SELF STORAGE
GROUP

Annual Report 2021

Contents

About Self Storage Group

Self Storage Group (SSG) engages in the business of renting out self-storage units to both private individuals and businesses. The Group is a leading provider of self-storage services with facilities in Norway, Sweden and Denmark. The business model of the Group is to operate self-storage facilities in Scandinavia with a strong focus on cost effective operations, competitive rent levels and industry leading customer service. In order to achieve this, the Group is constantly working to increase the level of automation in all parts of the value chain. The Group's vision is to be a leading and preferred self-storage provider to individuals and businesses.

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

The Group offers self-storage in all Scandinavian countries, with a primary focus on the major cities through City Self-Storage, and a nationwide presence in Norway through OK Minilager. All City Self-Storage facilities are climate controlled, while OK Minilager offers both climate controlled and container-based storage facilities.

Self Storage Group operates a total of 128 facilities as of December 2021 with a current lettable area of 171 800 m². The Group focuses on maintaining a lean organisation and had 64 full time equivalents in 2021. The Group is headquartered at Skøyen in Oslo, Norway, where all administrative and central customer service functions are located. Site managers and other operationally-focused employees are located throughout Scandinavia with close proximity to the facilities.

History

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

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

2009
OK Minilager established by Fabian and Gustav Søbak

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

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

2017
NOK 100 million private placement to external investors, acquisition of investment properties, acquisition of Minilageret AS and initial public offering with placement of additional NOK 200 million

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

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

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

2021
Total value of freehold investment property increased to NOK 2.4 billion, NOK 300 million private placement to external investors, opening of Breivollveien 25 in Oslo, the largest purpose-built self-storage facility in Norway, acquisition of Dit Pulterkammer (DPK) and acquisition of several other investment properties, including a facility with previous leasehold agreement

Letter from the CEO

2021 has been an exciting and eventful year for Self Storage Group. Our team has continued to deliver on SSG's strategy, we have achieved strong financial results, and our scalable platform has been strengthened even further. During 2021 we have continued to add more capacity to the market, at the same time as we have achieved attractive occupancy rates across the portfolio. The SSG team has worked tirelessly to develop new properties and to serve our customers, with impressive cost control. I am proud of the achievements of the SSG team.

A key development for SSG in 2021 was the strategic acquisition of Dit Pulterkammer (DPK), a Danish self-storage operator with 5 facilities in the Jutland area. With this investment SSG now has nationwide footprint in Denmark and we have developed an attractive platform for further growth in the Danish market.

An important milestone of the year was the opening of Breivollveien 25 in Oslo, the largest purpose-built self-storage facility in Norway. SSG also opened a number of new facilities and acquired several new freehold properties, in line with our strategy.

The value of our portfolio of freehold facilities increased to 2.4 billion NOK at the end of the year, an increase of 66% since December 2020. The Group had 171 800 m² in current lettable area (CLA) as of December 2021. During 2021 SSG exceeded the target of opening 12 000- 14 000 m² CLA in organic growth in addition to 9 400 m² from the acquisition of DPK. Growth in CLA is a key performance indicator for SSG. SSG had 34 900 m² of CLA under development at the end of the year. The strong pipeline will secure further scalable growth, and we plan to accelerate growth by opening 15 000+ m² during 2022.

SSG has a business model with low carbon footprint, but there is still room for improvement. Sustainability is an integrated part of our business, and we are determined to make a difference for our customers, employees, and partners. During 2021, we continued to upgrade to LED-lightning on old and converted facilities. Most notably we consolidated the electricity purchases for our Norwegian companies to better monitor the consumption of electricity, and to secure electricity produced from renewable energy sources according to Directive 2001/77/EC. Several other initiatives have also been implemented, and the organization is highly motivated to continue the focus on sustainability in all parts of the business.

SSG continues to make investments in IT and branding, and we expect to see long-term effects of these investments, with increased customer satisfaction, scalable costs, and durable competitiveness. During 2021 the new positions CTO and CMO were recruited to ensure high quality and attention to these focus areas. Our Norwegian companies were unified on one CRM platform, and we launched a fully automated booking engine. In addition, a new branding and communication strategy for both brands was successfully launched.

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

I´m proud of the dedication of our team, and the progress we have made the past year. Our company is well positioned for continued profitable and sustainable growth.

I thank our stakeholders for their efforts and engagement in 2021 and look forward to our continued cooperation in the year ahead.

Best regards,

Fabian Søbak

CEO

Highlights 2021

2021 was another year with strong and positive development with solid organic revenue- and EBITDA growth, development of new facilities and acquisition of new properties. At the end of 2021 two large greenfield projects in Oslo opened, and during the year the Group expanded the current lettable area (CLA) by 23 600 m². Demand is strong and occupancy has exceeded our target of 90%. The Group's freehold investment property value exceeded NOK 2.4 billion at the end of the year, giving a loan to value ratio for the Group of 39%. The company has a strong pipeline and a solid foundation for further profitable growth and expansion in the Nordics.

- All time high revenues in 2021 of NOK 346.1 million, up from NOK 293.3 million in 2020
- All time high EBITDA[1] in 2021 of NOK 202.9 million, up from NOK 175.4 million in 2020
- Change in fair value of freehold investment property in 2021 of NOK 320.0 million (NOK 92.9 million)
- All time high pre-tax profit for 2021 of NOK 440.6 million, up from NOK 145.8 million in 2020
- Total value of freehold investment property of NOK 2 422 million end December 2021, up from NOK 1 457 million end December 2020
- Cash position of NOK 214.7 million end December 2021, down from NOK 246.8 million end December 2020
- Loan to value of freehold investment property is 39% as of end December 2021, compared to 46 % as of end December 2020
- Acquisition of Dit Pulterkammer Holding A/S, a Danish regional self-storage operator with five facilities with a current lettable area of approximately 9 400 m², and acquisition of nine freehold investment properties in Norway with a potential lettable area of 17 650 m²
- Total number of facilities end of 2021 is 128, up from 116 facilities end of 2020
- Current lettable area end 2021 of 171 800 m², up from 148 200 m² end 2020

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

Key Figures[1]

	2021	2020
(Amounts in NOK million)	**Full year**	**Full year**
Revenue	346.1	293.3
Lease expenses	-13.3	-9.4
Total other operating expenses	-129.9	-108.5
Total adjustments	3.4	1.7
Adjusted EBITDA	**206.3**	**177.1**
Adjusted EBIT	**189.5**	**162.7**
Change in fair value of freehold investment property	320.0	92.9
Change in fair value of leasehold investment property	-46.4	-63.0
Net finance	-19.1	-45.1
Adjusted Profit before tax	**444.0**	**147.5**
Adjusted Net Profit	**351.3**	**114.3**
Current lettable area (in thousands m²)	171.8	148.2
Lettable area under development (in thousands m²)	34.9	30.4
Number of facilities	128	116

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

Board of Directors Report

Self Storage Group experiences strong demand, and occupancy hexceeded the target level of 90% several times in 2021. The current lettable area increased by 23 600 m² during 2021, 14 200 m² from organic growth and 9 400 m² from the acquisition of Dit Pulterkammer (DPK) which closed on 14 April 2021. Organic growth exceeded the forecast of opening between 12 000 and 14 000 m² during the year. Due to the growth in lettable area and SSG's expansion plans, filling up capacity has been prioritized over increasing prices in 2021, but prices will be CPI adjusted in Q1 2022.

The value of the freehold portfolio increased by NOK 965.8 million during 2021 to a total of NOK 2 422 million. The increase from business combinations, acquisitions and expansions amounts to NOK 648.9 million, and the increase from change in fair value amounts to NOK 320.0 million. All freehold investments properties were appraised in the fourth quarter following the annual CPI adjustment of internal leases.

With the increasing size of the Group and freehold investment portfolio the Group has focus on planned maintenance, branding and organizational development to level up the scalable platform for future growth.

Self Storage Group has experienced limited business impact due to COVID-19 as of December 2021. All self-storage facilities have been open as usual for both existing and new customers during the COVID-19 pandemic. The Groups self-serviced and digitalised offering is by nature a safe and flexible solution for the customers.

The self-storage industry has a low environmental footprint with the use of electricity as the main source of CO_2 emissions. During 2021, SSG had ongoing projects to increase the focus on sustainability and how to integrate this further in the business.

Revenues

Revenue for full year 2021 increased by NOK 52.7 million to NOK 346.1 million compared with full year 2020. NOK 320.2 million is income from the rental of self-storage. Rental income from self-storage services increased with NOK 47.8 million, including NOK 15.8 million in self-storage revenue from DPK for the period 14 April 2021 to 31 December 2021. Other revenue increased with NOK 5.0 million in the period, including NOK 2.0 million from DPK. Other revenue consists of revenue from distribution of insurance, ancillary services, rental income from segments other than self-storage and other income.

Lease expenses

Lease expenses constitute NOK 13.3 million for 2021, up from 9.4 million in 2020. The increase is related to the expiration of three long-term lease contracts that are negotiated to short-term and CPI adjustment on existing lease contracts, partly 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. Average remaining lease period for leased facilities in the CSS-segment, including options, is 7.6 years. For OK Minilager, which has a number of short revolving contracts, the average remaining term is 2.0 years.

At the end of December 2021, 53% of the current lettable area in SSG is held freehold, compared to 43% at the end of December 2020. 44% of current lettable area in the City Self-Storage segment is freehold, while 68% 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, alarm, insurance and other operating costs related to the facilities.

Property related expenses for 2021 were NOK 44.4 million, an increase of NOK 8.3 million compared to 2020. NOK 2.2 million of the increase in cost is related to new costs from DPK. The remaining part of the increase is mainly related to higher electricity costs in the winter-months than last year and the extreme power prices, and increased number of facilities in the portfolio.

Lettable area in SSG has increased by 23 600 m² (16%) since December 2020, and the number of facilities has increased by twelve to 128 facilities as of end December 2021.

Salary and other benefits

Salary and other employee benefits for full year 2021 were NOK 44.1 million, an increase of NOK 3.9 million from full year 2020, of which NOK 2.5 million relates to the acquisition of DPK.

The number of full-time equivalents (FTE) at the end of December 2021 was 65.4 FTE, an increase of 7.9 FTEs since the end of December 2020, including 4.5 FTEs following the acquisition of DPK. The management team has been strengthened with two new positions as CTO and CMO. In addition, a new project manager and caretaker has been added to the property-team.

Depreciation

Depreciation for full year 2021 was NOK 16.9 million, an increase of NOK 2.4 million from full year 2020. Depreciation related to DPK for the period 14 April 2021 to 31 December 2021 constitutes NOK 0.5 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.

For full year 2021 other operating expenses amounted to NOK 41.4 million, an increase of NOK 9.2 million from full year 2020. There were non-recurring costs of NOK 3.9 million in 2021 impacting other operating expenses, compared to NOK 1.2 million in non-recurring costs in 2020. Adjusted for non-recurring acquisition costs, other operating expenses in full year 2021 increased by NOK 6.5 million compared with full year 2020. NOK 2.1 million is related to DPK.

Despite the growth of the company, the level of other operating expenses has been stable over many years 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 increase in order to be compliant and to ensure a sustainable growth.

(Amounts in NOK 1 000)

Adjustments	2021	2020
Revenue: release of historical liability (Acquisition of Minilageret AS)	507	-
Other operating expenses: acquisition costs	-3 923	-1 177
Salary and other employee benefits: severance packages	-	- 538
Total adjustments	**-3 416**	**-1 715**

Change in fair value of investment property

The fair value of freehold investment property is based on valuations by an independent appraiser, with intra group lease contracts at market terms as a basic principle. Annual CPI adjustment of the leases, changes in areas with lease-agreements and changes in yield impact the fair value.

Change in fair value for the full year 2021 was NOK 320.0 million compared to NOK 93.0 million in the full year 2020. In addition to the impact of the annual CPI adjustment of internal leases, the increase is related to yield compression in the market and development properties completed in 2021.

In the last part of 2021, there was a yield compression in the logistics and retail big box property segment, particularly in the central Oslo area. 52% of the freehold investment property value is in the Oslo and earlier Akershus area. The total average yield in the Group is reduced from 5.5% as of 31 December 2020 to 4.9% 31 December 2021 impacting the fair value adjustment in 2021.

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 for full year 2021 was NOK -46.4 million, compared to NOK -63.0 million for full year 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 2 422 million and the fair value of leasehold investment property was NOK 444.3 million at 31 December 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 for full year 2021 was NOK 202.9 million, an increase of NOK 27.5 million compared to full year 2020. NOK 9.0 million of the increase in EBITDA is attributable to DPK. There were non-recurring items of NOK 3.4 million in full year 2021, compared to NOK 1.7 million in full year 2020.

Net finance amounted to NOK -19.1 million for full year 2021, compared to NOK -45.1 million for full year 2020. The 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 12.

The change is related to increased financial income of NOK 33.7 million offset by decreased financial costs of NOK 7.7 million. Interest expense on borrowings for full year 2021 was NOK 21.5 million, compared to NOK 8.9 million for full year 2020. The increased expense on borrowings is related to increased loans and costs to the interest rate swaps.

Profit before tax for full year 2021 was NOK 440.6 million, an increase of NOK 294.8 million from full year 2020.

Financial position

Total assets were NOK 3 491 million as of 31 December 2021, compared to NOK 2 582 million at 31 December 2020, an increase of NOK 909.0 million. Freehold investment property increased with NOK 965.8 million from 31 December 2020 to NOK 2 422 million as of 31 December 2021. The increase is mainly related to the acquisition of nine properties in Norway, fair value adjustments and the acquisition of DPK with five freehold self-storage facilities in Denmark. One of the acquired properties was acquired by executing the option from the Eurobox transaction in 2020 to acquire a neighboring building at Billingstad. The remaining increase in freehold investment property is related to investments in several development and conversion projects and exchange differences. Leasehold investment property was NOK 444.3 million at 31 December 2021, a decrease of NOK 71.0 million from 31 December 2020. The decrease is mainly related to the acquisition of a property where the Group had 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 2021. The decrease is partly offset by two options assessed reasonably certain to exercise.

Cash and bank deposits decreased by NOK 32.1 million to NOK 214.7 million at the end of December 2021 from December 2020. The main changes in cash and bank deposits in 2021 relates to net borrowings drawn up amounting to NOK 275.1 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 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 NOK 245 million of which non is drawn as of 31 December 2021. Interest-bearing debt[1] amounts to NOK 944.3 million at the end of December 2021, an increase of NOK 271.1 million from December 2020. Loan to value[1] of freehold investment property is 39% as of end December 2021, compared to 46% at the end of December 2020. The loan facility has several covenants[2]. As of 31 December 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 December 2021 interest-bearing debt less cash was NOK -729.5 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 December 2021 was NOK 1 804 million, an increase of NOK 626.0 million from December 2020. The increase is attributable to the net proceeds from the private placement of NOK 292.0 million and the profit during the period. Lease liabilities at the end of December 2021 was NOK 468.7 million, a decrease of NOK 68.4 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. The decrease is partly offset by two options assessed reasonably certain to exercise. The equity ratio increased to 52% at the end of December 2021, from 46% at the end of December 2020.

[1]Non-GAAP measures are defined in the corresponding section in the back of the report
[2]See note 23 for the Group's covenants

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 for the year 2021 was NOK 174.3 million, compared to NOK 176.6 million for the year 2020. The decrease in net cash flow from operating activities adjusted for non-cash items for the year 2021 is mainly related to increase in prepaid expenses and timing differences for payments, partly offset by the increase in operational profit.

Net cash flow from investing activities for the full year 2021 was NOK -685.3 million compared to NOK -263.8 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.

Net cash flow from financing activities for the year 2021 was NOK 479.8 million, compared to NOK 244.5 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 a revolving credit facility of NOK 245 million. In Q2 2021 SSG drew up NOK 100 million on the revolving credit facility. The revolving credit was repaid in Q4 2021 following the completion of a private placement of NOK 300 million in gross proceeds in Q3 2021. Net cash flow from financial activities was affected by net borrowings drawn up amounting to NOK 275.1 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 -61.8 million in the year 2021.

SSG's cash balance at the end of December 2021 was NOK 214.7 million.

Financial development in Self Storage Group ASA

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

Revenue in 2021 of NOK 19.2 million and NOK 16.7 million in 2020 are mainly related to management fees and centralized services to group companies. Salary and other employee benefits in 2021 of NOK 22.7 million and NOK 19.0 million in 2020 are related to employees with HQ functions. Depreciation in 2021 amounted to NOK 0.9 million and NOK 0.8 million in 2020, mainly related to software and inventory. Other operating expenses consists of IT and related costs, audit and consultancy fees, in addition to office and travel costs. In 2021 other operating expenses were NOK 2.8 million compared to NOK 1.4 million in 2020. The operating costs in 2021 were impacted by transaction costs related to the acquisitions with NOK 0.8 million. In 2020 the operating costs were impacted by transaction costs related to the acquisitions with NOK 0.9 million.

Total assets were NOK 2 161 million at the end of 2021, compared to NOK 1 547 million at the end of 2020. Investment in subsidiaries has increased with NOK 600.0 million from 31 December 2020 to NOK 1 481 million as of 31 December 2021. Loans to group companies have increased from NOK 492.8 million as of end 2020 to NOK 537.2 million as of end 2021. Cash and bank deposits have decreased to NOK 60.4 million at the end of December 2021 from NOK 158.0 million one year earlier. The main changes in cash and bank deposits in 2021 relates to net borrowings drawn up amounting to NOK 275.1 million, net proceeds from the private placement of NOK 292.0 million and net cash outflow on loan to subsidiaries on NOK 644.3 million to acquisition of investment property and additions to freehold investment property. Total equity at the end of December 2021 was NOK 1 194 million, an increase of NOK 332.0 million from December 2020. The increase is attributable to the net proceeds from the private placement of NOK 292.0 million and the profit during the period. Self Storage Group ASA has a loan facility for purchase of freehold investment property. In 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 NOK 245 million of which non is drawn as of 31 December 2021. Interest-bearing debt[1] amounts to NOK 949.8 million at the end of December 2021, an increase of NOK 275.8 million from December 2020. The loan facility has several covenants[2]. As of 31 December 2021, the Group is not in breach of any of the covenants and does not expect any breaches in the next 12 months.

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 continuously working to increase the level of automation in all parts of the value chain.

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's vision is to be a leading and preferred self-storage provider. SSG 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 the Group believes it to be important that it engages in how to make a difference for customers as well as for the employees. SSG is determined to include sustainability as an integrated part of the business. Even though the industry in general has a low carbon footprint, SSG still has potential related to sustainability, and plans to continue the journey to achieve its 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 is operating under both the OK Minilager and City Self-Storage brand and will continue to do so as these concepts target different market segments.

OK Minilager

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

City Self-Storage

is SSG's "urban concept", targeting the population in the major cities, currently serving Oslo, Stavanger, Trondheim, Stockholm, 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. City Self-Storage will be opportunistic about potential mergers and acquisitions in the Nordics, 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. 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-serviced, customer service is becoming an even more important aspect of the customer journey. SSG considers 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.

Track record of rapid and profitable growth

Both OK Minilager and City Self-Storage have displayed solid financial track records with increasing revenues and continuously improving EBITDA margins. The Group has an ambitious growth plan and the management team has demonstrated the ability to handle rapid growth without jeopardizing profitability. SSG has succeeded in attracting investors and raising capital, and is well positioned to execute its strategy.

Corporate development

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

Acquired properties[1]	Area	Transaction quarter	Total potential lettable area (m²)	Transaction value (NOK million)	Closing quarter	Estimated opening quarter
Property in Porsgrunn	Porsgrunn, Norway	Q1 2022	1 500	17.8	Q4 2022	Q1 2023
Property in Skien[2]	Skien, Norway	Q1 2022	-	8.5	Q2 2022	Q2 2023
Property in Stange Næringspark	Stange, Norway	Q1 2022	600	5.3	Q3 2022	Q1 2023
Nesseveien 2B	Harstad, Norway	Q1 2022	680	8.4	Q1 2022	Q3 2022
Property in Storebotn Næringspark	Askøy, Norway	Q4 2021	1 050	12.0	Q2 2022	Q4 2022
Molandsveien 339	Arendal, Norway	Q4 2021	850	7.1	Q3 2022	Q4 2022
Kartheia 5	Kristiansand	Q4 2021	550	4.3	Q1 2022	Q2 2022
Nordslettvegen 4 BC	Trondheim	Q4 2021	1 550	17.0	Q1 2022	Q3 2022
Sørliveien 84, neighboring section property	Halden, Norway	Q4 2021	1 400	8.0	Q1 2022	TBD
Deliveien 21	Vestby, Norway	Q4 2021	1 500	15.6	Q4 2022	Q1 2023
Property in Kampenesmosen[2]	Sarpsborg, Norway	Q4 2021	-	4.6	Q1 2022	Q2 2023
Lundeveien 10	Vennesla, Norway	Q4 2021	800	6.2	Q1 2022	Q3 2022
Gardermovegen	Nannestad, Norway	Q4 2021	1 050	11.5	Q3 2022	Q3 2022
Knarvik[2]	Alver, Norway	Q3 2021	-	4.0	Q2 2022	Q1 2023
Håvik E6 44	Narvik, Norway	Q3 2021	200	1.0	Q3 2021	Q2 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	Q2 2022
Verkstedveien 1	Mo i Rana, Norway	Q2 2021	850	7.7	Q4 2021	Q2 2022
Sørliveien 84, neighbouring section property	Halden, Norway	Q2 2021	500	3.8	Q4 2021	Q2 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
Total			**40 780**	**629.0**		

[1]Properties with closing quarter in 2021 or later
[2]Acquisition of plot

Corporate social responsibility and sustainability

Self Storage Group ASA was listed on Oslo Stock Exchange in October 2017, leveraging on the acquisitions of Minilageret AS and City Self-Storage. The Minilager Norge group was acquired in January 2018, Eurobox in July 2019 and Dit Pulterkammer in April 2021. As the Group integrated the acquired companies, great attention was brought to corporate social responsibility, sustainability and business conduct across different borders and cultures. The Company aims to have a solid corporate culture and to preserve the integrity of the Company by helping employees practise good business standards.

The Group has implemented ethical guidelines as a part of the corporate governance framework to maintain high ethical standards in its business and relations with customers, suppliers, and employees. Self Storage Group´s Corporate Social Responsibility and Sustainability Report was developed in accordance with the Global Reporting Initiative Standards (GRI), GRI Core option, which can be found on pages 28-39 of this Annual Report.

Shareholders and financing

The Self Storage Group ASA shares are listed on the Oslo Stock Exchange under the ticker “SSG.” At the end of 2021, the Company had 94 678 584 outstanding shares, held by 851 shareholders. The nominal value of the Self Storage Group ASA share is NOK 0.10 per share.

The Group estimates that it has sufficient working capital for the 12 months following the balance sheet date. The Group has a solid balance sheet and signed an agreement for a new bank facility loan with Handelsbanken and Danske Bank to finance future growth in 2021. In accordance with section 3(3a) of the Norwegian Accounting Act, the Board of Directors, therefore, confirms that the going-concern assumption is met and that the annual accounts have been prepared in accordance with this assumption.

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

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

Risks

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

The Group has attractive financial terms on its loan, but is exposed to interest rate risk. In 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.

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

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

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

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

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

Employees and working conditions

At year-end 2021, the Group had 89 (81) employees, of which 54 work fulltime. In 2021, the sickness absence in Self Storage Group was 5.7%. There were no absences due to injuries in the Group. The turnover in 2021 for full-time employees was 8.0%. SSG had 35 part-time employees in 2021 working with customer service.

The Group attempts to maintain a working environment where equal opportunities for all based on qualifications and irrespective of gender, age, sex, ethnicity, sexual orientation, disability, or any other protected status. SSG works actively to promote equality and prevent discrimination. At year-end 2021, women held 29% of the positions in the Group. Women held 30% of the full-time positions and 29% of the part-time positions. The real-estate industry has traditionally been dominated by men, but the share of women is increasing. The management team consists of six members of which one is female. The Board of Directors consists of three male and two female members. The Group had no temporary employees in 2021. The goal of the Group is to increase the number of female employees and steps are taken to recruit more women and increase the number of women in management positions through internal promotions. In the case of outside recruitment effort is made to include qualified women in the final interviews.

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

For operations, the average salary of women is below the average salary of men. The female part-time employees had on average a slightly higher wage-level than the male part-time employees. Wage and salary at the operation level is mainly impacted by experience and how many years the employee has been within the company. At the operation level, full-time employed men had on average eight years of seniority while full-time employed women had seven years of seniority in 2021. At the middle-management level, the average salary of women is below the average salary of men. At the management group level, the average salary of women is higher than the average salary of men. The salary at the middle-management level and management group level is mainly impacted by the degree of required formal competence and experience necessary for the different positions in addition the seniority.

The employees in Sweden and Denmark, and some leading positions in Norway could achieve a bonus in addition to salary when reaching certain KPI-targets. The management group and key employees are part of a long-term incentive program based on share performance.

A total of two employees were in maternity leave in 2021, two women. The average length of maternity leave was 13 weeks.

Further statement on equality can be found in Self Storage Group´s Corporate Social Responsibility and Sustainability Report, which can be found on pages 28-37 of this Annual Report.

The working environment in Self Storage Group is, in the Board's view, considered to be satisfying. The Company is committed to maintain an open and constructive dialogue with the employee representatives. The Company's operations are not considered to have any material impact on the climate and the environment.

Corporate Governance

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

SSG has directors and officers liability insurance for the Group. The insurance covers the Board's and the CEO's legal personal liability for financial damage caused by the performance of their duties.

The Company has, in accordance with applicable legislation and stock exchange listing rules, provided a report on the Company's corporate governance, which can be found on pages 40-46 of this Annual Report. The Corporate Governance Report is based on the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board, dated 14 October 2021.

Outlook

Self Storage Group (SSG or the "Company") is a leading self-storage provider in Scandinavia with two strong brands and concepts; City Self-Storage and OK Minilager as of 31 December 2021, the Group operates 128 facilities across Scandinavia with a total lettable area of 206 700 m² and current lettable area of 171 800 m².

There is a large untapped potential for the Groups services in Scandinavia as urbanization and smaller living spaces lead to an increased need for external storage solutions. Self Storage Group has established a solid and scalable platform and is well positioned for future growth in a growing market.

SSG has a proven track-record of developing and operating a portfolio of self-storage facilities, leveraging on a lean and operationally-focused organization to achieve industry-leading margins. The Group has a strong pipeline with 34 900 m² of freehold lettable area under development. SSG also has a proven track record of growing through M&A.

SSG is focused on growing its freehold footprint, both by developing high-quality freehold facilities and opportunistically acquiring freehold properties where it has an existing leasehold interest.

The strong balance sheet, coupled with additional borrowing capacity, gives the Company additional investment capacity in 2022 and beyond.

With the increasing size of the Group and freehold investment portfolio the Group has focus on planned maintenance, branding and organizational development to level up the scalable platform for future growth. During 2021, SSG made new key recruitments and expanded the management team with both a CTO and a CMO hire. The Group continues to make investments in its digital platforms to increase automation and customer satisfaction. The roll out of a new identity and communication strategy for both brands were initiated in Q4 2021, and will continue in 2022.

Self Storage Group is experiencing robust demand for its facilities and is increasing occupancy, adding new capacity while at the same time achieving attractive rent levels. SSG has additional avenues for growth through already-acquired development opportunities and low-cost expansion within existing facilities. The Company developed 14 200 lettable m² during 2021, and is aiming to accelerate development growth in 2022 with a projected addition of 15 000+ lettable m².

SSG has built a unique and endurable market share position over the past three decades. 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.

Parent Company results and distribution of funds

Net profit for the Parent Company Self Storage Group ASA, was NOK 39.9 million. The Board recommends the following distribution of funds:

(Amounts in NOK 1 000)	
Dividend	-
Transferred to other equity	**39 901**

Self Storage Group ASA

Oslo, April 28th, 2022

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

Management

Fabian Emil Søbak

CEO

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

Cecilie Brænd Hekneby

CFO

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

Sveinung Høyer-Trollnes

COO

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

Henning Gravnås

CIO

Mr. Gravnås joined Self Storage Group in 2021. He has previously worked as an IT Application Manager for SATS and Acta/Agasti and has also had several Consultant roles in the IT industry since 2006. Mr. Gravnås holds a BSc from Østfold University College and MSc from Gjøvik University College, now NTNU. He is a Norwegian citizen and resides in Oslo, Norway.

Lars Moen

CPMO

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

Petter Løyning

CMO

Mr. Løyning joined Self Storage Group in 2021. He has more than 8 years of experience with marketing in the Scandinavian market. Mr. Løyning has previously worked as the CMO in Reisegiganten AS, and as a Digital Marketing Manager in Ice Group. He holds a Bachelor's degree from BI Norwegian Business School. He is a Norwegian citizen and resides in Oslo, Norway.

Board of Directors

Steven Skaar

Chairman

Elected Chairman on 25 May 2020. Member of the Board since May 2020. Steven Skaar is a Senior Managing Director at Centerbridge Partners, where he leads the firm's European real estate investing activities. Prior to joining Centerbridge, Steven led the opportunistic real estate investments team in Europe at Brookfield Asset Management where he was involved in a wide range of corporate and asset acquisitions, including the acquisition of Center Parcs UK, Gazeley and the Interhotels Group. Prior to Brookfield, Steven spent 10 years at Citigroup, most recently as a Director for Citi Property Investors. Steven holds an MBA, with distinction, from Cornell University and a degree in Finance from the University of Utah. He is currently on the board of directors of Apcoa Parking AG. He is a US and UK citizen and resides in London, United Kingdom. Mr. Skaar has attended 25 of 25 board meetings in 2021. Mr Skaar is a representative of Centerbridge Partners, whose funds own 25 million shares in the Company. Mr. Skaar holds no shares in the Company directly.

Ingrid Elvira Leisner

Board Member

Member of the Board since May 2018. Ms. Leisner has previously worked as Head of Portfolio Management for Electric Power in Statoil Norge AS. She also has a background as a trader of different oil and gas products in her 15 years in Statoil ASA. Ms. Leisner holds a Bachelor of Business degree (Siviløkonom) with honors from the University of Texas at Austin. She has served on the board of several companies listed on the Oslo Stock Exchange and is currently on the board of directors of Norwegian Air Shuttle ASA, TechStep ASA, Maritime and Merchant ASA, Elliptic Labratories ASA and Xplora Technologies AS. Ms. Leisner is a Norwegian citizen, and resides in Oslo, Norway. Ms Leiser has attended 25 of 25 board meetings in 2021. Ms Leisner holds 10 390 shares in the Company.

Gustav Søbak

Board Member

Member of the Board since November 2016. Mr. Søbak co-founded OK Minilager AS together with his son, Fabian Emil Søbak, in 2009. Mr. Søbak has more than 30 years of experience in the real estate sector. Before he co-founded OK Minilager he built up a parking company which he eventually sold to a Norwegian subsidiary of Apcoa. He is a Norwegian citizen, and resides in Asker, Norway. Mr Søbak has attended 25 of 25 board meetings in 2021. Mr Søbak holds 6 565 000 shares in the Company through GSS Invest AS a company controlled by Mr. Søbak.

Yvonne Litsheim Sandvold

Board Member

Member of the Board since October 2017. Ms. Sandvold is working board member of Saldvoldgruppen AS, and has extensive experience from the Norwegian real estate industry. Ms Sandvold currently serves on the board of directors of Oslo Børs listed company Aqualis ASA as well as several private companies. She holds a degree in psychology from the University of Oslo. Ms Sandvold is a Norwegian citizen, and resides in Oslo, Norway. Ms Sandvold has attended 25 of 25 board meetings in 2021. Ms. Sandvold holds no shares in the Company.

Carl August Ameln

Board Member

Member of the Board since May 2021. Mr. Ameln is the founder of First Risk Capital AS, the company that first introduced self-storage in Norway in the 1990s. Mr. Ameln holds a MBA from Seattle University and is currently on the board of Hyrbox self-storage in Sweden, GardeTout in France, Trastero King in Spain and Storebox Self-storage in the UK and Ireland. Mr. Ameln is a Norwegian citizen and resides in Reistad, Norway. Mr Ameln has attended 15 of 16 board meetings in 2021. Mr. Ameln holds 2 600 000 shares in the Company.

Corporate Social Responsibility and Sustainability Report

Introduction and management approach

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

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

Reporting standards

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

Contribution to the UN Sustainable Development Goals

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

Goal 8: Decent work and economic growth

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

Goal 9: Industry, innovation, and infrastructure

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

Goal 12: Responsible consumption and production

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

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

Stakeholder and materiality analysis

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

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

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

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

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

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

SSG's defined main focus areas

Health and safety

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

To enhance wellbeing and reduce absence due to illness all full-time employees are part of a health insurance program. One of the benefits from the program is rapid and easily accessible free health treatment specialists for full time employees. During 2021 and 2020 COVID-19 many of the employees in the Group has worked from home, and to increase work comfort all employees have had the opportunity to borrow office equipment like chairs, screens etc. Management supervises all facilities at a regularly basis to ensure a safe environment, with severity and number of injuries being the most important measure. The absence due to illness for the Group in 2021 was 6.7%. This is an increase compared to earlier years mainly related to the pandemic. Due to few employees in some of the countries, figures are shown at group level in order to anonymise the employees.

All employees visiting construction sites are required to wear protection equipment. Injuries on employees are reported, measured, and followed up. There were no fatal or high consequence injuries in Self Storage Group in 2021. No fatal or high consequence injuries from customers have been reported.

Work-related injuries	2021		2020	
	Staff	Customers	Staff	Customers
Number of deaths	0	0	0	0
Number of injuries that led to absence	0	0	0	0
Number of reported injuries	1	0	0	0

Self Storage Group has implemented "suppliers declaration" for HSE, minimum wages etc. Currently this has been required for all new suppliers of a certain size related to facility management. This increases the control on working conditions at SSGs suppliers.

Targets for 2022

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

Resource efficiency

Resource efficiency is essential when aiming to develop a business model that is sustainable with low carbon footprint. The Groups operations are not considered to have any material impact on the climate and the environment. Resource efficiency is nevertheless a prioritised focus area that also has an economic impact on the Groups financial results.

Self-storage is a product that helps people store their belongings instead of throwing away for later to buy new belongings. In addition, SSG provides self-storage facilities close to where customers live, thus reducing the need for transportation to the facilities for the customers.

SSGs business model focuses on buildings and materials with long lifetime and storage of customers belongings in climate-controlled environments. SSGs facilities are eighter new buildings purpose built according to strict Nordic regulations or converted old buildings not suitable for offices or housing that risk being demolished. If suitable, fit-out in good condition from closed facilities is dismantled and moved to new facilities. Self-storage buildings have a long, expected lifetime, and common renovation as in an office building is not needed. The Group requires recycling in the building process and on office facilities. In the building process the management focus on combining sustainable and green solutions with long term profitability.

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

The Group has focus on energy management on all levels and is continuously focusing on reducing the energy consumption in the portfolio. SSGs buildings are equipped with few technical installations, and reducing the energy consumption is mainly done by keeping the temperature in climate-controlled environments at a low level, installing heat pumps and upgrading to LED-lightning with movement sensors. LED-lightning use less energy, has long lifetime, and has movement sensor in each lamp. As of December 2021, 71% of the owned facilities have full LED-lightening and 12% have partly LED-lightning. During 2021 SSG opened it’s first facility with a green roof and several facilities with heating pumps. All new facilities are equipped with LED-lightning.

Freehold facilities in operation (climate controlled)	2021	2020
Part of facilities with full LED-lightning	71%	68%
Part of facilities with partial LED-lightning	12%	11%
Part of facilities without LED-lightning	17%	21%

In 2021 the majority of the energy agreements were gathered at one supplier to start monitoring the energy consumption for all Norwegian facilities. The purchase of energy from this supplier is documented 100% renewable with power from hydro, wind and solar energy. Energy consumption is measured and KPI’s and actions plans are established.

SSG acquired Dit Pulterkammer in 2021. One of Dit Putlerkammer’s facilities, Randers, has a ventilation system powered by solar panels. This system reduces the humidity in the building, which reduces the need for heating at the facility. The Group plans to introduce this system at more facilities going forward.

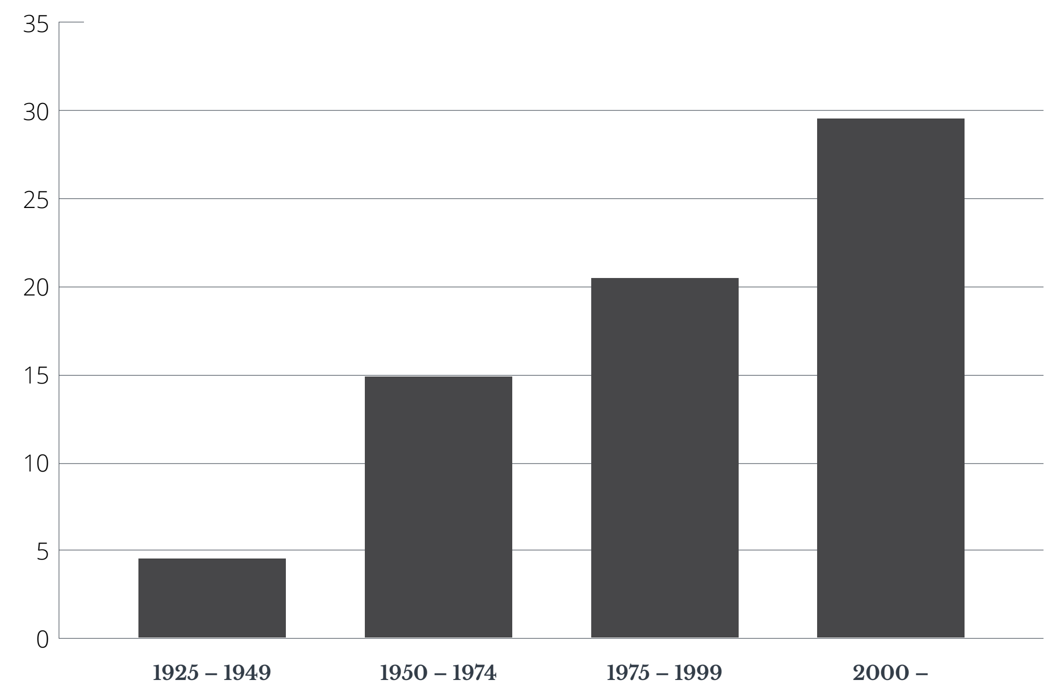
Emissions

SSG has calculated greenhouse gas emissions for 2021 based on the Greenhouse Gas Protocol Initiative (GHG protocol). For the Group, scope 1 includes emissions from fuel from vehicles owned by the Group and gas used to heat facilities. Scope 2 includes emissions from electricity and district heating used at the facilities. The market-based emissions from electricity documented 100% renewable are 0 CO_2e. In scope 3, emissions from air travels and fuel from vehicles owned by employees used at work are included. When employees travel by air, the Group always buys emission quotas. To allow users of the report to compare performance year to year with consistency, emissions in the development face of establishing new facilities are not included.

Greenhouse gas emissions	GHG emissions intensity	2021
GHG Scope 1 Emissions (annual tonnes CO_2e)	Direct	54.1
GHG Scope 2 Emissions (annual tonnes CO_2e)	Indirect/location based	84.3
GHG Scope 3 Emissions (annual tonnes CO_2e)	Indirect	8.1
GHG Scope 1 and 2 location based (kg CO_2e /CLA /year)		**0.8**

The highest environmental risk for Self Storage Group operations both on short and long term relates to water. More extreme water with heavy rain increases the risk for flooded buildings and SSG has high tension on roofing and other water related issues. Selected storage rooms on already opened facilities and all storage rooms on new facilities are equipped with special mats on the floor to reduce the risk of water damages for customers. Risks connected with water and climate are considered when acquiring new facilities. A risk map related to flooding for each facility is under preparation.

Number of buildings according to year built



Targets for 2022

- Evaluate action plans for each facility to reduce electricity consumption
- Install LED lightning with movement sensors on all freehold investment properties
- Establish a risk map related to flooding
- Choose 0- emission alternatives when company cars are to be renewed
- Buy emission permits when traveling by plane
- Replace retail assortment with sustainable alternatives
- Establish climate accounts for SSG

Integrity and human rights

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

The Group attempts to maintain a working environment with equal opportunities for all based on qualifications and irrespective of gender, age, sex, ethnicity, sexual orientation, disability, or any other protected status. At year-end 2021, women held 29% of the positions in the Group. When recruiting for new positions we aim to increase diversity. The Management group consists of six members, of which one is female. Female employees made up 17% of the Management team and 40% of the Board of Directors. The organisation is set up with a flat and unformal organisation model. Approximately a total of 15 different nationalities are represented in the Group.

	December 2021		December 2020	
	Number of employees	%	Number of employees	%
Female	26	29%	28	35%
Male	63	71%	53	65%
Total	89	100%	81	100%

Targets for 2022

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

Employee wellbeing

The employees are essential for the operation. At year-end 2021, the Group had 89 (81) employees, of which 54 worked fulltime. Details about the employees are listed in the table below, and there are no significant variations in these details from year to year. No assumptions are made in the below numbers. Due to few employees in some of the countries, figures are shown at group level in order to anonymise the employees.

Number of full-time employees and part-time as of December 2021 broken down by country, employment type and gender

Country	Full time employees		Part time employees		Total	
	Women	Men	Women	Men	Women	Men
Norway	13	28	5	10	18	38
Sweden	3	2	2	7	5	9
Denmark	0	8	3	8	3	16

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

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

The employees have different roles in the organisation, such as customer service, operation, facility management and administration. The Group is founded based on the two companies OK Minilager and City Self-Storage and has acquired four companies with employees since 2017. Several measures have been taken to integrate the different working cultures to one. Company awards are used in the Group to premiere good role models for the values set.

Self Storage Group needs a range of competence in the different roles in the organisation. It is important that the employees have the knowledge and competence to perform their role in a correct and safe way. All new employees are given necessary training to conduct their work. A start-up plan is normally made for new employees to ensure that they receive the necessary information and training related to their role. For customer service most of the training of new employees are performed side by side with experienced employees starting with the most basic tasks. New employees have a designated college available for questions and manuals to check when questions arise. Self Storage Group are proud to have high quality customer service employees that are available in person at manned facilities and on chat and at the phone at unmanned facilities to help the customers.

Many of the employees work on different facilities, and the intranet is important both for information to the employees and as a social platform where employees in all roles can communicate easily. The Group has low turnover (8% for 2021) and the average number of years an employee is employed is seven years (full time employees). All employees are free to be part of collective bargaining agreements. No employees are part of collective bargaining agreements as of December 2021.

In Self Storage Group annual employee appraiser interviews with all employees are conducted. This gives the employees an opportunity to discuss relevant items and to be followed up in a structured way. The Group has an annual employee survey, and the results for 2021 were overall positive with a score of 4.9 out of a total 6.0. The management has analysed the results of the survey and measures to increase the employee satisfaction will be implemented in cooperation with the employees.

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

Full Time Equivalents (FTE) and average salary divided into levels 2021

	FTE			FTE in % of level		Average salary	
	Women	Men	Total	Women	Men	Women	Men
Level 1: Management team	1.00	3.58	4.58	22%	78%	1 875 736	1 012 652
Level 2: Middle- management	4.17	9.00	13.17	32%	68%	623 027	725 268
Level 3: Operations	11.87	20.45	32.32	37%	63%	426 172	515 842
Total	**17.04**	**33.03**	**50.07**	**34%**	**66%**	**559 393**	**626 795**
Part-time employees	3.14	10.92	14.06	22%	78%	380 558	359 192

Full Time Equivalents (FTE) and average salary divided into levels 2020

	FTE			FTE in % of level		Average salary	
	Women	Men	Total	Women	Men	Women	Men
Level 1: Management team	1.00	3.90	4.90	20%	80%	1 609 064	895 596
Level 2: Middle- management	3.00	9.40	12.40	24%	76%	634 766	592 717
Level 3: Operations	12.80	19.50	32.30	40%	60%	422 882	482 838
Total	**16.80**	**32.80**	**49.70**	**34%**	**66%**	**531 110**	**563 709**
Part-time employees	4.90	9.80	14.70	33%	67%	331 095	341 994

For operations, the average salary of women is below the average salary of men. The female part-time employees had on average a slightly higher wage-level than the male part-time employees. Wage and salary at the operation level is mainly impacted by experience and how many years the employee has been within the company. At the operation level, full-time employed men had on average eight years of seniority while full-time employed women had seven years of seniority in 2021. At the middle-management level, the average salary of women is below the average salary of men. At the management group level, the average salary of women is higher than the average salary of men. The salary at the middle-management level and management group level is mainly impacted by the degree of required formal competence and experience necessary for the different positions in addition the seniority.

The employees in Sweden and Denmark, and some leading positions in Norway could achieve a bonus in addition to salary when reaching certain KPI-targets. The management group and key employees are part of a long-term incentive program based on share performance.

A total of two employees were in maternity leave in 2021, two women. The average length of maternity leave was 13 weeks.

Targets for 2022

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

Customer satisfaction

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

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

As of December 2021, Self Storage Group has 128 facilities in Norway, Sweden, and Denmark through the concepts City Self Storage and OK Minilager, ensuring high availability for many existing customers and potential customers. The Group offers the customers 28 600 storage rooms. The average customer moving out had a rental time of 12 months.

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

Trustpilot is actively used to gain understanding and experience about the customers satisfaction and customer journey to continuously improve the self-storage service.

	City Self-Storage (CSS)				OK Minilager (OKM)
	CSS Norway	CSS Denmark	Dit Pulterkammer	CSS Sweden	OKM Norway
Description	Excellent	Excellent	Excellent	Excellent	Excellent
Rating	4.5	4.5	4.5	4.8	4.7
Number of reviews	358	57	265	448	578

Targets for 2022

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

Other

Innovation

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

The CRM-system developed for OK Minilager has been upgraded and improved since 2018 to tailor the system to the Group's specific needs. The acquired companies Minilageret, Minilager Norge and Eurobox have successfully been migrated to the new platform. All new CSS-facilities since 2018 are also added to the new CRM-system. During 2021 the Group migrated remaining CSS-facilities in Norway to the new CRM-system. The migration of Dit Pulterkammer and CSS-facilities in Sweden and Denmark to the new CRM-system will start in 2023.

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

Suppliers and business partners

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

Timely deliveries from suppliers are essential for the Groups operations and growth. To ensure that all suppliers follow laws and regulations the Group has started to use a supplier declaration. The declaration focuses on hired labours salary and rights, recycling, use of subcontractors and quality systems. There has been no significant change in suppliers or the supply chain in 2021.

Local community

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

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

In 2021, Self Storage Group donate NOK 50 thousand to the voluntary organisation "Barn av rusmisbrukere". The organisation supports children who grow up with have parents or other close relatives who are drug addicts, both with social support and financial support as for example summer activities.

Timely reporting and legal compliance

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

Financial reporting and legal compliance are focus on both Management and Board Meetings. This ensures that enough resources are allocated timely.

Corporate Governance

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

1. Reporting on corporate governance

The policy is based on the Norwegian Code of Practice for Corporate Governance issued 14 October 2021 by the Norwegian Corporate Governance Board. The Company will in accordance with applicable legislation and stock exchange listing rules provide a report on the Company's corporate governance in the directors' report or in a document that is referred to in the directors' report.

Non-conformance with the recommendation: None

2. Business

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

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

- Customer satisfaction
- Digitalisation
- Automation
- Cost leadership

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

- Service
- Respect
- Responsibility
- Competitive
- Innovation

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

Ethical guidelines

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

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

Non-conformance with the recommendation: None

3. Capital structure and dividend

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

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

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

At the General Meeting in 2021 the Board of Directors was authorised to increase share capital with up to NOK 4 216 429.20 through one or several share capital increases. The authorisation may be used to provide the Company with financial flexibility, including in connection with investments, merger and acquisitions. The Board's authorisation is valid until the annual General Meeting in 2022.

Non-conformance with the recommendation: None

4. Equal treatment of shareholders and transactions with close associates

At the General Meeting in 2021 the Board of Directors was authorised to increase the share capital. In effectuation of this authorisation, the existing shareholders pre-emptive rights to subscribe shares can be deviated.

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

The Company has no own shares.

See also note 27.

Non-conformance with the recommendation: None

5. Shares and negotiability

The shares in the Company shall be freely transferable.

Non-conformance with the recommendation: None

6. General meetings

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

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

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

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

Non-conformance with the recommendation: None

7. Nomination committee

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

The nomination committee currently consists of the following three members: Dominik Jochem (chairperson), Lasse Høydal and Øyvind Hagelund. The current members have been elected by the General Meeting with a term until the Company’s ordinary General Meeting in 2022.

Non-conformance with the recommendation: None

8. Board of Directors: Composition and independence

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

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

At the General Meeting 26 May 2021, the following were elected to the Board of Directors for one year: Steven Skaar, chairman, Gustav Sigmund Søbak, Yvonne Litsheim Sandvold, Ingrid Elvira Leisner and Carl August Ameln. The Annual Report provides information about Board members’ background, qualifications and independence. The Company does not have a corporate assembly.

Non-conformance with the recommendation: None

9. The work of the Board of Directors

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

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

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

The Company has no remuneration committee. Guidelines for remuneration of the managing director and the executive personnel were approved at the General Meeting in May 2021. The Board shall prepare an annual evaluation of its work.

Non-conformance with the recommendation: None

10. Risk management and internal control

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

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

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

Non-conformance with the recommendation: None

11. Remuneration of the Board of Directors

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

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

Non-conformance with the recommendation: None

12. Remuneration of executive personnel

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

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

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

The Board of Directors has established guidelines for remuneration of the key employees of the Company, and the remuneration report for 2021 will be presented to the Annual General Meeting in 2022.

Non-conformance with the recommendation: None

13. Information and communications

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

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

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

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

Non-conformance with the recommendation: None

14. Take-overs

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

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

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

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

Non-conformance with the recommendation: None

15. Auditor

The Company´s auditor is EY.

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

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

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

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

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

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

Non-conformance with the recommendation: None

Consolidated financial statements

Consolidated statement of comprehensive income

(Amounts in NOK 1 000)

	Note	For the year ended 31 December 2021	For the year ended 31 December 2020
Revenue	7, 8	346 075	293 348
Lease expenses	7, 25	-13 250	-9 432
Property-related expenses		-44 414	-36 135
Salary and other employee benefits	10	-44 115	-40 209
Depreciation	14, 15	-16 863	-14 476
Other operating expenses	7, 11, 27	-41 373	-32 138
Operating profit before fair value adjustments		**186 060**	**160 958**
Change in fair value of freehold investment property	9	319 996	92 929
Change in fair value of leasehold investment property	9	-46 356	-63 010
Operating profit after fair value adjustments		**459 700**	**190 877**
Finance income	12	36 273	2 603
Finance expense	12	-55 357	-47 659
Profit before tax		**440 616**	**145 821**
Income tax expense	13	-92 015	-32 853
Profit for the period		**348 601**	**112 968**
Profit/loss attributable to owners of the parent		348 601	112 968
Profit/loss attributable to non-controlling interests		-	-
Earnings per share			
Basic (NOK)	21	3.96	1.34
Diluted (NOK)	21	3.96	1.34
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
- currency translation difference		-14 650	12 932
Other comprehensive income for the period, net of income tax		**-14 650**	**12 932**
Total comprehensive income for the period		**333 951**	**125 900**
Total comprehensive income for the year attributable to owners of the parent		333 951	125 900
Total comprehensive income for the year attributable to non-controlling interests		-	-

Consolidated statement of financial position

(Amounts in NOK 1 000)	Note	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Freehold investment property	9, 24	2 422 368	1 456 522
Leasehold investment property	9, 25	444 253	515 227
Property, plant and equipment	14, 24	162 615	122 477
Goodwill	15	187 330	184 628
Financial instruments	6, 22	14 160	-
Other intangible assets	15	1 220	1 626
Deferred tax assets	13	91	-
Total non-current assets		**3 232 037**	**2 280 480**
Current assets			
Inventories	17	1 857	1 611
Trade and other receivables	18, 24	17 140	15 629
Financial instruments	6, 22	-	24 750
Other current assets		25 668	13 162
Cash and bank deposits	19, 22	214 746	246 804
Total current assets		**259 411**	**301 956**
TOTAL ASSETS		**3 491 448**	**2 582 436**
EQUITY AND LIABILITIES			
Equity			
Issued share capital	20	9 467	8 432
Share premium		1 082 657	791 594
Currency translation reserve		-1 811	12 839
Retained earnings		713 601	365 000
Total equity		**1 803 914**	**1 177 865**
Liabilities			
Non-current liabilities			
Non-current interest-bearing debt	23	892 626	519 429
Non-current lease liabilities	23, 25	422 479	487 887
Other financial liabilities		320	2 018
Deferred tax liabilities	13	196 745	114 624
Total non-current liabilities		**1 512 170**	**1 123 958**
Current liabilities			
Current interest-bearing debt	23	51 644	153 699
Current lease liabilities	23, 25	46 192	49 216
Trade and other payables		12 804	15 777
Income tax payable	13	10 478	11 994
Other taxes and withholdings		6 713	5 862
Other current liabilities	26	47 533	44 065
Total current liabilities		**175 364**	**280 613**
Total liabilities		**1 687 534**	**1 404 571**
TOTAL EQUITY AND LIABILITIES		**3 491 448**	**2 582 436**

Self Storage Group ASA

Oslo, April 28th, 2022

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

Consolidated statement of cash flows

(Amounts in NOK 1 000)	Note	For the year ended 31 December 2021	For the year ended 31 December 2020
Cash flows from operating activities			
Profit before tax		440 616	145 821
Income tax paid		-14 330	-7 460
Net expensed interest and fees on borrowings and leases		37 468	29 987
Depreciation	14, 15	16 863	14 476
Gain/loss on disposal of property, plant and equipment		- 177	- 208
Unrealised gain/loss in foreign currency	12	-9 745	12 842
Change in fair value of financial instruments	12	-16 178	1 564
Change in fair value of freehold investment property	9	-319 996	-92 929
Change in fair value of leasehold investment property	9	46 356	63 010
Change in trade and other receivables		-1 418	299
Change in trade and other payables		-3 974	8 462
Change in other current assets		-3 614	-1 335
Change in other current liabilities		2 438	2 029
Net cash flows from operating activities		**174 309**	**176 558**
Cash flows from investing activities			
Payments for investment property		-174 836	-164 523
Payments for property, plant and equipment		-47 332	-23 300
Proceeds from disposal of property, plant and equipment		684	251
Net cash outflow on acquisition of subsidiaries		-463 862	-76 202
Net cash flows from investing activities		**-685 346**	**-263 774**
Cash flows from financing activities			
Net proceeds from issue of equity instruments		291 999	-
Proceeds from borrowings	23	1 084 268	441 000
Repayment of borrowings	23	-809 162	-110 158
Interest paid	23	-25 444	-10 572
Payments of lease liabilities	23, 25	-43 296	-55 069
Payments of leases classified as interest	23, 25	-18 527	-20 666
Net cash flows from financing activities		**479 838**	**244 535**
Net change in cash and cash equivalents		-31 199	157 319
Cash and cash equivalents at beginning of the period		246 804	88 117
Effect of foreign currency rate changes on cash and cash equivalents		- 859	1 368
Cash and equivalents at end of period	19	**214 746**	**246 804**

Consolidated statement of changes in equity

(Amounts in NOK 1 000)	Note	Issued Share capital	Share premium	Currency translation reserve	Retained earnings	Total equity
Balance at 1 January 2020		**8 261**	**744 853**	**- 93**	**252 032**	**1 005 053**
Profit (loss) for the period		-	-	-	112 968	112 968
Other comprehensive income (loss) for the period net of income tax		-	-	12 932	-	12 932
Total comprehensive income for the period		-	-	12 932	112 968	125 900
Issue of ordinary shares, net of transaction costs	20, 21	171	46 741	-	-	46 912
Balance at 31 December 2020		**8 432**	**791 594**	**12 839**	**365 000**	**1 177 865**
Balance at 1 January 2021		**8 432**	**791 594**	**12 839**	**365 000**	**1 177 865**
Profit (loss) for the period		-	-	-	348 601	348 601
Other comprehensive income (loss) for the period net of income tax		-	-	-14 650	-	-14 650
Total comprehensive income for the period		-	-	-14 650	348 601	333 951
Issue of ordinary shares, net of transaction costs	20, 21	1 035	291 063	-	-	292 098
Balance at 31 December 2021		**9 467**	**1 082 657**	**- 1 811**	**713 601**	**1 803 914**

Notes to the consolidated financial statements

Note 1 General information

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

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

These consolidated financial statements were approved for issue by the Board of Directors on 28 April 2022. Some minor rounding differences may occur, entailing that the total may deviate from the total of the individual amounts. This is due to the rounding to whole thousands of individual amounts.

Note 2 Significant accounting policies

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

Basis of preparation

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

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

Principles of consolidation

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

Business combinations

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

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

Revenue recognition

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

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

Leases when lessee

The Group leases properties, containers and trailers. Lease terms correspond to the term of the lease contract, unless the Group is reasonably certain that it will exercise contractual extensions or termination options. From 1 January 2019 leases are recognised according to IFRS 16 as a right-of-use asset and corresponding lease liability at the date at which the leased asset is available for use, see note 3. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The right-of-use assets of leasehold investment property is measured at fair value, and all other right-of-use assets are depreciated over the shorter of the lease term and their useful lives.

Measurement of lease liabilities

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

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

Measurement of right-of-use assets

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

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

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

Investment property

Freehold investment property

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

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

Leasehold investment property

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

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

Foreign currencies

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

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

Current and deferred tax

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

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

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

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

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

Property, plant and equipment

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

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

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

Impairment of non-financial assets

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

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

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

Inventories

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

Cash and cash equivalents

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

Financial assets

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

Classification and impairment

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

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

Financial liabilities and equity instruments

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

Equity instruments

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

Financial liabilities

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

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

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

Statement of cash flows

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

Earnings per share

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

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

Standards and Interpretations affecting amounts reported in the current period

All relevant new and revised IFRSs and IFRIC interpretations that are mandatory for periods commencing 1 January 2022 and earlier have been adopted for all periods presented in these consolidated financial statements. There are no new standards, amendments to standards or interpretations which material affect the consolidated financial statements of the Group in 2022.

Standards and Interpretations in issue but not yet adopted

There are no new standards or amendments in short term perspective which have been issued, but are not yet effective, that are considered to have an impact on the Group. The Group intends to adopt these standards, if applicable, when they become effective.

Note 4 Critical accounting judgements and key sources of estimation uncertainty

Critical accounting estimates and judgements

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

Freehold investment property

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

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

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

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

Impairment of assets

The carrying amounts of non-current tangible and intangible assets are assessed by means of impairment tests whenever there is an indication of impairment. Any impairment of goodwill is nevertheless assessed at least annually. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require management to estimate the future cash flows expected to arise from the cash-generating unit and a set discount rate in order to calculate present value. As of 31 December 2021, the amount of goodwill tested for impairment amounted to NOK 187.3 million. No impairment losses were recognised in 2021 or 2020. Details of the impairment test calculation are set out in note 15.

Lease

The Group as lessee

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

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

Note 5 Financial instruments risk management objectives and policies

(Amounts in NOK 1 000)

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

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

The Group experienced limited business impact from COVID-19 in 2021. The management has focused on potential impacts related to COVID-19 on the Group's financial results, but the business impact in 2021 has been limited.

Subsequent of 2021, Russia went to war against Ukraine. SSG has no direct exposure to Russia and Ukraine, and the war has a limited effect on the Group. However, we see a sharp rise in energy prices from an already high level, and the conflict may create greater uncertainty on the world's energy situation. This element may affect SSG in 2022, but the extent of the impact and the consequences are still unclear.

Liquidity risk

The Group manages liquidity risk by forecasting and monitoring cash and liquidity needs on an on-going basis and maintaining adequate cash-reserves. The Group is in a growth phase and is investing in new properties, expansions and fit out for new facilities. The growth is primarily financed through cashflow from operating activities and facility loans. Increased facility loans instead of more expensive building loan are chosen if considered the best economic option. The Group has sufficient cash available to meet its obligations as of 31 December 2021. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed terms.

Credit risk

Credit risk is the risk of a counterparty defaulting. The Group's credit risk is limited to trade receivables and is mitigated by the fact that a credit check is performed, using credit rating agencies, for all new customers. Credit quality of a customer is assessed based on recommendation from the credit rating agencies and credit history. Rent is generally invoiced monthly in advance. Historically, losses on receivables have been low and an allowance has been made for anticipated future losses on current balances. Outstanding trade receivables are regulatory monitored and followed up. The Group has not seen increased losses on receivables due to COVID-19 in 2021. Other financial assets comprise largely bank deposits. The carrying value of the bank deposits and receivables represents the Group's maximum exposure to credit risk. See also note 18.

Interest rate risk

The Group is exposed to interest rate risk through its financial activities. The interest-bearing debt consists of two elements, 3 months Nibor + a fixed charge of basis points. The purpose of the Group's interest rate risk management is to reduce interest costs and at the same time keep the volatility of future interest payments within acceptable limits. The Group manage interest rate risk by entering floating-to-fixed interest rate swaps. In 2021 two interest rate swaps were entered.

The following table illustrates the sensitivity of the Group to potential interest rate without interest rate swaps. The calculation is based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. The table also shows interest rate swaps as of December 2021 replacing 3 months Nibor.

Interest rate sensivity	Change in interest rates in basis points	Effect on profit before tax
2021	50	-4 721
	- 50	4 721
2020	50	-3 366
	- 50	3 366

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

		2021	2020
Bank loans		2.77	1.74
Fixed interst rate agreements	**Amount**	**Maturity date**	**Interest rate (%)**
Handelsbanken	150 000	Mar-25	1.080
Handelsbanken	150 000	Apr-25	0.790
Handelsbanken	300 000	Mar-26	1.345
Handelsbanken	150 000	Mar-26	1.420

Foreign currency risk

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

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

		2021	2020
Foreign currency sensitivity	**Changes in currency**	**Effect on profit before tax**	**Effect on profit before tax**
DKK	10%	17 910	3 971
	-10%	-17 910	-3 971
SEK	10%	1 154	1 065
	-10%	-1 154	-1 065
EUR	10%	- 566	- 759
	-10%	566	759
GBP	10%	- 65	- 185
	-10%	65	185

Capital management

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

The Group has defined a target for the loan to value ratio which shall not exceed the current loan to value covenants in the covenants in the Group's bank facility loan. The covenants also specify requirements in relation to the Company's financial strength. As of 31 December 2021, the Group is compliant with all loan covenants, and also expects to comply with covenants throughout 2022.

Note 6 Business combinations

(Amounts in NOK 1 000)

The Group has net cash outflow on acquisition of subsidiaries of NOK 464 million in 2020. One of the acquisitions in 2021 meet the definition of a business combination. The remaining of the acquisitions did not meet the definition of a business combination and are accounted for as asset acquisitions.

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.

Acquisitions in 2021

	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Dit Pulterkammer Holding A/S	Self-storage solutions	14-Apr-21	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
Total consideration	**37 456**

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 DPK have been recognised at their estimated fair value on the completion 14 April 2021. Freehold investment property is recorded to fair value based on valuation from an independent 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 within 12 months from completion date, 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	-
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
Net assets	**32 163**	**2 934**	**35 097**

**DPK 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
Goodwill	**2 359**

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 (2021)

The acquired companies do not impact consolidated revenue and profit before acquisition date 14 April 2021.

The revenue and net profit for the full year 2021 are estimated to be approximately NOK 21.6 million and NOK 5.1 million respectively, if the Company had acquired DPK with effect from 1 January 2021. EBITDA for the full year 2021 is estimated to NOK 12.0 million. Estimated consolidated figures for the year 2021 are according to Danish GAAP.

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

Note 7 Segment information

(Amounts in NOK 1 000)

Management has determined the operating segments based on reports reviewed by the CEO and management team and Board of Director's, and which are used to make strategic and resource allocation decisions. The Group reports management information based on the two concepts offered by the Group, City Self-Storage (CSS) and OK Minilager (OKM), in addition to the Group's property companies in the Property segment and Self Storage Group ASA (SSG ASA) in separate segments. Other/elimination includes eliminations of intercompany transactions and the remainder of the Group's activities not attributable to the other operating segments. The Group reports management information according to earlier accounting standard IAS 17, and the segment report are not adjusted for IFRS 16 impacts.

Dit Pulterkammer is reported as part of the CSS segment.

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

The Group's reportable segments are as follows:

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

For the year ended 31 December 2021	**CSS**	**OKM**	**Property**	**SSG ASA**	**Other/ elimina-tions**	**IFRS 16-adjust-ment***	**Total**
Rental income from self-storage services	229 326	90 918	-	-	-	-	320 244
Other income	19 326	1 079	85 671	507	-80 752	-	25 831
Lease expenses	-116 700	-39 555	-	-1 320	80 752	63 573	-13 250
Other operating costs	-86 653	-22 262	-16 951	-4 279	-	243	-129 902
EBITDA	45 299	30 180	68 720	-5 092	-	63 816	202 923
Reconciliation to profit before tax as reported under IFRS							
Depreciation							-16 863
Change in fair value of freehold investment property							319 996
Change in fair value of leasehold investment property							-46 356
Finance income							36 273
Finance expense							-55 357
Profit before tax							**440 616**

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

No customer exceeds 10 percent of the revenues.

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

Note 8 Revenue

(Amounts in NOK 1 000)

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
Rental income from self-storage services*	320 244	272 475
Revenue from retail sales	4 041	4 064
Agent revenue from insurance services	8 040	7 514
Other revenue**	13 750	9 295
Total revenue	**346 075**	**293 348**

Geographical analysis of revenues:		
Norway	267 013	216 643
Sweden	38 707	37 477
Denmark	40 355	39 228
Total revenue	**346 075**	**293 348**

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

Total revenue under IFRS 15 is NOK 25.8 million (2020: NOK 20.9 million), and the company has only immaterial contract assets and liabilities. Lease contracts on self-storage are short-term and can be terminated on short notice.

**Accounted for under the leasing standard*
***Mainly rental income from segments other than self-storage*

Note 9 Investment property

(Amounts in NOK 1 000)

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

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

Carrying value of investment property

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

	Leasehold investment property	Freehold investment property	Total
Balance as at 31 December 2020	**515 227**	**1 456 522**	**1 971 749**
Additions and disposals leasehold investment property in the year	-14 795	-	-14 795
Value adjustment due to passage of time	-46 356	-	-46 356
Business combination (note 6)	-	128 348	128 348
Asset acquisition in Property segment	-	35 493	35 493
Company acquired as asset acquisition	-	345 701	345 701
Additions to existing properties	-	139 343	139 343
Fair value adjustments recognised in profit or loss	-	319 996	319 996
Other/translation differences	-9 823	-3 035	-12 858
Balance as at 31 December 2021	**444 253**	**2 422 368**	**2 866 621**

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

Lease payments are based on contracts between the real estate company and the operating companies. Property-related expenses relating to investment properties are recognised in profit or loss. The Group had two significant contractual obligations for construction contracts related to investment properties at year-end 2021 and three at year-end 2020 with upcoming liabilities. The significant contractual obligations at year-end 2021 are related to one steel building at Alver, Norway, with Borga Stålbygg amounting to approximately NOK 5.2 million and one elevator project with Betongarbeid amounting to approximately NOK 3.2 million (all amounts exclusive of VAT). The significant contractual obligations at year-end 2020 are related to the Group's three greenfield development projects. The contract at Breivollveien 25 with AF Gruppen amounts to approximately NOK 70 million, the contract at John Aaes vei with Metallbygg amounts to NOK 14 million and the contract at Bjørnerudveien 10 with Borga amounts to NOK 9 million (all amounts exclusive of VAT). In addition, the Group continuously has ongoing smaller development projects related to conversion and expansion projects.

Fair value assessment

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

	Determination of fair value using			
	Observable market value for corresponding assets and liabilities (level 1)	Other significant observable input (level 2)	Other significant unobservable input (level 3)	Total estimated fair value
Freehold investment property	-	-	2 422 368	2 422 368
Leasehold investment property	-	-	444 253	444 253
Total as at 31 December 2021	**-**	**-**	**2 866 621**	**2 866 621**
Freehold investment property	-	-	1 456 522	1 456 522
Leasehold investment property	-	-	515 227	515 227
Financial instruments	-	-	24 750	24 750
Total as at 31 December 2020	**-**	**-**	**1 996 499**	**1 996 499**

Level 1: Investment property valued based on quoted prices in active markets for identical assets.

Level 2: Investment property valued based on observable market information not covered by level 1.

Level 3: Investment property valued based on information that is not observable under level 2.

Valuation

Total freehold investment property as at 31 December 2021	Number of properties	Total gross area (m²)	Market value	Market rent	Net yield
Oslo and Akershus	14	66 236	1 265 100	60 318	4.2 %
Eastern Norway except Oslo and Akershus	29	60 371	504 800	30 907	5.3 %
Southern Norway	7	13 928	174 550	10 192	5.3 %
Western Norway	16	23 912	224 000	14 012	5.4 %
Trøndelag and Northern Norway	8	9 206	64 800	4 378	5.9 %
Denmark	6	24 254	187 511	14 679	6.9 %
Total	**80**	**197 907**	**2 420 761**	**134 486**	**4.9 %**

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

The portfolio of freehold investment property was valued by an independent appraiser at year end 2020 and 2021. In addition to the impact of annual CPI adjustment of internal leases, the increase in fair value adjustments of freehold investment property is related to yield compression in the market and development properties completed in 2021. The majority of the properties that were valuated are properties acquired before 2020 and 2021. Leasehold property is not specified further, as the fair value relates to lease agreements, and not the property value. Total gross area includes land area not yet build. The Group has not identified any assets with risk of becoming stranded.

Note 10 Salary and other employee benefits

(Amounts in NOK 1 000)	For the year ended 31 December 2021	For the year ended 31 December 2020
Salaries and wages	-36 658	-32 781
Social security tax	-5 061	-4 772
Pension expense	-1 755	-1 729
Other	- 641	- 927
Total salary and other employee benefits	**-44 115**	**-40 209**
Average number of full time equivalent employees	62.9	62.1

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

Remuneration to key management during the year ended 31 December 2021

Name	Title	Salary and other benefits	Pension expense	Bonus	Total remuneration
Fabian Søbak	CEO	813	42	-	854
Cecilie Hekneby	CFO	1 874	108	-	1 982
Sveinung Høyer-Trollnes	COO	1 268	96	-	1 363
Lars Moen	CPMO	922	51	-	973
Henning Gravnås	CIO (start 1.7.2021)	445	33	-	478
Petter Løyning	CMO (start 22.11.2021)	84	6	-	91
Total		**5 405**	**336**	**-**	**5 741**

Remuneration to key management during the year ended 31 December 2020

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

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

Remuneration to Board of Directors during the year ended 31 December 2021

Name	Title	
Steven Skaar	Chairman of the Board (from May 2020)*	-
Gustav Søbak	Boardmember and member of Audit Comittee	200
Yvonne Sandvold	Boardmember	170
Ingrid Elvira Leiser	Boardmember and Chair of Audit Comittee	230
Dominik Jochem	Chair of nomination Committee (from May 2020)*	-
Lasse Høydal	Nomination Committee (from May 2020)	10
Øyvind Hagelund	Nomination Committee (from May 2020)	10
Total		**620**

**Refrains from remuneration*

Remuneration to Board of Directors during the year ended 31 December 2020

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

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

Salaries and remuneration to leading employees

Leading employees is in this regard defined as the SSG Management team. The remuneration packages are designed to attract, motivate, and retain leading employees of the necessary calibre and to reward them for enhancing value to shareholders. Total remuneration for leading employees in 2021 consists of a fixed salary and a few common fringe benefits.

A long-term incentive plan (LTIP) for senior executives and key employees with annual bonus provisions payable after three years adjusted for changes in market capitalisation of the Company's shares was established after the Annual General Meeting (AGM) in 2021. A remuneration report for 2021 will be presented at the AGM for 2022. As of 31 December 2021, no share options are outstanding or have been granted.

The Group's pension scheme satisfies the requirements of the Norwegian Act on Compulsory Occupational Pensions. Leading employees are members of the Company's pension and insurance scheme that applies to all employees. No loans or guarantees have been provided to any employees, members of the Board or their related parties.

Note 11 Auditor's fee

(Amounts in NOK 1 000)

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
Audit fee	-1 397	-1 292
Other attestation services	- 150	- 83
Tax compliance services	-	- 51
Total fee to auditor	**-1 547**	**-1 426**

Note 12 Finance income and finance expense

(Amounts in NOK 1 000)

Finance income

	For the year ended 31 December 2021	For the year ended 31 December 2020
Interest income and other financial income	1 013	1 493
Gain from transactions in foreign currency	138	152
Unrealised gain from transactions in foreign currency	18 944	923
Positive change in fair value of financial instruments*	16 178	35
Total finance income	**36 273**	**2 603**

Finance expense

	For the year ended 31 December 2021	For the year ended 31 December 2020
Interest expense on borrowings	-21 480	-8 920
Interest expense on lease liabilities	-18 527	-20 666
Other interests, fees and charges	-5 674	-2 448
Loss from transactions in foregin currency	- 477	- 261
Unrealised loss from transactions in foregin currency	-9 199	-13 765
Negative change in fair value of financial instruments*	-	-1 599
Total finance expense	**-55 357**	**-47 659**

** Change in value of interest rate swaps*

All finance income and expense related to financial assets and financial liabilities measured at amortised cost, except interest rate swaps measured at fair value through profit or loss. Unrealised gain and loss from transactions in foreign currency were mainly impacted by the fluctuations in exchange rate on lease liabilities in SEK and DKK.

Note 13 Income tax

(Amounts in NOK 1 000)

Specification of income tax expense

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
Deferred tax expense	-80 811	-20 657
Current tax expense	-11 204	-12 196
Income tax expense	-92 015	-32 853

Income tax payable (balance sheet)	For the year ended 31 December 2021	For the year ended 31 December 2020
Income tax payable	10 478	11 994

Effective Tax Rate

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
Profit/(loss) before income tax	440 616	145 821
Statutory income tax rate	22%	22%
Expected income tax expense/(benefit)	-96 936	-32 081
Tax effect non deductible expenses (benefits)	5 439	- 528
Foreign operations with tax rates other than Norwegian tax rate	32	27
Change in deferred tax not recognised	- 552	-2 459
Correction previous years' taxes	1	2 189
Income tax expense/income for the year	**-92 015**	**-32 853**
Effective tax rate	-21%	-23%

Tax losses carried forward

Tax losses carried forward in selected countries expire as follows:

	Norway	Sweden	Denmark	Total
Not time limited	-	-	74 565	74 565
Total tax losses carried forward	**-**	**-**	**74 565**	**74 565**
Of which not recognised as deferred tax assets	-	-	17 554	17 554

Deferred tax asset are not recognised for unused tax losses carried forward, as the Group cannot demonstrate that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised as of 2021.

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

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
Investment PP&E	-211 481	-129 261
Leases	9 913	8 288
Receivables	304	36
Tax losses carried forward	3 862	-
Deferred income	-	-
Gain/loss account	309	236
Other differences	-4 454	268
Deferred tax assets, not recognised	4 892	5 809
Net deferred tax liability	**-196 654**	**-114 624**

Deferred tax has been calculated using a tax rate of 22%. This is the tax rates enacted as at 31 December 2021 and 31 December 2020.

Net deferred tax presented in the balance sheet

	For the year ended 31 December 2021	For the year ended 31 December 2020
	91	
Deferred tax assets	91	-
Deferred tax liabilities	-196 745	-114 624
Net deferred tax liability	**-196 654**	**-114 624**

Tax rates outside Norway different from 22%

City Self-Storage Sweden has lower nominal tax rate (20.6%) than the nominal tax rate for Norway (22%).

Effect of changes in tax rates

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

Note 14 Property, plant and equipment

(Amounts in NOK 1 000)

Year ended 31 December 2021	Operating and office equipment	Leased assets	Total
Cost at 1 January 2021	179 179	7 878	187 057
Acquisitions through business combinations	9 369	-	9 369
Additions in the year	49 182	64	49 246
Disposals in the year	1 197	1 671	2 868
Translation differences	-1 259	-	-1 259
Cost at 31 Desember 2021	**235 274**	**6 271**	**241 545**
Accumulated depreciation at 1 January 2021	62 005	2 575	64 579
Depreciation in the year	14 951	1 231	16 182
Disposals in the year	661	591	1 252
Translation differences	- 580	-	- 580
Accumulated depreciation at 31 December 2021	75 715	3 215	78 929
Net carrying amount at 31 December 2021	**159 559**	**3 056**	**162 615**

Year ended 31 December 2020	Operating and office equipment	Equipment under finance leases	Total
Cost at 1 January 2020	154 779	7 667	162 446
Additions in the year	23 191	211	23 402
Disposals in the year	149	-	149
Translation differences	1 358	-	1 358
Cost at 31 Desember 2020	**179 179**	**7 878**	**187 057**
Accumulated depreciation at 1 January 2020	48 580	1 271	49 850
Depreciation in the year	12 584	1 304	13 888
Disposals in the year	106	-	106
Translation differences	947	-	947
Accumulated depreciation at 31 December 2020	62 005	2 575	64 579
Net carrying amount at 31 December 2020	**117 174**	**5 303**	**122 477**
Estimated useful life	3-20 years	Contract lifetime	
Depreciation method	straight-line	straight-line	

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

Leased assets are assesed for impairment. The Group experienced limited business impact from COVID-19 in 2021 and 2020 and has not identfied any indications of impairment on leased assets due to COVID-19 or other incidents.

Note 15 Goodwill and other intangible assets

(Amounts in NOK 1 000)

Year ended 31 December 2021	Goodwill	Software	Total
Cost at 1 January 2021	184 628	2 876	187 504
Acquisitions through business combinations	2 360	-	2 360
Additions in the year	-	275	275
Translation differences	342	-	342
Cost at 31 Desember 2021	187 330	3 151	190 481
Accumulated depreciation at 1 January 2021	-	1 250	1 250
Depreciation in the year	-	681	681
Accumulated depreciation at 31 December 2021	-	1 931	1 931
Net carrying amount at 31 December 2021	**187 330**	**1 220**	**188 550**

Year ended 31 December 2020	Goodwill	Software	Total
Cost at 1 January 2020	184 828	2 501	187 329
Additions in the year	-	375	375
Translation differences	- 200	-	- 200
Cost at 31 Desember 2020	184 628	2 876	187 504
Accumulated depreciation at 1 January 2020	-	662	662
Depreciation in the year	-	588	588
Accumulated depreciation at 31 December 2020	-	1 250	1 250
Net carrying amount at 31 December 2020	**184 628**	**1 626**	**186 254**

Software - acquired and developed

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

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

Goodwill

Goodwill originating from the business combination is primarily related to anticipated synergies from on-going operations and the benefit of integrating the entire business into the Group.

The Group experienced limited business impact from COVID-19 in 2021 and has not identified any indications of impairment on goodwill due to COVID-19. No impairment has been recognised subsequent to the business combinations.

The Group tests goodwill for impairment annually, or more often if internal or external indications of a loss in value exists. The goodwill in the Group is recognised and tested within the operating segments City Self-Storage and OK Minilager, being the relevant group of Cash Generating Units (CGU). The recoverable amount for these operating segments is determined using the value in use approach. Budgets (before tax) for the next year are utilised as the basis for estimating future cash flows and a pre-tax discount rate of 6.7 percent applied (WACC). Management's assessment is that goodwill would not suffer an impairment loss given a reasonable change in the key variables utilised in calculating the value in use for the relevant cash generating units.

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

- Future sales and costs are based on budget for 2022 approved by the Board of Directors
- Growth rate is set at 2.5 percent
- Inflation is set at 2.5 percent
- Management has projected cash flows for a ten-year period based on budget for 2022 adjusted for a growth rate of 2.5 percent
- Cash-flow period is equal to the average remaining length of the lease terms of property
- Discount rate covered bonds
- Beta value is SSG's Beta per 31.12.2021

	Cash Generating Units	
	CSS	OKM
Goodwill	165 571	21 759
Deferred tax	-53 638	-6 418
Goodwill for impairment testing	111 933	15 341

	Cash Generating Units	
Sensitivity analysis 2021	CSS	OKM
Pre-tax discount rate	6.7 %	6.7 %
Discount rate level before possible impairment of goodwill	8.5 %	38.0 %

Note 16 Subsidiaries

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

Proportion of ownership interest and voting power held by the group

Name of subsidiary	Principal activity	Acquisition date	Parent company	31 Dec 2021	31 Dec 2020
City Self-Storage A/S (Denmark)	Self-storage	28 Sep 2016	Self Storage Group ASA	100%	100%
City Self-Storage Norge AS	Self-storage	28 Sep 2016	Self Storage Group ASA	100%	100%
City Self-Storage Sverige AB	Self-storage	28 Sep 2016	Self Storage Group ASA	100%	100%
OK Minilager AS	Self-storage		Self Storage Group ASA	100%	100%
OK Property AS	Real estate	31 Jan 2017	Self Storage Group ASA	100%	100%
Breivollveien 25C AS	Real estate	10 April 2019	OK Property AS	100%	100%
Fellesgården AS	Real estate	30 Aug 2019	OK Property AS	*	100%
Higil Invest AS	Real estate	9 June 2020	OK Property AS	*	100%
Sneveien 13 AS	Real estate	5 July 2020	OK Property AS	*	100%
Pindsleveien 8C AS	Real estate	4 Nov 2020	OK Property AS	*	100%
Ingeniør Lynne AS	Real estate	1 Dec 2020	OK Property AS	*	100%
AS Adamstuen Garasjer	Real estate	1 March 2021	OK Property AS	100%	
Dit Pulterkammer Holding A/S	Self-storage	14 April 2021	City Self-Storage A/S (Denmark)	100%	
Dit Pulterkammer A/S	Self-storage	14 April 2021	Dit Pulterkammer Holding A/S	100%	
GoWork Billingstad AS	Real estate	15 July 2021	OK Property AS	100%	
Vinkelhuset IV AS	Real estate	20 Aug 2021	OK Property AS	100%	
Mo2 Eiendom AS	Real estate	1 Oct 2021	OK Property AS	100%	

** Fellesgården AS, Higil Invest AS, Sneveien 13 AS, Pindsleveien 8C AS and Ingeniør Lynne AS were merged with OK Property AS in 2021*

Note 17 Inventories

Inventories comprise finished goods of NOK 1.9 million as at 31 December 2021 (2020: NOK 1.6 million) and include storage supplies for sale to customers.

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

Inventories sold during 2021 have been expensed in profit or loss.

Note 18 Trade and other receivables

(Amounts in NOK 1 000)	For the year ended 31 December 2021	For the year ended 31 December 2020
Trade receivables	18 996	16 235
Allowances for bad debt provisions (analysed below)	-1 856	- 606
Total trade receivables	**17 140**	**15 629**
Other receivables	-	-
Total trade and other receivables	**17 140**	**15 629**

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

	For the year ended 31 December 2021			
Specification of the age distribution of trade receivables:	**Trade receivables**	**Expected credit loss rate**	**Allowance for bad debt**	**Trade receivables net of allowance**
Not past due on the reporting date	13 553	0%	-	13 553
Past due 0-30 days	2 472	0%	-	2 472
Past due 31-60 days	980	25%	- 245	735
Past due 61-90 days	444	55%	- 245	199
Past due over 90 days	1 548	88%	-1 366	182
Carrying amount:	**18 996**		**-1 856**	**17 140**

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

63 percent of Trade and other receivables at 31 December 2021 are in NOK (2020: 60 percent). Remaining amounts are in DKK and SEK. Due to the historical low levels of credit losses, no allowance for bad debt are made for trade receivables not past due date. The Group experienced limited business impact from COVID-19 in 2020 and 2021.

Note 19 Cash and cash equivalents

(Amounts in NOK 1 000)	For the year ended 31 December 2020	For the year ended 31 December 2020
Cash	113	115
Employee withholding tax	1 231	1 101
Bank deposits	213 402	245 588
Total cash and cash equivalents	**214 746**	**246 804**

Note 20 Share capital and shareholders

The share capital of NOK 9 467 858 consisted of 94 678 584 shares, each with a nominal value of NOK 0.10 at the end of 2021. All shares carry equal rights.

(Amounts in NOK)	For the year ended 31 December 2021	For the year ended 31 December 2020
Ordinary shares at beginning of period	84 328 584	82 617 226
Issue of ordinary shares from cash contribution	10 350 000	1 711 358
Ordinary shares at 31 December	**94 678 584**	**84 328 584**

List of main shareholders at 31 December 2021:

Shareholder	Country	Number of shares	Ownership percentage
UBS Switzerland AG[1,5]	Switzerland	24 557 078	25.9 %
Fabian Holding AS[5]	Norway	9 565 000	10.1 %
GSS Invest AS[5]	Norway	6 565 000	6.9 %
VERDIPAPIRFONDET ODIN EIENDOM	Norway	6 348 113	6.7 %
J.P. MORGAN BANK LUXEMBOURG S.A.	Luxembourg	4 581 795	4.8 %
J.P. Morgan Securities LLC	United States	4 123 214	4.4 %
SKAGEN M2 VERDIPAPIRFOND	Norway	3 655 790	3.9 %
FIRST RISK CAPITAL AS	Norway	2 600 000	2.7 %
HSBC Bank Plc	United Kingdom	2 488 255	2.6 %
SOLE ACTIVE AS	Norway	2 402 048	2.5 %
BNP Paribas Securities Services	France	2 282 143	2.4 %
Danske Invest Norge Vekst	Norway	1 843 253	1.9 %
VERDIPAPIRFONDET HOLBERG NORGE	Norway	1 700 000	1.8 %
BNP Paribas Securities Services	France	1 459 000	1.5 %
RBC INVESTOR SERVICES TRUST	Ireland	1 386 183	1.5 %
MUSTAD INDUSTRIER AS	Norway	1 249 064	1.3 %
Citibank, N.A.	Ireland	1 159 303	1.2 %
J.P. MORGAN BANK LUXEMBOURG S.A.	Luxembourg	1 090 000	1.2 %
Brown Brothers Harriman & Co.	United States	1 016 072	1.1 %
State Street Bank and Trust Comp	United States	946 470	1.0 %
Other		13 660 803	14.4 %
Sum		**94 678 584**	**100%**

Shares held by Board of Directors and Executive Management

	Title	Amount of shares	Ownership percentage
Board of Directors			
Steven Skaar[2]	Chairman of the Board	24 557 078	25.9 %
Gustav Søbak (GSS Invest AS)	Board member	6 565 000	6.9 %
Carl August Ameln (First Risk Capital AS)	Board member	2 600 000	2.7 %
Ingrid Leisner3 (Duo Jag AS)	Board member	10 390	0.0 %
Executive Management			
Fabian Søbak (Fabian Holding AS)	Chief Executive Officer	9 565 000	10.1 %
Cecilie Hekneby[4]	Chief Financial Officer	688 843	0.7 %
Sveinung Høyer-Trollnes	Chief Operating Officer	17 123	0.0 %
Lars Moen[5]	Property Manager	13 500	0.0 %

[1]UBS Switzerland AG is a nominee account for Alta Lux Holdco S.a.r.l/Centerbridge Partners

[2]Steven Skaar is representing Alta Lux Holdco S.a.r.l/Centerbridge Partners who owns 25.9% of the shares in Self Storage Group

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

[4]Cecilie Hekneby and close relatives

[5]Changes in owned shares after the reporting period is disclosed in note 28

Note 21 Earnings per share and changes in shareholders' equity

(Amounts in NOK)

Earnings per share

	For the twelve months ended 31 December 2021	For the twelve months ended 31 December 2020
Profit (loss) for the year	348 601 000	112 968 000
Weighted average number of outstanding shares during the period (basic)	87 986 529	84 328 584
Weighted average number of outstanding shares during the period (diluted)	87 986 529	84 328 584
Earnings (loss) per share - basic in NOK	3.96	1.34
Earnings (loss) per share - diluted in NOK	3.96	1.34

Changes in shareholders' equity

	Date	Number of shares issued	Total number of shares	Total share capital	Value per share
Ordinary shares at 31 December 2021			**94 678 584**	**9 467 858**	**0.10**
Issue of ordinary shares from Private Placement	8/24/2021	10 350 000	94 678 584	9 467 858	0.10
Ordinary shares at 31 December 2020			**84 328 584**	**8 432 858**	**0.10**
Issue of ordinary shares as settlement to the selling shareholder of Ulven P28 AS	2/12/2020	1 711 358	84 328 584	8 432 858	0.10
Ordinary shares at 31 December 2019			**82 617 226**	**8 261 723**	**0.10**

Expenses related to issuance of shares amounted to respectively NOK 8.1 million in 2021 and NOK 0.1 million in 2020.

At the Annual 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 May 2022.

Note 22 Categories of financial assets and liabilities

(Amounts in NOK 1 000)

As at 31 December 2021	Amortized cost	Fair value through profit or loss	Other financial liabilities measured at amortized cost	Total
Current financial assets				
Financial instruments	-	14 160	-	14 160
Trade and other receivables	17 140	-	-	17 140
Cash and bank deposits	214 746	-	-	214 746
Total financial assets	**231 886**	**14 160**	**-**	**246 046**
Non-current financial liabilities				
Long term debt to financial institutions	-	-	892 626	892 626
Long term lease liabilities	-	-	422 479	422 479
Other financial liabilities	-	320	-	320
Current liabilities				
Short term interest-bearing debt	-	-	51 644	51 644
Short term lease liabilities	-	-	46 192	46 192
Trade and other payables	-	-	12 804	12 804
Other current liabilities	-	-	47 533	47 533
Total financial liabilities	**-**	**320**	**1 473 278**	**1 473 598**

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

The carrying amounts of financial assets and liabilities approximate their fair value as at 31 December 2021 and 31 December 2020 respectively. Arrangements with financial institutions are entered into on market terms, and the carrying value at the reporting date has been assessed as approximating fair value.

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

Note 23 Maturity analysis financial liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized costs.

	Amounts due in				
For the year ended 31 December 2021	**less than 1 year**	**1-2 years**	**3-4 years**	**more than 5 year**	**Total**
Debt to financial institutions	74 023	928 081	-	-	1 002 104
Lease liabilities	76 031	116 631	116 631	260 318	569 610
For the year ended 31 December 2020	**less than 1 year**	**more than 1 year**			**Total**
Debt to financial institutions *	161 878	524 924	-	-	686 802
Lease liabilities	77 191	132 653	132 653	310 428	652 925

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

Specification of debt to financial institutions

	2021	Currency	Maturity date	Interest rate
Handelsbanken and Danske Bank	949 812	NOK	Feb-24	3 months NIBOR +1.70 %
Amortised borrowing cost	- 5 543	NOK		
Total bank borrowings at amortized cost	**944 270**			

	2020	Currency	Maturity date	Interest rate
Handelsbanken	26 110	NOK	Jul-21	3 months NIBOR +1.45 %
Handelsbanken	99 927	NOK	Jun-22	3 months NIBOR +1.45 %
Handelsbanken	112 681	NOK	Aug-22	3 months NIBOR +1.45 %
Handelsbanken	77 298	NOK	Jan-23	3 months NIBOR +1.45 %
Handelsbanken	97 858	NOK	May-23	3 months NIBOR +1.70 %
Handelsbanken	129 888	NOK	Jul-23	3 months NIBOR +1.45 %
Handelsbanken	130 250	NOK	Nov-23	3 months NIBOR +1.45 %
Amortised borrowing cost	- 884	NOK		
Total bank borrowings at amortized cost	**673 128**			

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 December 2021, the Group is in compliance with all loan covenants, and also expects to comply with covenants throughout 2022.

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 60%
- 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 year 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 (MNOK)	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 3.7 million for the full year 2021 and a loss of NOK 1.6 million for the full year 2020 related to hedging of interests is included in the finance income/expense.

Trade and other payables are due within three months.

Changes in liabilities arising from financing activities	Interest bearing borrowings	Lease liabili-ties	Non-interest bearing borrowings	Total borrowings
Opening balance 1 January 2021	**673 128**	**537 103**	**-**	**1 210 231**
Cash flow:				
Proceeds from borrowings	1 084 268	-	-	1 084 268
Interests paid	- 25 444	- 18 527	-	- 43 971
Repayment of borrowings /Payments of lease	- 809 162	- 43 296	-	- 852 458
Cash flows - total	**249 662**	**- 61 823**	**-**	**187 839**
Non-cash changes:				
Additions and disposals of leases for leasehold investment property in the year	-	- 14 795	-	- 14 795
Additions and disposals of other leases in the year	-	65	-	65
New leases	-	- 14 730	-	- 14 730
Interest expenses	21 480	18 527	-	40 007
Other movements	21 480	18 527	-	40 007
Other/translation differences	-	- 10 406	-	- 10 406
Foreign exchange movements	-	- 10 406	-	- 10 406
Closing balance 31 December 2021	**944 270**	**468 671**	**-**	**1 412 941**

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

Note 24 Assets pledged as security

(Amounts in NOK 1 000)

	As at 31 December 2021	As at 31 December 2020
Liability secured by assets pledged:	**949 812**	**673 028**
Carrying value of assets pledged as security:		
Trade receivables	17 140	15 629
Freehold investment properties and other assets	2 584 983	1 544 223
Total	**2 602 123**	**1 559 852**

Note 25 Leases

(Amounts in NOK 1 000)

Group as a lessee

The Group as a lessee leases certain leasehold properties that are classified as leasehold investment property. These leases have lease terms between 3 months and 20 years. The Group applies the short-term lease recognition exemptions for leases with lease term 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 assets for an additional term of three years. The lease is classified as property, plant and equipment. Property, plant and equipment also include leased trailers and containers with average lease terms of three years. The Group's lease liabilities are secured by the lessors' title to the leased assets.

The Group experienced limited business impact from COVID-19 in 2021 and 2020 and has not identified any indications of impairment on leased assets due to COVID-19 or other incidents. The Group has not received any rent reductions on leased properties due to COVID-19 in 2021 or 2020.

Changes in recognised leases during the period:

	Lease liabilities	Leased assets	
		Leasehold investment property	Other leases
Opening balance 1 January 2021	**537 103**	**515 227**	**5 303**
Additions and disposals of leases for leasehold investment property in the year	- 14 795	- 14 795	-
Additions and disposals of other leases in the year	65	-	- 1 016
Payments of lease	- 43 296	-	-
Change in fair value of leasehold investment property	-	- 46 356	-
Depreciation	-	-	- 1 231
Other/translation differences	- 10 406	- 9 823	-
Closing balance 31 December 2021	**468 671**	**444 253**	**3 056**

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

Amounts related to leases recogniced in profit or loss:

	2021	**2020**
Expenses relating to short-term leases (included in lease expenses)	- 13 250	- 9 432
Change in fair value of leasehold investment property	- 46 356	- 63 010
Depreciation expense of leased assets classefied as property, plant and equipment	- 1 231	- 1 304
Interest expense on lease liabilities (included in finance expenses)	- 18 527	- 20 666
Total amount recognised in profit or loss	**- 79 364**	**- 94 412**

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

The Group had total cash outflows for leases of NOK 75.1 million in 2021 (2020: NOK 75.7 million). The future cash outflows relating to leases that have not yet commenced are disclosed in note 23.

The Group has certain lease contracts related to leasehold investment property that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (see note 4). Options to extend reasonably certain to commit to, but not started, amounts to NOK 158.5 million as of 31 December 2021 (NOK 128.1 million as of 31 December 2020), with periods ranging between one and ten years. Options to extend not reasonably certain to commit to, amounts to NOK 38.0 million as of 31 December 2021 (54.3 million as of 31 December 2020), 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 2021 are assessed reasonably certain to be exercised.

Sensitivity analyses of leases shows that the effect on the lease liabilities if the discount rate increases with 1% is NOK 20.6 million in reduced lease liability (2020: NOK 24.3 million), and NOK 22.3 million in increased lease liability (2020: NOK 26.3 million) if discount rate decreases with 1%.

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

Note 26 Other current liabilities

(Amounts in NOK 1 000)

	As at 31 December 2021	As at 31 December 2020
Prepayments from customers	33 873	31 544
Payables to employees	470	169
Other current liabilities	13 190	12 352
	47 533	**44 065**

All other liabilities are classified as current liabilities.

Note 27 Related party transactions

(Amounts in NOK 1 000)

There have not been any transactions between the Group and other related parties in 2021 or 2020.

Note 28 Events after the reporting period

- On 1 January 2022, the acquisition of a neighboring section party in Sørliveien in Halden, Norway, with an estimated lettable area of 1 400 m² was successfully completed
- On 3 January 2022, the acquisition of a property in Nordslettvegen in Trondheim, Norway, with an estimated lettable area of 1 550 m² was successfully completed
- On 7 January 2022, the acquisition of a property in Kartheia in Kristiansand, Norway, with an estimated lettable area of 550 m² was successfully completed
- On 4 February 2022, an agreement to acquire a property in Stange Næringspark in Stange, Norway, was entered into. The property has an estimated lettable area of 600 m²
- On 8 February 2022, the acquisition of a property in Nesseveien in Harstad, Norway, with an estimated lettable area of 680 m² was successfully completed
- On 15 February 2022, Lars Moen (CPMO) purchased 11 299 additional shares and currently owns 24 799 shares in Self Storage Group ASA
- On 24 February 2022, an agreement to acquire a land property in Skien, Norway, was entered into. SSG also signed an agreement to construct a purpose-built self- storage facility on the land plot. The property has an estimated lettable area of 3 100 m²
- On 24 March 2022, Fabian Søbak (CEO) sold 1 000 000 shares through Fabian Holding AS, a company controlled by Fabian Søbak. Following this transaction, Fabian Holding AS owns 8 565 000 shares in Self Storage Group ASA, representing approximately 9.05% of the issued shares in the Company
- On 24 March 2022, Gustav Søbak (board member) sold 1 000 000 shares through GSS Invest AS, a company controlled by Gustav Søbak. Following this transaction, GGS Invest AS owns 5 565 000 shares in Self Storage Group ASA, representing approximately 5.88% of the issued shares in the Company
- On 24 March 2022, Centerbridge Partners Europe LLP, the Company's largest shareholder and closely related to chairman of the board Steven J Skaar, bought 2 00 000 shares. Following this transaction, Centerbridge Partners Europe LLP owns 27 206 078 shares in Self Storage Group ASA, representing approximately 28.73% of the issued shares in the Company
- On 4 April 2022, an agreement to acquire a property under development in Porsgrunn, Norway, was entered into. The property has an estimated lettable area of 1 500 m²
- Subsequent of 2021, Russia went to war against Ukraine. SSG has no direct exposure to Russia and Ukraine, and the war has a limited effect on the Group. However, we see a sharp rise in energy prices from an already high level, and the conflict may create greater uncertainty on the world's energy situation. This element may affect SSG in 2022, but the extent of the impact and the consequences are still unclear.

Financial statements
Self Storage Group ASA
Parent company income statement

(Amounts in NOK 1 000)

	Note	For the year ended 31 December 2021	For the year ended 31 December 2020
Other revenue	12	19 198	16 677
Salary and other employee benefits	2	- 22 686	- 18 958
Depreciations	14, 15	- 906	- 759
Other operating expenses	11	- 2 834	- 1 372
Operating profit		**- 7 228**	**- 4 412**
Finance income	13	89 874	19 854
Finance expense	13	- 35 760	- 15 121
Net financials		**54 114**	**4 733**
Profit before tax		**46 886**	**321**
Income tax expense	3	- 6 985	- 250
Net profit for for the year		**39 901**	**71**
Proposed profit appropriation			
Retained earnings		39 901	71
Total appropriation		**39 901**	**71**

Parent company statement of financial position

(Amounts in NOK 1 000)

	Note	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Intangible assets	14	1 220	1 626
Deferred tax assets	3	-	281
Investment in subsidiaries	4	1 481 058	881 058
Loans to group companies	5	537 184	492 799
Property, plant and equipment	15	3 448	920
Total non-current assets		**2 022 910**	**1 376 684**
Current assets			
Trade and other receivables		604	1 222
Receivables from group companies	5	76 901	10 797
Other current assets		-	-
Cash and bank deposits	7	60 398	158 025
Total current assets		**137 903**	**170 044**
TOTAL ASSETS		**2 160 813**	**1 546 728**
EQUITY AND LIABILITIES			
Equity			
Issued share capital	8, 10	9 467	8 432
Share premium	10	1 123 921	832 858
Retained earnings	10	60 284	20 383
Total equity		**1 193 672**	**861 673**
Liabilities			
Non-current liabilities			
Non-current interest-bearing debt	9, 16	898 168	520 313
Non-current debt to group companies	9	5 219	5 096
Deferred tax liabilities	3	54	-
Other non-current liabilities		320	1 599
Total non-current liabilities		**903 761**	**527 008**
Current liabilities			
Current interest-bearing debt	16	51 644	153 699
Trade and other payables		864	559
Income tax payable	3	6 650	618
Other taxes and withholdings		1 371	1 343
Other current liabilities		2 850	1 828
Total current liabilities		**63 379**	**158 047**
Total liabilities		**967 140**	**685 055**
TOTAL EQUITY AND LIABILITIES		**2 160 812**	**1 546 728**

Self Storage Group ASA

Oslo, April 28th, 2022

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

Self Storage Group ASA

Parent company statement of cash flows

(Amounts in NOK 1 000)	Note	For the year ended 31 December 2021	For the year ended 31 December 2020
Cash flows from operating activities			
Profit before tax		46 886	321
Income tax paid	3	- 618	-
Net expensed interests and fees on borrowings and leases		20 438	13 060
Depreciation	14, 15	906	759
Unrealised gain/loss in foreign currency	13	4 422	0
Group contribution and dividend from subsidiaries	5, 13	- 71 087	- 8 000
Change in trade and other receivables		-	- 849
Change in receivables from group companies		834	- 1 485
Change in trade and other payables		306	- 230
Change in other current assets		618	-
Change in other current liabilities		- 10 871	- 490
Net cash flows from operating activities		**- 8 166**	**3 086**
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		- 3 028	- 686
Net cash flow of loan to subsidiaries		- 644 262	- 192 339
Net cash outflow on acquisition of subsidiaries		-	- 99
Net cash flows from investing activities		**- 647 290**	**- 193 124**
Cash flows from financing activities			
Proceeds from issue of equity instruments		291 999	-
Proceeds from borrowings	16	1 084 268	441 000
Group contribution and dividend from subsidiaries		16 168	14 287
Repayment of borrowings	16	- 809 162	- 110 158
Interest paid		- 25 444	- 10 572
Net cash flows from financing activities		**557 829**	**334 557**
Net change in cash and cash equivalents		- 97 627	144 519
Cash and cash equivalents at beginning of the period		158 025	13 506
Cash and equivalents at end of period	7	**60 398**	**158 025**

Note 1 Parent Company Accounting policies

Accounting Principles

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

Use of estimates

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

Foreign currency translation

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

Revenue recognition

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

Income tax

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

Balance sheet classification

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

Property, plant and equipment

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

Subsidiaries and investment in associates

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

Accounts receivable and other receivables

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

Short-term investments

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

Pensions

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

Cash flow statement

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

Note 2 Salary and other employee benefits

(Amounts in NOK 1 000)	For the year ended 31 December 2021	For the year ended 31 December 2020
Salaries and wages	- 18 555	- 15 574
Social security tax	- 2 709	- 2 130
Pension expense	- 819	-771
Other	- 603	-483
Total salary and other employee benefits	**- 22 686**	**- 18 958**
Average number of full time equivalent employees	26.2	23.2

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

Remuneration to key management

Total remuneration to key management during the year ended 31 December 2021 is as follows:

	Title	Salary and other benefits	Pension expense	Bonus	Total remunera-tion
Fabian Søbak	CEO	813	42	-	854
Cecilie Hekneby	CFO	1 874	108	-	1 982
Sveinung Høyer-Trollnes	COO	1 268	96	-	1Ê363
Lars Moen	CPMO	922	51		973
Henning Gravnås	CIO (start 1.7.2021)	445	33	-	478
Petter Løyning	CMO (start 22.11.2021)	84	6		91
Total key management remuneration		**5 405**	**336**	**-**	**5 741**

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

Name	Title	Salary and other benefits	Pension expense	Bonus	Total remunera-tion
Fabian Søbak	CEO	641	25	-	666
Cecilie Hekneby	CFO	1 634	105	-	1Ê739
Sveinung Høyer-Trollnes	COO (start 9.11.2020)	189	16	-	205
Lars Moen	Real Estate Manager (start 1.12.2020)*	491	34		525
Ole Tidemann Røine	Real Estate Manager (end 20.11.2020)	763	81	-	844
Lauras Melnikas	Growth Manager (end 31.3.2020)	407	35	-	442
Total key management remuneration		**4 125**	**295**	**-**	**4 420**

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

Remuneration to Board of Directors during the year ended 31 December 2021

Name	Title	
Steven Skaar	Chairman of the Board (from May 2020)*	-
Gustav Søbak	Boardmember and member of Audit Comittee	200
Yvonne Sandvold	Boardmember	170
Ingrid Elvira Leiser	Boardmember and Chair of Audit Comittee	230
Dominik Jochem	Chair of nomination Committee (from May 2020)*	-
Lasse Høydal	Nomination Committee (from May 2020)	10
Øyvind Hagelund	Nomination Committee (from May 2020)	10
Total		**620**

**Refrains from remuneration*

Remuneration to Board of Directors during the year ended 31 December 2020

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

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

Note 3 Income tax

(Amounts in NOK 1 000)

Specification of income tax expense

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
Deferred tax expense	- 335	368
Current tax expense	- 6 650	- 618
Income tax expense	- 6 985	- 250

Income tax payable (balance sheet)	For the year ended 31 December 2021	For the year ended 31 December 2020
Income tax payable	6 650	618

Effective Tax Rate

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
Profit/(loss) before income tax	46 886	321
Statutory income tax rate	22%	22%
Expected income tax expense/(benefit)	- 10 315	- 71
Tax effect non deductible expenses	3 330	- 177
Correction previous years' taxes	-	- 2
Income tax expense/income for the year	**- 6 985**	**- 250**
Effective tax rate	-15%	-78%

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

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
Property, plant and equipment	- 54	- 71
Financial instruments	-	352
Deferred tax asset (liability)	**- 54**	**281**

Deferred tax has been calculated using a tax rate of 22 % for 2021 and 2020. This is the tax rates enacted as at 31 December 2021 and 31 December 2020.

Note 4 Subsidiaries

(Amounts in NOK 1 000)

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

Proportion of ownership interest and voting power held by the group

Name of subsidiary	Principal activity	Acquisition date	Book value 31 Dec 2021	Book value 31 Dec 2020	31 Dec 2021	31 Dec 2020
City Self-Storage A/S (Denmark)	Self-storage	28 Sep 2016	4 857	4 857	100%	100%
City Self-Storage Norge AS	Self-storage	28 Sep 2016	153 506	153 506	100%	100%
City Self-Storage Sverige AB	Self-storage	28 Sep 2016	2 334	2 334	100%	100%
OK Minilager AS	Self-storage		58 863	58 863	100%	100%
OK Property	Real estate	31 Jan 2017	1 261 498	661 498	100%	100%

Note 5 Balance with group companies

(Amounts in NOK 1 000)

Receivables	2021	2020
Loans to group companies		
OK Property AS	238 827	343 724
Breivollveien 25C AS	125 135	88 359
City Self-Storage A/S (Denmark)	173 222	36 683
City Self-Storage Norge AS	-	9 332
Fellesgården AS*	-	9 266
Sneveien 13 AS*	-	5 435
Accounts receivable	1 953	2 788
Other receivables	74 948	8 009
Sum	**614 085**	**503 596**

Payables	2021	2020
Non-current debt to group companies	5 219	5 096
Other liabilities	743	-
Sum	**5 962**	**5 096**

Interest income from loans to group companies amounts to NOK 16.5 million in 2021 (2020: NOK 10.5 million) and interest expense from loans to group companies amounts to NOK 0.1 million in 2021 (2020: NOK 0.1 million)

**Merged with OK Property AS in 2021*

Note 6 Related party transactions

(Amounts in NOK 1 000)

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

There have not been any transactions between the Group and other related parties in 2021 or 2020.

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

Note 7 Cash and cash equivalents

(Amounts in NOK 1 000)

	As at 31 December 2021	As at 31 December 2020
Cash	-	-
Employee withholding tax	883	666
Bank deposits	59 515	157 359
Total cash and cash equivalents	**60 398**	**158 025**

Note 8 Share capital and shareholders

The share capital of NOK 9 467 858 consisted of 94 678 584 shares, each with a nominal value of NOK 0.10 at the end of 2021. All shares carry equal rights.

(Amounts in NOK)	For the year ended 31 December 2021	For the year ended 31 December 2020
Ordinary shares at beginning of period	84 328 584	82 617 226
Issue of ordinary shares from cash contribution	10 350 000	1 711 358
Ordinary shares at 31 December	**94 678 584**	**84 328 584**

List of main shareholders at 31 December 2021:

Shareholder	Country	Number of shares	Ownership percentage
UBS Switzerland AG[1,5]	Switzerland	24 557 078	25.9 %
Fabian Holding AS[5]	Norway	9 565 000	10.1 %
GSS Invest AS[5]	Norway	6 565 000	6.9 %
VERDIPAPIRFONDET ODIN EIENDOM	Norway	6 348 113	6.7 %
J.P. MORGAN BANK LUXEMBOURG S.A.	Luxembourg	4 581 795	4.8 %
J.P. Morgan Securities LLC	United States	4 123 214	4.4 %
SKAGEN M2 VERDIPAPIRFOND	Norway	3 655 790	3.9 %
FIRST RISK CAPITAL AS	Norway	2 600 000	2.7 %
HSBC Bank Plc	United Kingdom	2 488 255	2.6 %
SOLE ACTIVE AS	Norway	2 402 048	2.5 %
BNP Paribas Securities Services	France	2 282 143	2.4 %
Danske Invest Norge Vekst	Norway	1 843 253	1.9 %
VERDIPAPIRFONDET HOLBERG NORGE	Norway	1 700 000	1.8 %
BNP Paribas Securities Services	France	1 459 000	1.5 %
RBC INVESTOR SERVICES TRUST	Ireland	1 386 183	1.5 %
MUSTAD INDUSTRIER AS	Norway	1 249 064	1.3 %
Citibank, N.A.	Ireland	1 159 303	1.2 %
J.P. MORGAN BANK LUXEMBOURG S.A.	Luxembourg	1 090 000	1.2 %
Brown Brothers Harriman & Co.	United States	1 016 072	1.1 %
State Street Bank and Trust Comp	United States	946 470	1.0 %
Other		13 660 803	14.4 %
Sum		**94 678 584**	**100%**

Shares held by Board of Directors and Executive Management

	Title	Amount of shares	Ownership percentage
Board of Directors			
Steven Skaar[2]	Chairman of the Board	24 557 078	25.9 %
Gustav Søbak (GSS Invest AS)	Board member	6 565 000	6.9 %
Carl August Ameln (First Risk Capital AS)	Board member	2 600 000	2.7 %
Ingrid Leisner3 (Duo Jag AS)	Board member	10 390	0.0 %
Executive Management			
Fabian Søbak (Fabian Holding AS)	Chief Executive Officer	9 565 000	10.1 %
Cecilie Hekneby[4]	Chief Financial Officer	688 843	0.7 %
Sveinung Høyer-Trollnes	Chief Operating Officer	17 123	0.0 %
Lars Moen[5]	Property Manager	13 500	0.0 %

[1]UBS Switzerland AG is a nominee account for Alta Lux Holdco S.a.r.l/Centerbridge Partners
[2]Steven Skaar is representing Alta Lux Holdco S.a.r.l/Centerbridge Partners who owns 25.9% of the shares in Self Storage Group
[3]Ingrid Leisner and close relatives owns 100% of the shares in Duo Jag AS
[4]Cecilie Hekneby and close relatives
[5]Changes in owned shares after the reporting period is disclosed in note 28

Note 9 Non-current liabilities and receivables

(Amounts in NOK 1 000)

The Company has the following non-current liabilities:	2021	2020
Danske Bank	449 084	-
Handelsbanken	449 084	520 313
Non-current liabilities to subsidiaries	5 219	5 096
Payables to employees	320	-
Deferred tax liabilities	54	-
Non-current financial liabilities	-	1 599
Total non-current liabilities	**903 761**	**527 008**

The Company has the following non-current receivables:	2021	2020
Non-current receivables from subsidiaries	537 184	492 799
Total non-current receivables	**537 184**	**492 799**

Note 10 Change in equity for the company

(Amounts in NOK 1 000)	Issued Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2020	**8 261**	**786 117**	**20 312**	**814 690**
Profit (loss) for the period	-	-	71	71
Issue of ordinary shares, net of transaction costs	171	46 741	-	46 912
Balance at 31 December 2020	**8 432**	**832 858**	**20 383**	**861 673**
Balance at 1 January 2021	**8 432**	**832 858**	**20 383**	**861 673**
Profit (loss) for the period	-	-	39 901	39 901
Issue of ordinary shares, net of transaction costs	1 035	291 063	-	292 098
Balance at 31 December 2021	**9 467**	**1 123 921**	**60 284**	**1 193 672**

Note 11 Auditor's fee

(Amounts in NOK 1 000)

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

	For the year ended 31 December 2021	For the year ended 31 December 2020
Audit fee	526	461
Other attestation services	63	38
Tax compliance services	-	-
Total fee to auditor	**589**	**499**

Note 12 Revenue

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

Note 13 Finance income and finance expense

(Amounts in NOK 1 000)

Finance income

	For the year ended 31 December 2021	For the year ended 31 December 2020
Group contribution	62 919	8 000
Dividend	8 168	-
Gain from transactions in foreign currency	36	37
Other finance income	18 751	11 817
Total finance income	**89 874**	**19 854**

Finance expense

	For the year ended 31 December 2021	For the year ended 31 December 2020
Loss from transactions in foreign currency	- 89	- 307
Unrealised loss from transactions in foreign currency	- 4 422	- 317
Interest cost	- 26 837	- 13 060
Other fees and charges	- 4 412	- 1 437
Total finance expense	**- 35 760**	**- 15 121**

All finance income and expense relate to financial assets and financial liabilities measured at amortised cost. Unrealised gain and loss from transactions in foreign currency were mainly impacted by the fluctuations in exchange rate on lease liabilities in SEK and DKK.

Note 14 Intangible assets

(Amounts in NOK 1 000)

Year ended 31 December 2021	**Intangible assets**	**Total**
Cost at 1 January 2021	2 876	2 876
Additions in the year	275	275
Disposals in the year	-	-
Cost at 31 Desember 2021	3 151	3 151
Accumulated depreciation at 1 January 2021	1 250	1 250
Depreciation in the year	681	681
Accumulated depreciation at 31 December 2021	1 931	1 931
Net carrying amount at 31 December 2021	**1 220**	**1 220**
Year ended 31 December 2020	**Intangible assets**	**Total**
Cost at 1 January 2020	2 501	2 501
Additions in the year	375	375
Disposals in the year	-	-
Cost at 31 Desember 2020	2 876	2 876
Accumulated depreciation at 1 January 2020	662	662
Depreciation in the year	588	588
Accumulated depreciation at 31 December 2020	1 250	1 250
Net carrying amount at 31 December 2020	**1 626**	**1 626**
Estimated useful life	3 year	
Depreciation method	straight-line	

Note 15 Property, plant and equipment

(Amounts in NOK 1 000)

Year ended 31 December 2021	**Operating and office equipment**	**Total**
Cost at 1 January 2021	1 169	1Ê169
Additions in the year	2 753	2Ê753
Disposals in the year	-	-
Cost at 31 Desember 2021	3 922	3Ê922
Accumulated depreciation at 1 January 2021	249	249
Depreciation in the year	225	225
Accumulated depreciation at 31 December 2021	474	474
Net carrying amount at 31 December 2021	**3 448**	**3Ê448**

Year ended 31 December 2020	**Operating and office equipment**	**Total**
Cost at 1 January 2020	858	858
Additions in the year	311	311
Disposals in the year	-	-
Cost at 31 Desember 2020	1Ê169	1Ê169
Accumulated depreciation at 1 January 2020	78	78
Depreciation in the year	171	171
Accumulated depreciation at 31 December 2020	249	249
Net carrying amount at 31 December 2020	**920**	**920**
Estimated useful life	5 year	
Depreciation method	straight-line	

Note 16 Maturity analysis financial liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized costs.

	Amounts due in		
	less than 1 year	1-5 years	Total
For the year ended 31 December 2021			
Debt to financial institutions	74 023	928 081	1 002 104
For the year ended 31 December 2020			
Debt to financial institutions*	161 878	524 924	686 802

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

Specification of loans

	2021	Currency	Maturity date	Interest rate
Handelsbanken and Danske Bank	949 812	NOK	Feb-24	3 months NIBOR +1.70 %
Total bank borrowings at amortised cost	**949 812**			
	2 020	**Currency**	**Maturity date**	**Interest rate**
Handelsbanken	26 110	NOK	Jul-21	3 months NIBOR +1.45 %
Handelsbanken	99 927	NOK	Jun-22	3 months NIBOR +1.45 %
Handelsbanken	112 681	NOK	Aug-22	3 months NIBOR +1.45 %
Handelsbanken	77 298	NOK	Jan-23	3 months NIBOR +1.45 %
Handelsbanken	97 858	NOK	May-23	3 months NIBOR +1.70 %
Handelsbanken	129 888	NOK	Jul-23	3 months NIBOR +1.45 %
Handelsbanken	130 250	NOK	Nov-23	3 months NIBOR +1.45 %
Total bank borrowings at amortised cost	**674 012**			

Changes in liabilities arising from financing activities	Interest bearing borrowings
Opening balance 1 January 2021	**674 012**
Proceeds from borrowings	1 084 268
Interest expenses	26 139
Interests paid	- 25 444
Repayment of borrowing	- 809 162
Closing balance 31 December 2021	**949 813**

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

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 December 2021, the Group is in compliance with all loan covenants, and also expects to comply with covenants throughout 2022.

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 60%
- 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 year 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 (MNOK)	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 3.7 million for the full year 2021 and a loss of NOK 1.6 million for the full year 2020 related to hedging of interests is included in the finance income/expense.

Trade and other payables are due within three months.

Statement by the Board of Directors

We confirm that the financial statements for the period 1 January up to and including 31 December 2021, to the best of our knowledge, have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial positions and profit or loss of the Company and the Group as a whole. The Board of Directors' report includes a fair review of the development and performance of the business and the position of the Company and the Group as a whole, together with a description of the principal risks and uncertainties that they face.

Self Storage Group ASA

Oslo, April 28th, 2022

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

Alternative performance measures (APMs)

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

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

Operating profit before fair value adjustments

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

Adjustments

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

SSG's financial APMs

- Interest bearing debt: Defined as non-current interest-bearing debt plus current interest-bearing debt. The figure does not include obligations under finance leases
- Loan to value: Interest bearing debt / freehold investment property
- Total other operating expenses: Property-related expenses + salary and other employee benefits + other operating expenses
- EBIT: Operating profit before fair value adjustments
- Adjusted EBIT: EBIT +/- identified items to be excluded from adjusted EBIT as described below
- EBITDA: EBIT + depreciation, amortisation and impairments
- Adjusted EBITDA: EBITDA +/- identified items to be excluded from adjusted EBITDA as described below
- Adjusted Profit before tax: Adjusted EBIT +/- change in fair value of freehold investment property and leasehold investment property +/- net finance
- Adjusted tax: Tax expense +/- tax on adjustments
- Adjusted Net Profit: Adjusted Profit before tax +/- tax expense

(Amounts in NOK 1 000)

Interest-bearing debt	**31 December 2021**	**31 December 2020**
Non-current interest-bearing debt	892 626	519 429
Current interest-bearing debt	51 644	153 699
Total interest-bearing debt	**944 270**	**673 128**

	2021	**2020**
Property-related expenses	-44 414	-36 135
Salary and other employee benefits	-44 115	-40 209
Other operating expenses	-41 373	-32 138
Total other operating expenses	**-129 902**	**-108 482**
Operating profit before fair value adjustments	186 060	160 958
EBIT	186 060	160 958
Total adjustments	3 416	1 715
Adjusted EBIT	189 476	162 673
Change in fair value of investment properties	319 996	92 929
Change in fair value of leasehold properties	- 46 356	- 63 010
Adjusted Profit before tax	444 032	147 536
Adjusted tax	- 92 728	- 33 239
Adjusted Net profit	**351 304**	**114 297**
Operating profit before fair value adjustments	186 060	160 958
Depreciation	- 16 863	- 14 476
EBITDA	202 923	175 434
Total adjustments	3 416	1 715
Adjusted EBITDA	**206 339**	**177 149**

Adjustments		
Revenue: release of historical liability (Acquisition of Minilageret AS)	507	-
Other operating expenses: acquisition costs	- 3 923	- 1 177
Salary and other employee benefits: severance packages	-	- 538
Total adjustments	**- 3 416**	**- 1 715**

SSG's non-financial APMs

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

Global Reporting Initiativ (GRI)

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

DSC	Description	Page	Notes
102	**Organizational profile**		
102-1	Name of the organization	3	Annual report 2021
102-2	Activities, brands, products, and services	3	Annual report 2021
102-3	Location of headquarters	3	Annual report 2021
102-4	Location of operations	3	Annual report 2021
102-5	Ownership and legal form	20	Annual report 2021
102-6	Markets served	3	Annual report 2021
102-7	Scale of the organization	3, 9, 10, 22, 50	Annual report 2021
102-8	Information on employees and other workers	22, 36, 37, 39	Annual report 2021
102-9	Supply chain	39	Annual report 2021
102-10	Significant changes to the organization and its supply chain	17, 18, 19, 39	Annual report 2021
102-11	Precautionary Principle or approach	44	Annual report 2021
102-12	External initiatives	NA	SSG does not participate in any external initiatives as of year-end 2021, but we consider to be part of external initiatives in the future
102-13	Membership of associations	38	Annual report 2021
102	**Strategy**		
102-14	Statement from senior decision-maker	6	Annual report 2021
102	**Ethics and integrity**		
102-16	Values, principles, standards, and norms of behavior	41	Annual report 2021
102	**Governance**		
102-18	Governance structure	42, 43	Annual report 2021
102	**Stakeholder engagement**		
102-40	List of stakeholder groups	29, 30	Annual report 2021
102-41	Collective bargaining agreements	36	Annual report 2021
102-42	Identifying and selecting stakeholders	29, 30	Annual report 2021
102-43	Approach to stakeholder engagement	29, 30	Annual report 2021
102-44	Key topics and concerns raised	29, 30	Annual report 2021
102	**Reporting practice**		
102-45	Entities included in the consolidated financial statements	67, 82	Annual report 2021
102-46	Defining report content and topic Boundaries	29, 30	Annual report 2021
102-47	List of material topics	29, 30, 31	Annual report 2021
102-48	Restatements of information	NA	No significant restatements of information
102-49	Changes in reporting	NA	No significant changes from previous reporting periods
102-50	Reporting period	8, 10	Annual report 2021
102-51	Date of most recent report	NA	4/28/2022
102-52	Reporting cycle	NA	Annual
102-53	Contact point for questions regarding the report	45	Annual report 2021
102-54	Claims of reporting in accordance with the GRI Standards	20, 28	Annual report 2021
102-55	GRI content index	118	Annual report 2021
102-56	External assurance		SSG has not requested external assurance for the Corporate Social Responsibility and Sustainability Report as of 2021. SSG will assess this practice in the future

DSC	Description	Page	Notes
200	**Economic topics**		
103-1	Explanation of the material topic and its Boundary	29, 30	Annual report 2021
103-2	The management approach and its components	6, 10, 28	Annual report 2021
103-3	Evaluation of the management approach	6, 28, 38	Annual report 2021
	Customer satisfaction		
Self-defined	Assessment of customer satisfaction	38	Annual report 2021
205-3	Confirmed incidents of corruption and actions taken	NA	There have been no such incidents in 2021
300	**Environmental topics**		
103-1	Explanation of the material topic and its Boundary	29, 30	Annual report 2021
103-2	The management approach and its components	6, 10, 28	Annual report 2021
103-3	Evaluation of the management approach	6, 28, 32	Annual report 2021
	Resource efficiency		
Self-defined	Part of freehold facilities with LED-lightning	32	Annual report 2021
307-1	Non-compliance with environmental laws and regulations	NA	There have been no such incidents in 2021
400	**Social topics**		
103-1	Explanation of the material topic and its Boundary	29, 30	Annual report 2021
103-2	The management approach and its components	6, 10, 28	Annual report 2021
103-3	Evaluation of the management approach	6, 28, 31, 36, 37	Annual report 2021
	Health and safety		
403-9	Work-related injuries	22, 31	Annual report 2021
	Integrity and human rights		
405-1	Diversity of governance bodies and employees	34	Annual report 2021
405-2	Ratio of basic salary and remuneration of women to men	37	Annual report 2021
	Employee wellbeing		
406-1	Incidents of discrimination and corrective actions taken	NA	There have been no such incidents in 2021

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Self Storage Group ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Self Storage Group ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2021 and the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 29 September 2017 for the accounting year 2017.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate

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opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Valuation of freehold investment property

Basis for the key audit matter
The freehold investment properties in the consolidated statement of financial position are recorded at fair value, amounting to NOK 2 422.4 million, equal to 69.4 % of the total assets. The change in fair value recorded in the statement of comprehensive income amounted to NOK 320 million in 2021. The Group used an external appraiser to assist with valuation of the freehold property. The valuation of the Group’s freehold investment property is dependent on a range of estimates such as rental income and yield. The valuation of the freehold investment property is a key audit matter due to its magnitude, the uncertainty of the estimates and the complexity of the calculation.

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

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

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor’s report thereon. Management (the board of directors and the Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors’ report and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors’ report and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

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Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Self Storage Group ASA we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name 254900TSU8Q0HCFHLY03-2021-12-31-en, has been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation given with legal basis in Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 28 April 2022
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The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

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