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Highlights

- Revenues in Q1 2018 of NOK 58.3 million, up from NOK 49.8 million in Q1 2017
- Adjusted EBITDA was NOK 15.6 million, up from NOK 9.8 million in Q1 2017
- Fair value of investment properties increased by NOK 232.6 million from Q1 2017 to a total of NOK 429.5 million in Q1 2018
- Cash position at the end of Q1 2018 was NOK 130.4 million, an increase of NOK 51.4 million from Q1 2017
- Current lettable area (CLA) end of Q1 2018 was 110 000 m², up from 90 500 m² in Q1 2017. Three new sites were opened during the quarter
- Acquisition of the Minilager Norge group with 4 300 m² lettable area
- Acquisition of 5 properties with a potential of 4 800 m² lettable area was completed
- Average occupancy in Q1 2018 for sites with more than 12 months of operation was 84,1% with an average rent per m² of NOK 2 328 per year (CLA 105 971 m²)

Key Figures

Summary adjusted financial and operating result

KEY FIGURES

(Unaudited figures in NOK million)

	First quarter 2018	First quarter 2017	Full year 2017
Revenue	58,3	49,8	212,1
Total operating costs ¹	42,7	40,0	158,0
Adjusted EBITDA	15,6	9,8	54,2
Adjusted EBIT	13,2	9,5	46,9
Change in fair value of investment properties	0,5	11,9	29,8
Adjusted Profit before tax	12,9	20,3	73,5
Adjusted Net profit	9,9	15,4	59,7
Current lettable area (in thousands m ²)	110,0	90,9	103,7
Lettable area under development (in thousand m ²)	16,2	N/A	12,3

¹ Adjusted for non-recurring items of NOK 0,9 million in Q1 2018 and NOK 11.3 million in 2017

Alternative performance measures (APMs) are described in the corresponding section in the back of the report
Minilageret AS was acquired 30 June 2017. Minilager Norge group is consolidated from 1 January 2018.

Subsequent events

- The Group has at the date of this report a total lettable area of 126 200 m², including 15 500 m² lettable area under development.

Financial development

Revenue

Revenue for Q1 2018 was NOK 58.3 million, which is NOK 8.5 million up from Q1 2017. Revenue from acquisitions contributed with NOK 4.5 million. NOK 5.3 million of the revenue in Q1 2018 is attributable to income from ancillary services and rent income from industries other than self-storage

Property related expenses

Property related expenses consists of lease expenses, maintenance and other operating costs. The City Self-Storage segment has mainly leasehold properties (94% leasehold), while OK Minilager has a mix of freehold and leasehold properties (49% freehold). The three new City Self-Storage sites opened during Q3 2017 and Q1 2018 are all freehold. As of end March 2018 24% of current lettable area in SSG is freehold.

Property related expenses in Q1 2018 were NOK 25.3 million, an increase of NOK 0.5 million from Q1 2017. Property related expenses from the companies acquired after Q1 2017 (Minilageret AS and Minilager Norge group) constitute NOK 0.7 million. Property related expenses from operations in CSS and OK Minilager show a decrease of NOK 0.2 million.

Salary and other employee benefits

Salary and other employee benefits in Q1 2018 were NOK 9.4 million, an increase of NOK 0.7 million from Q1 2017. NOK 0.4 million relates to costs from the acquired companies Minilageret AS and Minilager Norge group. Salary and other employee benefits have been reduced during the year in the CSS-segment, but some new management and administrative roles have been added, given the growth of the company, constituting a net effect of an increase of NOK 0.3 million compared with Q1 2017.

Depreciation

The depreciation in Q1 2018 was NOK 2.4 million, an increase of NOK 2.0 million from Q1 2017. The increase is mainly explained by a positive one-time effect related to change in depreciation method in Q1 2017. The depreciation is mainly related to fitout and other equipment for new facilities and expansions.

Other operating expenses

Other operating expenses consists of IT and related costs, sales and advertising, and other operating expenses. Other operating expenses in Q1 2018 was NOK 8.9 million, an increase of NOK 2.4 million from Q1 2017.

The operating earnings in Q1 2018 was impacted by transaction costs related to the acquisition of Minilager Norge group and non-recurring costs related to restructuring of the legal structure in SSG and first-time valuation of the portfolio of investment-properties compared with an annual valuation. In total, non-recurring costs amounted to NOK 0.9 million in the quarter.

Operating costs in Q1 2018 adjusted for non-recurring costs increased by NOK 1.5 million compared with Q1 2017. NOK 0.5 million of the increase relates to the acquired companies Minilageret AS and Minilager Norge

group. There are increased costs given the growth of the group during 2017 of NOK 0.6 million from operations in addition to NOK 0.4 million related to headquarter functions.

TNOK	First quarter	First quarter	Full year
Non-recurring items	2018	2017	2017
Costs related to IPO	-	-	6 947
Acquisition costs	569	-	2 503
Option to employee	-	-	1 803
Restructuring of legal structure	152	-	-
First time value-assessment of freehold portfolio	199	-	-
Total non-recurring items	920	-	11 253

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 portfolio of freehold facilities was valued 31.12.2017 by the external real estate appraiser Newsec, and there are no indications in the market that implies changes in fair value. The value increase during Q1 2018 was NOK 0.5 million to NOK 429.5 million. Change in fair value in Q1 2017 was NOK 11.9 million.

Profit before tax

Adjusted profit before tax in Q1 was NOK 12.9 million, a decrease of NOK 7.4 million from Q1 2017. The decrease is related to change in fair value in Q1 2017 of NOK 11.9 million.

Statement of financial position

Total assets were NOK 748.0 million at the end of Q1 2018, compared to NOK 685.0 million at the end of Q4 2017, following the acquisition of Minilager Norge group, investment properties and balance sheet consolidation.

Investment property has increased by NOK 90.9 million to NOK 429.5 million. Cash and bank deposits have decreased by NOK 64.9 million to NOK 130.4 million due to the cash consideration in the acquisition of Minilager Norge group and purchase of 5 investment properties.

SSG invoices the customers in advance, which reduces credit risks and provides stable working capital. Current liabilities consist of prepaid income in addition to the remaining part of the purchase price to the owner of Minilageret AS (NOK 5.2 million).

Total equity was NOK 549.2 million. Thus, the equity ratio was 73%. Net interest-bearing debt was positive with NOK 23.5 million.

Cash flow

SSG has a strong cash flow. Net cash flow from operating activities at the end of Q1 2018 was NOK 7.2 million, compared to NOK 6.5 million at the end of Q1 2017. Net cash flow from investing activities was NOK -70.1 million compared to NOK -19.8 million at the end of Q1 2017, primarily related to the cash consideration in connection with the acquisition of Minilager Norge group, investment properties and establishment of new facilities, which is in line with the Groups strategy. Net cash flow from financing activities was NOK -1.7 million at the end of Q1 2018, compared to NOK 58.0 million at the end of Q1 2017. SSG's cash balance at the end of Q1 was NOK 130.4 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.

The strategy 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. Going forward, new facilities will primarily be established as owned properties to ensure long-term access to attractive locations at a lower running cost. In identifying such properties the Group will focus on factors such as location, capex and conversion time. Investment properties are gathered in the 100% owned company OK Property AS, and leased to the operating companies in the Group.

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 Copenhagen and 4. largest self-storage provider in Stockholm 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 improve the EBITDA margin from 18.8% in 2009 to 48% in 2017.

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. SSG has succeeded in attracting investors and raising capital, and is in a good position for executing the strategy.

Corporate developments

1 567 398 new shares were issued 13 February 2018 to the selling shareholder of Minilager Norge group, as part settlement of the remaining part of the purchase price.

100 000 new shares were issued 23 March 2018 to one employee, pursuant to an exercise of pre-existing share options.

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 2017.

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 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.

Financials

Self Storage Group Condensed consolidated statement of profit or loss and other comprehensive income

(Amounts in NOK 1 000)

	Note	Unaudited For the three months ended 31 March 2018	Unaudited For the three months ended 31 March 2017	Audited For the twelve months ended 31 December 2017
Revenue	3	58 285	49 809	212 143
Property-related expenses	3	25 344	24 842	94 994
Salary and other employee benefits	3	9 367	8 677	36 747
Depreciation		2 386	339	7 261
Other operating expenses	3	8 853	6 449	37 464
Operating profit before fair value adjustments		12 331	9 502	35 677
Change in fair value of investment properties		490	11 898	29 831
Operating profit after fair value adjustments		12 821	21 400	65 508
Finance income		552	113	1 333
Finance expense		1 373	1 175	4 626
Profit before tax		12 001	20 338	62 215
Income tax expense		2 811	4 957	11 996
Profit for the period		9 190	15 381	50 219
Total comprehensive income for the year attributable to parent company shareholders		9 190	15 381	50 219
Total comprehensive income for the year attributable to non-controlling interests		-	-	-
Earnings per share				
Basic (NOK)	4	0,14	0,39	0,99
Diluted (NOK)	4	0,14	0,39	0,98
Other comprehensive income, net of income tax				
<i>Items that may be reclassified subsequently to profit or loss</i>				
- currency translation difference		-484	487	477
Other comprehensive income for the period, net of income tax		-484	487	477
Total comprehensive income for the period		8 706	15 868	50 696
Total comprehensive income for the year attributable to parent company shareholders		8 706	15 868	50 696
Total comprehensive income for the year attributable to non-controlling interests		-	-	-

Self Storage Group

Condensed consolidated statement of financial position

(Amounts in NOK 1 000)

		Unaudited	Audited
		31 March	31 December
		2018	2017
ASSETS			
Non-current assets			
Investment property	6	429 530	338 631
Property, plant and equipment		63 020	52 125
Goodwill		93 771	72 272
Other intangible assets		588	493
Total non-current assets		586 909	463 521
Current assets			
Inventories		1 389	1 434
Trade and other receivables		11 334	11 455
Other current assets		18 685	13 397
Cash and bank deposits		130 374	195 224
Total current assets		161 782	221 510
TOTAL ASSETS		748 691	685 031
EQUITY AND LIABILITIES			
Equity			
Issued share capital	7	6 536	6 369
Share premium		422 768	396 416
Other reserves		-121	363
Retained earnings		119 999	110 809
Total equity		549 182	513 957
LIABILITIES			
Non-current liabilities			
Long-term interest-bearing debt	8	101 388	89 690
Other financial liabilities		1 086	-
Deferred tax liabilities		30 646	22 289
Obligations under finance leases		172	214
Total non-current liabilities		133 292	112 193
Current liabilities			
Short-term interest-bearing debt	8	5 528	4 750
Trade and other payables		11 056	10 282
Income tax payable		1 627	1 699
Other taxes and withholdings		4 821	4 789
Obligations under finance leases		265	312
Other current liabilities		42 920	37 049
Total current liabilities		66 217	58 881
Total liabilities		199 509	171 074
TOTAL EQUITY AND LIABILITIES		748 691	685 031

Self Storage Group

Condensed consolidated statement of Changes in Equity

(Amounts in NOK 1 000)

	Issued Share capital	Share premium	Currency translation reserve	Retained earnings	Total equity
Balance at 1 January 2017	395	89 863	-114	64 903	155 047
Profit (loss) for the period				15 381	15 381
Other comprehensive income (loss) for the period net of income tax			196		196
Total comprehensive income for the period			196	15 381	15 577
Issue of ordinary shares, net of transaction costs	84	95 781			95 865
Balance at 31 March 2017 (Unaudited)	479	185 644	82	80 284	266 489
Balance at 1 January 2018	6 369	396 416	363	110 809	513 957
Profit (loss) for the period				9 190	9 190
Other comprehensive income (loss) for the period net of income tax			-484		-484
Total comprehensive income for the period			-484	9 190	8 706
Issue of ordinary shares, net of transaction costs	167	26 352			26 519
Balance at 31 March 2018 (Unaudited)	6 536	422 768	-121	119 999	549 182

Self Storage Group

Condensed consolidated statement of Cash flows

(Amounts in NOK 1 000)	Note	Unaudited For the three months ended 31 March 2018	Unaudited For the three months ended 31 March 2017	Audited For the year ended 31 December 2017
Cash flow from operating activities				
Profit before tax		12 001	20 338	62 215
Income tax paid		-	-	-8 170
Adjustment for net Interests paid		-594	-	242
Depreciation		2 386	339	7 261
Gain/loss on disposal of property, plant and equipment		-	-	148
Change in fair value of investment property	6	-490	-11 898	-29 831
Change in trade and other receivables		219	-1 064	-733
Change in trade and other payables		443	-2 987	1 466
Change in other current assets		-5 205	1 358	5 047
Change in other current liabilities		-1 531	476	4 623
Net cash flow from operating activities		7 229	6 562	42 268
Cash flow from investing activities				
Payments for investment property		-26 559	-9 827	-42 163
Payments for property, plant and equipment		-4 855	-1 522	-11 471
Net cash outflow on acquisition of subsidiaries		-38 648	-8 467	-69 760
Net cash flow from investing activities		-70 062	-19 816	-123 394
Cash flow from financing activities				
Net proceeds from issue of equity instruments of the Company		-	95 865	287 416
Proceeds from borrowing		-	-	95 000
Repayment of borrowings		-1 717	-37 809	-140 840
Net cash flow from financing activities		-1 717	58 056	241 576
Net change in cash and cash equivalents		-64 550	44 802	160 450
Cash and cash equivalents at beginning of the period		195 224	34 115	34 115
Effect of foreign currency rate changes on cash and cash equivalents		-300	103	659
Cash and equivalents at end of the period		130 374	79 020	195 224

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 7 May 2018.

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 2017, and must be read in conjunction with these. The interim financial statements are unaudited. IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers have no impact on the financial statement in 2018.

Note 3 Segment information

Management has determined the operating segments based on reports reviewed by the CEO and management team and Board of Directors, 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). OK Property AS (OKP) was established at the start of 2017 gathering the investments-properties in the Group. The Other/elimination column includes administration and management activities not attributable to the operating segments and eliminations of intercompany transactions and balances. Adjustments necessary to reconcile management information with the Group's accounting principles (IFRS) have been made on a total level, reconciling the total of the operating segments 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 line item Revenue as recognised under IFRS.

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.
Property	The ownership and development of property. Internal lease agreements with the operating companies in the group, in addition to external lease agreements.
Other/eliminations	Elimination and the remainder of the Group's activities, including administration and management activities not attributable to the operating segments described above.

For the three months ended 31 March 2018	CSS	OKM	Property	Other/eliminations	Total
Sales income	38 075	14 877	-	-	52 952
Other income	3 704	943	6 474	-5 788	5 333
Operating costs*	-33 798	-12 414	-859	3 503	-43 568
EBITDA	7 981	3 406	5 615	-2 285	14 717
Reconciliation to profit before tax as reported under IFRS					
Depreciation					-2 386
Change in fair value of investment property					490
Finance lease expense					-
Finance income					552
Finance expense					-1 372
Profit before tax					12 001

For the three months ended 31 March 2017	CSS	OKM	Property	Other/eliminations	Total
Sales income	35 080	9 962	0	-	45 042
Other income	4 170	4	933	-340	4 767
Operating costs	-33 527	-6 225	-146	-70	-39 968
EBITDA	5 723	3 741	787	-410	9 841
Reconciliation to profit before tax as reported under IFRS					
Depreciation					-339
Change in fair value of investment property					11 898
Finance lease expense					-
Finance income					113
Finance expense					-1 175
Profit before tax					20 338

For the year ended 31 December 2017	CSS	OKM	Property	Other/eliminations	Total
Sales income	142 737	50 847	-	-	193 584
Other income	16 402	1 476	6 151	-5 470	18 559
Operating costs	-132 281	-27 067	-1 310	-8 547	-169 205
EBITDA	26 858	25 256	4 841	-14 017	42 938
Reconciliation to profit before tax as reported under IFRS					
Depreciation					-7 261
Change in fair value of investment property					29 831
Finance lease expense					-
Finance income					1 333
Finance expense					-4 626
Profit before tax					62 215

* From January 2018, the OKM companies have entered into an internal lease contract with OK Property AS. This partly explains increased operating costs in the OKM segment and the increased income in Property segment compared to Q1 2017.

Note 4 Earnings per share

(Amounts in NOK)

	For the three months ended 31 March 2018	For the three months ended 31 March 2017
Profit (loss) for the year	9 189 533	15 381 000
Weighted average number of outstanding shares during the period (basic)	64 470 419	39 450 000
Weighted average number of outstanding shares during the period (diluted)	64 841 848	39 450 000
Earnings (loss) per share - basic in NOK	0,14	0,39
Earnings (loss) per share - diluted in NOK	0,14	0,39

See also note 7

Note 5 Business combination

(Amounts in NOK 1 000)

Acquisitions during the period

2018	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Minilager Norge AS - operating company	Self-storage solutions	1 January 2018	100 %	Self Storage Group
Minilager Norge AS	Self-storage solutions	1 January 2018	100 %	Self Storage Group
Hatcher Norge AS	Self-storage solutions	1 January 2018	100 %	Self Storage Group
Minilager Moss AS	Self-storage solutions	1 January 2018	100 %	Self Storage Group

The above companies have been acquired with the purpose of continuing expansion of the group's activities, which focus on the self-storage market in Norway. Minilager Norge group is consolidated from 1 January 2018 and is reported as part of the City Self-Storage (CSS) operating segment.

Consideration

(Amounts in NOK 1 000)

	Minilager Norge group
Cash	10 577
Shares in Self Storage Group ASA	25 000
Contingent consideration	6 000
Total consideration	41 577

Total consideration

The fair value of trade receivables in Minilager Norge group is TNOK 81 and includes an allowance for impairment of TNOK 117.

Assets and liabilities assumed in connection with the business combination of Minilager Norge group have been recognised at their estimated fair value on the date of the business combination. Fair value adjustments have been made to the investment properties owned by the group. No other adjustments to the carrying values of assets and liabilities have been identified. No not previously recognised intangible assets were identified. The estimates are provisional and may be subject to change during the measurement period, which is one year from the date of the acquisition.

Identifiable assets and liabilities recognised on the date of the business combination

(Amounts in NOK 1 000)

	Carrying amount 1 January 2018	Fair value adjustments	Fair value 1 January 2018
Investment property	12 004	20 514	32 518
Property, plant and equipment	6 025		6 025
Trade receivables	81		81
Other current assets	30		30
Cash and cash equivalents	1 030		1 030
Deferred tax liability	-380	-4 923	-5 303
Interest-bearing liabilities	-14 219		-14 219
Trade payables	-313		-313
Other current liabilities	-1 232		-1 232
Net assets	3 026	15 591	18 617

Goodwill

(Amounts in NOK 1000)

	Minilager Norge group
Consideration	41 577
Fair value of identifiable net assets acquired	-18 617
Goodwill	22 960

Goodwill originating from the business combination is primarily related to anticipated synergies from on-going operations and the benefit of integrating the entire business into the group. No impairment has been recognised subsequent to the business combination.

Goodwill that has arisen as part of the business acquisition is not tax deductible.

Effect on group results:

From 1 January 2018 through 31 March 2018, revenues of TNOK 1 810 and profit after tax of TNOK 677 were recognised for the acquired companies.

Transaction costs related to the acquisition amounts to TNOK 569

Minilager Norge group has a rental agreement with the company ML Halden AS related to Sørlifeltet. The agreement includes an option to (1) acquire Sørlifeltet or the shares in ML Halden (2) option to acquire the part of Sørlifeltet which is in use for self-storage operations.

Note 6 Investment property

(Amounts in NOK 1 000)

During the three month period ended 31 March 2018, the following changes have occurred in the Group's portfolio of investment properties:

Balance as at 31 December 2017	338 630
Business combination (note 5)	32 518
Asset acquisition in OK Property AS	25 678
Company acquired as asset acquisition	31 333
Additions to existing properties	881
Fair value adjustments recognised in profit or loss	490
Balance as at 31 March 2018	429 530

Note 7 Changes in shareholders' equity

(Amounts in NOK 1 000)

On 29 September 2017, the 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.

On 13 February 2018, the company issued 1 567 472 new shares to the selling shareholder of Minilager Norge group, as part settlement of the remaining part of the purchase price. After registration of the new shares, the new share capital is TNOK 6 526 268 divided into 65 262 682 shares with par value NOK 0.10.

On 23 March 2018, the company issued 100 000 shares to one employee, pursuant to an exercise of pre-existing share options. After registration of the new shares, the share capital of the Company was increased to NOK 6 536 268 consisting of 65 362 682 shares each with NOK 0.10 in par value.

Note 8 Interest bearing liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized cost. The carrying amounts approximate fair value as at 31 March 2018.

Following the acquisition of Minilager Norge group, the Group has increased its loan portfolio. See specification in the table below. Loans from DnB is related to Minilager Norge group.

As at 31 March 2018	Amounts due in			Total
	less than 1 year	1-5 years	6-20 years	
Debt to financial institutions	5 528	92 433	8 955	106 916
Specification of loans	2017	Currency		
Handelsbanken	73 536	NOK		
Handelsbanken	19 573	NOK		
DnB	4 236	NOK		
DnB	6 571	NOK		
DnB	3 000	NOK		
Total bank borrowings at amortised cost	106 916			

Note 9 Subsequent events

- The Group has at the date of this report a total lettable area of 126 200 m², including 15 500 m² lettable area under development

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: Operating profit before fair value adjustments
- Adjusted EBIT: EBIT +/- identified items to be excluded from adjusted EBIT as described below
- EBITDA: EBIT + depreciation, amortization and impairments
- Adjusted EBITDA: EBITDA +/- identified items to be excluded from adjusted EBIT as described below + impairments
- Adjusted Profit before tax: Adjusted EBIT +/- change in fair value of investment properties +/- net finance
- Adjusted Net Profit : Adjusted Profit before tax +/- tax expense

Definition of APM used in Interim Report

(NOK 1 000)

	First quarter 2018	First quarter 2017	Audited 2017
Operating profit before fair value adjustments	12 331	9 502	35 677
EBIT	12 331	9 502	35 677
Nonrecurring items	920	-	11 253
Adjusted EBIT	13 251	9 502	46 930
Change in fair value of investment properties	490	11 898	29 831
Adjusted Profit before tax	12 920	20 338	73 468
Tax	3 005	4 909	13 767
Adjusted Net profit	9 915	15 429	59 701
Operating profit before fair value adjustments	12 331	9 502	35 677
Depreciation	2 386	339	7 261
EBITDA	14 717	9 841	42 938
Nonrecurring costs	920	-	11 253
Adjusted EBITDA	15 637	9 841	54 191
Nonrecurring costs	First quarter 2018	First quarter 2017	Audited 2017
Costs related to IPO	-	-	6 947
Acquisition costs	569	-	2 503
Option	-	-	1 803
Restructuring of legal structure	152	-	-
First time value assesment of freehold portfolio	199	-	-
Sum nonrecurring costs	920	-	11 253