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"Regulated Information – inside information"

Shurgard Self Storage Ltd
 ("Shurgard" or the "Company")

Shurgard launches a capital increase for an amount of approximately €300 million

Shurgard (Euronext Brussels: SHUR), the largest developer, owner, and operator of self-storage facilities in Europe, today announces the launch of a share capital increase in cash via an accelerated bookbuilding with international institutional investors for an amount of approximately €300 million (the **"Capital Raise"**).

Highlights

- Intention to raise gross proceeds of approximately €300 million which will be used to fund the accelerated growth of the Company:
 - We are accelerating our portfolio growth via both organic and M&A opportunities, with targeted delivery of at least c. 90,000 sqm per year as from 2024.
 - Our pipeline has increased in Q3 to 194,258 sqm or c. €483.0 million of direct project costs. We have built a solid M&A pipeline, as evidenced by the recent acquisition of Top Box in Germany. Our returns are robust: for all property investment decisions taken as from 2023, we have increased our expected property yield to c. 8% to 9% at maturity (prev. c. 7% to 8%).
 - The proceeds are expected to be deployed over the next months, primarily to fund acquisitions and development of stores in the Company's core geographies.
- Consistent with our growth story, the proposed equity raise is expected to enable funding for future developments while maintaining the long-term LTV guidance that the Company has provided.
- Management expects the Capital Raise will be earnings accretive after being deployed.
- Shurgard confirms the 2023 outlook as published in the Q3 2023 results, as well as its mid-term guidance.
- The ABB starts immediately after the publication of this press release. Shurgard has requested the trading of the Shurgard shares to be suspended until the results of the ABB are published, which is expected to be on November 10, 2023.
- Public Storage Group, a reference shareholder of Shurgard, will participate in the Capital Raise pro-rata of its current stake (35.08% of the capital), and is expected to be allocated in full. The Capital Raise will automatically increase the Company's free-float, from 28.4% to up to c. 31% (representing an increase of around 10%), given that New-York Common Retirement Fund will not participate in this Capital Raise.
- Shurgard has committed to a standstill agreement lasting 180 days in relation to the issuance of the new shares, subject to customary exemptions. Public Storage Group and New-York Common Retirement Fund will be subject to a 180-day lock-up.

- BNP Paribas Fortis and J.P. Morgan Securities plc are acting as Joint Global Coordinators and Joint Bookrunners. ABN AMRO (in cooperation with ODDO BHF), Belfius Bank (in cooperation with Kepler Cheuvreux), Goldman Sachs International and KBC Securities are acting as Joint Bookrunners.

Marc Oursin, Shurgard Chief Executive Officer, commented:

"We are delighted to come back to the equity markets to continue to fund our growth via acquisitions and developments. As released last week, Shurgard demonstrates its capacity to outperform the industry in Europe and reinforces its leadership with the support of our Board of Directors and engaged teams.

The pipeline of future new footage is developing strongly and has reached 14.5% of our total lettable area or 194,258 sqm with c.€483.0 million of investment value.

The net proceeds will allow us to continue our expansion mainly in Germany, London, Paris and Randstad."

Characteristics of the capital increase

Structure

The Capital Raise shall take place by way of an exempt private offering by means of an accelerated bookbuilding procedure:

- i. outside the United States in "offshore transactions" within the meaning of, and pursuant to, Regulation S (Regulation S) under the U.S. Securities Act of 1933, as amended (the US Securities Act), in:
 - a. the EEA, to "qualified investors" (as defined in Article 2(e) of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended (the Prospectus Regulation)), in accordance with the exemption from prospectus publication provided for in Articles 1.4(a) and 1.5(a) of the Prospectus Regulation;
 - b. the United Kingdom, to "qualified investors" (as defined under Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the UK Prospectus Regulation) who are also persons (i) having professional experience in matters relating to investments falling within in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order), (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities of the Company or any member of its group may otherwise lawfully be communicated or caused to be communicated;
 - c. Switzerland, to professional clients (as such term is defined in the Swiss Financial Services Act ("FinSA")) in Switzerland or otherwise on the basis of applicable exemptions from the prospectus requirements under the FinSA; as well as
 - d. other selected jurisdictions, to certain qualified and/or institutional investors in accordance with applicable limitations; and
- ii. in the United States to persons reasonably believed to be "qualified institutional buyers" (QIBs), as defined in, and pursuant to, Rule 144A (Rule 144A) under the US Securities Act who have received a U.S. investor letter, or another available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act,

Final issue price and final number of shares

The final issue price and the final number of new shares to be issued, shall be determined by the Company in consultation with the banks mentioned below on the basis of the results of the above-mentioned ABB.

Dividend

The new shares confer the right to profits as from 01.07.2023. The Board of Directors of Shurgard contemplates the allocation of a gross dividend of €1.17 per share for the 2023 financial year, subject to and payable after the ordinary general meeting in May 2024. An interim payment of €0.58 per share occurred in October 2023.

Standstill

As part of the capital increase, Shurgard has committed to a standstill agreement lasting 180 days in relation to the issuance of the new shares, subject to customary exemptions, including, as the case may be, any optional dividend in shares or any issuance of new shares by way of contribution in kind, and which such standstill may be waived by the Joint Global Coordinators.

Lock-up

The reference shareholders Public Storage Group and New-York Common Retirement Fund both entered into separate lock-up agreements for 180 days following the placement.

Indicative timeline relating to the capital increase

09.11.2023 ABB	Press release announcing the capital increase (start of the ABB and suspension of trading of Shurgard shares) (during trading)
10.11.2023 at the latest	Press release with the results of the ABB, the issue price and the number of new shares to be issued Allocation of the new shares Resumption of trading of the Shurgard shares (subject to acceleration / extension of the ABB)
14.11.2023	Payment for the new shares subscribed for in the ABB Determination of the realisation of the capital increase and delivery of new shares to subscribers Admission to trading of the new shares on the regulated market of Euronext Brussels

Portfolio expansion: the largest sqm expansion per year in the industry

- Three levers to accelerate our portfolio expansion:
 - Redevelopments (expand existing buildings);
 - New Development (purpose built and conversion);
 - Market consolidation (bolt-on acquisitions).
- Consistent growth expected in our expansion plan delivering new capacity to 2026 representing 14.5% (194,258 sqm or c. €483.0 million of direct project cost) of our net rentable sqm either developed, under construction or signed, up from 10.1% in June 2023.

Our pipeline offers secured significant growth opportunity – a flexible and low risk growth plan:

2023

- Five major redevelopments planned in 2023 (11,600 sqm) and the addition of direct access units in our seven markets (8,100 sqm);
- Six openings foreseen (36,000 sqm) for €78.4 million in Randstad and London;
- Five stores acquired (17,100 sqm) for €69.2 million in North Rhine-Westphalia (NRW) and Frankfurt (Top Box).

2024-2026

- Six major redevelopments planned (13,400 sqm) in London, NRW and Frankfurt;
- Eighteen new developments planned (108,100 sqm) in Berlin, Stuttgart, NRW, Frankfurt, Randstad and London of which five are under construction.

Our portfolio focuses on capital cities and major cities:

- Markets chosen for their demographics and urban density;
- 93% of our portfolio are in capital and major cities;
- Growth focused on residential housing and commercial mobility;
- Accelerated strategy based on consolidating leadership and growing market share.

Our portfolio is majority freehold with consistent building standards:

- 94% freehold portfolio;
- 63% of portfolio purpose built;
- 15 years average age of building (purpose built).

Amounts in € millions At closing rate September 30, 2023								
	Property	Region	Country	Number of projects	Project status ⁽¹⁾	Completion date	Net sqm ('000)	Direct project cost / Purchase price ⁽²⁾
Scheduled to open in 2023				17			72.7	165.4
Major redevelopments	Unterfoehring	Munich	Germany	1	UC	Dec-23	3.5	5.4
	Rotterdam	Randstad	Netherlands	1	UC	Dec-23	4.5	2.2
	Almere Buiten	Randstad	Netherlands	1	UC	Dec-23	1.2	1.9
	Danmarksgatan ⁽³⁾	Stockholm	Sweden	1	C	Mar-23	1.7	0.0
	Euston	London	UK	1	C	Jun-23	0.7	0.1
	Direct access units ⁽⁴⁾	-	-	1	UC	Dec-23	8.1	8.2
New developments	Diemen Visseringweg	Randstad	Netherlands	1	C	May-23	4.0	3.2
	Amersfoort	Randstad	Netherlands	1	C	Jul-23	3.1	5.4
	Portsmuiden	Randstad	Netherlands	1	C	Oct-23	7.5	6.1
	Chadwell Heath	London	UK	1	C	Oct-23	6.8	17.9
	Chiswick	London	UK	1	UC	Dec-23	6.5	24.5
	Tottenham	London	UK	1	UC	Dec-23	8.2	21.3
M&A / Asset Acquisitions	Top Box ⁽⁵⁾	NRW/ Frankfurt	Germany	5	C	Oct-23	17.1	69.2
Scheduled to open in 2024				12			42.6	88.8
Major redevelopments	Top Box major redevelopments	NRW/ Frankfurt	Germany	4	UC	2024	6.6	4.9
	Hayes	London	UK	1	UC	2024	4.2	8.9
	Southwark	London	UK	1	UC	2024	2.6	7.6
New developments	Charlottenburg	Berlin	Germany	1	UC	2024	4.9	15.5
	Dusseldorf Neuss	NRW	Germany	1	UC	2024	5.8	16.1
	Wangen	Stuttgart	Germany	1	UC	2024	7.0	16.4
	Nieuwegein	Randstad	Netherlands	1	UC	2024	4.5	8.7
	1 property	Randstad	Netherlands	1	CPA	2024	2.8	2.6
	1 property	Randstad	Netherlands	1	CPA	2024	4.1	8.1
Scheduled to open in 2025				10			64.8	188.2
New developments	1 property	Berlin	Germany	1	CPA	2025	10.3	27.8
	1 property	Frankfurt	Germany	1	CPA	2025	5.9	13.3
	1 property (Top Box)	Frankfurt	Germany	1	CPA	2025	5.0	11.1
	Leinfelden	Stuttgart	Germany	1	UC	2025	6.6	19.8
	1 property (Top Box)	NRW	Germany	1	CPA	2025	4.1	9.9
	1 property	Randstad	Netherlands	1	CPA	2025	5.4	11.5
	1 property	London	UK	1	CPA	2025	7.4	21.6
	1 property	London	UK	1	CPA	2025	6.4	20.9
	1 property	London	UK	1	CPA	2025	6.6	21.6
	1 property	London	UK	1	CPA	2025	7.4	30.7
Scheduled to open in 2026				2			14.1	40.6
New developments	1 property	Frankfurt	Germany	1	CPA	2026	7.3	20.9
	1 property	Stuttgart	Germany	1	CPA	2026	6.7	19.7
Total portfolio expansion				41			194.3	483.0

(1) CPA = signed conditional purchase agreement and building permit process ongoing. UC = under construction and C = completed

(2) Including development fees but excluding absorption costs

(3) Redevelopment project part of the 2022 acquisition of Instorage. In 2023 the Company paid €0.2 million supplement on the purchase price.

(4) Direct access units across all markets.

(5) The purchase price of 69.2 million includes land for major redevelopments to open in 2024 and land for the two new developments to open in 2025.

2023 Outlook confirmed

- We reconfirm to deliver above 8% total revenue growth for the year 2023;
- Our target of c. 2pp growth for all store NOI margin vs. 2020 has been achieved in 2022, ahead of our medium-term guidance of 2024. In 2023, we plan a 0.2pp NOI margin growth for all stores;
- We plan to add c. 70,000 sqm (or c. €150 million) via redevelopments, new developments and acquisitions;
- For all property investment decisions taken as from 2023, we are increasing our expected property yield to c. 8% to 9% at maturity (from c. 7% to 8%);
- Our average effective income tax rate is expected to be at c. 18% in 2023 (based on Adjusted EPRA Earnings before tax);
- Shurgard intends to declare a dividend of €1.17 per share for the fiscal year.

Continuing strong YTD September 2023 performance (at CER)⁽¹⁾

- 9.4% property operating revenue growth, supported by double digit growth in Germany, the Netherlands and the UK;
 - 10.1% income from property (NOI) growth;
 - 65.3% NOI margin, an increase of 0.4pp compared to the prior year.
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- 6.2% same store property operating revenue growth;
 - 90.5% same store average occupancy rate (stable vs. same period last year);
 - 6.8% same store average in-place rent growth, continued pricing traction;
 - Limited growth of 3.7% of our same store operating expenses reflecting the impact of our digital shift;
 - 66.6% same store NOI margin, a strong increase of 0.8pp compared to the prior year.
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- Shurgard became a UK REIT in March 2023;
 - Delivered €114.5 million of adjusted EPRA earnings, representing a growth of 12.6%.
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- EPRA net tangible assets (NTA) per share: €42.30, an increase of 4.0% vs. December 31, 2022.
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- Figures as of September 30, 2023:
- Cash position at hand: €82.8 million;
 - LTV: 17.5%;
 - Net debt/EBITDA: 4.0x⁽²⁾;
 - ICR (interest coverage ratio): 10.6x.

⁽¹⁾ Constant Exchange Rate

⁽²⁾ Net debt to EBITDA ratio is calculated as the net financial debt (including leases) divided by trailing 12 months EBITDA



About Shurgard

Shurgard is the largest provider of self storage in Europe. The company owns and/or operates 275 self-storage facilities and approximately 1.4 million net rentable square meters in seven countries: France, the Netherlands, the United Kingdom, Sweden, Germany, Belgium and Denmark.

Shurgard is a GRESB 5-star and Sector Leader, has a 'AA' ESG rating from MSCI, Sustainalytics Low risk, EPRA sBPR Gold medal. Shurgard is part of the BEL ESG index.

Shurgard's European network currently serves more than 190,000 customers and employs approximately 750 people. Shurgard is listed on Euronext Brussels under the symbol "SHUR".

For additional information: www.shurgard.com/corporate

For high resolution images: <https://shurgard.prezly.com/media>

Contact

Caroline Thirifay, Director of Investor Relations, Shurgard Self Storage Ltd

E-mail: investor.relations@shurgard.co.uk

M: +44 75 96 87 57 13

Nathalie Verbeeck, Citigate Dewe Rogerson

E-mail: nathalie.verbeeck@citigatedewerogerson.com

M: +32 477 45 75 41

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In the United Kingdom, this announcement is only addressed to and directed at, and any investment or investment activity to which this announcement relates is available only to, and will be engaged in only with, "qualified investors" as defined in article 2 (e) of the Prospectus Regulation as amended and transposed into the laws of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 (the "UK Prospectus Regulation") who are also (x) persons who have professional experience in matters relating to investments falling within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (y) "high net worth companies, unincorporated associations, etc." in the sense of article 49(2) (a) to (d) of the Order, or (z) are persons to whom such information may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). Persons who are not Relevant Persons should not take any action on the basis of this announcement and should not act or rely on it.

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The company cannot not be held responsible if anyone violates the above restrictions.