

Shurgard Real Estate ApS
Central Business Registration No
26689007
Sundkrogsgade 21
2100 Copenhagen Ø

Annual report 2015

The Annual General Meeting adopted the annual report on 31.05.2016

Chairman of the General Meeting

Name: Marc Oursin

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Entity details

Entity

Shurgard Real Estate ApS
Sundkrogsgade 21
2100 Copenhagen Ø

Central Business Registration No: 26689007

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Internet: www.shurgard.dk

E-mail: info@shurgard.dk

Executive Board

Marc Oursin

Auditors

Ernst & Young Statsautoriseret Revisionspartnerselskab

Osvald Helmuths Vej 4

Postboks 250

2000 Frederiksberg

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Shurgard Real Estate ApS for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

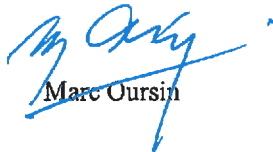
In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2016

Executive Board


Marc Oursin

Independent auditor's reports

To the owners of Shurgard Real Estate ApS

Report on the financial statements

We have audited the financial statements of Shurgard Real Estate ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 31.05.2016

Ernst & Young

Statsautoriseret Revisionspartnerselskab



Kaare Kristensen Lendorf
State Authorised Public Accountant

Management commentary

Primary activities

The Company's activities comprise construction, projecting, acquisition and lease of real property as well as related products and businesses.

Reorganisation

On June 8, 2015 the company merged with retroactive effect to January 1, 2015 with Shurgard Real Estate Aps. The company was afterwards renamed Shurgard Real Estate ApS. The 2014 figures are restated for comparison purposes as a result of the legal merger.

Development in activities and finances

The annual report shows a net loss of DKK 8.057 thousand. Management considers the loss expected and satisfactory, taking into consideration that the Company is still in a start-up phase.

Accordingly, the equity amounts to DKK 214.085 thousand.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B.

Reorganisation

On June 8, 2015 the company merged with retroactive effect to January 1, 2015 with Shurgard Real Estate Aps. The company was afterwards renamed Shurgard Real Estate ApS. The 2014 figures are restated for comparison purposes as a result of the legal merger.

The accounting policies applied for these financial statements are consistent with those applied last year.

The financial statement are presented in Danish kroner.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Accounting policies

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with its Parent. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	30 years
Other fixtures and fittings, tools and equipment	3-5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		15.861.243	15.053.223
Other external expenses		<u>(2.124.940)</u>	<u>(2.135.014)</u>
Gross profit/loss		13.736.303	12.918.209
Depreciation, amortisation and impairment losses		<u>(14.442.282)</u>	<u>(14.369.146)</u>
Operating profit/loss		(705.979)	(1.450.937)
Other financial income	1	0	941.952
Other financial expenses	2	<u>(10.163.095)</u>	<u>(12.314.040)</u>
Profit/loss from ordinary activities before tax		(10.869.074)	(12.823.025)
Tax on profit/loss from ordinary activities	3	<u>2.811.873</u>	<u>2.994.625</u>
Profit/loss for the year		<u>(8.057.201)</u>	<u>(9.828.400)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(8.057.201)</u>	<u>(9.828.400)</u>
		<u>(8.057.201)</u>	<u>(9.828.400)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Land and buildings		378.743.913	391.961.667
Other fixtures and fittings, tools and equipment		82.833	33.828
Property, plant and equipment	4	<u>378.826.746</u>	<u>391.995.495</u>
Fixed assets		<u>378.826.746</u>	<u>391.995.495</u>
Receivables from group enterprises		0	26.003.110
Deferred tax assets		675.488	1.185.615
Other short-term receivables		507.619	79.034
Prepayments		1.545.170	749.032
Receivables		<u>2.728.277</u>	<u>28.016.791</u>
Cash		<u>0</u>	<u>575</u>
Current assets		<u>2.728.277</u>	<u>28.017.366</u>
Assets		<u>381.555.023</u>	<u>420.012.861</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	5	1.615.400	255.000
Retained earnings		212.469.525	221.887.126
Equity		<u>214.084.925</u>	<u>222.142.126</u>
Trade payables		732.768	341.148
Debt to group enterprises		165.183.163	195.180.494
Other payables		1.554.167	2.349.093
Current liabilities other than provisions		<u>167.470.098</u>	<u>197.870.735</u>
Liabilities other than provisions		<u>167.470.098</u>	<u>197.870.735</u>
Equity and liabilities		<u><u>381.555.023</u></u>	<u><u>420.012.861</u></u>
Contingent liabilities	6		
Assets charged and collateral	7		
Ownership	8		

Statement of changes in equity for 2015

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity at 1 January 2014	255.000	44.432.968	44.687.968
Result for 2014	0	(9.621.900)	(9.621.900)
Equity at 31 December 2014	255.000	34.811.068	35.066.068
Merger with Shurgard Real Estate ApS (25 49 92 04)	1.360.400	185.715.658	187.076.058
	1.615.400	220.526.726	222.142.126
Profit/loss for the year	0	(8.057.201)	(8.057.201)
Equity end of year	1.615.400	212.469.525	214.084.925

Notes

	<u>2015</u> DKK	<u>2014</u> DKK
1. Other financial income		
Interest income	0	941.952
	<u>0</u>	<u>941.952</u>
	<u>2015</u> DKK	<u>2014</u> DKK
2. Other financial expenses		
Financial expenses from group enterprises	10.149.775	12.294.677
Interest expenses	13.320	19.363
	<u>10.163.095</u>	<u>12.314.040</u>
	<u>2015</u> DKK	<u>2014</u> DKK
3. Tax on ordinary profit/loss for the year		
Current tax	(3.322.000)	(4.468.903)
Change in deferred tax for the year	510.127	1.474.278
	<u>(2.811.873)</u>	<u>(2.994.625)</u>
	<u>Land and buildings DKK</u>	<u>Other fix- tures and fittings, tools and equip- ment DKK</u>
4. Property, plant and equipment		
Cost beginning of year	295.415.073	998.110
Additions due to Merger with Shurgard Real Estate ApS (25 49 92 04)	232.226.309	1.109.749
Additions	1.180.057	93.476
Cost end of year	<u>528.821.439</u>	<u>2.201.335</u>
Depreciation and impairment losses beginning of the year	(68.488.887)	(972.809)
Additions due to Merger with Shurgard Real Estate ApS (25 49 92 04)	(67.190.828)	(1.101.222)
Depreciation for the year	(14.397.811)	(44.471)
Depreciation and impairment losses end of the year	<u>(150.077.526)</u>	<u>(2.118.502)</u>
Carrying amount end of year	<u>378.743.913</u>	<u>82.833</u>

Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
5. Contributed capital			
Shares	16.154	100,00	1.615.400
	<u>16.154</u>		<u>1.615.400</u>

	<u>2015 DKK</u>	<u>2014 DKK</u>	<u>2013 DKK</u>	<u>2012 DKK</u>	<u>2011 DKK</u>
Changes in contributed capital					
Contributed capital beginning of year	255.000	255.000	255.000	128.000	128.000
Increase of capital	1.360.400	0	0	127.000	0
Contributed capital end of year	<u>1.615.400</u>	<u>255.000</u>	<u>255.000</u>	<u>255.000</u>	<u>128.000</u>

6. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Shurgard Denmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

7. Assets charged and collateral

Until the 25th of June 2015, the Company was guarantor under a note purchase and guarantee agreement governed by English law and entered into on 24 July 2014 between Shurgard Luxembourg Sàrl as borrower, certain subsidiaries of Shurgard Luxembourg Sàrl as guarantors and the Purchasers as defined therein.

8. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting shares capital or of the nominal value of the share capital – Shurgard Denmark ApS (CVR-nr. 30 20 25 03), Copenhagen.