

Interim Report Q1 2021

Self Storage Group ASA



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Highlights

The first quarter 2021 was another strong quarter for SSG with solid organic revenue- and EBITDA-growth, development of facilities and acquisition of new properties. The company experienced limited business impact from COVID-19, demonstrating the resilience and robustness of the business-model, and has a solid platform for further profitable growth and expansion.

- All time high revenues of NOK 76.7 million, up from NOK 70.8 million in Q1 2020
- Adjusted EBITDA¹ of NOK 45.1 million, up from NOK 41.5 million in Q1 2020
- Adjusted profit before tax of NOK 54.1 million, up from NOK 19.2 million in Q1 2020
- Average occupancy in Q1 2020 for sites with more than 12 months of operation was 85.6% (81.6%) with an average rent per m² of NOK 2 277 per year (NOK 2 303)
- 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, has an existing leasehold agreement on the premises and has currently a lettable area of 4 300 m² (CLA) in operation
- Total value of freehold investment property of NOK 1 771 million, up from NOK 1 457 million end of December 2020
- Strong cash position of NOK 261.7 million, up from NOK 246.8 million end of December 2020
- Entered into an agreement to acquire Dit Pulterkammer Holding A/S, a Danish regional self-storage operator with five facilities with a current lettable area of approximately 9 300 m². The transaction was closed 14 April 2021 subsequent to the quarter

Key Figures¹

(Amounts in NOK million)

	Q1 2021	Q1 2020	Full year 2020
Revenue	76.7	70.8	293.3
Lease expenses	- 2.2	- 3.0	- 9.4
Total other operating expenses	- 30.5	- 27.8	- 108.5
Total adjustments	1.2	1.5	1.7
Adjusted EBITDA	45.1	41.5	177.1
Adjusted EBIT	41.9	38.4	162.7
Change in fair value of freehold investment property	16.3	5.7	92.9
Change in fair value of leasehold investment property	- 9.5	- 15.4	- 63.0
Net finance	5.5	- 9.4	- 45.1
Adjusted Profit before tax	54.1	19.2	147.5
Adjusted Net Profit	44.7	15.7	114.3
Current lettable area (in thousands m ²)	149.4	140.3	148.2
Lettable area under development (in thousands m ²)	34.4	23.3	30.4
Number of facilities	116	113	116

¹Non-GAAP measures are defined on page 29

Financial development

Self Storage Group implemented measures to safeguard customers and employees following the COVID-19 outbreak, 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 as of March 2021. Demand is strong and the development in occupancy has been satisfactory. Average prices have been impacted by more extensive entry-offer campaigns, as filling up new capacity is prioritized. The current lettable area was increased with 1 100 m² during the first quarter 2021. The Group plans to open between 12 000 and 14 000 m² during 2021.

The value of the freehold portfolio has increased by NOK 314.6 million in the first quarter 2021. The increase from acquisitions and expansions amounts to NOK 299.8 million and the increase from change in fair value amounts to NOK 16.3 million. The increase is partly offset by NOK 1.5 million in negative currency differences.

Revenue

Revenue for Q1 2021 was NOK 76.7 million, an increase of NOK 5.9 million from Q1 2020. The increase in revenue is related to growth in lettable area through opening of new facilities and expansions, and growth in occupancy for facilities opened in recent years. Average occupancy in Q1 2021 for sites with more than 12 months of operation was 85.6% (81.6%) with an average rent per m² of NOK 2 277 per year (NOK 2 303).

Rental income from self-storage services was NOK 71.6 million in Q1 2021, an increase of NOK 6.2 million from Q1 2020. Increased self-storage revenue from the CSS-segment amounts to NOK 3.4 million. Increased self-storage revenue from the OKM-segment amounts to NOK 2.8 million. Income from rental of containers amounts to approximately 9.4% of the Group's self-storage revenue.

Other revenue was NOK 5.1 million in Q1 2021, a decrease of NOK 0.4 million compared with Q1 2020. Other revenue consists of revenue from distribution of insurance, ancillary services, rental income from segments other than self-storage and other income. The income from office tenants fluctuates due to contracts expiring and office-space being converted to self-storage.

There is a negative foreign exchange effect attributable to rental income in SEK and DKK of NOK 0.3 million when comparing Q1 2021 and Q1 2020.

Lease expenses

Lease expenses were NOK 2.2 million in Q1 2021, down from NOK 3.0 million in Q1 2020. The decrease is mainly related to higher lease expenses in Q1 2020 and one lease contract renegotiated from short-term to long-term after Q1 2020. According to IFRS 16 long-term leasehold agreements are treated as financial leases. Lease expenses thus only consist of leasehold-contracts classified as short-term.

At the end of March 2021, 46% of the current lettable area in SSG is freehold, compared to 37% at the end of March 2020. 34% of current lettable area in the City Self-Storage segment is freehold, while 64% of current lettable area in OK Minilager is freehold. The share of freehold property is increasing in both segments.

Property-related expenses

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

Property-related expenses in Q1 2021 were NOK 11.1 million, an increase of NOK 3.1 million compared to Q1 2020. NOK 1.2 million of the increase in cost is related to higher electricity prices compared with Q1 2020 and increased lettable area in the portfolio. The self-storage industry has a low environmental footprint with the use of electricity as the main source of CO₂ emissions. SSG works actively to reduce its carbon footprint and works continuously to reduce the use of electricity per square meter. NOK 0.9 million of the increase in property-related expenses is attributable to planned maintenance projects. All maintenance is recorded as operational cost and is not capitalized.

Lettable area in SSG has increased by 9 100 m² (6.5%) since March 2020, and the number of facilities has increased by three to 116 facilities by end March 2021.

Salary and other employee benefits

Salary and other employee benefits in Q1 2021 were NOK 10.8 million, a decrease of NOK 0.2 million from Q1 2020. In Q1 2020 there were no-recurring costs related to restructuring of NOK 0.5 million. Salary and other employee benefits adjusted for non-recurring costs in Q1 2020 increased by NOK 0.3 million.

The number of full time equivalents (FTE) decreased from 66 FTE in March 2020 to 56 FTE in March 2021. 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 insource 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 in the establishment of new facilities was capitalized and not expensed under salary and other employee benefits. Internal project management costs related to the development projects are capitalized.

Depreciation

Depreciation in Q1 2021 was NOK 3.2 million, an increase of NOK 0.2 million from Q1 2020. The depreciation is mainly related to fitout and other equipment for new facilities and expansions. Maintenance is posted as property-related expenses.

Other operating expenses

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

In Q1 2021 other operating expenses amounted to NOK 8.5 million, a decrease of NOK 0.2 million from Q1 2020. There were non-recurring costs of NOK 1.2 million in Q1 2021, compared to non-recurring costs of NOK 0.9 million in Q1 2020 related to acquisition of investment properties. Adjusted for non-recurring costs, other operating expenses in Q1 2021 have decreased by NOK 0.5 million compared with Q1 2020.

The level of other operating expenses has been stable despite the growth of the company, and is expected to remain quite stable going forward when adjusting for costs related to acquisitions. Sales and advertising will however increase as revenue increases, since sales costs are related to online advertising. Sales and marketing costs constitute 4.0% (3.5%) of the revenue in Q1 2021. The increase is mainly driven by increased ad spending on online search engines.

Adjustments

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

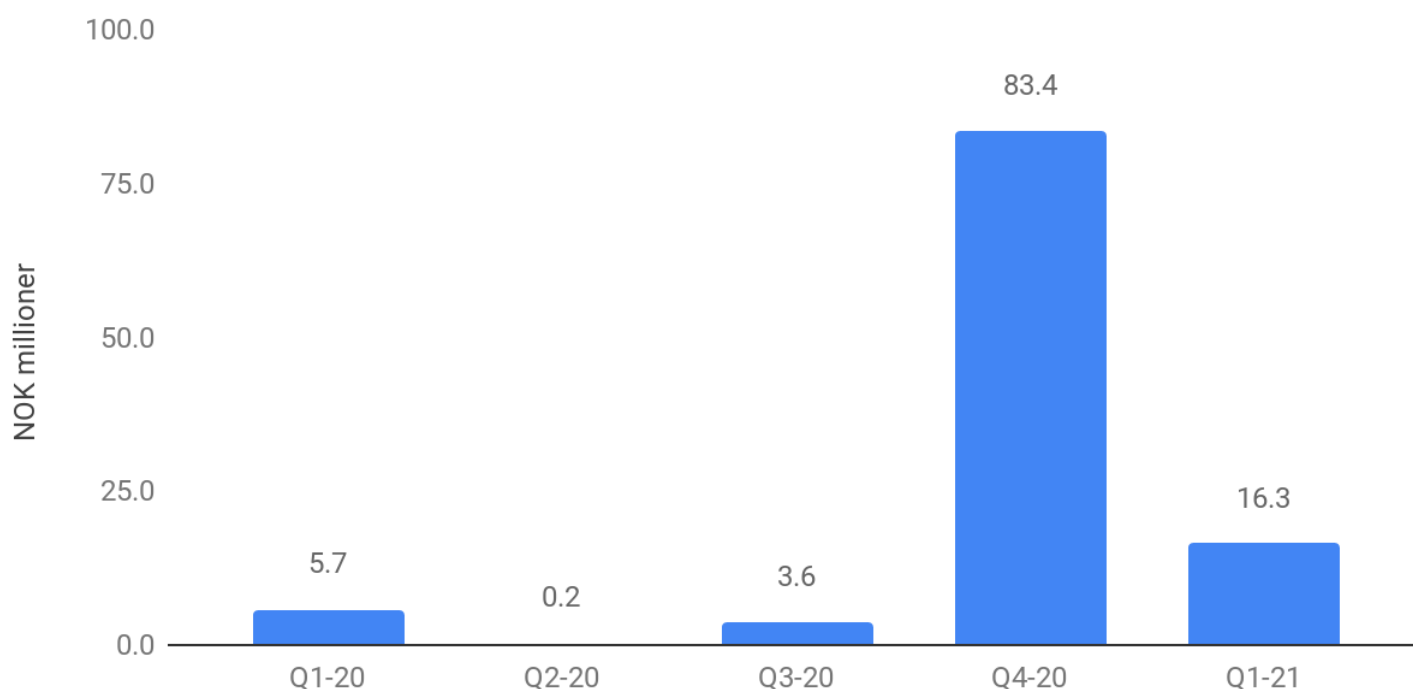
(NOK 1 000)	Q1 2021	Q1 2020	Full year 2020
Adjustments			
Acquisition costs	1 157	923	1 177
Severance packages	-	538	538
Total adjustments	1 157	1 461	1 715

Change in fair value of investment property

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

In Q1 2021 the change in fair value of freehold investment property recognised in P&L was NOK 16.3 million, compared to the change in fair value in Q1 2020 of NOK 5.7 million. The change in fair value relates to commencement of self-storage services, including long-term rental agreement. The valuation is performed by an external appraiser. All freehold properties were appraised during the fourth quarter of 2020, and there were no indications of change as of Q1 2021. Properties acquired in Q1 2021 have been appraised during the quarter.

The diagram below shows the change in fair value recognised in P&L since Q1 2020.



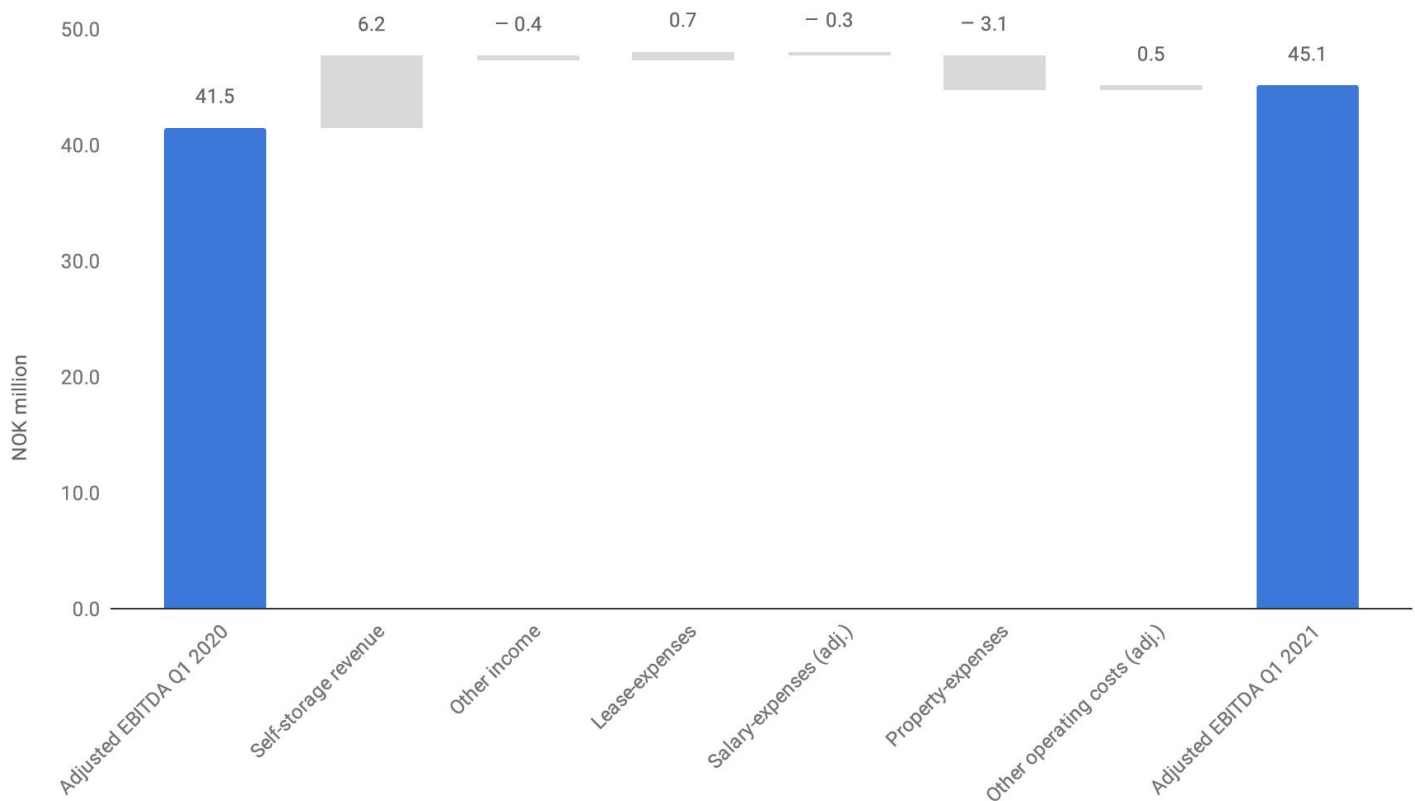
Change in fair value of leasehold investment property is related to IFRS 16 and value adjustment due to passage of time of recognised leases. Change in fair value of leasehold investment property recognised in the P&L in Q1 2021 was NOK -9.5 million, compared to NOK -15.4 million in Q1 2020. The decrease relates mainly to the two prior lease contracts in Adamstuen and Hvidovre, which now are accounted for as freehold investment properties, and derecognition of leasehold investment property asset for Adamstuen, partly offset by one renegotiated lease contact from short-term to long-term after Q1 2020 and changes in exchange rate.

Fair value of freehold investment property was NOK 1 771 million and fair value of leasehold investment property was NOK 464.1 million at 30 March 2021. Fair value of freehold investment property at 31 December 2020 was NOK 1 457 million, while the fair value of leasehold investment property was NOK 515.2 million.

EBITDA and profit before tax

EBITDA in Q1 2021 was NOK 44.0 million, an increase of NOK 3.9 million since Q1 2020. There were non-recurring costs of NOK 1.2 million in Q1 2021, compared to NOK 1.5 million in Q1 2020. The increase in EBITDA adjusted for non-recurring costs was NOK 3.6 million. There is a negative foreign exchange effect attributable to rental income in SEK and DKK of NOK 0.3 million when comparing Q1 2021 and Q1 2020, offset by a positive foreign exchange effect on expenses. The financial development in Q1 2021 had an adjusted EBITDA-growth of 9% compared with Q1 2020.

Adjusted EBITDA for Q1 2021 vs Q1 2020 is visualised below.



Net finance amounted to plus NOK 5.5 million in Q1 2021, an increase of NOK 14.9 million compared to Q1 2020. The increase is related to increased financial income of NOK 16.7 million partly offset by increased financial costs of NOK 1.8 million.

The increase in financial income in Q1 2021 compared to Q1 2020 is mainly related to unrealised gain in foreign currency of NOK 11.6 million due to strengthening of NOK on lease liabilities in SEK and DKK, and a positive change in fair value of financial instruments related to hedging of interests of NOK 4.9 million. The unrealised gain in foreign currency is offset by the impact of the strengthening in NOK on the leasehold and freehold investment properties in Sweden and Denmark affecting other comprehensive income by NOK -9.8 million.

The increase in financial expenses in Q1 2021 compared to Q1 2020 is mainly related to increased interest expense on lease liabilities of NOK 0.9 million due to increased lease liabilities treated as financial leases, and increased unrealised loss in foreign currency of NOK 1.1 million due to intercompany loans in foreign currency. Interest expense on borrowings in Q1 2021 was NOK 2.7 million, compared to NOK 3.0 million in Q1 2020.

Profit before tax in Q1 2021 was NOK 53.0 million, an increase of NOK 35.2 million from Q1 2020.

Statement of financial position

Total assets were NOK 2 879 million as of 31 March 2021, compared to NOK 2 582 million at 31 December 2020, an increase of NOK 296.9 million. Freehold investment property has increased with NOK 314.6 million from 31 December 2020 to NOK 1 771 million as of 31 March 2021. This is mainly due to the acquisition of

two properties during Q1 2021, in addition to investments in several development and conversion projects. Leasehold investment property was NOK 464.1 million at 31 March 2021, a decrease of NOK 51.1 million from 31 December 2020. The decrease is mainly related to the acquisition of a property with an existing long-term leasehold agreement on the premises, change in fair value of leasehold investment property due to passage of time and currency differences on leasehold investment property in Denmark and Sweden in the first quarter 2021. The decrease is partly offset by two options assessed reasonably certain to exercise.

Cash and bank deposits increased by NOK 14.9 million to NOK 261.7 million at the end of March 2021 from December 2020. The main changes in cash and bank deposits for the first quarter of 2021 relates to net borrowings drawn up amounting to NOK 312 million and net cash outflow on acquisition of investment property and additions to freehold investment property.

In the first quarter of 2021, SSG refinanced all existing debt to Handelsbanken with a new bank facility loan with Handelsbanken and Danske Bank amounting to NOK 984 million. Interest-bearing debt¹ amounts to NOK 980.0 million at the end of March 2021, an increase of NOK 306.9 million from December 2020. Loan to value¹ of freehold investment property is 55% as of end March 2021, compared to 46% at the end of December 2020. The loan facility has several covenants². As of 31 March 2021, 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 March 2021 cash less interest-bearing debt was negative with NOK 718.3 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 March 2021 was NOK 1 209 million, an increase of NOK 31.3 million from December 2020. The increase is mainly attributable to profit during the period. Lease liabilities at the end of March 2021 was NOK 484.7 million, a decrease of NOK 52.4 million compared to the end of December 2020. The decrease is mainly related to the acquisition of an existing leasehold agreement on the premises, lease payments due to passage of time and currency differences on lease liabilities in Denmark and Sweden in Q1 2021. The decrease is partly offset by two options assessed reasonably certain to exercise. The equity ratio decreased to 42% at the end of March 2021, from 46% at the end of December 2020.

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 during Q1 2021 was NOK 29.7 million, compared to NOK 36.6 million during Q1 2020. The net cash flow from operating activities adjusted for non-cash items is relatively stable, but increase in prepaid expenses and timing differences for payments give a lower net cash flow from operating activities for the first quarter of 2021 compared to the first quarter of 2020. The prepaid expenses as of March 2021 are higher than as of March 2020 due to prepaid fit-out not yet received for several of the facilities under construction.

¹Non-GAAP measures are defined on page 29

²See note 7 for the Group's covenants

Net cash flow from investing activities during Q1 2021 was NOK -305.5 million compared to NOK -61.5 million during Q1 2020. Payments for investment property includes development of properties, additions to existing properties and acquisition of new properties. Payments for property, plant and equipment consists mainly of new fit-out. Net cash outflow for acquisition of subsidiaries includes business acquisition and acquisition accounted for as an asset acquisition if completed in the quarter. These investing activities are in line with the Group's strategy.

Net cash flow from financing activities was NOK 291.6 million at the end of Q1 2021, compared to NOK 55.9 million at the end of Q1 2020. In Q1 2021 SSG refinanced all existing debt to Handelsbanken with a new bank facility loan with Handelsbanken and Danske Bank amounting to NOK 984 million. Net cash flow from financial activities was affected by net borrowings drawn up amounting to NOK 312 million and net payment of lease liabilities and payments of lease classified as interests amounted to NOK -16.8 million in Q1 2021.

SSG's cash balance at the end of March 2021 was NOK 261.7 million.



Strategy

SSG engages in the business of renting out self-storage units to both private individuals and businesses. The Group is a leading provider of self-storage services with facilities in Norway, Sweden and Denmark. The business model of the Group is to operate self-storage facilities in Scandinavia with a strong focus on cost effective operations, competitive rent levels and industry leading customer service. In order to achieve this 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 customers 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 our potential.

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 searching 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 operates under both the OK Minilager and City Self-Storage brands and will continue to do so as the two concepts target different market segments.

OK Minilager

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

City Self-Storage

is SSG's "urban concept", targeting the population in the major cities, currently serving Oslo, Stavanger, 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 continuing 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 amongst 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 fifth largest provider in Sweden and Denmark.

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 Sweden and Denmark 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-served, 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 developments

Several smaller newly acquired real-estate companies have been merged with OK Property AS during the first quarter of 2021, as the last step in the integration of the companies.

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.

Acquisitions

(Amounts in NOK million)

Acquired properties	Area	Transaction quarter	Total potential lettable area (m ²)	Transaction value	Closing quarter	Opening quarter
Håndverksveien 2	Langhus, Norway	Q3 2020	1 300	25.0	Q2 2021	Q2 2021
Hensmoen 8	Hønefoss, Norway	Q3 2020	550	5.4	Q2 2021	Q2 2021
Hovebakken 29	Sandnes, Norway	Q4 2020	1 300	18.0	Q1 2021	Q2 2021
General Birchs gate 16, existing leasehold agreement on the premises (Adamstuen)	Oslo, Norway	Q1 2021	8 100	250.0	Q1 2021	4 300 CLA in operation
Dit Pulterkammer, five properties	Jutland and Aarhus, Denmark	Q1 2021	11 600	139.0	Q2 2021	9 300 CLA in operation
Sørliveien 84, neighbouring property	Halden, Norway	Q2 2021	500	3.8	Q4 2021	Q1 2022
Total			23 350	441.2		

Risks and uncertainty factors

SSG is exposed to risk and uncertainty factors, which may affect some or all of the Group's activities. SSG has financial risk, market risk, operational risk and risk related to the current and future products.

The Group is exposed to interest rate risk, and in Q1 2021 SSG entered into two five-year interest rate swap to secure NOK 300 million and NOK 150 million of the interest-bearing debt with a fixed rate of 1.345% and 1.42%. In total the Group has interest rate swaps amounting to NOK 750 million. These agreements will reduce the risk of high volatility in future interest payments.

Since the end of 2020 there has been a strengthening in the exchange rate of NOK. In Denmark and Sweden both revenue and costs are in local currency, and purchases in EUR and GBP are mostly related to fit-out activated in the balance sheet. The table in note 5 the Annual Report for 2020 showing currency effects on the Groups profit if the exchange rate fluctuate is still valid.

With the exception of the above mentioned changes there are no significant changes in the risks and uncertainty factors compared to the descriptions in the Annual Report for 2020.

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 March 2021, the Group operates 116 facilities across Scandinavia with a total lettable area of 183 800 m² and current lettable area of 149 400 m².

In 2020 we witnessed the outbreak of the COVID-19, which is currently affecting the whole society and economy, and with future developments that cannot be predicted at present. However, the business impact of COVID-19 for SSG so far has been limited, proving the resilience and robustness of our business model.

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 its freehold portfolio through the acquisition of existing leasehold interests, a strategy which was used to acquire one property in the first quarter of 2021.

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 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 has, over the past three decades, built an unique and enduring scale in the market. With a solid financial position, a strong organization and attractive assets, SSG is well positioned to leverage its scalable platform, setting the foundation for a great future.

Oslo, 10 May 2021

Board of Directors, Self Storage Group ASA

Financials

Self Storage Group Condensed consolidated statement of comprehensive income

(Amounts in NOK 1 000)

	Note	Unaudited For the three months ended 31 March 2021	Unaudited For the three months ended 31 March 2020	Audited For the twelve months ended 31 December 2020
Revenue	3	76 674	70 817	293 348
Lease expenses	3,8	-2 243	-2 954	-9 432
Property-related expenses	3	-11 139	-8 083	-36 135
Salary and other employee benefits	3	-10 794	-11 007	-40 209
Depreciation		-3 249	-3 059	-14 476
Other operating expenses	3	-8 535	-8 757	-32 138
Operating profit before fair value adjustments		40 714	36 957	160 958
Change in fair value of freehold investment property	5	16 310	5 705	92 929
Change in fair value of leasehold investment property	5,8	-9 534	-15 443	-63 010
Operating profit after fair value adjustments		47 490	27 219	190 877
Finance income	9	16 848	129	2 603
Finance expense	7,8,9	-11 368	-9 577	-47 659
Profit before tax		52 970	17 771	145 821
Income tax expense		-9 185	-3 247	-32 853
Profit for the period		43 785	14 524	112 968
Total comprehensive income for the year attributable to parent company shareholders		43 785	14 524	112 968
Total comprehensive income for the year attributable to non-controlling interests		-	-	-
Earnings per share				
Basic (NOK)	4	0.52	0.17	1.34
Diluted (NOK)	4	0.52	0.17	1.34
Other comprehensive income, net of income tax				
Items that may be reclassified subsequently to profit or loss				
- currency translation difference		-12 484	3 815	12 932
Other comprehensive income for the period, net of income tax		-12 484	3 815	12 932
Total comprehensive income for the period		31 301	18 339	125 900
Total comprehensive income for the year attributable to parent company shareholders		31 301	18 339	125 900
		-	-	-

Self Storage Group

Condensed consolidated statement of financial position

(Amounts in NOK 1 000)

		Unaudited 31 March 2021	Audited 31 December 2020
ASSETS			
Non-current assets	Note		
Freehold investment property	5	1 771 135	1 456 522
Leasehold investment property	5,8	464 109	515 227
Property, plant and equipment	8	130 483	122 477
Goodwill		184 981	184 628
Financial instruments		3 229	-
Other intangible assets		1 537	1 626
Total non-current assets		2 555 474	2 280 480
Current assets			
Inventories		1 616	1 611
Trade and other receivables		14 617	15 629
Financial instruments		24 750	24 750
Other current assets		21 148	13 162
Cash and bank deposits		261 724	246 804
Total current assets		323 855	301 956
TOTAL ASSETS		2 879 329	2 582 436
EQUITY AND LIABILITIES			
Equity			
Issued share capital	6	8 432	8 432
Share premium		791 594	791 594
Currency translation reserve		355	12 839
Retained earnings		408 785	365 000
Total equity		1 209 166	1 177 865
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing debt	7	938 830	519 429
Non-current lease liabilities	7,8	440 819	487 887
Other financial liabilities		310	2 018
Deferred tax liabilities		125 925	114 624
Total non-current liabilities		1 505 884	1 123 958
Current liabilities			
Current interest-bearing debt	7	41 177	153 699
Current lease liabilities	7,8	43 852	49 216
Trade and other payables		17 421	15 777
Income tax payable		12 249	11 994
Other taxes and withholdings		5 668	5 862
Other current liabilities		43 912	44 065
Total current liabilities		164 279	280 613
Total liabilities		1 670 163	1 404 571
TOTAL EQUITY AND LIABILITIES		2 879 329	2 582 436

Self Storage Group

Condensed consolidated statement of Changes in Equity

(Amounts in NOK 1 000)

	Issued Share capital	Share premium	Currency translation reserve	Retained earnings	Total equity
Balance at 1 January 2020	8 261	744 853	- 93	252 032	1005 053
Profit (loss) for the period	-	-	-	14 524	14 524
Other comprehensive income (loss) for the period net of income tax	-	-	3 303	-	3 303
Total comprehensive income for the period	-	-	3 303	14 524	17 827
Issue of ordinary shares, net of transaction costs	171	46 741	-	-	46 912
Balance at 31 March 2020 (Unaudited)	8 432	791 594	3 210	266 556	1 069 792

Balance at 1 January 2021	8 432	791 594	12 839	365 000	1 177 865
Profit (loss) for the period	-	-	-	43 785	43 785
Other comprehensive income (loss) for the period net of income tax	-	-	- 12 484	-	- 12 484
Total comprehensive income for the period	-	-	- 12 484	43 785	31 301
Balance at 31 March 2021 (Unaudited)	8 432	791 594	355	408 785	1 209 166

Self Storage Group

Condensed consolidated statement of Cash flows

(Amounts in NOK 1 000)		Unaudited	Unaudited	Audited
	Note	For the three months ended 31 March 2021	For the three months ended 31 March 2020	For the year ended 31 December 2020
Cash flow from operating activities				
Profit before tax		52 970	17 771	145 821
Income tax paid		- 2 921	- 3 730	- 7 460
Net expensed interest and fees on borrowings and leases		3 642	7 484	29 987
Depreciation		3 249	3 059	14 476
Gain/loss on disposal of property, plant and equipment		- 42	-	- 208
Unrealised gain/loss in foreign currency	9	- 9 919	559	12 842
Change in fair value of financial instruments	9	- 4 937	253	1 564
Change in fair value of freehold investment property	5	- 16 310	- 5 705	- 92 929
Change in fair value of leasehold investment property	5,8	9 534	15 443	63 010
Change in trade and other receivables		1 090	- 551	299
Change in trade and other payables		1 533	3 723	8 462
Change in other current assets		- 7 917	- 3 097	- 1 335
Change in other current liabilities		- 252	1 356	2 029
Net cash flow from operating activities		29 720	36 565	176 558
Cash flow from investing activities				
Payments for freehold investment property		- 29 253	- 17 169	- 164 523
Payments for property, plant and equipment		- 11 752	- 5 640	- 23 300
Proceeds from disposal of property, plant and equipment		223	-	251
Net cash outflow on acquisition of subsidiaries		- 264 735	- 38 693	- 76 202
Net cash flow from investing activities		- 305 517	- 61 502	- 263 774
Cash flow from financing activities				
Proceeds from borrowings	7	984 268	80 000	441 000
Repayment of borrowings	7	- 672 263	- 5 788	- 110 158
Interest paid	7,9	- 3 873	- 2 849	- 10 572
Payments of lease liabilities	7,8	- 10 517	- 10 322	- 55 069
Payments of interest on lease liabilities	7,8,9	- 6 060	- 5 131	- 20 666
Net cash flow from financing activities		291 555	55 910	244 535
Net change in cash and cash equivalents		15 758	30 973	157 319
Cash and cash equivalents at beginning of the period		246 804	88 117	88 117
Effect of foreign currency rate changes on cash and cash equivalents		- 838	1 909	1 368
Cash and equivalents at end of the period		261 724	120 999	246 804

Note 1 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property, which is measured at fair value with gains and losses recognised in profit or loss. The interim financial statements were approved by the Board of Directors on 10 May 2021.

Note 2 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2020. The Group has not early adopted any standard, interpretation or amendment with effective date after 1 January 2021. There are no new standards or amendments in short term perspective which have been issued, but are not yet effective, that are considered to have an impact on the Group. The Group intends to adopt these standards, if applicable, when they become effective. The interim financial statements are unaudited.

The Group assess indicators of impairment of property, plant and equipment, intangible assets and financial investments continuously. As of 31 March 2021 no indicators of impairment are identified.

Note 3 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 Directors, which are used to make strategic and resource allocation decisions. The Group reports management information based on the two concepts offered by the Group, City Self-Storage (CSS) and OK Minilager (OKM), in addition to the Group's property business in the Property segment and Self Storage Group ASA (SSG ASA) in separate segments. Other/elimination includes eliminations of intercompany transactions and the remainder of the Group's activities not attributable to the other operating segments. In the tables below, reconciliation from EBITDA to Profit before tax is presented on an aggregated level. The Group reports management information excluding IFRS 16 impacts.

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

The total of Sales income and Other income in the segment reporting corresponds with the line item Revenue as recognised under IFRS.

The Group's reportable segments are as follows:

OK Minilager (OKM)	Nationwide presence in Norway offering climate controlled storage units and container based storage.
City Self-Storage (CSS)	Climate controlled facilities in all Scandinavian countries, with a primary focus on the capital cities of Oslo, Stockholm and Copenhagen.
Property	The ownership and development of property. Internal lease agreements with the operating companies in the group, in addition to external lease agreements. The internal income and expenses are eliminated on Group level.
SSG ASA	SSG ASA includes administration and management activities.
Other/eliminations	Elimination and the remainder of the Group's activities not attributable to the operating segments described above.

For the three months ended 31 March 2021	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	50 380	21 219	-	-	-	-	71 599
Other income	3 579	106	18 371	-	- 16 981	-	5 075
Lease expenses	- 27 081	- 9 216	-	- 330	16 981	17 403	- 2 243
Other operating costs	- 19 285	- 5 434	- 4 304	- 1 506	-	61	- 30 468
EBITDA	7 593	6 675	14 067	- 1 836	-	17 464	43 963
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 3 249
Change in fair value of freehold investment property							16 310
Change in fair value of leasehold investment property							- 9 534
Finance income							16 848
Finance expense							- 11 368
Profit before tax							52 970

For the three months ended 31 March 2020	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	46 975	18 409	-	-	-	-	65 384
Other income	3 336	1 085	15 279	-	- 14 267	-	5 433
Lease expenses	- 24 957	- 9 119	-	- 240	13 309	18 053	- 2 954
Other operating costs	- 17 346	- 5 842	- 3 766	- 1 851	958	-	- 27 847
EBITDA	8 008	4 533	11 513	- 2 091	-	18 053	40 016
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 3 059
Change in fair value of freehold investment property							5 705
Change in fair value of leasehold investment property							- 15 443
Finance income							129
Finance expense							- 9 577
Profit before tax							17 771

For the year ended 31 December 2020	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	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
Operating costs	- 70 495	- 20 961	- 16 154	- 2 509	1 415	222	- 108 482
EBITDA	31 299	16 295	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

Note 4 Earnings per share

(Amounts in NOK)

	For the three months ended 31 March 2021	For the three months ended 31 March 2020
Profit (loss) for the period	43 785 000	14 524 000
Weighted average number of outstanding shares during the period (basic)	84 328 584	83 519 920
Weighted average number of outstanding shares during the period (diluted)	84 328 584	83 519 920
Earnings (loss) per share - basic in NOK	0.52	0.17
Earnings (loss) per share - diluted in NOK	0.52	0.17

See also note 6

Note 5 Investment property

(Amounts in NOK 1 000)

During the three months period ended 31 March 2021, the following changes have occurred in the Group's portfolio of investment properties:

	Leasehold investment property	Freehold investment property	Total
Balance as at 31 December 2020	515 227	1 456 522	1 971 749
Value adjustment due to passage of time	- 9 534	-	-9 534
Additions and disposals leasehold investment property in the year	- 32 726	-	-32 726
Asset acquisition in Property segment	-	-	-
Company acquired as asset acquisition	-	270 529	270 529
Additions to existing properties	-	29 253	29 253
Fair value adjustments recognised in profit or loss	-	16 310	16 310
Other/translation differences	- 8 858	- 1 479	-10 337
Balance as at 31 March 2021	464 109	1 771 135	2 235 244

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.

Note 6 Changes in shareholders' equity

(Amounts in NOK)

	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
Ordinary shares at 31 March 2021			84 328 584	8 432 858	0.10

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

Note 7 Interest bearing liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized cost. The carrying amounts approximate fair value as at 31 March 2021.

As at 31 March 2021	Amounts due in		Total
	less than 1 year	1-5 years	
Debt to financial institutions (NOK, Handelsbanken)	41 177	938 830	980 007
Changes in liabilities arising from financing activities	Interest bearing borrowings	Lease liabilities	Total financing activities
Balance as at 31 December 2020	673 128	537 103	1 210 231
Additions and disposals of leasehold investment property in the year	-	-32 726	-32 726
Additions and disposals of other leases in the year	-	-	-
Repayments of borrowings/Payments of lease	-672 263	-10 517	-682 780
Proceeds from borrowings	984 268	-	984 268
Interests expenses of borrowings	-1 253	-	-1 253
Interests paid of borrowings	-3 873	-	-3 873
Other/translation differences	-	-9 189	-9 189
Balance as at 31 March 2021	980 007	484 671	1 464 678

On 24 February 2021, 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. As of 31 March 2021, the Group is in compliance with all loan covenants, and also expects to comply with covenants throughout 2021.

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%

In Q1 2021 SSG entered into two additional five-year interest rate swaps. There are no margin calls related to the interest rate swaps.

Fixed interest rate agreements	Amount	Maturity date	Interest rate (%)
Handelsbanken	150 000	Mar-25	1.080
Handelsbanken	150 000	Apr-25	0.785
Handelsbanken	300 000	Mar-26	1.345
Handelsbanken	150 000	Mar-26	1.420

Interest rate swaps are recorded at fair value through profit and loss. A gain of NOK 4.9 million for Q1 2021 related to hedging of interests is included in the finance expense.

Note 8 Leases

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 terms below 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 asset 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 lease liabilities are secured by the lessors' title to the leased assets.

(Amounts in NOK 1 000)

Changes in recognised leases during the period:	Lease liabilities	Leased assets	
		Leasehold investment property	Other leases
Balance as at 31 December 2020	537 103	515 227	5 303
Additions and disposals of leases for leasehold investment property in the year	-32 726	-32 726	-
Additions and disposals of other leases in the year	-	-	-
Payments of lease	-10 517	-	-
Change in fair value of leasehold investment properties	-	-9 534	-
Depreciation	-	-	- 308
Other/translation differences	-9 189	-8 858	-
Balance as at 31 March 2021	484 671	464 109	4 995

Amounts related to leases recognised in profit or loss:	For the three months ended 31 March 2021
Expenses relating to short-term leases (included in lease expenses)	-2 243
Change in fair value of leasehold properties	-9 534
Depreciation expense of leased assets classified as property, plant and equipment	- 308
Interest expense on lease liabilities (included in finance expenses)	-6 060
Total amount recognised in profit or loss	-18 145

The Group experienced limited business impact from COVID-19 in the first quarter of 2021 and has no 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 the first quarter of 2021.

In Q1 2021 an agreement to acquire the leasehold property at Adamstuen in Oslo was made and the purchase agreement was included in the value of leasehold investment property. On 1 March 2021 the agreement was completed.

Total cash outflows for leases was NOK 16.6 million in the first quarter of 2021.

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 in the Annual Report for 2020). Options to extend reasonably certain to commit to, but not started, amounts to NOK 128.1 million as of 31 March 2021, with periods ranging between one and ten years. Options to extend not reasonably certain to commit to, amounts to NOK 34.1 million as of 31 March 2021, with periods ranging between one and ten years.

Two options to extend reasonably certain to commit to, but not started, are included in the balance sheet in 2021 as they during Q1 2021 are assessed reasonably certain to be exercised.

The Group has not committed to any future leases as of 31 March 2021.

Note 9 Net financial items

(Amounts in NOK 1 000)

A breakdown of net financial items in the income statement is presented below:

	For the three months ended 31 March 2021	For the three months ended 31 March 2020	For the full year ended 31 December 2020
Interest income and other financial income	34	52	1 493
Realised gain from transactions in foreign currency	252	77	152
Unrealised gain in foreign currency	11 624	-	923
Positive change in fair value of financial instruments*	4 937	-	35
Total financial income	16 847	129	2 603
Interest expense on borrowings	-2 681	-2 973	-8 920
Interest expense on lease liabilities	-6 060	-5 131	-20 666
Other interests, fees and charges	- 778	- 461	-2 448
Realised loss from transactions in foreign currency	- 143	- 200	- 261
Unrealised loss in foreign currency	-1 705	- 559	-13 765
Negative change in fair value of financial instruments*	-	- 253	-1 599
Total financial expenses	-11 367	-9 577	-47 659
Net financial items	5 480	-9 448	-45 056

* Change in value of interest rate swaps

37% of the lease liabilities as of March 2021 are in SEK or DKK.

Note 10 Subsequent events

- On 8 April 2021, an agreement to acquire a property in Sørliveien 84 in Halden was entered into. The property is the neighboring property of SSG's existing facility in Halden, and has an estimated lettable area of 500 m²
- On 14 April 2021, the acquisition of Dit Pulterkammer Holding A/S, Danish regional self-storage operator with five strategically located facilities in the Jutland region and Aarhus area, was successfully completed
- On 15 April 2021, the acquisition of a property in Håndverksveien 2 in Nordre Follo was successfully completed. The property has an estimated lettable area of 1 300 m²

Note 11 Subsequent business combinations

(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. Subsequent for the acquisition all interest-bearing liabilities were settled with cash, amounting to NOK 96.0 million.

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 an 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	0
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 until 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 do not impact consolidated revenue and profit before acquisition date 14 April 2021.

The revenue and net profit for the first quarter of 2021 are estimated to be approximately NOK 4.8 million and NOK 0.6 million respectively, if the Company had acquired Dit Pulterkammer with effect from 1 January 2021. EBITDA for the first quarter of 2021 is estimated to NOK 1.2 million. Estimated consolidated figures for the first quarter of 2021 are according to Danish GAAP.

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

Alternative performance measures (APMs)

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

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

Operating profit before fair value adjustments

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

Adjustments

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

Definition of SSG's financial APMs

- Interest bearing debt: Defined as non-current interest-bearing debt plus current interest-bearing debt. The figure does not include lease liabilities
- 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 investment properties and leasehold properties +/- net finance
- Adjusted tax: Tax expense +/- tax on adjustments
- Adjusted Net Profit : Adjusted Profit before tax +/- tax expense

SSG's non-financial APMs

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

Reconciliation of APMs used in the Interim Report

(Amounts in NOK 1 000)

	31 March 2021	31 December 2020
Interest-bearing debt		
Non-current interest-bearing debt	938 830	519 429
Current interest-bearing debt	41 177	153 699
Total interest-bearing debt	980 007	673 128

(Amounts in NOK 1 000)

	Q1 2021	Q1 2020	Full year 2020
Property-related expenses	-11 139	-8 083	-36 135
Salary and other employee benefits	-10 794	-11 007	-40 209
Other operating expenses	-8 535	-8 757	-32 138
Total other operating expenses	-30 468	-27 847	-108 482
Operating profit before fair value adjustments	40 714	36 957	160 958
EBIT	40 714	36 957	160 958
Total adjustments	1 157	1 461	1 715
Adjusted EBIT	41 871	38 418	162 673
Change in fair value of freehold investment property	16 310	5 705	92 929
Change in fair value of leasehold investment property	-9 534	-15 443	-63 010
Adjusted Profit before tax	54 127	19 232	147 536
Adjusted tax	-9 386	-3 514	-33 239
Adjusted Net profit	44 741	15 718	114 297
Operating profit before fair value adjustments	40 714	36 957	160 958
Depreciation	-3 249	-3 059	-14 476
EBITDA	43 963	40 016	175 434
Total adjustments	1 157	1 461	1 715
Adjusted EBITDA	45 120	41 477	177 149
Adjustments			
Acquisition costs	1 157	923	1 177
Severance packages	-	538	538
Total adjustments	1 157	1 461	1 715