SELF STORAGE GROUP

Annual Report 2020

Self Storage Group ASA

Contents

About Self Storage Group

Self Storage Group (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 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 operates under two separate brands: OK Minilager and City Self-Storage. These two brands focus on different market segments and provide a strong platform for serving customers with different preferences and needs.

The Group offers self-storage 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.

Self Storage Group operates a total of 116 facilities as of December 2020 with a current lettable area of 148 200 m². The Group focuses on maintaining a lean organisation and had 58 full time equivalents in 2020. The Group is headquartered at Skøyen in Oslo, where all administrative and central customer service functions are located. Site managers and other operationally-focused employees are located throughout Scandinavia with close proximity to the facilities.

History

2020
Total value of freehold investment property reached NOK 1.5 billion, first acquisition of freehold investment property outside Norway and acquisition of several other investment properties

2019
NOK 250 million private placement towards external investors, acquisition of Eurobox and acquisition of several investment properties

2018
Opening of facility number 100, acquisition of Minilager Norge group and acquisition of investment properties

2017
NOK 100 million private placement towards external investors, acquisition of investment properties, acquisition of Minilageret AS, initial public offering with placement of additional NOK 200 million and signed agreement to acquire Minilager Norge

2016
External investors invests in OK Minilager, acquisition of City Self-Storage, establishment of Self Storage Group

2014/15
OK Minilager opens its first climate-controlled facility, City Self-Storage divests Polish and Czech portfolio consisting of a total of 5 facilities, additionally to the Spanish portfolio consisting of 8 facilities

2011
OK Minilager opens its first freehold facility

2010
OK Minilager launches online booking with 100 % self-service

2009
OK Minilager established by Fabian and Gustav Søbak

2006
The City Self-Storage expansion continues with the first opening in Poland

2002
The first City Self-Storage sites were opened in Spain and the Czech Republic

1998
Selvaag Group entered into the business and City Self-Storage expanded into Denmark

1993
City Self-Storage established with one site in Norway and a minority stake in the Swedish Safe Mini Lager

Letter from the CEO

Dear fellow shareholders, I´m glad to conclude that 2020 was a year of continuous development for Self Storage Group. We delivered on our strategy, achieving strong financial results, and improved the growth platform even further.

During 2020 we have continued to develop the pipeline, acquired new properties, acquired the first investment property outside Norway, and at the same time increased occupancy across the portfolio. The SSG team has worked tirelessly to develop new properties, delivered great customer service, and improved margins. I am proud of the achievements of the SSG team.

The COVID-19 pandemic changed our society in 2020. Our industry has proven to be resilient during the pandemic, as the demand for self-storage remained strong. SSG´s self-serviced and digitalized business model is, by nature, a safe and flexible solution for our customers. I´m thankful that we have been able to serve our customers, build our pipeline, and develop the company, with limited impact from the pandemic. A special thanks to all our employees who have shown great efforts over the past year, despite the circumstances.

During 2020, SSG opened 10 700 current lettable area (CLA), exceeding our target of 10 000 CLA. Once again, our team delivered on our promise to develop new self-storage properties, an important accomplishment in the development of our company. 2020 was a year with several new property acquisitions including acquisition of two freeholds where we operated on a leasehold basis, and the fair value of our existing properties has made positive contributions to our balance sheet. The value of our portfolio of freehold facilities increased to 1.5 billion NOK at the end of the year, an increase of 36% since December 2019. The Group had 148 200 m² in CLA as of December 2020. We have managed to increase occupancy on the new facilities according to expectations, at the same time as we have maintained occupancy rates and average rent on the mature facilities.

SSG aims to develop a business model that is sustainable with low carbon footprint, and we believe that it is important that we engage in how we can make a difference for customers as well as for our employees. We are determined to include sustainability as an integrated part of our business. The self-storage industry has a low environmental footprint with the use of electricity as the main source of CO_2 emissions. During 2020, we continued to upgrade to LED-lightning on old and converted facilities. We also started the process of consolidating electricity for the Norwegian facilities to one supplier to better monitor the consumption of electricity, establish KPIs and action plans to reduce our carbon footprint. Sustainability is on the agenda in management meetings to ensure continuous improvements. Even though our business model in general has a low carbon footprint, SSG still has potential related to sustainability, and we plan to continue the journey to achieve our potential.

IT has become an increasingly important part of our business. Today´s customers demand the best digital journeys, and technology enables us to provide personal connections with our customers at scale. SSG is able to utilize our scale by leveraging technology. In 2020 we accelerated the investments in IT, and we plan to continue this strategy with increased focus. We expect to see long-term effects of these investments, with increased customer satisfaction, scalable costs, and durable competitiveness.

Urbanization and smaller living spaces are strong macro trends which drive demand for self-storage, and we expect these trends to continue in the years to come. SSG has a robust financial position and track record of growth. This foundation and strong macro trends, combined with a portfolio of high-quality freehold assets, gives Self Storage Group a solid platform for future growth and value creation.

The progress we made this past year sets the foundation for a great future for our company. I´m both thankful and proud of the robustness of our company and dedicated team, which was mostly apparent during the unusual year we have behind us.

I thank our stakeholders for their efforts and engagement in 2020 and look forward to our continued cooperation in the years ahead.

Best regards,

Fabian Søbak

CEO

Highlights 2020

2020 was a positive and busy year with solid organic revenue- and EBITDA growth, development of new facilities, acquisition of new properties and total value of freehold investment property reaching NOK 1.5 billion. The company experienced limited business impact from COVID-19 in 2020 and has a solid platform for further profitable growth and expansion.

- All time high revenues in 2020 of NOK 293.3 million, up from NOK 266.5 million in 2019
- All time high adjusted EBITDA[1] in 2020 of NOK 177.1 million, up from NOK 156.0 million in 2019
- Change in fair value of freehold investment property in 2020 of NOK 92.9 million (NOK 17.5 million)
- Total value of freehold investment property of NOK 1 457 million end December 2020, up from NOK 1 074 million end December 2019
- All time high pre-tax profit for 2020 of NOK 145.8 million, up from NOK 75.6 million in 2019
- Acquisition of 9 freehold investment properties with a potential lettable area of 12 800 m²
- Total number of facilities end of 2020 is 116, up from 111 facilities at the end of 2019
- Current lettable area end 2020 of 148 200 m², up from 137 500 m² end 2019
- Cash position of NOK 246.8 million end December 2020, up from NOK 88.1 million end December 2019

Subsequent events

- Acquisition of Adamstuen Garasjer AS in Oslo, an investment property with a total estimated lettable area of 8 100 m². SSG, through City Self-Storage, had an existing leasehold agreement on the premises which currently has a lettable area of 4 300 m² (CLA) in operation
- Signed agreement for a new bank facility loan with Handelsbanken and Danske Bank. The bank facility refinances the existing bank loans, and gives the Company flexibility for future growth
- Acquisition of 100% of the shares in Dit Pulterkammer Holding A/S, a Danish regional self-storage operator with five strategically located facilities in the Jutland region and Aarhus area and a current lettable area of approximately 9 300 m². The transaction has an enterprise value of DKK 102 million (approx. NOK 139 million) and was financed with SSG's existing bank facility

[1]*Non-GAAP measures are defined in the corresponding section in the back of the report*

Key Figures[1]

	2020	2019
(Amounts in NOK million)	**Full year**	**Full year**
Revenue	293.3	266.5
Lease expenses	9.4	11.8
Total other operating expenses	108.5	103.3
Total adjustments	1.7	1.9
Adjusted EBITDA	177.1	153.3
Adjusted EBIT	**162.7**	**143.9**
Change in fair value of freehold investment property	92.9	17.5
Change in fair value of leasehold investment property	-63.01	-55.2
Net finance	-45.1	-26.0
Adjusted Profit before tax	147.5	80.3
Adjusted Net Profit	**114.3**	**65.5**
Current lettable area (in thousands m²)	148.2	137.5
Lettable area under development (in thousands m²)	30.4	21.3
Number of facilities	116	111

[1]*Non-GAAP measures are defined in the corresponding section in the back of the report*

Board of Directors Report

Due to the COVID-19 pandemic, Norway went into a partial lockdown from 12 March 2020. SSG implemented measures to safeguard customers and employees, 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 has experienced limited business impact due to COVID-19. The move-in rates in the CSS segment were slightly lower for a period of time after mid-March impacting occupancy growth, and more extensive entry-offer campaigns were implemented to attract customers. We have seen a strong development in move-ins since June, and the development in occupancy has been satisfactory since then. The current lettable area was increased with 10 700 m² during 2020 as planned.

2020 ended as a new eventful year for SSG with investments in property, acquisitions of investment properties and investments in CRM and technology. We experienced growing margins and results, positive cash flow from operations and a solid balance.

The self-storage industry has a low environmental footprint with the use of electricity as the main source of CO_2 emissions. During 2020, we had ongoing projects to increase the focus on sustainability and how to integrate this further in the business.

Revenues

Revenue for full year 2020 increased by NOK 26.9 million to NOK 293.3 million compared with full year 2019. NOK 272.5 million is income from the rental of self-storage. Income from self-storage increased by NOK 27.8 million compared with full year 2019. The increase is related to 6 months impact of Eurobox, organic growth due to opening of new facilities and expansions, increased occupancy and prices for facilities opened the last years, and increased revenue from mature sites with higher average rent per m² than a year earlier. NOK 7.0 million of the increased revenue in full year 2020 compared to full year 2019 is attributable to the foreign exchange effect of rental income in SEK and DKK.

Lease expenses

Lease expenses constitute NOK 9.4 million for 2020, down from 11.8 million in 2019. There are different accounting policies for short-term and long-term lease contracts, and the decrease in lease expenses is related to several lease contracts that have been renegotiated from short-term to long-term after 2019. The decrease is partly offset by CPI adjustment on existing lease contracts and some lease reductions in 2019.

At the end of December 2020, 43% of the current lettable area in SSG was freehold, compared to 36% at the end of December 2019. 29% of current lettable area in the City Self-Storage segment was freehold, while 63% of current lettable area in OK Minilager was freehold. The share of freehold property is increasing in both segments. The lease obligations are mainly long-term, with an average remaining length of 5.1 years for the Group.

Property-related expenses

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

Property related expenses for 2020 were NOK 36.1 million, an increase of NOK 7.2 million compared to 2019. There are increased costs related to growth in number of facilities and growth in lettable area.

Lettable area in SSG has in increased by 10 700 m² (8%) since December 2019, and the number of facilities has increased by five to 116 facilities as of end December 2020. There are also property-related expenses incurred by the new large properties that are converted to self-storage, but do not generate income yet.

Salary and other benefits

Salary and other employee benefits for 2020 were NOK 40.2 million, an increase of NOK 0.6 million from 2019.

The number of full time equivalents (FTE) has decreased from 69 FTE in December 2019 to 58 FTE in December 2020. During the first half of 2020 a restructuring of the organization was implemented, reducing the number of employees. 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 reduced number of employees has limited impact on the salary costs, since most of the salary costs for construction workers who had been working with establishment of new facilities was capitalized and not expensed under salary and other employee benefits.

Depreciation

Depreciation for the year 2020 increased by NOK 2.4 million from 2019 to NOK 14.5 million. The depreciation is mainly related to fit-out and other equipment for new facilities and expansions.

Other operating expenses

Other operating expenses consist of IT and related costs, sales and advertising, and other administrative expenses.

For 2020 other operating expenses decreased by NOK 2.6 million compared to 2019 to NOK 32.1 million. Adjusted for non-recurring costs the increase is NOK 0.3 million.

(Amounts in NOK 1 000)

Adjustments	2020	2019
Acquisition costs	1 177	4 653
Severance packages	538	-
Total adjustments	**1 715**	**4 653**

Change in fair value of investment property

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

For 2020 the change in fair value recognised in P&L was NOK 92.9 million, an increase of NOK 75.4 million compared to 2019. In addition to the impact of annual CPI-adjustment of internal leases, the increase was mainly related to some of the development properties.

Change in fair value of leasehold investment property recognised in P&L in 2020 was NOK -63.0 million, compared to NOK -55.2 million in 2019. There are different accounting policies for short-term and long-term lease contracts, and the increase is partly related to several lease contracts that have been renegotiated from short-term to long-term after 2019. The remaining increase relates to some lease reductions in 2019, changes in exchange rate and CPI adjustment on existing lease contracts.

Fair value of freehold investment property was NOK 1 457 million and fair value of leasehold investment property was NOK 515.2 million at 31 December 2020. Fair value of freehold investment property at 31 December 2019 was NOK 1 074 million and fair value of leasehold investment property was NOK 489.1 million.

EBITDA and profit before tax

Adjusted EBITDA for 2020 was NOK 177.1 million, up from NOK 156.0 million for 2019. The currency-effect on EBITDA amounts to NOK 1.1 million for 2020 compared to 2019. The adjusted EBITDA-growth was solid with an adjusted EBITDA-growth of 14 % compared with 2019.

Net finance for 2020 amounted to NOK -45.1 million, a decrease of NOK 19.1 million compared to 2019. Financial expenses were impacted by the weakness in NOK on lease liabilities in SEK and DKK of NOK -12.5 million. This was offset by the weakness in NOK on the assets leasehold and freehold investment properties in Sweden and Denmark impacting other comprehensive income with NOK 12.4 million. The remaining part of the increase in financial expenses is attributable to a loss of NOK -1.3 million related to hedging of interests, increased interest under IFRS 16 of NOK -2.2 million and increased interest paid on bank loans of NOK 4.4 million. Financial income increased by NOK 1.3 million in the period.

Profit before tax for 2020 was NOK 145.8 million, an increase of NOK 70.2 million from 2019.

Financial position

Total assets were NOK 2 582 million as of 31 December 2020, compared to NOK 2 005 million at 31 December 2019, an increase of NOK 577.8 million. Freehold investment property has increased with NOK 382.1 million from 31 December 2019 to NOK 1 457 million as of 31 December 2020. This is mainly due to the acquisition of nine properties during 2020, several development projects and significant conversion projects. Leasehold investment property was NOK 515.2 million at 31 December 2020, an increase of NOK 26.2 million from 31 December 2019. There are different accounting policies for short-term and long-term lease contracts, and the increase in leasehold investment property is partly related to several lease contracts that have been renegotiated from short-term to long-term in 2020.

The remaining 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 during 2020 due to passage of time. All freehold properties were appraised during the fourth quarter.

Cash and bank deposits increased by NOK 158.7 million to NOK 246.8 million at the end of December 2020 from December 2019. The change is attributable to four borrowings drawn up in 2020 amounting to a total of NOK 441.0 million, repayments of loans amounted to NOK 110.2 million and net cash outflow on acquisition of investment property and additions to freehold investment property.

SSG has a loan facility for purchase of freehold investment property with Handelsbanken of up to 60% of the freehold investment property value. Interest-bearing debt[1] amounts to NOK 673.1 million at the end of December 2020, an increase of NOK 330.8 million from December 2019. Loan to value[1] of freehold investment property is 46% as of end December 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 will be renegotiated during the first quarter of 2021. As of 31 December 2020, the Group is not in breach of any of the covenants, and does not expect any breaches the next 12 months.

At the end of December 2020 cash less interest-bearing debt was negative with NOK 426.3 million. The interest-bearing debt is used for investments in freehold facilities, expansion of lettable area and development of the Group.

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

Total equity at the end of December 2020 was NOK 1 178 million, an increase of NOK 172.8 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 December 2020 was NOK 537.1 million, an increase of NOK 34.3 million compared to the end of December 2019.

[1]Non-GAAP measures are defined in the corresponding section in the back of the report

There are different accounting policies for short-term and long-term lease contracts, and the increase is related to several lease contracts that have been renegotiated from short-term to long-term in 2020. The remaining 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 lease payments in 2020 due to passage of time. The equity ratio decreased to 46% at the end of December 2020, from 50% at the end of December 2019.

Cash flow

SSG has a strong cash flow, as customers are invoiced in advance and costs are predictable and stable. Net cash flow from operating activities for 2020 was NOK 176.6 million, compared to NOK 145.5 million a year earlier. Income tax paid was NOK 7.5 million for 2020, a decrease of NOK 3.3 million from a year earlier. The increase in net cash flow from operating activities for 2020 is related to increased revenue, relatively stable costs and high focus on working capital.

Net cash flow from investing activities for 2020 was NOK -263.8 million compared to NOK -561.2 million a year earlier. Payments for investment property includes development of properties, additions to existing properties and acquisition of new properties. Payments for property, plant and equipment consist 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 for the full year 2020 was NOK 244.5 million, compared to NOK 381.9 million a year earlier. Net cash flow from financial activities was affected by additional borrowing drawn up on loan facilities amounted to NOK 441.0 million and repayment of loan amounted to NOK 110.2 million in 2020. Net payment of lease liabilities and payments of lease classified as interests amounted to NOK -75.7 million in 2020 compared to -65.9 million in 2019.

SSG's cash balance at the end of December 2020 was NOK 246.8 million.

Financial development in Self Storage Group ASA

Self Storage Group ASA was established in November 2016. The Company merged with Selvaag Self-Storage AS in January 2017. Self Storage Group ASA is the holding Company for the Group.

Revenue in 2020 of NOK 16.7 million and NOK 15.2 million in 2019 are mainly related to management fees and centralized services to group companies. Salary and other employee benefits in 2020 of NOK 19.0 million and NOK 16.7 million in 2019 are related to employees with HQ functions. Depreciation in 2020 amounted to NOK 0.8 million and NOK 0.5 million in 2019, mainly related to software and inventory. Other operating expenses consists of IT and related costs, audit and consultancy fees, in addition to office and travel costs. In 2020 other operating expenses were NOK 1.4 million compared to NOK 7.1 million in 2019. The operating costs in 2020 were impacted by transaction costs related to the acquisitions with NOK 0.9 million. In 2019 the operating costs were impacted by transaction costs related to the acquisitions with NOK 4.7 million.

Total assets were NOK 1 547 million at the end of 2020, compared to NOK 1 165 million at the end of 2019. Investment in subsidiaries has increased with NOK 47.0 million from 31 December 2019 to NOK 881.1 million as of 31 December 2020. Loans to group companies have increased from NOK 298.5 million as of end 2019 to NOK 492.8 million as of end 2020. Cash and bank deposits have increased to NOK 158.0 million at the end of December 2020 from NOK 13.5 million one year earlier. The increase is mainly attributable to higher new borrowings drawn up under the existing and new loan facilities than net outflow on acquisition of subsidiaries and freehold investment property. Self Storage Group ASA has a loan facility for purchase of freehold investment property with Handelsbanken up to 60% of the freehold investment property value in the Group. Interest-bearing debt amounts to NOK 673.1 million at the end of December 2020, an increase of NOK 330.8 million from December 2019. The loan facility has several covenants. As of 31 December 2020, Self Storage Group ASA is not in breach of any of the covenants.

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 objective, 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 operates under two separate brands: OK Minilager and City Self-Storage. These two brands focus on different market segments and provide a strong platform for 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.

SSG aims to develop a business model that is sustainable with low carbon footprint and we believe it to be important that we engage in how we can make a difference for costumers as well as for our employees. We are determined to include sustainability as an integrated part of our business. Even though our business model in general has a low carbon footprint, SSG still has potential related to sustainability, and we plan to continue the journey to achieve these potentials.

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 these 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, Trondheim, 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 continue to extract synergies of economies of scale.

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 be opportunistic 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 markets 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.

Industry leading customer service

Self-storage is increasingly becoming an online industry where the majority of the enquiries are channelled through websites and mobile apps. As more and more facilities are becoming self-serviced, customer service is becoming an even more important aspect. We consider it a significant competitive advantage to provide a seamless and well-integrated user experience by combining easy to use online booking systems with around-the-clock accessible customer service on multiple platforms. Self Storage Group has been a pioneer in this area and has constantly been innovating in order to improve the user experience.

The company offers user-friendly online booking solutions and personal customer service across several formats such as phone, mail, chat and social media. This has been a contributing factor to why both OK Minilager and City Self-Storage have established themselves amongst the leading self-storage providers in Scandinavia. However, the Company recognises that there is further upside by streamlining the two concepts even further, and in 2020 a new position as COO responsible for both brands and total operation across Scandinavia was created.

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 development

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 was selected as new chairman. Steven Skaar represents Alta Lux Holdco S.a.r.l, an entity managed by affiliates of Centerbridge Partners, that owns 19 230 909 shares in the Company. Gustav Søbak, Yvonne Litsheim Sandvold and Ingrid Elvira Leisner were re-elected to the Board of Directors.

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 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.

During 2020, SSG opened 10 700 CLA. 4 100 CLA of the increase relates to five new facilities and 6 600 CLA to expansion of existing facilities. No facilities were closed down in 2020.

Subsequent to the year-end 2020, SSG signed an agreement for a new bank facility loan with Handelsbanken and Danske Bank. The bank facility refinances the existing bank loans and gives the Company flexibility for future growth.

Acquisitions

- On 15 January 2020, the acquisition of one property in Trondheim with a total potential lettable area of 2 100 m² was successfully completed
- 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 acquiring 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 neighbouring property of an existing facility in Stavanger with a total potential lettable area of 300 m²
- On 2 July 2020 and 10 August 2020, SSG entered into agreements to acquire three properties in Norway in Kongsberg, Hønefoss and Nordre Follo with a total estimated lettable area of 2 400 m²
- On 5 August 2020, the acquisition of one property in Bodø with a total potential lettable area of 1 000 m² was completed
- On 4 November 2020, the acquisition of one property in Sandefjord with a total potential lettable area of 1 800 m² was completed
- On 23 November 2020, the acquisition of one property in Haugesund with a total potential lettable area of 950 m² was completed
- On 1 December 2020, the acquisition of two existing leasehold properties was completed, one at Hvidovre in Copenhagen with a total potential lettable area of 2 600 m² and one at Lillestrøm close to Oslo with a potential lettable area of 930 m². The same date the acquisition of the property in Kongsberg with a total potential lettable area of 550 m² was successfully completed
- On 8 December 2020, SSG entered into agreement to acquire one property in Sandnes with a total potential lettable area of 1 300 m²

Planning applications for the following buildings have been 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
- On 1 July 2020 the building permit on Breivollveien 25B in Oslo with an estimated lettable area of 4 900 m² was received

Subsequent to the year-end 2020, following acquisitions are made:

- On 4 January 2021, the acquisition of one property in Sandnes with a total potential lettable area of 1 300 m² was successfully completed
- On 1 March 2021, the acquisition of Adamstuen Garasjer AS in Oslo, an investment property with a total estimated lettable area of 8 100 m² was successfully completed. SSG, trough City Self-Storage, has an existing leasehold agreement on the premises and has currently a lettable area of 4 300 m² (CLA) in operation
- On 8 April 2021, SSG entered into an agreement to acquire a property in Halden. The transaction has a property value of NOK 3.75 million, with an estimated lettable area of 500 m²
- On 14 April 2021, SSG acquired 100% of the shares in Dit Pulterkammer Holding A/S, a Danish regional self-storage operator with five strategically located facilities in the Jutland region and Aarhus area and a current lettable area of approximately 9 300 m². The transaction has an enterprise value of DKK 102 million (approx. NOK 139 million) and was financed with SSG's existing bank facility.
- On 15 April 2021, SSG acquired a property in Nordre Follo. The transaction has a property value of NOK 25 million, with an estimated lettable area of 1300 m²

Corporate social responsibility and sustainability

Self Storage Group ASA was listed on Oslo Stock Exchange in October 2017, leveraging on the acquisitions of Minilageret AS and City Self-Storage. The Minilager Norge group was acquired in January 2018 and Eurobox in July 2019. As the Group integrated the acquired companies, great attention was brought to corporate social responsibility, sustainability and business conduct across different borders and cultures. The Company aims to have a solid corporate culture and to preserve the integrity of the Company by helping employees practise good business standards.

The Group has implemented ethical guidelines as a part of the corporate governance framework to maintain high ethical standards in its business and relations with customers, suppliers, and employees. Self Storage Group´s Corporate Social Responsibility and Sustainability Report was developed in accordance with the Global Reporting Initiative Standards (GRI), GRI Core option, which can be found on pages 26-35 of this Annual Report.

Shareholders and financing

The Self Storage Group ASA shares are listed on the Oslo Stock Exchange under the ticker "SSG." At the end of 2020, the Company had 84 328 584 outstanding shares, held by 928 shareholders. The nominal value of the Self Storage Group ASA share is NOK 0.10 per share.

The Group estimates that it has sufficient working capital for the 12 months following the balance sheet date. The financial development in 2020 has been positive and the Group signed an agreement for a new bank facility loan with Handelsbanken and Danske Bank to finance future growth. In accordance with section 3(3a) of the Norwegian Accounting Act, the Board of Directors, therefore, confirms that the going-concern assumption is met and that the annual accounts have been prepared in accordance with this assumption.

The Group places considerable emphasis on providing shareholders, and investors in general, with timely and relevant new information about the Group and its activities in compliance with applicable laws and regulations.

Self Storage Group is committed to increasing awareness of the stock in Norway and abroad. The management participates in roadshows following the quarterly publications, presents the Group at conferences and is available for conference calls on demand with investors. The list of shareholders includes a considerable number of Nordic institutional investors and private investors.

Risks

Self Storage Group is exposed to risk and uncertainty factors, which may affect some or all of the Group´s activities. The Group has financial risk, market risk, operational risk and risk related to current and future products. The complete range of risk factors is discussed in detail in note 5.

As set out in the corporate governance guidelines of Self Storage Group, the Board of Directors shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The objective for the Company's risk management and internal control is to manage, rather than eliminate, exposure to risks related to the successful conduct of the Company's business and to support the quality of its financial reporting.

Effective risk management and good internal control contribute to securing shareholders' investment in the Company and the Company's assets. The Board shall ensure that the Company's internal control comprises guidelines, processes, duties, conduct and other matters that:

- Facilitate targeted and effective operational arrangements for the Company and also make it possible to manage commercial risk, operational risk, the risk of breaching applicable legislation and regulations as well as all other forms of risk that may be material for achieving the Company's commercial objectives
- Contribute to ensuring the quality of internal and external reporting
- Contribute to ensuring that the Company operates in accordance with the relevant legislation and regulations as well as with its internal guidelines for its activities, including the Company's ethical guidelines and corporate values

The Board forms its own opinion on the Company's internal controls, based on the information presented to the Board. Reporting by executive management to the Board is prepared in a format that gives a balanced presentation of all risks of material significance, and of how the internal control system handles these risks. The Board develops and assesses the need for internal control systems which address the organisation and execution of the Company's financial reporting. These systems shall be continuously developed in light of the Company's growth and situation.

The Board focuses on the need for developing ethical guidelines ensuring that employees can safely communicate to the Board matters related to illegal or unethical conduct by the Company. In addition, the Board ensures that the Company has the necessary routines and hired personnel to ensure that any outsourced functions are handled in a satisfactory manner.

Employees and working conditions

At year-end 2020, the Group had 81 (94) employees, of which 46 work fulltime. In 2020, the sickness absence in Self Storage Group was 3.0 percent. There were no absences due to injuries in the Group. The turnover in 2020 for full-time employees was 8%. SSG had 35 part-time employees in 2020 working with customer service.

The Group attempts to maintain a working environment where equal opportunities for all based on qualifications and irrespective of gender, age, sex, ethnicity, sexual orientation, disability, or any other protected status. SSG works actively to promote equality and prevent discrimination. At year-end 2020, women held 35% of the positions in the Group. Women held 35% of the full-time positions and 34% of the part-time positions. The real-estate industry has traditionally been dominated by men, but the share of women is increasing. The management team consists of four members of which one is female. The Board of Directors consists of two male and two female members. The Group had no temporary employees in 2020. The goal of the Group is to increase the number of female employees and steps are taken to recruit more women and increase the number of women in management positions through internal promotions. In the case of outside recruitment effort is made to include qualified women in the final interviews.

SSG aims to offer competitive remuneration to all employees, based on qualifications and experience, and irrespective of gender. The positions in the Group can be divided into three levels: the management team, middle-management and operations.

At the operation level the average salary of women is below the average salary level of men (92% vs 105% towards index). Salary at the operation-level is mainly impacted by how many years of experience the employee has been within the company. Men at the operation level had on average 7 years of seniority while women had 6 years of seniority in 2020. At the middle-management and management team level, the average salary level of women is higher than the average salary level of men. The salary at these levels is mainly impacted by the degree of required formal competence and experience necessary for the different positions in addition the seniority. The female part-time employees had on average a slightly lower wage-level of the male part-time employees (98% vs 101% towards index), due to average higher seniority amongst the male part-time employees.

The employees in Sweden and Denmark, and some leading positions in Norway could achieve a bonus in addition to salary when reaching certain KPI-targets.

A total of 3 employees were on parental leave in 2020, 2 men and one woman. The average length of leave was 15 weeks for men and 46 weeks for women.

Further statement on equality can be found in Self Storage Group´s Corporate Social Responsibility and Sustainability Report, which can be found on pages 26-35 of this Annual Report.

The working environment in Self Storage Group is, in the Board's view, considered to be satisfying. The Company is committed to maintaining an open and constructive dialogue with the employee representatives.

The Company's operations are not considered to have any material impact on the climate and the environment.

Corporate Governance

The Board and management of Self Storage Group ASA are committed to maintaining high ethical standards and promoting good corporate governance. The Company believes that good corporate governance builds confidence among shareholders, customers and other stakeholders, and thereby supports value creation over time. The equal treatment of all shareholders lies at the heart of the Company's corporate governance policy. The Company has only one class of shares, and all shareholders have equal rights. The Company's shares are listed and freely transferable.

The Company has, in accordance with applicable legislation and stock exchange listing rules, provided a report on the Company's corporate governance, which can be found on pages 36-42 of this Annual Report. The Corporate Governance Report is based on the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board, dated 17 October 2018.

COVID-19

The Group identified some potential impacts related to COVID-19 on the Group's financial results, but the business impact in 2020 has been limited. Potential risk factors are as follows;

- There is an increased risk for bankruptcy in the business segment, however 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 sales 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, however, historically changes in customers' circumstances create demand for self-storage, also in times of recession.
- The timing of planned growth in lettable area can be impacted by reduced supplies of fitout from foreign suppliers.

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 31 December 2020, the Group operates 116 facilities across Scandinavia with a total lettable area of 178 600 m² and current lettable area of 148 200 m².

In 2020 we witnessed the outbreak of the COVID-19, which is currently affecting the whole society and economy. The business impact of COVID-19 was limited in 2020 for SSG, but the impact remains uncertain and is dependent on future developments that cannot be predicted at present.

There is a large untapped potential for self-storage in Scandinavia as urbanisation and smaller living spaces lead to an 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. SSG is also exploring the opportunities to grow the freehold portfolio through the acquisition of existing leasehold interests, a strategy which was executed on two properties in 2020.

The Company has a proven track-record to develop and operate its portfolio of self-storage facilities, leveraging on a lean and operationally-focused organisation to increase margins and target additional growth, mainly through freehold property acquisitions and M&A. The Group has built up and acquired new storage capacity and is continuously phasing in the new capacity into the market. Self Storage Group is experiencing a robust 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. The company has had an organic growth rate of opening approximately 10 000 lettable m² per year, but plans to accelerate growth by opening 12 000 -14 000 lettable m² during 2021 due to opening of several larger facilities.

SSG enters 2021 with a solid financial position and is well positioned to leverage its scalable growth platform, setting the foundation for a great future for the Group.

Parent Company results and distribution of funds

Net profit for the Parent Company Self Storage Group ASA, was NOK 0.07 million. The Board recommends the following distribution of funds:

(Amounts in NOK 1 000)	
Dividend	-
Transferred to other equity	**71.0**

Self Storage Group ASA

Oslo, April 28th, 2021

sign	sign	
Steven Skaar Chairman	Gustav Sigmund Søbak Board member	
sign	sign	sign
Ingrid Elvira Leisner Board member	Yvonne Litsheim Sandvold Board member	Fabian Søbak CEO

Management

Fabian Emil Søbak

CEO

Mr. Søbak co-founded OK Minilager AS together with his father, Gustav Søbak, in 2009. Since then he has held the position as Chief Executive Officer, and following the acquisition of City Self-Storage in 2016, he was appointed to be the Chief Executive Officer of the Group. Mr. Søbak is a Norwegian citizen and resides in Oslo.

Cecilie Brænd Hekneby

CFO

Mrs. Hekneby joined City Self-Storage in 2015 as Head of Finance and has following the acquisition of City Self-Storage in 2016 held the position as Chief Financial Officer for the Group. Prior to this, she held the positions as Group Controller in Color Line and Project Manager and Financial Controller in Posten Norge. Mrs. Hekneby holds a Master degree from Norwegian School of Economics and Business Administration (NHH). Mrs. Hekneby is a Norwegian citizen and resides in Oslo.

Sveinung Høyer-Trollnes

Chief Operating Officer

Mr. Høyer-Trollnes joined Self Storage Group in 2020. He has previously worked as CMO for Espresso House Group, and also held the positions of Regional Manager and Category Manager for Deli de Luca Norge AS. Mr. Høyer-Trollnes holds a BSc from University of Manchester and an MSc from University of Strathclyde (siviløkonom). Mr. Høyer-Trollnes is a Norwegian citizen and resides in Oslo.

Lars Moen

Property Manager

Mr. Moen joined Self Storage Group ASA in 2020. He has more than 25 years of experience from the self-storage business in Norway and Denmark. Mr. Moen has previously worked for First Risk Capital AS as Property Manager and holds a Bachelor degree from BI Norwegian Business School. He is a Norwegian citizen and resides in Drammen.

Board of Directors

Steven Skaar

Chairman

Elected Chairman on 25 May 2020. Member of the Board since May 2020. Mr. Skaar is a Senior Managing Director at Centerbridge Partners, where he leads the firm's European real estate investing activities. Prior to joining Centerbridge, Mr. Skaar led the opportunistic real estate investments team in Europe at Brookfield Asset Management. Prior to Brookfield, Mr. Skaar spent 10 years at Citigroup, most recently as a Director for Citi Property Investors. Mr. Skaar holds an MBA, with distinction, from Cornell University and a degree in Finance from the University of Utah. He is a US and UK citizen and resides in London. After elected to Chairman Mr. Skaar has attended 9 of 9 board meetings in 2020. Mr Skaar is a representative of Centerbridge Partners, whose funds own 19 million shares in the Company. Mr. Skaar holds no shares in the Company directly.

Gustav Søbak

Board Member

Member of the Board since November 2016. Mr. Søbak co-founded OK Minilager AS together with his son, Fabian Emil Søbak, in 2009. Mr. Søbak has more than 30 years of experience in the real estate sector. Prior to co-founding OK Minilager he built up a parking company which he eventually sold to a Norwegian subsidiary of Apcoa. Mr. Søbak is a Norwegian citizen and resides in Oslo. Mr Søbak has attended 23 of 23 board meetings in 2020. Mr Søbak holds 6 565 000 shares in the Company.

Ingrid Elvira Leisner

Board Member

Member of the Board since May 2018. Ms. Leisner is currently on the board of directors of TechStep ASA, Maritime and Merchant ASA and Norwegian Air Shuttle ASA. Ms. Leisner has previously worked as Head of Portfolio Management for Electric Power in Statoil Norge AS in addition of being a trader of different oil and gas products in her 15 years in Statoil ASA. Ms. Leisner holds a Bachelor of Business degree with honours from the University of Texas at Austin. Ms. Leisner is a Norwegian citizen, and resides in Oslo. Ms Leiser has attended 23 of 23 board meetings in 2020. Ms Leisner holds 10 390 shares in the Company.

Yvonne Litsheim Sandvold

Board Member

Member of the Board since October 2017. Ms Sandvold is the founder and CEO of YLS Næringseiendom and is a working board member of Frognerbygg AS. She has extensive experience from the Norwegian real estate industry. Ms Sandvold currently serves on the Board of several public and private companies. Ms Sandvold holds a Licenced psychologist/Cand. Psychol. degree from the University of Oslo. Ms Sandvold is a Norwegian citizen and resides in Norway. Ms Sandvold has attended 23 of 23 board meetings in 2020. Ms. Sandvold holds no shares in the Company.

Corporate Social Responsibility and Sustainability Report

Introduction and management approach

Self Storage Group's goal is to be the preferred self-storage provider in Scandinavia and generate profitability and return to our shareholders. The Group focuses on lean operations and automations. At the same time SSG aspires to offer industry leading customer service. The Group aims to develop a business model that is sustainable with low carbon footprint, and believes it to be important that we engage in how we can make a difference for costumers as well as for our employees. The Board of Directors emphasises the importance of sustainability as an integral part of the company's operations and development.

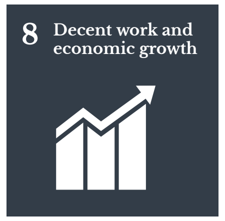
We are determined to include sustainability as an integrated part of our business. Sustainability is on the agenda in the management meetings to ensure continuously improvements. Even though our business model in general has a low carbon footprint, SSG still has potential related to sustainability. Management has evaluated how the Group can improve and integrate sustainability in the daily operations, and in 2020 policies, targets, responsibilities, and action plans were established to continue the journey in a more formalized structure to achieve these potentials.

Reporting standards

The Corporate Social Responsibility and Sustainability Report has been developed in accordance with the Global Reporting Initiative Standards (GRI), GRI Core option. The GRI Standards, applicable to all industries, include both relevant disclosures for a range of economic, environmental, and social topics as well as reporting principles related to the reporting process.

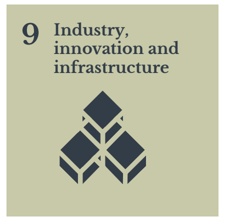
Contribution to the UN Sustainable Development Goals

The Group has prioritised three of the seventeen Sustainable Development Goals set out in the UN's 2030 Agenda for Sustainable Development. SSG sees the following goals as particularly significant to our business and the solutions the Group can contribute to:



Goal 8: Decent work and economic growth

SSG has a strong focus on our employees and to provide a safe, productive, and positive work environment. To secure quality in deliveries and decent pay and working conditions for hired employees the Group requests suppliers and contractors to sign a declaration. Investments in new properties and expansions are made to increase lettable area available for our customers. Cost focus at all levels is considered vital to ensure profitability and further economic growth.



Goal 9: Industry, innovation, and infrastructure

In the building and renovation process, the Group takes into consideration possible innovative environmental solutions for its properties and building projects to lower the energy consumption. SSG also focuses on using products of high quality and long lifetime to reduce negative environmental impacts throughout the lifetime of our buildings. By providing self-storage facilities close to where customers live, the customers can choose to live in smaller apartments with less storage space. Proximity to the facilities reduces the transportation-distance. As a contribution to the sharing economy and a sustainable society, some of our facilities provide trailers and transportation cars for rent, reducing the need for each customer to own their own car.

Goal 12: Responsible consumption and production

The Group is continuously focusing on improving customer service, with staff and/or new technology. Self-storage is a product that let people store their belongings instead of throwing and purchasing new items.

The Group often converts old buildings not suitable for offices or housing that risk being demolished to self-storage. In the building process there is focus on sorting waste for recycling. Building's life cycle economical cost and life cycle environmental impact is emphasised when considering different solutions and choice of building materials. In the planning process efficient use of the building is essential.

Stakeholder and materiality analysis

Self Storage Group fulfils its corporate responsibilities by developing and running its operations profitably, and in a manner that is consistent with fundamental ethical values and respect for individual people, society as a whole and the environment. For Self Storage Group it is important to maintain a dialogue with the Group's most important stakeholders and review how they are affected by the ongoing business and how they will be affected by new decisions. This dialog makes the Group able to continue to improve the business and build trust with the stakeholders.

The Group has conducted a stakeholder and materiality analysis which identifies the economic, social, climate and environmental consequences of the company's operations that have the greatest impact on stakeholders' assessments and decisions.

As a basis for these analyses the Group has identified the groups, organisations and individuals that are impacted by the Group's operations or which have an impact on the Group's strategy and goal achievement. Further, this analysis has been used to identify and understand factors that are important for the business strategy and for the stakeholders. Material items are defined based on the management's experience of areas stakeholders have shown most interest for during regular stakeholder dialog over the last years, and managements knowledge of the Group's impact on economic, social and environmental areas.

The model below shows which groups of stakeholders which are regarded as most important for Self Storage Group:

The model below specifies the degree of importance for SSG's stakeholders, as well as what is important and relevant for Self Storage Group:

All the focus areas have either economic, social, or environmental impacts and are of great significance for Self Storage Group. Health and safety, integrity and human rights and employee wellbeing have all main significance for the company's social impacts. Resource efficiency has most significance for the company's environmental impacts and some for the economic impact. Customer satisfaction has main significance for the company's economic impact since satisfied customers stay longer, returns when similar needs arise and are ambassadors for SSG.

SSG's defined main focus areas

Health and safety

The Group works continuously with health and safety matters for employees, customers and third parties. A safe and healthy working environment is fundamental to develop a sustainable business model and to attract and retain qualified employees.

To enhance wellbeing and reduce absence due to illness all full-time employees are part of a health insurance program. One of the benefits from the program is rapid and easily accessible free health treatment specialists. During 2020 COVID-19 many of the employees in the Group has worked from home. To increase work comfort all employees have had the opportunity to borrow office equipment like chairs, screens etc, and flexible work hours were introduced to reduce stress.

The absence due to illness for the Group in 2020 was 3.0%. Management supervises all facilities at a regularly basis to ensure a safe environment, with severity and number of injuries being the most important measure.

All employees visiting construction sites are required to wear protection equipment. Injuries on employees are reported, measured, and followed up. There were no fatal or high consequence injuries in Self Storage Group in 2020 (0). No fatal or high consequence injuries from customers have been reported (0).

In 2020 Self Storage Group implemented "suppliers declaration" for HSE, minimum wages etc. Currently this has been required for all new suppliers of a certain size related to facility management. This increases our control on working conditions for personnel hired by our suppliers.

Targets for 2021

- No injuries leading to sickness absence among employees and hired personnel
- Assessment of potential risk areas with focus on further reducing the risk for injuries
- Implement policy for use of suppliers' declaration and tracking system of suppliers with declaration

Resource efficiency

Resource efficiency is essential when aiming to develop a business model that is sustainable with low carbon footprint.

SSG's model focuses on buildings and materials with long lifetime and storage of customers belongings in climate-controlled environments. By transforming old buildings to self-storage facilities, the Group contributes to sustainability, through the building process as earlier described. When new buildings are set up, the buildings are purpose build for self-storage with the specified requirements. If a facility is closed down, fit-out in good condition is dismantled and moved to new facilities if suitable. Self-storage buildings are maintained to extend the buildings lifetime, and frequent renovation as in an office building is not needed. In the building process the management always try to combine sustainable and green solutions with long term financial choices. The Group requires recycling in the building process and on office facilities.

Self-storage is a product that helps people store their belongings instead of throwing away for later to buy new belongings. By being a provider of self-storage facilities close to where customers live, there is less need for transportation to the facility and thus less CO_2 emissions.

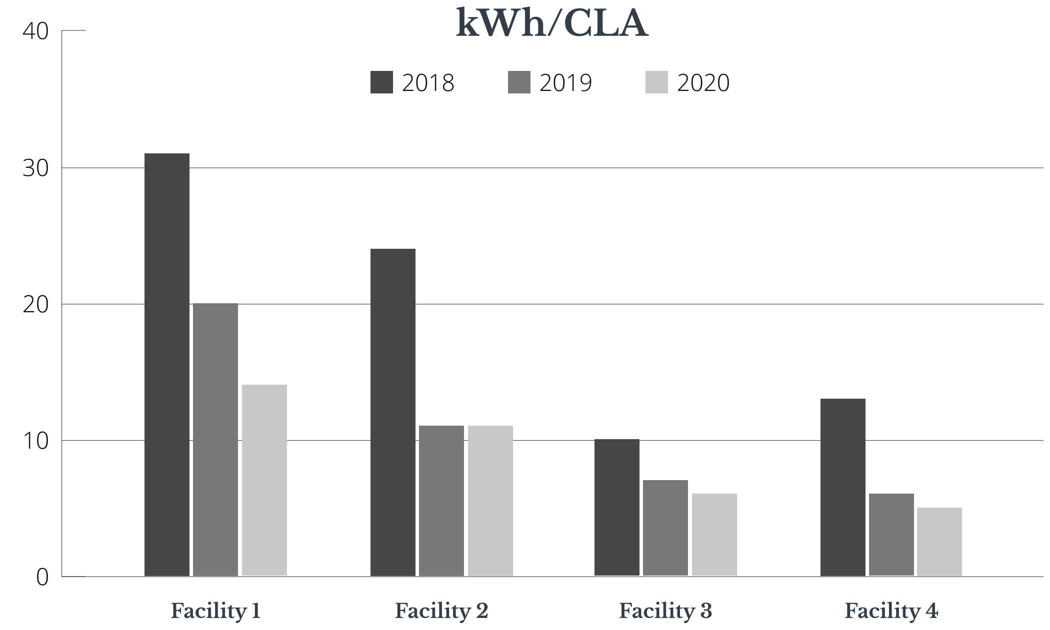
Caretakers of the properties are hired locally if it is a suitable solution. This reduces the need of transportation to the different facilities localised in Scandinavia.

The Groups operations are not considered to have any material impact on the climate and the environment. Resource efficiency is nevertheless a prioritised focus area that also has an economic impact on the Groups financial results.

The Group has focus on resource management on all levels and is continuously focusing on reducing the energy consumption in the portfolio. Our buildings are equipped with few technical installations, so lowering the energy consumption is mainly done by keeping the temperature in climate-controlled environments at a low level, installing heat pumps and upgrading to LED-lightning. LED-lightning use less energy, has long lifetime, and has movement sensors in each lamp. As of December 2020, 68% of our owned facilities have full LED-lightening and 11% have partly LED-lightning. During 2020 SSG had eleven sustainability initiatives on already opened facilities where electricity was changes into LED-lightning or heat-pumps were installed. All new facilities are equipped with LED-lightning.

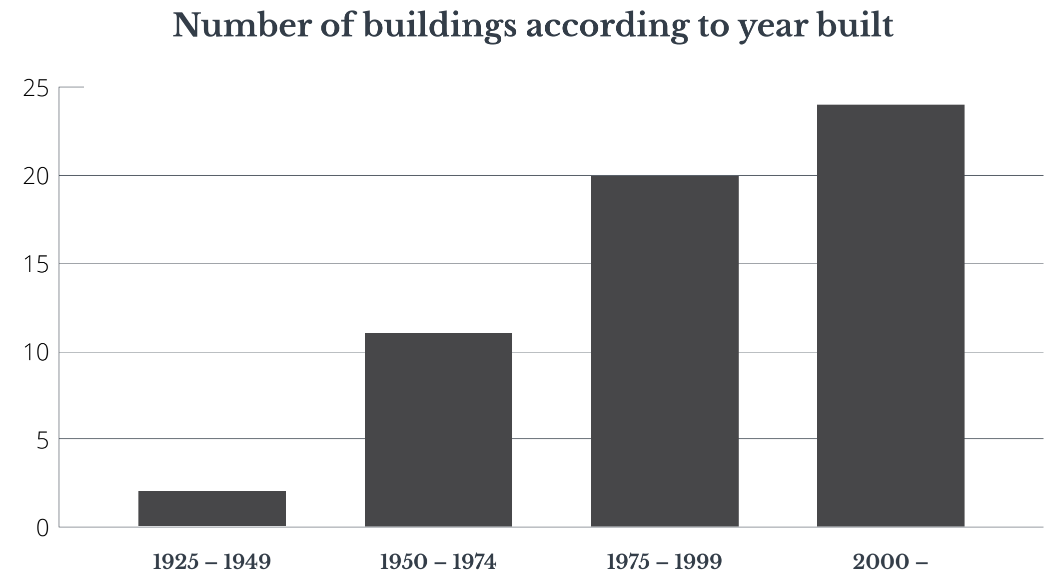
Freehold facilities in operation (climate controlled)	2020
Part of facilities with full LED-lightning	68 %
Part of facilities with partial LED-lightning	11 %
Part of facilities without LED-lightning	21 %

As an example, several of the facilities in Denmark have upgraded to LED-lightning both indoor and outdoor. The upgrades have been implemented from autumn 2018. In the figure below the decrease in energy consumption for four of the Danish facilities which have been upgraded can be seen from 2018 till 2019. The analyses are based of used kWh divided on CLA (m²) for these facilities. The change in kWh/CLA for facility 1 from 2019 till 2020 is a result of continued work to optimize lighting at the facility, while the potential at facility 2, 3 and 4 are close to target. Heating of all these facilities is performed with district heating and is not included in the used kWh. The figures below are not adjusted for changes in outside temperature.



At the end of 2020 Self Storage Group started the process of gathering all energy agreements in Norway to one supplier to start monitoring the energy consumption for all Norwegian facilities, establish KPI's and actions plans for each facility. In 2021 the relevant KPI's and a point-0 will be established.

The highest environmental risk for Self Storage Group operations both on short and long term relates to water. More extreme water with heavy rain increases the risk for flooded buildings. Therefore, we put extra focus on roofing and other water related issues. Selected storage rooms are equipped with special mats on the floor to reduce water damages. Measures to prevent water damages have high attention in the Group, and in addition all customers must have insurance when renting storage. A water risk map for each facility is under preparation.



Targets for 2021

- Establishing KPIs (kWh/ gross areas) for all facilities and action plans. Upcoming years after establishing a "point- 0", we will establish a goal for reduction. Continue renewal of old lighting systems
- Enter agreement to purchase 100% renewable energy for Norwegian facilities
- Establish a water risk map
- Choose 0- emission alternatives when company cars are to be renewed
- Buy emission permits when traveling by plane
- Replace retail assortment with sustainable alternatives

Integrity and human rights

Integrity and human rights are of great significance for the Group, and no violations on these are accepted. Most of our stakeholders do not assess this as a risk in Scandinavia. The Group has implemented ethical guidelines as a part of the corporate governance framework to maintain high ethical standards in its business and relations with customers, suppliers, and employees. These guidelines ensure compliance with arm's length distance principles and minimise the risk for corruption. The Group pays tax to the local country and are not involved in tax planning.

The Group attempts to maintain a working environment with equal opportunities for all based on qualifications and irrespective of gender, age, sex, ethnicity, sexual orientation, disability, or any other protected status. When recruiting for new positions we aim to increase diversity. At year-end 2020, women held 35% of the positions in the Group. The Management team consists of four members, of which one is female. Female employees made up 25% of the Management team and 50% of the Board of Directors. The organisation is set up with a flat and unformal organisation model. Approximately a total of 15 different nationalities are represented in the Group.

	Number of employees December 2020	%
Female	28	35%
Male	53	65%
Total	81	100%

Targets for 2021

- All transactions are to be made on armlengths distance
- Formalized recruitment procedures to increase diversity

Employee wellbeing

The employees are essential for the operation. At year-end 2020, the Group had 81 (94) employees, of which 46 worked fulltime. Details about the employees are listed in the table below, and there are no significant variations in these details from year to year. No assumptions are made in the below numbers.

Number of full-time employees and part-time as of December 2020 broken down by country, employment type and gender

Country	Full time employees		Part time employees		Total	
	Women	Men	Women	Men	Women	Men
Norway	13	24	5	15	18	39
Sweden	3	1	3	6	6	7
Denmark	0	5	4	2	4	7

The employees have different roles in the organisation, such as customer service, operation, facility management and administration. The Group is founded based on the two companies OK Minilager and City Self-Storage and has acquired three companies with employees since 2016. Several measures have been taken to integrate the different working cultures to one. Company awards are used in the Group to premiere good role models for the values set.

Self Storage Group needs a range of competence in the different roles in the organisation. It is important that the employees have the knowledge and competence to perform their role in a correct and safe way. All new employees are given necessary training to conduct their work. A start-up plan is normally made for new employees to ensure that they receive the necessary information and training related to their role.

For customer service most of the training of new employees are performed side by side with experienced employees starting with the most basic tasks. New employees have a designated colleague available for questions and manuals to check when questions arise. Self Storage Group are proud to have high quality customer service employees that are available in person at manned facilities and on chat and at the phone at unmanned facilities to help our customers.

Many of the employees work on different facilities, and the intranet is important both for information to the employees and as a social platform where employees in all roles can communicate easily. The Group has low turnover (8% for 2020) and the average number of years an employee is employed is seven years (full time employees). All employees are free to be part of collective bargaining agreements.

In Self Storage Group annual employee appraiser interviews with all employees are conducted. This give the employees an opportunity to discuss relevant items and to be followed up in a structured way. The Group made an employee survey in the last quarter of 2020. The management has analysed the results of the survey and introduced measures to increase the employee satisfaction. In 2021 management will continue the work on implemented measures and introduce further measures.

SSG aims to offer competitive remuneration to all employees, based on qualifications and experience, and irrespective of gender. The positions in the Group can be divided into three levels: the management team, middle-management, and operations. The figure below shows an overview of Full Time Equivalents (FTE) and average salary as of 2020 divided into the three levels.

	FTE			FTE in % of level		Average salary in % of level	
	Women	Men	Total	Women	Men	Women	Men
Level 1: Management team	1.00	3.90	4.90	20%	80%	154%	86%
Level 2: Middle- management	3.00	9.40	12.40	24%	76%	105%	98%
Level 3: Operations	12.80	19.50	32.30	40%	60%	92%	105%
Total	**16.80**	**32.80**	**49.70**	**34%**	**66%**	**96%**	**102%**
Part-time employees	4.90	9.80	14.70	33%	67%	98%	101%

For operations, the average salary of women is below the average salary of this level. Salary at the operation level is mainly impacted by experience and how many years the employee has been within the company. At the operation level, men had on average seven years of seniority while women had six years of seniority in 2020. At the middle-management and management team level, the average salary of women is higher than the average salary level of these two groups. The salary at these levels is mainly impacted by the degree of required formal competence and experience necessary for the different positions in addition the seniority. The female part-time employees had on average a slightly lower wage-level of the male part-time employees, due to average higher seniority amongst the male part-time employees.

The employees in Sweden and Denmark, and some leading positions in Norway could achieve a bonus in addition to salary when reaching certain KPI-targets.

A total of three employees were in maternity leave in 2020, two men and one woman. The average length of maternity leave was 15 weeks for men and 46 weeks for women.

Targets for 2021

- Measuring development of employee satisfaction by using annual employee survey
- Use the results to implement new measures if/where it's needed
- Perform a manager training course for all employees in a manager role
- Formalise training of customer service for both new and experience employees
- Formalise ranges for salary based on seniority and competence for operations to ensure equal treatment

Customer satisfaction

Self Storage Group offers a service most people need at some point in life, and the goal is to be the preferred self-storage provider in Scandinavia. The Group has many customers, mainly in the private consumer market (80%), but also in the business market (20%). In the private consumer market moving, refurbishment, downsizing, need for additional storage, and student storage are the main reasons for demand, while in the business marked inventories, relocation, refurbishment, archive storage, and last mile storage are the main reasons for demand. Most of the business customers are in the private sector.

Our customers satisfaction is important for many reasons. Satisfied customers stay longer, returns when similar needs arise and are ambassadors for the company. Our goal is to be the preferred self-storage provider in Scandinavia. To adapt to different customers' needs Self Storage Group offers both manned and unmanned facilities. In this way both customers wanting personal service and customers wanting a self-service can be served.

As of December 2020, Self Storage Group has 116 facilities in Norway, Sweden, and Denmark through the concepts City Self Storage and OK Minilager, ensuring high availability for many existing customers and potential customers. The Group offers the customers 24 400 storage rooms. The average customer moving out had a rental time of 12 months.

City Self-Storage is member of the Self-Storage Associations in Norway, Sweden, and Denmark, and a representative from the management serve as member of the Board in some of the associations. The membership requires City Self-Storage to follow the industry standard and contribute to raise the quality for the customers.

Trustpilot has in 2020 been actively used to gain understanding and insight regarding the customers satisfaction and customer journey to continuously improve the self-storage service. The results from Trustpilot as of 2020 for each company in the Group are presented in the figure below, where rating 5 is the highest rating and 1 is the lowest.

	City Self-Storage			OK Minilager
	Norway	Denmark	Sweden	Norway
Description	Excellent	Excellent	Excellent	Excellent
Rating	4.7	4.7	4.6	4.7
Number of reviews	158	206	29	309

Targets for 2021

- Continue the use of Trustpilot to measure customer satisfaction
- Increase the focus on advantages when choosing Self Storage Group as self-storage provider
- Actively analyse areas where Self Storage Group can make the service provided more sustainable or help the customer to choose more sustainable

Other

Innovation

The Group develops new solutions to continuously improve the customer service. By focusing on digital solutions, the customers' ability to help themselves are increased. New solutions are intuitive and easy, thus improving the customer's experience.

The CRM-system developed for OK Minilager has been upgraded and improved since 2018 to tailor the system to the Group's specific needs. The acquired companies Minilageret, Minilager Norge and Eurobox have successfully been migrated to the new platform. All new CSS-facilities are also added to the new CRM-system. During 2021 the Group plans to start the migration of remaining CSS-facilities to the new CRM-system and launch a customer-app integrated with the CRM-system.

The focus on modern CRM is essential for efficient operations as it enables the Group to scale up when new facilities are added to the portfolio. The management works close with operation and customer service to develop new solutions.

Suppliers and business partners

Self Storage Group mainly works with local suppliers both when establishing new facilities and in the daily business. Currently some IT- and marketing services are acquired from other European countries and self-storage fit-out for new facilities are acquired from abroad. The Group's suppliers vary between administrative services like marketing and IT-service, suppliers that are involved in caretaking and control of facilities in use, to construction workers on new facilities. The work performed by suppliers is not a significant part of the daily operations.

Timely deliveries from suppliers are essential for the Groups operations and growth. To ensure that all suppliers follow laws and regulations the Group has started to use a supplier declaration. The declaration focuses on hired labours salary and rights, recycling, use of subcontractors and quality systems. In 2020 SSG made a strategic decision not to have internal construction workers, but to purchase services from external parties. There has been no other significant change in suppliers or the supply chain in 2020.

Local community

Self-storage is a business with little traffic and limited pollution. Approximately 80% of the customers are individual customers, who rarely visit their storage room. Some facilities offer volunteer organisations discounts on storage.

Self-Storage Group provide the local community a service that local residents and businesses often are in need for. As a contribution to the sharing economy some of our facilities provide trailers and transportation cars for rent, reducing the need for each customer to have their own car.

Timely reporting and legal compliance

The Group is listed on Oslo Stock Exchange and follows all required reporting guidelines. All reporting has been made according to published financial calendar and regulatory deadlines. The goal is to continue to deliver timely reporting with high quality that contains all required information.

Both Management and Board of Directors meetings have financial reporting and legal compliance on the agenda. There is attention both on structure, content and development to deliver high quality in both external and internal financial reporting.

Corporate Governance

The Board of Directors of Self Storage Group has adapted the Company´s corporate governance policy document. This policy addresses the framework of guidelines and principles regulating the interaction between the Company's shareholders, the Board of Directors, the Chief Executive Officer (the "CEO") and the Company's executive management team.

1. Reporting on corporate governance

The policy is based on the Norwegian Code of Practice for Corporate Governance issued 17 October 2018 by the Norwegian Corporate Governance Board. The Company will in accordance with applicable legislation and stock exchange listing rules provide a report on the Company's corporate governance in the directors' report or in a document that is referred to in the directors' report.

Non-conformance with the recommendation: None

2. Business

The Company's business as set out in the Articles of Association is to offer self-storage facilities, including investments in real estates and companies with similar activities. The Board of Directors long-term objective is to be the preferred self-storage provider in Scandinavia and generate profitability and return to its shareholders.

The Company will pursue the following main strategies to reach its overall objective:

- Customer satisfaction
- Digitalisation
- Automation
- Cost leadership

The Company has formulated the following main values to form a guideline for the Company's business operations:

- Service
- Respect
- Responsibility
- Competitive
- Innovation

The Board of Directors should evaluate these objectives, strategies and risk profiles at least yearly.

Ethical guidelines

The Company will maintain high ethical standards in its business and relations with customers, suppliers and employees. The following ethical guidelines shall be practiced in the Company, and shall apply to all employees of the Company:

- Personal conduct: All employees and representatives of the Company shall behave with respect and integrity towards business relations and partners, customers and colleagues. All employees shall be treated equally regardless of race, gender and sexuality. The executive management team has a particular responsibility to promote openness, loyalty and respect.
- Conflict of Interests: The Company's employees or representatives shall avoid situations wherein a conflict between their own personal and/or financial interests and the Company's interests may occur.
- Confidential Information: Employees or representatives of the Company possessing confidential information related to the Company, shall conduct themselves and safeguard such information with great care and loyalty, and comply with any and all signed confidentiality statements.
- Influence: The Company's employees or representatives shall neither directly nor indirectly offer, promise, request, demand or accept illegal or unjust gifts of money or any other remuneration in order to achieve a commercial benefit.
- Environment: The Company will contribute to the sustainable development of society through responsible commercial operations and continuous improvement.
- Competition: The Company supports fair and open competition. The Company's employees or representatives shall never take part in any activities that may constitute a breach of competition legislation.
- Breach of Ethical Guidelines: Any breach of these ethical guidelines may inflict severe consequences for the Company, and any breach may imply consequences for the person in question.

Non-conformance with the recommendation: None

3. Capital structure and dividend

The Board aims to maintain a satisfactory capital structure in the Company in light of the Company's objective, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board shall continuously assess the Company's capital requirements in light of the Company's strategy and risk profile.

There is only one class of shares in the Company and all shares carry equal rights. The Company shall emphasise equal treatment of its shareholders.

The Group is currently focused on growing the business of the Group and has not paid out any dividend, nor made any decision to do so. However, based on future cash flow, capital expenditure, financing requirements and profitability, the Group may choose to adapt a more active dividend policy.

At the General Meeting in 2020 the Board of Directors was authorised to increase 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.

Non-conformance with the recommendation: None

4. Equal treatment of shareholders and transactions with close associates

At the General Meeting in 2020 the Board of Directors was authorised to increase the share capital. In effectuation of this authorisation, the existing shareholders pre-emptive rights to subscribe shares can be deviated.

Any transactions, agreements or arrangements between the Company and its shareholders, members of the board, members of the executive management team or close associates of any such parties shall only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall comply with the procedures set out in the Norwegian Public Limited Liability Companies Act. The Board shall arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question must be considered to be immaterial. The Company's financial statements shall provide further information about transactions with related parties.

The Company has no own shares.

See also note 27.

Non-conformance with the recommendation: None

5. Shares and negotiability

The shares in the Company shall be freely transferable.

Non-conformance with the recommendation: None

6. General meetings

All shareholders have the right to participate in the General Meetings of the company, which exercise the highest authority of the Company. The annual General Meeting shall normally be held before 31 May every year.

The full notice for General Meetings shall be sent to the shareholders no later than 21 days prior to the meeting. The notices for such meetings shall include documents providing the shareholders with sufficient detail in order for the shareholders to make an assessment of all the cases to be considered as well as all relevant information regarding procedures of attendance and voting. The Annual Report will be made available on the Group's website. The Board and the Company's auditor shall be present at General Meetings.

Notices for General Meeting shall provide information on the procedures shareholders must observe in order to participate in and vote at the General Meeting. The notice should also set out: (i) the procedure for representation at the meeting through a proxy, including a form to appoint a proxy, and (ii) the right for shareholders to propose resolutions in respect of matters to be dealt with by the General Meeting.

The cut-off for confirmation of attendance shall be set as short as practically possible and the Board will arrange matters so that shareholders, who are unable to attend in person, will be able to vote by proxy. The form of proxy will be distributed with the notice.

Non-conformance with the recommendation: None

7. Nomination committee

The Company has a Nomination Committee as set out in the Articles of Association. The members of the Nomination Committee should be selected to take into account the interests of shareholders in general. The majority of the Nomination Committee should be independent of the Board and the executive management team. Members of the executive management team should not be members of the Nomination Committee. Instructions for the Nomination Committee shall be approved by the Company's General Meeting.

The nomination committee currently consists of the following three members: Dominik Jocehm (chairperson), Lasse Høydal and Øyvind Hagelund. The current members have been elected by the General Meeting with a term until the Company's ordinary General Meeting in 2021.

Non-conformance with the recommendation: None

8. Board of Directors: Composition and independence

In appointing members to the Board, it is emphasised that the Board shall have the requisite competence to independently evaluate the cases presented by the executive management team as well as the Company's operation. It is also considered important that the Board can function well as a body of colleagues. Board members shall be elected for periods not exceeding two years at a time, with the possibility of re-election. Board members shall be encouraged to own shares in the Company.

The Board shall comply with all applicable requirements as set out in the Norwegian Public Limited Liability Companies, Act, the listing rules of Oslo Stock Exchange and the recommendations set out in the Norwegian Code of Practice for Corporate Governance.

At the General Meeting 25 May 2020, the following were elected to the Board of Directors for one year: Steven Skaar, chairman, Gustav Sigmund Søbak, Yvonne Litsheim Sandvold and Ingrid Elvira Leisner. The Annual Report provides information about Board members' background, qualifications and independence. The Company does not have a corporate assembly.

Non-conformance with the recommendation: None

9. The work of the Board of Directors

The Board's primary responsibility shall be (i) participating in the development and approval of the Company's strategy, (ii) performing necessary monitoring functions and (iii) acting as an advisory body for the executive management team. Its duties are not static, and the focus will depend on the Company's ongoing needs. The Board is also responsible for ensuring that the operations of the Company are in compliance with the Company's values and ethical guidelines. The Chair of the Board shall be responsible for ensuring that the Board's work is performed in an effective and correct manner.

The Board shall ensure that the Company has a good management with clear internal distribution of responsibilities and duties. A clear division of work has been established between the Board and the executive management team. The CEO is responsible for the executive management of the Company. All members of the Board shall regularly receive information about the Company's operational and financial development. The Company's strategies shall regularly be subject to review and evaluation by the Board. Board members and members of the executive management team shall immediately notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

The full Board of Directors has established an Audit Committee. The committee do not make decisions, and decisions on economic, environmental, and social topics are taken by the whole Board. The Audit Committee acts as a preparatory body and supports the Board in assessing the integrity of SSG's financial reporting, internal controls and financial reporting processes, compliance with ethical guidelines, overall risk management and review of the performance and independence of the auditor based on a formal instruction approved by the Board. The Audit Committee is chaired by Ingrid Elvira Leisner, and the other member is Gustav Søbak. The CFO and the Group Controller (secretary of the Audit Committee) attend as representatives of the management. The Group's auditor also participates in all meetings.

The Company has no remuneration committee. Guidelines for remuneration of the managing director and the executive personnel were approved at the General Meeting in May 2020. The Board shall prepare an annual evaluation of its work.

Non-conformance with the recommendation: None

10. Risk management and internal control

The Board shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The internal control and the systems shall also encompass the Company's guidelines etc. for how it integrates considerations related to stakeholders into its creations of value. It shall also ensure that environmental consequences, working environment and social aspects are reviewed when new services are considered, and that a precautionary principle is followed if environmental consequences are unclear. The objective of the risk management and internal control shall be to manage exposure to risks in order to ensure successful conduct of the Company's business and to support the quality of its financial reporting. Self Storage Group has documented internal procedures, including description of authority. Monthly financial reports are sent to the Board. There are monthly meetings among key finance personnel to review financial results, incidents, projects, estimates, etc. This input is used in the monthly reporting to the Board.

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board shall provide an account in the Annual Report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

Non-conformance with the recommendation: None

11. Remuneration of the Board of Directors

The General Meeting shall annually determine the Board's remuneration. Remuneration of Board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise. The Board shall be informed if individual Board members perform other tasks for the Company than exercising their role as Board members.

Work in sub-committees may be compensated in addition to the remuneration received for Board membership. No share options have been granted to members of the Board. The Company's financial statements shall provide information regarding the Board's remuneration.

Non-conformance with the recommendation: None

12. Remuneration of executive personnel

The Board decides the salary and other compensation to the CEO within any legal boundaries set out in the annual statement on compensation to the CEO and executive management as approved by the Company's General Meeting. The CEO's salary and bonus shall be competitive and otherwise on market terms for similar companies. Any fringe benefits shall be in line with market practice, and should not be substantial in relation to the CEO's basic salary. The Board shall annually carry out an assessment of the salary and other remuneration to the CEO.

The Company's financial statements shall provide further information about salary and other compensation to the CEO and the executive management team.

The CEO determines the remuneration of executive employees. The Board shall issue guidelines for the remuneration of the executive management team for approval by the General Meeting. The guidelines shall lay down the main principles for the Company's management remuneration policy. The salary level should not be of a size that could harm the Company's reputation, or above the norm in comparable companies. The salary level should, however, ensure that the Company can attract and retain executive employees with the desired expertise and experience.

The Board of Directors has established guidelines for remuneration of the key employees of the Company, and the guidelines will be presented to the annual General Meeting in 2021. The remuneration guidelines for 2020 are included in note 10 to the annual accounts.

Non-conformance with the recommendation: None

13. Information and communications

The Board and the executive management team assign considerable importance to giving the shareholders quick, relevant and current information about the Company and its activity areas. Emphasis is placed on ensuring that the shareholders receive identical and simultaneous information.

Sensitive information will be handled internally in a manner that minimises the risk of leaks. All contracts to which the Company becomes a party, shall contain confidentiality clauses.

The Company shall have clear routines for who is allowed to speak on behalf of the Company on different subjects, and who shall be responsible for submitting information to the market and investor community. The CEO and CFO shall be the main contact persons of the Company in such respects.

The Board should ensure that the shareholders are given the opportunity to make known their points of view at and outside the General Meeting.

Non-conformance with the recommendation: None

14. Take-overs

In a take-over process, the Board and the executive management team each have an individual responsibility to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the Board shall ensure that:

- the Board will not seek to hinder or obstruct any takeover bid for the Company's operations or shares unless there are particular reasons for doing so;
- the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- the Board shall not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
- the Board must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a take-over bid, the Board will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Norwegian Code of Practice for Corporate Governance. This includes obtaining a valuation from an independent expert. On this basis, the Board will make a recommendation as to whether or not the shareholders should accept the bid.

Non-conformance with the recommendation: None

15. Auditor

The Company´s auditor is EY.

Each year the Board of Directors shall ensure that the auditor presents to the Audit Committee a plan for the implementation of the audit work and a written confirmation that the auditor satisfies established requirements as to independence and objectivity.

The auditor shall be invited to all Board meetings where the annual accounts are on the agenda. Whenever necessary, the Board shall meet with the auditor to review the auditor's view on the Company's accounting principles, key aspects of the audit, risk areas, internal control routines etc. The auditor shall be invited to all Audit Committee meetings.

SSG has guidelines for the management's use of the external auditor for services other than auditing to ensure the work does not have the ability to affect or question the auditors' independence and objectiveness. The Chairman of the Audit Committee is delegated the authority to approve assignments in advance according to the guidelines. The Chairman of the Audit Committee has delegated its responsibility to approve assignments in advance for services required according to Norwegian Acts to the CFO. Responsibility for monitoring and compile use of external auditor for services other than auditing in an annual summary has been delegated to the secretary of the Audit Committee, who is the Group Controller.

At the Annual General Meeting, the Board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other concrete assignments.

In connection with the auditor's participation in the Audit Committee and the Board of Directors' consideration of the annual statements, the auditor also confirms his or her independence.

The Board shall arrange for the auditor to attend all General Meetings.

Non-conformance with the recommendation: None

Consolidated financial statements

Consolidated statement of comprehensive income

(Amounts in NOK 1 000)

	Note	For the year ended 31 December 2020	For the year ended 31 December 2019
Revenue	7, 8	293 348	266 453
Lease expenses	7, 25	-9 432	-11 813
Property-related expenses		-36 135	-28 975
Salary and other employee benefits	10	-40 209	-39 566
Depreciation	14, 15	-14 476	-12 108
Other operating expenses	7, 11, 27	-32 138	-34 730
Operating profit before fair value adjustments		**160 958**	**139 261**
Change in fair value of freehold investment property	9	92 929	17 523
Change in fair value of leasehold investment property	9	-63 010	-55 204
Operating profit after fair value adjustments		**190 877**	**101 580**
Finance income	12	2 603	1 283
Finance expense	12	-47 659	-27 260
Profit before tax		**145 821**	**75 603**
Income tax expense	13	-32 853	-13 870
Profit for the period		**112 968**	**61 733**
Total comprehensive income for the year attributable to parent company shareholders		112 968	61 733
Total comprehensive income for the year attributable to non-controlling interests		-	-
Earnings per share			
Basic (NOK)	21	1.34	0.83
Diluted (NOK)	21	1.34	0.83
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
- currency translation difference		12 932	- 383
Other comprehensive income for the period, net of income tax		**12 932**	**- 383**
Total comprehensive income for the period		**125 900**	**61 350**
Total comprehensive income for the year attributable to parent company shareholders		125 900	61 350
Total comprehensive income for the year attributable to non-controlling interests		-	-

Consolidated statement of financial position

(Amounts in NOK 1 000)	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Freehold investment property	9, 24	1 456 522	1 074 457
Leasehold investment property	9, 25	515 227	489 062
Property, plant and equipment	14, 24	122 477	112 595
Goodwill	15	184 628	184 828
Financial instruments	6, 22	-	24 750
Other intangible assets	15	1 626	1 839
Total non-current assets		**2 280 480**	**1 887 531**
Current assets			
Inventories	17	1 611	1 617
Trade and other receivables	18, 24	15 629	15 928
Financial instruments	6, 22	24 750	-
Other current assets		13 162	11 410
Cash and bank deposits	19, 22	246 804	88 117
Total current assets		**301 956**	**117 072**
TOTAL ASSETS		**2 582 436**	**2 004 603**
EQUITY AND LIABILITIES			
Equity			
Issued share capital	20	8 432	8 261
Share premium		791 594	744 853
Currency translation reserve		12 839	- 93
Retained earnings		365 000	252 032
Total equity		**1 177 865**	**1 005 053**
Liabilities			
Non-current liabilities			
Non-current interest-bearing debt	23	519 429	239 057
Non-current lease liabilities	23, 25	487 887	450 642
Other financial liabilities		2 018	454
Deferred tax liabilities	13	114 624	91 053
Total non-current liabilities		**1 123 958**	**781 206**
Current liabilities			
Current interest-bearing debt	23	153 699	103 223
Current lease liabilities	23, 25	49 216	52 190
Trade and other payables		15 777	7 115
Income tax payable	13	11 994	9 309
Other taxes and withholdings		5 862	5 276
Other current liabilities	26	44 065	41 231
Total current liabilities		**280 613**	**218 344**
Total liabilities		**1 404 571**	**999 550**
TOTAL EQUITY AND LIABILITIES		**2 582 436**	**2 004 603**

Self Storage Group ASA

Oslo, April 28th, 2021

sign
Steven Skaar
Chairman

sign
Gustav Sigmund Søbak
Board member

sign
Ingrid Elvira Leisner
Board member

sign
Yvonne Litsheim Sandvold
Board member

sign
Fabian Søbak
CEO

Consolidated statement of cash flows

(Amounts in NOK 1 000)	Note	For the year ended 31 December 2020	For the year ended 31 December 2019
Cash flows from operating activities			
Profit before tax		145 821	75 603
Income tax paid		-7 460	-10 720
Interest expense		44 393	24 602
Depreciation	14, 15	14 476	12 108
Gain/loss on disposal of property, plant and equipment		- 208	-
Change in fair value of freehold investment property	9	-92 929	-17 523
Change in fair value of leasehold investment property	9	63 010	55 204
Change in trade and other receivables		299	- 703
Change in trade and other payables		8 462	-5 497
Change in other current assets		-1 335	6 332
Change in other current liabilities		2 029	6 107
Net cash flows from operating activities		**176 558**	**145 513**
Cash flows from investing activities			
Payments for investment property		-164 523	-42 753
Payments for property, plant and equipment		-23 300	-28 497
Proceeds from disposal of property, plant and equipment		251	-
Net cash outflow on acquisition of subsidiaries		-76 202	-489 962
Net cash flows from investing activities		**-263 774**	**-561 212**
Cash flows from financing activities			
Net proceeds from issue of equity instruments		-	241 862
Proceeds from borrowings	23	441 000	228 000
Repayment of borrowings	23	-110 158	-15 950
Interest paid	23	-10 572	-6 148
Payments of lease liabilities	23, 25	-55 069	-47 442
Payments of leases classified as interest	23, 25	-20 666	-18 417
Net cash flows from financing activities		**244 535**	**381 905**
Net change in cash and cash equivalents		157 319	-33 794
Cash and cash equivalents at beginning of the period		88 117	122 228
Effect of foreign currency rate changes on cash and cash equivalents		1 368	- 317
Cash and equivalents at end of period	**19**	**246 804**	**88 117**

Consolidated statement of changes in equity

(Amounts in NOK 1 000)	Note	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		-	-	-	61 733	61 733
Other comprehensive income (loss) for the period net of income tax		-	-	- 383	-	- 383
Total comprehensive income for the period		-	-	- 383	61 733	61 350
Issue of ordinary shares, net of transaction costs	20, 21	1 688	316 964	-	-	318 652
Balance at 31 December 2019		**8 261**	**744 853**	**- 93**	**252 032**	**1 005 053**
Balance at 1 January 2020		**8 261**	**744 853**	**- 93**	**252 032**	**1 005 053**
Profit (loss) for the period		-	-	-	112 968	112 968
Other comprehensive income (loss) for the period net of income tax		-	-	12 932	-	12 932
Total comprehensive income for the period		-	-	12 932	112 968	125 900
Issue of ordinary shares, net of transaction costs	20, 21	171	46 741	-	-	46 912
Balance at 31 December 2020		**8 432**	**791 594**	**12 839**	**365 000**	**1 177 865**

Notes to the consolidated financial statements

Note 1 General information

Self Storage Group ASA ("the Company") is a public listed Company incorporated and domiciled in Norway. The address of the registered office is Karenslyst allé 2, 0278 Oslo.

Self Storage Group ASA is the parent company of the Self Storage Group. The Group provides self-storage facilities to customers throughout Norway, Sweden and Denmark.

These consolidated financial statements were approved for issue by the Board of Directors on 26 April 2021. Some minor rounding differences may occur, entailing that the total may deviate from the total of the individual amounts. This is due to the rounding to whole thousands of individual amounts.

Note 2 Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied in all periods presented. Amounts are in thousands of Norwegian kroner (NOK) unless stated otherwise. The functional currency of the parent company is NOK, which is also the presentation currency of the Group.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements have been prepared on the historical cost basis except for investment property and interest rate swaps, which are measured at fair value with changes recognised in profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in applying the Group's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred and all the identifiable assets and liabilities of an acquired business are measured at fair values at the date of acquisition. Acquisition-related costs are generally recognised in profit or loss as incurred. Goodwill is measured at the amount by which the total consideration transferred exceeds the net fair value of assets acquired. Goodwill is not amortized, but its value is tested for impairment at least annually, or more frequently when there is an indication that the cash-generating unit to which goodwill has been allocated, may be impaired. Goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. In addition, the Group subleases investment property acquired under head leases. All subleases are classified as operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature in accordance with IFRS 16. Revenue income is presented net of rebates and other similar allowances. Revenue from retail sales and distribution of insurance is recognised according to IFRS 15 when control of a good or service transfer to a customer.

- Self-storage revenue: Self-storage services are provided on a time basis. The price at which customers store their goods is dependent on size of unit and storage facility location. Customers are either automatically charged on a monthly basis (credit card payments) or invoiced on a monthly basis in advance. The customer may choose to be charged in advance for 6 and 12 months in order to receive a discount.
- Retail sales: Storage ancillary goods such as boxes, tape and other moving materials are offered to customers. The performance obligations are satisfied upon delivery.
- Distribution of insurance: Customers must have insurance, and may choose to insure their goods in storage, through the storage provider or through their own insurance. When insurance is bought through the storage provider the performance obligation is satisfied over the insurance period. The Group acts as an agent in these arrangements and revenue is recognised net of costs. Customers are invoiced on a monthly basis in advance.

Leases when lessee

The Group leases properties, containers and trailers. Lease terms correspond to the term of the lease contract, unless the Group is reasonably certain that it will exercise contractual extensions or termination options. From 1 January 2019 leases are recognised according to IFRS 16 as a right-of-use asset and corresponding lease liability at the date at which the leased asset is available for use, see note 3.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The right-of-use assets of leasehold investment property is measured at fair value, and all other right-of-use assets are depreciated over the shorter of the lease term and their useful lives.

Measurement of lease liabilities

Lease liabilities are measured at the net present value of lease payments due under the contract, less any lease incentives receivable, plus the costs of purchase or termination options if reasonably certain to be exercised. At year-end lease payments are increased with annual inflation for the upcoming year when known. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The incremental borrowing rate for all lease contracts with under ten years maturity are based on NIBOR plus margin mark-up. The incremental borrowing rate for all lease contracts with over ten years maturity are based on rent for ten-year government bond plus margin mark-up. The Group use margin mark-up from the last signed bank facility loan as margin mark-up in the incremental borrowing rate since financing of the Group is centralized. The Group assess the risk profile for this type of lease contracts as similar inside Scandinavia, therefor no country risk mark-up is added.

Measurement of right-of-use assets

The Group leases properties that meet the definition of investment property. For accounting policies for leasehold investment property, refer to the policies on investment properties.

Other right-of-use assets, as containers and trailers, are measured at cost, comprising the initial measurement of lease liability, lease payments made at the commencement date, initial direct costs and estimated restoration costs, less any lease incentives received.

In measuring of right-of-use assets non-lease components are not included. Lease payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are subject to impairment, and the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired.

Investment property

Freehold investment property

Freehold investment property are properties held to earn rentals and/or for capital appreciation. Freehold investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, freehold investment property is measured at fair value. Gains and losses arising from a change in the fair value of freehold investment property are included in profit or loss in the period in which they arise. Expenditures such as ongoing maintenance, are expensed, while other expenses that are expected to generate future economic benefits are capitalised.

A freehold investment property is derecognised upon disposal or when the freehold investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period during which the property is derecognised.

Leasehold investment property

Leasehold investment property is measured at fair value. Gains and losses arising from changes in the fair value of leasehold investment property are included in profit or loss in the period in which they arise. Change in value is outlined by the value adjustment due to passage of time, and no terminal value exists. All options starting within the next seven years and reasonably certain to exercise are included.

In measuring of right-of-use assets non-lease components are not included. Lease payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange confirmed by the Central Bank of Norway in effect at the reporting date.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign subsidiaries are translated into NOK using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences are recognised in other comprehensive income and accumulated in equity.

Current and deferred tax

Income tax expense represents the sum of taxes currently payable and deferred tax.

Current tax payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are recognised based on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for taxable temporary differences and deferred tax assets arising from deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Currently, no deferred tax asset has been recognised in the consolidated financial statements of the Group.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arise from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see impairment of assets below). Acquisition cost includes expenditures that are directly attributable to the acquisition of the individual item.

Depreciation is calculated on a straight-line basis in order to write down the cost of the tangible assets to their residual values over their expected useful lives. If significant individual parts of the assets have different useful lives, they are recognised and depreciated separately. Depreciation commences when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Assets that are subject to depreciation or amortization are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised if the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). An impairment loss is recognised immediately in profit or loss, reducing the carrying value to the recoverable amount.

Non-financial assets (or cash generating units) other than goodwill that have suffered impairment charges are reviewed for possible reversal of the impairment at each reporting date. A reversal is recognised immediately in profit or loss and increases the carrying amount of the asset to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out (FIFO) basis. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale. Appropriate impairment losses have been recognised for obsolescence.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and other short-term highly liquid investments with original maturities of three months or less.

Financial assets

The Group's financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the asset. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value, with net changes in fair value recognized in the statement of profit or loss. This category includes derivative instruments to acquire investment property. The Group applies the same methodology to perform valuation on these derivatives as on investment property. The financial asset is de-recognized when the company either exercise the derivative (and obtain right to investment property) or the derivative expires without the Group declare the right to exercise. The Group currently has one derivative for a property in Asker, which expires in July 2021.

Classification and impairment

The Group's financial assets classified as "amortized cost" consist of "trade and other receivables" and "cash and cash equivalents". Financial assets classified as "fair value through profit or loss" consist of "financial instruments". Management determines the classification of its financial assets at initial recognition, and the basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

Financial assets are assessed for indicators of impairment at the end of the reporting period subject to the expected credit loss model. For trade receivables, the Group applies a simplified approach in calculating expected credit loss. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For financial instruments assets are valued according to fair value at the end of the reporting period.

Financial liabilities and equity instruments

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of any issue costs. Transaction costs directly attributable to the issue of equity are recognised directly in equity, net of tax.

Financial liabilities

The Group's financial liabilities are classified as "other financial liabilities" and consist of "debt to financial institutions" and "trade and other payables". These financial liabilities are initially recognised at fair value and subsequently measured at amortized cost using the effective interest method.

The Group's financial liabilities are measured and classified in the categories as "fair value through profit or loss" and "other financial liabilities". Financial liabilities classified as "other financial liabilities" in the balance sheet are recognised at fair value through profit and loss. All other financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Interest-bearing bank loans and overdraft are initially recorded at fair value, net of directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method. Finance charges, including premium payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the income statement using the effective interest method and are included within the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. This means that the statement is based on the Group's profit before tax in order to present cash flows from operating, investing and financing activities respectively. Cash payment made in acquiring subsidiaries less the cash acquired as part of the transactions is reported under Cash flows from investing activities.

Earnings per share

Earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated as profit or loss attributable to ordinary shareholders of the Group, adjusted for the effects of all potential dilutive options.

Note 3 Adoption of new and revised International Financial Reporting Standards (IFRSs)

Standards and Interpretations affecting amounts reported in the current period

All relevant new and revised IFRSs and IFRIC interpretations that are mandatory for periods commencing 1 January 2020 and earlier have been adopted for all periods presented in these consolidated financial statements. There are no new standards, amendments to standards or interpretations which material affect the consolidated financial statements of the Group in 2020.

Standards and Interpretations in issue but not yet adopted

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.

Note 4 Critical accounting judgements and key sources of estimation uncertainty

Critical accounting estimates and judgements

In the application of the Group's accounting policies, as described in note 2, management is required to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are evaluated on an on-going basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant.

Freehold investment property

Freehold investment property is acquired with the aim of achieving a long-term return from rental income and increase in value. Freehold investment property is recognised at fair value, based on market values identified by independent valuers. Gains or losses as a result of changes in the market value of freehold investment property is recognised in profit or loss as they arise and are presented on a separate line "Change in value of freehold investment property".

Freehold investment property is measured initially at cost, including transaction costs. Transaction costs associated with properties acquired through business combinations (as defined in IFRS 3) are expensed.

Subsequent expenditure is added to the freehold investment property's carrying amount, if it is probable that future financial benefits associated with the expenditure will flow to the Group and the expense can be measured reliably. Other maintenance costs are recorded through the income statement in the period in which they are incurred. Freehold investment properties are valued at each reporting date. The values are estimated by independent appraisers. The valuation is based on the individual property's assumed future cash flows, and property values are arrived at by discounting cash flows with an individual risk-adjusted required rate of return. Events that can trigger the individual rate of return are changes in the market situation, damages on the building or changes in lease arrangement.

The required rate of return for each property is defined as being a long-term risk-free interest rate plus a property-specific risk supplement. The latter is defined on its location, standard, occupancy rate, tenants' financial reliability and remaining lease term. Known market transactions with similar properties in the same geographical area are also taken into consideration. See also note 9.

Impairment of assets

The carrying amounts of non-current tangible and intangible assets are assessed by means of impairment tests whenever there is an indication of impairment. Any impairment of goodwill is nevertheless assessed at least annually. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. As of 31 December 2020, the amount of goodwill tested for impairment amounted to NOK 184.6 million. No impairment losses were recognised in 2020 or 2019. Details of the impairment loss calculation are set out in note 15.

Lease

The Group as lessee

The Group has several leases with options to extend the term of lease. When determining the lease liability of the Group, the following principles were applied to options. All extension options on leasehold investment property starting within the next seven years and reasonably certain to exercise are included in the lease liability, as these are established facilities with high occupancy that require significant investment to move and are therefore reasonably certain to be kept in use for as long as possible under current conditions. The Group assess that changing market conditions and the increased amount of freehold properties can affect future decision of exercising options. Therefor only options starting within the next seven years are included. Leases used in administrative and supporting functions were determined to be more flexible therefore management determined these did not meet the reasonably certain criteria and were not included in the lease liability.

The Group cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses the Group's incremental borrowing rate. This is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Note 5 Financial instruments risk management objectives and policies

(Amounts in NOK 1 000)

The Group's financial assets and liabilities comprise financial instruments, cash and bank deposits, trade receivables, trade payables, loans from financial institutions, obligations under finance leases and various other financial assets and liabilities. Financial assets and liabilities are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. Refer to note 22 and note 23 for further details.

The Group finances its activities through borrowings, by issuing equity instruments and with cash flow from operations. The Group does currently not use financial derivatives. The Group is subject to market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group experienced limited business impact from COVID-19 in 2020. The management has focused on potential impacts related to COVID-19 on the Group's financial results, but the business impact in 2020 has been limited.

Liquidity risk

The Group manages liquidity risk by forecasting and monitoring cash and liquidity needs on an on-going basis and maintaining adequate cash-reserves. The Group is in a growth phase and is investing in new properties, expansions and fit out for new facilities. The growth is primarily financed through cashflow from operating activities and facility loans. Increased facility loans instead of more expensive building loan are chosen if considered the best economic option. The Group has sufficient cash available to meet its obligations as of 31 December 2020. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed terms.

Credit risk

Credit risk is the risk of a counterparty defaulting. The Group's credit risk is limited to trade receivables and is mitigated by the fact that a credit check is performed, using credit rating agencies, for all new customers. Credit quality of a customer is assessed based on recommendation from the credit rating agencies and credit history. Rent is generally invoiced monthly in advance. Historically, losses on receivables have been low and an allowance has been made for anticipated future losses on current balances. Outstanding trade receivables are regulatory monitored and followed up. The Group has not seen increased losses on receivables due to COVID-19 in 2020.

Other financial assets comprise largely bank deposits. The carrying value of the bank deposits and receivables represents the Group's maximum exposure to credit risk. See also note 18.

Interest rate risk

The Group is exposed to interest rate risk through its financial activities. The interest-bearing debt consists of two elements, 3 months Nibor + a fixed charge of basis points. The purpose of the Group's interest rate risk management is to reduce interest costs and at the same time keep the volatility of future interest payments within acceptable limits. The Group manage interest rate risk by entering floating-to-fixed interest rate swaps. In 2020 two interest rate swaps were entered.

The following table illustrates the sensitivity of the Group to potential interest rate without interest rate swaps. The calculation is based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. The table also shows interest rate swaps as of December 2020 replacing 3 months Nibor.

Interest rate sensivity	Change in interest rates in basis points	Effect on profit before tax
2020	50	-3 366
	- 50	3 366
2019	50	-1 711
	- 50	1 711

The average effective interest rate on financial instruments were as follows:

	2020	2019
Bank loans	1.74	2.60

Fixed interst rate agreements	Amount	Maturity date	Interest rate (%)
Handelsbanken	150 000	Mar-26	1.08
Handelsbanken	150 000	Apr-26	0.79

Foreign currency risk

Exposures to currency exchange rates arise from the Group's purchases abroad, which are primarily denominated in SEK, DKK, EUR and GBP. There is a smaller amount of purchases in foreign currency. Profit after tax for the Group is also affected by changes in exchange rates, as the results of foreign companies are translated into Norwegian kroner at the weighted average exchange rate for the period. In addition, the Group is exposed to changes in exchange rate on intercompany loan from the parent company to the subsidiary in Denmark where the loan is in DKK.

The following table shows currency effect on the Group's profit if the exchange rates fluctuate with +/- 10% measured against NOK:

		2020	2019
Foreign currency sensitivity	Changes in currency	Effect on profit before tax	Effect on profit before tax
SEK	10%	1 065	663
	-10%	-1 065	- 663
DKK	10%	3 971	702
	-10%	-3 971	- 702
EUR	10%	- 759	- 272
	-10%	759	272
GBP	10%	- 185	- 71
	-10%	185	71

Capital management

The main purpose of the Group's capital management is to maintain a good balance between debt and equity, in order to maximize the value of the shares in the Group through creation of dividend and underlying values, while also maintaining a good credit rating and obtaining loan terms with lenders that reflect the risk profile of the Group. This also ensures short-term and long-term financial flexibility for the Group.

The Group has defined a target for the loan to value ratio which shall not exceed the current loan to value covenants in the covenants in the Group's bank facility loan. The covenants also specify requirements in relation to the Company's financial strength. As of 31 December 2020, the Group is compliant with all loan covenants, and also expects to comply with covenants throughout 2021.

Note 6 Business combinations

(Amounts in NOK 1 000)

The Group has net cash outflow on acquisition of subsidiaries of NOK 76 million in 2020. None of the acquisitions in 2020 meet the definition of a business combination and are therefore accounted for as asset acquisitions.

Acquisitions in 2019

	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Eurobox Minilager AS - operating company	Self-storage solutions	1 July 2019	100%	Self Storage Group
Cron Gruppen AS	Self-storage solutions	1 July 2019	100%	Self Storage Group
Cron Invest AS	Self-storage solutions	1 July 2019	100%	Self Storage Group
Eurobox Billingstad AS	Self-storage solutions	1 July 2019	100%	Self Storage Group

The above companies have been jointly acquired in the Eurobox acquisition with the purpose of continuing expansion of the group's activities, which focus on the self-storage market in Norway. 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.

Consideration

	Eurobox
Cash	234 294
Shares in Self Storage Group ASA	75 000
Total consideration	**309 294**

The purchase agreement of Eurobox included an option to acquire a neighbouring building at Billingstad, which needs to be exercised by 1 July 2021. The excess value of the option is calculated based on market value for the neighbouring property, acquired in the transaction. The cash consideration is adjusted for changes in work in capital.

Assets and liabilities assumed in connection with the business combination of Eurobox group have been recognised at their estimated fair value on the completion of the business combination. Freehold investment property is recorded to fair value based on valuation from external real estate appraiser. Surplus value is identified related to fit-out, and the fair value is based on management's best estimate. No other adjustments to the carrying values of assets and liabilities have been identified.

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

	Carrying amount 1 July 2019	Fair value adjustments	Fair value 1 July 2019
Freehold investment property*	235 479	-	235 479
Fit-out and property, plant and equipment	4 641	15 380	20 021
Trade receivables	1 706	-	1 706
Option to buy additional freehold property	-	24 750	24 750
Other current assets	1 521	-	1 521
Cash and cash equivalents	1 978	-	1 978
Deferred tax liability	- 41 828	- 8 829	- 50 657
Trade payables	- 914	-	- 914
Tax payable	- 1 281	-	- 1 281
Other current liabilities	- 13 470	-	- 13 470
Net assets	**187 832**	**31 301**	**219 133**

**Eurobox has historically reported under NGAAP with investment property recorded at historical cost less accumulated depreciation and amortization. As part of transition to IFRS investment property is recorded to fair value in accordance with IAS 40*

Goodwill

	Eurobox
Consideration	309 294
Fair value of identifiable net assets acquired	- 219 133
Goodwill	**90 161**

Goodwill originating from the business combination is related to the fair value of the four properties in operation, and the value stems from the synergies of the net assets of the business, as well as from other benefits, such as the ability to earn monopoly profits and barriers to market entry. 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 (2019)

The acquired companies did not impact revenue and profit before they are consolidated from 1 July 2019.

The revenue and net profit from the acquisition 1 July 2019 and throughout the year are NOK 14.2 million and NOK 6.0 million respectively. The revenue and net profit for the full year of 2019 are NOK 28.5 million and NOK 9.1 million respectively, if the Company had acquired Eurobox with effect from 1 January 2019. EBITDA for the full year of 2019 is NOK 13.9 million.

Estimated transaction costs related to the acquisition amounted to NOK 2.8 million are recorded in 2019.

Note 7 Segment information

(Amounts in NOK 1 000)

Management has determined the operating segments based on reports reviewed by the CEO and management team and Board of Director's, and 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 companies 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. The Group reports management information according to earlier accounting standard IAS 17, and the segment report are not adjusted for IFRS 16 impacts.

The operating entity from the Eurobox acquisition was reported as part of the CSS segment and the three property entities was reported as part of the Property segment before merged with other entities.

The total of Rental income from self-storage services and Other income in the segment reporting corresponds with the line item Revenue as recognised under IFRS. Other income mainly exists of income from ancillary services and rental income from segments other than self-storage.

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 year ended 31 December 2020	CSS	OKM	Property	SSG ASA	Other/ elimina-tions	IFRS 16-adjust-ment*	Total
Rental income from self-storage services	193 799	78 676	-	-	-	-	272 475
Other income	13 649	2 326	64 511	85	-59 698	-	20 873
Lease expenses	-105 654	-35 493	- 7	-1 227	58 283	74 666	-9 432
Other operating costs	-70 495	-20 961	-16 154	-2 509	1 415	222	-108 482
EBITDA	31 299	24 548	48 350	-3 651	-	74 888	175 434
Reconciliation to profit before tax as reported under IFRS							
Depreciation							-14 476
Change in fair value of freehold investment property							92 929
Change in fair value of leasehold investment property							-63 010
Finance income							2 603
Finance expense							-47 659
Profit before tax							**145 821**

For the year ended 31 December 2019	CSS	OKM	Property	SSG ASA	Other/ elimina-tions	IFRS 16-adjust-ment*	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
Other operating costs	-67 280	-25 295	-6 518	-7 684	3 506	-	-103 271
EBITDA	42 652	17 091	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**

No customer exceeds 10 percent of the revenues.

**Adjustment to extract segment reporting according to IAS 17 to include IFRS 16 impacts*

Note 8 Revenue

(Amounts in NOK 1 000)

The following is an analysis of the Group's revenue for the period:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Rental income from self-storage services*	272 475	244 633
Revenue from retail sales	4 064	3 760
Agent revenue from insurance services	7 514	7 601
Other revenue	9 295	10 459
Total revenue	**293 348**	**266 453**

Geographical analysis of revenues:		
Norway	216 643	192 705
Sweden	37 477	35 510
Denmark	39 228	38 238
Total revenue	**293 348**	**266 453**

The geographical allocation is based on the location of the business operations.

Total revenue under IFRS 15 is NOK 20.9 million (2019: NOK 21.8 million), and the company has only immaterial contract assets and liabilities. Lease contracts on self-storage are short-term and can be terminated on short notice.

**Accounted for under the leasing standard.*

Note 9 Investment property

(Amounts in NOK 1 000)

Investment property is measured at fair value. Gains and losses arising from a change in the fair value of investment property are included in profit or loss in the period in which they arise. The Company's valuation process is based on valuations performed by an independent external party, supplemented by internal analysis and assessments. The valuations are reviewed on a quarterly basis.

Properties are valued by discounting future cash flows. Both contractual and expected future cash flows are included in the calculations. Fair value assessments depend largely on assumptions related to market rent, discount rates and inflation. Market rent is based on individual assessments for each property.

Carrying value of investment property

Changes in the carrying amount of investment property are specified in the table below.

	Leasehold investment property	Freehold investment property	Total
Balance as at 31 December 2019	**489 062**	**1 074 457**	**1 563 519**
Additions and disposals leasehold investment property in the year	76 302	-	76 302
Value adjustment due to passage of time	-63 010	-	-63 010
Asset acquisition in Property segment	-	51 188	51 188
Company acquired as asset acquisition	-	124 613	124 613
Additions to existing properties	-	113 335	113 335
Fair value adjustments recognised in profit or loss	-	92 929	92 929
Other/translation differences	12 873	-	12 873
Balance as at 31 December 2020	**515 227**	**1 456 522**	**1 971 749**

	Leasehold investment property	Freehold investment property	Total
Balance as at 31 December 2018	**-**	**524 505**	**524 505**
Implementation impact of leasehold property earlier classified as operating lease commitments	437 402	-	437 402
Additions and disposals leasehold property in the year	109 010	-	109 010
Value adjustment due to passage of time	-55 204	-	-55 204
Business combination (note 6)	-	235 479	235 479
Asset acquisition in Property segment	-	11 257	11 257
Company acquired as asset acquisition	-	254 197	254 197
Additions to existing properties	-	31 496	31 496
Fair value adjustments recognised in profit or loss	-	17 523	17 523
Other/translation differences	-2 146	-	-2 146
Balance as at 31 December 2019	**489 062**	**1 074 457**	**1 563 519**

Lease payments are based on contracts between the real estate company and the operating companies. Property-related expenses relating to investment properties are recognised in profit or loss. The Group had three significant contractual obligations for construction contracts related to investment properties at year-end 2020 and one at year-end 2019 with upcomming liabilities. The significant contractual obligations at year-end 2020 are related to the Group's three greenfield development projects. The contract at Breivollveien 25 with AF Gruppen amounts to approximately NOK 70 million (signed in 2019), the contract at John Aaes vei with Metallbygg amounts to NOK 14 million and the contract at Bjørnerudveien 10 with Borga amounts to NOK 9 million (all amounts exclusive of VAT). In addition the Group continuously has ongoing smaller development projects related to conversion and expansion projects.

Fair value assessment

Changes in fair value of investment property are specified in the table below

	Determination of fair value using			
	Observable market value for corresponding assets and liabilities (level 1)	Other significant observable input (level 2)	Other significant unobservable input (level 3)	Total estimated fair value
Freehold investment property	-	-	1 456 522	1 456 522
Leasehold investment property	-	-	515 227	515 227
Financial instruments	-	-	24 750	24 750
Total as at 31 December 2020	**-**	**-**	**1 996 499**	**1 996 499**
Freehold investment property	-	-	1 074 457	1 074 457
Leasehold investment property	-	-	489 062	489 062
Financial instruments	-	-	24 750	24 750
Total as at 31 December 2019	**-**	**-**	**1 588 269**	**1 588 269**

Level 1: Investment property valued based on quoted prices in active markets for identical assets.
Level 2: Investment property valued based on observable market information not covered by level 1.
Level 3: Investment property valued based on information that is not observable under level 2.

Valuation

Total freehold investment property as at 31 December 2020	Number of properties	Total gross area (m²)	Market value	Market rent	Net yield
Oslo and Akershus	11	35 795	679 200	41 133	4.8 %
Eastern Norway except Oslo and Akershus	27	57 837	413 900	28 758	5.9 %
Southern Norway	5	12 528	103 600	8 648	6.0 %
Western Norway	14	19 003	152 600	10 613	6.1 %
Trøndelag and Northern Norway	8	9 206	57 950	4 251	6.3 %
Denmark	1	4 307	43 057	2 891	6.5 %
Total	**66**	**138 676**	**1 450 307**	**96 294**	**5.4 %**

Total freehold investment property as at 31 December 2019	Number of properties	Total gross area (m²)	Market value	Market rent	Net yield
Oslo and Akershus	9	31 714	433 900	25 020	5.1 %
Eastern Norway except Oslo and Akershus	25	51 237	368 600	26 777	6.2 %
Southern Norway	8	9 206	54 050	4 184	6.5 %
Western Norway	13	17 044	129 500	9 286	6.3 %
Trøndelag and Northern Norway	3	7 628	40 500	2 002	7.6 %
Total	**58**	**116 829**	**1 026 550**	**67 268**	**5.8 %**

The portfolio of freehold investment property was valued by an external real estate appraiser company at year end 2019 and 2020. In addition to the impact of annual CPI-adjustment of internal leases, the increase in fair value adjustments of freehold investment property is mainly related to some of the development properties. The majority of the properties that were valuated are properties acquired before 2019 and 2020. Leasehold property is not specified further, as the fair value relates to lease agreements, and not the property value. Total gross area includes land area not yet build.

Note 10 Salary and other employee benefits

(Amounts in NOK 1 000)	For the year ended 31 December 2020	For the year ended 31 December 2019
Salaries and wages	-32 781	-30 593
Social security tax	-4 772	-6 252
Pension expense	-1 729	-1 622
Other	- 927	-1 099
Total salary and other employee benefits	**-40 209**	**-39 566**
Average number of full time equivalent employees	48.5	66.5

The Group has a defined contribution pension scheme that complies with requirements of Norwegian occupational pension legislation (OTP).

Remuneration to key management during the year ended 31 December 2020

Name	Title	Salary and other benefits	Pension expense	Bonus	Total remuneration
Fabian Søbak	CEO	641	25	-	666
Cecilie Hekneby	CFO	1 634	105	-	1 739
Sveinung Høyer-Trollnes	COO (start 9.11.2020)	189	16	-	205
Isak Larsson	General Manager CSS (end 30.11.2020)	1 706	86	-	1 792
Lars Moen*	Real Estate Manager (start 1.12.2020)	491	34	-	525
Ole Tidemann Røine	Real Estate Manager (end 20.11.2020)	763	81	-	844
Lauras Melnikas	Growth Manager (end 31.3.2020)	407	35	-	442
Total		**5 831**	**381**	**-**	**6 212**

**Includes remuneration prior to be promoted to Real Estate Manager. Lars Moen has been emplyeed as Project Manager in SSG ASA since 1.5.2020.*

Remuneration to key management during the year ended 31 December 2019

Name	Title	Salary and other benefits	Pension expense	Bonus	Total remuneration
Fabian Søbak	CEO	616	24	-	641
Cecilie Hekneby	CFO	1 504	101	-	1 604
Lauras Melnikas	Growth Manager (end 31.03.2020)	1 104	82	197	1 383
Isak Larsson	General Manager CSS	1 097	58	446	1 602
Ole Tidemann Røine	Real Estate Manager (end 01.08.2019)	337	19	-	357
Total		**4 658**	**284**	**644**	**5 586**

Remuneration to Board of Directors

Name	Title	2020	2019
Martin Nes	Chairman of the Board (resigned January 2020)	167	250
Runar Vatne	Chairman of the Board (from January 2020 to May 2020)*	183	150
Steven Skaar	Chairman of the Board (from May 2020)**	-	-
Gustav Søbak	Boardmember	150	150
Yvonne Sandvold	Boardmember	150	150
Ingrid Elvira Leiser	Boardmember	150	150
Lars Christian Stugaard	Chair of Nomination Committee (from May 2019-May 2020)	20	20
Johan Henrik Krefting	Nomination Committee (from May 2019-May 2020)	10	10
Andreas Lorentzen	Nomination Committee (from May 2019-May 2020)	10	10
Total		**840**	**890**

**Prior to being elected as Chairman of the Board, mr Vatne was a Board member*
***Refrains from remuneration*

Salaries and remuneration to leading employees

Leading employees is in this regard defined as the SSG Management team. The remuneration packages are designed to attract, motivate, and retain leading employees of the necessary calibre and to reward them for enhancing value to shareholders. Total remuneration for leading employees consists of a fixed salary and a few common fringe benefits.

As of 31 December 2020 no share options are outstanding or have been granted.

The Group is required to have a compulsory pension in accordance with the Norwegian Accounting Act §7-30a. The Group has a pension plan that fulfils this requirement. Leading employees are members of the Company's pension and insurance scheme that applies to all employees. No loans or guarantees have been provided to any employees, members of the Board or their related parties.

Note 11 Auditor's fee

(Amounts in NOK 1 000)

Fees to auditors (exclusive of VAT) for the year ended 31 December are as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Audit fee	-1 292	- 877
Other attestation services	- 83	- 382
Tax compliance services	- 51	- 274
Total fee to auditor	**-1 426**	**-1 533**

Note 12 Finance income and finance expense

(Amounts in NOK 1 000)

Finance income

	For the year ended 31 December 2020	For the year ended 31 December 2019
Gain from transactions in foreign currency	1 075	65
Interest income	1 487	799
Other finance income	41	419
Total finance income	**2 603**	**1 283**

Finance expense

	For the year ended 31 December 2020	For the year ended 31 December 2019
Loss from transactions in foreign currency	-14 026	- 616
Interest expense	-9 864	-7 097
Interest expense on lease liabilities	-20 666	-18 417
Other fees and charges	-3 103	-1 130
Total finance expense	**-47 659**	**-27 260**

All finance income and expense related to financial assets and financial liabilities measured at amortised cost, except interest rate swaps measured at fair value through profit or loss. Loss from transactions in foreign currency were impacted by the weakness in NOK on lease liabilities in SEK and DKK of NOK -12.5 million

Note 13 Income tax

(Amounts in NOK 1 000)

Specification of income tax expense

The tax benefit/(expense) is calculated based on income before tax and consists of current tax and deferred tax.

	For the year ended 31 December 2020	For the year ended 31 December 2019
Deferred tax expense	-20 657	-4 261
Current tax expense	-12 196	-9 609
Income tax expense	-32 853	-13 870

Income tax payable (balance sheet)	For the year ended 31 December 2020	For the year ended 31 December 2019
Income tax payable*	11 994	9 309

**Tax payable in the balance sheet is reduced with NOK 0 (2019: NOK 1 790 thousand) related to transaction cost recorded directly against equity.*

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax expense attributable to loss before income tax was as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Profit/(loss) before income tax	145 821	75 603
Statutory income tax rate	22%	22%
Expected income tax expense/(benefit)	-32 081	-16 633
Tax effect non deductible expenses (benefits)	- 528	946
Foreign operations with tax rates other than Norwegian tax rate	27	24
Effect of changes in tax rules and rates	-	-
Change in deferred tax not recognised	-2 459	1 621
Correction previous years' taxes	2 189	171
Income tax expense/income for the year	**-32 853**	**-13 870**
Effective tax rate	-23%	-18%

Tax losses carried forward

Tax losses carried forward in selected countries expire as follows:

	Norway	Sweden	Denmark	Total
Not time limited	-	-	69 060	69 060
Total tax losses carried forward	**-**	**-**	**69 060**	**69 060**
Of which not recognised as deferred tax assets	-	-	69 060	69 060

Deferred tax asset are not recognised for unused tax losses carried forward, as the Group cannot demonstrate that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised as of 2020.

Specification of the tax effect of temporary differences and losses carried forward

The tax effects of temporary differences and tax losses carried forward at 31 December are as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Investment PP&E	-129 261	-101 375
Leases	8 288	4 071
Receivables	36	106
Deferred income	-	-
Gain/loss account	236	286
Other differences	268	100
Deferred tax assets, not recognised	5 809	5 759
Deferred tax asset (liability)	**-114 624**	**-91 053**

Deferred tax has been calculated using a tax rate of 22%. This is the tax rates enacted as at 31 December 2020 and 31 December 2019.

Tax rates outside Norway different from 22%

City Self-Storage Sweden has lower nominal tax rate (21.4%) than the nominal tax rate for Norway (22%).

Effect of changes in tax rates

With effect from 1 January 2021, the corporate income tax in Sweden changed from 21.4% to 20.6%.

Note 14 Property, plant and equipment

(Amounts in NOK 1 000)

Year ended 31 December 2020	Operating and office equipment	Leased assets	Total
Cost at 1 January 2020	154 779	7 667	162 446
Additions in the year	23 191	211	23 402
Disposals in the year	149	-	149
Translation differences	1 358	-	1 358
Cost at 31 Desember 2020	**179 179**	**7 878**	**187 057**
Accumulated depreciation at 1 January 2020	48 580	1 271	49 850
Depreciation in the year	12 584	1 304	13 888
Disposals in the year	106	-	106
Translation differences	947	-	947
Accumulated depreciation at 31 December 2020	62 005	2 575	64 579
Net carrying amount at 31 December 2020	**117 174**	**5 303**	**122 477**

Year ended 31 December 2019	Operating and office equipment	Equipment under finance leases	Total
Cost at 1 January 2019	106 394	2 021	108 415
Acquisitions through business combinations	20 988	-	20 988
Additions in the year	27 590	5 646	33 236
Translation differences	- 193	-	- 193
Cost at 31 Desember 2019	**154 779**	**7 667**	**162 446**
Accumulated depreciation at 1 January 2019	37 295	715	38 009
Depreciation in the year	11 109	556	11 665
Translation differences	176	-	176
Accumulated depreciation at 31 December 2019	48 580	1 271	49 850
Net carrying amount at 31 December 2019	**106 199**	**6 396**	**112 595**
Estimated useful life	3-20 years	Contract lifetime	
Depreciation method	straight-line	straight-line	

Estimated useful life on fitout is 20 years. Remaining Operating and office equipment has a useful life of 3-5 years.

Leased assets are assesed for impairment. The Group experienced limited business impact from COVID-19 in 2020 and has not identfied any indications of impairment on leased assets due to COVID-19 or other incidents.

Note 15 Goodwill and other intangible assets

(Amounts in NOK 1 000)

Year ended 31 December 2020	Goodwill	Software	Total
Cost at 1 January 2020	184 828	2 501	187 329
Acquisitions through business combinations	-	-	-
Additions in the year	-	375	375
Translation differences	- 200	-	- 200
Cost at 31 Desember 2020	184 628	2 876	187 504
Accumulated depreciation at 1 January 2020	-	662	662
Depreciation in the year	-	588	588
Translation differences	-	-	-
Accumulated depreciation at 31 December 2020	-	1 250	1 250
Net carrying amount at 31 December 2020	**184 628**	**1 626**	**186 254**
Year ended 31 December 2019	**Goodwill**	**Software**	**Total**
Cost at 1 January 2019	94 639	1 595	96 234
Acquisitions through business combinations	90 161	-	90 161
Additions in the year	-	906	906
Translation differences	28	-	28
Cost at 31 Desember 2019	184 828	2 501	187 329
Accumulated depreciation at 1 January 2019	-	219	219
Depreciation in the year	-	443	443
Translation differences	-	-	-
Accumulated depreciation at 31 December 2019	-	662	662
Net carrying amount at 31 December 2019	**184 828**	**1 839**	**186 667**

Software - acquired and developed

Expenses related to the purchase of new software are capitalised as an intangible asset if these costs are not part of the original hardware costs. Software is depreciated over 3 years.

Expenses incurred due to service or maintenance are expensed unless the changes in the software increase the future economic benefits of the software.

Goodwill

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.

The Group experienced limited business impact from COVID-19 in 2020 and has not identified any indications of impairment on goodwill due to COVID-19. No impairment has been recognised subsequent to the business combinations.

The Group tests goodwill for impairment annually, or more often if internal or external indications of a loss in value exists. The goodwill in the Group is recognised and tested within the operating segments City Self-Storage and OK Minilager, being the relevant group of Cash Generating Units (CGU). The recoverable amount for these operating segments is determined using the value in use approach. Budgets (before tax) for the next year are utilised as the basis for estimating future cash flows and a pre-tax discount rate of 6.1 percent applied (WACC). Management's assessment is that goodwill would not suffer an impairment loss given a reasonable change in the key variables utilised in calculating the value in use for the relevant cash generating units.

The recoverable amount of each segment was determined based on the following estimates:

- Future sales and costs are based on budget for 2021 approved by the Board of Directors
- Growth rate is set at 1.7 percent
- Inflation is set at 1.7 percent
- Management has projected cash flows for a ten-year period based on budget for 2021 adjusted for a growth rate of 1.7 percent
- Cash-flow period is equal to the average remaining length of the lease terms of property
- Risk-free interest rate is the 10-year government bond yield
- Beta value is SSG's Beta per 31.12.2020

	Cash Generating Units	
	CSS	**OKM**
Goodwill	162 869	21 759
Deferred tax	-50 735	-6 418
Goodwill for impairment testing	112 134	15 341

	Cash Generating Units	
Sensitivity analysis 2020	**CSS**	**OKM**
Pre-tax discount rate	6.1 %	6.1 %
Discount rate level before possible impairment of goodwill	15.3 %	35.8 %

Note 16 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows

Proportion of ownership interest and voting power held by the group

Name of subsidiary	Principal activity	Acquisition date	Parent company	31 Dec 2020	31 Dec 2019
City Self-Storage A/S (Denmark)	Self-storage	28 Sep 2016	Self Storage Group ASA	100%	100%
City Self-Storage Norge AS	Self-storage	28 Sep 2016	Self Storage Group ASA	100%	100%
City Self-Storage Sverige AB	Self-storage	28 Sep 2016	Self Storage Group ASA	100%	100%
OK Minilager AS	Self-storage		Self Storage Group ASA	100%	100%
OK Property AS	Real estate	31 Jan 2017	Self Storage Group ASA	100%	100%
Breivollveien 25C AS	Real estate	10 April 2019	OK Property AS	100%	100%
Eurobox Minilager AS	Self-storage	1 July 2019	Self Storage Group ASA	*	100%
Cron Gruppen AS	Real estate	1 July 2019	Self Storage Group ASA	**	100%
Cron Invest AS	Real estate	1 July 2019	Self Storage Group ASA	**	100%
Eurobox Billingstad AS	Real estate	1 July 2019	Self Storage Group ASA	**	100%
Fellesgården AS	Real estate	30 Aug 2019	OK Property AS	100%	100%
Hovfaret 11 Eiendom AS	Real estate	30 Aug 2019	OK Property AS	**	100%
Higil Invest AS	Real estate	9 June 2020	OK Property AS	100%	
Sneveien 13 AS	Real estate	5 July 2020	OK Property AS	100%	
Pindsleveien 8C AS	Real estate	4 Nov 2020	OK Property AS	100%	
Ingeniør Lynne AS	Real estate	1 Dec 2020	OK Property AS	100%	

** Eurobox Minilager AS was merged with City Self-Storage Norge AS in 2020*

*** Cron Gruppen AS, Cron Invest AS, Eurobox Billingstad AS and Hovfaret 11 Eiendom AS were merged with OK Property AS in 2020*

Note 17 Inventories

Inventories comprise finished goods of NOK 1.6 million as at 31 December 2020 (2019: NOK 1.6 million) and include storage supplies for sale to customers.

No impairment charges that reduce the carrying value of inventories have been recognised during the period nor historically.

Inventories sold during 2020 have been expensed in profit or loss.

Note 18 Trade and other receivables

(Amounts in NOK 1 000)	For the year ended 31 December 2020	For the year ended 31 December 2019
Trade receivables	16 235	16 846
Allowances for bad debt provisions (analysed below)	- 606	- 918
Total trade receivables	**15 629**	**15 928**
Other receivables	-	-
Total trade and other receivables	**15 629**	**15 928**

The above total represents the Group's maximum exposure to credit risk on trade and other receivables at the reporting date.

	For the year ended 31 December 2020			
Specification of the age distribution of trade receivables:	**Trade receivables**	**Expected credit loss rate**	**Allowance for bad debt**	**Trade receivables net of allowance**
Not past due on the reporting date	12 833	0%	-	12 833
Past due 0-30 days	1 894	0%	-	1 894
Past due 31-60 days	673	19%	- 129	544
Past due 61-90 days	115	50%	- 57	58
Past due over 90 days	720	58%	- 419	301
Carrying amount:	**16 235**		**- 606**	**15 629**

	For the year ended 31 December 2019			
Specification of the age distribution of trade receivables:	**Trade receivables**	**Expected credit loss rate**	**Allowance for bad debt**	**Trade receivables net of allowance**
Not past due on the reporting date	13 616	0%	-	13 616
Past due 0-30 days	1 783	5%	- 86	1 697
Past due 31-60 days	446	25%	- 112	334
Past due 61-90 days	118	44%	- 52	66
Past due over 90 days	883	76%	- 668	215
Carrying amount:	**16 846**		**- 918**	**15 928**

60 percent of trade and other receivables at 31 December 2020 are in NOK (2019: 64 percent). Remaining amounts are in DKK and SEK.

Due to the historical low levels of credit losses, no allowance for bad debt are made for trade receivables not past due date.

The Group experienced limited business impact from COVID-19 in 2020 and has not identified any indications of impairment on trade receivables due to COVID-19.

Note 19 Cash and cash equivalents

(Amounts in NOK 1 000)	For the year ended 31 December 2020	For the year ended 31 December 2019
Cash	115	145
Employee withholding tax	1 101	1 212
Bank deposits	245 588	86 760
Total cash and cash equivalents	**246 804**	**88 117**

Note 20 Share capital and shareholders

(Amounts in NOK)

The share capital of NOK 8 432 858 consisted of 84 328 584 shares, each with a nominal value of NOK 0.10 at the end of 2020. All shares carry equal rights.

	For the year ended 31 December 2020	For the year ended 31 December 2019
Ordinary shares at beginning of period	82 617 226	65 734 111
Issue of ordinary shares from cash contribution	1 711 358	16 883 115
Ordinary shares at 31 December	84 328 584	82 617 226

List of main shareholders at 31 December 2020:

Shareholder	Country	Number of shares	Ownership percentage
UBS Switzerland AG [1]	Switzerland	19 230 909	22.8 %
FABIAN HOLDING AS	Norway	9 565 000	11.3 %
CENTRUM SKILT AS	Norway	6 565 000	7.8 %
VERDIPAPIRFONDET ODIN EIENDOM	Norway	4 881 537	5.8 %
SKAGEN M2 VERDIPAPIRFOND	United Kingdom	3 828 293	4.5 %
J.P. Morgan Bank Luxembourg S.A.	United Kingdom	3 697 085	4.4 %
VATNE EQUITY AS	Norway	3 623 214	4.3 %
FIRST RISK CAPITAL AS	Norway	3 020 000	3.6 %
Citibank, N.A.	Ireland	2 329 627	2.8 %
HSBC Bank Plc	United Kingdom	1 923 074	2.3 %
WESSEL-INVEST AS	Norway	1 711 358	2.0 %
Danske Invest Norge Vekst	Norway	1 641 428	1.9 %
VERDIPAPIRFONDET HOLBERG NORGE	Norway	1 500 000	1.8 %
MUSTAD INDUSTRIER AS	Norway	1 278 602	1.5 %
BNP Paribas Securities Services	France	1 158 611	1.4 %
Brown Brothers Harriman & Co.	United States	1 016 072	1.2 %
SOLE ACTIVE AS	Norway	986 033	1.2 %
ODIN Small Cap	Norway	810 000	1.0 %
BNP Paribas Securities Services	France	810 000	1.0 %
Bank Julius Bär & Co. AG	Switzerland	795 523	0.9 %
Other		13 957 218	16.6 %
Sum		**84 328 584**	**100%**

Shares held by Board of Directors and Executive Management

	Title	Amount of shares	Ownership percentage
Board of Directors			
Steven Skaar [2]	Chairman of the Board	19 230 909	22.8 %
Gustav Søbak (Centrum Skilt AS)	Board member	6 565 000	7.8 %
Ingrid Leisner [3] (Duo Jag AS)	Board member	10 390	0.0 %
Executive Management			
Fabian Søbak (Fabian Holding AS)	Chief Executive Officer	9 565 000	11.3 %
Cecilie Hekneby [4]	Chief Financial Officer	607 878	0.7 %

[1] Alta Lux Holdco S.a.r.l/Centerbridge Partners

[2] Steven Skaar is representing Alta Lux Holdco S.a.r.l/Centerbridge Partners who ownes 22.8% of the shares in Self Storage Group

[3] Ingrid Leisner and close relatives ownes 100% of the shares in Duo Jag AS

[4] Cecilie Hekneby and close relatives

Note 21 Earnings per share and changes in shareholders' equity

(Amounts in NOK)

Earnings per share

	For the twelve months ended 31 December 2020	For the twelve months ended 31 December 2019
Profit (loss) for the year	112 968 000	61 733 000
Weighted average number of outstanding shares during the period (basic)	84 328 584	74 436 122
Weighted average number of outstanding shares during the period (diluted)	84 328 584	74 500 344
Earnings (loss) per share - basic in NOK	1.34	0.83
Earnings (loss) per share - diluted in NOK	1.34	0.83

Changes in shareholders' equity

	Date	Number of shares issued	Total number of shares	Total share capital	Value per share
Ordinary shares at 31 December 2020			**84 328 584**	**8 432 858**	**0.10**
Issue of ordinary shares as settlement to the selling shareholder of Ulven P28 AS	2/12/2020	1 711 358	84 328 584	8 432 858	0.10
Ordinary shares at 31 December 2019			**82 617 226**	**8 261 723**	**0.10**
Issue of ordinary shares as part settlement to the selling shareholder of Eurobox	7/1/2019	3 896 103	82 617 226	8 261 723	0.10
Issue of ordinary shares from Private Placement	6/25/2019	12 987 012	78 721 123	7 872 112	0.10
Ordinary shares at 31 December 2018			**65 734 111**	**6 573 411**	**0.10**

Proceeds on issuance of shares amounted to respectively NOK 0.1 million in 2020 and NOK 8.1 million in 2019.

At the Annual 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 May 2021.

Note 22 Categories of financial assets and liabilities

(Amounts in NOK 1 000)

As at 31 December 2020	Amortized cost	Fair value through profit or loss	Other financial liabilities measured at amortized cost	Total
Current financial assets				
Financial instruments*	-	24 750	-	24 750
Trade and other receivables	15 629	-	-	15 629
Cash and bank deposits	246 804	-	-	246 804
Total financial assets	**262 433**	**24 750**	**-**	**287 183**
Non-current financial liabilities				
Long term debt to financial institutions	-	-	519 429	519 429
Long term lease liabilities	-	-	487 887	487 887
Other financial liabilities	-	2 018	-	2 018
Current liabilities				
Short term interest-bearing debt	-	-	153 699	153 699
Short term lease liabilities	-	-	49 216	49 216
Trade and other payables	-	-	15 777	15 777
Other current liabilities	-	-	44 065	44 065
Total financial liabilities	**-**	**2 018**	**1 270 073**	**1 272 091**

As at 31 December 2019	Amortized cost	Fair value through profit or loss	Other financial liabilities measured at amortized cost	Total
Current financial assets				
Financial instruments*	-	24 750	-	24 750
Trade and other receivables	15 928	-	-	15 928
Cash and bank deposits	88 117	-	-	88 117
Total financial assets	**104 045**	**24 750**	**-**	**128 795**
Non-current financial liabilities				
Long term debt to financial institutions	-	-	239 057	239 057
Long term lease liabilities	-	-	450 642	
Other financial liabilities	-	454	-	454
Current liabilities				
Short term interest-bearing debt	-	-	103 223	103 223
Short term lease liabilities	-	-	52 190	52 190
Trade and other payables	-	-	7 115	7 115
Other current liabilities	-	-	41 231	41 231
Total financial liabilities	**-**	**454**	**893 458**	**893 912**

The carrying amounts of financial assets and liabilities approximate their fair value as at 31 December 2020 and 31 December 2019 respectively. Arrangements with financial institutions are entered into on market terms, and the carrying value at the reporting date has been assessed as approximating fair value.

**Option to acquire a building, which needs to be exercised by 1 July 2021, calculated based on market value for a the neighbouring property acquired by SSG in 2019.*

Note 23 Maturity analysis financial liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized costs.

	Amounts due in				
For the year ended 31 December 2020	**less than 1 year**	**1-2 years**	**3-4 years**	**more than 5 year**	**Total**
Debt to financial institutions *	161 878	524 924	-	-	686 802
Lease liabilities	77 191	132 653	132 653	310 428	652 925
For the year ended 31 December 2019	**less than 1 year**	**more than 1 year**			**Total**
Debt to financial institutions *	113 596	249 941	-	-	363 537
Lease liabilities	83 131	130 009	128 568	281 698	623 407

** All of the debt to financial institutions due was refinanced in February 2021.*

Specification of debt to financial institutions

	2020	Currency	Maturity date	Interest rate
Handelsbanken	26 110	NOK	Jul-21	3 months NIBOR +1,45 %
Handelsbanken	99 927	NOK	Jun-22	3 months NIBOR +1,45 %
Handelsbanken	112 681	NOK	Aug-22	3 months NIBOR +1,45 %
Handelsbanken	77 298	NOK	Jan-23	3 months NIBOR +1,45 %
Handelsbanken	97 858	NOK	May-23	3 months NIBOR +1,70 %
Handelsbanken	129 888	NOK	Jul-23	3 months NIBOR +1,45 %
Handelsbanken	130 250	NOK	Nov-23	3 months NIBOR +1,45 %
Amortised borrowing cost	(884)	NOK		
Total bank borrowings at amortized cost	**673 128**			

	2019	Currency	Maturity date	Interest rate
Handelsbanken	67 001	NOK	Jul-20	3 months NIBOR +1,45 %
Handelsbanken	17 822	NOK	Aug-20	3 months NIBOR +1,45 %
Handelsbanken	33 262	NOK	Jul-21	3 months NIBOR +1,45 %
Handelsbanken	105 349	NOK	Jun-22	3 months NIBOR +1,45 %
Handelsbanken	118 846	NOK	Aug-22	3 months NIBOR +1,45 %
Total bank borrowings at amortized cost	**342 280**			

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 amounting to NOK 100 million with one year due date and slightly higher interest were signed. In 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 in July 2020 and NOK 130 million was received in November 2020.

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. A gain of NOK 4.2 million for Q4 2020 and a loss of NOK 1.6 million for the full year 2020 related to hedging of interests is included in the finance expense.

Self Storage Group has several non-financial covenants in addition to financial covenants in the agreement with Handelsbanken. As of 31 December 2020, the Group is in compliance with all loan covenants, and also expect to comply with covenants throughout 2021.

On 24 February 2021, subsequent to year-end, SSG signed an agreement for a new bank facility loan with Handelsbanken and Danske Bank for refinancing of all existing debt to Handelsbanken and general corporate purposes. The agreement amounts to NOK 985 million in term loan and NOK 245 million in revolving credit facility, both with maturity 3+1+1 years, and interest rate is 3 months Nibor + 1.70%. All covenants for the new bank facility loan are to be measured and reported on a quarterly basis. There are both financial and non-financial covenants.

The financial covenants for the new bank facility loan are:

- The loan to value (interest-bearing debt over market value freehold investment properties) must not exceed 65% from signing date till 30 September 2021, and 60% from 1 October 2021 till final termination date
- The Group's nominal equity must exceed NOK 800 million
- Debt service cover ratio (EBITDA over amortization and interest) must from 30 June 2021 till final termination date be higher or equal to 1.2
- The Group's booked solidity must be above 35%

Trade and other payables are due within three months.

Changes in liabilities arising from financing activities	Interest bearing borrowings	Lease liabilities	Non-interest bearing borrowings	Total borrowings
Opening balance 1 January 2020	**342 280**	**502 832**	**-**	**845 112**
Cash flow:				
Proceeds from borrowings	441 000	-	-	441 000
Interests paid	- 10 572	- 20 666	-	- 31 238
Repayment of borrowings /Payments of lease	- 110 158	- 55 069	-	- 165 227
Cash flows - total	**320 270**	**- 75 735**	**-**	**244 535**
Non-cash changes:				
Additions and disposals of leases for leasehold investment property in the year	-	77 436	-	77 436
Additions and disposals of other leases in the year	-	161	-	161
New leases	-	77 597	-	77 597
Interest expenses	11 461	20 666	-	32 127
Other movements	11 461	20 666	-	32 127
Other/translation differences	- 883	11 743	-	10 860
Foreign exchange movements	- 883	11 743	-	10 860
Closing balance 31 December 2020	**673 128**	**537 103**	**-**	**1 210 231**

Changes in liabilities arising from financing activities	Interest bearing borrowings	Lease liabilities	Non-interest bearing borrowings	Total borrowings
Closing balance 31 December 2018	**129 773**	**217**	**-**	**129 990**
Implementation impact of lease earlier classified as operating lease commitments	**-**	**437 402**	**-**	**437 402**
Opening balance 1 January 2019	**129 773**	**437 619**	**-**	**567 392**
Cash flow:				
Proceeds from borrowings	228 000	-	-	228 000
Interests paid	- 6 148	- 18 417	-	- 24 565
Repayment of borrowings /Payments of lease	- 15 950	- 47 442	-	- 63 392
Cash flows - total	**205 902**	**- 65 859**	**-**	**140 043**
Non-cash changes:				
Additions and disposals of leases for leasehold investment property in the year	-	109 010	-	109 010
Additions and disposals of other leases in the year	-	5 646	-	5 646
New leases	-	114 656	-	114 656
Interest expenses	6 605	18 417	-	25 022
Other movements	6 605	18 417	-	25 022
Other/translation differences	-	- 2 001	-	- 2 001
Foreign exchange movements	-	- 2 001	-	- 2 001
Closing balance 31 December 2019	**342 280**	**502 832**	**-**	**845 112**

Note 24 Assets pledged as security

(Amounts in NOK 1 000)

	As at 31 December 2020	As at 31 December 2019
Liability secured by assets pledged:	**1 289 050**	**831 050**
Carrying value of assets pledged as security:		
Trade receivables	15 629	15 928
Freehold investment properties and other assets	1 544 223	1 170 172
Total	**1 559 852**	**1 186 100**

Note 25 Leases

(Amounts in NOK 1 000)

Group as a lessee

The Group as a lessee leases certain leasehold properties that are classified as leasehold investment property. These leases have lease terms between 3 months and 20 years. The Group applies the short-term lease recognition exemptions for leases with lease term less than one year. All leased properties classified as leasehold investment property are used to provide self-storage services to customers throughout Norway, Sweden and Denmark.

The Group has one lease contract for use of office space, with a lease term of five years. The Group has the option to lease the assets for an additional term of three years. The lease is classified as property, plant and equipment. Property, plant and equipment also include leased trailers and containers with average lease terms of three years. The Group's obligations under its leases are secured by the lessors' title to the leased assets.

The Group experienced limited business impact from COVID-19 in 2020 and has not identified any indications of impairment on leased assets due to COVID-19 or other incidents. The Group had not received any rent reductions on leased properties due to COVID-19 in 2020.

Changes in recognised leases during the period:

	Lease liabilities	Leased assets	
		Leasehold investment property	Other leases
Opening balance 1 January 2020	**502 832**	**489 062**	**6 396**
Additions and disposals of leases for leasehold investment property in the year	77 436	76 302	-
Additions and disposals of other leases in the year	161	-	211
Payments of lease	- 55 069	-	-
Change in fair value of leasehold investment property	-	- 63 010	-
Depreciation	-	-	- 1 304
Other/translation differences	11 743	12 873	-
Closing balance 31 December 2020	**537 103**	**515 227**	**5 303**

	Lease liabilities	Leased assets	
		Leasehold investment property	Other leases
Opening balance 1 January 2019	**217**	**-**	**1 306**
Implementation impact of lease earlier classified as operating lease commitments	437 402	437 402	-
Opening balance 1 January 2019 after implementation impact	**437 619**	**437 402**	**1 306**
Additions and disposals of leases for leasehold investment property in the year	109 010	109 010	-
Additions and disposals of other leases in the year	5 646	-	5 646
Payments of lease	- 47 442	-	-
Change in fair value of leasehold investment property	-	- 55 204	-
Depreciation	-	-	- 556
Other/translation differences	- 2 002	- 2 147	-
Closing balance 31 December 2019	**502 832**	**489 062**	**6 396**

Amounts related to leases recogniced in profit or loss:

	2020	2019
Expenses relating to short-term leases (included in lease expenses)	- 9 432	- 11 813
Change in fair value of leasehold investment property	- 63 010	- 55 204
Depreciation expense of leased assets classefied as property, plant and equipment	- 1 304	- 556
Interest expense on lease liabilities (included in finance expenses)	- 20 666	- 18 417
Total amount recognised in profit or loss	**- 94 412**	**- 85 990**

In 2020 an agreement to acquire the leasehold property at Hvidovre in Copenhagen was made and the purchase agreement was included in the value of leasehold investment property. On 1 December 2020 the acquisition was completed.

The Group had total cash outflows for leases of NOK 75.7 million in 2020. The future cash outflows relating to leases that have not yet commenced are disclosed in note 23.

The Group has certain lease contracts related to leasehold investment property that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group’s business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (see note 4). Options to extend reasonably certain to commit to, but not started, amounts to NOK 128.1 million as of 31 December 2020, with periods ranging between one and ten years. Options to extend not reasonably certain to commit to, amounts to NOK 54.3 million as of 31 December 2020, with periods ranging between one and ten years.

Sensitivity analyses of leases shows that the effect on the lease liabilities if the discount rate increases with 1% is NOK 24.3 million in reduced lease liability, and NOK 26.3 million in increased lease liability if discount rate decreases with 1%.

The Group has not committed to any future leases as of 31 December 2020.

Note 26 Other current liabilities

(Amounts in NOK 1 000)

	As at 31 December 2020	As at 31 December 2019
Prepayments from customers	31 544	28 948
Payable to employees and shareholders	169	1 128
Other current liabilities	12 352	11 155
	44 065	**41 231**

All other liabilities are classified as current liabilities.

Note 27 Related party transactions

(Amounts in NOK 1 000)

There have not been any transactions between the Group and other related parties in 2020. In 2019 the Group purchased advisory services related to acquisitions and development of investment properties from related party Ferncliff TIH AS amounting to NOK 2 000 thousand. As of 31 December 2019, the Group had NOK 563 thousand in trade receivables toward related party Ferncliff TIH AS. On 17 January 2020 Ferncliff TIH AS sold all its shares in Self Storage Group ASA.

Note 28 Events after the reporting period

- On 4 January 2021, the acquisition of one property in Sandnes with a total potential lettable area of 1 300 m² was successfully completed
- On 24 February 2021, SSG signed an agreement for a new bank facility loan with Handelsbanken and Danske Bank. The bank facility refinances the existing bank loans, and gives the Company flexibility for future growth. Details of the agreement are disclosed in note 24
- On 1 March 2021, the acquisition of Adamstuen Garasjer AS in Oslo, an investment property with a total estimated lettable area of 8 100 m² was successfully completed. SSG, trough City Self-Storage, has an existing leasehold agreement on the premises and has currently a lettable area of 4 300 m² (CLA) in operation. The acquisition is accounted for as an asset acquisition
- On 3 March 2021, SSG entered into a five year interest rate swap to secure NOK 300 million of the interest-bearing debt with a fixed rate of 1.345%
- On 26 March 2021, SSG entered into a five year interest rate swap to secure NOK 150 million of the interest-bearing debt with a fixed rate of 1.42%
- On 8 April 2021, SSG entered into an agreement to acquire a property in Halden, Norway. The transaction has a property value of NOK 3.75 million, with an estimated lettable area of 500 m²
- On 14 April 2021, SSG acquired 100% of the shares in Dit Pulterkammer Holding A/S, a Danish regional self-storage operator with five strategically located facilities in the Jutland region and Aarhus area and a current lettable area of approximately 9 300 m². The transaction has an enterprise value of DKK 102 million (approx. NOK 139 million) and was financed with SSG's existing bank facility. Details of the transaction are disclosed in note 29
- On 15 April 2021, SSG acquired a property in Nordre Follo. The transaction has a property value of NOK 25 million, with an estimated lettable area of 1300 m²

Note 29 Subsequent business combination

(Amounts in NOK 1 000)

On 14 April 2021, SSG acquired 100% of the shares in Dit Pulterkammer Holding A/S, a Danish regional self-storage operator with five strategically located facilities in the Jutland region and Aarhus area and a current lettable area of approximately 9 300 m². The transaction has an enterprise value of DKK 102 million (approx. NOK 139 million) and was financed with SSG's existing bank facility.

Acquisition of Dit Pulterkammer

	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Dit Pulterkammer Holding A/S	Self-storage solutions	14 April 2021	100%	City Self-Storage A/S (Denmark)

Dit Pulterkammer Holding A/S is the parent company of Dit Pulterkammer A/S. The Company was acquired with the purpose of continuing the expansion of the group's activities and to build a national footprint in Denmark. Dit Pulterkammer group will be reported as part of the CSS segment.

Consideration	Dit Pulterkammer
Cash	37 805
Total consideration	**37 805**

The cash consideration is adjusted for changes in work in capital.

Assets and liabilities assumed in connection with the business combination of Dit Pulterkammer group have been recognised at their estimated fair value on the completion of the business combination. Freehold investment property is recorded to fair value based on valuation from external real estate appraiser. Surplus value is identified related to fit-out, and the fair value is based on management's best estimate. No other adjustments to the carrying values of assets and liabilities have been identified. The purchase price allocation is preliminary and may be subject to change 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

	Carrying amount 14 April 2021	Fair value adjustments	Fair value 14 April 2021
Freehold investment property*	128 348	-	128 348
Fit-out and property, plant and equipment	3 876	5 572	9 448
Trade receivables	1 006	-	1 006
Software	1 811	- 1 811	-
Restricted cash**	20 277	-	20 277
Cash and cash equivalents	16	-	16
Deferred tax liability	- 28 529	- 828	- 29 356
Interest-bearing liabilities	- 96 045	-	- 96 045
Trade payables	- 495	-	- 495
Tax payable	- 129	-	- 129
Other current liabilities	- 1 304	-	- 1 304
Net assets	**28 833**	**2 934**	**31 767**

**Dit Pulterkammer has historically reported under Danish GAAP with investment property recorded at historical cost less accumulated depreciation and amortization. As part of transition to IFRS investment property is recorded to fair value in accordance with IAS 40*
***Restricted untill completion of a sale of land started by seller, not included in identified assets recognised above, with estimated completion date end April or start of May 2021*

Goodwill

	Dit Pulterkammer
Consideration	37 805
Fair value of identifiable net assets acquired	- 31 767
Goodwill	**6 038**

Goodwill originating from the business combination is related to the fair value of the five properties in operation, and the value stems from the synergies of the net assets of the business, as well as from other benefits, such as the ability to earn monopoly profits and barriers to market entry. 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

The acquired companies did not impact revenue and profit before they are consolidated from 14 April 2021.

The revenue and net profit for 2020 are estimated to be approximately NOK 20.1 million and NOK 0.8 million respectively, if the Company had acquired Dit Pultkammer with effect from 1 January 2020. EBITDA for 2020 is estimated to NOK 9.6 million. Estimated consolidated figures for 2020 are according to Danish GAAP.

Estimated transaction costs of NOK 3.3 million related to the acquisition will be expended in 2021.

Financial statements Self Storage Group ASA

Parent company income statement

(Amounts in NOK 1 000)

	Note	For the year ended 31 December 2020	For the year ended 31 December 2019
Other revenue	12	16 677	15 222
Salary and other employee benefits	2	- 18 958	- 16 718
Depreciations	14, 15	- 759	- 509
Other operating expenses	11	- 1 372	- 7 133
Operating profit		**- 4 412**	**- 9 137**
Finance income	13	19 854	20 203
Finance expense	13	- 15 121	- 7 259
Net financials		**4 733**	**12 943**
Profit before tax		**321**	**3 806**
Income tax expense	3	- 250	- 1 829
Net profit for for the year		**71**	**1 977**
Proposed profit appropriation			
Retained earnings		71	1 977
Total appropriation		**71**	**1 977**

Parent company statement of financial position

(Amounts in NOK 1 000)

	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Intangible assets	14	1 626	1 839
Deferred tax assets	3	281	-
Investment in subsidiaries	4	881 058	834 047
Loans to group companies	5	492 799	298 506
Property, plant and equipment	15	920	780
Total non-current assets		**1 376 684**	**1 135 172**
Current assets			
Trade and other receivables		1 222	372
Receivables from group companies	5	10 797	15 590
Other current assets		-	-
Cash and bank deposits	7	158 025	13 506
Total current assets		**170 044**	**29 468**
TOTAL ASSETS		**1 546 728**	**1 164 640**
EQUITY AND LIABILITIES			
Equity			
Issued share capital	8, 10	8 432	8 261
Share premium	10	832 858	786 117
Retained earnings	10	20 383	20 312
Total equity		**861 673**	**814 690**
Liabilities			
Non-current liabilities			
Non-current interest-bearing debt	9, 16	520 313	239 057
Non-current debt to group companies	9	6 695	3 142
Deferred tax liabilities	3	-	90
Total non-current liabilities		**527 008**	**242 289**
Current liabilities			
Current interest-bearing debt	16	153 699	103 223
Trade and other payables		559	788
Income tax payable		618	-
Other taxes and withholdings		1 343	1 133
Other current liabilities		1 828	2 516
Total current liabilities		**158 047**	**107 660**
Total liabilities		**685 055**	**349 950**
TOTAL EQUITY AND LIABILITIES		**1 546 728**	**1 164 640**

Self Storage Group ASA

Oslo, April 28th, 2021

sign

Steven Skaar
Chairman

sign

Gustav Sigmund Søbak
Board member

sign

Ingrid Elvira Leisner
Board member

sign

Yvonne Litsheim Sandvold
Board member

sign

Fabian Søbak
CEO

Self Storage Group ASA

Parent company statement of cash flows

(Amounts in NOK 1 000)	Note	For the year ended 31 December 2020	For the year ended 31 December 2019
Cash flows from operating activities			
Profit before tax		321	3 806
Income tax paid		-	- 65
Interest expense		13 060	6 604
Depreciation	14, 15	759	509
Group contribution	5, 13	- 8 000	- 14 287
Change in trade and other receivables		- 849	-
Change in receivables from group companies		- 1 485	- 111
Change in trade and other payables		- 230	187
Change in other current assets		-	488
Change in other current liabilities		- 490	1 156
Net cash flows from operating activities		**3 086**	**- 1 714**
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		- 686	- 1 613
Net cash flow of loan to subsidiaries		- 192 339	- 238 532
Net cash outflow on acquisition of subsidiaries		- 99	- 234 294
Net cash flows from investing activities		**- 193 124**	**- 474 438**
Cash flows from financing activities			
Proceeds from issue of equity instruments		-	241 862
Proceeds from borrowings	16	441 000	228 000
Group contribution and dividend from subsidiaries		14 287	-
Repayment of borrowings	16	- 110 158	- 15 950
Interest paid		- 10 572	- 6 148
Net cash flows from financing activities		**334 557**	**447 764**
Net change in cash and cash equivalents		144 519	- 28 388
Cash and cash equivalents at beginning of the period		13 506	41 894
Cash and equivalents at end of period	7	**158 025**	**13 506**

Note 1 Parent Company Accounting policies

Accounting Principles

The financial statements have been prepared in accordance to the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Revenue recognition

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred. Revenues from the sale of services and long-term manufacturing projects are recognised in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the protect costs that have been incurred will be recognised as revenue. The total estimated loss on a contract will be recognised in the income statement during the period when it is identified that a project will generate a loss.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Balance sheet classification

Current assets and current liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets/non-current liabilities. Current assets are valued at the lower of cost and fair value. Current liabilities are recognised at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognised at nominal value.

Property, plant and equipment

"Property, plant and equipment" is capitalised and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment ls not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period. Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends/group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Short-term investments

Short-term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognised as other financial income.

Pensions

The Company has a defined contribution pension in accordance with local laws. The premium paid is regarded as the pension cost for the period and classified as wage cost in the profit and loss statement.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, highly liquid investments with maturities of three months or less.

Note 2 Salary and other employee benefits

(Amounts in NOK 1 000)

	For the year ended 31 December 2020	For the year ended 31 December 2019
Salaries and wages	- 15 574	- 13 304
Social security tax	- 2 130	- 2 352
Pension expense	-771	-601
Other	-483	-461
Total salary and other employee benefits	**- 18 958**	**- 16 718**
Average number of full time equivalent employees	25.7	19.8

The Group has a defined contribution pension scheme that complies with requirements of Norwegian occupational pension legislation (OTP).

Remuneration to key management

Total remuneration to key management during the year ended 31 December 2020 is as follows:

	Title	Salary and other benefits	Pension expense	Bonus	Total remuneration
Fabian Søbak	CEO	641	25	-	666
Cecilie Hekneby	CFO	1 634	105	-	1 739
Sveinung Høyer-Trollnes	COO (start 9.11.2020)	189	16	-	205
Lars Moen	Real Estate Manager (start 1.12.2020)*	491	34		525
Ole Tidemann Røine	Real Estate Manager (end 20.11.2020)	763	81	-	844
Lauras Melnikas	Growth Manager (end 31.3.2020)	407	35	-	442
Total key management remuneration		**4 125**	**295**	**-**	**4 420**

Includes remuneration prior to be promoted to Real Estate Manager. Lars Moen has been emplyeed as Project Manager in SSG ASA since 1.5.2020.

Total remuneration to key management during the year ended 31 December 2019 is as follows:

Name	Title	Salary and other benefits	Pension expense	Bonus	Total remuneration
Fabian Søbak	CEO	616	24	-	641
Cecilie Hekneby	CFO	1 504	101	-	1 604
Lauras Melnikas	Growth Manager (end 31.03.2020)	1 104	82	197	1 383
Ole Tidemann Røine	Real Estate Manager (end 01.08.2019)	337	19	-	357
Total key management remuneration		**3 561**	**226**	**197**	**3 985**

The remuneration paid to the Board of Directors is as follows:

Name	Title	2020	2019
Martin Nes	Chairman of the Board (resigned January 2020)	167	250
Runar Vatne	Chairman of the Board (from January 2020 to May 2020)*	183	150
Steven Skaar	Chairman of the Board (from May 2020)**	-	-
Gustav Søbak	Boardmember	150	150
Yvonne Sandvold	Boardmember	150	150
Ingrid Elvira Leiser	Boardmember	150	150
Lars Christian Stugaard	Chair of Nomination Committee (from May 2019-May 2020)	20	20
Johan Henrik Krefting	Nomination Committee (from May 2019-May 2020)	10	10
Andreas Lorentzen	Nomination Committee (from May 2019-May 2020)	10	10
Total		**840**	**890**

Prior to being elected as Chairman of the Board, mr Vatne was a Board member
***Refrains from remuneration*

Note 3 Income tax

(Amounts in NOK 1 000)

Specification of income tax expense

The tax benefit/(expense) is calculated based on income before tax and consists of current tax and deferred tax.

	For the year ended 31 December 2020	For the year ended 31 December 2019
Deferred tax expense	368	- 39
Current tax expense	- 618	- 1 790
Income tax expense	- 250	- 1 829

Income tax payable (balance sheet)	For the year ended 31 December 2020	For the year ended 31 December 2019
Income tax payable*	618	-

**Tax payable in the balance sheet is reduced with NOK 0 (2019: NOK 1 790 thousand) in reduced tax related to transaction cost recorded directly against equity.*

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax expense attributable to loss before income tax was as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Profit/(loss) before income tax	321	3 806
Statutory income tax rate	22%	22%
Expected income tax expense/(benefit)	- 71	- 837
Tax effect non deductible expenses	- 177	- 992
Correction previous years' taxes	- 2	-
Income tax expense/income for the year	**- 250**	**- 1 829**
Effective tax rate	-78%	-48%

Specification of the tax effect of temporary differences and losses carried forward

The tax effects of temporary differences and tax losses carried forward at 31 December are as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Property, plant and equipment	- 323	- 90
Financial instruments	1 599	-
Deferred tax asset (liability)	1 276	- 90

Deferred tax has been calculated using a tax rate of 22 % for 2020 and 2019. This is the tax rates enacted as at 31 December 2020 and 31 December 2019.

Note 4 Subsidiaries

(Amounts in NOK 1 000)

Details of the company's subsidiaries at the end of the reporting period are as follows:

Proportion of ownership interest and voting power held by the group

Name of subsidiary	Principal activity	Acquisition date	Book value 31 Dec 2020	Book value 31 Dec 2019	31 Dec 2020	31 Dec 2019
City Self-Storage A/S (Denmark)	Self-storage	28 Sep 2016	4 857	4 857	100%	100%
City Self-Storage Norge AS	Self-storage	28 Sep 2016	153 506	77 651	100%	100%
City Self-Storage Sverige AB	Self-storage	28 Sep 2016	2 334	2 334	100%	100%
OK Minilager AS	Self-storage		58 863	58 863	100%	100%
OK Property	Real estate	31 Jan 2017	661 498	381 873	100%	100%
Eurobox Minilager AS	Self-storage	1 July 2019	*	75 855	*	100%
Cron Gruppen AS	Real estate	1 July 2019	**	77 598	**	100%
Cron Invest AS	Real estate	1 July 2019	**	58 974	**	100%
Eurobox Billingstad AS	Real estate	1 July 2019	**	96 042	**	100%

For more information on the business combination in 2019, please refer to note 6 for the Group.

** Eurobox Minilgaer AS was merged with City Self-Storage AS in 2020*
*** Cron Gruppen AS, Cron Invest AS and Eurobox Billingstad AS were merged with City Self-Storage AS in 2020*

Note 5 Balance with group companies

(Amounts in NOK 1 000)

Receivables	2020	2019
Loans to group companies		
OK Property AS	343 724	260 432
Breivollveien 25C AS	88 359	21 749
City Self-Storage A/S (Denmark)	36 683	-
City Self-Storage AS	9 332	-
Fellesgården AS*	9 266	-
Sneveien 13 AS*	5 435	-
Cron Invest AS**	-	16 325
Accounts receivable	2 788	1 303
Other receivables	8 009	14 287
Sum	**503 596**	**314 096**

Payables	2020	2019
Non-current debt to group companies	5 096	3 142
Sum	**5 096**	**3 142**

Interest income from loans to group companies amounts to NOK 10.5 million in 2020 (2019: NOK 5.2 million) and interest expense from loans to group companies amounts to NOK 0.1 million in 2020 (2019: NOK 0 million)

**Merged with OK Property AS in 2021*
***Merged with OK Property AS in 2020*

Note 6 Related party transactions

(Amounts in NOK 1 000)

Balances and transactions between Self Storage Group ASA and its subsidiaries, which are related parties of Self Storage Group ASA, are not disclosed in this note. For information related to transactions with subsidiaries, see note 5 Balances with Group companies.

There have not been any transactions between the Group and other related parties in 2020. In 2019 the Group purchased advisory services related to acquisitions and development of investment properties from related party Ferncliff TIH AS amounting to NOK 1 688 thousand. As of 31 December 2019, the Group had NOK 250 thousand in trade receivables toward related party Ferncliff TIH AS. On 17 January 2020 Ferncliff TIH AS sold all its shares in Self Storage Group ASA.

See also note 27 Related party transactions in Notes to the consolidated financial statements.

Note 7 Cash and cash equivalents

(Amounts in NOK 1 000)

	As at 31 December 2020	As at 31 December 2019
Cash	-	-
Employee withholding tax	666	545
Bank deposits	157 359	12 961
Total cash and cash equivalents	**158 025**	**13 506**

Note 8 Share capital and shareholders

(Amounts in NOK)

The share capital of NOK 8 432 858 consisted of 84 328 584 shares, each with a nominal value of NOK 0.10 at the end of 2020. All shares carry equal rights.

	For the year ended 31 December 2020	For the year ended 31 December 2019
Ordinary shares at beginning of period	82 617 226	65 734 111
Issue of ordinary shares from cash contribution	1 711 358	16 883 115
Ordinary shares at 31 December	84 328 584	82 617 226

List of main shareholders at 31 December 2020:

Shareholder	Country	Number of shares	Ownership percentage
UBS Switzerland AG [1]	Switzerland	19 230 909	22.8 %
FABIAN HOLDING AS	Norway	9 565 000	11.3 %
CENTRUM SKILT AS	Norway	6 565 000	7.8 %
VERDIPAPIRFONDET ODIN EIENDOM	Norway	4 881 537	5.8 %
SKAGEN M2 VERDIPAPIRFOND	United Kingdom	3 828 293	4.5 %
J.P. Morgan Bank Luxembourg S.A.	United Kingdom	3 697 085	4.4 %
VATNE EQUITY AS	Norway	3 623 214	4.3 %
FIRST RISK CAPITAL AS	Norway	3 020 000	3.6 %
Citibank, N.A.	Ireland	2 329 627	2.8 %
HSBC Bank Plc	United Kingdom	1 923 074	2.3 %
WESSEL-INVEST AS	Norway	1 711 358	2.0 %
Danske Invest Norge Vekst	Norway	1 641 428	1.9 %
VERDIPAPIRFONDET HOLBERG NORGE	Norway	1 500 000	1.8 %
MUSTAD INDUSTRIER AS	Norway	1 278 602	1.5 %
BNP Paribas Securities Services	France	1 158 611	1.4 %
Brown Brothers Harriman & Co.	United States	1 016 072	1.2 %
SOLE ACTIVE AS	Norway	986 033	1.2 %
ODIN Small Cap	Norway	810 000	1.0 %
BNP Paribas Securities Services	France	810 000	1.0 %
Bank Julius Bär & Co. AG	Switzerland	795 523	0.9 %
Other		13 957 218	16.6 %
Sum		**84 328 584**	**100%**

Shares held by Board of Directors and Executive Management

	Title	Amount of shares	Ownership percentage
Board of Directors			
Steven Skaar [2]	Chairman of the Board	19 230 909	22.8 %
Gustav Søbak (Centrum Skilt AS)	Board member	6 565 000	7.8 %
Ingrid Leisner [3] (Duo Jag AS)	Board member	10 390	0.0 %
Executive Management			
Fabian Søbak (Fabian Holding AS)	Chief Executive Officer	9 565 000	11.3 %
Cecilie Hekneby [4]	Chief Financial Officer	607 878	0.7 %

[1] Alta Lux Holdco S.a.r.l/Centerbridge Partners
[2] Steven Skaar is representing Alta Lux Holdco S.a.r.l/Centerbridge Partners who ownes 22.8% of the shares in Self Storage Group
[3] Ingrid Leisner and close relatives ownes 100% of the shares in Duo Jag AS
[4] Cecilie Hekneby and close relatives

Note 9 Non-current liabilities and receivables

(Amounts in NOK 1 000)

The Company has the following non-current liabilities:	2020	2019
Handelsbanken	520 313	239 057
Non-current liabilities to subsidiaries	6 695	3 142
Total non-current liabilities	**527 008**	**242 199**

The Company has the following non-current receivables:	2020	2019
Non-current receivables from subsidiaries	492 799	298 506
Total non-current receivables	**492 799**	**298 506**

Note 10 Change in equity for the parent company

(Amounts in NOK 1 000)	Issued Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2019	**6 573**	**469 153**	**18 335**	**494 061**
Profit (loss) for the period	-	-	1 977	1 977
Issue of ordinary shares, net of transaction costs	1 688	316 964	-	318 652
Balance at 31 December 2019	**8 261**	**786 117**	**20 312**	**814 690**
Balance at 1 January 2020	**8 261**	**786 117**	**20 312**	**814 690**
Profit (loss) for the period	-	-	71	71
Issue of ordinary shares, net of transaction costs	171	46 741	-	46 912
Balance at 31 December 2020	**8 432**	**832 858**	**20 383**	**861 673**

Note 11 Auditor's fee

(Amounts in NOK 1 000)

Fees to auditors (exclusive of VAT) for the year ended 31 December are as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2019
Audit fee	461	200
Other attestation services	38	278
Tax compliance services	-	262
Total fee to auditor	**499**	**739**

Note 12 Revenue

Revenue is related to management fees and centralized services to group companies.

Note 13 Finance income and finance expense

(Amounts in NOK 1 000)

Finance income

	For the year ended 31 December 2020	For the year ended 31 December 2019
Group contribution	8 000	14 287
Gain from transactions in foreign currency	37	56
Other finance income	11 817	5 860
Total finance income	**19 854**	**20 203**

Finance expense

	For the year ended 31 December 2020	For the year ended 31 December 2019
Loss from transactions in foreign currency	- 624	- 281
Interest cost	- 13 060	- 6 605
Other fees and charges	- 1 437	- 373
Total finance expense	**- 15 121**	**- 7 259**

All finance income and expense relate to financial assets and financial liabilities measured at amortized cost.

Note 14 Intangible assets

(Amounts in NOK 1 000)

Year ended 31 December 2020	Intangible assets	Total
Cost at 1 January 2020	2 501	2 501
Additions in the year	375	375
Disposals in the year	-	-
Cost at 31 Desember 2020	2 876	2 876
Accumulated depreciation at 1 January 2020	662	662
Depreciation in the year	588	588
Accumulated depreciation at 31 December 2020	1 250	1 250
Net carrying amount at 31 December 2020	**1 626**	**1 626**

Year ended 31 December 2019	Intangible assets	Total
Cost at 1 January 2019	1 595	1 595
Additions in the year	906	906
Disposals in the year	-	-
Cost at 31 Desember 2019	2 501	2 501
Accumulated depreciation at 1 January 2019	219	219
Depreciation in the year	443	443
Accumulated depreciation at 31 December 2019	662	662
Net carrying amount at 31 December 2019	**1 839**	**1 839**
Estimated useful life	3 year	
Depreciation method	straight-line	

Note 15 Property, plant and equipment

(Amounts in NOK 1 000)

Year ended 31 December 2020	Operating and office equipment	Total
Cost at 1 January 2020	858	858
Additions in the year	311	311
Disposals in the year	-	-
Cost at 31 Desember 2020	1 169	1Ê169
Accumulated depreciation at 1 January 2020	78	78
Depreciation in the year	171	171
Accumulated depreciation at 31 December 2020	249	249
Net carrying amount at 31 December 2020	**920**	**920**

Year ended 31 December 2019	Operating and office equipment	Total
Cost at 1 January 2019	152	152
Additions in the year	706	706
Disposals in the year	-	-
Cost at 31 Desember 2019	858	858
Accumulated depreciation at 1 January 2019	13	13
Depreciation in the year	65	65
Accumulated depreciation at 31 December 2019	78	78
Net carrying amount at 31 December 2019	**780**	**780**
Estimated useful life	5 year	
Depreciation method	straight-line	

Note 16 Maturity analysis financial liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized costs.

	Amounts due in		
	less than 1 year	1-5 years	Total
For the year ended 31 December 2020			
Debt to financial institutions*	161 878	524 924	686 802
For the year ended 31 December 2019			
Debt to financial institutions	103 223	239 057	342 280

** Of the debt to financial institutions due in less than 1 year, NOK 97.9 million is planned refinanced in 2021.*

Specification of loans

	2020	Currency	Maturity date	Interest rate
Handelsbanken	26 110	NOK	Jul-21	3 months NIBOR +1,45 %
Handelsbanken	99 927	NOK	Jun-22	3 months NIBOR +1,45 %
Handelsbanken	112 681	NOK	Aug-22	3 months NIBOR +1,45 %
Handelsbanken	77 298	NOK	Jan-23	3 months NIBOR +1,45 %
Handelsbanken	97 858	NOK	May-23	3 months NIBOR +1,70 %
Handelsbanken	129 888	NOK	Jul-23	3 months NIBOR +1,45 %
Handelsbanken	130 250	NOK	Nov-23	3 months NIBOR +1,45 %
Total bank borrowings at amortised cost	**674 012**			

	2 019	Currency	Maturity date	Interest rate
Handelsbanken	67 001	NOK	Jul-20	3 months NIBOR +1,45 %
Handelsbanken	17 822	NOK	Aug-20	3 months NIBOR +1,45 %
Handelsbanken	33 262	NOK	Jul-21	3 months NIBOR +1,45 %
Handelsbanken	105 349	NOK	Jun-22	3 months NIBOR +1,45 %
Handelsbanken	118 846	NOK	Aug-22	3 months NIBOR +1,45 %
Total bank borrowings at amortised cost	**342 280**			

Changes in liabilities arising from financing activities	Interest bearing borrowings
Opening balance 1 January 2020	**342 280**
Proceeds from borrowings	441 000
Interest expenses	11 462
Interests paid	- 10 572
Repayment of borrowing	- 110 158
Closing balance 31 December 2020	**674 012**

Changes in liabilities arising from financing activities	Interest bearing borrowings
Opening balance 1 January 2019	**129 773**
Proceeds from borrowings	228 000
Interest expenses	6 605
Interests paid	- 6 148
Repayment of borrowing	- 15 950
Closing balance 31 December 2019	**342 280**

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 amounting to NOK 100 million with one year due date and slightly higher interest were signed. In 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 in July 2020 and NOK 130 million was received in November 2020.

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. A gain of NOK 4.2 million for Q4 2020 and a loss of NOK 1.6 million for the full year 2020 related to hedging of interests is included in the finance expense.

Self Storage Group has several non-financial covenants in addition to financial covenants in the agreement with Handelsbanken. As of 31 December 2020, the Group is in compliance with all loan covenants, and also expect to comply with covenants throughout 2021.

On 24 February 2021, subsequent to year-end, SSG signed an agreement for a new bank facility loan with Handelsbanken and Danske Bank for refinancing of all existing debt to Handelsbanken and general corporate purposes. The agreement amounts to NOK 985 million in term loan and NOK 245 million in revolving credit facility, both with maturity 3+1+1 years, and interest rate is 3 months Nibor + 1.70%. All covenants for the new bank facility loan are to be measured and reported on a quarterly basis. There are both financial and non-financial covenants.

The financial covenants for the new bank facility loan are:

- The loan to value (interest-bearing debt over market value freehold investment properties) must not exceed 65% from signing date till 30 September 2021, and 60% from 1 October 2021 till final termination date
- The Group's nominal equity must exceed NOK 800 million
- Debt service cover ratio (EBITDA over amortization and interest) must from 30 June 2021 till final termination date be higher or equal to 1.2
- The Group's booked solidity must be above 35%

Trade and other payables are due within three months.

Statement by the Board of Directors

We confirm that the financial statements for the period 1 January up to and including 31 December 2020, to the best of our knowledge, have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial positions and profit or loss of the Company and the Group as a whole. The Board of Directors' report includes a fair review of the development and performance of the business and the position of the Company and the Group as a whole, together with a description of the principal risks and uncertainties that they face.

Self Storage Group ASA

Oslo, April 28th, 2021

sign	sign	
Steven Skaar Chairman	Gustav Sigmund Søbak Board member	
sign	sign	sign
Ingrid Elvira Leisner Board member	Yvonne Litsheim Sandvold Board member	Fabian Søbak CEO

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.

SSG's financial APMs

- Interest bearing debt: Defined as non-current interest-bearing debt plus current interest-bearing debt. The figure does not include obligations under finance leases
- Loan to value: Interest bearing debt / freehold investment property
- 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 freehold investment property and leasehold investment property +/- net finance
- Adjusted tax: Tax expense +/- tax on adjustments
- Adjusted Net Profit: Adjusted Profit before tax +/- tax expense

(Amounts in NOK 1 000)	31 December	31 December
Interest-bearing debt	**2020**	**2019**
Non-current interest-bearing debt	519 429	239 057
Current interest-bearing debt	153 699	103 223
Total interest-bearing debt	**673 128**	**342 280**

(Amounts in NOK 1 000)	2020	2019
Property-related expenses	-36 135	-28 975
Salary and other employee benefits	-40 209	-39 566
Other operating expenses	-32 138	-34 730
Total other operating expenses	**-108 482**	**-103 271**
Operating profit before fair value adjustments	160 958	139 261
EBIT	160 958	139 261
Total adjustments	1 715	4 653
Adjusted EBIT	162 673	143 914
Change in fair value of investment properties	92 929	17 523
Change in fair value of leasehold properties	- 63 010	- 55 204
Adjusted Profit before tax	147 536	80 256
Adjusted tax	- 33 239	- 14 724
Adjusted Net profit	**114 297**	**65 532**
Operating profit before fair value adjustments	160 958	139 261
Depreciation	- 14 476	- 12 108
EBITDA	175 434	151 369
Total adjustments	1 715	4 653
Adjusted EBITDA	**177 149**	**156 022**
Adjustments		
Acquisition costs	1 177	4 653
Severence packages	538	-
Total adjustments	**1 715**	**4 653**

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

Global Reporting Initiativ (GRI)

The report has been prepared in accordance with the GRI Standards: Core option.

DSC	Description	Page	Notes
102	**Organizational profile**		
102-1	Name of the organization	3	Annual report 2020
102-2	Activities, brands, products, and services	3	Annual report 2020
102-3	Location of headquarters	3	Annual report 2020
102-4	Location of operations	3	Annual report 2020
102-5	Ownership and legal form	18	Annual report 2020
102-6	Markets served	3	Annual report 2020
102-7	Scale of the organization	3, 9, 10, 20, 44	Annual report 2020
102-8	Information on employees and other workers	20, 32, 33, 35	Annual report 2020
102-9	Supply chain	35	Annual report 2020
102-10	Significant changes to the organization and its supply chain	16, 17, 35	Annual report 2020
102-11	Precautionary Principle or approach	40	Annual report 2020
102-12	External initiatives	NA	SSG does not participate in any external initiatives as of year-end 2020, but will aim to be part of external initiatives in 2021
102-13	Membership of associations	34	Annual report 2020
102	**Strategy**		
102-14	Statement from senior decision-maker	6	Annual report 2020
102	**Ethics and integrity**		
102-16	Values, principles, standards, and norms of behavior	37	Annual report 2020
102	**Governance**		
102-18	Governance structure	39, 40	Annual report 2020
102	**Stakeholder engagement**		
102-40	List of stakeholder groups	27, 28	Annual report 2020
102-41	Collective bargaining agreements	33	Annual report 2020
102-42	Identifying and selecting stakeholders	27, 28	Annual report 2020
102-43	Approach to stakeholder engagement	27, 28	Annual report 2020
102-44	Key topics and concerns raised	27, 28	Annual report 2020
102	**Reporting practice**		
102-45	Entities included in the consolidated financial statements	61, 74	Annual report 2020
102-46	Defining report content and topic Boundaries	27, 28	Annual report 2020
102-47	List of material topics	27, 28, 29	Annual report 2020
102-48	Restatements of information	NA	No significant restatements of information
102-49	Changes in reporting	NA	No significant changes from previous reporting periods
102-50	Reporting period	8, 10	Annual report 2020
102-51	Date of most recent report	NA	4/26/2021
102-52	Reporting cycle	NA	Annual
102-53	Contact point for questions regarding the report	41	Annual report 2020
102-54	Claims of reporting in accordance with the GRI Standards	18, 26	Annual report 2020
102-55	GRI content index	110	Annual report 2020
102-56	External assurance		SSG has not requested external assurance for the Corporate Social Responsibility and Sustainability Report as of 2020. SSG will assess this practice in the future

DSC	Description	Page	Notes
200	**Economic topics**		
103-1	Explanation of the material topic and its Boundary	27, 28	Annual report 2020
103-2	The management approach and its components	6, 10, 26	Annual report 2020
103-3	Evaluation of the management approach	6, 26, 34	Annual report 2020
	Customer satisfaction		
Self-defined	Assessment of customer satisfaction	34	Annual report 2020
205-3	Confirmed incidents of corruption and actions taken	NA	There have been no such incidents in 2020
300	**Environmental topics**		
103-1	Explanation of the material topic and its Boundary	27, 28	Annual report 2020
103-2	The management approach and its components	6, 10, 26	Annual report 2020
103-3	Evaluation of the management approach	6, 26, 30	Annual report 2020
	Resource efficiency		
Self-defined	Part of freehold facilities with LED-lightning	30	Annual report 2020
307-1	Non-compliance with environmental laws and regulations	NA	There have been no such incidents in 2020
400	**Social topics**		
103-1	Explanation of the material topic and its Boundary	27, 28	Annual report 2020
103-2	The management approach and its components	6, 10, 26	Annual report 2020
103-3	Evaluation of the management approach	6, 26, 29, 33	Annual report 2020
	Health and safety		
403-9	Work-related injuries	20, 39	Annual report 2020
	Integrity and human rights		
405-1	Diversity of governance bodies and employees	32	Annual report 2020
405-2	Ratio of basic salary and remuneration of women to men	33	Annual report 2020
	Employee wellbeing		
406-1	Incidents of discrimination and corrective actions taken	NA	There have been no such incidents in 2020

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6A, NO-0191 Oslo
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Self Storage Group ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Self Storage Group ASA comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the statement of financial position as at 31 December 2020, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2020, the statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of freehold investment property

The freehold investment property in the consolidated statement of financial position are recorded at fair value, amounting to NOK 1 456.5 million, equal to 56.4 % of the total assets. The change in fair value recorded in the statement of comprehensive income amounted to NOK 92.9 million in 2020. The Group used an external appraiser to assist with valuation of the freehold property. The valuation of the Group's freehold investment property is dependent on a range of estimates such as rental income and yield. The valuation of the freehold investment property is a key audit matter due to its magnitude, the uncertainty of the estimates and the complexity of the calculation.

We evaluated the professional qualifications and objectivity of the appraiser used by management. We obtained an understanding of the nature of the work performed, which included an evaluation of the objectivity and scope, including the methods and assumptions applied. We discussed the estimates and the movements in the fair value of the freehold investment property with management and the external appraiser. We involved specialists to evaluate the valuation model and the principles behind the assumptions used in estimating the fair value. Further, we tested the mathematical accuracy of the valuation model.

We refer to the Group's disclosures included in note 2 Significant accounting policies (section Investment Property), note 4 Critical accounting judgements and key sources of estimation uncertainty and note 9 Investment property in the consolidated financial statements.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 28 April 2021
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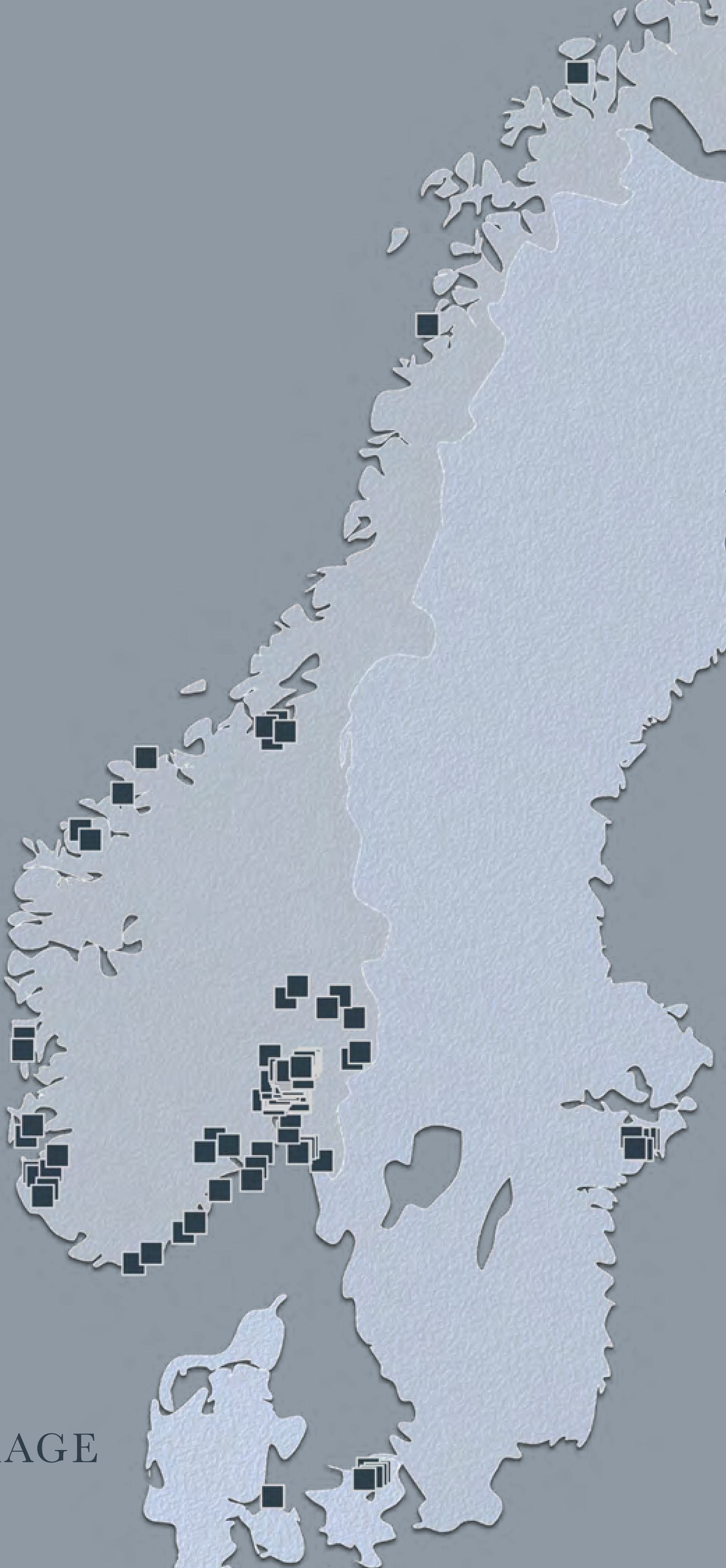
The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)



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