



Self Storage Group ASA

Fourth quarter 2017

15 February 2018



GROUP HIGHLIGHTS – FOURTH QUARTER 2017



- Revenues in Q4 2017 NOK 55.3 million, up from NOK 50.8 million in Q4 2016
- Adjusted EBITDA in Q4 2017 of 15.1 million¹⁾, up from NOK 9.0 million in Q4 2016
- Revenues for the full year of 2017 NOK 212.1 million
- Adjusted EBITDA for the full year of 2017 NOK 54.2 million¹⁾
- Positive change in fair value of investment properties of NOK 15.9 million to a total of NOK 338 million
- Privat placement of NOK 200 million, successful completion of IPO
- Cash position NOK 195 million

KEY FIGURES – Q4 2017



- Current lettable area (CLA) 103 700 m², up from 93 800 m² in Q4 2016
- 2 new facilities and expansions adding a total of 2 700 m² CLA
- Acquisition of 4 properties with approximately 2 200 m² lettable area
- Average rent¹⁾ 2 337 NOK pr m²
- Occupancy¹⁾ 84,1%
- Total number of facilities 84

GROUP HIGHLIGHTS – SUBSEQUENT EVENTS



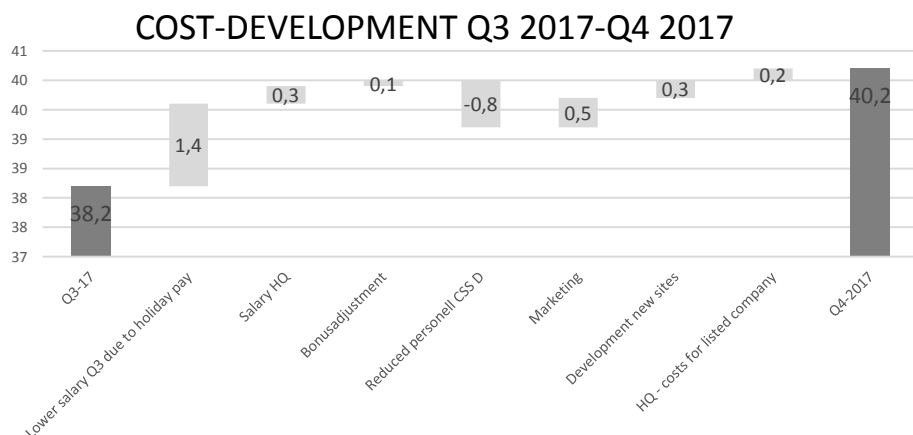
- Completed transaction of the Minilager Norge group adding 4 sites to the CSS portfolio and 4 300 m² CLA
- Acquisition of 3 new properties with a total lettable area of 3 300 m²
- Signed agreements to acquire 2 properties with a total lettable area 1 400 m²
- As of 15 February 2018 SSG has 108 000 m² CLA and 17 000 m² lettable area under development – in total 125 000 m²

KEY FIGURES – Q4 2017 and YTD 2017

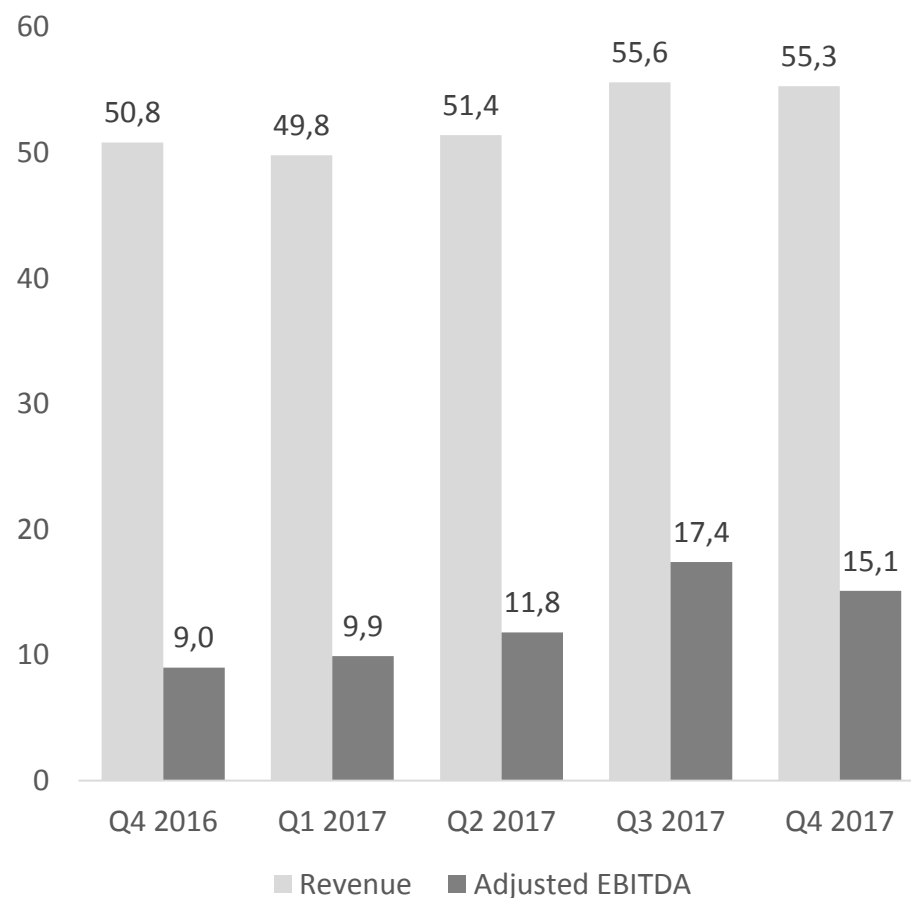
(NOK million)

KEY FIGURES

	2017 Q4	2017 Q3	2016 Q4	2017 FY	2016 FY
Revenue	55.3	55.6	50.8	212.1	80.9
Total operating costs ¹	40.2	38.2	41.8	158.1	54.9
Adjusted EBITDA	15.1	17.4	9.0	54.2	26.0
IPO-costs	3.3	2.7	0	6.9	0
Acquisition costs	0.6	1.9	0	2.5	0
Reported EBITDA	11.2	12.8	9.0	44.8	26.0



DEVELOPMENT Q4 2016-Q4 2017



¹ Unaudited figures . Adjusted for IPO and non-recurring items of NOK 3.9 million in Q4 2017, NOK 4.6 million in Q3 2017 and NOK 0.9 million in Q2 2017

KEY FIGURES¹ – Q4 2017

(NOK million)

P&L	Q4'17	Q3'17	Q4'16	FY '17	FY '16
Revenue	55.3	55.6	50.8	212.1	80.9
Total operating costs ²	40.2	38.2	41.8	158.0	54.9
Adjusted EBITDA	15.1	17.4	9.0	54.2	26.0
Adjusted EBIT	12.7	15.2	7.3	46.9	21.8
Change in fair value of investment properties	15.9	0.8	17.4	29.8	17.8
Adjusted Pre-tax profit	28.2	14.6	24.3	73.5	38,6
Adjusted Net profit	25.6	7.6	18.0	59.7	28.8
Current lettable area (thousands m2)	103.7	101.0	93.8	103.7	93.8
Lettable area under development (thousands m2)	12.3	11.8	N/A	12.3	N/A

Cash flows

	31.12.17	31.12.16
Net cash flows from operating activities	42.3	34.9
Net cash flows from investing activities	-123.4	-192.7
Net cash flows from financing activities	241.6	185.4
Cash and cash equivalents at beginning of the period	34.1	6.6
Cash and cash equivalents at end of the period	195.2	34.1

Balance sheet

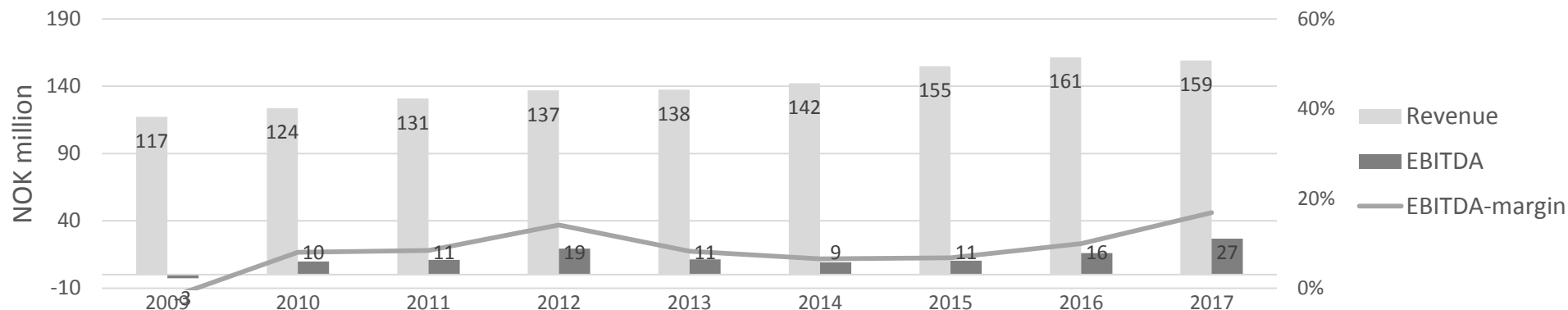
	31.12.17	31.12.16
ASSETS		
Investment property	338.6	163.8
Property, plant and equipment	52.6	45.3
Goodwill	72.3	52.0
Total non-current assets	463.5	261.0
Other current assets	26.3	27.3
Cash and bank deposits	195.2	34.1
Total current assets	221.5	61.4
TOTAL ASSETS	685.0	322.4
EQUITY AND LIABILITIES		
Total equity	515.8	155.0
Long-term interest-bearing debt	89.7	23.2
Deferred tax liabilities	22.3	4.3
Total non-current liabilities	112.2	28.1
Total current liabilities	57.1	139.3
Total liabilities	169.3	167.4
TOTAL EQUITY AND LIABILITIES	685.0	322.4

1) Unaudited figures for 2017

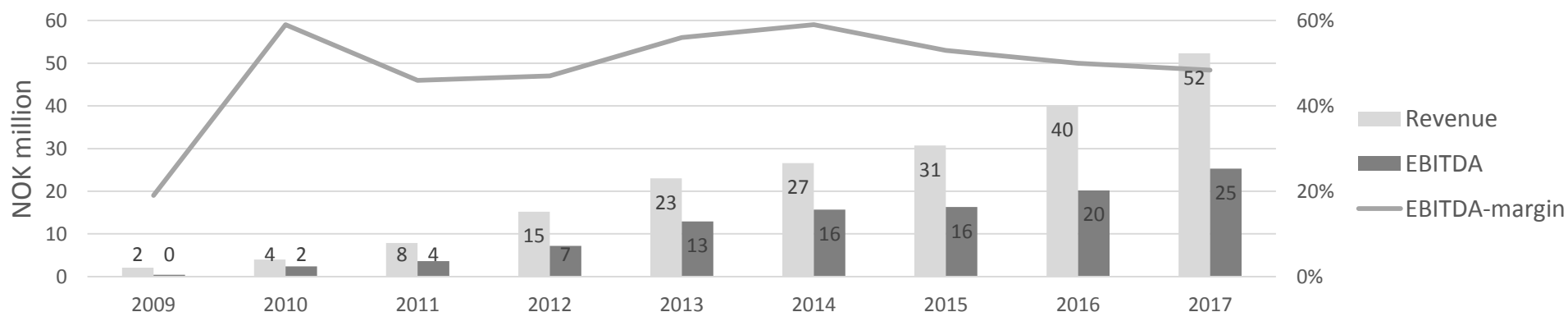
2) Adjusted for IPO and non-recurring items of NOK 3,9 million in Q4 2017, NOK 4,6 million in Q3 2017 and NOK 0,9 million in Q2 2017

INCREASING REVENUE AND EBITDA-MARGIN

CSS



OK Minilager¹



Numbers in MNOK

1) Minilageret AS is reported with OK Minilager from 1/7-2016

HIGH ACTIVITY IN 2017 – CONTINUING THE GROWTH

Q1 2017



- ☐ Private placement NOK 100 million
- ☐ Acquisition of 2 properties in Stavanger and Ålesund (1 600 m²)

Q2 2017



- ☐ Acquisition of Minilageret AS with 9 facilities in the eastern part of Norway (7 700 m²)

Q3 2017



- ☐ Acquisition of 4 properties in the greater Oslo, Sandnes, Vestby and Stavanger (3 300 m²)

Q4 2017

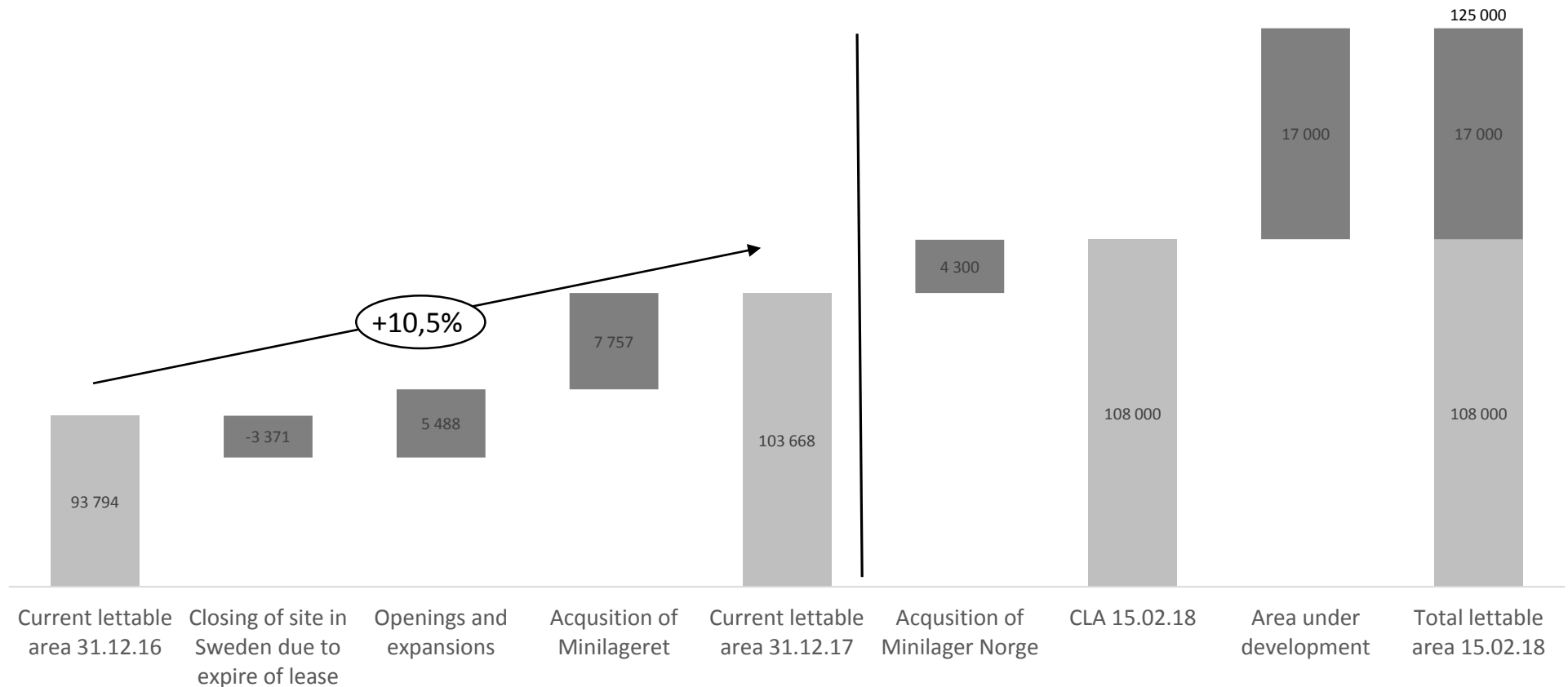


- ☐ Private placement of NOK 200 million
- ☐ Listed on Oslo Stock Exchange
- ☐ Acquisition of 4 properties in Mandal, Fredrikstad, Porsgrunn and Kristiansand (2 200 m²)
- ☐ Signed agreement to acquire the Minilager Norge group with 4 facilities in Østfold (4 300 m²)

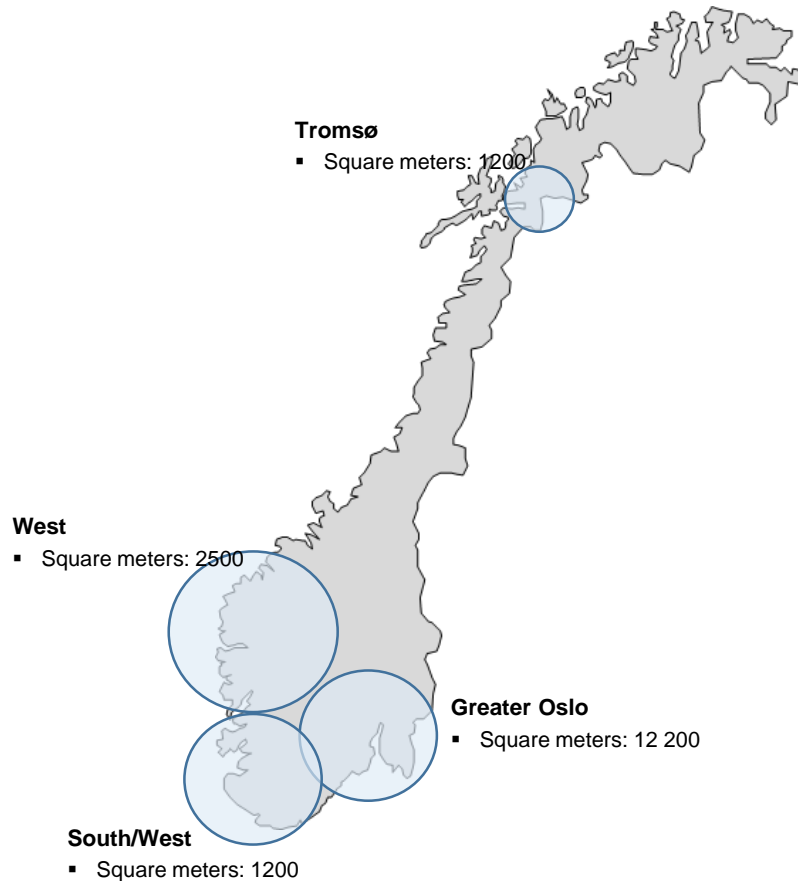
- Acquired 19 000 m²
- Raised NOK 300 million in gross proceeds
- Digital marketing and online booking
- CRM-project
- Optimising CSS
- Integration of Minilageret
- Establishment of HQ-functions

CLA INCREASED BY 10 000 M² DURING 2017

– 21 000 M² IN PIPELINE



MORE THAN 17 000 M² IN POTENTIAL LETTABLE AREA

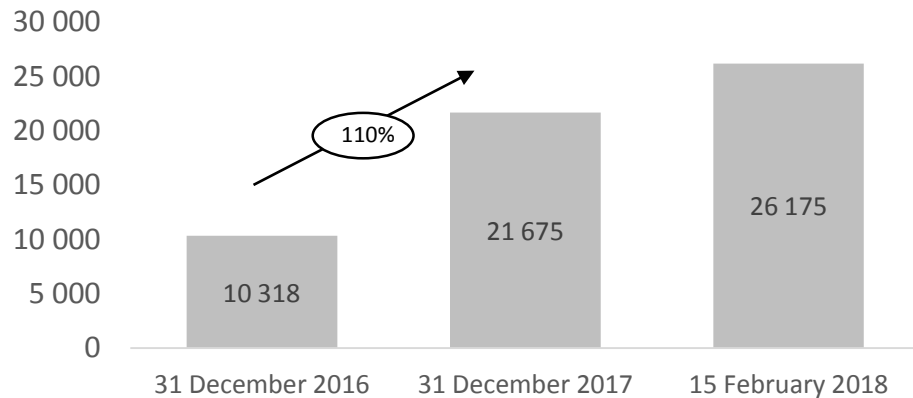


- 10 650 potential square meters in newly acquired facilities
- 6 350 potential square meters in existing facilities
- All potential square meters in freehold facilities
- Rent income from expiring lease contracts from 5 300 m² of the 17 000 m² not yet build into self-storage units
- 10 000+ square meters is planned to open during 2018

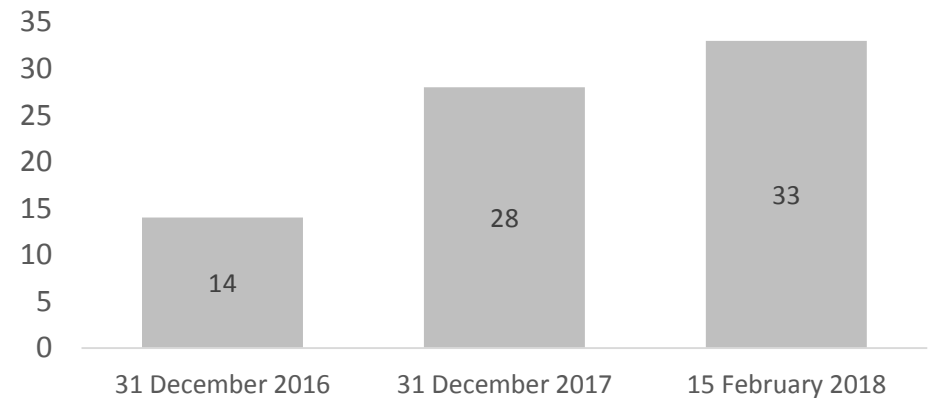


STEADY GROWTH IN SHARE OF OWNED PORTFOLIO

FREEHOLD FACILITIES (M²)

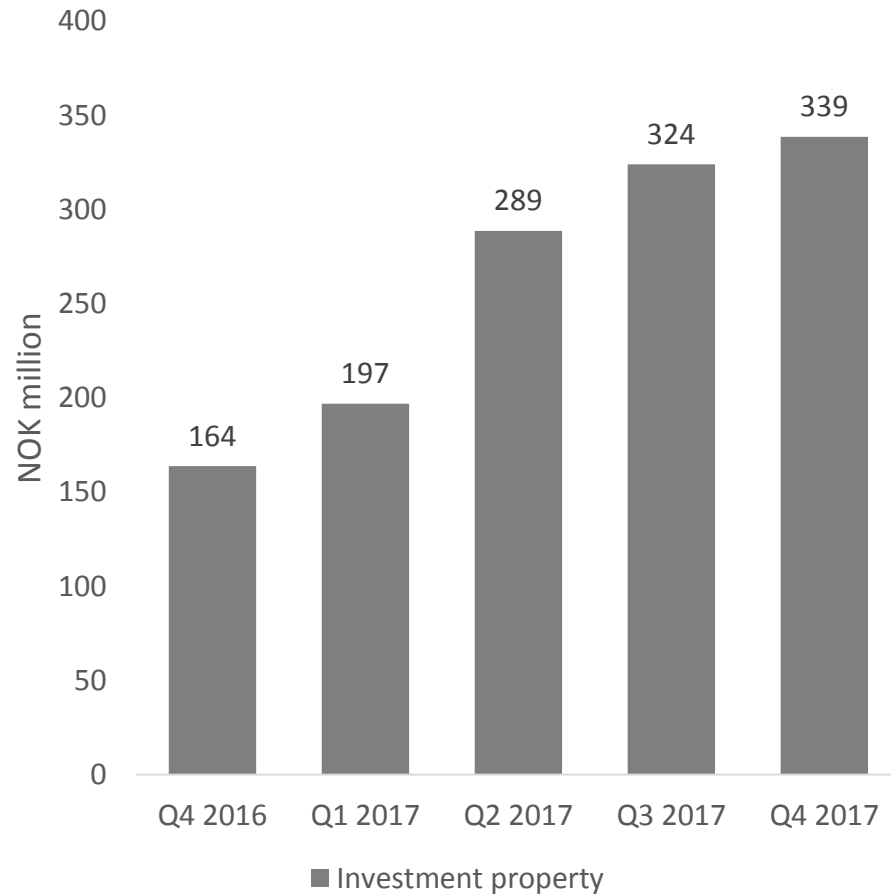


NUMBER OF FREEHOLD FACILITIES



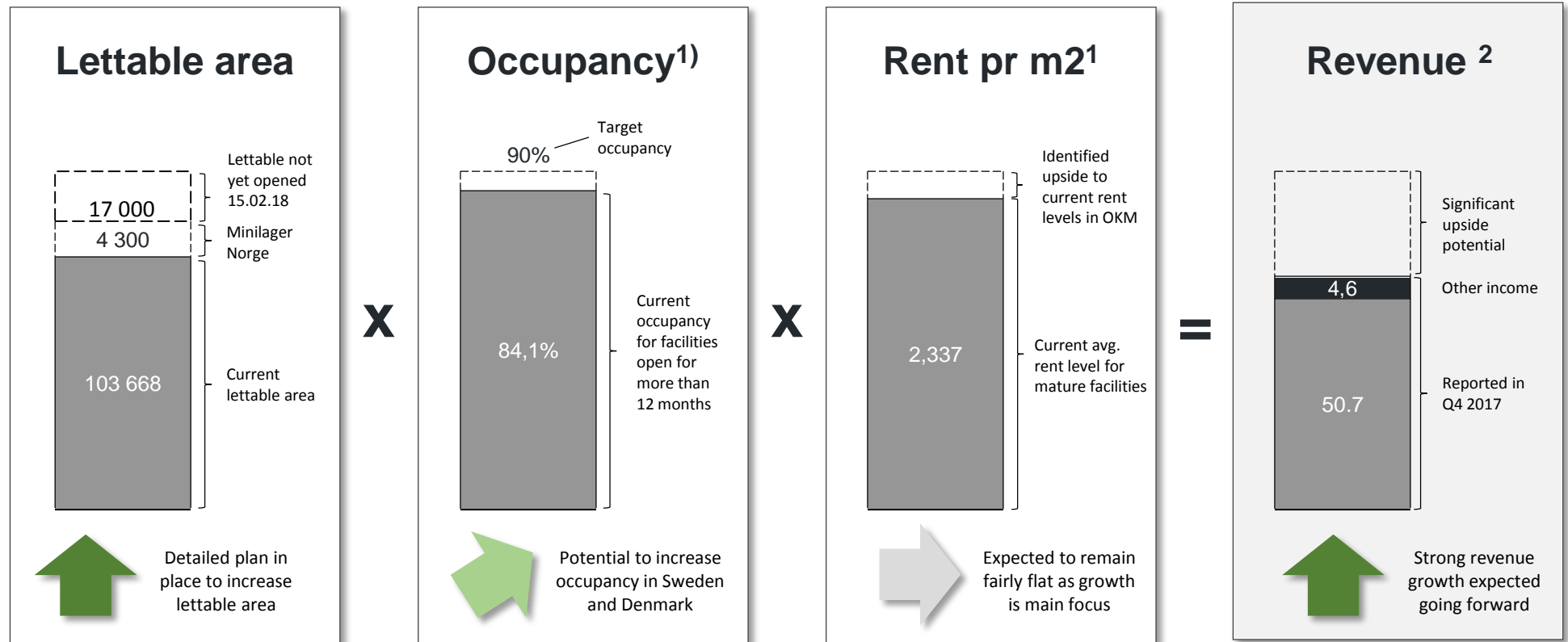
- SSG's strategy is to expand within owned facilities
 - 21% of current lettable area at the end of Q4 2017 was freehold
 - 81 992 m² leased
 - 21 676 m² owned
 - Freehold square meterage has increased with 110% during 2017
- 14 of 16 new facilities established in 2017 was freehold
 - **33% of total lettable area as of 15.02.2018 is freehold**

PROPERTY VALUE INCREASED BY 107% IN 12 MONTHS



- As of 31.12.2017 SSG owns 35 properties
- Internal lease agreements at commercial terms are signed between OK Property and the operating companies in the Group
- External valuations - conservative yields

REVENUE DYNAMICS Q4-2017



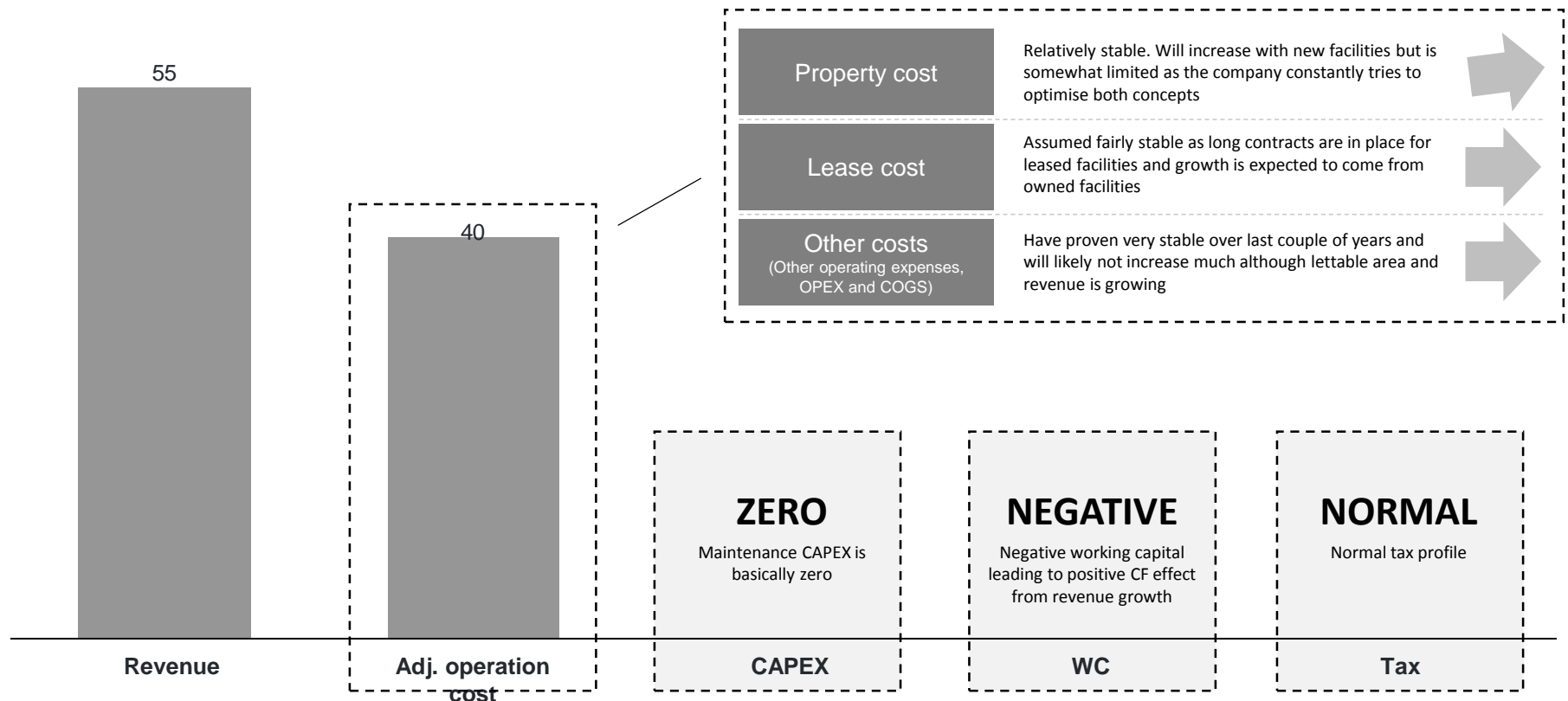
Note:

1) Average occupancy and rent pr m² for sites with more than 12 months of operation in NOK

2) Numbers in NOK million

STRONG LINK BETWEEN REVENUE GROWTH AND ABSOLUTE GROWTH IN PRE TAX FREE CASH FLOW

Strong link between further growth in revenue and EBITDA



ACQUISITIONS IN THE QUARTER

Acquisition of 4 new properties with a CLA potential of 2 200 m²

Fredrikstad



Signed: Nov 1st 2017

Type: Company asset acquisition

Potential lettable area:
1,000 m²

Location:
Located in Gressvik, just outside of Fredrikstad. With this new location, we also cover the western part of Fredrikstad. Fredrikstad is part of the 6th most populous urban area in Norway.

Mandal




Signed: Oct 1st 2017

Type: Property (building)

Potential lettable area:
400 m²

Location:
Mandal is a small city about 45 minutes west of Kristiansand. Approx. 15.000 inhabitants within a 5 mile radius

Kristiansand




Signed: Dec 1st 2017

Type: Property (building)

Potential lettable area:
290 m²

Location:
Our third location in Kristiansand, and our second in Mjåvann, an industrial area just outside Kristiansand.

Porsgrunn



Signed: Dec 1st 2017

Type: Property (Building)

Potential lettable area:
480 m²

Location:
Our first location in Porsgrunn. With this acquisition we strengthen our position in Grenland, the 7th most populous urban area in Norway.

THE COMPANY



SELF STORAGE GROUP AT A GLANCE

Provider of self storage solutions to both individuals and businesses through (i) OK Minilager and (ii) City Self Storage

Operations in Norway, Sweden and Denmark

Focus on cost effective operations through self service/ automated storage facilities

As of 15 February 2018 the SSG has 108 000 m² CLA and 17 000 m² lettable area under development – in total 125 000 m²

18 300 storage rooms in 30 cities and towns – 89 facilities



SSG CONSISTS OF TWO DISTINCT BUSINESS CONCEPTS

City Self-Storage



High-end brand providing self-storage rental and ancillary products and services in Scandinavia's capital cities

- 31¹ temperate storage facilities across
- One of the leading self-storage providers in the Scandinavian market
- Located in Oslo, Stockholm and Copenhagen
- 62 930 m² of lettable storage space (4 974 m² freehold)



OK Minilager



Countrywide, discount-priced offering of self-served storage facilities in Norway

- 58² facilities located across Norway
- 28 drive-in storage facilities and 30 temperate storage facilities
- 2nd largest player in Norway, behind CSS
- Self service, open 24 hr/day and 7 days a week
- 45 038 m² of lettable storage space (21 225 m² freehold)



¹ As of 15 February 2018. Including Minilager Norge group

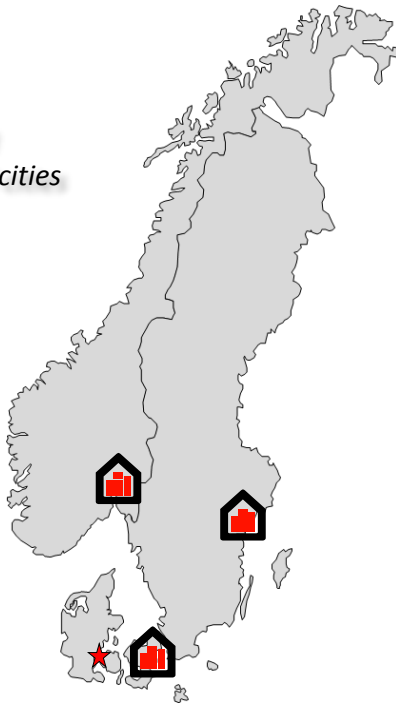
² As of 15 February 2018. Including Minilageret AS

SSG HAS A STRONG PLATFORM FOR FUTURE GROWTH...

City Self-Storage

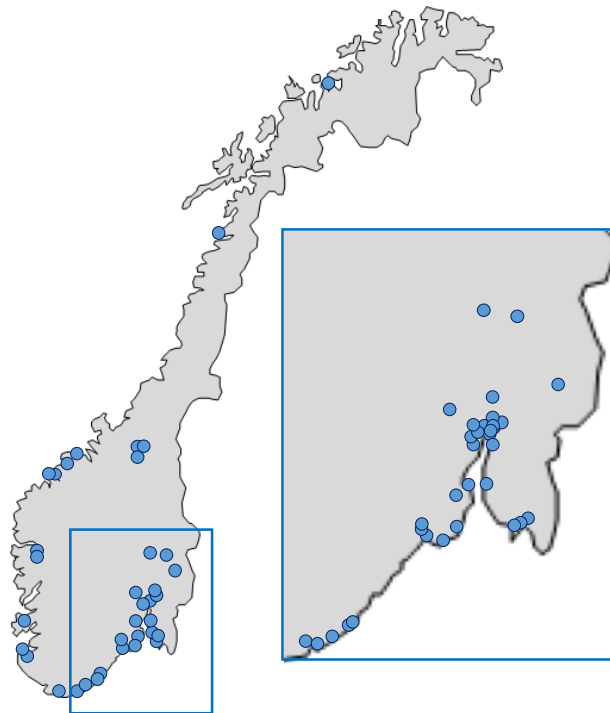


*Prime locations in all
Scandinavian capital cities*



OK Minilager

*Country-wide offering with
presence in smaller cities*



- A strong position in the Eastern Norway
- Focus on the fastest growing city-regions
- Still not market leader in the 2nd and 3rd largest cities in Norway
- 10+ smaller markets not yet covered

...AND STRENGTHENED THROUGH THE RECENT ACQUISITION OF MINILAGER NORGE

Geographic presence

Moss

- Square meters: 800

Rygge

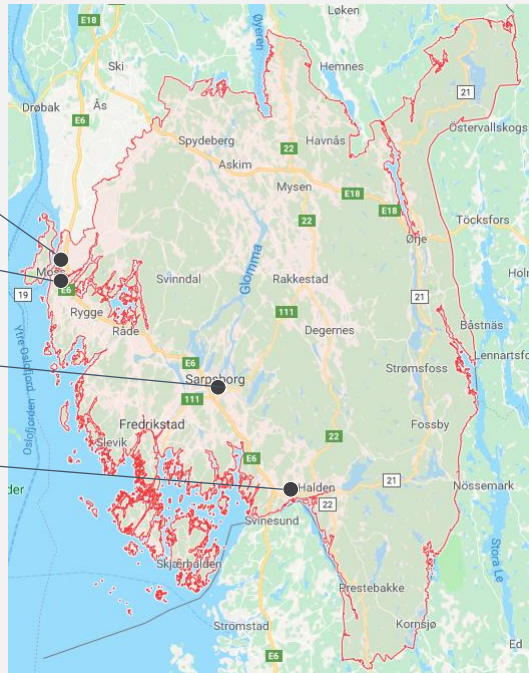
- Square meters: 780

Sarpsborg

- Square meters: 1650

Halden

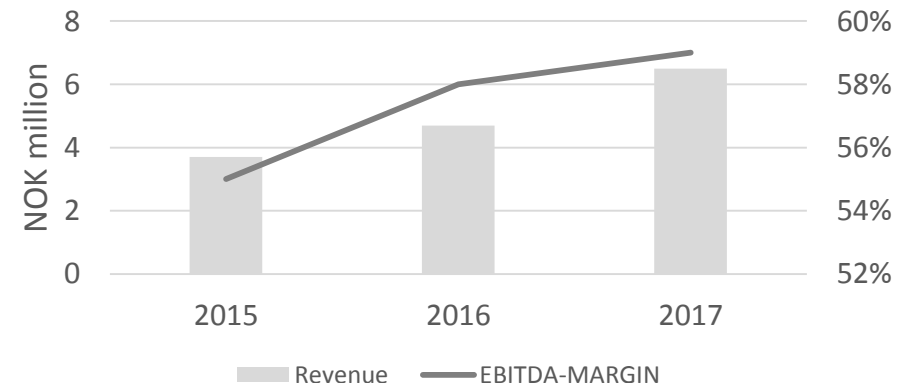
- Square meters: 1050



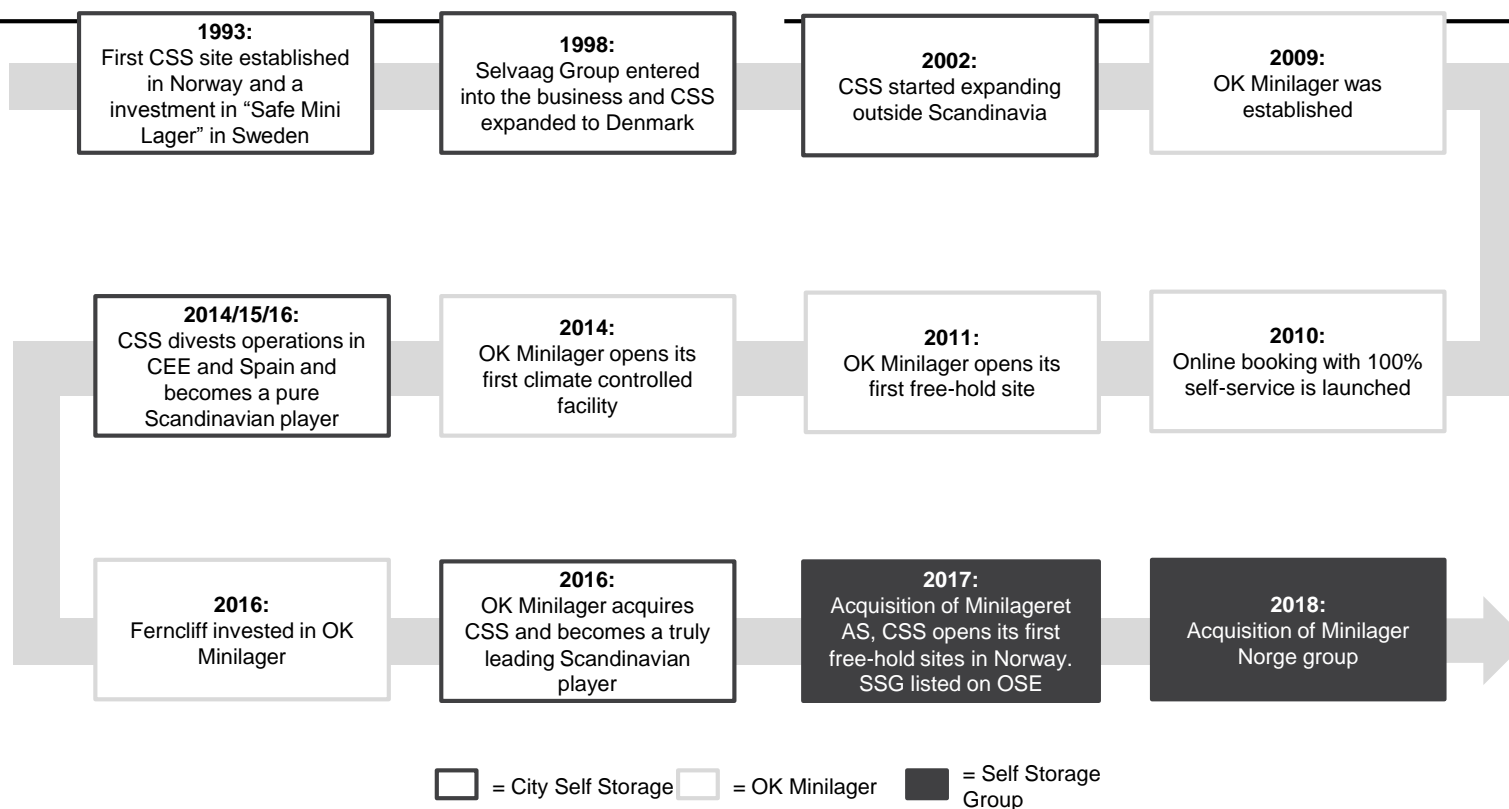
Minilager Norge

- Portfolio of 4 attractive locations in the Østfold county
- 3 freeholds and 1 leasehold with a call option
- Strengthening the Groups position in Østfold
- All MinilagerNorge facilities will be rebranded to CSS during 2018
- An opportunity to develop and add more square meters to the Moss site.

Key financials*



OUR HISTORY

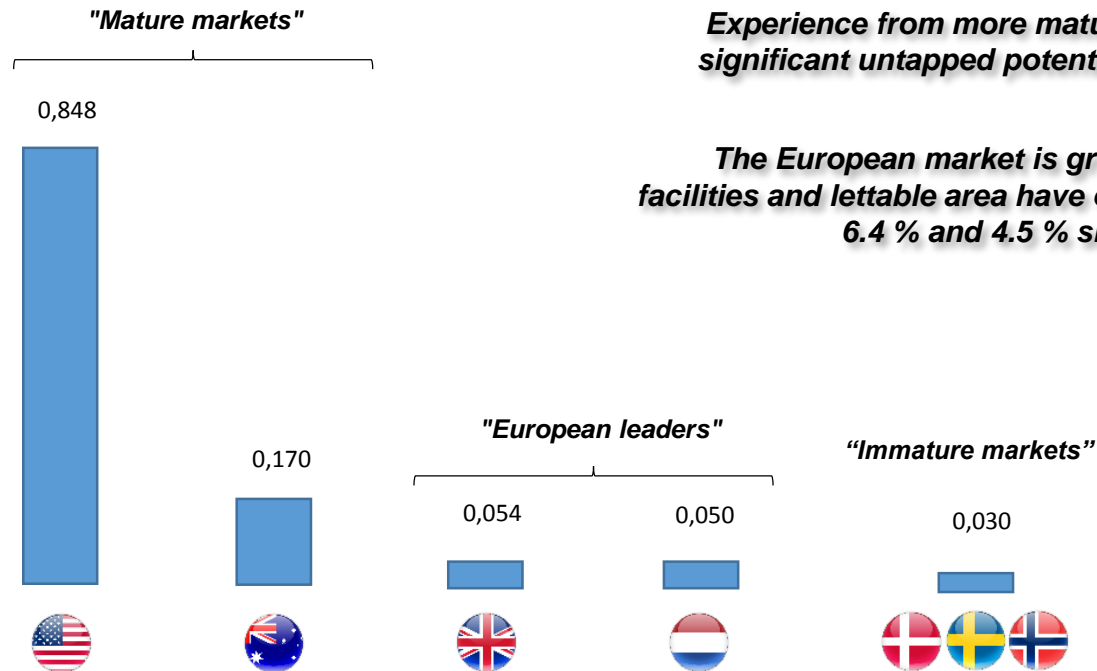


THE MARKET



UNTAPPED POTENTIAL FOR SELF STORAGE IN THE NORDICS

Scandinavia lagging in terms of self storage space per capita (sq.m.)



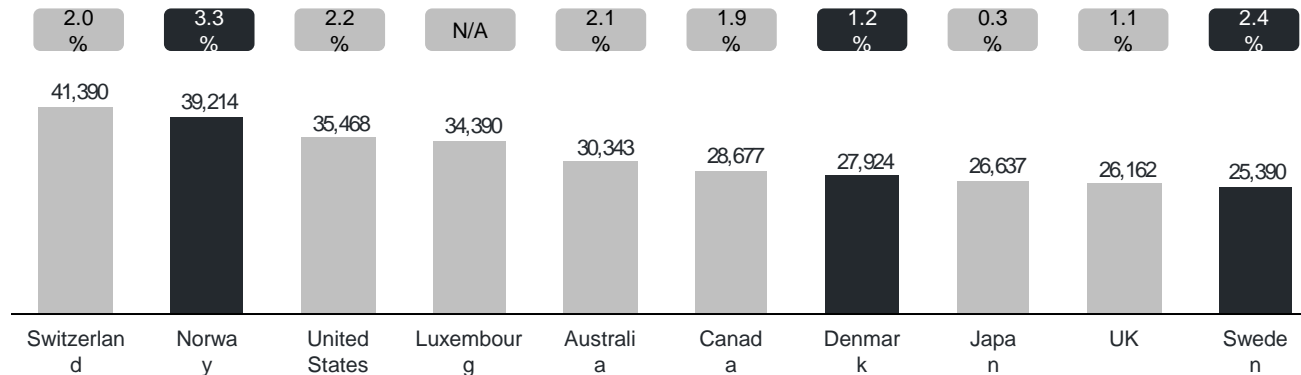
Experience from more mature markets highlight a significant untapped potential in the Scandinavian countries

The European market is growing; total number of facilities and lettable area have experienced CAGRs of 6.4 % and 4.5 % since 2014, respectively

ALL FACTORS SUGGESTING INCREASING DEMAND FOR STORAGE GOING FORWARD

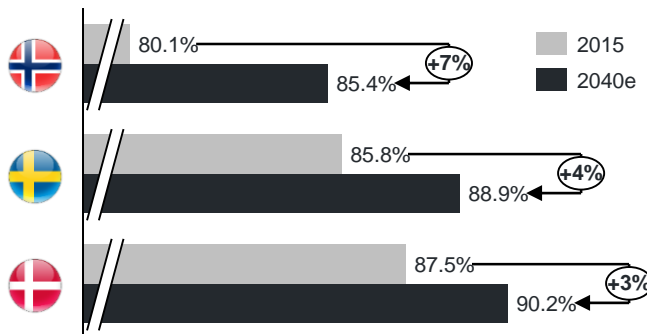
Private consumption and 5 year growth in disposable income¹⁾²⁾

Household final consumption expenditure per capita in 2015 (constant 2010 USD) and avg. growth in disposable income last 5 years



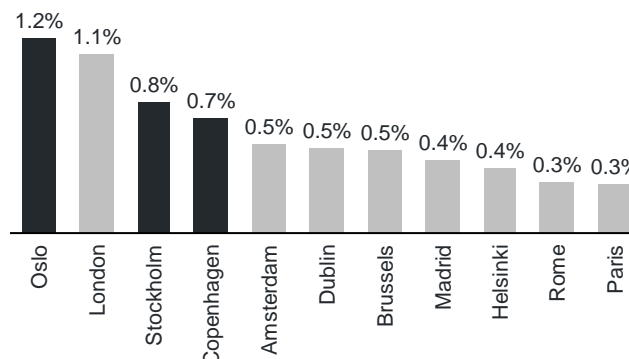
Strong urbanization trend...

% of population living in cities



...particularly in the Nordics

Population growth ('13-'25e CAGR) in selected European cities



Comments

- Scandinavian countries ranking high in terms of consumption per capita
- In 2015 net household disposable income in Norway, Sweden and Denmark grew with 4.3%, 2.5% and 2.5% respectively
- Spending levels expected to continue growing
- Oslo, Stockholm and Copenhagen expected to remain among the fastest growing capitals in Europe

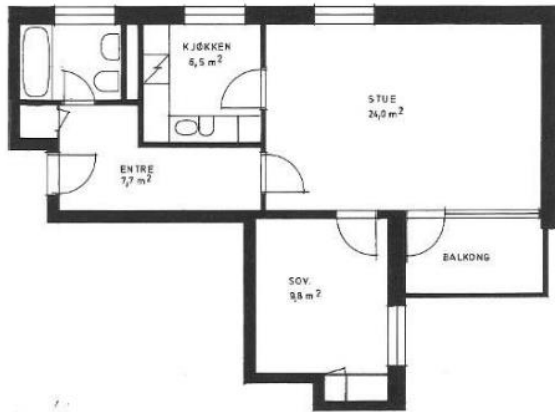
Source: The World Bank, OECD Data, Eurostat, SSB, FEDESSA European Self Storage Annual Survey 2016, Arctic Securities Research

Notes: 1) Private consumption per capita calculated using constant 2010 prices and World Bank population estimates

2) Growth rates based on average growth in real household net disposable income for the period 2011-2015

URBANISATION AND RISING HOUSING PRICES HAVE LEAD TO NEW BUILDING STANDARDS WITH LESS STORAGE SPACE

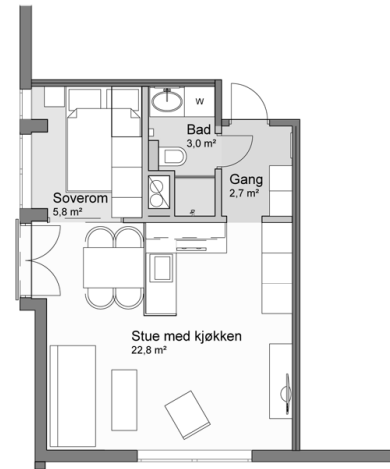
Old building standards



- *Approx. 50m²*
- *3 rooms*
- *Closed kitchen*

- More functional layout with focus on practical solutions and storage space
- «Closed kitchen» with necessary storage space
- Larger bedrooms and bathrooms
- Common areas in basements were previously reserved for storage space

New building standards



- *Approx. 40m²*
- *2 rooms*
- *Open kitchen*

- Smaller apartments on the back of rapidly rising housing prices, especially in the larger cities
- «Open kitchen» solution with less storage space
- No link between size of apartment and storage space
- The required 3 sq.m. storage space has become a «walk-in closet» and may even be eliminated following TEK17

Appendix



FOURTH QUARTER AND YTD 2017 COMPREHENSIVE INCOME

Profit and loss statement¹⁾

NOK 1000	For the three months ended 31 December 2017	For the three months ended 31 December 2016	For the twelve months ended 31 December 2017	For the twelve months ended 31 December 2016
Revenue	55 308	50 820	212 143	80 877
Property-related expenses	23 469	24 173	94 994	33 829
Salary and other employee benefits	9 496	8 891	34 944	11 340
Depreciation	2 482	1 642	7 261	4 224
Other operating expenses	11 146	8 785	37 464	9 687
Operating profit before fair value adjustments	8 715	7 329	37 480	21 797
Change in fair value of investment properties	15 903	17 392	29 831	17 832
Operating profit after fair value adjustments	24 618	24 721	67 311	39 629
Finance income	947	224	1 333	233
Finance expense	1 318	673	4 626	1 247
Profit before tax	24 247	24 272	64 018	38 615
Income tax expense	2 240	6 249	11 996	9 785
Profit for the period	22 007	18 023	52 022	28 830
Earnings per share				
Basic (NOK)	0,37	0,75	1,03	1,24
Diluted (NOK)	0,36	0,75	1,02	1,24
Other comprehensive income, net of income tax				
Items that may be reclassified subsequently to profit or loss				
- currency translation difference	49	-114	477	-114
Other comprehensive income for the period, net of income tax	49	-114	477	-114
Total comprehensive income for the period	22 056	17 909	52 499	28 716

Comments

- Financial development affected by the acquisition of the City Self-Storage companies 28 September 2016 and the acquisition of Minilageret AS 30 June 2017
- Revenue for Q4 2017 was NOK 55.6 million, up NOK 4.5 million from Q4 2016. The increase is due to income from Minilageret and growth in rentals in the Norwegian market
- Operating profit in Q4 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 3.9 million in Q4 and NOK 9.4 million YTD
- The fair value of investment property is based on external valuations in combination with management estimates and judgments

Notes:

1) Unaudited figures for 2017

YTD 2017– FINANCIAL POSITION

Financial position ¹⁾

(Amounts in NOK 1 000)

	31 December 2017	31 December 2016		31 December 2017	31 December 2016
ASSETS			EQUITY AND LIABILITIES		
Non-current assets			Equity		
Investment property	338 631	163 738	Issued share capital	6 369	395
Property, plant and equipment	52 618	45 291	Share premium	396 416	89 863
Goodwill	72 272	51 985	Other reserves	363	-114
Total non-current assets	463 521	261 014	Retained earnings	112 612	64 903
			Total equity	515 760	155 047
Current assets			Liabilities		
Inventories	1 434	1 623	Non-current liabilities		
Trade and other receivables	11 455	10 577	Long-term interest-bearing debt	89 690	23 179
Other current assets	13 397	15 078	Deferred tax liabilities	22 289	4 383
Cash and bank deposits	195 224	34 115	Obligations under finance leases	214	526
Total current assets	221 510	61 393	Total non-current liabilities	112 193	28 088
TOTAL ASSETS	685 031	322 407	Current liabilities		
			Short-term interest-bearing debt	4 750	86 169
			Trade and other payables	10 282	8 743
			Income tax payable	1 699	8 171
			Other taxes and withholdings	4 789	3 912
			Obligations under finance leases	312	384
			Other current liabilities	35 246	31 893
			Total current liabilities	57 078	139 272
			Total liabilities	169 271	167 360
			TOTAL EQUITY AND LIABILITIES	685 031	322 407

Comments

- Total assets increased to NOK 685 million at the end of Q4 2017 following acquisition of investment properties and balance sheet consolidation
- Increased equity through issue of ordinary shares and result for the period
- Positive net interest-bearing debt was NOK 101 million
- Other current liabilities increased due to settlement of Minilageret
- Equity ratio was 75%
- Negative working capital due to invoicing of customers in advance and stable cost

Notes:

1) Unaudited figures for 2017

YTD 2017 – CASH FLOW

Condensed consolidated statement of cash flows¹⁾

(Amounts in NOK 1000)	For the twelve months ended 31 December 2017	For the twelve months ended 31 December 2016
Cash flows from operating activities		
Profit before tax	64 018	38 615
Income tax paid	-8 170	-2 748
Interests not paid	626	663
Financial lease	-384	
Depreciation	7 261	4 224
Gain/loss on disposal of property, plant and equipment	148	
Change in fair value of investment property	-29 831	-17 832
Change in trade and other receivables	-733	-390
Change in trade and other payables	1 466	4 615
Change in other current assets	5 047	6 279
<u>Change in other current liabilities</u>	<u>2 820</u>	<u>1 484</u>
Net cash flows from operating activities	42 267	34 910
Cash flows from investing activities		
Payments for investment property	-42 163	-52 813
Payments for property, plant and equipment	-11 471	-2 972
Proceeds from disposal of property, plant and equipment	-	561
<u>Net cash outflow on acquisition of subsidiaries</u>	<u>-69 760</u>	<u>-137 482</u>
Net cash flows from investing activities	-123 393	-192 706
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	287 416	90 000
Proceeds from borrowings	95 000	128 291
<u>Repayment of borrowings</u>	<u>-140 840</u>	<u>-32 904</u>
Net cash flows from financing activities	241 576	185 387
Net change in cash and cash equivalents	160 450	27 591
Cash and cash equivalents at beginning of the period	34 115	6 661
Effect of foreign currency rate changes on cash and cash equivalents	659	-137
<u>Cash and equivalents at end of the period</u>	<u>195 224</u>	<u>34 115</u>

Notes:

1) Unaudited figures for 2017

Comments

Operating activities

- Strong cash flow
- Invoicing of customers in advance – predictable and stable costs

Investing activities

- Acquisition of Minilageret AS
- Acquisition of 7 investment properties and 3 company assets acquisitions
- Low capex as maintenance is posted as property cost

Financing activities

- Private placement in January and October
- New loan facility with Handelsbanken in July
- Repayment of shareholders

SSG's cash position at the end of 2017 was NOK 195 million