants. For all periods disclosed, we are in compliance with the covenants.

The table below provides an overview of the evolution of the loan-to-value ratio as of December 31, 2022 and December 31, 2021.

(in € thousands)	December 31, 2022	December 31, 2021
Net financial debt	812,477	669,198
Investment property and investment property under construction (Note 14)	4,523,789	3,847,067
Loan-to-value ratio	**18.0%**	**17.4%**

Net financial debt is composed as follows:

(in € thousands)	December 31, 2022	December 31, 2021
Carrying value of interest-bearing loans and borrowings (Note 27)	797,980	797,579
Unamortized portion of debt financing cost (Note 27)	2,020	2,421
Carrying value of lease obligations (Note 29)	99,822	88,368
Cash and cash equivalents (Note 20)	(87,345)	(219,170)
Net financial debt	**812,477**	**669,198**

37. INSURANCE AND LOSS EXPOSURE

We have historically obtained third-party insurance coverage for property/business interruption and general liability, through internationally recognized insurance carriers, subject to deductibles. Additionally, we bind coverage for our cyber and terrorism risk, as well as any local compulsory insurances, such as workers compensation or strict liability in Belgium.

Except for the local insurance policies, coverage was searched for by means of international programs, insuring all affiliates of the Company. When acquiring a new location, our aim is to integrate the cover as soon as possible and economically justified in our insurance programs.

Our insurance deductible for general liability insurance is €2,500 per occurrence. Insurance carriers' limit is €5.0 million. In case claims exceed the policy limit, we benefit excess coverage up to $100.0 million, or approximately €93.4 million at the December 31, 2022 exchange rate, under the Public Storage general liability program. As such, our insurance limit is higher than estimates of maximum probable losses that could occur from individual catastrophic events determined in recent engineering and actuarial studies; however, in case of multiple catastrophic events, these limits could be exceeded.

Besides insurance policies covering our own risks, we carry coverage for the risk of our tenants, via a tenant insurance program. This program provides insurance to certificate holders (tenants) against claims for property losses due to perils to goods stored by tenants at our self-storage facilities. Any advice and claims regarding customer insurance are directly handled by our insurance broker/insurer.

The Group manages its insurable risks relating to property damage, business interruption ("PDBI") and customer goods-related claims through a combination of self-insurance and commercial insurance coverage. For this, the Group uses a reinsurance undertaking.

In line with this assumption, no division for profitability is necessary. Where required, Shurgard registered as an insurance intermediary for regulatory purposes.

During the year ended December 31, 2022, the Company paid €0.2 million (€0.2 million during the year ended December 31, 2021) insurance acquisition expense to a third-party insurance company in connection with its re-insurance undertaking.

CUSTOMER GOODS

The Group has entered into an agreement with external insurance companies, which in turn re-insure a certain amount via the Group's re-insurance captive entity. The re-insured risk provides insurance to customers.
Except for a deductible of €250 for certain perils, which are at charge of the tenant, our program includes a deductible of €5.0 million per year at charge of Shurgard.
This deductible is re-insured by Shurgard's captive entity. The remaining risks reside with the external insurer (with an annual limit of €7.5 million in excess of the €5.0 million deductible).

During the year ended December 31, 2022, the Company incurred €1.9 million claims charges and €0.1 million in consulting fees in connection with its customer goods insurance program.

During the year ended December 31, 2021, the Company incurred €1.8 million claims charges and €0.2 million in consulting fees in connection with its customer goods insurance program.

PROPERTY DAMAGE AND BUSINESS INTERRUPTION

The Property Damage and Business Interruption ("PDBI") insurance program consists of a combination of reinsurance activities through the Company's captive and insurance through a third-party insurer.

Our captive undertaking insures casualties up to an occurrence limit of €2.5 million and an annual aggregate of €5.0 million. A deductible of €10,000 per claim applies.

Any claim in excess of the above limit per occurrence is up to a maximum amount of €25.0 million transferred to the third-party insurer. In case the annual aggregate limit of the reinsurance captive (€5.0 million) is depleted, the third-party insurer has the possibility to take over from captive claims that usually would have been covered by the captive. In such case, the deductible is however, increased to €100,000 per occurrence for any PDBI claim, and the third-party insurer will provide coverage in excess of the increased deductible.

38. CONTINGENCIES AND COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS

As of December 31, 2022, we had €18.6 million of outstanding capital expenditure commitments under contract in regard to certain self-storage facilities under construction.

CONTINGENT LOSSES

We are a party to various legal proceedings and subject to various claims and complaints; however, we believe that the likelihood of these contingencies resulting in a material loss to the Company, either individually or in the aggregate, is remote.

INCOME TAX

The Group operates in multiple jurisdictions with often complex legal and tax regulatory environments. Shurgard considers the income tax positions to be supportable and are intended to withstand challenge from tax authorities. However, the Group continues to be subject to tax audits in the various jurisdictions it conducts business and the outcome of these audits and the conclusions drawn by the tax authorities are not certain and therefore it is inherent that some of the positions taken by the Group are uncertain and include interpretations of complex tax laws which could be disputed by tax authorities.

Shurgard regularly assesses these positions individually on their technical merits with no offset or aggregation between positions, using all the information available (legislation, case law, regulations, established practice and authoritative tax guidance). The Group has established tax liabilities that it believes are adequate for the exposures identified. These liabilities have been estimated by the Group as the best estimate of the current tax it expects to pay using its best estimate of the likely outcomes of such examinations. These estimates are based on facts and circumstances existing at the end of the reporting period and assume full access of the tax authorities to all relevant facts and circumstances.

39. LIST OF CONSOLIDATED ENTITIES

	Country of incorporation	As of December 31, 2022 Consolidated	As of December 31, 2022 % Ownership	As of December 31, 2021 Consolidated	As of December 31, 2021 % Ownership
Shurgard Self Storage S.A.[1]	Luxembourg	Yes	100	Yes	100
Shurgard Luxembourg S.à r.l.[1]	Luxembourg	Yes	100	Yes	100
Shurgard Holding Luxembourg S.à r.l.[1]	Luxembourg	Yes	100	Yes	100
Eirene RE S.A.[2]	Luxembourg	Yes	100	Yes	100
Shurgard Belgium NV	Belgium	Yes	100	Yes	100
Shurgard Europe VOF	Belgium	Yes	100	Yes	100
Second Shurgard Belgium BV	Belgium	Yes	100	Yes	100
Shurgard France SAS	France	Yes	100	Yes	100
Shurgard Nederland B.V.	The Netherlands	Yes	100	Yes	100
VMK5 BV	The Netherlands	Yes	100	-	-
Shurgard Germany GmbH[3]	Germany	Yes	100	Yes	100
First Shurgard Deutschland GmbH[3]	Germany	Yes	94.8	Yes	94.8
Second Shurgard Deutschland GmbH[3]	Germany	Yes	94.8	Yes	94.8
Shurgard Germany ZL MU GmbH[3]	Germany	Yes	100	Yes	100
Shurgard Germany ZL LH GmbH[3]	Germany	Yes	100	Yes	100
Shurgard Germany ZL FER GmbH[3]	Germany	Yes	100	Yes	100
Shurgard Denmark ApS	Denmark	Yes	100	Yes	100
Shurgard UK Ltd	UK	Yes	100	Yes	100
Second Shurgard UK Ltd	UK	Yes	100	Yes	100
Second Shurgard UK Camberley Ltd	UK	Yes	100	Yes	100
Shurgard UK West-London Ltd	UK	Yes	100	Yes	100
Shurgard Sweden AB	Sweden	Yes	100	Yes	100
Shurgard Storage Centers Sweden KB	Sweden	Yes	100	Yes	100
Shurgard Sweden Årstaberg KB	Sweden	Yes	100	Yes	100
First Shurgard Sweden Invest KB	Sweden	Yes	100	Yes	100
Second Shurgard Sweden Invest KB	Sweden	Yes	100	Yes	100
Shurgard Sweden Stockholm Invest AB	Sweden	Yes	100	Yes	100
Shurgard Sweden RE FUB AB	Sweden	Yes	100	-	-
Shurgard Sweden RE TF AB	Sweden	Yes	100	-	-
Shurgard Sweden RE LH AB	Sweden	Yes	100	-	-
Shurgard Sweden GC AB	Sweden	Yes	100	-	-

1 Holding and/or financing company with no operating activities.
2 Re-insurance entity incorporated in December 2020.
3 These German entities make use of the exemption in accordance with §264 Paragraph 3 German Commercial Code (HGB), and consequently, do not file stand-alone annual accounts.

40. EVENTS AFTER THE REPORTING PERIOD

We have evaluated subsequent events through February 16, 2023, which is the date the financial statements were available for issuance.

On November 3, 2022, the Company announced its intention to become a United Kingdom Real Estate Investment Trust in March 2023 and called for an extraordinary shareholder meeting on December 6, 2022. In that meeting, 99.5% of the votes cast approved the plan of migrating Shurgard Self Storage S.A. to Guernsey and incorporating it as Shurgard Self Storage Limited pursuant to Guernsey law. This allows legal continuity of the entity, meaning that all rights and obligations of Shurgard Self Storage S.A. are maintained. Subsequently, UK tax residence will be established, with central management and control of the Group being exercised through the Board of Directors of Shurgard Self Storage Limited, located in the United Kingdom. The legal migration from Luxembourg to Guernsey will have no impact on the Group's listing at Euronext in Brussels, nor on the financial reporting, which will continue to be done under International Financial Reporting Standards (IFRS), as adopted by the European Union, and in euros. Save for reflecting the move to Guernsey and the transition to a UK REIT in the new memorandum and articles of incorporation, the governance structure of the Group will remain. The migration to Guernsey and establishment of central management and control by a UK based Board of Directors is expected to occur on February 17, 2023.

UK REITs are exempt from UK corporation tax on rental profits and capital gains arising from their UK property business. Any other UK income and gains that are not specifically derived from UK property rental activities are part of the "residual business" and will be subject to UK corporation tax in the normal way, at currently 19% corporate income tax rate, rising to 25% on April 1, 2023. UK REITs are required to distribute 90% of their tax-exempt rental profits (i.e., rental income from the UK property business). These profits will make part of the total dividend the Group intends to distribute to its shareholders. Once implemented, we expect a significant impact on the deferred tax position of our UK operations, in particular a reduction of deferred tax liabilities relating to investment properties.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Shurgard Self Storage S.A.
11, rue de l'Industrie
L-8399 Windhof

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Shurgard Self Storage S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Valuation of Investment Property including Investment Property under Construction</u>

Description of the key audit matter

As per 31 December 2022, Shurgard Self Storage S.A. and its subsidiaries hold investment property and properties under construction for a total amount of €4,524 million, representing 97% of the consolidated statement of financial position of the Group. In accordance with the Group's accounting policies and IAS 40 "Investment Property" and IFRS 13 "Fair Value Measurement", investment property and investment property under construction are measured at fair value, whereby the changes in fair value are recognized in the Group's income statement.

The fair values of investment properties are assessed (by an independent external valuation firm) using a discounted cash flow model (revenues-costs) over a period of 10 years per property. The management of the Group and their external specialist use inputs such as store occupancy, net rent and operating expense per square meter, based on historical data, as well as subjective assumptions such as growth rates in terms of rental revenue and operating expenses, occupancy and discount rates.

The Group engaged an independent external valuation firm, having specific sector expertise in the markets in which the Group operates. The third party valuer assists the Group in the determination of the fair value of the investment property and it performs its work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation Professional Standards.

Investment property valuation is considered a key audit matter, because the valuation process is a significant estimate and is underpinned by a number of factual inputs and assumptions based on a complex calculation model. The process is subjective and inherently judgmental in nature due to the use of key assumptions which are based on unobservable data inputs such as discount rates, growth rates and future occupancy rates, as well as the individual nature of each property and its location.

Auditor's response

Our procedures over the valuation of investment properties and investment properties under construction include the following:

We evaluated the competence, independence and capabilities of the independent external valuation firm. We also read the terms of engagement of the valuer to determine whether there were any matters that might have affected its objectivity or limited the scope of its work.

We assessed whether the valuation methods as applied by the independent valuer are appropriate for the purpose of the valuation of the underlying investment properties. We tested the inputs used in the valuation process for corresponding lease agreements and other relevant documentation. We considered the assumptions used in the valuation models including the capitalization, discount and terminal yield rates by comparing them against available market data. Therefore, we involved our real estate specialists as part of the audit team to assess the assumptions made by the valuer as appropriate.

Finally, we performed analytical procedures to evaluate any unusual variations in the fair values determined compared to prior year.

We have also assessed the appropriateness and completeness of Note 3 (Summary of significant accounting policies) and note 14 (Investment property and investment property under construction) and note 15 (Fair value measurement – investment property) of the consolidated financial statements in accordance with the requirement of IAS 40 and IFRS 13.

Taxation

Description of the key audit matter

The Group has extensive international operations and in the normal course of business management makes judgements and estimates in relation to direct and indirect tax issues and exposures. As a result of the complexities of tax rules and other tax legislation, the accounting for tax exposures is a key judgement.

The Group is also calculating its deferred taxes in accordance with its Group accounting policies. Deferred taxes arise due to temporary differences between the values in the tax accounts and the consolidated statement of financial position. The calculation of deferred taxes takes into account the expected point in time when the assets and liabilities are expected to be realized or settled. The applied tax rates correspond to those that are enacted or substantially enacted at the respective location at the balance sheet date. Deferred taxes primarily result from valuation differences between the fair values of properties and their values for tax purposes. In the calculation of the deferred taxes, assumptions and estimates are made with regards to the fiscally relevant costs and the fair values of the properties as well as the tax rates applicable at the time the tax differences are realized.

Auditor's response

Our procedures included, but were not limited to, evaluating the controls the Group has in place to identify and quantify its tax exposures. We used our own tax specialists to analyze and challenge the assumptions used to determine provisions using our knowledge and experience of the application of international and local legislation by the relevant authorities, and assessed whether the approach applied by the Group is supported by custom and practice in the industry. We have examined the calculations prepared and agreed assumptions used to underlying data, and considered the judgements applied including the maximum potential exposure and the likelihood of a payment being required. We have inspected correspondence with relevant tax authorities to identify tax risk areas and assessed third party tax advice received to evaluate the conclusions drawn in the advice.

During our audit, we also assessed the calculation of deferred taxes on investment properties with the support of our tax specialists.

Based on the overall portfolio, we performed, the following audit procedures:

- evaluating the calculation method used to determine deferred tax liabilities;
- assessing the assumed tax rates applicable to each country.

For a sample identified based on quantitative and qualitative factors, in relation to the deferred taxes arising from investment properties and investment properties under construction, we performed the following audit procedures:

- reconcile the fair value with the valuation report and the tax value of the relevant investment property with the fixed asset accounting or the client's detailed records;
- validate the mathematical accuracy of the deferred tax calculation.

We also considered the adequacy of the Group's disclosures in Note 10 in respect of income tax.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated annual report and the corporate governance statement but does not include the consolidated financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND OF THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 22 February 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on pages 105 to 120 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2022, identified as **shurgard-2022-12-31-en.zip**, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

Luxembourg, February 16, 2023

STAND-ALONE FINANCIAL STATEMENTS OF SHURGARD SELF STORAGE S.A. AND AUDITOR'S REPORT

The below annual accounts have been prepared in euros

BALANCE SHEET

ASSETS

		Reference(s)		December 31, 2022		December 31, 2021
B. Formation expenses	1107	(Note 3)	107	**3,220,678**	108	**7,175,662**
C. Fixed assets	1109	(Notes 4-5)	109	**1,203,802,805**	110	**831,300,308**
I. Intangible assets	1111	(Note 4)	111	-	112	1,385,999
III. Financial assets	1135	(Note 5)	135	1,203,802,805	136	829,914,309
1) Shares in affiliated undertakings	1137		137	1,203,802,805	138	827,704,747
5) Investments held as fixed assets	1145		145	-	146	2,209,562
D. Current assets	1151	(Note 6)	151	**848,936**	152	**3,549,631**
II. Debtors	1163	(Note 6)	163	93,507	164	127,703
1) Trade debtors	1165	(Note 6)	165	5,822	166	23,716
a) becoming due and payable within one year	1167		167	5,822	168	23,716
2) Amounts owed by affiliated undertakings	1171		171	87,685	172	103,987
a) becoming due and payable within one year	1173		173	87,685	174	103,987
IV. Cash at bank and in hand	1197		197	755,429	198	3,421,928
E. Prepayments	1199		199	**53,883**	200	**29,920**
TOTAL (ASSETS)			201	**1,207,926,302**	202	**842,055,521**

CAPITAL, RESERVES AND LIABILITIES

		Reference(s)		December 31, 2022		December 31, 2021
A. Capital and reserves	1301	(Notes 7-9)	301	**1,207,125,737**	302	**840,378,985**
I. Subscribed capital	1303	(Note 7)	303	63,610,156	304	63,592,365
II. Share premium account	1305	(Note 7)	305	559,984,780	306	559,586,298
IV. Reserves	1309	(Note 8)	309	146,277,202	310	253,195,409
2) Reserve for own shares				-	314	2,209,562
3) Other reserves, including the fair value reserve				146,277,202		250,985,847
a) other available reserves				146,277,202	432	250,985,847
V. Profit or loss brought forward	1319	(Note 9)	319	(35,995,087)	320	(26,883,226)
VI. Profit or loss for the financial year	1321	(Note 9)	321	473,248,686	322	(9,111,861)
B. Provisions	1331	(Note 11)	331	**-**	332	**814,678**
C. Creditors	1435	(Note 12)	435	**800,565**	436	**861,858**
6. Amounts owed to affiliated undertakings	1379		355	-	356	7,480
a) becoming due and payable within one year	1381		357	-	382	7,480
8. Other creditors	1451	(Note 12)	451	800,565	452	854,378
a) Tax authorities	1393		393	9,420	394	15
b) Social security authorities	1395		395	8,441	396	40,656
c) Other creditors	1397		397	782,704	398	813,707
(i) becoming due and payable within one year	1399		399	782,704	400	813,707
TOTAL (CAPITAL, RESERVES AND LIABILITES)			405	**1,207,926,302**	406	**842,055,521**

The notes in the annex form an integral part of the accounts.

PROFIT AND LOSS ACCOUNT

		Reference(s)		December 31, 2022		December 31, 2021
1. to 5. Gross profit or loss	1701	(Note 13)	701	**22,106**	702	**(1,027,883)**
6. Staff costs	1605	(Note 14)	605	**(1,706,109)**	606	**(1,520,494)**
a) Wages and salaries	1607		607	(1,455,981)	608	(1,364,459)
b) Social security costs	1609		609	(40,836)	610	(54,094)
ii) other social security costs	1655		655	(40,836)	656	(54,094)
c) Other staff costs	1613		613	(209,292)	614	(101,941)
7. Value adjustments	1657		657	**(5,363,686)**	658	**(5,499,579)**
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	(Notes 3-4)	659	(5,363,686)	660	(5,499,579)
8. Other operating expenses	1621	(Note 15)	621	**(2,870,809)**	622	**(2,132,061)**
9. Income from participating interests	1715	(Note 16)	715	**483,098,058**	716	**-**
b) derived from affiliated undertakings	1717		717	483,098,058	718	-
11. Other interest receivable and similar income	1727	(Note 17)	727	**814,678**	728	**2,501,085**
b) other interest and similar income	1731		731	814,678	732	2,501,085
14. Interest payable and similar expenses	1627	(Note 18)	627	**(731,330)**	628	**(1,428,109)**
b) other interest and similar income	1631		631	(731,330)	632	(1,428,109)
15. Tax on profit or loss	1635	(Note 19)	635	**(14,220)**	636	**(4,820)**
16. Profit or loss after taxation	1667		667	**473,248,686**	668	**(9,111,861)**
18. Profit or loss for the financial year	1669		669	**473,248,686**	670	**(9,111,861)**

The notes in the annex form an integral part of the accounts.

NOTES TO THE ANNUAL ACCOUNTS AS OF DECEMBER 31, 2022

NOTE 1 – GENERAL INFORMATION

Shurgard Self Storage S.A. (referred to as the "Company", "we", "our", or "us") is organized under the laws of the Grand Duchy of Luxembourg and has its registered office and principal place of business at 11 Rue de l' Industrie, L-8399 Windhof. The Group has been listed on Euronext Brussels since October 15, 2018.

As of December 31, 2022, our shareholders are Shurgard European Holdings LLC ("SEH LLC"), a limited liability company incorporated in 2008 in Delaware, United States ("U.S."), which owns 36.88% of the interest in the Company, Public Storage ("PS"), which owns 0.17% direct interest and 34.54% indirect in the Company through its wholly owned subsidiary HABF 2017, Inc. The New York Common Retirement Fund ("NYCRF") and Public Storage ("PS") own 99.0% and 1.0%, respectively, of the interest in SEH LLC. The remaining 28.41% of the Company's ownership is held by the public.

The Company's main activities include funding, guarantees and/or securities delivery, as well as any other form of financing to the affiliated undertakings forming part of the group of the Company and the acquisition and management of participations. It can borrow and lend under any form, even on a subordinated basis, and proceed to bond issues or subscriptions. The Company delivers financial or investment services of any kind to the affiliated undertakings of the group. As a rule, it can take all control or supervision measures and proceed to any financial, estate or real estate, commercial or industrial transaction that will be useful for the achievement and the development of its corporate objectives.

The Company prepares audited consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the EU. These consolidated financial statements are filed at the Luxemburg Chambre de Commerce (RCS).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND GOING CONCERN

The annual accounts have been prepared in accordance with the Law of December 19, 2002, as subsequently amended, on a going concern basis.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on February 24, 2022.

The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. Although neither the Company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, nevertheless, the Board of Managers continues to monitor the evolving situation and its impact on the financial position of the Company.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The main valuation rules applied by the Company are the following:

2.2.1. FORMATION EXPENSES

Formation expense relating to the creation of the share capital are carried at purchase or acquisition price including the expenses incidental thereto, less accumulated amortization. The Company amortizes its formation expenses on a straight-line basis over the five years estimated useful life of the assets.

2.2.2. GOODWILL

Goodwill is carried at purchase or acquisition price including the expenses incidental thereto, less accumulated amortization. The Company amortizes its goodwill on a straight-line basis over the five years estimated useful life of the assets.

2.2.3. FINANCIAL ASSETS

Shares in affiliated undertakings are valued at acquisition cost including the expenses incidental thereto. In case of a durable diminution in value according to the opinion of the Board of Managers, value adjustments are made, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Loans to affiliated undertakings are valued at nominal value. At the end of each financial year, a value adjustment is made for any durable decrease in value, which is considered to be an impairment in value, based on an evaluation of each individual loan. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.4. DEBTORS

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is partially or fully compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.5. FOREIGN CURRENCY TRANSLATION

The Company maintains its accounting records in euros ("€") and its annual accounts are expressed in that currency.

Balances denominated in foreign currencies are translated into euro as follows:

- Assets and liabilities in other currencies are translated into euro at the rate prevailing on the balance sheet date except for intangible and financial assets which are recorded at the historical exchange rate. Income and expense transactions are recorded at the rate prevailing on the dates of the transactions.
- Realized gains and losses and unrealized losses are reflected in the profit and loss account. Unrealized gains are not recognized in the profit and loss account, except for the reversal of previously recognized unrealized losses.

Note 2 - Summary of significant accounting policies (continued)

2.2.6. CREDITORS

Creditors are valued at their nominal value.

2.2.7. PROVISIONS

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet, are either likely or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created in order to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions are assessed at year end. Provisions recorded in the previous years are reassessed each year and reversed if the reasons for which they were made have ceased to apply.

2.2.8. PREPAYMENTS

This caption includes expenditures incurred during the financial year but relating to a subsequent financial year and capitalized debt financing costs which are amortized according to the straight-line method until the maturity of the debt.

2.2.9. DEFERRED INCOME

This caption includes income received during the financial year but relating to a subsequent financial year.

2.2.10. VALUE ADJUSTMENTS

Value adjustments are deducted directly from the related asset.

NOTE 3 – FORMATION EXPENSES

Formation expenses of €3,220,678 (€7,175,662 as of December 31, 2021) consist of costs incurred in connection with the IPO and the issuance of new shares.

The movements for the year ended December 31, 2022 and the year ended December 31, 2021 were as follows:

	December 31, 2022	December 31, 2021
Cost of capital increase		
At the beginning of the year	19,874,635	19,846,876
Additions	22,703	27,759
At the end of the period	**19,897,338**	**19,874,635**
Accumulated amortization		
At the beginning of the year	12,698,973	8,727,035
Amortization for the period	3,977,687	3,971,938
At the end of the period	**16,676,660**	**12,698,973**
Net book value		
At the beginning of the year	7,175,662	11,119,841
At the end of the period	**3,220,678**	**7,175,662**

NOTE 4 – INTANGIBLE ASSETS

The gross amount of intangible assets consists of goodwill recognised in connection with the November 27, 2017 merger of the Company with its subsidiary SSC Luxembourg S.à r.l (€7,487,774) and the December 5, 2017 merger of the Company with its subsidiary Shurgard Self Storage Luxembourg S.à r.l (€150,428).

The movements for the year ended December 31, 2022 and the year ended December 31, 2021 were as follows:

	December 31, 2022	December 31, 2021
Cost of acquisition		
At the beginning of the year	7,638,202	7,638,202
Additions		
Eliminated on disposal	(7,638,202)	-
At the end of the period	**-**	**7,638,202**
Accumulated amortization		
At the beginning of the year	6,252,203	4,724,562
Amortization for the period	1,385,999	1,527,641
Eliminated on disposal	(7,638,202)	-
At the end of the period	**-**	**6,252,203**
Net book value		
At the beginning of the year	1,385,999	2,913,640
At the end of the period	**-**	**1,385,999**

NOTE 5 – FINANCIAL ASSETS

Shares in affiliated undertakings

Details of the shares in affiliated undertakings held and movements in the period ended December 31, 2022 are as follows:

Shares	Country	Portion of capital held as of December 31, 2022	Net book value as of December 31, 2021	Increases / (decreases) during the year	Net book value as of December 31, 2022	Shareholders' equity as of December 31, 2022	Profit / (loss) for the year ended December 31, 2022
Shurgard Self Storage S.A. treasury shares[1]	Luxembourg	N/A	2,209,562	(2,209,562)	-	N/A	N/A
Shurgard Luxembourg S.à r.l.[2,3]	Luxembourg	100%	827,704,747	(481,889,071)	345,815,676	344,827,908	521,974,217
Shurgard UK Ltd[3]	UK	100%	-	857,987,129	857,987,129	622,530,776[4]	98,929,353[4]
			829,914,309	**373,888,496**	**1,203,802,805**		

1 As of December 31, 2021, the Company owned 70,771 treasury shares with a book value of €2,209,562 that have been used in 2022 to satisfy the exercise of an equal amount of share options (Note 10).
2 On October 19, 2022, the Board of Directors of Shurgard Luxembourg S.à r.l. agreed on a reduction in kind of its share premium of €107,000,000 in favor of the Company, consisting of a reduction of a payable in the same amount due by the Company to Shurgard Luxembourg S.à r.l. In the accounts of the Company, the share premium reduction has been accounted for as a reduction of its investment in Shurgard Luxembourg S.à r.l.
3 On December 9, 2022, Shurgard Luxembourg S.à r.l. distributed a dividend of €483,098,058 from its distributable reserves and made a share premium reimbursement to the Company of €374,889,071. On the same date, the Company acquired all the interest held by Shurgard Holding Luxembourg S.à r.l. in Shurgard UK Ltd at the fair value of €857,987,129
4 Shareholders' equity and profit for the year for Shurgard UK Ltd are derived from the 2021 annual accounts.

The Management assessed the financial position and performance of the affiliated undertakings owned and as a result thereof is of the opinion that no permanent impairment has been triggered as of December 31, 2022.

NOTE 6 – DEBTORS

Debtors becoming due and payable of €93,507 as of December 31, 2022 consists of €87,685 receivables from affiliated undertakings and €5,822 trade receivables.

Debtors becoming due and payable of €127,703 as of December 31, 2021 consisted of €103,987 receivables from affiliated undertakings and €23,176 trade receivables.

NOTE 7 – SUBSCRIBED CAPITAL AND SHARE PREMIUM

As of December 31, 2022, the Company's share capital and share premium are €63,610,156 (€63,592,365 as of December 31, 2021) and €559,984,780 (€559,586,298 as of December 31, 2021), respectively.

During the year ended December 31, 2022, in connection with the exercise of options under the Company's share option plans, the Company issued 24,929 new shares to satisfy the exercise of stock options under various Group's stock option plans. Of the €416,273 subscription price, €17,791 has been allocated to share capital and €398,482 has been allocated to share premium.

NOTE 8 - RESERVES

As of December 31, 2021, the Company's reserves of €253,195,409 consist of (i) €2,209,562 reserves for own shares and (ii) €250,985,847 other available (distributable) reserves.

On May 4, 2022, the shareholders of the Company approved the distribution of a final cash dividend for 2021 for an amount of sixty-two eurocents (€0.62) per share, resulting in an aggregate dividend distribution for an amount of €55,228,937 from the other available (distributable) reserves (the "Annual Dividend"). The payment of the Annual Dividend occurred on May 12, 2022.

On August 18, 2022, the distributable reserves were reduced by €51,689,270 in connection with the distribution of the interim dividend for 2022 of €0.58 per ordinary share, paid on September 29, 2022.

In connection with the exercise of 70,771 share options that were satisfied using treasury shares during the year ended December 31, 2022, the Company reduced its reserves for own shares by €2,209,562 and increased the other available (distributable) reserves accordingly.

As of December 31, 2022, the Company's reserves consist of €146,277,202 other available (distributable) reserves.

NOTE 9 – PROFIT OR LOSS FOR THE PERIOD AND BROUGHT FORWARD

The company recognized a profit of €473,248,686 during the year ended December 31, 2022 (a loss of €9,111,861 during the year ended December 31, 2021, which has been brought forward).

NOTE 10 – SHARE OPTIONS GRANTED UNDER THE 2021 PLAN

In connection with a new equity compensation plan approved on February 23, 2021, the Group granted on July 18, 2022, 19,000 share options at an exercise price of €46.81.

These options have a two-stage vesting period with (i) 60% of the stock options vesting three years from the option grant date, and (ii) the remaining 40% of the stock options will vest after a period of five years after the date they are being offered.

NOTE 11 - PROVISIONS

Under various share-based compensation plans, the Company has issued shares options in 2015, 2017, 2018 and 2021, of which 10,000, 154,500, 712,000 and 1,851,000 options, respectively, (or 2,727,500 options in total) were outstanding as of December 31, 2021.

As of December 31, 2021, the provision for future loss on exercise of share options was €814,678.

During the year ended December 31, 2022, the 70,771 treasury shares have been used to satisfy the exercise of 32,271 share options granted under the 2017 plan and 38,500 share options granted under the 2018 plans, and the €814,678 provision for future loss on the exercise of share options has been reversed and partially recharged to affiliated entities accordingly (Note 13).

As of December 31, 2022, 112,300, 668,500 and 1,861,000 options, respectively, were outstanding under the 2017, 2018 and 2021 share option plans (or 2,641,800 options in total).

NOTE 12 – CREDITORS

	December 31, 2022	December 31, 2021
Amounts payable to affiliated undertakings	-	7,480
Accrued bonus and social security expense	202,867	203,975
Income tax payable	9,420	15
Accounts payable	8,550	-
Accrued consultancy fees	184,941	354,371
Invoices to receive	394,787	296,017
	800,565	**861,858**

NOTE 13 – GROSS PROFIT OR LOSS

Gross profit of €22,106 for the year ended December 31, 2022 consists of the recharge of (i) €814,678 related to the provision for future exercise of share options, (ii) €629,913 loss effectively incurred on the sale of treasury shares that is attributable to other affiliated entities (Note 17) and (iii) €174,871 Director's liability insurance premiums that are partially recharged to affiliated entities (Note 15).
In addition, the Company realised fee income of €32,000 that was charged to an affiliate.

Gross loss of €1,027,883 for the year ended December 31, 2021 consisted of the recharge of (i) €2,474,547 related to the provision for loss on future exercise of share options that is attributable to other affiliated entities (Note 10), (ii) €1,291,575 loss from the sale of treasury shares (Note 17) and (iii) €155,089 Director's liability insurance premiums that are partially recharged to affiliated entities (Note 15).

NOTE 14 – STAFF COSTS

During the year ended December 31, 2022, the Company employed one full time employee (two full time employees in 2021) and five part-time employees (five part-time employees in 2021) for whom it incurred the following staff costs:

	December 31, 2022	December 31, 2021
Gross payroll	337,446	565,066
Director's fees	839,950	676,252
External staff	149,814	-
Employers' social security	40,836	54,094
Bonus expense	278,585	123,141
Other staff costs[1]	59,478	101,941
	1,706,109	**1,520,494**

1 Other staff costs consist mainly of pension plan expenses and other social benefits.

NOTE 15 – OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

	December 31, 2022	December 31, 2021
Lawyer's, tax and other consultancy fees	552,494	454,082
Travel expense, irrecoverable VAT and other expenses	679,607	474,494
Centralized support service charges recharged by affiliated undertakings	1,211,684	796,683
Auditor's fees	71,424	62,623
Insurance expense – D&O[1]	181,470	160,915
Public relations	23,837	66,702
Membership (association) fees	150,293	116,562
	2,870,809	**2,132,061**

1 Director's liability insurance premiums are partially recharged to affiliated entities. This recharge is disclosed in the caption "Gross profit or loss" in the profit and loss account.

NOTE 16 – INCOME FROM PARTICIPATING INTERESTS

On December 9, 2022, Shurgard Luxembourg S.à r.l. distributed a dividend consisting of €483,098,058 from its profit reserves (Note 5).

In the accounts of the Company, the distribution of the profit reserves has been recognized as dividend income from an affiliated undertaking.

NOTE 17 – OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

The Company reversed during the year ended December 31, 2022 its €814,678 provision for future loss on exercise of share options (Note 10 and Note 12).

The Company decreased during the year ended December 31, 2021 its provision for future loss on exercise of share options by €2,501,085 to €814,678 (Note 10).

NOTE 18 – INTEREST PAYABLE AND SIMILAR EXPENSES

	December 31, 2022	December 31, 2021
Loss on sale of Treasury Shares[1]	629,913	1,291,575
Bank charges	9,511	54,640
Fees paid to (share) liquidity providers	84,037	69,880
Bank interest	820	6,262
Realized exchange losses	7,049	5,752
	731,330	**1,428,109**

1 In the year ended December 31, 2022, in connection with the exercise of 70,771 share options that were granted in 2017 and 2018, the Company sold to the option holders an equal number of Treasury Shares for €1,579,649 at a loss of €629,913.
In the year ended December 31, 2021, in connection with the exercise of 21,250 share options that were granted in 2017 and 132,000 share options that were granted in 2018, the Company sold to the option holders an equal number of Treasury Shares for €3,493,088 at a loss of €1,291,575.

NOTE 19 – TAX ON PROFIT OR LOSS

The Company is subject to the general tax regulations applicable to all commercial companies in Luxembourg.

NOTE 20 – EVENTS AFTER THE REPORTING PERIOD

We have evaluated subsequent events through February 16, 2023, which is the date the financial statements were available for issuance.

On November 3, 2022, the Company announced its intention to become a United Kingdom Real Estate Investment Trust in March 2023 and called for an extraordinary shareholder meeting on December 6, 2022. In that meeting, 99.5% of the votes cast approved the plan of migrating Shurgard Self Storage S.A. to Guernsey and incorporating it as Shurgard Self Storage Limited pursuant to Guernsey law. This allows legal continuity of the entity, meaning that all rights and obligations of Shurgard Self Storage S.A. are maintained. Subsequently, UK tax residence will be established, with central management and control of the Group being exercised through the Board of Directors of Shurgard Self Storage Limited, located in the United Kingdom. The legal migration from Luxembourg to Guernsey will have no impact on the Group's listing at Euronext in Brussels, nor on the financial reporting, which will continue to be done under International Financial Reporting Standards (IFRS), as adopted by the European Union, and in Euro. Save for reflecting the move to Guernsey and the transition to a UK REIT in the new memorandum and articles of incorporation, the governance structure of the Group will remain. The migration to Guernsey and establishment of central management and control by a UK based Board of Directors is expected to occur on February 17, 2023.

No significant other events occurred after the balance sheet date.

SHURGARD SELF STORAGE

SOCIÉTÉ ANONYME

11 RUE DE L' INDUSTRIE
L – 8399 WINDHOF

R.C.S. LUXEMBOURG B 218 238
(the « **Company** »)

ANNUAL REPORT BY THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF MAY 10, 2023

We are pleased to report on the operations of the Company for the year 2022 and to submit for your approval the annual accounts for the financial year ended on December 31, 2022.

1. OVERVIEW

The Company is a public limited company ("*société anonyme*") organized under the laws of the Grand Duchy of Luxembourg with registered office and principal place of business of the Companyat 11 Rue de l' Industrie, L-8399 Windhof.

As of December 31, 2021, the subscribed capital of the Company was €63,592,365, divided into eighty-nine million one hundred and six thousand two hundred and two (89,106,202) shares without nominal value, all of which are fully paid up, including seventy-thousand seven hundred and seventy-one (70,771) own shares held as treasury shares.

During 2022, the Company issued 24,929 new shares to satisfy the exercise of stock options under the Group's stock option plans. Of the €416,273 subscription price, €17,791 has been allocated to share capital and the remainder, €398,482 has been allocated to share premium.

During 2022, the Company used the 70,771 treasury shares in connection with the exercise of share options granted under the 2017 and 2018 share option plans.

As of December 31, 2022, the subscribed capital of the Company was €63,610,156, divided into eighty-nine million one hundred thirty-one thousand one hundred thirty-one (89,131,131) shares without nominal value, all of which are fully paid up.

As of December 31, 2021, the distributable reserves of the Company were €250,985,847.

On May 5, 2022, the shareholders of the Company approved the distribution of a cash dividend for 2021 of sixty-two eurocents (€0.62) per share, resulting in an aggregate dividend distribution in an amount of €55,228,937 from the other available (distributable) reserves (the "Annual Dividend"). The payment of the Annual Dividend occurred on May 12, 2022.

On August 18, 2022, the Board of Directors resolved to declare and pay in respect of the first six months of 2022 an interim dividend of fifty-eight eurocents (€0.58) per share, resulting in an aggregate interim dividend distribution in an amount of €51,689,270 (the "Interim Dividend"). The Interim Dividend was paid on September 29, 2022 from the other available (distributable) reserves.

In connection with the exercise of 70,771 share options that were satisfied using treasury shares during the year ended December 31, 2022, the Company reversed its remaining reserves for own shares by €2,209,562 and increased the other available (distributable) reserves accordingly.

As of December 31, 2022, the distributable reserves of the Company were €146,277,202.

2. THE RESULT OF THE YEAR

During the year ended December 31, 2022, the Company realised a profit of €473,248,686.

Taking into account the loss brought forward from the previous year amounting to €35,995,087 the profit to be allocated amounts to €437,253,599, which we suggest to allocate as follows:

Profit of the year	€	473,248,686
Losses brought forward	€	(35,995,087)
Net profit to be allocated	€	437,253,599
Allocation to the legal reserve	€	(6,361,016)
Allocation to the distributable reserves	€	(430,850,000)
Profit to be carried forward	€	(42,583)

Considering that the other available (distributable) reserves amount to €146,277,202 as of December 31, 2022 and the proposed allocation above, the amount available for distribution is €577,169,785. We suggest to submit to the Annual General Meeting of shareholders a proposal to approve the distribution from the other available (distributable) reserves of a total dividend amount of €52,587,367 (or €0.59 per share) taking into account the total number of outstanding shares as per December 31, 2022. This amount corresponds to a dividend of €1.17 per share for 2022, less the interim dividend of €0.58 per share that was paid on September 29, 2022.

As of December 31, 2022, the Company's total assets amount to €1,207,926,302.
The assets of the Company comprise €3,220,678 formation expenses, €1,203,802,805 of financial assets, consisting of shares in its affiliated undertakings Shurgard Luxembourg S.à r.l. ("Shurgard Luxembourg") for €345,815,676 and Shurgard UK Ltd for €858,987,129, and €848,936 of current assets (cash at bank as well as amounts owed by affiliated undertakings and in hand and prepaid expenses).

3. RESEARCH AND DEVELOPMENT

There were no research and development activities during the financial year.

4. OWN SHARES

As of December 31, 2021, the Company directly held 70,771 own shares as treasury shares with book value of €2,209,562, for which the Company created an unavailable reserve for own shares of the same amount.

During the year ended December 31, 2022, the Company sold these 70,771 treasury shares to certain employees for €1,579,649 at a loss of €629,913 in connection with the exercise of 32,271 share options granted under the 2017 plan and 38,500 options granted under the 2018 plan.

As of December 31, 2022, the Company does not hold any own shares.

5. ALLOCATION OF FREE SHARES

During the year ended December 31, 2022, the Company did not grant any share options for free to employees and executives of the Company and its subsidiaries.

6. SHARE OPTIONS GRANTED UNDER THE 2021 SHARE OPTION PLAN

In connection with the equity compensation plan approved on February 23, 2021, the Company granted on July 18, 2022, 19,000 stock options at an exercise price of €46.81.

Similar to the options granted in 2021 under the same plan, these options have a two-stage vesting period with (i) 60% of the stock options vesting 3 years after the date they are being offered; and (ii) the remaining 40% of the stock options will vest after a period of 5 years after the date they are being offered.

7. AUDITOR'S FEES

During the year ended December 31, 2022, Ernst & Young S.A. as "*Réviseur d'Entreprises agréé*" did not charge to the Company any amounts for exceptional services or the performance of special assignments.

8. PRINCIPAL RISKS, UNCERTAINTIES, OUTLOOK AND NON-FINANCIAL STATEMENT

Principal risks and uncertainties, outlook and non-financial key performance indicators are disclosed in the consolidated financial statements and the related management report.

9. INTRA-GROUP FACILITIES

In connection with and to finance the payment of the Annual Dividend and the Interim Dividend, the Company received during the year ended December 31, 2022 cash advances from Shurgard Luxembourg totaling €107,000,000.

On October 9, 2022, the Board of Managers of Shurgard Luxembourg S.à r.l. agreed on a share premium reduction in kind of €107,000,000 in favour of the Company. In the accounts of the Company, the share premium reduction has been accounted for as a reduction of its investment in Shurgard Luxembourg S.à r.l. and a reduction in the amount of cash advances outstanding.

During the year ended December 31, 2022, there were no other loans granted to or by affiliated undertakings.

10. SHARES IN AFFILIATED UNDERTAKINGS

The net book value of the Company's shareholdings in Shurgard Luxembourg S.à r.l. as of December 31, 2022 and 2021 amounts to €345,815,676 and €827,704,747.

On October 9, 2022, the shareholding in Shurgard Luxembourg S.à r.l. have been decreased in connection with a share premium reduction in kind conducted by Shurgard Luxembourg S.à r.l. for an amount of €107,000,000.

On December 9, 2022, the Company acquired all the interest held by Shurgard Holding Luxembourg S.à r.l. in Shurgard UK Ltd at the fair value of €857,987,129. At the same time, Shurgard Luxembourg S.à r.l. distributed a dividend of €483,098,058 from its profit reserves and reimbursed €374,889,071 of share premium to the Company.
The repayment of the share premium has been accounted for as a reduction of its investment in Shurgard Luxembourg S.à r.l. for the same amount.

As of December 31, 2022, the Company did not recognize any impairment losses on its shareholdings in affiliated undertakings.

11. COMPANY BRANCHES

During the financial year, the Company did not own or create any Company branches.

12. CORPORATE GOVERNANCE

The information on the corporate governance of the Company is disclosed in the consolidated financial statements and the related management report.

More information on this topic can also be found in the "Corporate" section of the Company's website (www.shurgard.eu). It contains the Company's corporate governance charter, and information such as the latest version of the Company's governance documents (articles of association), and information on the composition of the board of directors. The "Corporate" section also contains the financial calendar and other information that may be of interest to shareholders.

13. LUXEMBOURG TAKEOVER LAW DISCLOSURE

The Company is required to make the following disclosures in compliance with article 11 of the Luxembourg Law of May 19, 2006, transposing Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004, on takeover bids (the "Transparency Law"):

(a) Capital Structure

The Company has issued a single category of shares (ordinary shares). As of December 31, 2022, the share capital was set at €63,610,156 divided into 89,131,131 shares, with no nominal value. The share capital has been fully paid up. The shares exist in dematerialized form (*titres dématérialisés*) and have been issued pursuant to Luxembourg law. According to Article 7.1 of the Company's Articles of Association each share entitles to one vote. With the Company's IPO on October 15, 2018, all shares were admitted to trading on the regulated market of Euronext Brussels. The shareholder structure as of December 31, 2022 is set out in the Share Capital section of this Management Report.

(b) Restrictions on the transfer of securities

The Company shares are freely transferable in accordance with the legal requirements for dematerialized shares. The Board of Directors may, however, impose transfer restrictions for shares that are registered, listed and admitted to trading, quoted, dealt in or have been placed in certain jurisdictions in compliance with the requirements applicable therein. The transfer of a dematerialized share occurs by book-entry.

(c) Direct and indirect shareholdings

The ownership in the Company by each shareholder who is known to be the (direct or indirect) holder of shares of the Company representing 5% or more of the Company's voting rights is as follows:

Shareholder	Number	%
NYSCRF	32,544,722	36.5
Public Storage	31,268,459	35.1
Public	25,317,950	28.4
Total	89,131,131	100.0

(d) Special control rights

All the issued and outstanding shares in the Company have equal voting rights and there are no special control rights attached to the shares. As per article 7.1 of the Articles of Association of the Company each share is entitled to one vote.

(e) Control system of employee share schemes

The Board of Directors is not aware of any system of control of any employee share scheme where the control rights are not exercised directly by the employees.

(f) Restrictions on voting rights

In general, there are no restrictions on the voting rights of the Company shares. However, the sanction of suspension of voting rights automatically applies to any shareholder (or group of shareholders) who has (or have) crossed the thresholds set out in articles 8 to 15 of the Transparency Law but have not notified the Company accordingly. The sanction of suspension of voting rights will apply until the notification has been properly made by the relevant shareholder(s).

(g) Appointment / replacement of board members and Amendments of the Articles of Association

According to Articles 9.1 to 9.3 of our Articles of Association, the Company shall be managed by a Board of Directors. Each Director will be appointed by the General Meeting. The General Meeting shall determine the number of Directors, and the duration of their mandate is set at one year. Each Director is eligible for re-appointment and may be removed at any time, with or without cause by a resolution of the General Meeting. In the event of a vacancy on the Board of Directors, the remaining Directors may elect by co-optation a new Director to fill such vacancy until the next General Meeting, which shall ratify such co-optation or elect a new Director instead.

An amendment of our Articles of Association must be adopted by an extraordinary resolution at a General Meeting in front of a Luxembourg public notary. A two-thirds majority of the votes cast by the shareholders present or represented is required. Our Articles of Association do not provide for any specific conditions that are stricter than required by Luxembourg law.

(h) Powers of Board Members

According to Article 10 of our Articles of Association, the Board of Directors is vested with the broadest powers to perform all acts necessary or useful to accomplish the Company's object. All powers not expressly reserved by the Articles of Association or by the Laws to the General Meeting or to the Auditor(s) shall be within the competence of the Board of Directors.

As of December 31, 2022, according to Article 6.1 of our Articles of Association, the authorized capital of the Company (including the issued share capital) was set at €95,800,730 divided into 134,236,856 shares without nominal value. According to Article 6.2 of our Articles of Association, the Board of Directors is authorized, up to the maximum amount of the authorized capital, to:

- increase the issued share capital in one or several tranches with or without share premium, against payment in cash or in kind, by conversion of claims on the Company or in any other manner;
- issue subscription and/or conversion rights in relation to new shares or instruments under the terms and conditions of warrants (which may be separate or linked to shares, bonds, notes or similar instruments issued by the Company), convertible bonds, notes or similar instruments;
- determine the place and date of the issue or successive issues, the issue price, the terms and conditions of the subscription of and paying up on the new shares and instruments; and
- remove or limit the statutory preferential subscription right of the shareholders.

The above authorizations are valid until September 26, 2023, which corresponds to a period ending five years after the date of the General Meeting creating the authorized capital. The above authorizations may be renewed, increased or reduced by a resolution of the General Meeting with a two-thirds majority of the votes cast by the shareholders present or represented.

(i) Change of control agreements

If a change of control occurs, each individual lender under the €250 million revolving facility entered into in 2018, may cancel its commitment by not less than a 30 days' notice and require repayment of its share in all outstanding loans. The outstanding U.S. Private Placement Notes requires us to make an offer to prepay all outstanding U.S. Private Placement Notes if, within a period of 90 days following the occurrence of a change of control, the rating assigned to the U.S. Private Placement Notes (or any other of our unsecured and unsubordinated indebtedness having an initial maturity of five years or more) immediately prior to the change of control is lowered below investment grade and/or withdrawn(or, in absence of any rated U.S. Private Placement Notes, we fail to obtain an investment grade rating of such rated debt instruments).

(j) End of employment compensation

There are no agreements between the Company and its Board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

14. EVENTS AFTER THE CLOSING

On November 3, 2022, the Company announced its intention to become a United Kingdom Real Estate Investment Trust in March 2023 and called for an extraordinary shareholder meeting on December 6, 2022. In that meeting, 99.5% of the votes cast approved the plan of migrating Shurgard Self Storage S.A. to Guernsey and incorporating it as Shurgard Self Storage Limited pursuant to Guernsey law. This allows legal continuity of the entity, meaning that all rights and obligations of Shurgard Self Storage S.A. are maintained. Subsequently, UK tax residence will be established, with central management and control of the Group being exercised through the Board of Directors of Shurgard Self Storage Limited, located in the United Kingdom. The legal migration from Luxembourg to Guernsey will have no impact on the Group's listing at Euronext in Brussels, nor on the financial reporting, which will continue to be done under International Financial Reporting Standards (IFRS), as adopted by the European Union, and in euro. Save for reflecting the move to Guernsey and the transition to a UK REIT in the new memorandum and articles of incorporation, the governance structure of the Group will remain. The migration to Guernsey and establishment of central management and control by a UK based Board of Directors is expected to occur on February 17, 2023.

After the accounts closing date, no other specific circumstances or facts occurred that would be likely to influence the results substantially or the future development of the Company.

15. DISCHARGE OF LIABILITY TO THE DIRECTORS AND THE STATUTORY AUDITOR

We therefore propose you to approve the annual accounts as they have been presented in the pages to follow and ask you to grant discharge to the directors and to Ernst & Young S.A. as *"Réviseur d'Entreprises agréé"* from any liability resulting from the performance of their duties during the financial year ended on December 31, 2022.

Responsibility statement

We confirm to the best of our knowledge that the annual accounts of the Company presented in this Annual Report and established in conformity with the Luxembourg legal and regulatory requirements relating to the preparation of annual accounts give a true and fair view of the assets, liabilities, financial position and results of the Company.

February 16, 2023

Marc Oursin
Chief Executive Officer

Jean Kreusch
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Shurgard Self Storage S.A.
11, rue de l'Industrie
L-8399 Windhof

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **Shurgard Self Storage S.A.** the "Company", which comprise the balance sheet as at 31 December 2022, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

BASIS FOR OPINION

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As at 31 December 2022, Company's investment in financial assets amounted to KEUR 1,203.802 representing about 99 % of the total balance sheet. As the Company is the ultimate holding of the group, it holds indirectly shares in and loans to affiliated undertakings which are operating in different European countries. These investments are recognised and valued at historical acquisition cost and are subject to value adjustments in case of permanent impairment in value. In assessing whether such permanent impairment exists, management considers factors that could give rise to the impairment of its individual investments and evaluates whether the impairment is of permanent nature when an eventual impairment loss is identified. We considered the valuation of financial assets to be a key audit matter because it requires a high level of management judgement and due to the materiality of the amounts involved.

Auditor's response

We considered management's impairment assessment based on our understanding of the investments and existing market conditions. We compared the individual net carrying value of the direct and indirect investments to the individual net assets of each of the entities in which the Company holds directly and indirectly the shares based on their most recent available financial information. Where applicable, we assessed management's adjustments to the net assets of these entities representing mainly the adjustment for unrecognised fair value gains or losses on the properties that these entities own. We assessed management's conclusions of whether any identified potential impairment losses were of permanent nature. We also assessed the adequacy of the Company's disclosures in respect of the accounting policies related to the valuation of financial assets.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report and the corporate governance statement but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND OF THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 22 February 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on pages 105 to 120 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the financial statements of the Company as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Company, it relates to:

- Financial statements prepared in valid xHTML format;

In our opinion, the financial statements of the Company as at 31 December 2022, identified as **shurgard-2022-12-31-en.zip**, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

Luxembourg, February 16, 2023

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES (APM)

ALTERNATIVE PERFORMANCE MEASURES (APM)

APM are defined by the European Securities and Markets Authority ("ESMA") as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified by IFRS, as adopted by the EU.

SAME STORE AND NON-SAME STORE

The Group's most important APM, as also apparent from the segment reporting, relates to same stores and non-same stores. Shurgard classifies as "same stores" (i) all developed stores that have been in operation for at least three full years, and (ii) all acquired stores that we have owned for at least one full year, each measured as of January 1 of the relevant year. Any stores that are not classified as same stores for a given year are presented as "non-same stores", comprising (i) all developed stores that have been in operation for less than three full years ("new stores") and (ii) acquired stores that we have owned for less than one full year ("acquired stores"), each measured as of January 1 of the relevant year.

As a result, on a year-to-year basis, the size of our same store network changes based on the reclassification of stores from non-same stores to same stores following the time periods described in the prior paragraph. Under some circumstances, for purposes of these full-year metrics, this results in significant changes in financial and operational metrics presented on a segmental basis from year to year.

In line with common practice in self storage and other industries (e.g., retail), same store information is a crucial factor to assess the performance of the organic business, while at the same time providing information on the expansion activities of the Group. For this reason, the Chief Operating Decision Maker ("CODM") reviews the performance of the Group based on this distinction (see Note 11 of the consolidated financial statements) and same store information represents part of the remuneration for Senior Management, as can be seen in the Remuneration report included in the 2022 Annual Report.

INCOME FROM PROPERTY ("NOI")

NOI is calculated as "Property operating revenue" (A) less "Real estate operating expenses" (B) for the relevant period and can be reconciled to the closest line item in the consolidated financial statements as follows:

Income statement line item	Reference to 2022 Annual Report	2022	2021
Rental revenue	Note 6	289,380	258,626
Insurance revenue	Note 6	32,075	30,282
Ancillary revenue	Note 6	11,594	11,038
Property operating revenue (A)		333,049	299,946
Other revenue	Note 6	2,241	429
Real estate operating revenue	**Statement of Profit and Loss**	**335,290**	**300,375**

Income statement line item	Reference to 2022 Annual Report	2022	2021
Payroll expense	Note 7	42,151	41,418
Real estate and other taxes	Note 7	16,834	15,918
Repairs and maintenance	Note 7	10,913	9,886
Marketing expenses	Note 7	9,162	8,258
Utility expenses	Note 7	3,574	3,754
Other operating expenses	Note 7	20,810	17,526
Doubtful debt expense	Note 7	5,088	3,397
Cost of insurance and merchandise sales	Note 7	5,289	5,409
Real estate operating expenses (B)	**Statement of Profit and Loss**	**113,821**	**105,566**
Net Operating Income (NOI)	**(A) – (B)**	**219,228**	**194,380**

NOI measures the financial performance of our properties. It focuses on property operating revenue (generated through the lease of storage units and related activities, including insurance referrals and the sale of storage products and packaging) less real estate operating expense. As such it is a key performance indicator of the performance of the Group's core operating activity.
As explained in Note 11 to our 2022 consolidated financial statements, the Group's CODM periodically receives and reviews NOI when making capital allocation and operating decisions. Further, NOI represents a crucial input in the valuation of the Group's investment property, as described in Note 15 to our 2022 consolidated financial statements.

NOI MARGIN

The NOI margin is calculated as Income from property ("NOI") divided by Property operating revenue for the relevant period and measures the operational performance and efficiencies of our properties as it shows in percentage how much property operating revenue remains after deduction of the real estate operating expense. As with all ratios, it also allows easier comparison within our industry, as it eliminates the need for size or currency adjustments.

Item	Operator	2022	2021
Net Operating Income (NOI)		219,228	194,380
Property operating revenue	÷	333,049	299,946
NOI Margin %	**=**	**65.8%**	**64.8%**

NET (FINANCIAL) DEBT

Net debt represents our long-term and short-term interest-bearing loans and borrowings, including lease obligations and excluding debt issuance costs, less cash and cash equivalents. This liquidity metric is used to evaluate the Group's capability of repaying all its debts, were they due immediately.

The calculation of Net financial debt can also be found in Note 36 to the consolidated financial statements:

(in € thousands)	2022	2021
Carrying value of interest-bearing loans and borrowings (Note 27)	797,980	797,579
Unamortized portion of debt financing cost (Note 27)	2,020	2,421
Carrying value of lease obligations (Note 29)	99,822	88,368
Cash and cash equivalents (Note 20)	(87,345)	(219,170)
Net financial debt	**812,477**	**669,198**

LOAN-TO-VALUE ("LTV")

LTV, which stands for loan-to-value, represents the Group's Net Debt divided by the fair value of investment properties, expressed as a percentage and is a commonly used leverage KPI in the real estate industry. The calculation can be found in Note 36 to the consolidated financial statements. The Group reviews its capital structure based on this metric with the primary objective to ensure that it complies with its debt covenants. The Group targets a loan-to-value ratio of 25% with a short- to mid-term maximum amount of 35%.

The calculation can also be found in Note 36 to the consolidated financial statements:

(in € thousands)	2022	2021
Net financial debt	812,477	669,198
Investment property and investment property under construction (Note 14)	4,523,789	3,847,067
Loan-to-value ratio	**18.0%**	**17.4%**

NET DEBT TO EBITDA RATIO

Net debt to EBITDA ratio represents the Group's net financial debt divided by earnings before interest, taxes, depreciation, and amortization (EBITDA).

(in € thousands)	2022	2021
Net financial debt	812,477	669,198
EBITDA	199,765	174,865
Net debt / EBITDA	**4.1x**	**3.8x**

INTEREST COVERAGE RATIO ("ICR")

ICR, which stands for interest coverage ratio, represents the Group's earnings before interest, taxes, depreciation, and amortization (EBITDA) divided by the total interest expense, expressed as a ratio. The ICR of 9.7x demonstrates Shurgard's capacity to meet its outstanding debt obligations on time.

(in € thousands)	2022	2021
EBITDA	199,765	174,865
Total interest expense	20,696	19,985
Interest coverage ratio	**9.7x**	**8.7x**

OPERATING PROFIT BEFORE PROPERTY RELATED ADJUSTMENTS

This is a commonly reported KPI by real estate companies. We believe that this subtotal provides an improved structure to the profit and loss information and enables investors to better analyze and compare our earnings with those of other companies.

EARNINGS BEFORE INTEREST, DEPRECIATION AND AMORTIZATION (EBITDA)

EBITDA, which represents reported operating earnings before interest, tax, depreciation and amortization, excluding (i) valuation gains from investment property and investment property under construction and (ii) losses or gains on disposal of investment property, plant and equipment and assets held for sale.

CONSTANT EXCHANGE RATE ("CER")

Certain of the above-mentioned non-GAAP measures, such as EBITDA, are also presented at constant exchange rate (CER) vs actual exchange rate (AER), in order to highlight the underlying operating performance versus the impact of changes in exchange rate on the specific KPI.

EUROPEAN PUBLIC REAL ESTATE ASSOCIATION ("EPRA") APM

In addition to the above, the Group mainly uses alternative performance measures that are issued and defined by EPRA with the aim to align the various accounting and reporting methodologies for the public real estate sector in Europe in order to increase the overall transparency of the sector by providing performance measures that result meaningful information for the readers of the financial statements.

The EPRA KPIs used by Shurgard are based on the EPRA best practice guidelines dated February 2022.

The table below provides a summarized overview of the Company's key APM, consisting of, (Adjusted) EPRA earnings, NAV, EPRA NRV, EPRA NTA, EPRA NDV and EPRA LTV:

(in € thousands, except for earnings per share)	2022	2021
EPRA earnings	144,225	129,426
EPRA earnings per share (basic) €	1.62	1.46
EPRA earnings per share (diluted) €	1.61	1.45
Adjusted EPRA earnings	143,556	131,049
Adjusted EPRA earnings per share (basic) €	1.61	1.48
Adjusted EPRA earnings per share (diluted) €	1.60	1.47
NAV	2,860,993	2,472,543
NAV per share (basic) €	32.10	27.77
NAV per share (diluted) €	31.98	27.47
EPRA NRV	3,989,647	3,409,642
EPRA NRV per share (diluted) €	44.59	37.38
EPRA NTA	3,638,892	3,112,598
EPRA NTA per share (diluted) €	40.67	34.58
EPRA NDV	2,974,095	2,417,628
EPRA NDV per share (diluted) €	33.24	26.87
EPRA Loan-to-value (LTV)	17.7%	17.2%

The basis of calculation of each of the above measures set out above, are illustrated below.

EPRA EARNINGS AND EPRA EARNINGS PER SHARE

(in € thousands, except for earnings per share)	December 31, 2022	December 31, 2021
Profit attributable to ordinary equity holders of the parent for basic earnings	**574,284**	**446,848**
Adjustments:		
Gain on revaluation of investment properties	(586,181)	(466,575)
Profits or losses on disposal of investment properties, development properties held for investment, right of use assets and other interests	-	-
Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-	-
Tax on profits or losses on disposals	-	-
Negative goodwill / goodwill impairment	-	-
Changes in fair value of financial instruments and associated close-out costs	-	-
Acquisition costs of business combinations and non-controlling joint venture interests	(775)	-
Current and deferred tax in respect of EPRA adjustments	155,878	148,668
Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	-	-
Non-controlling interests in respect of the above[1]	1,019	485
EPRA earnings	**144,225**	**129,426**
EPRA earnings per share (basic) €	**1.62**	**1.46**
EPRA earnings per share (diluted) €	**1.61**	**1.45**

1 Non-controlling interests are presented net of deferred income taxes.

ADJUSTED EPRA EARNINGS AND ADJUSTED EPRA EARNINGS PER SHARE

(in € thousands, except for earnings per share)	December 31, 2022	December 31, 2021
EPRA earnings	**144,225**	**129,426**
Company specific adjustments:		
Non-recurring expenses[1]	(1,269)	(966)
Tax adjustments[2]	600	2,589
Adjusted EPRA Earnings	**143,556**	**131,049**
Adjusted EPRA earnings per share (basic) €	**1.61**	**1.48**
Adjusted EPRA earnings per share (diluted) €	**1.60**	**1.47**

1 Non-recurring expenses consist of (i) insurance recovery proceeds, (ii) compensation received for lease agreement termination and (iii) UK REIT set up costs.
2 Tax adjustments consist of (i) deferred tax expense on items other than revaluation of investment property, (ii) net impact of tax assessments and (iii) current income tax effect of the Company specific adjustment items included in this Adjusted EPRA earnings table.

ADJUSTED EPRA EARNINGS AND FOREIGN EXCHANGE RATE RISK

The following table presents the sensitivity analysis of our adjusted EPRA earnings in EUR in case the euro would weaken by 10% versus the GBP, SEK and DKK, respectively:

(in € thousands)	2022	2021
GBP/EUR exchange rate – increase 10%	2,852	2,526
SEK/EUR exchange rate – increase 10%	2,607	2,533
DKK/EUR exchange rate – increase 10%	887	759

Positive amounts represent an increase in adjusted EPRA earnings.

NAV (BASIC AND DILUTED)

Basic NAV per share amounts are calculated by dividing net assets in the statement of financial position attributable to ordinary equity holders of the parent by the number of ordinary shares outstanding at the reporting date.

The following reflects the net asset and share data used in the basic and diluted NAV per share computations:

(in € thousands, except for number of shares and NAV per share)	2022	2021
Equity attributable to ordinary equity holders of the parent	**2,860,993**	**2,472,543**
Number of ordinary shares at the reporting date	89,131,131	89,035,431
Number of diluted shares at the reporting date	333,315	981,195
NAV per share (basic) €	**32.10**	**27.77**
NAV per share (diluted) €	**31.98**	**27.47**

EPRA NRV (DILUTED)

The EPRA NRV scenario aims to represent the value required to rebuild the properties and assumes that no selling of assets takes place.

(in € thousands, except for NRV per share)	**2022**	2021
Equity attributable to ordinary equity holders of the parent	**2,860,993**	2,472,543
Include / Exclude:		
Hybrid instruments	-	-
Diluted NAV	**2,860,993**	2,472,543
Include:		
Revaluation of investment properties	-	-
Revaluation of investment properties under construction	-	-
Revaluation of other non-current investments	-	-
Revaluation of tenant leases held as finance leases	-	-
Revaluation of trading properties	-	-
Diluted NAV at fair value	**2,860,993**	2,472,543
Exclude:		
Deferred taxes in relation to fair value gains on investment property	784,628	645,981
Fair value of financial instruments	-	-
Goodwill as a result of deferred tax	-	-
Include:		
Revaluation of intangibles to fair value	-	-
Real estate transfer tax	344,026	291,118
EPRA NRV	**3,989,647**	3,409,642
EPRA NRV per share (diluted) €	**44.59**	37.38

In the above EPRA NRV calculation, the fair value adjustment of our notes issued and deferred tax expense other than on the fair value adjustment of investment property are not considered, and real estate transfer tax has been considered.

EPRA NTA (DILUTED)

The EPRA NTA scenario is focused on reflecting a company's tangible assets and assumes that companies buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax liability.

(in € thousands, except for NRV per share)	2022	2021
Equity attributable to ordinary equity holders of the parent	**2,860,993**	2,472,543
Include / Exclude:		
Hybrid instruments	-	-
Diluted NAV	2,860,993	2,472,543
Include:		
Revaluation of investment properties	-	-
Revaluation of investment properties under construction	-	-
Revaluation of other non-current investments	-	-
Revaluation of tenant leases held as finance leases	-	-
Revaluation of trading properties	-	-
Diluted NAV at fair value	2,860,993	2,472,543
Exclude:		
Deferred taxes in relation to fair value gains on investment property	784,628	645,981
Fair value of financial instruments	-	-
Goodwill as a result of deferred tax	-	-
Goodwill recognized in the statement of financial position	-	-
Intangible assets recognized in the statement of financial position	(6,729)	(5,926)
Include:		
Real estate transfer tax[1]	-	-
EPRA NTA	**3,638,892**	3,112,598
EPRA NTA per share (diluted) €	**40.67**	34.58

1 The Company did not opt for the "optimised net property value" approach, as we do not have a history that would indicate that we can achieve lower taxes when buying and selling and as we have a buy and hold strategy, which would indicate limited relevance of the optimised EPRA NTA.

In the above EPRA NTA calculation, the fair value adjustment of our notes issued and deferred tax expense other than on the fair value adjustment of investment property are not considered.

EPRA NDV (DILUTED)

The EPRA NDV scenario aims to represent the shareholder's value under an ordinary sale of business, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

(in € thousands, except for NDV per share)	2022	2021
Equity attributable to ordinary equity holders of the parent	**2,860,993**	2,472,543
Include / Exclude:		
Hybrid instruments	-	-
Diluted NAV	**2,860,993**	2,472,543
Include:		
Revaluation of investment properties	-	-
Revaluation of investment properties under construction	-	-
Revaluation of other non-current investments	-	-
Revaluation of tenant leases held as finance leases	-	-
Revaluation of trading properties	-	-
Diluted NAV at fair value	**2,860,993**	2,472,543
Exclude:		
Goodwill as a result of deferred tax	-	-
Goodwill recognized in the statement of financial position	-	-
Include:		
Fair value of fixed interest rate debt: carrying value senior guaranteed notes lower than fair value (Note 35)	113,102	(54,915)
EPRA NDV	**2,974,095**	2,417,628
EPRA NDV per share (diluted) €	**33.24**	26.87

EPRA LTV

The EPRA LTV's aim is to assess the gearing of the shareholder equity within a real estate company. To achieve that result, the EPRA LTV provides adjustments to IFRS reporting which are described in more details in this document.

The main overarching concepts that are introduced by the EPRA LTV are:

- In case of doubt, and unless otherwise defined below, any capital which is not equity (i.e., which value accrues to the shareholders of the company) is considered as debt irrespective of its IFRS classification;
- The EPRA LTV is calculated based on proportional consolidation. This implies that the EPRA LTV include the Group's share in the net debt and net assets of joint venture or material associates;
- Assets are included at fair value, net debt at nominal value.

No adjustment related to IFRS 16 is proposed for the purposes of calculating the EPRA LTV as, for most real estate entities, these balances typically gross up both sides of the LTV calculation and generally do not have a commercial impact on the leverage of the business.

As of December 31, 2022, EPRA LTV is as follows:

EPRA LTV Metric as of December 31, 2022 (In € thousands)	Group as reported	Proportionate Consolidation Share of joint-ventures	 Share of Material Associates	 Non-controlling Interests	Combined
Include:					
Borrowings from Financial Institutions	-	-	-	-	-
Commercial paper	-	-	-	-	-
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	-	-	-	-	-
Bond loans	797,980	-	-	-	797,980
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-	-
Net payables	74,868	-	-	704	75,572
Owner occupied property (debt)	-	-	-	-	-
Current accounts (equity characteristic)	-	-	-	-	-
Exclude:					
Cash and cash equivalents	(87,345)	-	-	75	(87,270)
Net Debt (a)	**785,503**	**-**	**-**	**779**	**786,282**
Include:					
Owner occupied property	-	-	-	-	-
Investment properties at fair value	4,374,361	-	-	(9,521)	4,364,840
Properties held for sale	-	-	-	-	-
Properties under development	54,217	-	-	-	54,217
Intangibles	6,729	-	-	-	6,729
Net receivables	-	-	-	-	-
Financial assets	-	-	-	-	-
Total Property Value (b)	**4,435,307**	**-**	**-**	**(9,521)**	**4,425,786**
EPRA LTV (a/b)	**17.7%**			**N/A**	**17.8%**

RECONCILIATION OF CERTAIN EPRA LTV COMPONENTS

EPRA LTV Metric as of December 31, 2022 (In € thousands)	Group as reported	Proportionate Consolidation Share of joint-ventures	Share of Material Associates	Non-controlling Interests	Combined
Investment property					
Investment property presented in IFRS FS	4,469,572	-	-	-	4,469,572
Less ROU IP (IFRS 16)	(95,211)	-	-	-	(95,211)
Investment property for EPRA LTV calculation	**4,374,361**	**-**	**-**	**-**	**4,374,361**
Payables, net					
Trade and other receivables	(18,671)	-	-	21	(18,650)
Other current assets	(8,261)	-	-	20	(8,241)
Other non-current assets	(11,327)	-	-	-	(11,327)
Other non-current liabilities	-	-	-	-	-
Trade and other payables	74,075	-	-	737	74,812
Deferred revenue	32,456	-	-	(73)	32,383
Income tax payable	6,596	-	-	(1)	6,595
Net Payables	**74,868**	**-**	**-**	**704**	**75,572**

As of December 31, 2021, EPRA LTV is as follows:

EPRA LTV Metric, as of December 31, 2021 (In € thousands)	Group as reported	Proportionate Consolidation Share of joint-ventures	Share of Material Associates	Non-controlling Interests	Combined
Include:					
Borrowings from Financial Institutions	-	-	-	-	-
Commercial paper	-	-	-	-	-
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	-	-	-	-	-
Bond loans	797,579	-	-	-	797,579
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-	-
Net payables	70,920	-	-	311	71,231
Owner occupied property (debt)	-	-	-	-	-
Current accounts (equity characteristic)	-	-	-	-	-
Exclude:					
Cash and cash equivalents	(219,170)	-	-	75	(219,095)
Net Debt (a)	**649,329**	**-**	**-**	**386**	**649,715**
Include:					
Owner occupied property	-	-	-	-	-
Investment properties at fair value	3,734,195	-	-	(7,337)	3,726,858
Properties held for sale	-	-	-	-	-
Properties under development	29,832	-	-	(418)	29,414
Intangibles	5,926	-	-	-	5,926
Net receivables	-	-	-	-	-
Financial assets	-	-	-	-	-
Total Property Value (b)	**3,769,953**	**-**	**-**	**(7,755)**	**3,762,198**
EPRA LTV (a/b)	**17.2%**	**-**	**-**	**N/A**	**17.3%**

RECONCILIATION OF CERTAIN EPRA LTV COMPONENTS

		Proportionate Consolidation			
EPRA LTV Metric, as of December 31, 2021 (In € thousands)	**Group as reported**	**Share of joint-ventures**	**Share of Material Associates**	**Non-controlling Interests**	**Combined**
Investment property					
Investment property presented in IFRS FS	3,817,235	-	-	(7,337)	3,809,898
Less ROU IP (IFRS 16)	(83,040)	-	-	-	(83,040)
Investment property for EPRA LTV calculation	**3,734,195**	**-**	**-**	**(7,337)**	**3,726,858**
Payables, net					
Trade and other receivables	(16,370)	-	-	15	(16,355)
Other current assets	(7,950)	-	-	22	(7,928)
Other non-current assets	(1,067)	-	-	-	(1,067)
Other non-current liabilities	140	-	-	-	140
Trade and other payables	61,699	-	-	337	62,036
Deferred revenue	30,226	-	-	(63)	30,163
Income tax payable	4,242	-	-	-	4,242
Net Payables	**70,920**	**-**	**-**	**311**	**71,231**

CAPITAL EXPENDITURE

(in € thousands)	2022	2021	+/-
Acquisitions / Additions	76,310	47,813	59.6%
Development	75,472	55,564	35.8%
Other: completed properties	37,105	27,700	34.0%
Like-for-like portfolio	-	-	N/A
Capital Expenditure	**188,887**	131,077	**44.1%**

The Group currently holds no investments in joint ventures.

Capital expenditures disclosed in the table are categorized according to the EPRA recommendations and consist of the items "Acquisition of investment property" and "Capital expenditure" presented in Note 14, Investment property and investment property under construction.

Acquisitions/Additions relate to seven stores acquired: one in London, three in Sweden, two in the Netherlands and one in France.

EPRA VACANCY RATE

(in € thousands, at CER, except where indicated)	2022	2021	+/-
Estimated rental revenue of vacant space	43,512	36,195	20.2%
Estimated rental revenue of the whole portfolio	332,891	293,202	13.5%
EPRA Vacancy Rate	**13.1%**	12.3%	0.7pp

The EPRA vacancy rate shows how much of the full potential rental revenue is not received because of vacancy. The EPRA vacancy rate is calculated by dividing the estimated rental revenue of vacant space by the estimated rental revenue of the whole property portfolio if all properties were fully rented, both based on the rental revenue of the year and the occupancy rate at period end. The EPRA vacancy rate came to 13.1% at the end of 2022 slightly going up compared to 12.3% in 2021. A part of the vacancy rate is attributable to new stores opened and major redevelopments that are still ramping up.

EPRA LIKE-FOR-LIKE RENTAL GROWTH

LFL net rental growth compares the growth of the net rental income of the portfolio that has been consistently in operation, and not under development, during the two full preceding periods that are described. Information on the growth in net rental income, other than from acquisitions and disposals, allows stakeholders to arrive at an estimate of organic growth. This can be used to measure whether the reversions feed through as anticipated, and whether the vacancy rates are changing. This is presented on a segmented basis by geography. All properties are stores, therefore a segment spread by business type is not included.

Shurgard classifies as "LFL" (i) all developed stores that have been in operation for at least three full years; and (ii) all acquired stores that we have owned for at least one full year, each measured as of January 1 of the relevant year.

	FY 2022 Whole portfolio		FY 2022 LFL portfolio				
						Growth in LFL rental revenue	
(in € thousands, at CER, except where indicated)	Total market value	Rental revenue 2022	Total market value	Rental revenue 2022	Rental revenue 2021	€	%
France	1,037,031	68,030	945,990	66,378	61,884	4,494	7.3%
The Netherlands	832,027	59,420	781,700	57,813	52,369	5,444	10.4%
The United Kingdom	971,121	57,514	766,135	48,415	43,140	5,275	12.2%
Sweden	627,835	43,018	594,377	42,914	39,995	2,919	7.3%
Germany	414,300	26,130	319,000	22,647	20,249	2,398	11.8%
Belgium	276,980	21,625	276,980	21,625	19,660	1,966	10.0%
Denmark	208,388	13,643	208,388	13,643	12,513	1,130	9.0%
Total portfolio	**4,367,682**	**289,380**	**3,892,570**	**273,435**	**249,810**	**23,626**	**9.5%**

	FY 2021 Whole portfolio		FY 2021 LFL portfolio				
						Growth in LFL rental revenue	
(in € thousands, at CER, except where indicated)	Total market value	Rental revenue 2021	Total market value	Rental revenue 2021	Rental revenue 2020	€	%
France	872,980	62,302	801,070	59,864	57,083	2,780	4.9%
The Netherlands	724,700	53,275	700,140	52,369	47,885	4,484	9.4%
The United Kingdom	778,149	46,550	627,357	43,139	38,372	4,769	12.4%
Sweden	528,241	39,995	516,735	39,115	36,894	2,221	6.0%
Germany	328,940	22,712	231,340	17,633	16,702	931	5.6%
Belgium	234,460	19,660	234,460	19,660	18,242	1,417	7.8%
Denmark	175,391	12,513	175,391	12,513	11,478	1,035	9.0%
Total portfolio	**3,642,861**	**257,007**	**3,286,493**	**244,293**	**226,656**	**17,637**	**7.8%**

EPRA COST RATIOS

The EPRA cost ratios are aimed at providing a meaningful measurement and comparison of the changes in a company's operating costs.

(in € thousands, except where indicated)	**2022**	2021	**+/-**
Administrative/operating expense line per IFRS income statement	(136,336)	(125,007)	9.1%
Net service charge costs/fees	-	-	N/A
Management fees less actual/estimated profit element	-	-	N/A
Other operating income/recharges intended to cover overhead expenses less any related profits	-	-	N/A
Share of Joint Ventures expenses	-	-	N/A
Exclude (if part of the above):			
Investment Property depreciation	-	-	N/A
Ground rent costs	(923)	(383)	141.1%
Service charge costs recovered through rents but not separately invoiced	-	-	N/A
EPRA costs (including direct vacancy costs)	**(135,413)**	(124,624)	**8.7%**
Direct vacancy costs	-	-	N/A
EPRA costs (excluding direct vacancy costs)	**(135,413)**	(124,624)	**8.7%**
Gross Rental Income less ground rent costs - per IFRS	290,302	259,008	12.1%
Less: service fee and service charge costs components of Gross Rental Income (if relevant)	-	-	N/A
Add: share of Joint Ventures (Gross Rental Income less ground rent costs)	-	-	N/A
Gross Rental Income	**290,302**	259,008	**12.1%**
EPRA cost ratio (including direct vacancy costs)	46.6%	48.1%	-1.5pp
EPRA cost ratio (excluding direct vacancy costs)	46.6%	48.1%	-1.5pp

EPRA NET INITIAL YIELD (NIY) AND TOPPED-UP NIY

EPRA NIY is calculated as the annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property.

(in € thousands, except where indicated)	December 31, 2022	December 31, 2021	+/-
Investment property – wholly owned	4,353,121	3,758,099	15.8%
Investment property – share of JVs/Funds	-	-	N/A
Trading property (including share of JVs)	-	-	N/A
Less: developments	72,907	27,280	167.3%
Completed property portfolio	**4,280,214**	**3,730,819**	**14.7%**
Allowance for estimated purchasers' costs	259,644	222,852	16.5%
Gross up completed property portfolio valuation	**4,539,858**	**3,953,671**	14.8%
Annualized cash passing rental income	289,379	258,626	11.9%
Property outgoings	(922)	(383)	141.1%
Annualized net rents	**288,457**	**258,243**	**11.7%**
Add: notional rent expiration of rent-free periods or other lease incentives	-	-	N/A
Topped-up net annualized rent	**288,457**	**258,243**	**11.7%**
EPRA Net Initial Yield (NIY)	6.4%	6.5%	-0.2pp
EPRA "topped-up" NIY	6.4%	6.5%	-0.2pp

APPENDIX

SUMMARY OF THE ASSURANCE STATEMENT

ASSURANCE SUMMARY STATEMENT

EVORA Global Ltd. ("EVORA") was engaged by Shurgard Self Storage SA ("Shurgard") to provide assurance of the Environmental sustainability performance measures of their 2022 Sustainability Report for the reporting period of 1st Jan 2022 to 31st Dec 2022.

The assurance was provided in accordance with AccountAbility's AA1000 Assurance Standard V3 (AA1000AS) Type 2 moderate level and EPRA Best Practice Recommendations for Sustainability Reporting (sBPR) 2017 3rd Edition. EVORA's scope of assurance covered a series of indicators and assertions contained in the report including:

- Absolute:
  - Electricity Consumption (kWh)
  - District Heating/cooling (kWh)
  - Fuels Consumption (kWh)
  - Water Consumption (m^3)
  - Greenhouse Gas (GHG) Emissions (tCO_2e)
  - Waste (tonnes)

- Intensity Calculations:
  - Energy (kWh / m2)
  - GHG (kgCO2e/m2)
  - Water (m3/m2)

- Alignment check of Shurgard's reporting against EPRA sBPR Guidelines 2017 across all the performance measures.

The assurance was conducted via independent third party Markit Group Limited (IHS Markit, now part of S&P Global), engaged by EVORA.

EVORA's full assurance statement includes certain limitations, findings and recommendations for improvement, adherence to AA1000 Accountability Principles, and a detailed assurance methodology.

The full assurance statement with EVORA's independent opinion can be found at Investor Relations Home Page | Shurgard Self Storage

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