SHURGARD

SELF-STORAGE

# ANNUAL REPORT

# 2023

JANUARY 1, 2023 TO DECEMBER 31, 2023

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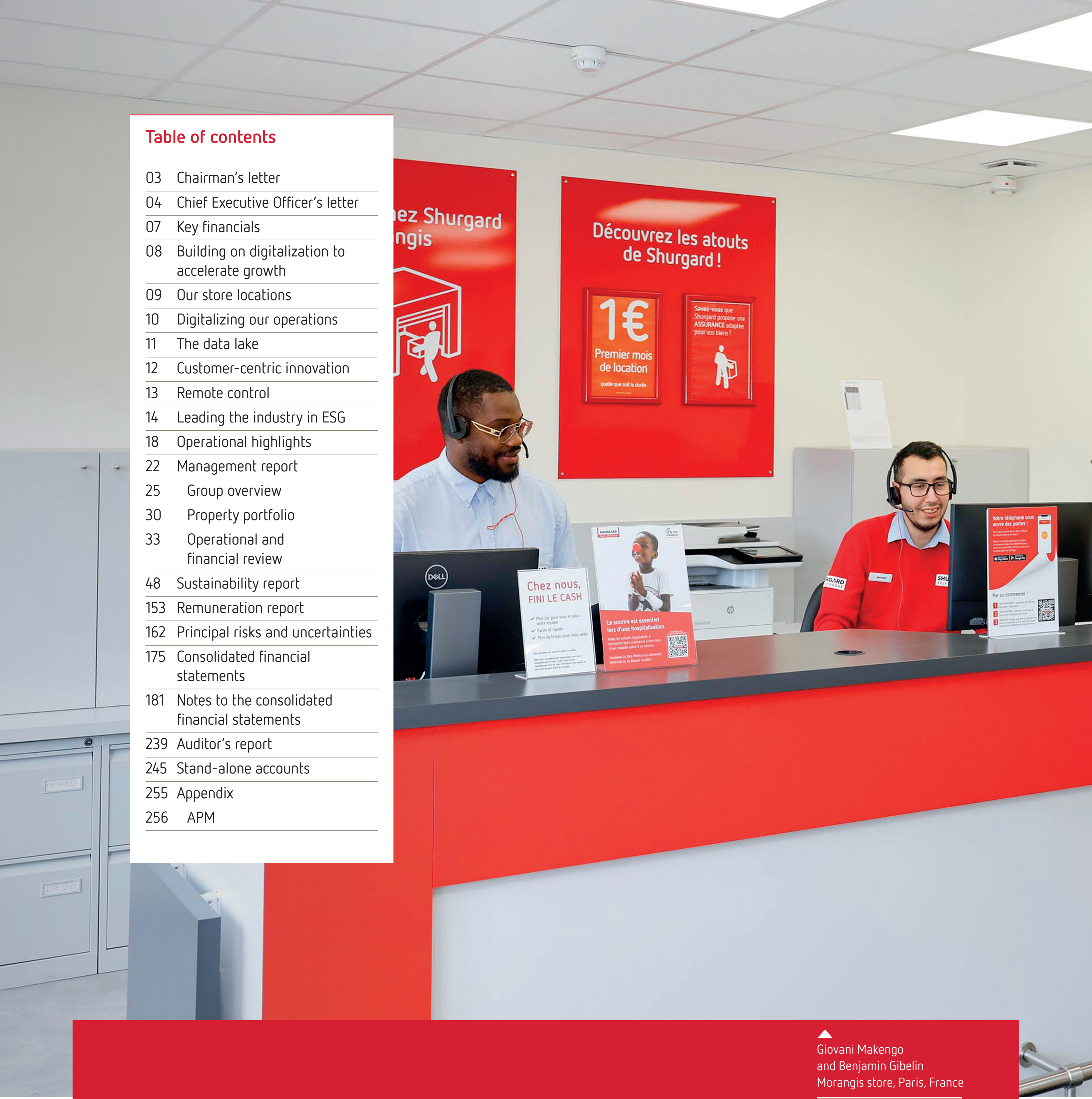



Giovani Makengo and Benjamin Gibelin
Morangis store, Paris, France

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 276 stores in seven countries where c. 190,000 customers lease our storage units every year.

The consolidated financial statements presented on page 175 and following in pdf format is only a supplementary document.
The official ESEF (European Single Electronic Format) version prevails.

# Chairman's letter

I am honored to be writing my first Chairman's statement since being appointed to the role following the 2023 Annual General Meeting (AGM).

Despite the challenging and volatile environment, which has experienced rising interest rates, high inflation, and geopolitical conflicts, this has been the most transformational year since the company's initial public offering in October, 2018.

Shurgard became a UK REIT in March, 2023, and for the first time since listing, successfully raised additional capital of €300 million, some of which has already been used to fund our acquisition strategy, particularly in Germany, and also enables us to pursue further opportunities.

There remains a significant shortage of self storage throughout Europe, and although we are already the largest owner and operator across the continent, we have every intention and aspiration of reinforcing this position. We remain ambitious to grow our business with a focus on expanding in our existing key locations of London, Paris, Randstad (Amsterdam, Rotterdam, The Hague and Utrecht) and the "Big Seven" in Germany.

We have set ambitious targets to increase our overall footprint by 90,000 sqm (c. 6% of our total portfolio) of additional rental space per annum through development and acquisition.

We remain very focused on achieving and exceeding our ESG commitments. Our plan to achieve net zero carbon is advancing well as evidenced by the significant like-for-like reductions in energy consumption throughout our portfolio. In addition, the external recognition that has been forthcoming with the receipt of several awards demonstrates our strong commitment to sustainability, social and corporate governance.

There has been a very significant emphasis on increased use of technology to the benefit of both our customers and operational team. We will accelerate the digitalization of the platform and introduction of more remotely managed stores.

The Board restructuring announced last year will continue to ensure the team is refreshed regularly. Olivier Faujour will be stepping down at the AGM to be replaced by Paula Hay-Plumb. We thank Olivier for his significant contribution since the listing. This rotation of board directors will continue in subsequent years. Succession planning for both the Board and the senior executives is well established and constantly reviewed to ensure continuity.

I would like to express my sincere thanks and gratitude on behalf of the Board and all our stakeholders to my predecessor, Ronald L. Havner, Jr., who stood down as Chairman last year. His leadership and vision have been integral to the repositioning and growth of Shurgard in the 17 years since Public Storage first became a shareholder. I am personally thrilled and delighted that we were able to persuade Ron to remain involved as a strategic advisor to the Company, with the title of Chairman Emeritus, ensuring we can still access his unique skill set and knowledge of the self-storage sector.

On behalf of the Board, may I express my sincere thanks to Marc and the executive team for their outstanding efforts and achievements throughout this very active year. 2024 will bring further challenges, but your company is very well positioned financially and operationally to move forward and strengthen our leading market position.

Ian Marcus
Chairman of the Board

# Chief Executive Officer's letter

By all measures, 2023 has been a very significant milestone year in the life of our company. Our growth strategy has strong momentum, we are benefiting from the digital transformation of both the customer journey and our operations, and we are supported by a robust financial structure and committed ESG strategy. Our shareholders have benefited from this performance since we became a public company in October 2018 with the best total shareholder return ("TSR") versus major self-storage industry peers in Europe and the UK.
The below data are presented at constant exchange rate (CER).

## CUSTOMER EXPERIENCE

The Shurgard customer journey was transformed in 2023. The Shurgard app and store access system, rolled out during 2022 provides a consistent, intuitive, easy experience that is also more cost-efficient and margin-enhancing. Customers can use the app to manage their accounts, make payments and access their storage.

Many of our customers want to be self-sufficient in their interactions with our services, which reduces the requirement for in-person support. The change in consumer behavior and our digital enhancements have given rise to new opportunities to manage our stores more efficiently.

After careful consideration and insightful trials, Shurgard has begun to roll out a remotely managed store model in six different countries. This has allowed us to reduce staffing needs, improve productivity, and invest in different store models, like smaller stores in convenient locations, that may have been cost-prohibitive before.

## BEHIND THE SCENES

Customer digitalization improvements are also being augmented by projects that affect the efficiency of our operations. In the last quarter of 2023, we laid the foundations for the installation of a new digital platform by making investments to support our digital shift over the next two years. This will improve enterprise productivity and generate new data that will give much better visibility across the financial and operational landscape. The system will support the growth of our estate as we scale up the number of properties, transactions, and of course the data generated. It will provide reliability for the future and underpin our economies of scale.

Our new Data & AI team will have the financial and operational data generated by our systems, an increasing volume of anonymized GDPR-compliant customer data, and information on store management and energy efficiencies from the building management systems at their fingertips. The team can collect, collate, and analyze the data to find better ways to provide the best service for our customers and deliver improvements in the development process.

## PORTFOLIO EXPANSION

Shurgard's profile is unique. We are a resilient real estate business-to-consumer company with a runway of significant growth. Our geographies are well balanced and support our strategic acceleration, which started in 2022 and will reach a sustained growth rate of 90,000 sqm per annum as of 2024, equating to an additional c. 6% of our total portfolio. With more options for store size and location afforded by the new remotely managed property model, and a healthy pipeline of new developments designed to reinforce and expand a leading position in our core markets, Shurgard is demonstrating strong forward momentum.

In 2023, we added 64,600 sqm to our store portfolio via the three levers of growth – new developments, redevelopments, and acquisitions. The focus for acquisitions this year was on our German market where Shurgard used 2023 to strengthen its offer in the “Big Seven” cities. Expansion within these key cities is accelerating Shurgard towards a leadership position in the country, leveraging our platform approach that provides economies of scale.

## REVENUE GROWTH AND MARGIN EXPANSION

Once again, Shurgard delivered very strong revenue growth in 2023. All store property operating revenue grew by 9.0%, building on the 11.7% and 9.5% growth achieved in 2022 and 2021. But it was not only new properties that underpinned this consistent growth, same store property operating revenue grew by 5.7% in 2023.

Ultimately, top line growth is only as powerful as the margins that turn it into profitability, and Shurgard once again expanded margins in 2023, despite a sometimes volatile and inflationary environment. All store margins rose to 66.3% in 2023 from 65.8% the previous year, as we were able to control costs through efficiencies and cost savings generated by our digitalization program and remotely managed store rollout.

## STRUCTURE, GOVERNANCE AND ESG

The transformation of Shurgard’s structure and the introduction of new board members in 2023 has strengthened our governance. In March we became a UK REIT, and in May, board member Ian Marcus was welcomed as our new independent chairman along with two new directors, Lorna Brown and Tom Boyle. The reduction of the Board to nine members, and the introduction of a new female board member in 2024, is bringing us closer to gender parity and supporting our social and governance responsibilities.

In 2023, we again topped the sector on the Global Real Estate Sustainability Benchmark (GRESB), achieving five stars for the third year in a row, and were also recognized for our ESG achievements by MSCI, EPRA and Sustainalytics.

We won two new awards last year– the Golden Bridge Award for ESG Excellence from the Belgian-Luxembourg Chamber of Commerce in Great Britain, and Best Financial Communication award from the Belgian Centre of Expertise for Finance Professionals. We have also been recognized for our sustainability excellence by being selected to join the BEL ESG Index.

Our ESG reporting is very thorough. The sustainability report integrated into this Annual Report contains a wealth of data and insight into the actions that merit this recognition. I encourage you to read it and see how we are making a difference.

## FINANCIALLY SOUND FUTURE

Shurgard's accelerated development is driven by increased investment, but we remain prudent and well-capitalized. We secured a new committed €450 million short- to mid-term term loan facility and successfully completed the first equity raise since our IPO in 2018. The €300 million raised has already been put to work funding our acquisition strategy, notably in Germany in 2023, and provides further headroom for opportunities within the sector that strengthen our position in our core markets.

Looking ahead, we are confident of achieving our target of adding an additional 90,000 sqm to our portfolio in 2024, and sustaining this growth level annually. We are always mindful of the environment in which we operate, but with current momentum we expect all store revenue to grow by c. 7.5% in 2024.

Our achievements in 2023 are a demonstration of the motivation and dedication of our employees, the loyalty of our customers, the support of our shareholders and the involvement of our Board of Directors. I thank all of them on your behalf.

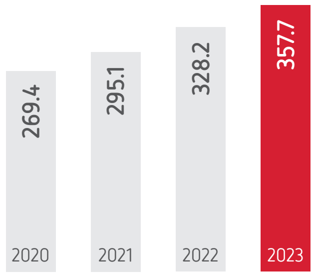
Marc Oursin
Chief Executive Officer

# Key financials

Shurgard has delivered a very strong financial performance in 2023, driven by the dual engines of same store sales growth and portfolio expansion through the ramp-up of new developments and acquisitions. 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 2024 through 2026.

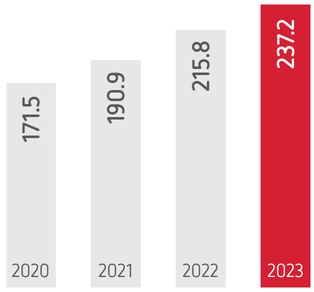
### Property operating revenue
€ million (at CER)

+9.0%



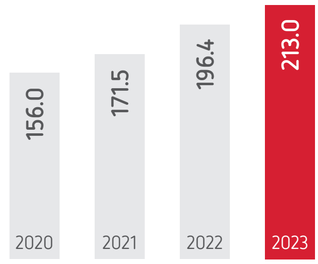

### Income from property (NOI)
€ million (at CER)

+9.9%



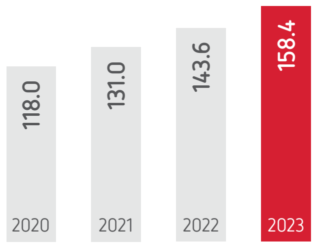

### Underlying EBITDA
€ million (at CER)

+8.4%



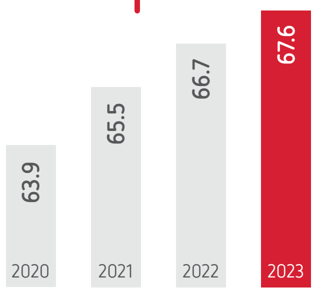

### Adjusted EPRA Earnings
€ million

+10.3%



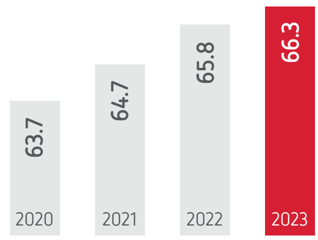

### NOI margin (Same store)
% (at CER)

+0.9p



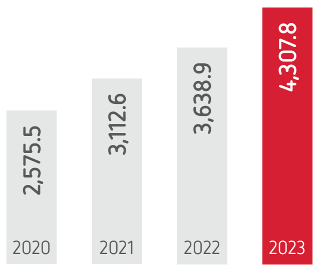

### NOI margin (All store)
% (at CER)

+0.6p



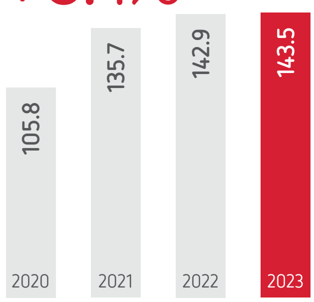

### Epra net tangible assets (NTA)
€ million

+18.4%

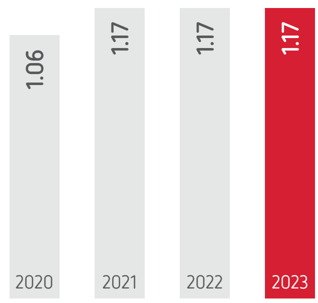



### Portfolio expansion investments
€ million (at CER)

+0.4%



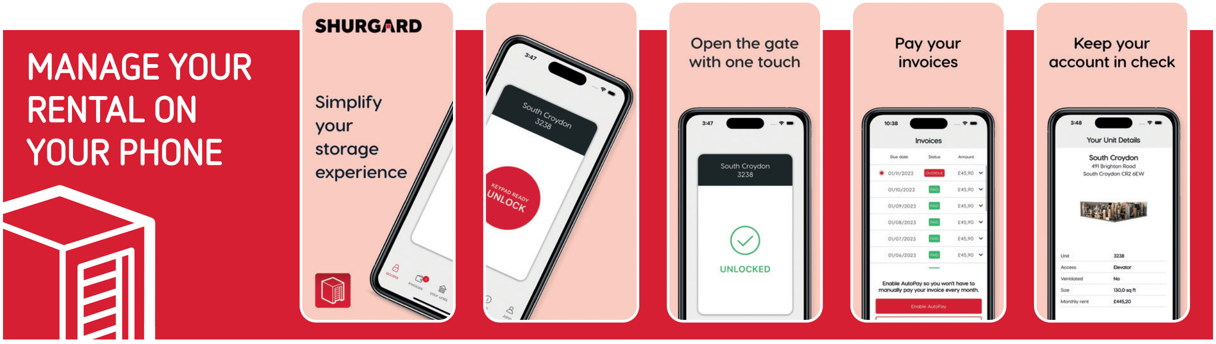

### Dividend per share
€




Notes: See page 24 for notes to Key Financials.

# Building on digitalization to accelerate growth

Two years ago, Shurgard made a commitment to accelerate growth, doubling the rate of investment and development by 2024. As we approach our goal, we are on track to deliver an additional 90,000 sqm per annum of rental space by 2024.




Throughout this acceleration phase, we have continued to focus on growing the business profitably, and 2023 has been another very strong year. Property operating revenue rose 9.0% in 2023, NOI margins from our same store portfolio increased 0.9pp, and Adj. EPRA earnings were up 12.3% at constant exchange rate.

In addition, as the cost of capital has risen, we have increased our expected property yield at maturity (hurdle rate) to 8-9%, from the 7-8% forecast at the start of our acceleration program, as we benefit from the efficiencies of digitization.

## DIGITAL FOUNDATIONS FOR SUCCESS

As a B2C industry, the basis of our success is a strategy that evolves alongside our customers, leveraging new technology across our portfolio of properties in seven markets. The diversity of location and efficiency of our platform approach means improvements, many of them digital, can be replicated across the portfolio, quickly and effectively.

Technology, not only improves the efficiency of the business but also ensures we provide our customers with the experience they need. Want to book and pay for rentals online? We have been offering that seamless experience for three years already. Want to manage your rental on your phone? Our new app can do that for you. Still want that face to face? You can come into a store or speak to someone on the phone.

Our digital platform has enabled Shurgard to optimize the operating model in our densely clustered stores, and during 2023 we successfully trialed remotely managed stores that are managed from nearby serviced sites. This provides us with more opportunities to incorporate smaller stores in dense urban locations, offering our customers more choice closer to their homes.

In addition, we are trialling a state-of-the-art building management system that monitors energy use and spots anomalies to ensure they are rectified quickly, reducing costs and improving environmental outcomes.

## INDUSTRY LEADER

The self-storage industry in Europe is being fueled by positive drivers of growth. Urban density, a shortage of housing stock, increased awareness of self-storage solutions, the need for flexibility in a post-Covid digital age, all propel the growth of the industry.

But even as the industry is swept along on that forward momentum, Shurgard has proved itself a leader in its markets.

We are able to maintain industry leading occupancy levels because our core customer base is residential (c. 80% vs 20% business customers), and they react more slowly to economic swings. In addition to our core residential customers, we also support and provide for our business customers, who use Shurgard for inventory storage or as distributed retail hubs.

The other distinguishing factor is the urban cluster model that Shurgard replicates across all seven of our operating countries. Buying, building, and expanding in high density central locations introduces efficiencies which become even more profitable as we expand our digitalization program. Remotely managed stores mean Shurgard can be increasingly flexible with its store size, opening up new opportunities in established markets. These key strategic pillars have enabled Shurgard to consolidate its leadership and grow its market share.

# Our store locations


CAPITAL CITIES

**185**

MAJOR CITIES (TIER 1)

**73**

As of December 31, 2023 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 capital and tier one 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. Capital 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.

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

**276 stores**
in seven countries

**1.4 million sqm**
of space

c.
**190,000**
customers

# Digitalizing our operations

Digitalization is a very broad term, so what does it actually mean for Shurgard? It means going beyond the basic digital touchpoints like websites and emails. It means transforming our business using digital technologies that support all our stakeholders, from customers and shareholders to employees and community members.

At the very heart of our digital journey is centralization. The economies of scale inherent in our size and geographic concentration allow Shurgard to offer a great service without adding extra costs. And to do this we have developed centralized platforms that streamline our operations and continuously improve the customer journey.

Shurgard's core IT strategy serves as a base on which we can develop other applications, processes and technologies. While it is centralized to provide all our operating countries and properties with access to the same tools, the applications and processes built on it can be personalized to the country, the store or the customer. For example, in 2023 Shurgard launched its mobile app, which allows customers to manage their bookings or rental on the one device they always have on hand. Any customer in any location can download the app and use it to pay bills, verify their address, opt into recurrent payments or physically access their storage unit using the app.

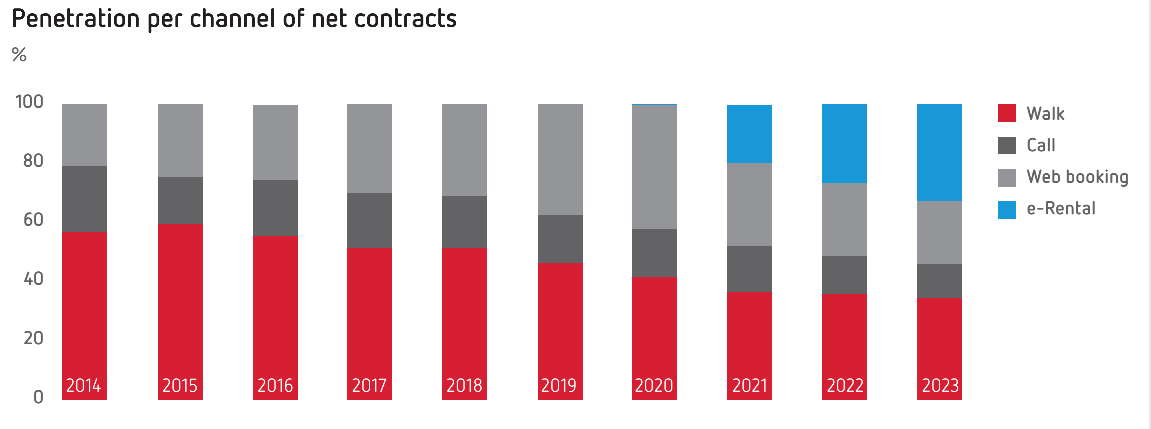
This centralized platform was a key reason Shurgard was able to respond quickly when the pandemic changed the way many customers chose to access our services. Within just the first six months of 2021 the company was able to implement its entirely digital e-rental solution.

Now it takes only six minutes to find, book and pay for a self-storage unit via the e-rental platform, and this channel already accounts for 39% of all bookings.

Even those customers who are not directly booking through e-rental are mostly connecting via digital touchpoints. Around 90% of prospective customers find Shurgard via the website, and the more services we offer online or on mobile, the more customers use them.

We can offer the customer-facing benefits of our digitalization program because the technology runs right through the business, from head office to stores to storage units. Technology helps us manage our assets, driving customer acquisition and loyalty, and supporting our dynamic pricing model which is a key driver of rental growth.

When we optimize our digital processes, we lower costs, improve operational efficiency and increase margins. The scalability of the platform allows Shurgard to add square meters to our portfolio with marginal cost increases, so shareholders benefit from digitalization as much as customers do.



# The "data lake"

Data is omnipresent. Everything we do is captured somewhere, on our phone, in our online shopping basket, via internet banking, using GPS while driving and the data generated from all these interactions is used, in anonymized form, to offer us better products or services.

Shurgard's digitalization program has exponentially grown the volume of data we generate. From bookings and web interactions, to store visit frequency and usage statistics, to lighting and heating management, Shurgard is awash with data, and we need to use it well to ensure all our stakeholders benefit while ensuring that we always comply with GDPR regulations.

For example, we will install a new back-office Enterprise Resource Planning (ERP) system which will improve enterprise productivity and generate new data that will give much better visibility across the financial and operational landscape.

We are building the digital architecture that will sustain our growth. This year in addition to back-office investment, we have installed smart building management systems in two test markets in Belgium and the Netherlands, which are designed to optimize property maintenance. As the outcomes are measured, we will look to expand the system to gain both financially and environmentally.

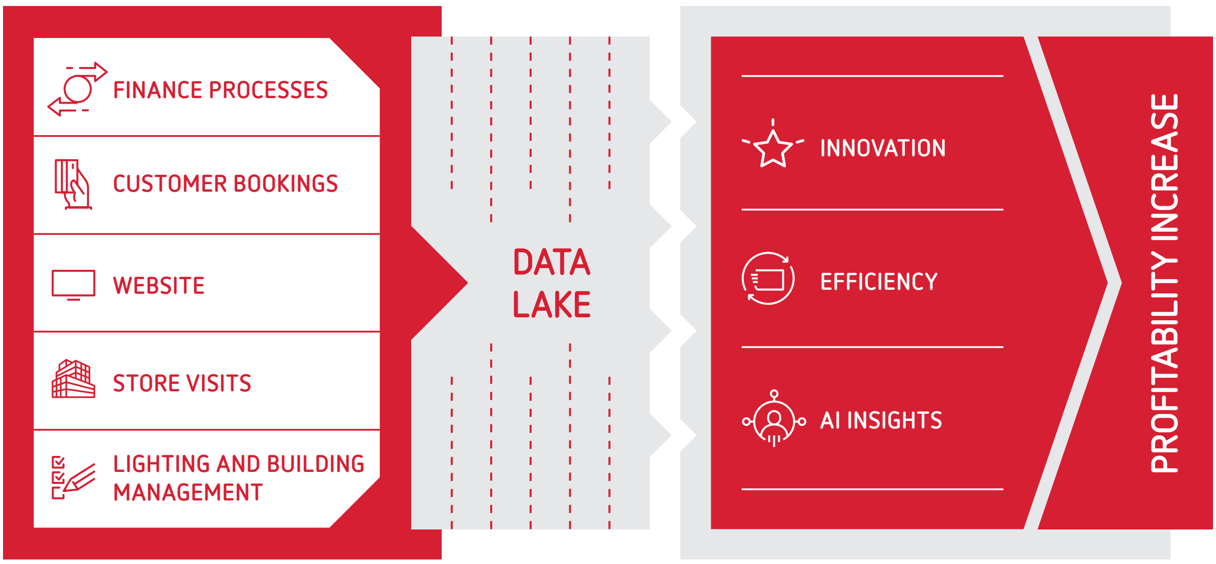
The experts in our new Data & AI team are ensuring we have a single version of the truth. This means verifying, processing and organizing the raw data that comes in from all parts of the business, and analyzing it to generate new insights, unlock efficiencies and improve the customer experience.

## PROPERTY TECHNOLOGY

All this new data has transformed Shurgard into a 'proptech' company, the industry shorthand for companies that use technology to manage their properties more efficiently.

How can we ensure we are available for customers when they need us? Visit frequency data can answer that question. Is energy consumption in line with customer volume, and if not, why not? Data from our Building Management System which measures electricity consumption on site, and customer data can be compared and analyzed to find anomalies and then solutions. Are our customer prospects aligned with local demand and local pricing? Our data science-based pricing algorithm can adjust for many variables that enable us to deliver industry-leading occupancy rates and revenue maximization.

The deep insights we can generate from the data to understand customer behavior, store usage, marketing and demand, means we are finding new ways to improve the service customers receive when they choose Shurgard as their self-storage provider. And our shareholders are benefiting too. New developments in property technology, combined with improved efficiencies across finance, operations and human resources, are supporting profitable growth. The proof is in the margin, which increased 0.9pp on a same store basis in 2023.



# Customer-centric innovation

Self storage is being driven by a spate of mega-trends, including Artificial Intelligence (AI), robotics, urbanization and home working, that are changing the face of the industry. Whether they are the cause or the effect, our customers are at the heart of these changes. They fuel our business. Every modification, innovation or evolution we make to our service is made with our customers at the forefront of our mind.

We have seen customer behavior evolve over recent years, responding to the lightning pace of change in the technology landscape that has irrevocably changed the way we all live, work, shop and even play. But it has not changed the motivations for using our self storage though, and in some cases has increased demand. People still move houses, get divorced, graduate from university, downsize, upsize and create small businesses. In addition to these life events, the trend towards hybrid working has increased the need for self storage, to make space for a home office in the closet, the living room, the bedroom or the shed.

## DIGITAL DEMAND

Digitalization is at the heart of customer change and business evolution. Consumers demand every service at their fingertips, on their phone, tablet or laptop. They are 'always on' and they expect us to be too. That is why 90% of Shurgard interactions start from a digital touchpoint. Since 2021, all Shurgard customers can research, book and pay for their storage unit via our "e-rental" service, which accounts for 39% of all bookings made. And now our customers can access and manage their storage from the new app on their phone.

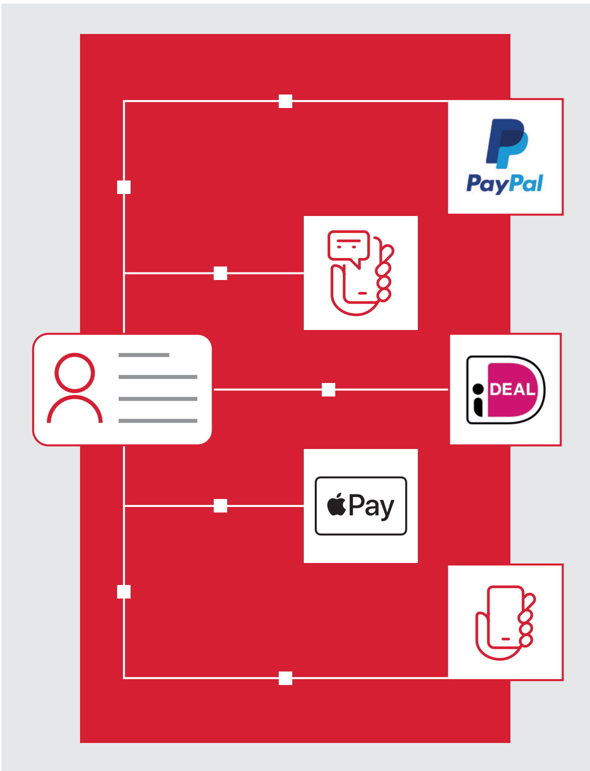
Shurgard's strength lies in its significant geographic diversity, and the leverage of a centralized system that drives margin improvement. But we never lose sight of the fact that our seven operating countries are unique in their own ways. In 2023, Shurgard introduced a range of new ways to pay for e-rental bookings that more accurately reflect the customs and preferences of each country.

For example, in Germany it is common to pay online using Paypal, whereas in the Netherlands they use iDEAL. Other countries prefer Apple Pay or other regional variations. Shugard is ensuring that each customer experience is attuned to the local demand. We have also begun to implement a new customer identity management, which requires different types of verification depending on location. We have been pleased with the level of uptake for this extra layer of security, even in the UK where the process is far more complex than in say Sweden where all adults have a bank ID they can use for other verification requests.

## PERSONAL TOUCH

Where 90% of our customer prospects start their journey digitally, they do not all end there. Many customers still want to interact directly with our employees, ask questions, discuss options, so many of them still call us, and we are making sure they get the best experience there too. In 2023, Shurgard overhauled our telephony system to make it flexible enough for the changing needs of our customers. It is now integrated with other methods of contact, like text messaging, so customers also have optional digital touchpoints that stem from that one phone call.

Every prospect is a potential customer, so they should all be able to use their preferred method of communication, whether online, on the phone or in person. Our job is to make it simple and accessible to find the right information whenever and wherever they are.



# Remote control

We have all become used to scanning our basket of shopping at the supermarket, doing away with long queues for the checkout. For the supermarket chain, it means one or two employees can manage a steady flow through a greater number of tills, increasing efficiency for both customers and companies.

The relevance for Shurgard is the introduction this year of remotely managed stores which are geographically close to service stores but operate as satellites, managed remotely. We have run a series of trials through the course of 2023 and the outcome has been overwhelmingly positive. Remotely managed stores are visited regularly by staff based at the service store, where operational tasks are completed and customers who require in person assistance are engaged with.

We are still open for business as usual, offering a range of ways to contact us, from online and phone to face-to-face interactions to best cater to our diverse customer base. One fifth are baby boomers, a third are Gen-Xers, 38% are millenials and 10% are under 26 (Gen-Z). We want to ensure they can access our services through their preferred channel. Our on site and remotely managed stores form nearby clusters, so any issues that arise can be quickly dealt with.

When queries do not require in-person accommodations, customers are happy to receive support online or by phone.

The remotely managed store option is only possible because of Shurgard's geographic concentration in capital and key cities. High density locations in cities like London, Paris, Stockholm, Copenhagen and the Randstad conurbation in the Netherlands are the testbed for remotely managed stores, and the success of the trials means Shurgard can expand its type and size of property opportunities.

Fixed human resource costs for smaller sites might have made them uneconomical in the past, but now remotely managed stores are not only feasible but desirable. They allow customers to benefit from more storage locations closer to their home or business, and contribute to improving margins.

The success of the initial trial means Shurgard will prepare for a wider expansion of the on site/remotely managed model.

# Leading the industry in ESG

Shurgard's ESG commitments are an integral part of the business, informing operational decisions and permeating throughout the culture of the organization. We have a robust strategic plan to achieve net zero in two distinct phases and our progression along this path is recognized by industry-leading scores from external sustainability organizations and the frameworks we adhere to. 2023 was another high watermark for Shurgard's sustainability goals.

## DOUBLE MATERIALITY ASSESSMENT

In 2023, Shurgard undertook what is known as the Double Materiality Assessment, a process which considers the material impact of Shurgard on the environment and society, as well as the material impact of the environment and society on Shurgard and its financial and reputational performance. The materiality process included both our internal assessment and the feedback received from our various stakeholders (customer feedback, supplier surveys, investor days, employee feedback, etc.). We have also continued to conduct a physical climate risk assessment of our entire portfolio of 276 stores. All these elements have allowed us to consider how sustainability topics correlate with our business strategy, and help us to develop sustainability materiality processes that link with the wider risk management process. This process is ongoing and we will continue to monitor ESG impacts coming into, and flowing out from the business, and find ways to mitigate them.

## ENVIRONMENTAL SUSTAINABILITY

2023 was another year of successes in our environmental sustainability journey, including exceeding our target for reducing like-for-like energy consumption - we achieved 40% by year end, compared to the 10% initially targeted against a 2017 baseline. We have done this through a program of energy reduction measures including retrofitting LED lighting (a project that concluded in 2023 with 100% of LED lighting across the entire portfolio), implementing a smart building management system at 88 stores in Belgium and the Netherlands initially (with plans to expand the trial if successful), equipping a total of 26 stores with heat pumps (out of 108) to replace gas heating, and ensuring more of our properties conform to excellent building ratings by 2029.

We also currently have solar panels installed at 23 properties, and as part of our energy generation strategy we are embarking on a full technical assessment of our properties in the Netherlands, a country where electricity production has a high carbon intensity. The process includes studying roof structure and capacities, electrical connections, permit requirements and reinjection possibilities. This will allow us to make sure that resources and funding can be planned and committed effectively.

These energy saving measures concern our scope 1 and 2 emissions which specially refer to emissions generated by us or emitted from energy purchased for our use. To move closer to net zero, we are also beginning to measure and plan for mitigating our scope 3 emissions, which are indirectly generated by our value chain and which are often outside of our direct control. Scope 3 emissions are the hardest to measure and mitigate but we have made a start this year, focusing on business travel, employee commuting and customer visits, initially through measurement but with a view to lowering the emissions from this business activity.

The journey to net zero carbon is predicated on a strategy that looks first to reducing energy consumption, secondly to optimizing energy consumption with low-carbon alternatives, thirdly using renewable energy suppliers and finally, only if needed, offsetting any residual emissions.

The first three key processes are already well under way and we will continue to apply stringent measures and targets to achieve our net zero commitments.

| 1. Reduce energy consumption | 2. Optimize energy consumption | 3. Renewable Energy supply and generation | 4. Offset residual emissions |
| --- | --- | --- | --- |
| We are reducing the energy consumption in our stores, through investments in better building designs, sensors, building management systems and energy-efficient devices (e.g., LED lighting). | We are optimizing our energy consumption mix, stepping out of carbon-intense sources like gas and shifting towards low-carbon alternatives (e.g., heat pumps or equivalent). | We are increasing the share of our utilities supplied from certified renewable sources and are generating on-site renewable energy, for instance with solar panels. | As a final step, should any remaining emissions be unavoidable, we will offset it with the financing of carbon-positive actions. |

# EXTERNAL RECOGNITION

## Benchmark achievements

Shurgard is leading the self-storage sector in sustainability, and external agencies and benchmarks recognize us. In 2023 we once again achieved a 5-star result in the Global Real Estate Sustainability Benchmark (GRESB), with a score of 91 out of 100, maintaining the sector leadership we have held for the past two years. Shurgard also received again an AA rating on the MSCI ESG Ratings assessment, just one away from the highest rating. On the Sustainalytics scale we scored 10.8 on their ESG Risk Rating, which means Shurgard is at low risk of experiencing material financial impacts from ESG factors. We also maintained our gold award at the EPRA Sustainability Best Practices Recommendations, which we first achieved in 2021.

## UN Global Compact

The Sustainable Development Goals (SDG) are part of a framework developed by the United Nations (UN). It brings together society, governments, and business to drive positive change. 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.

## New awards in 2023

As we continue to steer our sustainability strategy towards net zero carbon, Shurgard has been recognized with three new awards and achievements in 2023. We are proud to have been selected to be part of the newly created BEL ESG Index, which is designed to identify the top 20 companies in Belgium that demonstrate high ESG practices alongside solid investibility metrics like free float and liquidity.

In addition, as part of our commitment to strong governance, Shurgard received the Best Financial Communication award from the Belgian Centre of Expertise for Finance Professionals.

And in November, The Belgian-Luxembourg Chamber of Commerce in Great Britain honored Shurgard with the esteemed Golden Bridge Award for Environmental, Social, and Governance (ESG) Excellence in 2023. This recognition amplifies Shurgard's unwavering commitment to sustainability and responsible corporate citizenship.

# CYBERSECURITY

In an era characterized by increased reliance on digital technologies and data, cybersecurity has become a critical concern for organizations like Shurgard. As cyber threats continue to evolve in sophistication and frequency, we are protecting our information and systems through collective responsibility that spans across all levels of the organization. We have conducted a comprehensive risk assessment to identify potential vulnerabilities and threats. Strong cybersecurity policies have been established, and on top of specific awareness campaigns, all our employees have followed a cybersecurity training and phishing simulation exercises. In 2023, our executives have also live-tested our incident response plan, through a simulation of a cybersecurity breach, enabling Shurgard to best respond to cyber-attacks or threats to information security, minimizing losses, leaks, or disturbances, and reacting swiftly and effectively to such an event. We also conducted security audits, vulnerability assessments, and penetration testing. By implementing these fundamental cybersecurity practices, we significantly reduce our risk exposure, protect our data, and maintain the trust of our stakeholders.

# Leading the industry in ESG continued

## SOCIAL ENGAGEMENT

Every year Shurgard sustains its charitable and social engagement. Each region and every store is involved in some form of local community outreach, many of which have been ongoing for several years, forging strong personal connections.

Three stores in Paris have for some years provided free storage space for Le Rire Médecin which supports clowns going into hospitals to entertain children. Our staff in France also participated in an annual Christmas fundraising flea market for the charity.

In the Netherlands, Shurgard stores serve as a collection point for baby essentials for the charity Stichting Babyspullen, and in the UK, our long-standing association with the Mayor's Fund for London supports young Londoners from low-income backgrounds by organizing job readiness workshops.

We support Team Rynkeby, a Nordic charity cycling team raising money for organizations that support children with critical diseases across Europe, and Off Road Kids, a German non-profit organization that runs a street social work system to prevent homeless young people from becoming street children. Shurgard supports Pelicano, a foundation battling child poverty in Belgium, by offering free storage at seven locations, aiding in providing essential needs for children.

The community and our staff benefit from these charitable actions and we will continue to expand our repertoire, providing scope for our employees to support causes that are meaningful to them.


25 March, 2023, Shurgard's Nordic team met at three different gyms in Malmo, Gothenburg and Stockholm. Over 50 Shurgard employees from SWE & DK volunteered to do spinning together with Team Rynkeby for the Children's Cancer Foundation.

## EMPLOYEE WELLBEING

Shurgard has always prided itself in offering a welcoming and inclusive place to work, but we have gone much further in 2023, implementing a range of well-being initiatives that focus on both mental and physical well-being. An employee survey identified a range of activities that can enrich the employee experience. Some of these implemented include bi-monthly stress relief workshops for support center staff, improving indoor air quality and lighting control in office spaces, encouraging support center staff and store employees to use the office bicycles during lunch breaks, and promoting social interaction through team events.

In 2023, Shurgard launched our pillars training which helps new hires integrate into our working culture by introducing them to our four value pillars - Happiness, Training, Team spirit and Perspective.

Our commitment to staff is recognized in our 2023 silver Investors in People accreditation, and we will continue to empower our employees and enrich the company culture to build on this achievement.

## SUSTAINABILITY AIMS

We have translated our material topics into concrete sustainable goals. Under these four pillars of sustainability, we focus on what is good for the business and for a sustainable future. This leads to responsible investment solutions and decisions, with enhanced value for all our stakeholders.

### OUR SUSTAINABLE AIMS

#### SUSTAINABLE DEVELOPMENT

As an owner and operator of real estate, we want to develop in a sustainable manner, by controlling and limiting our environmental impact.

- Transition to low-carbon economy
- Resilience of properties to climate risks
- Save water
- Responsible waste management

#### EMPLOYER OF CHOICE

Shurgard is passionate about creating excellent and safe workplaces which maximize wellbeing and productivity of our employees, and foster an open, supportive, diverse, and inclusive culture.

- Safe and inclusive workplace
- Invest in the development of our people
- Share and live the Shurgard culture

#### POSITIVE IMPACT ON SOCIETY

Shurgard wants to contribute to a sustainable society, building a positive and lasting relationship with our neighbors, communities, customers, and suppliers alike.

- Best-in-class customer service
- Customer privacy and safety
- Positive impact on local communities
- Encouraging ESG best-practices in our supply chain

#### ETHICS & GOVERNANCE

Shurgard is committed to respecting high governance standards. It is organized in such a way as to promote a strong culture of awareness of compliance, business ethics and risk management.

- High governance standards
- Business ethics and code of conduct
- Data and cyber-security

# Operational highlights

## REMOTELY MANAGED STORES

The introduction of remotely managed stores has been a major operational highlight for Shurgard. We wanted to ensure the operating model would work well for both customers and the business, so we undertook a series of trial stores initially, expanding the project as the concept proved effective. Remotely managed stores are clustered near on-site managed stores, which allows site managers to carry out operational tasks at the remotely managed stores when required or deal with any customer issues that require a physical presence. Outside of these periodic visits, the remotely managed stores are controlled digitally.

The success of the remotely managed stores model has reduced Shurgard's store employee costs and increased the opportunity for on-site managers and staff to take on wider responsibility and expand their personal development goals.

Shurgard can now also take advantage of property opportunities that might previously have been cost prohibitive, for example a small store that was uneconomical because of the cost of an on-site store manager has become viable under the remotely managed stores model. This means we can consider more locations and improve the proximity to our customers. We anticipate increasing the number of remotely managed stores over the next two years.

## OPERATIONAL EFFICIENCIES

Shurgard's digital shift encompasses all parts of the business. From our back-office finance employees who will be able to carry out operational duties quickly and easily on the new ERP system, to our customers who can now pay using the iDEAL e-commerce system in the Netherlands. These important improvements are part of a wider shift to incorporating the best property technology into our everyday operations.

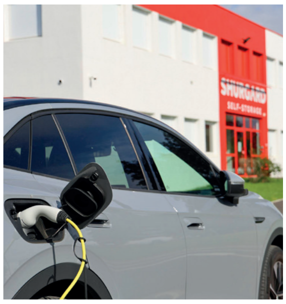
In 2023 we added several new payment methods to our platform to cater to the different preferences in each of our markets. Our app services have also expanded substantially this year, and customers can now manage their account, pay bills, change billing frequency, verify their address or identity, and most importantly use the app to access their storage unit without having to remember an access code.

As our digital footprint grows, we have invested in data scientists and AI experts to make effective use of all the data being generated. Customer insights inform our decision on which operating model works best for which store, building management data informs our strategy on energy allocation, and demand and supply data informs our intelligent pricing algorithm. Through digitalization we are ensuring that Shurgard continues to build on solid long-term foundations.

## SUSTAINABILITY – THE BEL ESG INDEX

Shurgard incorporates sustainability into all aspects of its operational performance. We have a strategy of continuous improvement embedded in our ESG processes, and we once again were recognized for this by all of the sustainability frameworks that we adhere to. In addition, we were very pleased to be included in a new BEL ESG Index created by Euronext, for companies in Belgium that can demonstrate the lowest Environmental, Social and Governance risks. The index identifies companies that are actively contributing to a more sustainable future.

Shurgard's inclusion in the new index not only exemplifies our commitment to sustainability, it also accentuates the company to investors who are specifically looking to increase their ESG exposure.




## NEW DEVELOPMENTS

The five new developments opened in 2023 centered around two key markets, London, UK and the Randstad conurbation in the Netherlands, with three new properties in the Netherlands and two in the UK. The first opened in May 2023 in Amsterdam Diemen, adding 4,000 sqm and offering 570 new self-storage units. The Diemen property will serve as a secondary building to an existing self-storage property in the same region. Direct project costs were €3.2 million.

The two other Randstad properties opened in July and October 2023, the first in Amersfoort, adding 3,100 sqm to our portfolio at a cost of €5.4 million, and the second at Amsterdam Portsmuiden adding 7,500 sqm at a cost of €5.4 million.

Importantly, both new properties complement Shurgard sites nearby and so will be remotely managed from these nearby stores as part of our new operating model.

Two additional stores are due to open in the Netherlands in 2024, and two in 2025, adding a further 18,300 sqm to the Randstad cluster.

In London, where Shurgard owns 43 stores with 216,000 sqm across the capital, we opened a 6,800 sqm store in Chadwell Heath, East London in October 2023 at a cost of €17.9 million. One further property opened in West London (Chiswick) in December adding an additional 6,500 sqm to Shurgard's growing presence in London at a cost of €24.5 million overall. One more London development is due to open in 2024 and a further four are due to open in 2025 which will bring the total London area properties to 48 and 251,900 sqm.

Seven new developments in Germany in 2024 and 2025 will expand our store footprint there by almost 44,000 sqm.

## REDEVELOPMENTS

Shurgard completed five major redevelopments in 2023 in four of our key markets, along with several direct access units, which allow our customers to park directly outside their unit, across all markets. The direct access units and redevelopments in Munich, Germany, Rotterdam and Almere in the Randstad area of the Netherlands, Stockholm, Sweden, and in London, UK, contributed an extra 19,600 sqm to our storage portfolio at a total cost of €17.9 million.

## ACQUISITIONS

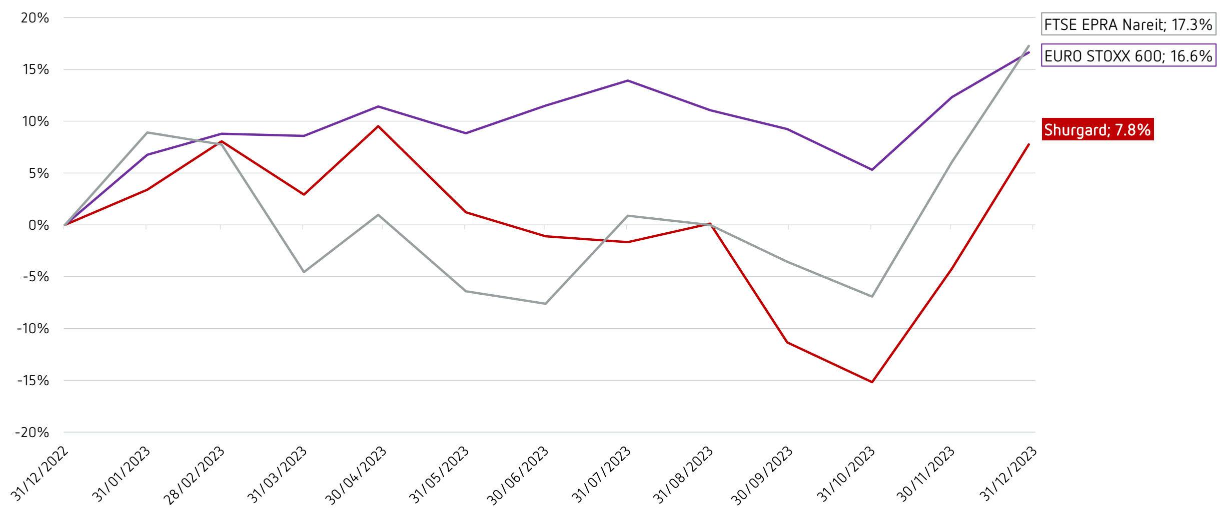
In October 2023, Shurgard made the acquisition of five operating properties and two development assets from Top Box self-storage in Germany. In total the acquisition, redevelopment and new development costs amount to €97.6 million and we expect to achieve a stabilized yield of around 8%. In February 2024, Shurgard acquired the high-quality freehold portfolio of three operating properties in Berlin and three in Hamburg from Pickens in Germany for a purchase price of €120 million.

Top Box's existing portfolio in Germany (Essen, Duisburg, Cologne, Wiesbaden and Mannheim) alongside the Pickens properties in Berlin and Hamburg, fit perfectly within our German expansion strategy. Our new footprint in Germany propels Shurgard to the number two position in the country. With these two acquisitions and the development pipeline 2024-2026, we will add 118,700 sqm in Germany, which will nearly double our footprint compared to the beginning of 2023.

The transactions are a further step in our growth strategy across the "Big Seven" cities in Germany, and deploys the funds raised during the Capital Raise of €300 million on November 10, 2023. We continue to work on other identified targets, aiming for completion in the foreseeable future. In line with our financing strategy, we execute this ambitious, comprehensive and disciplined investment approach, within our loan-to-value (LTV) and Net Debt to underlying EBITDA guidance.

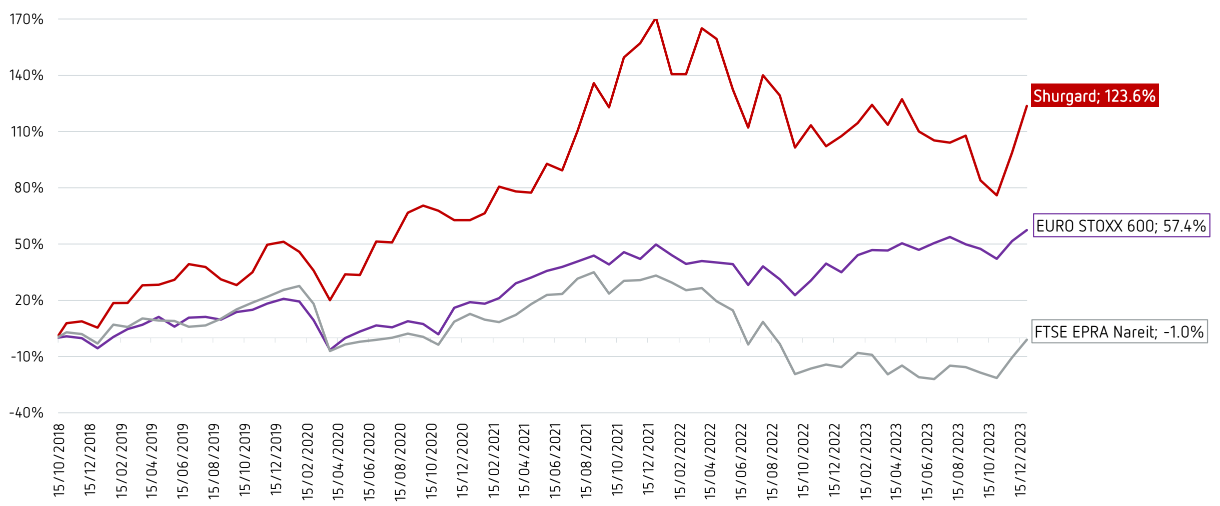
# THE SHURGARD SHARE

*Year-to-date stock performance[1] vs. indices*




1 Total performance, assuming reinvestment of dividends.

*Stock performance[1] vs. indices since IPO (Oct 2018)*




1 Total performance, assuming reinvestment of dividends. The performance for Shurgard is based on the price at IPO (€23.00 per share).

## BASIC SHARE DATA

| | |
|---|---|
| ISIN / common code | GG00BQZCBZ44 |
| CFI code | ESVUFR |
| Ticker | SHUR |
| Stock exchange | Euronext Brussels |
| Shares issued / outstanding as of December 31, 2023 | 97,311,896 |
| Subscribed capital | €69,448,518 |
| Share price as of December 31, 2023[1] | €44.86 |
| 52-week high / low[2] | €48.79 / €34.01 |
| Market capitalization as of December 31, 2023 | €4,365 million |
| Average daily trading volume[3] | 143,121 shares |

1 Closing price on last trading day of the month.
2 In each case from start of trading on January 1, 2023 to December 31, 2023, based on Euronext Brussels closing price.
3 Includes trade on Lit, Dark, Auction, OTC and SI markets, based on publicly available information.

## DIVIDEND

Shurgard intends to declare a dividend of €1.17 per share for the fiscal year. For the first half of 2023, our Board of Directors approved a half-year dividend of €0.58 per share or €51.7 million paid on October 5, 2023.

The Board of Directors recommended, subject to shareholders' approval, a final dividend for the year 2023 of €0.59 per share or €57.4 million based on the number of shares outstanding as of December 31, 2023.

This second and final dividend will be payable on or around May 29, 2024, to shareholders on the record at close of business on May 28, 2024.

Shurgard will continue to review its dividend policy to ensure it remains competitive.

## 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 maintain the liquidity of its order book and increase the trading volumes of its share, to benefit current and potential investors.

## SHAREHOLDERS

The following table sets forth the shareholders of the Company as of December 31, 2023:

| Shareholder | Number | % |
|---|---:|---:|
| Public Storage | 34,132,133 | 35.1 |
| New York State Common Retirement Fund | 32,544,722 | 33.4 |
| Public | 30,635,041 | 31.5 |
| *of which Resolution Capital Ltd* | *3,694,540* | *3.8* |
| **Total** | **97,311,896** | **100.0** |

# MANAGEMENT REPORT

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# KEY FINANCIALS

| (in € millions, except where indicated otherwise, excluding property under management contract) | Q4 2023 | Q4 2022 | +/- (CER)[1] | FY 2023 | FY 2022 | +/- | +/- (CER)[1] |
|---|---|---|---|---|---|---|---|
| **Property KPIs at period end** | | | | | | | |
| Number of properties | 275 | 266 | | 275 | 266 | 3.4% | |
| Closing rentable sqm[2] | 1,391 | 1,343 | | 1,391 | 1,343 | 3.5% | |
| Closing rented sqm[3] | 1,207 | 1,167 | | 1,207 | 1,167 | 3.4% | |
| Closing occupancy rate[4] | 86.8% | 86.9% | | 86.8% | 86.9% | -0.2pp | |
| **Property KPIs for the period** | | | | | | | |
| Average rented sqm[5] | 1,212 | 1,162 | 4.3% | 1,196 | 1,146 | 4.3% | |
| Average occupancy rate[6] | 88.2% | 88.2% | 0.0pp | 88.3% | 88.5% | -0.2pp | |
| Average in-place rent (in € per sqm)[7] | 267.9 | 260.3 | 3.5% | 261.4 | 252.4 | 3.6% | 5.1% |
| Average revPAM (in € per sqm)[8] | 270.0 | 263.0 | 3.3% | 264.1 | 257.0 | 2.7% | 4.2% |
| **Financial KPIs for the period** | | | | | | | |
| Property operating revenue[9] | 92.7 | 86.6 | 7.7% | 357.7 | 333.0 | 7.4% | 9.0% |
| Income from property (NOI)[10] | 64.1 | 59.0 | 9.4% | 237.2 | 219.2 | 8.2% | 9.9% |
| NOI margin[11] | 69.1% | 68.1% | 1.1pp | 66.3% | 65.8% | 0.5pp | 0.6pp |
| Underlying EBITDA[12] | 56.2 | 55.3 | 2.2% | 213.0 | 199.8 | 6.6% | 8.4% |
| Adjusted EPRA earnings[13] | 43.9 | 39.7 | 11.3% | 158.4 | 143.6 | 10.3% | 12.3% |
| Adjusted EPRA earnings per share (basic) (in €)[14] | 0.47 | 0.45 | 6.2% | 1.76 | 1.61 | 9.0% | 10.9% |
| Average number of shares (in millions - basic) | 93.4 | 89.1 | 4.8% | 90.2 | 89.1 | 1.3% | |
| Total dividend per share (in €) | | | | 1.17 | 1.17 | 0.0% | |

| | FY 2023 | FY 2022 | +/- |
|---|---|---|---|
| **Financial KPIs for the period** | | | |
| EPRA net tangible assets (NTA)[15] | 4,307.8 | 3,638.9 | 18.4% |
| Loan-to-value (LTV)[16] | 13.0% | 18.0% | -5.1pp |

| | FY 2023 | FY 2022 | +/- |
|---|---|---|---|
| **Financial KPIs for the period** | | | |
| Interest coverage ratio (ICR)[17] | 10.6x | 9.7x | 0.9x |
| Net debt/Underlying EBITDA[18] | 3.1x | 4.1x | -1.0x |

1 In the constant exchange rate (CER) comparison, 2022 financials are recalculated using 2023 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, fee income from customer goods insurance 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 Underlying EBITDA is calculated as earnings before interest, tax, depreciation and amortization, excluding (i) valuation gain from investment property and investment property under construction and gain on disposal, (ii) acquisition and dead deals costs (iii) cease-use lease expense and (iv) ERP implementation fees and costs of capital raise.
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.
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 underlying EBITDA divided by total interest expenses for the reporting period.
18 Net debt to underlying EBITDA ratio is calculated as the net financial debt (including leases) divided by trailing 12 months underlying EBITDA.

# PRELIMINARY REMARKS

Shurgard Self Storage Ltd (referred to as the "Company", "Shurgard", "we", "us", "our" or the "Group", which includes the Company together with its consolidated subsidiaries) is a limited company incorporated under the laws of the Bailiwick of Guernsey.

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, 2023, we operate 276 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 2023 compared to 2022.

| (in € millions) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| Property operating revenue | 92.7 | 86.6 | 7.1% | 357.7 | 333.0 | 7.4% |
| NOI | 64.1 | 59.0 | 8.7% | 237.2 | 219.2 | 8.2% |
| NOI margin | 69.1% | 68.1% | 1.0pp | 66.3% | 65.8% | 0.5pp |

1 FEDESSA "European Self Storage Annual Survey" 2023.

## 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 66.3% in 2023 compared to 65.8% in 2022.

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 Ltd is the parent Company and principal holding Company of the Group. The Company's significant holding and operational subsidiaries are in Luxemburg, France, the Netherlands, the United Kingdom, 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 Nederland B.V. | The Netherlands | 100.0% |
| Shurgard UK Ltd | The United Kingdom | 100.0% |
| Shurgard Sweden AB | Sweden | 100.0% |
| Shurgard Storage Centers Sweden KB | Sweden | 100.0% |
| Shurgard Germany GmbH | Germany | 100.0% |
| First Shurgard Deutschland GmbH | Germany | 94.8% |
| Second Shurgard Deutschland GmbH | Germany | 94.8% |
| Shurgard Belgium NV/SA | Belgium | 100.0% |
| Shurgard Europe VOF/SNC | Belgium | 100.0% |
| Shurgard Denmark ApS | Denmark | 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 Note 38 of the 2023 consolidated financial statements.

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

## 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 Incorporation. As of December 31, 2023, the Board of Directors comprised the following 9 members:

| Name | Position | Age | Mandate expires |
|---|---|---|---|
| Ian Marcus | Chairman | 65 | Annual shareholders' meeting 2024 |
| Lorna Brown | Independent Director | 48 | Annual shareholders' meeting 2024 |
| Muriel De Lathouwer | Independent Director | 51 | Annual shareholders' meeting 2024 |
| Olivier Faujour | Independent Director | 58 | Annual shareholders' meeting 2024 |
| Frank Fiskers | Independent Director | 62 | Annual shareholders' meeting 2024 |
| Padraig McCarthy | Independent Director | 63 | Annual shareholders' meeting 2024 |
| Z. Jamie Behar[1] | Director | 66 | Annual shareholders' meeting 2024 |
| Tom Boyle[2] | Director | 40 | Annual shareholders' meeting 2024 |
| Marc Oursin | Chief Executive Officer | 61 | Annual shareholders' meeting 2024 |

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

The biographies of the Directors are available on in our Sustainability Report.

As of December 31, 2023, 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 | 61 | January 9, 2012 |
| Jean Kreusch | Chief Financial Officer | 59 | November 1, 2003 |
| Duncan Bell | Chief Operating Officer | 60 | April 14, 2009 |
| Ammar Kharouf | General Counsel | 53 | March 17, 2014 |
| Isabel Neumann | Chief Investment Officer | 48 | August 30, 2021 |

# MARKET OVERVIEW

## SELF-STORAGE BASICS

Self storage is a business-to-consumer (B2C) enterprise in the real estate sector that provides storage units, typically on a monthly basis, to individuals (approximately 72%) and business users (approximately 28%).[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 households 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 6,929 facilities across Europe, providing nearly 13.9 million sqm of space.[1] In the seven countries where we operate, there are approximately 12.0 million sqm of rentable area across approximately 5,000 self-storage properties (including containers).[1]

The largest self-storage market in Europe is the United Kingdom, accounting for 33% of total facilities. Over 68% of the facilities are located in the four most mature countries within Europe (UK, France, Germany and Spain) with 19 countries making up the remainder.[1] The average amount of self-storage floor area per capita across Europe is significantly lower than the much more mature US market, indicating significant further growth potential. In terms of competition, the European self-storage market is still highly fragmented. We have a market share of more than 25% in the cities where we operate[1].

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 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.

1 Internal estimate.

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.

The 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 increase 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 (known as the "Big Seven"), as well as Randstad in the Netherlands. Our growth strategy benefits from our established track record of redeveloping and developing properties, plus acquiring competitors. 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.

## FOOTPRINT EXPANSION

With our reinforced development team of dedicated development, acquisition and construction specialists, we are seeking to add 90,000 sqm per year from 2024 through new developments and acquisitions.

We plan new developments, which could be purpose built or an existing building converted into self storage, by focusing on a set of clear selection criteria, both operational and financial, including attractive and cycle-resilient locations in our existing markets.

In addition, 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, 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, supported by machine learning predictive pricing. 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.
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 one store under management contract) has grown to a network of 276 properties comprising 1,398,483 net rentable sqm, as of December 31, 2023. We primarily operate in urban areas across Europe, with 93% of our properties located in capital and major cities. At the end of December 2023, 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 88.2% in 2023. The average in-place rent per sqm was €261.1 during the period.

The following table shows our portfolio by country, as of December 31, 2023:

| | 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% | 86.0% | 261.0 |
| The Netherlands | 67 | 337 | 82.9% | 90.0% | 229.9 |
| United Kingdom | 43 | 216 | 94.5% | 86.5% | 356.0 |
| Sweden | 39 | 196 | 96.7% | 89.2% | 235.4 |
| Germany | 30 | 147 | 96.1% | 85.9% | 264.4 |
| Belgium | 21 | 117 | 100.0% | 92.4% | 217.3 |
| Denmark | 10 | 53 | 100.0% | 91.7% | 288.5 |
| **Total** | **276** | **1,398** | **92.9%** | **88.2%** | **261.1** |

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.

## PORTFOLIO EXPANSION

| Property | Region | Country | Project status[1] | Completion date | Net sqm | Direct project cost / purchase price[2] |
|---|---|---|---|---|---|---|
| **Opened in 2023** | | | | | **64,607** | **143,451** |
| **Major redevelopments** | | | | | | |
| Unterfoehring | Munich | Germany | C | Dec-23 | 3,499 | 5,354 |
| Rotterdam | Randstad | Netherlands | C | Dec-23 | 4,537 | 2,246 |
| Almere Buiten | Randstad | Netherlands | C | Dec-23 | 1,160 | 1,869 |
| Uppsala [3] | Stockholm | Sweden | C | Mar-23 | 1,676 | 0 |
| Euston | London | UK | C | Jun-23 | 692 | 131 |
| Direct access units[4] | - | - | C | Dec-23 | 8,054 | 8,272 |
| **New developments** | | | | | | |
| Amsterdam Diemen | Randstad | Netherlands | C | May-23 | 4,004 | 3,213 |
| Amersfoort | Randstad | Netherlands | C | Jul-23 | 3,060 | 5,360 |
| Amsterdam Portsmuiden | Randstad | Netherlands | C | Oct-23 | 7,505 | 5,389 |
| Chadwell Heath | London | UK | C | Oct-23 | 6,812 | 17,939 |
| Chiswick | London | UK | C | Dec-23 | 6,462 | 24,477 |
| **M&A / Asset Acquisitions** | | | | | | |
| Top Box (5 properties)[5] | NRW/Frankfurt | Germany | C | Oct-23 | 17,146 | 69,200 |
| **Scheduled to open in 2024** | | | | | **67,765** | **195,519** |
| **Major redevelopments** | | | | | | |
| Top Box major redevelopments | NRW/Frankfurt | Germany | UC | Q4 2024 | 5,096 | 2,528 |
| Hayes | London | UK | UC | Q4 2024 | 4,194 | 8,925 |
| Southwark | London | UK | UC | Q4 2024 | 2,644 | 7,641 |
| Direct access units[4] | - | - | UC | Q4 2024 | 2,834 | 2,870 |
| **New developments** | | | | | | |
| Charlottenburg | Berlin | Germany | UC | Q3 2024 | 4,923 | 15,480 |
| Nieuwegein | Randstad | Netherlands | UC | Q4 2024 | 4,533 | 8,687 |
| Almere Veluwsekant | Randstad | Netherlands | UC | Q4 2024 | 4,073 | 8,071 |
| Tottenham | London | UK | UC | Q2 2024 | 8,168 | 21,318 |
| **M&A / Asset Acquisitions** | | | | | | |
| Pickens (6 properties)[6] | Berlin/Hamburg | Germany | CPA | Feb-24 | 31,300 | 120,000 |
| **Scheduled to open in 2025** | | | | | **78,253** | **229,958** |
| **Major redevelopments** | | | | | | |
| Porte de Clignancourt | Paris | France | UC | 2025 | 568 | 5,003 |
| Top Box Koln Poll | NRW | Germany | UC | 2025 | 1,487 | 4,851 |
| **New developments** | | | | | | |
| Dusseldorf Neuss | NRW | Germany | UC | 2025 | 5,814 | 16,759 |
| Wangen | Stuttgart | Germany | UC | 2025 | 7,049 | 17,056 |
| Leinfelden | Stuttgart | Germany | UC | 2025 | 6,620 | 20,083 |
| 1 property | Berlin | Germany | PS | 2025 | 10,253 | 27,824 |
| 1 property (Top Box) | Frankfurt | Germany | PS | 2025 | 4,958 | 11,148 |
| 1 property (Top Box) | NRW | Germany | PS | 2025 | 4,068 | 9,882 |
| 1 property | London | UK | PS | 2025 | 7,365 | 21,570 |
| 1 property | London | UK | PS | 2025 | 6,374 | 20,927 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 property | London | UK | PS | 2025 | 6,558 | 21,634 |
| 1 property | London | UK | PS | 2025 | 7,424 | 30,641 |
| 1 property | Randstad | Netherlands | PS | 2025 | 5,352 | 11,537 |
| 1 property | Randstad | Netherlands | CPA | 2025 | 4,363 | 11,043 |
| **Scheduled to open in 2026** | | | | | **20,764** | **61,137** |
| **Major redevelopments** | | | | | | |
| Porte de Clignancourt | Paris | France | PA | 2026 | 822 | 7,240 |
| **New developments** | | | | | | |
| 1 property | Frankfurt | Germany | PS | 2026 | 7,329 | 20,928 |
| 1 property | Frankfurt | Germany | PS | 2026 | 5,865 | 13,254 |
| 1 property | Stuttgart | Germany | PS | 2026 | 6,748 | 19,715 |
| **Total portfolio expansion** | | | | | **231,389** | **630,065** |

1 CPA = signed conditional purchase agreement and building permit process ongoing, PS = building permit submitted, UC = under construction and C = completed.
2 Including development fees.
3 Redevelopment project part of the 2022 acquisition of Instorage. In 2023 the Company paid a €0.2 million supplement on the purchase price.
4 Direct access units across all markets.
5 The purchase price of €69.2 million includes land for major redevelopments to open in 2024 and land for two new developments to open in 2025.
6 Three stores in Berlin and three stores in Hamburg. Shurgard signed this transaction at the end of December 2023, conditional to customary receipt of preemption waivers for each of the properties. The first waivers have been received, with the remaining waivers due by April at the latest.

In 2023, our total expansion pipeline continued to grow, with 17.2% (or 231,389 sqm) of our rentable sqm realized, being developed, acquired, under construction and secured, compared to 11.7% (or 149,308 sqm) in 2022.

## PROPERTY LAYOUT

Although the size of our properties varies, most consist of multi-storey 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, 2023, 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 2023 | Q4 2022 | +/- CER | FY 2023 | FY 2022 | +/- | +/- CER |
|---|---|---|---|---|---|---|---|
| Real estate operating revenue | 92,805 | 88,662 | 5.3% | 357,923 | 335,290 | 6.8% | 8.3% |
| Real estate operating expense | (28,644) | (27,639) | 4.1% | (120,470) | (113,821) | 5.8% | 7.2% |
| **Net income from real estate operations** | **64,161** | **61,023** | **5.8%** | **237,453** | **221,469** | **7.2%** | **8.9%** |
| General, administrative and other expenses | (8,190) | (6,731) | 21.7% | (25,961) | (22,515) | 15.3% | 15.5% |
| *of which depreciation and amortization expense* | *(893)* | *(763)* | *17.0%* | *(3,377)* | *(2,866)* | *17.8%* | *18.1%* |
| Acquisition benefit of business combinations | 5 | 775 | -99.4% | 5 | 775 | -99.4% | -99.4% |
| Royalty fee expense | (916) | (855) | 7.9% | (3,531) | (3,289) | 7.4% | 8.9% |
| Other expenses | (926) | - | N/A | (926) | - | N/A | N/A |
| **Operating profit before property related adjustments** | **54,134** | **54,212** | **0.5%** | **207,040** | **196,440** | **5.4%** | **7.2%** |
| Valuation gain from investment property and investment property under construction and gain on disposal | 170,339 | 185,605 | -7.9% | 294,350 | 586,181 | -49.8% | -49.1% |
| **Operating profit** | **224,473** | **239,817** | **-6.0%** | **501,390** | **782,621** | **-35.9%** | **-35.0%** |
| Finance cost, net | (5,427) | (4,589) | 19.1% | (20,270) | (20,785) | -2.5% | -0.6% |
| **Profit before tax** | **219,046** | **235,228** | **-6.5%** | **481,120** | **761,836** | **-36.8%** | **-35.9%** |
| Income tax income/(expense) | (40,612) | (58,170) | -29.9% | 53,283 | (186,235) | -128.6% | -128.9% |
| **Attributable profit for the period** | **178,434** | **177,058** | **1.3%** | **534,403** | **575,601** | **-7.2%** | **-5.7%** |
| Profit attributable to non-controlling interests | (461) | (486) | -5.1% | (1,090) | (1,317) | -17.2% | -17.2% |
| **Profit attributable to ordinary equity holders of the parent** | **177,973** | **176,572** | **1.3%** | **533,313** | **574,284** | **-7.1%** | **-5.6%** |
| **Earnings per share attributable to ordinary equity holders of the parent:** | | | | | | | |
| Basic, profit for the period (in €) | 1.91 | 1.98 | -3.0% | 5.91 | 6.45 | -8.4% | -6.8% |
| Diluted, profit for the period (in €) | 1.90 | 1.97 | -2.1% | 5.89 | 6.40 | -8.0% | -6.5% |
| Adjusted EPRA earnings per share (basic - in €) | 0.47 | 0.45 | 6.2% | 1.76 | 1.61 | 9.0% | 10.9% |
| Average number of shares (basic - in millions) | 93.4 | 89.1 | 4.8% | 90.2 | 89.1 | 1.3% | 1.3% |

The following discussion of Group revenue and expenses down to underlying EBITDA is on a constant exchange rate (CER) basis, where 2022 actual exchange rate (AER) numbers are recalculated using 2023 exchange rates.

## REAL ESTATE OPERATING REVENUE

Our real estate operating revenue is comprised of property operating revenue, which includes rental revenue, fee income from customer goods insurance and ancillary revenue, and other revenue.

| (in € thousands) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| Rental revenue | 81,204 | 75,203 | 8.0% | 312,550 | 285,123 | 9.6% |
| Fee income from customer goods insurance[1] | 8,648 | 8,130 | 6.4% | 33,683 | 31,653 | 6.4% |
| Ancillary revenue[2] | 2,897 | 2,782 | 4.1% | 11,468 | 11,453 | 0.1% |
| **Property operating revenue (CER)** | **92,749** | **86,115** | **7.7%** | **357,701** | **328,229** | **9.0%** |
| Other revenue[3] | 56 | 2,052 | -97.3% | 222 | 2,241 | -90.1% |
| **Real estate operating revenue (CER)** | **92,805** | **88,167** | **5.3%** | **357,923** | **330,470** | **8.3%** |
| Foreign exchange impact | - | 495 | -100.0% | - | 4,820 | -100.0% |
| **Real estate operating revenue (AER)** | **92,805** | **88,662** | **4.7%** | **357,923** | **335,290** | **6.8%** |

1 Fee income from providing customer goods coverage in scope of IFRS 15.
2 Ancillary revenue consists of merchandise sales and other revenue from real estate operations.
3 Other revenue consists of management fee revenue and other, non-recurring income resulting from operations.

### 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 levels and higher rental rates.

In 2023, rental revenue increased by 9.6% to €312.6 million, from €285.1 million in 2022. 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 also rose strongly. Across our expanded network, our closing rented sqm increased by 3.4% to 1,207 thousand sqm as of December 31, 2023 from 1,167 thousand sqm on December 31, 2022.

### Fee income from customer goods insurance

Customers renting storage from Shurgard are required to have insurance coverage 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, 2023, fee income from customer goods insurance increased by 6.4% to €33.7 million (2022: €31.7 million). This was driven by our non-same stores, an increase in the proportion of new customers in our same store segment and an increase in the insurance premium.

### Ancillary Revenue

Ancillary revenue is derived from the sale of products (cardboard boxes, locks and tape) in our properties. It also includes other revenue from real estate operations. Ancillary revenue remained stable at €11.5 million in 2022 and 2023.

## REAL ESTATE OPERATING EXPENSE

| (in € thousands) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| Payroll expense | 10,810 | 10,611 | 1.9% | 42,138 | 41,646 | 1.2% |
| Real estate and other taxes | 2,745 | 2,121 | 29.4% | 19,313 | 16,660 | 15.9% |
| Repairs and maintenance | 3,325 | 3,025 | 9.9% | 13,280 | 10,794 | 23.0% |
| Marketing expense | 2,562 | 2,409 | 6.4% | 9,887 | 9,052 | 9.2% |
| Utility expense | 1,017 | 882 | 15.3% | 3,939 | 3,521 | 11.9% |
| Doubtful debt expense | 1,362 | 1,455 | -6.4% | 5,465 | 5,027 | 8.7% |
| Cost of insurance and merchandise sales[1] | 882 | 1,323 | -33.3% | 4,556 | 5,229 | -12.9% |
| Other operating expenses[2] | 5,941 | 5,685 | 4.5% | 21,892 | 20,481 | 6.9% |
| **Real estate operating expense (CER)** | **28,644** | **27,511** | **4.1%** | **120,470** | **112,410** | **7.2%** |
| Foreign exchange | - | 128 | -100.0% | - | 1,411 | -100.0% |
| **Real estate operating expense (AER)** | **28,644** | **27,639** | **3.6%** | **120,470** | **113,821** | **5.8%** |

1 For the year ended December 31, 2023, the aggregate of cost of insurance and merchandise sales and other operating expense included €2.8 million captive re-insurance revenue (same amount for the year ended December 31, 2022) and €2.0 million captive re-insurance service expense in scope of IFRS 17 (€2.2 million for the year ended December 31, 2022).

2 Other operating expenses mainly include travel expenses, legal and consultancy fees, insurance expenses, non-deductible VAT, information system expenses and property lease expenses.

During 2023, our real estate operating expenses went up by 7.2% at CER which is a slower pace than our revenue growth. This can mainly be attributed to efficient cost management, despite some increases for certain types of costs. The repairs and maintenance expense increased by €2.5 million following higher maintenance related costs for enhancing the security and safety of properties, coupled with elevated insurance expenses. In addition, and in line with our expectations, real estate and other taxes have gone up by €2.6 million, mainly driven by France and the UK. Other operating expenses increased by €1.4 million following higher software and other license costs related to various digitalization projects, as well as the addition of new stores. Finally, marketing expenses went up by €0.8 million, reflecting the higher costs of online advertising.

### NET INCOME FROM REAL ESTATE OPERATIONS

Net income from real estate operations reflects the real estate operating revenue minus the real estate operating expenses incurred in running our operations. Net income from real estate operations rose by 8.9%, to €237.5 million in 2023, from €221.5 million in 2022. The 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.

### 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 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| Same stores | 240 | 240 | - | 240 | 240 | - |
| Non-same stores | 35 | 26 | 9 | 35 | 26 | 9 |
| **All Store** | **275** | **266** | **9** | **275** | **266** | **9** |
| Same store property operating revenue in € thousands | 84,322 | 80,910 | 4.2% | 329,595 | 311,825 | 5.7% |
| Non-same store property operating revenue in € thousands | 8,427 | 5,205 | 61.9% | 28,106 | 16,404 | 71.3% |
| **All store property operating revenue in € thousands** | **92,749** | **86,115** | **7.7%** | **357,701** | **328,229** | **9.0%** |

### 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 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| **Property KPIs at period end** | | | | | | |
| Number of properties | 240 | 240 | - | 240 | 240 | - |
| Closing rentable sqm[1] | 1,201 | 1,198 | 0.2% | 1,201 | 1,198 | 0.2% |
| Closing rented sqm[2] | 1,074 | 1,076 | -0.2% | 1,074 | 1,076 | -0.2% |
| Closing occupancy rate[3] | 89.4% | 89.8% | -0.4pp | 89.4% | 89.8% | -0.4pp |
| **Property KPIs for the period** | | | | | | |
| Average rented sqm[4] | 1,084 | 1,084 | 0.0% | 1,085 | 1,083 | 0.1% |
| Average occupancy rate[5] | 90.3% | 90.4% | -0.2pp | 90.4% | 90.4% | 0.0pp |
| Average in-place rent (in € per sqm)[6] | 273.8 | 261.7 | 4.6% | 266.5 | 250.8 | 6.3% |
| Average revPAM (in € per sqm)[7] | 280.9 | 270.0 | 4.0% | 274.7 | 260.3 | 5.5% |
| **Financial KPIs for the period** | | | | | | |
| Property operating revenue[8] in € thousands | 84,322 | 80,910 | 4.2% | 329,595 | 311,825 | 5.7% |
| Income from property (NOI)[9] in € thousands | 59,360 | 56,085 | 5.8% | 222,829 | 208,129 | 7.1% |
| NOI margin[10] | 70.4% | 69.3% | 1.1pp | 67.6% | 66.7% | 0.9pp |

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, fee income from customer goods insurance 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 remained stable at 90.4%. The average in-place rent per sqm for our same store facilities grew by 6.3% to €266.5 in 2023 from €250.8 in 2022.

Property operating revenue generated by our same store facilities increased by €17.8 million or 5.7% to €329.6 million in 2023, driven by improvements in average in-place rental rates (up by 6.3%).

Income from property (NOI) for our same stores rose from €208.1 million in 2022 to €222.8 million in 2023, reflecting our ability to control operating expenses and leverage strong sales. NOI margin for our same stores increased to 67.6% in 2023 from 66.7% in the prior year period.

### Non-same stores

Non-same stores are any properties that are not classified as same store in 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 €16.4 million in 2022 to €28.1 million in 2023. This increase was due to the continued "ramp-up" at our new properties and the net addition of nine non-same stores.

## OPERATIONS BY COUNTRY

| All store<br>Property operating revenue<br>(in € thousands at CER) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| France | 21,891 | 20,828 | 5.1% | 85,378 | 79,596 | 7.3% |
| The Netherlands | 20,125 | 18,129 | 11.0% | 77,402 | 68,718 | 12.6% |
| The United Kingdom | 18,524 | 17,219 | 7.6% | 71,169 | 64,659 | 10.1% |
| Sweden | 11,497 | 11,461 | 0.3% | 46,111 | 44,878 | 2.7% |
| Germany | 9,740 | 8,059 | 20.9% | 34,963 | 29,981 | 16.6% |
| Belgium | 6,935 | 6,534 | 6.1% | 26,890 | 25,033 | 7.4% |
| Denmark | 4,037 | 3,885 | 3.9% | 15,788 | 15,365 | 2.8% |
| **Total** | **92,749** | **86,115** | **7.7%** | **357,701** | **328,229** | **9.0%** |

| Same store<br>Property operating revenue<br>(in € thousands at CER) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| France | 19,864 | 19,463 | 2.1% | 78,241 | 75,327 | 3.9% |
| The Netherlands | 18,404 | 17,188 | 7.1% | 71,362 | 65,820 | 8.4% |
| The United Kingdom | 16,663 | 15,693 | 6.2% | 64,332 | 60,038 | 7.2% |
| Sweden | 11,090 | 11,354 | -2.3% | 44,642 | 44,771 | -0.3% |
| Germany | 7,329 | 6,793 | 7.9% | 28,340 | 25,471 | 11.3% |
| Belgium | 6,935 | 6,534 | 6.1% | 26,890 | 25,033 | 7.4% |
| Denmark | 4,037 | 3,885 | 3.9% | 15,788 | 15,365 | 2.8% |
| **Total** | **84,322** | **80,910** | **4.2%** | **329,595** | **311,825** | **5.7%** |

| Same store<br>Average occupancy rate[1] | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| France | 88.9% | 89.4% | -0.5pp | 89.3% | 89.4% | -0.1pp |
| The Netherlands | 92.0% | 91.2% | 0.7pp | 91.7% | 90.7% | 0.9pp |
| The United Kingdom | 86.8% | 88.1% | -1.3pp | 87.5% | 88.3% | -0.8pp |
| Sweden | 90.7% | 91.1% | -0.4pp | 91.1% | 91.7% | -0.6pp |
| Germany | 90.7% | 91.4% | -0.6pp | 90.9% | 91.1% | -0.1pp |
| Belgium | 92.6% | 92.2% | 0.4pp | 92.4% | 91.7% | 0.6pp |
| Denmark | 92.2% | 91.6% | 0.6pp | 91.7% | 93.3% | -1.6pp |
| **Total** | **90.3%** | **90.4%** | **-0.2pp** | **90.4%** | **90.4%** | **0.0pp** |

| Same store<br>Average in-place rent[2] (at CER) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| France | 277.2 | 270.4 | 2.5% | 271.5 | 260.1 | 4.4% |
| The Netherlands | 238.7 | 224.3 | 6.4% | 231.7 | 214.6 | 8.0% |
| The United Kingdom | 381.7 | 354.8 | 7.6% | 366.1 | 335.8 | 9.0% |
| Sweden | 239.1 | 243.7 | -1.9% | 239.3 | 237.5 | 0.7% |
| Germany | 294.1 | 270.1 | 8.9% | 282.7 | 254.7 | 11.0% |
| Belgium | 226.7 | 209.7 | 8.1% | 217.3 | 201.3 | 7.9% |
| Denmark | 293.9 | 284.1 | 3.4% | 288.5 | 275.0 | 4.9% |
| **Total** | **273.8** | **261.7** | **4.6%** | **266.5** | **250.8** | **6.3%** |

| Same store NOI margin[3] (at CER) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| France | 70.5% | 68.5% | 1.9pp | 63.9% | 63.1% | 0.8pp |
| The Netherlands | 73.2% | 73.2% | 0.0pp | 71.3% | 70.1% | 1.1pp |
| The United Kingdom | 63.7% | 64.3% | -0.6pp | 62.8% | 63.2% | -0.4pp |
| Sweden | 72.3% | 71.7% | 0.6pp | 71.6% | 72.2% | -0.6pp |
| Germany | 72.8% | 70.3% | 2.5pp | 70.8% | 67.4% | 3.4pp |
| Belgium | 72.5% | 68.9% | 3.6pp | 67.8% | 65.3% | 2.5pp |
| Denmark | 71.6% | 68.2% | 3.4pp | 71.6% | 69.1% | 2.5pp |
| **Total** | **70.4%** | **69.3%** | **1.1pp** | **67.6%** | **66.7%** | **0.9pp** |

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 same prior year period, our all store property operating revenue grew by 9.0% in 2023, delivering revenue of €357.7 million, and confirming Shurgard's resilience in challenging market conditions. All our markets contributed to that performance, with three countries (The Netherlands, the UK and Germany) delivering double-digit growth. This performance was achieved through our expansion, with nine new stores offering 3.5% additional rentable sqm versus 2022, but also through the strong performance of our same store segment.

Same store revenue in 2023 grew by 5.7% compared to the prior year, mainly fueled by an average in-place rent increase of 6.3%, and stable average same store occupancy in the period. The Netherlands, the United Kingdom, Germany, Belgium and France have performed robustly. As foreseen, the Nordics (Sweden and Denmark) are impacted by difficult macro conditions and a uniquely competitive environment in Sweden.

- In France, our largest market, 2023 same store revenue grew by 3.9% compared to the same prior year period. This is attributed to a 4.4% rise in average in-place rent, with stable occupancy at 89.3%;

- The Netherlands continues to perform very well in its same store segment. Revenue increased by 8.4% versus the prior year. Rental rates grew by 8.0% compared to 2022, and average occupancy reached 91.7% (+0.9pp);

- The United Kingdom (London) has demonstrated its resilience with same store revenue growth of 7.2%, fully driven by an increase in rental rates (+9.0%), while average occupancy decreased slightly to 87.5% (-0.8pp);

- Sweden's same store revenue for 2023 was 0.3% lower than the prior year with a decelerating trend in Q4 (-2.3% versus prior year Q4). In-place rent increased by 0.7%, while occupancy decreased by 0.6pp, although it is still at a very high level (91.1%);

- In Germany, we saw the most impressive performance in all our markets, driven by a double-digit increase in rental rates of 11.0% compared to 2022. Despite a 0.1pp decrease in occupancy (to 90.9%), we achieved 11.3% revenue growth versus the prior year;

- Belgium's revenue grew 7.4% versus the prior year, supported by a 7.9% increase in rental rates, coupled with all time high occupancy levels (+0.6pp versus the prior year) at 92.4%;

- In Denmark (Copenhagen), rental rates rose by 4.9%. This growth was partly offset by a 1.6pp occupancy decline (although occupancy still remained high at 91.7%) versus the prior year, resulting in revenue growth of 2.8%;
- Shurgard's overall same store revenue performance was negatively impacted by a weaker SEK (-7% or -€3.6 million) and GBP (-2% or -€1.2 million) against the EUR.

### GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

| (in € thousands, at CER) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| Payroll expense | 3,340 | 2,970 | 12.5% | 12,211 | 11,976 | 2.0% |
| Share-based compensation expense | 1,054 | 922 | 14.3% | 4,183 | 3,904 | 7.1% |
| Capitalization of internal time spent on development | (1,141) | (1,063) | 7.3% | (4,233) | (3,807) | 11.2% |
| Depreciation and amortization expense | 893 | 763 | 17.0% | 3,377 | 2,859 | 18.1% |
| Other general and administrative expenses[1] | 4,044 | 3,135 | 29.0% | 10,423 | 7,552 | 38.0% |
| **Total** | **8,190** | **6,727** | **21.7%** | **25,961** | **22,484** | **15.5%** |

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

General, administrative and other expenses increased by 15.5%, from €22.5 million in 2022 to €26.0 million in 2023. This mainly came from other general and administrative expenses which increased by €2.8 million. This increase reflects higher advisory fees following recent acquisitions and developments, and an increase in lawyers' fees in light of the conversion to a UK REIT and other projects. Our payroll expenses have gone up by €0.2 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 €0.4 million, reflecting our greater development pipeline. Depreciation and amortization also went up by €0.5 million following our continued investment in IT improvement and digitalization projects.

### 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 2023, we incurred royalty fees of €3.5 million.

### OPERATING PROFIT BEFORE PROPERTY RELATED ADJUSTMENTS

Operating profit before property related adjustments increased by 5.4%, from €196.4 million in 2022 to €207.0 million in 2023, reflecting the operational strength of the core business (before non-cash adjustments and exceptional items).

### UNDERLYING EBITDA

| (in € thousands) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| **Operating profit before property related adjustments** | **54,134** | **54,212** | **-0.1%** | **207,040** | **196,440** | **5.4%** |
| Depreciation and amortization expense | 893 | 763 | 17.0% | 3,377 | 2,866 | 17.8% |
| Other[1] | 1,141 | 362 | 214.9% | 2,552 | 459 | 455.7% |
| **Underlying EBITDA (AER)** | **56,168** | **55,337** | **1.5%** | **212,969** | **199,765** | **6.6%** |
| Foreign exchange | - | (358) | -100.0% | - | (3,338) | -100.0% |
| **Underlying EBITDA (CER)** | **56,168** | **54,979** | **2.2%** | **212,969** | **196,427** | **8.4%** |

1 Other includes (i) acquisition and dead deals costs (€1.6 million), (ii) cease-use lease expense (€0.0 million) and (iii) ERP implementation fees and costs of capital raise (€0.9 million).

At constant exchange rates, underlying EBITDA rose by 8.4% in 2023, from €196.4 million the previous year to €213.0 million this year, mainly supported by an increase in property operating revenue of 9.0%.

### 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 €294.4 million for the year ended December 31, 2023, which compares to a valuation gain of €586.2 million for last year. The valuation assumptions made by external valuers Cushman & Wakefield include predicted occupancy levels, rental rates, expenses, and other factors that, depending on each assumption, can cause substantial fluctuations in valuation gains each year. Exit cap rate remained in line with the previous valuation (from 5.19% in December 2022 to 5.22% on December 31, 2023)

The valuation gain of €294.4 million, combined with capital expenditure, and exchange rate fluctuations, resulted in an increase in total investment property value of €512.0 million to €5,035.8 million (+11.3%), compared to December 31, 2022.

### OPERATING PROFIT

Operating profit decreased by 35.9% from €782.6 million in 2022 to €501.4 million in 2023, mostly due to €291.8 million lower gains on valuation from investment property.

### FINANCE COSTS, NET

| (in € thousands) | FY 2023 | FY 2022 | +/- |
|---|---|---|---|
| Interest expense | 23,247 | 21,320 | 9.0% |
| Interest income | (3,120) | (622) | N/A |
| Foreign exchange (gain)/loss | 143 | 88 | 63.3% |
| **Finance cost, net** | **20,270** | **20,784** | **-2.5%** |

Net finance costs decreased by 2.5% (or €0.5 million) to €20.3 million in 2023 from €20.8 million in 2022. This is mainly due to interest income on short term deposits and higher capitalized interests (increased development pipeline).

### INCOME TAX EXPENSE

| (in € thousands) | FY 2023 | FY 2022 | +/- |
|---|---|---|---|
| Current tax expense | 29,419 | 30,311 | -2.9% |
| Deferred tax (income) / expense | (82,702) | 155,924 | -153.0% |
| **Income tax (income) / expense** | **(53,283)** | **186,235** | **-128.6%** |
| **Adjusted EPRA earnings effective tax rate[1]** | **15.7%** | **17.4%** | **-1.8pp** |

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

Current tax expense decreased by €0.9 million from €30.3 million in 2022 to €29.4 million in 2023, supported by our UK REIT status. As a result of the Group becoming a REIT in UK, we reversed €161.2 million deferred tax liabilities for our UK entities during the first half of 2023. The adjusted EPRA earnings effective tax rate for 2023 ended at 15.7%, compared to 17.4% in 2022.

### ATTRIBUTABLE PROFIT AND ATTRIBUTABLE PROFIT PER SHARE

For 2023, €533.3 million (2022: €574.3 million) profit was attributable to the shareholders of Shurgard Self Storage Ltd, and €1.1 million (2022: €1.3 million) was attributable to non-controlling interests. Based on the average number of shares (2023: 90.2 million), this translates to basic earnings of €5.91 per share.

## EPRA KPIS

| (in € thousands, except where indicated) | FY 2023 | FY 2022 | +/- |
|---|---|---|---|
| EPRA Earnings | 156,186 | 144,225 | 8.3% |
| Adjusted EPRA Earnings | 158,401 | 143,556 | 10.3% |
| Capital Expenditure | 181,154 | 188,887 | -4.1% |
| EPRA Vacancy Rate | 13.2% | 13.1% | 0.2pp |
| EPRA LFL Rental Growth[1] | 6.4% | 9.5% | -3.1pp |
| EPRA Cost ratio (including direct vacancy costs) | 46.5% | 46.6% | -0.1pp |
| EPRA Cost ratio (excluding direct vacancy costs) | 46.5% | 46.6% | -0.1pp |
| EPRA Net Initial Yield (NIY) | 5.4% | 5.6% | -0.2pp |
| EPRA Net Initial Yield 'topped-up' NIY | 5.4% | 5.6% | -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.

2 2022 restated to include real estate tax and cost of management rather than only leasehold expense in property outgoings.

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 practice guidelines dated August 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 2023 | FY 2022 | +/- |
|---|---|---|---|
| **Profit attributable to ordinary equity holders of the parent** | **533,313** | **574,284** | **-7.1%** |
| **Adjustments:** | | | |
| Gain on revaluation of investment properties[1] | (294,350) | (586,181) | -49.8% |
| Acquisition costs of business combinations and other | (5) | (775) | -99.2% |
| Current and deferred tax in respect of EPRA adjustments | (83,484) | 155,878 | -153.6% |
| Non-controlling interests in respect of the above | 712 | 1,019 | -30.1% |
| **EPRA earnings** | **156,186** | **144,225** | **8.3%** |
| EPRA earnings per share (basic - in €) | 1.73 | 1.62 | 7.0% |
| EPRA earnings per share (diluted - in €) | 1.73 | 1.61 | 7.3% |

1 Including investment property under construction and right-of-use investment property assets.

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 2023 | FY 2022 | +/- |
|---|---|---|---|
| **EPRA earnings** | **156,186** | 144,225 | **8.3%** |
| **Company specific adjustments:** | | | |
| Non-recurring expenses/(income)[1] | 1,062 | (1,269) | -183.8% |
| Tax adjustments[2] | 1,153 | 600 | 92.1% |
| **Adjusted EPRA earnings** | **158,401** | 143,556 | **10.3%** |
| Adjusted EPRA earnings per share (basic - in €) | 1.76 | 1.61 | 9.0% |
| Adjusted EPRA earnings per share (diluted - in €) | 1.75 | 1.60 | 9.3% |

1 Non-recurring expenses/(income) consist of fees related to capital increase, new ERP implementation, conversion to a UK REIT and exceptional reimbursement related to lease termination in Germany in 2022.
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 2023, adjusted EPRA earnings were €158.4 million, 10.3% higher than the €143.6 million in 2022.

## RECONCILIATION OF UNDERLYING EBITDA TO ADJUSTED EPRA EARNINGS

| (in € thousands, at CER) | FY 2023 | FY 2022 | +/- |
|---|---|---|---|
| **Underlying EBITDA** | **212,969** | 199,765 | **6.6%** |
| **Net attributable profit adjustments:** | | | |
| Cease-use lease (expense)/benefit | (2) | (185) | -98.9% |
| Other expenses | (926) | - | N/A |
| Depreciation and amortization expense | (3,377) | (2,866) | 17.8% |
| Finance costs, net | (20,270) | (20,785) | -2.5% |
| Current tax expense | (29,419) | (30,311) | -2.9% |
| Non-controlling interests, net of EPRA adjustments | (2,008) | (1,347) | 49.0% |
| **Company specific EPRA adjustments:** | | | |
| Non-recurring expenses/(income)[1] | 1,062 | (1,269) | -183.8% |
| Tax adjustments[2] | 371 | 554 | -33.0% |
| **Adjusted EPRA earnings** | **158,401** | 143,556 | **10.3%** |

1. Non-recurring expenses/(income) consist of fees related to capital increase, new ERP implementation, conversion to a UK REIT and exceptional reimbursement related to lease termination in Germany.
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 increased by 10.3% mainly due to a 6.6% increase in underlying EBITDA and further strengthened by the exclusion of the exceptional reimbursement related to lease termination in Germany (€2.0 million).

## 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 2023 | FY 2022 | +/- |
|---|---|---|---|
| Net Asset Value (NAV) | 3,614,217 | 2,860,993 | 26.3% |
| EPRA Net Restatement Value (NRV) | 4,708,381 | 3,989,647 | 18.0% |
| EPRA Net Tangible Assets (NTA) | 4,307,807 | 3,638,892 | 18.4% |
| EPRA Net Disposal Value (NDV) | 3,667,931 | 2,974,095 | 23.3% |

The basis of calculation for each of the measures set out above are illustrated in the Appendix of the Annual 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. We expect to continue to fund these requirements with operating cash flow, our existing cash position and future borrowings under our current bank credit facility or other borrowings or equity issuances.

Our loan-to-value ratio on December 31, 2023, was 13.0%, (18.0% as of December 31, 2022). The decrease in the ratio was due to a decrease in our net debt combined with an increase in market value. We are targeting a loan-to-value ratio of 25%, with a short-to-mid-term maximum of 35%.

We maintain (local currency) cash and cash equivalent balances at banking institutions in most countries we operate. 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 2023 | FY 2022 | +/- |
|---|---|---|---|
| Cash flows from operating activities | 187,361 | 186,534 | 0.4% |
| Cash flows from investing activities | (180,371) | (183,383) | -1.6% |
| Cash flows from financing activities | 162,377 | (132,002) | -223.0% |
| Net increase (decrease) in cash and cash equivalents | 169,367 | (128,851) | -231.4% |
| Effect of exchange rate fluctuation | 1,406 | (2,974) | -147.3% |
| Cash and cash equivalents as of January 1 | 87,345 | 219,170 | -60.1% |
| Cash and cash equivalents as of December 31 | 258,118 | 87,345 | 195.5% |

### CASH FLOWS FROM OPERATING ACTIVITIES

Operating cash inflow improved by 0.4% from €186.5 million in 2022 to €187.4 million in 2023. This was mainly due to an €11.0 million increase in cash flows from operations mostly offset by €6.6 million of unfavorable movements in working capital, and €3.5 million increased income tax payments.

The movement in working capital consists of €4.9 million of decreased movements in accrued expenses, VAT payable and accounts payable and €1.2 million decreased movement in trade and other receivables and €0.5 million decreased movements in deferred revenue.

### CASH FLOWS FROM INVESTING ACTIVITIES

Our cash outflow from investing activities decreased by €3.0 million, from €183.4 million in the year ended December 31, 2022, to €180.4 million in the year ended December 31, 2023. This was primarily due to €8.4 million reduced spending on acquisitions, €2.5 million increased income from our cash deposits and €0.1 million reduced spending on property, plant and equipment, partially offset by €6.7 million decreased proceeds from the disposal of investment property and lease termination and €0.7 million increased spending on intangible assets.

Cash outflows in relation to capital expenditure on investment property under construction and completed investment property increased from €111.3 million in 2022 to €111.9 million in 2023.

These cash flows fluctuate over years, as construction expenditures depend on the stage of the various development projects at that time. In 2023, we opened five new properties, and acquired five properties from self-storage competitors (for a total of 64,600 sqm). During last year, we opened seven properties and acquired seven more (for a total of 65,400 sqm). We refer to our project pipeline on page 19.

### CASH FLOWS FROM FINANCING ACTIVITIES

Cash inflow during the year ended December 31, 2023, was €162.4 million, representing a rise of €294.4 million versus the €132.0 million net cash outflow during the last year.

The increase of net cash inflow was mainly the result of our €300.0 million equity issuance, €2.6 million reduced dividend payments and €0.3 million decreased lease obligation payments. These positive fluctuations were partially offset by €5.3 million increased equity issuance and financing related costs, €1.6 million increased interest payments and the absence in 2023 of €1.6 million proceeds of the sale of treasury shares that we had in 2022.

### EFFECT FROM EXCHANGE RATE FLUCTUATIONS

During 2023, we had a €1.4 million positive effect of exchange rate fluctuations on our cash flow movements, which compares to a €3.0 million unfavorable effect during the prior year period.

## FINANCIAL POSITION

### TOTAL ASSETS

During 2023, the Company's total assets increased by 14.9% from €4,659.8 million on December 31, 2022, to €5,353.9 million on December 31, 2023, mainly due to the €512.0 million increase in investment property and investment property under construction ("IPUC"), and an increase in cash of €170.8 million.

As of December 31, 2023, approximately 94.4% of the Company's total assets consisted of non-current assets. Investment property (including right-of-use investment property) and IPUC represent 94.1% of total assets.

#### Investment property

Investment property (including IPUC but excluding IP ROU assets recognized under IFRS 16) increased by 11.3% (or €500.8 million) in the year ended December 31, 2023, to €4,929.4 million. The main reasons are incremental expenditure of €113.8 million, predominantly for developments and redevelopments, and acquisitions of €67.3 million. In addition, the Company recognized €297.9 million of favorable fair value revaluation income and €21.8 million from favorable exchange rate fluctuations on its investment property and investment property under construction.

#### Cash and cash equivalents

The Company had cash and cash equivalents of €258.1 million as of December 31, 2023, compared to €87.3 million cash and cash equivalents as of December 31, 2022, an increase of €170.8 million.

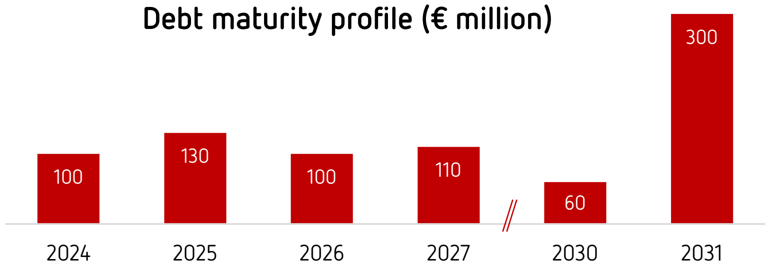
### CAPITAL RESOURCES AND FINANCING STRUCTURE

Shurgard's financial resources comprise the Company's total equity as well as certain debt financing instruments. The Company's total equity increased by €754.3 million from €2,867.8 million on December 31, 2022, to €3,622.1 million on December 31, 2023, mainly due to €534.4 million net profit realized during the period, €22.3 million revaluation gain on consolidation of our Swedish, Danish and British operations because of favorable currency movements, €4.2 million increase in share-based compensation reserves and €297.7 million net proceeds from the issuance of equity. These increases were partially offset by €104.3 million dividend distribution in 2023.

As of December 31, 2023, the equity ratio was 67.7% (December 31, 2022: 61.5%).

| **(in € thousands)** | **FY 2023** | FY 2022 |
|---|---|---|
| Total equity | 3,622,122 | 2,867,808 |
| Total equity and liabilities | 5,353,877 | 4,659,831 |
| **Equity ratio** | **67.7%** | **61.5%** |

Shurgard has issued senior guaranteed notes in the years 2014, 2015 and 2021 with a total nominal amount of €800 million and remaining 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 maturing in October 2025 and entered in April 2023 into a €450 million term loan facility agreement with BNP Paribas Fortis Bank NV/SA, Belfius Bank SA/NV, ABN Amro Bank NV, KBC Bank NV/SA and Banque International à Luxembourg SA (with BNP Paribas Fortis bank as agent) with maturity of three years, which can be extended at the option of the Company by an additional period of up to two years. During October 2023, the company drew €160 million from the term loan facility and reduced the Company's remaining borrowing capacity under the term loan facility to €290 million. The €160 million was repaid during December 2023. See Note 28 to our consolidated financial statements.

As of December 31, 2023, we had no outstanding borrowings under these facilities, and the commitment fee on the undrawn amounts was equal to 35% of the applicable margins, or 0.16% and 0.42%, respectively.

### 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 2023. With respect to the first half of 2023, our Board of Directors approved an interim dividend of €51.7 million or €0.58 per share paid on October 5, 2023. The Board of Directors recommended, subject to shareholders' approval, a final dividend for the year 2023 of €0.59 per share (€57.4 million, taking into account the number of outstanding shares as of December 31, 2023).

The second and final dividend on 2023 results will be payable on or around May 29, 2024 to Shareholders on the record at close of business on May 28, 2024.

## 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, which amongst other initiatives includes our e-rental service, our workforce has decreased in 2023 compared to the prior year. The following table shows the number of full-time equivalent employees by category of activity as of December 31, 2023 and 2022, respectively:

| | **FY 2023** | FY 2022 | **+/-** |
|---|---|---|---|
| Store personnel | 538 | 547 | -9 |
| Operational management | 50 | 46 | 4 |
| Support functions | 121 | 123 | -2 |
| **Total** | **709** | 716 | **-7** |

## RISKS

Shurgard is exposed to several risks that are described in detail in the "Principal Risks and Uncertainties" section of the 2023 Annual Report.

## EVENTS AFTER THE REPORTING PERIOD

Please refer to Note 39 in the Notes to the consolidated financial statements of this report.

# SUSTAINABILITY REPORT 2023

# 1. SHURGARD'S ESG HIGHLIGHTS

## 1.1 ENVIRONMENTAL HIGHLIGHTS

### ENERGY USE

**-40%**

LFL energy used in MWh
(2023 against 2017 baseline)

| | |
|---|---|
| 2023 | 18,963 |
| 2022 | 21,283 |
| 2021 | 24,481 |
| 2020 | 25,856 |

### GHG EMISSIONS

**-53%**

LFL GHG emissions in tCO2
(Scope 1&2 location-based, 2023 against 2017 baseline)

| | |
|---|---|
| 2023 | 3,054 |
| 2022 | 3,330 |
| 2021 | 3,880 |
| 2020 | 4,150 |

### GREEN INVESTMENTS

**+7%**

Number of voluntary certified stores
(BREEAM In-use and New Construction)

| | |
|---|---|
| 2023 | 62 |
| 2022 | 58 |
| 2021 | 47 |
| 2020 | 35 |

## 1.2 SOCIAL HIGHLIGHTS

### EMPLOYEE PERFORMANCE

**100%**

Appraisal engagement

| | |
|---|---|
| 2023 | 100% |
| 2022 | 100% |
| 2021 | 93% |
| 2020 | 87% |

### GENDER PAY GAP

**3.3%**

Gender pay gap
in favor of male colleagues
(in stores)

### COMMUNITY ENGAGEMENT

**100%**

Stores that have implemented local community engagement

| | |
|---|---|
| 2023 | 100% |
| 2022 | 100% |
| 2021 | 100% |
| 2020 | 94% |

## 1.3 GOVERNANCE HIGHLIGHTS

### BOARD INDEPENDENCE

**67%**

Independent Board Members



### BOARD DIVERSITY

**33%**

Female vs. Male Directors



### AGENCIES & BENCHMARKS

GRESB Rating ★★★★★

sector leader 2023

EPRA sBPR GOLD

MSCI ESG RATINGS AA

## 1.4 EXTERNAL AGENCIES AND BENCHMARKS

Shurgard participates in several surveys and initiatives led by external agencies and benchmarks and is proud to be recognized as an ESG leader in its sector. Through these ratings, the organizations confirm the quality of our initiatives and the completeness and transparency of our reporting to our stakeholders.

GRESB REAL ESTATE sector leader 2023

GRESB Rating 78 2020 87 2021 90 2022 91 2023 1st Other: Self-Storage | Listed Out of 6

**GRESB** is the Global Real Estate Sustainability Benchmark, a mission-driven and investor-led organization that provides actionable and transparent Environmental, Social and Governance (ESG) data to financial markets.
Shurgard is delighted to announce a 5-star result in 2023, with a score of 91 out of 100.
Significantly, for the third year in a row Shurgard maintained its status as GRESB Real Estate Sector leader - confirming our position as first among our peers.

S&P Global CSA Score 2023 48/100

The **Corporate Sustainability Assessment** (CSA) and the collaboration with S&P Dow Jones Indices is a foremost global sustainability benchmark.
In 2023, we participated in the CSA again and achieved a score of 48/100, an improvement of four points over our 2022 submission. This placed us in the top 9% of the real estate industry.

MSCI ESG RATINGS AA

In 2023, Shurgard received again a rating of AA (on a scale of AAA-CCC) in the **MSCI[1] ESG Ratings** assessment. MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

SUSTAINALYTICS Low Risk 10.8

The **Sustainalytics[2]** 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.
In April 2023, Shurgard received an ESG Risk Rating of 10.8 and was assessed by Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors. This ESG Risk Rating places us in the 10th percentile in the Real Estate industry assessed by Sustainalytics.

EPRA sBPR GOLD

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.
In 2023, we maintained our Gold Award, which we first achieved in 2021, reflecting the highest standards of European real estate sustainability reporting.

PART OF BEL ESG by EURONEXT

The **Bel ESG index** is designed to identify the 20 companies in Belgium demonstrating high Environmental, Social and Governance practices as well as sound investability metrics (free float and liquidity). It meets the growing investor demand for mainstream ESG solutions.
Shurgard is proud to have been selected to be part of this new index since 2023.

SUSTAINABLE DEVELOPMENT GOALS — WE SUPPORT UN GLOBAL COMPACT

The **Sustainable Development Goals** (SDG) are part of a framework developed by the United Nations (UN). It brings together society, governments and business to drive positive change. 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.

GOLDENBRIDGE TRADE & INVESTMENT AWARDS

Golden Bridge Trade & Investment Awards are the Initiative of the Belgian-Luxembourg Chamber of Commerce in Great Britain (BLCC). Shurgard has been honored with the esteemed Golden Bridge Award for Environmental, Social, and Governance (ESG) Excellence in 2023. This recognition underscores Shurgard's unwavering commitment to sustainability and responsible corporate citizenship.

INVESTORS IN PEOPLE™ We invest in people Silver

We are accredited by Investors in People, an internationally recognized people management accreditation association. The accreditation and related Silver award recognize 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.

1 Learn more about MSCI ESG ratings here.
2 Copyright ©2021 Sustainalytics. All rights reserved. This section contains information developed by Sustainalytics (www.sustainalytics.com ). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers.

## 1.5 SUSTAINABLE DEVELOPMENT GOALS

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 contributing 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 and 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 carbon 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 businesses 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

# Message from Marc Oursin
## Chief Executive Officer

Welcome to our annual sustainability report 2023.

ESG considerations are of great importance to our stakeholders and our organization. In the pursuit of sustainability and responsible corporate citizenship, Shurgard continues to be on a transformative journey.

Shurgard's commitment to sustainability is evident in our tangible achievements. We have reduced energy consumption and carbon emissions significantly, particularly with green-energy procurement. Heat pumps are now in 26 of our 108 gas-heated stores, and we have adopted LED lighting, a Building Management Systems (BMS), and smart water meters for centralized tracking. These accomplishments demonstrate our dedication to addressing climate change.

The acceleration of our ESG program has been recognized by the awards and ratings we have received from reputable ESG frameworks. We improved our score in S&P Global's Corporate Sustainability Assessment by a further 4 points, placing us in the world's top 9% of scores achieved by real estate companies this year. We were awarded an outstanding 5-star rating (the top banding) and a score of 91 out of 100 in the GRESB 2023 results. We have reaffirmed the MSCI ESG Rating of AA, only one grade away from their highest level. Achieving recognition through these ESG ratings inspires Shurgard to reach even greater heights in sustainability. It sends a powerful message to our employees, partners, and stakeholders that their collective efforts are making a difference.

As Chief Executive Officer, I, alongside my colleagues, work to develop and implement our ESG strategy. To do that, we set up an efficient governance structure which consists of the ESG Committee at Board level and a formal, cross-departmental ESG Management Group entrusted to implement the ESG goals of the company. This level of ESG oversight reflects the importance of sustainability across our organization. We also demonstrate our commitment to upholding good governance practices by continually striving to improve our corporate governance. In 2023, we reduced the board size from 11 to 9 directors and increased diversity by nominating Tom Boyle and Lorna Brown to the Board.

To monitor our ESG progress, we prioritize transparent reporting. This 2023 report demonstrates our commitment to accountability. It features enhanced transparency with a double materiality matrix, risk analysis, and our refined net zero carbon strategy. These steps align us with CSRD compliance, preparing us for expanded reporting and assurance requirements.

Our employees have been instrumental in driving Shurgard's sustainability initiatives. Our dedication to the workforce has been recognized through our accreditation by Investors in People, where we have earned a prestigious Silver medal. This recognition stems from a thorough assessment of our employees' needs and valuable feedback. Furthermore, our rating of 4.7 on Glassdoor, a testament to our employees' experiences, supports our commitment to aligning with their needs and aspirations.

Shurgard's commitment to sustainability extends beyond our corporate walls. Through our community outreach programs, we have positively impacted the lives of communities where we operate. This year, we have continued our charity programs and provided support to the most vulnerable groups in all of our seven countries.

While our sustainability progress has been remarkable, we recognize the challenges of the rapidly changing world. The main challenge is to maintain our sector leadership while upholding our high performance. We also face the challenge of navigating the complexities of implementing solar solutions across seven countries. However, we view these challenges not as obstacles but as opportunities for innovation and growth, moving us further towards achieving our sustainability goals.

Today, the ESG trajectory of the Company is clear. We have an effective formula designed to achieve our objectives by 2030 and 2040 through the combination of talented people, a resilient financial framework, and a supportive Board.

GRI 2-14 / 2-22

# 2. SHURGARD SELF STORAGE

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

Our network of 276 stores (including one store under management contract) comprises approximately 1.4 million rentable square meters and serves c. 190,000 customers in France, the Netherlands, the United Kingdom (UK), Sweden, Germany, Belgium, and Denmark.

At the date of report compilation, we employ 715 personnel (57.6% men, 42.4% women), with a range of about 40 nationalities (top three: 24.6% French, 17.4% Dutch and 13.5% Belgian).

GRI 2-6 / 2-7

## 2.1 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.

Our real estate operating revenue and income from property have increased steadily in recent years, as we increased occupancy and rental rates, while growing our footprint through redevelopments, new developments and acquisitions. 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.

## 2.2 OUR DEVELOPMENT STRATEGY

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

Between December 31, 2014 and December 31, 2023, we developed 32 new stores, completed redevelopment projects at 33 stores, and acquired 64 stores from competitors, a total of 129 stores.

Our investment criteria are focused on acquiring and developing high-quality properties that are easily accessible by our customers in markets we believe have strong growth potential.

# 3. RISK ASSESSEMENT AND DOUBLE MATERIALITY

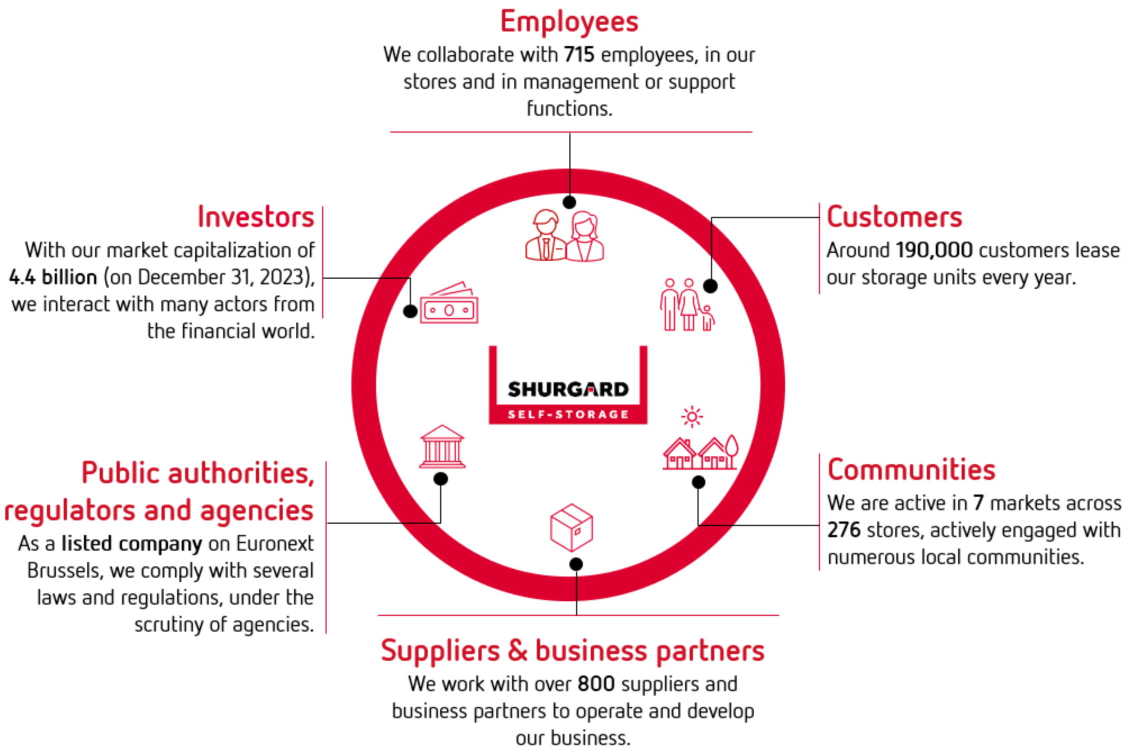
We aim to address the ESG topics that materially affect Shurgard and our stakeholders. We seek to identify both the risks and opportunities that will impact our ability to operate successfully and create long-term value, as well as the topics that matter for our stakeholders, to drive continual positive and transformational change.

To achieve this, we first identified and engaged with our stakeholders. We drew up a list of potentially relevant sustainability topics and defined the related impacts, risks, and opportunities. We assessed the importance of each topic, through impact and financial materiality assessments, as prescribed by the European Financial Reporting Advisory Group (EFRAG), and this informed our double materiality matrix.

## 3.1 OUR STAKEHOLDERS

We define stakeholders as individuals, groups or organizations that may benefit or be affected by our business activities. Our key stakeholders have been identified and prioritized according to the level of sustainability impact we believe our operations might have on their activities, and, in turn, their potential sustainability impact on our activities.

We place great importance on building lasting relationships with our stakeholders. Our success depends on the quality of the interactions we build inside and outside Shurgard, and this requires an understanding of their expectations.



We are committed to:

- Maintaining a strong corporate governance structure to manage risks and take advantage of opportunities;
- Providing first rate services to advance the environment and society;
- Engaging with stakeholders in an ethical and socially responsible manner;
- Requiring all our suppliers to comply with the Suppliers' Code of Conduct by including a clause in all our contracts;
- Pursuing efforts to reduce carbon emissions and protect biodiversity;
- Adhering to no deforestation considerations as directed by local regulations and incorporating this into the design process of our buildings;
- 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 to continuously improve our performance.

GRI 2-29

## 3.2 RISKS AND OPPORTUNITIES

Stakeholders are increasingly concerned by how companies operate, and the impact of their activities on society. Such trends give rise to specific risks and opportunities. Understanding them and their potential impact on the commitments we make is at the heart of 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.

The risks and opportunities highlighted below are detailed and scored according to the importance of the topics for our stakeholders (impact materiality), or for our business and operations (financial materiality). They have been considered as part of our double materiality exercise, detailed in Chapter "3.3 Double materiality matrix". For more details on all financial risks and uncertainties, please refer to the "Principal Risks and Uncertainties" chapter of our 2023 Annual Report.

| Sustainable self storage | Materiality | Stakeholders | Shurgard's response |
|---|---|---|---|
| **GHG emissions**<br>High GHG emissions contributing to climate change and its consequences, respiratory diseases from smog and air pollution. Global warming, sea level rise and forced migration of Humans and species. Increase in regulations, leading to forced reduction of emissions can require significant investments. Rising energy costs, loss of competitive advantage, stranded assets, decreasing asset value. | Impact mat.<br>*Significant*<br>Financial mat.<br>*Significant* | Investors, Communities, Government, NGO's, Regulators & Agencies | Green procurement of electricity and gas;<br>Monitoring business travel emissions;<br>Science-based aligned Net Zero Carbon commitments;<br>Reducing gas consumption and replace by low-emissions alternatives;<br>EPC for the entire portfolio, with a large proportion of A or A+;<br>BREEAM certification of assets;<br>Installation of Building Management Systems in our stores;<br>Replacing traditional lighting with energy-efficient LED in all our stores;<br>Increase of renewable energy generation;<br>Sustainability-linked financing (e.g., Green Bond). |
| **Climate change adaptation & resilience**<br>Non-resilience to extreme weather events, resulting in damage to properties, business interruptions, increase of insurance costs and customer claims, decreasing portfolio value. | Impact mat.<br>*Significant*<br>Financial mat.<br>*Significant* | Investors, Clients | Analysis of the entire portfolio's exposure to physical climate risk;<br>Adaptation measures in stores with highest physical climate risks. |
| **Resources use & Circular economy**<br>Scarcity of raw materials for new developments, strengthening of regulations on construction materials, new requirements for the proportion of recycled materials, digital prints for buildings or the use of the Level(s) assessment framework aimed at analyzing materials' life cycle. | Impact mat.<br>*Informative*<br>Financial mat.<br>*Important* | Suppliers and business partners, Communities, Government, NGO's, Regulators & Agencies | Planned and unplanned maintenance to increase lifetime of our buildings;<br>Using recycled and repurposed materials to decrease the dependance on volatile markets for new resources;<br>Review suppliers' contracts to divert from landfill;<br>Protocols in stores to minimize waste consumption;<br>100% fiber-based, recyclable merchandise packaging. |

| | | | |
|---|---|---|---|
| **Pollution**<br>Increased pollution norms and regulations, and activist actions resulting in higher construction costs or materials. | Impact mat.<br>*Informative*<br>Financial mat.<br>*Informative* | Suppliers and business partners, Communities, Government, NGO's, Regulators & Agencies | Management of pollution prevention by compliance with all relevant legal obligations and integrating ESG and climate risks into decision-making;<br>Strict policies in place for constructions and integration in contracts with suppliers;<br>Due diligence procedures in place to ensure pollution prevention and minimization. |
| **Water usage**<br>Rising water cost, scarcity or limitation of water usage, reputation impact. | Impact mat.<br>*Informative*<br>Financial mat.<br>*Minimal* | Communities, Government, NGO's, Regulators & Agencies | Protocols for low water consumption in design and operations;<br>Flow tap reduction installed in the stores;<br>Hourly remote reading of water meters;<br>Leak detection system with automated alerts. |
| **Biodiversity**<br>Reduced development opportunities, additional requirements to obtain building permits (e.g. green roofs), additional measures preventing pollution, stricter local requirements. | Impact mat.<br>*Minimal*<br>Financial mat.<br>*Minimal* | Communities, Government, NGO's, Regulators & Agencies | Incorporating biodiversity considerations into business decisions: assessing potential impact of our operations on biodiversity, including biodiversity considerations as directed by Local Regulations into design process of our buildings (compensation of the felled trees, creation of green or brown roof, etc.);<br>Obtaining green building certifications (BREEAM or equivalent) wherever possible to ensure compliance with no harm to biodiversity;<br>Protecting and restoring ecosystems: building only where allowed by law, protecting ecosystems around our stores as directed by local regulations;<br>Implementing bio-diversity survey on the plot of land prior to design & construction and adapting the protection as necessary;<br>Biodiversity survey on land prior to design & construction and subsequent adaptation measures to increase bio protection if necessary. |

| Employer of choice | Materiality | Stakeholders | Shurgard's response |
|---|---|---|---|
| **Employee diversity, equity & inclusion**<br>Employee turnover, employee or customer claims, lack of attractiveness on labor market. | Impact mat.<br>*Important*<br>Financial mat.<br>*Important* | Employees, Executives, ESG Management Group, Government, NGO's, Regulators & Agencies | Shurgard culture cultivation: Four Pillars;<br>Employee engagement programs;<br>Promoting a company culture free of discrimination and harassment. |
| **Employee development, attraction and retention**<br>Difficulty attracting talented employees, staff turnover, lack of employee engagement, low business performance, loss of organizational knowledge, bad reputation on labor market, high recruitment costs. | Impact mat.<br>*Important*<br>Financial mat.<br>*Important* | Employees, Executives, ESG Management Group | Accredited by "Investors in People" recognizing us as having principles and practices in place to support our employees;<br>Performance appraisal process for all our employees;<br>Leadership training program across the company with certified trainers;<br>Systematic publication of open positions on our website with priority given to internal applications. |
| **Employee health and safety**<br>Injuries, absenteeism, higher insurance premiums, staff turnover. | Impact mat.<br>*Important*<br>Financial mat.<br>*Informative* | Employees, Executives, ESG Management Group | Assessment of health and safety measures by Internal Audit within three-year cycle;<br>Assessment of health and safety measures by District Managers three times per year;<br>Monthly newsletter on health & safety topics;<br>Mandatory First Aid and Fire Safety training for all employees and new hires;<br>Learning module on health & safety in our Shurgard Academy. |

| Positive impact on society | Materiality | Stakeholders | Shurgard's response |
|---|---|---|---|
| **Customers privacy**<br>Penalties/fines for GDPR infringement, reputational damage, imprisonment, new regulations, hacking as a service, in the dark web, artificial intelligence abuse. | Impact mat.<br>*Important*<br>Financial mat.<br>*Important* | Clients, Government, NGO's, Regulators & Agencies | Annual certified third-party performed penetration testing to protect our systems from cyber attacks, preventing leakage of customer data;<br>Weekly testing of our IT systems to prevent any cyber threat;<br>Incident response plan in place;<br>Robust security measures;<br>Data protection, privacy and computer use policies in place to regulate the topic;<br>Shurgard's cyber systems undergo third-party due diligence to ensure the company meets high security standards. |
| **Customers welfare & safety**<br>Criminal offence of breaching customers health and safety, reputational damage, loss of operating license, fines and claims due to customer injury or death, rising insurance cost. | Impact mat.<br>*Important*<br>Financial mat.<br>*Important* | Clients | Stores internal audit on safety within a three-year cycle;<br>Visit of stores by District Managers three times per year (self-assessments);<br>Strategically placed digital CCTV camera, alarms monitored by an external security team, sensor lighting, perimeter fencing, PIN coded electronic gates and individual storage units with specifically designed secure locks. |

| | | | |
|---|---|---|---|
| **Workers in the value chain**<br>Reputational damage, consumers shifting to competition, dependency on suppliers whose activity could be disrupted. Obligation to comply with high standards in working condition for workers in the value chain, support better working conditions of workers in the value chain. | Impact mat.<br>*Important*<br>Financial mat.<br>*Informative* | Suppliers and business partners, Government, NGO's, Regulators & Agencies | Survey our critical suppliers every three years on their ESG performance (including respect for human rights, slavery, working conditions);<br>Suppliers' Code of Conduct publicly available on our website;<br>Zero tolerance to non-respect for human rights in value chain. |
| **Local communities' wellbeing**<br>Claims from neighbors when developing or operating stores, bad reputation, more stringent local regulations, difficulty obtaining building permits, low level of staff applications. | Impact mat.<br>*Informative*<br>Financial mat.<br>*Informative* | Communities, Employees, Executives, ESG Management Group | Active charity and philanthropic programs in each of our seven markets and employee volunteering;<br>Offering self-storage units to communities;<br>Feedback from communities incorporated in store design and development process. |
| **Product lifecycle management**<br>Rising repair costs, decreasing market attractiveness, shorter lifetime of assets, increasing insurance costs. | Impact mat.<br>*Informative*<br>Financial mat.<br>*Informative* | Clients, Communities, Government, NGO's, Regulators & Agencies | Proactive and reactive maintenance of our buildings;<br>Yearly retrofit program of old stores;<br>Property visits and technical assessments;<br>Maximization of purpose-built properties. |
| **Customer access and affordability**<br>Loss of customers and potential customers due to access and affordability issues. | Impact mat.<br>*Minimal*<br>Financial mat.<br>*Informative* | Clients | Seeking active feedback from our customers through Google reviews;<br>Implementing customer success strategies to address issues raised via customer reviews;<br>Attractive pricing;<br>Strategy of developing buildings with ease of access and parking. |

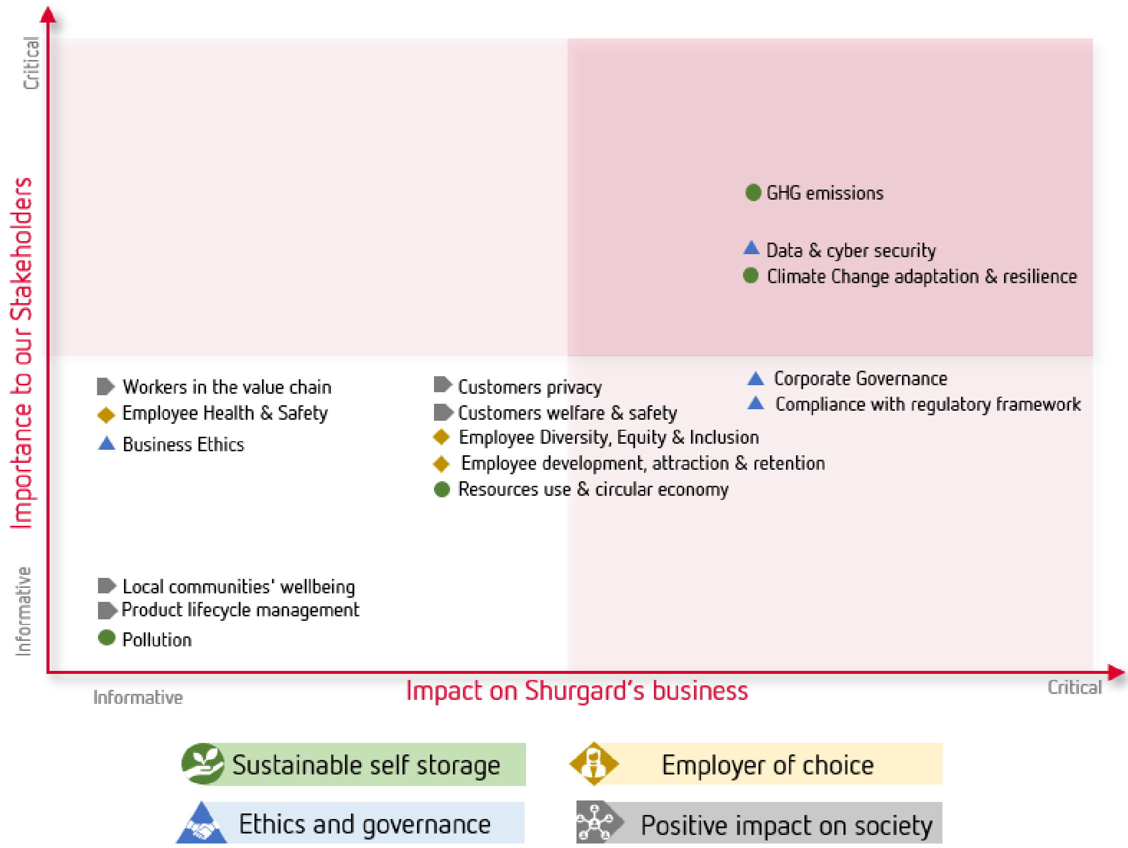
| Ethics and governance | Materiality | Stakeholders | Shurgard's response |
|---|---|---|---|
| **Data & cyber security**<br>Reputational damage, intellectual property theft, financial losses, fines. | Impact mat.<br>*Significant*<br>Financial mat.<br>*Significant* | Employees, Executives, ESG Management Group, Clients | Annual certified third-party performed penetration testing to protect our systems from cyber attacks, preventing leakage of customer data;<br>Weekly testing of our IT systems to prevent any cyber threat;<br>Incident response plan in place;<br>Robust security measures;<br>Data protection, privacy and computer use policies in place to regulate the topic;<br>Shurgard's cyber systems undergo third-party due diligence to ensure the company meets high security standards. |
| **Compliance with regulatory framework**<br>Penalties, fines, loss of reputation, loss of license to operate, business disruptions, revenue loss. | Impact mat.<br>*important*<br>Financial mat.<br>*Significant* | All stakeholders | Maintained and up-to-date ISO-aligned EMS;<br>Audit Committee;<br>CSRD readiness assessment;<br>Participation in benchmarks and agency surveys;<br>Transparency and completeness of disclosures;<br>Employees and advisor expertise. |
| **Corporate Governance**<br>Loss of shareholder trust & confidence, difficulty raising capital, increased government oversight, bad strategic decisions. Executive remuneration: penalties, company underperformance, poor attractiveness or retention of Directors, bad leavers, bad decisions for long-term value creation. | Impact mat.<br>*Important*<br>Financial mat.<br>*Significant* | Investors, Government, NGO's, Regulators & Agencies, Employees, Executives, ESG Management Group, Investors | Audit Committee;<br>ESG Committee;<br>Active review of competencies required by the Board;<br>Board rotation based on competencies required;<br>Remuneration policy;<br>Transparency on executive and non-executive directors' remuneration practices. |
| **Business Ethics**<br>Loss of reputation, respect and credibility, decreased productivity levels, legal claims. | Impact mat.<br>*Important*<br>Financial mat.<br>*Informative* | Clients, Suppliers and business partners, Government, NGO's, Regulators & Agencies | Whistleblowing procedure;<br>Code of conduct;<br>No contributions / 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. |

## 3.3 DOUBLE MATERIALITY MATRIX

Our initial double materiality assessment, covering both financial as well as environmental and social materiality, was conducted in 2023 to ensure that we are addressing the most important sustainability issues. This exercise incorporates both an internal assessment and the feedback received from our various stakeholders (customer feedback, supplier surveys, investor days, employees' feedback, etc.) on various topics. The outcome is reflected in the objectives defined in our updated Environmental Management System (EMS). Every year, the ESG Management Group identifies and assesses the relative importance of specific ESG and sustainability topics for Shurgard, considering the feedback received from our stakeholders. 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 the below matrix, i.e. how sustainability topics interrelate with our business strategy and developing sustainability materiality processes that link with the wider risk management process.

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



## 3.4 OUR MATERIAL TOPICS

The table below summarizes the topics that have been assessed to be material and provides a reference where the topic will be discussed further in this report:

| Material topics | Where to read more |
|---|---|
| GHG emissions | 4.1 – Transition to low carbon-economy |
| Climate change adaptation & resilience | 4.2 – Resilience of properties to climate risks |
| Pollution | 4.1 – Transition to low carbon-economy<br>4.4 – Responsible waste management |
| Resources use & circular economy | 4.4 – Responsible waste management |
| Employee diversity, equality & inclusion | 5.1 – Safe and inclusive workplace |
| Employee health and safety | 5.1 – Safe and inclusive workplace |
| Employee development, attraction & retention | 5.2 – Invest in the development of our people<br>5.3 – Share and live the Shurgard Culture |
| Customers' welfare and safety | 6.1 – Best-in class customer service<br>6.2 – Customers' privacy & safety |
| Customers' privacy | 6.2 – Customers' privacy & safety |
| Local communities' wellbeing | 6.3 – Positive impact on local communities |
| Workers in the value chain | 6.4 – Encouraging ESG best-practices in our supply chain |
| Corporate governance | 7.1 – High governance standards |
| Business ethics | 7.2 – Business ethics and Code of Conduct |
| Data and cyber security | 7.3 – Data and cyber security |
| Product lifecycle management | 4.1 – Transition to low carbon-economy<br>4.4 – Responsible waste management<br>6.4 – Encouraging ESG best-practices in our supply chain |
| Compliance with regulatory framework | 3.6 – Recognition from external agencies and benchmarks<br>7.1 – High governance standards<br>8 – GRI, EPRA and EU Taxonomy |

GRI 3-2 / 3-3

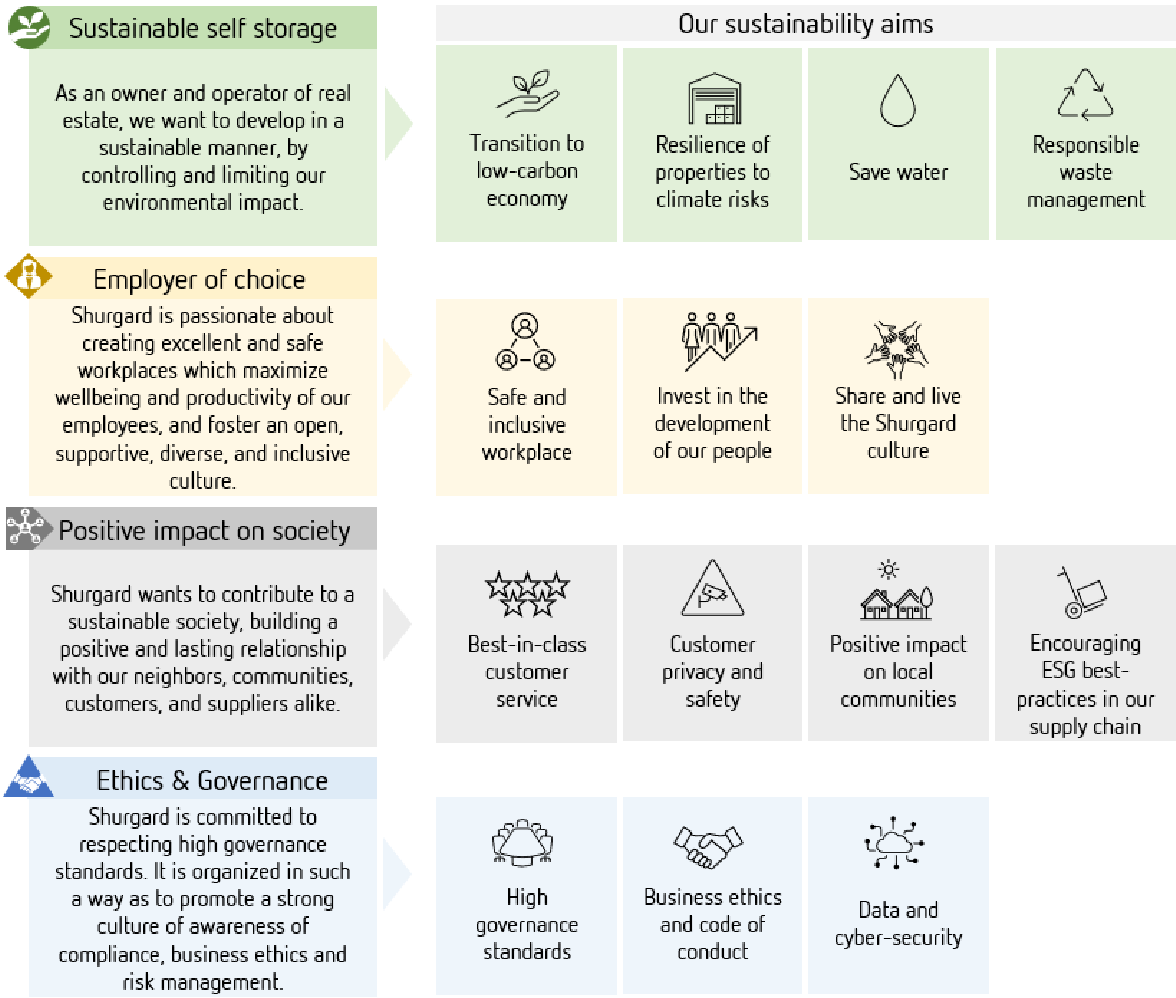
Other areas have been identified in connection with our activities but have not been selected as priorities. We integrate them into the monitoring and measurement system used to further develop our sustainability program under our EMS. Our main topics of double materiality impact are directly linked 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.

## 3.5 SUSTAINABILITY AIMS

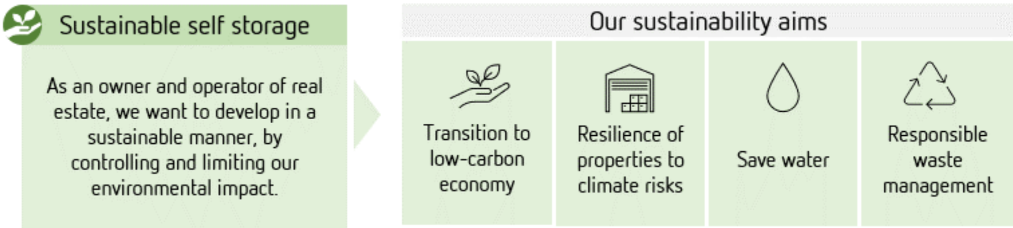
We have translated our sustainability topics into concrete sustainability goals, grouped into four pillars: "Sustainable self storage", "Employer of choice", "Positive impact on society" and "Ethics and Governance". Whether serving our customers, developing our employees, growing in a sustainable manner, or building relationships with communities, we focus on what is good for business and for a sustainable future. This leads to responsible investment solutions and decisions, with enhanced value for all our stakeholders. We look forward to continuing to work to make positive changes, relentlessly advancing self-storage solutions for every move in life.

Each of these sustainability goals will be discussed separately in further detail in this report.

GRI 2-23 / 2-24



# 4. SUSTAINABLE SELF STORAGE




As an owner and operator of real estate, we understand our impact on the built environment and the importance of managing that impact in a sustainable manner. Storage assets generally have low operational environmental impacts due to minimal utility use, given the nature of our business. Nonetheless, we continue to explore and, where feasible, implement solutions designed to mitigate climate change risk, reduce our carbon emissions, and limit our overall impact on the environment.

At the heart of our environmental commitment lies our robust Environmental Management System (EMS). This systematic framework integrates our sustainability objectives with comprehensive strategies for environmental conservation and risk mitigation. The EMS guides our actions, enabling us to measure, monitor, and continuously improve our environmental performance across our operations. Through structured processes, data-driven insights, and stakeholder engagement, our EMS empowers us to proactively address challenges, optimize resource utilization, and uphold compliance with environmental regulations.  We believe that using EMS supports continuous improvement in our ESG results. Shurgard's EMS is aligned with the International Standards Organization (ISO) 14001 standard.

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 ensure proper land use, 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 plans detail our management and operational approach in hazardous situations. In case remedy actions are required, we seek expert advice and, always 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. Further, we have initiated work to quantify our most material categories of Scope 3 emissions. See chapter 4.1 for further details.

GRI 2-22 / 2-23 / 2-24

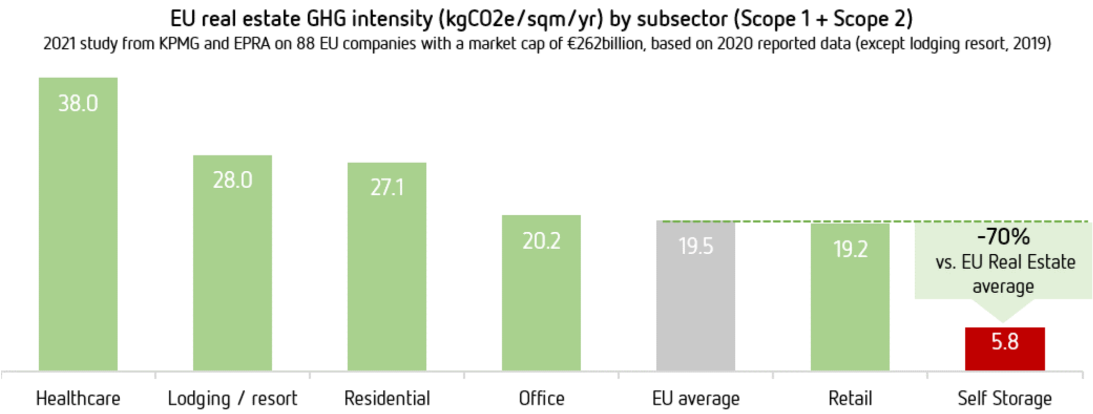
## 4.1 TRANSITION TO LOW-CARBON ECONOMY

| | Commitments | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2023 target |
|---|---|---|---|---|---|---|---|---|
| Transition to low-carbon economy | Reduce like-for-like energy emissions by 10% in 2023 (baseline 2017) | -9% | -19% | -36% | -40% | -49% | -53% | -10% ✓ |
| | Reduce like-for-like energy consumption by 10% in 2023 (baseline 2017) | +1% | -4% | -18% | -22% | -32% | -40% | -10% ✓ |
| | Retrofit stores with energy-efficient LED (% of investment realized) | 11% | 28% | 46% | 57% | 61% | 100% | 100% ✓ |
| | Replace gas-heating with energy-efficient alternatives by 2029, e.g. heat pumps (#stores) | | | 1/108 | 3/108 | 13/108 | 26/108 | On track ✓ |
| | Purchase electricity from certified renewable sources (% of total electricity) | | | | | 100% | 100% | 100% ✓ |
| | Subscribe/test a smart building management system in two markets (# markets) | | | | | | 2/2 | 2/2 ✓ |
| | **KPI's** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | |
| | Obtain BREEAM certification where relevant (% of floor area) | 3% | 12% | 18% | 20% | 23% | 24% | |
| | Green building with an EPC label A or A+ (% of floor area) | | | | | 66% | 65% | |
| | Explore opportunities for on-site solar panels (# stores with PV's) | | | | 17 | 18 | 23 | |
| | Sustainability bond: Invest €300 million in eligible Green Projects by 2031 (€ million) | | | | | €185m | €260m | |

The general consensus is that there is a need to substantially reduce carbon emissions, to keep global warming below 1.5°C and reduce the impact of climate change on human society and nature.

The topic has risen in prominence, as countries, cities, companies, and others are increasingly committed to decarbonizing their operations. Regulations have been introduced to direct the real estate sector towards energy efficiency and emissions reduction, and Shurgard is required to adhere to them.

According to the International Energy Agency, the real estate industry produces c. 40% of the world's annual greenhouse gas emissions. This statistic does not depict the significant variances between the industry's subsectors, as evidenced by a study performed by KPMG on 88 European listed real estate companies that were member of the EPRA organization as of December 31, 2020[1]. The average GHG intensity (expressed as emissions of $kgCO_2$, by year and by sqm) of the self-storage industry is already c. 70% below the EU real estate average, and the lowest of the real estate subsectors included in the study.




1 https://assets.kpmg.com/content/dam/kpmg/ie/pdf/2021/10/ie-overview-of-real-estate-companies-environmental-performance.pdf

Nevertheless, our Company is dedicated to contributing to the decarbonization of our industry. To keep up with the decarbonization requirements, Shurgard has taken a step closer to conceptualizing its net zero carbon goals.

Shurgard has committed to decarbonizing its business to be net zero carbon in its operations by 2030 (Operational NZC) and to reach net zero carbon across the value chain by 2040 (Material NZC).

## OUR NET ZERO CARBON ("NZC") STRATEGY

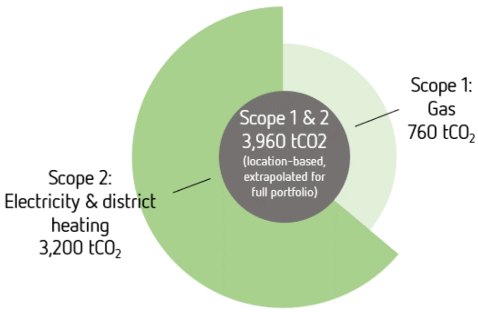
Our strategy can be split into two phases: (i) addressing operational emissions (i.e., so-called Scope 1 & 2 emissions as classified in the GHG Protocol) and (ii) achieving Material NZC by 2040, or sooner, which also addresses Scope 3 emissions, including business travel, employee and client commuting and embodied carbon from our properties.

We define Operational NZC for our properties as when the greenhouse gas emissions associated with their operation each year are zero or negative. This is achieved through a decrease in energy consumption, powering the property with renewable energy sources on-site and/or off-site, and balancing any remaining emissions by high quality offset projects.

Material NZC includes the emissions from indirect sources, with the most material source being embodied carbon.

With our NZC strategy, we aim to describe our plans to achieve the 2030 Operational NZC goal, including the targets we have set and the metrics we will be using to track our progress.

### PHASE ONE – SCOPE 1 & 2 EMISSIONS – OPERATIONAL NET ZERO CARBON




Our Phase One net zero carbon target, which we aim to achieve by 2030, applies to the Scope 1 & 2 emissions of our stores. This is where we have operational control and therefore a direct ability to impact energy use and their associated emissions.

Our Scope 1 emissions include direct GHG emissions that result from sources that are owned or controlled by Shurgard. In 2023, we have emitted **760 $tCO_2$** (location-based[1]) Scope 1 emissions, mainly resulting from the consumption of gas to heat our stores.

Our Scope 2 emissions include indirect emissions from the use of purchased electricity and district heating. In 2023, we have emitted **3,200 $tCO_2$** (location-based, extrapolated for the entire portfolio) Scope 2 emissions. This covers the heating of our properties, as well as all electricity used to operate the store (lighting, lifts, ventilation, etc.). Today, already 100% of our electricity and more than 70% of our gas is sourced from Renewable Energy Guarantees of Origin (REGO) backed sources.

1 A location-based emission reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). This contrasts to a market-based emission that reflects emissions from electricity that companies have purposefully chosen, including the impact of contractual instruments, such as energy from renewable sources.

**PHASE TWO – SCOPE 3 EMISSIONS – MATERIAL NET ZERO CARBON**

Our commitment to sustainability extends beyond our direct operational impacts to encompass a broader understanding of our environmental footprint. Our 2040 Phase Two net zero carbon target 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.

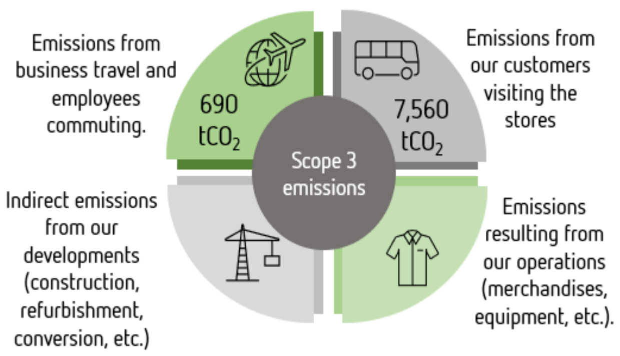
We have identified six "Scope 3" categories that are relevant to our business activities:

Scope 3-managed emissions, i.e. those under Shurgard's operational control:

- capital goods,
- fuel- and energy-related activities,
- waste generated in operations,
- business travel,
- employee commuting, and;

Scope 3-related emissions, i.e. those we can influence but do not directly control or manage:

- downstream transportation and distribution.




Currently, we have collected data and insights in three Scope 3 emission categories: business travel (360 $tCO_2$), employee commute (330 $tCO_2$) and emissions resulting from customers visiting their rented units (7,560 $tCO_2$), enabling us to quantify the emissions arising from these activities. We are working on expanding our reporting to all Scope 3 emissions, including embodied carbon, to provide a comprehensive view of their environmental impact and be in position to establish a clear path to carbon neutrality.

**Category 6 – Scope 3-managed emissions from business travel**

We have started collecting and monitoring data on our business travel to understand how each mode of travel contributes to Shurgard's carbon footprint and search for opportunities that can reduce our environmental impact caused by travel. In 2023, we are reporting this data for the first time.

For Shurgard, business travel represents trips in conjunction with Investor Relations activities, roadshows, conferences and specific positions and teams for different store visits for efficient collaboration and store management done in vehicles not leased or operated by the company (i.e. planes, trains).
To calculate business travel, we collected information from travel agencies, airline and car leasing companies on the number of kilometers and amount of tCO2 resulted from the travel of employees by company cars, train and plane for business-related activities.

Our travel for business purposes resulted in approximately **360 tCO2** for the period of January 1, 2023 to December 31, 2023.

**Category 7 – Scope 3-managed emissions from employee commuting**

We also strive to understand the impact of our employee travel on the environment. We therefore started to collect information from our employees on the number of kilometers and mode of transportation for their journey to the office and used relevant GHG emission factors to calculate the amount of tCO2 resulting from the travel of employees by personal vehicles (i.e., cars and bicycles) or public transport (i.e., buses, metro, trains, trams).

The overall employee commute for the home-office-home journey resulted in approximately **330 tCO2** for the period of January 1, 2023 to December 31, 2023.

**Category 9 – Scope 3-related emissions from downstream transportation and distribution**

We recognize the significant impact that the transportation of our customers' belongings during move-ins, move-outs, and regular store visits can have on the environment. To provide a comprehensive overview, we employed a meticulous approach to calculate these emissions. Leveraging the catchment area of our clients, we determined in an anonymized manner the average distances traveled to our stores. Based on this anonymized data, further analysis of customers' travel habits allowed us to identify the types of vehicles predominantly used, enabling us to apply accurate CO2 emissions factors. Utilizing our internal database, we defined the number of customers per store and the frequency of their visits. By diving into these details, we aim to enhance our understanding of our environmental footprint and, in turn, implement strategies to mitigate and manage our impact responsibly.

Client travel resulted in **7,560 tCO2** for the period of January 1, 2023, to December 31, 2023.

## NET ZERO CARBON DELIVERY STRATEGY

We follow the greenhouse gas management hierarchy when planning to deliver our net zero carbon 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 emission 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. Today, already 100% of our electricity and more than 70% of our gas is sourced from Renewable Energy Guarantees of Origin (REGO) backed sources. We want to go further and achieve net zero carbon on a location-based basis, taking into account the simultaneousness of our purchased or produced renewable electricity and the related consumption.

**1 Reduce energy consumption**

We are reducing the energy consumption in our stores, through investments in better building designs, sensors, building management systems and energy-efficient devices (e.g., LED lighting).

**2 Optimize energy consumption**

We are optimizing our energy consumption mix, stepping out of carbon-intense sources like gas and shifting towards low-carbon alternatives (e.g., heat pumps or equivalent).

**3 Renew energy supply and generation**

We are increasing the share of our utilities supplied from certified renewable sources and are generating on-site renewable energy, for instance with solar panels.

**4 Offset residual emissions**

As a final step, should any remaining emissions be unavoidable, we will offset it with the financing of carbon-positive actions.

The above strategy is embedded in all core stages of our business, when acquiring, developing, refurbishing, and operating the assets.

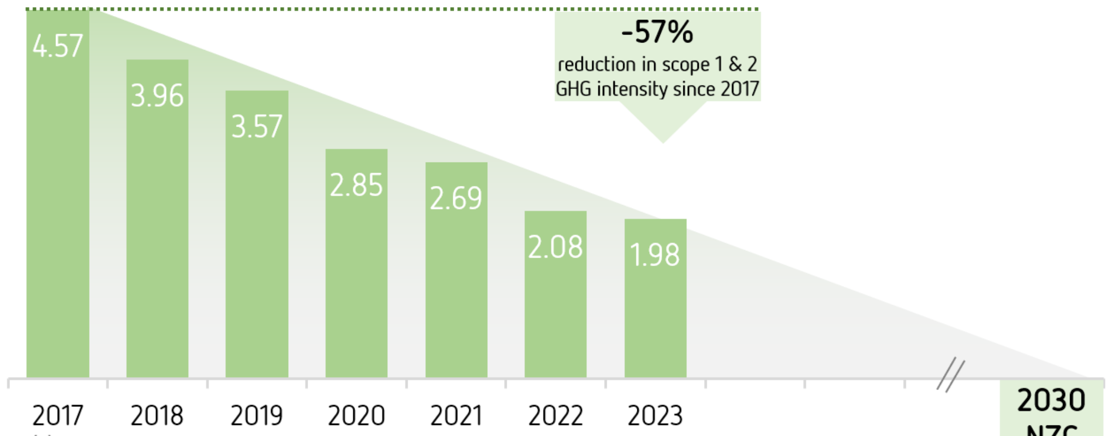
## LIKE-FOR-LIKE ENERGY EMISSIONS

In the framework of our Operational NZC commitment, we have set a like-for-like emission target reduction of 10% in 2023, compared to a 2017 base line. Thanks to our efforts, we have achieved a 53% reduction in our emissions, surpassing our plans.

## EMISSIONS INTENSITY

Our Scope 1 & 2 GHG intensity has already decreased by 57% compared to 2017 and we are on the right trajectory to achieve our ambitious Operational NZC target by 2030.

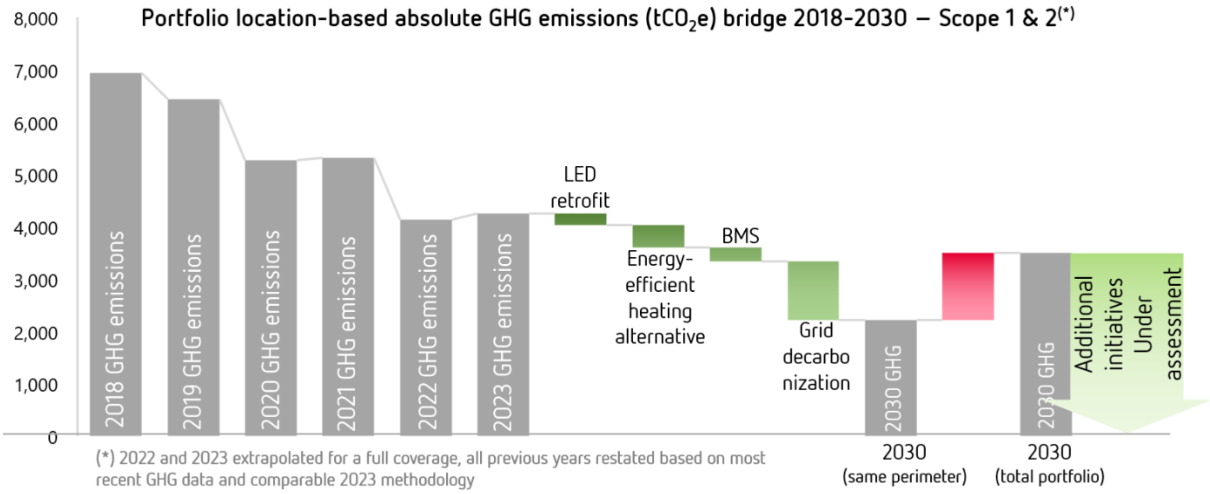
**Portfolio location-based GHG Intensity trajectory (kgCO2e/sqm GIA/yr) – scope 1 & 2(*)**




(*) All previous years restated based on most recent GHG intensity data and comparable 2023 methodology

**EMISSIONS PROJECTIONS**

We are developing a coherent energy supply strategy, with the aim of making our operations as neutral as possible for the environment. Our initiatives are strategically rolled out, considering their financial return and the specificities of all the countries in which we operate. In order to support our decision process, we have projected our Scope 1 and 2 GHG emissions from 2023 to 2030, at store level, taking into consideration our current GHG emissions, the impact of our initiatives on our utility consumption, the growth of our portfolio and the expected evolution of the national grid carbon intensities.




Our initiatives have already delivered great results from 2018 to 2023. Despite the growth of our portfolio, we have cut absolute location based GHG emissions by c. 40%. With our current ongoing initiatives (such as LED retrofits, heat pump rollout and implementation of a building management system), as well as the national efforts to decrease the carbon intensity of the electricity produced and injected into the grid, our GHG emissions, at constant perimeter, are expected to decrease from c. 4,250 $tCO_2$ in 2023 to c. 2,200 $tCO_2$ in 2030 (-50%). Notwithstanding a continuous reduction in our consumption and emission intensity, expressed by sqm, emissions will be impacted by our projected growth, as we plan to increase our footprint by more than 50% by 2030.

We are now looking at the next steps in our efforts to reduce our carbon footprint. For example, based on our experience from the 23 properties that are already equipped with solar panel installations, we are performing a technical assessment of our full portfolio in the Netherlands, a country where electricity production has a high carbon intensity. This includes studying roof structure and capacities, electrical connections, permit requirements, and reinjection possibilities. With the learnings in this specific market, including the analysis of business cases and different scenarios, we aim to develop a coherent solar strategy for our entire portfolio.

*Shurgard Stadionweg store in Rotterdam. a new building (certified with BREEAM "Very Good") of a total of c. 13,000 sqm, has been equipped with 420 sqm of PV panels placed on the roof.*

While solar can help us decrease our daily consumption, this will only be a partial answer to our NZC journey. We are therefore also engaging with carbon transition experts to evaluate alternative on-site and off-site renewable energy production options and potential power purchase agreements ("PPA").

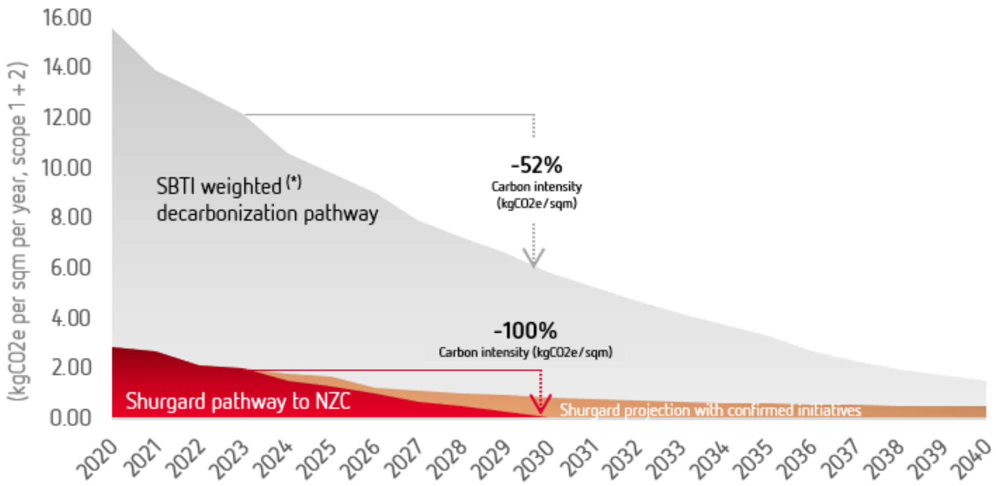
### SCIENCE-BASED TARGETS INITIATIVE (SBTI) ALIGNMENT

SBTI is an internationally recognized standard that supports companies in setting up carbon reduction targets. It probes the alignment of these targets, by sector, with the science-based decarbonization pathways required to achieve the commitments of the Paris Agreement. New guidance for the buildings sector was released in 2023, aligned with the CRREM tool (Carbon Risk Real Estate Monitor), developed by the EU. Shurgard aims to align its current GHG trajectory and targets with scientifically recognized pathways.

As of today, no specific SBTI guidance has been set up for the self-storage real estate subsector. We therefore used the one that is the closest to our activity, namely the "distribution warehouse (warm)". It is important to recognize that our 2023 carbon intensity is c. 80% lower than the closest real estate SBTI subsector.

Shurgard's ambitious targets are significantly ahead of the SBTI decarbonization pathways:

- As targets are set up at country level, we used a weighted average based on the portfolio sqm in each of the countries in which we operate.
- With our already confirmed decarbonization initiatives, i.e. not considering the above-mentioned additional initiatives under investigation, such as solar and PPA, we will already largely meet the 2030 and 2040 carbon intensity expectations set by SBTI.
- While the science-based targets expect a 52% reduction in carbon intensity, our 2030 pathway to NZC will achieve a carbon intensity reduction target of 100%, i.e. significantly outperforming the SBTI requirements.



### LIKE-FOR-LIKE ENERGY CONSUMPTION

In the framework of our net zero carbon commitment, we have set a like-for-like consumption reduction target of 10% in 2023, compared to a 2017 base line. We are very proud to confirm that we have surpassed our commitment, with a reduction of 40%.

This was achieved through various investments, such as the roll out of our LED retrofit program, the implementation of smart building management systems, and the continuous focus on increasing the share of our portfolio with excellent building ratings (EPC or BREEAM certificates for instance).

### LED RETROFIT PROGRAM

In 2015, we started a major retrofit program of our stores, investing more than €11 million to make our stores more energy efficient. The key element of that program was the installation of motion sensors in our stores, and the replacement of our traditional lighting with energy-efficient LED lights. This covers not only the lighting of the storage area, but also the parking, offices, and internal drives.

The lighting of the stores represents a significant portion of the electricity consumed (c. 50%) and the LED lights are expected to deliver a consumption saving of c. 60% compared to traditional bulb lights.

Last year, we announced an acceleration of the roll-out of the program, and we are proud to announce that we achieved 100% coverage in all seven markets, with the installation of more than 100,000 LEDs across our entire portfolio.

### SMART BUILDING MANAGEMENT SYSTEM

To optimize our energy consumption control and avoid wasted energy, we have subscribed to a state-to-the-art building management system. We have completed the installation in our two test markets, in Belgium and the Netherlands. This system will help us to operate our stores in an optimal way, through online centralized monitoring, metering and control of utilities and devices to lower consumption. It comes with alerts on unusual consumptions, allowing us to take immediate remediation actions. We will take the learnings from this test and will consider further expansion in the coming years.

### EPC AND BREEAM CERTIFICATIONS

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, 65% of our floor area is associated with an EPC label A or A+ and 24% of our portfolio holds a BREEAM certification (BREEAM New Construction or BREEAM in use), and we are committed to certifying developing assets in our pipeline where relevant.

We recently conducted a comprehensive review of our EPC labels and aligned our reporting to the different national methodologies applied by EU countries to our reported EPC labels and coverage. We also chose to consistently consider EPC across the entire site, rather than previously allowing for EPC in certain areas, for example where the property is heated. This review impacted our EPC scores and coverage negatively. Looking ahead, we anticipate an updated European Energy Performance of Buildings Directive that is expected to provide clearer guidelines and recommendations on harmonizing EPC labels across member states. We are actively monitoring these developments to ensure our practices align with forthcoming industry standards.


*Shurgard Alperton Park Royal, BREEAM "Outstanding"*

## SOLAR PANELS

We are developing a coherent energy supply strategy, with the aim of making it as neutral as possible for the environment. Today, already 100% of our electricity and more than 70% of our gas is sourced from Renewable Energy Guarantees of Origin (REGO) backed sources.

We are now preparing the next step in our efforts to reduce our carbon footprint. Based on the experience gained from our 23 properties that are already equipped with solar panel installations, we are embarking on a full technical assessment of our properties in the Netherlands, a country where electricity production has a high carbon intensity. Not only are we studying roof structure and capacities, but also electrical connections, permit requirements, reinjection possibilities, as well as a gap analysis to achieve full carbon neutrality. This will allow us to make sure that resources and funding can be planned and committed effectively.

## GREEN BOND

On July 23, 2021, the Group issued new ten years 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, 2023, the proceeds allocated to Eligible Green Projects amounted to €259.7 million, representing an increase of €34.0 million compared to June 30, 2023. A portion – €89.2 million – was used to refinance existing projects at issuance, whereas €170.5 million was used to finance new projects. A total of €40.3 million unallocated proceeds of the Green Bond remain available and is expected to be used before the Bond maturity.

| Store Name | Certification date | Rating | Address | Total ('000€) 31/12/2023 |
|---|---|---|---|---|
| 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 |
| Rotterdam Stadionweg (*) | July 25, 2023 | Very Good | Rotterdam | 16,113 |
| Lagny | October 20, 2023 | Very Good | Paris | 10,155 |
| *Projects with BREEAM certificate "Very Good or Higher"* | | | | *114,415* |
| Croydon Purley Way | Upcoming certification | | London | 9,044 |
| Bow | Upcoming certification | | London | 25,401 |
| Satrouville | Upcoming certification | | Paris | 9,814 |
| Versailles | Upcoming certification | | Paris | 11,111 |
| Chiswick | Upcoming certification | | London | 23,782 |
| Chadwell Heath | Upcoming certification | | London | 17,900 |
| Tottenham | Upcoming certification | | London | 16,071 |
| Berlin Charlottenburg-Nord | Upcoming certification | | Berlin | 13,028 |
| Hayes | Upcoming certification | | London | 1,333 |
| Wangen | Upcoming certification | | Stuttgart | 3,131 |
| Neuss | Upcoming certification | | Dusseldorf | 6,132 |
| Leinfelden | Upcoming certification | | Stuttgart | 8,086 |
| Southwark | Upcoming certification | | London | 494 |
| *Other Eligible Green Projects (upcoming certification)* | | | | *145,327* |
| **Total Eligible Green Projects** | | | | **259,741** |

Shurgard's Green Bond Committee is held annually and took place on July 10, 2023 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 have been reviewed by an independent external audit firm and the reports and auditor's limited assurance on the Eligible Green Projects are available on Shurgard's corporate website: https://www.shurgard.com/corporate/corporate-responsibility/reports-and-publications.

## 4.2 RESILIENCE OF PROPERTIES TO CLIMATE RISKS

| | KPI's | 2022 | 2023 |
|---|---|---|---|
| Resilience of properties to climate risks | % of stores assessed for physical climate risks | 100% | 100% |
| | % of rentable sqm associated with a high likelihood of being impacted by physical climate risk in the period up to 2050 | 10.6% | 10.5% |
| | Financial assessment of the exposure to physical climate risks (in € million, based on the floor area impacted and the fair value of the underlying asset and % of total fair value) | €408.0 (9.0%) | €480.6 (9.5%) |

Climate change is a growing concern for businesses around the world, and the self-storage industry is no exception. As extreme weather events become more frequent and severe, Shurgard recognizes the need to assess its vulnerability to climate change risks and take proactive steps to mitigate them. Climate change risks are represented by transition and physical climate risks.

We assess climate change-related risks using state-of-the-art technological tools and comprehensive practices every year. To this end, we follow our risk management policy:

1. We identify potential climate-related risks, whether physical risks (e.g., flooding or extreme weather events) or transition risks (changes in policy, regulation, and market conditions).
2. We evaluate exposure to these risks, whether direct or indirect.
3. We assess likelihood and impact (potential financial, operational, and reputational consequences).
4. We prioritize risks.
5. We develop risk management strategies to mitigate, transfer, or accept the risks. These strategies may include physical adaptation measures, such as building resilience to extreme weather events, as well as transition strategies, such as reducing greenhouse gas emissions and transitioning to low-carbon energy sources.
6. We monitor and review the risk management strategies on an ongoing basis to ensure that we remain effective in the face of changing climate conditions and emerging risks.

### PHYSICAL CLIMATE RISK

We identify physical climate risk as a risk 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.

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.

In 2023, we performed a physical climate risk assessment of our entire portfolio of 276 stores. 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 UN body, laid the foundation for the 2015 Paris Agreement. Our climate change assessment relies on the latest 6$^{th}$ release of the IPCC assessment report, where the Panel redefined what "cutting edge" climate change modelling means. Previously, climate change scenarios had only considered the development of concentrations of greenhouse gases, characterized in a set of Representative Concentration Pathways (RCPs), which we used in our 2022 sustainability reporting.

Now the IPCC has adopted a more holistic approach to expected developments in the 21st century. They now endorse using Shared Socioeconomic Pathways (SSPs) in the modelling of future scenarios. The SSPs are used to derive greenhouse gas emissions scenarios with different climate policies[1]. The SSPs provide narratives describing alternative socio-economic developments.

The existing five SSPs scenarios are[2]:

- SSP1: Sustainability ("Taking the Green Road")
- SSP2: "Middle of the Road"
- SSP3: Regional Rivalry ("A Rocky Road")
- SSP4: Inequality ("A Road Divided")
- SSP5: Fossil-fueled Development ("Taking the Highway")

For our 2023 reporting, we have opted for the SSP2 (or SSP2-4.5) "Middle of the road" scenario.

In this scenario, global and national institutions work towards sustainable development but make slow progress. Development and income growth proceed unevenly, with some countries making relatively good progress while others fall short of expectations. The environment experiences degradation, but the overall intensity of resource and energy use declines. This scenario would be expected to lead to a warming by end of the 21st century of between 2.1 and 3.5°C relative to the pre-industrial period (1850–1900). The SSP2 scenario is comparable to the RCP 4.5 scenario[3], which was previously used in our 2022 reporting. This scenario is deemed appropriate by the EU Taxonomy for projections up to 2060, whereas scenario SSP5 (or RCP 8.5) is largely considered as a 'worst-case scenario' that is possible but unlikely to happen.

Including the SSP into our physical climate risk analysis helps us to tailor our climate strategy. By supplementing the degree-based RCP scenarios with socio-economic considerations, we can see a more realistic picture of how climate change will impact our portfolio and make more informed, tailored sustainability strategies for Shurgard and its stakeholders.

1 United Nations Economic Commission for Europe (UNECE), "SSP2 Overview," May 14-15, 2019, Pathways to Sustainable Energy Workshop Consultation https://unece.org/fileadmin/DAM/energy/se/pdfs/CSE/PATHWAYS/2019/ws_Consult_14_15.May.2019/supp_doc/SSP2_Overview.pdf.
2 Carbon Brief, "Explainer: How shared socioeconomic pathways explore future climate change," https://www.carbonbrief.org/explainer-how-shared-socioeconomic-pathways-explore-future-climate-change/.
3 Munich Re, "Climate Change Edition," Location Risk Intelligence, https://www.munichre.com/rmp/en/products/location-risk-intelligence/climate-change-edition.html.

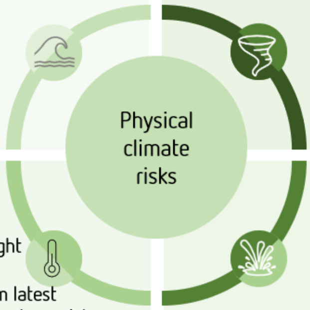
Based on Munich RE's assessment, we considered and reviewed the following climate risks, hazards, and meteorological stresses, which are classified from low to high risk:

**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

**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




**Climatological stresses: Heat, precipitation, Fire Weather or Drought**

Heat waves, high-precipitation, wildfires, and drought events, classified using scientifically recognized climate models with reference period and data from latest high-resolution local / global models to classify the stress risks.

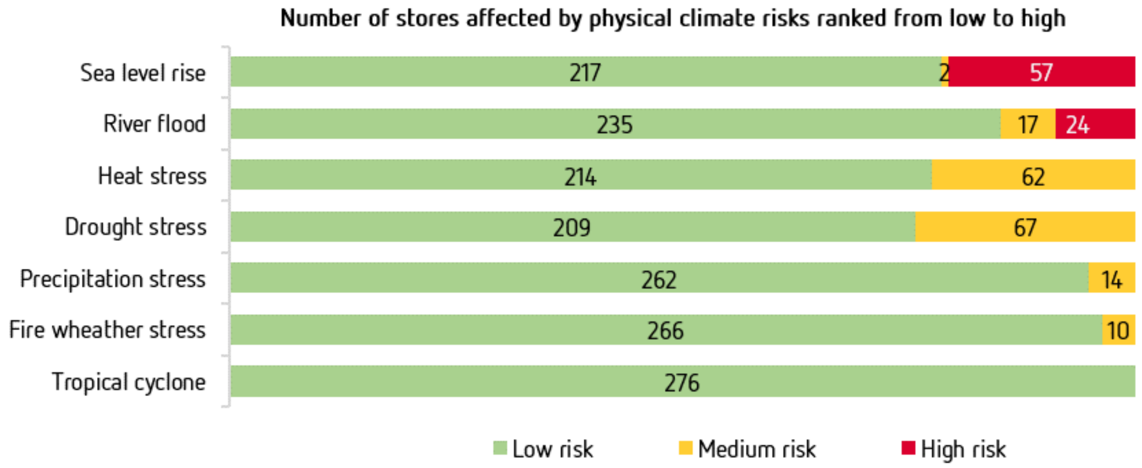
Stress situations are classified on a scale ranging from 0 (very low) to 10 (very high): Low risk: <= 4.0; Medium risk: 4.1 to 8.0; High risk: >= 8.1

**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

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 an 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 the total building, which in Shurgard's case are typically multi-level properties.

In total for 2023, we have identified 81 stores that were associated with at least one "high" physical climate risk, with 57 stores for the sea level rise risk and 24 stores for the river flood risk.

The rentable sqm at high physical climate risk represents 10% 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 UK, France and Sweden.

% of rentable sqm associated with a high physical climate risk


## TRANSITION RISKS

Transition risks are defined as risks associated with transitioning to a lower-carbon economy. As part of Shurgard's risk management system, our various departments that are part of the ESG Management Group are responsible for identifying, assessing, managing, and monitoring climate risks associated with their business area. Risks are assessed in line with Shurgard's risk management policy.

We have identified the following transition risk drivers for our business and operations:

1. **Regulatory risks:** The implementation of new policies and regulations to reduce greenhouse gas emissions could lead to increased compliance costs, such as the need to invest in new equipment or technology, or the need to purchase carbon offsetting credits. This could result in increased capex and opex, which could affect the profitability of the company.
2. **Energy and resource risks:** Higher energy prices or scarcity of resources could result in increased operating costs, such as increased electricity bills or higher costs for raw materials. This could lead to lower profitability or decreased competitiveness in the market. Poor energy management may lead to a loss of market share, longer term.
3. **Technology risks:** The adoption of new technologies or changes in the market demand for storage solutions could lead to the need for new investments in technology or infrastructure. Failure to adapt to these changes could result in decreased revenue or increased costs.
4. **Reputation risks:** Negative public perception or association with unsustainable practices could lead to decreased demand for Shurgard's products and services, which could result in lower revenue.
5. **Financial risks:** Increased borrowing costs or difficulty accessing capital could result in decreased investment in new technologies or infrastructure, which could affect Shurgard's ability to adapt to the transition to a low-carbon economy.

Decarbonization pathways offer a valuable measure of transition risk, especially concerning real estate portfolios and assets. These pathways employ a metric, GHG intensity (measured in $kgCO_2e$/sqm/year), applicable to the entire real estate asset category. The Carbon Risk Real Estate Monitor (CRREM) has established science-based decarbonization pathways for numerous developed real estate markets globally, aligning with climate goals set by the Paris Agreement. These pathways serve as practical benchmarks for assessing individual assets in light of high-level global commitments, like NZC targets and the Paris Agreement.

These pathways serve two main purposes: NZC alignment and transition risk assessment. Organizations like the NZC Asset Owner Alliance and the Institutional Investors Group on Climate Change recommend CRREM pathways for real estate compliance with their criteria, even though the 1.5°C CRREM pathways do not precisely reach zero $CO_2e$/sqm by 2050, they are considered ambitious enough for NZC alignment.

"Stranded assets" are properties that will not meet future energy efficiency standards and market expectations and might be increasingly exposed to the risk of early economic obsolescence. The highest risk for the real estate sector is that assets would lose their economic value due to, for instance, the loss of their license to operate or the inability to resell them because of their inability to comply with increasingly stringent regulatory requirements. Although decarbonization pathways do not directly reflect the evolution of the local regulatory environment, they might be used as an indication of an increasing risk of stranded assets.

The risk of asset stranding is a concern across sectors, including real estate. It can arise due to various factors associated with transition risk, such as policy, legal, technological, market, or reputational factors. While decarbonization pathways reflect regulatory ambition, they are not precise indicators of regulatory requirements in each jurisdiction. Instead, they serve as a proxy for regulatory or policy transition risk. An asset's GHG intensity exceeding its decarbonization pathway does not guarantee license loss but suggests an elevated risk of stranding if regulatory alignment with national commitments is anticipated, even if it is currently lagging.

Today, we have not identified any asset that would be stranded or at risk of becoming stranded in the near future. We refer to the section 4.1 Transition to low-carbon economy, where we demonstrate that our ambitions of being NZC in our operations by 2030 should prevent any material risk related to asset stranding, as our carbon intensity trajectory will remain largely below scientifically recognized decarbonization pathways.

#### OUR REPONSE TO CLIMATE RISK

Climate change risks mentioned above are one of the risks that Shurgard considers in its risk assessment framework.

Firstly, we strive to rely solely on green electricity and green gas. We are reducing our consumption year by year. We invest in renewable energy sources to reduce our dependence on fossil fuels. By installing solar panels on our facilities, we not only plan to generate energy and reduce our exposure to rising energy costs and potential carbon taxes, but also contribute to the overall resilience of our operations. The power created with solar installations can be invested back into the grid, enhancing our ability to adapt to changing energy dynamics influenced by physical climate risks. Additionally, we prioritize energy-efficient measures such as LED lighting to further reduce our carbon footprint and minimize the strain on resources in the face of climate-related challenges.

Secondly, we implement comprehensive measures to enhance the resilience of our infrastructure and operations against physical climate risks. This includes upgrading lighting (to LED) and HVAC systems to improve energy efficiency, as well as implementing strategies to reduce waste, manage water resources efficiently, and prevent water and energy leakage and spilling. By taking these proactive steps, we not only reduce our environmental impact but also strengthen our ability to withstand and adapt to the physical risks posed by climate change, such as extreme weather events and changing hydrological patterns.

Thirdly, our company actively explores new business models that align with a low-carbon economy and address physical climate risks. We also seek partnerships with companies and suppliers that offer sustainable solutions, further minimizing our environmental impact and helping to mitigate physical climate risks. These initiatives demonstrate our commitment to resilience and adaptation in the face of climate change.

Lastly, Shurgard engages with stakeholders, such as suppliers, investors, customers, and employees, to communicate our commitment to sustainability and seek their input on ways to reduce the company's carbon footprint and address physical climate risks. By actively involving stakeholders in our sustainability efforts, we foster trust, credibility, and collaboration, which ultimately enhances our reputation and strengthens our ability to manage potential reputational risks arising from both transition and physical climate risks.

## 4.3 SAVE WATER

| | Commitments | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2023 target |
|---|---|---|---|---|---|---|---|---|
| Save Water | Reduce like-for-like water consumption by 5% in 2023 (baseline 2017) | +4% | +28% | +1% | +9% | -7% | -46% | -5% ✓ |
| | Install smart water readers and smart leak detection system in all stores (% stores done) | | | | | 60% | 100% | 100% ✓ |

Ensuring sustainable water withdrawal and supply of fresh water to address water scarcity and reduce the number of people suffering from water scarcity was identified as another important risk. Having said that, water use for self-storage properties is typically very low compared to sites of a similar size in the real estate sector. 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 maintaining specific protocols in the design and operations of our storage properties to ensure low water consumption.

Over the past few years, we have rolled out water efficiency measures at portfolio level, such as low flow taps and other fittings. In 2023, we equipped 100% of our stores with smart water metering facilities, which allows live monitoring of water consumption by store. The system can detect abnormal water consumption, such as water leaks, and sends an alert to our facility teams that can take immediate remediation actions. Considering the very low water consumption overall in our business, water leaks have a major impact on our consumption. Installing these smart water systems helps us to act in a timely manner and prevent abnormal peaks in consumption.

In 2023, we outperformed our target to decrease our like-for-like water consumption by 5% (vs. 2017 baseline), achieving an actual reduction of 46%.

## 4.4 RESPONSIBLE WASTE MANAGEMENT

| | Commitments | 2022 | 2023 |
|---|---|---|---|
| Responsible Waste Management | Diversion from landfill | 100% | 100% |
| | Cardboard in our stores that is recycled | 100% | 100% |

Environmental pollution has been sub-divided for the purpose of this report into (i) reduction of carbon emissions (see our discussions in chapter 4 on this) and (ii) responsible waste management, which is discussed further below.

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 their 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.

In addressing other environmental concerns in the area of pollution, Shurgard is committed to utilizing sustainable materials in its packaging for customers' moving needs. We diligently require that our suppliers of wood fiber-based products used in packaging source their wood fibers exclusively from certified forests, ensuring sustainable management practices and providing comprehensive traceability. All forestry-based products obtained by Shurgard for packaging solutions adhere to certification standards, including the Forest Stewardship Council (FSC) and PEFC, along with other certifications recognized by PEFC. These certifications are prominently highlighted on our packaging materials for sale, emphasizing our dedication to eco-friendly sourcing. Moreover, any additional documentation provided to customers is presented on paper that carries the FSC certification, reinforcing our commitment to responsible environmental practices.

In 2023, we maintained our achievement of 100% diversion from landfill as well as our protocols for low waste consumption in design and operations of our stores.

## 4.5 OUR "SUSTAINABLE SELF STORAGE" FUTURE COMMITMENTS

| | Our "sustainable self-storage" future commitments |
|---|---|
| Transition to low-carbon economy | • Initiate **solar panel installations** in two of our most carbon-intensive markets in 2024 (UK & Netherlands), with a 2025 completion target. This is part of the third step (Renewable Energy Supply and Generation) in our above explained four-step approach to achieving NZC goals.<br>• Replace all existing gas heating with **heat pumps**, or equivalent energy-efficient alternatives, in all our gas-heated stores (108) by 2029, investing c. €15 million, with an expected roll-out pace of 15 stores each year. |
| Resilience of properties to climate risks | • Obtain relevant **BREEAM certificates** for future constructions, wherever possible. |
| Save water | • Maintain **protocols** for low water consumption in design and operations of our storage properties. |
| Responsible waste management | • Maintain **protocols** for low waste consumption in design and operations of our stores.<br>• Maintain 100% **landfill avoidance**. |

# 5. EMPLOYER OF CHOICE

| Employer of choice | Our sustainability aims | | |
|---|---|---|---|
| Shurgard is passionate about creating excellent and safe workplaces which maximize wellbeing and productivity of our employees, and foster an open, supportive, diverse, and inclusive culture. | Safe and inclusive workplace | Invest in the development of our people | Share and live the Shurgard culture |

Human capital is a key pillar in our sustainability strategy. Our commitment to the development of our human capital is based on common values such as collective effort, a strict sense of ethics and the search for excellence. Our ambition is to embed Shurgard's culture in everyday practices in order to forge positive relationships, improve the employee experience and create a united internal environment. This also means ensuring that our employees are working in a safe and inclusive environment. We invest in our talents, through training, feedback, internal mobility, promotion opportunities as well as a dynamic and fair remuneration policy.

## 5.1 SAFE AND INCLUSIVE WORKPLACE

Safe and inclusive workplace

| Commitments | 2022 | 2023 | 2023 target |
|---|---|---|---|
| Increase the ratio of gender diversity among Non-Executive Directors | 27% | 33% | 33% |
| Create and roll out a new employee training program on diversity, equity and inclusion | | Done | Done |
| Create a learning module on health and safety in the training program | | Done | Done |
| Implement a group-wide non-discrimination and anti-harassment policy | | Done | Done |

| KPI's | 2022 | 2023 |
|---|---|---|
| % of properties subject to health and safety audit (three-year cycle) | 34.0% | 35.5% |
| Employee absenteeism | 5.8% | 6.3% |
| Employee injury rate | 0.0% | 0.0% |
| Employees gender diversity (% of female employees) | 42.3% | 42.4% |
| Store personnel gender pay gap (mean % by which female pay is lower than male pay) | 5.0% | 3.3% |

### HEALTH AND SAFETY

The safety of our employees and our customers is a key 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 for 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); and
- 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.

GRI 403-5

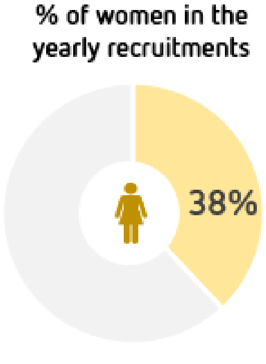
### DIVERSITY, EQUITY, AND INCLUSION

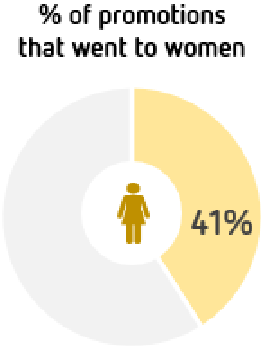
Shurgard is committed to an inclusive workplace that embraces and promotes diversity, pay equity and equal opportunity. The principle of non-discrimination (see our policy on non-discrimination and anti-harassment) permeates all the processes inherent to human resources. To meet this commitment, we make sure that Shurgard guarantees gender equality in all its processes, including:

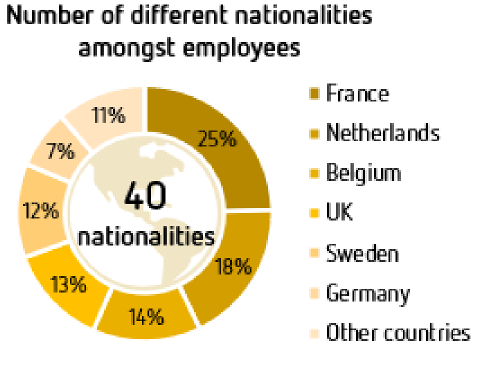
- Talent review;
- Compensation review;
- Promotions; and
- Development programs.

Our support and operation teams are located in eight countries, representing 40 different nationalities. We therefore benefit from a naturally diverse and high-quality employee base. Our diversity of thinking and experiences foster innovation and long-term relationships. We strive to increase the diversity of gender, culture, age, origin, and training within our workforce. We believe that this encourages innovative solutions and exceptional customer service to an equally diverse community. Our pledge 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. In 2023, we launched a new employee training program on diversity, equity, and inclusion.

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.

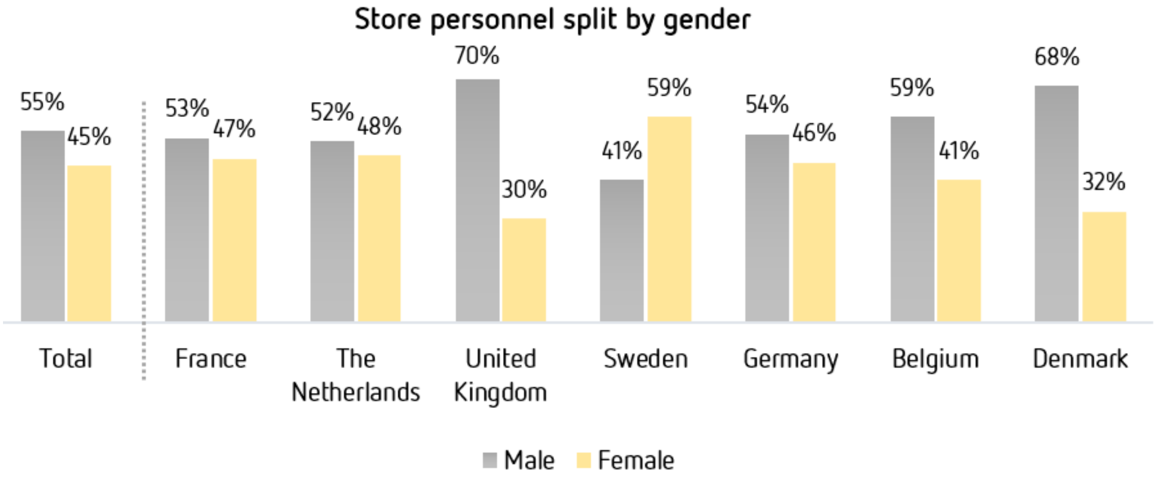


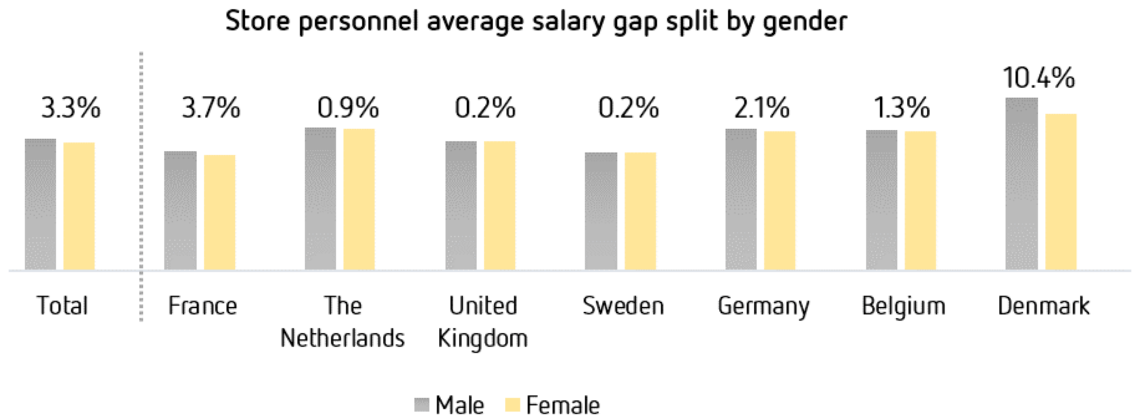



Within our stores, we foster an inclusive culture which engages with all potential candidates. The outcome of this culture is a good gender balance at our properties, which employ 83% of the total Shurgard personnel. Within stores across our seven operating countries, the total gender split is 58% male and 42% female. In 2022, the gender split was 58% male and 42% female.

The gender split for our European Support Center employees was 57% male and 43% female in 2023, against 53% male and 47% female in 2022.




The gender pay difference for store personnel is marginal across our different operating countries. The total difference is 3.3% (in favor of male personnel) across all geographies which reflects a range between 10.4.% and 0.2%.



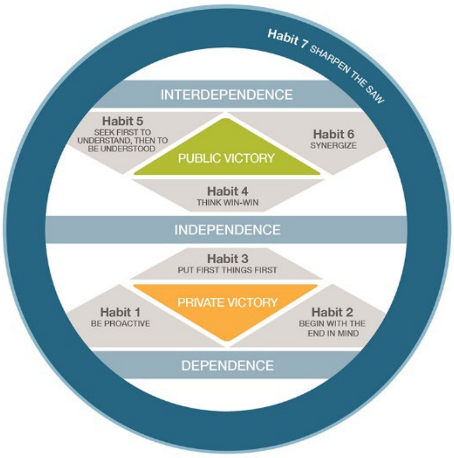
## 5.2 INVEST IN THE DEVELOPMENT OF OUR PEOPLE

### 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.

| | Commitments | 2022 | 2023 | 2023 target |
|---|---|---|---|---|
| Invest in the development of our people | Implement 7 Habits of Highly Effective People for support centers | | Done | Done ✔ |
| | **KPI's** | **2022** | **2023** | |
| | % of employees that underwent performance appraisal process | 100% | 100% | |
| | Training hours completed by employee | 30.2h | 22.7h | |
| | % of employees that followed at least one training during the year | 100% | 100% | |

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 new support center 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 develop both professional skills as well as soft skills, such as communication, problem-solving and time management.




In pursuit of organizational excellence, Shurgard has embarked on a transformative journey by adopting and implementing the renowned "7 Habits of Highly Effective People" training framework developed by FranklinCovey.

The 7 Habits framework has become an integral part of our employee development program. Through this program, our employees of all levels have learned to cultivate habits that prioritize and balance personal and professional goals. Teams routinely engage in feedback sessions and 7 habits-themed lunches, identifying areas for growth and implementing positive changes in their everyday work and life.

To streamline various aspects of talent management and development, Shurgard uses a cloud-based talent management platform. It allows us to establish a structured performance management process and manage all training offered at Shurgard. It helps us to create better onboarding processes and follow-up of new hires to make sure they are well integrated into the company from day one. The platform provides a central hub for organizing and delivering training and development programs. It offers a learning management system (LMS) that allows us to create, manage, and track training courses. Our employees can access training materials, complete courses, and monitor their progress through the platform. On top of that, the platform facilitates 360-degree feedback processes, where employees receive feedback from managers and subordinates. To support the feedback process, we also have a 360-degree assessment for managers via the FranklinCovey training platform.

SHURGARD SELF-STORAGE Academy

The comprehensive feedback helps our employees gain insights into their strengths and areas for improvement, enabling them to grow and develop in their roles.

To retain and attract top talent within our stores, we launched the Shurgard Academy in 2018. 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.

In 2023, 100% of our employees underwent a performance appraisal process. Shurgard's large training program resulted in a total amount of approximately 23 training hours completed per full-time employee, representing a 100% ratio of our workforce that followed at least one training this year. Our total training hours for 2023 amounted to over 15,900 hours, including first aid and fire emergency training in addition to all the new joiners' induction training and some other externally provided training deemed important for the development of our employees.

As we continue our progress, we are modernizing our learning by collaborating with a new partner who specializes in game-based learning and virtual reality learning. Starting in 2024, we are planning to create customized game-based training courses for the stores, and this will be added to the Shurgard Academy.

### INTERNAL MOBILITY AND PROMOTION

Shurgard's priority is to develop support for employees in their career development, 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 include the:

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

***Fabrice Gaude**, Store Manager/District Trainer for France, has been awarded the prestigious **FEDESSA (federation of European self-storage associations) Manager of the Year Award** at the 2023 FEDESSA Conference and Trade Show.*

### 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. Calibration meetings are conducted annually among the executive team to ensure that all remuneration decisions are fair across the entire employee population. Thus, people with similar roles, responsibilities, and experience receive comparable salaries. Moreover, executive remuneration policies are reviewed each year by the ESG Committee and a dedicated survey was conducted on executive salaries (we refer to the Remuneration Report). We ensure our alignment with best practices and our compliance with the various legislation in force. We regularly organize remuneration calibration meetings to assess our conditions within the business and align the salaries of all our employees according to the market.

GRI 2-19, GRI 2-20

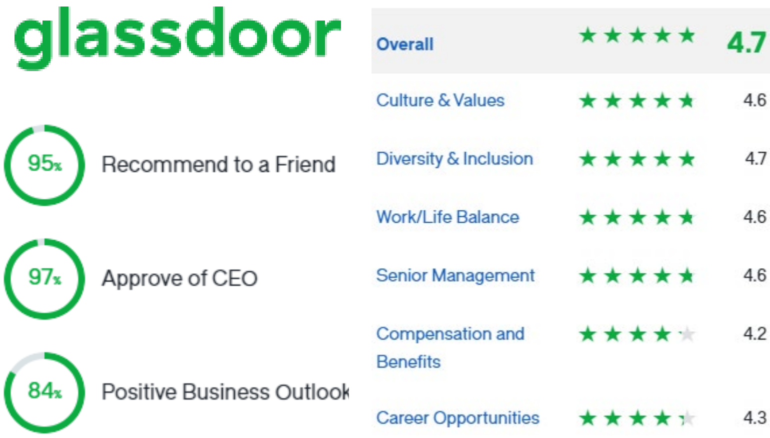
## 5.3 SHARE AND LIVE THE SHURGARD CULTURE

| | KPI's | 2022 | 2023 |
|---|---|---|---|
| Share and live the Shurgard culture | Glassdoor employee reviews | 4.7/5 | 4.7/5 |

### EMPLOYEE HAPPINESS AND ENGAGEMENT

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 of large corporations, such as ours. Our current ranking is higher than average (4.7/5 vs. an average of 3.7/5, and 97% CEO approval vs. average rating of 73%). The results prove that our mission is well reflected in the employees' experience.




### INVESTORS IN PEOPLE

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. We have gone through the assessment by Investors in People in 2022 and have been recognized as a "Silver Investors in People organization" in 2023 as a result of this evaluation. The Investors in People assessment contributes to UN Sustainable Development Goal #8 – 'Decent Work and Economic Growth'. The survey was available to all employees at Shurgard and has enabled us to see and address our highs and lows when it comes to employee engagement and happiness. We have improved our results compared to the previous assessment of 2020 and are planning to continue the process of empowering our employees and enriching the company culture.

INVESTORS IN PEOPLE™
We invest in people Silver

### EMPLOYEE WELL-BEING INITIATIVES

In a commitment to prioritizing the health and happiness of our employees, we have recently initiated a comprehensive array of well-being initiatives. At the heart of these endeavors lies a sincere focus on both mental and physical well-being, recognizing that a harmonious balance between the two is indispensable for overall wellness and peak performance.

Among the initiatives introduced is the approach to monitor and assess the well-being of our dedicated operations and support center staff. We use different techniques for assessing the well-being of employees, which includes online surveys and screenings. This pursuit of well-being is by no means novel within Shurgard. In 2023, in partnership with Attentia, a rapidly growing Belgian professional services organization that offers a broad range of HR, well-being and payroll solutions, we performed a well-being assessment survey aimed at checking the needs of employees during homeworking.

Further, we have a "Direct employee participation on welfare form", which is aimed at addressing immediate concerns and feedback of employees on the road to creating a workplace that promotes employees' health, happiness, and productivity. The insights gained from the answers on various surveys launched in 2023 allowed us to delve into the most important elements that contribute to the vitality of our workforce, such as condition of the office, appreciation at work, inclusive culture and work-life balance.

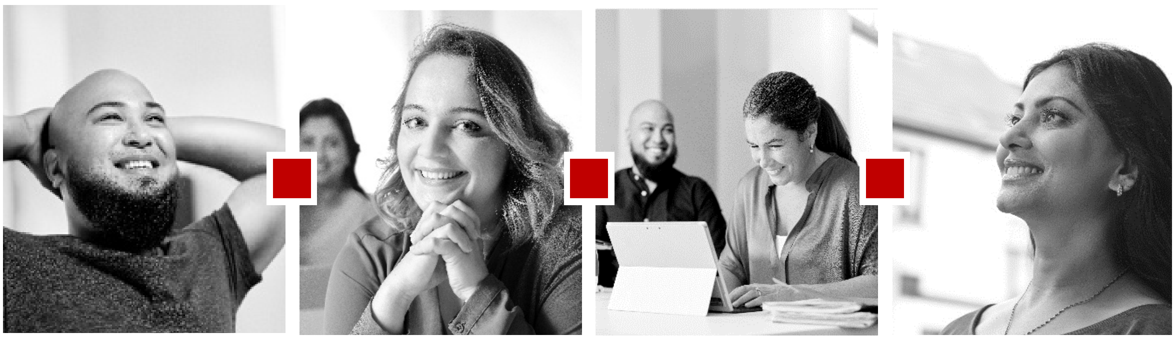

*Bicycle used by our employees of the Zoetermeer store in the Netherlands*

The culmination of these well-being assessments is not merely confined to data collection. As we are working towards a more enriched employee experience, we have processes in place to address the issues identified with the invaluable data we receive. This process signifies our dedication to not only identifying areas of concern but also taking tangible steps to effect positive change. In 2023, we have implemented bi-monthly stress relief workshops for our support center staff, invested in teleworking and ergonomics training to facilitate the experience of comfortable and effective homeworking for our employees. We have equally addressed such office space issues as indoor air quality and lighting control. We promote physical well-being by encouraging our support center and store employees where possible to use the office bicycles during the lunch breaks. To promote social interaction, connection and inclusion, our employees have an opportunity to connect as a team during get-together events – both occasional, quarterly and yearly corporate gatherings. There are recognition events to build the team and keep spirits high. Performance rewards and "Employee of the Month" are used to emphasize the value of employees and their efforts at work. Each country has a range of recognition events and an annual awards event. Each action undertaken is a testament to our commitment to fostering a workplace that prioritizes the holistic well-being of our workforce.

It is our duty to assess and monitor the physical and mental well-being of our employees and create a workplace that thrives on the principles of care, support, and empowerment. Through these initiatives, we aim not only to enhance the well-being of our employees but also to cultivate a culture where wellness is a shared journey embraced by all.

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 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. By fostering a culture centered around these pillars, we aim to have engaged people, knowing that their commitment and enthusiasm are crucial drivers for our collective success.

**Happiness – Training – Team Spirit – Perspective**



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

These pillars stand as a testament to our unwavering commitment to fostering an environment where every employee thrives, grows, collaborates, and gains a well-rounded outlook on both professional and personal aspects of life. Each year, we celebrate and recognize the outstanding contributions of our Shurgard support center employees who exemplify excellence in these core values. These awards not only acknowledge individual achievements but also serve as a collective celebration of the shared values that define our unique culture.

**Happiness:**
At the core of our corporate culture lies a belief that happiness is not just an outcome, but a journey. We have diligently integrated happiness into every facet of our organization, ensuring that our employees experience joy and fulfillment in their daily endeavors. Our initiatives, from well-being programs and flexible work arrangements (e.g., homeworking) to recognition and celebration of achievements, reflect our dedication to cultivating a workplace where positivity and well-being are not only encouraged but are integral to our identity.

**Training:**
The value of continuous learning and growth is deeply ingrained in our organization's DNA. Our commitment to training is not just a standalone activity; it's a dynamic process that fuels our employees' professional development. From structured training programs to mentorship opportunities and access to cutting-edge resources, we empower our workforce to evolve and excel. By fostering a culture of curiosity and skill enhancement, by continuously offering trainings and opportunities for professional growth internally, we ensure that our employees remain at the forefront of their respective fields.

**Team Spirit:**
Collaboration and unity are the cornerstones of our success. The spirit of teamwork resonates in every department, project, and interaction. We have nurtured an environment where diverse talents converge, fostering a rich exchange of ideas and perspectives. Our open communication channels, cross-functional projects, and team-building activities bolster a sense of belonging that transcends roles and hierarchies, ultimately driving us towards collective achievements.

**Perspective:**
We recognize that a broad perspective is essential for innovation and adaptability. Our commitment to cultivating a diverse and inclusive workforce ensures that varied viewpoints enrich our decision-making processes. Beyond diversity, our focus on perspective also extends to nurturing a culture of empathy and understanding. Through initiatives that promote cross-cultural awareness and community engagement, we broaden our employees' horizons, enabling them to appreciate the interconnectedness of our global society.

Our sustainability report proudly reflects the journey of integration of our cultural pillars into our corporate identity. Through our commitment to happiness, training, team spirit, and perspective, we have not only set a benchmark for excellence but are on the way to fostering an environment where employees are empowered, valued, and inspired to contribute their best. As we look ahead, these pillars will continue to serve as guiding lights, illuminating the path toward sustained growth, innovation, and a workplace that is a true embodiment of our core values.

## 5.4 OUR "EMPLOYER OF CHOICE" FUTURE COMMITMENTS

| | Our "employer of choice" future commitments |
|---|---|
| Safe and inclusive workplace | • Maintain reporting on **health and safety audit** in our properties.<br>• Keep reporting on, as well as implementing and promoting **diversity initiatives** among employees.<br>• Maintain strong employee **health and safety** measures in place to with an **injury** rate among all employees at 0.0%. Adhere to an immediate remediation policy in case of health and safety incidents among all employees. |
| Invest in the development of our people | • For 2024, we commit to roll out customized **game-based training** for employees in our stores on such topics as burn-out, dealing with aggression, ergonomics, fire, first aid, hygiene, with the aim to increase learning efficiency |
| Share and live the Shurgard culture | • We commit to conduct the **Investors in People survey** in 2025, seeking valuable insights to continually monitor and enhance the satisfaction and overall experience of our dedicated workforce. |

# 6. POSITIVE IMPACT ON SOCIETY

**Positive impact on society**

Shurgard wants to contribute to a sustainable society, building a positive and lasting relationship with our neighbors, communities, customers, and suppliers alike.

**Our sustainability aims**

| Best-in-class customer service | Customer privacy and safety | Positive impact on local communities | Encouraging ESG best-practices in our supply chain |
|---|---|---|---|

Shurgard wants to have a positive impact on society. This means building lasting and equal relationships with our stakeholders. We want to deliver best-in-class services to our customers, and make sure that they can use our services.

## 6.1 BEST-IN-CLASS CUSTOMER SERVICE

| | KPI's | 2022 | 2023 |
|---|---|---|---|
| Best-in-class customer service | Number of yearly Google & Trustpilot reviews | c.27,600 | c.20,300 |
| | Overall all-time Google score | 4.8/5 | 4.8/5 |
| | Trustpilot client score | 4.6/5 | 4.7/5 |

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.

A vast majority 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 2023, we conducted a move-out survey in our seven countries to better understand our customers' feedback and Net Promoter Score (NPS). The survey was conducted by a third party. The feedback collected is used to improve the quality of our services towards our customers. The key findings of the NPS survey include:

- Overall satisfaction: most respondents expressed high levels of satisfaction with our products/services, indicating a strong foundation of customer contentment.
- Loyalty indicators: the NPS revealed a significant number of promoters who are highly likely to recommend our offerings to others, underscoring the strength of our client relationships.
- Areas for improvement: constructive feedback from detractors has been carefully analyzed, and we are committed to addressing specific concerns to enhance the overall client experience.

This survey is part of our ongoing commitment to continuous improvement. As the next steps, we will dive into the survey responses to identify actionable insights and opportunities for improvement.

Throughout the year, we collected no fewer than c. 14,800 Google reviews, adding to our all-time total of 98,000 reviews, of which 89% are 5-star. Our overall all-time rating stands at 4.8 out of 5 stars, collated from over 350 reviews per property – a result seen consistently across our stores and countries. Overall, in 2023, we have managed to obtain 4.6 reviews per store per month, even more than we set out as our aim in our 2023 Customer Service actions. Our strategy is not only to obtain customer feedback, but we also look to receive qualitative responses we can act upon. As of December 2023, 84% of our Google reviews contained written feedback. As of December 2023, our Trustpilot rating was 4.7 out of 5 stars.

## 6.2 CUSTOMER PRIVACY AND SAFETY

| | KPI's | 2022 | 2023 |
|---|---|---|---|
| Customer privacy and safety | % of properties equipped with cameras, monitored alarms, fencing and PIN coded gates | 100% | 100% |
| | % of properties that were subject to internal audit assessment of health and safety measures | 34% | 35% |

### 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 countries in which we operate, and 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 purpose 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 monitors 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 in the collection, the processing, 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.

Our employees from the HR, Marketing and IT departments participate in regular data privacy training, specifically designed for their area of business.

### CUSTOMER SAFETY

Shurgard is fully committed to providing safe storage facilities to our customers. 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 three-year cycle (more than one third of the properties are audited each year).
- By the District Managers three times per year (self-assessments).

All our locations have:

- strategically placed digital CCTV camera;
- alarms monitored by an external security team;
- sensor lighting;
- perimeter fencing;
- PIN coded electronic gates;
- individual storage units with specifically designed secure locks.

On top of these security measures, we also make sure all our stores are fully insured for such things as natural disasters, and our customers are all insured for stored items against loss or damage.

In 2024, we will roll out a significant improvement of our security systems, using the latest available technologies to maintain and enhance the best security standards for our clients.

## 6.3 POSITIVE IMPACT ON LOCAL COMMUNITIES

| | KPI's | 2022 | 2023 |
|---|---|---|---|
| Positive impact on local communities | Number of markets that have implemented national charity or sponsorship programs | 7/7 | 7/7 |
| | Total value of charitable and philanthropic contributions | €119,972 | €132,603 |

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 support centers, 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.
In 2023, we have implemented and made publicly available a Community and Charity Policy.

GRI 413-1

## OUR CHARITY SUPPORT

We have a 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. Shurgard France continues to support this association financially. In 2023 we helped and participated in the organization of the big clearance sale of Le Rire Médecin 2023. After a very positive result in 2022, 14,300 euros were raised which made it possible to offer 477 clown visits to hospitalized children in 2023. Shurgard's aim for 2023 was to bring as many smiles and laughter as possible to hospitalized children by supporting Le Rire Médecin.

*Group photo of the students of Walthamstow Academy and our UK district managers (DMs): Monir (DM North), Zak (DM South) and Danny (DM West).*

We also have a 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.

*Initiative from our UK team to support our charity partner the Mayor's Fund in London in raising funds. The event not only raised money for the charity but engaged the team and the customers in a fun way. It supported our goal to drive engagement, team spirit and happiness among employees.*

Through our charity partnership with the Mayor's Fund for London, an independent pan-London charity offering support to young Londoners from low-income backgrounds, Shurgard regularly facilitates CV writing workshops, interview workshops and on the job experience for young adults through the Access Aspiration Program. We recently completed another successful CV and interview workshop, this time at the Walthamstow Academy. Our District Managers collaborated with the students, guiding them through the process of preparing for CVs and interviews.

We are organizing fund raising activities at Shurgard for the Mayor's Fund for London and we held two in 2023. One was a fancy dress event in the East District and one was a fancy dress event in the South District for Halloween. Shurgard is donating £10,000, which will be invested in food, education and job support.

On top of that, our Shurgard UK team is organizing game-based math workshops that give the students the opportunity to understand why math is important for the future. Since launch, a total of over 300 students have benefited from the Shurgard workshops.

Our Swedish and Danish market teams will continue their strong support and relationship with Team Rynkeby, a Nordic charity cycling team raising money for organizations that support children with critical diseases across Europe into 2024. Shurgard is providing free storage space at three locations in Denmark and eight locations in Sweden. Throughout the year, not only must the members make preparations to cycle the 1,200km trip to Paris, they also do what they can to raise money for children with critical illnesses. In 2022, all the stores in Denmark and Sweden collected money as part of the Team Rynkeby fundraising for the Childrens Cancer Fund in Sweden and in 2023, we continued our support of Team Rynkeby. Team Rynkeby donated €9.1 million to organizations that help children with critical illnesses in 2023 and Shurgard is proud to have contributed to this goal.

*Denmark) made all their way to meet at three different gyms in Malmö, Gothenburg and Stockholm to spin together with Team Rynkeby for the Children's Cancer Foundation.*

We support 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.

In Belgium, we have a charity partnership with Pelicano, a foundation that fights to end child poverty. 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 seven different self-storage locations.

### PHILANTHROPIC CONTRIBUTIONS

For 2023, 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 | 2023 |
|---|---|---|
| Cash Contributions | €19,833 | €20,707 |
| Time: employee volunteering during paid working hours | €16,214 | €16,260 |
| In-kind giving: product or service donations, projects/partnerships or similar | €83,924 | €95,636 |
| **Total Charitable Contributions** | **€119,972** | **€132,603** |

## 6.4 ENCOURAGING ESG BEST-PRACTICES IN OUR 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 wide 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 employees and suppliers with knowledge and resources about sustainable procurement principles;
- Proactively implements compliance provisions in contract templates;
- Reviews human rights, modern slavery and bribery risks throughout the supply chain through the ESG questionnaire and due diligence processes.

### SUPPLIER CODE OF CONDUCT

We continually look for opportunities to increase the dialogue around sustainable sourcing and improve understanding, both internally and externally. 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. In addition to that, in 2023, we made the Suppliers' Code of Conduct publicly available on our website. This Code clarifies the guiding principles Shurgard applies to our suppliers to create a mutual understanding of our core values. It is a commitment we have towards our customers, employees, and investors to ensure sustainable sourcing of services and aims to ensure that suppliers adhere to high standards of safe working conditions, fair and respectful treatment of employees, and ethical and environmental practices. Suppliers' obligations to comply with the Suppliers' Code of Conduct is also now part of all our contract templates.

### SUPPLIER SURVEY

To ensure ongoing compliance with ethical and environmental standards, we survey our critical tier-one suppliers every three years regarding their ESG performance. In 2022 we have identified these suppliers 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 on 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.

In 2023, we have invited our suppliers to participate in the SMEs sustainability training, provided by the UN Global Compact. By encouraging our suppliers to participate in this learning journey, we can enhance sustainability performance across our operations and ensure our supply chain is well-prepared for market changes, climate-related challenges, and evolving regulations.

### WORKERS IN THE SUPPLY CHAIN

In our commitment to maintaining a sustainable supply chain, we conduct rigorous sample-based audits of our vendors and suppliers on new development sites on a yearly basis. These audits serve as a comprehensive evaluation of various aspects, ensuring the well-being and compliance of supply chain employees with health and safety, as well as human rights standards.

A crucial aspect of our audit process involves an examination of the working conditions for third-party employees. We go beyond confirming adherence to local laws and standards and require all suppliers to adhere to the Shurgard safety charter, a robust framework that regulates vital health and safety issues within the working environment.

Recognizing the importance of well-being of our supply chain employees, we ensure that each new worker or contractor undergoes a thorough safety induction training. This training, which encompasses essential components such as the prevention and health plan and the general safety plan, equips employees with the knowledge and awareness necessary to maintain a secure environment on a construction site.

Moreover, we take a proactive approach to enforcing working procedures that uphold the rights and welfare of all employees on site, e.g., identification and formal registration of all visitors and workers, verification of legal papers. This also ensures that child labor is not involved on site. Through these on-site checks and comprehensive audits, we not only fulfill our regulatory obligations but also reinforce our dedication to maintaining an ethical and sustainable supply chain. By prioritizing the well-being of employees in the supply chain, adhering to local standards and laws, and eliminating any potential ethical concerns, we strive to create a supply chain that reflects our commitment to corporate responsibility and sustainable business practices.

### SUPPLY CHAIN STRATEGY

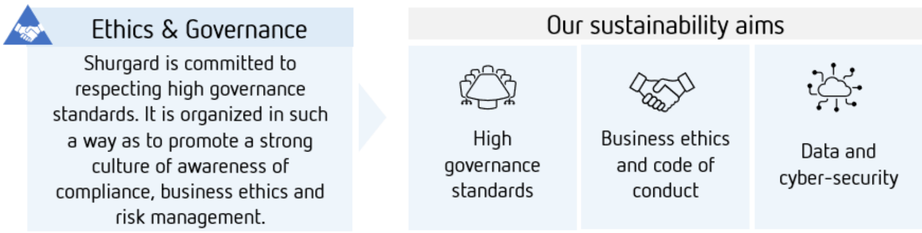
Shurgard is committed to preserving rainforests and other natural forests with high conservation value and will work systematically and purposefully to ensure that our products do not contribute to deforestation. This commitment applies to all our operations and sourcing.

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.

## 6.5 OUR "POSITIVE IMPACT ON SOCIETY" FUTURE COMMITMENTS

| | Our "positive impact on society" future commitments |
|---|---|
| Best-in-class customer service | • Continue to seek **customer feedback** through Google and Trustpilot reviews, including targeted customer feedback surveys, and seek improvement opportunities at each store in 2024. At least five reviews per store a month, and a minimum 80% of written feedback among all reviews by 2024. |
| Customer privacy and safety | • In 2024, we will roll out a significant improvement of our **security systems**, using the latest available technologies to maintain and enhance the best security standards for our customers. We commit to align with cloud platform best practices and implement a zero-trust architecture, prioritizing the confidentiality and security of customer data throughout our operations. |
| Positive impact on local communities | • Maintain existing reporting on corporate **citizenship and philanthropic** endeavors.<br>• Continue active **charity programs** in each of our seven markets. |
| Encouraging ESG best-practices in our supply chain | • 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. The next assessment is planned in 2025.<br>• In the coming year, we pledge to sustain our commitment to ethical and sustainable practices within our supply chain by continuing our **annual on-site audits**, ensuring the well-being of employees, and ensuring compliance with health, safety, and child labor regulations. |

# 7. ETHICS & GOVERNANCE




Ethics and governance are foundational 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 applicable regulations.

As a company whose shares are listed on Euronext Brussels, 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. Shurgard follows a clear code of conduct, guiding our employees and other stakeholders. Our Board of Directors make significant business decisions based on thorough analysis to ensure well-informed choices. Regular audits are conducted to ensure that all business activities adhere to relevant laws, regulations, and internal policies. Our KPIs are tracked and reviewed regularly to assess the overall effectiveness of Shurgard and identify areas for improvement. 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 February 17, 2023. For the latest updates on our structure, please refer to the chapter "Group Structure" of our Annual Report.

The governing bodies of our Company are the Board of Directors and the General Shareholders' Meeting. The Board together with the Senior Management manages the Company in accordance with applicable laws.

## 7.1 HIGH GOVERNANCE STANDARDS

| | Commitments | 2022 | 2023 | 2023 target |
|---|---|---|---|---|
| High governance standards | Increase independence on the Board of Directors (% of independent Directors) | 55% | 67% | 67% ✓ |
| | Increase the ratio of gender diversity among Non-Executive Directors (% of female) | 27% | 33% | 33% ✓ |
| | Board rotation based on competencies | | Done | Done ✓ |
| | Independent Chair of the Board | | Done | Done ✓ |
| | **KPI's** | **2022** | **2023** | |
| | Attendance to the Board and Committees' meetings | 100% | 96% | |

### MANAGEMENT AND SUPERVISION OF THE COMPANY

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.


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 committees are held at the place 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 committees 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 committees do not require separate notice. Members of the committees 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 the 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.

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 provides 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 2-14 / 2-9

## BOARD OF DIRECTORS

Our Board of Directors

| 9 | 67% | 6 | 33% | 5 | 98% |
|---|---|---|---|---|---|
| Members | Independent | Nationalities | Gender diverse | Meetings | Attendance |

According to our Articles of Incorporation, 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 before the next General Shareholders' Meeting.

The Board of Directors is currently composed of nine members - one Executive Director and eight Non-Executive Directors. We consider a majority (six) of the members of our Board of Directors to be independent. At the Annual General Shareholders' Meeting of May 10, 2023, seven members of the Board were re-appointed and two new members of the Board were appointed for a term of one year ending at the Company's Annual General Shareholders' Meeting to be held in 2024.

Since the last Annual General Meeting of shareholders held May 10, 2023, Ronald L. Havner, Jr. and Daniel C. Staton have resigned from the Board. Mr. Havner has retained the honorary title of Chairman Emeritus. This is currently a non-voting position wherein Mr. Havner provides advisory services to the Board as needed. Ian Marcus has been appointed as Independent Chairman. Everett B. Miller III and Isabelle Moins have also resigned from the Board. Tom Boyle and Lorna Brown have joined the Board of Directors.

### Responsibilities

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

| Topics | Responsibilities |
|---|---|
| Corporate governance | • Convene the general meeting of shareholders of the Company;<br>• Establish the internal regulations of governance of the Company;<br>• Elect the members of the Audit Committee, the ESG Committee and the Real Estate Investment Committee;<br>• Appoint and remove the Chief Executive Officer of the Company;<br>• Delegate the day-to-day management of the Company to the Chief Executive Officer;<br>• Appoint and remove the other executive Board members when their appointment or removal is proposed by the Chief Executive Officer. |
| Strategy and policies | • Approve the overall Company strategy;<br>• Approve the sustainability strategy of the Company;<br>• Approve the Diversity, Equity and Inclusion policy. |
| Financial information, budget, investments and pensions schemes. | • Approve the annual overall Company budget;<br>• Approve the annual balance sheet and profit and loss accounts and propose an allocation of the annual profits;<br>• Approve any acquisition or disposal of assets, properties or subsidiaries worth more than €50.0 million;<br>• 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. |

### 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.

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 2023, the Board of Directors held five meetings. All members of the Board were present at these meetings with the exception of one meeting where one member was not present due to personal reasons.

GRI 2-10 / 2-11

### Directorships and Shurgard shares held by Board members

As of December 31, 2023, our Board members held directorship mandates in the following companies:

| Name | Mandates | Shurgard shares owned |
|---|---|---|
| Ian Marcus | Town Centre Securities plc, Anschutz Entertainment, Work-Life, Elysian Residences, the Wharton Business School Real Estate Faculty, Eastdil Secured LLP, Redevco NV, Cambridge Land Economy Dept Advisory Board, BCP Futures | 2,515 |
| Marc Oursin | CAG23 Capital | 137,092 |
| Z. Jamie Behar | Armour Residential REIT, Inc., Sila Realty Trust, Benefit Street Partners Multifamily Trust | 1,901 |
| Tom Boyle | None | 0 |
| Lorna Brown | BREC 1 UK Limited, Birchwood Real Estate Capital UK Limited, Birchwood Real Estate Capital Limited, BREC Fund I Jersey Limited, BREC Fund I CIP GP Limited | 0 |
| Olivier Faujour | Wegrow SaaS, Neosilver Silver Economy, Alpange Pianos Company, Bon Vivant Food | 4,347 |
| Frank Fiskers | Whitbread PLC, Rak Hospitality Holding LLC | 5,347 |
| 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) | 2,979 |
| Padraig McCarthy | Eutelsat Communications | 2,000 |

As of December 31, 2023, the members of the Board of Directors owned 157,181 shares or 0.16% of the total share capital of the Company.

### Independence

Six of the non-executive directors – Ian Marcus (Chairman), Lorna Brown, Olivier Faujour, Frank Fiskers, Muriel De Lathouwer and Padraig McCarthy – 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:

- is not an executive or managing director of the Company or an associated company;
- is not an employee of the Company or an associated company;
- does not receive significant additional remuneration from the Company or an associated company apart from a fee received as Non-Executive Director;
- 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% or larger holding);
- 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;
- is not a partner or employee of the external auditor of the Company or an associated company;
- 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
- is not a close family member of an executive or managing director, or of persons in the situations referred to in points above.

### Skills matrix and Biographies

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. 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

| **Board member** | **Role** | **International** | **Management** | **Real Estate** | **Finance** | **Risk management and compliance** | **Retail and consumer goods** | **Digital, IT and technology** |
|---|---|---|---|---|---|---|---|---|
| Ian Marcus | Independent Chairman | ✓ | ✓ | ✓ | ✓ | | | |
| Marc Oursin | Executive Director/CEO | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Z. Jamie Behar | Director | ✓ | ✓ | ✓ | ✓ | | | |
| Tom Boyle | Director | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Lorna Brown | Independent Director | ✓ | ✓ | ✓ | ✓ | | | |
| Olivier Faujour | Independent Director | ✓ | ✓ | | | ✓ | ✓ | |
| Frank Fiskers | Independent Director | ✓ | ✓ | ✓ | | | | |
| Muriel De Lathouwer | Independent Director | ✓ | ✓ | ✓ | ✓ | | | ✓ |
| Padraig McCarthy | Independent Director | ✓ | ✓ | | ✓ | ✓ | | |
| **Total** | | **100%** | **100%** | **63%** | **63%** | **44%** | **22%** | **22%** |

**Ian Marcus**
**Independent Chairman since 2023**

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. He has been a Board member of Shurgard since 2018 and has become its independent Chair in 2023.

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 o the British Empire in HM Queen's 2020 Birthday Honours List.

**Marc Oursin**
**CEO 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 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 in Economics (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**
**Director since 2023**

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.

**Lorna Brown**
Independent Director
since 2023

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 of Birchwood Real Estate Capital, a newly established commercial real estate investment manager with cornerstone capital provided by a large US insurer.

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 and managed direct real estate investment and debt sourcing for a £4bn UK real estate fund and established their first debt fund. Prior to this role, 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 Honors degree in Environmental Planning from the University of Strathclyde and is a fellow of the Royal Institution of Chartered Surveyors.

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.

**Olivier Faujour**
Independent Director
since 2018

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. In 2023, he was appointed CEO of the Alpange Company whose ambition is to revolutionize the piano market through technology and design globally.

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

**Frank Fiskers**
Independent Director
since 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 AkademibokhandIn. 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.

Mrs. Muriel De Lathouwer is an independent Board member of several listed and private companies including 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. 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.

**Muriel De Lathouwer**
Independent Director
since 2018

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 an MBA from INSEAD.

**Padraig McCarthy**
Independent Director
since 2018

Mr. Padraig McCarthy is currently 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, a global 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 also serves, since September 2023 , as an Independent Director on the Board of the global satellite operator, Eutelsat Communications where he chairs the Audit and Risk Committee and has also previously served on various Boards within the space sector including in 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.

At the Annual General Meeting of Shareholders to be held on May 22, 2024, Olivier Faujour will resign and Paula Hay-Plumb, whose biography is below, shall be proposed as a new Director.

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

**Paula Hay-Plumb**
recommended
Independent Director

Paula Hay-Plumb is an experienced board member and audit committee chair in the private and public sectors. She served as a non-executive board member of The Crown Estate, a £16 billion UK real estate business, from 2015 to 2022. She is a trustee of Calthorpe Estates, The Oenoke Settlement and the Mineworkers' Pension Scheme, as well as the senior independent director at Michelmersh Brick Holdings plc. Other recent non-executive appointments have included Aberforth Smaller Companies Trust plc, Hyde Housing Association and the Oxford University Hospitals NHS Foundation Trust.

Ms. Hay-Plumb's extensive executive experience includes her role on the board of English Partnerships, the national regeneration agency, between 1994 and 2002, latterly as Chief Executive, and Corporate Finance and Group Reporting Director at Marks and Spencer plc. She brings sector-specific experience along with wide-ranging governance, audit and risk management expertise to Shurgard's board.

Her experience in stakeholder engagement, corporate finance, major project delivery and pensions and investment management will enhance the board and strengthen governance.

A chartered accountant, Ms Hay-Plumb is also a Fellow of the Association of Corporate Treasurers.

### Director and management conflicts of interest

Members of 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 team 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, 2023, the following member of the Board of Directors is partner, director, representative and/or employee of Public Storage or an affiliate thereof: Tom Boyle. Another member of the Board of Directors elected on the designation of our shareholder New York State Common Retirement Fund is Z. Jamie Behar. 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 Senior Management are related to one another by blood or marriage. We have not granted any Board members or members of Senior Management any loans, nor have we assumed any guarantees or sureties on their behalf.

Pursuant to the Company's Articles of Incorporation and Corporate Governance Charter, if 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 members 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.

GRI 2-15

### 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, 33% of Board members are women, and the Company aims to increase that ratio. Also, six nationalities are represented on the Board 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 experience, and seven directors have a strong background in real-estate, including self storage (for four directors). 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

## AUDIT COMMITTEE

| Our Audit Committee | | | | | |
|---|---|---|---|---|---|
| 4 Members | 6 Meetings | 96% Attendance | Padraig McCarthy | Independent Chairman | Financial expert |
| | | | Muriel De Lathouwer | Independent Director | Financial expert |
| | | | Lorna Brown | Independent Director | Financial expert |
| | | | Z. Jamie Behar | Director | Financial expert |

The Audit Committee is responsible for all matters set forth in its internal rules and regulations as adopted by the Board. The Audit Committee should, in particular, perform the following activities:

- 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;
- monitor the financial reporting drawing-up process and submit recommendations or proposals to ensure its integrity;
- 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;
- monitor the statutory audit of the annual and consolidated financial statements, in particular its performance;
- review and monitor the independence of the approved statutory auditor(s);
- be responsible for the selection of the approved statutory auditor(s) and ensure that they are duly qualified for appointment pursuant to the Companies (Guernsey) law, 2008 as amended regarding commercial companies (the Guernsey Company Law).

During their meeting held on November 2, 2023, the Audit Committee members approved a revised version of its internal rules and regulations reflecting on the reporting framework for sustainability and ESG as provided for under the Corporate Sustainability Reporting Directive :

- monitor the ESG reporting drawing-up process and submit recommendations or proposals to ensure its integrity;
- monitor the effectiveness of the Company's internal quality control and risk management systems and, where applicable, its internal audit, regarding the sustainability reporting of the Company, without breaching its independence;
- review the consolidated sustainability reporting carried out according to the relevant sustainability reporting standards;
- monitor the assurance of the annual and consolidated sustainability reporting.

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, 2023, the Audit Committee consisted of four members: Padraig McCarthy (chairperson), Muriel De Lathouwer, Lorna Brown and Z. Jamie Behar. Padraig McCarthy, Muriel De Lathouwer and Lorna Brown are considered independent Board members. Padraig McCarthy, Muriel De Lathouwer, Lorna Brown and Z. Jamie Behar 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 to the Audit Committee due to her renowned academic knowledge in finance and 25 years of senior experience in both public and private market real-estate investment.

Over the year, the Audit Committee members assessed the way the Committee operates, the effective fulfilment of its role, its rules and policies and tools available. They consider it adequate to perform their role and to ensure good governance of the Company. During their meeting held on November 2, 2023, no change was requested.

During the financial year 2023, the Audit Committee held six meetings, where all committee members were present, except for one meeting during which one member was absent due to personal reasons.

## ESG COMMITTEE

| Our ESG Committee | | | | |
|---|---|---|---|---|
| 4 Members | 6 Meetings | 96% Attendance | Frank Fiskers<br>Padraig McCarthy<br>Olivier Faujour<br>Muriel De Lathouwer | Independent Chairman<br>Independent Director<br>Independent Director<br>Independent Director |

GRI 2-14

The ESG Committee is responsible for the following matters:

- 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;
- making recommendations to the Board on incentive compensation plans and equity-based plans;
- submitting proposals to the Board on the remuneration of members of the Senior Management;
- 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;
- identifying candidates qualified to serve as members of the Board and executive officers;
- recommending candidates to the Board for appointment by the General Meeting or for appointment by the Board to fill interim vacancies on the Board;
- facilitating the evaluation of the Board and reporting to the Board on all matters relating to remuneration (including, for example, on internal pay disparity);
- 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;
- overseeing the Environment, Social and Governance (ESG) strategy of the Company and monitoring the completion of the ESG objectives;
- reviewing any sustainability report filed by the Company;
- assisting the Board in reviewing and assessing the Company's ESG risks;
- submitting a list of candidates to the Board on the appointment of new directors and Senior Management;
- 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;
- making an assessment about the independence of candidate directors; and,
- 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 operate. The committee is composed of independent non-executive directors.

As of December 31, 2023, the ESG Committee consisted of four members: Frank Fiskers (chairperson), Padraig McCarthy, Olivier Faujour and Muriel De Lathouwer, and all of whom are considered independent Board members.

During the financial year 2023, the ESG Committee held six meetings where all committee members were present, except for one meeting during which one member was absent due to personal reasons.

GRI 2-12

## REAL ESTATE INVESTMENT COMMITTEE

| Our Real Estate Investment Committee | | | | |
|---|---|---|---|---|
| 4<br>Members | 5<br>Meetings | 95%<br>Attendance | Z. Jamie Behar<br>Frank Fiskers<br>Olivier Faujour<br>Tom Boyle | Chairperson<br>Independent Director<br>Independent Director<br>Director |

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, 2023, the Real Estate Investment Committee consisted of four members: Z. Jamie Behar (chairperson), Frank Fiskers, Olivier Faujour, and Tom Boyle. Olivier Faujour and Frank Fiskers are considered independent Board members.

During the financial year 2023, the Real Estate Investment Committee held five meetings, where all committee members were present, except for one meeting during which one member was not present due to personal reasons.

## SENIOR MANAGEMENT

| Our Senior Management | | | |
|---|---|---|---|
| 5<br>Members | 20%<br>Gender diverse | 56 years<br>Average age | 0.29%<br>Shares owned |

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 and Shurgard shares held by Board members

| Name | Position | Mandates | Shurgard shares owned |
|---|---|---|---|
| Marc Oursin | Chief Executive Officer | CAG23 Capital | 137,092 |
| Jean Kreusch | Chief Financial Office | Transforming Talent sprl, Sports Abroad asbl | 86,521 |
| Duncan Bell | Chief Operating Officer | No other directorship | 15,173 |
| Ammar Kharouf | General Counsel and VP Human resources | No other directorship | 44,348 |
| Isabel Neumann | Chief Investment Officer | Belfius Bank & Insurance | 0 |

As of December 31, 2023, Senior Management owned the following numbers of shares, adding up to 283,134 shares or 0.29% of the total share capital.

The members of the Senior Management team must 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 Isabel Neuman, this five-year period began at the time of the Company's IPO in 2018. These requirements were satisfied by the members who were present in 2018 well before the five-year period. For Isabel Neuman, this period began when she started in 2022 and therefore she has until 2027 to comply with this requirement.

### 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 Companies (Guernsey) Law, 2008 (as amended) and the Company's Corporate Governance Charter, 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 on the 14th day before the General Meeting of Shareholders at 24 hours London 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 2023, the Annual General Meeting of Shareholders took place on May 10, 2023 (further information can be found on 2023 Annual General Assembly | Shurgard Investor Relations).

### STATUTORY AUDITOR

During the financial year 2023 up to May 10, 2023, 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 and with registered office at 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). As a result of the migration to Guernsey, at the AGM on May 10, 2023, shareholders resolved to appoint Ernst & Young LLP, of Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey as independent auditor of the Company.

Audit fees in 2023 were €906,667 for the audits of consolidated and statutory financial statements of the Company and its subsidiaries.

## 7.2 BUSINESS ETHICS AND CODE OF CONDUCT

| | KPI's | 2022 | 2023 |
|---|---|---|---|
| Business ethics and code of conduct | Employees who attended at least one Ethics & Compliance refreshment training session | 100% | 100% |
| | Cases of non-compliance with relevant regulatory frameworks | 0 | 0 |
| | Political contributions | 0€ | 0€ |

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.

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 (see our group-wide non-discrimination and anti-harassment policy).

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, and 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

### ADVOCACY AND STAKEHOLDER ENGAGEMENT

The group is part of local trade associations for self storage. In 2023 the total amount of the membership fees across the group was around €32,000.

| Association expenditures | 2023 |
|---|---|
| CISS (France) | €6,600 |
| NSSA (The Netherlands) | €6,760 |
| Self Storage Association UK (UK) | £8,550 |
| Self Storage Association (Sweden) | SEK16,000 |
| VDSU (Germany) | €3,300 |
| Belgian Self Storage association (Belgium) | €2,100 |
| Self Storage Association Denmark (Denmark) | DKK12,500 |

GRI 2-14 / 2-28

### 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 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 make an annual declaration relating to conflicts of interest. In addition, in 2023, our employees participated in online training about anti-bribery as part of our Code of conduct refreshment training.

In 2023, no cases of corruption or bribery were reported. There were no legal proceedings against Shurgard or its employees and no confirmed incidents of contracts with business partners being 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 is 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 INTEREST

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.

### POLITICAL CONTRIBUTIONS

Shurgard did not make any contributions to or expenditures for political campaigns or organizations, lobbying, tax-exempt entities, or other groups whose role is to influence political campaigns or public policy and legislation in the reporting year. (GRI 415-1)

### 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 closed 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 2023, 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. As of 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 2023, 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 2023, Shurgard knows of no cases in which freedom of association or the right to collective bargaining have been jeopardized or even breached. As of December 31, 2023, 69% of our employees are covered by the collective bargaining agreement.

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 6.4 Encouraging ESG best-practices in our supply chain.

GRI 2-30 / 407

## 7.3 DATA AND CYBER SECURITY

In an era characterized by increased reliance on digital technologies and data, cybersecurity has become a paramount concern for organizations worldwide. As cyber threats continue to evolve in sophistication and frequency, safeguarding sensitive information and ensuring the resilience of digital infrastructure have never been more critical. For us at Shurgard, cybersecurity is not merely an IT concern but a collective responsibility that spans across all levels of the organization.

To protect its information and systems, Shurgard takes a defense-in-depth approach described below.

### RISK ASSESSMENT AND MANAGEMENT

Shurgard conducts comprehensive risk assessments to identify potential vulnerabilities and threats. By understanding the specific risks we face, Shurgard can prioritize efforts and allocate resources effectively.

### SECURITY POLICIES AND TRAINING

Establishing clear and robust cybersecurity policies is essential. Equally important is ensuring that employees are well-informed and trained to adhere to these policies. Regular cybersecurity training and awareness programs conducted yearly help reduce human error, which is a common entry point for cyberattacks. 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. In the financial year 2023, all employees participated in online cybersecurity training, and phishing simulation exercises were designed to securely test user behavior and increase employees' awareness.

### REGULAR SOFTWARE UPDATES AND PATCH MANAGEMENT

We make sure to execute regular software updates and patch management. Cybercriminals often exploit vulnerabilities in outdated software. We have a systematic process for applying security patches and updates to all software and systems promptly.

### FIREWALLS

Our firewall in place acts as a barrier that monitors and filters incoming and outgoing network traffic. This helps identify and block suspicious activities, providing an additional layer of defense.

### INCIDENT RESPONSE PLAN

Having a well-defined incident response plan in place enables us to react swiftly and effectively in the event of a cybersecurity breach. We have a plan in place that outlines steps for detection, containment, investigation, communication, and recovery. 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 when dealing with incidents to continuously improve our activities. We look to increase stability through a better understanding and proactive management of our cyber security risks.

#### Regular Security Audits and Testing

Shurgard regularly conducts security audits, vulnerability assessments, and penetration testing that help us proactively identify weaknesses and vulnerabilities that need attention.

### CLOUD SECURITY

Our transition to cloud-based services and ensuring cloud security has become paramount. Employing strong encryption, access controls, and monitoring in the cloud environment is essential for our organization and we have steps in place to guarantee security on that front.

### BUSINESS CONTINUITY AND DISASTER RECOVERY

Preparing for cyber incidents involves not only preventing them but also planning for their aftermath. Robust business continuity and disaster recovery plans ensure that critical operations can continue in the face of a cyber incident.

In today's digital landscape, cybersecurity is a dynamic and ongoing effort. By implementing these fundamental cybersecurity practices, we significantly reduce our risk exposure, protect our data, and maintain the trust of our stakeholders. Moreover, staying vigilant and adaptable in the face of evolving threats is essential to achieving the long-term cybersecurity resilience we are striving for. In 2023, we have performed a cyber incident simulation facilitated by Marsh. It allowed us to practice making swift decisions with incomplete information against time constraints and testing the knowledge of existing security incident responses. As takeaways of this exercise, we concluded that : (i) communications to take place via messengers for cyber incidents; (ii) cyber-crime awareness to be done via simulation emails (Phishing) every quarter; (iii) cyber security to be included in project management processes; (iv) agreements were reached on key decisions; (v) business impact was minimal. The Board of Directors have been informed of the simulation and agreed on the procedure, which would trigger notification to the Board. This way, our governing body stays informed on the most important security issues.

## 7.4 OUR "ETHICS & GOVERNANCE" FUTURE COMMITMENTS

| | Our "ethics & governance" future commitments |
|---|---|
| High governance standards | • Our current female representation on the Board stands at 33.3%. We are committed to have four female Board members by 2024, increasing the **gender diversity ratio** to 44%. |
| Business ethics and code of conduct | • Maintain yearly **Board rotation** based on competencies required. |
| Data and cyber-security | • We are dedicated to maintaining the **highest standards of cybersecurity** for the protection of our customers and the integrity of our brand. To demonstrate this commitment, we pledge to invest in and implement the latest best practices and security patterns, including conducting regular and realistic phishing attack simulations to fortify Shurgard's defenses. Furthermore, we are committed to fostering a robust cybersecurity culture among our employees and contractors through innovative game-based learning initiatives. We will align with cloud platform best practices and, crucially, implement a zero-trust architecture to enhance the overall security posture of our systems and data. |

# 8. CSRD, EU TAXONOMY, GRI AND EPRA

Shurgard prepares its Sustainability Report following international regulations, guidelines and references. Amongst others, a specific reporting is prepared according to the Global Reporting Initiative (GRI), the European Public Real Estate (EPRA) Best Practice Recommendations on Sustainability Reporting and the EU taxonomy. In addition, Shurgard is committed to delivering transparent and qualitative reporting, and will apply the Corporate Sustainability Reporting Directive (CSRD) rules for the first time in the 2024 financial year, for its reports published in 2025.

## 8.1 CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

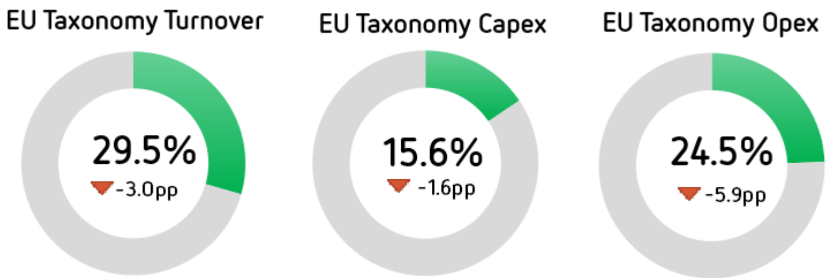
On January 5, 2023, the Corporate Sustainability Reporting Directive (CSRD) entered into force. This new EU directive modernizes and strengthens the rules concerning the social and environmental information that companies have to report. The new rules will ensure that investors and other stakeholders have access to the information they need to assess the impact of companies on people and the environment, and for investors to assess financial risks and opportunities arising from climate change and other sustainability issues.

Shurgard is committed to delivering transparent and qualitative reporting and will apply the new rules for the first time in the 2024 financial year, for its reports published in 2025.

To ensure we are ready for the new regulation, we have mandated a consulting firm to perform a readiness assessment, bridging our actual disclosures to the CSRD requirements. We are working closely with all departments to enhance our data collection to meet the new disclosure requirements.

## 8.2 EU TAXONOMY

### EU TAXONOMY PERFORMANCE SUMMARY

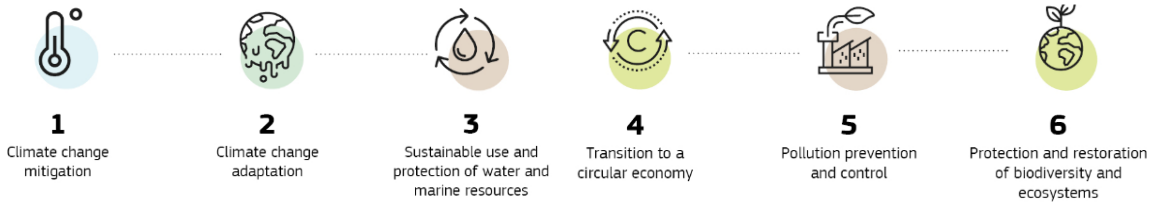



Compared to prior year, we were able to increase our enabling green investments (e.g., LED, solar panels, BMS) to c. €6 million in 2023 (from c. €2 million the previous year), while the updated proportion of assets in our portfolio associated with an EPC "A or A+" and the higher non-eligible expenses related to our IT infrastructure, intangibles and IT equipment impacted the EU Taxonomy KPI's negatively.

### 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:




### 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 concluded that Shurgard should also not be considered to be a professional developer or construction company for the purpose of the EU Taxonomy.

As such, 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 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 or solar panels, 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 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.

In these cases, we cannot reliably obtain the required evidence at the time of this report that a specific activity is complied with. This is the case for instance for assets recently acquired. When this occurs, we 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 2023, Shurgard incurred capital expenditure 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 energy efficiency equipment:**
  The substantial criteria are met when the activity respects nationally defined measures implementing the EU Directive 2010/31/EU. In 2023, Shurgard finalized its project to replace old lighting bulbs with energy efficient LEDs and continued investing in the installation of heat pumps in several buildings, replacing e.g., gas heating. This program is aligned with the requirements outlined in the TSC.

- **7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings:**
  During 2023, Shurgard invested in a building management system to operate its stores in an optimal way, through online centralized monitoring, metering and control of utilities and devices to lower consumption (heating, ventilation, etc.). It also comes with consumption analytics and alerts on unusual consumptions. These investments are aligned with climate change mitigation TSC's.

- **7.6 Installation, maintenance and repair of renewable energy technologies:**
  Throughout 2023, Shurgard invested in the installation of renewable energy technologies, usually taking the form solar panels, which is an enabling activity contributing 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 requires 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 already been 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 2023, we performed a physical climate risk assessment of our entire portfolio of stores. We refer to the section 4.2 Resilience of properties to climate risk. 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 is in a 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 makes 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 types of 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.

### Other delegated acts: water, circular economy, pollution, and biodiversity — substantial criteria

In June 2023, the European Commission published the Taxonomy Delegated Acts with criteria for the remaining four environmental objectives (circular economy, water and marine resources, pollution prevention and control, and biodiversity and ecosystems), and additional criteria for climate. We reviewed Shurgard's economic activities and noted that the only activity carried out by Shurgard, in the real estate sector, that would be contributing significantly to these new objectives was 7.2 "Renovation of existing buildings", for its contribution to the circular economy objective. The TSC's of the circular economy objective aims at ensuring that (i) construction and demolition waste generated by the renovation is treated in accordance with Union waste legislation and the full checklist of the EU Construction and Demolition Waste Management Protocol, (ii) the life cycle Global Warming Potential ("GWP") of the building's renovation works has been calculated for each stage in the life cycle, (iii) construction designs and techniques support circularity via the incorporation of concepts for design for adaptability and deconstruction, (iv) at least 50% of the original building is retained and (v) the use of primary raw material in the renovation of the building is minimized through the use of secondary raw materials. As we did not renovate existing buildings in 2023, that would comply with the definition and applicable requirements for major renovations, we concluded that no alignment is expected on these new environmental objectives.

### 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 2023, 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 properties 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 inquire about the business practices of our suppliers on a regular basis, to ensure they align 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 three 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.

## EU TAXONOMY TURNOVER

| EU Taxonomy turnover APM (€ thousands) | Notes | 31/12/2023 | 31/12/2022 |
|---|---|---|---|
| Rental revenue | 5,12 | 312,550 | 289,380 |
| Other real estate revenue | 5,12 | 2,769 | 2,383 |
| Ancillary revenue, excl. other real estate revenue | 5,12 | 8,699 | 9,211 |
| Insurance revenue | 5,12 | 33,683 | 32,075 |
| Other revenue | 5,12 | 222 | 2,241 |
| **Turnover considered for EU Taxonomy denominator** | | **357,923** | **335,290** |

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.

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.

| | | | 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 FY2023 | Taxonomy-aligned proportion FY2022 | Enabling (E) / Transitional (T) activity |
| A. Taxonomy Eligible activities | 315,319 | 88.1% | | | | | | | | | | | | | 29.5% | 32.5% | |
| **A.1 Taxonomy Aligned activities** | **105,421** | **29.5%** | | | | | | | | | | | | | **29.5%** | **32.5%** | |
| 7.7 - Acquisition and ownership of buildings | 105,421 | 29.5% | 29.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Y | Y | | | | | 29.5% | 32.5% | |
| **A.2 Taxonomy non-Aligned activities** | **209,898** | **58.6%** | | | | | | | | | | | | | | | |
| 7.7 - Acquisition and ownership of buildings | 209,898 | 58.6% | | | | | | | | | | | | | | | |
| B. Taxonomy non-Eligible activities | 42,604 | 11.9% | | | | | | | | | | | | | | | |
| Insurance revenue | 33,683 | 9.4% | | | | | | | | | | | | | | | |
| Ancillary revenue, excl. other real estate revenue | 8,699 | 2.4% | | | | | | | | | | | | | | | |
| Other revenue | 222 | 0.1% | | | | | | | | | | | | | | | |
| A+B Total Turnover | 357,923 | 100.0% | | | | | | | | | | | | | 29.5% | 32.5% | |

Total EU taxonomy turnover is €357.9 million, of which €105.4 million is aligned (29.5%), €209.9 million is eligible but not aligned and €42.6 million is not eligible. All of the EU Taxonomy-aligned revenue is coming from its substantial contribution to Climate Change Mitigation. The aligned proportion remained relatively stable compared to last year (from 32.5% in 2022 to 29.5% in 2023).

## 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 2023, the total CapEx considered for EU Taxonomy amounts to €186.0 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 (€ thousands) | Notes | 31/12/2023 | 31/12/2022 |
|---|---|---|---|
| Acquisition of investment property | 15 | 67,336 | 76,310 |
| Capital expenditure on investment property | 15 | 113,817 | 112,577 |
| Addition of investment property ROU assets | 15 | 833 | 12,001 |
| **Investment property subtotal** | | **181,986** | **200,888** |
| Additions of PP&E (IAS 16, IFRS 16) | 17 | 740 | 577 |
| Additions of intangible assets (IAS 38) | 17 | 3,304 | 2,654 |
| **PP&E and intangible assets subtotal** | | **4,044** | **3,231** |
| **CapEx considered for EU Taxonomy denominator** | | **186,030** | **204,119** |

In total, we concluded that 97.8% 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". 15.6% of our CapEx was assessed to be aligned with the Climate Change Mitigation objective.

| | | | Substantial contribution | | | | | | Do not significant harm | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economic activities** | CapEx ('000€) | % of EU taxonomy CapEx | 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 FY2023** | **Taxonomy-aligned proportion FY2022** | Enabling (E) / Transitional (T) activity |
| **A. Taxonomy Eligible activities** | **181,988** | **97.8%** | | | | | | | | | | | | | **15.6%** | **17.2%** | |
| **A.1 Taxonomy Aligned activities** | **29,076** | **15.6%** | | | | | | | | | | | | | **15.6%** | **17.2%** | |
| 7.3 - Installation, maintenance and repair of energy efficiency equipment | 5,572 | 3.0% | 3.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Y | | | | Y | | 3.0% | 0.5% | E |
| 7.6 - Installation, maintenance and repair of renewable energy technologies | 168 | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Y | | | | | | 0.1% | 0.5% | E |
| 7.7 - Acquisition and ownership of buildings | 23,336 | 12.5% | 12.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Y | Y | | | | | 12.5% | 16.2% | |
| **A.2 Taxonomy non-Aligned activities** | **152,911** | **82.2%** | | | | | | | | | | | | | | | |
| 7.7 - Acquisition and ownership of buildings | 152,911 | 82.2% | | | | | | | | | | | | | | | |
| **B. Taxonomy non-Eligible activities** | **4,044** | **2.2%** | | | | | | | | | | | | | | | |
| Additions of intangible assets related to IT software and IT development | 3,304 | 1.8% | | | | | | | | | | | | | | | |
| Additions of PP&E related to equipment & company cars | 740 | 0.4% | | | | | | | | | | | | | | | |
| **A+B Total CapEx** | **186,032** | **100.0%** | | | | | | | | | | | | | **15.6%** | **17.2%** | |

## 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 (€ thousands) | Notes | IFRS Operating expenses | EU Taxonomy OpEx 31/12/2023 | EU Taxonomy OpEx 31/12/2022 |
|---|---|---|---|---|
| Payroll expense, net of capitalization of internal time spent on IP development | 6,7 | 50,116 | 1,420 | 1,604 |
| Shared based compensation expense | 7 | 4,183 | 285 | 240 |
| Real estate and other taxes | 6 | 19,313 | 0 | 0 |
| Repairs and maintenance | 6 | 13,280 | 10,611 | 8,824 |
| Marketing expense | 6 | 9,887 | 0 | 0 |
| Utility expense | 6 | 3,939 | 0 | 0 |
| Other operating expenses and other general and administrative expenses | 6,7 | 32,315 | 5,218 | 3,768 |
| Doubtful debt expenses | 6 | 5,465 | 0 | 0 |
| Cost of insurance and merchandise sales | 6 | 4,556 | 0 | 0 |
| Depreciation and amortization expenses | 7 | 3,377 | 0 | 0 |
| Other expenses | 8 | 926 | 926 | 0 |
| **Total** | | **147,357** | **18,459** | **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, ERP)".
- 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.

Based on the above, we concluded that 73.0% 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 including ERP, 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. 24.5% of our OpEx was assessed as aligned with the Climate Change Mitigation objective.

| | | | 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 FY2023 | Taxonomy-aligned proportion FY2022 | Enabling (E) / Transitional (T) activity |
| **A. Taxonomy Eligible activities** | **13,469** | **73.0%** | | | | | | | | | | | | | **24.5%** | **30.4%** | |
| **A.1 Taxonomy Aligned activities** | **4,516** | **24.5%** | | | | | | | | | | | | | **24.5%** | **30.4%** | |
| 7.7 - Acquisition and ownership of buildings | 4,516 | 24.5% | 24.5% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | Y | Y | | | | | 24.5% | 30.4% | |
| **A.2 Taxonomy non-Aligned activities** | **8,954** | **48.5%** | | | | | | | | | | | | | | | |
| 7.7 - Acquisition and ownership of buildings | 8,954 | 48.5% | | | | | | | | | | | | | | | |
| **B. Taxonomy non-Eligible activities** | **4,990** | **27.0%** | | | | | | | | | | | | | | | |
| OpEx related to miscellaneous activities | 2,074 | 11.2% | | | | | | | | | | | | | | | |
| OpEx related to our intangible assets, IT equipment and datacenter | 2,916 | 15.8% | | | | | | | | | | | | | | | |
| **A+B Total OpEx** | **18,459** | **100.0%** | | | | | | | | | | | | | **24.5%** | **30.4%** | |

The decrease compared to the prior year (-5.9pp) is mainly a result of the revised proportion of buildings with an EPC below "A" in our portfolio, as well as higher non-eligible expenses related to intangible assets, IT equipment and datacenter.

## 8.3 BASIS OF THE SUSTAINABILITY REPORT

This Sustainability Report of Shurgard Self Storage Ltd presents the quantitative and qualitative information needed to understand its material sustainability issues for the calendar year 2023. 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 of 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 cooperated with Evora Global Ltd who 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 chapter 8.7 "Assurance Summary Statement" in this document.

GRI 2-5

### MATERIALITY ASSESSMENT

In 2023, Shurgard conducted an internal double materiality assessment to identify and select the most significant social, environmental and governance issues. Further information can be found in the chapter "3. Materiality and risk assessment" in this document.

GRI 3-1

### CONTACT

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

GRI 2-1

## 8.4 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 2023.

### STATEMENT OF USE

Shurgard Self Storage Ltd has reported the information cited in this GRI content index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards.

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

GRI 1-7

## 8.5 EPRA SUSTAINABILITY REPORTING

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

#### Organization 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 operates. 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, a significant proportion of environmental data under measured indicators has been estimated for the last three months in 2023 i.e., October 1, 2023 to December 31, 2023. There are also a number of data gaps outside this period in 2022 and 2023 which needed to be estimated. To fill these data gaps, we have used the following estimation methodology:

1. Short gap estimation: where data is absent for 15 days or less in a given month, we use the average daily consumption from the available actual data for the remaining portion of that month to bridge the gap.

2. Trend adjusted consumption: in instances where complete data was available for the previous year (2022), we calculated the year-on-year percentage change between periods of known data in both 2022 and 2023. This percentage change was then applied to the data we needed to estimate in 2023, utilizing the corresponding period of data in 2022.
3. Average monthly consumption with no previous year: if there was insufficient previous data for the above methods, we used the average consumption per day from 2022 or 2023 to fill in the remaining gaps within each respective year.

This three-step methodology to estimate data is used to ensure that any estimates produced are in line with the trends observed in the proportion of actual data on which they are based.

### 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.

IHS Markit is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. In February 2022, IHS Markit has become a part of S&P Global, one of the leaders in providing financial and non-financial information and analytics.

### 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 of 2022. Shurgard now possesses the data for the entire calendar year. As such, there is a difference between 2022 figures reported in last year's report and 2022 figures reported hereafter.

In addition, there has been a change in our methodology for classifying data as estimated, which we have applied retrospectively to the previous year's 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 the in-scope buildings' gross internal floor area into the relevant total consumption figure. 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 100 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 does 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, 2023 to December 31, 2023.

## 8.6 EPRA AND GRI PERFORMANCE MEASURES

### 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 | ✓ | ✓ | 128 |
| 302 | Elec-LfL | Like-for-like total electricity consumption | ✓ | ✓ | 135 |
| 302 | DH&C-Abs | Total district heating & cooling consumption | ✓ | N/A | 128 |
| 302 | DH&C-LfL | Like-for-like total district heating & cooling consumption | ✓ | N/A | 135 |
| 302 | Fuels-Abs | Total fuel consumption | ✓ | N/A | 129 |
| 302 | Fuels-LfL | Like-for-like total fuel consumption | ✓ | N/A | 135 |
| 302 | Energy-Int | Building energy intensity | ✓ | ✓ | 128, 135 |
| 305 | GHG-Dir-Abs | Total direct greenhouse gas (GHG) emissions | ✓ | N/A | 130, 137 |
| 305 | GHG-Indir-Abs | Total indirect greenhouse gas (GHG) emissions | ✓ | ✓ | 127, 137 |
| 305 | GHG-Int | Greenhouse gas (GHG) intensity from building energy consumption | ✓ | ✓ | 130, 137 |
| 303 | Water-Abs | Total water consumption | ✓ | ✓ | 132 |
| 303 | Water-LfL | Like-for-like total water consumption | ✓ | ✓ | 138 |
| 303 | Water-Int | Building water intensity | ✓ | ✓ | 132, 138 |
| 306 | Waste-Abs | Total weight of waste by disposal route | ✓ | ✓ | 133 |
| 306 | Waste-LfL | Like-for-like total weight of waste by disposal route | ✓ | ✓ | 138 |
| N/A | Cert-Tot | Type and number of sustainably certified assets | ✓ | × | 140 |

| 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 2022 and 2023. At the time of report production, the International Energy Agency conversion factors relating to 2019 have been applied to both 2022 and 2023 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, 2022 to December 31, 2023, 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 temporarily 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 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 Shurgard reports 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 | 142, 143 |
| 405 | Diversity-Pay | Gender pay ratio | N/A | ✓ | N/A | 142, 143 |
| 405 | Diversity-Pay | Equal pay analysis | N/A | ✓ | N/A | 142, 143 |
| 404 | Emp-Training | Employee training and development | N/A | ✓ | N/A | 142, 143 |
| 404 | Emp-Dev | Employee performance appraisals | N/A | ✓ | N/A | 142, 143 |
| 401 | Emp-Turnover | New hires and turnover | N/A | ✓ | N/A | 144 |
| 403 | H&S-Emp | Employee health and safety | N/A | ✓ | N/A | 144 |
| 416 | H&S-Asset | Asset health and safety assessments | ✓ | N/A | ✓ | 144, 145 |
| 416 | H&S-Comp | Asset health and safety compliance | ✓ | N/A | ✓ | 144, 145 |
| 413 | Comty-Eng | Community engagement, impact assessments and development programs | ✓ | N/A | ✓ | 145 |
| **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 | 146 |
| 2-10 | Gov-Selec | Process for nominating and selecting the highest governance body | N/A | ✓ | N/A | 147 |
| 2-15 | Gov-Col | Process for managing conflicts of interest | N/A | ✓ | N/A | 148 |

## ENVIRONMENTAL PERFORMANCE MEASURES

### Absolute Energy measures

| | | | | 2023 | | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | GRI Topic Standard | EPRA sBPR Code | Metric | Absolute Value | % Estimated | Coverage | YoY Trend | Absolute Value | % Estimated | Coverage |
| Own Offices | 302-1 | Elec-Abs | Consumption | 39.1 | 17.4% | 1 of 1 | -16.1% | 46.6 | 0.0% | 1 of 1 |
| | | | % Renewable | 100% | | 1 of 1 | 0.0% | 100% | | 1 of 1 |
| | | | (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 | 39.1 | 17.4% | 1 of 1 | -16.1% | 46.6 | 0.0% | 1 of 1 |
| | 302-3 | Energy-Int | Energy intensity | 23.7 | | 1 of 1 | -16.0% | 28.2 | | 1 of 1 |
| Owned Assets | 302-1 | Elec-Abs | Consumption | 15,949.1 | 18.0% | 248 of 276 | -7.3% | 17,205.9 | 2.9% | 249 of 266 |
| | | | % Renewable | 100% | | 248 of 276 | 0.0% | 100% | | 249 of 266 |
| | | | (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 | 2,425.7 | 28.7% | 34 of 34 | 9.2% | 2,220.8 | 0.0% | 34 of 34 |
| | | | % Renewable | 0% | | 34 of 34 | 0.0% | 0% | | 34 of 34 |
| | | | (Sub)metered exclusively to tenants | 0.0 | 0.0% | 0 of 0 | | 0.0 | 0.0% | 0 of 0 |
| | 302-1 | Fuels-Abs | Consumption | 4,175.0 | 22.6% | 68 of 68 | -10.7% | 4,674.2 | 3.2% | 89 of 89 |
| | | | % Renewable | 54% | | 68 of 68 | -3.6% | 56% | | 89 of 89 |
| | | | (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 | 22,549.8 | 20.0% | 248 of 276 | -6.4% | 24,100.9 | 2.7% | 249 of 266 |
| | 302-3 | Energy-Int | Energy intensity | 12.0 | | 248 of 276 | -7.0% | 12.9 | | 249 of 266 |

**Data notes for absolute energy:** All reported energy totals are in MWh, and energy intensity is reported in kWh/sqm Gross Internal Area ("GIA"). We have been able to report fuel consumption for all 68 properties for which we purchase fuels and 34 properties for which we purchase district heating. We have also been able to report electricity data for all 248 out of a total 276 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 7.3%, reflecting the effect of our roll-out of energy efficiency measures such as our LED program. Shurgard obtained consumption of district heating has increased by 9.2%. This can be attributed to a handful of assets that have shown an increase in consumption, and as District Heating represents a small percentage of consumption across the portfolio, any increase can have an outsized impact on performance, which represents a reversion to 2020 consumption levels after an increase in consumption last year. Consumption of gas decreased by 10.7% due to the ongoing success of our scheme to replace gas-fired boilers with electric heat pumps across the portfolio 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

| | | | | 2023 | | | 2022 | |
|---|---|---|---|---|---|---|---|---|
| | GRI Topic Standard | EPRA sBPR Code | Metric | Absolute Value | Coverage | YoY Trend | Absolute Value | Coverage |
| Own Offices | 305-2 | GHG-Indir-Abs | Scope 2 Emissions (Location Based) | 5.7 | 1 of 1 | -16.0% | 6.8 | 1 of 1 |
| | | | Scope 2 Emissions (Market Based) | 0.0 | 1 of 1 | 0.0% | 0.0 | 1 of 1 |
| | 305-4 | GHG-Int | Scope 1+2 intensity | 3.5 | 1 of 1 | -16.0% | 4.1 | 1 of 1 |
| Owned Assets | 305-1 | GHG-Dir-Abs | Scope 1 Emissions (Location Based) | 763.7 | 68 of 68 | -10.5% | 853.2 | 89 of 89 |
| | | | Scope 1 Emissions (Market Based) | 350.3 | 68 of 68 | -7.1% | 377.1 | 89 of 89 |
| | 305-2 | GHG-Indir-Abs | Scope 2 Emissions (Location Based) | 2,874.1 | 248 of 276 | -1.6% | 2,920.4 | 249 of 266 |
| | | | Scope 2 Emissions (Market Based) | 608.6 | 248 of 276 | 11.0% | 548.5 | 249 of 266 |
| | N/A | GHG | Scope 1+2 Emissions (Location Based) | 3,637.8 | 251 of 276 | -3.6% | 3,773.6 | 249 of 266 |
| | | | Scope 1+2 Emissions (Market Based) | 958.9 | 251 of 276 | 3.6% | 925.7 | 249 of 266 |
| | 305-4 | GHG-Int | Scope 1+2 intensity (Location Based) | 1.94 | 251 of 276 | -4.4% | 2.03 | 249 of 266 |
| | | | Scope 1+2 intensity (Market Based) | 0.51 | 251 of 276 | 2.7% | 0.50 | 249 of 266 |

**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 68 properties for which we purchase fuels. We have also been able to report Scope 2 GHG emissions data for 248 of 276 properties, which includes the 34 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 by 10.5%, as we continue 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 7.1%. Shurgard obtained Scope 2 (location-based) emissions have reduced by 1.6%, 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 | 2023 Absolute Value | 2023 % Estimated | 2023 Coverage | 2023 YoY Trend | 2022 Absolute Value | 2022 % Estimated | 2022 Coverage |
|---|---|---|---|---|---|---|---|---|---|---|
| Own Offices | 303-5 | Water-Abs | Shurgard -obtained water | 60.3 | 0.1 | 1 of 1 | 6.1% | 56.9 | 0.9 | 1 of 1 |
| | | | Tenant-obtained water | 0.0 | 0% | 0 of 0 | | 0.0 | 0% | 0 of 0 |
| | | | Total-obtained water | 60.3 | 0.1 | 1 of 1 | 6.1% | 56.9 | 0.9 | 1 of 1 |
| | 303-5 | Water-Int | Water intensity for total-obtained water | 0.0 | | 1 of 1 | -5.8% | 0.0 | | 1 of 1 |
| Owned Assets | 303-5 | Water-Abs | Shurgard obtained water | 15,880.1 | 0.2 | 221 of 276 | -43.9% | 28,307.3 | 0.1 | 218 of 266 |
| | | | Tenant-obtained water | 0.0 | 0% | 0 of 0 | | 0.0 | 0% | 0 of 0 |
| | | | Total-obtained water | 15,880.1 | 0.2 | 221 of 276 | -43.9% | 28,307.3 | 0.1 | 218 of 266 |
| | 303-5 | Water-Int | Water intensity for total-obtained water | 0.0 | | 221 of 276 | -44.0% | 0.0 | | 218 of 266 |

**Data notes for absolute water:** Water consumption is reported in cbm ("cubic meter") and water intensity is reported in cbm/sqm GIA. We have been able to report water usage for 221 of 276 properties. 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 consumption has shown a significant reduction in 2023, which may be linked to a number of water leaks over the 2022 period and subsequent installation of leak detection equipment in 2023 to mitigate this problem moving forwards.

GRI 303-5

## Absolute Waste Measures

| | GRI Topic Standard | EPRA sBPR Code | Metric | 2023 Absolute Value | 2023 Absolute Proportion | 2023 YoY Trend | 2022 Absolute Value | 2022 Absolute Proportion |
|---|---|---|---|---|---|---|---|---|
| Own Offices | 306-4 | Waste-Abs | Recycled | 3.1 | 56.1% | 90.4% | 1.6 | 63.9% |
| | 306-5 | | Incinerated (with and without energy recovery) | 2.4 | 43.9% | 163.8% | 0.9 | 36.1% |
| | 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% | | 0.0 | 0.0% |
| | | | Total tenant-obtained waste | 0.0 | 0.0% | | 0.0 | 0.0% |
| | 306-3 | | Total | 5.5 | 1.0 | 117% | 2.5 | 100% |
| | | | Coverage of applicable properties | 1 of 1 | | | 1 of 1 | |
| Owned Assets | 306-4 | Waste-Abs | Recycled | 725.8 | 37.7% | -19.4% | 900.7 | 47.4% |
| | 306-5 | | Incinerated (with and without energy recovery) | 1,197.7 | 62.3% | 19.9% | 999.3 | 52.6% |
| | 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% | | 0.0 | 0.0% |
| | | | Total tenant-obtained waste | 0.0 | 0.0% | | 0.0 | 0.0% |
| | 306-3 | | Total | 1,923.5 | 100% | 1.2% | 1,900.0 | 100% |
| | | | Coverage of applicable properties | 251 of 251 | | | 259 of 259 | |

**Data notes for absolute waste:** All waste totals are reported in tons. Waste for the final quarter, October 1, 2023 to December 31, 2023, 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 251 of 276 properties in the portfolio where Shurgard has waste management contracts. Absolute waste has increased slightly by 1.2%. The increase in overall waste volumes is due to an increase in general waste seen at a number of our properties. Total volumes of absolute recycled waste have decreased significantly by 19.4%, as minimum standards are in place to ensure that all cardboard at stores is recycled, and plastic use 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

| | | | | 2023 | | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | GRI Topic Standard | EPRA sBPR Code | Metric | Like-for-Like Value | % Estimated | Coverage | YoY Trend | Like-for-Like Value | % Estimated | Coverage |
| Owned Assets | 302-1 | Elec-Abs | Consumption | 15,164.6 | 17.1% | 236 of 236 | -10.2% | 16,892.5 | 0.1% | 236 of 236 |
| | | | % Renewable | 100% | | 236 of 236 | 0.0% | 100% | | 236 of 236 |
| | | | (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 | 2,382.1 | 29.0% | 33 of 33 | 8.1% | 2,202.9 | 0.0% | 33 of 33 |
| | | | % Renewable | 0.0% | | 33 of 33 | 0.0% | 0.0% | | 33 of 33 |
| | | | (Sub)metered exclusively to tenants | 0.0% | 0.0% | 0 of 0 | | 0.0% | 0.0% | 0 of 0 |
| | 302-1 | Fuels-Abs | Consumption | 4,089.6 | 21.0% | 106 of 106 | -9.1% | 4,497.2 | 1.8% | 106 of 106 |
| | | | % Renewable | 55% | | 106 of 106 | 0.2% | 55% | | 106 of 106 |
| | | | (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 | 21,636.3 | 19.2% | 239 of 239 | -8.3% | 23,592.5 | 0.4% | 239 of 239 |
| | 302-3 | Energy-Int | Energy intensity | 12.0 | | 239 of 239 | -8.3% | 13.1 | | 239 of 239 |

**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 239 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 reporting period and for which the majority is classified as actual data. We therefore include electricity data from 236 of these properties, gas data for 106 properties, and district heating data for 33 properties.

Note that here and throughout the like-for-like performance measures we do not include our support center 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 10.2%. This is a relatively similar percentage to the trend observed across the whole portfolio, which is mainly attributed to the continuing installation of efficiency measures. Gas consumption has decreased by 9.1% within the like-for-like portfolio, reflecting the impact of our efficiency measures and gas replacement program as mentioned previously. Almost all our stores with district heating systems fall into the like-for-like group, so the trend displayed here is very similar to that displayed in the absolute data table.

We have used the floor area of in-scope like-for-like assets for the relevant utility under our 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 | 2023 Like-for-Like Value | 2023 Coverage | 2023 YoY Trend | 2022 Like-for-Like Value | 2022 Coverage |
|---|---|---|---|---|---|---|---|---|
| Owned Assets | 305-1 | GHG-Dir-Abs | Scope 1 Emissions (Location Based) | 413.3 | 106 of 106 | -8.7% | 452.5 | 106 of 106 |
| | | | Scope 1 Emissions (Market Based) | 334.8 | 106 of 106 | -9.1% | 368.4 | 106 of 106 |
| | 305-2 | GHG-Indir-Abs | Scope 2 Emissions (Location Based) | 2,165.8 | 236 of 236 | -6.5% | 2,316.6 | 236 of 236 |
| | | | Scope 2 Emissions (Market Based) | 597.7 | 236 of 236 | 9.8% | 544.1 | 236 of 236 |
| | N/A | GHG | Scope 1+2 Emissions (Location Based) | 2,579.1 | 239 of 239 | -6.9% | 2,769.1 | 239 of 239 |
| | | | Scope 1+2 Emissions (Market Based) | 932.5 | 239 of 239 | 2.2% | 912.5 | 239 of 239 |
| | 305-4 | GHG-Int | Scope 1+2 intensity (Location Based) | 1.4 | 239 of 239 | -6.9% | 1.5 | 239 of 239 |
| | | | Scope 1+2 intensity (Market Based) | 0.5 | 239 of 239 | 2.2% | 0.5 | 239 of 239 |

**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 239 properties included in our like-for-like reporting for energy, 106 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 in-scope like-for-like assets for the relevant utility under our management as our intensity normalization measure. 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 | 2023 Like-for-Like Value | 2023 % Estimated | 2023 Coverage | 2023 YoY Trend | 2022 Like-for-Like Value | 2022 % Estimated | 2022 Coverage |
|---|---|---|---|---|---|---|---|---|---|---|
| Owned Assets | 303-5 | Water-Abs | Shurgard-obtained water | 15,544.6 | 20.3% | 212 of 212 | -44.7% | 28,132.4 | 7.3% | 212 of 212 |
| | | | Tenant-obtained water | 0.0 | 0.0% | 0 of 0 | | 0.0 | 0.0% | 0 of 0 |
| | | | Total-obtained water | 15,544.6 | 20.3% | 212 of 212 | -44.7% | 28,132.4 | 7.3% | 212 of 212 |
| | 303-5 | Water-Int | Water intensity for Shurgard-obtained water | 0.010 | | 212 of 212 | -44.7% | 0.018 | | 212 of 212 |

**Data notes for like-for-like water:** Water consumption is reported in cbm, and water intensity is reported in cbm/sqm GIA. The 212 assets included are those properties which have been owned and operated by Shurgard for the complete 24-month reporting period and for which the majority is classified as actual data. We will continue to expand the coverage of this measure in 2024 with the ongoing 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 significant decrease in water consumption shown in this subset is like that displayed in the absolute totals table. As previously stated, this decrease is largely linked to a number of water leaks over the 2022 period and subsequent installation of leak detection equipment in 2023 to mitigate this problem moving forwards.

GRI 303-5

## Like-for-Like Waste Measures

| | GRI Topic Standard | EPRA sBPR Code | Metric | 2023 Like-for-Like Value | 2023 Like-for-Like Proportion | 2023 YoY Trend | 2022 Like-for-Like Value | 2022 Like-for-Like Proportion |
|---|---|---|---|---|---|---|---|---|
| Owned Assets | 306-4 | Waste-Abs | Recycled | 700.6 | 38.2% | -21.1% | 887.8 | 47.7% |
| | 306-5 | | Incinerated (with and without energy recovery) | 1134.2 | 61.8% | 16.4% | 974.3 | 52.3% |
| | 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% | | 0.0 | 0.0% |
| | | | Tenant-obtained waste | 0.0 | 0.0% | | 0.0 | 0.0% |
| | 306-3 | | Total | 1834.8 | 100% | -1.5% | 1862.1 | 100% |
| | | | Coverage of applicable properties | 241 of 241 | | | 241 of 241 | |

**Data notes for like-for-like waste:** All waste totals are reported in tons. Waste for the final quarter, October 1, 2023 to December 31, 2023, 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 241 properties in the portfolio where Shurgard has waste management contracts for the complete 24-month reporting period. This subset of assets has been slightly reduced since 2021 due to more stringent data quality thresholds for inclusion. Like-for-like waste has decreased by 1.5% in total across this subset of properties due to the large reduction in recycled waste. 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

| GRI Topic Standard | EPRA sBPR Code | Certification | Level | 2023 No. of Certified Stores | 2023 Percentage of portfolio certified (by floor area) | 2022 No. of Certified Stores | 2022 Percentage of portfolio certified (by floor area) |
|---|---|---|---|---|---|---|---|
| N/A | Cert-Tot | EU Energy Performance Certificate | | 253 | 90.7% | 248 | 93.1% |
| | | BREEAM - In Use | Pass | 13 | 5.1% | 13 | 5.3% |
| | | | Acceptable | 1 | 0.3% | 0 | 0.0% |
| | | | Good | 29 | 10.2% | 27 | 9.8% |
| | | | Very Good | 6 | 2.4% | 7 | 3.0% |
| | | | Excellent | 1 | 0.3% | 1 | 0.3% |
| | | | Outstanding | 0 | 0.0% | 0 | 0.0% |
| | | BREEAM – New Construction | Pass | 0 | 0.0% | 0 | 0.0% |
| | | | Good | 0 | 0.0% | 0 | 0.0% |
| | | | Very Good | 4 | 1.6% | 2 | 0.9% |
| | | | Excellent | 7 | 3.5% | 7 | 3.7% |
| | | | Outstanding | 1 | 0.5% | 1 | 0.5% |

### EU ENERGY PERFORMANCE CERTIFICATES 2023

| EPC Score | A | B | C | D | E | F | G | N/A |
|---|---|---|---|---|---|---|---|---|
| Number of Assets | 180 | 14 | 34 | 16 | 2 | 0 | 7 | 23 |
| % of portfolio (by floor area) | 64.8% | 5.6% | 11.5% | 5.4% | 0.9% | 0.0% | 2.5% | 9.3% |

**Narrative on performance for green building certificates:** EU energy performance certificates are not mandatory for all Shurgard's properties, but we make sure that all new developed and acquired stores obtain EPC's. We plan not to have any stores with rating lower than E by 2027 and lower than D by 2030. 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 where feasible.

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 social performance measures.

### Employee Gender Diversity

| GRI Topic Standard | EPRA sBPR Measure | Indicator | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | | | Female | Male | Female | Male |
| 405-1 | Diversity-Emp | Employees in the organization's Board of Directors | 33.3% | 67.7% | 27.3% | 72.7% |
| | | Employees in the organization's senior management | 25.0% | 75.0% | 25.0% | 75.0% |
| | | All employees | 42.4% | 57.6% | 42.3% | 57.7% |

**Narrative on performance:**

Shurgard believes that a diverse perspective is key to success. We have increased our female representation on the Board, which stands at 33.3%.

GRI 405-1

### Gender Pay Ratio

| GRI Topic Standard | EPRA sBPR Measure | Indicator | 2023 | 2022 |
|---|---|---|---|---|
| | | | Mean | Mean |
| 405-2 | Diversity-Pay | Mean (average) percentage by which female pay is lower than male pay. | -3.3% | -5.0% |

**Narrative on performance:**

For all in-store employees, Shurgard discloses the mean percentage pay gap between female and male pay.

The gender pay ration has improved compared to our 2022 disclosures and now represents -3.3% in 2023. We believe that this is reflective of our continual commitment to maintaining a workplace that is free from discrimination.

GRI 405-2

### Equal Pay Analysis 2023

| Employee Level | Average Salary Female | Average Salary Male |
|---|---|---|
| Executive level (base salary only) | €320,000 | €301,067 |
| Executive level (base salary + other cash incentives) | €640,000 | €600,274 |
| Management level (base salary only) | €91,418 | €89,847 |
| Management level (base salary + other cash incentives) | €110,564 | €113,653 |

**Data notes for equal pay analysis 2023:** 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 2023:**

We believe that our salary paid is reflective of our continued commitment to maintain a workplace that is free from discrimination. Every year, we strive to provide an equal balance for all employees.

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 | |
|---|---|---|---|---|
| | | | 2023 | 2022 |
| 405-2 | Diversity-Pay | The organization's Board of Directors | -13.6% | -8.3% |
| | | Employees in the organization's Senior Management | 6.3% | 6.3% |
| | | All employees | -17.6% | -15.1% |

**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 differentiation between female and male functions, therefore, all differences are mandate specific.

GRI 405-2

### Employee Training & Development

| GRI Topic Standard | EPRA sBPR Measure | Indicator | 2023 | 2022 |
|---|---|---|---|---|
| 404-1 | Emp-Training | Average hours of training undertaken by employees in the reporting period (per FTE) | 22.7 | 30.2 |
| 404-3 | Emp-Dev | % of total employees who received regular performance and career development reviews during the reporting period | 100.0% | 100.0% |
| | N/A | Average spent on training per FTE in the reporting period | € 472.9 | € 470.3 |
| | N/A | Total of hours of training undertaken by all employees in the reporting period (overall) | 15,986 | 21,641 |

**Narrative on performance:**

Participation in the Company's learning and development program remained high with 100% participation across the year. Our total training hours for 2023 amounted to 15,986h, including first aid and fire emergency training in addition to all the new joiners' induction training and any other externally provided training deemed important for the development of our employees.

Each in-store employee is required to complete a rigorous training program over the course of their first four months employment. This 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 242 new employees over 2023 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 | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | | | Number | Rate | Number | Rate |
| 401-1 | Emp-Turnover | New employee hires | 242 | 33.8% | 300 | 40.4% |
| | | Employee turnover | 267 | 37.3% | 331 | 44.6% |

**Narrative on performance:** There have been fewer new hires because an increasing number of stores are partially or remotely managed, along with lower turnover compared to last year.

GRI 401

### Employee Health and Safety

| GRI Topic Standard | EPRA sBPR Measure | Indicator | 2023 | 2022 |
|---|---|---|---|---|
| 403-2 | H&S-Emp | Injury rate | 0.0% | 0.0% |
| | | Lost day rate | 0.3% | 0.3% |
| | | Absentee rate | 6.3% | 5.8% |
| | | 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 2023, we maintained our record of 0.0% injury rate for our employees. Our absentee rate increased slightly in 2023.

GRI 403-1/ 403-2

### Asset Health and Safety Assessments and Compliance

| GRI Topic Standard | EPRA sBPR Measure | Indicator | 2023 | 2022 |
|---|---|---|---|---|
| 416-1 | H&S-Assets | % of assets for which H&S impacts are assessed or reviewed | 35.5% | 34.0% |
| 416-2 | H&S-Comp | Number of incidents of non-compliance with regulations and/or voluntary standards | 1 | 0 |

**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 three-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 identified one instance of non-compliance with regulations and/or voluntary codes.

GRI 416-1 / 416-2

Community Engagement, Impact Assessments and Development Programs

| GRI Topic Standard | EPRA sBPR Measure | Indicator | 2023 | 2022 |
|---|---|---|---|---|
| 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 mentioned earlier.

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 | 2023 | 2022 |
|---|---|---|---|---|
| 2-9 | Gov-Board | Number of executive board members | 1 | 1 |
| | | Number of independent board members | 6 | 6 |
| | | Number of non-executive board members | 8 | 10 |
| | | Average tenure on the governance body | 3.7 years | 4.1 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 nine members, one executive director and eight 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 Independent Chairman, Ian Marcus, leads the Board. The 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

<table>
<tr><th>GRI Topic Standard</th><th>EPRA sBPR Measure</th><th>Indicator</th><th>2023</th><th>2022</th></tr>
<tr><td>2-10</td><td>Gov-Select</td><td>Composition of the Board of Directors</td><td colspan="2">(Relevant for the reporting rules and did not change between 2022 and 2023 in relation to the nomination and selection of the Directors; rules last reviewed February 2023 in relation to overseeing the ESG strategy of the Company)<br>Source: Internal Rules and Regulations of the ESG Committee<br>Available under https://corporate.shurgard.eu/governance/committee-charter<br><br>The ESG Committee acts to:<br>- Identify candidates qualified to serve as members of the Board and executive officers;<br>- 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;<br>- Submit a list of candidates to the Board on the appointment of new Directors and executive officers;<br>- 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;<br>- Make an assessment as to whether candidate Directors meet the criteria of independence.<br>In respect of diversity: "Within six 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."</td></tr>
</table>

**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 | 2023 |
|---|---|---|---|
| 2-15 | Gov-CoI | Board of Directors' composition | Source 1: Corporate Governance Charter<br>Available under https://corporate.shurgard.eu/governance/governance-documents procedure<br>- 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.<br>- Where, due to a conflict of interest, 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.<br><br>Source 2: Directors Code of conduct<br>Directors must take appropriate actions in case of conflicts of interest.<br>Directors must use their best efforts to avoid any potential conflict of interest with the Company or any company controlled by it.<br>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.<br>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.<br><br>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

## 8.7 ASSURANCE SUMMARY STATEMENT ON SUSTAINABILITY PERFORMANCE MEASURES

### ASSURANCE STATEMENT: AA1000

AA1000
Licensed Assurance Provider
000-288

EVORA Global Limited ("EVORA") was engaged by Shurgard Self Storage Ltd ("Shurgard" or the "Company") to provide assurance of the Environmental sustainability performance measures of their 2023 Sustainability Report (the "Report") for the reporting period of January 1, 2023 to December 31, 2023 for their owned assets.

This assured data is intended to be reported to GRESB 2024 assessment as well.

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 as well as GRESB criteria. The assurance was conducted via independent third party Markit Group Limited ("IHS Markit"), engaged by EVORA.

#### Responsibilities

The Company has responsibility for ensuring the preparation of the Report. The EVORA Consultancy Team has been appointed by the Company to support them in the data collection and analysis of the Report.

The EVORA Assurance Team ('We' / 'Our') engaged IHS Markit to conduct independent assurance on their behalf and provide an opinion on the Report's alignment with the Criteria for the defined reporting period, in all material respects. The procedures selected depend on our judgment, including an assessment of the risks of material misstatement or material non-compliance of the matter being audited. We conducted our engagement in accordance with the AA1000AS.

#### Intended users

The intended users of this assurance statement are the Management of the Company, their stakeholders and GRESB B.V.

#### Assurance standard and criteria

The assurance was conducted in accordance with AccountAbility's AA1000 Assurance Standard 2020 v3 (AA1000AS), Type 2 at a moderate level of assurance.

The Report has been prepared by the Company in accordance with the EPRA Best Practice Recommendations for Sustainability Reporting (sBPR) 2017 3rd Edition and GRESB (the "Criteria").

#### Assurance scope

The scope of assurance covered the indicators outlined below pertaining to the owned assets for the reporting period of January 1, 2023 to December 31, 2023 (collectively the 'Subject Matter'):

Landlord managed and procured:

- Electricity Consumption (kWh)
- District Heating (kWh)
- Fuels Consumption (kWh)
- Water Consumption (m3)
- Greenhouse Gas (GHG) Emissions ($tCO_2e$) – Scope 1 and Scope 2 (location based)
- Waste (tonnes)

Intensity Calculations:

- Energy (kWh / m2)
- GHG ($kgCO_2e$/m2) – Scope 1 and Scope 2 (location based)
- Water (m3/m2)

Alignment check of the Company's reporting against EPRA Best Practice Recommendations for Sustainability Reporting (sBPR) 2017 3rd Edition.

### Disclosures covered

This assurance report covers the Subject Matter relating to the underlying assets, as defined above which forms part of the Company's Report and will be reported to the GRESB 2024 assessment as well.

### Methodology

The procedures conducted in performing our moderate assurance included:

- Performing a risk assessment, including considering internal controls relevant to the Company's preparation of the Report and associated data to inform further procedures
- Making inquiries, primarily of persons responsible for the preparation of the Report
- Understanding the Company's activities covered within the scope of the Report.
- Applying analytical and other review procedures including assessing relationships between energy and emissions data and other information under our scope
- Examination of source evidence including invoices, meter records, third-party reports for a select sample of data
- Analyzing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation, and approval process of the information included in the Report.

### Use of our assurance statement

This report has been prepared for the management of the Company for the sole purpose for reporting on the matters being assured in accordance with the defined Criteria. We agree that a copy of the report may be provided to the Company's stakeholders for this purpose.

We and IHS Markit disclaim any assumption of responsibility for any reliance on this report to any person or users other than the Company, or for any purpose other than that for which it has agreed in writing and for which it was prepared. Any reliance any third party may place on the report is entirely at its own risk.

### Limitations

There are inherent limitations in performing assurance - for example, assurance engagements are based on selective testing of the information being examined - it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all instances of non-compliance with the established Criteria, as an assurance engagement is not performed continuously throughout the year and the procedures performed are undertaken on a test basis. The conclusion expressed in this report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and sampling or estimating such data.

A moderate or limited level assurance engagement is restricted primarily to inquiries and analytical procedures and the work is substantially less detailed than undertaken for a high level or reasonable assurance engagement. As such the level of assurance is lower than would be the case for a reasonable assurance engagement.

Note:

- GRESB has not yet released its 2024 assessment criteria but has confirmed that there are no changes to the assurance requirements. This assurance would thus be valid for the Company's GRESB 2024 reporting as well.
- Shurgard reports actual environmental data for nine months (January 1, 2023 to September 30, 2023), and estimated data for the last three months of the year which is in line with the Criteria. For GRESB reporting, Shurgard updates the last quarter's data to the actual data. This is in line with the accepted procedures.

### Independence and Competence

The assurance was conducted via IHS Markit independently. IHS Markit (now part of S&P Global) is a global diversified provider of critical information, analytics, and solutions and has been working in the ESG space for many years. IHS Markit's ESG team has relevant assurance competencies and is highly experienced in sustainability matters covering environmental, social, and economic aspects and is led by Certified Sustainability Assurance Practitioner (CSAP) as certified by AccountAbility. IHS Markit has conducted this assurance independently and impartially and in compliance with IHS Markit's policies and procedures, including its Code of Business Ethics that provide a framework relating to ethical conduct, conflict of interest and compliance with law.

### Findings conclusions and recommendations

Comments on AA1000 Accountability Principles:

| Principle | Observations, Findings & Recommendations |
| --- | --- |
| **Inclusivity**: actively identifying stakeholders and enabling their participation in establishing an organization's material sustainability topics and developing a strategic response to them.<br><br>An inclusive organization accepts its accountability to those on whom it has an impact and to those who have an impact on it. | Shurgard has identified its priority stakeholders and actively engages with them. The key stakeholder groups include employees, customers, suppliers, investors, communities, regulatory bodies, communities.<br><br>Some of the engagement activities conducted in 2023 include:<br><br>- Employees: Satisfaction survey conducted in 2023<br>- Customers: Regular monitoring of feedback through various channels including google reviews, Trustpilot etc.<br>- Investors: Regular engagement through various modes including investors days which happen at least once a month<br>- Suppliers: Supplier survey conducted in 2022 – where questions pertaining to ESG policies are raised Communities – Community program in place in countries across seven markets. Regulators: Reports publications as required and feedback if there are any questions. |
| **Materiality**: identifying and prioritizing the most relevant sustainability topics, taking into account the effect each topic has on an organisation and its stakeholders.<br><br>A material topic is a topic that will substantively influence and impact the assessments, decisions, actions and performance of an organization and/or its stakeholders in the short, medium and/or long term | Shurgard has undertaken a comprehensive double materiality assessment in 2023. Every year executive ESG committee meets to discuss all the important and upcoming ESG trends from the sector/business and stakeholders. In addition, a continual review is also undertaken and is considered to determine any changes to the material topics.<br><br>The assessment identified, refined, and assessed the various ESG factors that affect the Shurgard business and/or stakeholders. The identified issues span across the dimensions of Environment, social and governance.<br><br>The process of determining materiality and relevance is documented within the annual Sustainability report. |
| **Responsiveness**: an organization's timely and relevant reaction to material sustainability topics and their related impacts.<br><br>Responsiveness is realized through decisions, actions and performance, as well as communication with stakeholders | Shurgard remains responsive to all the upcoming ESG demands as well as to the stakeholders. The communication modes with the stakeholders remain the same as described above.<br><br>Shurgard has an ESG Management Group which has multi-functional expertise and includes representatives from HR, finance, ESG amongst others to ensure a wide range of involvement from stakeholders across the business. The ESG Management Group is positioned so that it can respond as required to changing ESG demands. Above this group sits the Executive Committee who are responsible for the sign-off of ESG objectives and the overarching ESG strategy.<br><br>Action plans are developed based on the result of the surveys and engagement activities conducted and implemented to progress areas which scored lower than desired.<br><br>To keep in line with the changing ESG demands and trends, Shurgard has included many new frameworks and KPIs to monitor as part of their |

| | |
|---|---|
| | ESG performance. These include turnover, business travel, working on the EU taxonomy, physical climate risk assessment to identify risks amongst others |
| **Impact**: the effect of behavior, performance and/or outcomes, on the part of individuals or an organisation, on the economy, the environment, society, stakeholders or the organisation itself.<br><br>Material topics have potential direct and indirect impacts — which may be positive or negative, intended or unintended, expected or realized, and short, medium or long term | Shurgard has defined ESG objectives, based on their impacts and outlined within their ESG policy. These are reported within their annual Sustainability report as well as other reporting including GRESB, EPRA, ratings reporting like CSA, MSCI etc.<br><br>Metrics for measuring impact have been developed through various mechanisms including advice from external sector specific consultants and via the review of publicly available information i.e., from industry bodies / and via GRESB where relevant.<br><br>Shurgard has been working very closely with the communities to increase their positive social impact and included enhanced programs and initiatives in 2023. These include offering storage space to social communities in some markets, launched Shurgard academy last year for increased training for the employees, increased monetary contribution for their charity programs and many others. |

### Our unqualified opinion

Nothing has come to our attention that causes us to believe that:

- The company does not adhere to the principles of inclusivity, materiality, responsiveness and impact as per the AA1000 Accountability Principles (2018).
- The Subject matter is not prepared in accordance with the EPRA Best Practice Recommendations for Sustainability Reporting (sBPR) 2017 3rd Edition in all material respects, for the reporting period 1st Jan 2023 to 31st Dec 2023.
- The Subject matter is not prepared in accordance with the GRESB criteria by the Company in all material respects, for the reporting period 1st Jan 2023 to 31st Dec 2023.

EVORA Global Limited, London, UK
Date: 26 February 2024

EVORA

AA1000
Licensed Report
000-288/V3-ZJ8SU

# REMUNERATION REPORT

## PRELIMINARY NOTE

This Remuneration Report has been prepared in accordance with the principles provided for under the Company's Remuneration Policy. The Remuneration Policy can be found on the Company's website (Governance Documents | Shurgard Investor Relations). There has been no derogation from the Remuneration Policy.

## 2023 PERFORMANCE HIGHLIGHTS

In 2023, the Company delivered another year of solid results and is well-positioned to deliver long-term value. Under the leadership of our Senior Management, and with our Board's oversight, the Company achieved significant performance successes, including:

Record Property operating revenue
**€357.7million**
(+9.0% at CER)

EPRA NTA per share
**€44.07**

Record NOI
**€237.2million**

EPRA NTA per share growth
**+8.4%**

Same store NOI margin
**67.6%**
(+0.9pp at CER)

Total Investment property value (incl. IPUC)
**€5.0billion** (+11.3%)

Underlying EBITDA growth (at CER)
**+8.4%**

**+65K SQM**
Added through acquisitions, developments, and redevelopments

Record Adjusted EPRA earnings
**€158.4million**
(+12.3% at CER)

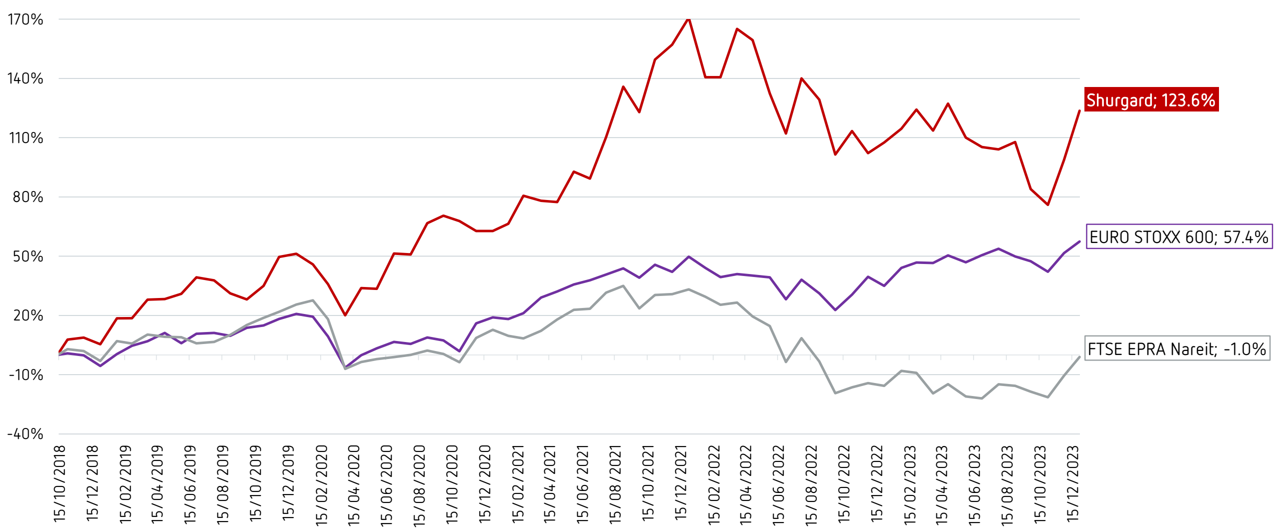
ESG
Achieved **5-STAR GRESB** rating out of a maximum of five stars.
We are our sector leader.

Record Adjusted EPRA earnings per share
**€1.76**

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 five years.

*Stock performance vs indices since IPO (Oct 2018)*




Total performance, assuming reinvestment of dividends.

## 2023 COMPENSATION FRAMEWORK AND TARGETS FOR SENIOR MANAGEMENT

Senior Management compensation is a balance of fixed and variable compensation components and fringe benefits aligned with market practice, such as company cars or allowances, as well as standard pension benefits.

We believe that the 2023 executive compensation is aligned with the Company's strong performance, while also recognizing the impact of significant macro-economic challenges the Company faced in the regions in which it operates, and the individual contributions of each Senior Manager. The following is a summary of the ESG Committee's decision on the key components (fixed and variable) of the 2023 Senior Management compensation program.

### 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. The ESG Committee sets annual incentive award targets, and these may be increased or decreased in the future.

The actual awards approved by the ESG Committee are based on whether the targeted corporate performance metrics described below have been achieved. The ESG Committee considers the recommendations of the Chief Executive Officer in deciding whether other members of Senior Management have achieved individual and Company goals. In addition, the ESG Committee will solicit the views of the Chairman and the Board, particularly in relation to the performance of the Chief Executive Officer.

For the year ended December 31, 2023, compensation targets (and their respective weighting) determined by the ESG Committee for all executives are described below. They ranged from 0% to 125% of an individual's base salary based on the performance of the Company and the performance of each respective individual (taking into account both financial and non-financial criteria).

| Executive position | CEO | All other executives |
|---|---|---|
| **Amount of potential target** | 0%-125% of base salary | 0%-125% of base salary[1] |
| **Revenue performance**<br>*All store growth 2023 vs 2022 above 8.0%*<br>*Same store growth 2023 vs 2022* | 0%-30% | 0%-40% |
| **NOI growth & Adj. EPRA earnings growth**<br>*All stores NOI margin % above 2022*<br>*Adj. EPRA earnings growth* | 0%-15% | 0%-25% |
| **Development & M&A (all new sqm)**<br>*2023 total added new sqm above 70,000 sqm*<br>*2024 total potential above 70,000 sqm (pipeline exc. M&A)* | 0%-20% | 0%-45% |
| **Other KPIs**<br>*Other projects*<br>*ESG[2] (based on GRESB rating)*<br>*Shurgard share, TSR benchmark vs peers* | 0%-35% | 0%-45% |

1 Weight per section varies per executive.
2 More information about ESG targets is in our Sustainability Report available at https://corporate.shurgard.eu/corporate-responsibility/reports-and-publications.

## 2023 COMPENSATION DECISIONS

After considering the individual performances of each member of Senior Management, the solid results achieved by the Company in 2023, the achievement of the short-term performance objectives described above, and the individual contributions of each Senior Manager, the decisions made by the ESG Committee are as follows:

### 2023 CEO Compensation

The annual base salary for Mr. Oursin in 2023 was €500,000. This has remained unchanged since 2012. Additionally, as indicated above, an annual cash bonus incentive award ranging from 0%-125% of his base salary was set assuming the achievement of performance criteria, including individual performance. In recognition of the performance of the Company in 2023 and his individual contribution, the ESG Committee approved in accordance with the short term performance-based bonus program a cash bonus of €500,000, to be paid in 2024.

### 2023 Compensation for executives other than our Chief Executive Officer

2023 base salaries for Mr. Kreusch, Mr. Bell, Mr. Kharouf, and Ms. Neumann were €355,584, £250,000, €250,000, and €320,000, respectively.

After considering the achievement of each of the 2023 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 2024, to the following executives: Mr. Kreusch, €350,000; Mr. Bell, £250,000; Mr. Kharouf €250,000 and Ms. Neumann €288,000.

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[4] | | |
| Marc Oursin CEO | **2023** | **500,000** | **52,000** | **500,000** | **938,325** | **1,990,325** | **1 : 2.61** |
| | 2022 | 500,000 | 52,000 | 500,000 | 956,816 | 2,008,816 | 1 : 2.64 |
| Jean Kreusch CFO | **2023** | **355,584** | **32,796** | **350,000** | **586,453** | **1,324,833** | **1 : 2.41** |
| | 2022 | 355,584 | 32,796 | 350,000 | 598,010 | 1,336,390 | 1 : 2.44 |
| Duncan Bell COO | **2023** | **287,448** | **26,100** | **287,448** | **469,163** | **1,070,159** | **1 : 2.41** |
| | 2022 | 287,448[1] | 26,100 | 287,448 | 478,408 | 1,079,404 | 1 : 2.44 |
| Ammar Kharouf General Counsel | **2023** | **250,000** | **13,099** | **250,000** | **469,163** | **982,262** | **1 : 2.73** |
| | 2022 | 250,000 | 13,099 | 250,000 | 478,408 | 991,507 | 1 : 2.77 |
| Isabel Neumann CIO | **2023** | **320,000** | **23,868** | **320,000** | **469,163** | **1,133,031** | **1 : 2.29** |
| | 2022 | 320,000 | 36,841 | 107,000 | 478,408 | 942,249 | 1 : 1.64 |

1 The amounts for Mr. Bell are converted from pound Sterling. The original Sterling value was £250,000 for 2023. As a constant exchange rate, we took the average exchange rate of 2023.
2 The amounts shown in this column for all named executives reflect contributions to their group insurance. It also includes 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 2023. As a constant exchange rate, we took the average exchange rate of 2023.
4 The total value of the option award 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 in Note 32 "Share-based Compensation Expense" to the consolidated financial statements.

The total aggregate compensation for the members of the Senior Management team in the year ended December 31, 2023 amounted to €6,500,610.

## 2024 COMPENSATION AND TARGETS

Historically, the base salaries of our Senior Managers have been relatively flat over the years with very infrequent adjustments. For example, the salary of the CEO has not been adjusted since he took over the position in 2012. Therefore, in 2023, the ESG Committee retained Willis Towers Watson to conduct an extensive compensation review of our Senior Managers' overall compensation package, and benchmark them with peer groups. Following this review, the ESG Committee recommended to the Board that Senior Management base salaries be increased. This decision will ensure the Company remunerates Senior Managers competitively compared to their peers and is able to retain and recruit talent. The base salaries of the Senior Managers will be adjusted as follows, effective as of January 1, 2024: Mr. Oursin €750,000, Mr. Kreusch €400,000, Ms. Neumann €400,000, Mr. Bell £300,000, Mr. Kharouf €300,000.

In addition to the base salary increase, the ESG Committee determined that annual cash incentives can range from 0% to 150% of a Senior Manager's annual salary for the year ending December 31, 2024. The awards will be based on various Company-wide performance metrics and each Senior Manager's individual performance as described in the following table:

| Executive position | CEO | All other executives |
|---|---|---|
| **Amount of potential target** | 0%-150% of base salary | 0%-150% of base salary[1] |
| **Revenue performance**<br>*All store growth 2024 vs 2023 above 7.5%*<br>*Same store growth 2023 vs 2022* | 0%-20% | 0%-30% |
| **NOI growth & Adj. EPRA earnings growth**<br>*Adj. EPRA earnings growth*<br>*All stores NOI margin % growth* | 0%-20% | 0%-15% |
| **Development & M&A (all new sqm)**<br>*2024 total added new sqm above 90,000 sqm*<br>*2025 total potential above 90,000 sqm (pipeline incl. M&A)* | 0%-15% | 0%-50% |
| **Other KPIs**<br>*Other projects*<br>*ESG[2] (based on GRESB rating)*<br>*Shurgard share, TSR benchmark vs peers* | 0%-45% | 0%-55% |

1 Weight per section varies per executive.
2 More information about ESG targets is in our Sustainability Report available at https://corporate.shurgard.eu/corporate-responsibility/reports-and-publications.

## EQUITY COMPENSATION PLANS

The Company did not grant any equity compensation awards in 2022 and elected again not to grant any equity compensation awards in 2023. Below is a summary of all outstanding equity compensation plans.

### 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;
- The stock options vesting were subject to customary service rules; and
- The exercise price of each stock option is €23.00.

### Equity Compensation plan (2021)

The Company approved an equity compensation plan in 2021, which replaced all prior equity compensation plans. Initial grants took place on August 2, 2021. The grant was intended to incentivize certain members of 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 60% of the stock options vesting three years after the date of grant, and 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, 2021, 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 23 and 32 "Share-based payment reserve" and "Share-based compensation expense" in the Notes to the consolidated financial statements.

The following table shows the grant of stock options held by each member of Senior Management for all outstanding stock option plans, as of December 31, 2023.

| Position | Main conditions | | | | Financial year 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | 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<br>03/07/2019<br>03/07/2020<br>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<br>02/08/2026 | 01/08/2031 | 400,000 | - | - | 400,000 |
| **Total** | | | | | 690,000 | - | - | 400,000 |
| **CFO** | | | | | | | | |
| | 2017 plan | 03/07/2017 | 03/07/2018<br>03/07/2019<br>03/07/2020<br>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<br>02/08/2026 | 01/08/2031 | 250,000 | - | - | 250,000 |
| **Total** | | | | | **440,000** | **-** | **-** | **250,000** |
| **COO** | | | | | | | | |
| | 2017 plan | 03/07/2017 | 03/07/2018<br>03/07/2019<br>03/07/2020<br>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<br>02/08/2026 | 01/08/2031 | 200,000 | - | - | 200,000 |
| **Total** | | | | | 345,000 | - | - | 200,000 |
| **General Counsel** | | | | | | | | |
| | 2017 plan | 03/07/2017 | 03/07/2018<br>03/07/2019<br>03/07/2020<br>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<br>02/08/2026 | 01/08/2031 | 200,000 | - | - | 200,000 |
| **Total** | | | | | 330,000 | - | - | 200,000 |
| **CIO** | 2021 plan | 01/09/2021 | 01/09/2024<br>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 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| **Senior Management remuneration**[1] | | | | | |
| CEO | 1,193,32 | 1,262,797 | 1,672,360 | 2,008,816 | 1,990,325 |
| CFO | 811,565 | 858,034 | 1,114,380 | 1,336,390 | 1,324,833 |
| COO[2] | 630,815 | 632,319 | 837,150 | 1,091,575 | 1,070,159 |
| General Counsel | 446,449 | 505,089 | 731,419 | 991,507 | 982,262 |
| CIO | N/A | N/A | 562,761 | 942,249 | 1,133,031 |
| | | | | | |
| **Company Performance** | | | | | |
| *Property operating revenue growth*[3] | 5.0% | 5.5% | 10.7% | 11.0% | 7.4% |
| *Adj. EPRA earnings growth*[3] | 8.1% | 9.9% | 11.0% | 9.5% | 10.3% |
| *Average share price per year (€)* | 29.88 | 33.30 | 44.62 | 48.17 | 42.63 |
| Directors | 690,000 | 700,000 | 700,000 | 797,500 | 790,000 |
| Employees Average remuneration (full-time equivalent basis) | 40,732 | 41,537 | 44,598 | 48,059 | 51,932 |

1 For a detailed breakdown of Senior Management remuneration see the comparative table 2022-2023 above. The total value of the option awards included in the remuneration is spread over the vesting period and earned in the respective years as opposed to attributing the full value of the stock options to the grant year.
2 The amounts for the Chief Operating Officer are converted from pound Sterling at constant exchange rates.
3 At actual exchange rates.

### REMUNERATION PAID OUT BY OTHER GROUP COMPANIES

For the year ended December 31, 2023, 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, 2023, 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 joins the Board or a committee, or changes his or her position on a committee, or no longer serves on the Board. The ESG Committee evaluates directors' compensation and recommends any changes. If there are any changes to non-executive directors' compensation, the proposed changes are presented for approval at the Annual General Meeting of Shareholders.

## COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS IN 2023

From the time of their appointment, each non-executive Director of the Company receives €60,000 per year. 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 €15,000 per year. The Chairman of the Board of Directors receives a flat fee of €140,000. An executive director of the Company will not receive any additional compensation for their mandate as director. Compensation is paid prorata based on attendance.

The total compensation of the Board of Directors in fiscal year 2023 amounted to €790,000.

| Name | Position | Committee membership | Year | Compensation in €[1] |
|---|---|---|---|---|
| Ian Marcus | Chairman | ESG, Real Estate | **2023** | **120,000** |
| | | | 2022 | 90,000 |
| Marc Oursin | Chief Executive Officer | | | N/A |
| Z. Jamie Behar | Director | Real Estate (Chair), Audit | **2023** | **95,000** |
| | | | 2022 | 85,000 |
| Muriel De Lathouwer | Independent Director | Audit, ESG | **2023** | **80,000** |
| | | | 2022 | 75,000 |
| Olivier Faujour | Independent Director | Real Estate, ESG | **2023** | **60,000** |
| | | | 2022 | 75,000 |
| Frank Fiskers | Independent Director | ESG (Chair), Real Estate | **2023** | **95,000** |
| | | | 2022 | 85,000 |
| Padraig McCarthy | Independent Director | Audit (Chair), ESG | **2023** | **95,000** |
| | | | 2022 | 85,000 |
| Lorna Brown | Independent Director | Audit | **2023** | **35,000** |
| | | | 2022 | 0 |
| Tom Boyle | Director | Real Estate | **2023** | **35,000** |
| | | | 2022 | 0 |
| Ronald L. Havner, Jr. | Former Chairman | | **2023** | **70,000** |
| | | | 2022 | 107,500 |
| Isabelle Moins | Former Independent Director | Audit | **2023** | **35,000** |
| | | | 2022 | 65,000 |
| Daniel C. Staton | Former Director | Real Estate | **2023** | **35,000** |
| | | | 2022 | 65,000 |
| Everett B. Miller | Former Director | Real Estate | **2023** | **35,000** |
| | | | 2022 | 65,000 |
| **Total** | | | **2023** | **790,000** |
| | | | 2022 | 797,500 |

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 POSITIONS

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.

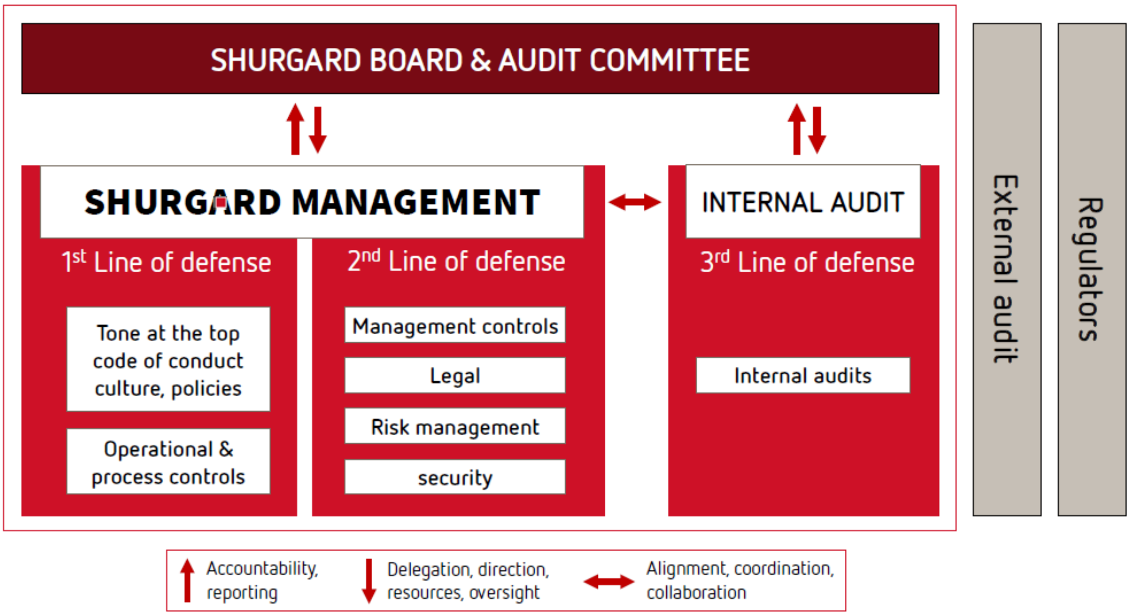
Similarly, Shurgard also impacts its various stakeholders through its operations and faces risks related to ESG topics that matter for them. We refer to Chapter 3. Risk Assessment and Double Materiality of our Sustainability Report.

## 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, climate 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 identify 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).

With the rise of ESG awareness, we have enlarged the process to identify and assess also any ESG related risks and opportunities, similar to our Enterprise Risk Management ("ERM") process, playing a key role in the Group's risk management and the double materiality assessment for CSRD purposes.




## 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 as 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 34 to the consolidated financial statements.

| Risk & Impact | Risk Mitigating Activities |
|---|---|

**Access to Capital Market**

| Risk & Impact | Risk Mitigating Activities |
|---|---|
| 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.<br><br>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.<br><br>We also face risks related to the outstanding debt, which might have customary covenant rules, 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.<br><br>Our LTV is low and our debts could be mostly repaid with cash flow.<br><br>Financial covenants are either tested quarterly or semi-annually. We do not currently believe there is a risk of breaching any of the covenants contained in those financings.<br><br>The directors assess the ability of the Group to continue as a going concern for a period of twelve months from when the financial statements are approved for issue, based on a forecast of the Group's future cash flows and forecast future loan covenant compliance. In making this assessment, changes to the principal risks are evaluated, as well as events and conditions which may warrant the extension of the going concern period beyond twelve months if they may have an impact on the Groups cash flows, loan covenants and borrowing facilities. |

### 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 differ 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 requirements, 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.

### 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 Sustainability report, and assists the Board in reviewing and assessing the Company's ESG risks. The Audit Committee is responsible to monitor the ESG reporting process and the effectiveness of ESG controls.

We seek 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 plan to be operational net zero carbon by 2030 and material net zero by 2040.

We also actively seek out external advice to ensure compliance with the applicable ESG framework.

### 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 and remotely managed stores, 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, consumer protection and data privacy.

**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 result 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.

Internal Audit regularly reviews controls of new development projects to assess control effectiveness of new development business cases, tendering & contracting, construction sites and budgeting & invoicing.

**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 crisis management, 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.

**Pandemic Diseases**

Our business may be impacted by pandemic outbreaks and such impact could be materially adverse.
The COVID-19 pandemic forced us to adapt our way of operating our business and our self-storage properties, both from an employee as from a customer point of view.
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.

**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 dynamic versus local market conditions. Shurgard also actively monitors prices of competitors. Price fluctuations are continuously reviewed, discussed, and reported.

**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 fully implemented in our stores.

We have a Crisis Management Plan designed to be used if necessary.

**Public Relations ("PR")**

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 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 non deal 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 and the Group set up a communication plan to address the main risks it is facing. The management team follows regular media and crisis management 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.

**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.

**Real Estate 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.

**Recruitment and Personnel Leakage**

We depend significantly 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 real estate and self-storage 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 40% 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 including for our executive team and in our Operations.

Long term incentive plans are in place to incentivize employees to continue working for Shurgard.

**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.

Our customer lease contract terms prohibit the storage of illegal and certain other goods on our premises.

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 the effectiveness of operational procedures on a continuous basis through regular store audits.
In 2023, a new access control system was implemented in all our properties strengthening control through a more centralized managed and digitalized system.

**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.
If we fail to keep or 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 the results of operations. 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.

Although we do not own the Shurgard brand, we have signed a license agreement with Public Storage (the "Relationship Agreement"). Under this agreement, 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. 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 have the possibility to purchase the ownership rights to the trademarks in the jurisdictions covered by the license.

**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 advisers for the review of all applicable taxes. We regularly monitor actual changes in tax legislation with the support of our 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.

# RELATED PARTY TRANSACTIONS

We are engaged in certain commercial and financial transactions with related parties. Please refer to Note 33 to the consolidated financial statements for further details.

# DIRECTORS' REPORT

The Directors present their annual report and audited consolidated financial statements for the year ended December 31, 2023.

**Principal Activities**

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.

The financial and non-financial performance of the Group has been included under the respective sections in the annual report.

**Going Concern**

The consolidated financial statements are prepared on a going concern basis as described in note 1 'Going concern' section.

**Results and dividends**

The results of the Group for the year ended December 31, 2023 are shown in the consolidated statement of profit and loss for the year ended on page 176.

The Directors recommend the payment of a dividend amounting to €0.59.

**Directors**

Details of the Directors who served during the financial year are set out on page 98 in the Ethics & Governance section of the Annual Report.

**Subsequent events**

The directors refer to note 39 of the consolidated financial statements.

**Statement of Directors' Responsibilities**

The Directors are responsible for the preparation of consolidated financial statements in accordance with The Companies (Guernsey) Law, 2008, generally accepted accounting principles and other applicable laws and regulations. The Companies (Guernsey) Law, 2008 requires the Directors to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group as at the end of the year and profit or loss for that year.

The Directors are also responsible for ensuring that the annual report includes information required by the Financial Services and Markets Authority (FSMA) guidelines. The Directors ensure that the Group complies with the provisions of the guidelines including corporate governance which require the Group to disclose how it has applied the principles and complied with the provisions.

In preparing those consolidated financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them on a consistent basis;
- Make judgements and estimates that are reasonable;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is not appropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for the system of internal controls for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to the auditor**

Each of the person who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as each of the Directors is aware, there is no relevant audit information of which the Group's auditor is unaware, and
- the Directors have taken all reasonable steps that ought to have taken as Directors in order to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

**Responsibility Statement of the Directors in respect of the Annual Report and consolidated financial statements:**

Each of the Directors confirm to the best of their knowledge:

- the consolidated financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole;
- that the management report presented in this Annual Report contains a fair account of the development of the business, the results and the position of the Group and the undertakings included in the consolidation and a description of the main risks and uncertainties faced by them.

By order of the Board, 28 February 2024,

| | |
|---|---|
| Ian Marcus | Marc Oursin |
| Chairman | Director / CEO |

# CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31

| (in € thousands) | Notes | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| Real estate operating revenue | 5,11 | 357,923 | 335,290 |
| Real estate operating expense | 6,11 | (120,470) | (113,821) |
| **Net income from real estate operations** | | **237,453** | **221,469** |
| General, administrative and other expenses | 7 | (25,961) | (22,515) |
| *Of which depreciation and amortization* | *16* | *(3,377)* | *(2,866)* |
| Acquisition benefit of business combinations | | 5 | 775 |
| Royalty fee expense | 33 | (3,531) | (3,289) |
| Other expenses | 8 | (926) | - |
| **Operating profit before property related adjustments** | | **207,040** | **196,440** |
| Valuation gain from investment property and investment property under construction and gain on disposal | 14 | 294,350 | 586,181 |
| **Operating profit** | | **501,390** | **782,621** |
| Finance costs | 9 | (23,390) | (21,407) |
| Finance income | | 3,120 | 622 |
| **Profit before tax** | | **481,120** | **761,836** |
| Income tax income / (expense) | 10 | 53,283 | (186,235) |
| **Attributable profit for the period** | | **534,403** | **575,601** |
| Profit attributable to non-controlling interests | 25 | 1,090 | 1,317 |
| Profit attributable to ordinary equity holders of the parent | | 533,313 | 574,284 |
| **Earnings per share in €, attributable to ordinary equity holders of the parent:** | | | |
| Basic, profit for the period | 13 | 5.91 | 6.45 |
| Diluted, profit for the period | 13 | 5.89 | 6.40 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Profit for the period** | **534,403** | 575,601 |
| **Other comprehensive income** | | |
| Items that may be reclassified to profit or loss in subsequent periods: | | |
| Foreign currency translation reserve[1] | 22,298 | (85,640) |
| Net other comprehensive income (loss), net of tax, that may be reclassified to profit or loss in subsequent periods | 22,298 | (85,640) |
| Net other comprehensive (loss) income, net of tax, not to be reclassified to profit or loss in subsequent periods | (23) | 251 |
| **Total comprehensive income for the period, net of tax** | 556,678 | 490,212 |
| Attributable to non-controlling interests | (1,090) | (1,317) |
| **Attributable to ordinary equity holders of the parent** | 555,588 | 488,895 |

1 The movement in the foreign currency translation reserve for the year ended December 31, 2023 mainly consists of translation gains recognized on translation of assets and liabilities and statements of profit and loss of our UK (€21.0 million) and Swedish (€1.9 million) operations, marginally offset by translation loss for our Danish (€0.6 million) operations.
The movement in the foreign currency translation reserve for the year ended December 31, 2022 mainly consisted 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, 2023 | December 31, 2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets:** | | | |
| Investment property | 14 | 4,929,819 | 4,469,572 |
| Investment property under construction | 14 | 105,951 | 54,217 |
| Property, plant and equipment | 16 | 2,482 | 2,737 |
| Intangible assets | 16 | 7,657 | 6,729 |
| Deferred tax assets | 10 | 891 | 972 |
| Other non-current assets | 17 | 8,977 | 11,326 |
| **Total non-current assets** | | **5,055,777** | **4,545,553** |
| **Current assets:** | | | |
| Trade and other receivables | 18 | 19,730 | 18,671 |
| Other current assets | 19 | 19,722 | 8,262 |
| Cash and cash equivalents | 20 | 258,118 | 87,345 |
| **Current assets, excluding assets held for sale** | | **297,570** | **114,278** |
| Assets held for sale | | 530 | - |
| **Total current assets, including assets held for sale** | | **298,100** | **114,278** |
| **Total assets** | | **5,353,877** | **4,659,831** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Issued share capital | 21 | 69,449 | 63,610 |
| Share premium | 22 | 831,940 | 540,087 |
| Share-based payment reserve | 23 | 12,798 | 8,562 |
| Distributable reserves | 24 | 472,835 | 146,277 |
| Other comprehensive loss | | (116,147) | (138,422) |
| Retained earnings | | 2,343,342 | 2,240,879 |
| **Total equity attributable to equity holders of the parent** | | **3,614,217** | **2,860,993** |
| **Non-controlling interests** | 25 | **7,905** | **6,815** |
| **Total equity** | | **3,622,122** | **2,867,808** |
| **Non-current liabilities:** | | | |
| Interest-bearing loans and borrowings | 26,28 | 698,441 | 797,980 |
| Deferred tax liabilities | 10 | 698,836 | 781,094 |
| Lease obligations | 27,28 | 106,389 | 95,665 |
| **Total non-current liabilities** | | **1,503,666** | **1,674,739** |
| **Current liabilities:** | | | |
| Interest-bearing loans and borrowings | 26,28 | 99,950 | - |
| Lease obligations | 27,28 | 4,427 | 4,157 |
| Trade and other payables and deferred revenue | 30 | 118,174 | 106,531 |
| Income tax payable | | 5,538 | 6,596 |
| **Total current liabilities** | | **228,089** | **117,284** |
| **Total liabilities** | | **1,731,755** | **1,792,023** |
| **Total equity and liabilities** | | **5,353,877** | **4,659,831** |

The financial statements on pages 176 to 180 were approved at a meeting of the Board of Directors held on February 28, 2024 and signed on its behalf by

Ian Marcus
Chair

Marc Oursin
Director

The accompanying notes 1 to 39 form an integral part of the financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (in € thousands) | Notes | Issued share capital[1] | Treasury shares | Share premium[1] | Share-based payment reserve | Distri-butable reserves[1] | Other Compre-hensive (loss) gain[2] | Retained Earnings[1] | Total attributable to shareholders of the Company | Non-con-trolling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 | | 18 | - | 398 | - | - | - | - | 416 | - | 416 |
| Transaction costs incurred in connection with issuance of equity | | - | - | (23) | - | - | - | - | (23) | - | (23) |
| Cash dividends on ordinary shares declared and paid | | - | - | - | - | (106,918) | - | - | (106,918) | - | (106,918) |
| Share based compensation expense[3] | | - | - | - | 4,501 | - | - | - | 4,501 | - | 4,501 |
| Sale of treasury shares to option holders | | - | 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 January 1, 2023** | | **63,610** | **-** | **540,087** | **8,562** | **146,277** | **(138,422)** | **2,240,879** | **2,860,993** | **6,815** | **2,867,808** |
| Proceeds from issuance of equity | 21,22 | 5,839 | - | 294,565 | - | - | - | - | 300,404 | - | 300,404 |
| Transaction costs incurred in connection with issuance of equity | 22 | - | - | (2,712) | - | - | - | - | (2,712) | - | (2,712) |
| Allocation to distributable reserves | 24 | - | - | - | - | 430,850 | - | (430,850) | - | - | - |
| Cash dividends on ordinary shares declared and paid | 24 | - | - | - | - | (104,292) | - | - | (104,292) | - | (104,292) |
| Share based compensation expense[3] | 23,32 | - | - | - | 4,236 | - | - | - | 4,236 | - | 4,236 |
| Net profit | | - | - | - | - | - | - | 533,313 | 533,313 | 1,090 | 534,403 |
| Other comprehensive gain | | - | - | - | - | - | 22,275 | - | 22,275 | - | 22,275 |
| **On December 31, 2023** | | **69,449** | **-** | **831,940** | **12,798** | **472,835** | **(116,147)** | **2,343,342** | **3,614,217** | **7,905** | **3,622,122** |

1 On May 10, 2023, the Annual Shareholders Meeting of Shurgard Self Storage Ltd approved the reallocation of €430,850,000 retained profits to distributable reserves. As per the Companies (Guernsey) law, 2008, dividends can be distributed from any account that is part of equity attributable to shareholders of the Company.

2 Other comprehensive loss as of January 1, 2023 and December 31, 2023 consists only of the foreign currency translation reserve except for a net investment hedge reserve amounting to €4.9 million and the accumulated result from remeasurement on defined benefit plans (comprehensive income of €0.1 million and €0.2 million as of December 31, 2023 and December 31, 2022, respectively).

3 Share-based compensation expense for the year ended December 31, 2023 included €49,800 deferred tax liabilities (€70,795 in deferred tax assets as of December 31, 2022).

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31

| (in € thousands) | Notes | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit for the period before tax | | 481,120 | 761,836 |
| Adjustments to reconcile profit before tax to net cash flows: | | | |
| Valuation gain on investment property and investment property under construction and gain on disposal | 14 | (294,350) | (586,181) |
| Depreciation and amortization expense | 16 | 3,377 | 2,866 |
| Share-based compensation expense | 23,32 | 4,286 | 4,430 |
| Finance costs, net | 9 | 20,270 | 20,785 |
| Working capital movements: | | | |
| Change in trade receivables, other current and non-current assets | 17,18,19 | (6,280) | (5,081) |
| Change in other current and non-current liabilities and deferred revenue | 29,30 | 11,344 | 16,740 |
| Income tax paid | | (32,406) | (28,861) |
| **Cash flows from operating activities** | | **187,361** | **186,534** |
| **Investing activities** | | | |
| Capital expenditures on investment property under construction and completed investment property | 14 | (111,901) | (111,261) |
| Capital expenditures on property, plant and equipment | 16 | (117) | (254) |
| Acquisition of investment properties and other assets, net | 14 | (68,169) | (76,533) |
| Proceeds from disposal of investment property, property, plant and equipment and insurance recovery proceeds | | - | 4,697 |
| Proceeds from the termination of lease agreements | 5,11 | - | 2,000 |
| Acquisition of intangible assets | 16 | (3,304) | (2,654) |
| Interest received | | 3,120 | 622 |
| **Cash flows from investing activities** | | **(180,371)** | **(183,383)** |
| **Financing activities** | | | |
| Proceeds from the issuance of equity | 21,22 | 300,402 | 416 |
| Payment for equity issuance costs | 22 | (2,712) | (23) |
| Proceeds from debt issuance | 26,28 | 160,000 | - |
| Payment for debt issuance costs | 17,26 | (2,584) | - |
| Repayment of loan notes | 26,28 | (160,000) | - |
| Repayment of principal amount of lease obligations | 28 | (4,341) | (4,591) |
| Cash dividends on ordinary shares paid to company's shareholders | 24 | (104,292) | (106,918) |
| Proceeds from the sales of treasury shares | | - | 1,580 |
| Interest paid | 28 | (24,096) | (22,466) |
| **Cash flows from financing activities** | | **162,377** | **(132,002)** |
| Net increase (decrease) in cash and cash equivalents | | 169,367 | (128,851) |
| Effect of exchange rate fluctuation | | 1,406 | (2,974) |
| Cash and cash equivalents on January 1 | | 87,345 | 219,170 |
| **Cash and cash equivalents at the end of the year** | | **258,118** | **87,345** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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# 1. CORPORATE INFORMATION

Shurgard Self Storage Ltd. (referred to collectively with its consolidated subsidiaries, as the "Group", "Company", "we", "our", or "us") is incorporated in Guernsey, is resident in the UK for tax purposes and has its registered office and principal place of business at 1st and 2nd floors, Elizabeth House, Les Ruettes Brayes, Guernsey, GY1, 4LX.

The Group has been listed on Euronext Brussels since October 15, 2018 (ticker "SHUR").

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, 2023, we operate 276 self-storage stores including one under management contract (267 self-storage facilities as of December 31, 2022) 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 compensations plans, being measured at fair value on the grant date using the Black-Scholes model, with the cost being recognized over the period in which the service conditions are fulfilled; 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.
Certain comparative amounts have been reclassified to conform with the current year's presentation.

## IMPACT OF CLIMATE CHANGE

In preparing the consolidated financial statements, we considered the possible impact of climate change (both physical and transition risks) on our financial statements, in connection with a potential 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.
- The fair value of our investment 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.
- Our customer goods protection 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 such liabilities.

- Governments in the countries we operate 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.
- Our short-term incentive plans of the management team incorporate 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 Sustainability Report or in Note 37 as commitments.

As an example, Shurgard targets the replacement of any existing gas heating in 108 stores, with heat-pumps by 2029. In doing so, the Group will incur future capital expenditures. However, currently, these replacements are expected - for a not insignificant part – to be replacements of defective or outdated existing heating systems, and as such compensate repair and maintenance or replacement cash outflows that would have been incurred anyway. The Group further intends to roll out comprehensive solar panel strategies by markets, which will result on the one hand in future capital investments, while on the other hand reducing utility costs. Once firm capital expenditure commitments have been identified, they will be included in Note 37.

## GOING CONCERN

The directors have assessed the ability of the Group to continue as a going concern for a period of twelve months from when the financial statements were approved for issuance (the "going concern period"). This assessment is based on a forecast of the Group's future cash flows and forecast future loan covenant compliance. In making this assessment, the Group considered changes to the principal risks, as disclosed in the Annual Report 2023, and considered events and conditions which may warrant the extension of the going concern period beyond twelve months if they may have an impact on the Groups cash flows, loan covenants and borrowing facilities. In doing so, the directors referred to the Group's activities, and the review of the business, which are included in this Annual Report, as well as the financial position of the Group, discussed in the Financial Review, summarized below.

The assessment included a stress test, which assumed a plausible reduction in future cash flows and the fair value of investment properties, ("plausible Severe Downside scenario"). The outcome of the stress test showed that the Group is expected to continue to comply with all of its loan covenants through the going concern period, it has sufficient liquidity to meet its day-to-day cash flows, and loans that mature during the going concern period can be repaid with existing committed finance facilities and cash at hand.

The Group also performed a reverse stress test, which showed that property values could decrease even more than considered in the stress test, before our covenants would approach the maximum short-term level that is within the Group's financial policy and well below the level permitted under debt covenants.

Finally, the directors took comfort in the fact that the Group has not granted any assets as security for any financing.

Based on the above, the directors have not identified any material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern for the duration of the going concern period. Accordingly, the directors believe it is appropriate to adopt the going concern basis in preparing these financial statements.

### SIGNIFICANT EVENTS AND TRANSACTIONS

Events and/or transactions significant to an understanding of the changes since December 31, 2022, have been included in the Notes of these consolidated financial statements and mainly relate to:

- On February 17, 2023, Shurgard Self Storage S.A. migrated to Guernsey and was incorporated as Shurgard Self Storage Limited pursuant to Guernsey law and became a UK REIT on March 1, 2023. Since then, central management and control of the Group is exercised through the Board of Directors of Shurgard Self Storage Limited located in the United Kingdom.
  The legal migration from Luxembourg to Guernsey had no impact on the Group's listing at Euronext in Brussels, nor on its financial reporting, which continues to be done under International Financial Reporting Standards ("IFRS"), as adopted by the European Union, and in euros. This was achieved through legal continuity of the entity, meaning that all rights and obligations of Shurgard Self Storage S.A. were maintained.
  In connection with the Group becoming a REIT, the Group income tax expense is in principle reduced as UK REITs are exempt from UK corporation tax on rental profits arising from their UK property business. In addition, upon REIT conversion, the income tax expense for 2023 is impacted by an income of €161.2 million, consisting of the reversal of deferred tax liabilities relating to the investment properties, measured at fair value for IFRS purposes.
- On April 28, 2023, the Group entered into a committed €450 million term loan facility agreement with BNP Paribas Fortis Bank NV/SA (also acting as the agent), Belfius Bank SA/NV, ABN Amro Bank NV, KBC Bank NV/SA and Banque International à Luxembourg SA, with a maturity of three years and an option for the Company to extend by an additional period of up to two years (Note 26).
- On October 9, 2023, the Group acquired five self-storage properties in Germany adding 17,146 net rentable sqm of storage space in total to its existing owned portfolio.
- On November 14, 2023, the Group issued 8,163,265 new ordinary shares settled in cash at a subscription price of €36.75 per share.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the 2023 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, 2022, except for the adoption of amended standards effective as of January 1, 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### IFRS 17 - INSURANCE CONTRACTS

IFRS 17 - Insurance contracts was issued in May 2017 as replacement for IFRS 4 - Insurance Contracts. It applies to all insurance and reinsurance contracts which fall into its scope. The standard obliges that insurance contracts are accounted for separately from reinsurance contracts held.

IFRS 17 main measurement model requires contracts to be measured using the building blocks of discounted probability-weighted cash flows, an explicit risk adjustment, and a "contractual service margin" representing the expected unearned profit of the contract which is recognized as revenue over the coverage period.

An optional Premium Allocation Approach ("PAA") is permitted for the liability/asset for the (remaining) coverage of short-duration contracts. A group of (re)insurance contracts is eligible for the PAA if:

- each contract in the group has a coverage period of one year or less; or
- measurement of the liability/(asset) for remaining coverage for the group using the premium allocation approach is reasonably expected to produce a measurement of the liability for remaining coverage which is not materially different from using the general model.

The Group concluded that all its reinsurance contracts are eligible for the simplified PAA method.

**Scope**
Shurgard, through its captive re-insurance entity, entered into a re-insurance agreement with an external insurance company. Through this agreement, the external insurance company cedes to our captive certain insurance risk in lieu for a re-insurance premium.

**Level of aggregation**
The level of aggregation is a key requirement under IFRS 17. The level of aggregation is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided into groups based on expected profitability at inception. Under the PAA method, a contract is deemed profitable, unless facts and circumstances indicate otherwise, which was not the case. The Group has one annual (accepted reinsurance) contract with an external insurance company and the cohort duration is set to one financial year. Consequently, the one re-insurance contract is the appropriate level of aggregation for the Group.

**Measurement**

- Applying the PAA method requires that an interest on the liability for remaining coverage should be accreted, at the rate determined at inception of the group of (re)insurance contracts if contracts in the group have a significant financing component. However, accretion of interest is not required if, at the inception of the group of contracts, it is expected that the time between provision of services and the related premium due date is not more than a year. As there is no significant financing component for the (re)insurance contracts of the Group, Shurgard has elected not to accrete interest on the liability for remaining coverage.
- The expected premium is reflected as insurance revenue in profit or loss on the basis of passage of time, over the duration of the coverage period.
- Equally, when measuring the liability for incurred claims under the premium allocation approach, the Group elected, as permitted by IFRS 17, not to adjust future cash flows for the time value of money and other financial risks as those cash flows are expected to be paid or received in one year or less from the date when the claims are incurred.
- The Group further noted that no risk adjustment is necessary, due to the expected low volatility in claims outcome and overall immateriality of the incurred claims as a whole.
- The Company has chosen not to recognize insurance acquisition cash flows as an expense when incurred, but to amortize the cost over the duration of the one-year contract.

**Transition to IFRS 17**
IFRS 17 has been first applied as of January 1, 2023, with retrospective restatements for the comparative periods. Based on the above, the Group concluded that implementing IFRS 17 had no material impact on the results of the Group, given that the requirements of the PAA method under IFRS 17 do not result in a materially different measurement of the contracts in scope compared to IFRS 4. As such, no restatement of comparative performance information was necessary.

### AMMENDMENTS TO IAS 12 – PILLAR TWO MODEL RULES

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

Pillar Two related disclosures have been included in Note 10.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

### 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, 2023 and 2022. 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 euro, 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 CODM is the Executive Committee and consists 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 recognized as an asset when, and only when, it is probable that future economic benefits that are associated with the property will flow to the entity, and the cost of the property can be measured reliably. This is typically the case when the entity has legal ownership and control over the property and can establish the value of the property through a purchase or contractual agreement.
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.

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, being classified as investment property given the leased land is held solely for the purposes of holding the underlying asset. A corresponding liability is recognized related to the obligation 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, 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 in 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 the 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.

In determining the carrying amount of investment property under the fair value model, the Group does not double count assets or liabilities that are recognized as separate assets or liabilities. The fair value of investment property reflects expected cash flows (including variable lease payments that are expected to become payable) Accordingly, where a valuation is obtained for a property net of all payments expected to be made, any recognized lease liability is added back to arrive at the carrying amount of the investment property.

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 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.

Software-as-a-service ("SaaS") arrangements provide the user with the right to access the provider's application software in the cloud over the contract period. In response to this, the IFRS Interpretation Committee issued an agenda decision explaining how IFRS should be applied to these types of arrangements. While the general IAS 38 guidance applies, the Interpretation Committee noted that the license agreements typically limit the ability to meet the requirements of the standards to capitalize most of the implementation costs of such a SaaS solution. As such, costs incurred to implement, configure or customize, and the ongoing fees to obtain access to the application are recognized as expenses when the services are received.

## 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

Shurgard 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 (such as storage boxes or locks, included in "Ancillary revenue") and protection of customers' stored goods (referred to as "Fee income from customer goods insurance").

This fee income from providing coverage for customer goods has been assessed to be outside the scope of IFRS 17 and inside the scope of IFRS 15 because the contracts between Shurgard and the tenant do not transfer significant insurance risk between these two parties.

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.

#### FEE INCOME FROM CUSTOMER GOODS COVERAGE

Fee income from providing coverage for customer goods 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 must 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 or lower than the one that must 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: (i) when it can no longer withdraw the offer of those benefits; and (ii) 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 the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- **Valuation of Investment Property**
  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.
- **Share-based payments**
  Estimating the fair value of share-based payment transactions requires determination of most appropriate inputs to the valuation model, including the expected life of the share option, volatility, etc. The significant assumptions applied are included in Note 23.

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

**Determination regarding accounting treatment of acquisitions**

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) is recognized.

## 5. REAL ESTATE OPERATING REVENUE

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Rental revenue[1] | 312,550 | 289,380 |
| Fee income from customer goods insurance[2] | 33,683 | 32,075 |
| Ancillary revenue[3] | 11,468 | 11,594 |
| **Property operating revenue** | **357,701** | **333,049** |
| Other revenue[4] | 222 | 2,241 |
| **Real estate operating revenue** | **357,923** | **335,290** |

1 There were no contingent rentals with customers recognized during the year.
2 Fee income from providing customer goods coverage is in scope of IFRS 15 (Note 36).
3 Ancillary revenue consists of merchandise sales and other revenue from real estate operations.
4 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 €2.0 million compensation we received from the landlord of one of our German properties under leasehold that we abandoned.

# 6. REAL ESTATE OPERATING EXPENSE

Real estate operating expense of investment property which generates property operating revenue consists of the following:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Payroll expense | 42,138 | 42,151 |
| Real estate and other taxes | 19,313 | 16,834 |
| Repairs and maintenance | 13,280 | 10,913 |
| Marketing expense | 9,887 | 9,162 |
| Utility expense | 3,939 | 3,574 |
| Doubtful debt expense[1] | 5,465 | 5,088 |
| Cost of insurance and merchandise sales[2] | 4,556 | 5,289 |
| Other operating expenses[2,3] | 21,892 | 20,810 |
| **Real estate operating expense** | **120,470** | **113,821** |

1 Doubtful debt expense for the year ended December 31, 2023 includes €4.6 million loss on debtors and €1.0 million collection fees and other expense. For the year ended December 31, 2022, doubtful debt expense included €4.1 million loss on debtors and €1.0 million collection fees and other expense.
2 For the year ended December 31, 2023, the aggregate of cost of insurance and merchandise sales and other operating expense included €2.8 million captive re-insurance revenue and €2.0 million captive re-insurance service expense in scope of IFRS 17.
For the year ended December 31, 2022, the aggregate of cost of insurance and merchandise sales and other operating expense included €2.8 million captive re-insurance revenue and €2.2 million captive re-insurance service expense in scope of IFRS 17.
3 Other operating expenses mainly include travel expenses, legal and consultancy fees, insurance expenses, non-deductible VAT, information system expenses and property lease expenses.

# 7. GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

General, administrative and other expenses for the periods concerned consists of the following:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Payroll expense | 12,211 | 11,982 |
| Share-based compensation expense | 4,183 | 3,899 |
| Capitalization of internal time spent on development of investment property | (4,233) | (3,831) |
| Depreciation and amortization expense | 3,377 | 2,866 |
| Other general and administrative expenses, net[1] | 10,423 | 7,599 |
| **General, administrative and other expenses** | **25,961** | **22,515** |

1 Other general and administrative expenses, net, mainly include legal, consultancy and audit fees and non-deductible VAT. The year-on-year increase in other general and administrative expense is mainly attributable to €3.1 million increased consultancy fee expense and €0.6 million increased abandoned project cost (to €1.6 million in 2023), partially offset by reductions in irrecoverable VAT, office tax and IS expense that on aggregate are a decrease of €0.9 million.

# 8. OTHER EXPENSES

Other expenses for the year ended December 31, 2023 consists of €0.7 million non-recurring implementation cost for our new ERP system, which in line with recently issued guidance by the IFRS Interpretation Committee on implementation of SaaS solutions, has been fully expensed, and €0.2 million cost incurred in the November 2023 equity issuance (Note 21).

# 9. FINANCE COSTS

Finance costs comprises the following:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Interest on revolving syndicated loan facility | 498 | 500 |
| Interest on term loan facility | 2,570 | - |
| Interest on senior guaranteed notes | 18,724 | 18,714 |
| Interest on lease obligations | 3,585 | 2,852 |
| Capitalized borrowing costs[1] | (2,157) | (1,316) |
| Other interest expense | 27 | 569 |
| **Interest expense** | **23,247** | **21,319** |
| Foreign exchange loss | 143 | 88 |
| **Finance costs** | **23,390** | **21,407** |

1 The capitalization rate of the borrowing costs was on average 2.53% and 2.34% in 2023 and 2022, respectively. We primarily capitalize these borrowing costs as investment property under construction (Note 14).

# 10. INCOME TAX

## INCOME TAX EXPENSE

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Current tax expense | 29,419 | 30,311 |
| Deferred tax income | (82,702) | 155,924 |
| **Income tax (income) / expense** | **(53,283)** | **186,235** |
| **Profit before tax** | **481,120** | **761,836** |
| **Effective tax rate**[1] | **N/A**[2] | **24.4%** |

1 The average effective current income tax rates based on adjusted EPRA earnings before tax are disclosed in the Appendix on Alternative Performance Measures.
2 The effective tax rate is impacted by the Group's entry to the UK REIT regime as per March 1, 2023. Excluding the tax adjustment on entry to the UK REIT regime, the effective tax rate would have been 22.4%.

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, 2023 | % | December 31, 2022 | % |
|---|---|---|---|---|
| **Profit before tax** | **481,120** | | **761,836** | |
| Expected tax based on local tax rates | 124,329 | 25.8 | 179,231 | 23.5 |
| Disallowed expenses | 452 | 0.0 | 1,255 | 0.2 |
| Non-taxable income | (17,097) | (3.5) | (84) | 0.0 |
| Non recognition of deferred tax assets on current year tax losses | (4,245) | (0.9) | 4,285 | 0.6 |
| Prior year adjustments and other changes to the deferred tax balances | 4,637 | 1.0 | (10,043) | -1.3 |
| Impact of changes to substantively enacted tax rates | (262) | 0.0 | 11,581 | 1.5 |
| Other (excluding the tax adjustment on entry to the UK REIT regime) | 54 | 0.0 | 10 | 0.0 |
| Tax expense for the year | 107,868 | 22.4 | **186,235** | **24.4** |
| Tax adjustment on entry to the UK REIT regime | (161,151) | | 0 | 0.0 |
| **Tax expense for the year** | **(53,283)** | | **186,235** | **24.4** |

"Prior year adjustments and other changes to the 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 2023, these adjustments mainly relate to Luxembourg (€9.1 million), Germany (-€4.7 million), the Netherlands (€1.0 million) and the United Kingdom (-€0.7 million). For 2022, they mainly were located in the United Kingdom (€8.7 million) and France (€1.1 million).

## DEFERRED TAXES

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 reflects 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).

The movement in deferred tax assets and liabilities during the period ended December 31, 2023 is as follows:

| (in € thousands) | January 1, 2023 | (Charged)/ credited to the statement of profit or loss | Charged to other comprehensive income | Credited to equity | December 31, 2023 |
|---|---|---|---|---|---|
| Deferred tax assets: | | | | | |
| Tax loss carry-forwards | 4,409 | 1,850 | 2 | - | 6,261 |
| Deductible temporary differences | 3,836 | (1,481) | 36 | - | 2,391 |
| **Total Deferred tax assets** | **8,245** | **369** | **38** | - | 8,652 |
| Deferred tax liabilities: | | | | | |
| Investment property | (786,717) | 83,484 | (513) | - | (703,746) |
| Other taxable temporary differences[1] | (1,650) | (1,151) | - | (50) | (2,851) |
| **Total Deferred tax liabilities** | **(788,367)** | **82,333** | **(513)** | (50) | (706,597) |
| **Total Deferred Tax Asset/(Liabilities)** | **(780,122)** | **82,702** | **(475)** | (50) | (697,945) |
| Reflected in our statement of financial position as follows: | | | | | |
| **Deferred tax assets** | **972** | **-** | **-** | - | 891 |
| **Deferred tax liabilities** | **(781,094)** | **-** | **-** | - | (698,836) |

1 The amount recognized in equity relates to the share-based payment transaction which reflects the excess of the tax deductibility above the cumulative expense recognized in accordance with IFRS 2.

Net deferred tax liabilities as of December 31, 2023 amount to €697.9 million, of which €6.3 million relates to recognized tax losses carried forward and €703.7 million relates to deferred tax liabilities arisen from investment property.

Main changes impacting the deferred tax liabilities on investment property are:

- An increase of deferred tax liabilities related to our investment property, due to changes in their fair values (see Notes 15 and 16); and
- A decrease of deferred tax liabilities related to the UK REIT conversion in March 2023.

Deferred tax assets and liabilities expressed in euros were also influenced by the exchange rate variations for the EUR/GBP, EUR/DKK and EUR/SEK conversion rates.

The Group recognized deferred tax assets arising from unused tax losses only to the extent that it is probable that future taxable profit will be available or there are sufficient amounts of deferred tax liabilities against which the tax losses can be utilized. The recognized deferred tax assets relating to unused tax losses amounted to €6.3 million as of December 31, 2023.

For the period ended December 31, 2023, the Group has tax losses carried forward of €253.9 million (prior year: €276.7 million), of which €42.2 million (prior year: €53.4 million) are subject to recapture rules. In total, €211.7 million (prior year: €212.3 million) tax losses are available indefinitely for offsetting against future taxable profits of the entities in which the losses arose.

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 €51.3 million (prior year: €56.4 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 €0.9 million for the period ended December 31, 2023 would be payable (€0.8 million for the year ended December 31, 2022).

As explained in Note 2, 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.

### UK REIT

During the first quarter of 2023, Shurgard Self Storage S.A. migrated to Guernsey and was incorporated as Shurgard Self Storage Ltd pursuant to Guernsey law and became a UK REIT on March 1, 2023. Since then, central management and control of the Group is exercised through the Board of Directors of Shurgard Self Storage Ltd located in the United Kingdom.

UK REITs are exempt from UK corporation tax on rental profits and capital gains arising from their UK property business. As a result, there are no temporary differences and deferred tax liabilities within the REIT rules recognized per December 31, 2023.

The change to a UK REIT is considered as a change of tax status, in which case IFRS requires that current and deferred tax consequences are recognized in profit and loss for the period. Consequently, the Group recognized a tax benefit of €161.2 million during 2023, which significantly impacts the effective tax rate per December 31, 2023. Excluding this impact, the effective tax rate would have been 22.4%.

The directors are closely monitoring the requirements of being a UK REIT and Shurgard has complied with all requirements to date. As a UK REIT, Shurgard is required to distribute 90% of its tax-exempt UK rental profits (i.e., rental income from the UK property business). These profits form part of the total dividend the Group intends to distribute to its shareholders.

Any other income and gains generated in the UK, which are not specifically derived from Shurgard's UK property rental activities, are part of the "residual business" and are subject to UK corporation tax rate of 25% (19% up until April 1, 2023).

### INTERNATIONAL TAX REFORM – PILLAR TWO MODEL RULES

The OECD/G20 Inclusive Framework on "Base Erosion and Profit Shifting" ("BEPS") aims at addressing the challenges arising from the digitalization of the global economy. To ensure that profits are taxed where economic activities take place and value is created, the Inclusive Framework on BEPS proposes two so-called "pillars":

- **Pillar One** applies to Multinational enterprises ("MNEs") with global turnover above €20 billion and profitability above 10% (i.e., profit before tax/revenue); while
- **Pillar Two** applies to MNEs with revenue in excess of €750 million per their consolidated financial statements.

The Pillar Two "Global anti-Base Erosion" rules ("GloBE Rules") in substance result in a system of top-up taxes to ensure that the total amount of taxes paid by a MNE in a jurisdiction on its "Excess Profit" is at a minimum rate.

During July 2023, the government of the UK, being the country where the parent company of the Group is a tax resident, enacted the implementation of the provisions of Pillar Two, which would be effective for the Group as of January 1, 2024. Subsequently, several proposed amendments were published, which are subject to change while passing through the parliamentary process and there is some uncertainty as to when the current draft bill will be enacted into law.

Belgium, Luxembourg, France, the Netherlands, Germany, Denmark and Sweden have all transposed the Pillar Two rules in their local legislation per December 31, 2023, being effective for the Group as of January 1, 2024.

The Group is closely monitoring the legislative and administrative progress in the countries it is currently present, to ensure it will be able to comply with the final legislation, with the uncertainties surrounding the Pillar Two rules such as for example the basis on how revenue is determined in different jurisdictions.

Nonetheless, the Group has performed an assessment as regards (a) the transitional CbCR safe harbor relief rules and (b) more detailed Pillar Two effective tax rate calculations of its potential exposure to Pillar Two, assuming that it would surpass the revenue threshold of €750 million. This assessment is based on the most recent financial information of the Group entities such as the latest available tax filings and the latest IFRS financial information, determined as part of the preparation of the Group's consolidated financial statements, for 2023, considering only adjustments that would have been required or allowed applying the enacted legislation.

Based on an impact assessment performed, the following conclusions were drawn:

- No Top-Up tax should arise in the UK, because (i) Shurgard Self-Storage Ltd. should qualify as an excluded entity as it is the ultimate parent of the Shurgard group and is the principal member of a group UK REIT and (ii) each of Shurgard Self-Storage Ltd.'s UK subsidiaries should be regarded as an investment entity as each is member of the Group UK REIT.
- The transitional CbCR safe harbour relief rules should be available for all jurisdictions outside the UK.
- Furthermore, the Pillar Two effective tax rates in the jurisdictions in which the Group operates, outside of the UK, are above 15%, where relevant.

Consequently, and based on the current legislator environment, the Group does not expect any material exposure to Pillar Two top-up taxes. Note that as of December 31, 2023, the Group had unrecognized deferred tax assets, mainly in connection with tax losses carried forward, for a total amount of approximately €53.8 million.

In line with the amended IAS 12, Shurgard did not recognize or disclose any deferred tax assets or liabilities related to Pillar Two.

# 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 Shurgard owns or leases properties.

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 Group 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). On an annual basis, the composition of the 'same stores' and 'non-same stores' changes based on the reclassification of the stores from non-same stores to same stores in line with the period of operation. Following the change in composition of its reportable segments, the Group presents comparative information consistent with the current year classification as "same store" or "non-same" stores.

As of December 31, 2023, the Company operated 276 self-storage properties (267 self-storage facilities as of December 31, 2022). Based on these criteria, 240 self-storage stores met the same store definition.

The non-same store facilities segment comprises any other self-storage facilities (36) that we have acquired or self-developed.

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. However, a breakdown of non-current assets by country is nevertheless presented.

The below table sets forth segment data for the year ended December 31, 2023 and 2022 based on the 2023 same store/non-same store definition:

| **(in € thousands)** | **December 31, 2023** | December 31, 2022 |
|---|---|---|
| Same store facilities | 329,595 | 316,574 |
| Non-same store facilities | 28,106 | 16,475 |
| **Property operating revenue** | **357,701** | **333,049** |
| Same store facilities | 222,829 | 211,512 |
| Non-same store facilities | 14,402 | 7,716 |
| **Income from property (NOI)** | **237,231** | **219,228** |

The following table sets forth the reconciliation of income from property ("NOI") as presented in the above segment table and Net income from real estate operations presented in consolidated statement of profit and loss:

| **(in € thousands)** | **December 31, 2023** | December 31, 2022 |
|---|---|---|
| **Income from property (NOI)** | **237,231** | **219,228** |
| Add: Other revenue[1] | 222 | 2,241 |
| **Net income from real estate operations** | **237,453** | **221,469** |

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 included 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, 2023

| (in € thousands) | France | The Netherlands | UK | Sweden | Germany | Belgium | Denmark | Total |
|---|---|---|---|---|---|---|---|---|
| Same store facilities | 78,241 | 71,362 | 64,332 | 44,642 | 28,340 | 26,890 | 15,788 | 329,595 |
| Non-same store facilities | 7,137 | 6,040 | 6,837 | 1,469 | 6,623 | - | - | 28,106 |
| **Property operating revenue** | **85,378** | **77,402** | **71,169** | **46,111** | **34,963** | **26,890** | **15,788** | **357,701** |
| | | | | | | | | |
| Same store facilities | 50,000 | 50,858 | 40,395 | 31,978 | 20,062 | 18,232 | 11,304 | 222,829 |
| Non-same store facilities | 2,307 | 4,204 | 3,953 | 667 | 3,271 | - | - | 14,402 |
| **Income from property** | **52,307** | **55,062** | **44,348** | **32,645** | **23,333** | **18,232** | **11,304** | **237,231** |
| | | | | | | | | |
| Investment property | 1,107,360 | 1,020,525 | 1,092,438 | 649,847 | 547,025 | 292,279 | 220,345 | 4,929,819 |
| Investment property under construction | - | 3,673 | 53,548 | - | 48,730 | - | - | 105,951 |
| Property, plant and equipment and intangible assets | 413 | 127 | 110 | 95 | 149 | 9,245 | - | 10,139 |
| Deferred tax assets | - | - | 74 | 2 | 760 | 55 | - | 891 |
| Other non-current assets[1] | 849 | 279 | 122 | 37 | 5,082 | 2,591 | 17 | 8,977 |
| **Non-current assets** | **1,108,622** | **1,024,604** | **1,146,292** | **649,981** | **601,746** | **304,170** | **220,362** | **5,055,777** |

1 Other non-current assets for Germany as of December 31, 2023 includes €5.0 million that we paid in escrow for an acquisition we plan to finalize in the first half of 2024. The reduction in Other non-current assets for the Netherlands compared to December 2022 is due to the reclassification during FY 2023 of €9.6 million receivable from the sale of one of our Dutch properties to Other current assets. 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, 2022

| (in € thousands) | France | The Netherlands | UK | Sweden | Germany | Belgium | Denmark | Total |
|---|---|---|---|---|---|---|---|---|
| Same store facilities | 75,327 | 65,820 | 61,207 | 48,327 | 25,471 | 25,033 | 15,389 | 316,574 |
| Non-same store facilities | 4,268 | 2,899 | 4,686 | 112 | 4,510 | - | - | 16,475 |
| **Property operating revenue** | **79,595** | **68,719** | **65,893** | **48,439** | **29,981** | **25,033** | **15,389** | **333,049** |
| | | | | | | | | |
| Same store facilities | 47,552 | 46,149 | 38,685 | 34,983 | 17,167 | 16,346 | 10,630 | 211,512 |
| Non-same store facilities | 1,212 | 2,064 | 2,525 | 48 | 1,867 | - | - | 7,716 |
| **Income from property** | **48,764** | **48,213** | **41,210** | **35,031** | **19,034** | **16,346** | **10,630** | **219,228** |
| | | | | | | | | |
| **Non-current assets as of December 31, 2022** | | | | | | | | |
| 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 | 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** |

# 12.ACQUISITION OF PROPERTIES

## 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.

## 2023 ACQUISITIONS

In the second half of 2023, the Group acquired in Germany five operating self-storage properties, two properties under development and a parcel of land held for sale. As part of the transaction the Group acquired other net current assets for €0.3 million.

This acquisition has been accounted for as acquisitions of assets, with the acquisition cost (total of €69.1 million, including €1.1 million of capitalized transaction costs, €0.5 million assets subsequently classified as held for sale and €0.3 million other assets and liabilities) 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, 2023 | December 31, 2022 |
|---|---|---|
| Earnings per share (basic) € | 5.91 | 6.45 |
| Earnings per share (diluted) € | 5.89 | 6.40 |

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, 2023 | December 31, 2022 |
|---|---|---|
| **Profit attributable to ordinary equity holders of the parent for basic earnings** | **533,313** | 574,284 |
| Weighted average number of ordinary shares for basic EPS | 90,213,362 | 89,096,132 |
| **Earnings per share (basic) €** | **5.91** | 6.45 |

Effect of dilution:

| (in € thousands, except for shares and earnings per share) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Profit attributable to ordinary equity holders of the parent for dilutive earnings** | **533,313** | **574,284** |
| Weighted average number of ordinary shares for basic EPS | 90,213,362 | 89,096,132 |
| Dilutive effect from share options | 317,682 | 610,056 |
| Weighted average number of ordinary shares adjusted for the effect of dilution | 90,531,043 | 89,706,188 |
| **Earnings per share (diluted) €** | **5.89** | **6.40** |

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, 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 | (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** |
| **December 31, 2023** | | | | | |
| **As of January 1, 2023** | **4,374,361** | **95,211** | **4,469,572** | **54,217** | **4,523,789** |
| Exchange rate differences | 21,125 | 205 | 21,330 | 643 | 21,973 |
| Addition of ROU assets[1] | - | 833 | 833 | - | 833 |
| Remeasurement of ROU assets[1] | - | 13,671 | 13,671 | - | 13,671 |
| Transfers for new development | 43,081 | - | 43,081 | (43,081) | - |
| Capital expenditure | 49,888 | - | 49,888 | 63,930 | 113,818 |
| Acquisition of investment property[4] | 57,900 | - | 57,900 | 9,436 | 67,336 |
| Net gain (loss) of fair value adjustment | 277,087 | (3,543) | 273,544 | 20,806 | 294,350[5] |
| **As of December 31, 2023** | **4,823,442** | **106,377** | **4,929,819** | **105,951** | **5,035,770** |

1 At initial recognition, the Right of Use (ROU) assets are recognized for an equal amount as the related lease liabilities. Remeasurements of ROU assets mainly consist of the effect of yearly indexations of our lease agreements.

2 The Group measures its investment property under construction at cost where cost is deemed to be a reasonable approximation of fair value.
As of December 31, 2023, investment property under construction includes €89.9 million that are measured at fair value and €16.0 million that are measured at cost, as a reasonable approximation of fair value.

3 For the year ended December 31, 2023, capital expenditure includes €4.2 million capitalized internal time spent and €2.2 million capitalized interest and €1.1 million capitalized transaction costs we incurred on our acquisition.
For the year ended December 31, 2022, capital expenditure included €3.8 million capitalized internal time spent, €1.3 million capitalized interest and €2.8 million capitalized transaction costs we incurred on our acquisitions.

4 In 2023, we acquired five self-storage facilities and two facilities under development located in Germany, with an IP and IPUC value of €67.1 million. This acquisition has been accounted for as acquisition of assets, whereby the cost of the acquisition has been allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase (See Note 1 and Note 12)
In accordance with the agreed terms and conditions, the Company paid in 2023 a €0.2 million supplement on the purchase price it paid for properties that it acquired in Sweden in the last quarter of 2022.

5 Valuation gain from investment property and investment property under construction and gain on disposal of €294,350 for 2023 presented in our consolidated statement of profit and loss includes €1 gain on disposal of ROU assets.

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, 2023 | December 31, 2022 |
|---|---|---|
| Market value of completed investment property and investment property under construction estimated by the external valuer | 4,910,375 | 4,353,121 |
| Properties acquired valued at their acquisition cost | - | 53,726 |
| Projects under pre-development valued at historical cost | 16,042 | 18,642 |
| Addition of lease obligations recognized separately | 2,976 | 3,089 |
| **Fair value for financial reporting purposes[1]** | **4,929,393** | **4,428,578** |

1 Fair values for financial reporting purposes exclude Investment property ROU assets (€106.4 million in 2023 and €95.2 million in 2022).

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 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, 2023 as compared to the year ended December 31, 2022.

# 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 Fair Value as a fully equipped operational entity, having regard to trading potential (as appropriate).

## 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.

## 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, 2023 | December 31, 2022 |
|---|---|---|
| Stabilized occupancy[1] | 91.39% | 91.14% |
| Average time to stabilization[1] (months) | 6.41 | 4.77 |
| Weighted average exit capitalization rate[2] | 5.22% | 5.19% |
| Weighted average annual discount rate[3] | 8.27% | 8.21% |
| Average rental growth rate year 1[4] | 2.57% | 2.57% |

1 Stabilized occupancy is the projected occupancy level once stores reach maturity, weighted by rentable sqm and excluding IPUC.
2 The exit capitalization rate comprises prime cap rates based on observed market transactions, adjusted for property specific elements such as tenure, location, condition of building, etc. The exit capitalization rate is applied to year 10 cash flows in determining the terminal value of each property.
3 Pre-tax discount rate used to discount the future cash flows of each property.
4 Average rental growth rate year 1 is the average projected rental growth of all properties for the year following the reporting period.

On December 31, 2023, the increase in fair value of investment properties was mainly driven by an increase of our operating cash flows, combined with capital expenditures during the year of €113.8 million.

Purchaser's costs in the range of approximately 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 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, 2022.

#### 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 not extending the lease at expiration date.

### INVESTMENT PROPERTIES UNDER CONSTRUCTION

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, 2023 and 2022, 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 €294.4 million in 2023 and €586.2 million in 2022 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, 2023, 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 | 80,556 | 1.6% |
| One hundred basis points decrease in occupancy rates | (72,228) | -1.5% |
| Twenty- five basis points increase (real) in both discount and capitalization rate | (213,052) | -4.3% |
| Twenty-five basis points decrease (real) in both discount and capitalization rate | 236,095 | 4.8% |
| One hundred basis points increase in average rental growth rates | 91,683 | 1.9% |
| One hundred basis points decrease in average rental growth rates | (125,774) | -2.6% |

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, 2023** | **1,578** | **5,663** | **3,613** | **10,854** | **17,953** |
| Additions | - | 117 | 623 | 740 | 3,304 |
| Remeasurements | - | - | 22 | 22 | - |
| Disposals | - | - | (206) | (206) | (3,385) |
| Exchange rate differences | - | 1 | 2 | 3 | - |
| **As of December 31, 2023** | **1,578** | **5,781** | **4,054** | **11,413** | **17,872** |
| **Depreciation and impairment** | | | | | |
| **As of January 1, 2023** | **(724)** | **(5,238)** | **(2,155)** | **(8,117)** | **(11,224)** |
| Depreciation and amortization charge of the period | (57) | (257) | (687) | (1,001) | (2,376) |
| Disposals | - | - | 190 | 190 | 3,385 |
| Exchange rate differences | (1) | (1) | (1) | (3) | - |
| **As of December 31, 2023** | **(782)** | **(5,496)** | **(2,653)** | **(8,931)** | **(10,215)** |
| **Net book value** | | | | | |
| As of December 31, 2023 | 796 | 285 | 1,401 | 2,482 | 7,657 |
| As of January 1, 2023 | 854 | 425 | 1,458 | 2,737 | 6,729 |

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 consists of capitalized computer software.

# 17. OTHER NON-CURRENT ASSETS

Other non-current assets mainly consists of deposits paid to vendors, capitalized pre-acquisition expense and the unamortized non-current portion of capitalized debt financing cost incurred in connection with the revolving syndicated loan facility and the term loan facility (see Note 26).

As of December 31, 2022, other non-current assets included a €9.6 million receivable resulting from the sale in the first half of 2022 of one of our Dutch properties. During 2023, the receivable has been reclassified to other current assets due to its maturity in the first half of 2024.

As of December 31, 2023, other non-current assets includes €5.0 million we paid in escrow for an acquisition we will complete in the first half of 2024 and €1.8 million of debt financing cost we incurred in connection with the term loan facility we entered into in April 2023.

# 18. TRADE AND OTHER RECEIVABLES

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Gross amount | 26,215 | 23,895 |
| Provision for doubtful debt | (6,485) | (5,224) |
| **Trade and other receivables** | **19,730** | **18,671** |

Rent and service charge receivables are non-interest-bearing and are typically due within thirty days (Note 34). The receivables are due from local retail and business tenants.

The following table sets forth the movement of our provision for doubtful debt:

| (in € thousands) | FY 2023 | FY 2022 |
|---|---|---|
| As of January 1 | 5,224 | 7,783 |
| Movement provision in P&L | 4,571 | 4,121 |
| Write-off doubtful debt | (3,438) | (6,547) |
| Other | 106 | (3) |
| Exchange gain (loss) | 22 | (130) |
| **As of December 31** | **6,485** | **5,224** |

# 19. OTHER CURRENT ASSETS

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Prepayments[1] | 4,616 | 3,997 |
| Receivables from tax authorities other than VAT | 3,164 | 1,321 |
| Other current assets[2] | 11,942 | 2,944 |
| **Other current assets** | **19,722** | **8,262** |

1 As of December 31, 2023 and 2022, Receivables from tax authorities other than VAT consists of prepaid income taxes for 2023 and 2022, respectively.
2 Other current assets includes inventories, recoverable VAT and other. The increase during the year ended December 31, 2023 is mainly attributable to the reclassification of a €9.6 million receivable resulting from the sale of one of our Dutch properties formerly presented as other non-current assets (Note 17).

# 20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents primarily consist of cash and cash on deposit. Short-term deposits are made for varying periods of between one week and three months, depending on immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Cash at banks and on hand | 64,292 | 77,629 |
| Short-term deposits | 193,826 | 9,716 |
| **Cash and cash equivalents** | **258,118** | **87,345** |

There are no cash and cash equivalents which are restricted from withdrawal or general corporate use as of December 31, 2023 and December 31, 2022.

# 21. ISSUED SHARE CAPITAL

As of December 31, 2022, the share capital of the Company as presented in the statement of financial position of €63,610,156 was represented by 89,131,131 ordinary shares of no par value that all have been fully paid up.

On November 14, 2023, the Group issued 8,163,265 new ordinary shares settled in cash at a subscription price per share of €36,75.  Of the €299,999,989 subscription price, €5,825,872 has been allocated to share capital and the remainder has been allocated to share premium.

During 2023, the Group issued 17,500 new shares to satisfy the exercise of stock options under the Group's 2018 stock option plan. Of the €402,500 subscription price, €12,490 has been allocated to share capital and the remainder has been allocated to share premium.

As of December 31, 2023, the share capital of the Company as presented in the statement of financial position of €69,448,518 is represented by 97,311,896 ordinary shares that all have been fully paid up.

# 22. SHARE PREMIUM

As of December 31, 2022, the share premium of the Company amounts to €540,087,442.

On November 14, 2023, in connection with the issuance of 8,163,265 new ordinary shares, the share premium was increased by €294,174,117, representing the part of the subscription price of the issuance of new shares that has not been allocated to share capital and reduced by €2,709,648 for equity issuance costs incurred. In addition, on the transaction we incurred €213,637 cost for listing the new shares that has been expensed.

During 2023, in connection with the issuance of 17,500 new ordinary shares, the share premium was increased by €390,010, representing the part of the subscription price of the issuance of new shares that has not been allocated to share capital and reduced by €2,403 for equity issuance costs incurred.

As of December 31, 2023, the share premium of the Company amounts to €831,939,518.

The share capital account and the share premium account taken together constitute the "share capital account" under section 294 of the Companies (Guernsey) Law, 2008.

# 23. SHARE-BASED PAYMENT RESERVE

As of December 31, 2022, the share-based payment reserve of the Company amounts to €8,561,867.

During the year ended December 31, 2023, we recognized a share-based compensation expense of €4,286,359 for our 2021 equity-settled share-based compensation plan in share-based payment reserve, and we allocated €49,800 in deferred income tax liabilities to our share-based payment reserve.

As of December 31, 2023, the share-based payment reserve of the Company amounts to €12,798,426.

# 24. DISTRIBUTABLE RESERVES AND DISTRIBUTIONS MADE

As of December 31, 2022, the Company's distributable reserves are €146,277,202.

On May 10, 2023, the Annual Shareholders Meeting of Shurgard Self Storage Ltd allocated €430,850,000 retained profits to the distributable reserves.

On May 24, 2023, the Company paid €52,587,368 dividend in connection with the distribution of a final dividend of 2022 of €0.59 per outstanding share.

On October 5, 2023, the Company paid €51,705,046 dividend in connection with the distribution of a half-year dividend of 2023 of €0.58 per outstanding share.

As of December 31, 2023, the Company's distributable reserves are €472,834,788.

# 25. 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 (13 properties at the end of 2022) in Germany. We allocated €1.1 million and €1.3 million of net income to non-controlling interests during the years ended December 31, 2023 and 2022, respectively, based upon their respective interests in the net income of the subsidiaries.

During the period starting January 1, 2022 and ending December 31, 2023, there were no transactions with non-controlling interests.

# 26. INTEREST-BEARING LOANS AND BORROWINGS

| (in € thousands) | Effective interest rate | Maturity | December 31, 2023 | December 31, 2022 |
|---|---|---|---|---|
| **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 | | | (1,609) | (2,020) |
| **Borrowings as reported on statement of financial position** | | | **798,391** | **797,980** |

The reported borrowings are presented as follows in our statement of financial position:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Borrowings as reported on statement of financial position** | **798,391** | 797,980 |
| Non-current portion | **698,441** | 797,980 |
| Current portion | **99,950** | - |
| **Weighted average cost of debt** | **2.36%** | 2.36% |

## 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, 2023, and 2022, the unamortized balances of the debt financing costs on the 2014 Issuance were €0.2 million and €0.4 million, respectively.

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, 2023, and December 31, 2022, the unamortized balances of the debt financing costs on the 2015 Issuance were €0.4 million and €0.6 million, respectively.

On July 23, 2021, the Group, via its financing entity Shurgard Luxembourg S.à.r.l., issued new ten years Green Notes for €300.0 million bearing fixed interest of 1.24% per annum (effective interest rate of 1.28% per annum). 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, 2023, and December 31, 2022, the unamortized balances of the debt financing costs on the 2021 Senior Notes Issuance was €1.0 million and €1.1 million, respectively.

The senior guaranteed notes (both principal amount and interest payments) are denominated in euro.

### REVOLVING SYNDICATED LOAN FACILITY

As of December 31, 2023 and December 31, 2022, 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, 2023 and the year ended December 31, 2022) applies to undrawn amounts.

As of December 31, 2023 and December 31, 2022, the Company had no outstanding borrowings under this facility. During the period ended December 31, 2023, the Company incurred commitment fees of €398,125 on the revolving syndicated loan facility (€400,313 in the year ended December 31, 2022). See Note 9.

### 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. As of December 31, 2023 and December 31, 2022, the Company had no outstanding borrowings under this facility.

### TERM LOAN FACILITY

On April 28, 2023 and effective the same date, the Company, through its subsidiary Shurgard Luxembourg S.à.r.l. entered into a committed €450 million term loan facility agreement with BNP Paribas Fortis Bank NV/SA (acting also as agent), Belfius Bank SA/NV, ABN Amro Bank NV, KBC Bank NV/SA and Banque International à Luxembourg SA with a maturity of three years, which can be extended at the option of the Company by an additional period of up to two years (resulting in a maximum tenor of five years) subject to certain conditions being met (including agreement of the lenders).

The Term Loan Facility is bearing interest of Euribor plus a margin varying between 1.20% and 1.75% per annum dependent on the most recent loan-to-value ratio, or external rating, if any.

The term loan facility under the Facility Agreement is available for drawing by the Company for a period of 12 months as from signing.

The terms and conditions of the Facility Agreement are substantially based on the existing revolving facility agreement entered into by the Company on September 26, 2018 (as amended from time to time) and otherwise contain terms and conditions which are consistent with market practice.
The financial covenants and baskets are substantially aligned with the financial covenants and baskets included in the note purchase agreement entered into by the Company on February 23, 2021 in connection with the US private placement of senior notes due July 23, 2031.

On October 2, 2023, the Company has drawn €160 million on the facility. The loan has been repaid on December 18, 2023 with the proceeds of the equity issuance (Note 21). As of December 31, 2023, our borrowing capacity under the term loan facility is €290 million. During the year ended December 31, 2023, we incurred €2.6 million interest on the borrowed amount.

As of December 31, 2023, we had no outstanding borrowings under this facility, and the commitment fee on the undrawn amount was equal to 35% of the applicable margin, or 0.42%.

During the year ended December 31, 2023, the Company incurred €2.6 million arrangement, commitment and legal fees of which €0.8 million has been expensed in connection with the €160 million loan we early repaid, and €1.8 million have been recorded as other non-current assets (Note 17), as the Group expects drawing on the remainder of the facility in the foreseeable future.

### 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, the revolving syndicated loan facility and the term loan facility is unconditionally guaranteed by Shurgard Self Storage Ltd as Parent Guarantor pursuant to the terms and conditions provided for under the respective note purchase agreements.

The 2014, 2015 and 2021 Issuances, the revolving credit facility and the term loan 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, 2023, and December 31, 2022, we are in compliance with all such covenants.

## 27. LEASES

Shurgard leases various investment properties with an aggregate fair value of €825.4 million as of December 31, 2023 (€703.2 million as of December 31, 2022).

The Company repaid in 2023 €4.3 million in lease liabilities, paid €3.6 million in interest expense on lease liabilities and €0.4 million in lease amounts for contracts with maturity of less than one year and low-value leases, representing a total cash outflow of €8.3 million (a total cash outflow of €7.8 million in 2022). 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 2023 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 27 (movement schedule of the lease liability).

# 28. 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, 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** |

| (in € thousands) | Interest-bearing loans and borrowings | Lease obligations | Total financial debt |
|---|---|---|---|
| **January 1, 2023** | **797,980** | **99,822** | **897,802** |
| Draw down on term loan facility | 160,000 | - | 160,000 |
| Repayments of debt | (160,000) | (4,341) | (164,341) |
| Interest payments | (20,511) | (3,585) | (24,096) |
| Addition of lease obligations (net) | - | 15,132 | 15,132 |
| Non-cash movements[1] | 20,922 | 3,788 | 24,710 |
| **December 31, 2023** | 798,391 | 110,816 | 909,207 |

1 Non-cash movements for the years ended December 31, 2023 and December 31, 2022 mainly consist of accrued interest.

# 29. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of VAT due after more than one year.

# 30. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

Trade and other payables and deferred revenue:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Accrued compensation and employee benefits | 10,461 | 9,955 |
| Accrued share-based compensation expense[1] | 411 | 510 |
| Accounts payable (including accrued expenses) | 61,730 | 56,072 |
| Payables to affiliated companies | 1,122 | 1,144 |
| Deferred revenue – contract liabilities | 34,832 | 32,456 |
| Accrued interest on notes issued and other external borrowings | 2,033 | 1,820 |
| Other payables[2] | 7,585 | 4,574 |
| **Trade and other payables and deferred revenue** | **118,174** | **106,531** |

1 See Note 32.
2 Other payables consist of VAT payable and deposits received from customers.

# 31. PENSIONS

## DEFINED CONTRIBUTION PLANS

For each of the years ended December 31, 2023 and December 31, 2022, the Group incurred €1.2 million pension plan 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 the years ended December 31, 2023 and December 31, 2022, we contributed €0.6 million and €0.5 million, respectively, to a third-party insurance company. We expect to contribute in 2024 the same amount as 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, 2023, the defined benefit obligation amounted to €8.5 million (€6.8 million as of December 31, 2022), offset by plan assets of €8.8 million as of December 31, 2023 (€7.0 million as of December 31, 2022).

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, 2023 | December 31, 2022 |
|---|---|---|
| Discount rate | 3.20% | 3.70% |
| Inflation | 2.20% | 2.20% |
| Rate of salary increases | 3.20% | 3.20% |
| Mortality tables | MR-5/FR-5 | MR-5/FR-5 |

# 32. 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 154 and following.

The following weighted average assumptions were used to determine the fair value of the options that are outstanding as of December 31, 2023 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, 2023 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 Europe 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, 2023:

| | July 2022 3-yr vesting | July 2022 5-yr vesting |
|---|---|---|
| Estimated fair value of Shurgard Europe 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 €4.2 million and €3.9 million in share-based compensation expense, including social security charges in the periods ended December 31, 2023 and 2022, respectively.

The year-on year increase is explained by €0.4 increased employers' social security cost due to the increase of the intrinsic value of the share options, partially offset by €0.1 million decreased gross share option expense.

The €0.4 million and €0.5 million liabilities, respectively, for share-based compensation as of December 31, 2023 and December 31, 2022 consists of an accrual for employers' share in social security.

As of December 31, 2023, and December 31, 2022, we had €4.4 million, and €8.1 million, respectively, of unrecognized share-based compensation expense, net of estimated pre-vesting forfeitures, related to unvested option awards. For the periods ended December 31, 2023 and December 31, 2022, the weighted average remaining vesting period of our share options was 1.1 and 2.3 years, respectively.

The following table sets forth the number of share options granted, forfeited, exercised and outstanding at December 31, 2023 and December 31, 2022:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price (a) |
| Outstanding, January 1 | **2,641,800** | **€37.44** | 2,727,500 | **€36.81** |
| Granted (a) | - | - | 19,000 | €46.81 |
| Forfeited (b) | (29,000) | **€43.05** | (9,000) | €43.05 |
| Exercised (c) | (17,500) | **€23.00** | (95,700) | €22.26 |
| **Outstanding, December 31** | **2,595,300** | **€37.48** | 2,641,800 | **€37.44** |
| Exercisable, December 31 | 763,300 | **€22.78** | 780,800 | €22.79 |

The following table summarizes information about our share options outstanding as of December 31, 2023 under the 2017, 2018 and 2021 plans:

| | | As of December 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Options outstanding | | | Options exercisable | | | |
| Year of grant | Fair value per option at grant date | 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 | 3.5 years | 112,300 | €21.51 | 3.5 years |
| 2018 | €3.45 | 651,000 | €23.00 | 4.9 years | 651,000 | €23.00 | 4.9 years |
| 2021-August-3 yr. | €8.42 | 967,800 | €43.05 | 7.6 years | - | - | - |
| 2021-August-5 yr. | €9.05 | 645,200 | €43.05 | 7.6 years | - | - | - |
| 2021-September-3 yr. | €8.33 | 120,000 | €47.75 | 7.7 years | - | - | - |
| 2021-September-5 yr. | €8.67 | 80,000 | €47.75 | 7.7 years | - | - | - |
| 2022-July-3 yr. | €5.39 | 11,400 | €46.81 | 8.6 years | - | - | - |
| 2022-July-5 yr. | €5.65 | 7,600 | €46.81 | 8.6 years | - | - | - |
| | | **2,595,300** | **€37.48** | **6.7 years** | **763,300** | **€22.78** | **4.7 years** |

# 33. RELATED PARTY DISCLOSURES

## SUBSIDIARIES

Interests in subsidiaries are set out in Note 38.

## KEY MANAGEMENT PERSONNEL COMPENSATION

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Short term employee benefits | 3,484 | 3,273 |
| Post-employment benefits | 105 | 116 |
| Share-based payments | 2,825 | 2,833 |
| **Total** | **6,414** | **6,222** |

Key management personnel consists of the members of the Executive Committee.
In addition, the Company incurred in the year ended December 31, 2023 €0.8 million expense for the provision of services by non-executive board members that were provided by separate management entities (€0.8 million in the year ended December 31, 2022).

## TRANSACTIONS WITH OTHER RELATED PARTIES

As of December 31, 2023, 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 33.4%.
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 years ended December 31, 2023 and December 31, 2022, we incurred royalty fees of €3.5 million and €3.3 million, respectively.

During the years ending December 31, 2023 and December 31, 2022 there were no transactions with NYSCRF.

We also refer to Note 25 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, 2023 and 2022, trade and other payables and deferred revenue include short-term cash advances payable to Public Storage totaling €0.9 million and €0.9 million, respectively, comprised primarily of royalty fees incurred during each of the three months ended December 31, 2023 and December 31, 2022.

We also refer to Note 25 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 31.

## 34. 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.

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, other current and non-current assets, trade and other payables and deferred revenue, lease obligations and other non-current liabilities.

As of December 31, 2023 and December 31, 2022, 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, 2023 | 193,900 | (65,488) | 6,588 | 41,012 | 176,012 |
| As of December 31, 2022 | 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) | FY 2023 | FY 2022 |
|---|---|---|
| **GBP denominated** | | |
| Changes in carrying amount of monetary assets and liabilities[1] | 6,549 | 5712 |
| **SEK denominated** | | |
| Changes in carrying amount of monetary assets and liabilities[1] | (659) | 34 |
| **DKK denominated** | | |
| Changes in carrying amount of monetary assets and liabilities[1] | (4,101) | (2,512) |

1 These are increases in net liabilities.

## 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, 2023 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, 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** |

**December 31, 2023**

| (in € thousands) | Outstanding < 60 days | Past due > 60 days | Total |
|---|---|---|---|
| Expected credit loss rate | 6.0% | 76.8% | 24.7% |
| Carrying amount | 19,274 | 6,941 | 26,215 |
| Expected credit loss | (1,156) | (5,329) | (6,485) |
| **Net amount** | **18,118** | **1,612** | **19,730** |

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) on the basis of expected cash flows.

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Expiring within one year (floating rate) | 540,000[1] | - |
| Expiring beyond one year (floating rate) | 250,000[2] | 500,000[3] |
| **Total** | **790,000** | **500,000** |

1 The amount consists of the undrawn amount on the TLF (€290 million) and the uncommitted Shelf Note Facility for an amount of up to €250 million.
2 The amount consists of the RCF.
3 The amount consists of the RCF (€250 million) and the uncommitted Shelf Note Facility for the same amount.

## CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES ON DECEMBER 31, 2022

The tables below analyze the Company's financial liabilities based on their contractual maturities.

| (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[1] |
| Trade and other payables | 106,531 | - | - | 106,531 |
| **Total** | 132,441 | 515,978 | 1,120,764 | 1,769,183 |

1 The material variances between the lease liabilities the Company carries in its consolidated statement of financial position and the contractual maturities presented in the above table are explained by the perpetual character of certain of our Dutch and Swedish real estate leases.

## CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES ON DECEMBER 31, 2023

| (in € thousands) | Less than one year | Between one and five years | Over five years | Total contractual cash flows |
|---|---|---|---|---|
| Interest-bearing loans and borrowings | 115,930 | 382,193 | 366,703 | 864,826 |
| Lease liabilities | 7,692 | 28,646 | 775,377 | 811,715[1] |
| Trade and other payables | 118,174 | - | - | 118,174 |
| **Total** | 241,796 | 410,839 | 1,142,080 | 1,794,715 |

1 The material variances between the lease liabilities the Company carries in its consolidated statement of financial position and the contractual maturities presented in the above table are explained by the perpetual character of certain of our Dutch and Swedish real estate leases.

The amounts disclosed in the table 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, 2023 | December 31, 2022 |
|---|---|---|
| Carrying value | 798,391 | 797,980 |
| Fair values | 744,677 | 684,878 |

The following methods and assumptions were used to estimate the fair values:

- The fair values of our senior guaranteed notes (level 2) 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.

# 35. 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, 2023 and December 31, 2022.

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Net financial debt | 652,698 | 812,477 |
| Investment property and investment property under construction (Note 14) | 5,035,770 | 4,523,789 |
| **Loan-to-value ratio** | **13.0%** | **18.0%** |

Net financial debt is composed as follows:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Carrying value of interest-bearing loans and borrowings (Note 26) | 798,391 | 797,980 |
| Unamortized portion of debt financing cost (Note 26) | 1,609 | 2,020 |
| Carrying value of lease obligations (Note 28) | 110,816 | 99,822 |
| Cash and cash equivalents (Note 20) | (258,118) | (87,345) |
| **Net financial debt** | **652,698** | **812,477** |

# 36. 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.

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 handled directly 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, 2023, the Company paid €0.2 million (€0.2 million during the year ended December 31, 2022) insurance acquisition expense to a third-party insurance company in connection with its re-insurance undertaking.

## GENERAL LIABILITY INSURANCE

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 from excess coverage up to US$100.0 million, or approximately €85.6 million at the December 31, 2023 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.

## CUSTOMER GOODS

The income Shurgard earns for extending to its tenants the insurance coverage of the umbrella agreement with an external insurance company qualifies as revenue in the scope of IFRS 15. This is due to the fact that the contracts between Shurgard and the tenant do not transfer significant insurance risk between these two parties, rather the insurance risk is transferred from the tenant to the external insurance company.

For this, the Group has entered into an insurance contract with an external insurance company that provides full insurance coverage for goods stored to our customers, except for a deductible of €250 for certain perils, which are at charge of the tenant, and a deductible of €5.0 million per year at charge of Shurgard that 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).

For the years ended December 31, 2023 and 2022, fee income earned from customer goods insurance was €33.7 million and €32.1 million, respectively.

Simultaneously, Shurgard, through its captive re-insurance entity, entered into a re-insurance agreement with the external insurance company. This arrangement is in the scope of IFRS 17.

Through this agreement, the external insurance company cedes to our captive certain insurance risk in lieu for a re-insurance premium of €2.8 million for each of the years ended December 31, 2023 and 2022. For the year ended December 31, 2023, the Group accounted for re-insurance service expense of €2.0 million (€2.2 million for the year ended December 31, 2022), consisting of claim charges of €1.6 million (€1.9 million for the year ended December 31, 2022), as well as fronting and handling fees of €0.4 million (€0.3 million for the year ended December 31, 2022).

Captive re-insurance revenue and captive insurance service expense are included in other operating expenses in real estate operating expense.

Relevant quantitative disclosures for our re-insurance activities are as follows for the year ended December 31, 2022:

| (in € thousands) | Liabilities remaining coverage | Liabilities for incurred claims | Total |
|---|---|---|---|
| | - | - | - |
| Opening liabilities | - | 644 | 644 |
| **Net opening balance** | **-** | **644** | **644** |
| **Changes in the statement of profit or loss and** | | | |
| **Insurance revenue[1]** | **(2,836)** | **-** | **(2,836)** |
| **Insurance service expenses** | | | |
| Incurred claims and other insurance service | - | 2,125 | 2,125 |
| Amortization of insurance acquisition cash flows | 105 | - | 105 |
| **Insurance service result** | **(2,731)** | **2,125** | **(606)** |
| **Total changes in the statement of profit and** | **(2,731)** | **2,125** | **(606)** |
| **Cash flows** | | | |
| Premiums received | 2,836 | | 2,836 |
| Insurance acquisition cash flows | (105) | | (105) |
| Claims and other insurance service expenses paid | - | (1,207) | (1,207) |
| **Total cash flows** | **2,731** | **(1,207)** | **1,524** |
| Closing assets | - | - | - |
| Closing liabilities | - | 1,562 | 1,562 |
| **Net closing balance** | **-** | **1,562** | **1,562** |

1 Insurance revenue relates revenue from accepted reinsurance contracts.

The expense we incurred during the year ended December 31, 2022 in connection with our reinsurance undertaking consists of the following:

| (in € thousands) | December 31, 2022 |
|---|---|
| Incurred claims customer goods | 1,911 |
| Insurance service expenses | 214 |
| Amortization of insurance acquisition cash flow | 105 |
| **Total expense** | **2,230** |

Relevant quantitative disclosures for our re-insurance activities are as follows for the period ended December 31, 2023:

| **(in € thousands)** | **Liabilities remaining coverage** | **Liabilities for incurred claims** | **Total** |
|---|---|---|---|
| Opening assets | - | - | - |
| Opening liabilities | - | 1,562 | 1,562 |
| **Net opening balance** | **-** | **1,562** | **1,562** |
| **Changes in the statement of profit or loss and OCI** | | | |
| **Insurance revenue[1]** | **(2,836)** | **-** | **(2,836)** |
| **Insurance service expenses** | | | |
| Incurred claims and other insurance service | - | 1,889 | 1,889 |
| Amortization of insurance acquisition cash flows | 105 | - | 105 |
| **Insurance service result** | **(2,731)** | **1,889** | **(842)** |
| **Total changes in the statement of profit and** | **(2,731)** | **1,889** | **(842)** |
| **Cash flows** | | | |
| Premiums received | 2,836 | - | 2,836 |
| Insurance acquisition cash flows | (105) | - | (105) |
| Claims and other insurance service expenses paid | - | (1,647) | (1,647) |
| **Total cash flows** | **2,731** | **(1,647)** | **1,084** |
| Closing assets | - | - | - |
| Closing liabilities | - | 1,804 | 1,804 |
| **Net closing balance** | **-** | **1,804** | **1,804** |

1 Insurance revenue relates revenue from accepted reinsurance contracts.

The expense we incurred during the year ended December 31, 2023 in connection with our reinsurance undertaking consists of the following:

| **(in € thousands)** | **December 31, 2023** |
|---|---|
| Incurred claims customer goods | 1,566 |
| Insurance service expenses | 323 |
| Amortization of insurance acquisition cash flow | 105 |
| **Total expense** | **1,994** |

### 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.

Through our captive, we cover the damages to our properties up to €3.5 million per occurrence and €7.0 million in annual aggregate. In the event of Dutch Flood we cover the damages to our properties located in the Netherlands up to €5.0 million per occurrence and €5.0 million in annual aggregate. All claims exceeding these amounts are covered by the external insurance provider up to € 25 million per occurrence. The deductible is €100,000 per occurrence.

The ceding of property and business Interruption risk between Shurgard and its re-insurance captive qualifies as self-insurance, hence it is not in scope of IFRS 17.

## 37. CONTINGENCIES AND COMMITMENTS

### CAPITAL EXPENDITURE COMMITMENTS

As of December 31, 2023, we had €18.2 million (€18.6 million as of December 31, 2022) 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.

# 38. LIST OF CONSOLIDATED ENTITIES

| | | As of December 31, 2023 | | As of December 31, 2022 | |
|---|---|---|---|---|---|
| | Country of incorporation | Consolidated | % Ownership | Consolidated | % Ownership |
| Shurgard Self Storage Ltd[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 | Yes | 100 |
| Shurgard Germany GmbH | 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[3] | Sweden | Yes | 100 | Yes | 100 |
| Shurgard Sweden RE TF AB[3] | Sweden | Yes | 100 | Yes | 100 |
| Shurgard Sweden RE LH AB[3] | Sweden | Yes | 100 | Yes | 100 |
| Shurgard Sweden GC AB[3] | Sweden | Yes | 100 | Yes | 100 |
| Shurgard Germany TBIH GmbH[3] | Germany | Yes | 100 | No | - |
| Shurgard Germany SSMH GmbH[3] | Germany | Yes | 100 | No | - |
| Shurgard Germany TBW GmbH[3] | Germany | Yes | 100 | No | - |
| Shurgard Germany TBD GmbH[3] | Germany | Yes | 100 | No | - |
| Shurgard Germany TBM GmbH[3] | Germany | Yes | 100 | No | - |
| Shurgard Germany TBK GmbH[3] | Germany | Yes | 100 | No | - |
| Shurgard Germany TBE GmbH[3] | Germany | Yes | 100 | No | - |
| Shurgard Germany TBL GmbH[3] | Germany | Yes | 100 | No | - |
| Shurgard Germany TB8F GmbH[3] | Germany | Yes | 100 | No | - |
| Shurgard Germany TB7K GmbH[3] | Germany | Yes | 100 | No | - |

1 Holding and/or financing company with no operating activities.
2 Re-insurance entity incorporated in December 2020.
3 These German and Swedish entities make use of an exemption that is based on company size and ownership criteria, and consequently do not file stand-alone annual accounts.

# 39. EVENTS AFTER THE REPORTING PERIOD

We have evaluated subsequent events through February 28, 2024, which is the date the financial statements were available for issuance.

On February 6, 2024, the Company announced the extension of its existing German portfolio with the acquisition of Pickens Self-storage for a total cash consideration of €120.0 million. The transaction consists of three freehold properties located in Berlin, representing 17,600 net Sqm, and three freehold properties in Hamburg representing 13,700 net Sqm (a total of 31,300 Sqm) and improves Shurgard's position in Germany to second, both in footprint and number of properties.

Shurgard signed this transaction at the end of December 2023, conditional to customary receipt of pre-emption waivers for each of the properties. The Group expects to obtain all waivers by April 2024 at the latest.

# INDEPENDENT AUDITOR'S REPORT

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHURGARD SELF STORAGE LIMITED

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the consolidated financial statements of Shurgard Self Storage Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements as required by the Crown Dependencies' Audit Rules and Guidance, as applied to Guernsey incorporated Market Traded Companies, and we have fulfilled our other ethical responsibilities in accordance with these 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 our 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.

| Risk | How the matter was addressed in the audit |
|---|---|
| **Valuation of investment property and investment property under construction**<br>(Investment property: 2023: €4,930 million, 2022: €4,470 million. Investment property under construction: 2023: €106 million, 2022: €54 million.)<br><br>Refer to material accounting policy information (note 3), significant judgements and estimates (note 4) and notes 14 and 15 of the consolidated financial statements.<br><br>The valuation is assessed at each balance sheet date by an independent external valuation firm using a discounted cash flow model for each property. The valuer makes use of inputs on each property provided by management such as store occupancy, net rent and operating expenses per square metre based on historical data.<br><br>The valuation process requires significant judgement and use of estimates by the external valuer and management. Any input inaccuracies or unreasonable bases used in these judgements could result in a material misstatement of the valuation of investment property and investment property under construction. | • We obtained an understanding of the Group's processes and controls over property valuations by performing walkthrough procedures and evaluating the implementation and design effectiveness of controls;<br>• We evaluated the competence of the Group's external valuers, Cushman & Wakefield (C&W) which included consideration of their qualifications and expertise;<br>• We met with C&W to challenge their valuation approach and the judgements made in assessing the property valuations;<br>• We selected a sample of 27 properties (16% of the portfolio by value) based on factors including value, risks, representation across geographies and random selection. For this sample, EY valuation specialists considered the property valuation to assess whether the valuation was within a reasonable range relative to available market evidence. The audit team tested the data (such as rents and occupancy by property) provided by management to the external valuers for consistency with other information gained during the audit;<br>• We assessed and challenged how C&W determined the impact of climate related factors on the underlying valuations and compared this to management's climate impact assessments and commitments;<br>• We conducted analytical procedures with support from EY valuation specialists on the remainder of the portfolio by assessing the reasonableness of valuation movements by reference to market data and other information gained during the audit;<br>• We assessed the adequacy of the disclosures of estimates and valuation assumptions in notes 14 and 15 in order to determine that they were made in accordance with IFRS 13 – Fair Value Measurement.<br>• We performed audit procedures specifically designed to address the risk of management influence and the override of controls in the valuation of investment property. This included making inquiries of the external valuer, assessing the data used in the valuation for consistency with other evidence gained during the audit and performing journal entry testing on entries which impact the valuation of investment property and investment property under construction. |

| | |
|---|---|
| **Risk of management override of controls in revenue recognition:**<br>(Rental revenue of €312m (2022: €289m) included within real estate operating revenue 2023: €358 million, 2022: €335 million)<br><br>Refer to material accounting policy information (note 3) and note 5 of the consolidated financial statements.<br><br>Auditing Standards include a presumption that there will be a risk of fraud in revenue recognition on all audits. Market expectations and profit based targets may place pressure on management to distort revenue recognition. This may result in overstatement of revenues to assist in meeting current or future targets or expectations.<br><br>Given the extent to which IT supports the flow of transactions, we have assessed that the risk is focused on the manual intervention/override by management with respect to data input and price changes impacting the correct recognition of revenue at year-end. | • We obtained an understanding of the Group's revenue recognition processes and performed testing of controls linked to rental income recognition including IT automated controls. We evaluated the implementation and design effectiveness of these controls;<br>• We selected a sample of customers' rental contracts, agreeing the key terms to the revenue recognised for the customer during the year;<br>• We performed analytical procedures on 100% of rental income recognised during the year, setting expectations based on number of square metres rented out and average rental rate per square metre;<br>• We selected a sample of revenue transactions to ensure that revenue transactions are recorded in the correct accounting period;<br>• We performed correlation analysis and cash anchor testing to follow the flow of transactions between revenue being recognised and cash being collected;<br>• We performed audit procedures specifically designed to address the risk of management override of controls including journal entry testing, which included a particular focus on journal entries which impact revenue. |

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report 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 that fact.

We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND OF THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of director's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report 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 auditor's report. 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

We are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### European single electronic format ("ESEF")

The Board of Directors is responsible for the preparation of the consolidated financial statements in the form of an electronic file in ESEF format ("the digital consolidated financial statements"), with the regulatory technical standards set by the European Delegated Regulation 2019/815 ("Delegated Regulation"), included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the Delegated Regulation.

We have checked the compliance of the digital consolidated financial statements of the Group as at 31 December 2023 with the regulatory technical standards set out in the Delegated Regulation that are applicable to the consolidated financial statements.

In our opinion, the consolidated financial statements of the Group as at 31 December 2023, have been prepared, in all material respects, in compliance with the ESEF requirements under the Delegated Regulation.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Saunders
For and behalf of Ernst & Young LLP
Guernsey, Channel Islands
28 February 2024

# STAND-ALONE ACCOUNTS OF SHURGARD SELF STORAGE LTD AND AUDITOR'S REPORT

The below annual accounts have been prepared in thousands euros.

The summarized annual accounts of Shurgard Self Storage Ltd. (the "Company") presented below are prepared in accordance with the accounting principles as approved by the Board of Directors.

The Independent Auditor has expressed an unqualified opinion on these annual accounts.

## SUMMARY OF ACCOUNTING PRINCIPLES

### FORMATION EXPENSES

Formation expenses related to the creation of the share capital are capitalized and amortized on a straight-line basis over a period of five years.

### FINANCIAL FIXED ASSETS

Shares in affiliated entities are valued at acquisition cost including the expenses incidental thereto. Impairment loss is recorded to reflect long-term impairment of value. Impairment loss is reversed when it is no longer justified due to a recovery in the asset value.

Loans to affiliated entities 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.

### RECEIVABLES AND PAYABLES

Amounts receivable and payable are recorded at their nominal value, less allowance for any amount receivable whose value is considered to be impaired on a long-term basis. Amounts receivable and payable in a currency, other than the currency of the Company, that are not hedged by a derivative instrument, are valued at the exchange rate prevailing on the closing date. The resulting translation difference is written off if it is a loss and deferred if it is a gain.

Amounts receivable and payable in a currency other than the currency of the Company, and hedged by a derivative instrument, are valued at the exchange rate fixed within the financial instrument with a consequence that there is no resulting translation difference in the exchange rate.

## SIGNIFICANT EVENTS

On February 17, 2023, Shurgard Self Storage S.A. migrated to Guernsey and was incorporated as Shurgard Self Storage Limited pursuant to Guernsey law. This allowed legal continuity of the entity, meaning that all rights and obligations of Shurgard Self Storage S.A. are maintained.
On the same day, the UK tax residence was established, with central management and control of the Company being exercised through the Board of Directors of Shurgard Self Storage Limited, located in the United Kingdom.
On March 1, 2023, Shurgard Self Storage Limited elected to become a UK REIT.

## BALANCE SHEET

(in € thousands)

### ASSETS

| | Codes | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **Formation expenses** | **20** | **2,640** | **3,221** |
| **Fixed assets** | **21/28** | **1,203,803** | **1,203,803** |
| Financial fixed assets | 28 | 1,203,803 | 1,203,803 |
| Affiliated Companies | 280/1 | 1,203,803 | 1,203,803 |
| Participating interests | 280 | 1,203,803 | 1,203,803 |
| **Current assets** | **29/58** | **190,777** | **849** |
| Amounts receivable within one year | 40/41 | 190,520 | 94 |
| Cash at bank and in hand | 54/58 | 257 | 755 |
| **Accruals and deferred charges** | **490/1** | **64** | **53** |
| **TOTAL ASSETS** | **20/58** | **1,397,284** | **1,207,926** |

### LIABILITIES AND EQUITY

| | Codes | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **Equity** | **10/15** | **1,396,187** | **1,207,126** |
| Capital | 10 | 69,449 | 63,610 |
| Share premium account | 1100/10 | 854,548 | 559,985 |
| Reserves | 13 | 479,196 | 146,277 |
| Available reserves | 133 | 479,196 | 146,277 |
| Accumulated profits (losses) | 14 | (7,006) | 437,254 |
| **Amounts payable within one year** | **42/48** | **1,097** | **800** |
| Trade debts | 44 | 1,092 | 588 |
| Taxes, remuneration and social security | 45 | 5 | 212 |
| Taxes | 450/3 | - | 9 |
| Remuneration and social security | 454/9 | 5 | 203 |
| **TOTAL LIABILITIES** | **10/49** | **1,397,284** | **1,207,926** |

## INCOME STATEMENT

**(in € thousands)**

| | Codes | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **Operating income and operating charges** | | **159** | **22** |
| Gross margin | 9900 | 159 | 22 |
| Remuneration, social security and pensions | 62 | (755) | (1,706) |
| Amortization of formation expenses, Intangible and tangible fixed assets | 630 | (3,293) | (5,364) |
| Other operating charges | 640/8 | (3,884) | (2,871) |
| **Operating profit (loss)** | **9901** | **(7,773)** | **(9,919)** |
| **Financial income** | **75/76B** | **-** | **483,913** |
| Non-recurring financial income | 76B | - | 483,913 |
| **Financial charges** | **65/66B** | **(112)** | **(731)** |
| Recurring financial charges | 65 | (112) | (101) |
| Non-recurring financial charges | 66B | - | (630) |
| **Profit (loss) of the period before taxes** | **9903** | **(7,885)** | **473,263** |
| Income taxes on the result | 67/77 | 836 | (14) |
| **Profit (loss) for the period** | **9904** | **(7,049)** | **473,249** |
| Transfer (-) to/release (+) from tax-exempt reserves | | - | - |
| **Profit (Loss) of the period available for appropriation** | **9905** | **(7,049)** | **473,249** |

## APPROPRIATION OF RESULT

| | Codes | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **Profit (Loss) to be appropriated.** | **9906** | **(7,006)** | **437,254** |
| Profit (Loss) of the period available for appropriation | (9905) | **(7,049)** | **473,249** |
| Profit (Loss) of the preceding period brought forward | 14P | 43 | (35,995) |
| **Appropriations to equity** | **691/2** | **-** | **437,211** |
| to legal reserve | 6920 | - | - |
| to other reserves | 6921 | - | 437,211 |
| **Profit (loss) to be carried forward** | **(14)** | **(7,006)** | **43** |
| **Profit to be distributed** | **694/7** | **-** | **-** |

## 20 FORMATION EXPENSE

Formation expense consists of cost incurred with the Company's capital increases.

The additions for the year consist of equity issuance cost incurred in connection with the November 14, 2023 issuance of 8,163,265 new ordinary shares issued at a subscription price of €36.75.

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Cost of capital increase** | | |
| At the beginning of the year | 19,898 | 19,875 |
| Additions | 2,712 | 23 |
| **At the end of the period** | **22,610** | **19,898** |
| **Accumulated amortization** | | |
| At the beginning of the year | 16,677 | 12,699 |
| Amortization for the period | 3,293 | 3,978 |
| **At the end of the period** | **19,970** | **16,677** |
| **Net book value** | | |
| At the beginning of the year | 3,221 | 7,176 |
| **At the end of the period** | **2,640** | **3,221** |

## 280 PARTICIPATING INTEREST

The Company holds participating interest as follows in affiliated entities:

**(in € thousands)**

| Shares | Country | Portion of capital held as of December 31, 2023 | Net book value as of December 31, 2022 | Increases / (decreases) during the year | Net book value as of December 31, 2023 | Shareholders' equity as of December 31, 2023 | Profit / (loss) for the year ended December 31, 2023 |
|---|---|---|---|---|---|---|---|
| Shurgard Luxembourg S.à.r.l. | Luxembourg | 100% | 345,816 | - | 345,816 | 338,743 | (6,085) |
| Shurgard UK Ltd[1] | UK | 100% | 857,987 | - | 857,987 | 905,457 | 115,573 |
| | | | **1,203,803** | **-** | **1,203,803** | **1,244,200** | **109,488** |

1 Shareholders' equity and profit and loss of Shurgard UK Ltd are derived from the 2022 annual accounts.

## 10 CAPITAL

| December 31, 2023 | (in thousands of €) | Number of shares |
|---|---|---|
| Share capital | | |
| Shares in issue | | |
| At the end of the previous year | 63,610 | 89,131,131 |
| Issue of new shares - November 14, 2023 | 5,826 | 8,163,265 |
| Issue of new shares - share option exercises of the year | 13 | 17,500 |
| At the end of the financial year | 69,449 | 97,311,896 |
| Analysis of share capital | | |
| Class of shares | | |
| Ordinary shares of no-par value. | | 97,311,896 |

## 40/41 AMOUNTS RECEIVABLE WITHIN ONE YEAR

Accounts receivable within one year of €190,520 thousands as of December 31, 2023 consists of a cash advance granted by the Company to its affiliate Shurgard Luxembourg S.à.r.l. of €189,670 thousands and a receivable from the UK affiliates of €837 thousands and a €13 thousands receivable from Shurgard Europe SNC. The receivables do not bear interest and have no maturity date.

Accounts receivable within one year of €94 thousands as of December 31, 2022 consisted of a €88 thousands receivable from Shurgard Europe SNC and trade receivables of €6 thousands.

## 44 TRADE DEBTS PAYABLE WITHIN ONE YEAR

Trade debt within one year consists of the following:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Accrued consultancy fees | 688 | 185 |
| Accounts payable and invoices to receive | 404 | 403 |
| | **1,092** | **588** |

## 62 REMUNERATION, SOCIAL SECURITY AND PENSIONS

Up to February 16, 2023, the Company employed one full time employee (one full time employees in 2022) and five part-time employees (five part-time employees in 2022) for whom it incurred the following staff costs:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Gross payroll | 59 | 337 |
| Director's fees[1] | 826 | 840 |
| External staff | 31 | 150 |
| Employers' social security | (18) | 41 |
| Bonus expense | (156) | 279 |
| Other staff costs[2] | 13 | 59 |
| | **755** | **1,706** |

1 Gross directors' fees paid to the non-executive members of the Company's Board.
2 Other staff costs consist mainly of pension plan expenses and other social benefits.

After February 16, 2023, the Company no longer employed employees.

## 640/8 OTHER OPERATING CHARGES

Other operating charges consists of the following:

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Lawyers, tax and other consultancy fees | 1,052 | 553 |
| Travel expense, irrecoverable VAT and other expenses | 415 | 680 |
| Centralized support. service charges recharged by affiliated undertakings | 1,578 | 1,212 |
| Auditor's fees | 264 | 71 |
| Insurance expense – D&O | 165 | 181 |
| Public relations | 20 | 24 |
| Membership (association) fees | 176 | 150 |
| Cost incurred in connection with the equity issuance | 214 | - |
| | **3,884** | 2,871 |

## 67/77 INCOME TAXES ON THE RESULT

Until February 16, 2023, the Company was subject to the general tax regulations applicable to all commercial companies in Luxembourg.

As from February 17, 2023, the Company is subject to the UK standard (main) corporation tax rate of 19%. UK REITs are exempt from UK corporation tax on rental profits and capital gains arising from their UK property business. However, any other income and gains generated in the UK, which are not specifically derived from Shurgard UK property rental activities, are part of the "residual business" and are subject to the UK corporate tax rate of 25% (19% until April 1, 2023).
During the year ended December 31, 2023, the Company surrendered current year tax losses to other members of the UK REIT Group and received payment for those tax losses at the rate of tax prevailing in the year, which resulted in income tax benefit of €836 thousands.

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# INDEPENDENT AUDITOR'S REPORT

Shurgard Self Storage Ltd
1st and 2nd Floors, Elizabeth House
Les Ruettes Brayes
St Peters Port
Guernsey, GY1 1EW

**Independent auditor's report**

**Unqualified opinion**

We have audited the special purpose stand-alone financial statements of Shurgard Self Storage Limited (the "Company"), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and notes to the special purpose stand-alone, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose stand-alone financial statements of Shurgard Self Storage Limited for the year ended 31 December 2023 are prepared, in all material respects, in accordance with the accounting principles as approved by the board of directors in order to meet the reporting requirements of the Financial Services and Markets Authority (the "FSMA").

**Basis for the unqualified opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISA's"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the special purpose stand-alone financial statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the special purpose stand-alone financial statements in Belgium, including those with respect to independence.

We have obtained from the Audit Committee within the Board of Directors and the officials of the Company the explanations and information necessary for the performance our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter**

We draw attention to the Summary of Accounting Principles to the special purpose stand-alone financial statements which describes the basis of accounting. The special purpose stand-alone financial statements are prepared to assist the Company in complying with the financial reporting provisions as required by the FSMA. As a result, the special purpose stand-alone financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of the the Audit Committee within the Board of Directors for the preparation of the special purpose stand-alone financial statements**

The Audit Committee within the Board of Directors is responsible for the preparation of the special purpose stand-alone financial statements in accordance with the accounting principles as approved by the board of directors, and for such internal control as the Audit Committee within the Board of Directors determines is necessary to enable the preparation of special purpose stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose stand-alone financial statements, the Audit Committee within the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

**Our responsibilities for the audit of the special purpose stand-alone financial statements**

Our objectives are to obtain reasonable assurance whether the special purpose stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose stand-alone financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the special purpose stand-alone financial statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective 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;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of the Board of Director's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether or not 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 auditor's report to the related disclosures in the special purpose stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;

We communicate with the Audit Committee within the Board of Directors 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 provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with 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 the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the special purpose stand-alone financial statements of the current period.

Diegem, 28 February 2024

EY Bedrijfsrevisoren BV
Independent auditor
Represented by

Ömer Turna*
Partner
*Acting on behalf of a BV/SRL

24OT0169

# 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 providing at the same time 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 12 of the 2023 FY report) and same store information represents part of the remuneration for Senior Management.

## 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 financial statements as follow:

| Income statement line item | Reference to 2023 FY report | FY 2023 | FY 2022 |
|---|---|---|---|
| Rental revenue | Note 5 | 312,550 | 289,380 |
| Fee income from customer goods insurance | Note 5 | 33,683 | 32,075 |
| Ancillary revenue | Note 5 | 11,468 | 11,594 |
| *Property operating revenue* ***(A)*** | | *357,701* | *333,049* |
| Other revenue | Note 6 | 222 | 2,241 |
| **Real estate operating revenue** | **Statement of Profit and Loss** | **357,923** | **335,290** |

| Income statement line item | Reference to 2023 FY report | FY 2023 | FY 2022 |
|---|---|---|---|
| Payroll expense | Note 6 | 42,138 | 42,151 |
| Real estate and other taxes | Note 6 | 19,313 | 16,834 |
| Repairs and maintenance | Note 6 | 13,280 | 10,913 |
| Marketing expense | Note 6 | 9,887 | 9,162 |
| Utility expense | Note 6 | 3,939 | 3,574 |
| Doubtful debt expense | Note 6 | 5,465 | 5,088 |
| Cost of insurance and merchandise sales | Note 6 | 4,556 | 5,289 |
| Other operating expenses | Note 6 | 21,892 | 20,810 |
| **Real estate operating expenses (B)** | **Statement of Profit and Loss** | **120,470** | **113,821** |
| **Income from property (NOI)** | **(A) - (B)** | **237,231** | **219,228** |

NOI measures the financial performance of our properties. It focusses 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.
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 2023 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 | FY 2023 | FY 2022 |
|---|---|---|---|
| Income from property (NOI) | | 237,231 | 219,228 |
| Property operating revenue | ÷ | 357,701 | 333,049 |
| **NOI Margin %** | **=** | **66.3%** | **65.8%** |

## OPERATING PROFIT BEFORE PROPERTY RELATED ADJUSTMENTS

This is a commonly reported KPI by real estate companies. We believe that this subtotal provides improved structure to the profit and loss information and enables investors to better analyze and compare our earnings with those of other companies.

## UNDERLYING EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION (UNDERLYING EBITDA)

Underlying EBITDA is calculated as earnings before interest, tax, depreciation and amortization, excluding (i) valuation gain from investment property and investment property under construction and gain on disposal, (ii) acquisition and dead deals costs (iii) cease-use lease expense and (iv) other non-recurring items (such as cost of equity raise or significant SaaS implementation costs).

| (in € thousands) | Q4 2023 | Q4 2022 | +/- | FY 2023 | FY 2022 | +/- |
|---|---|---|---|---|---|---|
| **Operating profit before property related adjustments** | **54,134** | 54,212 | **-0.1%** | **207,040** | 196,440 | **5.4%** |
| Depreciation and amortization expense | 893 | 763 | 17.0% | 3,377 | 2,866 | 17.8% |
| Other[1] | 1,141 | 362 | 214.9% | 2,552 | 459 | 455.7% |
| **Underlying EBITDA (AER)** | **56,168** | 55,337 | **1.5%** | **212,969** | 199,765 | **6.6%** |

1 Other includes (i) acquisition and dead deals costs (€1.6 million) (ii) cease-use lease expense (€0.0 million) and (iv) ERP implementation fees and costs of capital raise (€0.9 million).

## CONSTANT EXCHANGE RATE ("CER")

Certain of the above-mentioned non-GAAP measures, such as underlying EBITDA, are also presented at constant exchange rate ("CER") versus actual exchange rate ("AER"), in order to highlight the underlying operating performance versus the impact of changes in exchange rate on the particular KPI.

## 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.

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Carrying value of interest-bearing loans and borrowings | 798,391 | 797,980 |
| Unamortized portion of debt financing cost | 1,609 | 2,020 |
| Carrying value of lease obligations | 110,816 | 99,822 |
| Less Cash and cash equivalents | -258,118 | -87,345 |
| **Net financial debt** | **652,698** | **812,477** |

## 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 and investment properties under construction, expressed as a percentage and is a commonly used leverage KPI in the real estate industry. The Group reviews its capital structure based on this metric with the primary objective to ensure that it complies with its debt covenants and to maintain a target loan-to-value ratio at c. 25%, short- to mid-term maximum of 35%.

| (in € thousands) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Net financial debt | 652,698 | 812,477 |
| Investment property and investment property under construction (Note 14) | 5,035,770 | 4,523,789 |
| **Loan-to-value ratio** | **13.0%** | **18.0%** |

## NET DEBT TO UNDERLYING EBITDA RATIO

Net debt to underlying EBITDA ratio represents the Group's net financial debt divided by trailing 12 months earnings before interest, taxes, depreciation, and amortization (TTM EBITDA).

| (in € thousands) | FY 2023 | FY 2022 |
|---|---|---|
| Net financial debt | 652,698 | 812,477 |
| TTM Underlying EBITDA | 212,969 | 199,765 |
| **Net debt/Underlying EBITDA** | 3.1x | 4.1x |

## INTEREST COVERAGE RATIO ("ICR")

ICR, which stands for interest coverage ratio, represents the Group's underlying earnings before interest, taxes, depreciation, and amortization (underlying EBITDA) divided by the total net finance costs, expressed as a ratio. The ICR of 10.6x demonstrates Shurgard's capacity to meet its outstanding debt obligations on time.

| (in € thousands) | FY 2023 | FY 2022 |
|---|---|---|
| Underlying EBITDA | 212,969 | 199,765 |
| Interest expense net[1] | 20,127 | 20,696 |
| **Interest coverage ratio** | 10.6x | 9.7x |

1 Excluding foreign exchange (gain)/loss

# 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 August 2022.

The table below provides a summarized overview of certain of the Company's key earnings related APM, consisting of (Adjusted) EPRA earnings and (Adjusted) EPRA earnings per share:

## SUMMARY OF EPRA EARNINGS METRICS

| (in € thousands, except for earnings per share for the year ended December 31) | 2023 | 2022 |
|---|---|---|
| EPRA earnings | 156,186 | 144,225 |
| EPRA earnings per share (basic - €) | 1.73 | 1.62 |
| EPRA earnings per share (diluted - €) | 1.73 | 1.61 |
| Adjusted EPRA earnings | 158,401 | 143,556 |
| Adjusted EPRA earnings per share (basic - €) | 1.76 | 1.61 |
| Adjusted EPRA earnings per share (diluted - €) | 1.75 | 1.60 |

The bases of calculation of each of the measures set out above, are illustrated below:

## EPRA EARNINGS AND EPRA EARNINGS PER SHARE

| (in € thousands, except for earnings per share for year ended December 31) | 2023 | 2022 |
|---|---|---|
| **Profit attributable to ordinary equity holders of the parent for basic earnings** | **533,313** | **574,284** |
| Adjustments: | | |
| Changes in value of investment properties, development properties held for investment and other interests | (294,350) | (586,181) |
| 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 benefit of business combinations and non-controlling joint venture interests and other | (5) | (775) |
| Current and deferred tax in respect of EPRA adjustments | (83,484) | 155,878 |
| Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation) | - | - |
| Non-controlling interest in respect to the above[1] | 712 | 1,019 |
| **EPRA earnings** | **156,186** | **144,225** |
| **EPRA earnings per share (basic - €)** | **1.73** | **1.62** |
| **EPRA earnings per share (diluted - €)** | **1.73** | **1.61** |

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 for the year ended December 31) | 2023 | 2022 |
|---|---|---|
| **EPRA earnings** | **156,186** | **144,225** |
| Company specific adjustments: | | |
| Deferred tax (benefit) expense on items other than the revaluation of investment property | 782 | 45 |
| Cost incurred in connection with capital raise and ERP implementation | 926 | - |
| Compensation received for termination lease agreement | - | (2,000) |
| Net impact of tax assessments and non-recurring expenses | 541 | 822 |
| Current income tax adjustments in respect of the above | (34) | 464 |
| Non-controlling interest in respect to the above | - | - |
| **Adjusted EPRA Earnings** | **158,401** | **143,556** |
| **Adjusted EPRA earnings per share (basic) €** | **1.76** | **1.61** |
| **Adjusted EPRA earnings per share (diluted) €** | **1.75** | **1.60** |

## ADJUSTED EPRA EARNINGS EFFECTIVE TAX RATE

| (in € thousands, for the year ended December 31) | 2023 | 2022 |
|---|---|---|
| Adjusted EPRA earnings | 158,401 | 143,556 |
| Current Tax Expense | 29,419 | 30,311 |
| Adjusted EPRA earnings before Current Tax Expense | 187,821 | 173,867 |
| Adjusted EPRA Earnings Effective Tax Rate | 15.7% | 17.4% |

## 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) | FY 2023 | FY 2022 |
|---|---|---|
| GBP/EUR exchange rate – increase 10% | 3,626 | 2,852 |
| SEK/EUR exchange rate – increase 10% | 2,385 | 2,607 |
| DKK/EUR exchange rate – increase 10% | 997 | 887 |

Positive amounts represent an increase in adjusted EPRA earnings.

## SUMMARY OF EPRA NAV METRICS

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

| (in € thousands, except for NAV per share) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| NAV | 3,614,217 | 2,860,993 |
| NAV per share (basic) € | 37.14 | 32.10 |
| NAV per share (diluted) € | 36.98 | 31.98 |
| EPRA NRV | 4,708,381 | 3,989,647 |
| EPRA NRV per share (diluted) € | 48.17 | 44.59 |
| EPRA NTA (diluted) | 4,307,807 | 3,638,892 |
| EPRA NTA per share (diluted) € | 44.07 | 40.67 |
| EPRA NDV (diluted) | 3,667,931 | 2,974,095 |
| EPRA NDV per share (diluted) € | 37.53 | 33.24 |
| EPRA Group LTV % | 12.5% | 17.7% |
| EPRA Combined LTV % | 12.5% | 17.8% |

The bases of calculation of each of the above measures set out above, are illustrated below.

## 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) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Equity attributable to ordinary equity holders of the parent** | **3,614,217** | **2,860,993** |
| Number of ordinary shares at the reporting date | 97,311,896 | 89,131,131 |
| Number of diluted shares at the reporting date | 427,052 | 333,315 |
| **NAV per share (basic) €** | **37.14** | **32.10** |
| **NAV per share (diluted) €** | **36.98** | **31.98** |

## 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) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Equity attributable to ordinary equity holders of the parent (diluted)** | **3,614,217** | 2,860,993 |
| Include / Exclude: | | |
| Hybrid instruments | - | - |
| **Diluted NAV** | **3,614,217** | 2,860,993 |
| 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** | **3,614,217** | 2,860,993 |
| Exclude: | | |
| Deferred taxes on fair value adjustments of investment property | 701,247 | 784,628 |
| Fair value of financial instruments | - | - |
| Goodwill as a result of deferred tax | - | - |
| Include: | | |
| Real estate transfer tax[1] | 392,917 | 344,026 |
| **EPRA NRV** | **4,708,381** | 3,989,647 |
| **EPRA NRV per share (diluted) €** | **48.17** | 44.59 |

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 NTA per share) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Equity attributable to ordinary equity holders of the parent (diluted)** | **3,614,217** | 2,860,993 |
| Include / Exclude: | | |
| Hybrid instruments | - | - |
| **Diluted NAV** | **3,614,217** | 2,860,993 |
| 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** | **3,614,217** | 2,860,993 |
| Exclude: | | |
| Deferred taxes on fair value adjustments of investment property | 701,247 | 784,628 |
| 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 | (7,657) | (6,729) |
| Include: | | |
| Real estate transfer tax[1] | - | - |
| **EPRA NTA** | **4,307,807** | 3,638,892 |
| **EPRA NTA per share (diluted) €** | **44.07** | 40.67 |

1 The Company did not opt for the "optimized 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 optimized 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) | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Equity attributable to ordinary equity holders of the parent (diluted)** | **3,614,217** | 2,860,993 |
| Include / Exclude: | | |
| Hybrid instruments | - | - |
| **Diluted NAV** | **3,614,217** | 2,860,993 |
| 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** | **3,614,217** | 2,860,993 |
| 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 (higher) than fair value (Note 26) | 53,714 | 113,102 |
| **EPRA NDV** | **3,667,931** | 2,974,095 |
| **EPRA NDV per share (diluted) €** | **37.53** | 33.24 |

In the above EPRA NDV calculation, all our cumulative deferred tax expense is not considered.

## 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, 2023, EPRA LTV is as follows:

| | | Proportionate Consolidation | | | |
|---|---|---|---|---|---|
| **EPRA LTV Metric (in € thousands)** | **Group as reported** | **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 | 798,391 | - | - | - | 798,391 |
| Foreign currency derivatives (futures, swaps, options and forwards) | - | - | - | - | - |
| Net payables | 75,283 | - | - | 1,611 | 76,894 |
| Owner occupied property (debt) | - | - | - | - | - |
| Current accounts (equity characteristic) | - | - | - | - | - |
| Exclude: | | | | | |
| Cash and cash equivalents | (258,118) | - | - | 30 | (258,088) |
| **Net Debt (a)** | **615,556** | **-** | **-** | **1,641** | **617,197** |
| | | | | | |
| Include: | | | | | |
| Owner occupied property | - | - | - | - | - |
| Investment properties at fair value | 4,823,442 | - | - | (10,676) | 4,812,766 |
| Properties held for sale | 530 | - | - | - | 530 |
| Properties under development | 105,951 | - | - | - | 105,951 |
| Intangibles | 7,657 | - | - | - | 7,657 |
| Net receivables | - | - | - | - | - |
| Financial assets | - | - | - | - | - |
| **Total Property Value (b)** | **4,937,580** | **-** | **-** | **(10,676)** | **4,926,904** |
| **LTV (a/b)** | **12.5%** | | | **N/A** | **12.5%** |

## RECONCILIATION OF CERTAIN EPRA LTV COMPONENTS

| EPRA LTV Metric (in € thousands) | Group as reported | Proportionate Consolidation: Share of joint-ventures | Proportionate Consolidation: Share of Material Associates | Proportionate Consolidation: Non-controlling Interests | Combined |
|---|---|---|---|---|---|
| **Investment property** | | | | | |
| | | | | | |
| Investment property presented in IFRS FS | 4,929,819 | - | - | (10,676) | 4,919,143 |
| Less ROU IP (IFRS 16) | (106,377) | - | - | - | (106,377) |
| **Investment property for EPRA LTV calculation** | **4,823,442** | **-** | **-** | **(10,676)** | **4,812,766** |
| | | | | | |
| **Payables, net** | | | | | |
| Trade and other receivables | (19,730) | - | - | 29 | (19,701) |
| Other current assets | (19,722) | - | - | 12 | (19,710) |
| Other non-current assets | (8,977) | - | - | - | (8,977) |
| Other non-current liabilities | - | - | - | - | - |
| Trade and other payables | 83,342 | - | - | 1,694 | 85,036 |
| Deferred revenue | 34,832 | - | - | (81) | 34,751 |
| Income tax payable | 5,538 | - | - | (43) | 5,495 |
| **Net Payables** | **75,283** | **-** | **-** | **1,611** | **76,894** |

As of December 31, 2022, EPRA LTV is as follows:

| **EPRA LTV Metric (in € thousands)** | **Group as reported** | **Proportionate Consolidation** | | | **Combined** |
|---|---|---|---|---|---|
| | | **Share of joint-ventures** | **Share of Material Associates** | **Non-controlling Interests** | |
| 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** |
| **LTV (a/b)** | **17.7%** | **-** | **-** | **N/A** | **17.8%** |

## RECONCILIATION OF CERTAIN EPRA LTV COMPONENTS

| | | Proportionate Consolidation | | | |
|---|---|---|---|---|---|
| **EPRA LTV Metric (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 | 4,469,572 | - | - | (9,521) | 4,460,051 |
| Less ROU IP (IFRS 16) | (95,211) | - | - | - | (95,211) |
| **Investment property for EPRA LTV calculation** | **4,374,361** | **-** | **-** | **(9,521)** | **4,364,840** |
| | | | | | |
| **Payables, net** | | | | | |
| Trade and other receivables | (18,671) | - | - | 21 | (18,650) |
| Other current assets | (8,262) | - | - | 20 | (8,242) |
| Other non-current assets | (11,326) | - | - | - | (11,326) |
| 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** |

## CAPITAL EXPENDITURE

| (in € thousands) | FY 2023 | FY 2022 | +/- |
|---|---|---|---|
| Acquisitions / Additions | 67,336 | 76,310 | -24.1% |
| Development | 63,930 | 75,472 | -15.3% |
| Other: completed properties | 49,888 | 37,105 | 34.4% |
| Like-for-like portfolio | - | - | N/A |
| **Capital Expenditure** | **181,154** | **188,887** | **-4.1%** |

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 in 2023 relate to five stores acquired in Germany.

## EPRA VACANCY RATE

| (in € thousands, at CER, except where indicated) | 2023 | 2022 | +/- |
|---|---|---|---|
| Estimated rental revenue of vacant space | 47,664 | 42,872 | 11.2% |
| Estimated rental revenue of the whole portfolio | 360,214 | 327,995 | 9.8% |
| **EPRA Vacancy Rate** | **13.2%** | 13.1% | 0.2pp |

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 13.2% at the end of 2023 slightly up compared to 13.1% in 2022. 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 2023 Whole portfolio | | FY 2023 LFL portfolio | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | Growth in LFL rental revenue | |
| (in € thousands, at CER, except where indicated) | Total market value | Rental revenue 2023 | Total market value | Rental revenue 2023 | Rental revenue 2022 | € | % |
| France | 1,092,900 | 73,260 | 958,050 | 67,293 | 64,505 | 2,788 | 4.3% |
| The Netherlands | 964,860 | 67,492 | 837,070 | 62,347 | 56,944 | 5,403 | 9.5% |
| The United Kingdom | 1,108,342 | 62,753 | 955,206 | 56,929 | 52,655 | 4,274 | 8.1% |
| Sweden | 635,915 | 41,036 | 602,647 | 39,746 | 39,758 | -12 | 0.0% |
| Germany | 533,600 | 30,456 | 361,800 | 25,274 | 22,647 | 2,627 | 11.6% |
| Belgium | 292,130 | 23,501 | 292,130 | 23,501 | 21,625 | 1,875 | 8.7% |
| Denmark | 220,275 | 14,054 | 220,275 | 14,054 | 13,622 | 432 | 3.2% |
| **Total portfolio** | **4,848,022** | **312,551** | **4,227,177** | **289,143** | 271,755 | **17,388** | **6.4%** |

| (in € thousands, at CER, except where indicated) | 2022 Whole portfolio Total market value | Rental revenue 2022 | 2022 LFL portfolio Total market value | Rental revenue 2022 | Rental revenue 2021 | Growth in LFL rental revenue € | % |
|---|---|---|---|---|---|---|---|
| France | 1,037,030 | 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%** |

## 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) | FY 2023 | FY 2022 | % |
|---|---|---|---|
| Administrative/operating expense line per IFRS income statement | (146,431) | (136,336) | 7.4% |
| 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 | (728) | (923) | -21.1% |
| Service charge costs recovered through rents but not separately invoiced | - | - | N/A |
| **EPRA costs (including direct vacancy costs)** | **(145,703)** | (135,413) | **7.6%** |
| Direct vacancy costs | - | - | N/A |
| **EPRA costs (excluding direct vacancy costs)** | **(145,703)** | (135,413) | 7.6% |
| | | | |
| **Gross Rental Income less ground rent costs - per IFRS** | **313,279** | 290,302 | **7.9%** |
| 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** | **313,279** | 290,302 | **7.9%** |
| **EPRA Cost ratio (including direct vacancy costs)** | 46.5% | 46.6% | -0.1pp |
| **EPRA Cost ratio (excluding direct vacancy costs)** | 46.5% | 46.6% | -0.1pp |

## 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) | FY 2023 | FY 2022[1] | % |
|---|---|---|---|
| Investment property – wholly owned | 4,910,375 | 4,353,121 | 12.8% |
| Investment property – share of JVs/Funds | - | - | N/A |
| Trading property (including share of JVs) | - | - | N/A |
| Less: developments | 89,909 | 72,907 | 23.3% |
| **Completed property portfolio** | **4,820,466** | **4,280,214** | **12.6%** |
| Allowance for estimated purchasers' costs | 286,995 | 259,644 | 10.5% |
| **Gross up completed property portfolio valuation** | **5,107,461** | **4,539,858** | 12.5% |
| Annualized cash passing rental income | 312,551 | 289,379 | 8.0% |
| Property outgoings | (38,119) | (34,265) | 11.2% |
| **Annualized net rents** | **274,431** | **255,114** | **7.6%** |
| Add: notional rent expiration of rent-free periods or other lease incentives[2] | - | - | N/A |
| **Topped-up net annualized rent** | **274,431** | **255,114** | **7.6%** |
| **EPRA Net Initial Yield (NIY)** | 5.4% | 5.6% | -0.2pp |
| **EPRA 'topped-up' NIY** | 5.4% | 5.6% | -0.2pp |

1 2022 restated to include real estate tax and cost of management rather than only leasehold expense in property outgoings.
2 No unexpired lease incentives such as rent-free periods, discounted rent periods and step rents applicable.

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