SHURGARD
SELF-STORAGE

ANNUAL REPORT 2021

JANUARY 1, 2021 TO DECEMBER 31, 2021

TABLE OF CONTENTS

Picture:
Gaby - Store manager in Eindhoven West, The Netherlands

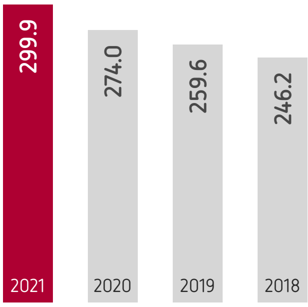
Shurgard is the largest owner and operator of self-storage facilities in Europe by both number of stores and rentable space. We operate 1.3 million sqm of space across 255 stores in seven countries where over 174,000 customers lease our storage units every year.

KEY FINANCIALS

We have reported a solid financial year in 2021, supported by the growth of our store network.

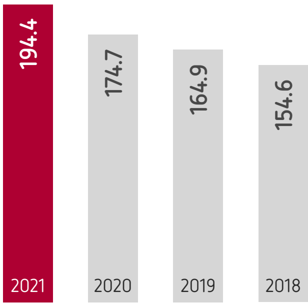
PROPERTY OPERATING REVENUE
€ million (at CER)

+9.5%



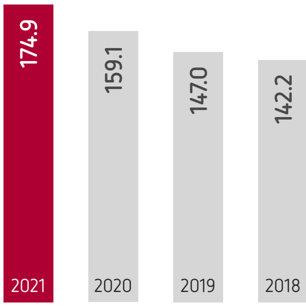
INCOME FROM PROPERTY (NOI)
€ million (at CER)

+11.3%



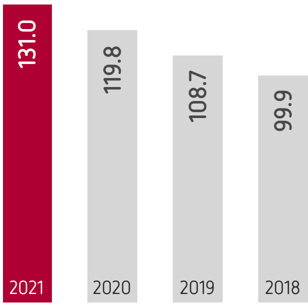
EBITDA
€ million (at CER)

+9.9%



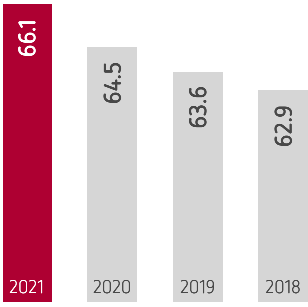
ADJUSTED EPRA EARNINGS
€ million (at CER)

+9.4%



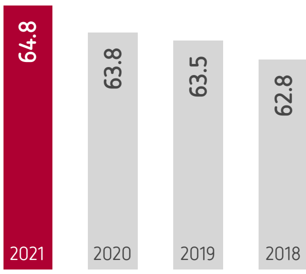
NOI MARGIN (SAME STORE)
% (at CER)

+1.6pp



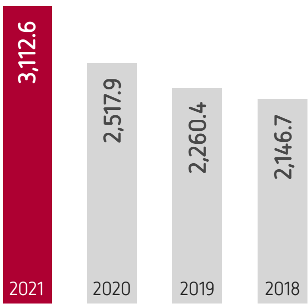
NOI MARGIN (ALL STORE)
% (at CER)

+1.0pp



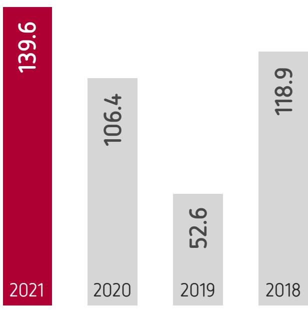
EPRA NET TANGIBLE ASSETS (NTA)
€ million

+23.6%



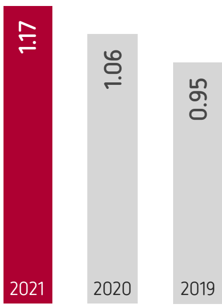
INVESTMENTS
€ million (at CER)

+31.2%



DIVIDEND PER SHARE
€

+10.4%



Notes
See page 22 for notes to Key Financials

ACCELERATING SUSTAINABLE GROWTH

Over the last two decades, Shurgard has built the largest prime self-storage portfolio in Europe. We came to the stock market in 2018 with a pledge to deliver growth using three levers that build up our portfolio of profitable self-storage properties.

We have delivered on our goal, even against the backdrop of a global pandemic. The sector proved very resilient and is being fueled by positive structural drivers like high density urban populations and life events that prompt the need for storage. Our successful strategy means 2021 was yet another excellent year for the Company, driving growth and exploiting our geographical reach while accelerating the technological and digital evolution of our platform.

We delivered a 9.5% rise in property operating revenue in 2021, from €274.0 million to €299.9 million, completed five redevelopments and added 12 new stores, increasing our portfolio by a total of 55,300 sqm (4.5% of our net rentable sqm).

While the coronavirus peaks and troughs have not completely disappeared, the operating environment wasn't drastically affected during 2021. We benefited from the economic recovery and the increased movement of people, increasing same store occupancy during the year by 0.8pp to 90.1%. We remain cognizant of the safety of our staff and customers and continued to ensure safe operating practices in all our properties.

2021 was the year we fully rolled out our e-rental service and our customers took to it rapidly and enthusiastically. We have long recognized the importance of the digital experience, and have had an accessible, intuitive website for years. But many customers want a seamless entirely online rental process, and in 2021 24,000 of them chose, booked, paid and moved-in electronically.

Throughout the year Shurgard has remained focused on delivering its strategic objectives with sustainability in mind. After only three years of reporting within the GRESB framework, Shurgard has been recognized as a sector leader, achieving five GRESB stars as well as an EPRA gold medal. We will continue to lead the market in our social and community engagement and our high governance standards.

Now, we are ready to take the business to the next level. Our ambitions have grown along with the business and we are accelerating our plans for growth. We will be expanding our footprint further and faster, ramping up organic development and targeting more acquisitions. We will further refine and improve our digital platform and leverage data to optimize our performance. We are setting new and ambitious ESG targets including a zero-carbon strategy. We have proved the success of our scalability and rigorous execution - it is time for Shurgard to press the accelerator.

Now, we are ready to take the business to the next level. Our ambitions have grown along with the business and we are accelerating our plans for growth.

OUR STORE LOCATIONS

SHURGARD
SELF-STORAGE

THE LARGEST

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

255
stores in seven countries

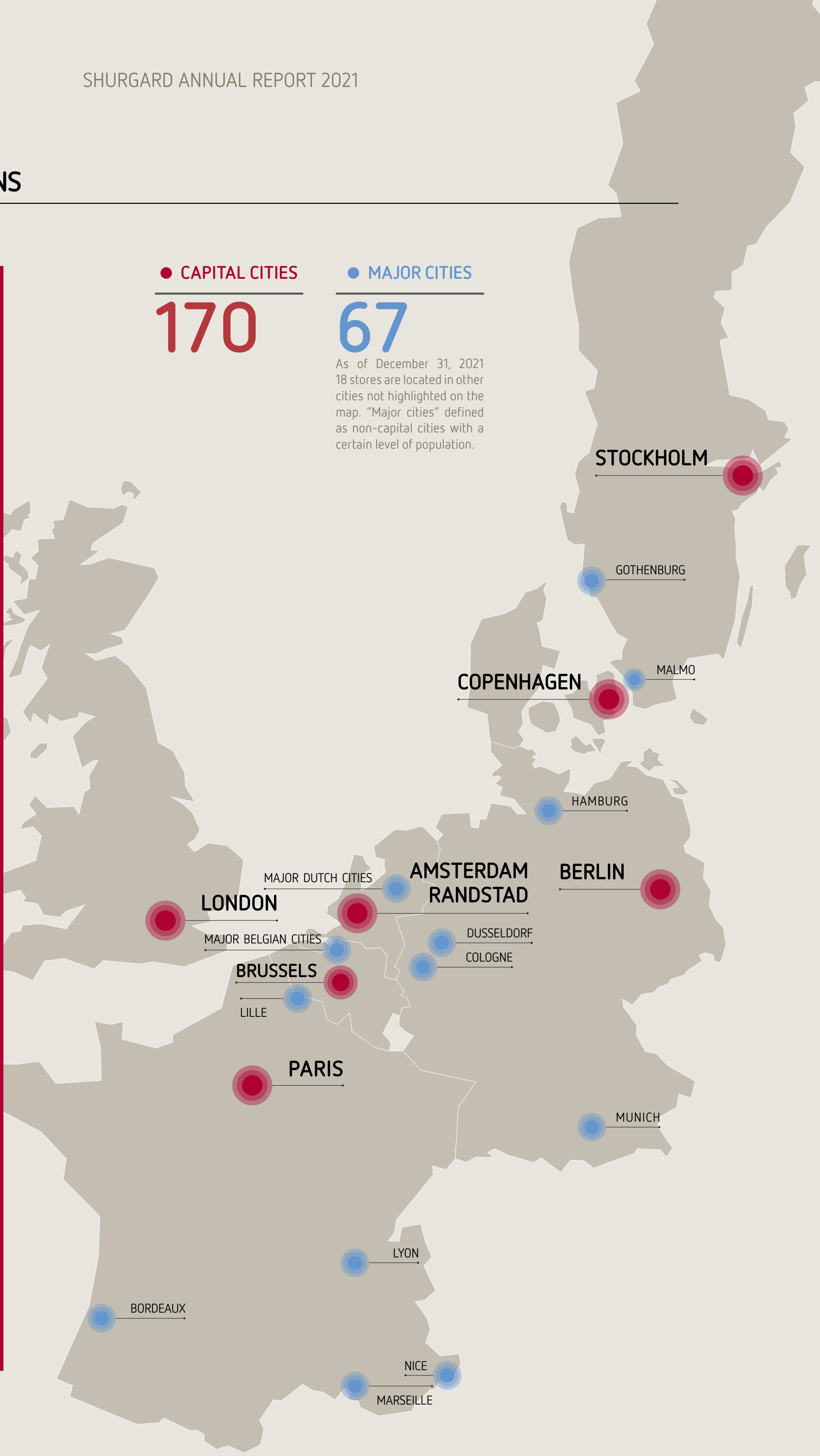
1.3 million sqm
of space

over
174,000
customers

● CAPITAL CITIES
170

● MAJOR CITIES
67

As of December 31, 2021 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.



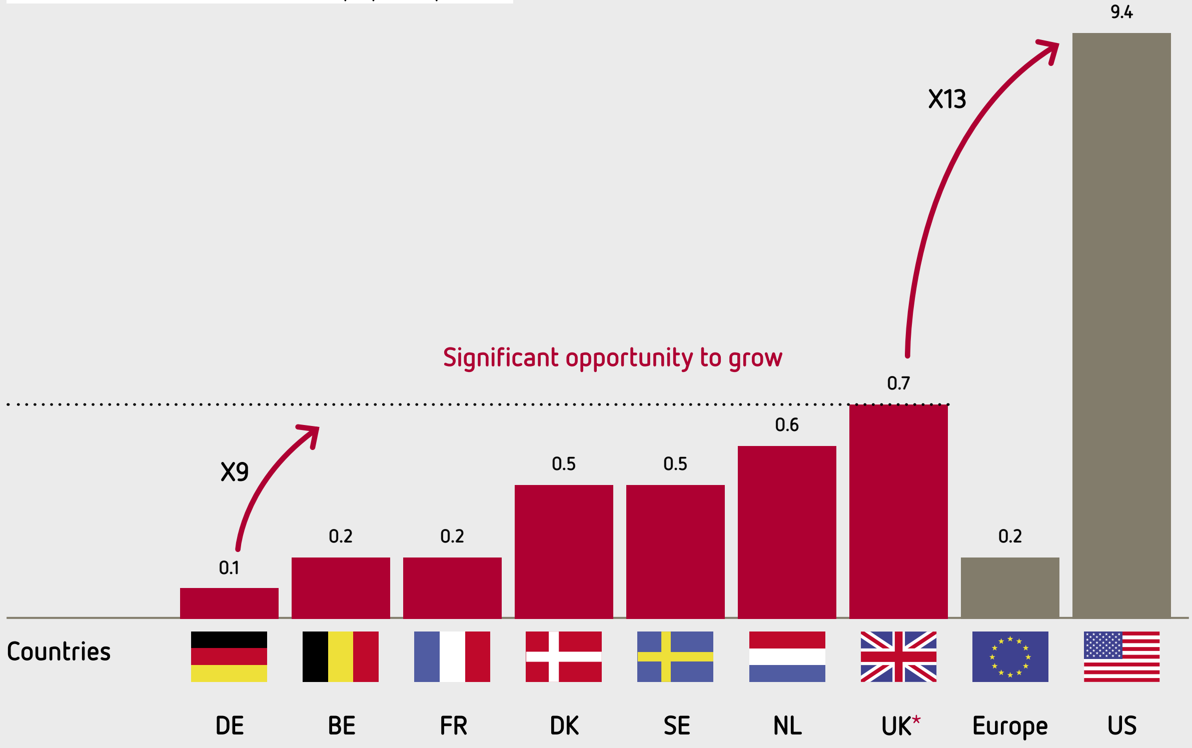
MARKET OPPORTUNITY - ADDING VALUE

The self-storage market in Europe has significant growth opportunity. Our existing and prospective customers need storage whether they're moving around, or staying put.

These fundamental demand drivers of our business were evident throughout the pandemic, and the momentum of the economic recovery is fueling further growth. Where major life events like births, deaths and marriage are perennial, the switch to home working has also prompted storage requirements as people declutter and reorganize to free up space. Commercial customers, who proved resilient in the depths of the pandemic, are building back their business as the recovery gets underway so demand for small business and distribution storage is high.

Where 2020 proved the resilience of the self-storage business, 2021 has accelerated the market opportunity and Shurgard has taken advantage of this. We opened a total of six new stores, added 7,300 sqm in optimization projects and acquired six stores in 2021. This included increasing our footprint in London through the acquisition of six stores, some in the most prestigious boroughs of the city, and opening two purpose-built stores. Permits and land purchase agreements fill our pipeline in this capital city, and we are similarly well-placed in Paris, with two openings in 2021 and several purchase agreements that feed into our future organic growth. In Germany we have several assets under construction, and across our seven key markets, we continue to identify a healthy inventory of land for development.

2021 SELF-STORAGE AREA (sqft per capita)[1]



	DE	BE	FR	DK	SE	NL	UK*	Europe	US
Capital cities[2]	0,4	0,7	0,5	1,1	1,2	0,8	1,1		
Population (in millions)	84	12	65	6	10	17	68	497	333

1. Fedessa (2021) 2. Total footage per capita in capital cities

*including containers

ACCELERATING EXPANSION

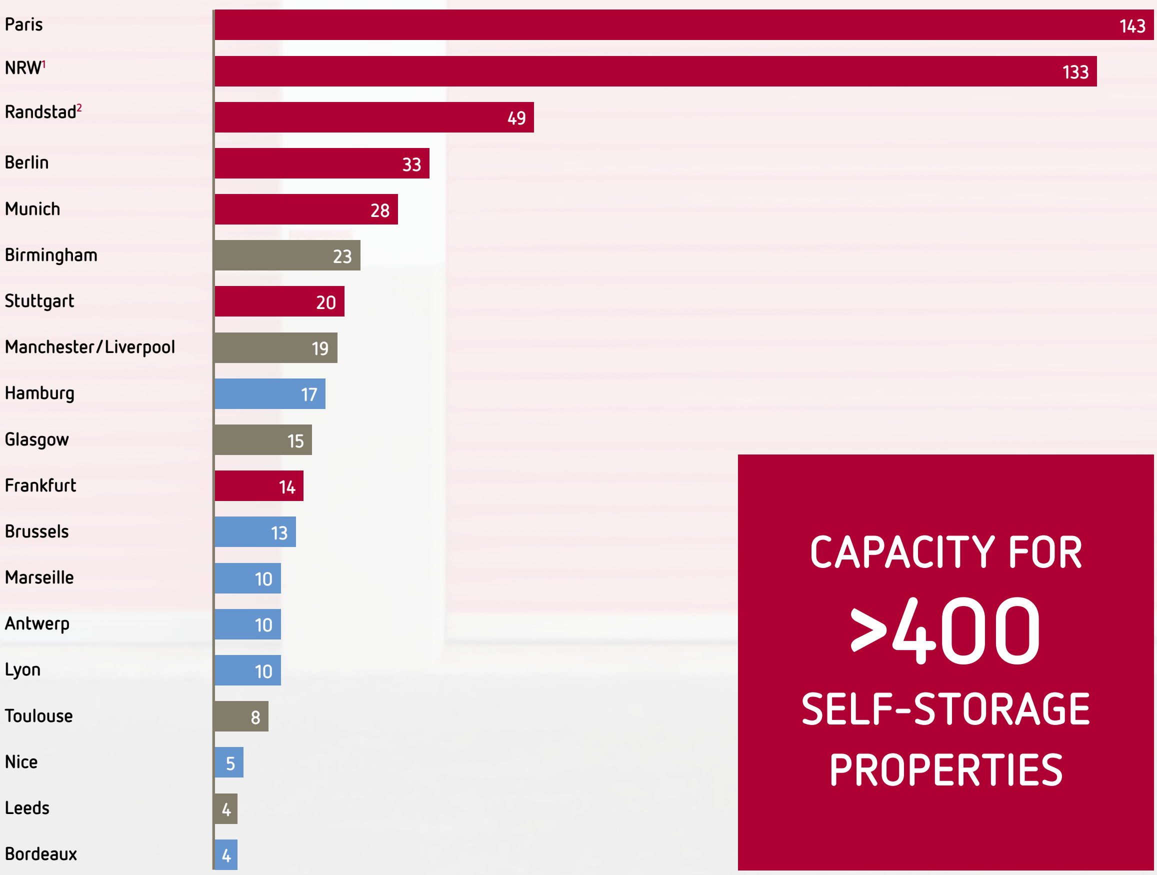
Our geographical spread is deliberate. We choose our markets for their demographics and urban density, and we have focused our growth on well-proven areas.

Shurgard's accelerated strategy is focused on consolidating leadership or growing market share in the cities in which we have both presence and development activity. We will also initiate more development in places that aren't currently active, and explore market entry into new cities, likely through acquisition opportunities.

We plan to double our development program over the next three years, increasing new developments to 10 per year from five at the moment. Lead time from property purchase to completion is around two years, and during that time we will also expand our team to enable us to build up to, and maintain, development capacity at double the current annual rate by 2024. To confirm this acceleration, we will also double our investment in new developments from €60 million to €120 million per year by 2024, and increase our acquisition (M&A) target from three to six properties per year, investing €50 million annually from 2022.

Shurgard's three levers of growth have enabled us to thrive for many years, and we will continue to do what we do best, just faster and with greater resources. This will increase the total shareholder return as we significantly increase the amount of profitable new storage space and return a strong and stable dividend.

POTENTIAL ADDITIONAL PROPERTIES BASED ON LONDON PENETRATION IN SHURGARD COUNTRIES



CAPACITY FOR
>400
SELF-STORAGE
PROPERTIES

[1] Mainly Cologne, Dusseldorf, Dortmund
[2] Amsterdam, Rotterdam, Utrecht, The Hague

● = areas with active Shurgard organic development as of 2022
● = presence, with no active development
● = no Shurgard presence

OPTIMIZING AND SCALING OUR DIGITAL PLATFORM

Self-storage demand drivers are the same everywhere in Europe. This means Shurgard can leverage the knowledge and operational efficiencies in one location across our entire portfolio.

The most efficient way to do this is digitally, and this has been a cornerstone of our expansion for many years. From the start we have centralized, standardized and computerized our systems, processes and expertise to enable us to roll out strategic initiatives more efficiently and implement a scalable dynamic model.

As digital technology has evolved, we have kept up with the changes in consumer behavior, integrating web and mobile functionality and using our digital platform to optimize the services we offer across the portfolio. When the pandemic hit, we were able to quickly respond to the need for remote working, and accelerated our move to a fully digital rental experience. This culminated in the portfolio-wide roll-out of our e-rental service in 2021 which has been an overwhelming success.

Over 24,000 customers have searched, booked, paid for and moved in entirely online in 2021. In one short year, e-rental has grown to account for up to circa 25% of all move-ins. What used to take up to 40 minutes can now be done in just six minutes through e-rental. The seamless experience is intuitive for everyone, although we have a higher share of Generation Z and Millennial digital natives. Importantly, almost a quarter of contracts are signed outside of business opening hours, feeding into the 'always on' culture of work and social interactions that is ubiquitous in society today.

WHAT IS E-RENTAL?

Seamless end-to-end digital experience

Automated rental process, operating 24/7 (6-minute rental time)

Part of a fully centralized system generating data

Enables customer demand to drive staffing

Improved sustainability

INSIGHTS

24,000 e-rental customers at end of December 2021 across all markets

Accounts for up to circa 25% of all move-ins

25% of e-rental contracts signed outside of business opening hours

Same retention rate as classic channels

Higher share of Gen Z and Millennials for e-rental vs walk-in customers

DRIVING DIGITAL DATA

Digitization does not stop there. Every day, millions of datapoints are generated by prospective and existing customers, online and in our stores.

We are analyzing this data using the latest advanced technology to find unique insights into customer behavior. That enables us to improve the customer experience, enhance operational processes and streamline costs. We are using advanced data analytics techniques including machine learning to deliver exponential value to customers, employees and shareholders.

Our pricing and revenue management platform is now combining the latest data science tools and testing new predictive algorithms aimed at optimizing customer acquisition, journey and profitability.

All our digital opportunities are underpinned by centralized, integrated, proprietary systems, overseen by our expert teams and utilizing the very latest technology. We are future-proofing the business by investing in leading edge digital technology. Even our buildings are going digital so we can get better at predictive maintenance and repair, optimize the life of our assets, upgrade security and improve operational efficiencies. Bluetooth access to our storage stores is being rolled out in 2022 as part of our contactless experience. We will stay as secure as we have always been, but our customers won't have to remember 8 to 10-digit gate codes.

Shurgard already has one of the fastest websites in the industry offering a best-in-class user experience and transparent pricing. We use social media to communicate and interact with our customers on the platforms they have become used to using everyday. We are also developing an intuitive and easy to use mobile app, and our customer account portal should be ready for rollout in the second half of 2022. This is a self-service portal for all our customers' needs, helping them find information, request services, and resolve issues with little to no waiting time.

CUSTOMER TOUCHPOINT

38.5M*
unpaid search impressions

13.5M*
paid search impressions

2M*
website visits

330K*
service calls

200K*
sales calls

HOW CUSTOMERS USE OUR PROPERTIES

38
months average stay

3M*
property visits

*M - millions *K - thousands

DRIVING DIGITAL DATA

Present

Website | Social media | E-rental | Cloud technology | Data analytics

Future

Mobile app | Customer account | Bluetooth access | Remote customer care | Automated and centralized gates | Fully digitalized customer journey | Digital buildings | Artificial intelligence

ACHIEVING NEW ESG HEIGHTS

EMPLOYEE DEVELOPMENT

EMPLOYEE TRAINING, DEVELOPMENT AND PERFORMANCE

771
Hired 247 new employees in 2021

93%
Of employees underwent the appraisal process in 2021, up 6.1pp on the previous year

638
Employees undertook Shurgard Academy training in 2021

Our employees are the lifeblood of the company, and their motivation and commitment are paramount to our success. We are committed to the continuous improvement of their skills and knowledge, and offer comprehensive and up to date training. We hired 247 new employees in 2021, and each one was provided with a tailored induction and training to equip them for the job, enhance their skills and support their ambitions. We also increased the number of employees who underwent an employee appraisal process in 2021 to 93%, a 6.1pp improvement on the previous year.

The Shurgard Academy was launched in 2018 to enable us to attract, retain and train top talent within our stores. The Academy ensures a structured process of career progression, from Junior Assistant Store Manager to Senior Store Manager and in 2021, 638 employees undertook Shurgard Academy training.

We are also committed to keeping our employees safe and healthy, which is of paramount importance as we continue to navigate the pandemic surges. We continued to maintain COVID-19 secure procedures, and complied fully with recommendations issued by local governments and health authorities.

ESG PERFORMANCE

GRESB is the core framework on which we model our ESG credentials, and as the gold standard in property asset sustainability we are very pleased to both improve on our overall sustainability score and move into first place within the self-storage sector.

Our total score of 87, up from 78 last year, was accompanied by five stars on the GRESB benchmark scale. In just three short years we have gone from just one star to the maximum five reflecting the depth and breadth of our commitment to environmental improvement, social change and transparent governance.

Alongside GRESB, we were also awarded a score of 13.2 in the Sustainalytics ESG Risk rating report. This is a significant improvement on our 2020 score of 21.7. This now places us in the 'low risk' category.

ENVIRONMENTAL PROGRESS

The direct impact of our operations on the environment may be small in comparison to other industries but it is a central tenet of our strategy to mitigate and reduce this impact however we can. In January 2021 we achieved 100% renewable electricity sourcing for our entire store portfolio, which is the first step towards a much more ambitious goal. We have committed to achieving operational net zero by 2030. This means we will be self-sufficient in producing all the energy we need to run our stores, which could include solar or wind energy generation on site, and energy storage facilities, like batteries, to distribute the energy generated as required.

Our commitment to decarbonizing our operations, including our travel footprint, is guided by best practice principles. We will use the energy hierarchy to drive down carbon emission levels and neutralize our remaining climate impact by investing in carbon offsetting projects. We will also engage our suppliers to tackle their climate impact so that we can achieve the next step of material net zero carbon by 2040.

UN GLOBAL COMPACT

As part of Shurgard's commitment to broadening the scope of our ESG program, we signed up to the UN Global Compact in December 2021. The principle-based framework encourages companies to align their strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take action to advance societal goals.

Shurgard will begin to implement the principles into its business strategy, day-to-day operations and organizational culture. We will incorporate the principles in decision-making processes at the highest levels and engage in partnerships that advance the UN Global Compact's principles and support broader UN goals, such as the UN Sustainable Development Goals.

SOCIAL AND COMMUNITY ENGAGEMENT

FEDESSA AWARD

We won the charity initiative of the year award for supporting young Londoners from low-income backgrounds

Shurgard has strengthened its partnerships with a range of charities across the regions in which we operate, supporting and sponsoring them to carry out their community mandates.

In the UK, we continued our charity partnership with the Mayor's Fund of London, which offers support to young Londoners from low-income backgrounds. Our support was recognised by FEDESSA (Federation of European Self Storage Associations) at their industry awards where we won the charity initiative of the year award for this work.

We offer financial and logistical support to charities in all seven of our operating countries, and are determined to sustain the communities in which we operate in the most effective ways.

ENVIRONMENTAL MANAGEMENT SYSTEM

As Shurgard has broadened and deepened its environmental commitments, it has become necessary to accurately track and manage the actions we take. In 2021 we implemented an environmental management system (EMS) to allow us to integrate processes, train personnel, monitor progress on each action, review their efficacy and report on the outcomes of our environmental commitments.

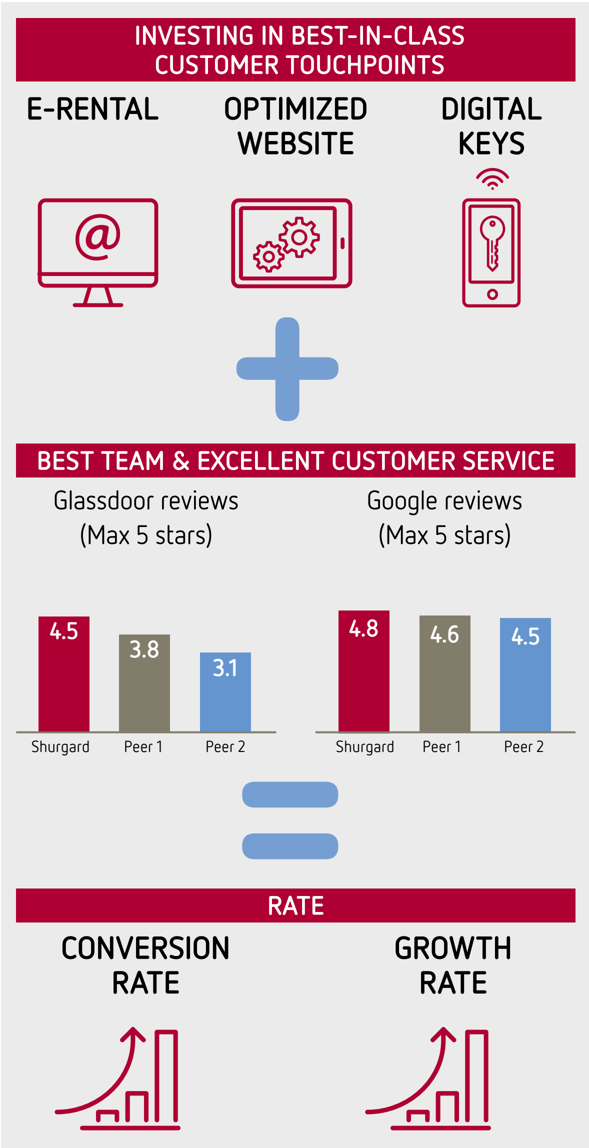
OUR ENVIRONMENTAL MANAGEMENT SYSTEM

During the year we developed control procedures, objectives and targets to ensure continuous improvement in reducing our environmental impact. Programs in conjunction with partners and suppliers have been implemented and we monitored and measured our ESG performance regularly, reporting on the outcomes in the sustainability section of this report.

OPERATIONAL HIGHLIGHTS

TECHNOLOGY-DRIVEN GROWTH THROUGH CUSTOMER CHOICE

Shurgard's e-rental service went live across the portfolio in early 2021 and ramped up quickly, taking up to 25% of the share of new contracts by the year end. It is an important facet of the continuously improving customer service we offer, which is also reflected in increased conversion rates through staff training and excellent Google ratings. E-rental shortens the time it takes to complete a booking from around 40 minutes to just six minutes and allows customers to carry out their transaction outside of working hours. The breadth of choice and level of service customers receive when enquiring, booking and completing their rental has helped Shurgard deliver impressive revenue growth in 2021, up 9.5%, and demonstrates strong brand satisfaction.



PEOPLE DEVELOPMENT

In 2021 employees undertook

52,500 hours

of training and development over the year

Shurgard prides itself in being an excellent place to work and our satisfaction scores on Glassdoor are testament to this. We place strong emphasis on employee development and conduct regular appraisals to ensure the goals of the company and our employees are aligned. The Shurgard Academy, opened three years ago, provides our staff with the training to master competencies that ensure their progression through the business. In 2021 employees undertook 52,500 hours of training and development over the year, with 638 taking part in Shurgard Academy training.

SUSTAINABILITY

The ESG initiatives implemented over the last few years have gone from strength to strength. Within three years we have become a five-star rated company on the GRESB scale with a score of 87 out of a maximum of 100. We also became the leader within the self-storage sector and received a gold medal from the EPRA Sustainability Best Practices Recommendations. Shurgard is determined to drive sustainability forward with new ambitious ESG targets to achieve net zero carbon on an operational level by 2030 and on a material level by 2040 or sooner. We recognize the positive impact we can have on our communities and have widened and deepened our involvement in social activities through the year.

ACHIEVED 5-STAR GRESB

scale with a score of 87 out of a maximum of 100

GOLD MEDAL

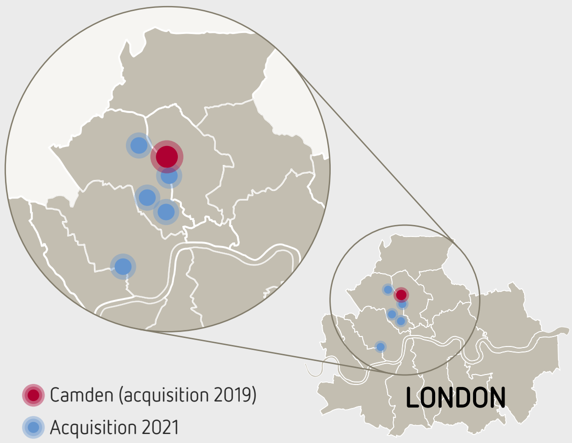
at the EPRA Sustainability Best Practices Recommendations awards

OPTIMIZATION (REDEVELOPMENT)

Shurgard's optimization program in 2021 spanned three of its core regions, with two in Munich, Germany, one in London, UK, and two in the Netherlands (Gouda and Amsterdam). The redevelopments ranged from 400 sqm to 3,200 sqm and in total increased Shurgard's footprint by 7,300 sqm at a total cost of €10.4 million.

ACQUISITIONS (M&A)

Shurgard completed two transactions in London in 2021, adding six new stores. Four properties were acquired from A&A Self Storage on September 9, 2021, three of which are in central London and the fourth in Watford, northwest of London. Two further properties were acquired from City Space on October 1, both of which are in prestigious central London boroughs.



NEW OPENINGS (ORGANIC DEVELOPMENT)

Our first new store opening of 2021 was in London-Barking in January, where we added 6,900 sqm to our portfolio for a project cost of €12.9 million. This property achieved 79.5% occupancy by December 2021. Five more openings took place in the second half, one in the Randstad area in the Netherlands, two in Paris (Argenteuil and Morganis) which together added 13,200 sqm at a cost of €23.6 million. We opened another store in Berlin-Hohenschoenhausen in Germany in December, and our final opening of the year was in London-Bow adding 8,200 sqm for €26.4 million.

London, UK January 2021	6,900sqm/€12.9M footprint project cost
Randstad, Netherlands July 2021	4,400sqm/€5.4M footprint project cost
Paris, France Second half 2021	13,200sqm/€23.6M footprint project cost
Berlin, Germany December 2021	5,700sqm/€11.9M footprint project cost
London, UK December 2021	8,200sqm/€26.4M footprint project cost

STRATEGY IN ACTION

London is a prime example of Shurgard's successful levers of growth strategy. Since 2014, we have built, redeveloped or acquired a growing London self-storage portfolio, more than doubling the number of stores and square footage in the UK capital. This strategy has catapulted the company to second place in the London self-storage rankings from fourth seven years ago.

Between 2014 and 2021, Shurgard increased its London stores to 36* from 17, and net rentable square meters to 178,300 from 76,400. Occupancy has remained high throughout, and on a pro-forma basis, revenue** has increased 2.5 times to €50.4 million in 2021 from €20.1 million in 2014. Income from property (NOI) grew even faster, rising from €11.4 million to €30.8 million in the same period.

The pipeline in the capital remains strong, with a major redevelopment and two new developments scheduled for 2023, and land purchase agreements filling the longer-term pipeline.

* Excludes our latest development Bow, and three stores outside the M25
** Revenue and NOI include estimated full year earnings from 2021 acquisitions (six stores, acquired in September and October 2021)

CHAIRMAN'S LETTER

FELLOW SHAREHOLDERS

Shurgard's management delivered another year of solid results following an excellent year in 2020. Same store revenue and Net Operating Income (NOI) were both higher and have increased by 17.5% and 23.5% at constant exchange rates respectively since the IPO in 2018. The company's expansion continued through redevelopment, development and acquisition. Our portfolio of properties is now 11.8% larger than at the time of the IPO. Most importantly, shareholders have enjoyed a total return (TSR) of c. 140% since the IPO. Marc Oursin's letter and the annual report provide greater detail on each of these metrics.

The self-storage business continues to benefit from the work from home paradigm shift taking place across Western Europe and the United States. Customers are staying longer and churn is lower, generating meaningful pricing power which should continue into 2022. While the management team did an extraordinary job of managing through the pandemic, they have leveraged this change in customer behavior to accelerate the digitalization of the operating platform. This will continue into 2022 and beyond, because as more processes are "digitized", we find new ways to inject technology into the business.

Strong leadership inspires a motivated workforce, and Shurgard's leadership has proved outstanding. The management team, led by Marc Oursin, has provided an exemplary standard for all employees to aspire to. They know how to create shareholder value and are incentivized to do so. I also want to thank the Board of Directors for their support and leadership in guiding such talented people.

Shurgard continues to widen its leadership position in Europe, supported by two stable and long-term oriented shareholders. Both investors provide a secure foundation on which to effect Shurgard's growth strategy, and for Public Storage, our standard holding period for investments mirrors that of Warren Buffett, forever! This exceptional business model has and should continue to deliver solid returns to shareholders for years to come.

Ronald L. Havner, Jr.
Chairman of the Board of Directors

CHIEF EXECUTIVE OFFICER'S LETTER

Shurgard has not only proved further resilience amidst the uncertainty of 2021, but outperformed expectations by using the opportunities the recovering market has afforded us. With this new environment, we delivered record revenue, earnings, and occupancy, helped by practical and safe alternatives like online e-rental. This consistent show of resilience has prompted Shurgard to take the business to the next level. We have laid out plans to accelerate our growth trajectory, doubling investment allocation and space growth over the next three years.

DIGITAL EXPANSION

The business benefited from the freer movement of people and the start of an economic recovery which drove demand from customers moving out, trading up, clearing out or selling up.

The COVID-19 pandemic has made society more cautious, and this has collided with a longer-term shift towards online and digital services. We used 2020 to develop and refine our full digital e-rental offer, and the uptake when it was rolled out across our portfolio in 2021 was massive. The service is seamless and allows our customers to search, book, pay and move in entirely digitally. Already between 25% and 30% of all contracts are started and completed online.

The digital shift is part of a much wider technology expansion across Shurgard's operations. We recognize that digital enhancements can make us more efficient as well, and we are implementing a company-wide building management system across our store portfolio. Digitalizing our properties will allow us to pre-emptively manage the necessary maintenance at our stores and prioritize improvements to prevent any breakdowns. It will also enable Bluetooth access, which, along with the customer App we are developing, will further improve the customer experience. We are increasingly turning to digital solutions and incorporating sophisticated data analytics into our systems. This allows us to implement predictive pricing and enhanced customer interactions that benefit both Shurgard and our customers. Shurgard is becoming a "prop-tech" company.

ACCELERATING LEVERS OF GROWTH

The long tail of the pandemic has not hindered our progress in expanding our store footprint through the three main levers of growth – redevelopments, new developments and acquisitions. We completed and opened six new stores during the year, in London, the Hague-Randstad, Paris and Berlin, which together added 38,300 sqm to our store footage. The openings bolstered our profile and strengthened our existing footprint within these cities. The majority of our customers live within three miles of our stores, and each new opening in an urban or suburban city setting broadens our customer base.

Redevelopments are a quick and cost-effective way to increase storage space, and we completed five major redevelopments in 2021, in Munich, Amsterdam-Randstad region and London. These added 7,300 sqm to our portfolio and the space has been taken up quickly, reflecting strong demand and positive return on our investments.

Our final lever, acquisitions (M&A), included six stores in London this year. With the added 9,800 sqm, Shurgard becomes the second largest self-storage operator by square footage within the M25 (the ring road that defines most of London's inner border).

We have been pulling the levers of growth at the same steady pace since going public in 2018, and Shurgard is now ready to accelerate this strategy. At our investor day on September 9, 2021, we announced our plans to double the pace of growth by 2024, expanding within our established regions as well as opening in new cities. The ramp up will take a couple of years to build up the increased pipeline of land and complete construction, but by 2024 our annual new store openings will increase from the current five to ten per year. Acquisitions are market dependent, but we will target six annual acquisitions to bring the total of new stores every year to 16, adding a total of 7-8% of new sqm every year.

The accelerated growth is a clear demonstration of the effective execution of our long-term strategy and reflects our confidence in the self-storage market and our ability to capitalize on it.

FINANCIAL STRENGTH

The evidence of that ability is patent in our financial results for 2021. Against the backdrop of an uncertain social and economic environment we delivered 10.7% growth in property operating revenue (9.5% at constant exchange rates), almost double our initial forecasts at the start of the year. This growth was underpinned by the increase in our portfolio which serviced a resurgent property market and economic growth as countries continued their pandemic recovery. This recovery helped same store sales grow 7.0% at constant exchange rates in 2021 as more people made moves that had been put on hold the previous year.

Average occupancy rates have been very strong as well, 89.1% across the portfolio, with stand-out performances from Denmark and Sweden. Our optimized systems, newly digitalized customer journey and convenient locations have encouraged demand, and we were able to increase in-place rent in all of our regions.

Operating profit before property related adjustments rose by 11.0% reflecting an 11.3% increase in net income from real estate operations (at constant exchange rates). Other key profit measures include profit before tax of €624.7 million, up 54.6% from the previous year at constant exchange rates, mainly following increased valuation gains from investment property and investment property under construction (IPUC) (€466.6 million in 2021 versus €259.8 million in 2020). Adjusted EPRA earnings rose 9.4% to €131.0 million, at constant exchange rates.
We proposed a total dividend per share of €1.17, which lifted the 2021 dividend per share by 10.4%.

SUSTAINABILITY

Shurgard prioritizes sustainability across the business, and we have been recognized for our continued efforts with five stars from GRESB, the property asset sustainability framework. Not only did we improve on our overall score, but we are now first amongst the GRESB cluster of self-storage companies from Europe and the US. This rise up the ranks has come about through the focused efforts of all our employees across the business, who have put sustainability at the heart of our operations.

In 2020, Shurgard started the switch over to renewable electricity and by January 2021 we had achieved 100% renewable electricity sourcing. This is just the start of an ambitious goal to achieve operational net zero carbon by 2030, generating and storing all the energy we need for all our properties, and material net zero carbon across our entire material emissions by 2040.

We continue to support our charitable partners around Europe with fundraising or logistic storage support that benefits the communities in which we operate. We support our employees to train and progress in their career ambitions, and ensure their safety, especially in the current heightened health environment.

OUTLOOK AND GROWTH ACCELERATION

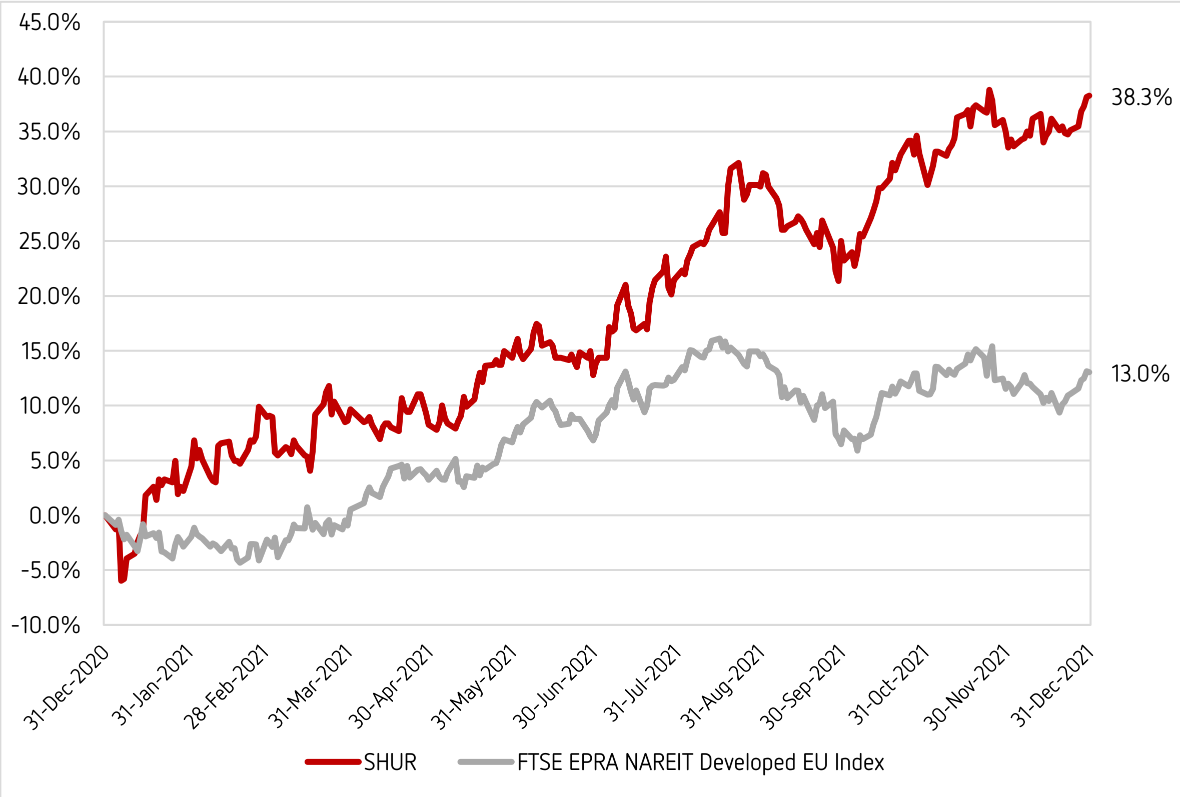
In August we raised our all store revenue outlook for 2021 from 4-6% to 8-10%, achieving 9.5% growth for the year, and during our Investor Day we set the company on a new course of growth for the coming years. We pledged to double the pace of investment and storage growth by 2024. This means we will invest c. €170 million per year, equivalent to adding 16 properties or c. 90,000 sqm per year by 2024, which represents around 7% of our current total rentable sqm. This ambitious investment will be deployed while maintaining a conservative and supportive capital structure resulting in a continued strong total shareholder return.

I look forward to taking all our stakeholders on this accelerated growth journey.

Marc Oursin
Chief Executive Officer

THE SHURGARD SHARE

SHARE PRICE DEVELOPMENT



BASIC SHARE DATA

ISIN / common code	LU1883301340 / 188330134
CFI code	ESVUFX
Ticker	SHUR
Stock exchange	Euronext Brussels
Shares issued	89,106,202
Shares outstanding as of December 31, 2021	89,035,431
Subscribed capital	€63,592,365.48
Share price as of December 31, 2021[1]	€57.50
52-week high / low[2]	€58.00 / €33.50
Market capitalization as of December 31, 2021	€5,120 million
Average daily trading volume	37.749 shares

1 Closing price on last trading day of the month.

2 In each case from start of trading on January 1, 2021 to December 31, 2021, based on Euronext Brussels closing price.

DIVIDEND

We have proposed a total dividend of €1.17 per share for the year 2021.
With respect to the first half of 2021, our Board of Directors approved an interim dividend of a maximum amount of €48.9 million or €0.55 per share paid on October 1, 2021.

The Board of Directors recommended, subject to Shareholders' approval, a final dividend for the year 2021, of a maximum amount of €104.1 million (taking into account the number of outstanding shares as of December 31, 2021) or €1.17 per share.
The second and final dividend on 2021 results will be payable on or around May 12, 2022 to Shareholders on the record at close of business on May 11, 2022.

SHARE TRADING

The Company appointed KBC Securities and Bank Degroof Petercam as liquidity providers starting in June 2019 and January 2020 respectively, with the contracts being officially recognized by Euronext. The Company aims to make the necessary efforts to improve the liquidity of its order book and increase the trading volumes of its share, to benefit current and potential investors.

The Company also worked with Kempen & Co. from May 2019 until May 2021 (included) as liquidity provider.

SHAREHOLDERS

The following table sets forth the shareholders of the Company as of December 31, 2021:

Shareholder	Number	%
New York State Common Retirement Fund	32,544,722	36.5
Public Storage	31,268,459	35.1
Public	25,222,250	28.3
Shurgard Self Storage S.A. (treasury shares)	70,771	0.1
Total	**89,106,202**	**100.0**

MANAGEMENT REPORT

TABLE OF CONTENTS

KEY FINANCIALS

(in € millions, except where indicated otherwise, excluding property under management contract)	Q4 2021	Q4 2020	+/- (CER)[1]	FY 2021	FY 2020	+/-	+/- (CER)[1]
Property KPIs at period end							
Number of properties	254	242		254	242	5.0%	
Closing rentable sqm[2]	1,281	1,227		1,281	1,227	4.5%	
Closing rented sqm[3]	1,123	1,076		1,123	1,076	4.4%	
Closing occupancy rate[4]	87.7%	87.7%		87.7%	87.7%	-0.1pp	
Property KPIs for the period							
Average rented sqm[5]	1,131	1,079	4.8%	1,108	1,054	5.2%	
Average occupancy rate[6]	89.3%	88.6%	0.7pp	89.1%	87.7%	1.3pp	
Average in-place rent (in € per sqm)[7]	243.4	223.1	7.7%	233.3	220.4	5.9%	4.7%
Average revPAM (in € per sqm)[8]	250.7	230.6	7.4%	241.0	225.5	6.9%	5.7%
Financial KPIs for the period							
Property operating revenue[9]	79.4	70.2	11.6%	299.9	271.0	10.7%	9.5%
Income from property (NOI)[10]	53.0	45.0	16.5%	194.4	172.8	12.5%	11.3%
NOI margin[11]	66.8%	64.0%	2.8pp	64.8%	63.8%	1.0pp	1.0pp
EBITDA[12]	47.6	40.3	16.7%	174.9	157.3	11.2%	9.9%
Adjusted EPRA earnings[13]	34.5	31.7	7.2%	131.0	118.0	11.0%	9.4%
Adjusted EPRA earnings per share (basic) (in €)[14]	0.39	0.36	7.0%	1.48	1.33	10.9%	9.3%
Average number of shares (in millions - basic)	88.9	88.8	0.2%	88.8	88.7	0.1%	
Total dividend per share (in €)				1.17	1.06	10.4%	

(in € millions)	FY 2021	FY 2020	+/-
Financial KPIs at period end			
EPRA net tangible assets (NTA)[15]	3,112.6	2,517.9	23.6%
Loan-to-value (LTV)[16]	17.4%	18.1%	-0.7pp
Interest coverage ratio (ICR)[17]	8.7x	8.6x	0.1x

1 In the constant exchange rate (CER) comparison, 2020 financials are recalculated using 2021 exchange rates.
2 Closing rentable sqm is presented in thousands of sqm and calculated as the sum of available sqm for customer storage use at our stores, as of the reporting date.
3 Closing rented sqm is presented in thousands of sqm and calculated as the sum of sqm rented by customers, as of the reporting date.
4 Closing occupancy rate is presented in % and calculated as the closing rented sqm divided by closing rentable sqm as of the reporting date.
5 Average rented sqm is presented in thousands of sqm and calculated as the sum of sqm rented by customers, for the reporting period.
6 Average occupancy rate is presented in % and is calculated as the average of the rented sqm divided by the average of the rentable sqm, each for the reporting periods.
7 Average in-place rent is presented in euros per sqm per year and calculated as rental revenue, divided by the average rented sqm for the reporting period.
8 Average revPAM, which stands for revenue per available sqm, is presented in euros per sqm per year for the reporting period and calculated as property operating revenue, divided by the average rentable sqm for the reporting period.
9 Property operating revenue represents our revenue from operating our properties, and comprises our rental revenue, insurance revenue and ancillary revenue.
10 Income from property (NOI) is calculated as property operating revenue less real estate operating expense for the reporting period.
11 NOI margin is calculated as income from property (NOI) divided by property operating revenue for the reporting period.
12 EBITDA is calculated as earnings before interest, tax, depreciation and amortization, excluding (i) valuation gains or losses from investment property and investment property under construction, (ii) gains or losses on disposal of investment property, plant and equipment and assets held for sale, (iii) acquisition costs and dead deals and (iv) casualty losses (gains).
13 Adjusted EPRA earnings is calculated as EPRA earnings adjusted for (i) deferred tax expenses on items other than the revaluation of investment property and (ii) special items ('one-offs') that are significant and arise from events or transactions distinct from regular operating activities.
14 Adjusted EPRA earnings per share in euros (basic) is calculated as adjusted EPRA earnings divided by the weighted average number of outstanding shares.
15 EPRA Net Tangible Assets (NTA) scenario is focused on reflecting a company's tangible assets and assumes that companies buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax liability.
16 Loan-to-Value is the net debt expressed as a percentage of the fair value of the group's investment property and investment property under construction.
17 Interest coverage ratio is calculated as EBITDA divided by total interest expenses for the reporting period.

PRELIMINARY REMARKS

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

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

GROUP OVERVIEW

BUSINESS MODEL

We are the largest operator of self-storage facilities, which we refer to as properties, stores, assets or locations, in Europe in terms of number of properties and net rentable sqm.[1] We started our operations in 1995 and are one of the pioneers of the self-storage concept in Europe. As of December 31, 2021, we operate 254 self-storage properties under the Shurgard brand name that we own or lease in France, the Netherlands, Sweden, the United Kingdom (UK), Belgium, Germany and Denmark. In addition, we currently operate one store under a management contract in France that is owned by a third party.

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 2021 compared to 2020.

(in € millions)	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
Property operating revenue	79.4	70.2	13.0%	299.9	271.0	10.7%
NOI	53.0	45.0	17.9%	194.4	172.8	12.5%
NOI margin	66.8%	64.0%	2.8pp	64.8%	63.8%	1.0pp

1 FEDESSA 'European Self Storage Annual Survey' 2021.

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 64.8% in 2021 compared to 63.8% in 2020.

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

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

GROUP STRUCTURE

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

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

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

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 Association. As of December 31, 2021, the Board of Directors comprised the following 11 members:

Name	Position	Age	Mandate expires
Ronald L. Havner, Jr.[1]	Chairman	64	Annual shareholders' meeting 2022
Marc Oursin	Chief Executive Officer	59	Annual shareholders' meeting 2022
Z. Jamie Behar[2]	Director	64	Annual shareholders' meeting 2022
Everett B. Miller III[2]	Director	76	Annual shareholders' meeting 2022
Daniel C. Staton[1]	Director	68	Annual shareholders' meeting 2022
Ian Marcus	Lead Independent Director	62	Annual shareholders' meeting 2022
Muriel De Lathouwer	Independent Director	49	Annual shareholders' meeting 2022
Olivier Faujour	Independent Director	56	Annual shareholders' meeting 2022
Frank Fiskers	Independent Director	60	Annual shareholders' meeting 2022
Padraig McCarthy	Independent Director	61	Annual shareholders' meeting 2022
Isabelle Moins	Independent Director	57	Annual shareholders' meeting 2022

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

As of December 31, 2021, 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	59	January 9, 2012
Jean Kreusch	Chief Financial Officer	57	November 1, 2003
Duncan Bell	VP Operations	58	April 14, 2009
Ammar Kharouf	General Counsel, VP Human Resources and Legal	51	March 17, 2014
Isabel Neumann	Chief Investment Officer	46	August 30, 2021

In August 2021, Mr. Jean-Louis Reinalda stood down as VP Real Estate. This position was subsumed within that of the Chief Investment Officer. The Board of Directors has delegated the daily management of the business to the Chief Executive Officer (CEO). The CEO has the authority to represent the Board, as well as a number of ancillary specific powers. In addition, the CEO has been granted powers to approve any redevelopment or refurbishments of real estate assets.

MARKET OVERVIEW

SELF-STORAGE BASICS

Self storage is a business to consumer (B2C) enterprise in a niche real estate sector that rents storage units, typically on a monthly basis, to individuals (approximately 73%) and business users (approximately 27%).[1] Individuals primarily use self storage as a "remote attic or basement" to store household goods, while businesses usually store excess inventory or archived records. Storage units often differ in size and can range from one sqm to more than 50 sqm. One of the key drivers of self-storage adoption is population density, where space is at a premium, and householders or businesses need cost-effective storage solutions.

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

EUROPEAN SELF-STORAGE MARKET

The European self-storage market has been characterized by a period of sustained growth in recent years. It currently comprises approximately 5,170 facilities across Europe, providing nearly 11.0 million sqm of space.[1] In the seven countries where we operate, there are approximately 8.7 million sqm of rentable area across approximately 3,730 self-storage properties (including UK containers).[1]

The largest self-storage market in Europe is the United Kingdom, accounting for 39.6% of total facilities. Over 78% of the facilities are located in the six most mature countries within Europe (UK, France, Spain, the Netherlands, Germany and Norway).[1] The average amount of self-storage floor area per capita across Europe is 0.022 sqm.[1] This compares to 0.84 sqm in the much more mature US market, indicating significant further growth potential.[2] In terms of competition, the European self-storage market is still highly fragmented. The ten largest European self-storage operators account for 17.7% of all self-storage facilities and 36.5% of the total self-storage space.[1] Shurgard, as the largest operator, represents approximately 5% of the stores, 11.3% of the total space across Europe and accounts for 14.9% of total space in the seven countries in which 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 has proven its resilient nature as it did during the global financial crisis in 2008. Self storage recorded excellent rent collection levels from customers and an increase in occupancy and rental levels. In addition, the trend towards greater online functionality and more sophisticated platforms has been accelerated by the COVID-19 pandemic, with many customers becoming more comfortable with online transactions, especially in the older age groups.

Several factors have supported demand for self storage from residential customers in recent years. These include favorable demographic and macroeconomic trends, such as population growth, urbanization, higher levels of mobility, micro-living, increasing personal wealth and ownership of more storable goods, as well as increased consumer awareness. These trends have been particularly strong in urban areas, where high density levels, elevated housing costs and the scarcity of housing and storage space are expected to support longer-term pricing rates and occupancy levels. Demand from business customers has generally been supported by the growth of new online retailers and small businesses, which require flexible and cost-effective storage options. We expect these trends to continue to support the demand for self storage in the coming years.

1 FEDESSA 'European Self Storage Annual Survey' 2021.
2 FEDESSA 'European Self Storage Annual Survey' 2020.

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

GROWTH STRATEGY

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

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

REDEVELOPMENT

We continuously 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. We will continue to analyze our operations for opportunities to undertake remix projects. 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. Redevelopments may increase the rentable area of a property by at least 10%, but in many cases the rentable areas are increased by substantially more than 10%.

NEW DEVELOPMENT

The opening of new properties has proven to be an important lever of our growth. We are seeking to develop ten new property projects per year from 2024, with our reinforced development team of 19 dedicated development and construction specialists. We plan to increase our development pipeline gradually as from 2021, to at least five openings in 2022, seven openings in 2023, and ten as from 2024 (70,000 sqm). To do so, we are focusing on a set of clear selection criteria, both operational and financial, including attractive and cycle-resilient locations in our existing markets.

ACQUISITIONS

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

YIELD MANAGEMENT

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

BRAND AND MARKETING

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

RESEARCH AND DEVELOPMENT

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

PROPERTY PORTFOLIO

OUR PROPERTIES

The number of properties we operate has grown to a network of 255 properties comprising 1,289,325 net rentable sqm, as of December 31, 2021. We primarily operate in urban areas across Europe, with 92.9% of our properties located in capital and major cities. At the end of December 2021, 93.2% 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 89.0% for the full year 2021. The average in-place rent per sqm was €233.1 during the year.

The following table shows our portfolio by country, as of December 31, 2021:

	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	62	310	94.1%	87.7%	240.9
The Netherlands	62	304	84.9%	89.7%	198.7
Sweden	36	183	96.5%	92.2%	248.9
The United Kingdom	40	200	95.6%	87.0%	288.8
Germany	24	122	93.4%	84.3%	232.1
Belgium	21	117	100.0%	90.9%	184.4
Denmark	10	53	100.0%	94.3%	250.0
Total	**255**	**1,289**	**93.2%**	**89.0%**	**233.1**

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.

Our net rentable sqm have grown by 4.1% from 1,238,821 sqm as of December 31, 2020 to 1,289,325 sqm as of December 31, 2021. This growth results mainly from our portfolio expansion in 2021 (55,337 net rentable sqm), offset by the closure of one store operated under management contract in France (3,986 net rentable sqm).

During the second half of 2021, Shurgard purchased six properties in the United Kingdom, adding 5.6% (9,752) net rentable sqm to our UK portfolio. In addition, we also opened Barking during the first quarter and Bow during the fourth quarter, adding 8.7% (15,056) net rentable sqm to our UK portfolio. The second biggest increase in our portfolio has come from France, where we added 4.4% (13,209) net rentable sqm with the opening of Argenteuil and Morangis during the second half of the year. This increase was partially offset by the closure of

Clichy-Levallois (store operated under management contract) following the end of the lease, removing 1.3% (3,986) net rentable sqm from our French portfolio.

We have further increased our portfolio by 2.8% (8,234) net rentable sqm in the Netherlands following the opening of Zoetermeer in July and two redevelopments. The last part of the increase in our portfolio is mainly driven by the opening of one property and the redevelopment of two properties in Germany, where we added, 7.6% (8,723) net rentable sqm.

PORTFOLIO EXPANSION

Property	Region	Country	Completion date	Net sqm	Direct project cost / acquisition cost[1]
Opened in 2021				**55,337**	**139,484**
Major redevelopments					
Unterfoehring	Munich	Germany	Jan-2021	1,556	1,515
Gouda	Randstad	Netherlands	Apr-2021	655	280
Camden	London	UK	Apr-2021	363	3,014
Amsterdam West	Amsterdam	Netherlands	Apr-2021	3,215	4,385
Laim	Munich	Germany	Dec-2021	1,510	1,224
New developments					
Barking	London	UK	Jan-2021	6,899	12,928
Zoetermeer	The Hague	Netherlands	Jul-2021	4,364	5,358
Argenteuil	Paris	France	Sep-2021	7,467	12,887
Morangis	Paris	France	Nov-2021	5,742	10,685
Hohenschoenhausen	Berlin	Germany	Dec-2021	5,657	11,904
Bow	London	UK	Dec-2021	8,157	26,405
M&A / Asset Acquisitions					
A&A Self Storage / City Space	London	UK	2021	9,752	48,899
Scheduled to open in 2022				**29,233**	**52,248**
Major redevelopments					
Unterfoehring	Munich	Germany	Q3 2022	2,275	2,187
New developments					
Lagny	Paris	France	Q1 2022	5,531	10,303
Rath (Oberhausener)	Dusseldorf	Germany	Q2 2022	4,530	10,679
Merheim	Cologne	Germany	Q2 2022	5,741	13,069
Capelle Molenbaan	Rotterdam	Netherlands	Q3 2022	4,356	3,198
Spijkenisse Hofweg	Rotterdam	Netherlands	Q3 2022	1,910	3,630
Sartrouville	Paris	France	Q4 2022	4,890	9,182
Scheduled to open in 2023				**35,110**	**82,971**
Major redevelopments					
Southwark	London	UK	2023	2,692	7,345
New developments					
2 properties	London	UK	2023	13,042	38,186
3 properties	Paris	France	2023	14,453	24,774
1 property	Berlin	Germany	2023	4,923	12,666
Portfolio expansion				**119,680**	**274,703**

1 In € thousands at closing rate December 2021 and including development fees and acquisition costs but excluding absorption costs.

In 2021, our portfolio and pipeline continued to grow, with 9.8% (or 119,680 sqm) of our net rentable sqm being developed, under construction and secured. Out of 12 development projects in the pipeline for 2022 and 2023, the permits have been received for all but six properties where the regular building permit process is ongoing. Construction is in progress for one property in Dusseldorf, one in Cologne and one in Paris.

PROPERTY LAYOUT

Although the size of our properties varies, most consist of multi-story buildings. The rental units typically range from one to 20 sqm in size. The average unit size is approximately seven sqm, although unit sizes are typically smaller in major metropolitan areas at approximately five to six sqm. As of December 31, 2021, 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 2021	Q4 2020	+/- CER	FY 2021	FY 2020	+/-	+/- CER
Real estate operating revenue	79,408	70,333	11.5%	300,375	271,383	10.7%	9.5%
Real estate operating expense	(26,371)	(25,270)	2.9%	(105,566)	(98,211)	7.5%	6.3%
Net income from real estate operations	**53,037**	**45,063**	**16.4%**	**194,809**	**173,172**	**12.5%**	**11.3%**
General, administrative and other expenses	(5,923)	(4,691)	25.7%	(19,440)	(16,953)	14.7%	14.4%
of which depreciation and amortization expense	(663)	(576)	14.9%	(2,624)	(2,047)	28.2%	28.0%
Royalty fee expense	(785)	(694)	11.8%	(2,971)	(2,673)	11.2%	9.9%
Operating profit before property related adjustments	**46,329**	**39,678**	**15.4%**	**172,398**	**153,546**	**12.3%**	**11.0%**
Valuation gain from investment property and investment property under construction	321,259	136,947	131.3%	466,575	256,889	81.6%	79.6%
Proceeds from property insurance recovery and gain on disposal of investment property, property, plant and equipment	-	1,450	-100.0%	5,717	7,370	-22.4%	-25.0%
Operating profit	**367,588**	**178,075**	**103.6%**	**644,690**	**417,805**	**54.3%**	**52.5%**
Finance cost	(5,129)	(4,912)	3.4%	(19,970)	(18,709)	6.7%	6.5%
Profit before tax	**362,459**	**173,163**	**106.4%**	**624,720**	**399,096**	**56.5%**	**54.6%**
Income tax expense	(95,038)	(50,942)	85.0%	(177,134)	(109,250)	62.1%	60.8%
Attributable profit for the period	**267,421**	**122,221**	**115.2%**	**447,586**	**289,846**	**54.4%**	**52.3%**
Profit attributable to non-controlling interests	(398)	136	N/A	(738)	(371)	99.1%	99.1%
Profit attributable to ordinary equity holders of the parent	**267,023**	**122,357**	**114.7%**	**446,848**	**289,475**	**54.4%**	**52.2%**
Earnings per share attributable to ordinary equity holders of the parent:							
Basic, profit for the period (in €)	3.00	1.38	114.2%	5.03	3.26	54.2%	52.0%
Diluted, profit for the period (in €)	2.98	1.37	113.9%	5.00	3.25	53.9%	51.8%
Adjusted EPRA earnings per share (basic - in €)	0.39	0.36	7.0%	1.48	1.33	10.9%	9.3%
Average number of shares (basic - in millions)	88.9	88.8	0.2%	88.8	88.7	0.1%	0.1%

The following discussion of group revenue and expenses down to EBITDA is based on constant exchange rate (CER), where 2020 actual exchange rate (AER) numbers are recalculated using 2021 exchange rates.

REAL ESTATE OPERATING REVENUE

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

(in € thousands)	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
Rental revenue	68,814	60,934	12.9%	258,626	234,868	10.1%
Insurance revenue	7,822	7,381	6.0%	30,282	28,416	6.6%
Ancillary revenue[1]	2,718	2,779	-2.2%	11,038	10,670	3.5%
Property operating revenue (CER)	**79,354**	71,094	**11.6%**	**299,946**	273,954	9.5%
Other revenue[2]	54	111	-51.7%	429	414	3.4%
Real estate operating revenue (CER)	**79,408**	71,205	**11.5%**	**300,375**	274,370	9.5%
Foreign exchange	-	(872)	-100.0%	-	(2,987)	-100.0%
Real estate operating revenue (AER)	**79,408**	70,333	**12.9%**	**300,375**	271,383	10.7%

1 Ancillary revenue consists of merchandise sales and other revenue from real estate operations.
2 Other revenue consists of management fee revenue and other, non-recurring income resulting from operations.

Rental Revenue

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

In 2021, rental revenue increased by 10.1% to €258.6 million, from €234.9 million in 2020. This was driven by an increase in both occupancy an

d rental rates at our same stores, and the solid performance of our non-same stores during their 'ramp-up' phase, where occupancy and rental rates rose strongly. Across our expanded network, our closing net rented sqm increased by 4.4% to 1,123 thousand sqm as of December 31, 2021 from 1,076 thousand sqm on December 31, 2020.

Insurance Revenue

Customers renting storage from Shurgard are required to have insurance for their stored goods. They can use their own insurance provider or Shurgard can offer its customers insurance protection via an independent insurance company for customers' stored goods. Any advice and claims regarding customer insurance are directly handled by our insurance broker/insurer. As from January 1, 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, 2021, insurance revenue increased by 6.6% to €30.3 million (2020: €28.4 million). This was primarily driven by our non-same stores, as well as an increase in the proportion of new customers in our same store segment.

Ancillary Revenue

Ancillary revenue is derived from the sale of storage products in our properties including cardboard boxes and packing materials. It also includes other revenue from real estate operations. Ancillary revenue increased from €10.7 million to €11.0 million in 2021, partially driven by the weaker comparative performance in the second quarter of 2020 which was impacted by the COVID-19 confinement measures taken in the different countries.

REAL ESTATE OPERATING EXPENSE

(in € thousands)	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
Payroll expense	10,497	10,222	2.7%	41,418	38,852	6.6%
Real estate and other taxes	2,176	2,882	-24.5%	15,918	15,671	1.6%
Repairs and maintenance	3,527	2,365	49.1%	9,886	8,129	21.6%
Marketing expense	2,115	2,580	-18.0%	8,258	8,043	2.7%
Utility expense	826	1,042	-20.7%	3,754	3,905	-3.9%
Other operating expenses[1]	5,132	4,358	17.8%	17,526	15,915	10.1%
Doubtful debt expense	1,003	985	1.8%	3,397	4,312	-21.2%
Cost of insurance and merchandise sales	1,094	1,200	-8.8%	5,409	4,466	21.1%
Real estate operating expense (CER)	**26,371**	**25,634**	**2.9%**	**105,566**	**99,293**	**6.3%**
Foreign exchange	-	(364)	-100.0%	-	(1,082)	-100.0%
Real estate operating expense (AER)	**26,371**	**25,270**	**4.4%**	**105,566**	**98,211**	**7.5%**

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

During 2021, our real estate operating expenses went up by 6.3% at CER. This is mainly attributed to an expected increase in payroll expenses compared to 2020, resulting from the addition of new stores into our portfolio and higher bonus expenses following our strong operational results. Increased one-off repair costs and expenses related to floods in France and Germany also contributed to the rise in operating expenses. Furthermore, there has been an expected increase in insurance expense in all our markets, due to the hardening of the insurance market.

NET INCOME FROM REAL ESTATE OPERATIONS

Net income from real estate operations reflects the revenue received minus the expenses incurred in running our real estate operations. Net income growth indicates the strong strategic position of Shurgard's operating platform. We are able to leverage economies of scale as we acquire or develop properties, using our standardized IT and marketing platform to contain costs and ensure our revenues grow faster than our normalized expenses. Net income from real estate operations rose by 11.3%, up to €194.8 million in 2021, from €175.1 million in 2020 at constant exchange rates.

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 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
Same stores	228	228	-	228	228	-
Non-same stores	26	14	12	26	14	12
All Store	**254**	**242**	**12**	**254**	**242**	**12**
Same store property operating revenue in € thousands	74,198	68,222	8.8%	284,286	265,579	7.0%
Non-same store property operating revenue in € thousands	5,156	2,872	79.5%	15,660	8,375	87.0%
All store property operating revenue in € thousands	**79,354**	**71,094**	**11.6%**	**299,946**	**273,954**	**9.5%**

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 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
Property KPIs at period end						
Number of properties	228	228	-	228	228	-
Closing rentable sqm[1]	1,163	1,158	0.4%	1,163	1,158	0.4%
Closing rented sqm[2]	1,048	1,034	1.4%	1,048	1,034	1.4%
Closing occupancy rate[3]	90.1%	89.2%	0.8pp	90.1%	89.2%	0.8pp
Property KPIs for the period						
Average rented sqm[4]	1,058	1,039	1.8%	1,049	1,025	2.3%
Average occupancy rate[5]	90.9%	89.7%	1.2pp	90.4%	88.6%	1.9pp
Average in-place rent (in € per sqm)[6]	243.9	225.8	8.0%	234.3	222.5	5.3%
Average revPAM (in € per sqm)[7]	255.1	235.6	8.3%	245.0	229.4	6.8%
Financial KPIs for the period						
Property operating revenue[8] in € thousands	74,198	68,222	8.8%	284,286	265,579	7.0%
Income from property (NOI)[9] in € thousands	50,790	44,562	14.0%	187,959	171,323	9.7%
NOI margin[10]	68.5%	65.3%	3.1pp	66.1%	64.5%	1.6pp

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

The average occupancy rates for our same store network increased by 1.9pp to 90.4%. The average in-place rent per sqm for our same store facilities increased by 5.3% to €234.3 in 2021 from €222.5 the previous year.

Property operating revenue generated by our same store facilities increased by €18.7 million or 7.0% to €284.3 million in 2021, driven by increases in average in-place rental rates and higher average rented sqm (up by 2.3%).

NOI for our same stores rose from €171.3 million in 2020 to €188.0 million in 2021, reflecting our ability to control operating expenses so that they grow slower than operating revenues. NOI margins for our same stores increased from 64.5% to 66.1% in 2021.

Non-same stores

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

Non-same store property operating revenue increased from €8.4 million in 2020 to €15.7 million in 2021. This increase was due to the continued 'ramp-up' at our new properties and the addition of twelve non-same stores.

OPERATIONS BY COUNTRY

Same store Property operating revenue in € thousands	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
France	18,320	17,188	6.6%	70,540	67,308	4.8%
The Netherlands	15,774	14,682	7.4%	61,060	56,515	8.0%
Sweden	12,003	11,250	6.7%	46,621	44,265	5.3%
The United Kingdom	13,182	11,564	14.0%	49,059	44,229	10.9%
Germany	5,219	4,739	10.1%	19,844	18,842	5.3%
Belgium	5,985	5,428	10.3%	22,884	21,225	7.8%
Denmark	3,715	3,371	10.2%	14,278	13,195	8.2%
Total	**74,198**	**68,222**	**8.8%**	**284,286**	**265,579**	**7.0%**

Same store Average occupancy rate[1]	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
France	90.0%	88.5%	1.5pp	89.4%	87.8%	1.5pp
The Netherlands	90.2%	90.5%	-0.3pp	90.1%	89.3%	0.8pp
Sweden	91.9%	91.7%	0.2pp	92.2%	90.9%	1.3pp
The United Kingdom	89.9%	87.7%	2.2pp	89.2%	85.1%	4.1pp
Germany	92.4%	89.3%	3.1pp	90.3%	88.9%	1.4pp
Belgium	92.0%	89.7%	2.3pp	90.9%	88.3%	2.6pp
Denmark	95.0%	92.1%	2.8pp	94.3%	90.8%	3.5pp
Total	**90.9%**	**89.7%**	**1.2pp**	**90.4%**	**88.6%**	**1.9pp**

Same store Average in-place rent[2]	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
France	252.1	239.4	5.3%	243.1	236.9	2.6%
The Netherlands	205.5	190.6	7.8%	199.7	185.3	7.8%
Sweden	259.9	240.2	8.2%	249.8	238.7	4.6%
The United Kingdom	317.4	283.4	12.0%	297.6	277.1	7.4%
Germany	239.5	223.1	7.3%	232.1	223.2	4.0%
Belgium	191.8	177.0	8.3%	184.4	176.2	4.7%
Denmark	260.0	240.5	8.1%	250.0	238.1	5.0%
Total	**243.9**	**225.8**	**8.0%**	**234.3**	**222.5**	**5.3%**

Same store NOI margin[3]	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
France	68.2%	67.0%	1.2pp	61.7%	62.4%	-0.7pp
The Netherlands	72.0%	67.7%	4.3pp	69.0%	67.1%	2.0pp
Sweden	71.8%	67.3%	4.6pp	72.4%	68.5%	3.9pp
The United Kingdom	64.4%	57.1%	7.3pp	63.9%	60.0%	3.9pp
Germany	60.4%	65.6%	-5.2pp	62.9%	65.0%	-2.1pp
Belgium	70.0%	68.6%	1.4pp	66.0%	64.9%	1.1pp
Denmark	66.7%	62.3%	4.4pp	67.3%	64.9%	2.4pp
Total	**68.5%**	**65.3%**	**3.1pp**	**66.1%**	**64.5%**	**1.6pp**

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.

Overall, Shurgard operations delivered historical outstanding performances in 2021 despite the continued uncertain economic environment. Same store revenue grew by 7.0% compared to the prior year, with an 11.1% increase from third quarter results. This revenue growth is fueled by a 1.9pp increase in average same store occupancy, and average in-place rent increasing by 5.3% versus the prior year.

- In our biggest market, France, same store revenue grew by 4.8% from the prior year, and 8.1% from prior quarter. This is attributed to a growth of 2.6% for average in-place rent, and 1.5pp occupancy growth when comparing to 2020, with an acceleration of the rental rates in Q4 2021;

- The Netherlands increased revenue by 8.0% versus the prior year. Rental rates were the main driver, growing 7.8% compared to 2020 with average occupancy also continuing to grow (+0.8pp versus 2020);

- Sweden ended the year with revenue 5.3% greater than the prior year. Rental rates increased 4.6% and occupancy grew 1.3pp when compared to 2020;

- The United Kingdom was our highest growing market, with revenue increasing 10.9% versus the prior year. There has been impressive growth acceleration, with fourth quarter revenue increasing 17.5% compared to Q3 2021 and 14.0% versus Q4 2020. This is due to increases in occupancy (+4.1pp versus prior year, +2.2pp versus prior year Q4) and rental rate increases (+7.4% versus prior year, +12.0% versus prior year Q4);

- In Germany, revenue grew by 5.3% (versus 2020), with a particularly strong fourth quarter result, where rental rates increased (+7.3% versus Q4 2020) and occupancy grew +3.1pp versus Q4 2020;

- Belgium's revenue has grown 7.8% versus prior year due to our ability to increase occupancy (+2.6pp versus prior year) while also increasing rental rates (+4.7% versus prior year);

- In Denmark, revenue increased 8.2% versus the prior year, driven by rental rate increases (+5.0% versus 2020) and strong occupancy growth (+3.5pp versus 2020);

- Shurgard's overall revenue performance was positively impacted by favorable exchange rate fluctuations of +3% for both SEK (+€1.4 million) and GBP (+€1.5 million).

GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

(in € thousands, at CER)	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
Payroll expense	2,347	2,123	10.6%	9,231	8,607	7.3%
Share-based compensation expense	1,754	282	N/A	3,804	1,256	N/A
Capitalization of internal time spent on development	(687)	(446)	54.1%	(2,254)	(1,938)	16.3%
Depreciation and amortization expense	663	577	14.9%	2,624	2,050	28.0%
Other general and administrative expenses[1]	1,846	2,175	-15.1%	6,035	7,021	-14.0%
Total	**5,923**	**4,711**	**25.7%**	**19,440**	**16,996**	**14.4%**

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

General, administrative and other expenses increased by 14.4%, from €17.0 million in 2020 to €19.4 million in 2021. Share-based compensation expense increased by €2.5 million, driven by the new 2021 plan. Our payroll expense has gone up versus the prior year, mainly resulting from new hires, while the amount of depreciation and amortization expense went up by €0.6 million reflecting the increased digitalization of the platform.

In 2020, other general and administrative expenses included €1.4 million of expense incurred in connection with fire incidents. During 2021, we recovered €0.8 million business interruption reimbursement from the insurance company in that respect.

ROYALTY FEE EXPENSE

We pay our shareholder Public Storage a royalty fee equal to 1.0% of revenues (excluding doubtful debt) in exchange for the rights to use the 'Shurgard' trade name and other services. In 2021, we incurred royalty fees of €3.0 million.

OPERATING PROFIT BEFORE PROPERTY RELATED ADJUSTMENTS

Operating profit before property related adjustments increased by 12.3%, from €153.5 million in 2020 to €172.4 million in 2021, reflecting the operational strength of the core business (before non-cash adjustments and exceptional items).

EBITDA

(in € thousands)	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
Operating profit before property related adjustments	**46,329**	**39,679**	**16.8%**	**172,398**	**153,546**	**12.3%**
Depreciation and amortization expense	663	576	15.0%	2,624	2,047	28.2%
Abandoned project costs and other	621	-	N/A	621	308	101.8%
Cease-use lease expense/(benefit)	-	-	-	-	(14)	-100.0%
Casualty loss/(gain) excluding property insurance recovery proceeds	-	65	-100.0%	(778)	1,395	-155.7%
EBITDA (AER)	**47,613**	**40,320**	**18.1%**	**174,865**	**157,282**	**11.2%**
Foreign exchange	-	479	-100.0%	-	1,841	-100.0%
EBITDA (CER)	**47,613**	**40,799**	**16.7%**	**174,865**	**159,123**	**9.9%**

At constant exchange rates, EBITDA rose 9.9% in 2021 to €174.9 million from €159.1 million in the previous year mainly due to an increase in property operating revenue of 9.5%.

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 €466.6 million for 2021, which compares to a valuation gain of €256.9 million for 2020. 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.

The valuation gain of €466.6 million, combined with capital expenditure, and favorable exchange rate fluctuations, resulted in an increase in total investment property value of €642.6 million or +20.0% (to €3,847.1 million), compared to December 31, 2020.

OPERATING PROFIT

Operating profit increased by 54.3% from €417.8 million in 2020 to €644.7 million in 2021, mostly due to €209.7 million higher gains on valuation from investment property and an improvement in NOI.

FINANCE COSTS

(in € thousands)	FY 2021	FY 2020	+/-
Total interest expense	19,985	18,268	9.4%
Foreign exchange (gain)/loss	(15)	441	-103.3%
Finance cost, net	**19,970**	**18,709**	**6.7%**

Finance costs increased by 6.7% (or €1.3 million) to €20.0 million in 2021 from €18.7 million in 2020. This reflects the impact of a prior year €0.9 million interest reimbursement relating to various tax refunds in Germany and the Netherlands, and the new €300 million USSP entered into in July 2021 (€0.5 million). These effects were partially compensated by €0.5 million favorable exchange gains and higher capitalized interests (€0.3 million) compared to the prior year.

INCOME TAX EXPENSE

(in € thousands)	FY 2021	FY 2020	+/-
Current tax expense	26,019	18,898	37.7%
Deferred tax expense	151,115	90,352	67.3%
Income tax expense	**177,134**	**109,250**	**62.1%**
Adjusted EPRA earnings effective tax rate[1]	**16.6%**	**13.8%**	**2.8pp**

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

Current tax expense increased from €18.9 million in 2020 to €26.0 million in 2021, mainly as a result of the recognition of tax benefits in Germany in H1 2020 (€4.2 million).

Deferred tax expense in 2021 amounted to €151.1 million and were mainly impacted by the increase in the relevant tax rates in the United Kingdom and in the Netherlands, as well as the increase in investment property value.

The adjusted EPRA earnings effective tax rate for 2021 is 16.6%, compared to 13.8% in 2020.

ATTRIBUTABLE PROFIT AND ATTRIBUTABLE PROFIT PER SHARE

For 2021, €446.8 million (2020: €289.5 million) profit per share was attributable to the shareholders of Shurgard Self Storage S.A., and €0.7 million (2020: €0.4 million) was attributable to non-controlling interests. Based on the average number of shares (2021: 88.8 million), this translates into basic earnings of €5.03 per share.

EPRA KPIS

(in € thousands, except where indicated)	FY 2021	FY 2020	+/-
EPRA Earnings	129,426	93,620	38.2%
Adjusted EPRA Earnings	131,049	118,015	11.0%
Capital Expenditure	131,077	137,335	-4.6%
EPRA Vacancy Rate	12.3%	12.3%	0.1pp
EPRA LFL Rental Growth[1]	7.8%	3.5%	4.3pp
EPRA Cost ratio (including direct vacancy costs)	48.1%	49.3%	-1.2pp
EPRA Cost ratio (excluding direct vacancy costs)	48.1%	49.3%	-1.2pp
EPRA Net Initial Yield (NIY)	6.5%	7.3%	-0.8pp
EPRA Net Initial Yield 'topped-up' NIY	6.5%	7.3%	-0.8pp

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

We have identified certain non-GAAP measures that we believe give a good reflection of the performance of our underlying business. They are based on definitions from the European Public Real Estate Association (EPRA) in their best practices guidelines dated October 2020. 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 2021	FY 2020	+/-
Profit attributable to ordinary equity holders of the parent	**446,848**	**289,475**	**54.4%**
Adjustments:			
Gain on revaluation of investment properties[1]	(466,575)	(256,889)	81.6%
Acquisition costs of business combinations and other	-	7	-96.0%
Current and deferred tax in respect of EPRA adjustments	148,668	61,112	143.3%
Non-controlling interests in respect of the above	485	(85)	N/A
EPRA earnings	**129,426**	**93,620**	**38.2%**
EPRA earnings per share (basic - in €)	1.46	1.06	38.1%
EPRA earnings per share (diluted - in €)	1.45	1.05	37.9%

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 2021	FY 2020	+/-
EPRA earnings	**129,426**	93,620	**38.2%**
Company specific adjustments:			
Deferred tax expense on items other than the revaluation of investment property	2,448	29,203	-91.6%
Property insurance recovery proceeds and other	(967)	-	N/A
Net impact of tax assessments	142	(5,036)	-102.8%
Non-controlling interests in respect of the above	-	228	-100.0%
Adjusted EPRA earnings	**131,049**	118,015	**11.0%**
Adjusted EPRA earnings per share (basic - in €)	1.48	1.33	10.9%
Adjusted EPRA earnings per share (diluted - in €)	1.47	1.32	10.7%

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 2021, adjusted EPRA earnings were €131.0 million, 11.0% higher than the €118.0 million in 2020.

RECONCILIATION OF EBITDA TO ADJUSTED EPRA EARNINGS

(in € thousands, at CER)	FY 2021	FY 2020	+/-
EBITDA	**174,865**	159,123	**9.9%**
Net attributable profit adjustments:			
Casualty (loss)/gain and gain on disposal of investment property, plant and equipment	6,495	6,225	4.3%
Cease-use lease (expense)/benefit	-	14	-100.0%
Depreciation and amortization expense	(2,624)	(2,050)	28.0%
Finance costs	(19,970)	(18,745)	6.5%
Current tax expense	(26,018)	(19,179)	35.7%
Non-controlling interests, net of EPRA adjustments	(874)	(793)	10.1%
Company specific EPRA adjustments:			
Net impact of tax assessments	142	(4,808)	-103.0%
Property insurance recovery proceeds and other	(967)	-	N/A
Adjusted EPRA earnings	**131,049**	119,787	**9.4%**

Adjusted EPRA earnings increased by 9.4% at CER mainly due to an increase in EBITDA of 9.9% partially compensated by an increase in current income tax (current tax and net impact of tax assessments).

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 2021	FY 2020	+/-
Net Asset Value (NAV)	2,472,543	2,087,381	18.5%
EPRA Net Restatement Value (NRV)	3,409,642	2,766,875	23.2%
EPRA Net Tangible Assets (NTA)	3,112,598	2,517,885	23.6%
EPRA Net Disposal Value (NDV)	2,417,628	2,012,945	20.1%

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

LIQUIDITY

Our primary cash requirements are for operating expenses, debt servicing, improvements to existing properties, developments and acquisitions of new properties, and for the payment of dividends. Historically, these requirements were funded by operating cash flows, the issuance of equity and borrowings, including the U.S. Private Placement Notes, the 2018 syndicated revolving credit facility and the proceeds of the October 2018 equity issuance. 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.

Our loan-to-value ratio on December 31, 2021 was 17.4%, compared to 18.1% at December 31, 2020. This decrease was due to a proportionally higher increase in market value than in net debt. We are following a conservative and disciplined balance sheet approach, targeting a long-term loan-to-value ratio (LTV) of around 25%, with the flexibility to go up to 35% on a short to medium-term basis.

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

CASH FLOW OVERVIEW

in € thousands	FY 2021	FY 2020	+/-
Cash flows from operating activities	161,589	145,895	10.8%
Cash flows from investing activities	(125,330)	(131,006)	-4.3%
Cash flows from financing activities	79,099	(110,659)	-171.5%
Net increase (decrease) in cash and cash equivalents	115,358	(95,770)	N/A
Effect of exchange rate fluctuation	814	194	N/A
Cash and cash equivalents as of January 1	102,998	198,574	-48.1%
Cash and cash equivalents as of December 31	219,170	102,998	112.8%

CASH FLOWS FROM OPERATING ACTIVITIES

Our cash inflow from operating activities increased by 10.8% from €145.9 million in the year ended December 31, 2020 to €161.6 million in the year ended December 31, 2021. This was mainly due to a €19.5 million increase in cash flows from operations, and €6.3 million of favorable movements in working capital, partially offset by €10.1 million increased income tax payments.

The favorable trend in working capital movements consisted of €15.1 million of decreased movements in accrued expenses, VAT payable and accounts payable, partially offset by €8.8 million of decreased movements in trade receivables, and other current and non-current asset movements.

CASH FLOWS FROM INVESTING ACTIVITIES

Our cash outflow from investing activities decreased by €5.7 million, from €131.0 million in the year ended December 31, 2020, to €125.3 million in the year ended December 31, 2021. The decrease was primarily due to less cash spent on acquisitions of investment property in 2021 (€10.1 million), partially offset by a €2.8 million increase in capital expenditure on investment property under construction and completed investment property, and a €1.7 million decrease in insurance recovery proceeds on property damage.

Cash outflows in relation to capital expenditure on IPUC and completed investment property increased from €78.7 million in 2020 to €81.5 million in 2021. These cash flows fluctuate over years, as construction expenditures depend on the stage of the various development projects at that time. In 2021, we opened six new properties (four in 2020) and acquired six new properties (six in 2020).

CASH FLOWS FROM FINANCING ACTIVITIES

Our cash inflow from financing activities was €79.1 million during the year ended December 31, 2021, representing a €189.8 million increase versus the €110.7 million cash outflow during the year ended December 31, 2020. The increase was mainly the result of €300 million proceeds from the issuance of senior notes, €4.2 million increased net proceeds from the issuance of equity and the sale of treasury shares and €0.8 million decreased interest payments, partially offset by the €100 million repayment of notes we issued in 2014, €11.7 million increased distributions to shareholders of the Company, and €2.0 million of increased repayments of principal amount and interest on lease obligations and €1.5 million payment for debt issuance costs.

FINANCIAL POSITION

TOTAL ASSETS

During the year ended December 31, 2021, the Company's total assets increased by 22.8% to €4,102 million on December 31, 2021, from €3,339 million on December 31, 2020. This is mainly due to the €642.5 million increase in investment property and investment property under construction and a €116.2 million increase in cash. As of December 31, 2021, approximately 94.1% of the Company's total assets consisted of non-current assets (93.8% for investment property, including ROU IP, and IPUC).

Investment Property

Investment property (including IPUC but excluding ROU IP assets recognized under IFRS 16) increased by 20.2% (or €633.7 million) from €3,130.3 million on December 31, 2020, to €3,764.0 million on December 31, 2021. This is mainly due to €83.3 million capital expenditure, predominantly for our developments and redevelopments, €47.8 million expenditure on acquisitions and €33.0 million of favorable exchange rate fluctuations on our property developments and redevelopments. In addition, the Company recognized €469.6 million of favorable fair value revaluation income on its investment property and investment property under construction. The number of properties we operate under the Shurgard brand name consists of a network of 254 properties that we own or lease (242 properties at the end of 2020).

Cash and cash equivalents

The Company had cash and cash equivalents of €219.2 million as of December 31, 2021, compared to €103.0 million cash and cash equivalents as of December 31, 2020, an increase of €116.2 million.

CAPITAL RESOURCES AND FINANCING STRUCTURE

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

The Company's total equity increased by €385.9 million from €2,092.1 million on December 31, 2020 to €2,478.0 million on December 31, 2021, mainly due to €447.6 million of net profit realized during the period, a €29.8 million revaluation gain on consolidation of our Swedish, Danish and British operations because of favorable currency movements, a €6.4 million increase due to our sale of treasury shares and equity increases in connection with the exercise of share options, and a €1.6 million increase in the share-based payment reserve. This was partially offset by the €99.5 million dividend distribution in 2021 relating to Company's final 2020 dividend (covering the last semester) and the interim dividend for the first six months of 2021.

As of December 31, 2021, the equity ratio was 60.4% (December 31, 2020: 62.6%), calculated as follows:

(in € thousands)	FY 2021	FY 2020
Total equity	2,478,041	2,092,141
Total equity and liabilities	4,102,469	3,339,441
Equity ratio	**60.4%**	**62.6%**

Shurgard issued six series of senior guaranteed notes in the years 2014 and 2015 with a total nominal volume of €600.0 million and maturities varying between 2021 and 2030. Effective interest rates vary from 2.7% to 3.4%, of which €100.0 million has been repaid on July 23, 2021. On July 23, 2021, the Group issued new ten-year Senior Notes for €300 million at an effective interest rate of 1.28%.

On September 26, 2018, and effective October 16, 2018, the Company entered into a €250.0 million syndicated revolving loan facility with BNP Paribas Fortis bank, Société Générale bank and HSBC bank (with BNP Paribas Fortis bank as agent). The facility matures on October 16, 2023, bearing interest of Euribor plus a margin varying between 0.45% and 0.95% per annum (currently 0.45%) dependent on the most recent loan-to-value ratio. There are no mandatory repayments of principal debt due for this facility before its maturity, and a commitment fee equal to 35.0% of the applicable margin per annum applies to undrawn amounts and is currently at 0.16%. The facility is subject to certain customary covenants. On February 24, 2021, Belfius Bank replaced HSBC bank as participant to the RCF Lenders' Group. In that respect, the Company paid to Belfius Bank 0.15% of the €62.5 million commitment (or €93,750). On March 8, 2021, the Company renegotiated the terms of its RCF with the existing lenders, consisting of the extension of the RCF's maturity by two years to October 16, 2025 and paid in this respect an extension fee of €150,000. Other than the extended term, there were no modifications made to the initial (2018) conditions of the RCF. As of December 31, 2021, the Company has no outstanding borrowings under this facility.

On February 23, 2021, the Group signed an uncommitted USPP Shelf Note Facility agreement for an amount of up to €250.0 million, which can be drawn during a three-year period. As of December 31, 2021, the Company had not drawn on the facility.

SHURGARD GREEN BOND

On July 23, 2021, the Group, via its financing entity Shurgard Luxembourg S.à.r.l., issued new ten years Senior Notes for €300.0 million. 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, 2021, the proceeds allocated to Eligible Green Projects amounted to a total amount of €132.6 million. A portion of €89.2mio has been used to refinance existing projects at the moment of issuance, whereas €43.4mio has been used to finance new projects. A total of €167.4mio unallocated proceeds of the Green Bond remains available.

Store Name	Certification date	Rating	Address	Total th. EUR
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
Croydon Purley Way	Upcoming certification		London	9,044
Camden	Upcoming certification		London	2,941
Morangis	Upcoming certification		Paris	10,278
Bow	Upcoming certification		London	25,401
Lagny	Upcoming certification		Paris	9,436
Satrouville	Upcoming certification		Paris	96
Southwark	Upcoming certification		London	185
One property in France (still confidential)	Upcoming certification		Paris	289
(*) Barking is still an "interim certificate"				132,600

The amounts and the allocation included in the table above will be reviewed by the Company's external auditor, EY, as part of the Company's half-year report with respect to the financial statements as per June 30, 2022. Together with the half-year report 2022, the report on the Eligible Green Projects will be made available on the corporate website https://www.shurgard.com/corporate/corporate-responsibility/reports-and-publications.

DIVIDEND

It is the Company's objective to pay dividends in May and 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.

In respect of the first half of 2021, as approved by our Board of Directors, the Company paid on October 1, 2021 an interim dividend of €50.6 million (taking into account the total number of outstanding shares as per June 30, 2021) or €0.55 per share.

The Board of Directors recommended, subject to Shareholders' approval, a final dividend for the year 2021, of a maximum amount of €104.1 million (taking into account the total number of outstanding shares as per December 31, 2021) or €1.17 per share. Considering the interim dividend of €0.55 per share, a second and final payment of €0.62 per share on 2021 results will be payable on or around May 12, 2022 to shareholders of record at the close of business on May 11, 2022.

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.
The following table shows the number of full-time equivalent employees by category of activity as of December 31, 2021 and 2020:

	FY 2021	FY 2020	**+/-**
Store personnel	588	595	-7
Operational management	47	48	-1
Support functions	108	108	-
Total	**743**	751	**-8**

RISKS

Shurgard is exposed to several risks that are described in detail in the "Principal Risks and Uncertainties" section of this management report.

EVENTS AFTER THE REPORTING PERIOD

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

SUSTAINABILITY REPORT

BASIS OF THE SUSTAINABILITY REPORT

This third sustainability report of Shurgard Self Storage S.A., headquartered in Luxembourg, presents the quantitative and qualitative information needed to understand its material sustainability issues for the calendar year 2021. It covers all activities of the company.

GRI 102-1 / 102-3 / 102-5 / 102-45 / 102-50 / 102-51 / 102-52[1]

REPORTING FRAMEWORK

The scope in this report covers 100.0% of the total workforce.

GRI 102-1 / 10

REPORTING GUIDELINES

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 102-54 / 102-55

DATA REVIEW

Shurgard called upon EVORA Global Ltd, to review the data published. Their limited assurance report on a selection of key performance indicators can be found in the chapter titled 'Assurance Summary Statement' in this document.

GRI 102-56

MATERIAL ASSESSMENT

In 2021, Shurgard conducted an internal materiality assessment to identify and select the most significant social, environmental and governance issues. Further information can be found in the chapter titled 'Materiality' in this document.

GRI 102-46 / 103-1

PARTICIPATION IN SUSTAINABILITY INITIATIVES

In 2015, the member states of the United Nations adopted 17 Sustainable Development Goals (SDGs) to ensure a better future for all without leaving anyone behind.

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

GRI 102-12

CONTACT

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

GRI 102-53

1 GRI stands for Global Reporting Initiative. GRI is the independent, international organization that helps business and other organizations take responsibility for their impacts, by providing them with the global common language to communicate those impacts.

SHURGARD SELF STORAGE

Shurgard is the largest owner and operator of self-storage properties ('stores') in Europe. Our network of over 255 stores comprises approximately 1.3 million rentable square meters and serves more than 174,000 customers in the Netherlands, France, Sweden, United Kingdom, Belgium, Germany and Denmark. As of December 31, 2021, we employ 771 personnel (who identify as 60.0% men, 40.0% women), with a range of over 36 nationalities (top three: 22.6% French, 20.3% Dutch and 13.8% Swedish).

GRI 102-53 / 102-4 / 102-8

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

Welcome to our sustainability report.

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

HIGHLIGHTS FOR THIS YEAR:

- We reduced like-for-like electricity consumption across our portfolio by 3.0% compared to 2020;
- Our like-for-like carbon emissions reduced by 67.5% (Scope 1) and 86.0% (Scope 2), compared to 2020. Since 2017 we have achieved an 82.0% reduction in carbon emissions (covering both scopes 1 and 2), resulting in our meeting of our 2023 objective via a combination of energy efficiency reductions and green energy procurement;
- We have established our ISO 14001 aligned environmental management system, including undertaking a comprehensive materiality assessment;
- Our reporting processes have improved year-on-year and we were delighted to have this recognized with a Gold EPRA sBPR Award;
- We were awarded a score of 13.2 in the Sustainalytics ESG Risk rating report. This is a significant improvement on our 2020 score of 21.7. This places us in the 'low risk' category;
- We were awarded an excellent 5-star rating (the top banding) and a score of 87 out of 100 in the GRESB 2021 results. This reflects the growing care, attention and integration of ESG issues throughout our business.
- Shurgard attained signatory status of the United Nations Global Compact in 2021.

Our social and philanthropic endeavors have been very evident this year. Donations are planned or have already been made to a variety of different charitable organizations across Europe. We were awarded with the Fedessa Charity Initiative Award to applaud our efforts here.

As Chief Executive Officer, I, alongside my colleagues, work to develop and implement our ESG strategy. To fulfill our ESG objectives, we set up an efficient governance. Internally, a formal cross departmental ESG Committee is entrusted to implement the ESG goals of the Company and to suggest new ones under the management of our Executive Committee.

We see sustainability as not just a feature of our property, but inherent to the values and culture of our business. We commit to further expanding our climate resilience, carbon reduction (through our net zero commitment, established in this report) and community enhancement programs as part of our ESG strategy. We remain enthusiastic about the future because we are convinced that our approach and the dynamics of our collective spirit will enable us to contribute to change. We will continue to build a culture of authenticity, responsibility, respect and trust that will serve current and future generations.

Please read on for more information. Thank you for your interest in what we do.

Marc Oursin
Chief Executive Officer

GRI 102-14

INTRODUCTION

Shurgard has established sustainable and responsible policies and procedures, for the benefit of the environment and to promote long-term economic value for its customers, shareholders, and employees. In doing so, we follow principles of sound environmental and social sustainability and good governance (ESG). This is reflected in our dynamic management approach and our close engagement with our internal teams and wider stakeholders.

Shurgard's sustainability strategy aligns its management of ESG issues across the life cycle of its storage properties. Our properties are designed to be resilient, minimizing their environmental footprint and exposure to climate-related risks.

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

Our people are our most valuable resources. As a result, Shurgard also has a strong focus on the people who work in and utilize its properties, and on maximizing their health and wellbeing by providing safe, productive, and positive environments. Central to the success of Shurgard is the right blend of talent, motivation and leadership. For this reason, investing in our people is not only the right thing to do, it is essential in delivering sustainable results. A healthy workforce is not only an ethical priority for Shurgard but can also make a significant contribution through increased productivity and reduced costs associated with sickness absence. Our ESG strategy and related initiatives aim to lead, support and develop our workforce to achieve business results and integrate a culture of wellbeing.

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

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

Our 2021 ESG performance reported here, builds on our achievements in 2020, as validated by our GRESB 5-star result. We look forward to progressing on a number of ESG initiatives over the next 5 years as part of a €10 million per year investment program, including an LED energy efficient lighting rollout, heating optimization and solar photovoltaic panel installations. We will report our progress transparently under a number of reporting frameworks (GRESB, CSA, Sustainalytics) and within annual sustainability reports. Follow our progress online at https://corporate.shurgard.eu/. We welcome feedback and comments.

Summary of our 5-year ESG investment program

CONVICTION

Our approach to sustainable development is based on a realistic long-term vision. Our commitment is based on the analysis of issues and trends that could have a tangible impact on the world of tomorrow. Sustainability issues are therefore an integral part of our corporate strategy. Their integration into all our activities and decisions requires the identification of non-financial risks within our four priority pillars:

CONVICTION: TO BENEFIT OUR CUSTOMERS, EMPLOYEES AND SHAREHOLDERS BY RELENTLESSLY ADVANCING SELF-STORAGE SOLUTIONS FOR EVERY MOVE IN LIFE			
ENVIRONMENTAL IMPACT	IMPACT ON SOCIETY	OUR EMPLOYEES	ETHICS AND GOVERNANCE

SUSTAINABILITY AIMS

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

GRI 102-47

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

MATERIALITY

We must address the ESG issues that materially affect Shurgard, our shareholders, our employees and our community, in order to drive positive and transformational change. We seek to identify the issues that will impact our ability to operate successfully and create long-term value. To this end, we undertook a materiality review as part of our 2021 environmental management system adoption, to ensure that we are addressing the most important sustainability issues. This exercise was designed to refine and supplement our new objectives, building on the results of our previous materiality assessments.

Aligned with the Non-Financial Reporting Directive, we employed a double materiality perspective, covering both financial materiality, and environmental and social materiality.

We are constantly working to improve the way we listen to all our stakeholders, from customers to employees, so that we can answer their questions and understand the impact of our decisions.

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

OUR MATERIAL ISSUES[1]

- Climate change
- Health and Safety
- Customer wellbeing
- Community wellbeing
- Committed governance
- Transparency and reporting
- Financial and non-financial risk management
- Data security
- Strong corporate culture
- Economic performance
- Diversity and inclusion
- Talent management
- Employee well-being
- Learning and development
- Integration of ESG Dialogue and engagement
- Managing our carbon emissions
- Waste management and recycling
- Social impact
- Director remuneration
- Water use

GRI 102-47 / 103-1 / 102-44

1 Ranked by order of importance – classified under EMS 2021

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

STAKEHOLDERS

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

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

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

Reporting on our results, our commitments, our progress and our transformation is essential to maintaining lasting relationships. Encouraging dialogue with our various stakeholders helps us to improve, meet material issues and achieve our objectives. Our financial strength and reputation assure our stakeholders of our ability to fulfil our obligations to them and make us trusted partners.

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

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

GRI 102-40 / 102-42 / 102-43

KEY ESG HIGHLIGHTS

ACHIEVED 5-STAR GRESB
scale with a score of 87 out of a maximum of 100

GOLD MEDAL
at the EPRA Sustainability Best Practices Recommendations awards

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

ENVIRONMENTAL HIGHLIGHTS

ENERGY USE

-5.6%

MWh*

2021	29,426
2020	31,176
2019	34,670

* Total energy use at same store (degree day corrected)

GREENHOUSE GAS EMISSIONS

-12.7%

Tonnes CO_2**

2021	5,595
2020	6,412
2019	7,189

** Total Scope 1 & 2 location-based emissions at same store. NB: Procurement of green supplies have reduced market-based carbon emissions by -78.8% year-on-year. See EPRA tables for further information.

GREEN CERTIFIED PROPERTIES

+31.4%

Number of voluntary certified stores (BREEAM***)

2021	46
2020	35
2019	29

*** Building Research Establishment Environmental Method (BREEAM) green building certification

SOCIAL HIGHLIGHTS

EMPLOYEE PERFORMANCE

+7.0%

Appraisal engagement – %

2021	93.0
2020	86.9
2019	79.4

GENDER PAY GAP

-2.4%

Gender pay gap**** – %

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

COMMUNITY ENGAGEMENT

+6.6%

Assets that have implemented local community engagement – %

2021	100.0
2020	93.8
2019	42.9

ENVIRONMENTAL IMPACT

As an owner and operator of real estate, we understand the impact of our built environment and the importance of addressing these impacts in a sustainable manner. At Shurgard, we consider climate risk (both physical and transition) to be the most significant environmental risk. We recognize the possibility that climate changes associated with our activities or stakeholders may affect our business.

Self-storage properties generally present low operational environmental impacts with minimal utility use given the nature of the business. It should also be noted that our industry provides solutions that prevent customers disposing of goods as waste by offering storage options. Despite this, we continuously explore and, where feasible, implement solutions designed to mitigate climate change risk, reduce our carbon emissions and limit our overall impact on the environment.

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

When undertaking design work for our properties, we recognize the crucial importance of appropriate built asset design. 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). Where we are required to remediate land or contaminated sites, we seek expert advice and endeavor to conduct works in a sustainable manner.

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

We follow the Greenhouse Gas Protocol standards to measure and report greenhouse gas (GHG) emissions under scopes 1 and 2 and are looking towards an approach to better understand our scope 3 emissions. As a responsible company, we have a duty to combat climate change through commitments and actions that create the right conditions to build the world of tomorrow.

GRI 102-20

Our mission in this area:
Limit and control our environmental impact

How we aim to do this:
1. Optimize energy consumption;
2. Manage our water usage;
3. Make progress in responsible waste management.

OPTIMIZE ENERGY CONSUMPTION

Our environmental impacts include energy and carbon used to heat, light, and operate our stores (lighting, lifts, systems, and controls, etc.) and the carbon emissions generated. It is worth noting that we have been investing in energy efficiency strategies for many years and have now reached a point in time where any additional programs deliver much smaller returns.

LED LIGHTING INITIATIVE

LED upgrades are progressing across our stores:

Type	Description	LED upgrade % complete	
		2021	2020
External lighting	Facade, above accessible units, parking spots, canopy	89.6%	81.0%
Storage lighting	Corridor lighting	29.6%	16.0%
Employees room lighting	Office, back office, IT-room, toilet, janitor	54.0.%	31.0.%
Drive lighting	Internal drives	100.0%	100.0%

SOLAR PV ROLLOUT

We look for solar photovoltaic opportunities across our portfolio. At present, seventeen of our properties possess roof-mounted solar PV installations. These generate electricity, monitored for performance and we receive financial payments from energy companies we export to.

2021 ENERGY OPTIMIZATION ACHIEVEMENTS

- In 2021, we reduced like-for-like electricity consumption across our store portfolio by 5.6% compared with 2020. Our absolute consumption fell by 2.0% despite the addition of new stores in our portfolio.
- We surpassed our objective of a 10.0% reduction in energy consumption by 2023 based on our 2017 baseline, by achieving a like-for-like reduction of 15.2%;
- We surpassed our objective of 10% reduction in greenhouse gas emissions by 2023 based on 2017 baseline, as our like-for-like carbon emissions have already reduced by 19.0% (covering both Scopes 1 and 2, location-based);
- From January 2021, 100.0% of all electricity used across all our markets is sourced from traceable, zero carbon energy contracts;
- From January 2021, 63% of all gas supply contracts are offset through green gas contracts.

ENERGY OPTIMIZATION OBJECTIVES

- Operational net zero carbon by 2030;
- Material net zero carbon by 2040, or sooner;
- Reduce average greenhouse gas intensity of our properties by 2025 basis from 2020 baseline, through year-on-year reductions of 5.0%;
- Measure and report our own impact associated with business travel (by 2023).

2022 ENERGY OPTIMIZATION ACTION

- Establish protocols for monitoring, measuring and reporting on business travel.
- Replacement of gas heating in our markets (France, the Netherlands, Sweden, Germany, and Belgium) with electric or renewable energy heating (such as air source heat pumps) at a considered pace.

MANAGE OUR WATER USAGE

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

By the end of 2022, all our locations will be fitted with low flow taps and we are evaluating further water saving initiatives, where they are relevant. In 2021, we undertook a deep dive analysis into our highest water consuming assets to better understand consumption patterns and where further investigation was required.

2021 WATER ACHIEVEMENT

- Our absolute water intensity has reduced year-on-year by 1.7%, attributable to the newer stores in our portfolio being more water efficient;
- We are aware we have increased our water consumption by 10.0% in 2021 against our 2017 baseline on a same store basis. Whilst water consumption is not a highly significant material topic, due to the nature of our sector, our consumption patterns prompted us to undertake a deep dive analysis in 2021. This allowed us to scrutinize our data and understand those stores where intensity was greatest and actions are mostly urgently required to improve water usage efficiency.

2022 WATER ACTION

- Maintain protocols for low water consumption in the design and operation of our properties, for instance the provision of low flow taps.

MAKE PROGRESS IN RESPONSIBLE WASTE MANAGEMENT

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

2021 WASTE ACHIEVEMENT

- We maintained our 100.0% rate of waste diverted from landfill.

RESPONSIBLE WASTE MANAGEMENT OBJECTIVE

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

2022 WASTE ACTION

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

WASTE CASE STUDY – MORGRINE CHALLENGE, FRANCE

Over 60 of our properties across France participate in a paper reduction challenge, termed "Morgrine" (more green). This challenge aims to reduce the amount of paper printed across the stores. Year-on-year paper consumption is tracked and monitored. Those with the biggest reduction in paper consumption can win awards. The award winners are encouraged to share tutorials on best practice tips for paper reduction with the rest of the European organization: more than 250 properties. Paper consumption has certainly gone down across the French stores, around 18.0% year-on-year, in part due to this challenge.

OUR NET ZERO CARBON COMMITMENT

The scientific community has clearly stated the need to reach net zero global carbon emissions by mid-century, in order to limit global warming to 1.5°C and reduce the destructive impacts of climate change on human society and nature.

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

The concept of net zero has been rising in prominence ever since, and countries, cities, companies and other stakeholders are increasingly committing to reaching this ambitious goal. Shurgard's European corporate offices and stores are obligated to meet requirements defined within the relevant European Directives, namely the Energy Performance of Buildings (EPBD) and Energy Efficiency Directive (EED). For example, these directives commit the sector to an energy efficiency reduction target of 32.5%, with policies to stimulate deep renovation (Building Renovation Passport) and improve the energy performance of buildings in development (Renovation Wave). However, Shurgard recognizes that we must go further.

As such, Shurgard is committing to decarbonizing its operations, including its travel footprint, guided by best practice principles. We will use the energy hierarchy to drive down carbon emission levels to "Paris Agreement proof". We will neutralize our remaining climate impact by investing in carbon offsetting projects. We will also engage with our suppliers to tackle their climate impact.

OUR NET ZERO CARBON STRATEGY

We define operational Net Zero Carbon (NZC) for our buildings as the point in time when the amount of carbon emissions associated with the company's operational energy on an annual basis is zero or negative. A net zero carbon building is highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balanced via a reputable carbon offset project.

Our commitment is to achieve absolute net zero carbon across our entire material emissions by 2040 or sooner. In addition, we have set an interim target to be operationally net zero carbon by 2030. This commitment builds on our pledge from 2021, that 100.0% of electricity is sourced from traceable zero carbon energy contracts.

This strategy explains our proposed plan for the upcoming years to 2030, including the targets we have set and the metrics we will be using to track our progress. This is the first phase on our journey to net zero carbon and it will focus on operational carbon (energy used in our offices and storage areas). A future second phase will involve a plan to achieve material net zero carbon by 2040, or sooner, for further scope 3 emissions including business travel, employee commuting and embodied carbon from our developments.

NET ZERO CARBON DELIVERY SCOPE

PHASE 1

Our phase 1 net zero carbon commitment applies to operational carbon emissions of our properties, where we have operational control and a direct ability to impact energy use and their associated emissions. We have been measuring and reporting the carbon emissions associated with managing our locations for many years. Scope 1 and 2 greenhouse emissions come from the fuels and electricity that we purchase and control, in order to operate our properties. In addition, we also include corporate emissions – scope 1 and 2 from our offices - in our phase 1 commitment. For information, we have occupied an all-electric head office building for a number of years now, which has eliminated scope 1 emissions (arising from gas use).

PHASE 2

Our net zero carbon target to 2040, or sooner, phase 2, focuses on scope 3 emission sources. Scope 3 emissions are from indirect sources – the capital goods, primarily the embodied carbon, built into new developments and refurbishments and from materials used on site. In between phases we will develop an understanding as to the precise make-up of phase 2 components.

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

NET ZERO CARBON DELIVERY STRATEGY

We follow the greenhouse gas management hierarchy when setting actions to deliver our NZC commitment. The first step is to 'eliminate' emissions initially through low-carbon business decisions. Step 2 relates to increasing efficiency across our operations to 'reduce' greenhouse gas emissions. Step 3 aims to 'substitute' energy-intensive technologies for low-carbon technologies. Step 4 'compensates' residual emissions through offsetting. This will only be considered as a final step should the emissions be unavoidable. Below we set out our net zero carbon strategy at core stages of our business:

ACQUISITION

During acquisition we will:

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

DEVELOPMENT AND REFURBISHMENT

In development and refurbishment we will:

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

Store under development, Cologne

OPERATIONS (STORES)

During operation we will:

- Identify priority assets for net zero carbon audits and implement auditing schedules if/where required;
- Set out energy efficiency measures in the store management plans and maintenance programs for all properties, including new developments;
- Identify properties in the portfolio that can be retrofitted to all electric heating and cooling systems;
- Explore opportunities for on-site solar photovoltaic installation;
- Procure 100% of electricity from Renewable Energy Guarantees of Origin (REGO) backed sources.

OPERATIONS (CORPORATE)

At corporate head office we will:

- Set out energy efficiency measures in plans and maintenance programs for all offices;
- Review the energy demand of our offices, set operational energy intensity targets and monitor ongoing performance;
- Develop a program for employee engagement to improve performance, including energy, water consumption and waste production;
- Explore opportunities for reducing carbon emissions from business travel.

MONITORING AND REPORTING

To track progress we will:

- Increase the granularity of operational energy consumption data by: (1) ensuring the accuracy of existing meters, (2) upgrading to half-hourly meters with AMR technology that automatically feeds into software platforms, (3) installing additional sub-metering, where considered valuable;
- Report progress against net zero ambitions transparently on an annual basis within the ESG report and GRESB.

GREEN CERTIFIED BUILDINGS

Shurgard encourages the achievement and maintenance of green building certifications to protect value and stay ahead of regulations. The Real Estate department at Shurgard is responsible for achieving and maintaining green building certifications, with the support of our ESG Management Group. The Group initiates feasibility studies and provides support to meet certification requirements and performance objectives. BREEAM (Building Research Establishment Environmental Method) is the certification of choice across our seven markets. BREEAM is a sustainability assessment method used to assess the environmental performance of buildings. Currently 19.0% of our portfolio holds BREEAM certification, and we are committed to certifying developing assets in our pipeline where relevant.

2021 GREEN BUILDING CERTIFICATION ACHIEVEMENT

- Energy Performance Certificate (EPC) across 100.0% of our portfolio. Over 80% of EPCs are rated at A+ or A (or equivalent);
- The percentage of BREEAM certified stores across our portfolio with a minimum 'Good' rating has increased from 10.2% to 13.3%.

2022 GREEN BUILDING CERTIFICATION ACTION

- For upcoming constructions, where relevant: to obtain BREEAM New Construction certificate.

Barking store - rated BREEAM Excellent

ENVIRONMENTAL MANAGEMENT SYSTEM

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

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

2021 EMS ACHIEVEMENTS

- We have fully implemented an environmental management system, aligned to ISO 14001;
- We had no implication in any significant ESG controversies.

CLIMATE RELATED RISKS AND OPPORTUNITIES

Climate scenario analysis allows a company to plan for what it considers to be the material impacts of climate change. The ESG Management Group agrees that we should expect some physical climate change risks to have an impact on our business.

The impacts from localized flooding and from rising temperatures are deemed material.

Climate change is deemed a material issue to Shurgard from both a financial materiality perspective, and environmental and social materiality perspective.

PHYSICAL CLIMATE CHANGE RISKS

Impacts from both flooding and rising temperatures will likely have a financial impact on us. It may also have a reputational impact if stored goods are affected, and an indirect financial impact through rising insurance costs.

The financial impact of flooding could come from a range of impacts, such as damage to goods stored on the ground and basement floors, unblocking drains, clearing up large scale flooding, and more frequent maintenance of the building infrastructure that is exposed to a large amount of rain falling over shorter time frames, such as roofs, gutters, signage, etc.

The financial impact for longer periods of hot weather could come from a range of impacts, such as heat damage to goods being stored, increase in use of ventilation/cooling, potential retro-fitting of air conditioning units, detrimental impact on immediate neighborhoods through urban island effects and community pressure to address heat issues.

We report on climate-related risks consistent with the Non-Financial Reporting Directive (2014/95/EU) and the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD) within Appendix 1.

TRANSITION RISKS

There are a number of aspects of changing climate that the ESG Management Group deems likely to occur, in line with the commitments outlined in our net zero carbon commitment:

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

Decarbonizing Shurgard's operations will allow us to:

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

INTERNAL PROCESSES

Shurgard has processes in place which we perceive are sufficient to maintain a close watch on increasing costs driven by climate change. These include:

- Identifying emerging issues through visual inspection for planned and unplanned maintenance. This is particularly useful for physical risk;
- Identifying issues via our ESG Management Group, for instance, modelling the potential increase in energy costs for cooling and understanding better the suitability of external tools, such as CRREM tool methodology.

2022 ACTIONS

- Our initial undertaking in 2022 is to conduct physical climate scenario mapping across our entire portfolio, to better understand the climate hazards we may face;
- Our goal is to further improve our transparency and reporting around this area, in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD);
- We intend to replace inefficient gas heating systems across European stores with green gas procurement and/or air source heat pumps, at a ratio of 10 per year.

CLIMATE-RELATED RISKS

Regulation	2021	2020
Percentage floor area of EPCs rated A or more (European equivalent)	80.4%	-

We have two EPCs, both from stores in France, with low ratings. They are now a high priority for rectification.

CLIMATE-RELATED OPPORTUNITIES

Transitioning to a low carbon economy	2021	2020
% of gas purchased from renewable sources (market based)	63.0%	0.0%
% of electricity purchased from renewable sources (market based)	100.0%	0.0%
Greenhouse Gas (GHG) emissions intensity from building energy consumption (Scope 1 and 2) – tCO2 e/CLA (sq m)	1.02	5.5

IMPACT ON SOCIETY

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

Our mission in this area:
Contribute to a sustainable society

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

DELIVERING A POSITIVE SOCIETAL IMPACT

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

Compliance with local laws and regulations is paramount to the progress of our development projects, the sustainability of our operations and harmonious community environments. Hence, we consult and develop compliance action plans for each area in which we operate.

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

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

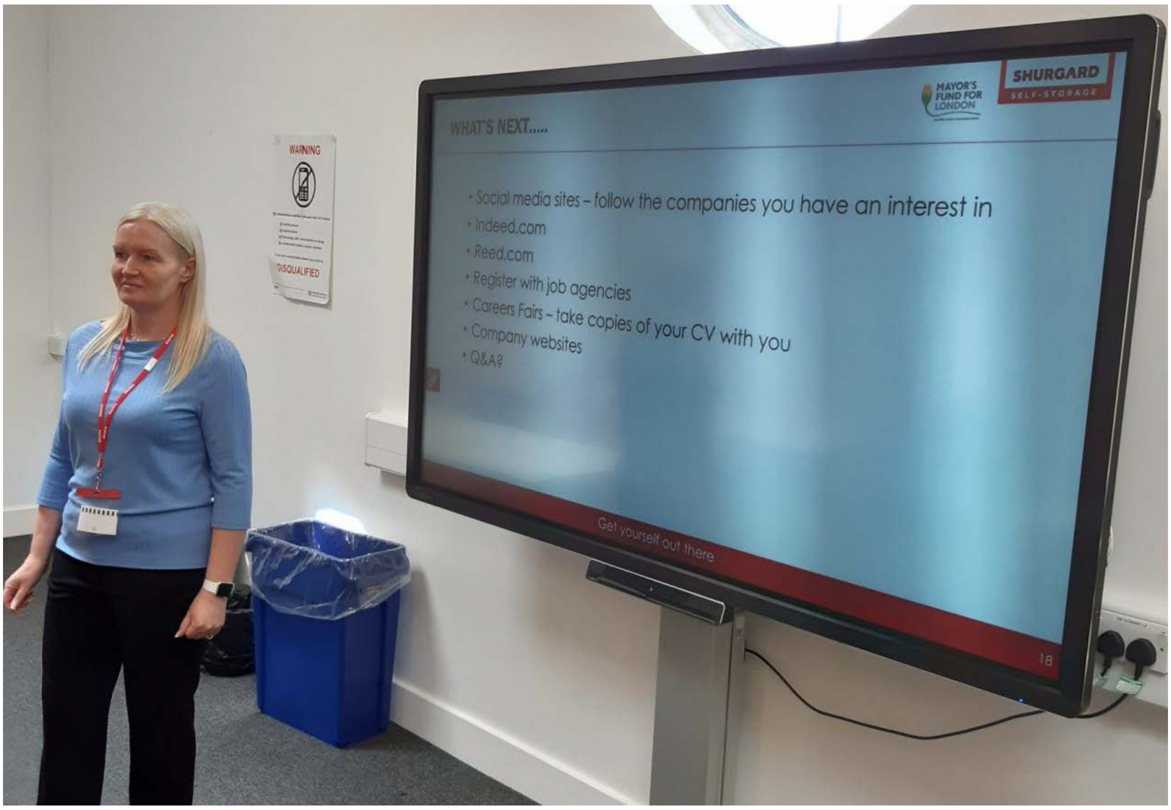
GRI 413-1

2021 ACHIEVEMENTS

- Continued our charity partnership with Le Rire Médecin, a leading association in France working with clowns entertaining children in hospitals. Shurgard provides free storage space at three of our storaes in the Paris region;
- Continued our charity partnership with Stichting Babyspullen, a leading foundation in the Netherlands providing free baby essentials to low-income parents-to-be. Shurgard serves as a collection point for the foundation by placing donation containers at 20 self-storage locations across the Netherlands. In addition, Shurgard provides free storage space for Stichting Babyspullen at each of its stores;

- Established a charity partnership with Pelicano, a foundation that fights to end child poverty in Belgium. Since 2009, they have been 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 and is collecting toys which Pelicano will distribute to underprivileged children during the Christmas period;
- Continued support of B2HELP to provide protection equipment to enable students in Africa to return to school in safe conditions. We provide free storage space for this charity at one of our stores in Belgium;
- Continued support of Off Road Kids: a German non-profit organization that runs a street social work system to prevent homeless young people from becoming street children; We provide free storage space for this charity at three of our stores in Germany;
- Sponsored Team Rynkeby, a Nordic charity cycling team raising money for organizations that support children with critical diseases across Europe. Shurgard has signed a platinum sponsorship contract with the organization, providing free storage space at three locations in Denmark and five locations in Sweden. In 2021, we completed a Fundraising Step Challenge, where our Shurgard teams collectively completed 6,420 kilometers, raising €1,400 for Team Rynkeby;
- Continued our charity partnership with the Mayor's Fund for London an independent pan-London charity offering support to young Londoners from low-income backgrounds. We were awarded the Fedessa Charity Initiative Award 2021 for our support of the Mayor's Fund for London;
- Taken part in two engaging workshops at the Riverside Academy, Barking with the Mayor's Fund for London's Access Aspiration Program. Shurgard provided helpful tips on how to create a great CV and prepare for a job interview.

Fedessa Charity Initiative Award 2021



Mayor's Fund for London Aspiration Program

SOCIETAL IMPACT OBJECTIVES

Below we set out our core social objectives:

- Implement a community and charitable engagement policy;
- Continue to engage charity programs in each of our seven markets;
- Improve reporting on corporate citizenship and philanthropic endeavors;
- Integrate social integration criteria into the new store planning and development phase.

2022 SOCIETAL IMPACT ACTIONS

To deliver our social objectives, in 2022, we will take the following actions:

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

PHILANTHROPIC CONTRIBUTIONS

For 2021, 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	2021
Cash Contributions	€18,344
Time: employee volunteering during paid working hours	€2,081
In-kind giving: product or service donations, projects/partnerships or similar	€75,650
Total Charitable Contributions	**€96,795**

REPORTING ON THE IMPACT OF OUR ESG COMMITMENTS

GRESB

GRESB is the Global Real Estate Sustainability Benchmark. GRESB is a mission-driven and investor-led organization that provides actionable and transparent Environmental, Social and Governance (ESG) data to financial markets. GRESB collects, validates, scores and benchmarks ESG data to provide business intelligence, engagement tools, and regulatory reporting solutions. The GRESB Assessment is guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments and are aligned with international reporting frameworks, such as GRI, PRI, SASB, DJSI, TCFD recommendations, the Paris Climate Agreement, UN SDGs, region and country specific disclosure guidelines and regulations.

In 2021, more than 1,500 property entities, REITs, funds and developers participated in the Real Estate Assessment, representing $5.7 trillion in assets under management. The Assessment covers nearly 117,000 assets across 66 countries.

Shurgard is delighted to announce a 2021 5-star result, with a score of 87 out of 100.

This is an improvement of 27 points versus our first submission in 2019. In addition, we performed well in the Public Disclosure element of the assessment, receiving full marks.

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

GRESB
REAL ESTATE
sector leader 2021

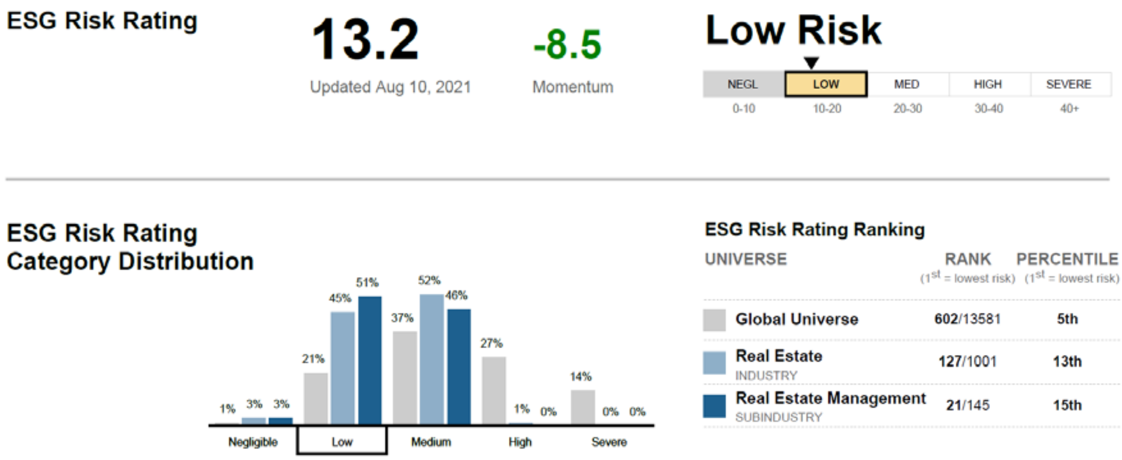
CORPORATE SUSTAINABILITY ASSESSMENT

The Corporate Sustainability Assessment (CSA) and the collaboration with Dow Jones Indices (now S&P Dow Jones Indices) is a foremost global sustainability benchmark. Companies are selected for inclusion in the Dow Jones Sustainability Indices (DJSI), S&P 500 ESG and several other sustainability indices in part based on their results in the S&P Global CSA. The CSA applies a best-in-class approach, meaning no industries are excluded from the assessment. It compares companies across 61 industries via questionnaires assessing a mix of 80-100 cross-industry and industry-specific questions. On the basis of their performance, companies receive scores ranging from 0 to 100 and percentile rankings for approximately 20 financially relevant sustainability criteria across economic, environmental and social dimensions. All assessed companies' industry rankings are published on the Bloomberg Platform. S&P Global ESG Scores, calculated from the CSA, are available publicly and accessible to the financial community on the S&P Global Market Intelligence platform.

In 2021, we participated in the CSA and achieved results of 39/100. Given that we were in our first year of 'active' participation and the nuances of the CSA (e.g. demands for most evidence to be publicly available), we believe this to be a good result. We will undertake this again in 2022.

SUSTAINALYTICS

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



EPRA SBPR

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

EPRA
sBPR
GOLD

In 2021, we achieved a Gold Award – an improvement on our Silver Award in 2020.

INVESTOR RELATIONS

In addition to the reporting frameworks and benchmarks above, our executive team runs a program of investor engagement activities including annual and quarterly reporting cycles and attends investor events across Europe and the USA. In September 2021, we hosted a successful webcast investor event. A replay can be found here: https://www.shurgard.com/corporate/investors/investor-day/2021.

EU TAXONOMY

EU Taxonomy objectives

Shurgard considers climate change a key risk and is committed to operate its business in a sustainable manner, by mitigating the impact of its operations on the environment. We recently announced our ambition to become a material net zero carbon company by 2040.

Climate change is a global challenge, also being addressed by the European Union through ambitious climate and energy targets to reach the objectives of the European Green Deal. As part of these activities, the EU Taxonomy has been issued, establishing a common understanding of green economic activities that make a substantial contribution to EU environmental goals, by providing consistent, objective criteria to classify and list activities that are environmentally sustainable. It aims at providing companies, investors, and policymakers with appropriate definitions to objectively measure how sustainable a company is, enable comparability and help direct investments towards sustainable projects.

Regulatory Framework

The EU Taxonomy Regulation was published in June 2020 and entered into force on July 12, 2020. The Taxonomy Regulation establishes six environmental objectives: (i) Climate change mitigation, (ii) Climate change adaptation, (iii) The sustainable use and protection of water and marine resources, (iv) The transition to a circular economy, (v) Pollution prevention and control, and (vi) The protection and restoration of biodiversity and ecosystems. Together with the Corporate Sustainability Reporting Directive (CSRD) these two instruments aim at ensuring that companies falling in the scope of the CSRD, disclose the environmental performance information of the company as well as information about a company's Taxonomy aligned economic activities. The EU Taxonomy Regulation tasked the European Commission ("EC") to establish technical screening criteria through delegated acts.

In the first Taxonomy Delegated Act, the EC defined these Technical Screening Criteria ("TSC") for each objective. This first Delegated Act was formally adopted on June 4, 2021. This Delegated Act set the criteria for the most relevant sectors in achieving the green goals, including sectors such as energy, forestry, manufacturing, transport and buildings.

According to the EU Taxonomy, covered companies have to disclose:

- The extent to which they invest (through "CapEx") to either strengthen or expand their activities which are already Taxonomy-aligned, or to upgrade activities to make them Taxonomy aligned;
- Green turnover;
- Green expenditures ("OpEx").

The disclosure requirements start applying:

- On January 1, 2022 in relation to the climate objectives (climate change mitigation, climate change adaptation);
- On January 1, 2023 in relation to the other four environmental objectives.

As of January 2022, non-financial undertakings have to disclose only the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities, in their total turnover, capital and operational expenditure and in addition qualitative information relevant for this disclosure ("Accounting Policies").

Shurgard's taxonomy-eligible activities

A taxonomy-eligible activity under the Taxonomy Regulation is defined as an economic activity that is described in the European Commission's Delegated Acts. In line with the above guidance, we have analysed Shurgard's economic activities to evaluate their eligibility to contribute to the aforementioned environmental objectives.

We concluded that our "Construction and Real estate" activities are taxonomy-eligible. This pertains specifically to the following NACE codes:

NACE Code	Taxonomy-eligible	Example of taxonomy-aligned activity
F41.1	Development of non-residential building projects.	Construction of a new self-storage store, renovation of an existing self-storage property, installation, maintenance and repair of energy efficiency equipment, stations for electric vehicles, instruments and devices for measuring, regulating and controlling energy performance of buildings and of renewable energy technologies.
F41.2	Construction of non-residential buildings.	
F43	Specialised construction activities (site preparation, electrical installation, plumbing, heat and air-conditioning installation, roofing, etc.).	
M71	Architectural and engineering activities; technical testing and analysis (building design and drafting).	

The other economic activities of Shurgard were classified as non-eligible as they are not part of the activities under the scope of the first Delegated Act on the climate objectives (e.g. renting out self-storage units).

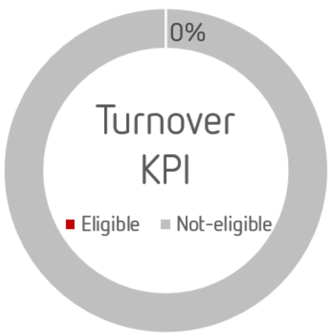
Shurgard's taxonomy-aligned activities

Shurgard is currently in the process of setting up a governance structure and processes to assess and track the taxonomy alignment of the above eligible activities. A taxonomy-aligned activity must make a substantial contribution based on the TSC outlined in the Climate Delegated Act, should not significantly harm the other five environmental objectives and should comply with minimum safeguards check. In line with the EU Regulation, Shurgard will start reporting on the taxonomy-alignment of its activities for all reports published from January 1, 2023.

Turnover, CapEx and OpEx KPI's

Article 8 of the Taxonomy Regulation defines 3 Key Performance Indicators (KPI) to assess the proportion of turnover, CapEx and OpEx associated with economic activities that qualify as environmentally sustainable.

Shurgard is preparing its financial statements in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The KPI's calculated here below are based on the EU Regulation definitions. Qualitative information is provided to give some clarity on what is included or excluded from the KPI's in order to ensure the reader of the information can understand how these KPIs should be understood, compared to IFRS financial information provided in the financial statements.



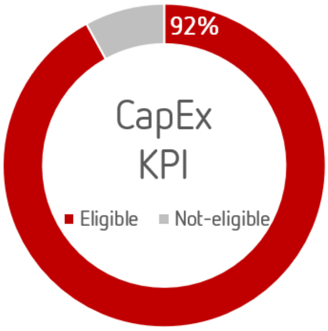
Turnover

The turnover KPI represents the proportion of Shurgard's net turnover derived from products or services associated with environmentally sustainable economic activities, as currently covered by the first Delegated Act.

Eligible activities: none

Shurgard's turnover, consisting mainly in real estate rental revenue and ancillary revenue, is not eligible under the 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.

Eligible activities: construction and development of self-storage facilities; installation, maintenance and repair of specialized construction activities; architectural design

Shurgard's CapEx consists of acquisition of stores (IFRS 3 / IAS 16 / IAS 40), expenditures on our investment properties (IAS 40), rights of use (IFRS 16), property, plant and equipment (IAS 16), and capitalized intangible assets (IAS 38).

The capital expenditures are generally taxonomy-eligible, as they relate to constructions, renovations, installation, maintenance and repair of specialized construction activities and building design and drafting, as described in the Delegated Acts.

From the KPI numerator the rights of use of our company cars, our office equipment, the finance leases (IAS17) and the capital expenditures recognized as intangible assets have been excluded, as relating to activities not covered by the first Delegated Act.

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 non-capitalized costs relating to the maintenance and servicing of company assets (plant, equipment) that are necessary to ensure the continued and effective use of such assets associated with taxonomy-alignment.

Eligible activities: construction and development of self-storage facilities; installation, maintenance and repair of specialised construction activities; architectural design.

Our operating expenses are made up of the following category of expenses: Staff compensation and benefits expense; Real estate and other taxes; Repair and maintenance expense; Marketing expense; Utilities; Doubtful debt expense; Ancillary operations expense; Real Estate leasehold expense; Irrecoverable VAT; Legal and Consultants; Insurance expense; Costs related to the IT infrastructure; Office Administration; Other OpEx; Travel and Representation; Expenses incurred as a result of involuntary conversion; Business interruptions insurance recoveries regarding involuntary conversions; Acquisition cost expensed and dead deals; Share-based compensation expense; Capitalized costs and Depreciation and amortization expenses.

Not all our operating expenses meet the definition of OpEx KPI as per the Taxonomy Regulation. We included the following expenses into the denominator:

The staff compensation and benefits expenses of our personnel working in the Facility Management (managing our properties and ensuring they are repaired and maintained), Real estate (research, development and construction/design of our properties, including searching for acquisition targets) and IT service departments (intangible assets). The staff cost includes travel, representation and share-based compensation expenses.

- Repair and maintenance expenses.
- Irrecoverable VAT, for the portion pertaining to expenses included in the numerator.
- Legal and consultants, for the part related to, amongst others, architecture, engineering, construction or real estate services.
- Costs related to the IT infrastructure (data centers, IT projects, infrastructure maintenance, etc.).
- Office Administration, only for expenses related to office equipment.
- Acquisition costs expensed and dead deals.

The other expenses are excluded from the denominator.

In the numerator, 24% of our expenses were considered as non-eligible. They belong to non-capitalized costs relating to assets that are not eligible such as costs related to our company cars, our IT-related expenses (associated with intangible assets that are not in scope of the Taxonomy) and our office equipment.

NON-FINANCIAL REPORTING DIRECTIVE

The new Corporate Sustainability Reporting Directive (CSRD) revises and strengthens rules introduced by the Non-Financial Reporting Directive (NFRD). Shurgard aims to adhere to the requirements within the Non-Financial Reporting Directive (NFRD). We remain informed of the requirements of the Corporate Sustainability Reporting Directive (CSRD) – which currently will be an obligation in our 2024 report (affecting the 2023 reporting period) – providing an extension to the requirements of the NFRD.

2021 REPORTING ACHIEVEMENTS

- GRESB – Awarded five Green Stars in 2021 results, a score of 87 out of 100;
- Sustainalytics – Awarded a 2021 score of 13.2. This places us now in the 'low risk' category;
- Achieved an EPRA sBPR Gold Award for our reporting covering the 2020 calendar year, published in 2021.

REPORTING OBJECTIVE

- Participate in GRESB and other reputable frameworks, and work to improve scores year-on-year.

2022 REPORTING ACTION

- Host a workshop with key members of the Shurgard team to better understand, and prepare for, the disclosure requirements of EU Taxonomy regulations.

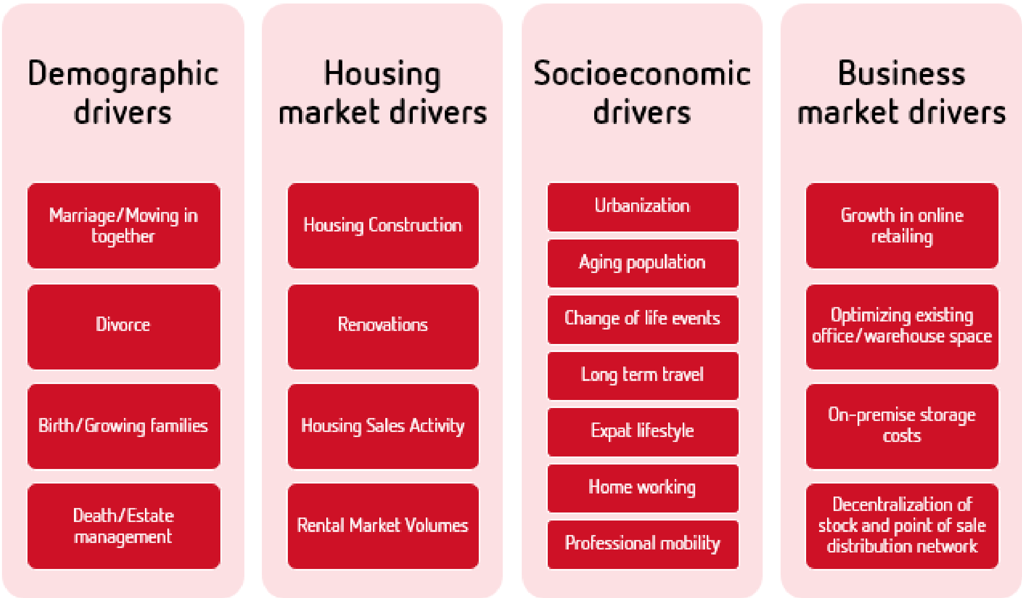
PROVIDING BEST-IN-CLASS CUSTOMER SERVICE

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

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

Around 80% 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.

We define four overarching demand drivers for self storage – demographic, housing market, socioeconomic and business market. Changes in these drivers and market conditions influence the demand for self storage and in turn our operating business.



2021 CUSTOMER SERVICE ACHIEVEMENTS

- Over 30,000 Google reviews were collected with an average rating of 4.9 out of 5 stars. Our all-time rating currently stands at 4.8 out of 5. It is a valuable testimony to our service level and feedback approach;
- We have expanded the scope of our engagement with customer review site Trustpilot, collecting reviews from our customers in all the markets in which we operate. Over the last 12 months, our customers have rated their experience 4.4 out of 5;
- Meanwhile from January to October of 2021, 6,400 reviews were collected using Feefo, the online review platform which guarantees genuine feedback by direct invites only. These reviews were rated between 4.6 and 4.8 out of 5 across the European countries we operate;

- Service Value, the rating and ranking agency, presented Shurgard with the highest recommendation rate in the self-storage industry – a recommendation score of 18.7 – following a customer survey in April/May 2021.

2022 CUSTOMER SERVICE ACTIONS

- Continue to seek customer feedback through Google reviews and seek improvement opportunities at each store;
- Aim for 100% of stores and districts to be reviewed at the high-end of the Google rating range (4.5+ out of 5).

ENCOURAGING ESG THROUGH THE SUPPLY CHAIN

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

To drive positive change and as part of our procurement process, we ask our suppliers strategic questions and evaluate different options using a 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 our employees and suppliers with knowledge and resources about sustainable procurement principles;
- Proactively implements compliance provisions in contract templates;
- Reviews modern slavery and bribery risks throughout the supply chain.

We continually look for opportunities to increase dialogue and improve understanding, both internally and externally, on sustainable sourcing. Strategies include addressing sustainability-specific requirements in our standard procurement agreements. Within all our contracts we have clauses relating to anti-bribery, human rights and modern slavery[1].

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 of our operations and sourcing.

Shurgard uses paper and board for the packaging sold to our customers to aid their moving needs. We require that all of our suppliers of wood fiber-based products for packaging applications only use wood fibers from forests that are managed sustainably and that provide appropriate traceability. The wood fibers must come from forests that are certified. All forestry-based products (for packaging) supplied to Shurgard 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.

2021 SUPPLY CHAIN ACHIEVEMENT

- Conducted an ESG supplier assessment on the main construction and maintenance suppliers in each market where we operate.

SUPPLY CHAIN OBJECTIVE

- Continue to develop sustainable supply chain engagement frameworks.

1 For further information, see our Anti-slavery, human trafficking and child labor statement: [20190930-shurgard-anti-slavery-human-traffiking-child-labor-statement.pdf (azureedge.net)]

2022 SUPPLY CHAIN ACTION

- Our ongoing commitment is to continue to require our supply chain to confirm their approach on anti-bribery and corruption, modern slavery and diversity and inclusion policies. We will keep the performance of our key suppliers (identified by turnover) under annual review.

OUR EMPLOYEES

Our employees are a key pillar in our sustainability strategy.

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

Our mission in this area:
Be an employee of choice

How we aim to do this:
1. Strengthen engagement and social cohesion;
2. Share and live the Shurgard culture;
3. Prioritize workplace Health and Safety;
4. Invest in the development of our employees.

STRENGTHEN ENGAGEMENT AND SOCIAL COHESION

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

Shurgard is passionate about creating excellent workplaces characterized by optimal organizational health, wellbeing and productivity of our employees. Our policies and programs are designed to make our employees' working life productive and rewarding. We foster an open, supportive, diverse and inclusive culture and regularly monitor and evaluate our performance in this regard.

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

Glassdoor operates a review site for employees of large corporations, such as ours. Our current ranking is higher than average (the average rating is a 3.69 out of 5, while the average CEO approval rating is 82%).

Overall	**4.6**
Culture & Values	4.6
Diversity & Inclusion	4.6
Work/Life Balance	4.4
Senior Management	4.6
Compensation and Benefits	4.5
Career Opportunities	4.2

SHARE AND LIVE THE SHURGARD CULTURE

Our ambition is to anchor Shurgard's culture in everyday practices in order to forge positive relationships, improve the employee experience and create a united internal environment.

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 permeates all of the processes inherent in our Company. To meet this commitment, we make sure that Shurgard guarantees equality, whether it be gender, culture, age, or origin, in all its processes, including:

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

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

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

OVER 36 NATIONALITIES REPRESENTED IN THE BUSINESS

51.0% OF WOMEN AMONG PROMOTIONS

46.0% OF WOMEN AMONG RECRUITMENTS

2021 DIVERSITY, EQUITY AND INCLUSION ACHIEVEMENT

- Maintained a 30% women ratio for our Non-Executive Directors.

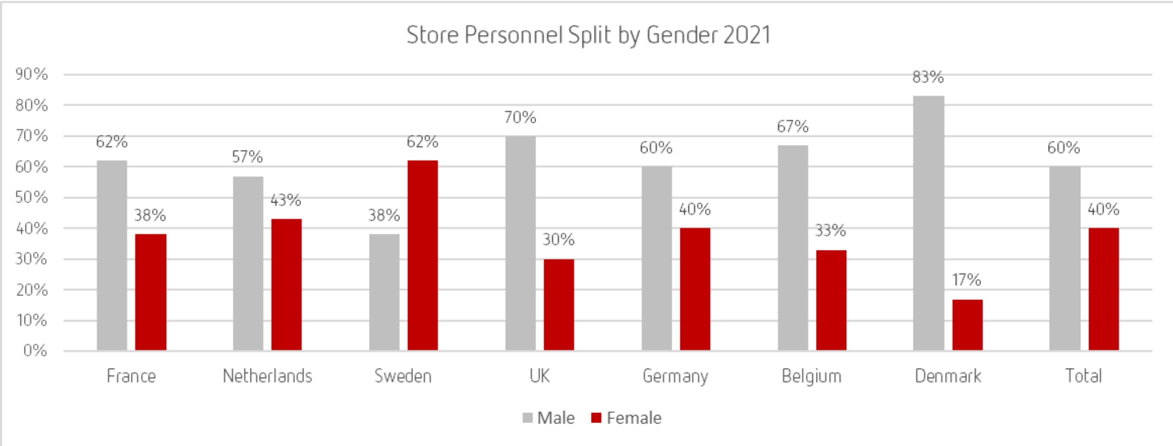
DIVERSITY, EQUITY AND INCLUSION OBJECTIVES

- Create a Diversity and Inclusion training;
- Monitor workforce according to nationality and diversity indicators where possible;
- Compile and report on equal pay analysis.

2022 DIVERSITY, EQUITY AND INCLUSION ACTION

- Implement a Diversity and Inclusion training.

Within our stores, we foster an inclusive culture which engages with all potential candidates. The outcome of this culture is a good gender balance in our stores, which employ 80.3% of the total Shurgard personnel. Within stores across our seven operating countries, the total gender split is 60.0% male and 40.0% female. In 2020, the gender split was 61.0% male and 39.0% female.



The gender split for our European Support Center employees was 50.0% male and 50.0% female in 2021, against 57.0% male and 43.0% female in 2020.

The gender pay difference for store personnel is marginal across our different operating countries. The total difference is 2.4% (in favor of male personnel) across all geographies which reflects a range between -10.5% and -1.3%. Denmark has our highest difference of -10.5% due to the larger ratio of male employees who have been with the Company for a longer period. The balance is being examined further, to inform future recruitment strategies.

PRIORITIZE WORKPLACE HEALTH AND SAFETY

The safety of our employees and our customers is our chief priority. Safe practices are inherent in our systems, our operating procedures, and most importantly in the way we think and act. Shurgard is fully committed to providing safe storage facilities 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);
- 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, as well as in 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 the training conducted and the participation and acknowledgment of training by team members are kept in an online learning management system or filed with the Human Resources department.

2021 ACHIEVEMENTS

- Maintained COVID-19 secure procedures at all properties;
- Promoted Health and Safety principles to our customers on all seven market web pages (e.g., https://www.shurgard.com/en-gb/self-storage/tools-and-tips/health-and-safety-tips);
- Updated the common checklist with additional Health and Safety control checks around our fire safety program.

HEALTH AND SAFETY OBJECTIVES

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

INVEST IN THE DEVELOPMENT OF OUR EMPLOYEES

CONTINUOUS TRAINING

Our ambition is to place the development of our employees at the center of our priorities through the continuous improvement of skills and knowledge, and a continuous process of education and learning. A comprehensive training offer is defined and updated every year, in line with Shurgard's strategy, investors in people accreditation and regulatory requirements. The performance management process includes the definition of a personalized skills development plan for each employee. We support our managers and business units in setting development priorities through specific training or on-the-job learning activities.

We believe the quality of our customers' interaction with our employees is critical to Shurgard's 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 that builds the foundation to assist our customers with their storage needs. All new employees at our support centers are also engaged in an extensive induction program which lasts several weeks. We offer a continuous feedback program to help employees improve their performance. We invest in a wide range of training to grow both professional skills as well as soft skills, such as communication, problem-solving and time management.

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

2021 TRAINING ACHIEVEMENT

- 93.0% of our employees underwent the performance appraisal process, an increase of 6.1pp year-on-year.

TRAINING OBJECTIVE

- Continue employee training in environmental, health and safety.

2022 TRAINING ACTIONS

- Develop further training programs about sustainability for our employees;
- Implement training for managers about providing effective feedback;
- Develop further security/cybersecurity awareness training.

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 demonstrates the employee's commitment to building a long-term career. Shurgard aims to match personal aspirations with the needs of the business, prepare for the future in line with strategic focus, develop a shared culture, retain employees and strengthen our employer brand. Various measures have been implemented or will be implemented soon, including:

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

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 look at pay equity at all levels. Thus, people with similar roles and responsibilities receive comparable salaries. We ensure our alignment with best practices and our compliance with the various legislations in force. We regularly participate in remuneration surveys in order to assess our conditions within the business.

GRI 102-35

ETHICS AND GOVERNANCE

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

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

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

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

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

As a Luxembourg Société Anonyme whose shares are listed on Euronext Brussels, Shurgard is subject to both Luxembourg corporate governance and Belgian corporate governance regimes. As we recognize the importance of high standards of corporate governance, we have set up our own Corporate Governance Charter that meets the specific needs and interests of our Company. The charter came into effect when the Company was listed on Euronext Brussels. Our governance structure is designed to foster principled actions, informed and effective decision-making, and appropriate monitoring of both compliance and performance. For additional information please refer to the Corporate Governance Charter in the "Governance" section of the Shurgard website: Governance Documents | Shurgard Investor Relations. The last update to the Corporate Governance Charter occurred on September 20, 2021.

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

2021 ETHICS AND GOVERNANCE ACHIEVEMENTS

- We rolled-out the Code of Conduct among all employees;
- There were no fines, notifications, penalties, or settlements during 2021;
- There have been no breaches to our Code of Conduct throughout the year (across areas of privacy, bribery, corruption and discrimination);

- No contributions to or expenditures to political campaigns or organizations, lobbying, tax-exempt entities, or other groups whose role is to influence political campaigns or public policy and legislation in reporting year (GRI 415-1);
- The group is part of local trade associations for self storage. In 2021, the total amount of the membership fees across the group was around €28,900[1].

2022 ETHICS AND GOVERNANCE ACTION

- Host a workshop with key members of the Shurgard team to better understand, and prepare for, the disclosure requirements of the EU Taxonomy Regulation.

GRI 307-1

Our mission in this area:
Reconcile risk management with innovation

How we aim to do this:
1. Incorporate sustainability issues into Shurgard's management systems and Code of Conduct.

1 Belgian Self Storage association (Belgium) = €2,100; CISS (France) = €6,100; NSSA (The Netherlands) = €6,100; VDSU (Germany) = €3,680; Self Storage Association Denmark (Denmark) = DKK 12,500; Self Storage Association UK (UK) = £6,460; Self Storage Association (Sweden) = SEK 16,000

CORPORATE GOVERNANCE

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

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

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

GRI 102-18 / 102-19 / 102-20 / 102-22 / 102-25 / 102-32

BOARD OF DIRECTORS

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

The Board of Directors is currently composed of 11 members - one Executive Director and ten Non-Executive Directors. A majority (six) of the members of our Board of Directors is independent, of which one has been appointed Lead Independent Director. At the Annual General Shareholders' Meeting of May 5, 2021, all the members of the Board were re-appointed for a term of one year ending at the Company's Annual General Shareholders' Meeting to be held in 2022.

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

RESPONSIBILITY OF THE BOARD OF DIRECTORS

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

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

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

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

d) Appoint and remove the CEO of the Company;

e) Delegate the day-to-day management of the Company to the CEO;

f) Appoint and remove the other executive board members when their appointment or removal is proposed by the CEO;

g) Approve the overall Company strategy;

h) Approve the annual overall Company budget;

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

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

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

BOARD MEETINGS

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

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

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

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

During the financial year 2021, the Board of Directors held eight meetings. All members of the Board were present at these meetings. Also, over the year, the Board members assessed the way the Board operates, the effective fulfilment of its role, its rules, policies and tools available. They consider the way the Board operates as adequate to perform their role and to ensure good governance of the Company, thus, no change has been requested.

As provided in the Articles of Association of the Company and, to the extent necessary, in accordance with the Luxembourg law of September 23, 2020 (as extended on December 17, 2021) on measures concerning the holding of meetings in companies and other legal persons, a law passed in the context of the COVID-19 pandemic, which permitted the managing body of a Luxembourg company to hold its meetings by videoconference, the meetings of the Board of Directors of the Company and of the board-level Committees were held by videoconference (except the meetings of August and November 2021).

DIRECTORSHIPS HELD BY BOARD MEMBERS

As of December 31, 2021, our Board members held directorship mandates in the following companies:

Name	Mandates
Ronald L. Havner, Jr.	Public Storage, PS Business Parks, Inc*, AvalonBay Communities, Inc., Huntington Hospital, Easy Ice
Marc Oursin	Ugly Invest
Z. Jamie Behar	Armour Residential REIT, Inc., Broadstone Real Estate Access Fund, Benefit Street Partners Multifamily Trust, Puppies Behind Bars
Everett B. Miller III	No other directorship
Daniel C. Staton	Staton Capital LLC, ARMOUR Residential REIT Inc, ACM, Terran Orbital, Techiya LLC
Ian Marcus	Secure Income REIT PLC, Town Center Securities plc,, Anschutz Entertainment, Work-Life, Elysian Residences, the Wharton Business School Real Estate Faculty, Eastdil Secured LLP, Redevco NV, Cambridge University Land society
Muriel De Lathouwer	CFE, Coderdojo Belgium asbl, Etex, Olympia group of companies, CPH, ULB dev (economic development of the research from the Free University of Brussels)
Olivier Faujour	Wegrow SaaS, Neosilver Silver Economy, Alpange Pianos Company
Frank Fiskers	Whitbread PLC
Padraig McCarthy	Kleos Space SA
Isabelle Moins	April International Care France, Smile Corp (SAS), Innovaas

* PS Business Parks, Inc. is an affiliate of Public Storage

SHARE OWNERSHIPS OF DIRECTORS

As of December 31, 2021, the members of the Board of Directors owned 179,881 shares or 0.2% of the total share capital of the Company. The breakdown of share ownership is:

Name	Number of shares
Ronald L. Havner, Jr.	10,000
Marc Oursin	137,092
Z. Jamie Behar	1,901
Everett B. Miller III	500
Muriel De Lathouwer	2,979
Olivier Faujour	4,347
Frank Fiskers	4,347
Ian Marcus	2,515
Padraig McCarthy	2,000
Isabelle Moins	1,700
Daniel C. Staton	12,500
Total	**179,881**

INDEPENDENCE OF BOARD MEMBERS

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

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

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

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

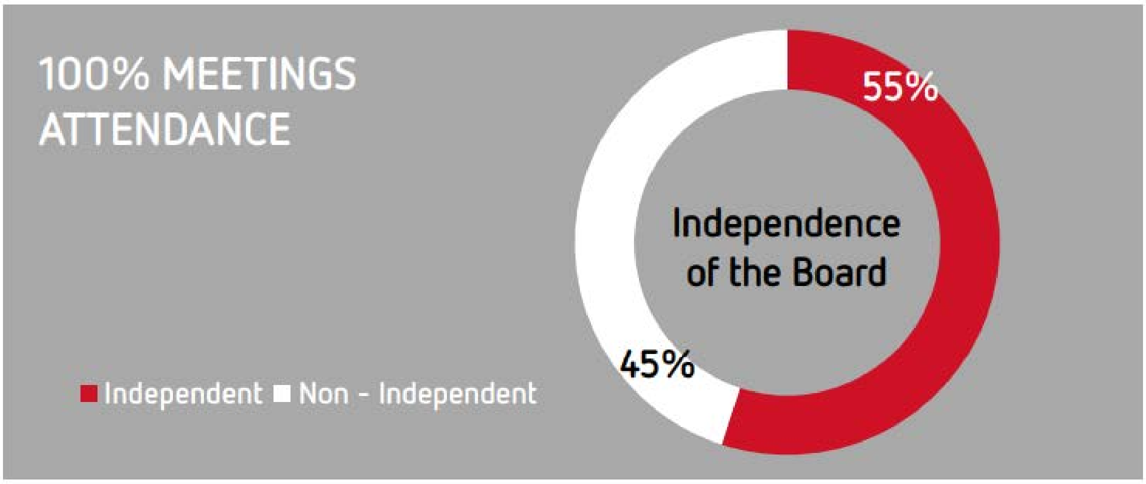
d) Does not have an employee, contractual or managerial relationship with, is not an agent of, nor has a financial interest in or receives compensation from, the controlling shareholder(s) (i.e., a strategic shareholder with a 10.0% or larger holding);

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

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

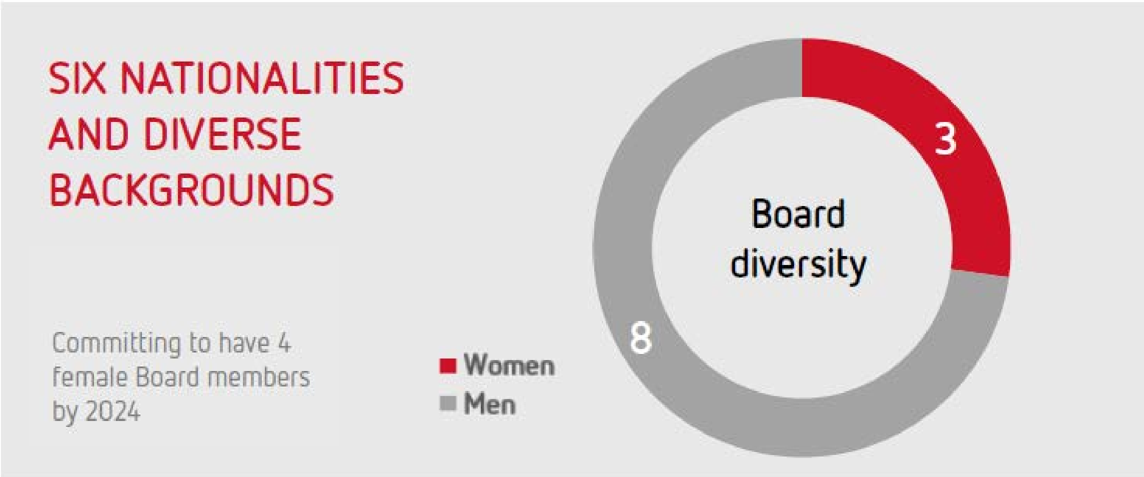
g) Is not an executive or managing director in another company in which an executive or managing director of the Company is a non-executive or supervisory director, and does not have other significant links with executive directors of the Company through involvement in other companies or bodies; and

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



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, 30% of the Non-Executive Board members are women, and the Company aims to increase that ratio. Also, six nationalities are represented on the Board of Directors which allows for an enriching cultural exchange.



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

GRI 405-1

COMMITTEES OF THE BOARD

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

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

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

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

AUDIT COMMITTEE

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

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

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

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

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

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

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

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

As of December 31, 2021, the Audit Committee consisted of four members: Padraig McCarthy (chairperson), Z Jamie Behar, Isabelle Moins and Muriel De Lathouwer. Padraig McCarthy, Isabelle Moins and Muriel De Lathouwer are considered independent Board members. Padraig McCarthy, Z. Jamie Behar and Muriel De Lathouwer have a special competence in accounting and/or auditing in listed companies. Three out of the four members of the Audit Committee are independent, which ensures good governance and nonpartisan decision-making. Z. Jamie Behar, non-independent director has been appointed onto the Audit Committee due to her renowned academic knowledge in finance and 25 years of senior experience in both public and private market real estate investment.

During the financial year 2021, the Audit Committee held four meetings, where all committee members were present.

Over the year, the Audit Committee members assessed the way the Committee operates, the effective fulfilment of its role, its rules, policies and tools available. They consider it as adequate to perform their role and to ensure good governance of the Company, thus, no change has been requested.

ESG COMMITTEE[1]

The ESG Committee is responsible for the following matters:

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

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

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

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

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

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

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

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

1 The Nomination and Remuneration Committee has been renamed the ESG Committee to better and more accurately reflect its larger scope of responsibilities, which includes the addition of ESG-related matters.

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

j) Reviewing any ESG report filed by the Company;

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

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

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

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

o) Assessing, together with the CEO, the way in which the Senior Management operates and the performance of its members at least once a year.

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

As of December 31, 2021, the ESG Committee consisted of five members: Frank Fiskers (chairperson), Muriel De Lathouwer, Ian Marcus, Padraig McCarthy and Olivier Faujour, all of whom are considered independent Board members.

During the financial year 2021, the ESG Committee held four meetings where all committee members were present.

Over the year, the ESG Committee members assessed the way the Committee operates, the effective fulfilment of its role, its rules, policies and tools available. They consider it as adequate to perform their role and to ensure good governance of the Company, thus, no change has been requested.

REAL ESTATE INVESTMENT COMMITTEE

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

As of December 31, 2021, the Real Estate Investment Committee consisted of six members: Z. Jamie Behar (chairperson), Olivier Faujour, Frank Fiskers, Daniel C. Staton, Ian Marcus and Everett B. Miller III. Ian Marcus, Olivier Faujour and Frank Fiskers are considered independent Board members.

During the financial year 2021, the Real Estate Investment Committee held nine meetings, where all committee members were present.

Over the year the Real Estate Investment Committee members assessed the way the Committee operates, the effective fulfilment of its role, its rules, policies and tools available. They consider it as adequate to perform their role and to ensure good governance of the Company, thus, no change has been requested.

SENIOR MANAGEMENT

The Senior Management of the Group is made up of five members, who hold their positions through employment contracts with entities of the Group, except for the CEO 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 CEO. The CEO has the authority to represent the Board, as well as a number of ancillary specific powers. In addition, the CEO has been granted powers to approve any development or refurbishment of real estate assets.

In 2021, the Senior Management team changed. In August, Mr. Jean-Louis Reinalda stood down as VP Real Estate. This position was subsumed within that of the Chief Investment Officer entrusted to Ms. Isabel Neumann. She brings exceptional skills in real estate investment to the role, and this change adds more diversity at the Senior Management level.

DIRECTORSHIPS HELD BY SENIOR MANAGEMENT

As of December 31, 2021, the members of the Senior Management held directorship mandates in the following companies:

Name	Mandates
Marc Oursin	Ugly Invest
Jean Kreusch	Transforming Talent SPRL
Duncan Bell	Self-Storage Association UK (SSAUK)
Ammar Kharouf	No other directorship
Isabel Neumann	Belfius Bank & Insurance

During his mandate as senior manager for part of 2021, Mr. Jean-Louis Reinalda held a directorship mandate in Tekto BV in the Netherlands.

SHARE OWNERSHIP OF THE MEMBERS OF SENIOR MANAGEMENT

As of December 31, 2021, members of the Senior Management owned the following numbers of shares, adding up to 280,134 shares or 0.31% of the total share capital:

Name	Number of shares
Marc Oursin	137,092
Jean Kreusch	86,521
Duncan Bell	12,173
Ammar Kharouf	44,348
Isabel Neumann	0
Total	**280,134**

The members of the Senior Management will have to meet share ownership requirements. They were requested to build up shareholdings in the Company proportional to their fixed compensation over the five years following the IPO (2018). This shareholding requirement was set at 2.5 times the fixed compensation for the CEO, 2.0 times for the CFO and 1.5 times for the other Senior Management members. For the four members who were present at the time of the IPO, this was satisfied well in advance of the five-year period.

DIRECTORS' AND MANAGEMENT CONFLICTS OF INTEREST

Members of the Senior Management have employment agreements with an entity of the Group, other than the CEO who has a management contract. Certain members of the Senior Management also serve on the boards of various Group companies. In addition, the CEO 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, 2021, the following member of the Board of Directors is partner, director, representative and/or employee of Public Storage or an affiliate thereof: Ronald L. Havner, Jr.. Z. Jamie Behar, Everett B. Miller III are members of the Board of Directors elected on the designation of our shareholder New York State Common Retirement Fund and Daniel C. Staton is a member of the Board of Directors elected on the designation of our shareholder Public Storage. Apart from these potential conflicts of interest and the transactions and legal relations described in the section "Related Party Transactions", there are no other actual or potential conflicts of interest between the obligations of the members of the Board of Directors or Senior Management toward the Company and their respective private interests or other obligations.

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

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

ANNUAL GENERAL MEETING

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

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

In the financial year 2021, the Annual General Meeting of Shareholders took place on May 5, 2021. Due to COVID-19, physical attendance was excluded, and a vote was only possible by power of attorney to the Chairman of the meeting or by correspondence (further information can be found on our Corporate website: 2021 Annual General Assembly | Shurgard Investor Relations).

STATUTORY AUDITOR

During the financial year 2021, the Company's statutory auditor (réviseur d'entreprise agréé) was EY. EY is registered with the CSSF as a cabinet de révision agréé and with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, Luxembourg) under number B47771. The registered office of EY Luxembourg S.A. is 35E, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. EY is a member of the Luxembourg body of registered auditors (Institut des Réviseurs d'Entreprises). At the Annual General Meeting of Shareholders of May 5, 2021, EY was re-appointed as independent auditor (réviseur d'entreprises agréé) of the Company for a term of one year ending at the Company's Annual General Meeting of Shareholders to be held in 2022.

Audit fees in 2021 were €624.545 for the audits of consolidated and statutory financial statements of the Company and its subsidiaries.

CODE OF CONDUCT

At all times, our employees must act with loyalty, competence, care and diligence, in the best interests of customers and other stakeholders. Identifying and understanding irresponsible behavior is a pre-requisite for any corrective action. Ethical and accountability principles are a mandatory part of each employee's annual performance review. In addition, the whistleblowing procedures in place guarantee employee's 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;
- Conflicts of interest.

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

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

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

Anti-corruption and bribery

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

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

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

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

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

To mitigate the risk of corruption, employees and Directors of the Board of Shurgard (more information page 95) shall participate in an annual declaration of conflicts of interest. Additionally, in 2021 our employees participated in an online training course about anti-bribery as part of our Code of Conduct refreshment training.

Business Ethics and Compliance training	**2021**	**2020**
Percentage of employees who attended at least one Ethics and Compliance training session	82.0%	-

In 2021, no cases of corruption or bribery was reported. There were no legal proceedings against Shurgard or its employees and no confirmed incidents when contracts with business partners were terminated or not renewed due to alleged corruption.

GRI 205

Community contribution

Shurgard encourages participation by its employees in supporting the community and charity organizations.

Conflict of interests

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

Insider dealing

Shurgard wants to ensure that its employees do not abuse, or place themselves 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 prohibition of short sales, hedging, disclosing or using inside information also apply.

In 2021, employees participated in online training related to Insider Dealing as part of our Code of Conduct refreshment training.

Whistleblowing

Shurgard annually reviews and updates its 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) 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. In 2021, Shurgard appointed a third-party provider to develop a secure online platform, through which it will be possible to report anonymously as from the beginning of 2022. Reported cases are handled by the Internal Audit department (independent reporting line to the Audit Committee) and, in case of conflicts 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.

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 2021, Shurgard knows of no cases in which freedom of association or the right to collective bargaining have been seriously jeopardized or even breached.

Shurgard is assessing its suppliers in relation to freedom of association, among other social, governance, and environmental topics.

GRI 407

RISKS AND OPPORTUNITIES

Understanding the risks analyzed and their potential impact on the commitments made is at the heart of Shurgard's sustainable approach.

The risk management framework makes it possible to see how risks interact over time and at different stress levels. It benefits from our commitment to transparency and informed decision-making. Tradition and a long-term perspective are the foundation of our convictions.

In this context, the notion of responsibility and the duty of prevention require an irreproachable control of risks. The Board of Directors determine the risk tolerance. This is monitored using indicators and risk limits. Reputational risks, ethical breaches or data protection shortfalls are also monitored. We are aligned with industry best practice standards to articulate responsibilities and obligations for risk management. This standard allows us to integrate sustainability risks throughout the organization.

The culture of innovation and collective reflection permeates our business. We believe that incremental improvements in all of our activities create value for Shurgard's development. The successful implementation of our strategic objectives depends on the strength of our risk management. When we identify and analyze the main operational or non-financial risks, we also identify opportunities. These opportunities will enable us to create and deliver products, services, processes, collaborations and tools in line with Shurgard's strategic objectives. Our commitment to sustainability is part of this approach. It contributes to the transformation of the activities of our industry which in turn contributes to a more sustainable and responsible world.

GRI 102-30

EXAMPLES OF MAIN RISKS

- Regulatory framework;
- Guaranteeing a long-term business model;
- Capabilities and data management;
- Good corporate citizenship;
- Talent management;
- IT risks;
- Product suitability.

OPPORTUNITIES

- Comply with current regulations;
- Leverage increased levels of innovation;
- Optimize the effectiveness of tools and processes;
- Support the communities in which we operate;
- Invest in training and development;
- Integrate sustainability criteria into investments.

DATA PROTECTION

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

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

The Security Committee, a cross-departmental body (IT, finance, legal, HR, internal audit, operations, real estate), has been established for the purposes of proactively engaging with 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 quarterly 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 and discussed at the Executive Committee. Updates on security-related risks are reported to and discussed at the Audit Committee on a quarterly basis.

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 technology protection of our stakeholders. Information security policies and procedures define the classification and rules to be adopted for the purposes of confidentiality of information and compliance with regulations on the protection of personal data. They describe the organizational controls put in place to protect information. Our other security measures include firewalls, data encryption and 24-hour monitoring. This enables us to maintain the quality of technological systems and proactively detect unusual activity. In addition, all our employees are trained on the collection, the process and the protection of personal data.

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

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

GRI 102-30

CYBER SECURITY

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

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

This approach is an essential component of information security management, and it aims to strengthen the security and stability of technology platforms. In addition, we are constantly developing awareness campaigns. Shurgard's employees are trained, business by business, in the risk of cyberattacks and the importance of data protection. Shurgard's prevention methods and controls include Advanced Threat Protection:

- The prevention of data leaks;
- Network intrusion and vulnerability;
- Ongoing employee awareness programs.

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

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 2021.

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

GRI 102-54 / 102-55

EPRA PERFORMANCE MEASURES

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

OVERARCHING RECOMMENDATIONS

ORGANIZATIONAL BOUNDARY

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

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

COVERAGE

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

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

ESTIMATIONS OF DATA

In order to meet Annual Report deadlines, all environmental data under measured indicators has been estimated for the last three months of 2021 i.e., October 1, 2021 to December 31, 2021. Data from January 1, 2021, to September 30, 2021 is actual. Where data for Shurgard-obtained utility consumption is missing or unreliable, we have used the following estimation methodology to fill gaps following periods of known consumption:

1. Direct comparison using data from the corresponding period of the previous year;

2. The daily average of available data (requiring a minimum of 180 days) from the current calendar year is used; or,

3. The daily average of available data (requiring a minimum of 180 days) from the previous calendar year is used; or,

4. Where insufficient previous data was available, we have excluded the property from reporting.

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

THIRD-PARTY VERIFICATION/ASSURANCE

This report has been independently assured by a third-party - EVORA Global Ltd. Their statement can be found at the end of this report.

CHANGES SINCE LAST YEARS REPORT

In order to meet last year's Annual Report deadlines, all environmental data under measured indicators were estimated for the last three months in 2020. Shurgard now possesses the data for the entire calendar year. As such, there is a difference between 2020 figures reported in last year's report and 2020 figures reported below, which consists of a full year of actual data.

NORMALIZATION

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

SEGMENTAL ANALYSIS (BY PROPERTY TYPE, GEOGRAPHY)

Segmental analysis is conducted by property type. Shurgard's 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 70 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 measure 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 they are not responsible for any utility consumption.

REPORTING PERIOD

Reporting for each year accounted for in the EPRA table refers to the calendar year, i.e., January 1, 2021 to December 31, 2021.

ENVIRONMENTAL SUSTAINABILITY PERFORMANCE MEASURES

The EPRA sBPR compliance 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.

EPRA sustainability best practice recommendations compliance table Environmental Sustainability Performance Measures				
EPRA Sustainability Performance Measure		Portfolio	Corporate offices	Where measure is reported
		Storage assets	Own office occupation	Pages
Elec-Abs	Total electricity consumption	✓	✓	59-69
Elec-LfL	Like-for-like total electricity consumption	✓	✓	59-69
DH&C-Abs	Total district heating and cooling consumption	✓	N/A	59-69
DH&C-LfL	Like-for-like total district heating and cooling consumption	✓	N/A	59-69
Fuels-Abs	Total fuel consumption	✓	N/A	59-69
Fuels-LfL	Like-for-like total fuel consumption	✓	N/A	59-69
Energy-Int	Building energy intensity	✓	✓	59-69
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	✓	N/A	59-69
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	✓	✓	59-69
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption	✓	✓	59-69
Water-Abs	Total water consumption	✓	✓	62
Water-LfL	Like-for-like total water consumption	✓	✓	62
Water-Int	Building water intensity	✓	✓	122
Waste-Abs	Total weight of waste by disposal route	✓	✓	122-123
Waste-LfL	Like-for-like total weight of waste by disposal route	✓	✓	122
Cert-Tot	Type and number of sustainably certified assets	✓	✗	124

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. At the time of report production, the International Energy Agency conversion factors relating to 2019 have been applied to both 2020 and 2021 data for relevant countries.

We have used the GHG Protocol's location-based methodology for conversion factors for scope 2 emissions.

Greenhouse gas emissions are reported as metric tons CO2 equivalent (tCO2e) and greenhouse gas intensity is reported as kilograms of CO2 equivalent (kgCO2e).

Like-for-like measures exclude all assets not held for the full two-year period from January 1, 2020, to December 31, 2021 and any assets for which a building extension has been added.

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.

SOCIAL AND GOVERNANCE SUSTAINABILITY PERFORMANCE MEASURES

We are able to 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 is able to report on, and an explanation of where data cannot be reported.

EPRA sustainability best practice recommendations compliance table Social and Governance Sustainability Performance Measures						
EPRA Sustainability Performance Measure		**Portfolio**	**Shurgard**		**Where measure is reported**
SOCIAL PERFORMANCE MEASURES		**Storage assets**	**Corporate**	**Own office occupation**	**Pages**
Diversity-Emp	Employee gender diversity	N/A	✓	N/A	125
Diversity-Pay	Gender pay ratio	N/A	✓	N/A	126
Diversity-Pay	Equal Pay Analysis	N/A	✓	N/A	126
Emp-Training	Employee training and development	N/A	✓	N/A	127
Emp-Dev	Employee performance appraisals	N/A	✓	N/A	127
Emp-Turnover	New hires and turnover	N/A	✓	N/A	128
H&S-Emp	Employee Health and Safety	N/A	✓	N/A	129
H&S-Asset	Asset Health and Safety assessments	✓	N/A	✓	130
H&S-Comp	Asset Health and Safety compliance	✓	N/A	✓	130
Comty-Eng	Community engagement, impact assessments and development programs	✓	N/A	✓	131

GOVERNANCE PERFORMANCE MEASURES		Storage assets	Corporate	Own office occupation	Pages
Gov-Board	Composition of the highest governance body	N/A	✓	N/A	132
Gov-Selec	Process for nominating and selecting the highest governance body	N/A	✓	N/A	133
Gov-Col	Process for managing conflicts of interest	N/A	✓	N/A	134

The absolute energy, building energy intensity, GHG emissions and GHG intensity are reported into two different tables, one for the own office occupation and one for owned assets. We define "own office occupation" as our European Support Center located in Groot-Bijgaarden, near Brussels, Belgium. We define "owned assets" as our storage properties.

ABSOLUTE ENERGY, BUILDING ENERGY INTENSITY, GHG EMISSIONS AND GHG INTENSITY FOR OWN OFFICE OCCUPATION

Absolute and like-for-like energy for own office occupation			2021				2020				Absolute trend	**Like-for-like trend**
Energy reported in MWh			Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties	Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties		
Elec-Abs Elec-LfL	Own Office Occupation	Total electricity obtained by Shurgard	32.5	1 of 1	32.5	1 of 1	35.4	1 of 1	35.4	1 of 1	-8.3%	**-8.3%**
		Proportion of electricity from renewable sources	100.0%		100.0%		0.0%		0.0%			
Energy-Abs Energy-LfL		Total energy obtained by Shurgard	32.5		32.5		35.4		35.4			
Building energy intensity for own office occupation (kWh/sqm/year - GIA)												
Energy-Int	Own Office Occupation	Building energy intensity for all energy obtained by Shurgard	24.7	1 of 1	24.7	1 of 1	26.9	1 of 1	26.9	1 of 1	-8.2%	**-8.2%**
		% of energy and associated GHG estimated	25.0%		25.0%		0.0%		0.0%			

Absolute GHG emissions for own office occupation			2021				2020				Absolute trend	**Like-for-like trend**
GHG reported in tCO2e			Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties	Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties		
GHG-Indir-Abs GHG-Indir-LfL	Own Office Occupation	Indirect GHG emission (GHG Protocol Scope 2 Location-based) in tonnes	6.5	1 of 1	6.5	1 of 1	7.1	1 of 1	7.1	1 of 1	-8.3%	**-8.3%**
Building GHG Intensity for own office occupation (Kg CO2e/sqm/year - GIA)												
GHG-Int	Own Office Occupation	Building GHG Intensity (GHG Protocol Scopes 1 and 2)	4.9	1 of 1	4.9	1 of 1	5.4	1 of 1	5.4	1 of 1	-8.3%	**-8.3%**

Data coverage notes for office occupation:

Only Shurgard's European Support Center office in Brussels has been included in the absolute and like-for-like energy, GHG and intensity figures reported as the other offices have been excluded based on small floor areas and/or Shurgard being only a tenant.

This office does not have either gas or district heating – and as such has nil scope 1 emissions.

Total consumption of electricity obtained by Shurgard for the main office has dropped by 8.3% due to lower occupancy figures following a local government push to homeworking over 2021 as a preventative measure for the COVID-19 pandemic.

We are mindful that while our emissions at our corporate offices have dropped, they have effectively been displaced to homeworking emissions. This is something that we are not currently tracking and will seek advice on reporting this as a metric in the future.

Scope 2 (location-based) emissions have decreased by 8.3%. The GHG intensity also dropped, despite the carbon factor used in the methodology remaining the same year-on-year.

GRI 302-1 / 305-1 / 305-2

ABSOLUTE AND LIKE-FOR-LIKE ENERGY, BUILDING ENERGY INTENSITY, GHG EMISSIONS AND GHG INTENSITY FOR OWNED ASSETS (SELF-STORAGE STORES)

Absolute and like-for-like energy for owned assets (stores)		2021				2020				Absolute trend	Like-for-like trend
Energy reported in MWh		Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties	Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties		
Elec-Abs Elec-LfL	Shurgard obtained electricity	19,804.1	253 of 253	18,334.3	240 of 240	19,979.3	243 of 243	19,822.4	240 of 240	-0.9%	-7.5%
	Proportion of electricity from renewable sources	100.0%	253 of 253	100.0%	240 of 240	0.0%	243 of 243	0.0%	240 of 240		
	% of electricity estimated	25.0%		25.0%		0.0%		0.0%			
DH&C-Abs DH&C-LfL	Shurgard obtained district heating	2,752.0	36 of 36	2,752.0	36 of 36	2,492.5	36 of 36	2,492.5	36 of 36	10.4%	10.4%
	Proportion of district heating from renewable sources	0.0%	36 of 36	0.0%	36 of 36	0.0%	36 of 36	0.0%	36 of 36		
	% of district heating estimated	25.0%		25.0%		0.0%		0.0%			
Fuels-Abs Fuels-LfL	Shurgard obtained fuels (natural gas)	8,413.9	112 of 112	8,339.5	105 of 105	9,124.2	134 of 134	8,861.3	105 of 105	-7.8%	-5.9%
	Proportion of fuels from renewable sources	62.5%	70 of 112	62.2%	69 of 105	0.0%	134 of 134	0.0%	105 of 105		
	% of fuels estimated	25.0%		25.0%		0.0%		0.0%			
Energy	Total Energy Consumption from all sources	30,969.9	253 of 253	29,425.7	240 of 240	31,596.0	243 of 243	31,176.3	240 of 240	-2.0%	-5.6%
Building energy intensity for self-storage stores (kWh/sqm/year - GIA)											
Energy-Int	Building energy intensity for all Shurgard-obtained energy	22.2	253 of 253	23.7	240 of 240	25.6	243 of 243	25.1	240 of 240	-13.1%	-5.6%
	% of energy and associated GHG estimated	25.0%		25.0%		0.0%		0.0%			

Absolute GHG emissions for owned assets (stores)		2021				2020				Absolute trend	Like-for-like trend
GHG reported in tCO2e		Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties	Absolute Consumption	Coverage of applicable properties	Like-for-like consumptio n	Coverage of applicable properties		
GHG-Dir-Abs GHG-Dir-LfL	Direct GHG Emissions (GHG Protocol Scope 1)	2,019.3	112 of 112	2,001.5	105 of 105	2,134.1	134 of 134	2,115.6	105 of 105	-5.4%	-5.4%
	Direct GHG Emissions (GHG Protocol Scope 1) after green procurement	709.3	112 of 112	724.0	111 of 111	N/A	132 of 132	N/A	128 of 128	-66.8%	-65.8%
GHG-Indir-Abs GHG-Indir-LfL	Indirect GHG emission (GHG Protocol Scope 2 Location-based) in tonnes	4,307.7	253 of 253	3,593.3	240 of 240	4,126.3	243 of 243	4,295.9	240 of 240	4.4%	-16.4%
	Indirect GHG emission (GHG Protocol Scope 2 Market-based) in tonnes after green procurement	636.9	253 of 253	636.9	240 of 240	N/A	243 of 243	N/A	223 of 223	-84.6%	-85.2%
GHG	GHG Scope 1 & 2 (Location based; before green procurement) in tonnes	6,327.0	253 of 253	5,594.8	240 of 240	6,260.4	243 of 243	6,411.5	240 of 240	1.1%	-12.7%
	GHG Scope 1 & 2 (Market based; after green procurement) in tonnes	1,346.2	253 of 253	1,360.9	240 of 240	N/A	243 of 243	N/A	223 of 223		
Building GHG Intensity for owned assets (stores) (Kg CO2e/sqm/year - GIA)											
GHG-Int	Building GHG Intensity (GHG Protocol Scopes 1 and 2)	4.5	253 of 253	4.5	240 of 240	5.1	243 of 243	5.2	223 of 223	-10.4%	-12.7%

Data coverage notes for owned assets:

Absolute energy and Scope 1 and 2 GHG emissions: We have been able to report fuels and scope 1 GHG emissions for all 112 properties for which we purchase fuels and 37 properties for which we purchase district heating. We have also been able to report electricity and scope 2 GHG emissions data for 253 of 253 properties.

Like-for-like energy: We have been able to report like-for-like electricity performance for 240 of 240 properties which have been owned and operated by Shurgard for the complete 24-month period analyzed, as well as gas and district heating performance for 105 of 105 properties and 36 of 36 properties respectively which have been owned and operated by Shurgard for the complete 24-month period analyzed.

Narrative on performance:

Absolute energy: Total Shurgard obtained electricity for stores has slightly decreased by 0.9%. Shurgard obtained fuels consumption has increased for district heating by 10.4% and reduced for gas by 7.8%. Heating/hot water demands for this sector are typically low in nature. Overall, absolute energy demands have fallen by 2% and energy intensity has also reduced.

Absolute GHG emissions: Total Shurgard obtained scope 1 GHG emissions have reduced by 5.4%. However, 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 Denmark). Consequently, Shurgard's scope 1 Net emissions (after offsetting) have been further reduced by 66.8%.

Shurgard obtained scope 2 (location-based) emissions – from electricity – have increased in absolute terms by 4.4% due to the opening of new stores. However, in 2021 Shurgard adopted zero carbon electrical supply contracts at all stores procured from 100% renewable sources. Consequently, the majority of Shurgard's scope 2 absolute emissions have been reduced by 84.6% (reported as scope 2 (Market-based) emissions).

Like-for-like energy: Like-for-like electricity and fuel consumption has reduced year-on-year due to energy efficiency measures undertaken at our stores. Overall, like-for-like energy reduced by 5.6%.

GRI 302-1 / 305-1 / 305-2

ABSOLUTE AND LIKE-FOR-LIKE WATER CONSUMPTION AND BUILDING WATER INTENSITY FOR OWN OFFICE OCCUPATION AND OWNED ASSETS

Absolute and like-for-like water for own occupied offices & owned assets (stores)			2021				2020				Absolute trend	Like-for-like trend
Water reported in m3			Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties	Absolute Consumption	Coverage of applicable properties	Like-for-like consumption	Coverage of applicable properties		
Water-Abs Water-LfL	Own Office	Shurgard obtained water	151.7	1 of 1	151.7	1 of 1	148.5	1 of 1	148.5	1 of 1	2.2%	2.2%
		% of water estimated	25.0%		25.0%		0.0%		0.0%			
Water-Abs Water-LfL	Stores	Shurgard obtained water	29,533.2	253 of 253	27,155.4	222 of 222	26,627.6	243 of 243	22,197.0	222 of 222	10.9%	22.3%
		% of water estimated	25.0%		25.0%		0.0%		0.0%			
Building water intenstity for own occupied offices (m3/sqm/year - GIA)												
Water-Int	Own Office	Water intensity for all Shurgard-obtained water supplying own occupied offices	0.1	1 of 1	0.1	1 of 1	0.1	1 of 1	0.1	1 of 1	2.2%	2.2%
Building water intenstity for self-storage stores (m3/sqm/year - GIA)												
Water-Int	Stores	Water intensity for all Shurgard-obtained water supplying stores	0.02	253 of 253	0.02	222 of 222	0.02	243 of 243	0.02	222 of 222	-1.7%	22.3%

Data coverage notes:

Absolute water: We have been able to report water usage for all the properties for which we purchase water.

Like-for-like water: 222 assets are reported in our like-for-like comparisons.

Narrative on performance:

All water is municipal potable water discharged from taps in the communal areas of Shurgard properties. Due to the nature of the sector, there is minimal landlord obtained water across Shurgard's portfolio and as the business does not operate in water-stressed locations, such water consumption is not considered material. Total Shurgard obtained water has increased by 10.9% principally due to the opening of 14 new stores in 2021, 11 of which recorded water consumption.

Like-for-like water consumption has increased by 22.3% year-on-year. The high variations in percentage of water consumption year-on-year reflects the limited requirements for water generally and whilst the percentages seem high, the actual water used across the portfolio is minimal.

Absolute water intensity has decreased slightly by 1.7%; this may be attributable to the newer stores entering the portfolio being more water efficient.

Water usage at our office has increased slightly; this may be attributable to increased COVID-19 safe cleaning regimes.

GRI 303-1

TOTAL WEIGHT OF WASTE BY DISPOSAL ROUTE AND LIKE-FOR-LIKE TOTAL WEIGHT OF WASTE BY DISPOSAL ROUTE FOR OWN OFFICE OCCUPATION AND OWNED ASSETS

Total weight of waste by disposal route and like-for-like total weight of waste by disposal route for occupied offices			2021				2020				Absolute trend	Like-for-like trend
Waste reported in tonnes			Absolute tonnes	Absolute Proportion	Like-for-like tonnes	Like-for-like Proportion	Absolute tonnes	Absolute Proportion	Like-for-like tonnes	Like-for-like Proportion		
Waste-Abs Waste-LfL	Own Occupied Offices	Recycled	10.5	52.2%	10.5	37.4%	14.6	52.5%	14.6	52.5%	-28.0%	-27.9%
		Incineration (with and without energy recovery)	9.6	47.8%	9.6	62.5%	13.2	47.6%	13.2	47.6%	-27.4%	-27.5%
		Landfill (non hazardous)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0%	0.0%
		Hazardous Waste Treatment Facility	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0%	0.0%
		Total	20.1	100.0%	20.1	100.0%	27.8	100.0%	27.8	100.0%	-27.7%	-27.7%
		% of waste estimated	25.0%		25.0%		0.0%		0.0%			
		Coverage of applicable properties	1 of 1		1 of 1		1 of 1		1 of 1			

Data coverage notes for occupied offices:

Absolute and like-for-like waste: Waste consumption decreased over 2021 in the corporate office – this was partly down to decreased activities requiring waste disposal.

Total weight of waste by disposal route and like-for-like total weight of waste by disposal route for owned assets			2021				2020				Absolute trend	Like-for-like trend
Waste reported in tonnes			Absolute tonnes	Absolute Proportion	Like-for-like tonnes	Like-for-like Proportion	Absolute tonnes	Absolute Proportion	Like-for-like tonnes	Like-for-like Proportion		
Waste-Abs Waste-LfL	Stores	Recycled	1,431.4	64.1%	1,281.1	60.7%	1,271.2	52.9%	1,221.5	55.0%	12.6%	4.9%
		Incineration (with and without energy	260.4	11.7%	347.1	16.4%	173.2	7.2%	359.8	16.2%	50.4%	-3.5%
		Landfill (non hazardous)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0%	0.0%
		Hazardous Waste Treatment	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0%	0.0%
		Materials Recovery Facility - Unknown	540.6	24.2%	484.1	22.9%	960.0	39.9%	639.6	28.8%	-43.7%	-24.3%
		Total	2,232.5	100.0%	2,112.2	100.0%	2,404.4	100.0%	2,220.8	100.0%	-7.2%	-4.9%
		% of waste estimated	25.0%		25.0%		0.0%		0.0%			
		Coverage of applicable properties	253 of 253		237 of 237		243 of 243		237 of 237			

Data coverage notes for owned assets:

Absolute and like-for-like waste: Waste data is gathered for all properties in the portfolio where Shurgard has waste management contracts. 237 out of 253 assets are reported as like-for-like, as not all assets were held for the full two-year period from January 1, 2020, to December 31, 2021 and any assets for which a building extension has been added have been excluded (see the Methodology Note for further information).

Absolute waste has decreased by 7.2% despite the increase in stores in 2021. Likewise, like-for-like total waste decreased by 4.9%.

Total volumes of recycled waste have increased, as minimum standards are in place to ensure that all cardboard at ourstores is recycled, along with plastic use being minimized.

GRI 306-1 / 306-2

TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS

Cert-Tot (Type and number of sustainably certified assets)			2021			2020		
Type of Certification	Name of certification		Number of certified properties	Percentage of portfolio certified (by floor area)	Coverage of Applicable Properties	Number of certified properties	Percentage of portfolio certified (by floor area)	Coverage of Applicable Properties
Mandatory Certifications	EU Energy Performance Certificate		254	100.0%	254 of 254	7	2.7%	7 of 243
Voluntary Certifications	BREEAM	Pass	12	6.0%	12 of 254	10	5.1%	10 of 243
		Good	20	9.3%	20 of 254	15	6.8%	15 of 243
		Very Good	7	4.6%	7 of 254	4	2.9%	4 of 243
		Excellent	6	4.5%	5 of 254	5	3.3%	5 of 243
		Outstanding	1	0.7%	1 of 254	1	0.7%	1 of 243

EPC Breakdown

Score	No of Assets	% of assets
A+	5	2.2%
A	176	78.2%
B	10	4.4%
C	19	8.4%
D	13	5.8%
E	0	0.0%
F	1	0.5%
G	1	0.5%

Data coverage notes:

Mandatory certifications are EU energy performance certificates, which are not mandatory for all of Shurgard's properties because they are only mandatory for buildings which are marketed or sold, or those that have been recently constructed. As Shurgard holds assets long-term this is not a material aspect, however, to better understand the portfolio makeup energy performance certificates have been obtained for the entire portfolio in 2021.

Voluntary certifications include BREEAM (Building Research Establishment Environmental Method). Shurgard recognizes the benefits of green building certification and seeks to increase the percentage coverage year-on-year.

SOCIAL PERFORMANCE MEASURES

EMPLOYEE GENDER DIVERSITY

Employee Gender Diversity				2021		2020	
Impact Area	EPRA Code	Units of Measure	Indicator	Female	Male	Female	Male
Diversity-Emp	Diversity-Emp	% of male and female employees	Employees on the organization's Board of Directors	27.3%	72.7%	27.3%	72.7%
			Employees in the organization's Senior Management	20.0%	80.0%	0.0%	100.0%
			All employees	40.0%	60.0%	39.0%	61.0%

Narrative on performance:

Shurgard believes that a diverse perspective is key to success. Our current female representation on the Board stands at 27.3%.

Ms. Isabel Neumann joined Shurgard Self Storage as Chief Investment Officer in August 2021. For further information, see Leadership and Governance | Shurgard Investor Relations.

GENDER PAY RATIO

Employee Gender Pay Ratio				2021	2020
Impact Area	EPRA Code	Units of Measure	Indicator		
Employee gender pay gap	Diversity-Pay	Gender Pay Gap (%)	Mean gender pay gap	-2.4%	-1.7%
			Median gender pay gap	-2.8%	0.0%

Narrative on performance:

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

In 2021, Shurgard reported a change in the business' median gender pay gap, due to the larger ratio of male employees who have been with the Company for a longer period.

EQUAL PAY ANALYSIS 2021

Employee Level	Average Women Salary	Average Man Salary
Executive level (base salary only)	€320,000*	€319,672
Executive level (base salary + other cash incentives)	€320,000*	€545,032
Management level (base salary only)	€84,660	€75,049
Management level (base salary + other cash incentives)	€107,247	€105,095

Narrative on performance:

We believe that our salary paid is reflective of our continual commitment to maintaining a workplace that is free from discrimination.

*Note that we employ one female executive who was recruited part-way through the year and as such was ineligible for 'other cash incentives' in 2021. We anticipate that future reporting will demonstrate a more equal balance.

EMPLOYEE TRAINING AND DEVELOPMENT AND EMPLOYEE PERFORMANCE APPRAISALS

Employee Training, Development and Performance				2021	2020
Impact Area	EPRA Code	Units of Measure	Indicator		
Employee training and development	Emp-Training	Average number of hours/FTE	Average hours of training undertaken by employees in the reporting period (per employee)	67.5	73.0
Employee performance appraisals	Emp-Dev	% of total workforce	% of total employees who received regular performance and career development reviews during the reporting period	93.0%	86.9%
Spend on learning and development	N/A	€ per FTE	Average spend on training per FTE in the reporting period	€210	€292
Total Hours of Training	N/A	Number	Total number of hours of training undertaken by all employees in the reporting period (overall)	52,533	55,016

Narrative on performance:

93.0% of total employees underwent a performance review in 2021, up 6.1pp on 2020 – this positively reflects the recognition given to the importance of conducting these appraisals.

Our learning hours have fallen slightly. One reason is that in 2020, Shurgard implemented new Enterprise Resource Planning software, 'Pharos' – this involved e-learning training across the business, to each employee. Following this, in 2021 – and will be the case in future years – training will be provided around this only to new employees and those requiring refreshing. Another reason of the drop was COVID-19 prevented live trainings.

Each in-store employee is required to complete a rigorous four-month training program that builds the foundation to assist our customers with their storage needs. European Support Center employees are also engaged in an extensive induction program which lasts several weeks. Shurgard recruited 227 new employees over 2021 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.

NEW HIRES AND TURNOVER

New Hires and Turnover					2021		2020	
Impact Area	EPRA Code	Units of Measure	Indicator		Number	Rate	Number	Rate
Employee turnover and retention	Emp-Turnover	Total number and rate	New employee hires	Overall	247	32.0%	265	34.0%
				Female	114	46.0%	102	38.0%
				Male	133	54.0%	163	62.0%
			Employee turnover	Overall	289	37.0%	199	25.0%
				Female	118	41.0%	82	41.0%
				Male	171	59.0%	117	59.0%

Narrative on performance:

We continued to increase new hires in 2021, due to recruitment of additional site-based employees for new stores completed during the year.

GRI 401-1

EMPLOYEE HEALTH AND SAFETY

Employee Health and Safety				2021	2020
Impact Area	EPRA Code	Units of Measure	Indicator		
Employee Health and Safety	H&S-Emp	Per 100,000 hours worked	Injury rate	0.003%	0.002%
			Lost day rate	0.07%	0.057%
		Days per employee	Absentee rate	4.80%	4.70%
		Total number	Fatalities	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 2021, we maintained our record of no reportable Health and Safety incidents for employees. Our absentee rate increased slightly in 2021, which is partly attributable to COVID-19 isolation protocols.

GRI 403-2

ASSET HEALTH AND SAFETY ASSESSMENTS AND COMPLIANCE

Asset Health and Safety assessments and compliance				2021	2020
Impact Area	EPRA Code	Units of Measure			
Asset Health and Safety assessments	H&S-Assets	% of assets	% of assets for which Health and Safety impacts are assessed or reviewed	35.2%	33.3%
Asset Health and Safety compliance	H&S-Comp	Total number	Number of incidents of non-compliance with regulations and/or voluntary standards	1	2

Narrative on performance:

Shurgard is fully committed to providing safe storage facilities to our customers and our staff. Health and Safety criteria are regularly assessed in our properties to ensure that applicable Health and Safety rules are respected. All the properties are audited with respect to Health and Safety criteria:

- By Internal Audit within a 3-year cycle (more than one third of the properties are audited each year);
- By the District Managers three times per year (self-assessments).

The organization has not identified any non-compliance with regulations and/or voluntary codes. We continue to comply fully with COVID-19 recommendations issued by local governments and health authorities.

GRI 307-1

COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS AND DEVELOPMENT PROGRAMS

Community engagement, impact assessments and development programs				2021	2020
Impact Area	EPRA Code	Units of Measure	Indicator		
Asset community engagement programs	Comty-Eng	% of assets	% of assets under operational control that have implemented local community engagement, impact assessments, and/or development programs	100.0%	93.8%

Narrative on performance:

Shurgard has a corporate community program that applies across all activities. Further detail of which are included under the 'Community Enhancement' section above.

Community engagement activities are undertaken at a growing number of stores.

All our community initiatives are based on an assessment of the local communities' needs and we conduct social and environmental impact assessments for planning purposes. We provide grievance processes for all stakeholders, including a formal complaints procedure.

GRI 413-1

GOVERNANCE PERFORMANCE MEASURES

COMPOSITION OF THE HIGHEST GOVERNANCE BODY

Composition of the highest governance body				2021	2020
Impact Area	EPRA Code	Units of Measure	Indicator		
Composition of the Board of Directors	Gov-Board	Total numbers	Number of executive Board members	1	1
			Number of independent Board members	6	6
			Number of non-executive Board members	10	10
			Average tenure on the governance body (years)	3.14	2.14
			Number of independent / non-executive Board members with competencies relating to environmental and social topics	10	10

Narrative on performance:

The Board of Directors (highest governance body) is currently composed of 11 members, one Executive Director and ten Non-Executive Directors. We define "executive" as a director with executive functions within the Shurgard group (such as CEO, CFO, etc.). The Chairman, Ronald L. Havner Jr leads the board. The ESG Committee oversees the Environment, Social and Governance (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.

PROCESS FOR NOMINATING AND SELECTING THE HIGHEST GOVERNANCE BODY

Nominating and selecting the highest governance body					2021	2020
Impact area	EPRA Code	Units of Measure	Indicator			
Nominating and selecting the Board of Directors	Gov-Select	Narrative description	Composition of the Board of Directors	The nomination and selection processes for the Board of Directors and its committees. Criteria used for nominating and selecting Board members, including whether and how - Stakeholders (including shareholders) are involved; - Diversity is considered; - Independence is considered; - Expertise and experience relating to economic, environmental and social topics are considered.	Source: Internal Rules and Regulations of the ESG Committee, available under https://corporate.shurgard.eu/governance/committee-charter (Relevant for reporting year, rules last reviewed Nov 2021) The ESG Committee acts to: - Identify candidates qualified to serve as members of the Board and executive officers; - Recommend candidates to the Board for appointment by the general meeting of shareholders or for appointment by the Board to fulfil interim vacancies at the Board; - Submit a list of candidates to the Board on the appointment of new directors and executive officers; - Make an assessment of the existing and required skills, knowledge and experience for any post to be filled and prepare on that basis a description of the role, together with the skills, knowledge and experience required - this includes ESG topics; - Make an assessment as to whether candidate directors meet the criteria of independence. In respect of diversity: "Within 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"	

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.

PROCESS FOR MANAGING CONFLICTS OF INTEREST

<table>
<tr><th colspan="5">Processes for managing conflicts of interest</th><th rowspan="2">2021</th><th rowspan="2">2020</th></tr>
<tr><th>Impact area</th><th>EPRA Code</th><th>Units of Measure</th><th colspan="2">Indicator</th></tr>
<tr><td rowspan="2">Process for managing conflicts of interest</td><td rowspan="2">Gov-Col</td><td rowspan="2">Narrative description</td><td rowspan="2">Composition of the Board of Directors</td><td>Processes to ensure that conflicts of interest are avoided and managed in the highest governance body</td><td colspan="2" rowspan="2">Source 1: Corporate Governance Charter
Available under https://www.shurgard.com/corporate/governance/governance-documents
Procedure:
- In relation to any transaction, submitted for approval to the Board or any committee of the Board conflicting with that of the Company, a director having a direct or indirect financial interest shall notify the Board or any committee of the Board of directors and shall not participate in any discussions or vote of the Board or any committee of the Board, and the decision shall be taken by simple majority of the voting directors.
- Where, due to a conflict of interests, the number of directors required to be present for a valid quorum is not reached, the Board may defer the decision to the general meeting of shareholders.

Source 2: Directors Code of Conduct
Directors must take appropriate actions in case of conflicts of interest.
Directors must use their best efforts to avoid any potential conflict of interest with the Company or any company controlled by it.
If a Director has a direct or indirect personal and conflicting interest of a financial nature in a decision or transaction within the authority of the Board, he must so notify the other Directors prior to a decision by the Board. A Director who has a conflicting interest may not participate or vote in the deliberations of the Board on such transactions or decisions.
This procedure does not apply if the decisions of the Board relate to transactions at arm's length and concerning the daily affairs of the Company.

Source 3: disclosure in the annual report of the other directorships of the Directors of the Board.</td></tr>
<tr><td>Whether conflicts of interest are disclosed to stakeholders, including:
- Cross-board membership;
- Cross - shareholding with suppliers and other stakeholders;
- Existence of controlling shareholder;
- Related party disclosure.</td></tr>
</table>

Narrative on performance:

No conflicts of interest were identified in either year.

ASSURANCE SUMMARY STATEMENT

EVORA Global Ltd. ("EVORA") was engaged by Shurgard Self Storage S.A. ("Shurgard") to provide assurance of the Environmental sustainability performance measures of their 2021 Sustainability Report for the reporting period of 1st Jan 2021 to 31st Dec 2021.

The assurance was provided in accordance with AccountAbility's AA1000 Assurance Standard V3 (AA1000AS) Type 2 moderate level and EPRA Best Practice Recommendations for Sustainability Reporting (sBPR) 2017 3rd Edition. EVORA's scope of assurance covered a series of indicators and assertions contained in the report including:

- Absolute:
  - Electricity Consumption (kWh)
  - District Heating/cooling (kWh)
  - Fuels Consumption (kWh)
  - Water Consumption (m^3)
  - Greenhouse Gas (GHG) Emissions (tCO2e)
  - Waste (tonnes)
- Intensity Calculations:
  - Energy (kWh/sqm)
  - GHG (kgCO2e/sqm)
  - Water (m^3/sqm)
- Alignment check of Shurgard's reporting against EPRA sBPR Guidelines 2017 across all the performance measures.

EVORA's full assurance statement includes certain limitations, findings and recommendations for improvement, adherence to AA1000 Accountability Principles, and a detailed assurance methodology.

The full assurance statement with EVORA's independent opinion can be found at Investor Relations Home Page | Shurgard Self Storage

Appendix 1 – climate disclosure

Appendix 1 - Disclosure aligned to NFRD and Climate Related Information
Note on disclosure: Shurgard is not obliged to report aligned to TCFD requirements - however, we make efforts to move our disclosures towards doing so. We intend to work constructively with the TCFD, and others, to develop good practices and standards for transparency.
Table 1: Disclosure on Business Model
Describe the impact of climate-related risks and opportunities on the company's business model, strategy and financial planning. [Covers TCFD recommendation Strategy b)]
Shurgard is increasingly considering the impact of climate-related risks and opportunities on our businesses, strategy and financial planning. We recognize the importance and the opportunities of integrating sustainability considerations in the investment process. We would view neglect of climate-related risks and opportunities as an extreme risk in itself, to support long-term business resiliency. We are making strides in introducing consideration of climate-related risks into our own corporate thinking, processes and financial planning. This includes working towards incorporation of climate-related risks into our ISO 14001-aligned Environmental Management System (See section 'Environmental Management System') and enhancement in our reporting (see section 'Report on the Impact of our Commitments'), which will help describe the impact of climate related risks and opportunities.
Describe the ways in which the company's business model can impact the climate, both positively and negatively.
Shurgard is the largest provider of self-storage facilities in Europe. Our business has negative impacts on the climate in a variety of ways - our carbon footprint being the main source. Conversely, as a leader in our field we aim to continually raise the bar and set standards for others to emulate. ESG in our acquisition policies is a mainstay - we opt for brownfield sites where possible and develop buildings that integrate innovative low carbon technologies. We report transparently and openly, participating in reporting frameworks where it is considered valuable.
Describe the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios over different time horizons, including at least a 2 °C or lower scenario and a greater than 2 °C scenario (20). [Covers TCFD recommendation Strategy c)]
We believe our evolving ESG strategy, incorporating our net zero ambitions, is resilient to the range of energy transition pathways and scenarios including those outlined at the UN Climate Change Conference in Paris. Our strategy is validated annually by the Board to ensure it remains relevant and resilient, as part of our standard governance processes. Elements of the strategy may be refreshed earlier if there are significant changes in the external or internal environment. See Section 'Our Net Zero Carbon Ambition'. We are developing net zero pathways for all of our individual investments to inform our approach on future spending and investment decision-making. We expect provisioning for this work in the coming year: the importance of doing so has been underscored by our TCFD reporting process. We will provide more detailed disclosures on this topic in future reports.

Table 2: Disclosure on Policies and Due Diligence Processes
Describe any company policies related to climate, including any climate change mitigation or adaptation policy.
Shurgard's goal is to conduct current and future business operations in a sustainable manner that helps create a better future for the environment. We seek to ensure that environmental sustainability is managed like any other critical business activity – in an integrated, systematic way. To this end, in 2021, Shurgard adopted our latest ESG Policy, which formalizes Shurgard's commitment to managing climate-related risks. The EMS framework is designed to ensure pollution prevention, carbon reduction, waste minimization, responsible use of resources and compliance with legislation through good practice and continuous improvement.
Describe any climate-related targets the company has set as part of its policies, especially any GHG emissions targets, and how company targets relate to national and international targets and to the Paris Agreement in particular.
See Section 'Our Net Zero Carbon Ambition'.
Describe the Board's oversight of climate-related risks and opportunities. [Covers TCFD recommendation Governance a)]
The role of the Board is to promote Shurgard's sustainable success for the benefit of its shareholders while having regard to the interests of our other stakeholders, the impact of our operations on the communities where we operate and the environment. In performing this role, the Board is responsible for oversight of the overall conduct of the group's business, which extends to setting our ESG strategy and approach to decarbonization. The Board and its associated committees, where appropriate, have oversight of climate-related matters, which include climate risks and opportunities. They are updated on these matters quarterly, a process which is managed by our ESG Management Group, which works to develop materials that assist the Board or other committees to discharge their responsibilities, including those related to climate. In 2021 these processes included formal analysis of Shurgard's net zero ambition and aims, briefings with subject matter experts, reviews of regulatory correspondence regarding climate disclosures, site visits and the preparation and consideration of corporate reporting documents and other investor briefing materials. During 2021, climate matters were included on the agenda at every board meeting. The ESG Management Group provides oversight of the effectiveness of the implementation of Shurgard's sustainability framework. This includes reviewing that appropriate progress is being made against our ESG aims. The committee will continue to cover existing sustainability-related activities, including the oversight of climate-related risks and opportunities. The role of the Audit Committee is to monitor the effectiveness of Shurgard's financial reporting, systems of internal control and risk management, and the integrity of Shurgard's external and internal audit processes. In fulfilling this purpose, the committee has oversight of financial disclosure, and this is being extended to include TCFD reporting. The role of the ESG Committee is to recommend to the Board the remuneration policy for employees. It also reviews and monitors related policies, satisfying itself that incentives and rewards are aligned to Shurgard's strategy, culture and long-term sustainable success. This includes climate-related matters. The role of the Real Estate Investment Committee is to oversee all acquisitions and disposals of assets, properties or subsidiaries under €50 million. An essential component of their role is to ensure we have the most appropriate portfolio to deliver our ESG strategy and net zero ambition.

Describe management's role in assessing and managing climate-related risks and opportunities and explain the rationale for the approach. [Covers TCFD recommendation Governance b)]
The assessment and management of climate-related matters is embedded across Shurgard at various levels and delegated authority flows down from the Board. The ESG Management Group provides internal oversight of Shurgard's progress against the aims and objectives in the sustainability framework, including net zero. This Group is chaired by the CEO and comprises members of the Shurgard leadership team - covering all key departments to ensure information is effectively disseminated. The Group meets on a quarterly basis (as a minimum) to review progress against the sustainability framework and decide on critical strategic positions related to climate change that present risks or opportunities to delivery. The ESG Management Group will report to the main Board and other committees as required.
Table 3: Disclosure on Outcomes
Describe the outcomes of the company's policy on climate change, including the performance of the company against the indicators used and targets set to manage climate-related risks and opportunities. [Covers TCFD Metrics and targets c)].
Metrics reported against climate-related risks and climate-related opportunities are presented under section 'Climate Related Risks and Opportunities'.
Describe the development of GHG emissions against the targets set and the related risks over time. [Covers TCFD Metrics and targets b)].
See GHG Emissions data in section 'EPRA Performance Measures'.
Table 4: Disclosure on Principal Risks and Their Management
Describe the company's processes for identifying and assessing climate-related risks over the short, medium, and long-term and disclose how the company defines short, medium, and long-term (21). [Covers TCFD recommendation Risk management a)]
As part of our risk management system, our operating departments are responsible for identifying, assessing, managing, and monitoring risks associated with their business area. Risks are assessed in line with Shurgard's risk management policy and this includes an impact and likelihood assessment which supports relative prioritization. Climate-related risks are classified in alignment with TCFD's description of physical and transition risks: Physical risks – risks related to the physical impacts of climate change including event-driven risks such as changes in the severity and/or frequency of extreme weather events. Transition risks – risks related to the transition to a lower carbon economy including policy and legal, technology, markets and reputational risks. An effective time horizon for short (1-3 years), medium (3-7 years) and long-term (over 7 years) is integrated into the risk definition.

Describe the principal climate-related risks the company has identified over the short, medium, and long-term throughout the value chain, and any assumptions that have been made when identifying these risks. [Covers TCFD recommendation Strategy a)]. This description should include the principal risks resulting from any dependencies on natural capitals threatened by climate change, such as water, land, ecosystems or biodiversity.
The principal climate-related risks are described in Risk factors under section 'Climate Related Risks and Opportunities'.
Describe processes for managing climate-related risks (if applicable how they make decisions to mitigate, transfer, accept, or control those risks), and how the company is managing the particular climate-related risks that it has identified. [Covers TCFD recommendation Risk management b)]
Climate change and the transition to a lower carbon economy has been identified as a principal risk. This covers various aspects of how risks associated with the energy transition could manifest. Similarly, physical climate-related risks such as extreme weather are covered in our principal risks related to safety and operations. We manage risks on a case-by-case basis, seeking to reduce our exposure to the risk followed by reducing the vulnerability of the business or asset to any risk. This could include any number of risk-specific adaptations or mitigation measures. If risks cannot be managed in this way, we actively seek to transfer the risk or acknowledge that the risk must be accepted in line with our risk tolerances.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management. [Covers TCFD recommendation Risk management c)]. An important aspect of this description is how the company determines the relative significance of climate-related risks in relation to other risks.
Our processes for identifying, assessing, managing and monitoring climate-related risks are integrated into Shurgard's risk management policy and the associated risk management procedures.
Key Performance Indicators
GHG emissions
See Section 'EPRA Performance Measures'.
Energy
See Section 'EPRA Performance Measures'.
Physical risks
See Section 'EPRA Performance Measures'.
Products and services
Shurgard does not currently report on this metric - but will work towards this in accordance with the required timeframe.

Green Finance
Shurgard does not currently report on this metric - but will work towards this in accordance with the required timeframe.

REMUNERATION REPORT

PRELIMINARY NOTE

This Remuneration Report has been prepared in accordance with the principles provided for under the Company's Remuneration Policy as approved by the Annual Shareholders' Meeting held on April 29, 2020 and complies in all aspects with such policy and its principles. There has been no derogation from the Remuneration Policy. The Remuneration Policy can be found on the Company's website (https://shg-prd.azureedge.net/-/media/shurgard/investor/docs/governance/governance-documents/remuneration-policy/20200805-remuneration-policy.pdf).

2021 PERFORMANCE HIGHLIGHTS

In 2021, the Company delivered another year of solid results and is further positioned to deliver long-term value creation despite an unprecedented and challenging environment due to COVID-19. Under the leadership of our Senior Management, and with our Board's oversight, the Company achieved significant performance successes, including:

Record Revenues of
€299.9mil
(+9.5%)

Dividend per share
€1.17

Record NOI
€194.4mil

Dividend Per Share Growth
+10.4%

Same store NOI margin
66.1% (+2.5%)

Total Investment property value
€3.8billion (+20.1%)

EBITDA Growth
+9.9%

+55K SQM
Added through acquisitions, developments, and redevelopments

Record Adjusted EPRA earnings
€131.0mil (+9.4%)

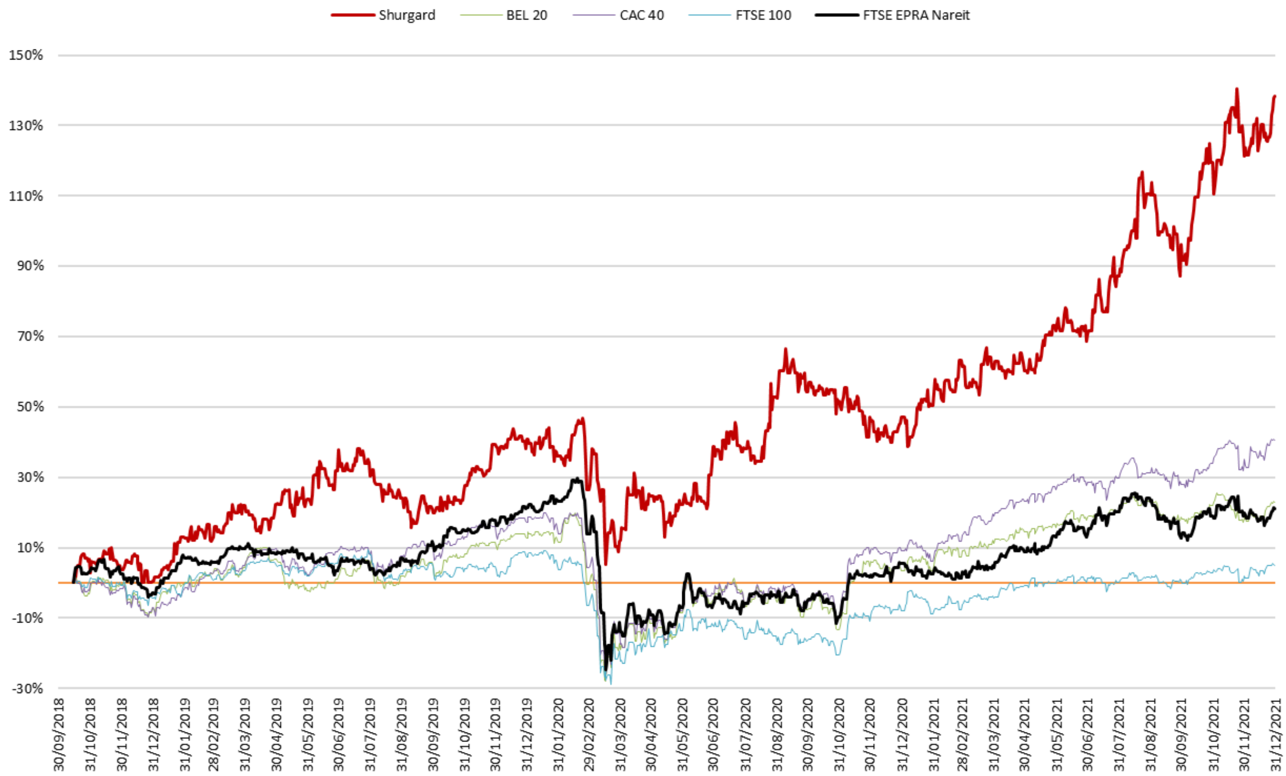
ESG
Achieved 5-STAR GRESB rating out of a maximum of five stars.

Record Adjusted EPRA earnings per share
€1.48 (+9.3%)

ESG
A GOLD MEDAL at the EPRA Sustainability Best Practices Recommendations (sBPR) awards

In addition, the Company's stock and total return has consistently traded significantly higher than various indices for the last three years.

Stock performance vs indices since IPO (Oct 2018)



2021 COMPENSATION FRAMEWORK AND TARGETS

We believe that the 2021 executive compensation was aligned with the Company's strong performance, while recognizing the impact of the significant challenges the Company faced. The following is a summary of the ESG Committee's decisions with respect to the key components of the 2021 compensation program for our Senior Management. The compensation of the members of the Senior Management consists of a balance between fixed and variable compensation components and fringe benefits aligned with market practice, such as Company cars or allowances, insurance and standard pension benefits.

Framework of CEO Compensation

The annual base salary for Mr. Oursin is €500,000 which has remained unchanged since 2012. Additionally, an annual cash bonus incentive award of €500,000, representing 100% of his base salary, was set assuming the achievement of performance criteria established by the ESG Committee.

Framework of Short-Term Performance-Based Bonus Awards for all Senior Management

The annual performance-based cash bonus program provides an opportunity to reward Senior Management for their performance during the fiscal year. Although the ESG Committee may set annual incentive award targets, this bonus amount does not preclude the ESG Committee from approving higher or lower annual incentive awards in the future.

The actual awards are determined by the ESG Committee after determining whether the targeted corporate performance metrics have been achieved. The ESG Committee will consider the recommendations of the CEO with respect to the performance of the other members of Senior Management and their achievement of individual and other goals. In addition, the ESG Committee will solicit the views of the Chairman and the Board, particularly with respect to the performance of the CEO.

For the year ended December 31, 2021, compensation targets were set as follows by the ESG Committee. They can range from 0% to 100% of a Senior Manager's short-term bonus potential target based on the performance of the Company and the performance of each respective individual (taking into account both financial and non-financial criteria). The potential target is equal to the Senior Manager's annual base salary.

Executive position	CEO	All other Executives
Potential annual cash bonus target	€500,000	100% of annual base salary
Revenue performance *All store and Same store*	30%	10%-60%
NOI growth and Adj. EPRA earnings	20%	10%-20%
Development (new sqm) *2021 M&A* *2021 openings* *2022 pipeline*	30%	10%-70%
Other projects and performance (non-financial performance criteria)[1]	20%	10%-30%

1 More information about ESG targets is available in our ESG Report on https://corporate.shurgard.eu/corporate-responsibility/reports-and-publications.

2021 COMPENSATION DECISIONS

Based on the Company's solid results achieved in 2021, the achievement of the short-term performance-based targets set forth above, and after consideration of the individual performances of the members of Senior Management, the decisions made by the ESG Committee are as follows:

2021 CEO COMPENSATION

In recognition of Mr. Oursin's performance in 2021, the ESG Committee approved a cash bonus of €500,000, to be paid in 2022. Mr. Oursin's annual base salary remained at €500,000.

2021 COMPENSATION FOR EXECUTIVES OTHER THAN OUR CHIEF EXECUTIVE OFFICER

Base salaries for 2021 for Mr. Kreusch, Mr. Bell, Mr. Kharouf, and Ms. Neumann were €355,584, £250,000, €250,000, and €320,000 respectively.

Annual Cash Incentives for 2021: After consideration of the 2021 short-term incentive targets and the individual performances of the direct reports of Mr. Oursin, the ESG Committee awarded the following annual incentive bonuses, to be paid in 2022, to the following executives: Mr. Kreusch, €350,000; Mr. Bell, £250,000; Mr. Kharouf €250,000 and Ms. Neumann €107,000.

For comparative purposes, the following summarizes Senior Management compensation over the last two years:

Name and position	Year	Fixed remuneration		Variable remuneration		Total[5]	Proportion of fixed and variable remuneration
		Base Salary	All other compensation[2]	Short-term performance-based Bonus[3]	Option awards		
Marc Oursin CEO	**2021**	**500,000**	**52,000**	**450,000**	**670,360**	**1,672,360**	**1 : 2.03**
	2020	500,000	52,000	450,000	260,797	1,262,797	1 : 1.29
Jean Kreusch CFO	**2021**	**355,584**	**32,796**	**300,000**	**426,000**	**1,114,380**	**1 : 1.87**
	2020	355,584	32,365	300,000	170,085	858,034	1 : 1.21
Duncan Bell VP Operations	**2021**	**290,729**	**26,398**	**186,067**	**329,560**	**832,754**	**1 : 1.63**
	2020	290,729[1]	26,398	186,067	124,729	627,923	1 : 0.98
Ammar Kharouf General Counsel	**2021**	**250,000**	**11,699**	**150,000**	**318,320**	**730,019**	**1 : 1.79**
	2020	250,000	11,699	130,000	113,390	505,089	1 : 0.93
Isabel Neumann[4] CIO	**2021**	**320,000**	**36,841**	**0**	**205,920**	**562,761**	**1 : 0.58**
	2020	N/A	N/A	N/A	N/A	N/A	N/A

1 The amounts for Mr. Bell are converted from pound Sterling. The original Sterling value was £250,000 for 2021. As a constant exchange rate, we took the average exchange rate of 2021.
2 The amounts shown in this column for all named executives reflect contributions to their individual group insurance and includes also the amounts for their car, being either a car allowance or the benefit in kind for using a company car. For Mr. Kreusch this amount also includes his representation allowance.
3 The amounts shown in this column reflect annual cash incentive awards paid to the executive management based on performance targets for the prior year. The amounts for Mr. Bell are converted from pound Sterling. The original Sterling value was £160,000 paid in 2021. As a constant exchange rate, we took the average exchange rate of 2021.
4 Isabel Neumann joined the company on September 1, 2021 but for completeness and comparative reasons, the amounts reflect a full year.
5 With respect to the option awards, the total value is spread over the vesting period and earned in the respective years as opposed to the full value of the stock options attributed to the grant year. Additional information is available under Note 33 "Share-based Compensation Expense" in the notes to the consolidated financial statements.

The total aggregate compensation paid to the members of the Senior Management in the year ended December 31, 2021 amounted to €4,912,274.

2022 COMPENSATION TARGETS

For the year ending December 31, 2022, compensation targets have been set as follows by the ESG Committee. They can range from 0% to 100% of a Senior Manager's potential target based on the performance of the Company and each respective individual. The potential target is equal to the Senior Manager's annual base salary.

Executive position	CEO	All other Executives
Amount of potential target	€500,000	100% of base salary
Revenue performance *All store >6%*	0%-30%	0%-40%
NOI growth and Adj. EPRA earnings *2% medium-term* *Adj. EPRA earnings growth*	0%-20%	0%-25%
Development and M&A (new sqm) *2022 openings (11 properties)* *2023 pipeline (13 properties)*	0%-15%	0%-45%
TSR benchmark with peers	0%-20%	0%-20%
Other projects and ESG (non-financial performance criteria)[1]	0%-15%	0%-20%

1 More information about ESG targets is in our ESG Report available at https://corporate.shurgard.eu/corporate-responsibility/reports-and-publications.

EMPLOYEE STOCK OPTION PLAN (2015 -2017)

The Company granted stock options under two incentive plans in 2015 and 2017 which are still outstanding. No new grants may be made under those plans. The total number of stock options granted under these two plans was 685,000.

The key features of the stock options outstanding under the 2015 and 2017 plans 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 may be exercised in tranches of 25% per year from the first anniversary of the date of the grant, so that each grant is fully vested after four years;
- the stock options have a term of 10 years; and
- the stock options vest subject to customary service rules;
- the exercise price of each stock option is as follows:
  - 2015 Plan: €8.77
  - 2017 Plan: €21.51

EQUITY COMPENSATION PLAN (2018)

On September 26, 2018, the Company approved a new equity compensation plan to incentivize certain members of the Senior Management and 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 2018 and following years. The first grant of stock options under this plan took place at the closing of the IPO at an exercise price equal to the offering price of €23 per share. A total of 680,000 stock options were granted at the time to Senior Management. No restricted stock units were granted and no new grants can be made under this stock option plan.

The key features of the stock options granted under the 2018 equity compensation plan are as follows:

- Upon exercise, each stock option gives the right to one ordinary share;
- The stock options are granted for free;
- The exercise price of each stock option is equal to the stock exchange price of the underlying share at the time of the grant;
- The stock options only vest three years after their grant;
- The stock options have a term of ten years;
- The exercise date can occur any time as of the vesting and before the term; and
- The stock options vest subject to customary service rules.

EQUITY COMPENSATION PLAN (2021)

The Company approved a new equity compensation plan in 2021. Initial grants took place on August 2. The intent of this grant was to incentivize certain members of the Senior Management and a number of existing or future employees of the Group as well as to support retention and further strengthen the link between compensation and our stock price development. This plan enables the Company to grant stock options and, possibly, restricted stock units in 2021 and following years. The options have a two-stage vesting period with (i) 60% of the stock options vesting three years after the date of grant; and (ii) the remaining 40% of the stock options vesting five years after the date of grant.

The maximum number of stock options and restricted stock units intended to be granted under the plan is 2,000,000.

An initial grant of 1,658,000 stock options under this plan took place on August 2, at an exercise price equal to €43.05. Another grant of 200,000 stock options under this plan took place on September 1, at an exercise price equal to €47.75. A total of 1,250,000 stock options were granted to Senior Management.
For additional information regarding the Company's stock option plans please refer to Notes 24 and 33 "Share-based payment reserve" and "Share-based compensation expense" in the Notes to the consolidated financial statements.

The table below shows the grant of stock options held by each member of the Senior Management since 2015, as of December 31, 2021.

Position	Main conditions				Info re reported financial year 2021			
					Opening balance	During the year		Closing balance
	Plan	Award date	Vesting date(s)	Expiration date	Shares awarded at the beginning of the year	Awarded	Vested	Awarded shares but unvested at year end
CEO	2015 plan	10/03/2015	10/03/2016 10/03/2017 10/03/2018 10/03/2019	09/03/2025	120,000	-	-	-
	2017 plan	03/07/2017	03/07/2018 03/07/2019 03/07/2020 03/07/2021	02/07/2027	60,000	-	15,000	-
	2018 plan	16/10/2018	16/10/2021	15/10/2028	230,000	-	230,000	-
	2021 plan	02/08/2021	02/08/2024 02/08/2026	01/08/2031	-	400,000	-	400,000
Total					410,000	400,000	245,000	400,000
CFO	2015 plan	10/03/2015	10/03/2016 10/03/2017 10/03/2018 10/03/2019	09/03/2025	80,000	-	-	-
	2017 plan	03/07/2017	03/07/2018 03/07/2019 03/07/2020 03/07/2021	02/07/2027	40,000	-	10,000	-
	2018 plan	16/10/2018	16/10/2021	15/10/2028	150,000	-	150,000	-
	2021 plan	02/08/2021	02/08/2024 02/08/2026	01/08/2031	-	250,000	-	250,000
Total					270,000	250,000	160,000	250,000
VP Ops	2015 plan	10/03/2015	10/03/2016 10/03/2017 10/03/2018 10/03/2019	09/03/2025	60,000	-	-	-
	2017 plan	03/07/2017	03/07/2018 03/07/2019 03/07/2020 03/07/2021	02/07/2027	35,000	-	8,750	-
	2018 plan	16/10/2018	16/10/2021	15/10/2028	110,000	-	110,000	-
	2021 plan	02/08/2021	02/08/2024 02/08/2026	01/08/2031	-	200,000	-	200,000
Total					205,000	200,000	118,750	200,000

General Counsel	2015 plan	10/03/2015	10/03/2016 10/03/2017 10/03/2018 10/03/2019	09/03/2025	40,000	-	-	-
	2017 plan	03/07/2017	03/07/2018 03/07/2019 03/07/2020 03/07/2021	02/07/2027	30,000	-	7,500	-
	2018 plan	16/10/2018	16/10/2021	15/10/2028	100,000	-	100,000	-
	2021 plan	02/08/2021	02/08/2024 02/08/2026	01/08/2031	-	200,000	-	200,000
Total					170,000	200,000	107,500	200,000
CIO	2021 plan	01/09/2021	01/09/2024 01/09/2026	31/08/2031	-	200,000	-	200,000
Total					-	200,000	-	200,000

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

For comparison purposes, the figures of: (i) Senior Management total aggregate compensation, (ii) Company performance and (iii) the average remuneration on a full-time equivalent basis of the other employees of the Company over the five most recent financial years are shown in the table:

Annual change	2017	2018	2019	2020	2021
Senior Management remuneration[1]					
CEO	1,143,000	1,558,444	1,193,325	1,262,797	1,672,360
CFO	781,769	1,057,093	811,565	858,034	1,114,380
VP Operations[2]	442,139	468,943	626,419	627,923	832,754
General Counsel	432,164	533,377	446,449	505,089	730,019
Chief Investment Officer	N/A	N/A	N/A	N/A	562,761
Company Performance					
Property Operating Revenue Growth[3]	2.9%	2.7%	5.0%	5.5%	10.7%
Adj. EPRA earnings growth	9.1%	-1.3%	8.1%	9.9%	11.0%
Average share price per year (€)	N/A	25.49	29.88	33.30	44.62
Directors[4]	N/A	165,000	690,000	700,000	700,000
Employees Average remuneration (full-time equivalent basis)	40,039	40,487	40,732	41,537	44,598

1 For detailed breakdown of Senior Management remuneration see the comparative table 2020-2021 above. With respect to the option awards included in the remuneration, the total value is spread over the vesting period and earned in the respective years as opposed to the full value of the stock options attributed to the grant year.
2 The amounts for the VP Operations are converted from pound Sterling at constant exchange rate.
3 At actual exchange rates. Same for Adj. EPRA earnings growth.
4 Amount paid in 2018 represents only the quarter following the Company's public offering.

REMUNERATION PAID OUT BY OTHER GROUP COMPANIES

For the year ended December 31, 2021, there was no remuneration paid out by other group companies.

MALUS AND CLAWBACK MECHANISMS

Under the Equity Compensation Plans of 2018 and 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, 2021, there is no departure from or exception to the remuneration policy.

NON-EXECUTIVE DIRECTOR COMPENSATION POLICY

Non-Executive Directors receive cash retainers for serving on the Board, chairing a committee and/or serving on a committee. The retainers are paid quarterly and pro-rated when a Non-Executive Director (1) joins the Board or a committee or (2) changes his or her position on a committee or no longer serves on the Board. The ESG Committee is tasked with evaluating Directors' compensation and recommends any changes. After considering the recommendations of the ESG Committee, the Board will present any such changes at the Annual General Meeting of Shareholders for approval.

COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS IN 2021

From the time of their appointment, each Non-Executive Director of the Company receives €50,000 per year. Each member who serves on a committee receives an additional €10,000 in compensation. Each member who serves as the chair of the committee receives an additional €5,000 per year. The Lead Independent Director receives an additional €10,000 per year. The Chairman of the Board of Directors receives a flat fee €75,000 per year. An Executive Director of the Company will not receive any additional compensation for their mandate as Director.

The total compensation of the Board of Directors in fiscal year 2021 amounted to €700,000.

Name	Position	Committee membership	Year	Compensation in €[1]
Ronald L. Havner, Jr.	Chairman		**2021**	**75,000**
			2020	75,000
Marc Oursin	Chief Executive Officer			N/A
Z. Jamie Behar	Director	Real Estate (Chair), Audit	**2021**	**75,000**
			2020	75,000
Daniel C. Staton	Director	Real Estate	**2021**	**60,000**
			2020	60,000
Ian Marcus	Lead Independent Director	ESG, Real Estate	**2021**	**80,000**
			2020	80,000
Muriel De Lathouwer	Independent Director	Audit, ESG	**2021**	**70,000**
			2020	70,000
Olivier Faujour	Independent Director	Real Estate, ESG	**2021**	**70,000**
			2020	70,000
Frank Fiskers	Independent Director	ESG (Chair), Real Estate	**2021**	**75,000**
			2020	75,000
Padraig McCarthy	Independent Director	Audit (Chair), ESG	**2021**	**75,000**
			2020	75,000
Isabelle Moins	Independent Director	Audit	**2021**	**60,000**
			2020	60,000
Everett B. Miller	Director	Real Estate	**2021**	**60,000**
			2020	60,000
Total			**2021**	**700,000**
			2020	700,000

1 The compensation amounts listed above are gross amounts and do not include any applicable VAT or the deduction of any applicable withholding tax.

DIRECTORS' AND OFFICERS' INSURANCE

We maintain a Directors and Officers insurance policy covering claims that might be made against members of the Board of Directors and Senior Management of the Company in relation to their functions. The Company entered into indemnification agreements with its Directors and Senior Management supplementing this policy.

PRINCIPAL RISKS AND UNCERTAINTIES

OVERALL STATEMENT ON THE RISK POSITION

As set out in the Market Overview and Growth Strategy sections of this report, our business activities are supported by favorable market conditions. We see a variety of opportunities to continue our growth through optimization of our existing operations, including leveraging our platform across planned redevelopment and development activities and bolt-on acquisitions. Besides these opportunities, Shurgard regularly faces risks that can have negative effects on the operating results, financial position and net assets of the Group.

The risks set out below represent the principal risks and uncertainties that may adversely impact the Group's performance and the execution of our strategy.

To identify risks at an early stage and manage them adequately, Shurgard deploys effective risk management and control systems which are also described below. Accordingly, we continuously assess the risks and conclude at the time of the preparation of the management report the risks identified herein are limited, and in our opinion the overall risk is manageable. No identifiable risks currently exist that either individually or together would lead to a significant or sustainable impairment of the Shurgard Group's operating results, financial position and net assets.

RISK MANAGEMENT SYSTEM

The Group's risk management is carried out by the Senior Management, under policies approved by the Board of Directors. The Board provides principles for the overall risk management, as well as policies covering specific areas, such as foreign exchange risk, real estate risk and credit risk, the use of derivative and non-derivative financial instruments and investment of excess liquidity. The Group's risk exposure is regularly reported to the Company's Executive Committee, which comprises the CEO, CFO, VP Operations, 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.

We classify our risks into the following risk areas:

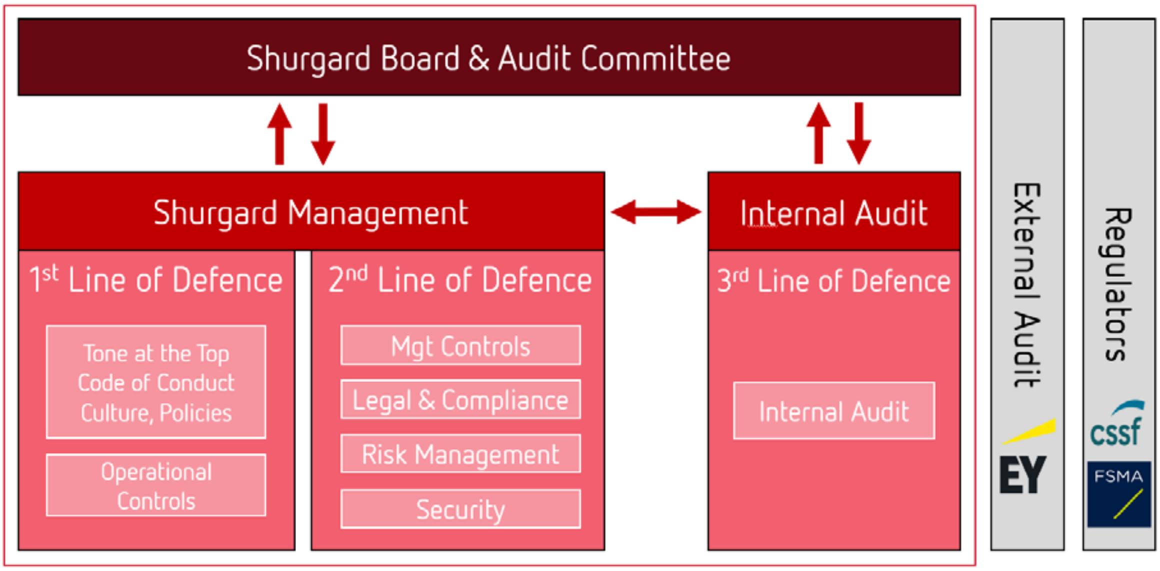
- Operational risks
- Strategic risks
- Legal risks
- Financial risks
- IT risks
- HR risks
- PR risks
- Real estate risks
- Pandemic diseases

The Group's risk management process is designed to systematically record and assess risks. We aim to identify unfavorable developments at an early stage and promptly take counteractive measures and monitor them. All risks are recorded in a risk register and are assigned to specific risk owners. Risk owners are responsible for providing periodically updated risk fact sheets. The assessment of the risks is carried out, as much as possible, according to quantitative parameters, likelihood of occurrence and the potential financial 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, change of positioning).

FINANCIAL INTERNAL CONTROLS

While the Board of Directors is responsible for the preparation and fair presentation of the Group's consolidated financial statements, the goal of our internal control system is to ensure the reliability of external and internal accounting and the timely provision of information. Besides the risk management system, the Company's Audit Committee is also responsible for monitoring the effectiveness of our internal control system.

The monitoring is supported by our integrated operating platform and information system, which is designed to centralize real-time information on properties and customers, as well as financial information for all our properties.



KEY RISKS SPECIFIC TO THE GROUP AND ITS INDUSTRY

The risks set out below represent the principal risks and uncertainties that may adversely impact the Group's performance and the execution of our strategy. Other factors could also adversely affect the Group's performance. Accordingly, the risks described below should not be considered a comprehensive list of all potential risks and uncertainties. The principal risks are not listed in order of significance. In addition to the principal risks described below, we are exposed to certain specific market risks such as foreign exchange risk, credit risk and liquidity risk. A detailed discussion of these risks is included in Note 35 to the consolidated financial statements.

OPERATIONAL RISKS

Self-storage misuse

Our customers are required to confirm that their items stored are not perishable and do not include any hazardous or toxic substances or living creatures. Each customer agrees to inform us of any special storage requirements and agrees not to store any items which are illegal to possess or store, or would require us to comply with any additional rules.

It is possible that our customers will violate their lease agreements. We do not generally have access to 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. Although the terms of our standard lease contracts for customers prohibit the storage of illegal and certain other goods on our premises, it is not possible to monitor goods stored by customers at our properties. 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. If a customer stores an item that is contrary to our customer terms and conditions, any subsequent damage to a third party caused by the item may not be covered by our insurance. 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.

STRATEGIC RISKS

Housing market development

Our business is dependent on residential and commercial demand for self-storage areas, and our operating results are driven by our ability to maximize occupancy levels and rental rates at our properties. As a result, we are exposed to local, national and international economic conditions and other events and factors that affect customer demand for self storage in the European markets in which we operate properties. 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. However, demand for self storage could decrease if these or other growth trends declined or reversed in the future.

Moreover, we own substantially all the properties on which our stores are located. 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. In particular, 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.

Price war

Our competitors are local, national and international operators present in our markets. While no individual operator competes with us in all the markets in which we operate, certain competitors have attained significant size within specific markets. Our competitors also include smaller self-storage providers and providers of other storage alternatives such as removal companies, peer-to-peer alternatives and offsite storage. Certain of these 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. In particular this impacts the prices we are able to 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, including as a result of the increasing prevalence of online pricing, may increase pricing pressure in our markets.

In addition, there are limited barriers to entry into the self-storage business due to relatively limited amounts of capital needed to acquire existing properties or build new facilities. Therefore, any of our existing properties could face additional competition from new market entrants at relatively short notice. Such a new entrant could create pricing pressure in a specific market or otherwise seek to win customers from us.

Finally, over the last few years, digital innovation and transformation has also become an increasingly important element in the self-storage industry in order to remain competitive. If we do not keep pace with digital innovation and transformation and better tailor our products, interactions and communications to fit customers' specific needs, our operating results could be adversely affected.

Competition for suitable properties

Property location is important for our business because of the signage and promotional opportunities such locations provide and the importance of convenient access in attracting and retaining customers. A well-located property allows us to reduce our operating costs as the visibility of the location by potential customers may substitute for other forms of store promotion, such as online or print advertising.

We primarily operate 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.

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, 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.

Moreover, new regulations might develop in the United Kingdom as a result of a change in its relationship with the European Union. 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.

Tax increases

Historically, increases in costs due to changes in real estate tax rates or increases in income, service and other taxes, including VAT, generally have not been passed through to customers directly. As a result, our earnings have historically been adversely impacted during periods immediately following such increases, in particular as compared to those of our competitors that pass a portion of such increased costs on to their customers. We carefully examine such tax increases against projected demand in the relevant market, however there can be no assurance that we will be successful in aligning any decision, whether to increase prices or not, with customer demand.

Acquisitions

One aspect of our growth strategy includes possible future acquisitions of properties, either as individual sites or existing businesses. If we acquire any properties, we will be required to integrate them into our existing portfolio and management platform. The process of integration may divert management's attention away from our other operations, especially if the acquired properties are outside of our existing markets. This may present different competitive or regulatory dynamics than those we are familiar with.

Additionally, demand for storage services at an acquired site may not be as strong as we had projected prior to the acquisition. We may fail to realize the occupancy levels or rental rates that were expected, either at the levels or within the timeframe anticipated. We may also experience stabilization of rental and occupancy rates of acquired properties that differs from our expectations. The costs of achieving and maintaining high occupancy levels and rental rates at acquired sites may be higher than expected.

The integration of newly acquired properties could also result in unanticipated operating costs and exposure to undisclosed or previously unknown potential liabilities, such as liabilities for clean-up of undisclosed environmental contamination, claims by persons dealing with the former owners of the properties and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties. If we fail to successfully integrate any acquired sites, or if doing so requires investments beyond budgeted amounts or other liabilities, it could have a material adverse effect on our business, financial condition and results of operations.

Finally, we may face significant competition from other real estate investors to acquire suitable properties, which might prevent Shurgard from acquiring as many properties as it intends to.

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. We have a license agreement with Public Storage (the "Relationship Agreement"). This states that Public Storage owns the rights to the Shurgard name and licenses these rights to us in a number of European countries for a fixed term of 25 years from the date of Shurgard's admission to trading on a regulated market. This term can be extended for two consecutive 25-year periods. Certain standards of quality must be met and there are certain restrictions on the use of any other trademarks. We pay Public Storage monthly fees of 1.0% of the Group's gross revenues for the right to use the trademarks.

The Relationship Agreement will terminate after 75 years or earlier, if we do not extend the license after each 25-year term. We would then be required to purchase the ownership rights to the trademarks in the jurisdictions covered by the license. Public Storage may terminate the Relationship Agreement if we fail to make payments or if we are in material breach of the agreement. If this happens, we will no longer be able to use the Shurgard trademarks, which would materially adversely affect our ability to run our business.

We are also responsible for all costs and expenses in relation to the filing, registration, and defense of the trademarks within the territories covered by the license. If we fail to protect the trademarks against infringements or misappropriation, our competitive position could suffer, and we could suffer a decrease in demand for storage units, which could materially adversely affect our results of operations.

LEGAL RISKS

Compliance and regulatory 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 and other regulatory requirements which may be adopted or changed from time to time. 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 a number of laws relating to privacy and data protection, including General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR") and certain other data protection and privacy laws. Such laws govern our ability to collect, use and transfer personal data relating to customers, as well as any such data relating to our employees and others. We strive to comply with all applicable laws and regulations relating to privacy and data protection. 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. Additionally, we rely on third parties and our employees for the collection and processing of personal data, and as a result are exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws.

We are subject from time to time to disputes with tax or other governmental or regulatory bodies. Whether or not any dispute actually proceeds to litigation, we may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise). This would detract from our management's ability to focus on our business. 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 have to comply with a large amount of ongoing reporting and disclosure requirements. Any failure in meeting these requirements could result in significant penalty fees.

Regulation compliance

Some jurisdictions have regulations or permit requirements that apply to storage companies or operators of storage activities, but it is not always clear to what extent these apply to us. We cannot exclude the possibility that regulations that we currently view as inapplicable might be applied to us in the future. The burdens of regulatory compliance are exacerbated since we operate in seven different countries and numerous different jurisdictions and municipalities.

We must continually assess our compliance with numerous local fire and safety regulations, building codes and other land-use regulations in order to operate. Failure to comply could result in the imposition of substantial fines or require us to incur significant additional costs, or to limit or stop part of our operations, which could have a material adverse effect on our business, financial condition and results of operations.

FINANCIAL RISKS

Access to capital market

We may face risks in relation to financing future development, redevelopment or acquisition activities. Although we have financed most growth activity in recent years through our existing financial resources, including operating cash flows and retained earnings, there can be no assurance that we will be able to do so in the future. Our ability to undertake future development, redevelopment or acquisition activities may depend on our ability to arrange necessary (or desired) financing, and we may not have access to capital markets or sufficient availability under existing or future credit facilities when such opportunities arise. As a result, we may be unable to finance future acquisition activity, on favorable terms or at all. If financing is available, but only on unfavorable terms (i.e. only expensive lending options available), this could have a significant impact on our interest expense, impose additional or more restrictive covenants or reduce cash available for distribution or for other investments in the business. We could also be restrained from raising significant debt for future acquisition activity due to covenants in our existing debt agreements. Also, significant systemic political, economic or financial crises or sustained periods of slow growth may restrict our ability to access the capital markets and generate sufficient financing due to cautious investor attitudes.

We also face risks related to the outstanding U.S. Private Placement Notes and our entry into the €250 million revolving facility. Under the terms of these financings, we may not incur financial indebtedness unless it is incurred in certain permitted circumstances. Additionally, we are subject to certain customary affirmative, financial and negative covenants, which could affect, limit or prohibit our ability to undertake certain activities. These include limitations on mergers, changes of business, disposal of assets and certain specific acquisitions and joint ventures. The financial covenants imposed on us under the U.S. Private Placement Notes are tested quarterly, and those under the new revolving facility are tested semi-annually. Although we do not currently believe there is a risk of our breaching any of the covenants contained in those financings, if we were to fail to comply with any of the financial or non-financial covenants in the longer term (due, for example, to deterioration in financial performance), it could result in an event of default and the acceleration of our obligations to repay those borrowings, increased borrowing costs or cancellation of certain credit facilities.

Unfavorable foreign currency exchange movements

We publish our financial statements in euros as we conduct a significant portion of our business in euros. However, we record revenue, expenses, assets and liabilities in a number of different currencies other than the euro, specifically, the UK Pound Sterling, the Swedish Krona and the Danish Krone. As of December 31, 2021, 60.8% of our assets were denominated in euros, while 20.4%, 14.5% and 4.3% were denominated in UK Pound Sterling, Swedish Krona and Danish Krone, respectively. Assets and liabilities denominated in local currencies are translated into euros at exchange rates prevailing at the balance sheet date, and revenues and expenses are translated at average exchange rates over the relevant period. Fluctuations in the exchange rate of the euro versus these other currencies will affect the amount of these items in our consolidated financial statements, even if their value remains unchanged in their original currency. We implement policies to protect against exchange rate risk only when required to do so by covenants contained in our debt agreements. These translation effects have resulted in the past, and could result in the future, in changes to our results of operations and balance sheet from period to period.

IT RISKS

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.

As a larger proportion of our customer interactions and bookings move online, the secure processing, maintenance and transmission of this information is an inherent part of our operations and business strategy. 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. Despite our security measures, including securing our systems and applications, designing and implementing an IT control framework, maintaining policies on the handling of customer information, conducting training programs for our employees, regularly reviewing assessments of the effectiveness of controls, and maintaining a security committee, 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.

While we have established business continuity plans, strategies, and cyber risk insurance, there are inherent limitations in such plans, strategies, systems, policies and procedures. These include the possibility that certain risks have not been identified or that new cyber security threats emerge.

Business interruptions

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.

HR RISKS

Recruitment and personnel leakage

We depend in significant part on the contribution of our Senior Management and Directors. Our Senior Management and Directors make significant contributions to our strategy and operations. In addition, our ability to continue to identify and develop properties depends on Senior Management's knowledge and expertise in the property market. There is no guarantee that any member of the Senior 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 do not have key man insurance on any of our Directors or Senior Managers.

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 35% per year, which has historically been moderately higher in certain markets from year to year. Additionally, in certain markets, our employees have formed works or other advisory councils, or are party to collective bargaining agreements, including in Belgium, Sweden and France. There can be no assurance that we will not face work stoppages or other labor disputes with our employees in the future or face significant changes in turnover in a given year at a particular store.

PR RISKS

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 the Shurgard's shares. The group shall also be reactive regarding its public relations (PR), in case of any event. The main risks could be :

- Failure to quickly response to PR issues,
- Public communication and response plan;
- Monitoring of new media;
- Negative press on/from competitors affecting company image.

The Group has nominated a dedicated Investors Relations director, surrounded by external advisors to communicate with investors and the market. The Investor Relations director and the executive team conducted every-year a roadshow to meet investors and to promote good communication on the Group.
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.

REAL ESTATE RISKS

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.

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. Historically, occupancy levels and rental rates at newly acquired or developed properties have not been as high as of properties we have operated for a longer period of time. New and recently developed properties require start-up capital and generally take a significant amount of time to reach stabilized occupancy. As a result, during the early stage of this rent-up period, new properties or newly developed properties may not be as profitable as established properties, or at all.

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 particular in high demand markets, as well as changes in the cost of raw materials, whether due to market forces or other events, such as changes in tariff regimes or trade policy.
Other risks arising from developing new properties may arise from any unfamiliarity with local development regulations or delays in obtaining construction permits or risks in relation to the quality of available contractors.

Before we acquired, developed or operated them, some of our properties may have been used for commercial and industrial activities including activities regulated under environmental laws. 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. 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 have been 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.

PANDEMIC DISEASES

The COVID-19 outbreak has impacted our overall risk profile. The main risks areas are to (i) the Health and Safety of our employees and customers, (ii) business disruptions based on government restrictions and (iii) development schedules. Shurgard is monitoring these identified 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, the Group did not identify any uncertainties that would cast any doubt on Shurgard's ability to continue as a going concern.

LUXEMBOURG TAKEOVER LAW DISCLOSURE

Shurgard Self Storage S.A. is required to make the following disclosures in compliance with article 11 of the Luxembourg Law of May 19, 2006, transposing Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004, on takeover bids (the **"Transparency Law"**):

a) Capital Structure

The Company has issued a single category of shares (ordinary shares). As of December 31, 2021, the share capital was set at €63,592,365.48 divided into 89,106,202 shares, with no nominal value. The share capital has been fully paid up. The shares exist in dematerialized form (titres dématérialisés) and have been issued pursuant to the Luxembourg law dated April 6, 2013 on dematerialized shares. According to Article 7.1. of the Company's Articles of Association each share is entitled to one vote. The shareholder structure as of December 31, 2021 is set out in the Share Capital section of this management report.

b) Restrictions on the transfer of securities

The Shurgard shares are freely transferable in accordance with the legal requirements for dematerialized shares. The Board of Directors may, however, impose transfer restrictions for shares that are registered, listed and admitted to trading, quoted, dealt in or have been placed in certain jurisdictions in compliance with the requirements applicable therein. The transfer of a dematerialized share occurs by book-entry.

c) Direct and indirect shareholdings

The ownership in the Company by each shareholder who is known to be the (direct or indirect) holder of shares of the Company representing 5% or more of the Company's voting rights is set out in the Share Capital section of this management report.

d) Special control rights

All the issued and outstanding ordinary shares in the Company have equal voting rights and there are no special control rights attached to the ordinary shares. As per article 7.1 of the Articles of Association of the Company each share is entitled to one vote.

e) Control system of employee share schemes

There is no system of control of any employee stock option plan where the control rights are not exercised directly by the employees.

f) Restrictions on voting rights

In general, there are no restrictions on the voting rights of the Shurgard shares. However, the sanction of suspension of voting rights automatically applies to any shareholder (or group of shareholders) who has (or have) crossed the thresholds set out in articles 8 to 15 of the Transparency Law but have not notified the Company accordingly. The sanction of suspension of voting rights will apply until the notification has been properly made by the relevant shareholder(s).

g) Restrictions on the transfer of securities and/or voting rights provided in agreements between shareholders

The Company is not aware of any agreements between shareholders which may result in restriction on the transfer of securities and/or voting rights.

h) Appointment / replacement of Board members and Amendments of the Articles of Association

According to Articles 9.1 to 9.3 of our Articles of Association, the Company shall be managed by a Board of Directors. Each Director will be appointed by the General Meeting. The General Meeting shall determine the number of Directors, and the duration of their mandate is set at one year. Each Director is eligible for re-appointment and may be removed at any time, with or without cause by a resolution of the General Meeting. In the event of a vacancy on the Board of Directors, the remaining Directors may elect by co-optation a new Director to fill such vacancy until the next General Meeting, which shall ratify such co-optation or elect a new Director instead.

An amendment of our Articles of Association must be adopted by an extraordinary resolution at a General Meeting in front of a Luxembourg public notary. A two-thirds majority of the votes cast by the shareholders present or represented is required (with a quorum of 50% upon the initial convening and no quorum upon a reconvened General Meeting). Our Articles of Association do not provide for any specific conditions that are stricter than required by Luxembourg law.

i) Powers of Board Members

According to Article 10 of our Articles of Association, the Board of Directors is vested with the broadest powers to perform all acts necessary or useful to accomplish the Company's object. All powers not expressly reserved by the Articles of Association or by applicable laws to the General Meeting or to the Auditor(s) shall be within the competence of the Board of Directors.

Authorized Capital

According to Article 6.1 of our Articles of Association, the authorized capital of the Company (including the issued share capital) was set at €95,800,729.98 divided into 134,236,856 shares (the Authorized Capital) without nominal value. According to Article 6.2 of our Articles of Association, the Board of Directors is authorized, up to the maximum amount of the Authorized Capital, to:

- increase the issued share capital in one or several tranches with or without share premium, against payment in cash or in kind, by conversion of claims on the Company or in any other manner;
- issue subscription and/or conversion rights in relation to new shares or instruments under the terms and conditions of warrants (which may be separate or linked to shares, bonds, notes or similar instruments issued by the Company), convertible bonds, notes or similar instruments;
- determine the place and date of the issue or successive issues, the issue price, the terms and conditions of the subscription of and paying up on the new shares and instruments; and
- remove or limit the statutory preferential subscription right of the shareholders.

The above authorizations are valid until September 26, 2023, which corresponds to a period ending five years after the date of the General Meeting creating the Authorized Capital. The above authorizations may be renewed, increased or reduced by a resolution of the General Meeting with a two-thirds majority of the votes cast by the shareholders present or represented (with a quorum of 50% upon the initial convening and no quorum upon a reconvened General Meeting).

The Company’s share capital was increased several times during this financial year (through the use and within the limits of the Authorized Capital) further to the exercise of certain stock options granted by the Company (the Capital Increases). Please refer to Note 21 to the consolidated financial statements of the Company for further details about such Capital Increases.

j) Change of control agreements

If a change of control occurs, each individual lender under the €250 million revolving facility entered into in 2018, may cancel its commitment by not less than a 30 days' notice and require repayment of its share in all outstanding loans. The outstanding U.S. Private Placement Notes requires us to make an offer to prepay all outstanding U.S. Private Placement Notes if, within a period of 90 days following the occurrence of a change of control, the rating assigned to the U.S. Private Placement Notes (or any other of our unsecured and unsubordinated indebtedness having an initial maturity of five years or more) immediately prior to the change of control is lowered below investment grade and/or withdrawn (or, in absence of any rated U.S. Private Placement Notes, we fail to obtain an investment grade rating of such rated debt instruments).

k) End of employment compensation

There are no agreements between the Company and its Board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

RELATED PARTY TRANSACTIONS

We are engaged in certain commercial and financial transactions with related parties. Please refer to Note 34 to the consolidated financial statements for further details.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that:

the consolidated financial statements of Shurgard presented in this annual report and established in conformity with International Financial Reporting Standards as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and results of Shurgard and its subsidiaries included within the consolidation taken as a whole; and the management report presented in this annual report includes a fair review of the position and performance, business model and strategy of Shurgard and the subsidiaries included within the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

Luxembourg, February 22, 2022

Marc Oursin
Chief Executive Officer

Jean Kreusch
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

(in € thousands)	Notes	FY 2021	FY 2020
Real estate operating revenue	6, 11	300,375	271,383
Real estate operating expense	7	(105,566)	(98,211)
Net income from real estate operations	**11**	**194,809**	**173,172**
General, administrative and other expenses	8	(19,440)	(16,953)
Of which depreciation and amortization expense	16	(2,624)	(2,047)
Royalty fee expense	34	(2,971)	(2,673)
Operating profit before property related adjustments		**172,398**	**153,546**
Valuation gain from investment property and investment property under construction	14, 15	466,575	256,889
Proceeds from property insurance recovery and gain on disposal of investment property and, property, plant and equipment		5,717	7,370
Operating profit		**644,690**	**417,805**
Finance cost, net	9	(19,970)	(18,709)
Profit before tax		**624,720**	**399,096**
Income tax expense	10	(177,134)	(109,250)
Attributable profit for the period		**447,586**	**289,846**
Profit attributable to non-controlling interests	26	(738)	(371)
Profit attributable to ordinary equity holders of the parent		446,848	289,475
Earnings per share in €, attributable to ordinary equity holders of the parent:			
Basic, profit for the period	13	5.03	3.26
Diluted, profit for the period	13	5.00	3.25

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31

(in € thousands)	Notes	FY 2021	FY 2020
Profit for the year		**447,586**	**289,846**
Other comprehensive income			
Items to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation reserve		29,891	(7,419)
Net other comprehensive income (loss), net of tax, to be reclassified to profit or loss in subsequent periods		29,891	(7,419)
Net other comprehensive loss, net of tax, not to be reclassified to profit or loss in subsequent periods		(79)	(74)
Total comprehensive income for the year, net of tax		**477,398**	**282,353**
Attributable to non-controlling interests	26	(738)	(371)
Attributable to ordinary equity holders of the parent		476,660	281,982

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31

(in € thousands)	Notes	FY 2021	FY 2020
Assets			
Non-current assets:			
Investment property	14,15	3,817,235	3,138,894
Investment property under construction	14,15	29,832	65,631
Property, plant and equipment	16	3,196	3,402
Intangible assets	16	5,926	5,666
Deferred tax assets	10	1,723	1,787
Other non-current assets	17	1,067	981
Total non-current assets		**3,858,979**	**3,216,361**
Current assets:			
Trade and other receivables	18	16,370	12,338
Other current assets	19	7,950	7,744
Cash and cash equivalents	20	219,170	102,998
Total current assets		**243,490**	**123,080**
Total assets		**4,102,469**	**3,339,441**
Equity and liabilities			
Equity:			
Issued share capital	21,22	61,383	56,512
Share premium	23	539,712	538,229
Share-based payment reserve	24	4,691	3,037
Distributable reserves	25	253,195	352,701
Other comprehensive loss		(53,033)	(82,845)
Retained earnings		1,666,595	1,219,747
Total equity attributable to equity holders of the parent		**2,472,543**	**2,087,381**
Non-controlling interests	26	**5,498**	**4,760**
Total equity		**2,478,041**	**2,092,141**
Non-current liabilities:			
Interest-bearing loans and borrowings	27,29	797,579	498,502
Deferred tax liabilities	10	642,174	487,947
Lease obligations	28,29	84,475	76,215
Other non-current liabilities	30	140	128
Total non-current liabilities		**1,524,368**	**1,062,792**
Current liabilities:			
Interest-bearing loans and borrowings	27,29	-	99,926
Lease obligations	28,29	3,893	5,502
Trade and other payables and deferred revenue	31	91,925	74,923
Income tax payable		4,242	4,157
Total current liabilities		**100,060**	**184,508**
Total liabilities		**1,624,428**	**1,247,300**
Total equity and liabilities		**4,102,469**	**3,339,441**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousands)	Notes	Issued share capital	Treasury shares[1]	Share premium	Share-based payment reserve	Distri-butable reserves	Other Compre-hensive loss[2]	Retained Earnings	Total	Non-con-trolling interests	Total equity
As of January 1, 2020		**63,470**	**(7,196)**	**537,421**	**809**	**440,544**	**(75,352)**	**930,272**	**1,889,968**	**4,389**	**1,894,357**
Proceeds from issuance of equity (Note 21, 23)		36	-	918	-	-	-	-	954	-	954
Transaction costs incurred in connection with issuance of equity (Note 23)		-	-	(110)	-	-	-	-	(110)	-	(110)
Cash dividends on ordinary shares declared and paid (Note 25)	25	-	-	-	-	(87,843)	-	-	(87,843)	-	(87,843)
Share-based compensation expense[3]	24,33	-	-	-	2,361	-	-	-	2,361	-	2,361
Sale of treasury shares to option holders	22,24	-	202	-	(133)	-	-	-	69	-	69
Net profit		-	-	-	-	-	-	289,475	289,475	371	289,846
Other comprehensive loss		-	-	-	-	-	(7,493)	-	(7,493)	-	(7,493)
As of December 31, 2020		**63,506**	**(6,994)**	**538,229**	**3,037**	**352,701**	**(82,845)**	**1,219,747**	**2,087,381**	**4,760**	**2,092,141**
Proceeds from issuance of equity (Note 21, 23)		86	-	1,510	-	-	-	-	1,596	-	1,596
Transaction costs incurred in connection with issuance of equity (Note 23)		-	-	(27)	-	-	-	-	(27)	-	(27)
Cash dividends on ordinary shares declared and paid (Note 25)	25	-	-	-	-	(99,506)	-	-	(99,506)	-	(99,506)
Share-based compensation expense[3]	24,33	-	-	-	2,946	-	-	-	2,946	-	2,946
Sale of treasury shares to option holders	22,24	-	4,785	-	(1,292)	-	-	-	3,493	-	3,493
Net profit		-	-	-	-	-	-	446,848	446,848	738	447,586
Other comprehensive income		-	-	-	-	-	29,812	-	29,812	-	29,812
As of December 31, 2021		**63,592**	**(2,209)**	**539,712**	**4,691**	**253,195**	**(53,033)**	**1,666,595**	**2,472,543**	**5,498**	**2,478,041**

1 In the Statement of Financial Position, the value of our treasury shares is deducted from issued share capital (Notes 21 and 22)

2 Other comprehensive income for all periods as of January 1, 2020 and December 31, 2021 includes €4.9 million comprehensive income the Company earned in connection with net investment hedges the Company entered into.

3 Share-based compensation expense for the year ended December 31, 2021 and December 31, 2020 includes €0.2 million and €1.3 million in deferred tax liabilities, respectively.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31

(in € thousands)	Notes	FY 2021	FY 2020
Operating activities			
Profit for the period before tax		624,720	399,096
Adjustments to reconcile profit before tax to net cash flows:			
Valuation gain on investment property and investment property under construction	15	(466,575)	(256,889)
Loss on disposal of investment property		-	1
Depreciation and amortization expense	16	2,624	2,047
Share-based compensation expense	24,33	2,777	1,042
Finance cost, net	9	19,970	18,709
Working capital movements:			
Change in trade receivables, other current and non-current assets		(9,436)	(649)
Change in other current and non-current liabilities and deferred revenue		13,632	(1,405)
Income tax paid		(26,123)	(16,057)
Cash flows from operating activities		**161,589**	**145,895**
Investing activities			
Capital expenditures on investment property under construction and completed investment property	14,15	(81,542)	(78,711)
Capital expenditures on property, plant and equipment	16	(287)	(181)
Acquisition of investment properties and other assets, net of liabilities	12	(47,346)	(57,491)
Proceeds from disposal of property, plant and equipment and insurance recovery proceeds		5,717	7,398
Acquisition of intangible assets	16	(1,872)	(2,021)
Cash flows from investing activities		**(125,330)**	**(131,006)**
Financing activities			
Proceeds from the issuance of equity	21,23	1,596	954
Payment for equity issuance costs	23	(27)	(110)
Proceeds from the issuance of debt	27	300,000	-
Repayment of debt	27	(100,000)	-
Payment for debt issuance costs	27	(1,491)	-
Repayment of principal amount of lease obligations	28,29	(5,770)	(3,769)
Cash dividends on ordinary shares paid to Company's shareholders	25	(99,506)	(87,843)
Proceeds from the sale of treasury shares	22,24,33	3,493	69
Interest paid	27,28,29	(19,196)	(19,960)
Cash flows from financing activities		**79,099**	**(110,659)**
Net increase (decrease) in cash and cash equivalents		115,358	(95,770)
Effect of exchange rate fluctuation		814	194
Cash and cash equivalents as of January 1		102,998	198,574
Cash and cash equivalents as of December 31		**219,170**	**102,998**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

TABLE OF CONTENTS

1. CORPORATE INFORMATION

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

Shurgard Self Storage S.A. (referred to collectively with its consolidated subsidiaries, as the "Group", "Company", "we", "our", or "us") is organized under the laws of the Grand Duchy of Luxembourg and has its registered office and principal place of business at 11 Rue de l'Industrie, L-8399 Windhof.

Our principal business activities are the acquisition, development and operation of self-storage facilities providing month-to-month leases for business and personal use. We also provide ancillary services at our self-storage properties consisting primarily of sales of storage products (merchandise) and protection of customers' stored goods.

As of December 31, 2021, we operate 254 self-storage stores under the Shurgard brand name that we own or lease in France, the Netherlands, Sweden, the United Kingdom (UK), Germany, Belgium, and Denmark. In addition, we operate one facility in France that is owned by a third party.

BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The Company's financial statements have been prepared on a historical cost basis, except for the following:

- Investment property and investment property under construction, which are measured at fair value;
- Equity-settled share-based compensation plans, for which the share-based compensation expense is measured at fair value; and
- Defined benefit pension plans, for which the assets are measured at fair value. Pension plan liabilities are measured according to the projected unit credit method.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand, except where otherwise indicated.

The financial statements were authorized for issue by the Board of Directors on February 22, 2022. The Board of Directors has the power to amend and reissue the financial statements.

SIGNIFICANT EVENTS AND TRANSACTIONS

Events and/or transactions significant to an understanding of the changes since December 31, 2020 have been included in the Notes of these consolidated financial statements and mainly relate to:

- On February 23, 2021, the Company approved a new equity compensation plan to incentivize certain members of the senior management and a number of existing or future employees of the Group as well as to support retention and further strengthen the link between compensation and our stock price development. In the third quarter of 2021, 1,851,000 stock options were granted under the plan.
- In May 2021, Shurgard became the full owner of its storage facility 'Shurgard Brussels - Forest'. This was the first building in which Shurgard offered self storage in Europe. It opened in 1995 and the lease agreement included an option clause to acquire the site, which was executed by Shurgard.
- On July 23, 2021, the Company issued new ten-year Senior Notes for €300 million bearing fixed interest of 1.24% per annum (effective interest rate of 1.28%), of which the proceeds have been used to repay tranche A (€100 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 Eligible Green Projects.
- On September 9, 2021, the Group acquired four self-storage properties in the UK, adding 7,565 net rentable sqm of storing space in total to its existing owned portfolio.
- On October 1, 2021, the Group acquired two self-storage facilities in the UK, adding 2,187 net rentable sqm of storing space in total to its existing owned portfolio.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the 2021 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, 2020, except for the adoption of amended standards effective as of January 1, 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments and interpretations apply for the first time in 2021, but do not have a material impact on the consolidated financial statements of the Company:

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9, effective January 1, 2021;
- Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, IAS 39 Financial Instruments: Recognition and measurement, IFRS 4 Insurance contracts and IFRS 16 Leases- Interest Rate Benchmark Reform – phase 2, effective January 1, 2021;
- Amendments to IFRS 16 Leases – COVID-19 related rent concessions beyond June 30, 2021, effective April 1, 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of and for the years ended December 31, 2021 and 2020. 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 British pound, 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 consist of Chief Executive Officer, Chief Finance Officer, VP Operations, Chief Investment Officer and General Counsel ("the Executive Committee").

INVESTMENT PROPERTY AND INVESTMENT PROPERTY UNDER CONSTRUCTION

Investment property comprises completed property and property under construction or re-development that is held to earn rentals. Property held under a lease is classified as investment property when it is held to earn rentals, rather for use in production or administrative functions.

Investment property is initially measured at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in valuation gain and loss from investment property and investment property under construction on our consolidated statement of profit and loss in the period in which they arise, including the corresponding tax effect.

Transfers are made to (or from) investment property only when there is a change in use which can be evidenced, for example with the commencement or end of owner-occupation.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

LEASES

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

COMPANY AS A LESSEE

The Company leases various plots of land, self-storage facilities, equipment and company cars. Certain contracts may contain both lease and non-lease components. The Group elected to apply the practical expedient of IFRS 16 to not separate lease and non-lease components and thus accounts for these as a single lease component.

Leases are recognized as a right-of-use asset, representing the right to use the underlying asset, and a corresponding liability to make lease payments at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured at the present value of the lease payments to be made over the lease term.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments: the Company is exposed in all countries it operates to potential future increases in variable lease payments based on an index or rate which are not included in the lease liability until they take effect; when adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate ("IBR") is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine IBR for leases denominated the various functional currencies, we are using relevant swap rates increased by a credit spread to reflect the incremental borrowing rate for such an asset, taking into account the payment pattern applicable under the leases. This credit spread is based on the credit spreads observed on the Belgian retail mortgage market and is adjusted for LTV, local (non-Belgian) market specifics and non-commercial character of the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Except for investment property held by the Company as a right-of-use asset, right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

For leased investment properties, IAS 40.50(d) requires recognizing both the fair value of the property, as obtained by the external valuation expert, as well as the right-of-use assets (see Note 15), as the cash flows relating to the lease liability have also been considered when estimating the fair value of the investment property and would otherwise be included twice in the financial statements. This add-back avoids thus a double-counting of the same liability in the financial statements.

Payments associated with short term leases and all leases of low value assets are recognized on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

COMPANY AS A LESSOR

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. We refer to the accounting policy on revenue recognition for further information on the accounting policies on rental income.

PROPERTY, PLANT AND EQUIPMENT

Our property, plant and equipment mainly consist of building improvements and office equipment in use at the local head offices in the countries in which we operate. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant and equipment is depreciated on a straight-line basis over its estimated economic useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

When there is an impairment indicator, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

INTANGIBLE ASSETS

The Company's intangible assets mainly consist of internally developed computer software. Software development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the criteria, as defined in IAS 38, are met.

Capitalized software development costs are recorded as intangible assets and amortized on a straight-line basis over their economic useful lives (of three to five years) from the moment at which the asset is ready for use.

Costs associated with maintaining software programs are recognized as an expense as incurred.

Research expenditure and development expenditure that do not meet the criteria for capitalization above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

BORROWINGS

All borrowings are initially recognized at fair value less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest method.

Borrowings are derecognized when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

BORROWING COSTS

General borrowing costs attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings. Interest is capitalized as from the commencement of the development work until the date of practical completion, i.e., when substantially all the development work is completed. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of 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 thirty days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

REVENUE RECOGNITION

The Company is in the business of operating self-storage facilities providing month-to-month rental agreements for business and personal use in scope of IFRS 16. We also provide ancillary services at our self-storage facilities consisting primarily of sales of storage products (included in "Ancillary revenue") and protection of customers' stored goods (referred to as "Insurance revenue").

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Group concluded that it is the principal in all of its revenue arrangements, because it controls the goods or services before transferring them to the customer.

RENTAL INCOME

In the rental agreements with its customers, the Company is acting as the lessor in operating lease agreement. Rental income arising from such operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognized when it arises. Generally, the Group requires advance payments from new contracts (customers), and the proceeds received are deferred on the balance sheet under the caption "Deferred rent".

Initial direct costs incurred in negotiating and arranging an operating lease are recognized as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancelable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, management is reasonably certain that the tenant will exercise that option. Typically, this has been assessed to be one month.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the statement of profit or loss when the right to receive them arises.

INSURANCE REVENUE

Revenue from insurance is recognized on a straight-line basis over the period that a customer occupies its storage unit.

SERVICE CHARGES, MANAGEMENT CHARGES AND OTHER EXPENSES RECOVERABLE FROM TENANTS

Income arising from expenses recharged to tenants is recognized in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in real estate operating revenue gross of the related costs, as management considers that the Company acts as principal in this respect.

EMPLOYEE BENEFITS

SHORT TERM EMPLOYEE BENEFITS

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Bonuses received by company employees and management are based on pre-defined Company and individual target achievements. The estimated amount of the bonus is recognized as an expense over the period the bonus is earned.

PENSION BENEFITS

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and has no legal or constructive obligation to pay further contributions regardless of the performance of the funds held to satisfy future benefit payments. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has defined contribution plans in various countries in which it operates, whereby contributions by the Company are charged to real estate operating expense and general, administrative and other expense in our consolidated statements of profit and loss in the period in which services are rendered by the covered employees.

The defined contribution plans in Belgium include a legally guaranteed minimum return, which has to be provided by the Group (based on the so-called "Law Vandenbroucke"). The external insurance company that receives and manages all plan contributions does also provide a different return guarantee, which may be higher (still the case for the majority of contributions paid) or lower than the one that has to be provided by the Group. Therefore, these plans also have defined benefit plan features, as the Group is exposed to the investment and funding risk relating to the difference in returns, if any.
For these plans, the projected unit credit method has been used as the actuarial technique to measure the defined benefit obligation, calculated by independent actuaries.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when it can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

SHARE-BASED COMPENSATION

The Group operates various equity-settled share-based compensation plans, under which the Company receives services from employees and senior executives as consideration for equity instruments (options) of the Group.

The cost of equity-settled compensation plans is determined by the fair value at the grant date of the awards using the Black-Scholes model. The cost is recognized, together with a corresponding increase in retained earnings in equity, over the period in which the service conditions are fulfilled (the vesting period).

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as of the beginning and end of that period and is recognized in general administrative and other expenses. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

INCOME TAX

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI. Interest and penalties related to income taxes, including uncertain tax treatments, can be accounted for under IAS 12 Income taxes or under IAS 37 Provisions, Contingent Liabilities and Contingent Assets depending on the specific nature of the particular interest and penalties and whether the relevant law considered these interest and penalties as income taxes.

CURRENT INCOME TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

DEFERRED TAX

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax basis used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences and tax losses carried forward can be utilized.

Deferred tax assets and liabilities are not recognized when the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

For taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements:

- Deferred tax liabilities are not recognized when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The measurement of deferred tax reflects the tax consequences that would follow from the manner, in which the Group expects, at the reporting date, to recover or settle the carrying amount of assets and liabilities, at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group concluded that its investment properties are held with the objective to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale, which is reflected in the measurement of deferred tax assets and liabilities.

EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- The profit attributable to equity holders of the Company by
- The weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares (including outstanding share options).

FAIR VALUE MEASUREMENTS

The Group measures investment property and investment property under construction at fair value. Fair value related disclosures for items measured at fair value or where fair values are disclosed, are summarized in Notes 14 and 15: Investment property and investment property under construction.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer, the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy (described as follows), based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements in conformity with IFRS requires us to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and inherently contain some degree of uncertainty. These estimates are based on experience and assumptions the Group believes to be reasonable under the circumstances. This uncertainty could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The areas involving significant estimates or judgements are:

ASSET ACQUISITIONS AND BUSINESS COMBINATIONS (NOTE 12)

- From time to time**,** the Group acquires entities that own real estate. At the time of acquisition, the Company considers whether such a transaction represents the acquisition of a business or the acquisition of an asset (a group of assets) for IFRS purposes. The Company accounts for an acquisition as a business combination when the integrated set which includes the property contains processes that have the ability to create output (mainly in the form of rental income). Judgement is required to make this determination and the Group applies the guidance included in IFRS 3 (as amendment) to supports its judgement.

- When the acquisition does not represent a business combination, it is accounted for as an acquisition of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax (see Note 3 above) is recognized.

FAIR VALUE OF INVESTMENT PROPERTY AND INVESTMENT PROPERTY UNDER CONSTRUCTION (NOTE 15)

- The fair value of investment property and investment property under construction is determined by external real estate valuation experts using recognized valuation techniques and the principles of IFRS 13 Fair Value Measurement. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in Note 15.

Other disclosures relating to the Company's exposure to risks and uncertainties include:

- Note 35: Financial risk management objectives and policies;
- Note 36: Capital management.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The most significant new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective:

- **IFRS 17 Insurance Contracts**: In 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required.
- **Amendments to IAS 1 - Classification of Liabilities as Current or Non-current**: In early 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively.
- **Amendments to IFRS 3 - Reference to the Conceptual Framework**: The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.
- **Amendments to IAS 16 - Property, Plant and Equipment**: Proceeds before Intended Use: The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.
- **Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract:** The IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.
- **IFRS 9 Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities**: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted.

The Group is currently in the process of assessing the impact, if any, on its consolidated financial statements. Shurgard intends to adopt these pronouncements when they become effective, but currently does not expect any of them to have material impact.

6. REAL ESTATE OPERATING REVENUE

(in € thousands)	FY 2021	FY 2020
Rental revenue	258,626	232,286
Insurance revenue[1]	30,282	28,134
Ancillary revenue[1,2]	11,038	10,548
Property operating revenue	**299,946**	**270,968**
Other revenue[3]	429	415
Real estate operating revenue	**300,375**	**271,383**

1 Revenue streams in the scope of IFRS 15 - Revenue from Contracts with Customers.
2 Ancillary and other operating revenue consists of merchandise sales and other revenue from real estate operations.
3 Other revenue mainly consists of management fee revenue and other, non-recurring, income resulting from operations.

7. REAL ESTATE OPERATING EXPENSE

Real estate operating expense of investment property which generates property operating revenue consists of the following:

(in € thousands)	FY 2021	FY 2020
Payroll expense	41,418	38,489
Real estate and other taxes	15,918	15,426
Repairs and maintenance	9,886	8,047
Marketing expense	8,258	7,949
Utility expense	3,754	3,870
Other operating expenses[1]	17,526	15,767
Doubtful debt expense	3,397	4,265
Cost of insurance and merchandise sales	5,409	4,398
Real estate operating expense	**105,566**	**98,211**

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

8. GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

General, administrative and other expenses for the periods concerned consists of the following:

(in € thousands)	FY 2021	FY 2020
Payroll expense	9,231	8,590
Share-based compensation expense[1]	3,804	1,248
Capitalization of internal time spent on development of investment property	(2,254)	(1,931)
Depreciation and amortization expense	2,624	2,047
Other general and administrative expenses[2]	6,035	6,999
General, administrative and other expenses	**19,440**	**16,953**

1 The increase in share-based compensation expense is explained by the cost incurred in connection with the share options granted in the third quarter of 2021 and increased employers' social security cost resulting from the increase in the Shurgard share price (note 33).

2 Other general and administrative expenses mainly include legal, consultancy and audit fees and non-deductible VAT. For the year ended December 31, 2020, other general and administrative expense includes €1.3 million of expense incurred in connection with fire incidents. During 2021, we recovered in that respect €0.8 million from the insurance company. The remaining €1.2 million net increase mainly consists of increased irrecoverable VAT and legal and consultancy fees.

9. FINANCE COST, NET

Finance cost comprises the following:

(in € thousands)	FY 2021	FY 2020
Interest on revolving loan facility and revolving syndicated loan facility	496	483
Interest on senior guaranteed notes	18,140	17,609
Interest on lease obligations	2,448	2,351
Capitalized borrowing costs[1]	(1,722)	(1,412)
Other interest (income)/expense[2]	623	(763)
Total interest expense	**19,985**	**18,268**
Foreign exchange (gain)/loss	(15)	441
Finance cost, net	**19,970**	**18,709**

1 The capitalization rate of the borrowing costs was on average 2.70% and 2.98% in 2021 and 2020, respectively. We primarily capitalize these borrowing costs as IPUC.

2 Other interest (income)/expense for the year ended December 31, 2020 included €0.9 million interest that was reimbursed on value added and on income tax refunds regarding our German and Dutch subsidiaries.

10. INCOME TAX

INCOME TAX EXPENSE

(in € thousands)	FY 2021	FY 2020
Current tax expense	26,019	18,898
Deferred tax expense	151,115	90,352
Income tax Expense	**177,134**	**109,250**
Profit before tax	**624,720**	**399,096**
Effective tax rate	**28.3%**	**27.4%**

The average effective current income tax rates based on adjusted EPRA earnings before tax are disclosed in the Appendix on Alternative Performance Measures.

Tax expenses have been calculated in accordance with local and international tax laws. The tax expense on the Group's consolidated profit (loss) before tax differs from the theoretical amount that would arise using the domestic rate in each individual jurisdiction (on the pretax profits/losses) of the consolidated companies as follows:

(in € thousands)	Dec. 31, 2021	%	Dec. 31, 2020	%
Profit before tax	624,720		399,096	
Expected tax based on local tax rates	146,131	23.4	99,822	25.0
Disallowed expenses	1,216	0.2	442	0.1
Non-taxable income (incl. notional interest deduction)	(464)	-0.1	(49)	0.0
Non recognition of deferred tax assets on current year tax losses	2,489	0.4	(3)	0.0
Prior year adjustments and other changes to the deferred tax balances	(3,081)	-0.5	(3,428)	-0.9
Impact of changes to substantively enacted tax rates	30,750	4.9	12,177	3.1
Other	93	0.0	289	0.1
Tax expense for the year	177,134	28.3	109,250	27.4

The theoretical tax expenses based on the domestic rates applicable to the different Group entities decreased compared to prior year mainly as a result of reductions in corporate income tax rates in France and in Sweden in 2021.

The impact of expected changes to tax rates in the United Kingdom and the Netherlands (see further details below), can be observed in the line "Impact of changes to substantively enacted tax rates". In 2020, it contained expected changes in (future) corporate income tax rates in the United Kingdom (from 17% to 19%) and in the Netherlands (from 21.7% to 25%).

"Prior year adjustments and other changes to deferred tax balances" relate to events in the current reporting period and reflects the effect of changes in rules, facts or other factors compared with those used in establishing the current or deferred tax position in prior periods. For 2021, these adjustments reside mainly in the United Kingdom (€0.9 million), the Netherlands (€0.8 million) and France (€0.8 million). For 2020, they mainly concerned Germany (€4.6 million), offset by movements in France (€0.6 million), and revised deferred tax balances in the Netherlands (€0.3 million) and in Sweden (€0.2 million).

DEFERRED TAXES

The movement in deferred tax assets and liabilities during the year ended December 31, 2021 is as follows:

(in € thousands)	Jan. 1, 2021	**(Charged)/ credited to the statement of profit or loss**	**Charged to other comprehensive income**	**Credited to equity**	**Dec. 31, 2021**
Deferred tax assets:					
Tax loss carry-forwards	8,872	(2,157)	45	-	6,760
Deductible temporary differences	1,387	(574)	4	-	817
Total Deferred tax assets	10,259	(2,731)	49	-	7,577
Deferred tax liabilities:					
Investment property	(495,009)	(148,668)	(3,393)	-	(647,070)
Other taxable temporary differences[1]	(1,410)	284	-	168	(958)
Total Deferred tax liabilities	(496,419)	(148,384)	(3,393)	168	(648,028)
Total Deferred Tax Asset/(Liabilities)	(486,160)	(151,115)	(3,344)	168	(640,451)
Reflected in our statement of financial position as follows:					
Deferred tax assets	1,787	-	-	-	1,723
Deferred tax liabilities	(487,947)	-	-	-	(642,174)

1 The amount recognized in equity relates to the share-based payment transaction which reflect the excess of the tax deductibility above the cumulative expense recognized in accordance with IFRS 2.

Net deferred tax liabilities as of December 31, 2021 amount to €640.5 million, of which €6.8 million relates to recognized tax losses carried forward and €647.1 million relates to deferred tax liabilities arisen from investment property.

Main changes impacting the deferred tax liabilities on investment property are the increase in tax rates in the United Kingdom and in the Netherlands in addition to a substantial increase of deferred tax liabilities related to our investment property, due to changes in their fair values (see Notes 14 and 15).

The movement in deferred tax assets and liabilities during the year ended December 31, 2020 was as follows:

(in € thousands)	Jan. 1, 2020	(Charged)/ credited to the statement of profit or loss	Charged to other comprehensive income	Credited to equity	Dec. 31, 2020
Deferred tax assets:					
Tax loss carry-forwards	11,763	(2,891)	-	-	8,872
Deductible temporary differences	6,208	(4,802)	(19)	-	1,387
Total Deferred tax assets	17,971	(7,693)	(19)	-	10,259
Deferred tax liabilities:					
Investment property	(411,136)	(82,966)	(907)	-	(495,009)
Other taxable temporary differences[1]	(3,037)	307	-	1,320	(1,410)
Total Deferred tax liabilities	(414,173)	(82,659)	(907)	1,320	(496,419)
Total Deferred Tax Asset/(Liabilities)	(396,202)	(90,352)	(926)	1,320	(486,160)
Reflected in our statement of financial position as follows:					
Deferred tax assets	1,053	-	-	-	1,787
Deferred tax liabilities	(397,255)	-	-	-	(487,947)

1 The amount recognized in equity relates to the share-based payment transaction which reflect the excess of the tax deductibility above the cumulative expense recognized in accordance with IFRS 2.

Net deferred tax liabilities as of December 31, 2020 amount to €486.2 million, of which €8.9 million relates to recognized tax losses carried forward and €495.0 million relates to deferred tax liabilities arisen from investment property.

Main changes impacting the deferred tax liabilities on investment property are the increase in tax rates in the Netherlands and in the United Kingdom in addition to a substantial increase of deferred tax liabilities related to our investment property.

Deferred tax assets and liabilities expressed in euros were also influenced by the exchange rate variations for the EUR/GBP and the EUR/SEK conversion rates.

For the year ended December 31, 2021, the Group has tax losses carried forward of €269.7 million (prior year: €261.2 million), of which €77.4 million (prior year: €66.1 million) are subject to recapture rules. In total, €192.3 million (prior year: €192.5 million) tax losses are available indefinitely for offsetting against future taxable profits of the entities in which the losses arose. The remaining tax losses expire between 2034 and 2037.

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 €52.3 million (prior year: €53.2 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 €0.7 million for the year ended December 31, 2021 would be payable.

As explained in Note 3, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The Group has therefore considered the following amendments to the tax legislation for the year ended December 31, 2021:

- The UK Finance Bill 2021 has been published on March 11, 2021. The UK corporation tax main rate will increase to 25% as from the financial year beginning April 1, 2023 (instead of 19% as from April 1, 2021).
- On December 21, 2021 the Dutch Senate adopted the 2022 Tax Plan. The high rate of corporate income tax will become 25.8% (instead of 25% as from January 1, 2021) as from January 1, 2022.
- On June 14, 2018, the Swedish government enacted significant changes to the country's tax system, including a reduction in the corporate income tax rate, from 22% to 21.4% in 2019 and then to 20.6% from 2021.
- Further to the Finance Bill 2017, it was announced that the corporate income tax rate in France will be progressively reduced from corporate income tax rate of 33.33% to 26.5% over the period 2017 to 2021. Following the Finance Bill 2018, the French corporate income tax rate would be gradually reduced to 25% by 2022.

Accordingly, these rates have been applied in the measurement of the Group's deferred tax assets and liabilities at reporting date.

11. SEGMENT INFORMATION

For earnings from investment property, discrete financial information is provided on an operating segment basis to the CODM. The individual properties are aggregated into operating segments which are defined as the individual countries where the Company owns or leases properties and split between same store facilities and non-same store facilities.

The same store facilities segment for a given year comprises stores in operations since more than three full years as of January 1 of that year in case of self-developed properties or stores in operations for one full year as of January 1 of that year in case the properties have been acquired. The non-same store facilities segment comprises any other self-storage facilities that we operate.

The operating segments (individual countries where the Company operates properties, split between same store facilities and non-same store facilities) have been aggregated into two reportable segments which reflect the significant components of our operations. Therefore, we present our self-storage operations in two reportable segments: "the same store facilities" and "the non-same store facilities" because we believe that the individual countries exhibit similar economic characteristics and the operations are similar with respect to their main elements (e.g.: nature of products and services offered, the class of customers, the distribution method).

As of December 31, 2021, the Company operated 254 self-storage properties (242 self-storage facilities as of December 31, 2020) that it either owns or leases. Based on the aforementioned criteria, 228 self-storage stores were classified as same store facilities when comparing 2020 with 2021.

Royalty fee expense, valuation gain and loss from investment property and investment property under construction, depreciation expense, acquisition costs on business combinations, general, administrative and other expenses, gain/loss on disposal of investment property and assets held for sale, finance costs and income tax expense are not reported to the CODM on a segment basis.

The CODM does not receive or review assets or liabilities on a segment basis.

The below table sets forth segment data for the years ended December 31, 2021 and 2020 based on the 2021 same store/non-same store definition:

(in € thousands)	FY 2021	FY 2020
Same store facilities[1]	284,286	262,648
Non-same store facilities[1]	15,660	8,320
Property operating revenue[2]	**299,946**	**270,968**
Same store facilities	187,959	169,431
Non-same store facilities	6,421	3,326
Income from property	**194,380**	**172,757**

1 Property operating revenue from same store facilities for the years ended December 31, 2021 and 2020 includes insurance revenue, which falls under IFRS 15, of €28.6 and €27.4, million, respectively. Property operating revenue from non-same store facilities for the years ended December 31, 2021 and 2020 includes insurance revenue of €1.7 and €0.8 million, respectively.

2 Property operating revenue is the primary measure to assess the performance of the segments.

The following reconciles Income from property, including property lease expense as presented in the above segment table, and Net income from real estate operations presented in the consolidated statement of profit and loss:

(in € thousands)	2021	2020
Income from property	**194,380**	**172,757**
Add: Other revenue[1]	429	415
Net income from real estate operations	**194,809**	**173,172**

1 Other revenue comprises management fee revenue from self storage and other income resulting from operations.

SEGMENT INFORMATION BY COUNTRY FOR THE YEAR ENDED DECEMBER 31, 2021

(in € thousands)	France	The Netherlands	Sweden	UK	Germany	Belgium	Denmark	Total
Same store facilities	70,540	61,060	46,621	49,059	19,844	22,884	14,278	284,286
Non-same store facilities	2,898	1,124	1,093	4,212	6,333	-	-	15,660
Property operating revenue	**73,438**	**62,184**	**47,714**	**53,271**	**26,177**	**22,884**	**14,278**	**299,946**
Same store facilities	43,502	42,161	33,734	31,352	12,490	15,108	9,612	187,959
Non-same store facilities	1,169	701	689	1,205	2,657	-	-	6,421
Income from property	**44,671**	**42,862**	**34,423**	**32,557**	**15,147**	**15,108**	**9,612**	**194,380**
Investment property	887,248	763,746	589,887	828,604	337,767	234,612	175,371	3,817,235
Investment property under construction	11,327	228	-	1,537	16,740	-	-	29,832
Property, plant and equipment and intangible assets	608	371	220	54	254	7,597	18	9,122
Deferred tax assets	-	-	446	-	393	884	-	1,723
Other non-current assets	376	86	10	98	-	485	12	1,067
Non-current assets	**899,559**	**764,431**	**590,563**	**830,293**	**355,154**	**243,578**	**175,401**	**3,858,979**

SEGMENT INFORMATION BY COUNTRY FOR THE YEAR ENDED DECEMBER 31, 2020

(in € thousands)	France	The Netherlands	Sweden	UK	Germany	Belgium	Denmark	Total
Same store facilities	67,308	56,515	42,830	42,764	18,842	21,225	13,164	262,648
Non-same store facilities	2,038	853	874	550	4,005	-	-	8,320
Property operating revenue	**69,346**	**57,368**	**43,704**	**43,314**	**22,847**	**21,225**	**13,164**	**270,968**
Same store facilities	42,008	37,940	29,283	25,617	12,253	13,779	8,551	169,431
Non-same store facilities	861	444	476	(223)	1,768	-	-	3,326
Income from property	**42,869**	**38,384**	**29,759**	**25,394**	**14,021**	**13,779**	**8,551**	**172,757**
Investment property	794,373	655,063	521,663	555,260	266,789	200,778	144,968	3,138,894
Investment property under construction	14,465	7,540	-	27,688	15,938	-	-	65,631
Property, plant and equipment and intangible assets	660	427	266	42	288	7,359	26	9,068
Deferred tax assets	-	-	343	-	1,107	337	-	1,787
Other non-current assets	372	308	9	129	-	151	12	981
Non-current assets	**809,870**	**663,338**	**522,281**	**583,119**	**284,122**	**208,625**	**145,006**	**3,216,361**

12. ACQUISITION OF PROPERTIES

2021 ACQUISITIONS

In September 2021, the Group acquired four self-storage facilities in the London area. As part of the transaction the Group acquired other net current assets for €0.4 million. In October 2021, Shurgard acquired two self-storage facilities in the London area, and assumed other net current liabilities of €0.1 million.

These acquisitions have been accounted for as acquisitions of assets, with the acquisition cost (total €47.3 million) being allocated to the individual identifiable assets and liabilities (if any) based on their relative fair values at the date of purchase.

2020 ACQUISITIONS

During the first quarter of 2020, the Group acquired two self-storage facilities in France, which were operated under a management contract before (two more stores remaining). As part of the transaction the Group acquired other assets for €0.4 million.

In May 2020, Shurgard acquired four investment properties in Germany, and assumed other net current liabilities of €0.2 million.

These acquisitions have been accounted for as acquisitions of assets, with the acquisition cost (total €57.5 million) 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)	FY 2021	FY 2020
Earnings per share (basic) €	5.03	3.26
Earnings per share (diluted) €	5.00	3.25

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)	FY 2021	FY 2020
Profit attributable to ordinary equity holders of the parent for basic earnings	**446,848**	**289,475**
Weighted average number of ordinary shares for basic EPS[1]	88,838,483	88,722,865
Earnings per share (basic) €	**5.03**	**3.26**

1 The own shares the Company holds in treasury are excluded from the weighted average number of ordinary shares for the purpose of calculating basic and diluted EPS as they are not outstanding.

Effect of dilution

(in € thousands, except for shares and earnings per share)	FY 2021	FY 2020
Profit attributable to ordinary equity holders of the parent for dilutive earnings	**446,848**	**289,475**
Weighted average number of ordinary shares for basic EPS	88,838,483	88,722,865
Dilutive effect from share options	560,167	422,861
Weighted average number of ordinary shares adjusted for the effect of dilution	89,398,650	89,145,726
Earnings per share (diluted) €	**5.00**	**3.25**

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[2] Level 3	Total investment property Level 3
At January 1, 2020	**2,706,968**	**66,345**	**2,773,313**	**33,622**	**2,806,935**
Exchange rate differences	(6,419)	248	(6,171)	(684)	(6,855)
Addition of ROU assets[1]	-	9,891	9,891	-	9,891
Remeasurement of ROU assets	-	357	357	-	357
Transfers for new development	26,178	-	26,178	(26,178)	-
Capital expenditure	21,312	-	21,312	58,811	80,123
Acquisition of investment property	57,212	-	57,212	-	57,212
Disposals	(27)	-	(27)	-	(27)
Net gain (loss) of fair value adjustment[3]	259,423	(2,594)	256,829	60	256,889
At December 31, 2020	**3,064,647**	**74,247**	**3,138,894**	**65,631**	**3,204,525**
At January 1, 2021	**3,064,647**	**74,247**	**3,138,894**	**65,631**	**3,204,525**
Exchange rate differences	31,513	115	31,628	1,507	33,135
Addition of ROU assets	-	9,126	9,126	-	9,126
Remeasurement of ROU assets	-	2,629	2,629	-	2,629
Transfers for new development	80,958	-	80,958	(80,958)	-
Capital expenditure	27,700	-	27,700	55,564	83,264
Acquisition of investment property[2]	47,813	-	47,813	-	47,813
Net gain (loss) of fair value adjustment[3]	481,564[3]	(3,077)	478,487	(11,912)[4]	466,575
At December 31, 2021	**3,734,195**	**83,040**	**3,817,235**	**29,832**	**3,847,067**

1 At initial recognition, the Right of Use (ROU) assets are recognized for an equal amount as the related lease liabilities.

2 In the second half of 2021, we paid €47.3 million for the acquisition of three freehold and three leasehold self-storge facilities located in the London area. 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 (if any) based on their relative fair values at the date of purchase.

3 In accordance with IAS 40, the Group measures its investment property under construction at cost until such time as fair value becomes reliably measurable on a continuing basis.

4 The valuation loss of investment properties under construction results mainly from the uncertainties surrounding the assumptions on future cash flows and discount rates due to current trading uncertainties and is typically a temporary, technical valuation effect.

Reconciliation of completed investment property value calculated by our external valuer with value of completed investment property disclosed for financial reporting purposes:

(in € thousands)	FY 2021	FY 2020
Market value of completed investment property estimated by the external valuer	3,758,099	3,101,828
Projects under pre-development valued at historical cost	2,553	23,141
Addition of lease obligations recognized separately	3,375	5,309
Fair value for financial reporting purposes	**3,764,027**	**3,130,278**

Using the Discounted Cash Flows ("DCF") method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real estate property interest. To this projected cash flow series, an appropriate, market derived discount rate is applied to establish the present value of the income stream associated with the asset. Finally, an exit yield is determined, which differs from the discount rate in order to determine any terminal value, if any.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real estate property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, if any, is then discounted.

Except for the valuation of the Investment Property right-of-use asset, the valuations were performed by Cushman and Wakefield ("C&W"), an accredited independent valuer with a recognized and relevant professional qualification and with recent experience in the locations and categories of the investment property being valued. The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13 for the year ended December 31, 2021 as compared to the year ended December 31, 2020.

15. FAIR VALUE MEASUREMENT – INVESTMENT PROPERTY

C&W's external valuation has been carried out in accordance with the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS"), published by The Royal Institution of Chartered Surveyors ("the RICS Red Book"). The valuation of each of the investment properties and the investment properties under construction has been prepared on the basis of either Fair Value or Fair Value as a fully equipped operational entity, having regard to trading potential (as appropriate) subject to the Special Assumption referenced below in this note.

SPECIAL ASSUMPTION – MANAGEMENT COSTS

C&W was instructed to adopt the actual allocated management costs of the Group for each individual property, rather than a market assumption in this regard. For this the Group provides C&W with a fixed amount per property, based on Shurgard' s best estimate of its cost of management. This fixed amount replaces the percentage of revenue assumption (which is combined with a cap and a collar), usually applied by C&W in his valuations. As such, there is no systematic valuation effect, as for some properties the fixed amount allocated will be above what would have been estimated applying a percentage of revenue approach and in other cases the amount would be below. The application of the special assumption increased the value of the total portfolio by approximately €37.1 million.

VALUER DISCLOSURE REQUIREMENTS

C&W's valuation has been provided for reporting purposes and as such, is a Regulated Purpose Valuation as defined in the Red Book. In compliance with the disclosure requirements of the Red Book, C&W has confirmed that:

- C&W has carried out bi-annual valuations for this purpose in an independent way since the financial year ending December 31, 2015;
- In relation to the preceding financial year of C&W, the proportion of the total fees payable by the Group to the total fee income of the firm is less than 5%; 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

The COVID-19 pandemic and measures to tackle it continue to affect economies and real estate markets globally. Nevertheless, as of the valuation date property markets are mostly functioning, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly - and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

CURRENCY AND AGGREGATE VALUES REPORTED

C&W's valuation report confirms that each property has been valued individually in local currency. C&W's valuation report then converts each property valuation to a euro amount at the spot exchange rates provided by the Company. The total value reported in euro is the aggregate amount for each individual value reported in euro.

PORTFOLIO PREMIUM

C&W's valuation report confirms that the properties have been valued individually but that if the portfolio was to be sold as a single lot or in selected groups of properties, the total value could differ significantly. C&W states that current market conditions dictate that there would likely be a premium value if the portfolio were to be sold as a whole or broken down into smaller lot sizes.

In particular, C&W's individual property valuations reflect full Stamp Duty (or its equivalent in each country considered) on the sale of each property whereas a sale of the whole portfolio or selected groups of assets would most likely be effected by way of a shares transaction, which would typically attract a lower level of stamp duty.

VALUATION METHODOLOGY AND ASSUMPTIONS

C&W has adopted different approaches for the valuation of the leasehold and freehold assets as follows:

FREEHOLD AND LONG LEASEHOLD

The valuation is based on a discounted cash flow of the net operating income over a 10-year period and a notional sale of the asset at the end of the tenth year.

Assumptions:

The following assumptions have been applied by C&W for the valuation of our investment properties for the periods concerned:

	December 31, 2021	December 31, 2020
Stabilized occupancy	91.08%	90.73%
Average time to stabilization (months)	5.95	7.84
Exit capitalization rate	5.65%	5.97%
Net initial yield post administration expenses	5.51%	5.55%
Net stabilized yield post administration expenses	5.58%	5.94%
Weighted average annual discount rate	8.20%	8.66%
Average rental growth rate	2.58%	2.63%

At December 31, 2021, the increase in fair value of investment properties was mainly driven by a decrease in discount and capitalization rates, combined with an increase of rental rate and additions during the year.

Purchaser's costs in the range of approximately 0.6% to 12.5% have been assumed initially, reflecting the stamp duty levels anticipated in each local market, and sales plus purchaser's costs totaling approximately 0.6% to 12.5% are assumed on the notional sales in the tenth year in relation to freehold and long leasehold stores. Both assumptions are unchanged compared to December 31, 2020.

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

When a reliable estimate is possible, C&W has valued the properties in development using the same methodology as set out above but based on the cash flow projection expected for the property at opening and allowing for the outstanding costs to take each property from its current state to completion and full fit out. C&W has allowed for carry costs and construction contingency, as appropriate.

CHANGES IN VALUATION TECHNIQUES

There were no other changes in valuation techniques during the periods concerned.

HIGHEST AND BEST USE

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

FAIR VALUE HIERARCHY

Based on the significant unobservable inputs to the DCF method used for determining the fair value of all our investment property and investment property under construction that we recognized in our statement of financial position as of December 31, 2021 and 2020, 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 €466.6 million in 2021 and €256.9 million in 2020 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, 2021, 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	53,591	1.4%
One hundred basis points decrease in occupancy rates	(53,541)	-1.4%
Twenty- five basis points increase (real) in both discount and capitalization rate	(198,250)	-4.1%
Twenty-five basis points decrease (real) in both discount and capitalization rate	168,830	4.5%
One hundred basis points increase in average rental growth rates	91,484	2.4%
One hundred basis points decrease in average rental growth rates	(102,447)	-2.7%

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					
At January 1, 2021	**1,741**	**5,662**	**3,222**	**10,625**	**13,517**
Additions	1	286	540	827	1,872
Disposals	(152)	(525)	(348)	(1,025)	(90)
Exchange differences	2	9	(1)	10	-
At December 31, 2021	**1,592**	**5,432**	**3,413**	**10,437**	**15,299**
Depreciation and impairment					
At January 1, 2021	**(762)**	**(5,359)**	**(1,102)**	**(7,223)**	**(7,851)**
Depreciation and amortization charge of the year	(58)	(205)	(749)	(1,012)	(1,612)
Disposals	152	525	329	1,006	90
Exchange differences	(5)	(7)	-	(12)	-
At December 31, 2021	**(673)**	**(5,046)**	**(1,522)**	**(7,241)**	**(9,373)**
Net book value					
At December 31, 2021	919	386	1,891	3,196	5,926
At December 31, 2020	979	303	2,120	3,402	5,666

1 Building and equipment mainly consists of building improvements and office machinery and equipment in use in the local head offices located in the countries in which we operate.
2 Right-of-use assets mainly relates to company cars and offices we lease. These assets were recognized in exchange for an equal amount of additional lease liabilities.
3 Intangible assets consist of capitalized computer software.

17. OTHER NON-CURRENT ASSETS

Other non-current assets mainly consist of indemnification assets, deposits paid to vendors, capitalized pre-acquisition expense and the unamortized non-current portion of capitalized debt financing cost in incurred in connection with the revolving syndicated loan facility (see Note 27).

18. TRADE AND OTHER RECEIVABLES

(in € thousands)	December 31, 2021	December 31, 2020
Gross amount	24,154	18,523
Provision for doubtful debt	(7,784)	(6,185)
Trade and other receivables	**16,370**	12,338

Rent and service charge receivables are non-interest-bearing and are typically due within thirty days (Note 35). The receivables are due from local retail and business tenants.

19. OTHER CURRENT ASSETS

(in € thousands)	December 31, 2021	December 31, 2020
Prepayments	4,727	2,906
Receivables from tax authorities other than VAT[1]	1,529	1,264
Other current assets[2]	1,694	3,574
Other current assets	**7,950**	**7,744**

1 As of December 31, 2021 and 2020, Receivables from tax authorities other than VAT consists of prepaid income taxes for 2021 and 2020, respectively.
2. Other current assets mainly consist of VAT recoverable in less than one year, Inventory and insurance compensation proceeds and the unamortized current portion of capitalized debt financing cost incurred in connection with the revolving syndicated loan facility (see Note 27).

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents primarily consist of cash. There are no cash and cash equivalents which are restricted from withdrawal or general corporate use as of December 31, 2021 and 2020.

21. ISSUED SHARE CAPITAL

As of December 31, 2020, the share capital of the Company as presented in the statement of financial position of €56,511,609, net of treasury shares held of €6,994,224 (224,021 treasury shares), was represented by 88,984,952 ordinary shares that all were fully paid up.

During 2021, the Company used 153,250 treasury shares for €4,784,662 in connection with the exercise of 21,250 share options granted under the 2017 plan and 132,000 share options under the 2018 plan, resulting in a decrease of the share-based payments reserve in equity by €1,291,575. Further, the Group issued 121,250 new shares to satisfy the exercise of stock options under the Group's stock option plans. Of the €1,596,583 subscription price, €86,532 has been allocated to share capital and the remainder has been allocated to share premium.

As of December 31, 2021, the share capital of the Company as presented in the statement of financial position of €61,382,803, net of treasury shares held of €2,209,562 (70,771 treasury shares), is represented by 89,106,202 ordinary shares that all have been fully paid up.

22. TREASURY SHARES

As of December 31, 2020, the Company owned 224,021 treasury shares that are deducted from share capital for an amount of €6,994,224.

As explained in Note 21, the Group used 21,250 treasury shares in connection with the exercise of the same amount of options granted under the under the 2017 plan and 132,000 treasury shares in connection with the exercise of the same amount of options granted under the under the 2018 plan.

As of December 31, 2021, the Company owned 70,771 treasury shares that are deducted from share capital for an amount of €2,209,562.

23. SHARE PREMIUM

As of December 31, 2020, the share premium of the Company was €538,229,372.

During 2021, in connection with the issuance of 121,250 new ordinary shares, the share premium was increased by €1,510,050, representing the part of the subscription price of the issuance of new shares that has not been allocated to share capital and reduced by €27,759 for equity issuance costs incurred.

As of December 31, 2021, the share premium of the Company amounts to €539,711,663.

24. SHARE-BASED PAYMENT RESERVE

As of December 31, 2020, the share-based payment reserve of the Company was €3,037,524.

During the year ended December 31, 2021, we recognized a share-based compensation expense of €2,776,817 in connection with equity-settled share-based compensation expense in share-based payment reserve, and we realized a loss of €1,291,575 on the sale of treasury shares based on the difference between the acquisition costs of the treasury shares and the respective exercise prices of the share options. During the year ended December 31, 2021, we allocated €168,171 in deferred income tax assets to our share-based payment reserve.

As of December 31, 2021, the share-based payment reserve of the Company amounts to €4,690,937.

25. DISTRIBUTABLE RESERVES AND DISTRIBUTIONS MADE

As of December 31, 2021, and December 31, 2020, the Company's distributable reserves were €253,195,409 and €352,700,896, respectively.

On May 5, 2021, the distributable reserves were reduced by €50,609,975 in connection with the distribution of a final dividend on 2020 of €0.57 per outstanding share, paid on May 12, 2021.

On August 17, 2021, the distributable reserves were reduced by €48,895,512 in connection with the distribution of the interim dividend for 2021 of €0.55 per ordinary share, paid on October 1, 2021.

26. NON-CONTROLLING INTERESTS

Non-controlling interests represent 5.2% ownership interests in our German subsidiaries First Shurgard Deutschland GmbH and Second Shurgard Deutschland GmbH, which own in total 12 properties (11 properties at the end of 2020) in Germany. We allocated €0.9 million and €0.4 million of net income to non-controlling interests during the years ended December 31, 2021 and 2020, respectively, based upon their respective interests in the net income of the subsidiaries.

During the period starting January 1, 2020 and ending December 31, 2021, there were no transactions with non-controlling interests.

27. INTEREST-BEARING LOANS AND BORROWINGS

(in € thousands)	Effective interest rate	Maturity	FY 2021	FY 2020
Non-current				
Senior guaranteed notes – issued July 2014	2.83%	July 24, 2021	-	100,000
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	-
Nominal values			**800,000**	**600,000**
Less:				
Unamortized balance of debt issuance cost on notes issued			(2,421)	(1,572)
Borrowings as reported on statement of financial position			**797,579**	**598,428**

The reported borrowings are presented as follows in our statement of financial position:

(in € thousands)	December 31, 2021	December 31,2020
Borrowings as reported on statement of financial position	**797,579**	**598,428**
Non-current portion	**797,579**	**498,502**
Current portion	**-**	**99,926**
Weighted average cost of debt as of December 31	**2.36%**	**2.98%**

Set out below is a comparison of the carrying amounts and fair value of the Company's senior guaranteed notes:

(in € thousands)	December 31, 2021	December 31, 2020
Carrying value	**797,579**	598,428
Fair values	**852,494**	672,776

The fair values of the different senior guaranteed notes are a Level 3 fair market value measurement and for the periods concerned, there have been no transfers to or from Level 1 or Level 2. The same methodology was used to estimate the fair values for all reported periods.

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 proceeds from the issuance were mainly utilized to repay, in full, a note payable to our shareholders in July 2014. 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, 2021, and 2020, the unamortized balances of the debt financing costs on the 2014 Issuance were €0.6 million and €0.8 million, respectively. At their maturity date of July 23, 2021, the Group repaid Series A of these notes, totaling €100.0 million.

On June 25, 2015, the Group, via its financing entity Shurgard Luxembourg S.à.r.l., issued to certain European and U.S. investors three tranches of senior guaranteed notes. The proceeds from the issuance were mainly utilized to repay the 2014 Wells Fargo Loan, the Revolving Loan Facility and to fund the City Box Transaction. 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, 2021, and 2020, the unamortized balances of the debt financing costs on the 2015 Issuance were €0.7 million and €0.8 million, respectively.

The senior guaranteed notes (both principal amount and interest payments) are denominated in euro.

On July 23, 2021, the Group, via its financing entity Shurgard Luxembourg S.à.r.l., issued new ten years Senior Notes for €300.0 million bearing fixed interest of 1.24% per annum (effective interest rate of 1.28% per annum), of which the proceeds were used to repay Tranche A (€100.0 million) of its 2014 senior guaranteed notes maturing on July 24, 2021, to finance potential acquisitions and to finance or refinance, in whole or in part, recently completed and future Eligible Green Projects.

The Company paid €1.2 million of placement and legal fees and other expenses that are being amortized as interest expense using the effective interest method. As of December 31, 2021 the unamortized balances of the debt financing costs on the 2021 Senior Notes 14 Issuance was €1.2 million.

REVOLVING SYNDICATED LOAN FACILITY

On September 26, 2018 and effective October 16, 2018, the Company, through its subsidiary Shurgard Luxembourg S.à.r.l., entered into a €250.0 million syndicated revolving loan facility with BNP Paribas Fortis, Société Générale and HSBC (with BNP Paribas Fortis as agent) with maturity of October 16, 2023, 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 new 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 applies to undrawn amounts. The facility is subject to certain customary covenants that were met as of December 31, 2021 and 2020. In connection with the new RCF, the Company paid €0.4 million arrangement and legal fees. As of December 31, 2021, and December 31, 2020, we had no outstanding borrowings under this facility, and the €0.4 million commitment fee we incurred for the year ended December 31, 2021 was equal to 80% of the applicable margin.

On February 24, 2021, Belfius Bank replaced HSBC bank as participant to the RCF Lenders' Group. In that respect, the Company paid to Belfius Bank 0.15% of the €62,500,000 commitment (or €93,750).

On March 8, 2021, the Company renegotiated the terms of its RCF with the existing lenders, consisting of the extension of the RCF's maturity with two years to October, 16 2025 and paid in this respect an extension fee of €150,000. Other than the extended term, there were no modifications made to the initial (2018) conditions of the RCF.

SHELF NOTES FACILITY

On February 23, 2021, the Group entered into an uncommitted Shelf Note Facility for an amount of up to €250,000,000, which can be drawn during a three-year period.

PARENT GUARANTOR AND COVENANTS

The full and prompt performance and observance by Shurgard Luxembourg S.à.r.l. of all its obligations under the 2014, 2015 and 2021 note purchase agreements and the revolving syndicated loan facility is unconditionally guaranteed by Shurgard Self Storage S.A. as Parent Guarantor pursuant to the terms and conditions provided for under the respective note purchase agreements.

The 2014, 2015 and 2021 Issuances and the revolving credit facility are subject to certain customary covenants, including senior leverage, fixed charge cover or fixed interest cover and unencumbered asset value to total unsecured liabilities (2014 and 2015 Notes Issuances only) that we test for compliance on a quarterly basis. As of December 31, 2021, and 2020, we are in compliance with all such covenants.

28. LEASES

Shurgard leases various investment properties with an aggregate fair value of €607.5 million as of December 31, 2021 (€512.0 million as of December 31, 2020).

The Company repaid in 2021 €5.8 million in lease liabilities, paid €2.4 million in interest expense on lease liabilities and €0.1 million in lease amounts for contracts with maturity of less than one year and low-value leases, representing a total cash outflow of €7.3 million (a total cash outflow of €6.4 million in 2020). 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 2021 or any future years for us. There are no material lease commitments for leases not commenced at year-end.

In May 2021, The Company exercised for €1.6 million the purchase option of its storage facility 'Shurgard Brussels - Forest' and became the full owner of the property.

For the other relevant information regarding our leases, we refer to Notes 14 (for right-of-use assets classified as investment property), 16 (for right-of-use assets classified as property, plant and equipment) and 29 (movement schedule of the lease liability).

29. ANALYSIS OF MOVEMENTS IN INTEREST-BEARING LOANS AND BORROWINGS

The below tables provide an analysis of financial debt and movements in financial debt for each of the periods presented.

(in € thousands)	Interest-bearing loans and borrowings	Lease obligations	Total financial debt
January 1, 2021	**598,428**	**81,717**	**680,145**
Repayments of debt	(100,000)	(5,770)	(105,770)
Interest payments	(16,109)	(2,416)	(18,525)
Issuance of Notes	300,000	-	300,000
Debt financing cost paid for Senior Notes issued	(1,248)	-	(1,248)
Addition of lease obligations (net)	-	12,276	12,276
Non-cash movements[1]	16,508	2,561	19,069
December 31, 2021	**797,579**	**88,368**	**885,947**

(in € thousands)	Interest-bearing loans and borrowings	Lease obligations[1]	Total financial debt
January 1, 2020	**598,082**	**73,871**	**671,953**
Repayments of debt	-	(3,769)	(3,769)
Interest payments	(17,698)	(2,262)	(19,960)
Addition of lease obligations (net) – IFRS 16	-	11,272	11,272
Non-cash movements[1]	18,044	2,605	20,649
December 31, 2020	**598,428**	**81,717**	**680,145**

1 Non-cash movements for the years ended December 31, 2021 and December 31, 2020 mainly consist of accrued interest.

30. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of VAT due after more than one year and pension plan obligations (Note 32).

31. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

Trade and other payables and deferred revenue

(in € thousands)	December 31, 2021	December 31, 2020
Accrued compensation and employee benefits	9,838	8,363
Accrued share-based compensation expense	1,174	593
Accounts payable (including accrued expenses)[1]	43,681	36,986
Payables to affiliated companies	789	702
Deferred rent	30,226	24,941
Other payables[2]	6,217	3,338
Trade and other payables and deferred revenue	**91,925**	**74,923**

1 The increase in accounts payable is mainly due to increased accruals for construction costs and real estate taxes.
2 Other payables consists of VAT payable, accrued interest and deposits received from customers. The increase in other payables is mainly due to €1.7 m increased accrued interest and €1,1 million increased VAT payable.

32. PENSIONS

DEFINED CONTRIBUTION PLANS

For the years ending December 31, 2021 and 2020, the Group incurred €1.2 million and €1.0 million expense, respectively. 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, 2021 and 2020, we contributed €0.5 million and €0.4 million, respectively to a third-party insurance company. We expect to contribute the same amount in 2021. 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, 2021, the defined benefit obligation amounted to €5.7 million (€5.0 million as of December 31, 2020), offset by plan assets of €5.6 million as of December 31, 2020 (€4.9 million as of December 31, 2020).

For former plan participants with deferred pension rights, the defined benefit obligation equals plan assets. A limited net liability could emerge in the future for such former participants, if the low interest rates environment persists over the long-term.

The assumptions used in determining net benefit costs and benefit liabilities for our pension plans were as follows:

(in € thousands)	December 31, 2021	December 31, 2020
Discount rate	1.00%	0.45%
Inflation	2.00%	1.75%
Rate of salary increases	3.00%	2.75%
Mortality tables	MR-5/FR-5	MR-5/FR-5

33. SHARE-BASED COMPENSATION EXPENSE

Under various share option plans, the Group granted to a number of employees stock options of the parent entity. The exercise prices equal the fair values of the share at the respective grant dates. The terms of these grants were established by our Board of Directors:

- Under the 2015 equity incentive plan and the 2017 long-term incentive plan, the stock options vest ratably over a four-year period and expire ten years after the grant date. No further grants may be made under those plans.
- Stock options granted under the 2018 equity compensation plan, which aimed at incentivizing certain members of the senior management and a number of employees of the Group as well as supporting retention and strengthening the link between compensation and the stock price development of the Group, have a three-year cliff vesting period and expire ten years after the grant date. The plan allows the Group to grant stock options and, possibly, restricted stock units in 2018 and the following years, with a maximum number of stock options and restructured stock units intended to be granted under the plan being 1,915,000. No stock options were granted during 2019 and 2020.

The following weighted average assumptions were used to determine the fair value of the options that are outstanding as of December 31, 2021 for the options granted under the 2015, 2017 and 2018 plans:

	2015 grants	2017 grants	2018 grants
Estimated fair value of Shurgard Europe shares	€23.00	€23.00	€26.50
Expected volatility	20.00%	20.00%	20.00%
Risk free interest rate	-0.17%	-0.08%	0.11%
Expected remaining term (in years)	3.5	6.0	7.0
Dividend yield	-	-	3.68%
Expected forfeiture rate per annum	3.00%	5.00%	5.00%
Fair value per option	€11.19	€2.35	€3.45

In connection with a new equity compensation plan approved on February 23, 2021, the Group granted on August 2, 2021, 1,651,000 share options at an exercise price of €43.05. On September 1, 2021, the Company granted in addition 200,000 options under the 2021 share option plan at an exercise price of €47.75.

These options 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.

The following weighted average assumptions were used to determine the fair value of the options granted under the 2021 plan that are outstanding as of December 31, 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)	6.8	7.8	6.9	7.9
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

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 pages 141 to 150.

For all plans, we incurred €3.8 million and €1.3 million in share-based compensation expense, including social security charges in the years ended December 31, 2021 and 2020, respectively.

The year-on year increase is explained by €1.8 million cost incurred in connection with the options granted under the 2021 share option plan and €0.8 million increased employers social security cost, resulting from the increase of the Shurgard share price, partially offset by €0.1 million decreased gross cost for the 2017 and 2018 plans of which the vesting periods terminated in 2021.

The €1.2 million and €0.6 million liabilities, respectively, for share-based compensation as of December 31, 2021 and 2020 consists of an accrual for employers' share in social security.

As of December 31, 2021, and 2020, we had €12.6 million, and €1.0 million respectively of unrecognized share-based compensation expense, net of estimated pre-vesting forfeitures, related to unvested option awards. For the years ended December 31, 2021 and 2020, the weighted average remaining vesting period of our share options was 2.3 and 0.7 years, respectively.

The following table sets forth the number of share options granted, forfeited, exercised and outstanding at December 31, 2021 and 2020:

	2021		2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price (a)
Outstanding, January 1	**1,151,000**	**€21.61**	1,220,771	€21.48
Granted (a)	1,851,000	€43.56	-	-
Forfeited (b)	-	-	(14,000)	€23.00
Exercised (c)	(274,500)	€18.54	(55,771)	€18.29
Outstanding, December 31	**2,727,500**	**€36.81**	**1,151,000**	**€21.61**
Exercisable, December 31	876,500	€22.58	243,250	€16.82

The following table summarizes information about our share options outstanding at December 31, 2021 under the 2015, 2017, 2018 and 2021 plans:

		As of December 31, 2021					
		Options outstanding			Options exercisable		
Year of grant	Fair value per option on September 30, 2021	Number of Options	Weighted average exercise price	Weighted average remaining contractual life	Number of Options	Weighted average exercise price	Weighted average remaining contractual life
2015	€11.19	10,000	€8.77	3.3 years	10,000	€8.77	3.3 years
2017	€2.35	154,500	€21.51	5.5 years	154,500	€21.51	5.5 years
2018	€3.45	712,000	€23.00	6.9 years	712,000	€23.00	6.9 years
2021-August-3 yr.	€8.40	990,600	€43.05	9.6 years	-	-	-
2021-August-5 yr.	€8.44	660,400	€43.05	9.6 years	-	-	-
2021-September-3 yr.	€5.36	120,000	€47.75	9.7 years	-	-	-
2021-September-5 yr.	€5.52	80,000	€47.75	9.7 years	-	-	-
		2,727,500	**€36.81**	**8.6 years**	**876,500**	**€22.58**	**6.6 years**

34. RELATED PARTY DISCLOSURES

SUBSIDIARIES

Interests in subsidiaries are set out in Note 39.

KEY MANAGEMENT PERSONNEL COMPENSATION

(in € thousands)	FY 2021	FY 2020
Short term employee benefits	2,893	2,808
Post-employment benefits	108	100
Share-based payments	2,295	868
Total	**5,296**	**3,776**

Key management personnel consists of the members of the Executive Committee.
In addition, the Company incurred in the year ended December 31, 2021 €0.7 million expense for the provision of services by non-executive board members that were provided by separate management entities (€0.7 million in the year ended December 31, 2020).

TRANSACTIONS WITH OTHER RELATED PARTIES

At the end of 2021, the Group had two significant shareholders: Public Storage ("PS"), which owned directly and indirectly in total 35.1% of the interest in Shurgard and the New York State Common Retirement Fund ("NYSCRF"), which held directly and indirectly 36.5%.

We pay PS a royalty fee equal to 1.0% of our pro rata equity share of revenues in exchange for the rights to use the "Shurgard" trade name and other services. During the years ended December 31, 2021 and 2020, we incurred royalty fees of €3.0 million and €2.7 million, respectively.

During the years ending December 31, 2021 and 2020 there were no transactions with NYSCRF.

OUTSTANDING BALANCES ARISING FROM TRANSACTIONS WITH RELATED PARTIES

At December 31, 2021 and 2020, trade and other payables and deferred revenue include short-term cash advances payable to Public Storage totaling €0.8 million and €0.7 million, respectively, comprised primarily of royalty fees incurred during each of the three months ended December 31, 2021 and 2020.

We also refer to Note 26 in respect of the non-controlling interest held by the two main shareholders in certain subsidiaries in Germany.

Several of the Group's subsidiaries provide post-employment benefit plans for the benefit of employees of the Group. Payments made to these plans and receivables from and payables to these plans have been disclosed, if any, in Note 32.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance.

The Company has tenant and other receivables, trade and other payables, deferred revenue and cash and cash equivalents that arise directly from its operations. The Company's principal financial liabilities consist of loans and borrowings, as well as trade and other payables. The main purpose of the Company's loans and borrowings is to finance the acquisition and development of the Company's property portfolio.

The Group is exposed to market risk, credit risk and liquidity risks:

- **Market risk** is the risk that the fair value or future cash flows of a financial instrument fluctuates due to change in market prices and can be broken down into interest rate, currency and other price (e.g. equity or commodity) risks;
- Not all these risks are relevant to the Group, which is mainly exposed to foreign currency risks. The Group is currently not exposed to significant interest rate risk, as it does not have any long-term debt with variable interest rates;
- **Credit risk** is the risk that one party to an agreement will cause a financial loss to another party by failing to discharge its obligation. For Shurgard, credit risk mainly covers its tenant receivables and financing activities, which include cash and cash equivalents with banks and financial institutions;
- **Liquidity risks** include the risk that the Group will encounter difficulties in raising financing and in meeting payment obligations when they come due.

The Company's risk management is carried out by senior management, under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, real estate risk and credit risk, the use of derivative and non-derivative financial instruments and investment of excess liquidity. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

FOREIGN EXCHANGE RISK

We publish our financial statements in euros, however, we record revenue, expenses, assets and liabilities in a number of 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.

Because our customer base in the United Kingdom is mainly local, we believe the consequence of the Brexit will be limited to the effect of a possible significant depreciation of the UK Pound Sterling versus the euro which would result in a decrease in net profit realized by our UK operations.

A breakdown of the foreign exchange related amounts recognized in profit or loss and comprehensive income can be found in Note 9 and in the Consolidated statements of changes in equity, respectively.
The main statement of financial position items exposed to foreign exchange risk are cash and cash equivalents, trade and other receivables, assets held for sale, other current and non-current assets, trade and other payables and deferred revenue, lease obligations and other non-current liabilities.

As of December 31, 2021, and 2020, 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, 2021	173,616	(57,122)	(342)	25,116	141,268
As of December 31, 2020	33,522	(15,311)	(650)	18,414	35,975

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 2021	FY 2020
GBP denominated		
Changes in carrying amount of monetary assets and liabilities[1]	571	153
SEK denominated		
Changes in carrying amount of monetary assets and liabilities[1]	34	65
DKK denominated		
Changes in carrying amount of monetary assets and liabilities[1]	(251)	(1,841)

1 These are increases in net liabilities.

The table below shows the sensitivity of profit or loss after tax to changes in the GBP/EUR, SEK/EUR and DKK/EUR exchange rates:

IMPACT ON PROFIT AFTER TAX

(in € thousands)	FY 2021	FY 2020
GBP/EUR exchange rate – increase 10%	10,622	6,017
SEK/EUR exchange rate – increase 10%	8,449	3,216
DKK/EUR exchange rate – increase 10%	2,996	793

Positive amounts represent an increase in profit after tax.

The table below shows the sensitivity of equity to changes in the GBP/EUR, SEK/EUR and DKK/EUR exchange rates:

IMPACT ON EQUITY

(in € thousands)	FY 2021	FY 2020
GBP/EUR exchange rate – increase 10%	64,574	50,246
SEK/EUR exchange rate – increase 10%	47,273	42,053
DKK/EUR exchange rate – increase 10%	17,043	14,039

Positive amounts represent an increase in equity.

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, 2021 is the carrying value of the cash and cash equivalents.

Credit risk is managed by requiring tenants to pay rentals in advance. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. There are no significant concentrations of credit risk, whether through exposure to individual customers or regions.
The Group applies the IFRS 9 simplified approach to measure its expected credit losses, which uses a lifetime expected loss allowance for all lease receivables.

Loss allowances are recognized in profit or loss within real estate operating expense. Subsequent recoveries of amounts previously provided for are offset against the previously recognized loss on debtors within real estate operating expense.

Set out below is the information about the credit risk exposure on our trade receivables using a provision matrix:

December 31, 2021

(in € thousands)	Outstanding < 60 days	Past due > 60 days	Total
Expected credit loss rate	6.0%	89.6%	32.2%
Carrying amount	15,650	8,503	24,153
Expected credit loss	(931)	(6,952)	(7,783)
Net amount	**14,719**	**1,651**	**16,370**

December 31, 2020

(in € thousands)	Outstanding < 60 days	Past due > 60 days	Total
Expected credit loss rate	8.0%	85.8%	33.4%
Carrying amount	12,475	6,048	18,523
Expected credit loss	(998)	(5,187)	(6,185)
Net amount	**11,477**	**861**	**12,338**

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)	Dec. 31, 2021	Dec. 31, 2020
Expiring within one year (floating rate)	-	-
Expiring beyond one year (floating rate)	500,000[1]	250,000
Total	**550,000**	**250,000**

1 The increase relates to the uncommitted Shelf Note Facility for an amount of up to €250,000,000, the Company entered into on February 23, 2021.

The tables below analyze the Company's financial liabilities based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments). Balances due within 12 months equal their carrying balances as the impact of discounting is not material.

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES AT DECEMBER 31, 2021

(in € thousands)	Less than one year	Between one and five years	Over five years	Total contractual cash flows
Interest-bearing loans and borrowings	18,707	391,585	496,252	906,544
Lease liabilities	6,453	23,663	694,650	724,766
Other non-current liabilities	-	-	140	140
Trade and other payables	91,925	-	-	91,925
Total	**117,085**	**415,248**	**1,191,042**	**1,723,375**

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES AT DECEMBER 31, 2020

(in € thousands)	Less than one year	Between one and five years	Over five years	Total contractual cash flows
Interest-bearing loans and borrowings	116,500	389,537	178,537	684,574
Lease liabilities	7,477	19,354	613,121	639,952
Other non-current liabilities	-	51	77	128
Trade and other payables	74,998	-	-	74,998
Total	**198,975**	**408,942**	**791,735**	**1,399,652**

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)	Dec. 31, 2021	Dec. 31, 2020
Carrying value	797,579	598,428
Fair values	852,494	672,776

The following methods and assumptions were used to estimate the fair values:

- The fair values of our senior guaranteed notes (level 3) consists of the discounted value of principal amounts and any future interest payments;
- The discount rates used take into account the various maturities of the notes issued and are based on risk free interest rates plus spreads that are in line with market spreads for private placements as of the respective reporting dates.

36. CAPITAL MANAGEMENT

The Group's Executive Committee reviews the capital structure on an ongoing basis. The primary objective of the Group's capital management is to ensure that it complies with its covenants. The Group targets a loan-to-value ratio of around 25% with the flexibility to go up to a short- to mid-term maximum amount up to 35%. The Company reviews each reporting period the appropriateness of the loan-to-value ratio. The Company is currently satisfied with its current loan-to-value ratio and the applicable covenants. For all periods disclosed, we are in compliance with the covenants.

The table below provides an overview of the evolution of the loan-to-value ratio as of December 31, 2021 and 2020.

(in € thousands)	Dec. 31, 2021	Dec. 31, 2020
Net financial debt	669,198	578,719
Investment property and investment property under construction (Note 14)	3,847,067	3,204,525
Loan-to-value ratio	**17.4%**	**18.1%**

Net financial debt is composed as follows:

(in € thousands)	Dec. 31, 2021	Dec. 31, 2020
Carrying value of interest-bearing loans and borrowings (Note 27)	797,579	598,428
Unamortized portion of debt financing cost (Note 27)	2,421	1,572
Carrying value of lease obligations (Note 29)	88,368	81,717
Cash and cash equivalents (Note 20)	(219,170)	(102,998)
Net financial debt	**669,198**	**578,719**

37. INSURANCE AND LOSS EXPOSURE

We have historically obtained third-party insurance coverage for property/business interruption and general liability, through internationally recognized insurance carriers, subject to deductibles. Additionally, we bind coverage for our cyber and terrorism risk, as well as any local compulsory insurances, such as workers compensation or strict liability in Belgium.

Except for the local insurance policies, coverage was searched for by means of international programs, insuring all affiliates of the Company. When acquiring a new location, our aim is to integrate the cover as soon as possible and economically justified in our insurance programs.

Our insurance deductible for general liability insurance is €2,500 per occurrence. Insurance carriers' limit is €5.0 million. In case claims exceed the policy limit, we benefit excess coverage up to $100.0 million, or approximately €88.2 million at the December 31, 2021 exchange rate, under the Public Storage general liability program. As such, our insurance limit is higher than estimates of maximum probable losses that could occur from individual catastrophic events determined in recent engineering and actuarial studies; however, in case of multiple catastrophic events, these limits could be exceeded.

Besides insurance policies covering our own risks, we carry coverage for the risk of our tenants, via a tenant insurance program. This program provides insurance to certificate holders (tenants) against claims for property losses due to perils to goods stored by tenants at our self-storage facilities. Any advice and claims regarding customer insurance are directly handled by our insurance broker/insurer.

As from January 1, 2021, 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, 2021, the Company paid €0.2 million insurance acquisition expense to a third-party insurance company in connection with its re-insurance undertaking.

CUSTOMER GOODS

The Group has entered into an agreement with external insurance companies, which in turn re-insure a certain amount via the Group's re-insurance captive entity. The re-insured risk provides insurance to customers. Except for a deductible of €250 for certain perils, which are at charge of the tenant, our program includes a deductible of €5.0 million per year at charge of Shurgard. This deductible is re-insured by Shurgard's captive entity. The remaining risks reside with the external insurer (with an annual limit of €7.5 million in excess of the €5.0 million deductible).

During the year ended December 31, 2021, the Company incurred €1.8 million claims charges and €0.2 million in consulting fees in connection with its customer goods insurance program.

PROPERTY DAMAGE AND BUSINESS INTERRUPTION

The Property Damage and Business Interruption ("PDBI") insurance program consists of a combination of reinsurance activities through the Company's captive and insurance through a third-party insurer.

Our captive undertaking insures casualties up to an occurrence limit of €2.5 million and an annual aggregate of €5.0 million. A deductible of €10,000 per claim applies.

Any claim in excess of the above limit per occurrence is up to a maximum amount of €25.0 million transferred to the third-party insurer. In case the annual aggregate limit of the reinsurance captive (€5.0 million) is depleted, the third-party insurer has the possibility to take over from captive claims that usually would have been covered by the captive. In such case, the deductible is however, increased to €100,000 per occurrence for any PDBI claim, and the third-party insurer will provide coverage in excess of the increased deductible.

38. CONTINGENCIES AND COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS

As of December 31, 2021, we had €13.4 million of outstanding capital expenditure commitments under contract in regard to certain self-storage facilities under construction.

CONTINGENT LOSSES

We are a party to various legal proceedings and subject to various claims and complaints; however, we believe that the likelihood of these contingencies resulting in a material loss to the Company, either individually or in the aggregate, is remote.

INCOME TAX

The Group operates in multiple jurisdictions with often complex legal and tax regulatory environments. Shurgard considers the income tax positions to be supportable and are intended to withstand challenge from tax authorities. However, the Group continues to be subject to tax audits in the various jurisdictions it conducts business and the outcome of these audits and the conclusions drawn by the tax authorities are not certain and therefore it is inherent that some of the positions taken by the Group are uncertain and include interpretations of complex tax laws which could be disputed by tax authorities.

Shurgard regularly assesses these positions individually on their technical merits with no offset or aggregation between positions, using all the information available (legislation, case law, regulations, established practice and authoritative tax guidance). The Group has established tax liabilities that it believes are adequate for the exposures identified. These liabilities have been estimated by the Group as the best estimate of the current tax it expects to pay using its best estimate of the likely outcomes of such examinations. These estimates are based on facts and circumstances existing at the end of the reporting period and assume full access of the tax authorities to all relevant facts and circumstances.

39. LIST OF CONSOLIDATED ENTITIES

		As of December 31, 2021		As of December 31, 2020	
	Country of incorporation	Consoli-dated	% Ownership	Consoli-dated	% Ownership
Shurgard Self Storage S.A.[1]	Luxembourg	Yes	100	Yes	100
Shurgard Luxembourg S.à.r.l.[1]	Luxembourg	Yes	100	Yes	100
Shurgard Holding Luxembourg S.à.r.l.[1]	Luxembourg	Yes	100	Yes	100
Eirene RE S.A.[2]	Luxembourg	Yes	100	Yes	100
Shurgard Belgium NV	Belgium	Yes	100	Yes	100
Shurgard Europe VOF	Belgium	Yes	100	Yes	100
Second Shurgard Belgium BV	Belgium	Yes	100	Yes	100
Shurgard France SAS	France	Yes	100	Yes	100
Shurgard Nederland B.V.	The Netherlands	Yes	100	Yes	100
Shurgard Germany GmbH[3]	Germany	Yes	100	Yes	100
First Shurgard Deutschland GmbH[3]	Germany	Yes	94.8	Yes	94.8
Second Shurgard Deutschland GmbH[3]	Germany	Yes	94.8	Yes	94.8
Shurgard Germany ZL MU GmbH[3]	Germany	Yes	100	Yes	100
Shurgard Germany ZL LH GmbH[3]	Germany	Yes	100	Yes	100
Shurgard Germany ZL FER GmbH[3]	Germany	Yes	100	Yes	100
Shurgard Denmark ApS	Denmark	Yes	100	Yes	100
Shurgard UK Ltd	UK	Yes	100	Yes	100
Second Shurgard UK Ltd	UK	Yes	100	Yes	100
Second Shurgard UK Camberley Ltd	UK	Yes	100	Yes	100
Shurgard UK West-London Ltd	UK	Yes	100	Yes	100
Shurgard Sweden AB	Sweden	Yes	100	Yes	100
Shurgard Storage Centers Sweden KB	Sweden	Yes	100	Yes	100
Shurgard Sweden Årstaberg KB	Sweden	Yes	100	Yes	100
First Shurgard Sweden Invest KB	Sweden	Yes	100	Yes	100
Second Shurgard Sweden Invest KB	Sweden	Yes	100	Yes	100
Shurgard Sweden Stockholm Invest AB	Sweden	Yes	100	Yes	100

1 Holding and/or financing company with no operating activities.
2 Re-insurance entity incorporated in December 2020.
3 These German entities make use of the exemption in accordance with §264 Paragraph 3 German Commercial Code (HGB), and consequently do not file stand-alone annual accounts.

40. EVENTS AFTER THE REPORTING PERIOD

We have evaluated subsequent events through February 22, 2022, which is the date the financial statements were available for issuance.

- On January 3, 2022, Shurgard announced it has received one building permit for a new self-storage facility and has been cleared to convert another building for self-storage use in Rotterdam (Randstad). One of the properties is a future c. 4,500 sqm self-storage facility which will offer approximately 700 clean and secure self-storage units to the nearby residential areas, business customers and future expected housing developments. It is set to open by end 2022. The other building is to be converted into a c. 2,000 sqm self-storage property offering more than 300 units. It is located in a well-known, high-traffic business park – close to the residential neighborhoods – and will help extend our existing footprint in that area (one current location). It is also set to open by end 2022.

- On January 5, 2022, Shurgard announced it has signed a new purchase agreement for a building located in the Paris region. The future c. 4,000 sqm self-storage property is set to open by end 2023 and will offer over 550 self-storage units to the area.

- On February 8, 2022, Shurgard announced it has received a building permit for a new self-storage facility in Sartrouville (Paris region). The building located north-west of central Paris will be converted into a c. 5,000 sqm self-storage property. It is set to open by end 2022 and will offer approximately 800 self-storage units to the area.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Shurgard Self Storage S.A.
11, rue de l'Industrie
L-8399 Windhof

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Shurgard Self Storage S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2021, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Property including Investment Property under Construction

Description of the key audit matter

As per December 31, 2021, Shurgard Self Storage S.A. and its subsidiaries hold investment property and properties under construction for a total amount of € 3.847 million, representing 94% of the consolidated statement of financial position of the Group. In accordance with the Group's accounting policies and IAS 40 "Investment Property" and IFRS 13 "Fair Value Measurement", investment property and investment property under construction are measured at fair value, whereby the changes in fair value are recognized in the Group's income statement.

The fair values of investment properties are assessed (by an independent external valuation firm) using a discounted cash flow model (revenues-costs) over a period of 10 years per property. The management of the Group and their external specialist use inputs such as store occupancy, net rent and operating expense per square meter, based on historical data, as well as subjective assumptions such as growth rates in terms of rental revenue and operating expenses, occupancy and discount rates.

The Group engaged an independent external valuation firm, having specific sector expertise in the markets in which the Group operates. The third-party valuer assists the Group in the determination of the fair value of the investment property and it performs its work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation Professional Standards.

Investment property valuation is considered a key audit matter, because the valuation process is a significant estimate and is underpinned by a number of factual inputs and assumptions based on a complex calculation model. The process is subjective and inherently judgmental in nature due to the use of key assumptions which are based on unobservable data inputs such as discount rates, growth rates and future occupancy rates, as well as the individual nature of each property and its location.

Auditor's response

Our procedures over the valuation of investment properties and investment properties under construction include the following:

We evaluated the competence, independence and capabilities of the independent external valuation firm. We also read the terms of engagement of the valuer to determine whether there were any matters that might have affected its objectivity or limited the scope of its work.

We assessed whether the valuation methods as applied by the independent valuer are appropriate for the purpose of the valuation of the underlying investment properties. We tested the inputs used in the valuation process to corresponding lease agreements and other relevant documentation. We considered the assumptions used in the valuation models including the capitalization, discount and terminal yield rates by comparing them against available market data. Therefore, we involved our real estate specialists as part of the audit team to assess the assumptions made by the valuer as appropriate.

Finally, we performed analytical procedures to evaluate any unusual variations in the fair values determined compared to prior year.

We have also assessed the appropriateness and completeness of Note 3 (Summary of significant accounting policies) and note 14 (Investment property and investment property under construction) and note 15 (Fair value measurement – investment property) of the consolidated financial statements in accordance with the requirement of IAS 40 and IFRS 13.

<u>Taxation</u>

Description of the key audit matter

The Group has extensive international operations and in the normal course of business management makes judgements and estimates in relation to direct and indirect tax issues and exposures. As a result of the complexities of tax rules and other tax legislation, the accounting for tax exposures is a key judgement.

The Group is also calculating its deferred taxes in accordance with its Group accounting policies. Deferred taxes arise due to temporary differences between the values in the tax accounts and the consolidated statement of financial position. The calculation of deferred taxes takes into account the expected point in time when, the assets and liabilities are expected to be realized or settled. The applied tax rates correspond to those that are enacted or substantially enacted at the respective location at the balance sheet date. Deferred taxes primarily result from valuation differences between the fair values of properties and their values for tax purposes. In the calculation of the deferred taxes, assumptions and estimates are made with regards to the fiscally relevant costs and the fair values of the properties as well as the tax rates applicable at the time the tax differences are realized.

Auditor's response

Our procedures included, but were not limited to, evaluating the controls the Group has in place to identify and quantify its tax exposures. We used our own tax specialists to analyze and challenge the assumptions used to determine provisions using our knowledge and experience of the application of international and local legislation by the relevant authorities, and assessed whether the approach applied by the Group is supported by custom and practice in the industry. We have examined the calculations prepared and agreed assumptions used to underlying data, and considered the judgements applied including the maximum potential exposure and the likelihood of a payment being required. We have inspected correspondence with relevant tax authorities to identify tax risk areas and assessed third-party tax advice received to evaluate the conclusions drawn in the advice.

In the course of our audit, we also assessed the calculation of deferred taxes on investment properties with the support of our tax specialists.

Based on the overall portfolio, we performed, the following audit procedures:

- evaluating the calculation method used to determine deferred tax liabilities;
- assessing the assumed tax rates applicable to each country.

For a sample identified based on quantitative and qualitative factors, in relation to the deferred taxes arising from investment properties and investment properties under construction, we performed the following audit procedures:

- reconcile the fair value with the valuation report and the tax value of the relevant investment property with the fixed asset accounting or the client's detailed records;
- validate the mathematical accuracy of the deferred tax calculation.

We also considered the adequacy of the Group's disclosures in Note 10 in respect of income tax.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated annual report and the corporate governance statement but does not include the consolidated financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND OF THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format, as amended ("ESEF Regulation").

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 22 February 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on pages 95 to 111 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as at December 31, 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at December 31, 2021, identified as "Shurgard 2021 ESEF reporting", have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

EY
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

Luxembourg, February 22, 2022

STAND-ALONE FINANCIAL STATEMENTS OF SHURGARD SELF STORAGE S.A. AND AUDITOR'S REPORT

BALANCE SHEET

ASSETS

(in € thousands)		Note(s)		FY 2021		FY 2020
B. Formation expenses	1107	3	107	**7,176**	108	11,120
C. Fixed assets	1109	4-5	109	**831,300**	110	944,613
I. Intangible assets	1125	4	125	1,386	126	2,914
III. Financial assets	1135	5	135	829,914	136	941,699
D. Current assets	1151	6	151	**3,550**	152	204
II. Debtors becoming due and payable within one year	1163	6	163	128	164	40
IV. Cash at bank and in hand	1197		197	3,422	198	164
E. Prepayments	1199		199	**30**	200	26
TOTAL (ASSETS)			201	**842,056**	202	955,963

CAPITAL, RESERVES AND LIABILITIES

		Note(s)		FY 2021		FY 2020
A. Capital and reserves	1301	7-9	301	**840,379**	302	947,400
I. Subscribed capital	1303	7	303	63,592	304	63,506
II. Share premium account	1305	7	305	559,586	306	558,076
IV. Reserves	1309	8	309	253,196	310	352,701
Of which:						
Reserve for own shares	1313		313	2,210	314	6,994
Other reserves, including the fair value reserve	1429		429	250,986	430	345,707
Other available reserves	1431		431	250,986	432	345,707
V. Profit or loss brought forward	1319	9	319	(26,883)	320	(18,746)
VI. Profit or loss for the financial	1321	9	321	(9,112)	322	(8,137)
B. Provisions	1331	11	331	**815**	332	3,316
C. Creditors becoming due and payable within one year	1435	12	435	**862**	436	5,247
TOTAL (CAPITAL, RESERVES AND LIABILITES)			405	**842,056**	406	955,963

The Notes in the annex form an integral part of the accounts.

PROFIT AND LOSS ACCOUNT

(in € thousands)		Note(s)		FY 2021		FY 2020
1. to 5. Gross profit or loss	1701	13	701	**(1,028)**	702	**(9,564)**
6. Staff costs	1605	14	605	**(1,520)**	606	**(1,610)**
Of which:						
Wages and salaries	1607		607	(1,364)	608	(1,513)
Social security costs	1609		609	(54)	610	(29)
Other social security costs	1655		655	(54)	656	(29)
Other staff costs	1613		613	(102)	614	(68)
7. Value adjustments in respect of formation expenses and of tangible and intangible fixed assets	1657	3-4	657	**(5,500)**	658	**(5,485)**
8. Other operating expenses	1621	15	621	**(2,132)**	622	**(2,534)**
10. Income from other investments and loans forming part of the fixed assets	1721	16	721	**2,501**	722	**11,328**
11. Interest payable and similar	1627	17	627	**(1,428)**	628	**(267)**
15. Tax on profit or loss	1635	18	635	**(5)**	636	**(5)**
16. Profit or loss after taxation	1667		667	**(9,112)**	668	**(8,137)**
18. Profit or loss for the financial year	1669		669	**(9,112)**	670	**(8,137)**

The Notes in the annex form an integral part of the accounts.

NOTES TO THE ANNUAL ACCOUNTS AS OF DECEMBER 31, 2021

NOTE 1 – GENERAL INFORMATION

Shurgard Self Storage S.A. (hereafter the "Company" or "SSS") is organized under the laws of the Grand Duchy of Luxembourg with registered office and principal place of business at 11 Rue de l' Industrie, L-8399 Windhof and has been listed on Euronext Brussels since October 15, 2018.

As of December 31, 2021, our shareholders are Shurgard European Holdings LLC ("SEH LLC"), a limited liability company incorporated in 2008 in Delaware, United States ("U.S."), which owns 40.58% of the interest in the Company, Public Storage ("PS"), which owns 0.17% direct interest and 30.86% indirect in the Company through its wholly owned subsidiary HABF 2017, Inc. The New York Common Retirement Fund ("NYCRF") and Public Storage ("PS") own 90% and 10%, respectively, of the interest in SEH LLC. SSS holds 70,771 shares in treasury, representing 0.08% of the issued share capital of the Company. The remaining 28.31% of the Company's ownership is held by the public.

The Company's main activities include funding, guarantees and/or securities delivery, as well as any other form of financing to the affiliated undertakings forming part of the group of the Company and the acquisition and management of participations. It can borrow and lend under any form, even on a subordinated basis, and proceed to bond issues or subscriptions. The Company delivers financial or investment services of any kind to the affiliated undertakings of the group. As a rule, it can take all control or supervision measures and proceed to any financial, estate or real estate, commercial or industrial transaction that will be useful for the achievement and the development of its corporate objectives.

The Company prepares audited consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the EU. These consolidated financial statements are filed at the Luxemburg Chambre de Commerce (RCS).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND GOING CONCERN

The annual accounts have been prepared in accordance with the Law of December 19, 2002, as subsequently amended, on a going concern basis.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The main valuation rules applied by the Company are the following:

2.2.1. FORMATION EXPENSES

Formation expenses are carried at purchase or acquisition price including the expenses incidental thereto, less accumulated amortization. The Company amortizes its formation expenses on a straight-line basis over the five years estimated useful life of the assets.

2.2.2. GOODWILL

Goodwill is carried at purchase or acquisition price including the expenses incidental thereto, less accumulated amortization. The Company amortizes its goodwill on a straight-line basis over the five years estimated useful life of the assets.

2.2.3. FINANCIAL ASSETS

Shares in affiliated undertakings are valued at acquisition cost including the expenses incidental thereto. In case of a durable diminution in value according to the opinion of the Board of Managers, value adjustments are made, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Loans to affiliated undertakings are valued at nominal value. At the end of each financial year, a value adjustment is made for any durable decrease in value, which is considered to be an impairment in value, based on an evaluation of each individual loan. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.4. DEBTORS

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is partially or fully compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.5. FOREIGN CURRENCY TRANSLATION

The Company maintains its accounting records in euros ("€") and its annual accounts are expressed in that currency.

Balances denominated in foreign currencies are translated into € as follows:

- Assets and liabilities in other currencies are translated into € at the rate prevailing on the balance sheet date except for intangible and financial assets which are recorded at the historical exchange rate. Income and expense transactions are recorded at the rate prevailing on the dates of the transactions;
- Realized gains and losses and unrealized losses are reflected in the profit and loss account. Unrealized gains are not recognized in the profit and loss account, except for the reversal of previously recognized unrealized losses.

2.2.6. CREDITORS

Creditors are valued at their nominal value.

2.2.7. PROVISIONS

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet, are either likely or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions are assessed at year end. Provisions recorded in the previous years are reassessed each year and reversed if the reasons for which they were made have ceased to apply.

2.2.8. PREPAYMENTS

This caption includes expenditures incurred during the financial year but relating to a subsequent financial year and capitalized debt financing costs which are amortized according to the straight-line method until the maturity of the debt.

2.2.9. DEFERRED INCOME

This caption includes income received during the financial year but relating to a subsequent financial year.

2.2.10. VALUE ADJUSTMENTS

Value adjustments are deducted directly from the related asset.

NOTE 3 – FORMATION EXPENSES

Formation expenses of €7.2 million (€11.1 million as of December 31, 2020) consist of costs incurred in connection with the IPO and the issuance of new shares.

The movements for the periods ending December 31, 2021 and December 31, 2020 were as follows:

(in € thousands)	FY 2021	FY 2020
Cost of capital increase		
At the beginning of the year	19,847	19,737
Additions	28	110
At the end of the period	**19,875**	**19,847**
Accumulated amortization		
At the beginning of the year	8,727	4,770
Amortization for the period	3,972	3,957
At the end of the period	**12,699**	**8,727**
Net book value		
At the beginning of the year	11,120	14,967
At the end of the period	**7,176**	**11,120**

NOTE 4 – INTANGIBLE ASSETS

Intangible assets consist of goodwill recognised in connection with the November 27, 2017 merger of the Company with its subsidiary SSC Luxembourg S.à r.l (€7.5 million) and the December 5, 2017 merger of the Company with its subsidiary Shurgard Self Storage Luxembourg S.à r.l (€0.2 million).

The movements for the periods ending December 31, 2021 and December 31, 2020 were as follows:

(in € thousands)	FY 2021	FY 2020
Cost of acquisition		
At the beginning of the year	7,638	7,638
Additions	-	-
At the end of the period	**7,638**	**7,638**
Accumulated amortization		
At the beginning of the year	4,724	3,197
Amortization for the period	1,528	1,527
At the end of the period	**6,252**	**4,724**
Net book value		
At the beginning of the year	2,914	4,441
At the end of the period	**1,386**	**2,914**

NOTE 5 – FINANCIAL ASSETS

Shares in affiliated undertakings

Details of the shares in affiliated undertakings held and movements in the year ended December 31, 2021 are as follows :

(in € thousands)

Shares	Country	Portion of capital held as of December 31, 2021	Net book value as of December 31, 2020	Decrease during the period	Net book value as of December 31, 2021	Share-holders' equity as of December 31, 2021	Loss for the year ended December 31 2021
Shurgard Self Storage S.A. treasury shares[1]	Luxembourg	N/A	6,994	(4,785)	2,209	N/A	N/A
Shurgard Luxembourg S.à r.l.	Luxembourg	100%	934,705	(107,000)[2]	827,705	787,841	(1,484)
			941,699	(111,785)	829,914		

1 As of December 31, 2021 and December 31, 2020, the Company owned 70,771 and 224,021 treasury shares with a book value of €2.2 million and €7.0 million, respectively.
2 On December 14, 2021 the Board of Directors of Shurgard Luxembourg S.à.r.l. agreed on a reduction in kind of its share premium of €107 million in favor of the Company, consisting of a reduction of a payable in the same amount due by the Company to Shurgard Luxembourg S.à.r.l.. In the accounts of the Company, the share premium reduction has been accounted for as a reduction of its investment in Shurgard Luxembourg S.à.r.l..

The Management assessed the financial position and performance of the affiliated undertakings owned and as a result thereof is of the opinion that no permanent impairment has been triggered as of December 31, 2021.

NOTE 6 – DEBTORS

Debtors becoming due and payable within one year typically represent receivables from affiliated undertakings and prepayments of vendor invoices.

NOTE 7 – SUBSCRIBED CAPITAL AND SHARE PREMIUM

As of December 31, 2021, the Company's share capital and share premium are €63,592,365 (€63,505,833 as of December 31, 2020) and €559,586,298 (€558,076,248 as of December 31, 2020), respectively.

During 2021, in connection with the exercise of options under the Company's share option plans, the Company issued 121,250 new shares to satisfy the exercise of stock options under various Group's stock option plans. Of the €1,596,582 subscription price, €86,532 has been allocated to share capital and the remainder, €1,510,050, has been allocated to share premium.

NOTE 8 – RESERVES

As of December 31, 2020, the Company's reserves of €352,700,896 consist of (i) €6,994,224 reserves for own shares and (ii) €345,706,672 other available (distributable) reserves.

On May 5, 2021, the shareholders of the Company approved the distribution of a final cash dividend for 2020 for an amount of fifty-seven eurocents (€0.57) per share, resulting in an aggregate dividend distribution for an amount of €50,609,975 from the other available (distributable) reserves (the "Annual Dividend"). The payment of the Annual Dividend occurred on May 12, 2021.

On August 17, 2021, the other available (distributable) reserves were reduced by €48,895,512 in connection with the distribution of the interim dividend for 2021 of €0.55 per ordinary share, paid on October 1, 2021.

As of December 31, 2021, the Company's reserves of €253,195,409 consist of (i) €2,209,562 reserves for own shares and (ii) €250,985,847 other available (distributable) reserves.

NOTE 9 – PROFIT OR LOSS FOR THE FINANCIAL YEAR AND BROUGHT FORWARD

The company recognized a loss of €9,111,861 during the year ended December 31, 2021 (a loss of €8,136,887 during the year ended December 31, 2020), which has been brought forward.

NOTE 10 – SHARE OPTIONS GRANTED UNDER THE 2021 PLAN

In connection with a new equity compensation plan approved on February 23, 2021, the Group granted on August 2, 2021, 1,651,000 share options at an exercise price of €43.05. On September 1, 2021, the Company granted in addition 200,000 options under the 2021 share option plan at an exercise price of €47.75.

These options have a two-stage vesting period with (i) 60% of the stock options vesting three years from the option grant date, and (ii) the remaining 40% of the stock options will vest after a period of five years after the date they are being offered.

NOTE 11 - PROVISIONS

Under various share-based compensation plans, the Company has issued shares options in 2015, 2017 and 2018, of which 89,500, 217,500 and 844,000 options, respectively, (or 1,151,000 options in total) were outstanding as of December 31, 2020.

As of December 31, 2020, we had a provision for future loss on exercise of share options of €3.3 million.

The decrease in the provision of €11.3 million during the year ended December 31, 2020 was partially recharged to affiliated entities accordingly (Note 13).

During 2021, 79,500 share options under the 2015 plan, 63,000 share options under the 2017 plan and 132,000 share options under the 2018 plan have been exercised. These exercises have been settled through the issuance of 121,250 new ordinary shares (Note 7) and partially through the sale of 153,250 treasury shares held by the Company. Because all exercised 2015 options and 41,750 of the exercised 2017 options have been settled by the issuance of new shares, and all exercised 2018 options have been settled by the sale of treasury shares, the treasury shares remaining as of December 31, 2021 (70,771 treasury shares) have been reallocated to the options outstanding under the 2015 and 2017 share option plans as of December 31, 2021.

Based on the total number of equity awards outstanding (2,727,500), the number of treasury shares held by the Company (70,771) and the per share book value of the treasury shares (€31.22), the Company decreased during the year ended December 31, 2021 its provision for future loss on exercise of share options by €2.5 million to €0.8 million, allocated as follows:

(in € except for options outstanding)	Options outstanding	Per share book value treasury shares	Share price	Exercise price per option	Future loss on exercise share options
Share options granted in 2015[1]	10,000	31.22	N/A	8.77	224,513
Share options granted in 2017[1]	60,771	31.22	N/A	21.51	590,165
	70,771				**814,678**

[1] For an amount of share options equal to the number of 70,771 treasury shares held by the Company as of December 31, 2021 at a weighted average purchase price of €31.22, the Company will realize a loss of €0.8 million upon exercise of the vested options

The decrease in the provision of €2.5 million during 2021 has been partially recharged to affiliated entities (€2.5 million) entities (Note 13).

NOTE 12 – CREDITORS

As of December 31, 2021 and December 31, 2020, creditors becoming due and payable within one year include the following:

(in € thousands)	FY 2021	FY 2020
Payable to Shurgard Luxembourg S.à.r.l	-	4,199
Payable to other Shurgard affiliates	8	46
Accrued bonus and social security expense	204	239
Accounts payable	-	2
Accrued consultancy fees	354	405
Invoices to receive	296	356
	862	**5,247**

NOTE 13 – GROSS PROFIT OR LOSS

Gross loss of €9.6 million for the year ended December 31, 2020 consists of proceeds of the recharges of (i) €9.8 million reversal of provision for loss on future exercise of share options that is attributable to other affiliated entities (Note 10), (ii) €0.1 million loss from the sale of treasury shares (Note 17) and (iii) €0.1 million Director's liability insurance premiums that are partially recharged to affiliated entities (Note 15).

Gross loss of €1.0 million for the year ended December 31, 2021 consists of proceeds of the recharges of (i) €2.5 million reversal of provision for loss on future exercise of share options that is attributable to other affiliated entities (Note 10), (ii) €1.3 million loss from the sale of treasury shares (Note 17) and (iii) €0.2 million Director's liability insurance premiums that are partially recharged to affiliated entities (Note 15).

NOTE 14 – STAFF COSTS

During the year ended December 31, 2021, the Company employed one full time employee (two full time employees in 2020) and five part-time employees (five part-time employees in 2020) for whom it incurred the following staff costs:

(in € thousands)	FY 2021	FY 2020
Gross payroll	565	509
Employers' social security	54	29
Bonus expense	123	263
Other staff costs[1]	102	68
	844	**869**

[1] Other staff costs consist mainly of pension plan expenses, other social benefits.

In addition, wages and salaries include €0.7 million and €0.7 million for the years ended December 31, 2021 and 2020, respectively, of gross director's fees paid to the non-executive members of the Company's Board.

NOTE 15 – OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

(in € thousands)	FY 2021	FY 2020
Lawyer's, tax and other consultancy fees	454	767
Travel expense, irrecoverable VAT and other expenses	474	381
Centralized support. service charges recharged by affiliated undertakings	797	982
Auditor's fees	63	96
Insurance expense – D&O[1]	161	137
Public Relations	67	42
Membership (association) fees	116	129
	2,132	2,534

1 Director's liability insurance premiums are partially recharged to affiliated entities (€155). This recharge is disclosed in the caption "Gross profit or loss" in the profit and loss account (Note 13).

NOTE 16 – INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF THE FIXED ASSETS

Other income consists of the following:

- The Company decreased during the year ended December 31, 2021 its provision for future loss on exercise of share options by €2.5 million to €0.8 million (Note 10);
- The Company decreased during the year ended December 31, 2020 its provision for future loss on exercise of share options by €11.3 million to €3.3 million (Note 11).

NOTE 17 – INTEREST PAYABLE AND SIMILAR EXPENSES

Other interest and similar expenses consists of:

(in € thousands)	FY 2021	FY 2020
Loss on sale of Treasury Shares[1]	1,291	133
Bank charges	55	30
Fees paid to (share) liquidity providers	70	97
Bank interest	6	1
Realized exchange losses	6	6
	1,428	**267**

1 In the year ended December 31, 2021, in connection with the exercise of 21,250 share options that were granted in 2017 and 132,000 share options that were granted in 2018, the Company sold to the option holders an equal number of Treasury Shares for €3.5 million at a loss of €1.3 million.
In the year ended December 31, 2020, in connection with the exercise of 4,500 share options that were granted in 2015 and 2017, the Company sold to the option holders an equal number of Treasury Shares for €0.1 million at a loss of €0.1 million.

NOTE 18 – TAX ON PROFIT OR LOSS

The Company is subject to the general tax regulations applicable to all commercial companies in Luxembourg.

NOTE 19 – EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after balance sheet date.

SHURGARD SELF STORAGE

SOCIÉTÉ ANONYME

11 RUE DE L' INDUSTRIE
L – 8399 WINDHOF

R.C.S. LUXEMBOURG B 218 238
(the « **Company** »)

ANNUAL REPORT BY THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF MAY 4, 2022

We are pleased to report on the operations of the Company for the year 2021 and to submit for your approval the annual accounts for the financial year ended on December 31, 2021.

1. OVERVIEW

The Company is a public limited company (*"société anonyme"*) organized under the laws of the Grand Duchy of Luxembourg with registered office and principal place of business of the Company at 11 Rue de l' Industrie, L-8399 Windhof.

As of December 31, 2020, the subscribed capital of the Company was €63,505,833, divided into eighty-eight million nine hundred eighty-four thousand nine hundred fifty-two (88,984,952) shares without nominal value, all of which are fully paid up, including two hundred and twenty-four thousand and twenty-one (224,021) own shares held as treasury shares.

During 2021, the Company issued 121,250 new shares to satisfy the exercise of stock options under the Group's stock option plans. Of the €1,596,582 subscription price, €86,532 has been allocated to share capital and the remainder, €1,510,050 has been allocated to share premium.

As of December 31, 2021, the subscribed capital of the Company was €63,592,365, divided into eighty-nine million one hundred and six thousand two hundred and two (89,106,202) shares without nominal value, all of which are fully paid up, including seventy-thousand seven hundred and seventy-one (70,771) own shares held as treasury shares.

As of December 31, 2020, the distributable reserves of the Company were €345,706,672.

On May 5, 2021, the shareholders of the Company approved the distribution of a cash dividend for 2020 of fifty-seven eurocents (€0.57) per share, resulting in an aggregate dividend distribution in an amount of €50,609,975 from the other available (distributable) reserves (the "Annual Dividend"). The payment of the Annual Dividend occurred on May 12, 2021.

On August 17, 2021, the Board of Directors resolved to declare and pay in respect of the first six months of 2021 an interim dividend of €0.55 per share, resulting in an aggregate interim dividend distribution in an amount of €48,895,512 (the "Interim Dividend"). The Interim Dividend was paid on October 1, 2021 from the other available (distributable) reserves.

During the year ended December 31, 2021, the other available (distributable) reserves have been increased by €4,784,662 to €250,985,847 to decrease the unavailable reserve for own shares to €2,209,562.

As of December 31, 2021, the distributable reserves of the Company were €250,985,847.

2. THE RESULT OF THE YEAR

During the year ended December 31, 2021, the Company realized a loss of €9,111,861.

Taking into account the loss brought forward from the previous year amounting to €26,883,226, the loss to be allocated amounts to €35,995,087, which we suggest to carry forward:

Loss of the year	€	9,111,861
Losses brought forward	€	26,883,226
Loss carried forward	€	35,995,087

Considering that the other available (distributable) reserves amount to €250,985,847 as of December 31, 2021, the amount available for distribution is €214,990,760. We suggest to submit to the Annual General Meeting of shareholders a proposal to approve the distribution from the other available (distributable) reserves of a total dividend amount of €55,201,962 (or €0.62 per share) taking into account the total number of outstanding shares as per December 31, 2021. This amount corresponds to a dividend of €1.17 per share for 2021, less the interim dividend of €0.55 per share that was paid on October 1, 2021.

As of December 31, 2021, the Company's total assets amount to €842.1 million.

The assets of the Company comprise €7.2 million formation expenses, €1.4 million intangible assets, €829.9 million of financial assets, consisting of €827.7 million in shares in its affiliated undertaking Shurgard Luxembourg S.à.r.l. ("Shurgard Luxembourg") and €2.2 million in own shares held as treasury shares and €3.6 million of current assets (cash at bank as well as amounts owed by affiliated undertakings and in hand and prepaid expenses).

3. RESEARCH AND DEVELOPMENT

There were no research and development activities during the financial year.

4. OWN SHARES

As of December 31, 2020, the Company directly held 224,021 own shares with book value of €7.0 million, for which the Company created an unavailable reserve for own shares of the same amount.

During the year ended December 31, 2021, the Company sold to certain employees 153,250 treasury shares for €3.5 million at a loss of €1.3 million in connection with the exercise of 21,250 share options granted under the 2017 plan and 132,000 options granted under the 2018 plan.

On December 31, 2021, the Company owns 70,771 own shares with book value of €2.2 million, for which the Company created an unavailable reserve for own shares of the same amount.

5. ALLOCATION OF FREE SHARES

During the year ended December 31, 2021, the Company did not grant any share options to employees and executives of the Company and its subsidiaries.

6. SHARE OPTIONS GRANTED UNDER THE 2021 SHARE OPTION PLAN

In connection with a new equity compensation plan approved on February 23, 2021, the Company granted on August 2, 2021, 1,651,000 stock options at an exercise price of €43.05 (the "2021 Equity Compensation Plan"). On September 1, 2021, the Company granted in addition 200,000 options at an exercise price of €47.75 under the 2021 Equity Compensation Plan.

The maximum number of stock options and restricted stock units intended to be granted under the plan is 2,000,000.

The options have a two-stage vesting period with (i) 60% of the stock options vesting 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.

7. AUDITOR'S FEES

During the year ended December 31, 2021, EY as "*Réviseur d'Entreprises agréé*" did not charge to the Company any amounts for exceptional services or the performance of special assignments.

8. PRINCIPAL RISKS, UNCERTAINTIES, OUTLOOK AND NON-FINANCIAL STATEMENT

Principal risks and uncertainties, outlook and non-financial key performance indicators are disclosed in the consolidated financial statements and the related management report.

9. INTRA-GROUP FACILITIES

In connection with and to finance the payment of the Annual Dividend and the Interim Dividend, the Company received during the year ended December 31, 2021 cash advances from Shurgard Luxembourg totaling €107.0 million.

On December 15, 2021, the Board of Managers of Shurgard Luxembourg S.à.r.l. agreed on a share premium reduction in kind of €107.0 million in favour of the Company. In the accounts of the Company, the share premium reduction has been accounted for as a reduction of its investment in Shurgard Luxembourg S.à.r.l. and a reduction in the amount of cash advances outstanding.

During the year ended December 31, 2021, there were no other loans granted to or by affiliated undertakings.

10. SHARES IN AFFILIATED UNDERTAKINGS

The net book value of the Company's shareholdings in Shurgard Luxembourg S.à.r.l. as of December 31, 2021 and 2020 amounts to €827,704,747 and €934,704,747. During the year ended December 31, 2021, the shareholding in Shurgard Luxembourg S.à.r.l. have been decreased in connection with a share premium reduction in kind conducted by Shurgard Luxembourg S.à.r.l. for an amount of €107,000,000.

As of December 31, 2021, the Company did not recognize any impairment losses on its shareholdings in affiliated undertakings.

11. COMPANY BRANCHES

During the financial year, the Company did not own or create any Company branches.

12. CORPORATE GOVERNANCE

The information on the corporate governance of the Company is disclosed in the consolidated financial statements and the related management report.

More information on this topic can also be found in the "Corporate" section of the Company's website (www.shurgard.com). It contains the Company's corporate governance charter, and information such as the latest version of the Company's governance documents (articles of association), and information on the composition of the Board of Directors. The "Corporate" section also contains the financial calendar and other information that may be of interest to shareholders.

13. LUXEMBOURG TAKEOVER LAW DISCLOSURE

The Company is required to make the following disclosures in compliance with article 11 of the Luxembourg Law of May 19, 2006, transposing Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004, on takeover bids (the "Transparency Law"):

(a) Capital Structure

The Company has issued a single category of shares (ordinary shares). As of December 31, 2021, the share capital was set at €63,592,365 divided into 89,106,202 shares, with no nominal value. The share capital has been fully paid up. The shares exist in dematerialized form (*titres dématérialisés*) and have been issued pursuant to Luxembourg law. According to Article 7.1 of the Company's Articles of Association each share entitles to one vote. With the Company's IPO on October 15, 2018, all shares were admitted to trading on the regulated market of Euronext Brussels. The shareholder structure as of December 31, 2021 is set out in the Share Capital section of this Management Report.

(b) Restrictions on the transfer of securities

The Company shares are freely transferable in accordance with the legal requirements for dematerialized shares. The Board of Directors may, however, impose transfer restrictions for shares that are registered, listed and admitted to trading, quoted, dealt in or have been placed in certain jurisdictions in compliance with the requirements applicable therein. The transfer of a dematerialized share occurs by book-entry.

(c) Direct and indirect shareholdings

The ownership in the Company by each shareholder who is known to be the (direct or indirect) holder of shares of the Company representing 5% or more of the Company's voting rights is as follows:

Shareholder	Number	%
NYSCRF	32,544,722	36.5
Public Storage	31,268,459	35.1
Public	25,222,250	28.3
Shurgard Self Storage S.A. (treasury shares)	70,771	0.1
Total	89,106,202	100.0

(d) Special control rights

All the issued and outstanding shares in the Company have equal voting rights and there are no special control rights attached to the shares. As per article 7.1 of the Articles of Association of the Company each share is entitled to one vote.

(e) Control system of employee share schemes

The Board of Directors is not aware of any system of control of any employee share scheme where the control rights are not exercised directly by the employees.

(f) Restrictions on voting rights

In general, there are no restrictions on the voting rights of the Company shares. However, the sanction of suspension of voting rights automatically applies to any shareholder (or group of shareholders) who has (or have) crossed the thresholds set out in articles 8 to 15 of the Transparency Law but have not notified the Company accordingly. The sanction of suspension of voting rights will apply until the notification has been properly made by the relevant shareholder(s).

(g) Appointment/replacement of board members and Amendments of the Articles of Association

According to Articles 9.1 to 9.3 of our Articles of Association, the Company shall be managed by a Board of Directors. Each Director will be appointed by the General Meeting. The General Meeting shall determine the number of Directors, and the duration of their mandate is set at one year. Each Director is eligible for re-appointment and may be removed at any time, with or without cause by a resolution of the General Meeting. In the event of a vacancy on the Board of Directors, the remaining Directors may elect by co-optation a new Director to fill such vacancy until the next General Meeting, which shall ratify such co-optation or elect a new Director instead.

An amendment of our Articles of Association must be adopted by an extraordinary resolution at a General Meeting in front of a Luxembourg public notary. A two-thirds majority of the votes cast by the shareholders present or represented is required. Our Articles of Association do not provide for any specific conditions that are stricter than required by Luxembourg law.

(h) Powers of Board Members

According to Article 10 of our Articles of Association, the Board of Directors is vested with the broadest powers to perform all acts necessary or useful to accomplish the Company's object. All powers not expressly reserved by the Articles of Association or by the Laws to the General Meeting or to the Auditor(s) shall be within the competence of the Board of Directors.

As of December 31, 2021, according to Article 6.1 of our Articles of Association, the authorized capital of the Company (including the issued share capital) was set at €95,800,729.98 divided into 134,236,856 shares without nominal value. According to Article 6.2 of our Articles of Association, the Board of Directors is authorized, up to the maximum amount of the authorized capital, to:

- Increase the issued share capital in one or several tranches with or without share premium, against payment in cash or in kind, by conversion of claims on the Company or in any other manner;
- Issue subscription and/or conversion rights in relation to new shares or instruments under the terms and conditions of warrants (which may be separate or linked to shares, bonds, notes or similar instruments issued by the Company), convertible bonds, notes or similar instruments;
- Determine the place and date of the issue or successive issues, the issue price, the terms and conditions of the subscription of and paying up on the new shares and instruments and
- Remove or limit the statutory preferential subscription right of the shareholders.

The above authorizations are valid until September 26, 2023, which corresponds to a period ending five years after the date of the General Meeting creating the authorized capital. The above authorizations may be renewed, increased or reduced by a resolution of the General Meeting with a two-thirds majority of the votes cast by the shareholders present or represented.

(i) Change of control agreements

If a change of control occurs, each individual lender under the €250 million revolving facility entered into in 2018, may cancel its commitment by not less than a 30 days' notice and require repayment of its share in all outstanding loans. The outstanding U.S. Private Placement Notes requires us to make an offer to prepay all outstanding U.S. Private Placement Notes if, within a period of 90 days following the occurrence of a change of control, the rating assigned to the U.S. Private Placement Notes (or any other of our unsecured and unsubordinated indebtedness having an initial maturity of five years or more) immediately prior to the change of control is lowered below investment grade and/or withdrawn(or, in absence of any rated U.S. Private Placement Notes, we fail to obtain an investment grade rating of such rated debt instruments).

(j) End of employment compensation

There are no agreements between the Company and its Board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

14. EVENTS AFTER THE CLOSING

After the accounts closing date, no other specific circumstances or facts occurred that would be likely to influence the results substantially or the future development of the Company.

15. DISCHARGE OF LIABILITY TO THE DIRECTORS AND THE STATUTORY AUDITOR

We therefore propose you to approve the annual accounts as they have been presented in the pages to follow and ask you to grant discharge to the directors and to EY as '*'Réviseur d'Entreprises agréé*' from any liability resulting from the performance of their duties during the financial year ended on December 31, 2021.

Responsibility statement

We confirm to the best of our knowledge that the annual accounts of the Company presented in this annual report and established in conformity with the Luxembourg legal and regulatory requirements relating to the preparation of annual accounts give a true and fair view of the assets, liabilities, financial position and results of the Company.

February 22, 2022

Marc Oursin
Chief Executive Officer

Jean Kreusch
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Shurgard Self Storage S.A.
11, rue de l'Industrie
L-8399 Windhof

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **Shurgard Self Storage S.A.** the "Company", which comprise the balance sheet as at December 31, 2021, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

BASIS FOR OPINION

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As at December 31, 2021, Company's investment in financial assets amounted to KEUR 827.705 representing about 98 % of the total balance sheet. As the Company is the ultimate holding of the group, it holds indirectly shares in and loans to affiliated undertakings which are operating in different European countries. These investments are recognised and valued at historical acquisition cost and are subject to value adjustments in case of permanent impairment in value. In assessing whether such permanent impairment exists, management considers factors that could give rise to the impairment of its individual investments and evaluates whether the impairment is of permanent nature when an eventual impairment loss is identified. We considered the valuation of financial assets to be a key audit matter because it requires a high level of management judgement and due to the materiality of the amounts involved.

Auditor's response

We considered management's impairment assessment based on our understanding of the investments and existing market conditions. We compared the individual net carrying value of the direct and indirect investments to the individual net assets of each of the entities in which the Company holds directly and indirectly the shares based on their most recent available financial information. Where applicable, we assessed management's adjustments to the net assets of these entities representing mainly the adjustment for unrecognised fair value gains or losses on the properties that these entities own. We assessed management's conclusions of whether any identified potential impairment losses were of permanent nature. We also assessed the adequacy of the Company's disclosures in respect of the accounting policies related to the valuation of financial assets.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report and the corporate governance statement but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND OF THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 22 February 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying corporate governance statement on pages 95 to 111 is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the financial statements of the Company as at December 31, 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Company, it relates to:

- Financial statements prepared in valid xHTML format;

In our opinion, the financial statements of the Company as at December 31, 2021, identified as "Shurgard 2021 ESEF reporting" have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

EY
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

Luxembourg, 22 February 2022

APPENDIX
ALTERNATIVE PERFORMANCE MEASURES (APM)

ALTERNATIVE PERFORMANCE MEASURES (APM)

APM are defined by the European Securities and Markets Authority ('ESMA') as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified by IFRS, as adopted by the EU.

SAME STORE AND NON-SAME STORE

The Group's most important APM, as also apparent from the segment reporting, relates to same stores and non-same stores. Shurgard classifies as 'same stores' (i) all developed stores that have been in operation for at least three full years, and (ii) all acquired stores that we have owned for at least one full year, each measured as of January 1 of the relevant year. Any stores that are not classified as same stores for a given year are presented as 'non-same stores', comprising (i) all developed stores that have been in operation for less than three full years ('new stores') and (ii) acquired stores that we have owned for less than one full year ('acquired stores'), each measured as of January 1 of the relevant year.

As a result, on a year-to-year basis, the size of our same store network changes based on the reclassification of stores from non-same stores to same stores following the time periods described in the prior paragraph. Under some circumstances, for purposes of these full-year metrics, this results in significant changes in financial and operational metrics presented on a segmental basis from year to year.

In line with common practice in self-storage and other industries (e.g. retail), same store information is a crucial factor to assess the performance of the organic business, while at the same time providing information on the expansion activities of the Group. For this reason, the Chief Operating Decision Maker ('CODM') reviews the performance of the Group based on this distinction (see Note 11 of the 2021 Annual Report) and same store information represents part of the numeration for senior management, as can be seen in the Remuneration report included in the 2021 Annual Report.

INCOME FROM PROPERTY ('NOI')

NOI is calculated as 'Property operating revenue' (A) less 'Real estate operating expenses' (B) for the relevant period and can be reconciled to the closest line item in the financial statements as follows:

Income statement line item	Reference to 2021 annual report	2021	2020
Rental revenue	Note 6	258,626	232,286
Insurance revenue	Note 6	30,282	28,134
Ancillary revenue	Note 6	11,038	10,548
Property operating revenue (A)		*299,946*	*270,968*
Other revenue	Note 6	429	415
Real estate operating revenue	**Statement of Profit and Loss**	**300,375**	**271,383**

Income statement line item	Reference to 2021 annual report	2021	2020
Payroll expense	Note 7	41,418	38,489
Real estate and other taxes	Note 7	15,918	15,426
Repairs and maintenance	Note 7	9,886	8,047
Marketing expenses	Note 7	8,258	7,949
Utility expenses	Note 7	3,754	3,870
Other operating expenses	Note 7	17,526	15,767
Doubtful debt expense	Note 7	3,397	4,265
Cost of insurance and merchandise sales	Note 7	5,409	4,398
Real estate operating expenses (B)	**Statement of Profit and Loss**	**105,566**	**98,211**
Net Operating Income (NOI)	**(A) – (B)**	**194,380**	**172,757**

NOI measures the financial performance of our properties. It focuses on property operating revenue (generated through the lease of storage units and related activities, including insurance referrals and the sale of storage products and packaging) less real estate operating expense. As such it is a key performance indicator of the performance of the Group's core operating activity.
As explained in Note 11 to our 2021 financial statements, the Group's CODM periodically receives and reviews NOI when making capital allocation and operating decisions. Further, NOI represents a crucial input in the valuation of the Group's investment property, as described in Note 15 to our 2021 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	2021	2020
Net Operating Income (NOI)		194,380	172,757
Property operating revenue	÷	299,946	270,968
NOI Margin %	=	64.8%	63.8%

NET (FINANCIAL) DEBT

Net debt represents our long-term and short-term interest-bearing loans and borrowings, including lease obligations and excluding debt issuance costs, less cash and cash equivalents. This liquidity metric is used to evaluate the Group's capability of repaying all its debts, were they due immediately.

The calculation of Net financial debt can also be found in Note 36 to the 2021 annual report:

(in € thousands)	2021	2020
Carrying value of interest-bearing loans and borrowings (Note 27)	797,579	598,428
Unamortized portion of debt financing cost (Note 27)	2,421	1,572
Carrying value of lease obligations (Note 29)	88,368	81,717
Cash and cash equivalents (Note 20)	(219,170)	(102,998)
Net financial debt	**669,198**	**578,719**

LOAN-TO-VALUE ('LTV')

LTV, which stands for loan-to-value, represents the Group's Net Debt divided by the fair value of investment properties, expressed as a percentage and is a commonly used leverage KPI in the real estate industry. The calculation can be found in Note 36 to the 2021 annual report. The Group reviews its capital structure based on this metric with the primary objective to ensure that it complies with its debt covenants. The Group targets a loan-to-value ratio of 25% with a short- to mid-term maximum amount of 35%.

The calculation can also be found in Note 36 to the 2021 annual report:

(in € thousands)	2021	2020
Net financial debt	669,198	578,719
Investment property and investment property under construction (Note 14)	3,847,067	3,204,525
Loan-to-value ratio	**17.4%**	**18.1%**

INTEREST COVERAGE RATIO ('ICR')

ICR, which stands for interest coverage ratio, represents the Group's earnings before interest, taxes, depreciation, and amortization (EBITDA) divided by the total interest expense, expressed as a ratio. The ICR of 8.7x demonstrates Shurgard's capacity to meet its outstanding debt obligations on time.

(in € thousands)	2021	2020
EBIDTA	174,865	157,282
Total interest expense	19,985	18,268
Interest coverage ratio	**8.7x**	**8.6x**

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.

EARNINGS BEFORE INTEREST, DEPRECIATION AND AMORTIZATION (EBITDA)

EBITDA, which represents reported operating earnings before interest, tax, depreciation and amortization, excluding (i) valuation gains from investment property and investment property under construction and (ii) losses or gains on disposal of investment property, plant and equipment and assets held for sale.

CONSTANT EXCHANGE RATE ('CER')

Certain of the above-mentioned non-GAAP measures, such as EBITDA, are also presented at constant exchange rate (CER) vs actual exchange rate (AER), in order to highlight the underlying operating performance vs. the impact of changes in exchange rate on the particular KPI.

EUROPEAN PUBLIC REAL ESTATE ASSOCIATION ('EPRA') APM

In addition to the above, the Group mainly uses alternative performance measures that are issued and defined by EPRA with the aim to align the various accounting and reporting methodologies for the public real estate sector in Europe in order to increase the overall transparency of the sector by providing performance measures that result meaningful information for the readers of the financial statements.

The EPRA KPIs used by Shurgard are based on the EPRA best practice guidelines dated October 2020.

The table below provides a summarized overview of the Company's key APM, consisting of, (Adjusted) EPRA earnings, NAV, EPRA NRV, EPRA NTA and EPRA NDV:

(in € thousands, except for earnings per share)	2021	2020
EPRA earnings	129,426	93,620
EPRA earnings per share (basic) €	1.46	1.06
EPRA earnings per share (diluted) €	1.45	1.05
Adjusted EPRA earnings	131,049	118,015
Adjusted EPRA earnings per share (basic) €	1.48	1.33
Adjusted EPRA earnings per share (diluted) €	1.47	1.32
NAV	2,472,543	2,087,381
NAV per share (basic) €	27.77	23.52
NAV per share (diluted) €	27.47	23.40
EPRA NRV	3,409,642	2,766,875
EPRA NRV per share (diluted) €	37.38	31.01
EPRA NTA	3,112,598	2,517,885
EPRA NTA per share (diluted) €	34.58	28.22
EPRA NDV	2,417,628	2,012,946
EPRA NDV per share (diluted) €	26.87	22.56

The basis of calculation of each of the above measures set out above, are illustrated below.

EPRA EARNINGS AND EPRA EARNINGS PER SHARE

(in € thousands, except for earnings per share)	2021	2020
Profit attributable to ordinary equity holders of the parent for basic earnings	**446,848**	289,475
Adjustments:		
Gain on revaluation of investment properties	(466,575)	(256,889)
Profits or losses on disposal of investment properties, development properties held for investment, right of use assets and other interests	-	1
Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-	-
Tax on profits or losses on disposals	-	-
Negative goodwill / goodwill impairment	-	-
Changes in fair value of financial instruments and associated close-out costs	-	-
Acquisition costs of business combinations and non-controlling joint venture interests	-	6
Current and deferred tax in respect of EPRA adjustments	148,668	61,112
Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	-	-
Non-controlling interests in respect of the above	485	(85)
EPRA earnings	**129,426**	93,620
EPRA earnings per share (basic) €	**1.46**	1.06
EPRA earnings per share (diluted) €	**1.45**	1.05

ADJUSTED EPRA EARNINGS AND ADJUSTED EPRA EARNINGS PER SHARE

(in € thousands, except for earnings per share)	FY 2021	FY 2020
EPRA earnings	**129,426**	93,620
Company specific adjustments:		
Deferred tax expense on items other than the revaluation of investment property	2,448	29,203
Insurance recovery on burnt down property to be rebuilt	(967)	-
Net impact of tax assessments	142	(5,036)
Non-controlling interests in respect of the above	-	228
Adjusted EPRA Earnings	**131,049**	118,015
Adjusted EPRA earnings per share (basic) €	**1.48**	1.33
Adjusted EPRA earnings per share (diluted) €	**1.47**	1.32

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)	2021	2020
GBP/EUR exchange rate – increase 10%	2,526	2,139
SEK/EUR exchange rate – increase 10%	2,533	2,379
DKK/EUR exchange rate – increase 10%	759	747

Positive amounts represent an increase in adjusted EPRA earnings.

NAV (BASIC AND DILUTED)

Basic NAV per share amounts are calculated by dividing net assets in the statement of financial position attributable to ordinary equity holders of the parent by the number of ordinary shares outstanding at the reporting date.

The following reflects the net asset and share data used in the basic and diluted NAV per share computations:

(in € thousands, except for number of shares and NAV per share)	2021	2020
NAV attributable to ordinary equity holders of the parent	**2,472,543**	**2,087,381**
Number of ordinary shares at the reporting date	89,035,431	88,760,931
Number of diluted shares at the reporting date	981,195	450,286
NAV per share (basic) €	**27.77**	**23.52**
NAV per share (diluted) €	**27.47**	**23.40**

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)	2021	2020
Equity attributable to ordinary equity holders of the parent (diluted)	**2,472,543**	2,087,381
Include / Exclude:		
Hybrid instruments	-	-
Diluted NAV	**2,472,543**	2,087,381
Include:		
Revaluation of investment properties	-	-
Revaluation of investment properties under construction	-	-
Revaluation of other non-current investments	-	-
Revaluation of tenant leases held as finance leases	-	-
Revaluation of trading properties	-	-
Diluted NAV at fair value	**2,472,543**	2,087,381
Exclude:		
Deferred taxes in relation to fair value gains on investment property	645,981	436,170
Fair value of financial instruments	-	-
Goodwill as a result of deferred tax	-	-
Include:		
Revaluation of intangibles to fair value	-	-
Real estate transfer tax	291,118	243,324
EPRA NRV	**3,409,642**	2,766,875
EPRA NRV per share (diluted) €	**37.38**	31.01

In the above EPRA NRV calculation, the fair value adjustment of our notes issued and deferred tax expense other than on the fair value adjustment of investment property are not considered, and real estate transfer tax has been considered.

EPRA NTA (DILUTED)

The EPRA NTA scenario is focused on reflecting a company's tangible assets and assumes that companies buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax liability.

(in € thousands, except for NRV per share)	2021	2020
Equity attributable to ordinary equity holders of the parent (diluted)	**2,472,543**	**2,087,381**
Include / Exclude:		
Hybrid instruments	-	-
Diluted NAV	**2,472,543**	**2,087,381**
Include:		
Revaluation of investment properties	-	-
Revaluation of investment properties under construction	-	-
Revaluation of other non-current investments	-	-
Revaluation of tenant leases held as finance leases	-	-
Revaluation of trading properties	-	-
Diluted NAV at fair value	**2,472,543**	**2,087,381**
Exclude:		
Deferred taxes in relation to fair value gains on investment property	645,981	436,170
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	(5,926)	(5,666)
Include:		
Real estate transfer tax[1]	-	-
EPRA NTA	**3,112,598**	**2,517,885**
EPRA NTA per share (diluted) €	**34.58**	**28.22**

1 The Company did not opt for the "optimised net property value" approach, as we do not have a history that would indicate that we can achieve lower taxes when buying and selling and as we have a buy and hold strategy, which would indicate limited relevance of the optimised EPRA NTA.

In the above EPRA NTA calculation, the fair value adjustment of our notes issued and deferred tax expense other than on the fair value adjustment of investment property are not taken into account.

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)	2021	2020
Equity attributable to ordinary equity holders of the parent (diluted)	**2,472,543**	2,087,381
Include / Exclude:		
Hybrid instruments	-	-
Diluted NAV	**2,472,543**	2,087,381
Include:		
Revaluation of investment properties	-	-
Revaluation of investment properties under construction	-	-
Revaluation of other non-current investments	-	-
Revaluation of tenant leases held as finance leases	-	-
Revaluation of trading properties	-	-
Diluted NAV at fair value	**2,472,543**	2,087,381
Exclude:		
Goodwill as a result of deferred tax	-	-
Goodwill recognized in the statement of financial position	-	-
Include:		
Fair value of fixed interest rate debt: carrying value senior guaranteed notes lower than fair value (Note 35)	(54,915)	(74,436)
EPRA NDV	**2,417,628**	2,012,945
EPRA NDV per share (diluted) €	**26.87**	22.56

CAPITAL EXPENDITURE

(in € thousands)	2021	2020	+/-
Acquisitions / Additions	47,813	57,212	-16.4%
Development	55,564	58,811	-5.5%
Other: completed properties	27,700	21,312	30.0%
Like-for-like portfolio	-	-	N/A
Capital Expenditure	**131,077**	**137,335**	**-4.6%**

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 businesses' and 'Capital expenditure' presented in Note 14, Investment property and investment property under construction.

Acquisitions/Additions relate to six stores acquired in London.

EPRA VACANCY RATE

(in € thousands, at CER, except where indicated)	2021	2020	+/-
Estimated rental revenue of vacant space	36,423	32,883	10.8%
Estimated rental revenue of the whole portfolio	295,048	267,751	10.2%
EPRA Vacancy Rate	**12.3%**	**12.3%**	**0.1pp**

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 12.3% at the end of 2021 remaining stable compared to 12.3% in 2020. 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 2021 Whole portfolio		FY 2021 LFL portfolio				
						Growth in LFL rental revenue	
(in € thousands, at CER, except where indicated)	Total market value	Rental revenue 2021	Total market value	Rental revenue 2021	Rental revenue 2020	€	%
France	872,980	62,302	801,070	59,864	57,083	2,780	4.9%
The Netherlands	724,700	53,275	700,140	52,369	47,885	4,484	9.4%
Sweden	574,274	41,908	561,765	40,985	38,647	2,339	6.1%
The United Kingdom	820,149	46,252	661,218	42,820	38,055	4,765	12.5%
Germany	328,940	22,712	231,340	17,633	16,702	931	5.6%
Belgium	234,460	19,660	234,460	19,660	18,242	1,417	7.8%
Denmark	175,317	12,517	175,317	12,517	11,482	1,035	9.0%
Total portfolio	**3,730,819**	**258,625**	**3,365,310**	**245,848**	228,097	**17,751**	**7.8%**

	FY 2020 Whole portfolio		FY 2020 LFL portfolio				
						Growth in LFL rental revenue	
(in € thousands, at CER, except where indicated)	Total market value	Rental revenue 2020	Total market value	Rental revenue 2020	Rental revenue 2019	€	%
France	779,620	58,842	742,630	57,083	55,511	1,573	2.8%
The Netherlands	621,060	48,559	602,530	47,438	44,853	2,586	5.8%
Sweden	497,381	39,396	487,472	38,647	37,738	908	2.4%
The United Kingdom	588,542	38,461	510,720	35,721	34,360	1,361	4.0%
Germany	265,900	19,886	198,300	16,702	16,152	550	3.4%
Belgium	198,970	18,242	198,970	18,242	17,771	472	2.7%
Denmark	144,977	11,482	144,977	11,482	11,385	97	0.9%
Total portfolio	**3,096,450**	**234,868**	**2,885,599**	**225,316**	217,770	**7,547**	**3.5%**

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)	2021	2020	+/-
Administrative/operating expense line per IFRS income statement	(125,007)	(115,158)	8.6%
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	(383)	(426)	-10.1%
Service charge costs recovered through rents but not separately invoiced	-	-	N/A
EPRA costs (including direct vacancy costs)	**(124,624)**	(114,732)	**8.6%**
Direct vacancy costs	-	-	N/A
EPRA costs (excluding direct vacancy costs)	**(124,624)**	(114,732)	**8.6%**
Gross Rental Income less ground rent costs - per IFRS	259,008	232,711	11.3%
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	**259,008**	232,711	**11.3%**
EPRA Cost ratio (including direct vacancy costs)	48.1%	49.3%	-1.2pp
EPRA Cost ratio (excluding direct vacancy costs)	48.1%	49.3%	-1.2pp

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)	2021	2020	+/-
Investment property – wholly owned	3,758,099	3,101,828	21.2%
Investment property – share of JVs/Funds	-	-	N/A
Trading property (including share of JVs)	-	-	N/A
Less: developments	27,280	102,221	-73.3%
Completed property portfolio	**3,730,819**	**2,999,607**	**24.4%**
Allowance for estimated purchasers' costs	222,852	180,909	23.2%
Gross up completed property portfolio valuation	**3,953,671**	**3,180,516**	24.3%
Annualized cash passing rental income	258,626	232,286	11.3%
Property outgoings	(383)	(426)	-10.1%
Annualized net rents	**258,243**	**231,860**	**11.4%**
Add: notional rent expiration of rent free periods or other lease incentives	-	-	N/A
Topped-up net annualized rent	**258,243**	**231,860**	**11.4%**
EPRA Net Initial Yield (NIY)	6.5%	7.3%	-0.8pp
EPRA 'topped-up' NIY	6.5%	7.3%	-0.8pp

PUBLISHER

Shurgard Self Storage S.A.
11 rue de l'Industrie
L- 8399 Windhof
Grand Duchy of Luxembourg

www.shurgard.com

COPYWRITING AND DESIGN

Instinctif Partners
Berlin, Frankfurt, Cologne, München,
London
www.instinctif.de
www.creative.instinctif.com

PHOTOS

Shurgard Self Storage S.A.