

Interim Report Q4 2022

Self Storage Group ASA



 **CITY**[®]
SELF-STORAGE



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Highlights

Self Storage Group (SSG) continued the strong and positive operational development in the fourth quarter with solid organic revenue- and EBITDA-growth, and with revenue exceeding NOK 100 million. SSG continues to develop new facilities and opened 6 600 m² current lettable area (CLA) and two new facilities in the fourth quarter. During 2022 eight new facilities and expansions amounting to 17 300 m² CLA were added to the portfolio, exceeding the target of opening 15 000+ m². The Swedish facility Gärdet with 3 300 m² CLA will, however, be discontinued in Q1 2023 due to a lease expiration which could not be extended¹. CLA at the end of December adjusted for Gärdet was 185 800 m². SSG is partly affected by the slower winter season, but demand is still strong and occupancy for sites with more than 12 months of operation is 86.5%¹ in the quarter and average rent has increased to 2 395¹ per m² per year.

All freehold properties were appraised by an independent appraiser during the fourth quarter. The decrease of fair value of freehold investment properties of NOK 30.3 million in the fourth quarter and NOK 147.2 million for the full year 2022 is related to yield expansion in the property market during the autumn driven by rising interest rates, partly offset by CPI adjustment on market rent of the properties. This is a non-cash P&L charge and there are no other negative elements impacting the valuation of the portfolio. Change in fair value of freehold investment properties in Q4 2021 was NOK 302.5 million and NOK 320.0 million for full year 2021. Fair value of freehold investment property was NOK 2 530 million as of 31 December 2022 compared to NOK 2 422 million as of 31 December 2021.

Following change in the value of the portfolio, the loan to value ratio stands at moderate 43% at the end of the year, providing the Group financial flexibility for further growth. SSG has favourable financial terms with 69% of total interest-bearing debt as of end December 2022 swapped to fixed rates. The increased financial expense in the fourth quarter is mainly related to a negative change in fair value of financial instruments of NOK -8.5 million in finance expense. The Group has a strong pipeline and a solid foundation for further profitable growth and expansion in the Nordics.

Q4 2022

- Revenues of NOK 100.4 million, up 11% from NOK 90.6 million in Q4 2021
- Adjusted EBITDA of NOK 54.5 million, up 12% from NOK 48.6 million in Q4 2021
- Adjusted profit before tax of NOK -9.0 million, compared to NOK 330.1 million in Q4 2021
- Average occupancy in Q4 2022 for sites with more than 12 months of operation is 86.5%¹ (90.2%) and an average rent per m² of NOK 2 395¹ per year (NOK 2 269)
- Acquisition of four properties in the quarter

Full year 2022

- All time high revenues of NOK 392.2 million, up 13% from NOK 346.1 million in 2021
- All time high adjusted EBITDA of NOK 225.5 million, up 9% from NOK 206.3 million in 2021
- Adjusted profit before tax of NOK -9.1 million, compared to NOK 444.0 million in 2021
- Opening of eight facilities and 17 300 m² CLA during 2022

¹Gärdet is not included in the occupancy, average rate, number of facilities and CLA for Q4 and 31 December 2022

Key Figures¹

(Amounts in NOK million)	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Revenue	100.4	90.6	392.2	346.1
Lease expenses	- 4.0	- 3.9	- 15.5	- 13.3
Total other operating expenses	- 43.0	- 38.2	- 152.1	- 129.9
Total adjustments	1.0	-	1.0	3.4
Adjusted EBITDA	54.5	48.6	225.5	206.3
Adjusted EBIT	48.5	43.8	204.6	189.5
Change in fair value of freehold investment property	- 30.3	302.5	- 147.2	320.0
Change in fair value of leasehold investment property	- 12.2	- 12.1	- 49.3	- 46.4
Net finance	- 15.0	- 4.1	- 17.2	- 19.1
Adjusted Profit before tax	- 9.0	330.1	- 9.1	444.0
Adjusted Net Profit	- 7.0	261.3	- 7.7	351.3
Current lettable area (in thousands m ²) ²	185.8	171.8	185.8	171.8
Lettable area under development (in thousands m ²)	35.8	34.9	35.8	34.9
Number of facilities ²	135	128	135	128

¹Non-GAAP measures are defined on page 30

²Gärdet is not included in the occupancy, average rate, number of facilities and CLA for Q4 and 31 December 2022



Financial development

Self Storage Group continues to experience strong demand for its services, and had revenue above NOK 100 million in the fourth quarter. Occupancy for facilities in operation more than 12 months and defined as mature, was 86.5% in the fourth quarter of 2022. This is close to the target level of 90%, despite the slower winter season. The occupancy is impacted by an increased share of large facilities newly defined as mature, but still in lease up. Occupancy for Like-for-Like (L-f-L) facilities with comparable m² in Q4 22 and Q4 21 was 89.3% in the fourth quarter of 2022. Current lettable area (CLA) at the end of December 2022 was 185 800 m², of which 171 300 m² had been in operation for more than 12 months. The CLA increased by 6 600 m² during the fourth quarter and by 17 300 m² during the last 12 months and SSG reached the goal of opening 15 000+ m² CLA during 2022. The CLA as of 31 December 2022 is adjusted for the discontinued facility Gärdet in Sweden of 3 300 CLA. The discontinuation is due to a lease expiration which could not be extended. Four properties were acquired in the fourth quarter of 2022 and a total of 15 properties were acquired during 2022, contributing to the development pipeline of 35 800 m² CLA.

Occupancy levels have stabilised at high levels close to target, and steps have been taken to increase rent. The average rent per m² increased by 6% to NOK 2 395 per year in the fourth quarter 2022 compared to fourth quarter 2021. The average rent for L-f-L per m² was NOK 2 432 per year in the fourth quarter 2022. Prices will be CPI adjusted in January 2023, and street-rates and the use of entry-offers are constantly evaluated.

There has been increased costs in the fourth quarter 2022 compared to the fourth quarter 2021 related to project costs for implementation of a new ERP-system and temporary double licence costs for both the new and old systems, and integration with the CRM-system.

There was a decrease of fair value of freehold investment properties of NOK 30.3 million in the fourth quarter and NOK 147.2 million for the full year 2022 related to yield expansion in the property market during the autumn driven by rising interest rates, partly offset by CPI adjustment. All freehold properties were appraised by an independent appraiser during the fourth quarter. The value of the freehold investment portfolio increased by NOK 107.2 million during the full year 2022 to a total of NOK 2 530 million. The increase from acquisitions and expansions amounts to NOK 244.3 million, the decrease from change in fair value YTD amounts to NOK -147.2 million and the increase from positive currency differences amounts to NOK 10.1 million.

SSG has grown strongly since the IPO in 2017 and has delivered solid revenue and EBITDA-results each quarter. SSG has a leading position in the Norwegian market and is one of the leading self-storage providers in Scandinavia. With the growth, SSG has increased focus on IT, branding, planned maintenance and organisational development to level-up the scalable platform for future growth.

Revenue

Revenue for Q4 2022 was NOK 100.4 million, an increase of NOK 9.8 million from Q4 2021.

Rental income from self-storage services was NOK 91.2 million in Q4 2022, an increase of NOK 7.3 million from Q4 2021. The increase is related to organic growth in lettable area through opening of new facilities and expansions and increased average rent. Increased self-storage revenue from the CSS-segment amounts to NOK 5.1 million, while increased self-storage revenue from the OKM-segment amounts to NOK 2.2 million

compared to Q4 2021. Income from rental of containers from both segments amounts to approximately 8.7% of the Group's self-storage revenue.

Other revenue was NOK 9.2 million in Q4 2022, an increase of NOK 2.5 million compared with Q4 2021. Other revenue consists of revenue from distribution of insurance, ancillary services, rental income from segments other than self-storage and other income. The income from office tenants fluctuates due to contracts expiring and office space being converted to self-storage.

The Danish Krone strengthened against NOK during Q4 2022 compared to Q4 2021 and the Swedish Krone depreciated against NOK during Q4 2022 compared to Q4 2021. In total there is a net foreign exchange effect attributable to the revenue in SEK and DKK of NOK 0.1 million when comparing Q4 2022 and Q4 2021.

Revenue for full year 2022 was NOK 392.2 million, an increase of NOK 46.1 million from full year 2021. Rental income from self-storage services increased by NOK 38.6 million. Other revenue increased by NOK 7.5 million in the period.

Lease expenses

According to IFRS 16 long-term leasehold agreements are treated as financial leases. Lease expenses thus only consist of leasehold contracts classified as short-term. Lease expense was NOK 4.0 million in Q4 2022, up from NOK 3.9 million in Q4 2021. Lease expense is impacted if long-term contracts expire and are renegotiated to short-term contracts, if new short-term contracts are signed, or if short-term contracts are renegotiated to long-term contracts.

Lease expense was NOK 15.5 million for full year 2022, up from NOK 13.3 million in 2021.

Average remaining lease period for leased facilities in the CSS-segment is seven years (including options). For OK Minilager, which has a number of revolving contracts, the average remaining term is two years.

At the end of December 2022, 59% of the current lettable area in SSG is held freehold, compared to 53% at the end of December 2021. 50% of current lettable area in the City Self-Storage segment is freehold, while 73% of current lettable area in OK Minilager is freehold. The share of freehold property is increasing in both segments.

Property-related expenses

Property-related expenses consist of maintenance, electricity, cleaning, security, insurance, property tax and other operating costs related to the facilities. Maintenance is recorded as an operational cost and is not capitalised.

Property-related expenses in Q4 2022 were NOK 16.2 million, an increase of NOK 1.5 million compared to Q4 2021. The increase is mainly related to the increased number of facilities and CLA in the portfolio and level of maintenance compared with one year earlier. Lettable area in SSG increased by 17 300 m² (10%) and eight facilities since December 2021. The Swedish facility Gärdet will be discontinued in Q1 2023 and is not included in KPI's for Q4, but there are still operational costs for the facility. In the fourth quarter of 2022 power expenses constituted 26% of the total property-related expenses. Power expenses are at the same level in Q4 2022 as in Q4 2021. SSG has a strong pipeline of 35 800 m², and there are costs related to properties not yet in operation, like property tax and insurance, impacting property cost.

Property-related expenses for full year 2022 were NOK 59.1 million, an increase of NOK 14.7 million compared to full year 2021.

The Group is focused on energy management on all levels and is continuously focusing on reducing the energy consumption in the portfolio. SSG's buildings are equipped with limited technical installations and reducing energy consumption is mainly done by keeping the temperature in climate-controlled environments low, installing heat pumps and upgrading existing facilities to LED-lighting with movement sensors. LED-lighting uses less energy and has a long lifetime. All new facilities are equipped with LED-lighting.

Salary and other employee benefits

Salary and other employee benefits in Q4 2022 were NOK 13.9 million, an increase of NOK 1.4 million from Q4 2021. Salary and other employee benefits for full year 2022 were NOK 49.6 million, an increase of NOK 5.4 million from full year 2021.

A restructuring of the management in the Danish operation was implemented in the fourth quarter, impacting salary and other employee benefits by NOK 0.6 million. This is defined as a non-recurring item. There were no non-recurring items in Q4 2021 and full year 2021. The remaining part of the increase is primarily related to annual wage increases.

Depreciation

Depreciation in Q4 2022 was NOK 6.0 million, an increase of NOK 1.3 million from Q4 2021, due to increase in lettable area and number of facilities. Depreciation for full year 2022 was NOK 20.9 million, an increase of NOK 4.0 million from full year 2021. The depreciation is mainly related to fitout and other equipment for new facilities and expansions. Maintenance is posted as a property-related expense.

Other operating expenses

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

In Q4 2022 other operating expenses amounted to NOK 12.9 million, an increase of NOK 1.9 million from Q4 2021. There were NOK 0.4 million in costs in Q4 2022 related to acquisitions defined as non-recurring items and none in Q4 2021.

The adjusted increase of NOK 1.5 million in other operating expenses is mainly related to increased IT costs. In spring 2022 a project was started to replace the ERP system. The new ERP system was launched for the Group's Norwegian companies in Q4 2022, and will be launched for the Swedish and Danish companies in 2023. There are additional costs in the fourth quarter related to implementation of the ERP system, temporary double licences and development of the CRM system. The new ERP system, which is integrated with the CRM system, will provide more valuable data, with increased insights and automation possibilities.

Since the summer of 2021, several branding projects for the Group's two brands have been launched. Marketing spend on facilities with occupancy above target level has been optimised, with sales and marketing costs constituting 3.9% (3.8%) of the revenue in Q4 2022.

For full year 2022, other operating expenses amounted to NOK 43.4 million, an increase of NOK 2.0 million from full year 2021. There were non-recurring items of NOK 0.4 million in 2022 impacting other operating expenses, compared to NOK 3.9 million in non-recurring items in 2021. Adjusted for non-recurring acquisition costs, other operating expenses in full year 2022 increased by NOK 5.6 million compared with full year 2021.

The level of other operating expenses has been stable over many years despite the growth of the company, and is expected to remain stable going forward when adjusting for costs related to acquisitions. Sales and advertising may, however, increase as revenue increases, since sales costs are related to online advertising. There are also additional costs related to being a listed company that will increase in order to be compliant with regulatory requirements, and to ensure sustainable growth.

Adjustments

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

(NOK 1 000)	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Adjustments				
Revenue: release of historical liability	-	-	-	507
Other operating expenses: acquisition costs	- 410	-	- 410	-3 923
Salary and other employee benefits: severance packages	- 604	-	- 604	-
Total adjustments	-1 014	-	-1 014	-3 416

Change in fair value of investment property

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

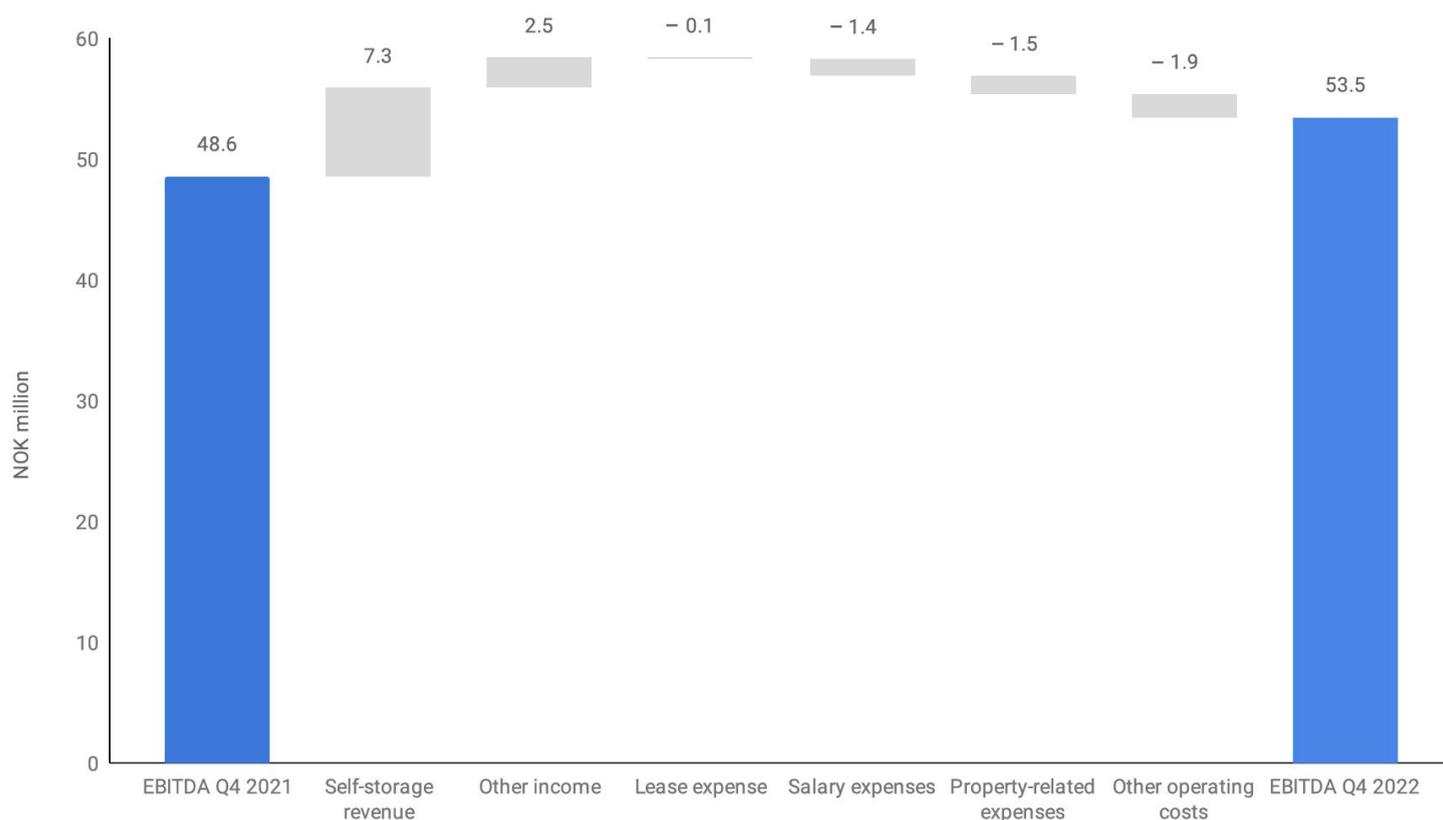
The total average yield in the Group was 5.6% as of 31 December 2022. All freehold properties were appraised by an independent appraiser during the fourth quarter. The decrease of fair value of freehold investment properties of NOK 30.3 million in the fourth quarter 2022 and NOK 147.2 million for the full year 2022 is related to yield expansion in the property market during the autumn driven by rising interest rates, partly offset by CPI-adjustment of internal leases. This is a non-cash P&L charge and there are no other negative elements impacting the valuation of the portfolio. Change in fair value for Q4 2021 was NOK 302.5 million and NOK 320.0 million for the full year 2021. Fair value of freehold investment property was NOK 2 530 million as of 31 December 2022, compared to NOK 2 422 million at 31 December 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 in Q4 2022 was NOK -12.2 million, compared to NOK -12.1 million in Q4 2021. 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 leasehold investment property was NOK 445.9 million at 31 December 2022, compared to NOK 444.3 million at 31 December 2021.

EBITDA and profit before tax

EBITDA in Q4 2022 was NOK 53.5 million, an increase of NOK 4.9 million since Q4 2021. There were NOK 1.0 million defined as non-recurring costs in Q4 2022, and none in Q4 2021. The Danish Krone strengthened against NOK during Q4 2022 compared to Q4 2021 and the Swedish Krone depreciated against NOK during Q4 2022 compared to Q4 2021. In total, the effect on EBITDA for both currencies in Q4 2022 compared to Q4 2021 was nil.

In Q4 2022, EBITDA grew 10% when compared to Q4 2021. EBITDA for Q4 2022 vs Q4 2021 is visualised below.



EBITDA for full year 2022 was NOK 224.5 million, an increase of NOK 21.6 million compared to full year 2021. There were non-recurring costs of NOK 1.0 million in full year 2022, compared to NOK 3.4 million in full year 2021.

Net finance amounted to NOK -15.0 million in Q4 2022, compared to NOK -4.1 million in Q4 2021. The change consists of decreased financial income of NOK 5.0 million, and increased financial costs of NOK 5.9 million. The financial expense in Q4 2022 is strongly affected by a negative change in fair value of interest rate swaps.

SSG has favourable financial terms with interest rate swaps covering 69% of total interest-bearing debt as of end December 2022. The interest rate swaps will mature in 2025 and 2026. Net interest income and expense on interest-bearing debt in the fourth quarter 2022 amounted to NOK 5.2 million compared to NOK 6.5 million in fourth quarter 2021. Detailed development on net finance is disclosed in note 9.

Net finance amounted to NOK -17.2 million for full year 2022, compared to NOK -19.1 million for full year 2021. The change is related to increased financial income of NOK 24.0 million offset by increased financial expense of NOK 22.1 million. Net interest income and expense on borrowings for full year 2022 was NOK 23.4 million, compared to NOK 21.5 million for full year 2021.

Profit before tax in Q4 2022 was NOK -10.0 million, compared to NOK 330.1 million in Q4 2021. Profit before tax for the full year 2022 was NOK -10.2 million, compared to NOK 440.6 million in the full year 2021. The decreases compared to Q4 2021 and the full year 2021 are mainly related to non-cash change in fair value of freehold investment property.

Statement of financial position

Total assets were NOK 3 638 million as of 31 December 2022, compared to NOK 3 491 million at 31 December 2021, an increase of NOK 146.8 million.

Freehold investment property increased by NOK 107.2 million from 31 December 2021 to NOK 2 530 million as of 31 December 2022. The increase is related to the acquisition of 15 properties, 14 in Norway and one in Denmark, investments in several development and conversion projects and exchange differences, partly offset by the change in fair value YTD of NOK -147.2 million.

Leasehold investment property was NOK 445.9 million at 31 December 2022, an increase of NOK 1.6 million from 31 December 2021. Lease liabilities at the end of December 2022 was NOK 474.6 million, an increase of NOK 6.0 million compared to the end of December 2021. The increases are related to one option assessed reasonably certain to exercise, additions from CPI-adjustments and currency differences in Denmark and Sweden, mostly offset by the change in fair value of leasehold investment property due to passage of time for the full year 2022 for the assets and lease payments due to passage of time in the full year 2022 for the liability.

Cash and bank deposits decreased by NOK 20.7 million to NOK 194.1 million at the end of December 2022 from December 2021. The main changes in cash and bank deposits in the full year 2022 relates to net cash outflow on acquisitions and additions to freehold investment property, partly offset by cash from operating activities and NOK 200.0 million in proceeds from an addendum to the existing borrowing agreement. SSG invoices customers in advance, which reduces credit risk and provides stable working capital. Other current liabilities consist mainly of prepaid income.

Interest-bearing debt¹ amounts to NOK 1 089 million at the end of December 2022, an increase of NOK 144.6 million from December 2021. The Group's interest rate swaps cover 69% of total interest-bearing debt as of end December 2022. Loan to value¹ of freehold investment property is 43% as of end December 2022, compared to 39% at the end of December 2021. The loan facility has several covenants². As of 31 December 2022, 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 2022 interest-bearing debt less cash was NOK 894.8 million. The interest-bearing debt is used for investments in freehold facilities, expansion of lettable area and development of the Group.

¹Non-GAAP measures are defined on page 32

²See note 7 for the Group's covenants

Total equity at the end of December 2022 was NOK 1 808 million, an increase of NOK 3.9 million from December 2021. The increase is attributable to total comprehensive income. The equity ratio was 50% at the end of December 2022, compared to 52% at the end of December 2021.

Cash flow

SSG has strong cash flow. Net cash flow from operating activities during Q4 2022 was NOK 40.7 million, compared to NOK 48.3 million in Q4 2021. Due to increase in operational profit, the net cash flow from operating activities adjusted for non-cash items increased for the fourth quarter of 2022 compared to the fourth quarter of 2021. This increase is offset by timing differences for receivables and payments in Q4 2022 compared to Q4 2021. Net cash flow from operating activities for the year 2022 was NOK 206.5 million, compared to NOK 174.3 million for the year 2021. The increase in net cash flow from operating activities adjusted for non-cash items for the year 2022 is related to the increase in operational profit, partly offset by increase in prepaid expenses and timing differences for payments.

Net cash flow from investing activities during Q4 2022 was NOK -94.6 million compared to NOK -45.9 million during Q4 2021. Net cash flow from investing activities for the full year 2022 was NOK -286.9 million compared to NOK -685.3 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 acquisitions accounted for as an asset acquisition if completed in the quarter. These investing activities are in line with the Group's strategy.

Net cash flow from financing activities was NOK 63.5 million for Q4 2022, compared to NOK -139.2 million for Q4 2021. Net cash flow from financial activities in Q4 2022 was affected by proceeds from borrowing amounting to NOK 200.0 million, repayment of loan and interest paid amounting to NOK -121.2 million and net payment of lease liabilities and payments of lease classified as interests amounted to NOK -15.3 million in the fourth quarter of 2022. Net cash flow from financing activities for the year 2022 was NOK 58.8 million, compared to NOK 479.8 million a year earlier.

SSG's cash balance at the end of December 2022 was NOK 194.1 million.

Strategy

SSG engages in the business of renting out self-storage units to both private individuals and businesses. The Group is a leading provider of self-storage services with facilities in Norway, Sweden and Denmark. The business model of the Group is to operate self-storage facilities in Scandinavia with a strong focus on cost effective operations, competitive rent levels and industry leading customer service. In order to achieve this objective, the Group is 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 enable people to take care of their belongings and organise their lives by being the leading Scandinavian self-storage provider with safe, smart and accessible solutions. 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, in Norway as well as in Denmark and Sweden. Acquisition of established self-storage providers in the Nordics will continue to be part of SSG's strategy. 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 in Norway are held in the 100% owned company OK Property AS, and leased to the operating companies in the Group.

Business concepts

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

OK Minilager

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

City Self-Storage

is SSG's "urban concept", targeting the population in the major cities, currently serving Oslo, Stavanger, Trondheim, Stockholm, Copenhagen and the Jutland-area in Denmark. The strategy is to further strengthen the market-leading position in the major cities in Norway by establishing more facilities at attractive locations. The Group is 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 2021, and acquisition of properties. In Sweden, organic growth for City Self-Storage has been initiated with the signed agreement to acquire properties in Trollhätten and Malmö. 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.

The Group's strong balance sheet and favourable financial terms, coupled with additional borrowing capacity, give SSG additional investment capacity in 2023 and beyond.

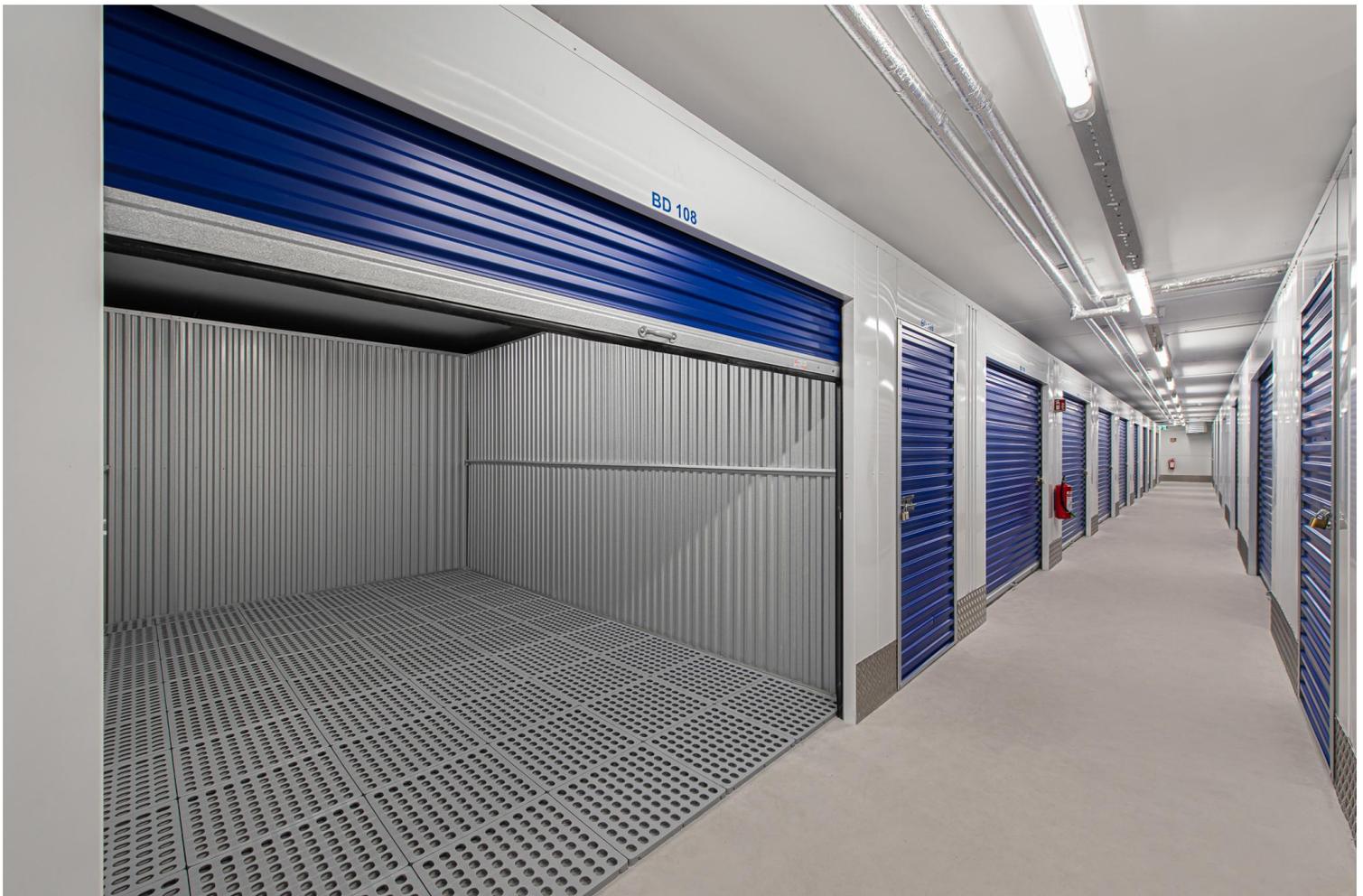
Industry leading customer service

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 jeopardising profitability. SSG was listed on Oslo Stock Exchange in 2017. The Group has grown strongly over the last five years and has consistently delivered solid revenue and EBITDA-results. SSG has succeeded in attracting investors and raising capital, and is well positioned to continue to execute its strategy.



Corporate developments

Acquisitions

Acquired properties ¹	Area	Transaction quarter	Total potential lettable area (m2)	Transaction value (NOK million)	Closing quarter	Estimated opening quarter
Agnesfridsvägen 185	Malmö, Sweden	Q1 2023	1 200	13.0	Q2 2023	Q4 2023
Friis Hansens vej 9	Vejle, Denmark	Q1 2023	1 400	15.8	Q1 2023	Q4 2023
Sandviken	Bergen, Norway	Q1 2023	430	7.5	Q1 2023	Q3 2023
Grimstad	Grimstad, Norway	Q4 2022	850	10.2	Q4 2022	Q2 2023
Fidjemoen	Kristiansand, Norway	Q4 2022	2 300	19.0	Q1 2023	Q2 2023
Kilemoen ²	Hønefoss, Norway	Q3 2022	2 000	3.4	Q4 2022	Q2 2023
Trollhätten	Trollhätten, Sweden	Q3 2022	1 300	8.8	Q4 2022	Q2 2023
Esbjerg	Esbjerg, Denmark	Q2 2022	900	9.2	Q3 2022	Q2 2023
Porsgrunn	Porsgrunn, Norway	Q2 2022	1 500	17.8	Q1 2023	Q1 2023
Skien ²	Skien, Norway	Q1 2022	-	8.5	Q2 2022	Q2 2023
Stange Næringspark	Stange, Norway	Q1 2022	600	5.3	Q3 2022	Q4 2022
Nesseveien 2B	Harstad, Norway	Q1 2022	680	8.4	Q1 2022	Q3 2022
Storebotn Næringspark	Askøy, Norway	Q4 2021	1 050	12.0	Q1 2023	Q1 2023
Molandsveien 339	Arendal, Norway	Q4 2021	850	7.1	Q4 2022	Q4 2022
Kartheia 5	Kristiansand	Q4 2021	550	4.3	Q1 2022	Q3 2022
Nordslettvegen 4 BC	Trondheim	Q4 2021	1 550	17.0	Q1 2022	Q1 2023
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	Q1 2023	Q2 2023
Kampenemosen ²	Sarpsborg, Norway	Q4 2021	-	4.6	Q1 2022	Q3 2023
Lundeveien 10	Vennesla, Norway	Q4 2021	800	6.2	Q1 2022	Q1 2023
Gardermovegen	Nannestad, Norway	Q4 2021	1 050	11.5	Q3 2022	Q4 2022
Knarvik ²	Alver, Norway	Q3 2021	-	4.0	Q3 2022	Q2 2023
Total			21 910	217.2		

¹Properties with closing quarter in 2022 or later

²Acquisition of plot

Risks and uncertainty factors

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

There has been an increase in the interest rate level in the market, but the Group has attractive financial terms on its interest bearing loans, but is exposed to interest rate risk. SSG has entered into four five-year interest rate swaps in 2020 and 2021 at low levels. In total the Group has interest rate swaps amounting to NOK 750.0 million. The Groups interest rate swaps are covering 69% of total interest-bearing debt. These agreements will reduce the risk of high volatility in future interest payments.

Since the end of 2021 there has been a strengthening of NOK compared to SEK and a depreciation compared to DKK. In Denmark and Sweden both revenue and costs are in local currency, and purchases in EUR and GBP are mostly related to fit-out capitalised in the balance sheet. The table in note 5 in the Annual Report for 2021 showing currency effects on the Groups profit if the exchange rate fluctuates is still valid.

SSG has a strong pipeline of 35 800 m² of freehold lettable area under development, and is focused on growing its freehold footprint, both by developing high-quality freehold facilities and opportunistically acquiring freehold properties where SSG has an existing leasehold interest. SSG is affected by the unstable global situation and increased cost related to steel and supply chain. Steel is the main component in the fit-out installation on new facilities, and expansions of existing facilities. During the past 12 months, fit-out material cost increased by 30-40%, but the fit-out cost only has a small impact on new project costs (i.e. 10-15% of total project budget). With the increased fit-out material cost, SSG is focusing even more on negotiating terms with the Group's suppliers and utilising its purchasing power in the negotiations. SSG is working with several European suppliers and can therefore benchmark the cost of fit-out material on an ongoing basis. Production and delivery time have also increased since the start of the pandemic. To compensate for supply chain delays, SSG starts the planning of the fit-out installations earlier in the projects. So far, few projects have been delayed due to increased delivery time of the fit-out material.

With the exception of the above mentioned changes there are no significant changes in the risks and uncertainty factors compared to the descriptions in the Annual Report for 2021.

Outlook

Self Storage Group (SSG or the “Company” or “The Group”) is one of the leading self-storage providers in Scandinavia with a dominant market share in the Norwegian market. SSG has two strong brands and concepts; City Self-Storage and OK Minilager. As of 31 December 2022, the Group operates 135 facilities across Scandinavia with a total lettable area of 221 600 m² and current lettable area of 185 800 m². There is a large untapped potential for SSG’s services as urbanisation and smaller living spaces lead to an increased need for external storage solutions. SSG is experiencing robust demand for its facilities evidenced by occupancy trending at targeted levels. The Group continues to add new capacity while at the same time achieving attractive rates. The Group also sees a potential to increase rates across the portfolio.

SSG has established a solid and scalable platform and is well positioned for future growth in a growing market. The Group has a pipeline of 35 800 m² of freehold lettable area under development. The Group is focused on growing its freehold footprint, both by developing high-quality freehold facilities and opportunistically acquiring freehold properties where we have an existing leasehold interest. SSG has additional avenues for growth through already-acquired development opportunities and low-cost expansions of existing facilities. During 2022, 17 300 m² of new lettable self-storage space was developed and the Group aims to further accelerate development-led growth in 2023 with a projected addition of more than 20 000 m² of lettable area. The strong balance sheet enables the Company to continue investing for the future, both organically and through M&A.

There are two commonly used methods for valuation of self-storage investment properties. Going forward, with the increasing maturity of the self-storage market in Norway and, with a more active comparable transaction market, SSG is considering changing the current valuation methodology to the one more commonly used by European peers. In this methodology the full cash flow from operating the facility is included in the valuation as opposed to the current methodology which uses a market rent for the property as the basis for valuation.

SSG recently initiated an organic growth journey in Denmark and Sweden with a property acquisition in Esbjerg (Denmark) and Trollhättan (Sweden). Combined with organic growth opportunities within existing properties, the Group’s footprint is set to grow in the Danish and Swedish markets and has announced the acquisition of a property in both Denmark and Sweden subsequently to the quarter. In Q1 2023, a leasehold facility at Gärdet in Sweden with a lettable area of 3 300 m² will be discontinued due to a lease expiration which could not be extended. The facility will be vacated during Q4 2022 and is not included in CLA, number of facilities, occupancy and average rate for Q4 2022.

SSG is well positioned in an inflationary environment as CPI-adjustment on rent exceeds inflation on operating expenses. The Group has seen some construction cost sensitivity on new developments. Fit-out materials have seen the largest impact from inflation, but the fit-out cost is only a small part of new project construction costs (i.e. 10-15% of total project budget). SSG has implemented several cost saving measures on projects to offset increased cost of fit-out. New developments, while still a significant growth driver, are only a fraction of overall business given the large installed base.

SSG has a proven track-record of developing and operating a portfolio of self-storage facilities, leveraging on a lean and operationally-focused organisation to achieve industry-leading margins. SSG will continue to make investments in its digital platforms to increase automation and customer satisfaction. The roll out of a new identity and communications strategy for both brands was initiated in late 2021 and will continue in 2023. By

focusing on branding and organisational development, SSG continues to enhance its scalable platform for future growth.

The demand for self-storage is growing and has proven to be resilient during previous recessions. The value of SSG's platform in a challenging market remains strong, and the Group anticipates that a deteriorating property market will continue to create attractive investment opportunities for acquisitions.

SSG has built a unique and enduring market share position over the past three decades. With a solid financial position, favourable loan conditions, a strong organisation and attractive assets, SSG is well positioned to leverage its scalable platform for a great future.

Oslo, 14 February 2023

Board of Directors, Self Storage Group ASA

Financials

Self Storage Group Condensed consolidated statement of comprehensive income

(Amounts in NOK 1 000)

	Note	Unaudited For the three months ended 31 December 2022	Unaudited For the three months ended 31 December 2021	Unaudited For the year ended 31 December 2022	Audited For the year ended 31 December 2021
Revenue	3	100 418	90 638	392 161	346 075
Lease expenses	3,8	-3 964	-3 886	-15 538	-13 250
Property-related expenses	3	-16 213	-14 671	-59 134	-44 414
Salary and other employee benefits	3	-13 910	-12 552	-49 557	-44 115
Depreciation		-5 990	-4 709	-20 900	-16 863
Other operating expenses	3	-12 872	-10 979	-43 411	-41 373
Operating profit before fair value adjustments		47 469	43 841	203 621	186 060
Change in fair value of freehold investment property	5	-30 280	302 459	-147 242	319 996
Change in fair value of leasehold investment property	5,8	-12 224	-12 105	-49 346	-46 356
Operating profit after fair value adjustments		4 965	334 195	7 033	459 700
Finance income	9	5 403	10 372	60 245	36 273
Finance expense	7,8,9	-20 403	-14 498	-77 441	-55 357
Profit before tax		-10 035	330 069	-10 163	440 616
Income tax expense		2 281	-68 741	1 612	-92 015
Profit for the period		-7 754	261 328	-8 551	348 601
Profit/loss attributable to owners of the parent		-7 754	261 328	-8 551	348 601
Profit/loss attributable to non-controlling interests		-	-	-	-
Earnings per share					
Basic (NOK)	4	- 0.08	2.76	- 0.09	3.96
Diluted (NOK)	4	- 0.08	2.76	- 0.09	3.96
Other comprehensive income, net of income tax					
Items that may be reclassified subsequently to profit or loss					
- currency translation difference		-4 296	-7 315	12 420	-14 650
Other comprehensive income for the period, net of income tax		-4 296	-7 315	12 420	-14 650
Total comprehensive income for the period		-12 050	254 013	3 869	333 951
Total comprehensive income for the year attributable to owners of the parent		-12 050	254 013	3 869	333 951
Total comprehensive income for the year attributable to non-controlling interests		-	-	-	-

Self Storage Group

Condensed consolidated statement of financial position

(Amounts in NOK 1 000)

		Unaudited 31 December 2022	Audited 31 December 2021
ASSETS			
Non-current assets	Note		
Freehold investment property	5	2 529 540	2 422 368
Leasehold investment property	5,8	445 873	444 253
Property, plant and equipment	8	198 999	162 615
Goodwill		187 496	187 330
Financial instruments		39 497	14 160
Other intangible assets		3 099	1 220
Deferred tax assets		37	91
Total non-current assets		3 404 541	3 232 037
Current assets			
Inventories		1 467	1 857
Trade and other receivables		17 620	17 140
Other current assets		20 502	25 668
Cash and bank deposits		194 089	214 746
Total current assets		233 678	259 411
TOTAL ASSETS		3 638 219	3 491 448
EQUITY AND LIABILITIES			
Equity			
Issued share capital	6	9 467	9 467
Share premium		1 082 657	1 082 657
Currency translation reserve		10 609	-1 811
Retained earnings		705 050	713 601
Total equity		1 807 783	1 803 914
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing debt	7	1 033 562	892 626
Non-current lease liabilities	7,8	425 796	422 479
Other financial liabilities		634	320
Deferred tax liabilities		178 839	196 745
Total non-current liabilities		1 638 831	1 512 170
Current liabilities			
Current interest-bearing debt	7	55 331	51 644
Current lease liabilities	7,8	48 835	46 192
Trade and other payables		18 486	12 804
Income tax payable		16 040	10 478
Other taxes and withholdings		6 761	6 713
Other current liabilities		46 152	47 533
Total current liabilities		191 605	175 364
Total liabilities		1 830 436	1 687 534
TOTAL EQUITY AND LIABILITIES		3 638 219	3 491 448

Self Storage Group

Condensed consolidated statement of Changes in Equity

(Amounts in NOK 1 000)

	Issued Share capital	Share premium	Currency translation reserve	Retained earnings	Total equity
Balance at 1 January 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	1 035	291 063	-	-	292 098
Balance at 31 December 2021	9 467	1 082 657	- 1 811	713 601	1 803 914

Balance at 1 January 2022	9 467	1 082 657	- 1 811	713 601	1 803 914
Profit (loss) for the period	-	-	-	- 8 551	- 8 551
Other comprehensive income (loss) for the period net of income tax	-	-	12 420	-	12 420
Total comprehensive income for the period	-	-	12 420	- 8 551	3 869
Balance at 31 December 2022 (Unaudited)	9 467	1 082 657	10 609	705 050	1 807 783

Self Storage Group

Condensed consolidated statement of Cash flows

(Amounts in NOK 1 000)	Note	Unaudited For the three months ended 31 December 2022	Unaudited For the three months ended 31 December 2021	Unaudited For the year ended 31 December 2022	Audited For the year ended 31 December 2021
Cash flow from operating activities					
Profit before tax		- 10 035	330 069	- 10 163	440 616
Income tax paid		- 108	- 73	- 11 123	- 14 330
Net expensed interest and fees on borrowings and leases		8 113	12 567	49 505	37 468
Depreciation		5 990	4 709	20 900	16 863
Gain/loss on disposal of property, plant and equipment		-	- 135	- 78	- 177
Unrealised gain/loss in foreign currency	9	- 2 485	- 2 783	1 598	-9745
Change in fair value of financial instruments	9	8 480	- 3 741	- 25 338	- 16 178
Change in fair value of freehold investment property	5	30 280	- 302 459	147 242	- 319 996
Change in fair value of leasehold investment property	5,8	12 224	12 105	49 346	46 356
Change in trade and other receivables		- 2 852	220	- 176	- 1 418
Change in trade and other payables		- 10 402	- 10 214	4 724	- 3 974
Change in other current assets		1 794	4 394	- 948	- 3 614
Change in other current liabilities		- 296	3 593	- 19 014	2 438
Net cash flow from operating activities		40 703	48 252	206 475	174 309
Cash flow from investing activities					
Payments for freehold investment property		- 72 256	- 25 980	- 176 158	- 174 836
Payments for property, plant and equipment		- 14 332	- 12 943	- 58 127	- 47 332
Proceeds from disposal of property, plant and equipment		-	461	165	684
Net cash outflow on acquisition of subsidiaries		- 8 053	- 7 479	- 52 745	- 463 862
Net cash flow from investing activities		- 94 641	- 45 941	- 286 865	- 685 346
Cash flow from financing activities					
Net proceeds from issue of equity instruments	6	-	-	-	291 999
Proceeds from borrowings	7	200 000	-	300 000	1 084 268
Repayment of borrowings	7	- 112 300	- 117 168	- 149 200	- 809 162
Interest paid	7,9	- 8 895	- 7 173	- 29 606	- 25 444
Payments of lease liabilities	7,8	- 11 295	- 10 847	- 45 915	- 43 296
Payments of interest on lease liabilities	7,8,9	- 3 980	- 4 032	- 16 438	- 18 527
Net cash flow from financing activities		63 530	- 139 220	58 841	479 838
Net change in cash and cash equivalents		9 592	- 136 909	- 21 549	- 31 199
Cash and cash equivalents at beginning of the period		184 791	351 970	214 746	246 804
Effect of foreign currency rate changes on cash and cash equivalents		- 294	- 315	892	- 859
Cash and equivalents at end of the period		194 089	214 746	194 089	214 746

Note 1 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property, which is measured at fair value with gains and losses recognised in profit or loss. The interim financial statements were approved by the Board of Directors on 14 February 2023.

Note 2 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2021. The Group has not early adopted any standard, interpretation or amendment with effective date after 1 January 2022. There are no new standards or amendments in short term perspective which have been issued, but are not yet effective, that are considered to have an impact on the Group. The Group intends to adopt these standards, if applicable, when they become effective. The interim financial statements are unaudited.

The Group assesses indicators of impairment of property, plant and equipment, right to use assets, intangible assets and financial investments continuously. All freehold properties were appraised in the fourth quarter, resulting in a change in fair value of NOK -30.3 million in Q4 2022. No further indicators of impairment are identified.



Note 3 Segment information

(Amounts in NOK 1 000)

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

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

The Group's reportable segments are as follows:

OK Minilager (OKM)	Nationwide presence in Norway offering climate controlled storage units and container based storage.
City Self-Storage (CSS)	Climate controlled facilities in all Scandinavian countries, with a primary focus on the capital cities of Oslo, Stockholm and Copenhagen. Container based storage is offered as a supplement on some facilities.
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.
HQ	HQ includes administration and management activities.
Other/eliminations	Elimination and the remainder of the Group's activities not attributable to the operating segments described above.

For the three months ended 31 December 2022	CSS	OKM	Property	HQ	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	65 209	25 965	-	-	-	-	91 174
Other income	6 678	1 020	28 477	-	- 26 931	-	9 244
Lease expenses	- 33 266	- 12 708	-	- 350	26 931	15 429	- 3 964
Other operating costs	- 28 115	- 8 373	- 4 725	- 1 782	-	-	- 42 995
EBITDA	10 506	5 904	23 752	- 2 132	-	15 429	53 459
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 5 990
Change in fair value of freehold investment property							- 30 280
Change in fair value of leasehold investment property							- 12 224
Finance income							5 403
Finance expense							- 20 403
Profit before tax							- 10 035

For the three months ended 31 December 2021	CSS	OKM	Property	HQ	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	60 119	23 765	-	-	-	-	83 884
Other income	5 399	232	23 681	-	- 22 558	-	6 754

Lease expenses	- 31 450	- 9 751	-	- 328	22 558	15 085	- 3 886
Other operating costs	- 24 806	- 6 831	- 5 197	- 1 429	-	61	- 38 202
EBITDA	9 262	7 415	18 484	- 1 757	-	15 146	48 550
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 4 709
Change in fair value of freehold investment property							302 459
Change in fair value of leasehold investment property							- 12 105
Finance income							10 372
Finance expense							- 14 498
Profit before tax							330 069

For the year ended 31 December 2022	CSS	OKM	Property	HQ	Other/ eliminations	IFRS 16	Total
Rental income from self-storage services	255 953	102 882	-	-	-	-	358 835
Other income	23 922	3 305	114 232	-	- 108 133	-	33 326
Lease expenses	- 136 699	- 47 480	-	- 1 403	108 133	61 911	- 15 538
Other operating costs	- 98 336	- 27 079	- 21 079	- 5 628	-	20	- 152 102
EBITDA	44 840	31 628	93 153	- 7 031	-	61 931	224 521
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 20 900
Change in fair value of freehold investment property							- 147 242
Change in fair value of leasehold investment property							- 49 346
Finance income							60 245
Finance expense							- 77 441
Profit before tax							- 10 163

For the year ended 31 December 2021	CSS	OKM	Property	HQ	Other/ eliminations	IFRS 16	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
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

Note 4 Earnings per share

(Amounts in NOK 1 000)

	For the three months ended 31 December 2022	For the three months ended 31 December 2021	For the full year 2022	For the full year 2021
Profit (loss) for the period	- 7 754	261 328	- 8 551	348 601
Weighted average number of outstanding shares during the period (basic)	94 678 584	94 678 584	94 678 584	87 986 529
Weighted average number of outstanding shares during the period (diluted)	94 678 584	94 678 584	94 678 584	87 986 529
Earnings (loss) per share - basic in NOK	- 0.08	2.76	- 0.09	3.96
Earnings (loss) per share - diluted in NOK	- 0.08	2.76	- 0.09	3.96

See also note 7



Note 5 Investment property

(Amounts in NOK 1 000)

During the full year 2022, the following changes have occurred in the Group's portfolio of investment properties:

	Leasehold investment property	Freehold investment property	Total
Balance as at 31 December 2021	444 253	2 422 368	2 866 621
Value adjustment due to passage of time	- 49 346	-	-49 346
Additions and disposals leasehold investment property in the year	49 161	-	49 161
Asset acquisition in Property segment	-	49 342	49 342
Company acquired as asset acquisition	-	68 167	68 167
Additions to existing properties	-	126 815	126 815
Fair value adjustments recognised in profit or loss	-	- 147 242	-147 242
Other/translation differences	1 805	10 090	11 895
Balance as at 31 December 2022	445 873	2 529 540	2 975 413

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 Group's valuation process is based on valuations performed by an independent appraiser, supplemented by internal analysis and assessments. The valuations are reviewed on a quarterly basis.

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

All freehold properties were appraised by an independent appraiser during the fourth quarter. The decrease of fair value of freehold investment properties of NOK 30.3 million is related to yield expansion in the property market during the quarter, partly offset by CPI-adjustment of internal leases. This is a non-cash P&L charge and there are no other negative elements impacting the valuation of the portfolio. Fair value of freehold investment property was NOK 2 530 million at 31 December 2022.

There are two commonly used methods for valuation of self-storage investment properties. Going forward, with the increasing maturity of the self-storage market in Norway and, with a more active comparable transaction market, SSG is considering changing the current valuation methodology to the one more commonly used by European peers. In this methodology the full cash flow from operating the facility is included in the valuation as opposed to the current methodology which uses a market rent for the property as the basis for valuation.

Note 6 Share capital and shareholders

(Amounts in NOK)

	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
Ordinary shares at 31 December 2022			94 678 584	9 467 858	0.10

At the General Meeting in 2022 the Board of Directors was authorised to increase the share capital with up to 47 339 292 shares (NOK 4 733 929.20) 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 2023.

List of main shareholders at 31 December 2022

	Shareholder	Country	Number of shares	Ownership %
1	The Bank of New York Mellon ¹	United States	27 206 078	28.7%
2	FABIAN HOLDING AS ²	Norway	8 565 000	9.0%
3	GSS INVEST AS ³	Norway	5 565 000	5.9%
4	VERDIPAPIRFONDET ODIN EIENDOM	Norway	5 085 778	5.4%
5	J.P. Morgan Securities LLC	United States	4 138 214	4.4%
6	J.P. Morgan SE	Sweden	4 134 560	4.4%
7	SOLE ACTIVE AS	Norway	3 277 601	3.5%
8	SKAGEN M2 VERDIPAPIRFOND	Norway	3 225 402	3.4%
9	BNP Paribas	Luxembourg	2 729 686	2.9%
10	FIRST RISK CAPITAL AS ⁴	Norway	2 600 000	2.7%
11	VERDIPAPIRFONDET HOLBERG NORGE	Norway	2 500 000	2.6%
12	HSBC Bank Plc	United Kingdom	2 388 255	2.5%
13	Danske Invest Norge Vekst	Norway	1 843 253	1.9%
14	BNP Paribas	Luxembourg	1 449 756	1.5%
15	The Bank of New York Mellon	Canada	1 291 183	1.4%
16	State Street Bank and Trust Comp	United States	1 220 872	1.3%
17	MUSTAD INDUSTRIER AS	Norway	1 155 635	1.2%
18	Brown Brothers Harriman & Co.	United States	1 016 072	1.1%
19	BNP Paribas	France	902 673	1.0%
20	J.P. Morgan SE	Sweden	882 894	0.9%
	Other		13 500 672	14.3%
	Sum		94 678 584	100.0%

¹The Bank of New York Mellon is a nominee account for Alta Lux Holdco S.a.r.l./Centerbridge Partners who own 27 206 078 shares in Self Storage Group ASA. Previously the shares were held in a nominee account in UBS Switzerland AG, where additional owners of shares were included in the number of shares.

²Fabian Holding AS is owned by CEO Fabian Søbak

³GSS Invest AS is owned by board member Gustav Søbak

⁴First Risk Capital AS is controlled by board member Carl August Ameln

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

CFO Cecilie Brænd Hekneby and close relatives own 688 893 shares in Self Storage Group ASA

CPMO Lars Moen owns 27 799 shares in Self Storage Group ASA

CMO Petter Løyning owns 2 000 shares in Self Storage Group ASA

COO Madeleine Svensson owns 500 shares in Self Storage Group ASA

Note 7 Interest bearing liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized cost. The carrying amounts approximate fair value as at 31 December 2022.

As at 31 December 2022	Amounts due in		Total
	less than 1 year	1-5 years	
Debt to financial institutions (NOK, Handelsbanken)	55 331	1 033 562	1 088 893
Changes in liabilities arising from financing activities	Interest bearing borrowings	Lease liabilities	Total financing activities
Balance as at 31 December 2021	944 270	468 671	1 412 941
Additions and disposals of leasehold investment property in the year	-	49 161	49 161
Additions and disposals of other leases in the year	-	-	-
Repayments of borrowings/Payments of lease	-149 200	-45 915	-195 115
Proceeds from borrowings	300 000	-	300 000
Interests expenses of borrowings	23 429	-	23 429
Interests paid of borrowings	-29 606	-	-29 606
Other/translation differences	-	2 714	2 714
Balance as at 31 December 2022	1 088 893	474 631	1 563 524

SSG entered into a bank facility loan with Handelsbanken and Danske Bank in 2021. In Q4 2022 an addendum to draw additional NOK 200 million on the existing term loan was signed and drawn. The agreement including addendum amounts to NOK 1 185 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%. The revolving credit facility NOK 245 million is undrawn as of 31 December 2022, and has no restrictions for drawing other than covenants.

All covenants for the 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 2022, the Group is in compliance with all loan covenants, and also expects to comply with covenants throughout 2023.

The financial covenants for the bank facility loan are:

- The loan to value (interest-bearing debt over market value of pledged freehold investment properties) must not exceed 60%
- The Group's nominal equity must exceed NOK 800 million
- Debt service cover ratio (EBITDA over amortisation and interest) must be higher or equal to 1.2
- The Group's booked solidity must be above 35%

As of 31 December 2022 SSG has four five-year interest rate swaps. There are no margin calls related to the interest rate swaps.

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

Interest rate swaps are recorded at fair value through profit and loss. A negative change in fair value of interest rate swaps of NOK 8.5 million for Q4 2022 and a net positive change in fair value of interest rate swaps of NOK 25.3 million for the full year 2022 related to hedging of interests is included in finance income and finance expense.

Note 8 Leases

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

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

(Amounts in NOK 1 000)

Changes in recognised leases during the period:	Lease liabilities	Leased assets	
		Leasehold investment property	Other leases
Balance as at 31 December 2021	468 671	444 253	3 056
Additions and disposals of leases for leasehold investment property in the year	49 161	49 161	-
Additions and disposals of other leases in the year	-	-	133
Payments of lease	-45 915	-	-
Change in fair value of leasehold investment properties	-	-49 346	-
Depreciation	-	-	-1 119
Other/translation differences	2 714	1 805	-
Balance as at 31 December 2022	474 631	445 873	2 070

Amounts related to leases recognised in profit or loss:	For the three months ended	For the three months ended	For the full year	For the full year
	31 December 2022	31 December 2021		
Expenses relating to short-term leases (included in lease expenses)	-3 964	-3 886	-15 538	-13 250
Change in fair value of leasehold properties	-12 224	-12 105	-49 346	-46 356
Depreciation expense of leased assets classified as property, plant and equipment	- 553	-308	-1 119	-1 231
Interest expense on lease liabilities (included in finance expenses)	-3 980	-4 032	- 16 438	-18 527
Total amount recognised in profit or loss	-20 721	-20 331	-82 441	-79 364

Total cash outflows for leases was NOK 77.9 million in the full year 2022.

The Group has certain lease contracts related to leasehold investment property that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (see note 4 in the Annual Report for 2021). Options to extend reasonably certain to commit to, but not started, amounts to NOK 201.6 million as of 31 December 2022, with periods ranging between one and ten years. Options to extend, not reasonably certain to commit to, amounts to NOK 11.6 million as of 31 December 2022, with periods ranging between one and ten years.

One option to extend reasonably certain to commit to, but not started, is included in the balance sheet in the full year of 2022 as it during 2022 is assessed reasonably certain to be exercised.

The Group has negotiated new lease contracts on two facilities with expiring contracts, and have therefore committed to two additional future leases amounting to NOK 8.0 million as of 31 December 2022.

Note 9 Net financial items

(Amounts in NOK 1 000)

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

	For the three months ended 31 December 2022	For the three months ended 31 December 2021	For the full year 2022	For the full year 2021
Interest income and other financial income	328	692	665	1 013
Interest income on borrowings (gain on interest rate swaps)	2 395	-	2 395	-
Realised gain from transactions in foreign currency	196	47	343	138
Unrealised gain in foreign currency	2 484	5 892	23 024	18 944
Positive change in fair value of financial instruments*	-	3 741	33 818	16 178
Total financial income	5 403	10 372	60 245	36 273
Interest expense on borrowings	-7 610	-6 468	-25 824	-21 480
Interest expense on lease liabilities	-3 980	-4 032	-16 438	-18 527
Other interests, fees and charges	- 192	- 761	-1 610	-5 674
Realised loss from transactions in foreign currency	- 141	- 127	- 466	- 477
Unrealised loss in foreign currency	-	-3 110	-24 623	-9 199
Negative change in fair value of financial instruments*	-8 480	-	-8 480	-
Total financial expenses	-20 403	-14 498	-77 441	-55 357
Net financial items	-15 000	-4 126	-17 196	-19 084

* Change in fair value of interest rate swaps

Unrealised gain and loss in foreign currency is related to lease liabilities in SEK and DKK, and intercompany loans in SEK and DKK. 34% of the lease liabilities as of December 2022 are in SEK or DKK.

Note 10 Subsequent events

- In the period between 1 January and 14 February 2023 the following acquisitions have been successfully completed:
 - ❑ Property in Fidjemoen in Kristiansand, Norway
 - ❑ Land plot in Sørlandsparken in Kristiansand, Norway
 - ❑ Property under development in Storebotn Næringspark in Askøy, Norway
 - ❑ Property under development in Porsgrunn, Norway
- On 9 January 2023, an agreement to acquire a property in Sandviken in Bergen, Norway, was entered into. The property has an estimated lettable area of 430 m²
- On 23 January 2023, an agreement to acquire a property in Friis Hansens vej in Vejle, Denmark, was entered into. The property has an estimated lettable area of 1 400 m²
- On 27 January 2023, an agreement to acquire a property in Agnesfridsvägen 185 in Malmö, Sweden, was entered into. The property has an estimated lettable area of 1 200 m²



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

Definition of SSG's financial APMs

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

SSG's non-financial APMs

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



Reconciliation of APMs used in the Interim Report

(Amounts in NOK 1 000)

	31 December 2022	31 December 2021
Interest-bearing debt		
Non-current interest-bearing debt	1 033 562	892 626
Current interest-bearing debt	55 331	51 644
Total interest-bearing debt	1 088 893	944 270

(Amounts in NOK 1 000)

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Property-related expenses	-16 213	-14 671	-59 134	-44 414
Salary and other employee benefits	-13 910	-12 552	-49 557	-44 115
Other operating expenses	-12 872	-10 979	-43 411	-41 373
Total other operating expenses	-42 995	-38 202	-152 102	-129 902
Operating profit before fair value adjustments	47 469	43 841	203 621	186 060
EBIT	47 469	43 841	203 621	186 060
Total adjustments	1 014	-	1 014	3 416
Adjusted EBIT	48 483	43 841	204 635	189 476
Change in fair value of freehold investment property	-30 280	302 459	-147 242	319 996
Change in fair value of leasehold investment property	-12 224	-12 105	-49 346	-46 356
Net finance	-15 000	-4 126	-17 196	-19 084
Adjusted Profit before tax	-9 021	330 069	-9 149	444 032
Adjusted tax	2 051	-68 741	1 451	-92 728
Adjusted Net profit	-6 970	261 328	-7 698	351 304
Operating profit before fair value adjustments	47 469	43 841	203 621	186 060
Depreciation	-5 990	-4 709	-20 900	-16 863
EBITDA	53 459	48 550	224 521	202 923
Total adjustments	1 014	-	1 014	3 416
Adjusted EBITDA	54 473	48 550	225 535	206 339
Adjustments				
Revenue: release of historical liability	-	-	-	507
Other operating expenses: acquisition costs	- 410	-	- 410	-3 923
Salary and other employee benefits: severance packages	- 604	-	- 604	-
Total adjustments	-1 014	-	-1 014	-3 416