

Interim Report Q2 2020

Self Storage Group ASA



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Highlights

The company experienced limited business impact from the COVID-19 situation in the second quarter of 2020 and has a solid platform for further profitable growth and expansion.

Q2 2020

- Revenues of NOK 71.7 million, up from NOK 61.0 million in Q2 2019
- Adjusted EBITDA¹ of NOK 42.9 million, up from NOK 35.6 million in Q2 2019
- Average occupancy in Q2 2020 for sites with more than 12 months of operation was 82.3% (84.9%) with an average rent per m² of NOK 2 349 per year (NOK 2 338)
- Like-for-like occupancy was 85.1% (84.0%) with average rent per m² of NOK 2 355 (NOK 2 337)

First half year 2020

- Revenues of NOK 142.5 million, up from NOK 122.7 million in first half year 2019
- Adjusted EBITDA¹ of NOK 84.4 million, up from NOK 70.0 million in first half year 2019
- Change in fair value of freehold investment property of NOK 5.9 million, up from NOK 5.1 million in first half year 2019
- Agreement of two interest rate swaps in first half year 2020 of a total NOK 300 million
- Net finance of NOK -23.4 million, compared to NOK -11.6 million in first half year 2019
- Adjusted profit before tax of NOK 28.8 million, down from NOK 31.9 million in first half year 2019
- Total number of facilities end of June 2020 was 113, up from 106 facilities at the end of June 2019
- Current lettable area end of June 2020 was 142 100 m², up from 122 000 m² end of June 2019
- Cash position end June 2020 of NOK 204.9 million, up from NOK 88.1 million end of December 2019
- Total value of freehold investment property end June 2020 of NOK 1 204 million, up from NOK 1 074 million end of December 2019
- Loan to value of freehold investment property is 42% as of end June 2020, compared to 32% as of end December 2019

Key Figures¹

(Amounts in NOK million)	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Full year 2019
Revenue	71.7	61.0	142.5	122.7	266.5
Lease expenses	2.8	3.2	5.8	6.3	11.8
Total other operating expenses	25.9	24.7	53.8	49.3	103.3
Total adjustments	-	2.5	1.5	3.0	4.7
Adjusted EBITDA	42.9	35.6	84.4	70.0	156.0
Adjusted EBIT	39.1	33.0	77.5	65.1	143.9
Change in fair value of freehold investment property	0.2	4.7	5.9	5.1	17.5
Change in fair value of leasehold investment property	- 15.8	- 13.4	- 31.3	- 26.7	- 55.2
Net finance	- 13.9	- 5.7	- 23.4	- 11.6	- 26.0
Adjusted Profit before tax	9.6	18.6	28.8	31.9	80.3
Adjusted Net Profit	7.9	14.0	23.6	25.0	65.5
Current lettable area (in thousands m2)	142.1	122.0	142.1	122.0	137.5
Lettable area under development (in thousands m2)	29.7	13.7	29.7	13.7	21.3

¹Non-GAAP measures are defined on page 25

Financial development

Due to the COVID-19 pandemic, Norway went into a partial lockdown from 12 March 2020. Self Storage Group implemented measures to safeguard customers and employees following the novel corona-virus (COVID-19), but all self-storage facilities continued to be open as usual for both existing and new customers. Our self-serviced and digitalised offering is by nature a safe and flexible solution for our customers.

The Group experienced limited business impact due to Covid-19 in the second quarter and first half year of 2020. The move-in rates in the CSS segment were slightly lower for a period of time after mid-march impacting occupancy growth. We did however see a strong development in move-ins in June. A few of our sites under construction were delayed due to closed factories, but we still expect to reach our target of developing 10 000 CLA in 2020.

Revenue

Revenue for Q2 2020 was NOK 71.7 million, an increase of NOK 10.6 million from Q2 2019. Revenue for the first half of 2020 was NOK 142.5 million, an increase of NOK 19.8 million from the first half of 2019. The increase in revenue is related to the acquisition of Eurobox, which was consolidated from 1 July 2019, growth in lettable area through opening of new facilities and expansions, growth in occupancy for facilities opened the last years, and increased revenue from mature sites with higher average rent per m².

Rental income from self-storage services was NOK 66.5 million in Q2 2020, an increase of NOK 9.2 million from Q2 2019. Increased self-storage revenue from the CSS-segment amounts to NOK 7.7 million, of which NOK 5.8 million is related to revenue from Eurobox. Increased self-storage revenue from the OKM-segment amounts to NOK 1.5 million. Income from rental of containers amounts to approximately 10% of the Groups self-storage revenue.

Rental income from self-storage services in the first half of 2020 was NOK 131.9 million, an increase of NOK 19.3 million from the first half of 2019. NOK 11.7 million of the increase is attributable to revenue from Eurobox.

Other revenue was NOK 5.2 million in Q2 2020, an increase of NOK 1.4 million compared with Q2 2019. Other revenue consists of revenue from insurance, ancillary services, rent income from other segments than self-storage and other income. Rent from office tenants amounted to NOK 1.0 million in Q2 2020. The income from office tenants fluctuates due to when contracts expire and office-space is converted to self-storage. Other revenue was NOK 10.6 million in the first half of 2020, an increase of NOK 0.5 million since the first half 2019.

The currency-effect for total revenue in Q2 2020 compared to Q2 2019 is NOK 2.4 million. The currency-effect for total revenue in the first half year of 2020 compared to the first half year of 2019 is NOK 5.0 million.

Lease expenses

Lease expenses were NOK 2.8 million in Q2 2020, down from NOK 3.2 million in Q2 2019. Lease expenses in the first half of 2020 were NOK 5.8 million, down from NOK 6.3 million in the first half of 2019. The decrease relates to three lease contracts renegotiated from short-term to long-term after Q2 2019. According to IFRS 16 long-term leasehold agreements are treated as financial leases. Lease expenses thus only consist of leasehold-contracts classified as short-term.

At the end of June 2020, 38% of the current lettable area in SSG is freehold, compared to 32% at the end of June 2019. 22% of current lettable area in the City Self-Storage segment is freehold, while 60% of current lettable area in OK Minilager is freehold. The share of freehold property is increasing in both segments.

Property-related expenses

Property-related expenses consist of maintenance, electricity, cleaning, security, insurance, property tax and other operating costs related to the facilities.

Property-related expenses in Q2 2020 were NOK 7.7 million, an increase of NOK 1.7 million compared to Q2 2019. Property-related expenses in the first half of 2020 were NOK 15.8 million, an increase of NOK 2.8 million compared to the first half of 2019. The increase is related to Eurobox and the properties acquired in 2019.

Lettable area in SSG has increased with 20 100 m² (16%) since June 2019, and the number of facilities has increased by seven to 113 facilities as of end June 2020. There are also property-related expenses incurred by the new large properties that are in the process of being converted to self-storage, but do not generate income yet.

Salary and other employee benefits

Salary and other employee benefits in Q2 2020 were NOK 9.9 million, an increase of NOK 0.2 million from Q2 2019. Salary and other employee benefits in the first half of 2020 were NOK 20.9 million, an increase of NOK 1.5 million from first half of 2019. NOK 0.5 million of the increase from first half 2019 is related to severance packages due to a restructuring of the organisation and is classified as non-recurring. The background for the restructuring was to optimize staff in CSS Norway following the acquisition of Eurobox in 2019, and a strategic decision not to have internal construction workers, but to purchase the services from external partners. The increase in salary and other employee benefits adjusted for severance packages is NOK 0.9 million, and is related to annual wage increase and some new roles at the HQ given the growth of the Group.

The number of full time equivalents (FTE) has decreased from 65 FTE in June 2019 to 56 FTE in June 2020. The average number of full time equivalents (FTE) in the first half of 2020 was 64 FTE (64).

Depreciation

Depreciation in Q2 2020 was NOK 3.9 million, an increase of NOK 1.3 million from Q2 2019. Depreciation in the first half of 2020 was NOK 6.9 million, an increase of NOK 2.0 million from the first half of 2019. The depreciation is mainly related to fitout and other equipment for new facilities and expansions. Maintenance is posted as property-related expenses.

Other operating expenses

Other operating expenses consist of IT and related costs, sales and advertising, and other administrative expenses. In Q2 2020 other operating expenses were NOK 8.3 million, a decrease of NOK 0.7 million from Q2

2019. There were no non-recurring costs in Q2 2020, but in Q2 2019 costs of NOK 2.5 million related to acquisition of investment properties were classified as non-recurring. Adjusted for non-recurring costs in Q2 2019, other operating expenses in Q2 2020 have increased by NOK 1.8 million compared with Q2 2019.

In the first half of 2020 Other operating expenses were NOK 17.0 million, an increase of NOK 0.2 million compared to the first half of 2019. Adjusted for non-recurring costs, other operating expenses in the first half of 2020 have increased by NOK 2.3 million compared with the first half of 2019.

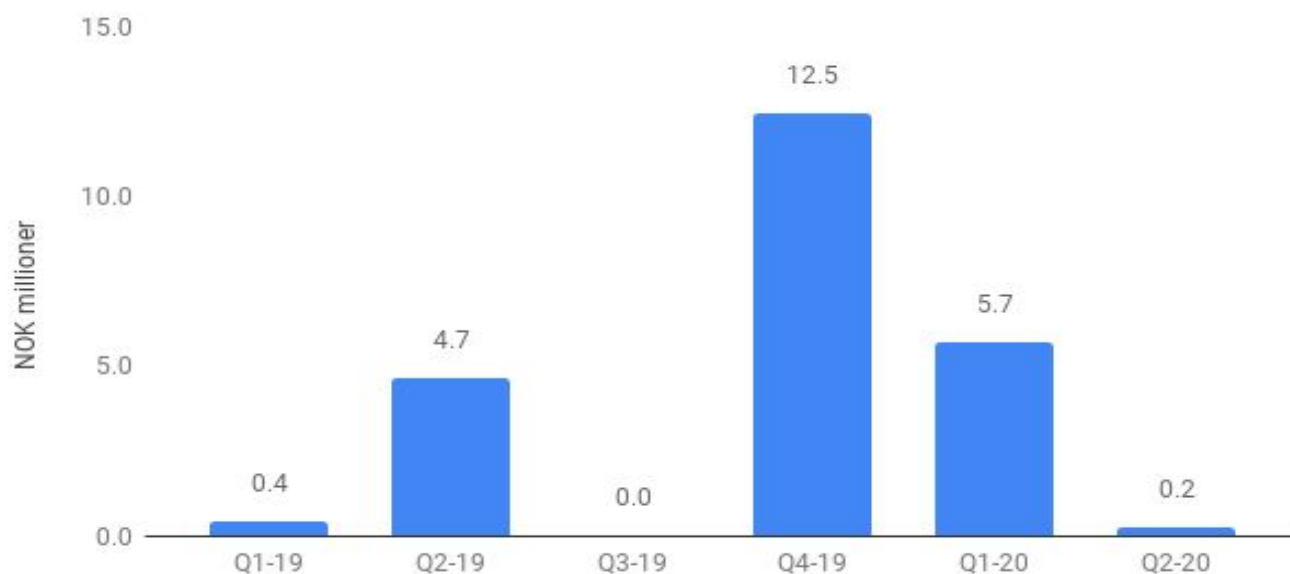
The increase in Other operating expenses is mainly related to increased costs to sales and marketing and other administrative costs given the growth in revenue. Sales- and marketing costs constitute 3.8% of the revenue in Q2 2020, and 3.7% in the first half year of 2020.

(NOK 1 000)	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Full year 2019
Adjustments					
Acquisition costs	-	2 489	923	2 989	4 653
Severance packages	-	-	538	-	-
Total adjustments	-	2 489	1 461	2 989	4 653

Change in fair value of investment property

The fair value of freehold investment property is based on independent valuations, with internal lease contracts between the 100% owned company OK Property and the operating companies at market terms as basic principle. Annual CPI-adjustment of the leases and changes in areas with lease-agreements will impact the fair value.

In Q2 2020 the change in fair value of freehold investment property recognised in P&L was NOK 0.2 million. This is a decrease of NOK 4.4 million compared to Q2 2019, where the change in fair value of freehold investment property recognised in P&L was NOK 4.7 million. In the first half of 2020 the change in fair value of freehold investment property recognised in P&L was NOK 5.9 million, which is NOK 0.8 million higher than in the first half of 2019. The diagram below shows the change in fair value recognised in P&L since Q1 2019.



Change in fair value of leasehold investment property recognised in P&L in Q2 2020 was NOK -15.8 million, compared to NOK -13.4 million recognised in P&L in Q2 2019. Change in fair value of leasehold investment property recognised in P&L in the first half of 2020 was NOK -31.3 million, compared to NOK -26.7 million recognised in P&L in the first half of 2019. The increase relates to three lease contracts renegotiated from short-term to long-term after Q2 2019, one new lease contract included from the acquisition of Eurobox and CPI adjustments on existing lease contracts. Change in fair value of leasehold investment property is related to IFRS 16 and value adjustment due to passage of time of recognised leases.

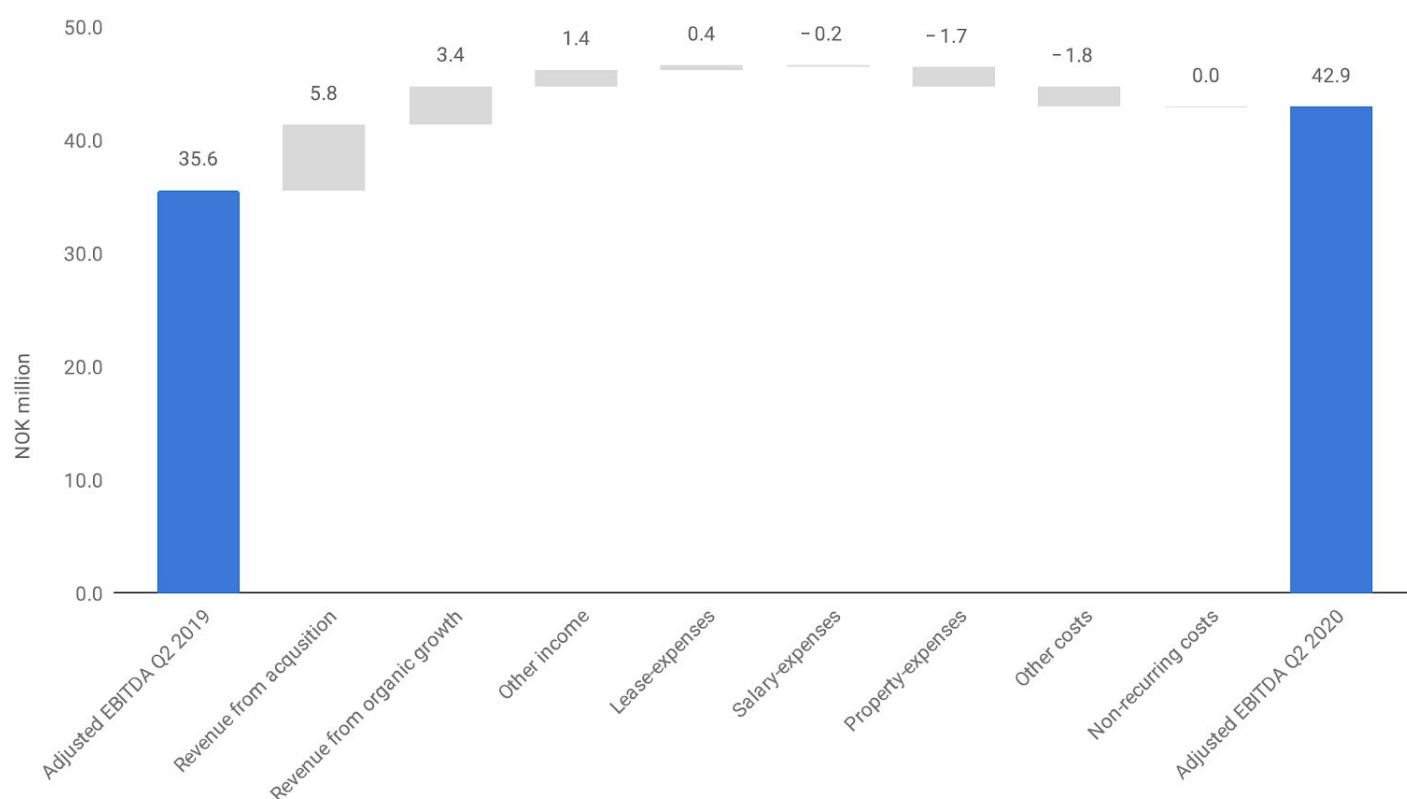
Fair value of freehold investment property was NOK 1 204 million and fair value of leasehold investment property was NOK 520.9 million at 30 June 2020. Fair value of freehold investment property at 31 December 2019 was NOK 1 075 million, while fair value of leasehold investment property was NOK 489.1 million.

EBITDA and profit before tax

EBITDA in Q2 2020 was NOK 42.9 million, an increase of NOK 9.8 million since Q2 2019. There were no non-recurring costs in Q2 2020, but in Q2 2019 costs of NOK 2.5 million related to acquisition of investment properties were classified as non-recurring. The increase in EBITDA adjusted for non-recurring costs in Q2 2019 was NOK 7.4 million. There is a positive currency-effect in Q2 2020 compared to Q2 2019 for revenue, but for EBITDA the currency-effect is not significant.

The financial development in Q2 2020 was solid with an adjusted EBITDA-growth of 21% compared with Q2 2019.

Adjusted EBITDA for Q2 2019 vs Q2 2020 is visualised below.



Net finance amounted to NOK -13.9 million in Q2 2020, an increased expense of NOK 8.2 million compared to Q2 2019. During the first half year 2020 SSG has entered into two five years interest rate swaps to secure interest-bearing debt. These agreements are measured at fair value according to IFRS. Gains and losses that arise entail a change in the fair value and are included in the profit or loss in the period in which they arise. In Q2 2020 NIBOR has decreased due to COVID-19 and reduced oil price, and this has increased the fair value of the interest liability. A loss of NOK 5.3 million related to hedging of interests is included in the finance expense for Q2 2020. The remaining part of the increase in financial expense is mainly related to increased borrowings compared to Q2 2019.

Profit before tax in Q2 2020 was NOK 9.6 million, a decrease of NOK 6.5 million from Q2 2019. Profit before tax in the first half year of 2020 was NOK 27.3 million, an decrease of NOK 1.6 million from the first half year of 2019.

Statement of financial position

Total assets were NOK 2 292 million as of 30 June 2020, compared to NOK 2 005 million at 31 December 2019, an increase of NOK 287.4 million. Freehold investment property has increased with NOK 129.2 million from 31 December 2019 to NOK 1 204 million as of 30 June 2020, mainly due to the acquisition of three properties during the first half year 2020. Leasehold investment property was NOK 520.9 million at 30 June 2020, an increase of NOK 31.9 million from 31 December 2019. The increase is mainly related to two options assessed reasonably certain to exercise in addition to currency differences on leasehold investment property in Denmark and Sweden. The increase is partly offset by change in fair value of leasehold investment property in the first half year 2020 due to passage of time. The COVID-19 pandemic gives higher uncertainty than normal related to the valuation of investment properties as of 30 June 2020. The Groups independent external party performing valuation of investment properties, has not observed transactions in the market in the first half year 2020 that indicates a drop in the market or changed prices. A small change in the price will not affect the valuation significantly since most all freehold investment properties have long internal lease contracts.

Cash and bank deposits have increased with NOK 116.8 million to NOK 204.9 million at the end of June 2020 from December 2019. The change is mainly attributable to additional borrowings drawn up under the existing loan facility amounted to NOK 180 million, offset by net outflow on acquisition of subsidiaries and freehold investment property.

SSG has a loan facility for purchase of freehold investment property with Handelsbanken up to 60% of the freehold investment property value. Interest-bearing debt¹ amounts to NOK 509.8 million at the end of June 2020, an increase of NOK 167.5 million from December 2019. Loan to value of freehold investment property is 42% as of end June 2020, compared to 32% at the end of December 2019. The loan facility has several covenants. The covenants are based on ex. IFRS 16 figures, and is planned to be renegotiated during the second half year 2020. As of 30 June 2020, the Group is not in breach of any of the covenants, and does not expect to breach these the next 12 months either.

At the end of June 2020 cash less interest-bearing debt was negative with NOK 304.9 million. The interest-bearing debt is used for investments in freehold facilities, expansion of lettable area and development of the Group.

¹Non-GAAP measures are defined on page 25

SSG invoices the customers in advance, which reduces credit risks and provides stable working capital. Current liabilities consist mainly of prepaid income.

Total equity at the end of June 2020 was NOK 1 078 million, an increase of NOK 72.8 million from December 2019. The increase is mainly attributable to the issuance of consideration shares in connection with the closing of the transaction to acquire Ulven P28 AS in February 2020 and profit during the period. Obligations under financial lease at the end of June 2020 was NOK 539.7 million, an increase of NOK 36.8 million compared to the end of December 2019. The increase is related to two options assessed reasonably certain to exercise in addition to currency differences on leasehold investment property in Denmark and Sweden. The increase is partly offset by change in fair value of leasehold investment property in the first half year of 2020 due to passage of time. The equity ratio decreased to 47% at the end of June 2020, from 50% at the end of December 2019.

Cash flow

SSG has a strong cash flow with invoicing of customers in advance and predictable and stable costs. Net cash flow from operating activities during Q2 2020 was NOK 39.6 million, compared to NOK 34.1 million during Q2 2019. The increase in net cash flow from operating activities for the second quarter of 2020 is mainly related to increased profit before tax adjusted for interest expense and change in fair value due to growth in CLA. Net cash flow from operating activities for the first half year 2020 was NOK 76.2 million, compared to NOK 73.3 million a year earlier. Income tax paid was NOK 3.8 million in the first half year 2020, an increase of NOK 2.3 million from a year earlier when taxable losses utilised in 2018 affected the calculated prepaid tax. The increase in net cash flow from operating activities for the first half year 2020 is both related to increased profit before tax adjusted for interest expense and change in fair value and timing differences for payments, partly offset by increase in prepaid expenses.

Net cash flow from investing activities during Q2 2020 was NOK -23.9 million compared to NOK -73.6 million at the end of Q2 2019. Net cash flow from investing activities for the first half year 2020 was NOK -85.4 million compared to NOK -86.0 million a year earlier. Payments for investment property includes additions to existing properties and acquisition of new properties. Payments for property, plant and equipment consists mainly of new fit-out. Net cash outflow for acquisition of subsidiaries includes business acquisition and acquisition accounted for as asset acquisition if completed in the quarter. These investing activities are in line with the Group's strategy.

Net cash flow from financing activities was NOK 68.6 million at the end of Q2 2020, compared to NOK -333.5 million at the end of Q2 2019. Net cash flow from financial activities was affected by additional borrowings drawn up under the existing loan facility amounted to NOK 100 million and repayment of loan amounted to NOK 6.8 million in Q2 2020. Net payment of lease liabilities and payments of lease classified as interests amounted to NOK -21.6 million in Q2 2020 compared to -14.6 million in Q2 2019. Net cash flow from financing activities for the first half year 2020 was NOK 124.5 million, compared to NOK 314.6 million a year earlier.

SSG's cash balance at the end of June 2020 was NOK 204.9 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.

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 major cities 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 freehold facilities. The Group seeks to strengthen its nationwide presence in Norway while at the same time optimising current facilities in Denmark and Sweden and search for profitable expansion opportunities. Going forward, new facilities will primarily be established as freehold 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. Freehold 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 freehold 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 the major cities, currently serving Oslo, Stavanger, Stockholm and Copenhagen. The strategy is to strengthen the market position in the major cities in Norway by establishing more facilities at attractive locations, while at the same time continuing the ongoing cost reduction initiatives and optimising the organisation. City Self-Storage is planning to open two facilities in Trondheim in 2020/2021. Eurobox, which was acquired in July 2019, will be rebranded to CSS during 2020.

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 freehold 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 country wide 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. With the acquisition of Eurobox in 2019 the leading position in the Norwegian market was solidified. SSG entered the Swedish and the Danish market through the acquisition of City Self-Storage. Self Storage Group is the largest self-storage provider in Scandinavia and one of the largest operators in Europe measured by the total number of facilities. The group has a particularly strong position in Norway as the largest provider of self-storage and holds a solid platform for growth as the fourth largest provider in Stockholm and Copenhagen.

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

Corporate developments

On 14 January 2020 the operating company Eurobox Minilager AS was merged with City Self-Storage Norge AS. The real-estate companies of the Eurobox acquisition were merged with OK Property 6 February 2020, as the last step in the integration of the companies.

On 17 January 2020 FEOK AS and Ferncliff TIH AS, companies controlled by Øystein Stray Spetalen, sold all their shares, corresponding to 22.24% in Self Storage Group ASA. The shares were acquired by Alta Lux Holdco S.a.r.l., an entity managed by affiliates of Centerbridge Partners. Martin Nes resigned as chairman with immediate effect as a consequence of the sales.

On 23 January 2020 the Board elected board member Runar Vatne as new chairman.

On 31 January 2020 the Board decided to commence a strategic review to explore all available options to maximise shareholder value and ensure equal treatment of shareholders.

On 25 May 2020 the annual general meeting of Self Storage Group ASA was held. All proposals set out in the notice to the general meeting were approved. Steven Skaar (chairman), Gustav Søbak, Yvonne Litsheim Sandvold and Ingrid Elvira Leisner were elected to the Board of Directors. Steven Skaar is representing Alta Lux Holdco S.a.r.l., an entity managed by affiliates of Centerbridge Partners, that owns 19 230 909 shares in the Company.

On 17 August 2020 the Board decided to end the strategic review. After exploring a variety of opportunities, the Board concluded that what is likely to serve shareholders best at present is to continue SSG's growth strategy as an independent and listed company. In addition to ongoing projects and organic growth in existing locations, SSG will continue to actively consider acquisition growth opportunities that can create value for the shareholders. A further strengthening of SSG's position in Norway remains a key priority, while the company simultaneously will review opportunities for growth in the Nordics.

Acquisitions

The acquisition of one property in Trondheim with a total potential lettable area of 2 100 m² was successfully completed on 15 January 2020. On 4 February 2020 the company entered into an agreement to acquire one property in Oslo with a total potential lettable area of 2 500 m² by acquire 100% of the shares in Ulven P28 AS to an enterprise value of NOK 47 million. 1 711 358 consideration shares were issued 12 February 2020 to the selling shareholder of Ulven P28 AS, as settlement of the acquisition. On 5 June 2020 the company acquired a neighboring property of an existing facility in Stavanger with a total potential lettable area of 300 m².

In the first half year of 2020 the planning application for two buildings was granted. On 7 May 2020 the building permit on Bjørnerudveien 10 in Oslo with an estimated lettable area of 2 500 m² was received. On 6 June 2020 the building permit on John Aaes vei in Trondheim with an estimated lettable area of 3 100 m² was received.

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.

The effects of the COVID-19 pandemic and the changes in the oil price seen in the end of the first half year of 2020 are not included in the risk factors in the Annual Report of 2019. The Group has identified some potential impacts related to the corona-virus on the Group's financial resultants, but the business impact as of June 2020 has been limited. The identified risk factors are as follows;

- The Group expects to see increased risk for bankruptcy in the business segment. This segment only constitutes approximately 20% of the revenue. At the same time there is a potential for increased demand from business customers due to downsizing or restructuring of their sale process because of COVID-19.
- With increased unemployment in the Scandinavian countries there is an increased risk for bad debt for private customers. This risk is minimised by the standard credit rating of new customers, invoicing in advance and closely monitoring and following up on bad debt.
- A decline in the housing-market may reduce the need for self-storage. Historically changes in customers' circumstances create demand for self-storage, also in times with recession.
- The planned growth in lettable area may be impacted by reduced supplies of fit-out from foreign suppliers.

The Group is exposed to interest rate risk, and in Q1 2020 SSG entered into a five year interest rate swap to secure NOK 150 million of the interest-bearing debt with a fixed rate of 1.08%. In Q2 2020, a five year interest rate swap to secure additionally NOK 150 million of the interest-bearing debt at a fixed rate of 0.79% was entered. These agreements will reduce the risk of high volatility in future interest payments.

Since the end of 2019 there has been a weakening in the exchange rate of NOK. In Denmark and Sweden both revenue and costs are in local currency, and purchases in EUR and GBP are mostly related to fit-out activated in the balance sheet. The table in note 5 the Annual Report for 2019 showing currency effects on the Groups profit if the exchange rate fluctuate is still valid.

With the exception of the above mentioned changes there are no significant changes in the risks and uncertainty factors compared to the descriptions in the Annual Report for 2019.

Outlook

Self Storage Group is a leading self-storage provider in Scandinavia with two strong brands and concepts; OK Minilager and City Self-Storage. As of 30 June 2020, the Group operates 113 facilities across Scandinavia with a total lettable area of 171 800 m² and current lettable area of 142 100 m².

There is a large untapped potential for self-storage in Scandinavia as urbanisation and smaller living spaces cause increasing need for external storage solutions. To enhance these opportunities, Self Storage Group has established a solid platform for future growth with prime locations in all Scandinavian capitals as well as in cities across Norway. The platform for future growth is further strengthened through the acquisition of Eurobox.

The Company 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 freehold properties.

The Group has built up and acquired new storage capacity and is continuously phasing the new capacity into the market. Self Storage Group 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. In 2020 we have seen the advent of the novel coronavirus (COVID-19), which is currently affecting the whole society and economy. The impact of COVID-19 remains uncertain and is dependent on future developments that cannot be predicted at time being. The Group records investment property at fair value, and changes in the economic environment including long-term assumptions could potentially have impact on the financial results, but no such observations are made in the first half of 2020. SSG is entering the third quarter in 2020 with a solid balance sheet and it is well positioned to endure the challenges ahead, while also seizing opportunities that arise, setting the foundation for a great future for the Group.

Statement by the Board of Directors

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2020 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Oslo, 17 August 2020
Board of Directors, Self Storage Group ASA

Steven Skaar
Chairman

Gustav Søbak
Board member

Ingrid Elvira Leisner
Board member

Yvonne Litsheim Sandvold
Board member

Fabian Søbak
CEO

Financials

Self Storage Group Condensed consolidated statement of comprehensive income

(Amounts in NOK 1 000)

	Note	Unaudited For the three months ended 30 June 2020	Unaudited For the three months ended 30 June 2019	Unaudited For the six months ended 30 June 2020	Unaudited For the six months ended 30 June 2019	Audited For the twelve months ended 31 December 2019
Revenue	3	71 657	61 022	142 474	122 660	266 453
Lease expenses	3	2 819	3 215	5 773	6 323	11 813
Property-related expenses	3	7 706	6 013	15 788	12 987	28 975
Salary and other employee benefits	3	9 937	9 734	20 943	19 484	39 566
Depreciation		3 870	2 533	6 929	4 961	12 108
Other operating expenses	3	8 264	8 968	17 021	16 826	34 730
Operating profit before fair value adjustments		39 061	30 559	76 020	62 079	139 261
Change in fair value of freehold investment property	5	239	4 667	5 944	5 073	17 523
Change in fair value of leasehold investment property	5	-15 809	-13 433	-31 252	-26 653	-55 204
Operating profit after fair value adjustments		23 491	21 793	50 712	40 499	101 580
Finance income		258	126	386	284	1 283
Finance expense	7	14 190	5 833	23 767	11 892	27 260
Profit before tax		9 559	16 086	27 331	28 891	75 603
Income tax expense		1 691	3 989	4 937	6 202	13 870
Profit for the period		7 868	12 097	22 394	22 689	61 733
Total comprehensive income for the year attributable to parent company shareholders		7 868	12 097	22 394	22 689	61 733
Total comprehensive income for the year attributable to non-controlling interests		-	-	-	-	-
Earnings per share						
Basic (NOK)	4	0.09	0.18	0.27	0.34	0.83
Diluted (NOK)	4	0.09	0.18	0.27	0.34	0.83
Other comprehensive income, net of income tax						
Items that may be reclassified subsequently to profit or loss						
- currency translation difference		3 631	- 1	3 119	- 651	- 383
Other comprehensive income for the period, net of income tax		3 631	- 1	3 119	- 651	- 383
Total comprehensive income for the period		11 499	12 096	25 513	22 038	61 350
Total comprehensive income for the year attributable to parent company shareholders		11 499	12 096	25 513	22 038	61 350
		-	-	-	-	-

Self Storage Group

Condensed consolidated statement of financial position

(Amounts in NOK 1 000)

		Unaudited 30 June 2020	Audited 31 December 2019
ASSETS			
Non-current assets	Note		
Freehold investment property	5	1 203 678	1 074 457
Leasehold investment property	5	520 913	489 062
Property, plant and equipment		116 439	112 595
Goodwill		184 519	184 828
Financial instruments		24 750	24 750
Other intangible assets		1 778	1 839
Total non-current assets		2 052 077	1 887 531
Current assets			
Inventories		1 686	1 617
Trade and other receivables		15 218	15 928
Other current assets		18 112	11 410
Cash and bank deposits		204 931	88 117
Total current assets		239 947	117 072
TOTAL ASSETS		2 292 024	2 004 603
EQUITY AND LIABILITIES			
Equity			
Issued share capital	6	8 432	8 261
Share premium		791 594	744 853
Other reserves		3 026	- 93
Retained earnings		274 426	252 032
Total equity		1 077 478	1 005 053
LIABILITIES			
Non-current liabilities			
Long-term interest-bearing debt	7	304 896	239 057
Long-term obligations under finance leases	7	488 972	450 642
Other financial liabilities		6 035	454
Deferred tax liabilities		89 531	91 053
Total non-current liabilities		889 434	781 206
Current liabilities			
Short-term interest-bearing debt	7	204 927	103 223
Short-term obligations under finance leases	7	50 692	52 190
Trade and other payables		12 432	7 115
Income tax payable		10 411	9 309
Other taxes and withholdings		7 219	5 276
Other current liabilities		39 431	41 231
Total current liabilities		325 112	218 344
Total liabilities		1 214 546	999 550
TOTAL EQUITY AND LIABILITIES		2 292 024	2 004 603

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 2019	6 573	427 889	290	190 299	625 051
Profit (loss) for the period	-	-	-	22 689	22 689
Other comprehensive income (loss) for the period net of income tax	-	-	- 651	-	- 651
Total comprehensive income for the period	-	-	- 651	22 689	22 038
Issue of ordinary shares, net of transaction costs	1 299	242 605	-	-	243 904
Balance at 30 June 2019	7 872	670 494	- 361	212 988	890 993

Balance at 1 January 2020	8 261	744 853	- 93	252 032	1 005 053
Profit (loss) for the period	-	-	-	22 394	22 394
Other comprehensive income (loss) for the period net of income tax	-	-	3 119	-	3 119
Total comprehensive income for the period	-	-	3 119	22 394	25 513
Issue of ordinary shares, net of transaction costs	171	46 741	-	-	46 912
Balance at 30 June 2020 (Unaudited)	8 432	791 594	3 026	274 426	1 077 478

Self Storage Group

Condensed consolidated statement of Cash flows

		Unaudited	Unaudited	Unaudited	Unaudited	Audited
(Amounts in NOK 1 000)	Note	For the three months ended 30 June 2020	For the three months ended 30 June 2019	For the six months ended 30 June 2020	For the six months ended 30 June 2019	For the year ended 31 December 2019
Cash flow from operating activities						
Profit before tax		9 559	16 086	27 331	28 891	75 603
Income tax paid		- 62	- 723	- 3 792	- 1 446	- 10 720
Interest expense		13 617	5 236	21 913	10 474	24 602
Depreciation		3 870	2 533	6 929	4 961	12 108
Gain/loss on disposal of property, plant and equipment		-	- 41	-	-	-
Change in fair value of freehold investment property	5	- 239	- 4 667	- 5 944	- 5 073	- 17 523
Change in fair value of leasehold investment property	5	15 809	13 433	31 252	26 653	55 204
Change in trade and other receivables		1 261	- 879	710	- 1 482	- 703
Change in trade and other payables		1 396	4 121	5 119	609	- 5 497
Change in other current assets		- 3 517	1 127	- 6 614	1 936	6 332
Change in other current liabilities		- 2 095	- 2 140	- 739	7 759	6 107
Net cash flow from operating activities		39 599	34 086	76 165	73 282	145 513
Cash flow from investing activities						
Payments for freehold investment property		- 14 540	- 16 305	- 31 709	- 22 412	- 42 753
Payments for property, plant and equipment		- 4 124	- 8 964	- 9 764	- 15 231	- 28 497
Net cash outflow on acquisition of subsidiaries		- 5 228	- 48 377	- 43 921	- 48 356	- 489 962
Net cash flow from investing activities		- 23 892	- 73 646	- 85 394	- 85 999	- 561 212
Cash flow from financing activities						
Net proceeds from issue of equity instruments of the Company	6	-	243 904	-	243 904	241 862
Proceeds from borrowings	7	100 000	108 000	180 000	108 000	228 000
Repayment of borrowings	7	- 6 787	- 2 937	- 12 575	- 5 875	- 15 950
Payments of lease liabilities	5	- 16 417	- 10 101	- 26 739	- 20 744	- 47 442
Payments of leases classified as interest	7	- 5 155	- 4 483	- 10 286	- 9 044	- 18 417
Interest paid	7	- 3 080	- 856	- 5 929	- 1 683	- 6 148
Net cash flow from financing activities		68 561	333 527	124 471	314 558	381 905
Net change in cash and cash equivalents		84 268	293 967	115 242	301 841	- 33 794
Cash and cash equivalents at beginning of the period		120 999	129 522	88 117	122 228	122 228
Effect of foreign currency rate changes on cash and cash equivalents		- 336	- 98	1 572	- 678	- 317
Cash and equivalents at end of the period		204 931	423 391	204 931	423 391	88 117

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 17 August 2020.

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 2019. The Group has not early adopted any standard, interpretation or amendment with effective date after 1 January 2020. There are no new standards or amendments in short term perspective which have been issued, but are not yet effective, that are considered to have an impact on the Group. The Group intends to adopt these standards, if applicable, when they become effective. The interim financial statements are unaudited.

Note 3 Segment information

Management has determined the operating segments based on reports reviewed by the CEO and management team and Board of Directors, which are used to make strategic and resource allocation decisions. The Group reports management information based on the two concepts offered by the Group, City Self-Storage (CSS) and OK Minilager (OKM), in addition to the Group's property business in the Property segment and Self Storage Group ASA (SSG ASA) in separate segments. Other/elimination includes eliminations of intercompany transactions and the remainder of the Group's activities not attributable to the other operating segments. In the tables below, reconciliation from EBITDA to Profit before tax is presented on an aggregated level. The Group reports management information excluding IFRS 16 impacts.

The operating entity from the Eurobox acquisition is reported as part of the CSS segment and the three property entities are reported as part of the Property segment.

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. The internal income and expenses are eliminated on Group level.
SSG ASA	SSG ASA includes administration and management activities.
Other/eliminations	Elimination and the remainder of the Group's activities not attributable to the operating segments described above.

For the three months ended 30 June 2020	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	47 410	19 079	-	-	-	-	66 489
Other income	3 359	709	16 068	54	- 15 022	-	5 168
Lease expenses	- 26 636	- 8 950	-	- 333	14 565	18 535	- 2 819
Other operating costs	- 17 032	- 5 468	- 3 519	- 345	457	-	- 25 907
EBITDA	7 101	5 370	12 549	- 624	-	18 535	42 931
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 3 870
Change in fair value of freehold investment property							239
Change in fair value of leasehold investment property							- 15 809
Finance income							258
Finance expense							- 14 190
Profit before tax							9 559

For the three months ended 30 June 2019	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	39 699	17 604	-	-	-	-	57 303
Other income	2 668	1 196	9 205	-	- 9 350	-	3 719
Lease expenses	- 17 126	- 8 716	-	- 336	8 382	14 581	- 3 215
Other operating costs	- 14 848	- 6 122	- 1 431	- 3 282	968	-	- 24 715
EBITDA	10 393	3 962	7 774	- 3 618	-	14 581	33 092
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 2 533
Change in fair value of freehold investment property							4 667
Change in fair value of leasehold investment property							- 13 433
Finance income							126
Finance expense							- 5 833
Profit before tax							16 086

For the six months ended 30 June 2020	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	94 385	37 488	-	-	-	-	131 873
Other income	6 695	1 793	31 347	54	- 29 288	-	10 601
Lease expenses	- 51 593	- 18 069	-	- 572	27 873	36 588	- 5 773
Other operating costs*	- 34 378	- 11 310	- 7 285	- 2 194	1 415	-	- 53 752
EBITDA	15 109	9 902	24 062	- 2 712	-	36 588	82 949
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 6 929
Change in fair value of freehold investment property							5 944
Change in fair value of leasehold investment property							- 31 252
Finance income							386
Finance expense							- 23 767
Profit before tax							27 331

For the six months ended 30 June 2019	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	78 309	34 252	-	-	-	-	112 561
Other income	8 421	2 040	17 950	-	- 18 312	-	10 099
Lease expenses	- 34 836	- 17 259	-	- 531	16 561	29 742	- 6 323
Other operating costs	- 31 155	- 12 530	- 2 590	- 4 773	1 751	-	- 49 297
EBITDA	20 739	6 503	15 360	- 5 304	-		67 040
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 4 961
Change in fair value of freehold investment property							5 073
Change in fair value of leasehold investment property							- 26 653
Finance income							284
Finance expense							- 11 892
Profit before tax							28 891

For the year ended 31 December 2019	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	172 676	71 957	-	-	-	-	244 633
Other income	15 864	4 079	43 796	-	- 41 919	-	21 820
Lease expenses	- 78 608	- 33 650	-	- 854	38 413	62 886	- 11 813
Operating costs	- 67 280	- 25 295	- 6 518	- 7 684	3 506	-	- 103 271
EBITDA	42 652	16 295	37 278	- 8 538	-	62 886	151 369
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 12 108
Change in fair value of freehold investment property							17 523
Change in fair value of leasehold investment property							- 55 204
Finance income							1 283
Finance expense							- 27 260
Profit before tax							75 603

Note 4 Earnings per share

(Amounts in NOK)

	For the three months ended 30 June 2020	For the three months ended 30 June 2019	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Profit (loss) for the period	7 868 000	12 097 000	22 394 000	22 689 000
Weighted average number of outstanding shares during the period (basic)	84 328 584	66 447 683	83 924 252	66 094 861
Weighted average number of outstanding shares during the period (diluted)	84 328 584	66 661 755	83 924 252	66 203 086
Earnings (loss) per share - basic in NOK	0.09	0.18	0.27	0.34
Earnings (loss) per share - diluted in NOK	0.09	0.18	0.27	0.34

See also note 7

Note 5 Investment property

(Amounts in NOK 1 000)

During the six month period ended 30 June 2020, the following changes have occurred in the Group's portfolio of investment properties:

	Leasehold investment property	Freehold investment property	Total
Balance as at 31 December 2019	489 062	1 074 457	1 563 519
Value adjustment due to passage of time	- 31 252	-	-31 252
Additions and disposals leasehold investment property in the year	46 538	-	46 538
Company acquired as asset acquisition	-	91 567	91 567
Additions to existing properties	-	31 709	31 709
Fair value adjustments recognised in profit or loss	-	5 944	5 944
Other/translation differences	16 565	-	16 565
Balance as at 30 June 2020	520 913	1 203 678	1 724 591

Note 6 Changes in shareholders' equity

	Date	Number of shares issued	Total number of shares	Total share capital	Value per share
Ordinary shares at 31 December 2019			82 617 226	8 261 723	0.10
Issue of ordinary shares as settlement to the selling shareholder of Ulven P28 AS	12 February 2020	1 711 358	84 328 584	8 432 858	0.10
Ordinary shares at 30 June 2020			84 328 584	8 432 858	0.10

At the General Meeting in 2020 the Board of Directors was authorised to increase the share capital with up to NOK 4 216 429.20 through one or several share capital increases. The authorisation may be used to provide the Company with financial flexibility, including in connection with investments, merger and acquisitions. The Board's authorisation is valid until the annual General Meeting in 2021.

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 June 2020.

As at 30 June 2020	Amounts due in		Total
	less than 1 year*	1-5 years	
Debt to financial institutions (NOK, Handelsbanken)	204 927	304 896	509 823
Changes in liabilities arising from financing activities	Interest bearing borrowings	Lease liabilities	Total financing activities
Balance as at 31 December 2019	342 280	502 832	845 112
Additions and disposals of leasehold investment property in the year	-	46 538	46 538
Additions and disposals of other leases in the year	-	- 9	- 9
Repayments of borrowings/Payments of lease	-12 575	-26 739	-39 314
Proceeds from borrowings	180 000	-	180 000
Interests expenses of borrowings	6 047	-	6 047
Interests paid of borrowings	-5 929	-	-5 929
Other/translation differences	-	17 042	17 042
Balance as at 30 June 2020	509 823	539 664	1 049 487

* Of the debt to financial institutions due in less than 1 year, NOK 82.4 million is planned refinanced in 2020

In the first half year 2020 two additional borrowings were drawn up under the existing loan facility. In January 2020 a borrowing agreement amounted to NOK 80 million with the same premises as existing loans were signed, and in May 2020 a borrowing agreement amounted to NOK 100 million with one year due date and slightly higher interest were signed.

In Q1 2020 SSG entered into a five year interest rate swap to secure NOK 150 million of the interest-bearing debt with a fixed rate of 1.08%. In Q2 2020 a five year interest rate swap to secure additionally NOK 150 million of the interest-bearing debt at a fixed rate of 0.79% was entered. There are no margin calls related to the interest rate swaps.

These instruments are recorded at fair value through profit and loss. During the first half year 2020 NOK 5.6 million as financial expense.

Note 8 Subsequent events

- On 1 July 2020 the building permit on Breivollveien 25B in Oslo with an estimated lettable area of 4 900 m² was received
- On 2 July 2020 and 10 August 2020 SSG entered into agreements to acquire three properties in Norway in Kongsberg, Hønsfoss and Nordre Follo with a total estimated lettable area of 2 400m²
- On 20 July 2020 existing loans amounting to NOK 82.4 million due were refinanced and proceeds from borrowings of a new loan facility amounting to NOK 50 million was received
- On 5 august 2020 the acquisition of one property in Bodø with a total potential lettable area of 1 000 m² was completed

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 permit for a more complete and comprehensive analysis of the Group's operating performance relative to other companies and across periods in addition to the financial information prepared in accordance with IFRS. Companies comparable to the Group vary with regards to, inter alia, capital structure and mix of leasehold and freehold properties. Non-IFRS financial measures, such as EBITDA, can assist the Company and investors in comparing performance on a more consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting methods, mix of freehold and leasehold properties or based on non-operating factors. Also, some of the non-IFRS financial measures presented herein adjust for one-time costs or costs that are not considered to be a part of regular operations.

The non-IFRS financial measures presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The non-IFRS financial measures presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The non-IFRS financial 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 freehold investment property and leasehold investment property and is useful to the Group for assessing operating performance.

Adjustments

Identified costs not likely to occur in the normal course of business in Self Storage Group are defined as non-recurring costs. Examples of non-recurring costs are acquisition costs, restructuring and severance packages. The exclusion of non-recurring costs is useful to Self Storage Group as it provides a measure for assessing underlying operating performance.

Definition of SSG's financial APMs

- Interest bearing debt: Defined as long-term interest-bearing debt plus short-term interest-bearing debt. The figure does not include obligations under finance leases
- Total other operating expenses: property-related expenses + salary and other employee benefits + other operating expenses
- EBIT: Operating profit before fair value adjustments
- Adjusted EBIT: EBIT +/- identified items to be excluded from adjusted EBIT as described below
- EBITDA: EBIT + depreciation, amortisation and impairments

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

SSG's non-financial APMs

- Current lettable area (CLA): Net area (m²) available for customers to rent for self-storage
- Total lettable area: Net area (m²) in the portfolio included area not yet lettable to self-storage

Reconciliation of APMs used in the Interim Report

(Amounts in NOK 1 000)

	30 June 2020	31 December 2019
Interest-bearing debt		
Long-term interest-bearing debt	304 896	239 057
Short-term interest-bearing debt	204 927	103 223
Total interest-bearing debt	509 823	342 280

(Amounts in NOK 1 000)

	Q2 2020	Q2 2019	YTD 2020	YTD 2019	Full year 2019
Property-related expenses	7 706	6 013	15 788	12 987	28 975
Salary and other employee benefits	9 937	9 734	20 943	19 484	39 566
Other operating expenses	8 264	8 968	17 021	16 826	34 730
Total other operating expenses	25 907	24 715	53 752	49 297	103 271
Operating profit before fair value adjustments	39 061	30 559	76 020	62 079	139 261
EBIT	39 061	30 559	76 020	62 079	139 261
Total adjustments	-	2 489	1 461	2 989	4 653
Adjusted EBIT	39 061	33 048	77 481	65 068	143 914
Change in fair value of freehold investment property	239	4 667	5 944	5 073	17 523
Change in fair value of leasehold investment property	-15 809	-13 433	-31 252	-26 653	-55 204
Adjusted Profit before tax	9 559	18 575	28 792	31 880	80 256
Tax	1 691	4 606	5 201	6 844	14 724
Adjusted Net profit	7 868	13 969	23 591	25 036	65 532
Operating profit before fair value adjustments	39 061	30 559	76 020	62 079	139 261
Depreciation	3 870	2 533	6 929	4 961	12 108
EBITDA	42 931	33 092	82 949	67 040	151 369
Total adjustments	-	2 489	1 461	2 989	4 653
Adjusted EBITDA	42 931	35 581	84 410	70 029	156 022
Adjustments					
Acquisition costs	-	2 489	923	2 989	4 653
Severance packages	-	-	538	-	-
Total adjustments	-	2 489	1 461	2 989	4 653