SHURGARD SELF-STORAGE

HALF-YEAR REPORT

2020

JANUARY 1, 2020 TO JUNE 30, 2020

AT A GLANCE

Shurgard is the largest owner and operator of self-storage facilities in Europe by both number of stores and rentable space. We own and operate 240 stores in seven countries where over 160,000 customers lease our storage units every year.

FINANCIAL HIGHLIGHTS H1 2020

(in € millions)	H1 2020	H1 2019	+/-	+/- (CER)[1]
Property operating revenue[2]	132.2	126.0	4.9%	5.2%
Income from property (NOI)[3]	81.0	77.0	5.2%	5.5%
NOI margin[4]	61.3%	61.1%	0.1pp	0.2pp
EBITDA[5]	74.6	68.8	8.5%	8.8%
Adjusted EPRA earnings[6]	54.7	50.9	7.3%	7.6%

1 For constant exchange rate (CER) comparison purposes, 2019 financial information is recalculated using 2020 exchange rates.

2 Property operating revenue represents our revenue from operating our stores, and comprises our rental revenue, insurance revenue and ancillary revenue.

3 Income from property (NOI – Net Operating Income) is calculated as property operating revenue less real estate operating expense for the relevant period.

4 NOI margin is calculated as income from property (NOI) divided by property operating revenue for the relevant period.

5 EBITDA is calculated as earnings before interest, tax, depreciation and amortization, excluding (i) valuation gains from investment property and investment property under construction, (ii) losses or gains on disposal of investment property plant and equipment and assets held for sale, (iii) acquisition costs and dead deals and (iv) casualty losses (gains).

6 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 the regular operating activities.

PROPERTY HIGHLIGHTS H1 2020

	H1 2020	H1 2019	+/-	+/- (CER)
Number of stores (as of June 30)[1]	238	231	3.0%	
Net rentable sqm (as of June 30)[2]	1,202	1,166	3.1%	
Net rented sqm (as of June 30)[3]	1,065	1,019	4.5%	
Occupancy rate (as of June 30)[4]	88.6%	87.4%	1.2pp	
Average occupancy rate for the period[5]	86.9%	86.2%	0.7pp	
Average in-place rent for the period (€ per sqm)[6]	219.8	214.5	2.5%	2.8%
RevPAM for the period (€ per sqm)[7]	222.1	216.1	2.8%	3.0%

1 Excludes the two properties under management contract.

2 Net rentable sqm is presented in thousands of sqm and calculated as the sum of unit space available for customer storage use at our stores, measured in sqm, based on our unit size categories, as of the relevant date.

3 Net rented sqm is presented in thousands of sqm and calculated as the sum of unit space rented by customers at our stores, measured in sqm, based on our unit size categories, as of the relevant date.

4 Occupancy rate is presented in percent and calculated as the net rented sqm divided by net rentable sqm as of the relevant date.

5 Average occupancy rate is presented in percent and is calculated as the average of the net rented sqm divided by the average of the net rentable sqm, each for the relevant periods.

6 Average in-place rent is presented in euros per sqm per year and calculated as rental revenue, divided by the average net rented sqm for the relevant period.

7 RevPAM, which stands for revenue per available sqm, is presented in euros per sqm per year for the relevant period and calculated as property operating revenue, divided by the average net rentable sqm for the relevant period.

TABLE OF CONTENTS

CHIEF EXECUTIVE OFFICER'S STATEMENT

"The first half of the year has been a tale of two contrasting quarters as our customers and employees reacted to lockdowns of varying intensities. Yet, in the midst of the global pandemic, Shurgard delivered revenue and earnings growth, responding to the unique challenges of the COVID-19 crisis and ensuring the safety of our staff and customers. As each of our markets has reopened, we have restarted paused developments and are once again ramping up the sales trajectory. The challenges we faced during Q2 demonstrate Shurgard's resilience.

FINANCIAL PERFORMANCE

Shurgard has delivered a strong performance across the first half of 2020 despite the disruption of the COVID-19 lockdowns. Property operating revenue for the first six months rose 5.2% at constant exchange rates, underpinned by resilient organic growth and supported by the acquisition of six properties which were completed in the period.

Same store property operating revenue rose 3.8% in the first half at constant exchange rates, representing a 4.6% rise in the first quarter, followed by 3.0% growth in Q2. This shows strong forward momentum from the previous year and a relatively modest impact due to the pandemic responses in each of our markets. Same store average occupancy rate was at 88.1%, up 0.9pp in the first six months, and we ended the period with occupancy at 89.6%, up 1.3pp versus last year. Initially, the lockdown measures curtailed the frequency of customers moving out compared to what we would expect during more normal trading conditions. Although we haven't experienced a significant rise in move-outs to compensate for this yet, the remainder of the year may see a rebalancing of move-ins and move-outs.

Income from property (NOI) grew by 5.5% in the half year. This reflects a slight deceleration in second quarter growth (4.6%), when costs rose ahead of the previous period.

EBITDA in the first half increased 8.8%, which includes second quarter growth of 8.3%. Meanwhile adjusted EPRA in the half year was up 7.6%, with the second quarter only slightly below that level, growing at 6.9%.

Across the first half period, Shurgard has reported only a modest deceleration of revenue and earnings due to the COVID-19 crisis. The rapid business decisions taken as the crisis evolved, and the strong platform from which we operate has limited the impact on Shurgard compared to many other companies and industries.

We announce a half-year dividend payment of €0.49 per share, which is almost 9% ahead of H1 2019. The dividend payment will be made on or about October 1, 2020.

We ended the first half in a very strong cash position, with a loan to value ratio of 18%, compared to our target range of 25%-35%, and €137 million in cash. We are able to take advantage of opportunities as they arise to consolidate and strengthen our position.

PROPERTY DEVELOPMENT

We completed the acquisitions of two of the four Paris properties under management contract from Flexistockage in February. We also worked through the limitations of lockdown to complete the purchase of four properties from ZeitLager in Munich, Germany in May. These six properties added almost 21,000 sqm to our storage portfolio for €59.8 million.

Our total expansion portfolio of 24 projects, which represents 8% (or 96,900 sqm) of our net rentable sqm, remains robust, and all sites are now under construction following any pauses during the second quarter. Three new properties are opening in the second half, including the rebuilt Purley Way store in Croydon, UK, one store in Paris, and one in Berlin. These new stores will add 18,649 sqm to our portfolio at a cost of €29.9 million.

In our redevelopment pipeline, two expansion projects are due for completion in the second half, all in Paris, providing an additional 597 sqm.

Lockdown curtailed organic growth in some areas in the first half, but we increased our portfolio through targeted acquisitions, meanwhile new developments and redevelopments will add further capacity in the second half.

CONCLUSION

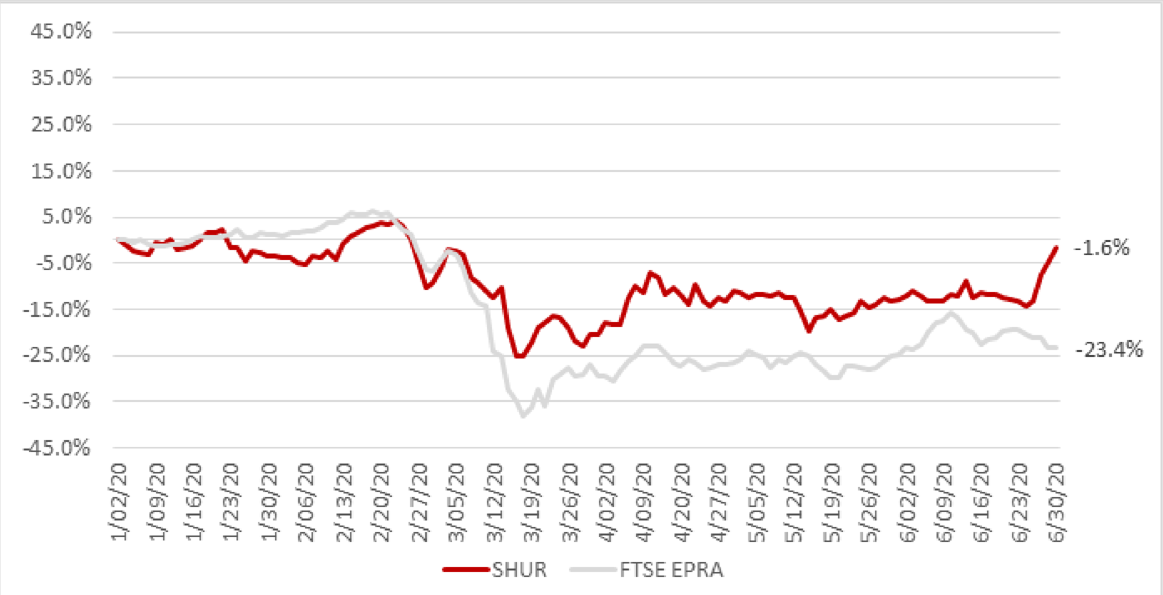
In reporting our strong first half results, I would like to thank our employees and shareholders for their support and commitment while working for and with Shurgard during this difficult period. Despite most of our markets opening up again, it would be imprudent to assume that the threat is over. The health crisis will not be under control until a vaccine is approved and that is months, if not years away, while the economic and political consequences of the COVID-19 pandemic are far-reaching. Most of the governments of the countries in which we operate have provided substantial company and employee support, but as this is reduced in the next few months, job cuts and redundancies will start to impact economies. Against this backdrop, the political landscape will be subject to several major events over the next few months and years, including the US presidential election, Brexit, German and French elections.

Shurgard has remained focused and delivered strong growth in a time of global turmoil, and we will face the challenges of the next six months with similar determination. Our significant geographical spread, high-quality portfolio, centralized platform and robust balance sheet, provide the resilience we need to endure and thrive."

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	88,935,681
Shares outstanding as of June 30, 2020	88,705,160
Subscribed capital	€63,470,669.79
Share price as of June 30, 2020[1]	€33.45
52-week high / low[2]	€32.90 / €24.60
Market capitalization as of June 30, 2020	€2,975 million
Average daily trading volume	29,550 shares

1 Closing price on last trading day of the month.
2 In each case from start of trading on July 1, 2019 to June 30, 2020, based on Euronext Brussels intraday or closing price.

DIVIDEND

In respect of the first half of 2020, our Board of Directors approved an interim dividend of a maximum amount of €43.47 million (taking into account the total number of outsanding shares as per June 30, 2020) or €0.49 per share.
The interim dividend will be payable on or around October 1, 2020 to shareholders on the register at close of business on September 30, 2020.

THE SHURGARD SHARE

SHARE TRADING

The Company appointed Kempen & Co., KBC Securities and Bank DeGroof Petercam as liquidity providers starting in May 2019, 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.

SHAREHOLDERS

The following table sets forth the shareholders of the Company as of June 30, 2020:

Shareholder	Number	%
Public Storage	31,268,459	35.2
New York State Common Retirement Fund	32,544,722	36.6
Shurgard Self Storage SA (treasury shares)	226,021	0.2
Public	24,896,479	28.0
Total	**88,935,681**	**100.0**

MANAGEMENT REPORT

KEY FINANCIALS

(in € millions, except where indicated otherwise)	Q2 2020	Q2 2019	+/- (CER)[1]	H1 2020	H1 2019	+/-	+/- (CER)[1]
Property KPIs at period end							
Number of properties[2]	238	231		238	231	3.0%	
Net rentable sqm[3]	1,202	1,166		1,202	1,166	3.1%	
Net rented sqm[4]	1,065	1,019		1,065	1,019	4.5%	
Occupancy rate[5]	88.6%	87.4%		88.6%	87.4%	1.2pp	
Property KPIs for the period							
Average occupancy rate[6]	87.2%	86.5%		86.9%	86.2%	0.7pp	
Average in-place rent (in € per sqm)[7]	218.9	214.2	2.5%	219.8	214.5	2.5%	2.8%
Average revPAM (in € per sqm)[8]	221.7	216.7	2.7%	222.1	216.1	2.8%	3.0%
Financial KPIs for the period							
Property operating revenue[9]	66.1	63.1	5.0%	132.2	126.0	4.9%	5.2%
Income from property (NOI)[10]	43.5	41.7	4.6%	81.0	77.0	5.2%	5.5%
NOI margin[11]	65.8%	66.0%	-0.3pp	61.3%	61.1%	0.1pp	0.2pp
EBITDA[12]	40.1	37.2	8.3%	74.6	68.8	8.5%	8.8%
Adjusted EPRA earnings[13]	30.6	28.6	6.9%	54.7	50.9	7.3%	7.6%
Adjusted EPRA earnings per share (basic) (in €)[14]	0.34	0.32	7.1%	0.62	0.57	7.4%	7.7%
Average number of shares (in millions - basic)	88.7	88.9	-0.2%	88.7	88.8	-0.2%	
Total dividend per share (in €)				0.49	0.45	8.9%	
Financial KPIs at period end							
EPRA net asset value (EPRA NAV) [15]				2,359.4	2,161.8	9.1%	
Loan to value (LTV)[16]				18.0%	15.8%	2.2pp	

1 Excludes the two properties under management contract.
2 In the constant exchange rate (CER) comparison, 2019 financials are recalculated using 2020 exchange rates.
3 Net rentable sqm is presented in thousands of sqm and calculated as the sum of unit space available for customer storage use at our properties, measured in sqm, based on our unit size categories, as of the relevant date.
4 Net rented sqm is presented in thousands of sqm and calculated as the sum of unit space rented by customers at our properties, measured in sqm, based on our unit size categories, as of the relevant date.
5 Occupancy rate is presented in percent and calculated as the net rented sqm divided by net rentable sqm as of the relevant date.
6 Average occupancy rate is presented in percent and is calculated as the average of the net rented sqm divided by the average of the net rentable sqm, each for the relevant periods.
7 Average in-place rent is presented in euros per sqm per year and calculated as rental revenue, divided by the average net rented sqm for the relevant period.
8 RevPAM, which stands for revenue per available sqm, is presented in euros per sqm per year for the relevant period and calculated as property operating revenue, divided by the average net rentable sqm for the relevant 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 relevant period.
11 NOI margin is calculated as income from property (NOI) divided by property operating revenue for the relevant period.
12 EBITDA is calculated as earnings before interest, tax, depreciation and amortization, excluding (i) valuation gains from investment property and investment property under construction, (ii) losses or gains 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 NAV is calculated as net assets in the statement of financial position attributable to ordinary equity holders of the parent, excluding deferred taxes on fair value adjustments of investment property.
16 Net debt expressed as a percentage of the fair value of the group's investment property and investment property under construction.

PRELIMINARY REMARKS

Shurgard Self Storage SA (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.

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 owner and operator of self-storage facilities, which we refer to as properties, in Europe in terms of number of properties and net rentable sqm.[1] We began operating in 1995 and are one of the pioneers of the self-storage concept in Europe. As of June 30, our 240 properties comprised 1,214,045 net rentable sqm serving about 160,000 customers in the Netherlands, France, Sweden, the United Kingdom, Belgium, Germany and Denmark.

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

We generate revenue through the lease of storage units and related activities, including insurance referrals and the sale of storage products and packaging. 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 H1 2020 compared to H1 2019.

(in € millions)	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
Property operating revenue	66.1	63.1	4.7%	132.2	126.0	4.9%
NOI	43.5	41.7	4.3%	81.0	77.0	5.2%
NOI margin	65.8%	66.0%	-0.3pp	61.3%	61.1%	0.1pp

1 FEDESSA 'European Self Storage Annual Survey' 2019.

PROPERTY PORTFOLIO

OUR PROPERTIES

The number of properties we operate has grown to a network of 240 properties comprising 1,214,045 net rentable sqm as of June 30, 2020. We primarily operate in urban areas across Europe, with around 93% of our properties located in capital and major cities. As of June 30, 2020, approximately 93% of our net square rentable area was in properties that we own ('freehold properties') or operate under long-term lease agreements of at least 80 years remaining life ('long leasehold properties'). The occupancy rate across all properties averaged 86.9% over the first half of 2020. The average in-place rent per sqm was at €219.9 during this period.

The following table shows our portfolio by country, as of June 30, 2020:

	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]
The Netherlands	61	295	86%	87.5%	182.2
France	60	295	92%	86.4%	238.4
Sweden	36	183	97%	90.5%	226.0
The United Kingdom	31	167	97%	81.0%	273.1
Belgium	21	117	100%	87.4%	176.5
Germany	21	104	92%	87.5%	225.8
Denmark	10	53	100%	89.6%	237.2
Total	**240**	**1,214**	**93%**	**86.9%**	**219.9**

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

Our net rentable sqm have grown from 1,212,864 sqm as of December 31, 2019 to 1,214,045 sqm as of June 30, 2020. During the second quarter of 2020, Shurgard purchased four properties in Germany, adding 13.6% (12,432) net rentable sqm to our portfolio.

These additions were partially offset during the first half of 2020 by the closure of Utrecht Zuilen (end of lease) and Zoetermeer Industrieweg (destroyed by fire spread from neighbouring building), removing 3.7% (11,302) net rentable sqm of our Dutch portfolio.

PORTFOLIO EXPANSION

Property	Region	Country	Completion date	Delay due to COVID-19	Net sqm	Direct project cost / acquisition cost[1]
Total 2020					**61,876**	**130,536**
Major developments						
Nanterre La Défense	Paris	France	Q2 2020		955	2,550
Marseille Le Canet	Marseille	France	Q2 2020		670	299
Créteil	Paris	France	Q3 2020	Q4 2020	287	312
Villepinte	Paris	France	Q4 2020		310	545
Camden	London	UK	Q4 2020	2021	363	2,420
New developments						
Oberschoeneweide	Berlin	Germany	Q3 2020	Q4 2020	6,013	13,366
Reinickendorf	Berlin	Germany	Q4 2020	2021	5,247	10,067
Corbeil	Paris	France	Q2 2020	Q3 2020	5,691	6,603
Argenteuil	Paris	France	Q4 2020	2021	7,467	12,184
Croydon Purley Way	London	UK	Q3 2020	Q4 2020	6,945	9,950
Barking	London	UK	Q4 2020	2021	6,899	12,517
M&A / Asset Acquisitions						
Flexistockage (two properties)	Paris	France	2020		8,597	-
Zeitlager (four properties)	Munich	Germany	2020		12,432	32,777
Total 2021					**c. 34,982**	**c. 68,837**
Major developments						
Southwark	London	UK	2021		2,692	5,896
Amsterdam West	Amsterdam	Netherlands	2021		3,196	4,937
New developments						
Zoetermeer	Zoetermeer	Netherlands	2021		4,364	6,445
Lichtenberg	Berlin	Germany	2021		5,730	9,058
1 property	Paris	France	2021		c. 6,000	7,700
1 property	Cologne	Germany	2021		c. 5,000	10,400
1 property	London	UK	2021		c. 8,000	24,400
Portfolio expansion					**96,858**	**199,373**

1 In thousands of euros at closing rate June 2020 and including development fees and acquisition costs but excluding absorption costs.

In H1 2020, we grew our portfolio and built up our pipeline for the coming years, with 8% (or 96,900 sqm) of our net rentable sqm being acquired, developed, under construction and secured. However, the current expansion pipeline of 24 projects experienced some delays. While construction activities have returned to more normal levels, the completion of four projects (21% of our expansion portfolio) will be delayed to 2021.

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 June 30, 2020, we had approximately 780 units at each property, and our properties had an average rentable area of over 5,000 sqm.

OPERATIONAL AND FINANCIAL REVIEW

GROUP RESULTS

(in € thousands, except where indicated otherwise)	Q2 2020	Q2 2019	+/- CER	H1 2020	H1 2019	+/-	+/- CER
Real estate operating revenue	66,207	63,148	5.2%	132,409	125,974	5.1%	5.4%
Real estate operating expense	(22,631)	(21,447)	5.9%	(51,215)	(48,990)	4.5%	4.8%
Net income from real estate operations	**43,576**	**41,701**	**4.8%**	**81,194**	**76,984**	**5.5%**	**5.8%**
General, administrative and other expenses	(3,414)	(4,205)	-18.7%	(7,843)	(7,761)	1.1%	1.1%
of which depreciation and amortization expense	(436)	(363)	20.3%	(964)	(883)	9.2%	9.2%
Acquisition costs of business combinations	0	0	NA	(6)	0	NA	NA
Royalty fee expense	(651)	(623)	4.8%	(1,303)	(1,242)	4.8%	5.1%
Operating profit before property related adjustments	**39,511**	**36,874**	**7.5%**	**72,042**	**67,981**	**6.0%**	**6.3%**
Valuation gain from investment property and investment property under construction	128,774	(206)	NA	119,942	(206)	NA	NA
Proceeds from property insurance recovery and gain on disposal of investment property, property, plant and equipment	5,568	1,583	NA	5,920	1,583	NA	NA
Operating profit	**173,853**	**38,251**	**NA**	**197,904**	**69,358**	**185.3%**	**186.2%**
Finance cost	(6,629)	(5,034)	32.7%	(9,195)	(9,530)	-3.5%	-3.1%
Profit before tax	**167,224**	**33,217**	**NA**	**188,709**	**59,828**	**NA**	**NA**
Income tax expense	(40,060)	(7,960)	NA	(48,479)	(16,260)	198.1%	198.8%
Attributable profit for the period	**127,165**	**25,256**	**NA**	**140,230**	**43,568**	**NA**	**NA**
Profit attributable to non-controlling interests	(189)	(53)	NA	(450)	(91)	NA	NA
Profit attributable to ordinary equity holders of the parent	**126,975**	**25,204**	**NA**	**139,780**	**43,477**	**NA**	**NA**
Earnings per share attributable to ordinary equity holders of the parent:							
Basic, profit for the period (in €)	1.43	0.28		1.58	0.49		
Diluted, profit for the period (in €)	1.43	0.28		1.57	0.49		
Adjusted EPRA earnings per share (basic - in €)	0.34	0.32		0.62	0.57		
Average number of shares (basic - in millions)	88.7	88.9		88.7	88.8		

The following discussion of group revenue and expenses down to EBITDA is based on a constant exchange rate (CER) basis, where 2019 actual exchange rate (AER) numbers are recalculated using 2020 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 (management fee revenue).

(in € thousands)	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
Rental revenue	56,923	53,806	5.8%	113,763	107,526	5.8%
Insurance revenue	6,848	6,547	4.6%	13,659	13,015	4.9%
Ancillary revenue[1]	2,341	2,605	-10.1%	4,773	5,114	-6.7%
Property operating revenue (CER)	**66,112**	**62,957**	**5.0%**	**132,195**	**125,655**	**5.2%**
Other revenue[2]	94	0	NA	214	0	NA
Real estate operating revenue (CER)	**66,207**	**62,957**	**5.2%**	**132,409**	**125,655**	**5.4%**
Foreign exchange	0	191	NA	0	319	NA
Real estate operating revenue (AER)	**66,207**	**63,148**	**4.8%**	**132,409**	**125,974**	**5.1%**

1 Ancillary revenue consists of merchandise sales and other revenue from real estate operations.
2 Other revenue consists of management fee revenue and partnership income from self-storage operations.

Real estate operating revenue rose by 5.4% in the first half from €125.7 million to €132.4 million. The vast majority of this growth was driven by an increase in storage rentals, supported by the expansion of our network through several redevelopments, new developments and acquisitions.

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 H1 2020, rental revenue increased by 5.8% to €113.8 million, from €107.5 million in H1 2019. This increase was primarily due to higher rental rates and the solid performance of our non-same stores during their 'ramp-up' phase, which saw an increase in occupancy and rental rates. Across our expanded network, our net rented sqm increased by 4.5% to 1,065 thousand sqm as of June 30, 2020 from 1,019 thousand sqm at June 30, 2019.

Insurance Revenue

When customers rent storage from Shurgard, they are required to have insurance for their stored goods. They can use their own insurance provider or, via Shurgard, get the necessary all-risks insurance coverage with an independent insurance company. During H1 2020, insurance revenue increased by 4.9% to €13.7 million (H1 2019: €13.0 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 decreased from €5.1 million to €4.8 million in the first half of 2020 due to the negative impact of the confinement measures taken in the different countries following COVID-19.

REAL ESTATE OPERATING EXPENSE

(in € thousands)	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
Payroll expense	9,655	9,621	0.4%	19,200	18,674	2.8%
Real estate and other taxes	2,158	1,522	41.8%	10,499	9,586	9.5%
Repairs and maintenance	2,315	1,688	37.2%	3,969	3,395	16.9%
Marketing expense	1,654	1,825	-9.4%	3,487	3,367	3.5%
Utility expense	954	836	14.1%	2,016	1,927	4.6%
Other operating expenses[1]	3,854	3,643	5.8%	7,790	7,520	3.6%
Doubtful debt expense	1,175	1,044	12.5%	2,288	2,076	10.3%
Cost of insurance and merchandise sales	866	1,198	-27.7%	1,966	2,342	-16.0%
Real estate operating expense (CER)	**22,631**	**21,377**	**5.9%**	**51,215**	**48,887**	**4.8%**
Foreign exchange	0	70	NA	0	103	NA
Real estate operating expense (AER)	**22,631**	**21,447**	**5.5%**	**51,215**	**48,990**	**4.5%**

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 the first half of 2020, our real estate operating expense went up by 4.8% at CER. This can mainly be attributed to an expected increase in real estate and other taxes and exceptional real estate tax reimbursements received in June of last year in France. Increased repair costs also contributed to the rise in expenses. The repair costs are higher than foreseen for the first half of the year, but are expected to go down in the second half of 2020.

Additionally, the Group increased the number of staff compared to the prior year, which resulted in an increase in payroll expenses of 2.8% (H1 2019: €18.7 million, H1 2020: €19.2 million). At the same time, doubtful debt expenses increased from €2.1 million to €2.3 million in the period, as some customers experienced payment difficulties caused by the economic knock-on effect of the COVID-19 pandemic and the increase of number of properties.

As we managed to keep the increase in operating expenses below the rate of revenue growth, our NOI margin grew by 0.2pp at CER versus the previous year.

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 reflects 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 expenses. We also put several energy management initiatives in place during the year, which helped lower our utility consumption and contain expenses. Net income from real estate operations rose 5.8% in H1 2020 to €81.2 million in H1 2020 from €76.8 million in H1 2019 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)	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
Same stores (as of June 30)	225	225	0	225	225	0
Non-same stores (as of June 30)	13	6	7	13	6	7
All Stores	**238**	**231**	**7**	**238**	**231**	**7**
Same store property operating revenue (in € thousands)	63,494	61,672	3.0%	127,783	123,160	3.8%
Non-same store property operating revenue (in € thousands)	2,618	1,285	103.7%	4,412	2,495	76.8%
All store property operating revenue (in € thousands)	**66,112**	**62,957**	**5.0%**	**132,195**	**125,655**	**5.2%**

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)	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
Property KPIs at period end						
Number of properties	225	225	0	225	225	0
Net rentable sqm[1]	1,136	1,125	1.0%	1,136	1,125	1.0%
Net rented sqm[2]	1,017	993	2.5%	1,017	993	2.5%
Occupancy rate[3]	89.6%	88.2%	1.3pp	89.6%	88.2%	1.3pp
Property KPIs for the period						
Average occupancy rate[4]	88.3%	87.4%	0.9pp	88.1%	87.2%	0.9pp
Average in-place rent (in € per sqm)[5]	218.6	214.8	1.8%	220.2	215.3	2.2%
RevPAM (in € per sqm)[6]	223.6	219.4	1.9%	225.0	219.2	2.6%
Financial KPIs for the period						
Property operating revenue[7] (in € thousands)	63,494	61,672	3.0%	127,783	123,160	3.8%
Income from property (NOI)[8] (in € thousands)	42,267	40,887	3.4%	79,112	75,596	4.7%
NOI margin[9]	66.6%	66.3%	0.3pp	61.9%	61.4%	0.5pp

1 Net rentable sqm for our same stores is presented in thousands of sqm and calculated as the sum of unit space available for customer storage use at our same stores, measured in sqm, based on our unit size categories, each as of the relevant date.
2 Net rented sqm for our same stores is presented in thousands of sqm and calculated as the sum of unit space rented by customers at our same stores, measured in sqm, based on our unit size categories, each as of the relevant date.
3 Occupancy rate for our same stores is presented as a percentage and calculated as the net rented sqm in our same stores divided by net rentable sqm in our same stores, each as of the relevant date.
4 Average occupancy rate for our same stores is presented as a percentage and is calculated as the average of the net rented sqm in our same stores divided by the average of the net rentable sqm in our same stores, each for the relevant period.
5 Average in-place rent is presented in euros per sqm per year and calculated as rental revenue, divided by the average net rented sqm for the relevant period.
RevPAM, which stands for revenue per available sqm, is presented in euros per sqm per year for the relevant period and calculated as property operating revenue, divided by the average net rentable sqm for the relevant period.
7 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.
8 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 relevant period.
9 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 relevant period.

The average occupancy rates for our same store network increased by 0.9pp to 88.1%. The average in-place rent per sqm for our same store facilities increased by 2.2% to €220.2 in H1 2020 from €215.3 the previous year.

Property operating revenue generated by our same store facilities increased by €4.6 million or 3.8% to €127.8 million in H1 2020, driven by increases in average in-place rental rates and additional rented sqm (up by 2.5%).

NOI for our same stores rose to €79.1 million in H1 2020 from €75.6 million in H1 2019, reflecting our ability to manage operating expenses so that they grow slower than operating revenues. NOI margins for our same stores increased from 61.4% to 61.9% in H1 2020.

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 €2.5 million in H1 2019 to €4.4 million in H1 2020. This increase was due to the continued 'ramp-up' at our new properties and the addition of seven non-same stores.

OPERATIONS BY COUNTRY

Same store Property operating revenue (in € thousands)	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
The Netherlands	13,679	13,036	4.9%	27,268	25,967	5.0%
France	16,517	16,127	2.4%	33,176	32,113	3.3%
Sweden	10,413	10,154	2.5%	20,959	20,222	3.6%
The United Kingdom	9,739	9,505	2.5%	20,027	19,200	4.3%
Belgium	5,211	5,087	2.4%	10,457	10,189	2.6%
Germany	4,687	4,513	3.9%	9,404	8,989	4.6%
Denmark	3,248	3,249	0.0%	6,492	6,481	0.2%
Total	**63,494**	**61,672**	**3.0%**	**127,783**	**123,160**	**3.8%**

Same store Average occupancy rate[1]	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
The Netherlands	89.1%	87.4%	1.7pp	88.4%	87.4%	1.0pp
France	87.0%	86.9%	0.1pp	87.1%	86.6%	0.6pp
Sweden	90.7%	89.9%	0.8pp	90.6%	89.5%	1.1pp
The United Kingdom	85.3%	86.5%	-1.2pp	85.9%	86.0%	0.0pp
Belgium	87.5%	85.4%	2.0pp	87.4%	85.3%	2.0pp
Germany	89.0%	87.3%	1.8pp	88.9%	87.8%	1.0pp
Denmark	90.5%	88.6%	1.9pp	89.6%	88.5%	1.1pp
Total	**88.3%**	**87.4%**	**0.9pp**	**88.1%**	**87.2%**	**0.9pp**

Same store Average in-place rent[2]	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
The Netherlands	181.7	180.6	0.6%	183.1	180.3	1.6%
France	236.6	228.6	3.5%	236.6	229.3	3.2%
Sweden	225.8	221.3	2.1%	227.6	221.1	2.9%
The United Kingdom	277.9	272.2	2.1%	282.1	276.5	2.0%
Belgium	175.7	173.8	1.1%	176.5	174.2	1.3%
Germany	222.7	216.3	3.0%	223.7	215.8	3.7%
Denmark	234.3	239.4	-2.1%	237.2	239.5	-0.9%
Total	**218.6**	**214.8**	**1.8%**	**220.2**	**215.3**	**2.2%**

Same store NOI margin[3]	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
The Netherlands	68.7%	69.2%	-0.5pp	65.6%	65.4%	0.2pp
France	67.6%	64.3%	3.3pp	56.4%	53.5%	2.9pp
Sweden	66.1%	70.6%	-4.5pp	66.2%	68.4%	-2.2pp
The United Kingdom	61.2%	60.4%	0.8pp	61.5%	61.7%	-0.2pp
Belgium	68.6%	65.5%	3.1pp	59.8%	56.9%	2.8pp
Germany	67.6%	68.0%	-0.4pp	62.5%	62.2%	0.3pp
Denmark	65.5%	67.7%	-2.2pp	64.9%	67.5%	-2.6pp
Total	**66.6%**	**66.3%**	**0.3pp**	**61.9%**	**61.4%**	**0.5pp**

1 Average occupancy rate is presented as a percentage and is calculated as the average of the net rented sqm divided by the average of the net rentable sqm, each for the relevant period.

2 Average in-place rent is presented in euros per sqm per year and calculated as rental revenue divided by the average net rented sqm, each for the relevant period.

3 NOI margin is calculated as income from property (NOI) divided by property operating revenue, each for the relevant period.

Overall, Shurgard's operations showed strong resilience in the currently difficult economic environment, with average same store occupancy increasing by 0.9pp compared to the previous year.
In our three biggest markets, the Netherlands, France and Sweden, same store revenue growth was driven by higher in-place rent, combined with occupancy performance picking up versus the prior year. In the UK, while average occupancy stayed stable, in-place rent grew by 2.0%, resulting in an increase in revenue of 4.3%. Solid year-on-year growth in both occupancy and in-place rent led to revenue growth in Belgium (+2.6%) and Germany (+4.6%). Finally, in Denmark, the occupancy gain (+1.1pp) was partially impacted by a decrease in average in-place rent (-0.9%) due to a competitive environment, which in total led to a slight increase in same store revenue of 0.2%.

GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

(in € thousands, at CER)	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
Payroll expense	2,271	2,153	5.5%	4,257	4,077	4.4%
Share-based compensation expense	206	398	-48.2%	438	800	-45.2%
Capitalization of internal time spent on development	(523)	(473)	10.5%	(1,020)	(1,028)	-0.7%
Depreciation and amortization expense	436	363	20.3%	964	882	9.2%
Other general and administrative expenses[1]	1,024	1,759	-41.8%	3,204	3,025	5.9%
Total	**3,414**	4,199	**-18.7%**	**7,843**	7,756	**1.1%**

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

General, administrative and other expenses remained stable at €7.8 million during H1 2020. Note that other general and administrative expenses includes a €1.3 million loss in H1 2020 related to customer goods damage in Zoetermeer. This is however almost fully offset by a release of a tax provision. Furthermore, our payroll expenses have gone up in line with more temporary staffing in the finance department.

ROYALTY FEE EXPENSE

We pay our shareholder Public Storage a royalty fee equal to 1.0% of revenues in exchange for the rights to use the 'Shurgard' trade name and other services. In H1 2020, we incurred royalty fees of €1.3 million.

OPERATING PROFIT BEFORE PROPERTY RELATED ADJUSTMENTS

Operating profit before property related adjustments increased by 6.0%, from €68.0 million in H1 2019 to €72.0 million in H1 2020, reflecting the operational strength of the core business (before non-cash adjustments and exceptional items).

EBITDA

(in € thousands)	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-
Operating profit before property related adjustments	**39,511**	36,874	**7.2%**	**72,042**	67,981	**6.0%**
Depreciation and amortization expense	436	363	20.2%	964	883	9.2%
Acquisition costs of business combinations	0	0	NA	6	0	NA
Abandoned project costs	24	0	NA	91	0	NA
Cease-use lease expenses	(1)	0	NA	184	0	NA
Casualty loss/(gain) excluding property insurance recovery proceeds	179	(63)	NA	1,332	(62)	NA
EBITDA (AER)	**40,150**	37,174	**8.0%**	**74,619**	68,802	**8.5%**
Foreign exchange	0	(112)	NA	0	(208)	NA
EBITDA (CER)	**40,150**	37,061	**8.3%**	**74,619**	68,594	**8.8%**

At constant exchange rates, EBITDA rose 8.8% in the first half of 2020 to €74.6 million from €68.6 million the prior year mainly due to an increase in property operating revenue of 5.2%.

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 €119.9 million for H1 2020, which compares to a valuation loss of €0.2 million for H1 2019. 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 €119.9 million net valuation gain we realized in H1 2020 consists of a €131.4 million revaluation gain on our completed investment properties, partially offset by a €10.4 million valuation loss in relation to our investment property under construction (IPUC), and a €1.1 million revaluation loss on ROU IP recognized in connection with lease properties. A net valuation gain of €119.9 million, combined with acquisitions, capital expenditure, and partly offset by unfavorable exchange rate fluctuations, resulted in an increase of investment property value by €186.6 million (to €2,993.5 million), compared to December 31, 2019.

OPERATING PROFIT

During the first half of 2020, operating profit increased by €128.5 million to € 197.9 million compared to the prior year (€69.4 million). The increase is due to the recognized gain in valuation from investment property and investment property under construction in H1 2020 (€119.9 million), while a valuation loss of €0.2 million was incurred in the year earlier period. In addition, net income from real estate operations increased by 5.5% to €81.2 million in H1 2020 from €77.0 million in H1 2019.

FINANCE COSTS

(in € thousands)	H1 2020	H1 2019	+/-
Total interest expense	8,698	9,774	-11.0%
Foreign exchange loss/(gain)	497	(244)	NA
Finance cost	**9,195**	9,530	**-3.5%**

Finance costs decreased by €0.3 million (or 3.5%) to €9.2 million in H1 2020, as a result of a €0.9 million interest refund following a tax reassessment, compared to a €0.2 million interest payment last year. In addition, capitalized interest increased by €0.3 million compared to H1 2019. These effects were partially offset by a €0.7 million unfavorable movement in foreign exchange translation results and a €0.3 million increase in interest expenses from lease obligations.

INCOME TAX EXPENSE

(in € thousands)	H1 2020	H1 2019	+/-
Current tax expense	9,144	8,994	1.7%
Deferred tax expense	39,335	7,266	NA
Income tax expense	**48,479**	16,260	**198.1%**
Adjusted EPRA earnings effective tax rate[1]	**14.3%**	15.0%	**0.7pp**

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

Current tax expense increased by 1.7% from €9.0 million in H1 2019 to €9.1 million in H1 2020. For the six months ended June 30, 2020, current tax expense includes €4.2 million of income tax refunds related to our German subsidiaries.

Deferred tax expenses in H1 2020 amounted to €39.3 million. Deferred tax expenses were impacted mainly by an increase in deferred tax liabilities as a result of an increase in investment property values.

Our adjusted EPRA earnings effective tax rate in H1 2020 is 14.3%, compared to 15.0% in H1 2019, based on the current tax expenses divided by the adjusted EPRA before tax for the relevant period.

ATTRIBUTABLE PROFIT AND ATTRIBUTABLE PROFIT PER SHARE

For H1 2020, €139.8 million (H1 2019: €43.5 million) was attributable to the shareholders of Shurgard Self Storage SA, and €0.5 million (H1 2019: €0.1 million) was attributable to non-controlling interests. Based on the average number of shares (H1 2020: 88.7 million), this translates into earnings per share (basic) of €1.58.

EPRA KPIs

(in € thousands, except where indicated)	H1 2020	H1 2019	+/-
EPRA Earnings	47,640	43,788	8.8%
Adjusted EPRA Earnings	54,657	50,948	7.3%
Capital Expenditure	99,009	30,922	NA
EPRA Vacancy Rate	11.4%	12.6%	-1.2pp

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 by the European Public Real Estate Association (EPRA) in their best practices guidelines dated November 2016. They include EPRA earnings and adjusted EPRA earnings which are presented in detail below. The bases on which we calculate Capital Expenditure and EPRA Vacancy Rates are illustrated on pages 60 to 61 of the half-year report.

EPRA EARNINGS

(in € thousands, except for EPRA EPS)	H1 2020	H1 2019	+/-
Profit attributable to ordinary equity holders of the parent	**139,780**	43,477	**NA**
Adjustments:			
(Gain) loss on revaluation of investment properties[1]	(119,942)	205	NA
Acquisition costs of business combinations and other	7	0	NA
Current and deferred tax in respect of EPRA adjustments	27,699	93	NA
Non-controlling interests in respect of the above	96	12	NA
EPRA earnings	**47,640**	43,788	**8.8%**
EPRA earnings per share (basic - in €)	0.54	0.49	9.0%
EPRA earnings per share (diluted - in €)	0.53	0.49	9.1%

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)	H1 2020	H1 2019	+/-
EPRA earnings	**47,640**	43,788	**8.8%**
Company specific adjustments:			
Deferred tax expense on items other than the revaluation of investment property	11,620	7,160	62.3%
Net impact of tax assessments	(4,603)	0	NA
Adjusted EPRA earnings	**54,657**	50,948	**7.3%**
Adjusted EPRA earnings per share (basic - in €)	0.62	0.57	7.4%
Adjusted EPRA earnings per share (diluted - in €)	0.61	0.57	7.6%

Adjusted EPRA earnings exclude deferred tax expenses on items other than the revaluation of investment property, and significant one-off items that arise from events and transactions distinct from the Company's regular operating activities. In H1 2020, adjusted EPRA earnings were €54.7 million, 7.3% higher than the €50.9 million in H1 2019.

RECONCILIATION OF EBITDA TO ADJUSTED EPRA EARNINGS

(in € thousands, at CER)	H1 2020	H1 2019	+/-
EBITDA	**74,619**	68,594	**8.8%**
Net attributable profit adjustments:			
Casualty loss/gain and gain on disposal of investment property, plant and equipment	4,588	1,644	179.1%
Cease-use lease expenses	(184)	0	NA
Depreciation and amortization	(964)	(882)	9.2%
Finance costs	(9,195)	(9,488)	-3.1%
Current tax	(9,144)	(8,962)	2.0%
Minority interest, net of EPRA adjustments	(461)	(92)	NA
Company specific EPRA adjustments:			
Net impact of tax assessments	(4,603)	0	NA
Adjusted EPRA earnings	**54,657**	50,814	**7.6%**

Adjusted EPRA earnings increased by 7.6% at CER mainly due to an increase in EBITDA of 8.8%.

EPRA NAV METRICS

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

(in € thousands)	June 30, 2020	December 31, 2019	+/-
Net Asset Value (NAV)	1,956,215	1,889,968	3.5%
EPRA Net Asset Value (NAV)	2,359,358	2,264,985	4.2%
EPRA Triple Net Asset Value (NNNAV)	2,346,428	2,234,538	5.0%
EPRA Net Restatement Value (NRV)	2,545,127	2,424,083	5.0%
EPRA Net Tangible Assets (NTA)	2,538,385	2,417,982	5.0%
EPRA Net Disposal Value (NDV)	1,897,534	1,824,916	4.0%

In response to fundamental changes in public asset ownership, mainly resulting from the introduction of REIT regime, the EPRA association introduced three new key metrics in October 2019 that replace the EPRA NAV and EPRA Triple Net Asset Value (NNNAV) measures from January 1, 2020. All three NAV metrics share IFRS Equity attributable to shareholders as a starting point.

The objective of the new metrics is to provide investors with a clearer view on property companies' underlying operations and business models by considering active capital recycling and dynamic portfolio management when calculating the metrics.

The three new features of the NAV metrics are EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV).

The bases of calculation for each of the measures set out above, are illustrated on pages 56 to 60 of the half-year report.

LIQUIDITY

Our loan to value ratio at June 30, 2020 was 18.0%, compared to 16.9% at December 31, 2019. In the medium term, we are targeting a loan to value ratio within the range of 25% to 35%.

CASH FLOW OVERVIEW

(in € thousands)	H1 2020	H1 2019	+/-
Cash flows from operating activities	87,667	63,317	38.5%
Cash flows from investing activities	(93,757)	(30,457)	NA
Cash flows from financing activities	(55,998)	(32,622)	71.7%
Net increase in cash and cash equivalents	(62,088)	238	NA
Effect of exchange rate fluctuations	70	(362)	-119.5%
Cash and cash equivalents at January 1	198,574	250,922	-20.9%
Cash and cash equivalents at period end	136,556	250,798	-45.6%

Cash flows from operating activities

Operating cash inflow increased 38.5% from €63.3 million in the first six months of 2019 to €87.7 million in the first six months of 2020. This was mainly due to an €8.4 million increase in cash flows from operations, €8.2 million decreased income tax payments and €7.8 million of favorable movements in working capital.

Cash flows from investing activities

Our cash outflow from investing activities increased by €63.3 million, from €30.5 million in the six months ended June 30, 2019 to €93.8 million in the six months ended June 30, 2020. The increase was primarily due to €56.0 million cash we spent on acquisitions of investment property in the first half of 2020 (zero in the same period last year), increased capital expenditure on investment property under construction and completed investment property and increased insurance recovery proceeds on property damage and payments for intangible assets.

Cash flows from financing activities

Our cash outflow from financing activities increased by €23.4 million. Cash outflow during the first six months of 2020 was €56.0 million, which compares to a net cash outflow of €32.6 million during the same period last year. The increase in net cash outflow was mainly the result of €24.8 million of increased dividend payments to company shareholders, €0.6 million of increased repayments of principal amount of lease obligations, and €0.7 million of decreased proceeds of the sale of own shares held as treasury shares in connection with our share option plans. This was partially offset by €3.0 million spending on the purchase of own shares in the first half of 2019 not recurring in the first half of 2020.

FINANCIAL POSITION

TOTAL ASSETS

In the first six months of 2020, the Company's total assets increased by 4.0% from €3,040.4 million on December 31, 2019 to €3,163.1 million on June 30, 2020, mainly due to the increase in investment property and investment property under construction.

Investment Property

Investment property (including IPUC but excluding IP ROU assets recognized under IFRS 16) increased by 6.7% (or €184.7 million) in the first six months of 2020 (€2,925.3 million). The main reasons are €55.8 million expenditure on investment property acquisitions, €43.2 million capital expenditure, predominantly for developments and redevelopments, partially offset by €35.3 million of unfavorable exchange rate fluctuations. In addition, the Company recognized €121.1 million of favorable fair value revaluation income on its investment property and investment property under construction.

Cash and cash equivalents

The Company had cash and cash equivalents of €136.6 million as of June 30, 2020 compared to €198.6 million cash and cash equivalents as of December 31, 2019, a decrease of €62.0 million.

DIVIDEND

It is the Company's objective to pay dividends in May and October of each year based on our results for the previous financial year or the previous six-month period. Subject to the availability of distributable reserves, we currently intend to declare and distribute a semi-annual interim dividend. 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 to the first half year of 2020, our Board of Directors approved an interim dividend of a maximum amount of €43.47 million (taking into account the total number of outstanding shares as per June 30, 2020) or €0.49 per share.
The interim dividend will be payable on or around October 1, 2020 to shareholders on the register at close of business on September 30, 2020.

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 June 30, 2019 and 2020:

	H1 2020	H1 2019	**+/-**
Store personnel	589	545	44
Operational management	47	47	0
Support functions	104	103	1
Total	**740**	**695**	**45**

RISKS

Shurgard is exposed to a number of risks that are described in detail in the Principal Risks and Uncertainties section of the management report for Shurgard Self Storage SA for the 2019 financial year. During the first half of 2020, this risk position has not changed except for the COVID-19 crisis (see note hereunder).

IMPACT OF COVID-19

On March 11, 2020, the World Health Organization (WHO) announced that the so-called coronavirus (or COVID-19) outbreak was a pandemic. Shortly thereafter, many European countries took measures to protect their citizens against the pandemic, which had a material effect on the world economy.

The various European countries, depending on their risk assessment and the actual impact of the crisis over time, reacted by implementing different measures. While some countries, like France, experienced an early and severe impact on the population and therefore took strong measures to confine the outbreak, other countries, such as Sweden, took less drastic measures, impacting the lives of their population less severely. Over time, some countries, such as the United Kingdom, had to re-adjust their measures as they faced a growing number of COVID-19 cases despite the measures implemented.

Shurgard experienced a strict lockdown in France and Belgium from the middle of March and in the UK from March 23. This meant that facilities operating in these countries had to be operated differently to comply with lockdown requirements, and customer traffic changed significantly. The remaining countries (representing around 50% of the Group's portfolio) were able to operate under less severe restrictions.

During the second quarter of 2020, as COVID-19 infection rates stabilized and trends began to reverse in many countries, various measures were relaxed and eventually, all countries left strict lockdown during that quarter. The government responses to the immediate crisis in our markets was to provide financial support to both businesses and individuals, in the form of furlough schemes and grants and loans. This limited the negative impact the crisis would have had on some of our customers' income and financial capacity.

OUR RESPONSE

Shurgard responded to the pandemic by first and foremost ensuring the protection of its employees and customers, by introducing hand sanitizer for staff and customers, providing gloves and masks to employees and installing plexiglass screens in the stores to protect both customers and staff. The Group further guaranteed the salary and bonuses of all our employees and introduced mandatory home working for Support Centre staff. Finally, reinforced hygiene measures were implemented both in stores and offices.

Importantly, even during lockdown, access to all self-storage facilities remained possible for existing customers because we have automated access control systems in place. Due to our platform operating approach, the Group was also able to ensure that online reservations remained possible in all countries, and a contactless move-in process for new customers was set up.

As a result of the confinement measures taken in the different countries, the Group experienced a decrease in move-outs and fewer move-ins, compared to the prior year. Despite this, we were still able to increase closing occupancy rates for same stores by 1.3pp to 89.6% at June 30, 2020. Shurgard currently expects that move-outs will increase in the second half of the year, as people catch up on delayed activities.

To support revenue after the outbreak, we suspended rental rate increases and in a limited number of cases offered discounts to increase customer retention. Planned rate increases for existing contracts, or initial discounts granted to new customers, are expected to return to pre-crisis levels for the remainder of the year, as part of our dynamic pricing strategy to ensure high occupancy levels.

IMPACT

Overall, in the first six months of this year, at constant exchange rates, property operating revenue and income from property (NOI) for our pool of same stores increased by 3.8% and 4.7%, respectively, versus the same period last year (please refer to pages 17 to 20 of the half-year report for a more detailed discussion of the operational performance). This demonstrates the resilience of Shurgard's operating model against the backdrop of the current economic climate.

As indicated above, most European countries have implemented support for employees that were on reduced work schedules, which significantly supported their ability to stabilize their spending levels. As most of our customers are private individuals, the Group does not have significant concentration of risk on outstanding trade receivables. During the first half of the year, the Group recognized bad debt write downs of €2.3 million (or 1.8% of gross revenue), which compares to €2.1 million (or 1.7% of gross revenue) for the same period last year. Since the start of the outbreak, the Group has monitored overdue receivables daily, to be able to identify and address potential payment problems in all the countries in which we operate. Due to the high degree of process centralization, the Group was able to implement a consistent approach across Europe. As of June 30, 2020, expected credit loss, as reflected in the Groups provision for doubtful debtors, was not materially impacted by COVID-19. At June 30, 2020, the Group had a rental collection rate of 96.9% of its June revenue, compared to 97.2% for the same period last year.

So far, the Group has only been marginally impacted by the knock-on effects of the pandemic. While we expect that there will be a catch-up effect of delayed move-outs in some countries, the Group – while acknowledging that the uncertainties and risks with respect to the global economy have increased and remain unclear – currently identifies no new major sources of uncertainty to be reflected in its financial statements, compared to December 31, 2019.

As part of this review, Shurgard obtained updated valuation reports of our investment properties from external valuation experts. Based on the current risk assessment reflected in the relevant market assumptions, the pandemic did not negatively impact fair values of the Group's properties (we refer to Note 9 Investment property and investment property under construction in the Notes to the unaudited interim consolidated financial statements of the half-year report).

In addition, Shurgard did not identify any impairment indications that would hint towards the Group not being able to recover the carrying value of our assets, either by using or selling it. As such, no impairment losses were recognized in connection with this.

As of June 30, 2020, Shurgard had €136.6 million cash and ready access to €250.0 million cash through a syndicated revolving loan facility, on which we have not yet drawn.

Based on our borrowing agreements, the Group is obliged to regularly test certain debt covenants, of which senior leverage, loan-to value and fixed charge cover ratios are the most prominent. During the first half of 2020, the Group did not breach any covenants limits and retained significant headroom.

DEVELOPMENT IMPACT

Shurgard was however marginally impacted in relation to our acquisition, new development and redevelopment activities, as the COVID-19 measures taken in Europe impacted our ability to develop new sites at the same level of efficiency as pre-crisis levels. As such, the current expansion pipeline of 24 projects experienced some delays. While construction activities have resumed to more normal levels, the completion of four projects (21% of our expansion portfolio) will be delayed until 2021. We refer to this on page 12 of the half-year report.

Despite the lockdown measures and restrictions on face-to-face interactions, the Group was nonetheless able to close the asset acquisition of four properties in Germany, on May 14, 2020.

RISK PROFILE

Finally, the enterprise risk management program in place provides Shurgard with a comprehensive understanding of the Group's key business risks, and the policies and procedures in place to mitigate these risks. Whilst the principal risks have not changed as compared to those disclosed in the 2019 Annual report, the COVID-19 outbreak has impacted our overall risk profile. Shurgard is monitoring identified risks, 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.

EVENTS AFTER THE REPORTING PERIOD

Please refer to Note 19 in the Notes to the unaudited interim consolidated financial statements of the half-year report.

OUTLOOK

The trajectory of the company revenues for the year to July is in line with our 2020 guidance (growth of 4-6% p.a.).

However, due to the unpredictable evolution and impact of the COVID-19 crisis on public health policy and economies, we will confirm our guidance along with our Q3 results publication.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that:

the consolidated financial statements of Shurgard presented in this half-year 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 half-year 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, August 12, 2020

Marc Oursin
Chief Executive Officer

Jean Kreusch
Chief Financial Officer

UNAUDITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2020 AND 2019

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE SIX MONTHS ENDED JUNE 30

(in € thousands)	Notes	2020	2019
Real estate operating revenue	3, 8	132,409	125,974
Real estate operating expense	4	(51,215)	(48,990)
Net income from real estate operations	**8**	**81,194**	**76,984**
General, administrative and other expenses	5	(7,843)	(7,761)
Of which depreciation and amortization expense		*(964)*	*(883)*
Acquisition costs of business combinations		(6)	-
Royalty fee expense		(1,303)	(1,242)
Operating profit before property related adjustments		**72,042**	**67,981**
Valuation gain (loss) from investment property and investment property under construction	9	119,942	(206)
Proceeds from property insurance recovery and gain on disposal of investment property, property, plant and equipment		5,920	1,583
Operating profit		**197,904**	**69,358**
Finance cost, net	6	(9,195)	(9,530)
Profit before tax		**188,709**	**59,828**
Income tax expense	7	(48,479)	(16,260)
Attributable profit for the period		**140,230**	**43,568**
Profit attributable to non-controlling interests		450	91
Profit attributable to ordinary equity holders of the parent		139,780	43,477
Earnings per share in €, attributable to ordinary equity holders of the parent:			
Basic, profit for the period		1.58	0.49
Diluted, profit for the period		1.57	0.49

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIODS ENDED JUNE 30

(in € thousands)	2020	2019
Profit for the period	**140,230**	**43,568**
Other comprehensive income		
Items to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation reserve	(31,137)	(11,540)
Net other comprehensive loss, net of tax, to be reclassified to profit or loss in subsequent periods	(31,137)	(11,540)
Net other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods	6	33
Total comprehensive income for the period, net of tax	**109,099**	**32,061**
Attributable to non-controlling interests	450	91
Attributable to ordinary equity holders of the parent	**108,649**	**31,970**

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € thousands)	Notes	June 30, 2020	December 31, 2019
Assets			
Non-current assets:			
Investment property	9	2,941,137	2,773,313
Investment property under construction	9	52,363	33,622
Property, plant and equipment		3,528	3,268
Intangible assets		5,120	4,593
Deferred tax assets		1,523	1,053
Other non-current assets		1,256	2,799
Total non-current assets		**3,004,927**	**2,818,648**
Current assets:			
Trade and other receivables	10	12,071	11,434
Other current assets		9,525	11,701
Cash and cash equivalents		136,556	198,574
Total current assets		**158,152**	**221,709**
Total assets		**3,163,079**	**3,040,357**
Equity and liabilities			
Equity			
Issued share capital	12	56,414	56,274
Share premium		537,421	537,421
Share-based payment reserve	13	2,619	809
Distributable reserves		396,192	440,544
Other comprehensive loss		(106,483)	(75,352)
Retained earnings		1,070,052	930,272
Total equity attributable to equity holders of the parent		**1,956,215**	**1,889,968**
Non-controlling interests		**4,839**	**4,389**
Total equity		**1,961,054**	**1,894,357**
Non-current liabilities:			
Interest-bearing loans and borrowings	15	598,254	598,082
Deferred tax liabilities		432,288	397,255
Lease obligations		72,260	70,706
Other non-current liabilities		91	176
Total non-current liabilities		**1,102,893**	**1,066,219**
Current liabilities:			
Lease obligations		3,546	3,165
Trade and other payables and deferred revenue	16	92,279	72,163
Income tax payable		3,307	4,453
Total current liabilities		**99,132**	**79,781**
Total liabilities		**1,202,025**	**1,146,000**
Total equity and liabilities		**3,163,079**	**3,040,357**

UNAUDITED INTERIM 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
At January 1, 2019		63,470	(928)	537,421	4,525	500,000	(90,493)	781,001	1,794,996	3,665	1,798,661
Cash dividends on ordinary shares declared and paid		-	-	-	-	(19,552)	-	-	(19,552)	-	(19,552)
Acquisition of own shares held as treasury		-	(3,000)	-	-	-	-	-	(3,000)	-	(3,000)
Share-based compensation expense		-	-	-	611	-	-	-	611	-	611
Deferred tax attributable to share-based					718						
Sale of treasury shares to option holders		-	570	-	174	-	-	-	744	-	744
Net profit		-	-	-	-	-	-	43,477	43,477	91	43,568
Other comprehensive loss		-	-	-	-	-	(11,507)	-	10,737	-	(11,507)
At June 30, 2019		63,470	(3,358)	537,421	6,028	480,448	(102,000)	824,478	1,806,487	3,756	1,810,243
At January 1, 2019		63,470	(7,196)	537,421	809	440,544	(75,352)	930,272	1,889,968	4,389	1,894,357
Share-based compensation expense	13[3]	-	-	-	1,898	-	-	-	1,898	-	1,898
Sale of treasury shares to option holders	12	-	140	-	(88)	-	-	-	52	-	52
Cash dividends on ordinary shares declared and paid	14	-	-	-	-	(44,352)	-	-	(44,352)	-	(44,352)
Net profit		-	-	-	-	-	-	139,780	139,780	450	140,230
Other comprehensive loss		-	-	-	-	-	(31,131)	-	(31,131)	-	(31,131)
At June 30, 2020		**63,470**	**(7,056)**	**537,421**	**2,619**	**396,192**	**(106,483)**	**1,070,052**	**1,956,215**	**4,839**	**1,961,054**

1 In the Statement of Financial Position, the value of our treasury shares is deducted from issued share capital (Note 14).
2 Other comprehensive income for all periods 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 first six months of 2020 and the year ended December 31, 2019 includes €0.1 million and €1.5 million, respectively, in deferred tax liability.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30

(in € thousands)	Notes	June 30, 2020	June 30, 2019
Operating activities			
Profit for the period before tax		188,709	59,828
Adjustments to reconcile profit before tax to net cash flows:			
Valuation (gain) loss on investment property and investment property under construction	9	(119,942)	206
Loss on disposal of investment property		1	-
Depreciation and amortization expense		964	883
Share-based compensation expense	13, 17	523	611
Finance cost	6	9,195	9,530
Working capital movements:			
Increase in trade receivables, other current and non-current assets	10	(1,101)	(3,698)
Increase in other current and non-current liabilities and deferred revenue	16	16,263	11,058
Income tax paid		(6,945)	(15,101)
Cash flows from operating activities		**87,667**	**63,317**
Investing activities			
Capital expenditures on investment property under construction and completed investment property	9	(42,639)	(30,602)
Capital expenditures on property, plant and equipment		(69)	(556)
Acquisition of investment properties and other assets, net	2, 9	(56,031)	-
Proceeds from disposal of property, plant and equipment and insurance recovery proceeds		5,922	1,583
Acquisition of intangible assets		(940)	(882)
Cash flows from investing activities		**(93,757)**	**(30,457)**
Financing activities			
Repayment of principal amount of lease obligations		(1,782)	(1,188)
Cash dividends on ordinary shares paid to company's shareholders	14	(44,352)	(19,552)
Purchase of own shares held as treasury shares		-	(3,000)
Proceeds from the sales of treasury shares	12	52	743
Interest paid		(9,916)	(9,625)
Cash flows from financing activities		**(55,998)**	**(32,622)**
Net (decrease) increase in cash and cash equivalents		(62,088)	238
Effect of exchange rate fluctuation		70	(362)
Cash and cash equivalents at January 1		198,574	250,922
Cash and cash equivalents at the end of the period		**136,556**	**250,798**

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

TABLE OF CONTENTS

1. CORPORATE INFORMATION

The interim consolidated financial statements of Shurgard Self Storage SA (referred to collectively with its consolidated subsidiaries, as the 'Group', 'Company', 'we', 'our', or 'us') for the six months ended June 30, 2020 were authorized for issue in accordance by the Board of Directors on August 12, 2020.

The Group is organized under the laws of the Grand Duchy of Luxembourg and has been listed on Euronext Brussels since October 15, 2018.

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 facilities consisting primarily of sales of storage products and provide protection (insurance) via an independent insurance company for customers' stored goods. Any claims regarding customer insurance are directly handled by our insurance broker. As of June 30, 2020, we operate 238 self-storage facilities under the Shurgard brand name that we own or lease in the Netherlands, France, Sweden, the United Kingdom, Belgium, Germany and Denmark.

SIGNIFICANT EVENTS AND TRANSACTIONS

This half-year report only provides an explanation of events and transactions that are significant to an understanding of the changes in financial position and reporting since the last annual reporting period and should therefore be read in conjunction with the consolidated financial statements for the financial year ended on December 31, 2019. Significant events and/or transactions since December 31, 2019 mainly relate to:

- Due to a fire in the night of January 1, 2020, one of our Dutch facilities, with fair value of €10.2 million as of December 31, 2019, was completely destroyed. A resulting impairment loss of €8.6 million, representing the fair value of the building, was recognised during the first half of 2020. The Group is in the process of re-developing the property and obtaining insurance proceeds.
- During the first quarter of 2020, Shurgard acquired two self-storage facilities in France, adding 8,597 net rentable sqm of storing space in total to its existing owned portfolio. The facilities were company operated under a management contract since October 2019.
- In the first three months of 2020, we closed one of our Dutch facilities that we operated under a lease agreement that was close to maturity. We recognized in the six months ended June 30, 2020 an impairment loss of €0.2 million on this property.
- In May 2020, the Group acquired four self-storage facilities in Germany, adding 12,432 net rentable sqm of storing space in total to its existing owned portfolio.

We refer to pages 26 to 29 of this half-year report for the discussion on the impact of COVID-19 on the Group, required by IAS 34, which forms an integral part of this half-year report.

2. BASIS OF PREPARATION, CHANGES IN ACCOUNTING POLICIES

The interim financial statements as of and for the six months ended June 30, 2020 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting, as adopted by the European Union ('EU').

The accounting policies applied are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below:

The Company adopted as of the January 1, 2020 effective date the amendments to IFRS 3, Business Combinations, which are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020.

The amendments to the guidance of IFRS 3 Business Combinations revised the definition of a business. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). This amendment had no impact on the consolidated financial statements but may impact future periods should Shurgard enter into any business combination.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the unaudited interim consolidated financial statements of the Company.

There are currently other standards, amendments and/or interpretations that have been issued by the IASB but are not yet effective. The Company currently believes that these will not have a material impact on the Company's financial statements, when applied at a future date.

The unaudited interim consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (in € thousands), except where indicated otherwise.

This half-year report includes alternative performance measures (also known as non-GAAP measures). The descriptions of these alternative performance measures are included in the 2019 annual report.

The half-year report has been reviewed by our Independent Auditors in accordance with International Standard on Review Engagements 2410.

3. REAL ESTATE OPERATING REVENUE

(in € thousands)	**YTD 2020**	YTD 2019
Rental revenue	113,763	107,803
Insurance revenue	13,659	13,046
Ancillary revenue[1]	4,773	5,125
Property operating revenue	**132,195**	125,974
Other revenue[2]	214	-
Real estate operating revenue	**132,409**	125,974

1 Ancillary revenue consists of merchandise sales and other revenue from real estate operations.
2 Other revenue mainly consists of management fee revenue.

4. REAL ESTATE OPERATING EXPENSE

Real estate operating expense of investment property which generates property operating revenue consists of the following:

(in € thousands)	YTD 2020	YTD 2019
Payroll expense	19,200	18,714
Real estate and other taxes	10,499	9,601
Repairs and maintenance	3,969	3,401
Marketing expense	3,487	3,373
Utility expense	2,016	1,933
Other operating expenses[1]	7,790	7,540
Doubtful debt expense	2,288	2,081
Cost of insurance and merchandise sales	1,966	2,347
Real estate operating expense	**51,215**	**48,990**

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

5. GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

General, administrative and other expenses for the six months ended June 30 consists of the following:

(in € thousands)	YTD 2020	YTD 2019
Payroll expense	4,257	4,077
Share-based compensation expense	438	800
Capitalization of internal time spent on development of investment property	(1,020)	(1,029)
Depreciation and amortization expense	964	883
Other general and administrative expenses[1]	3,204	3,030
General, administrative and other expenses	**7,843**	**7,761**

1 Other general and administration expenses mainly include legal, consultancy and audit fees and non-deductible VAT. For the six months ended June 30, 2019, other general and administrative expenses includes € 0.3 million of insurance recovery proceeds for business interruption (€ nil for the six months ended June 30, 2020), which has been presented as a reduction of general, administrative and other expenses because it mainly covers expenses incurred in relation to the fire incidents. The facility has been insured against damage and the Company is currently in the process of processing the insurance claim, which it expects to conclude on during the second half of 2020.

6. FINANCE COST - NET

Finance costs for the six months ended June 30 comprise the following:

(in € thousands)	YTD 2020	YTD 2019
Total interest expense[1]	8,698	9,774
Foreign exchange loss/(gain)	497	(244)
Finance cost	**9,195**	**9,530**

1 For the six months ended June 30, 2020, other interest income includes €0.9 million interest that was reimbursed on value added and on income tax refunds regarding our German and Dutch subsidiaries.

7. INCOME TAX

The income tax expense for the six months ended June 30 is comprised of the following:

(in € thousands)	YTD 2020	YTD 2019
Current tax expense	9,144[1]	8,994
Deferred tax expense	39,335	7,266
Income tax expense	**48,479**	**16,260**
Effective tax rate[2]	**25.7%**	**27.2%**

1 For the six months ended June 30, 2020, current tax expense includes €4.2 million income tax refunds regarding our German subsidiaries.
2 The adjusted EPRA earnings effective tax rate based on adjusted EPRA earnings before tax is disclosed on page 60 of the half-year report.

8. SEGMENT INFORMATION

The same stores facilities segment we present for the first six months of 2020 and 2019 comprises facilities in operations since more than three full years as of January 1, 2020 in the case of self-developed properties or facilities in operations for one full year as of January 1, 2020 in the case of properties that have been acquired. At June 30, 2020, 225 self-storage facilities met the same store definition. The non-same store facilities segment comprises any other self-storage facilities that we operate.

The below table sets forth segment data for the six months periods ended June 30, 2020 and 2019 based on the 2020 same store / non-same store definition:

(in € thousands)	YTD 2020	YTD 2019
Same store facilities	127,783	123,473
Non-same store facilities	4,412	2,501
Property operating revenue[1]	**132,195**	**125,974**
Same store facilities	79,112	75,808
Non-same store facilities	1,868	1,176
Income from property	**80,980**	**76,984**

1 Property operating revenue from same store facilities for the six months ended June 30, 2020 and 2019 includes insurance revenue of €13,188 and €12,687 thousands, respectively. Property operating revenue from non-same store facilities for the six months ended June 30, 2020 and 2019 includes insurance revenue of €471 and €359 thousands, respectively. Property operating revenue is the primary measure to assess the performance of the segments.

The following table sets forth the reconciliation of Income from property as presented in the above segment table and Net income from real estate operations presented in the unaudited interim consolidated statement of profit and loss:

(in € thousands)	YTD 2020	YTD 2019
Income from property	**80,980**	**76,984**
Add: Other revenue[1]	214	-
Net income from real estate operations	**81,194**	**76,984**

1 Other revenue for the six months ended June 30, 2020 consists of management fee revenue from self storage.

Segment information by country for the six months ended June 30, 2020

(in € thousands)	The Netherlands	France	Sweden	UK	Belgium	Germany	Denmark	Total
Same store facilities	27,268	33,176	20,959	20,027	10,457	9,404	6,492	127,783
Non-same store facilities	663	904	405	1,402	-	1,038	-	4,412
Property operating revenue	**27,931**	**34,080**	**21,364**	**21,429**	**10,457**	**10,442**	**6,492**	**132,195**
Same store facilities	17,878	18,709	13,871	12,314	6,251	5,877	4,212	79,112
Non-same store facilities	226	436	198	487	-	521	-	1,868
Income from property	**18,104**	**19,145**	**14,069**	**12,801**	**6,251**	**6,398**	**4,212**	**80,980**
Investment property	603,499	740,260	496,579	508,072	197,104	252,090	143,533	2,941,137
Investment property under construction	1,655	11,145	-	16,301	-	23,262	-	52,363
Property, plant and equipment and intangible assets	487	707	235	49	6,912	227	31	8,648
Deferred tax assets	-	-	-	442	554	527	-	1,523
Other non-current assets	663	369	9	10	193	-	12	1,256
Non-current assets	606,304	752,481	496,823	524,874	204,763	276,106	143,576	3,004,927

Segment information by country for the six months ended June 30, 2019

(in € thousands)	The Netherlands	France	Sweden	UK	Belgium	Germany	Denmark	Total
Same store facilities	25,967	32,113	20,508	19,227	10,189	8,989	6,480	123,473
Non-same store facilities	997	-	306	953	-	245	-	2,501
Property operating revenue	**26,964**	**32,113**	**20,814**	**20,180**	**10,189**	**9,234**	**6,480**	**125,974**
Same store facilities	16,983	17,166	14,038	11,861	5,801	5,587	4,372	75,808
Non-same store facilities	713	-	129	325	-	9	-	1,176
Income from property	**17,696**	**17,166**	**14,167**	**12,186**	**5,801**	**5,596**	**4,372**	**76,984**
Investment property	517,742	639,980	463,223	475,684	181,704	186,330	143,357	2,608,020
Investment property under construction	8,860	740	-	15,621	-	5,499	-	30,720
Property, plant and equipment and intangible assets	254	541	159	174	5,777	136	2	7,043
Deferred tax assets	-	-	-	691	539	-	-	1,230
Other non-current assets	360	301	9	24	276	-	12	982
Non-current assets	**527,216**	**641,562**	**463,391**	**492,194**	**188,296**	**191,965**	**143,371**	**2,647,995**

9. 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[5] 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	(34,361)	(400)	(34,761)	(970)	(35,731)
Addition of ROU assets	-	3,455	3,455	-	3,455
Remeasurement of ROU assets[1]	-	(109)	(109)	-	(109)
Capital expenditure	13,181	-	13,181	30,068	43,249
Acquisition of investment property[2]	55,759	-	55,759	-	55,759
Net gain of fair value adjustment[3, 4]	131,412	(1,113)	130,299	(10,357)[6]	119,942
At June 30, 2020	**2,872,959**	**68,178**	**2,941,137**	**52,363**	**2,993,500**

1 These assets were recognized in exchange for an equal amount of additional lease liabilities.

2 During the first quarter of 2020, we 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. As part of the transaction, the Group also assumed other net current liabilities of €0.2 million. These acquisitions have been accounted for as acquisitions of assets, whereby the cost of the acquisitions (in total €55.8 million) has been allocated to the individual identifiable assets and liabilities (if any) based on their relative fair values at the date of purchase.

3 Due to a fire in the night of January 1, 2020, one of our Dutch facilities was destroyed. An impairment loss of €8.6 million, representing the fair value of the building at December 31, 2019, was recognised during the first half of 2020.

4 In the first three months of 2020, we closed one of our Dutch facilities that was operated under a lease agreement. We recognized an impairment loss of €0.2 million on this property in the first half of 2020.

5 The Company measures its investment property under construction at cost until such time as fair value becomes reliably measurable on a continuing basis. As of June 30, 2020, investment property under construction includes €9.8 million that are measured at cost and €42.5 million that are measured at fair value.

6 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. Further, the Group is expecting for some of the properties higher construction cost, due to unforeseen regulatory requirements that have an impact on the valuation of the property.

The Company's investment properties and investment properties under construction are valued on a bi-annual basis as of June 30 and December 31 of each year. 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.

Except for the valuation of the Investment Property right-of-use asset, and certain of our investment properties under construction that have been valued at cost, the June 30, 2020 valuation was performed by Cushman & Wakefield ('C&W'), using discounted cash flows of the net operating income over a ten-year period and a notional sale of the asset at the end of the tenth year, which is described in further detail in Note 15 of our 2019 annual report.

VALUATION ASSUMPTIONS ON FREEHOLD AND LONG LEASEHOLD

The following assumptions have been applied by C&W for the valuation of our investment properties for the periods concerned:

	June 30, 2020	December 31, 2019
Stabilized occupancy	90.4%	90.2%
Average time to stabilisation (months)	11.55	9.59
Net initial yield post administration expenses	5.8%	5.9%
Net stabilized yield post administration expenses	6.1%	6.5%
Weighted average annual discount rate	8.8%	8.8%
Average rental growth rate	2.7%	2.6%

Purchaser's costs in the range of approximately 2.0% to 13.0% have been assumed initially, reflecting the stamp duty levels anticipated in each local market, and sales plus purchaser's costs totalling approximately 4.0% to 15.0% are assumed on the notional sales in the tenth year in relation to freehold and long leasehold stores. Both are unchanged to December 31, 2019.

We refer to Note 16 to our 2019 annual report with respect to further explanatory details on the assumptions included above and the sensitivity of the valuation to assumptions, which has not materially changed.

10. TRADE AND OTHER RECEIVABLES

(in € thousands)	June 30, 2020	December 31, 2019
Gross amount	16,905	16,017
Provision for doubtful debt	(4,834)	(4,583)
Trade and other receivables	**12,071**	**11,434**

Rent and service charge receivables are non-interest-bearing and are typically due within 30 days. The receivables are due from local retail and business tenants.

11. OTHER CURRENT ASSETS

(in € thousands)	June 30, 2020	December 31, 2019
Prepayments	6,297	3,438
Receivables from tax authorities other than VAT	70	5,994
Other current assets	2,050	2,269
Other current assets	**8,417**	**11,701**

12. ISSUED SHARE CAPITAL

As of December 31, 2019, the share capital of the Company as presented in the statement of financial position of €56,273,507, net of treasury shares held of €7,197,163 (230,521 treasury shares), is represented by 88,935,681 ordinary shares that all have been fully paid up.

During the first six months of 2020, the Company sold to certain employees 4,500 treasury shares for €140,000 at a loss of €88,000 in connection with the exercise of 3,500 share options granted under the 2015 plan and 1,000 share options granted under the 2017 plan.

As of June 30, 2020, the share capital of the Company as presented in the statement of financial position of €56,273,507, net of treasury shares held of €7,056,667 (226,021 treasury shares), is represented by 88,935,681 ordinary shares that all have been fully paid up.

13. SHARE-BASED PAYMENT RESERVE

During the first six months of 2020, we recognized share-based compensation expense of €523,000 for our equity-settled share-based plans and allocated €1,374,648 deferred income tax assets to our equity-settled share-based compensation expense in share-based payment reserve.

14. DISTRIBUTABLE RESERVES AND DISTRIBUTIONS MADE

As of June 30, 2020, and December 31, 2019, the Company's distributable reserves are €396,191,540 and €440,544,128, respectively.

On April 29, 2020, the distributable reserves were reduced by €44,352,588 in connection with the distribution of a final dividend on 2019 of €0.50 per ordinary share, paid on May 15, 2020.

15. INTEREST-BEARING LOANS AND BORROWINGS

(in € thousands)	June 30, 2020	December 31, 2019
Nominal values senior guaranteed notes	**600,000**	**600,000**
Less:		
Unamortized balance of debt issuance cost on notes issued	(1,746)	(1,918)
Borrowings as reported on statement of financial position	**598,254**	**598,082**
Weighted average cost of debt	**2.98%**	**2.98%**

Set out below is a comparison of the carrying amounts and fair value of the Company's senior guaranteed notes:

(in € thousands)	June 30, 2020	December 31, 2019
Carrying value	598,254	598,082
Fair values	656,935	663,134

The fair values of our 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. The same methodology was used to estimate the fair values for all reported periods.

16. TRADE AND OTHER PAYABLES AND DEFERRED REVENUE

(in € thousands)	June 30, 2020	December 31, 2019
Accrued compensation and employee benefits	6,956	7,705
Accrued share-based compensation expense	336	437
Accounts payable (including accrued expenses)[1]	56,567	34,010
Payables to affiliated companies	656	863
Deferred revenue – contract liabilities	23,419	25,555
Other payables[2]	4,345	3,593
Trade and other payables and deferred revenue	**92,279**	**72,163**

1 The increase in accounts payable is mainly due to increased accruals for real estate taxes and construction costs.
2 Other payables mainly consist of VAT payable in less than one year, customer deposits and accrued interest on notes issued.

17. SHARE-BASED COMPENSATION EXPENSE

We incurred €0.4 million and €0.8 million in share-based compensation expense, including social security charges, for the six months ended June 30, 2020 and 2019, respectively.

18. CONTINGENTIES, COMMITMENTS AND GUARANTEES

As of June 30, 2020, we had €21.3 million of outstanding capital expenditure commitments under contract regarding certain self-storage facilities under construction.

Except for changes mentioned in these interim financial statements, if any, contingencies, commitments and guarantees are materially unchanged from those described in Note 39 on pages 168 and 169 of the 2019 annual report.

19. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after balance sheet date.

AUDITOR’S REPORT

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors,

INTRODUCTION

We have reviewed the accompanying financial statements of Shurgard Self Storage S.A. as of 30 June 2020, which comprise condensed consolidated statement of financial position, the related condensed consolidated statement of profit and loss, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 June 2020, and of its financial performance and its cash flows for the six -month period then ended in accordance with International Financial Reporting Framework.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Bruno Di Bartolomeo

Luxembourg, 12 August 2020

INDEPENDENT AUDITOR'S REPORT ON THE PROPOSED DISTRIBUTION OF AN INTERIM DIVIDEND

To the Board of Directors
Shurgard Self Storage SA
11, rue de l'Industrie
L – 8399 Windhof
Grand Duchy of Luxembourg

In our capacity as "réviseur d'entreprises" and in accordance with article 461-3 of the law of 10 August 1915 on commercial companies, as subsequently amended, we set out below our report on the proposed distribution of an interim dividend.

The Board of Directors is responsible for the preparation and fair presentation of the interim accounts as of 30 June 2020.

Our responsibility is, based on our procedures, to issue a report related to the interim dividend as proposed by the Board of Directors, and to the compliance with the conditions set out in article 461-3 of the law of 10 August 1915 on commercial companies, as subsequently amended.

We conducted our procedures in accordance with applicable professional standards as adopted, in Luxembourg, by the "Institut des Réviseurs d'Entreprises". These standards require that we plan and perform our procedures to obtain moderate assurance as to whether the interim accounts are free of material misstatement. Our procedures are limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The interim accounts show a profit for the period from 1 January 2020 to 30 June 2020 after making the necessary value adjustments and provisions. Considering the profit brought forward, the profit for the period, sums drawn from available reserves for this purpose and the transfers to be made to the legal and statutory reserves, the Company has distributable amounts which exceed the proposed interim dividend of Euro 43.467.733,40.

Based on our procedures, nothing has come to our attention that causes us to believe that the Company does not have distributable amounts which exceed the proposed interim dividend.

We have also satisfied ourselves that the other conditions of article 461-3 of the law of 10 August 1915 on commercial companies, as subsequently amended, are complied with:

- The statutes authorise the Board of Directors to pay interim dividends;
- The interim accounts are prepared less than two months before the decision of the Board of Directors to distribute an interim dividend, subject to that decision to be taken before August 30, 2020.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Bruno di Bartolomeo

Luxembourg, 12 August 2020

ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURES (APM)

APM are defined by the European Securities and Markets Authority ('ESMA') as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified by IFRS, as adopted by the EU.

SAME STORE AND NON-SAME STORE

The Group's most important APM, as also apparent from the segment reporting, relates to same stores and non-same stores. Shurgard classifies as 'same stores' (i) all developed stores that have been in operation for at least three full years, and (ii) all acquired stores that we have owned for at least one full year, each measured as of January 1 of the relevant year. Any stores that are not classified as same stores for a given year are presented as 'non-same stores', comprising (i) all developed stores that have been in operation for less than three full years ('new stores') and (ii) acquired stores that we have owned for less than one full year ('acquired stores'), each measured as of January 1 of the relevant year.

As a result, on a year-to-year basis, the size of our same store network changes based on the reclassification of stores from non-same stores to same stores following the time periods described in the prior paragraph. Under some circumstances, for purposes of these full-year metrics, this results in significant changes in financial and operational metrics presented on a segmental basis from year to year.

In line with common practice in self-storage and other industries (e.g. retail), same store information is a crucial factor to assess the performance of the organic business, while providing at the same time information on the expansion activities of the Group. For this reason, the Chief Operating Decision Maker ('CODM') reviews the performance of the Group based on this distinction (see Note 11 of the 2019 annual report) and same store information represents part of the numeration for senior management, as can be seen in the renumeration report included in the 2019 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 follow:

Income statement line item	Reference to 2019 annual report
Rental revenue	Note 6
Insurance revenue	Note 6
Ancillary revenue	Note 6
Property operating revenue **(A)**	
Other revenue	Note 6
Real estate operating revenue	**Statement of Profit and Loss**

Income statement line item	Reference to 2019 annual report
Payroll expense	Note 7
Real estate and other taxes	Note 7
Repairs and maintenance	Note 7
Marketing expenses	Note 7
Utility expenses	Note 7
Other operating expenses	Note 7
Property lease expenses	Note 7
Doubtful debt expense	Note 7
Cost of insurance and merchandise sales	Note 7
Real estate operating expenses (B)	**Statement of Profit and Loss**

NOI measures the financial performance of our properties. It focusses on property operating revenue (generated through the lease of storage units and related activities, including insurance referrals and the sale of storage products and packaging) less real estate operating expense. As such it is a key performance indicator of the performance of the Group's core operating activity.
As explained in Note 11 to our 2019 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 16 to our 2019 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.

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.

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 2019 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 and to maintain a target loan-to-value ratio below 35%.

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 analyse and compare our earnings with those of other companies.

EARNINGS BEFORE INTEREST, DEPRECIATION AND AMORTISATION (EBITDA):

EBITDA, which represents reported operating earnings before interest, tax, depreciation and amortisation, 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 dates October 2019.

The table below provides a summarized overview of certain of the Company's key earnings related APM, consisting of (Adjusted) EPRA earnings and (Adjusted) EPRA earnings per share:

SUMMARY OF EPRA EARNINGS METRICS

(in € thousands, except for earnings per share for the six months ended June 30)	2020	2019
EPRA earnings	47,640	43,788
EPRA earnings per share (basic - €)	0.54	0.49
EPRA earnings per share (diluted - €)	0.53	0.49
Adjusted EPRA earnings	54,657	50,948
Adjusted EPRA earnings per share (basic - €)	0.62	0.57
Adjusted EPRA earnings per share (diluted - €)	0.61	0.57

The bases 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 for the six months ended June 30)	2020	2019
Profit attributable to ordinary equity holders of the parent for basic earnings	**139,780**	**43,477**
Adjustments:		
(Gain) loss on revaluation of investment properties[1]	(119,942)	205
Acquisition costs of business combinations and other	7	-
Current and deferred tax in respect of EPRA adjustments	27,699	93
Non-controlling interest in respect to the above	96	12
EPRA earnings	**47,640**	**43,788**
EPRA earnings per share (basic - €)	**0.54**	**0.49**
EPRA earnings per share (diluted - €)	**0.53**	**0.49**

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

ADJUSTED EPRA EARNINGS AND ADJUSTED EPRA EARNINGS PER SHARE

(in € thousands, except for shares and earnings per share for the six months ended June 30)	2020	2019
EPRA earnings	**47,640**	43,788
Company specific adjustments:		
Deferred tax expense on items other than the revaluation of investment property	11,620	7,160
Net impact of tax assessments	(4,603)	-
Adjusted EPRA Earnings	**54,657**	50,948
Adjusted EPRA earnings per share (diluted) €	**0.62**	0.57
Adjusted EPRA earnings per share (diluted) €	**0.61**	0.57

ADJUSTED EPRA EARNINGS EFFECTIVE TAX RATE

in € thousands, for the six months ended June 30,	2020	2019
Adjusted EPRA earnings	54,657	50,948
Current Tax Expense	9,144	8,994
Adjusted EPRA earnings before Current Tax Expense	**63,801**	59,942
Adjusted EPRA Earnings Effective Tax Rate	**14.3%**	15.0%

SUMMARY OF EPRA NAV METRICS

The table below provides a summarized overview of the Company's key APM that are NAV related, consisting of NAV, EPRA NAV and EPRA Triple NAV, EPRA NRV, EPRA NTA and EPRA NDV per share:

in € thousands, except for NAV per share	June 30, 2020	December 31, 2019
NAV	**1,956,215**	1,889,968
NAV per share (basic) €	22.05	21.31
NAV per share (diluted) €	21.95	21.20
EPRA NAV	**2,359,358**	2,264,985
EPRA NAV per share (diluted) €	**26.47**	25.41
EPRA Triple Net Asset Value (NNNAV) (diluted)	**2,346,428**	2,234,538
EPRA Triple Net Asset Value (NNNAV) per share (diluted) €	**26.32**	25.06
EPRA NRV	**2,545,127**	2,424,083
EPRA NRV per share (diluted) €	**28.55**	27.19
EPRA NTA (diluted)	**2,538,385**	2,417,982
EPRA NTA per share (diluted) €	**28.48**	27.12
EPRA NDV (diluted)	**1,897,534**	1,824,916
EPRA NDV per share (diluted) €	**21.29**	20.47

The bases of calculation of each of the measures set out above, are illustrated hereafter.

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)	June 30, 2020	December 31, 2019
NAV attributable to ordinary equity holders of the parent	**1,956,125**	1,889,968
Number of ordinary shares at the reporting date	88,709,660	88,705,160
Number of diluted shares at the reporting date	431,861	449,669
NAV per share (basic) €	**22.05**	21.31
NAV per share (diluted) €	**21.95**	21.20

EPRA NAV METRICS (DILUTED) UNDER THE GUIDANCE APPLICABLE UNTIL DECEMBER 31, 2019

Under the 2016 EPRA guidance that applies until December 31, 2019, we calculated EPRA NAV and EPRA Triple Net Asset Value (NNAV) that are as follows for the periods concerned:

EPRA NAV

(in € thousands, except for NAV per share)	June 30, 2020	December 31, 2019
NAV attributable to ordinary equity holders of the parent (diluted)	**1,956,215**	1,889,968
Additions to NAV:		
Deferred taxes on fair value adjustments of investment property	403,143	375,017
EPRA NAV	**2,359,358**	2,264,985
EPRA NAV per share (diluted) €	**26.47**	25.41

EPRA TRIPLE NET ASSET VALUE (NNNAV) (DILUTED)

(in € thousands, except for NNNAV per share)	June 30, 2020	December 31, 2019
EPRA NAV	**2,359,358**	2,264,985
Reductions and additions to EPRA NAV:		
Carrying value senior guaranteed notes lower than fair value (note 15)	(58,681)	(65,052)
Deferred tax expense other than on the revaluation of investment property	45,751	34,605
EPRA Triple Net Asset Value (NNNAV)	**2,346,428**	2,234,538
EPRA Triple Net Asset Value (NNNAV) per share (diluted) €	**26.32**	25.06

EPRA NAV METRICS (DILUTED) UNDER THE GUIDANCE THAT APPLIES AS FROM JANUARY 1, 2020

In response to fundamental changes in public asset ownership, mainly resulting from the introduction of REIT regime, the EPRA association introduced in October 2019 three new key metrics that replace as from January 1, 2020 the EPRA NAV and EPRA Triple Net Asset Value (NNNAV) measures. All three NAV metrics share IFRS Equity attributable to shareholders as starting point.

The objective of the new metrics is to provide investors with a clearer view on property companies' underlying operations and business models by considering active capital recycling and dynamic portfolio management when calculating the metrics.

The three new features of the NAV metrics are EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV).

The updated NAV guidelines provide a more refined approach regarding the differences between REIT and non-REIT companies and three alternative scenarios for the latent capital gain tax liability effect.

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)	June 30, 2020	December 31, 2019
NAV attributable to ordinary equity holders of the parent (diluted)	**1,956,215**	**1,889,968**
Exclude:		
Deferred taxes on fair value adjustments of investment property	403,143	375,017
Include:		
Real estate transfer tax	185,769	159,098
EPRA NRV	**2,545,127**	**2,424,083**
EPRA NRV per share (diluted) €	**28.55**	**27.19**

In the above EPRA NRV calculation, as compared to the former metrics NNNAV, the fair value adjustment of our notes issued and deferred tax expense other than on the fair value adjustment of investment property are not considered, and real estate transfer tax has been considered.

EPRA NTA (DILUTED)

The EPRA NTA scenario is focused on reflecting a company's tangible assets and assumes that companies buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax liability.

(in € thousands, except for NTA per share)	June 30, 2020	December 31, 2019
NAV attributable to ordinary equity holders of the parent (diluted)	**1,956,215**	**1,889,968**
Exclude:		
Deferred taxes on fair value adjustments of investment property	403,143	375,017
Intangible assets	(5,120)	(4,593)
Include:		
Real estate transfer tax	184,147	157,590
EPRA NTA	**2,538,385**	**2,417,982**
EPRA NTA per share (diluted) €	**28.48**	**27.12**

In the above EPRA NTA calculation, as compared to the former metrics NNNAV, 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, and real estate transfer tax has been considered, excluding though for the properties we acquired that did not trigger real estate transfer tax.

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)	June 30, 2020	December 31, 2019
NAV attributable to ordinary equity holders of the parent (diluted)	**1,956,215**	**1,889,968**
Include:		
Carrying value senior guaranteed notes lower than fair value (note 31)	(58,681)	(65,052)
EPRA NDV	**1,897,534**	**1,824,916**
EPRA NDV per share (diluted) €	**21.29**	**20.47**

In the above EPRA NDV calculation, as compared to the former metrics NNNAV, all our cumulative deferred tax expense is not considered.

CAPITAL EXPENDITURE

(in € thousands, except where indicated otherwise)	H1 2020	H1 2019	+/-
Acquisitions / Additions	55,759	0	NA
Development	30,068	16,741	79.6%
Completed properties	13,181	14,181	-7.1%
Capital Expenditure	**99,009**	**30,922**	**NA**

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 9. Investment property and investment property under construction.

Acquisitions / Additions relate to four stores acquired in Germany and two stores in France.

EPRA VACANCY RATE

(in € thousands, except where indicated)	H1 2020	H1 2019	+/-
Estimated rental revenue of vacant space	14,629	15,544	-5.9%
Estimated rental revenue of the whole portfolio	128,392	123,070	4.3%
EPRA Vacancy Rate	**11.4%**	**12.6%**	-1.2pp

The EPRA vacancy rate presents 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 first half year and the occupancy rate at period end. The EPRA vacancy rate came to 11.4% at the end of H1 2020 showing an improvement compared to 12.6% in H1 2019. A part of the vacancy rate is attributable to new stores opened and major redevelopments that are still ramping up.

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