

# Interim Report Q3 2017

Self Storage Group ASA

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# Highlights

- Self Storage Group (SSG) reported revenues in Q3 2017 of NOK 55.6 million, up from NOK 10.6 million\* in Q3 2016 and up from NOK 51.4 million in Q2 2017
- EBITDA adjusted for extraordinary costs in the quarter was NOK 17.4 million
- Opened two new sites during the quarter adding 800 m<sup>2</sup> lettable area (CLA)
- Completed acquisition of four properties with a total lettable area of 3 300 m<sup>2</sup>
- Average occupancy for sites with more than 12 months of operation was 85%  
Average rent per m<sup>2</sup> was NOK 2.343 per year
- New Board of Directors elected, change of company name to Self Storage Group ASA

\*The figures for Q3 2016 includes only the company OK Minilager. CSS was acquired 28 September 2016 and Minilageret AS was acquired 30 June 2017.

## Key figures

KEY FIGURES (Unaudited figures in NOK million)	2017 Q3	2017 Q2	2016 Q3	2017 YTD	2016 YTD	2016 FY
Revenue	55,6	51,4	10,6	156,8	30,0	80,9
Total operating costs <sup>1</sup>	38,2	39,6	4,8	117,8	13,0	54,9
Underlying EBITDA	17,4	11,8	5,8	39,1	17,0	26,0
Underlying EBIT	15,2	9,6	4,8	28,8	14,4	21,8
Underlying Pre-tax profit	14,6	9,4	4,4	45,3	14,3	38,6
Underlying Net profit	7,6	7,0	3,3	30,4	10,8	28,8
Current lettable area (in thousands m <sup>2</sup> )	101,0	100,2	93,2	101,0	93,2	93,8
Lettable area under development (in thousand m <sup>2</sup> )	11,8	9,3	N/A	11,8	N/A	N/A

<sup>1</sup>Adjusted for IPO and non-recurring items of NOK 4.6 million in Q3 2017 and NOK 5.5 million YTD

Alternative performance measures (APMs) are described in the corresponding section in the back of the report



# Subsequent events

- Private placement of NOK 200 million
- Successful completion of Initial Public Offering (IPO). 14 285 000 new shares were issued at a fixed share price of NOK 14
- The first day of trading in the Group's shares on Oslo Stock Exchange was 27 October 2017
- Following Q3 the Group has acquired five new properties with a total lettable area of 3 000 m<sup>2</sup> and has now a total lettable area of 115 900 m<sup>2</sup>, including 14 000 m<sup>2</sup> lettable area under development



# Financial development

The analysis of the financial development in SSG is highly affected by the acquisition of the City Self-Storage companies 28 September 2016 and the acquisition of Minilageret AS 30 June 2017.

## Revenue

Revenue for the third quarter was NOK 55.6 million, which is NOK 4.3 million up from second quarter 2017. NOK 3 million of the increase relates to income from Minilageret AS, acquired 30 June 2017. The remaining increase relates to growth in existing portfolio of rentals in the Norwegian market, due to opening of new sites and expansions on existing sites earlier this year.

The growth of NOK 45 million from the third quarter 2016 to the third quarter 2017 relates largely to the acquisition of CSS on 28 September 2016 in addition to the acquisition of Minilageret AS.

## Property-related expenses

Property related expenses in the third quarter was NOK 23.4 million, an increase of NOK 0.3 million from second quarter 2017. This increase is related to Minilageret AS. Property related expenses consists of lease expenses, maintenance and other operating costs.

Property-related expenses increased from NOK 3.3 million in the third quarter 2016 to NOK 23.4 million for the third quarter 2017. This increase is attributable to the City Self-Storage segment with mainly leasehold properties, while OK Minilager has a mix of freehold and leasehold properties. The two new City Self-Storage sites opened in third quarter 2017 are both freehold.

## Salary and other employee benefits

Salary and other employee benefits in the third quarter was NOK 8.4 million, an increase of NOK 0.1 million from second quarter 2017.

Salary and other employee benefits increased by NOK 7.4 million from NOK 1.0 million in the third quarter 2016 to NOK 8.4 million in the third quarter 2017. This increase is partly due to the impact of the acquisition of City Self-Storage with staffed operating facilities, representing NOK 5.5 million, and partly due to new management and administrative roles, given the growth of the Group.

## Depreciation

The depreciation in the third quarter was in line with depreciation costs in Q2, and is mainly related to fitout of facilities and other equipment.

## Other operating expenses

Other operating expenses consist of IT and related costs, sales and advertising, audit and consultancy fees, office and travel costs and cost of goods sold.

Other operating expenses in the third quarter was NOK 10.9 million, an increase of NOK 2.0 million from second quarter 2017.

The operating earnings in the third quarter of 2017 was impacted by transaction costs related to the acquisition of Minilageret AS and extraordinary costs related to the IPO. In total extraordinary costs amounted to NOK 4.6 million in the quarter, resulting in an adjusted EBITDA of NOK 17.4 million.

	MNOK	
	Q3	YTD Q3
<b>Non-recurring items</b>		
<b>IPO- costs</b>	2,7	3,6
<b>Transaction costs acquisition of Minilageret</b>	1,9	1,9
<b>Total non-recurring items</b>	<b>4,6</b>	<b>5,5</b>

## Change in fair value of investment property

The fair value of investment property is based on external valuations in combination with management estimates and judgments. The value increase during third quarter is NOK 0.8 million.

## Profit before tax

Reported profit before tax in third quarter was NOK 10 million, an increase of NOK 0.6 million from second quarter 2017. Adjusted for extraordinary costs in the third quarter, profit before tax is NOK 14.6 million.

## Statement of financial position

Total assets were NOK 503 million at the end of the third quarter of 2017, compared to NOK 322 million at the end of 2016, following the acquisition of investment properties and balance sheet consolidation. Total equity was NOK 281 million. Thus, the equity ratio was 56%. Net interest-bearing debt was NOK 78.5 million.

## Cash flow

Net cash flow from operating activities as of 30 September 2017 was NOK 31.4 million, compared to NOK 12.6 million in third quarter 2016. Net cash flow from investing activities was NOK -101.8 million compared to NOK -109.5 in third quarter 2016, primarily related to the cash consideration in connection with the acquisition of subsidiaries and investment properties. Net cash flow from financing activities was NOK 83 million compared to NOK 150 million in third quarter 2016. SSG's cash balance at the end of the third quarter was NOK 47 million.

## Strategy

SSG engages in the business of renting out self-storage units to both private individuals and businesses. The Group is a leading provider of self-storage services with facilities in Norway, Sweden and Denmark. The business model of the Group is to operate self-storage facilities in Scandinavia with a strong focus on cost effective operations, competitive rent levels and industry leading customer service. In order to achieve this, the Group is constantly working hard in order to increase the level of automation in all parts of the value chain. The Group's vision is to be a leading and preferred self-storage provider to individuals and businesses.

Following the acquisition of City Self-Storage in September 2016, the Group is operating under two separate brands: OK Minilager and City Self-Storage. These two brands focus on different market segments and provide a strong platform serving customers with different preferences and needs. The Group offers self-storage solutions in all Scandinavian countries, with a primary focus on the capital cities Oslo, Stockholm and Copenhagen through City Self-Storage, and a nationwide presence in Norway through OK Minilager. All City Self-Storage facilities are climate controlled, while OK Minilager offers both climate controlled and container based storage facilities.

In July 2017, SSG also added 9 additional climate controlled and self-serviced facilities with a total lettable area of 7746 square meters to its portfolio through the acquisition of Minilageret AS. As of end September, the Group operates a total of 82 facilities with a total lettable area of 100 968 square meters, of which 54 are high quality, climate controlled facilities.

## Business concepts

The Group is operating under both the OK Minilager and City Self-Storage brand and will continue to do so as the two concepts target different market segments.

**OK Minilager** is a nationwide self-storage concept offered in the Norwegian market and the strategy is to continue to increase its presence in all major regions and communities in Norway. The planned expansion will mainly be composed of owned properties, including a combination of purpose-built facilities and conversion of existing buildings. At the same time OK Minilager will have a strong focus on retaining its position as the most cost-effective player in the Norwegian market by continuously looking for innovative solutions to increase the customer experience and to increase operating efficiency.

**City Self-Storage** is SSG's "urban concept", targeting the population in Oslo, Stockholm and Copenhagen. The strategy is to strengthen the market position in Oslo by establishing more sites at attractive locations in the Greater Oslo area, while at the same time continuing the ongoing cost reduction initiatives and optimising the organisation. In the other Scandinavian countries, the goal is to improve operating efficiency at existing facilities through cost reductions, upgrades and increased visibility and market awareness. City Self-Storage will however act opportunistically about potential mergers and acquisitions, both with regards to single facilities and other self-storage providers with a complementary portfolio of facilities. As with OK Minilager, the goal for City Self-Storage going forward is to increase the share of owned facilities.

## Competitive strengths

The Group is confident that it has multiple competitive strengths that separates SSG from other self-storage providers. These strengths have enabled the Group to achieve high historical growth and to establish a strong market position in all markets in which it operates. Through leveraging on these competitive strengths, SSG expects to continue to grow and to confirm its position as one of Scandinavia's leading self-storage providers.

## Market leading position

The Group is one of the leading self-storage providers in Scandinavia with a particularly strong position in the Norwegian market. SSG has a high market share, both in the Greater Oslo area and on a countrywide basis. City Self-Storage and OK Minilager are on a stand-alone basis the two largest self-storage providers in the Norwegian market. This position has been built through careful planning and a dedicated focus on selecting the right type of facilities. SSG entered the Swedish and the Danish market through the acquisition of City Self-Storage and is today the 3. largest self-storage provider in Stockholm and Copenhagen measured by the total number of facilities.



## Strong platform for future growth

The combination of a countrywide presence in the “early stage” Norwegian market and a strong position in the more developed markets in Stockholm and Copenhagen provides a strong foundation for future expansion and growth. The Group can act opportunistically with regards to setting up new facilities while leveraging its strong brand recognition, customer base and knowledge in the respective markets.

## Track record of rapid and profitable growth

Both OK Minilager and City Self-Storage have displayed solid financial track records with increasing revenues and continuously improving EBITDA margins. The Group has an ambitious growth plan and the management team has demonstrated the ability to handle rapid growth without jeopardizing profitability. Since being established in 2009, OK Minilager has been able to grow its revenues by a compound annual growth rate (CAGR) of 51.5%. At the same time, the EBITDA margin has improved from 18.8% in 2009 to 50.4% in 2016.

The goal is to develop the Group further and to expand the total lettable area by investing in new and preferably owned facilities. The Group seeks to strengthen its nationwide presence in Norway while at the same time optimising current sites in Denmark and Sweden and search for profitable expansion opportunities.

# Corporate developments

At the Extraordinary general meeting 29 September 2017, Martin Nes, chairman of the Board, Runar Vatne, Gustav Sigmund Søbak, Yvonne Litsheim Sandvold and Caroline Folkesson Jensen were elected to the Board of Directors.

The Company changed its name from OK Self-Storage Group AS to Self Storage Group ASA.

# Risks and uncertainty factors

SSG is exposed to risk and uncertainty factors, which may affect some or all of the company's activities. SSG has financial risk, market risk as well as operational risk and risk related to the current and future products. There are no significant changes in the risks and uncertainty factors compared to the descriptions in the Annual Report for 2016.

# Outlook

There is a large untapped potential for self storage in Scandinavia as urbanization and smaller living spaces cause increasing need for external storage solutions. To enhance these opportunities, SSG has established a solid platform for future growth with prime locations in all Scandinavian capitals as well as cities across Norway. The Group has a proven track-record to develop and operate this attractive portfolio of self storage facilities, leveraging on a lean and operationally focused organisation to increase margins and targeting additional growth, mainly through owned properties.

The Group has built up and acquired new storage capacity during 2017 and is continuously phasing the new capacity into the market. SSG is experiencing a satisfactory demand for its solutions, and is filling up new storage facilities while at the same time achieving attractive rent levels. SSG has also identified additional opportunities through already acquired development projects and low-cost expansion within existing facilities.

This foundation, a strong macro picture in all Scandinavian countries, combined with a strategy to grow the freehold portfolio in selected markets, gives SSG a solid platform for future growth and value creation.



## Self Storage Group

### Condensed consolidated statement of profit or loss and other comprehensive income

(Amounts in NOK 1 000)

		Unaudited For the three months ended 30 September 2017	Unaudited For the three months ended 30 September 2016	Unaudited For the nine months ended 30 September 2017	Unaudited For the nine months ended 30 September 2016
	Note				
Revenue	3	55 648	10 575	156 834	30 001
Other operating income		-	-		56
Property-related expenses	3	23 448	3 339	71 531	9 656
Salary and other employee benefits		8 434	1 009	25 447	2 449
Depreciation		2 217	1 001	4 779	2 582
Other operating expenses		10 934	464	26 310	902
<b>Operating profit before fair value adjustments</b>		<b>10 615</b>	<b>4 762</b>	<b>28 767</b>	<b>14 468</b>
Change in fair value of investment properties		755	-	13 928	440
<b>Operating profit after fair value adjustments</b>		<b>11 370</b>	<b>4 762</b>	<b>42 695</b>	<b>14 908</b>
Finance income	3	-102	3	385	9
Finance expense	3	1 263	414	3 308	574
<b>Profit before tax</b>		<b>10 005</b>	<b>4 351</b>	<b>39 772</b>	<b>14 343</b>
Income tax expense		2 283	1 050	9 757	3 536
<b>Profit for the period</b>		<b>7 722</b>	<b>3 301</b>	<b>30 015</b>	<b>10 807</b>
<b>Earnings per share</b>					
Basic and diluted (in NOK)	4	0,16	0,14	0,63	0,46
<b>Other comprehensive income, net of income tax</b>					
Items that may be reclassified subsequently to profit or loss					
- currency translation difference		-160	-	428	-
<b>Other comprehensive income for the period, net of income tax</b>		<b>-160</b>	<b>-</b>	<b>428</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>7 562</b>	<b>3 301</b>	<b>30 443</b>	<b>10 807</b>

## Self Storage Group

### Condensed consolidated statement of financial position

(Amounts in NOK 1 000)

	Note	Unaudited 30 September 2017	31 December 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	5	323 893	163 738
Property, plant and equipment		45 551	45 291
Goodwill		61 547	51 985
<b>Total non-current assets</b>		<b>430 991</b>	<b>261 014</b>
<b>Current assets</b>			
Inventories		1 383	1 623
Trade and other receivables		11 018	10 577
Other current assets		12 819	15 078
Cash and bank deposits		47 053	34 115
<b>Total current assets</b>		<b>72 273</b>	<b>61 393</b>
<b>TOTAL ASSETS</b>		<b>503 264</b>	<b>322 407</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued share capital	6	4 792	395
Share premium		189 779	89 863
Other reserves		295	-114
Retained earnings		86 470	64 903
<b>Total equity</b>		<b>281 336</b>	<b>155 047</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term interest-bearing debt	7	118 182	23 179
Deferred tax liabilities		18 226	4 383
Obligations under finance leases		341	526
<b>Total non-current liabilities</b>		<b>136 749</b>	<b>28 088</b>
<b>Current liabilities</b>			
Short-term interest-bearing debt	7	7 423	86 169
Trade and other payables		10 524	8 743
Income tax payable		6 806	8 171
Other taxes and withholdings		3 834	3 912
Obligations under finance leases		372	384
Other current liabilities		56 220	31 893
<b>Total current liabilities</b>		<b>85 179</b>	<b>139 272</b>
<b>Total liabilities</b>		<b>221 928</b>	<b>167 360</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>503 264</b>	<b>322 407</b>



## Self Storage Group

### Condensed consolidated statement of Changes in Equity

for the nine months ended 30 September

(Amounts in NOK 1 000)	Issued Share capital	Share premium	Currency translation reserve	Retained earnings	Total equity
<b>Balance at 1 January 2016</b>	227	30		35 879	<b>36 136</b>
Profit (loss) for the period				10 807	<b>10 807</b>
Other comprehensive income (loss) for the period net of income tax			394		<b>394</b>
Total comprehensive income for the period			<b>394</b>	<b>10 807</b>	<b>11 201</b>
Issue of ordinary shares	122	59 878			<b>60 000</b>
<b>Balance at 30 September 2016 (Unaudited)</b>	<b>349</b>	<b>59 908</b>	<b>394</b>	<b>46 686</b>	<b>107 337</b>
<b>Balance at 1 January 2017</b>	395	89 863	-114	64 903	155 047
Profit (loss) for the period				30 015	<b>30 015</b>
Other comprehensive income (loss) for the period net of income tax			409		<b>409</b>
Total comprehensive income for the period			<b>409</b>	<b>30 015</b>	<b>30 424</b>
Issue of ordinary shares	84	99 916		-4 135	<b>95 865</b>
Issue of share capital - transfer from retained earnings	4 313			-4 313	-
<b>Balance at 30 September 2017 (Unaudited)</b>	<b>4 792</b>	<b>189 779</b>	<b>295</b>	<b>86 470</b>	<b>281 336</b>

## Self Storage Group

### Condensed consolidated statement of cash flows

(Amounts in NOK 1000)	Note	Unaudited For the nine months ended 30 September 2017	Unaudited For the nine months ended 30 September 2016
<b>Cash flows from operating activities</b>			
Profit before tax		39 772	14 343
Income tax paid		-7 701	-
Interest paid		490	-
Interest received		-201	-186
Depreciation		4 779	2 582
Gain/loss on disposal of property, plant and equipment		144	-
Change in fair value of investment property	5	-13 928	-440
Change in trade and other receivables		1 271	-263
Change in trade and other payables		1 811	-778
Change in other current assets		5 052	-
Change in other current liabilities		-49	-2 676
<b>Net cash flows from operating activities</b>		<b>31 440</b>	<b>12 581</b>
<b>Cash flows from investing activities</b>			
Payments for investment property		-32 890	-32 911
Payments for property, plant and equipment		-6 629	-830
Net cash outflow on acquisition of subsidiaries		-62 265	-75 721
<b>Net cash flows from investing activities</b>		<b>-101 784</b>	<b>-109 462</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of equity instruments of the Company		95 865	60 000
Proceeds from borrowings	7	95 000	91 728
Repayment of borrowings		-107 790	-1 319
<b>Net cash flows from financing activities</b>		<b>83 075</b>	<b>150 409</b>
Net change in cash and cash equivalents		12 731	53 528
Cash and cash equivalents at beginning of the period		34 115	6 661
Effect of foreign currency rate changes on cash and cash equivalents		207	-
<b>Cash and equivalents at end of the period</b>		<b>47 053</b>	<b>60 190</b>

## Note 1 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property, which is measured at fair value with gains and losses recognised in profit or loss. The interim financial statements were approved by the Board of Directors on 15 november 2017.

## Note 2 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2016, and must be read in conjunction with these. The interim financial statements are unaudited.

The implementation of Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses and Amendments to IAS 7 Disclosure Initiative, both applicable to accounting period commencing on 1 January 2017 and later, have not had any effect on the recognition, measurement or notes disclosures in these condensed consolidated financial statements.

## Note 3 Segment information

Management has determined the operating segments based on reports reviewed by the CEO and management group and Board, and which are used to make strategic and resource allocation decisions. During the fourth quarter of 2016, after the acquisition of the City Self-Storage companies, the Group decided to report management information based on the two concepts offered by the Group, City Self-Storage (CSS) and OK Minilager (OKM). Following the establishment of OK Property AS (OKP) at the start of 2017, the Group's property business is reported as Other/eliminations. The Other/elimination column also includes eliminations of intercompany transactions and balances. Adjustments necessary to reconcile management information with the Group's accounting principles (IFRS compliant) have been made on a total level, reconciling the total of the operating segment's EBITDA to the Group's consolidated profit before tax under IFRS.

The total of Sales income and Other income in the segment reporting corresponds with the addition of Gain from disposal of property, plant and equipment to the total of the line items Revenue and Other operating income as recognised under IFRS. The financial information included for the operating segments for the period is presented in accordance with principles in Norwegian financial reporting standards (NGAAP).

The Group's reportable segments are as follows:

OK Minilager (OKM)	Nationwide presence in Norway offering climate controlled storage units and container based storage
City Self-Storage (CSS)	Climate controlled facilities in all Scandinavian countries, with a primary focus on the capital cities of Oslo, Stockholm and Copenhagen
Other/eliminations	The ownership and development of property and the remainder of the Group's activities, including administration and management activities not attributable to the operating segments described above

(Amounts in NOK 1000)

<b>For the three months ended 30 Sept 2017</b>	<b>CSS</b>	<b>OKM</b>	<b>Other/eliminations</b>	<b>Total</b>
Sales income	35 996	15 180	-	51 176
Other income	4 129	553	-210	4 472
Operating costs	-31 809	-7 249	-3 758	-42 816
EBITDA	8 316	8 484	-3 968	12 832

<i>Reconciliation to profit before tax as reported under IFRS</i>				
Depreciation	-	-	-	-2 217
Change in fair value of investment property	-	-	-	755
Finance lease expense	-	-	-	-
Finance income	-	-	-	-102
Finance expense	-	-	-	-1 263
<b>Profit before tax</b>				<b>10 005</b>

<b>For the nine months ended 30 September 2017</b>	<b>CSS</b>	<b>OKM</b>	<b>Other/eliminations</b>	<b>Total</b>
Sales income	106 580	36 306	-	142 886
Other income	12 526	1 081	341	13 948
Operating costs	-98 728	-19 868	-4 692	-123 288
EBITDA	20 378	17 519	-4 351	33 546

<i>Reconciliation to profit before tax as reported under IFRS</i>				
Depreciation	-	-	-	-4 779
Change in fair value of investment property	-	-	-	13 928
Finance lease expense	-	-	-	0
Finance income	-	-	-	385
Finance expense	-	-	-	-3 308
<b>Profit before tax</b>				<b>39 772</b>

<b>For the nine months ended 30 September 2016</b>	<b>CSS</b>	<b>OKM</b>	<b>Other/eliminations</b>	<b>Total</b>
Sales income	-	30 015	-	30 015
Other income	-	0	42	42
Operating costs	-	-14 051	732	-13 319
EBITDA	-	15 965	468	16 738

<i>Reconciliation to profit before tax as reported under IFRS</i>				
Depreciation	-	-	-	-2 582
Change in fair value of investment property	-	-	-	440
Finance lease expense	-	-	-	312
Finance income	-	-	-	9
Finance expense	-	-	-	-574
<b>Profit before tax</b>	-	-	-	<b>14 343</b>



## Note 4 Earnings per share

(Amounts in NOK)

	For the three months ended 30 September 2017	For the three months ended 30 September 2016	For the nine months ended 30 September 2017	For the nine months ended 30 September 2016
Profit (loss) for the year	7 722 000	3 301 000	30 015 000	10 807 000
Weighted average number of outstanding shares during the period	47 850 000	23 906 593	47 788 007	23 300 000
<b>Earnings (loss) per share - basic and diluted in NOK</b>	<b>0,16</b>	<b>0,14</b>	<b>0,63</b>	<b>0,46</b>

Basic and diluted earnings per share are identical as there have been no dilutive effects during the periods presented.

On 29 September 2017, the holding company's shares were split in the ratio of 1:10, so that one share with nominal value of NOK 1 is replaced with 10 new shares, each with a nominal value of NOK 0.10. Earnings per share have been calculated as if the proportionate change in the number of shares outstanding had taken place at the start of the earliest period for which earnings per share is presented to ensure comparability

## Note 5 Investment property

(Amounts in NOK 1 000)

During the nine month period ended 30 September 2017, the following changes have occurred in the Group's portfolio of investment properties:

<b>Balance as at 31 December 2016</b>		<b>163 738</b>
Godøygata 8 AS	Company acquired as asset acquisition	8 954
Minilageret AS	Business combination	89 721
Sverdrupsgate 23	Asset acquisition in OK Property AS	7 898
Trondheimsveien 436 AS	Company acquired as asset acquisition	15 845
Fabrikkveien 8	Asset acquisition in OK Property AS	9 739
Stormåsan 22	Asset acquisition in OK Property AS	1 428
Ulaveien 9	Asset acquisition in OK Property AS	5 997
Additions to existing properties		6 645
Fair value adjustments recognised in profit or loss		13 928
<b>Balance as at 30 September 2017</b>		<b>323 893</b>

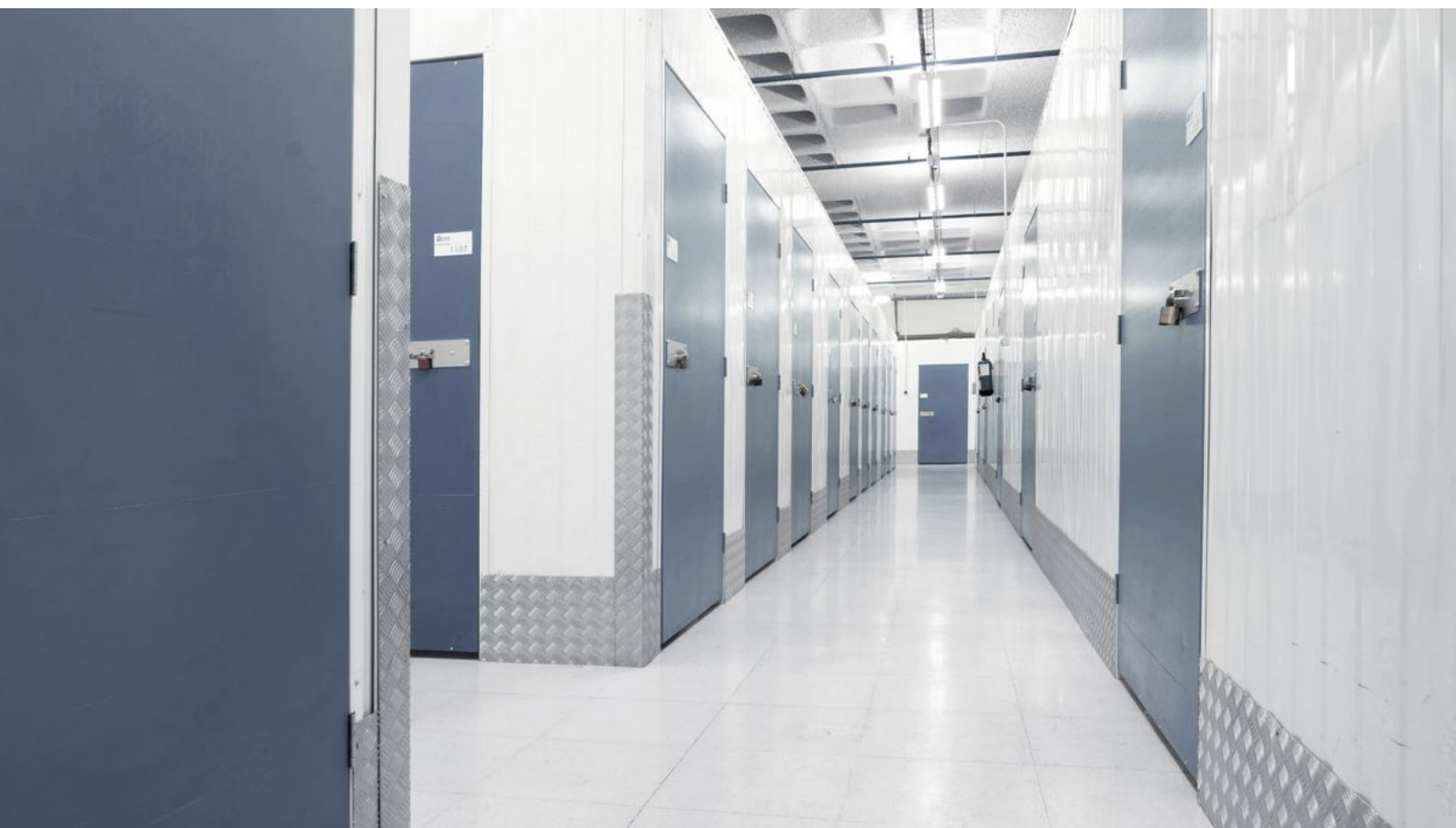
## Note 6 Changes in shareholders' equity

The Group's subsidiary Selvaag Self Storage AS merged with OK Self Storage Group AS with effect from 2 January 2017. Accounting for the merger was based on continuity in carrying values for both entities.

On 3 January 2017 a share issue in the holding company took place raising NOK 100 million in capital (less transaction costs of NOK 4.2 million) increasing the share capital to NOK 0,5 million.

On 29 September 2017, the Group's share capital was increased by NOK 4.3 million by transferring an equivalent amount from the Group's retained earnings. Furthermore, the holding company's shares are split in the ratio 1:10, so that one share with nominal value of NOK 1 is replaced with 10 new shares, each with a nominal value of NOK 0.10

See also note 8 (Subsequent events)



## Note 7 Interest bearing liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized cost. The carrying amounts approximate fair value as at 30 September 2017.

On 10 July 2017, the Group entered into an agreement with Handelsbanken to re-finance existing loans in Handelsbanken and to enable the Group to repay shareholder loans as well as financing future acquisitions of property.

	Amounts due in	
	less than 1 year	1-5 years
<b>For the nine month period ended 30 September 2017</b>		
Debt to financial institutions	7 423	118 182

### *Specification of loans*

	2017 Currency	
Handelsbanken	75 000	NOK
Handelsbanken	20 000	NOK
Santander Consumer Bank AS	147	NOK
DnB	19 872	NOK
DnB	5 918	NOK
Handelsbanken	4 668	NOK
<b>Total bank borrowings at amortised cost</b>	<b>125 605</b>	

## Note 8 Subsequent events

- Successful completion of the Group's Initial Public Offering. 14 285 000 new shares were issued at a fixed share price of NOK 14
- The gross proceeds from sale of the new shares in the offering was NOK 199.9 million
- The first day of trading in the Group's shares on Oslo Stock Exchange was 27 October 2017
- The Group has acquired investment properties with a potential lettable area of 3 000 m<sup>2</sup>

## Alternative performance measures (APMs)

Self Storage Group's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, management provides alternative performance measures that are regularly reviewed by management to enhance the understanding of the Group's performance in addition to the financial information prepared in accordance with IFRS. The alternative performance measures may be presented on a basis that is different from other companies.

### Operating profit before fair value adjustments

Presenting operating profit before fair value adjustments is useful to Self Storage Group as it provides a measure of profit before taking into account the movement in fair value of investment property and is useful to the Group for assessing operating performance

### SSG's financial APMs

- EBIT: Income (loss) before tax, financial income and expenses
- *Underlying* EBIT: EBIT +/- identified items to be excluded from underlying EBIT as described below
- EBITDA: EBIT+ depreciation, amortization and impairments
- *Underlying* EBITDA: EBITDA +/- identified items to be excluded from underlying EBIT as described below
- *Underlying* net income (loss): Net income (loss) +/- items to be excluded from underlying income (loss) as described below

### Items excluded from underlying EBIT and net income

NOK million	Third quarter 2017	Second quarter 2017	First 9 months 2017
Costs related to IPO	2,7	0,9	3,6
Transaction costs acq. Of Minilageret	1,9	0	1,9
Items excluded from underlying EBITDA	4,6	0,9	5,5