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SHURGARD ANNOUNCES THE LAUNCH OF ITS UP TO €575 MILLION INITIAL GLOBAL OFFERING AND LISTING ON EURONEXT BRUSSELS

Munsbach, Luxembourg, October 1st, 2018 – Shurgard Self Storage SA (“Shurgard” or the “Company”), the largest owner and operator of self-storage centers in Europe, today announced the terms of its Initial Global Offering of new shares (the “Offering”). An application has been made for admission to trading of all of its shares on the regulated market of Euronext Brussels. Shurgard is organized under the laws of the Grand Duchy of Luxembourg.

Key Terms of the Offering

- The Offering is being made by way of a private placement of up to €575 million, including an over-allotment option of up to €75 million, newly issued ordinary shares (the “Offer Shares”) of the Company.
- The Offering will be made by way of (i) a private placement in the United States to persons who are reasonably believed to be (a) “qualified institutional buyers” (“QIBs”) (as defined in Rule 144A (“Rule 144A”) under the U.S. Securities Act of 1933 (the “U.S. Securities Act”)) or (b) “accredited investors” as defined in Rule 501(a) under the U.S. Securities Act, in reliance on Rule 144A or another applicable exemption from the registration requirements of the U.S. Securities Act; and (ii) private placements solely to institutional investors in the rest of the world in compliance with Regulation S under the U.S. Securities Act (“Regulation S”). The Offer Shares are not being made available to the public in any member state of the European Economic Area (“EEA”) (a “Member State”) or any other jurisdiction in conjunction with the Offering.
- The price range of the Offering has been set at between EUR 23 and EUR 28 per Offer Share.
- Based on the price range, the Offering of up to €575 million will represent between 20.5 million and 25.0 million Offer Shares and the implied market capitalization of Shurgard will range between EUR 2.0 billion and EUR 2.4 billion assuming full exercise of the over-allotment option.
- Timetable: the Offering period will begin on October 1st, 2018 and is expected to end on October 11th, 2018. The offering price and the number of Offer Shares placed is expected to be made public on or around October 12th, 2018, subject to early closing. An application has been made to list all of the Company’s shares (the “Shares”) on the regulated market of Euronext Brussels under the symbol “SHUR”. Trading of the Shares on Euronext Brussels is expected to commence, on an “if-and-when-issued” basis, on or around October 15th, 2018 (the “Listing Date”). Settlement and delivery of the Offer Shares sold in the Offering is expected to take place on or about October 16th, 2018 (the “Closing Date”) with unconditional trading expected to commence on October 17th 2018. Prior to the Offering, there has been no public market for the Shares.
- Over-allotment option: in connection with the Offering, J.P. Morgan Securities plc is acting as stabilization manager, on behalf of the Underwriters. It may, for stabilization purposes, acquire Offer Shares representing up to €75 million during a period of 30 calendar days following the Listing Date in order to support the market price of the Shares at a level higher than that which might otherwise prevail. Such transactions may be effected on Euronext Brussels, in the over-the-counter markets or otherwise. The stabilization manager is not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the stabilization manager may discontinue at any time any of these activities. The acquisition of the Offer Shares by the stabilization manager may result in the repurchase of such Shares by the Company pursuant to a put option expected to be granted by the Company to the stabilization manager, if the put option is exercised by the stabilization manager. The put option is exercisable for a period of 30 days following the Listing Date. The Company will hold any Shares it repurchases pursuant to the put option as treasury shares.

- Lock-up: the Company will agree to a lock-up undertaking during the period commencing on October 11, 2018 and ending 180 days after pricing of the Offering, subject to certain carve-outs and exceptions. Each of Shurgard European Holdings LLC and Public Storage will agree to a lock-up undertaking during the period commencing on October 11, 2018 and ending 180 days after the Closing Date, subject to certain carve-outs. Each of the members of our Senior Management will agree to similar undertakings during a period commencing on October 11, 2018 and ending 360 days from the Closing Date, subject to certain carve-outs.
- BNP PARIBAS, J.P. Morgan Securities plc and Société Générale are acting as joint global coordinators and joint bookrunners of the Offering and the admission to trading, and HSBC Bank plc and Kempen & Co N.V. are acting as joint bookrunners (together with the joint global coordinators, the “joint bookrunners” or the “underwriters”).

Use of Proceeds

The Company currently anticipates that it will use the net proceeds from the Offering for the following:

- Repayment of borrowings (a €200.0 million bridge facility and all amounts outstanding under a bilateral revolving facility agreement);
- Finance the anticipated acquisition of the Kensington store in London in October 2018;
- Support its ongoing growth strategy, including future development and redevelopment activities, as well as acquisition opportunities as they arise; and
- Any required repurchase of the Company’s shares, to the extent that the stabilization manager exercises the put option in connection with any stabilization.

The Self-storage Leader in Europe

Shurgard is the largest owner and operator of self-storage centers (stores) in Europe in terms of number of stores and net rentable square meters. Shurgard commenced operations in 1995 and is one of the pioneers of the self-storage concept in Europe. In total, its network of 228 stores comprises approximately 1.2 million net rentable square meters and serves more than 150,000 customers in the Netherlands, France, Sweden, the United Kingdom, Belgium, Germany and Denmark.

Across this network, Shurgard has developed an integrated self-storage platform with local expertise in the seven countries where it operates. It has centralized in-house capabilities to design, develop, acquire and operate stores to provide a consistent customer experience to residential and commercial customers, supporting a market-leading occupancy rate of 88.6% as of June 30th, 2018 across its network.

Shurgard primarily operates in urban areas across Europe, with approximately 92% of the stores located in capital and major cities. Its investment criteria are focused on acquiring and developing high-quality stores that are easily accessible to its customers in markets with a strong growth potential. Shurgard continues to focus on attractive and cycle-resilient urban areas that will enjoy strong demand and provide an attractive growth potential, such as London, Paris and Berlin.

A Clear Strategy of Growing with Existing Stores, New Openings and Targeted Acquisitions in Seven Countries

Shurgard has an established track record of developing, redeveloping and acquiring stores. Between December 31st, 2014 and August 31st, 2018, it has developed seven new stores, completed redevelopment projects at 10 stores, and acquired 33 stores. The number of stores operated by the Company has grown to a network of 228 stores, with 95% of the net square rentable area in stores that are wholly-owned or operated under long-term lease agreements of at least 80 years remaining life, as of June 30th, 2018. The Company is targeting the completion of redevelopment projects at five stores during the remainder of 2018

and it expects to open a new store in Berlin and complete the purchase of a store in London in October 2018.

Commenting on today's announcement, Marc Oursin, CEO of Shurgard said: *"Growth is our strategy. Senior management regularly monitors our existing markets for growth opportunities. We have a track record of developing new stores and integrating acquired stores. We believe that this experience will enable continued growth from our leading position and will provide us with a unique opportunity to drive further consolidation in the markets where we operate. Our focus is on strengthening our position in attractive urban areas, in particular London, Paris and Berlin, which aligns our growth strategy with our existing stable centralized operating model. This will allow us to leverage existing operations when adding new stores to the network."*

Financial highlights

Shurgard generates revenue through the lease of storage units and related activities, including insurance referrals and the sale of storage products and packaging. Its real estate operating revenue and net income from real estate operations have increased steadily in recent years, as rental rates and occupancy grew alongside acquisition, development and redevelopment activities.

	Unaudited six months ended June 30 th		Audited year ended December 31 st		
	2018	2017	2017	2016	2015
	<i>(in millions of Euros)</i>				
Real estate operating revenue	119.5	117.4	238.6	232.1	218.1
Net income from real estate operations	71.3	69.7	148.0	141.0	130.7
Adjusted EPRA Earnings ⁽¹⁾	46.3	45.8	100.6	92.3	89.3

The fair value of Shurgard's investment properties was € 2.4 billion on June 30th, 2018, as compared to €2.3 billion on December 31st, 2017. Shurgard expects that its adjusted EPRA earnings for the year ending December 31st, 2018 will be at least €95 million.

Strengths and Key Differentiators

Secular Growth Trends

Shurgard expects European demand to continue to grow for residential, as well as business self-storage customers, due to societal factors such as increased urbanization and the related decrease in housing space, increased population mobility and the growth of new online retailers, as well as the increased consumer awareness of self-storage. Self-storage is underpenetrated in Europe compared to the United States: penetration of self-storage stores is 49 times higher in the United States (0.878 square meters per person) than it is in Europe (0.018 square meters per person), creating significant room for further industry growth.

Strong Leadership and Brand in Europe

Shurgard operates a network of 228 stores totalling approximately 1.2 million net rentable square meters in seven countries, amounting to approximately 1.6 times the number of stores and twice the net rentable space of its closest European competitor. The Company is also the market leader by number of stores in

the Netherlands, Sweden and Belgium, and it enjoys strong market positions in France, Germany, Denmark and the United Kingdom, in particular in the Paris, Copenhagen and London areas. Additionally, Shurgard operates under a leading single brand across its store network and ranks first among self-storage providers in brand recognition in all of its markets except the United Kingdom (2nd).

Shurgard believes that its leading position is supported by its strong presence in capital and major cities, including 39 stores in the Amsterdam-Randstad market, 36 stores in Paris region, 22 stores around Stockholm and 28 stores in the greater London area.

The location of Shurgard's stores and size of its network provide a number of advantages such as leading market positions that allow it to compete effectively, in particular in key urban areas where any new competitor would need to establish a large volume of stores and significant brand recognition to challenge Shurgard. With approximately 92% of Shurgard's properties in capital and major cities, none of its current competitors match the geographic range of stores across Europe or presence in major urban areas.

Shurgard's store portfolio is largely wholly-owned (86% freehold ownership, and 9% leasehold ownership with at least 80 years remaining) and purpose-built (63%), with consistent management and branding to ensure efficient operations at each location.

Integrated, Optimized and Scalable Branded Platform

Shurgard has developed an integrated and centralized operating platform that allows it to consolidate expertise and proprietary data and implement network-wide management and operational initiatives.

Through automated centralized information management systems Shurgard accumulates proprietary data sets on local conditions.

By aligning operations across its network, Shurgard aims to provide a consistent customer experience at each of its stores and maintain high customer support levels across the network, thereby supporting efforts to win new customers and ensure longer customer stays.

Shurgard believes that the scalability of its information management systems and centralized platform, supported by its aligned operations in each of its stores, is playing a significant role in maintaining efficient operations across its network as the company grows further.

Track Record of Growth and Cash Generation

Between 2014 and 2017, the company experienced increases in revenue at its stores at a CAGR of 7.8% (at 2017 constant exchange rates) and an increase of 3.1% during the six months ended June 30th, 2018 compared with the same period in 2017 (at six-month 2018 constant exchange rates).

Shurgard's growth during this period was driven by growth in its store network, supported by a continued focus on key demand and operating metrics across its portfolio, including expansions and improvements through redevelopment and remix projects, in order to effectively manage yield and better align customer demand with capacity, rental rates and the layout of its stores. As a result, the Company has market-leading occupancy rates among listed self-storage service providers, which have been broadly stable in recent years and consistent across its markets, reaching 88.6% as of June 30th, 2018. Shurgard's occupancy and pricing management systems have also supported improvement in adjusted EPRA earnings, from €89.3 million in 2015 to €92.2 million in 2016 and €100.6 million in 2017, and of €46.3 million in the six months ended June 30th, 2018.

Robust Balance Sheet to Support Expansion

Shurgard operates under a conservative financial policy, with a Loan-to-Value of 24.7% as of June 30th, 2018. The target is to further strengthen the balance sheet through the Offering. Shurgard has access to multiple sources of capital and generates significant cash from operations at a relatively low fixed-cost base. Its weighted average cost of borrowing as of December 31, 2017 across existing debt was 3%.

Its net debt/EBITDA ratio was 4.3x for the year, and the Company does not have any encumbered assets. The multiple resources of capital should enable Shurgard to self-fund its existing business plan, make strategic investments in the business, and thereby take advantage of acquisition and development opportunities when they arise.

Dividend Policy: Target Pay-out Ratio of 80% of Adjusted EPRA earnings

Shurgard currently intends to declare and distribute an annual dividend based on a target pay-out ratio of 80% of adjusted EPRA earnings. 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 the Company's 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.

Going forward, the Company expects to pay dividends in May and October of each year based on the consolidated financial statements prepared in accordance with IFRS for the previous financial year or the previous six-month period. In respect to the current financial year ending December 31st, 2018, Shurgard expects to pay a dividend of 25% of the target pay-out ratio of 80% of adjusted EPRA earnings.

Corporate Governance

With effect from the closing of the Offering, the board of directors will be composed of 11 directors with a majority of independent members. Alongside Marc Oursin, CEO of the Company, the board of directors will comprise two directors appointed by Public Storage and two directors appointed by a major existing institutional investor.

Offering Circular

Full details of the Offering will be included in the offering circular. The offering circular has not been approved by any authority. Subject to the selling restrictions, the offering circular is available in electronic form on Shurgard's website. Distribution of the offering circular may be subject to specific regulations or restrictions. A listing prospectus in connection with the admission to trading of the Company's Shares on the regulated market of Euronext Brussels will be submitted for approval by the Luxembourg Commission de Surveillance du Secteur Financier (the "CSSF"), in its capacity as competent authority under the EU Prospectus Directive. Application will be made to notify the Belgian Financial Services and Markets Authority (the "FSMA") in accordance with the European passport mechanism set forth in the Prospectus Directive and the listing prospectus will, after approval, be published in electronic form on the websites of the Luxembourg Stock Exchange (<http://www.bourse.lu>) and Euronext Brussels (<http://www.euronext.com>).

For additional information: <https://corporate.shurgard.eu/>

For Management bios: <https://corporate.shurgard.eu/our-management>

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

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Notes:

- (1) Adjusted EPRA earnings represent profit or loss for the period after income tax presented on a diluted basis (for the historic impact of the equity component of the SHE LLC convertible shareholder loan repaid in 2016) but excluding (i) acquisition costs relating to business combinations (net of taxes and non-controlling interest), gains or losses on the revaluation of investment property, assets held for sale and property, plant and equipment (net of taxes and non-controlling interest), (ii) deferred tax expenses on items other than the revaluation of investment property and (iii) special items (“one-offs”) that are significant and arise from events or transactions distinct from regular operating activities. EPRA, or the European Public Real Estate Association, has issued best practice recommendations with the intention of promoting the transparency, comparability and relevance of the published results of listed real estate companies in Europe.

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Investors will need to base their investment decision on the listing prospectus expected to be published after its approval by the CSSF and passporting to the FSMA. The prospectus will include important information about the company and the offering, including risk factors relating thereto. Investing in shares involves substantial risks and uncertainties.

These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The shares mentioned herein (the "Shares") have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The Shares may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States, South Africa, Canada, Australia or Japan or in any other jurisdiction.

Any offer of securities to which this announcement relates is only addressed to and directed at persons in member states of the European Economic Area which apply Directive 2003/71/EC (this Directive together with any implementing measures in any member state, the Prospectus Directive) who are qualified investors for the purposes of the Prospectus Directive in such member state, and such other persons as this document may be addressed on legal grounds, and no person that is not a relevant person or qualified investor may act or rely on this document or any of its contents.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order or (iv) certified high net worth individuals and certified and self-certified sophisticated investors as described in Articles 48, 50, and 50A respectively of the Order or (v) persons to whom this communication may otherwise be lawfully communicated (all such persons together being referred to as relevant persons). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not subscribe for or purchase any ordinary shares referred to in this announcement except on the basis of information in the prospectus (the "Prospectus") expected to be published by Shurgard Self Storage SA in connection with the contemplated admission of its ordinary shares to trading to the regulated market of Euronext Brussels. A copy of the Prospectus will, following formal approval by the Luxembourg Commission de Surveillance du Secteur Financier and notification to the Belgian Financial Services and Markets Authority pursuant to article 18 of the Prospectus Directive, be available for consultation from the website of the Luxembourg Stock Exchange at www.bourse.lu and on the website of Euronext Brussels at www.euronext.com and from its registered office at 6c, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an

end target market of investors who meet the criteria of retail investors, professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the transaction. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Co-ordinators are expected to only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

The Joint Global Co-ordinators are acting exclusively for Shurgard Self Storage SA and no one else in connection with the Offering. In connection with such matters, they, their affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Offering or any other matters referred to in this announcement.