

# Interim Report Q3 2021

Self Storage Group ASA



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# Highlights

The third quarter 2021 was a record quarter with organic revenue and EBITDA performance coupled with continued growth in our operating footprint and financial flexibility. Q3 2021's highlights include the expansion of the current lettable area (CLA) by 1 900 m<sup>2</sup>, the acquisition of new pipeline properties totaling 5 100 m<sup>2</sup> in potential lettable area and an equity capital raise giving us the financial flexibility for future growth. Our freehold investment property value exceeds NOK 2.0 billion and there is strong demand for SSG's facilities across all markets in which we operate. The company has a solid foundation for further profitable growth and expansion.

## Q3 2021

- All time high revenues of NOK 92.8 million, up 24% from NOK 75.0 million in Q3 2020
- All time high EBITDA of NOK 58.2 million, up 21% from NOK 48.0 million in Q3 2020
- Profit before tax of NOK 38.8 million, up 58% from NOK 24.6 million in Q3 2020
- Private placement of NOK 300 million in gross proceeds successfully completed in August 2021
- Cash position end of September 2021 of NOK 352.0 million, up from NOK 246.8 million end of December 2020
- Acquisition of three properties in Norway
- Total value of freehold investment property of NOK 2 089 million as of September 2021, up from NOK 1 457 million end of December 2020
- Loan to value of freehold investment property is 51% as of end September 2021, compared to 46 % as of end December 2020
- All time high average occupancy for sites with more than 12 months of operation of 91.6% (85.2%) in Q3 2021 with an average rent per m<sup>2</sup> of NOK 2 321 per year (NOK 2 320)

## Key Figures<sup>1</sup>

(Amounts in NOK million)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Full year 2020
Revenue	92.8	75.0	255.4	217.4	293.3
Lease expenses	- 4.2	- 1.6	- 9.4	- 7.4	- 9.4
Total other operating expenses	- 30.5	- 25.3	- 91.7	- 79.1	- 108.5
Total adjustments	-	-	3.4	1.5	1.7
Adjusted EBITDA	58.2	48.0	157.8	132.4	177.1
Adjusted EBIT	53.8	44.2	145.6	121.7	162.7
Change in fair value of freehold investment property	1.7	3.6	17.5	9.6	92.9
Change in fair value of leasehold investment property	- 12.2	- 16.3	- 34.3	- 47.5	- 63.0
Net finance	- 4.4	- 7.0	- 15.0	- 30.4	- 45.1
Adjusted Profit before tax	38.8	24.6	114.0	53.4	147.5
Adjusted Net Profit	29.7	20.0	90.0	43.6	114.3
Current lettable area (in thousands m <sup>2</sup> )	165.3	146.2	165.3	146.2	148.2
Lettable area under development (in thousands m <sup>2</sup> )	39.8	28.2	39.8	28.2	30.4
Number of facilities	126	115	126.0	115	116

<sup>1</sup>Non-GAAP measures are defined on page 32

# Financial development

Self Storage Group implemented measures to safeguard customers and employees following the COVID-19 outbreak in March 2020, but all self-storage facilities have been open as usual for both existing and new customers during the pandemic. 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 September 2021. Demand is strong and occupancy has been all time high in the third quarter of 2021. Current lettable has increased by 17 000 m<sup>2</sup> during the first nine months of 2021 and consists of 7 600 m<sup>2</sup> from organic growth and 9 400 m<sup>2</sup> from the acquisition of Dit Pulterkammer which was closed on 14 April 2021. The Group plans to open between 12 000 and 14 000 m<sup>2</sup> organically during 2021, with a significant part in the fourth quarter following the opening of several facilities. Due to the growth in lettable area and SSG's expansion plans, filling up capacity has been prioritized over increasing prices in 2021.

The value of the freehold portfolio increased by NOK 632.7 million in the first nine months of 2021 to a total of NOK 2 089 million. The increase from business combinations, acquisitions and expansions amounts to NOK 615.2 million, the increase from change in fair value amounts to NOK 17.5 million.

## Revenue

Revenue for Q3 2021 was NOK 92.8 million, an increase of NOK 17.9 million from Q3 2020.

Rental income from self-storage services was NOK 85.9 million in Q3 2021, an increase of NOK 16.1 million from Q3 2020. NOK 11.1 million of the increase is related to growth in lettable area through opening of new facilities and expansions, and growth in occupancy across both concepts and all three countries. Average occupancy in Q3 2021 for sites with more than 12 months of operating history was 91.6% (85.2%) with an average rent per m<sup>2</sup> of NOK 2 321 per year (NOK 2 320). The remainder of the increase (NOK 5.0 million) is related to new self-storage revenue from Dit Pulterkammer, which is consolidated with SSG from 14 April 2021. Dit Pulterkammer is reported as part of the CSS-segment. Increased self-storage revenue from the CSS-segment amounts to NOK 13.2 million while increased self-storage revenue from the OKM-segment amounts to NOK 2.9 million compared to Q3 2020. Income from rental of containers amounts to approximately 9.0% of the Group's self-storage revenue.

Other revenue was NOK 6.9 million in Q3 2021, an increase of NOK 1.8 million compared with Q3 2020. NOK 0.7 million of the increase in other revenue is related to Dit Pulterkammer. 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 0.8 million when comparing Q3 2021 and Q3 2020.

Revenue for the first nine months of 2021 was NOK 255.4 million, an increase of NOK 38.0 million from the first nine months of 2020. Rental income from self-storage services increased with NOK 34.7 million including NOK 9.1 million in self-storage revenue from Dit Pulterkammer for the period 14 April 2021 to 30 September 2021. Other revenue increased with NOK 3.3 million in the period.



## Lease expenses

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. Lease expenses were NOK 4.2 million in Q3 2021, up from NOK 1.6 million in Q3 2020. The increase is mainly related to three long-term lease contracts now classified as short-term. Earlier quarters this year this has been offset by a short-term contract negotiated to long-term. Lease expenses are impacted if long-term contracts expire and are renegotiated to short-term contracts, if new short-term contracts are signed, or if short-term contracts are renegotiated to long-term contracts. Lease expenses were NOK 9.4 million in the first nine months of 2021, up from NOK 7.4 million in the first nine months of 2020. Average remaining lease period for leased facilities in the CSS-segment, including options, is 7.8 years. For OK Minilager, which has a number of short revolving contracts, the average remaining term is 1.8 years.

At the end of September 2021, 51% of the current lettable area in SSG is held freehold, compared to 39% at the end of September 2020. 42% of current lettable area in the City Self-Storage segment is freehold, while 66% 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. All maintenance is recorded as operational cost and is not capitalized.

Property-related expenses in Q3 2021 were NOK 10.2 million, an increase of NOK 0.4 million compared to Q3 2020. NOK 0.7 million of the increase in cost is related to Dit Pulterkammer. Property-related expenses in the first nine months of 2021 were NOK 29.7 million, an increase of NOK 4.3 million compared to the first nine months of 2020. NOK 1.4 million of the increase in cost is related to Dit Pulterkammer. The remaining part of the increase is mainly related to higher electricity costs in the winter-months than last year and planned maintenance.

Lettable area in SSG increased by 19 100 m<sup>2</sup> (13.1%) since September 2020, and the number of facilities increased by 11 to 126 facilities as of the end of September 2021.

## Salary and other employee benefits

Salary and other employee benefits in Q3 2021 were NOK 10.2 million, an increase of NOK 1.2 million from Q3 2020. The increase of NOK 1.0 million is mainly related to new employees in Dit Pulterkammer acquired in April 2021. Salary and other employee benefits in the first nine months of 2021 were NOK 31.6 million, an increase of NOK 1.6 million from the first nine months of 2020. New costs related to salary and other employee benefits in Dit Pulterkammer constitute NOK 1.8 million for the period 14 April 2021 to 30 September 2021.

There were no non-recurring costs related to salary and other employee benefits in the first nine months of 2021, but in the first nine months of 2020 there were non-recurring costs related to restructuring of NOK 0.5 million. Internal project management costs related to the development projects are capitalized.

The average number of full-time equivalents (FTE) in Q3 2021 was 67 FTE, an increase of four FTEs since Q3 2020 including 4.5 FTEs following the acquisition of Dit Pulterkammer.

## Depreciation

Depreciation in Q3 2021 was NOK 4.4 million, an increase of NOK 0.6 million from Q3 2020. Depreciation in the first nine months of 2021 was NOK 12.2 million, an increase of NOK 1.4 million from the first nine months of 2020. Depreciation related to Dit Pulterkammer for the period 14 April 2021 to 30 September 2021 constitutes NOK 0.4 million of the increase. 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 Q3 2021 other operating expenses amounted to NOK 10.1 million, an increase of NOK 3.5 million from Q3 2020. There were no costs defined as non-recurring costs neither in Q3 2021 nor in Q3 2020. NOK 0.7 million is new costs from Dit Pulterkammer. The increase is partly related to costs that follow the development of revenue and costs associated with newly acquired properties as valuations and insurance. Operating expenses in Q3 2020 were significantly lower than other quarters in 2020.

In Q3 2021 a project to develop a communication and brand strategy for our two brands, including a logo upgrade, revitalisation of the webpages and new brand guidelines was launched. The advisory costs related to the project constitute NOK 0.7 million in Q3 2021. Ongoing sales and advertising costs have increased by NOK 0.7 million compared with Q3 2020 due to increase in revenue. Sales and marketing costs constitute 3.8% (3.8%) of the revenue in Q3 2021. The increase is mainly driven by increased ad spending on online search engines.

The costs related to bad debt increased by NOK 0.5 million in Q3 2021 compared to Q3 2020, and constitute 0.8% (0.4%) of the revenue. The change is related to increased revenue in addition to default by an office tenant with an existing lease-contract now terminated. The customers are invoiced in advance and the level of bad debt is low.

There were legal costs in Q3 2021 of NOK 0.4 million related to assistance with contractual matters.

In the first nine months of 2021 other operating expenses amounted to NOK 30.4 million, an increase of NOK 6.7 million from the first nine months of 2020. There were non-recurring costs of NOK 3.9 million in the first nine months of 2021 impacting other operating expenses, compared to NOK 0.9 million in non-recurring costs the first nine months of 2020. Adjusted for non-recurring acquisition costs, other operating expenses in the first nine months of 2021 increased by NOK 3.7 million compared with the first nine months of 2020. NOK 1.3 million is new costs from Dit Pulterkammer.

The level of other operating expenses has been stable over many years 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 and there are some costs related to being a listed company that will arise in order to be compliant and to ensure a sustainable growth.

## Adjustments

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

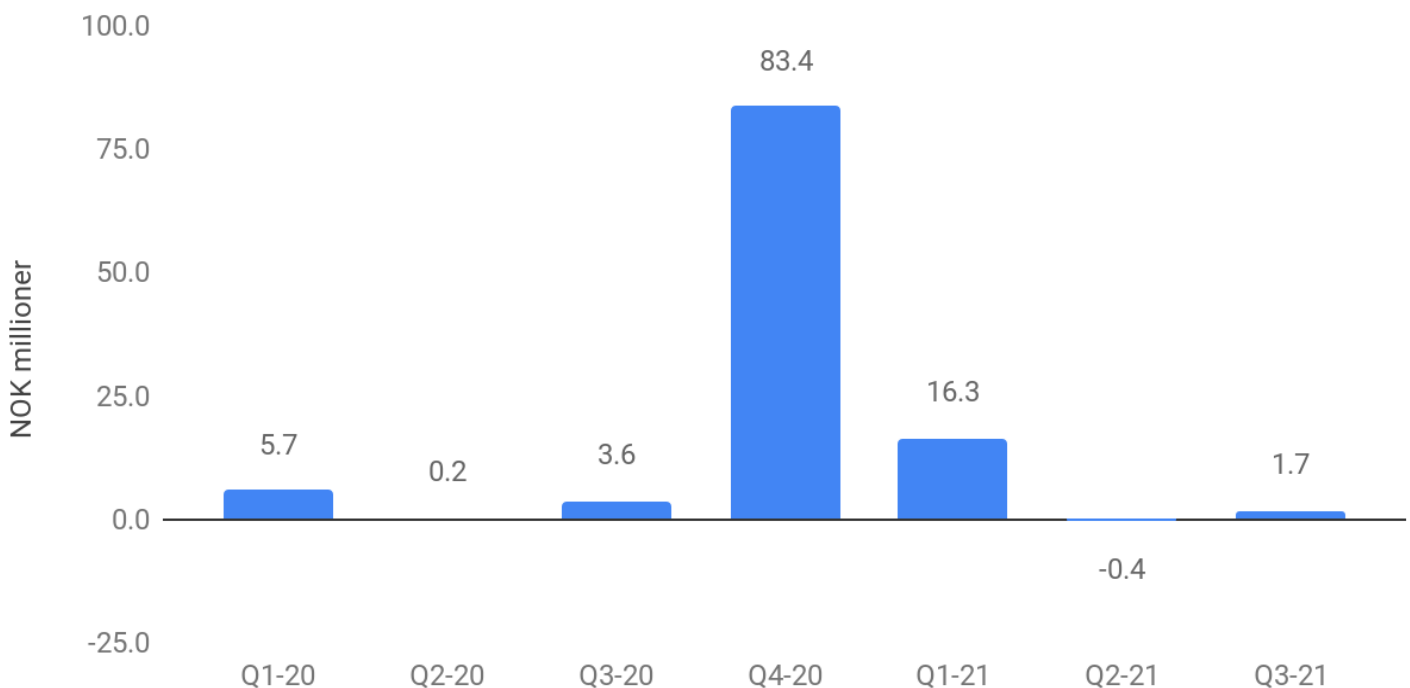
(NOK 1 000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Full year 2020
<b>Adjustments</b>					
Revenue: release of historical liability	-	-	507	-	-
Other operating expenses: acquisition costs	-	-	-3 923	- 923	-1 177
Salary and other employee benefits: severance packages	-	-	-	- 538	- 538
<b>Total adjustments</b>	-	-	<b>-3 416</b>	<b>-1 461</b>	<b>-1 715</b>

## Change in fair value of investment property

The fair value of freehold investment property is based on independent valuations, with intra group lease contracts 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 Q3 2021 the change in fair value of freehold investment property recognised in P&L was NOK 1.7 million, compared to the change in fair value in Q3 2020 of NOK 3.6 million. The change in fair value relates to two of the three newly-acquired properties appraised in this quarter. 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 from that figure as of Q3 2021.

The diagram below shows the change in fair value recognised in P&L since Q3 2020.

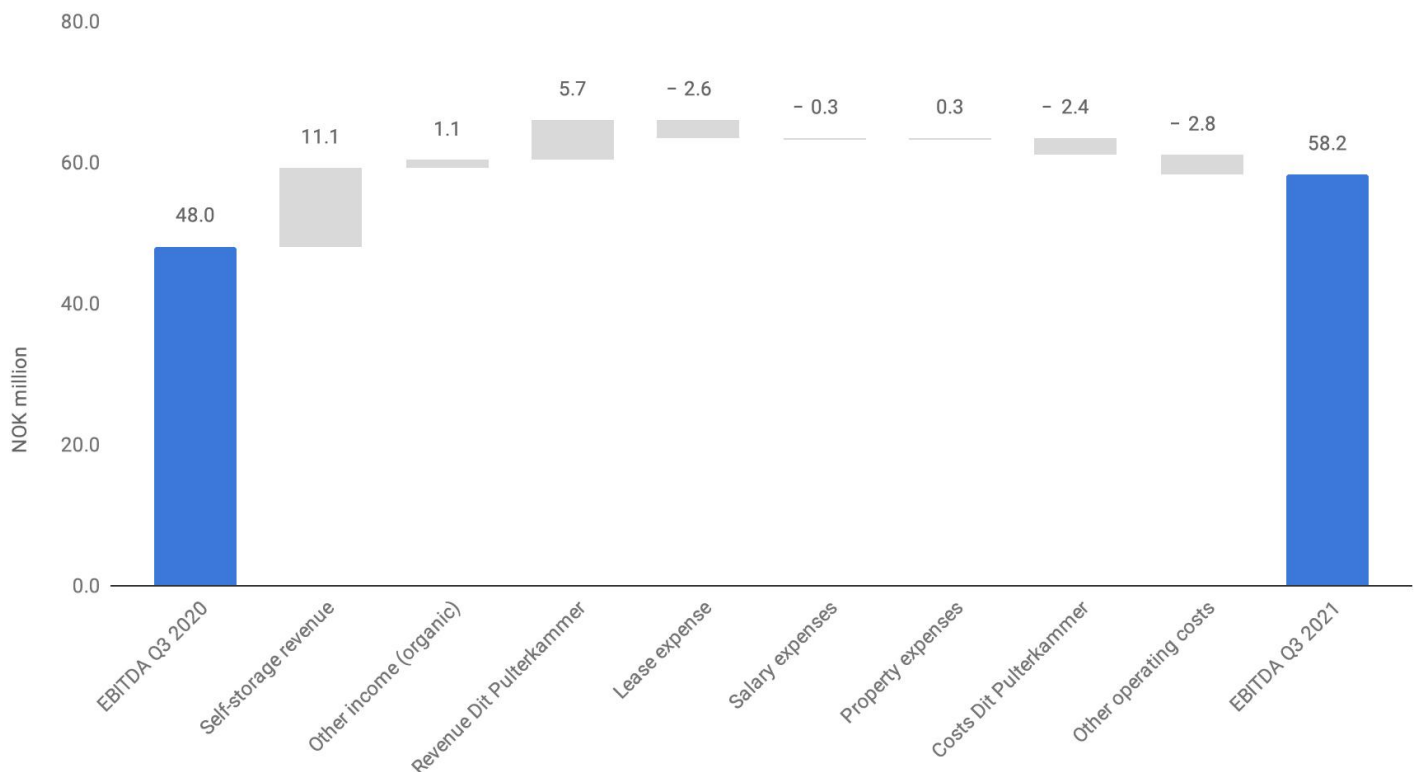


Change in fair value of leasehold investment property relates mainly to passage of time of recognised leases under IFRS 16. Change in fair value of leasehold investment property recognised in the P&L in Q3 2021 was NOK -12.2 million, compared to NOK -16.3 million in Q3 2020. The decrease relates mainly to the two prior lease contracts in Adamstuen and Hvidovre, which now are accounted for as freehold investment properties, and changes in the length of some lease contracts that affect the classification of lease as short-term or long-term. Change in fair value of leasehold investment property recognised in the P&L will change if long-term contracts expire and are renegotiated to short-term contracts, or if short-term contracts are renegotiated to long-term contracts.

Fair value of freehold investment property was NOK 2 089 million and the fair value of leasehold investment property was NOK 442.3 million at 30 September 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 Q3 2021 was NOK 58.2 million, an increase of NOK 10.2 million since Q3 2020. NOK 3.3 million of the increase in EBITDA is attributable to new net revenue and cost from Dit Pulterkammer. There were no costs defined as non-recurring costs neither in Q3 2021 nor in Q3 2020. There is a negative foreign exchange effect attributable to rental income in SEK and DKK of NOK 0.8 million when comparing Q3 2021 and Q3 2020, offset by a positive foreign exchange effect on expenses of NOK 0.6 million. The financial development in Q3 2021 had an EBITDA-growth of 21% compared with Q3 2020. EBITDA for Q3 2021 vs Q3 2020 is visualised below.





EBITDA for the nine months of 2021 was NOK 154.4 million, an increase of NOK 23.4 million since the first nine months of 2020. NOK 6.0 million of the increase in EBITDA is attributable to new revenue and cost from Dit Pulterkammer. There were non-recurring items of NOK 3.4 million in the first nine months of 2021, compared to NOK 1.5 million in the first nine months of 2020.

Net finance amounted to NOK -4.4 million in Q3 2021, compared to NOK -7.0 million in Q3 2020. The change is related to increased financial income of NOK 7.5 million, partly offset by increased financial costs of NOK 5.0 million. The main effects on net finance are interest expenses on borrowings, interest expenses on lease liabilities, other financial expenses, unrealised gain and loss in foreign currency and positive and negative change in fair value of financial instruments. Detailed development on net finance is disclosed in note 10.

The increase in financial income in Q3 2021 compared to Q3 2020 is mainly related to a positive change in fair value of financial instruments of NOK 7.3 million. The increase in financial expenses in Q3 2021 compared to Q3 2020 is mainly related to the increase in interest expense on borrowings amounting to NOK 5.7 million in Q3 2021.

Net finance amounted to NOK -15.0 million in the first nine months of 2021, compared to NOK -30.4 million in the first nine months of 2020. The change is related to increased financial income of NOK 25.4 million offset by increased financial costs of NOK 10.0 million. Interest expense on borrowings in the first nine months of 2021 was NOK 13.6 million, compared to NOK 7.3 million in the first nine months of 2020.

Profit before tax in Q3 2021 was NOK 38.8 million, an increase of NOK 14.2 million from Q3 2020. Profit before tax in the first nine months of 2021 was NOK 110.5 million, an increase of NOK 58.6 million from the first nine months of 2020.

## Statement of financial position

Total assets were NOK 3 287 million as of 30 September 2021, compared to NOK 2 582 million at 31 December 2020, an increase of NOK 704.2 million. Freehold investment property increased by NOK 632.7 million from 31 December 2020 to NOK 2 089 million as of 30 September 2021. The increase is mainly related to the acquisition of Dit Pulterkammer with five freehold self-storage facilities in Denmark and the acquisition of seven properties in Norway during the first nine months of 2021, whereof one property was acquired by executing the option from the Eurobox transaction to acquire a neighbouring building at Billingstad. In addition the increase is related to investments in several development and conversion projects. Leasehold investment property was NOK 442.3 million at 30 September 2021, a decrease of NOK 72.9 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 and the 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 nine months of 2021. The decrease is partly offset by two options assessed reasonably certain to exercise.

Cash and bank deposits increased by NOK 105.2 million to NOK 352.0 million at the end of September 2021 from December 2020. The main changes in cash and bank deposits for the first nine months of 2021 relates to net borrowings drawn up amounting to NOK 392.3 million, net proceeds from the private placement of NOK 292.0 million and net cash outflow on acquisition of investment property and additions to freehold investment property.

In the first nine months 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. In addition, SSG has a revolving credit facility of which NOK 100 million was drawn in April 2021 in connection with the acquisition of Dit Pulterkammer. Interest-bearing debt<sup>1</sup> amounts to NOK 1 057 million at the end of September 2021, an increase of NOK 384.2 million from December 2020. Loan to value<sup>1</sup> of freehold investment property is 51% as of end September 2021, compared to 46% at the end of December 2020. The loan facility has several covenants<sup>2</sup>. As of 30 September 2021, the Group is not in breach of any of the covenants, and does not expect any breaches in the next 12 months.

At the end of September 2021 interest-bearing debt cash less was NOK -705.3 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 risk and provides stable working capital. Other current liabilities consist mainly of prepaid income.

Total equity at the end of September 2021 was NOK 1 549 million, an increase of NOK 370.8 million from December 2020. The increase is mainly attributable to the net proceeds from the private placement of NOK 292.0 million and partly from profit during the period. Lease liabilities at the end of September 2021 was NOK 465.8 million, a decrease of NOK 71.3 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 the first nine months of 2021. The decrease is partly offset by two options assessed reasonably certain to exercise. The equity ratio increased to 47% at the end of September 2021, from 46% at the end of December 2020.

## Cash flow

SSG has strong cash flow as customers are invoiced in advance and costs are predictable and stable. Net cash flow from operating activities during Q3 2021 was NOK 43.3 million, compared to NOK 57.8 million during Q3 2020. The net cash flow from operating activities adjusted for non-cash items decreased for the third quarter of 2021 compared to the third quarter of 2020 due to increase in prepaid expenses and timing differences for payments give a lower net cash flow from operating activities. Net cash flow from operating activities for the first nine months of 2021 was NOK 121.5 million, compared to NOK 134.0 million for the first nine months of 2020. The decrease in net cash flow from operating activities for the first nine months of 2021 is mainly related to increase in prepaid expenses and timing differences for payments.

Net cash flow from investing activities during Q3 2021 was NOK -99.1 million compared to NOK -49.7 million during Q3 2020. Net cash flow from investing activities for the first nine months of 2021 was NOK -639.4 million compared to NOK -135.1 million a year earlier. Payments for investment property includes acquisition of new properties, development of properties and additions to existing 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.

<sup>1</sup>Non-GAAP measures are defined on page 32

<sup>2</sup>See note 8 for the Group's covenants

Net cash flow from financing activities was NOK 264.6 million at the end of Q3 2021, compared to NOK 19.3 million at the end of Q3 2020. Net cash flow from financing activities for the first nine months of 2021 was NOK 623.6 million, compared to NOK 143.7 million a year earlier. 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 and in Q2 2021 SSG drew up NOK 100 million on a revolving credit facility. In Q3 2021 SSG completed a private placement of NOK 300 million in gross proceeds.

Net cash flow from financial activities were affected by net borrowings drawn up amounting to NOK 392.3 million, net proceeds from the private placement of NOK 292.0 million and net payment of lease liabilities and payments of lease classified as interests amounted to NOK -46.9 million in the first nine months of 2021.

SSG's cash balance at the end of September 2021 was NOK 352.0 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 a 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 freehold facilities. The Group seeks to strengthen its nationwide presence in Norway while at the same time optimising existing facilities in the portfolio. The Group is also looking at growing its portfolio in the Swedish and Danish markets, both through development of new facilities and acquisition of established self-storage providers. 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 held 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, Copenhagen and the Jutland-area in Denmark. The strategy is to strengthen the market-leading position in the major cities in Norway by establishing more facilities at attractive locations. The group is also targeting growth within existing and new facilities in the Danish market, where City Self-Storage has a nationwide footprint following the acquisition of Dit Pulterkammer in April 2021. SSG currently has an opportunistic approach towards potential growth in Sweden. 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 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. SSG entered the Swedish and the Danish markets through the acquisition of City Self-Storage in 2016. With the acquisition of Eurobox in 2019 the leading position in the Norwegian market was solidified. 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 market leading position in Norway and a national footprint in Denmark. SSG is also a regional operator in the Stockholm area.

### 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 of the customer journey. 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 was a pioneer in this area and has constantly innovated 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 well positioned to execute its strategy.



# Corporate developments

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.

On 26 May 2021 the annual general meeting of Self Storage Group ASA was held. All proposals set out in the notice to the general meeting were approved. Steven Skaar (chairman), Gustav Søbak, Yvonne Litsheim Sandvold, Ingrid Elvira Leisner and Carl August Ameln were elected to the Board of Directors. Steven Skaar represents Alta Lux Holdco S.a.r.l, an entity managed by affiliates of Centerbridge Partners.

On 24 August 2021 the company issued 10 350 000 new shares at a price per share of NOK 29.0.

## Acquisitions

(Amounts in NOK million)

Acquired properties <sup>1</sup>	Area	Transaction quarter	Total potential lettable area (m <sup>2</sup> )	Transaction value	Closing quarter	Opening quarter
Gardermovegen	Nannestad, Norway	Q4 2021	1 050	11.5	Q2 2022	Q3 2022
Knarvik <sup>2</sup>	Alver, Norway	Q3 2021	-	4.0	Q4 2021	Q4 2021
Håvik E6 44	Narvik, Norway	Q3 2021	200	1.0	Q3 2021	Q1 2022
Billingstadsletta 91, neighbouring property	Asker, Norway	Q3 2021	3 150	32.8	Q3 2021	Q3 2022
Petroleumsveien 8, neighbouring property	Stavanger, Norway	Q2 2021	1 700	16.0	Q3 2021	Q1 2022
Verkstedveien 1	Mo i Rana, Norway	Q2 2021	850	7.7	Q4 2021	Q1 2022
Sørliveien 84, neighbouring property	Halden, Norway	Q2 2021	500	3.8	Q4 2021	Q1 2022
Dit Pulterkammer, five properties	Jutland and Aarhus, Denmark	Q1 2021	11 600	139.0	Q2 2021	9 400 CLA in operation
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
Hovebakken 29	Sandnes, Norway	Q4 2020	1 300	18.0	Q1 2021	Q3 2021
Hensmoen 8	Hønefoss, Norway	Q3 2020	550	5.4	Q2 2021	Q3 2021
Håndverksveien 2	Langhus, Norway	Q3 2020	1 300	25.0	Q2 2021	Q3 2021
<b>Total</b>			<b>30 300</b>	<b>514.2</b>		

<sup>1</sup>Properties with closing quarter in 2021

<sup>2</sup>Acquisition of ground

## 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 the first nine months of 2021 SSG entered into two five-year interest rate swaps 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 fluctuates 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 30 September 2021, the Group operates 126 facilities across Scandinavia with a total lettable area of 205 100 m<sup>2</sup> and current lettable area of 165 300 m<sup>2</sup>.

There is a large untapped potential for our services 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 generated by many years of development, dedication and firm strategy. The Company has a proven track-record of developing and operating its portfolio of self-storage facilities, leveraging on a lean and operationally-focused organisation to increase margins and targeting 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. SSG is also exploring the opportunities to grow its freehold portfolio through the acquisition of existing leasehold interests, a strategy which successfully has been implemented for multiple former leasehold facilities. A successful private placement was completed in August 2021 and gives the Company additional investment capacity.

During 2021, SSG has made new key recruitments and has expanded the management team with a CTO. The Group continues to make investments in its digital platforms, to increase automation and customer satisfaction. A branding project has been completed successfully, and a new identity and communication strategy for the two brands will be rolled out during Q4 2021 and 2022.

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 plans to open between 12 000-14 000 lettable m<sup>2</sup> during 2021, and is forecasting the same growth rate for 2022.

SSG has, over the past three decades, built a 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, 1 November 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 30 September 2021	Unaudited For the three months ended 30 September 2020	Unaudited For the nine months ended 30 September 2021	Audited For the nine months ended 30 September 2020	Audited For the twelve months ended 31 December 2020
Revenue	3	92 848	74 950	255 437	217 424	293 348
Lease expenses	3,9	-4 189	-1 600	-9 364	-7 372	-9 432
Property-related expenses	3	-10 153	-9 705	-29 744	-25 493	-36 135
Salary and other employee benefits	3	-10 235	-9 000	-31 563	-29 944	-40 209
Depreciation		-4 416	-3 819	-12 154	-10 748	-14 476
Other operating expenses	3	-10 080	-6 626	-30 394	-23 647	-32 138
<b>Operating profit before fair value adjustments</b>		<b>53 775</b>	<b>44 200</b>	<b>142 218</b>	<b>120 220</b>	<b>160 958</b>
Change in fair value of freehold investment property	6	1 650	3 620	17 537	9 565	92 929
Change in fair value of leasehold investment property	6,9	-12 225	-16 261	-34 251	-47 513	-63 010
<b>Operating profit after fair value adjustments</b>		<b>43 200</b>	<b>31 559</b>	<b>125 504</b>	<b>82 272</b>	<b>190 877</b>
Finance income	10	7 661	124	25 900	510	2 603
Finance expense	8,9,10	-12 067	-7 114	-40 859	-30 881	-47 659
<b>Profit before tax</b>		<b>38 794</b>	<b>24 569</b>	<b>110 545</b>	<b>51 901</b>	<b>145 821</b>
Income tax expense		-9 109	-4 585	-23 275	-9 522	-32 853
<b>Profit for the period</b>		<b>29 685</b>	<b>19 984</b>	<b>87 270</b>	<b>42 379</b>	<b>112 968</b>
Total comprehensive income for the year attributable to parent company shareholders		29 685	19 984	87 270	42 379	112 968
Total comprehensive income for the year attributable to non-controlling interests		-	-	-	-	-
<b>Earnings per share</b>						
Basic (NOK)	4	0.34	0.24	1.02	0.50	1.34
Diluted (NOK)	4	0.34	0.24	1.02	0.50	1.34
<b>Other comprehensive income, net of income tax</b>						
Items that may be reclassified subsequently to profit or loss						
- currency translation difference		-1 252	148	-8 587	3 267	12 932
<b>Other comprehensive income for the period, net of income tax</b>		<b>-1 252</b>	<b>148</b>	<b>-8 587</b>	<b>3 267</b>	<b>12 932</b>
<b>Total comprehensive income for the period</b>		<b>28 433</b>	<b>20 132</b>	<b>78 683</b>	<b>45 646</b>	<b>125 900</b>
Total comprehensive income for the year attributable to parent company shareholders		28 433	20 132	78 683	45 646	125 900
		-	-	-	-	-

# Self Storage Group

## Condensed consolidated statement of financial position

(Amounts in NOK 1 000)

		Unaudited 30 September 2021	Audited 31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>Note</b>		
Freehold investment property	6	2 089 245	1 456 522
Leasehold investment property	6,9	442 284	515 227
Property, plant and equipment	9	154 615	122 477
Goodwill		187 295	184 628
Financial instruments		10 512	-
Other intangible assets		1 400	1 626
Deferred tax assets		93	-
<b>Total non-current assets</b>		<b>2 885 444</b>	<b>2 280 480</b>
<b>Current assets</b>			
Inventories		1 648	1 611
Trade and other receivables		17 360	15 629
Financial instruments	6	-	24 750
Other current assets		30 228	13 162
Cash and bank deposits		351 970	246 804
<b>Total current assets</b>		<b>401 206</b>	<b>301 956</b>
<b>TOTAL ASSETS</b>		<b>3 286 650</b>	<b>2 582 436</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued share capital	7	9 467	8 432
Share premium		1 082 657	791 594
Currency translation reserve		4 252	12 839
Retained earnings		452 270	365 000
<b>Total equity</b>		<b>1 548 646</b>	<b>1 177 865</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current interest-bearing debt	8	915 558	519 429
Non-current lease liabilities	8,9	420 992	487 887
Other financial liabilities		229	2 018
Deferred tax liabilities		126 091	114 624
<b>Total non-current liabilities</b>		<b>1 462 870</b>	<b>1 123 958</b>
<b>Current liabilities</b>			
Current interest-bearing debt	8	141 722	153 699
Current lease liabilities	8,9	44 780	49 216
Trade and other payables		23 070	15 777
Income tax payable		12 241	11 994
Other taxes and withholdings		7 305	5 862
Other current liabilities		46 016	44 065
<b>Total current liabilities</b>		<b>275 134</b>	<b>280 613</b>
<b>Total liabilities</b>		<b>1 738 004</b>	<b>1 404 571</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3 286 650</b>	<b>2 582 436</b>



# 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
<b>Balance at 1 January 2020</b>	<b>8 261</b>	<b>744 853</b>	<b>- 93</b>	<b>252 032</b>	<b>1005 053</b>
Profit (loss) for the period	-	-	-	42 379	42 379
Other comprehensive income (loss) for the period net of income tax	-	-	3 267	-	3 267
Total comprehensive income for the period	-	-	3 267	42 379	45 646
Issue of ordinary shares, net of transaction costs	171	46 741	-	-	46 912
<b>Balance at 30 September 2020 (Unaudited)</b>	<b>8 432</b>	<b>791 594</b>	<b>3 174</b>	<b>294 411</b>	<b>1 097 611</b>

<b>Balance at 1 January 2021</b>	<b>8 432</b>	<b>791 594</b>	<b>12 839</b>	<b>365 000</b>	<b>1 177 865</b>
Profit (loss) for the period	-	-	-	87 270	87 270
Other comprehensive income (loss) for the period net of income tax	-	-	- 8 587	-	- 8 587
Total comprehensive income for the period	-	-	- 8 587	87 270	78 683
Issue of ordinary shares, net of transaction costs	1 035	291 063	-	-	292 098
<b>Balance at 30 September 2021 (Unaudited)</b>	<b>9 467</b>	<b>1082 657</b>	<b>4 252</b>	<b>452 270</b>	<b>1 548 646</b>

# Self Storage Group

## Condensed consolidated statement of Cash flows

		Unaudited	Unaudited	Unaudited	Audited	Audited
(Amounts in NOK 1 000)	Note	For the three months ended 30 September 2021	For the three months ended 30 September 2020	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020	For the year ended 31 December 2020
<b>Cash flow from operating activities</b>						
Profit before tax		38 794	24 569	110 545	51 901	145 821
Income tax paid		- 9 079	- 3 668	- 14 257	- 7 460	- 7 460
Net expensed interest and fees on borrowings and leases		5 596	7 588	20 324	23 906	29 987
Depreciation		4 416	3 819	12 154	10 748	14 476
Gain/loss on disposal of property, plant and equipment		-	- 208	- 42	- 208	- 208
Unrealised gain/loss in foreign currency	10	- 1 038	80	- 6 962	94	12 842
Change in fair value of financial instruments	10	- 7 343	85	- 12 437	5 666	1 564
Change in fair value of freehold investment property	6	- 1 650	- 3 620	- 17 537	- 9 565	- 92 929
Change in fair value of leasehold investment property	6,9	12 225	16 261	34 251	47 513	63 010
Change in trade and other receivables		- 36	- 523	- 1 638	187	299
Change in trade and other payables		8 496	8 976	6 240	14 095	8 462
Change in other current assets		- 2 834	3 980	- 8 008	- 2 634	- 1 335
Change in other current liabilities		- 4 270	459	- 1 155	- 280	2 029
<b>Net cash flow from operating activities</b>		<b>43 277</b>	<b>57 798</b>	<b>121 478</b>	<b>133 963</b>	<b>176 558</b>
<b>Cash flow from investing activities</b>						
Payments for freehold investment property		- 30 417	- 32 129	- 148 856	- 63 838	- 164 523
Payments for property, plant and equipment		- 13 067	- 7 151	- 34 389	- 16 915	- 23 300
Proceeds from disposal of property, plant and equipment		-	251	223	251	251
Net cash outflow on acquisition of subsidiaries		- 55 582	- 10 652	- 456 383	- 54 573	- 76 202
<b>Net cash flow from investing activities</b>		<b>- 99 066</b>	<b>- 49 681</b>	<b>- 639 405</b>	<b>- 135 075</b>	<b>- 263 774</b>
<b>Cash flow from financing activities</b>						
Net proceeds from issue of equity instruments	6	291 999	-	291 999	-	-
Proceeds from borrowings	8	-	131 000	1 084 268	311 000	441 000
Repayment of borrowings	8	- 7 432	- 89 205	- 691 994	- 101 780	- 110 158
Interest paid	8,10	- 4 869	- 2 210	- 13 694	- 8 139	- 10 572
Payments of lease liabilities	8,9	- 10 882	- 15 088	- 32 449	- 41 827	- 55 069
Payments of interest on lease liabilities	8,9,10	- 4 181	- 5 223	- 14 495	- 15 509	- 20 666
<b>Net cash flow from financing activities</b>		<b>264 635</b>	<b>19 274</b>	<b>623 635</b>	<b>143 745</b>	<b>244 535</b>
Net change in cash and cash equivalents		208 846	27 391	105 708	142 633	157 319
Cash and cash equivalents at beginning of the period		143 183	204 931	246 804	88 117	88 117
Effect of foreign currency rate changes on cash and cash equivalents		- 59	217	- 542	1 789	1 368
<b>Cash and equivalents at end of the period</b>		<b>351 970</b>	<b>232 539</b>	<b>351 970</b>	<b>232 539</b>	<b>246 804</b>

## 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 1 November 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 assesses indicators of impairment of property, plant and equipment, intangible assets and financial investments continuously. As of 30 September 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 30 September 2021	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	62 198	23 693	-	-	-	-	85 891
Other income	5 147	618	22 644	-	- 21 452	-	6 957
Lease expenses	- 29 521	- 10 883	-	- 331	21 452	15 094	- 4 189
Other operating costs	- 20 755	- 4 939	- 3 954	- 881	-	61	- 30 468
<b>EBITDA</b>	<b>17 069</b>	<b>8 489</b>	<b>18 690</b>	<b>- 1 212</b>	<b>-</b>	<b>15 155</b>	<b>58 191</b>
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 4 416
Change in fair value of freehold investment property							1 650
Change in fair value of leasehold investment property							- 12 225
Finance income							7 661
Finance expense							- 12 067
<b>Profit before tax</b>							<b>38 794</b>

For the three months ended 30 September 2020	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	49 043	20 747	-	-	-	-	69 790
Other income	3 521	221	16 214	31	- 14 827	-	5 160
Lease expenses	- 26 615	- 8 548	-	- 331	14 827	19 067	- 1 600
Other operating costs	- 16 628	- 4 587	- 4 170	- 108	-	162	- 25 331
<b>EBITDA</b>	<b>9 321</b>	<b>7 833</b>	<b>12 044</b>	<b>- 408</b>	<b>-</b>	<b>19 229</b>	<b>48 019</b>
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 3 819
Change in fair value of freehold investment property							3 620
Change in fair value of leasehold investment property							- 16 261
Finance income							124
Finance expense							- 7 114
<b>Profit before tax</b>							<b>24 569</b>

For the nine months ended 30 September 2021	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	169 206	67 153	-	-	-	-	236 359
Other income	13 927	848	61 990	507	- 58 194	-	19 078
Lease expenses	- 85 250	- 29 804	-	- 992	58 194	48 488	- 9 364
Other operating costs*	- 61 848	- 15 431	- 11 754	- 2 850	-	182	- 91 701
<b>EBITDA</b>	<b>36 035</b>	<b>22 766</b>	<b>50 236</b>	<b>- 3 335</b>	<b>-</b>	<b>48 670</b>	<b>154 372</b>
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 12 154
Change in fair value of freehold investment property							17 537
Change in fair value of leasehold investment property							- 34 251
Finance income							25 900
Finance expense							- 40 859
<b>Profit before tax</b>							<b>110 545</b>

For the nine months ended 30 September 2020	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	143 429	58 235	-	-	-	-	201 664
Other income	10 215	2 015	47 561	85	- 44 116	-	15 760
Lease expenses	- 78 208	- 26 617	-	- 903	42 701	55 655	- 7 372
Other operating costs	- 51 008	- 15 897	- 11 454	- 2 302	1 415	162	- 79 084
<b>EBITDA</b>	<b>24 428</b>	<b>17 736</b>	<b>36 107</b>	<b>- 3 120</b>	<b>-</b>	<b>55 817</b>	<b>130 968</b>
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 10 748
Change in fair value of freehold investment property							9 565
Change in fair value of leasehold investment property							- 47 513
Finance income							510
Finance expense							- 30 881
<b>Profit before tax</b>							<b>51 901</b>



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
<i>EBITDA</i>	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
<b>Profit before tax</b>							<b>145 821</b>

## Note 4 Earnings per share

(Amounts in NOK)

	For the three months ended 30 September 2021	For the three months ended 30 September 2020	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
Profit (loss) for the period	29 685 000	19 984 000	87 270 000	42 379 000
Weighted average number of outstanding shares during the period (basic)	88 491 084	84 328 584	85 731 331	84 060 013
Weighted average number of outstanding shares during the period (diluted)	88 491 084	84 328 584	85 731 331	84 060 013
Earnings (loss) per share - basic in NOK	0.34	0.24	1.02	0.50
Earnings (loss) per share - diluted in NOK	0.34	0.24	1.02	0.50

See also note 7

## Note 5 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 9 400 m<sup>2</sup>. 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	37 456
<b>Total consideration</b>	<b>37 456</b>

The cash consideration is adjusted for changes in work in capital. Subsequent to 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 in 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
Cash and cash equivalents	16	-	16
Deferred tax liability	- 2 275	- 828	- 3 103
Interest-bearing liabilities	- 96 045	-	- 96 045
Trade payables	- 495	-	- 495
Tax payable	- 129	-	- 129
Other current liabilities	- 3 950	-	- 3 950
<b>Net assets</b>	<b>32 163</b>	<b>2 984</b>	<b>35 097</b>

\*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

**Goodwill**

	Dit Pulterkammer
Consideration	37 456
Fair value of identifiable net assets acquired	- 35 097
<b>Goodwill</b>	<b>2 359</b>

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 nine months of 2021 are estimated to be approximately NOK 16.2 million and NOK 2.9 million respectively, if the Company had acquired Dit Pulterkammer with effect from 1 January 2021. EBITDA for the first nine months of 2021 is estimated to NOK 8.9 million. Estimated consolidated figures for the first nine months of 2021 are according to Danish GAAP.

Estimated transaction costs related to the acquisition are recorded in 2021 and amounted to NOK 3.1 million.

## Note 6 Investment property

(Amounts in NOK 1 000)

During the nine months period ended 30 September 2021, the following changes have occurred in the Group's portfolio of investment properties:

	Leasehold investment property	Freehold investment property	Total
<b>Balance as at 31 December 2020</b>	<b>515 227</b>	<b>1 456 522</b>	<b>1 971 749</b>
Value adjustment due to passage of time	- 34 251	-	-34 251
Additions and disposals leasehold investment property in the year	- 32 969	-	-32 969
Asset acquisition in Property segment	-	31 743	31 743
Business combinations (see note 5)	-	128 348	128 348
Company acquired as asset acquisition	-	338 033	338 033
Additions to existing properties	-	117 114	117 114
Fair value adjustments recognised in profit or loss	-	17 537	17 537
Other/translation differences	- 5 723	- 52	-5 775
<b>Balance as at 30 September 2021</b>	<b>442 284</b>	<b>2 089 245</b>	<b>2 531 529</b>

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.

In July 2021, one property was acquired by executing the option from the Eurobox transaction to acquire a neighbouring building at Billingstad.

# Note 7 Share capital and shareholders

(Amounts in NOK)

	Date	Number of shares issued	Total number of shares	Total share capital	Value per share
<b>Ordinary shares at 31 December 2020</b>			<b>84 328 584</b>	<b>8 432 858</b>	<b>0.10</b>
Issue of ordinary shares from cash contribution	24.08.2021	10 350 000	94 678 584	9 482 858	0.10
<b>Ordinary shares at 30 September 2021</b>			<b>94 678 584</b>	<b>9 482 858</b>	<b>0.10</b>

At the General Meeting in 2021 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 2022. The remaining amount of the authorisation to increase the share capital is NOK 3 181 429.20 as of 30 September 2021.

## List of main shareholders at 30 September 2021

	Shareholder	Country	Number of shares	Ownership %
1	UBS Switzerland AG <sup>1</sup>	Switzerland	24 557 078	25.9%
2	FABIAN HOLDING AS <sup>2</sup>	Norway	9 565 000	10.1%
3	VERDIPAPIRFONDET ODIN EIENDOM	Norway	6 631 537	7.0%
4	CENTRUM SKILT AS <sup>3</sup>	Norway	6 565 000	6.9%
5	J.P. Morgan Bank Luxembourg S.A.	Sweden	4 507 072	4.8%
6	J.P. Morgan Securities LLC	United States	4 123 214	4.4%
7	SKAGEN M2 VERDIPAPIRFOND	Norway	3 655 790	3.9%
8	FIRST RISK CAPITAL AS <sup>4</sup>	Norway	2 600 000	2.7%
9	HSBC Bank Plc	United Kingdom	2 488 255	2.6%
10	Citibank, N.A.	Ireland	2 248 264	2.4%
11	SOLE ACTIVE AS	Norway	2 202 048	2.3%
12	BNP Paribas Securities Services	Luxembourg	2 109 486	2.2%
13	Danske Invest Norge Vekst	Norway	1 843 253	1.9%
14	VERDIPAPIRFONDET HOLBERG NORGE	Norway	1 700 000	1.8%
15	MUSTAD INDUSTRIER AS	Norway	1 600 000	1.7%
16	BNP Paribas Securities Services	France	1 289 400	1.4%
17	Brown Brothers Harriman & Co.	United States	1 016 072	1.1%
18	Citibank, N.A.	Ireland	975 000	1.0%
19	J.P. Morgan Bank Luxembourg S.A.	Sweden	960 000	1.0%
20	State Street Bank and Trust Comp	United States	896 470	0.9%
	Other		13 145 645	13.9%
	<b>Sum</b>		<b>94 678 584</b>	<b>100.0%</b>

<sup>1</sup>UBS Switzerland AG is a nominee account for Alta Lux Holdco S.a.r.l./Centerbridge Partners

<sup>2</sup>Fabian Holding AS is owned by CEO Fabian Søbak

<sup>3</sup>Centrum Skilt AS is owned by board member Gustav Søbak

<sup>4</sup>First Risk Capital AS is controlled by board member Carl August Ameln

Duo Jag AS, which is partly owned by board member Ingrid Leisner, owns 10 390 shares in Self Storage Group ASA

CFO Cecilie Brænd Hekneby and close relatives own 619 878 shares in Self Storage Group ASA

COO Sveinung Høyer-Trollnes owns 17 123 shares in Self Storage Group ASA

Property Manager Lars Moen owns 13 500 shares in Self Storage Group ASA\*

\*Acquired on 1 October 2021



## Note 8 Interest bearing liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized cost. The carrying amounts approximate fair value as at 30 September 2021.

As at 30 September 2021	Amounts due in		Total
	less than 1 year	1-5 years	
Debt to financial institutions (NOK, Handelsbanken)	141 722	915 558	1 057 280
Changes in liabilities arising from financing activities	Interest bearing borrowings	Lease liabilities	Total financing activities
<b>Balance as at 31 December 2020</b>	<b>673 128</b>	<b>537 103</b>	<b>1 210 231</b>
Additions and disposals of leasehold investment property in the year	-	-32 969	-32 969
Additions and disposals of other leases in the year	-	-	-
Repayments of borrowings/Payments of lease	-691 994	-32 449	-724 443
Proceeds from borrowings	1 084 268	-	1 084 268
Interests expenses of borrowings	5 572	-	5 572
Interests paid of borrowings	-13 694	-	-13 694
Other/translation differences	-	-5 913	-5 913
<b>Balance as at 30 September 2021</b>	<b>1 057 280</b>	<b>465 772</b>	<b>1 523 052</b>

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%. SSG has a revolving credit facility of which NOK 100 million was drawn in April 2021 in connection with the acquisition of Dit Pulterkammer.

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 30 September 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 be higher or equal to 1.2
- The Group's booked solidity must be above 35%

In the first nine months of 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 7.3 million for Q3 2021 and NOK 12.4 million for the first nine months of 2021 related to hedging of interests is included in finance.

## Note 9 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
<b>Balance as at 31 December 2020</b>	<b>537 103</b>	<b>515 227</b>	<b>5 303</b>
Additions and disposals of leases for leasehold investment property in the year	-32 969	-32 969	-
Additions and disposals of other leases in the year	-	-	-
Payments of lease	-32 449	-	-
Change in fair value of leasehold investment properties	-	-34 251	-
Depreciation	-	-	- 923
Other/translation differences	-5 913	-5 723	-
<b>Balance as at 30 September 2021</b>	<b>465 772</b>	<b>442 284</b>	<b>4 380</b>

Amounts related to leases recognised in profit or loss:	For the three months ended 30 September 2021	For the nine months ended 30 September 2021
Expenses relating to short-term leases (included in lease expenses)	-4 189	-9 364
Change in fair value of leasehold properties	-12 225	-34 251
Depreciation expense of leased assets classified as property, plant and equipment	- 308	- 923
Interest expense on lease liabilities (included in finance expenses)	-4 181	-14 495
<b>Total amount recognised in profit or loss</b>	<b>-20 903</b>	<b>-59 033</b>

The Group experienced limited business impact from COVID-19 in the first nine months 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 nine months of 2021.

In January 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 56.3 million in the first nine months 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 30 September 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 30 September 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 the first nine months of 2021 are assessed reasonably certain to be exercised.

The Group has not committed to any additional future leases as of 30 September 2021.

## Note 10 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 30 September 2021	For the three months ended 30 September 2020	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020	For the full year ended 31 December 2020
Interest income and other financial income	14	101	321	375	1 493
Realised gain from transactions in foreign currency	46	17	91	108	152
Unrealised gain in foreign currency	258	6	13 051	27	923
Positive change in fair value of financial instruments*	7 343	-	12 437	-	35
<b>Total financial income</b>	<b>7 661</b>	<b>124</b>	<b>25 900</b>	<b>510</b>	<b>2 603</b>
Interest expense on borrowings	-6 784	-1 078	-13 587	-7 284	-8 920
Interest expense on lease liabilities	-4 181	-5 224	-14 495	-15 509	-20 666
Other interests, fees and charges	-1 882	- 634	-6 338	-1 500	-2 448
Realised loss from transactions in foreign currency	-	- 7	- 350	- 801	- 261
Unrealised loss in foreign currency	780	- 86	-6 089	- 121	-13 765
Negative change in fair value of financial instruments*	-	- 85	-	-5 666	-1 599
<b>Total financial expenses</b>	<b>-12 067</b>	<b>-7 114</b>	<b>-40 859</b>	<b>-30 881</b>	<b>-47 659</b>
<b>Net financial items</b>	<b>-4 406</b>	<b>-6 990</b>	<b>-14 959</b>	<b>-30 371</b>	<b>-45 056</b>

\* Change in value of interest rate swaps

Unrealised gain and loss in foreign currency is related to lease liabilities in SEK and DKK, and intercompany loans in SEK and DKK. 37% of the lease liabilities as of September 2021 are in SEK or DKK.

## Note 11 Subsequent events

- On 4 October 2021, an agreement to acquire a property in Gardermovegen in Nannestad, Norway, was entered into. The property has an estimated lettable area of 1 050 m<sup>2</sup>.

# 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 (m<sup>2</sup>) available for customers to rent for self-storage
- Total lettable area: Net area (m<sup>2</sup>) in the portfolio included area not yet lettable to self-storage



# Reconciliation of APMs used in the Interim Report

(Amounts in NOK 1 000)

	30 September 2021	31 December 2020
<b>Interest-bearing debt</b>		
Non-current interest-bearing debt	915 558	519 429
Current interest-bearing debt	141 722	153 699
<b>Total interest-bearing debt</b>	<b>1 057 280</b>	<b>673 128</b>

(Amounts in NOK 1 000)

	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Full year 2020
Property-related expenses	-10 153	-9 705	-29 744	-25 493	-36 135
Salary and other employee benefits	-10 235	-9 000	-31 563	-29 944	-40 209
Other operating expenses	-10 080	-6 626	-30 394	-23 647	-32 138
<b>Total other operating expenses</b>	<b>-30 468</b>	<b>-25 331</b>	<b>-91 701</b>	<b>-79 084</b>	<b>-108 482</b>
Operating profit before fair value adjustments	53 775	44 200	142 218	120 220	160 958
EBIT	53 775	44 200	142 218	120 220	160 958
Total adjustments	-	-	3 416	1 461	1 715
Adjusted EBIT	53 775	44 200	145 634	121 681	162 673
Change in fair value of freehold investment property	1 650	3 620	17 537	9 565	92 929
Change in fair value of leasehold investment property	-12 225	-16 261	-34 251	-47 513	-63 010
Adjusted Profit before tax	38 794	24 569	113 961	53 362	147 536
Adjusted tax	-9 109	-4 585	-23 994	-9 790	-33 239
<b>Adjusted Net profit</b>	<b>29 685</b>	<b>19 984</b>	<b>89 967</b>	<b>43 572</b>	<b>114 297</b>
Operating profit before fair value adjustments	53 775	44 200	142 218	120 220	160 958
Depreciation	-4 416	-3 819	-12 154	-10 748	-14 476
EBITDA	58 191	48 019	154 372	130 968	175 434
Total adjustments	-	-	3 416	1 461	1 715
<b>Adjusted EBITDA</b>	<b>58 191</b>	<b>48 019</b>	<b>157 788</b>	<b>132 429</b>	<b>177 149</b>
<b>Adjustments</b>					
Revenue: release of historical liability	-	-	507	-	-
Other operating expenses: acquisition costs	-	-	-3 923	- 923	-1 177
Salary and other employee benefits: severance packages	-	-	-	- 538	- 538
<b>Total adjustments</b>	<b>-</b>	<b>-</b>	<b>-3 416</b>	<b>-1 461</b>	<b>-1 715</b>