SELF STORAGE GROUP

Annual Report 2022

Self Storage Group ASA

Contents

About Self Storage Group

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

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 135 facilities as of December 2022 with a current lettable area of 185 800 m² and 35 800 m² under development. The Group focuses on maintaining a lean organisation and had 66 full time equivalents in 2022. 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.

As of 31 December 2022
[1]The leasehold facility Gärdet (3 300 m²) is not included in the KPI's as of 31 December 2022

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, the acquisition of City Self-Storage and establishment of Self Storage Group

2017
NOK 100 million private placement towards 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 towards 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 towards external investors, opening of Breivollveien 25 in Oslo - the largest purpose-built self-storage facility in Norway, acquisition of Dit Pulterkammer and acquisition of several other investment properties, including a facility with previous leasehold agreement

2022
Organic growth journey in Denmark and Sweden was initiated with property acquisitions in Esbjerg (Denmark) and Trollhätten (Sweden). Several investment properties were completed and the unique market share position in Norway was strengthened further. Total value of freehold investment property increased to NOK 2.5 billion

Letter from the CEO

Another year has passed with continued development and growth for Self Storage Group. I´m proud to say that our Group is stronger than ever. The SSG organisation has done a great job in the development of the company, built on extensive experience and knowledge. Our team has continued to deliver on SSG’s strategy in the past year, and our scalable platform is better positioned than ever.

An important achievement of 2022 has been the acceleration in CLA growth. Our property development team has managed the development with strong control and dedication. 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. Growth in CLA is a key performance indicator for SSG and had 35 800 m² of CLA under development at the end of the year. The strong pipeline will secure further scalable growth, and we aim to further accelerate development-led growth in 2023 with a projected addition of more than 20 000 m² of CLA.

Our strategy to grow our freehold portfolio in selected urban markets remain unchanged. The value of our portfolio of freehold facilities increased to 2.5 billion NOK at the end of the year. The Group had 185 800 m² in current lettable area (CLA) as of December 2022. In an inflationary environment, rent levels have been a focus for the organisation in the past year, and optimising rent will remain the focus for the foreseeable future. SSG has accomplished positive rent development during 2022, but we still see a potential in this important KPI for the Group.

In 2022 SSG initiated organic growth outside Norway through the acquisition of the first properties in Sweden and Denmark. This is an important step for the company, which will enable future growth and contribute to our diversified property portfolio. Organic growth in Sweden and Demark was included in the Group´s core strategy in 2022, and I look forward to the opportunities ahead.

SSG has a business model with low carbon footprint. Sustainability is an integrated part of our business, and we are determined to make a difference for our customers, employees, and partners. Our team acknowledge that we need to focus on sustainability to gain necessary improvements. In 2022 the focus has mainly been to continue the initiatives we already had in motion, especially with efforts to reduce electricity consumption. New initiatives are our investments in a new solar collector on a property in Denmark, and a pilot project with solar panels on a property in Norway.

SSG continues to make investments in IT and branding, and 2022 has been an eventful year. New websites for both brands were launched, and we implemented a new and integrated ERP system for the Group. At SSG we strongly believe that IT investments can bring meaningful value to our stakeholders, and we anticipate continuing the focus on new digital investments. Competition in the market is growing, and SSG is determined to be on the forefront of the digital development.

Demand for self-storage is backed by strong macro trends like urbanisation and smaller living spaces. At the same time, the demand for our services has proven to be resilient during previous recessions. Given the unpenetrated market we operate in, I firmly believe that we can manage to grow the company, even during a potential recession.

SSG has a well-built financial position, a strong organisation, a unique scale in the market and a portfolio of quality freehold assets. This foundation combined with macro trends and an unmature market in Scandinavia, gives Self Storage Group a solid platform for future growth and value creation.

Thanks to all our stakeholders for your efforts and engagement in 2022. I look forward to continue working with you!

Best regards,

Fabian Søbak

CEO

Highlights 2022

Self Storage Group (SSG) continued the strong and positive operational development in 2022 with solid organic revenue- and EBITDA-growth. SSG continues to develop new facilities and 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 extended[1]. CLA at the end of December adjusted for Gärdet was 185 800 m². Demand is still strong and occupancy for sites with more than 12 months of operation is 89.1%[1] in 2022 and average rent has increased to 2 351[1] per m² per year.

The strategy of the Group is to own and operate acquired properties for a long period. Hench temporary yield fluctuation does not have any impact on the day-to-day operation or underlaying operational result. All freehold properties were appraised by an independent appraiser at year-end. The decrease of fair value of freehold investment properties of NOK 147.2 million for 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 2021 was NOK 320.0 million. 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 at low levels. The Group has a strong pipeline and a solid foundation for further profitable growth and expansion in the Nordics.

- All time high revenues of NOK 392.2 million, up 13% from NOK 346.1 million in 2021
- All time high adjusted EBITDA[2] 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

[1]*The leasehold facility Gärdet (3 300 m²) is not included in the KPI's as of 31 December 2022*

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

Key Figures[1]

	2022	2021
(Amounts in NOK million)	**Full year**	**Full year**
Revenue	392.2	346.1
Lease expenses	-15.5	-13.3
Total other operating expenses	-152.1	-129.9
Total adjustments	1.0	3.4
Adjusted EBITDA	**225.5**	**206.3**
Adjusted EBIT	**204.6**	**189.5**
Change in fair value of freehold investment property	-147.2	320.0
Change in fair value of leasehold investment property	-49.3	-46.4
Net finance	-17.2	-19.1
Adjusted Profit before tax	**-9.1**	**444.0**
Adjusted Net Profit	**-7.7**	**351.3**
Current lettable area (in thousands m²)	185.8	171.8
Lettable area under development (in thousands m²)	35.8	34.9
Number of facilities	135	128

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

[2]*Gärdet is not included in the number of facilities and CLA 31 December 2022*

Board of Directors Report

Self Storage Group continues to experience strong demand for its services, and had record high revenue in 2022. Occupancy for facilities in operation more than 12 months and defined as mature, was 89.1% in 2022. This is close to the target level of 90%. 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 17 300 m² in 2022, and SSG reached the goal of opening 15 000+ m² CLA during the year. The CLA as of 31 December 2022 is adjusted for the discontinued facility Gärdet in Sweden of 3 300 m² CLA. The discontinuation is due to a lease expiration which could not be extended. 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 3% to NOK 2 351 per year in 2022 compared to 2021. 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 2022 compared to 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.

The Groups strategy is to invest in freehold facilities and to own and operate the properties for a long period. Hench temporary yield fluctuation does not have any impact on the day-to-day operation or underlaying operational result. There was a decrease of fair value of freehold investment properties of NOK 147.2 million in 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 at year-end. 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 year. 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.

The self-storage industry has a low environmental footprint with the use of electricity as the main source of CO_2 emissions. During 2022, SSG had ongoing projects to increase the focus on sustainability and how to integrate this further in the business.

Revenue

Revenue for full year 2022 increased by NOK 46.1 million to NOK 392.2 million compared with 2021. NOK 358.8 million is income from the rental of self-storage. Rental income from self-storage services increased with NOK 38.6 million. Other revenue increased with NOK 7.5 million in the period. Other revenue relates mainly to distribution of insurance, ancillary services, rental income from segments other than self-storage.

Lease expenses

Lease expenses constitute NOK 15.5 million for 2022, up from 13.3 million in 2021. The increase is mainly related to two previously long-term contracts that expired, renegotiated to short-term contracts, and CPI adjustment on existing lease contracts. 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 seven years. For OK Minilager, which has a number of short 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 for 2022 were NOK 59.1 million, an increase of NOK 14.7 million compared to 2021. The increase is mainly related to increased number of facilities and CLA in the portfolio and level of maintenance compared with one year earlier.

Lettable area in SSG has increased by 17 300 m² (10%) and eight facilities since December 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 benefits

Salary and other employee benefits for 2022 were NOK 49.6 million, an increase of NOK 5.4 million from 2021.

A restructuring of the management in the Danish operation was implemented in the end of 2022, 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 2021. The remaining part of the increase is primarily related to annual wage increases.

Depreciation

Depreciation for 2022 was NOK 20.9 million, an increase of NOK 4.0 million from 2021. 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 2022 other operating expenses amounted to NOK 43.4 million, an increase of NOK 2.0 million from 2021. There were non-recurring costs of NOK 0.4 million in 2022 impacting other operating expenses, compared to NOK 3.9 million in non-recurring costs in 2021. Adjusted for non-recurring acquisition costs, other operating expenses in 2022 increased by NOK 5.6 million compared with 2021. Despite the growth in CLA, the costs increased only marginally above the inflation.

Part of the adjusted increase of NOK 5.6 million in other operating expenses is 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 2022 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 3.4% (3.8%) of the revenue in 2022.

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 a 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.

(Amounts in NOK 1 000)

Adjustments	2022	2021
Revenue: release of historical liability (Acquisition of Minilageret AS)	-	507
Other operating expenses: acquisition costs	- 410	-3 923
Salary and other employee benefits: severance packages	- 604	-
Total adjustments	**-1 014**	**-3 416**

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.

The total average yield in the Group was 5.6% as of 31 December 2022. All freehold properties were appraised by an independent appraiser at year-end. The decrease of fair value of freehold investment properties of NOK 147.2 million for 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 2021 was NOK 320.0 million. 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 2022 was NOK -49.3 million, compared to NOK -46.4 million in 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 for 2022 was NOK 224.5 million, an increase of NOK 21.6 million compared to 2021. There were non-recurring items of NOK 1.0 million in 2022, compared to NOK 3.4 million in 2021.

Net finance amounted to NOK -17.2 million for 2022, compared to NOK -19.1 million for 2021. Detailed development on net finance is disclosed in note 12.

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. The increased expense on borrowings is related to increased loans and costs to the 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.

Profit before tax for 2022 was NOK -10.2 million, compared to NOK 440.6 million in 2021.

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. In 2022 NOK 100.0 million in proceeds from borrowing on the revolving credit facility has been received and repaid. SSG invoices customers in advance, which reduces credit risk and provides stable working capital. Other current liabilities consist mainly of prepaid income.

Interest-bearing debt[1] 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 value[1] 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 covenants[2]. 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.

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.

[1]Non-GAAP measures are defined in the corresponding section in the back of the report
[2]See note 16 for the Company's covenants

Cash flow

SSG has strong cash flow. Net cash flow from operating activities for 2022 was NOK 206.5 million, compared to NOK 174.3 million for 2021. The increase in net cash flow from operating activities adjusted for non-cash items for 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 for 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 for 2022 was NOK 58.8 million, compared to NOK 479.8 million a year earlier. Net cash flow from financial activities in 2022 was affected by proceeds from borrowing amounting to NOK 300.0 million, repayment of loan and interest paid amounting to NOK -178.8 million and net payment of lease liabilities and payments of lease classified as interests amounted to NOK -62.4 million in 2022.

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 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 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, and has initiated organic growth with the signed agreement to acquire properties in Trollhätten and Malmö.

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.

Acquisitions

Acquired properties	Area	Transaction quarter	Total potential lettable area (m²)	Transaction value (NOK million)	Closing quarter	Estimated opening quarter
Emblem[1,2]	Ålesund, Norway	Q2 2023	700	9.0	Q2 2023	Existing leasehold
Luftveien[1]	Røyken, Norway	Q2 2023	1 700	25.0	2024	2024
Pilotveien[1]	Kristiansund, Norway	Q1 2023	1 250	16.5	Q4 2023	Q1 2024
Lundavägen[1]	Malmö, Sweden	Q1 2023	4 700	40.8	Q2 2023	Q1 2024
Gl. Jennumvej[1]	Randers, Denmark	Q1 2023	550	3.7	Q2 2023	Q4 2023
Agnesfridsvägen[1]	Malmö, Sweden	Q1 2023	1 200	13.0	Q2 2023	Q4 2023
Friis Hansens vej[1]	Vejle, Denmark	Q1 2023	1 400	15.8	Q1 2023	Q4 2023
Sandviken[1]	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
Kampenesmosen[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			**30 810**	**312.2**		

[1]Properties acquired subsequent to 2022

[2]Acquisition of ground

Corporate development

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 2 000 000 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. Fabian Søbak (Founder and 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 the same date, Gustav Søbak (Founder and 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. The proceeds from the transactions are planned to be used to pay wealth taxes for the coming years, as required by Norwegian tax rules.

On 25 May 2022 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 is representing Alta Lux Holdco S.a.r.l, an entity managed by affiliates of Centerbridge Partners.

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 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), which can be found on pages 30-41 of this Annual Report.

The Group is not affected by the requirements in the activity and reporting obligation.

The Norwegian Transparency Act came into effect 1 July 2022. The Act requires companies to make sure human rights and decent working conditions are respected in their operations and supply chains. The Group entities work with suppliers and sub-suppliers with a risk-based approach to address potential violations of human rights and labour conditions. SSG follows the Act and will publish a stand-alone report for its compliance with the Norwegian Transparency Act before the deadline 30 June 2023.

SSG will conduct an internal assessment of the eligibility of its activities in the context of the EU taxonomy regulation going forward.

Shareholders and financing

The Self Storage Group ASA shares are listed on the Oslo Stock Exchange under the ticker "SSG." At the end of 2022, the Company had 94 678 584 outstanding shares, held by 870 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 an agreement for a bank facility loan with Handelsbanken and Danske Bank to finance future growth. In accordance with section 3(3a) of the Norwegian Accounting Act, the Board of Directors, therefore, confirms that the going-concern assumption is met and that the annual accounts have been prepared in accordance with this assumption.

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

Self Storage Group is committed to increasing awareness of the share 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. 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.

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.

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 2022, the Group had a total of 84 (89) employees, of which 53 (54) work fulltime, and 66 (64) full time equivalents. In 2022, the sickness absence in Self Storage Group was 6.6%. There were no absences due to injuries in the Group. The turnover in 2022 for full-time employees was 16.0%. SSG had 31 part-time employees in 2022 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 2022, women held 21% of the positions in the Group. Women held 25% of the full-time positions and 16% of the part-time positions. The management team consists of five members as of 31 December 2022 of which two are female. The Board of Directors consists of three male and two female members. The Group had one temporary employee in 2022. 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 slightly below the average salary of this level. Salary at the operation level is mainly impacted by experience and how many years the employee has been within the company. At the middle-management level, the average salary of women is below the average salary level of this level. At the management team level, the average salary of women is higher than the average salary level of this level. 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 female part-time employees had on average a slightly higher wage-level than the male part-time employees.

Some leading positions at middle-management level can achieve a bonus in addition to salary when reaching certain KPI-targets. The management team and key employees are part of a long-term incentive program based on share performance.

One employee (male) was in maternity leave in 2022. The average length of maternity leave was 15 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 30-41 of this Annual Report.

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

Corporate Governance

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

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 42-48 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" 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 Trollhätten (Sweden). Combined with organic growth opportunities within existing properties, the Group's footprint is set to grow in the Danish and Swedish markets. The Group 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.

The general level of climate risk for SSG is considered relatively low with no medium-term impact expected from climate change.

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 endurable 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.

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 2022 of NOK 23.8 million and NOK 19.2 million in 2021 are mainly related to management fees and centralised services to group companies. Salary and other employee benefits in 2022 of NOK 28.9 million and NOK 22.7 million in 2021 are related to employees with HQ functions. Depreciation amounted to NOK 0.9 million in both 2022 and 2021, 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 2022 other operating expenses were NOK 2.1 million compared to NOK 2.8 million in 2021. The operating costs in 2022 were impacted by transaction costs related to the acquisitions with NOK 0.4 million. In 2021 the operating costs were impacted by transaction costs related to the acquisitions with NOK 0.8 million.

Total assets were NOK 2 347 million at the end of 2022, compared to NOK 2 161 million at the end of 2021. Investment in subsidiaries has increased with NOK 300.0 million from 31 December 2021 to NOK 1 781 million as of 31 December 2022. Loans to group companies have decreased from NOK 537.2 million as of end 2021 to NOK 366.2 million as of end 2022. Cash and bank deposits have increased to NOK 116.3 million at the end of December 2022 from NOK 60.4 million one year earlier. The main changes in cash and bank deposits in 2022 relates to net borrowings drawn up amounting to NOK 150.8 million and net cash outflow on loan to subsidiaries on NOK 134.2 million to acquisition of investment property and additions to freehold investment property. Total equity at the end of December 2022 was NOK 1 227 million, an increase of NOK 33.3 million from December 2021. The increase is attributable to the net the profit during the period. SSG entered into a bank facility loan with Handelsbanken and Danske Bank in 2021. In 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. Interest-bearing debt[1] amounts to NOK 1 103 million at the end of December 2022, an increase of NOK 153.7 million from December 2021. The loan facility has several covenants[2]. 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.

Distribution of funds for the year

Net profit for the Parent Company Self Storage Group ASA, was NOK 33.3 million. The Board recommends the following distribution of funds:

(Amounts in NOK 1 000)	
Dividend	-
Transferred to other equity	**33 288**

Self Storage Group ASA

Oslo, April 27th, 2023

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.

Madeleine Svensson

COO

Mrs. Svensson joined Self Storage Group in 2022. She has previously worked as Senior Consultant for 15 years in FMCG, IT, Innovation, Pharma and Telecom, with experience from management, sales leadership and consumer service excellence. She also held positions as Consumer Service Manager/ Operations Manager for companies as Electrolux and Helly Hansen. Mrs. Svensson holds a BBA from European University of Brussel. Mrs. Svensson is a Swedish citizen and resides in Oslo, Norway.

Lars Moen

CPMO

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

Petter Løyning

CMO

Mr. Løyning joined Self Storage Group in 2021. He has more than 9 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 11 of 11 board meetings in 2022. 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 11 of 11 board meetings in 2022. 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 cofounded 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 Oslo, Norway. Mr Søbak has attended 11 of 11 board meetings in 2022. Mr Søbak holds 5 565 000 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 board member of Sandvoldgruppen 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 Swiss citizen, and resides in Zürich, Switzerland. Ms Sandvold has attended 11 of 11 board meetings in 2022. 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 10 of 11 board meetings in 2022. Mr. Ameln holds 2 600 000 shares in the Company.

Corporate Social Responsibility and Sustainability Report

Introduction and management approach

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. 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 formalised structure to achieve these potentials.

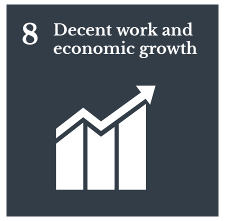
The Norwegian Transparency Act came into effect 1 July 2022. The Act requires companies to make sure human rights and decent working conditions are respected in their operations and supply chains. The Group entities work with suppliers and sub-suppliers with a risk-based approach to address potential violations of human rights and labour conditions. SSG follows with the Act and will publish a stand-alone report for its compliance with the Norwegian Transparency Act before the deadline 30 June 2023.

Reporting standards

The Corporate Social Responsibility and Sustainability Report has been developed in accordance with the Global Reporting Initiative Standards (GRI). 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.

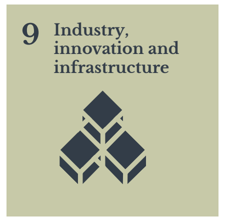
Contribution to the UN Sustainable Development Goals

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 that 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. 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 2022 was 6.6%. 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 2022. No fatal or high consequence injuries from customers have been reported.

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.

Work-related injuries	2022		2021	
	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	1	0

Targets for 2023

- 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 2022, 84% of the owned facilities have full LED-lightening and 4% have partly LED-lightning. In 2021 SSG opened its first facility with a green roof and several facilities with heating pumps. In 2022, new initiatives are SSG's investments in a second ventilation system powered by solar panels on a property in Denmark, a pilot project with solar panels on a property in Norway and upgrading to LED-lightning on several established facilities. All new facilities are equipped with LED-lightning.

Freehold facilities in operation (climate controlled)	2022	2021
Part of facilities with full LED-lightning	84%	71%
Part of facilities with partial LED-lightning	4%	12%
Part of facilities without LED-lightning	12%	17%

In 2022 the majority of the energy agreements are gathered at one supplier to monitor 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.

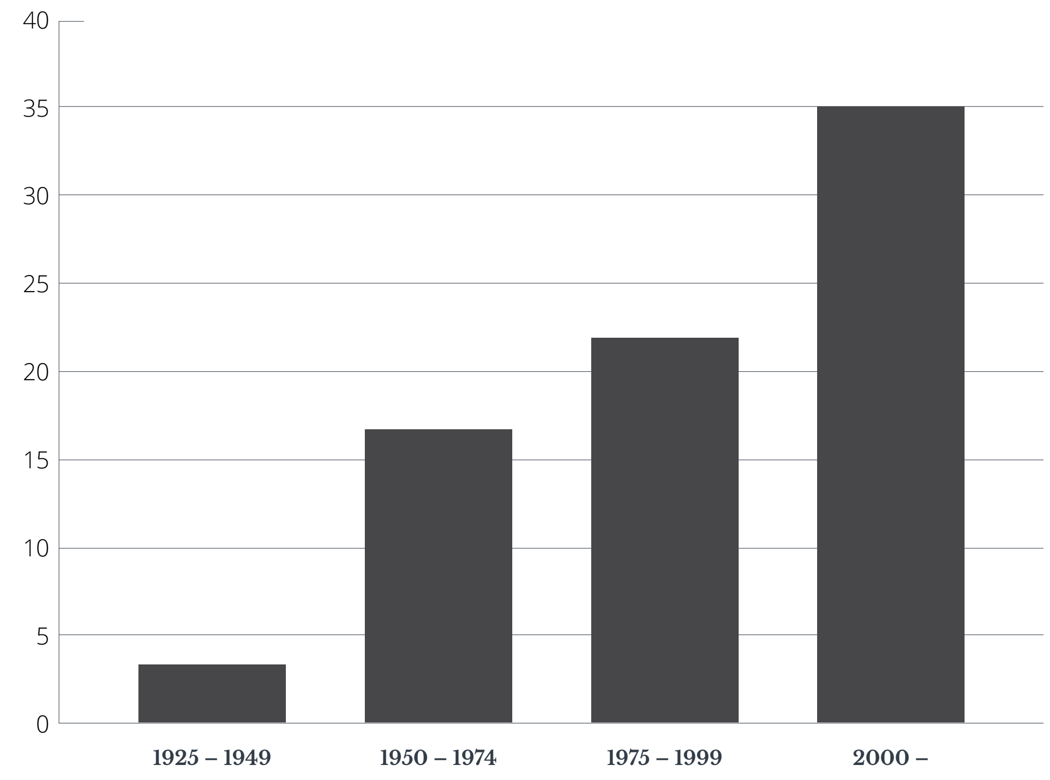
Emissions

SSG has calculated greenhouse gas emissions for 2022 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	2022	2021
GHG Scope 1 Emissions (annual tonnes CO_2e)	Direct	60.0	54.1
GHG Scope 2 Emissions (annual tonnes CO_2e)	Indirect/location based	115.0	84.3
GHG Scope 3 Emissions (annual tonnes CO_2e)	Indirect	30.3	8.1
GHG Scope 1 and 2 location based (kg CO_2e /CLA /year)		**0.9**	**0.8**

The general level of climate risk for SSG is considered relatively low with no medium-term impact expected from climate change. 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 2023

- Evaluate action plans for each facility to reduce electricity consumption
- Install LED lightning with movement sensors on all freehold investment properties
- Piloting solar panels on a property
- Project for energy optimising on the largest self-storage facility in Norway
- Establish a risk map related to flooding
- Consider 0- emission alternatives when company cars are to be renewed
- Buy emission permits when traveling by plane
- Ongoing assessment of sustainable retail assortment
- Establish climate accounts for SSG

Integrity and human rights

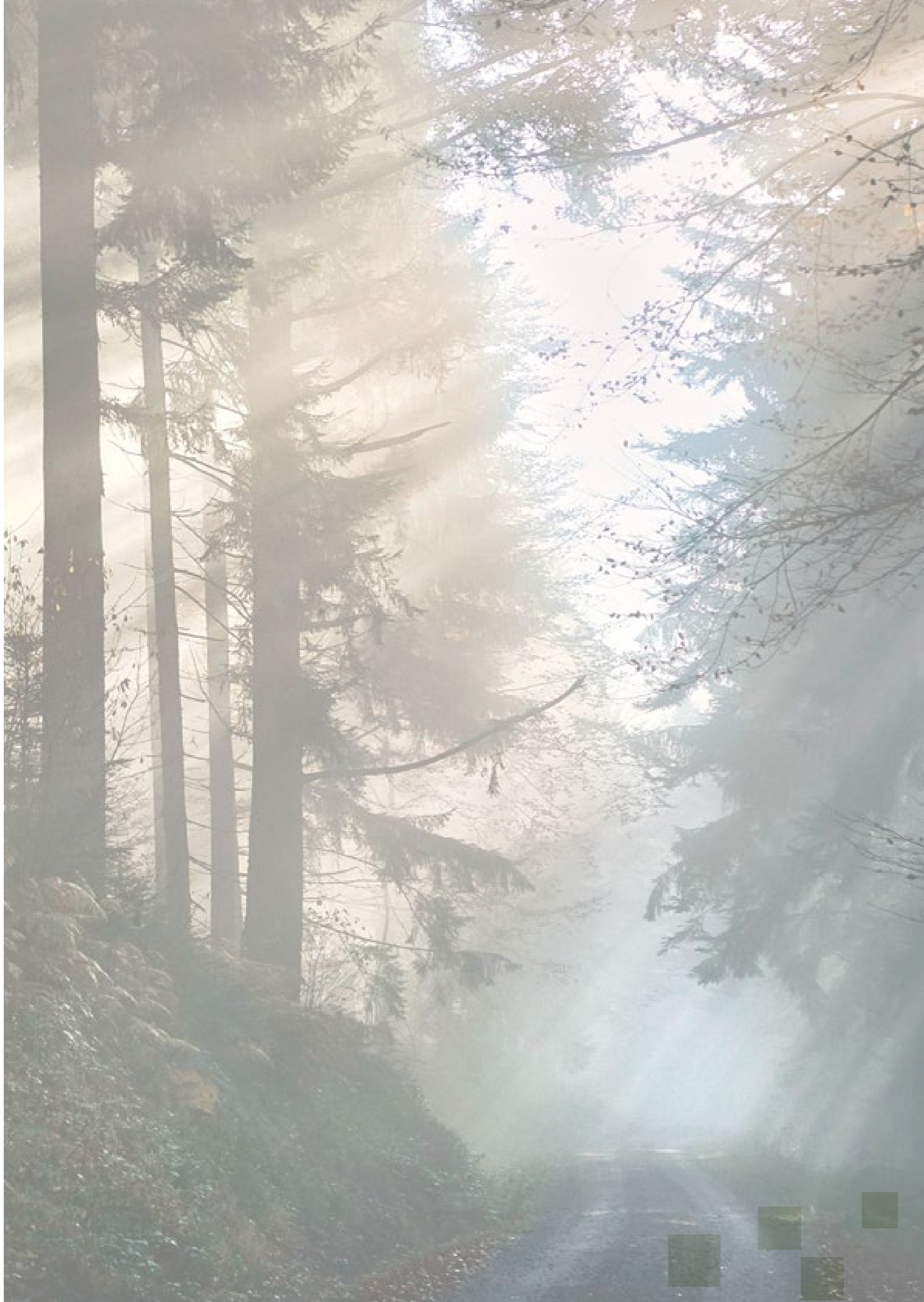
Integrity and human rights are of great significance for the Group, and no violations on these are accepted. Most of our stakeholders do not assess this as a risk in Scandinavia. The Group has implemented ethical guidelines as a part of the corporate governance framework to maintain a high ethical standard 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 2022, women held 21% of the positions in the Group. When recruiting for new positions we aim to increase diversity. The Management group consists of five members, of which two is female. Female employees made up 40% 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 2022		December 2021	
	Number of employees	%	Number of employees	%
Female	18	21%	26	29%
Male	66	79%	63	71%
Total	84	100%	89	100%

Targets for 2023

- All transactions are to be made on armlengths distance
- Formalised recruitment procedures to increase diversity
- Increasing equality and number of female employees



Employee wellbeing

The employees are essential for the operation. At year-end 2022, the Group had 84 (89) employees, of which 53 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 2022 broken down by country, employment type and gender

Country	Full time employees		Part time employees		Total	
	Women	Men	Women	Men	Women	Men
Norway	11	28	3	12	14	40
Sweden	2	3	1	7	3	10
Denmark	0	9	1	7	1	16

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

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. In 2022 SSG performed a manager training course for all employees in a manger role.

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 turnover of 16% in 2022 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 2022.

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 2022 were overall positive with a score of 5.3 (4.9) out of a total 6.0. The management has analysed the results of the survey and measures to increase the employee satisfaction further 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 2022

	FTE			FTE in % of level		Average salary	
	Women	Men	Total	Women	Men	Women	Men
Level 1: Management team	1.3	4.4	5.7	23%	77%	1 866 668	1 022 965
Level 2: Middle- management	5.0	10.2	15.2	33%	67%	668 588	721 021
Level 3: Operations	7.4	26.7	34.1	22%	78%	456 787	484 048
Total	**13.7**	**41.3**	**55.0**	**25%**	**75%**	**663 228**	**599 921**
Part-time employees	2.6	8.7	11.3	23%	77%	410 809	377 572

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	1.0	3.6	4.6	22%	78%	1 875 736	1 012 652
Level 2: Middle- management	4.2	9.0	13.2	32%	68%	623 027	725 268
Level 3: Operations	11.9	20.4	32.3	37%	63%	426 172	515 842
Total	**17.0**	**33.0**	**50.1**	**34%**	**66%**	**559 393**	**626 795**
Part-time employees	3.1	10.9	14.1	22%	78%	380 558	359 192

For operations, the average salary of women is slightly below the average salary of this level. Salary at the operation level is mainly impacted by experience and how many years the employee has been within the company. At the middle-management level, the average salary of women is below the average salary level of this level. At the management team level, the average salary of women is higher than the average salary level of this level. 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 female part-time employees had on average a slightly higher wage-level than the male part-time employees.

Some leading positions at middle-management can achieve a bonus in addition to salary when reaching certain KPI-targets. The management team and key employees are part of a long-term incentive program based on share performance.

One employee (male) was in maternity leave in 2022. The average length of maternity leave was 15 weeks.

Targets for 2023

- Measuring employee satisfaction by using annual employee survey
- Use the results to implement new measures if/where it's needed
- 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
- First aid training for all employees

Customer satisfaction

Self Storage Group offers a service most people need at some point in life, and the goal is to be the preferred self-storage provider in Scandinavia. The Group has many customers, mainly in the private consumer market (80%), but also in the business market (20%). In the private consumer market moving, refurbishment, downsizing, need for additional storage, and student storage are the main reasons for demand, 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. 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. To adapt to different customers' needs Self Storage Group offers both manned and unmanned facilities. In this way both customers wanting personal service and customers wanting a self-service can be served.

As of December 2022, Self Storage Group has 135 facilities in Norway, Sweden, and Denmark through the concepts City Self Storage, Dit Pulterkammer and OK Minilager, ensuring high availability for many existing customers and potential customers. The Group offers the customers 31 100 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. The figures presented below are accumulated as of 31 December 2022. The description is Trustpilots own classification.

	City Self-Storage (CSS)				OK Minilager (OKM)
	CSS Norway	CSS Denmark	Dit Pulterkammer	CSS Sweden	OKM Norway
Description	Excellent	Good	Excellent	Excellent	Excellent
Rating	4.5	4.2	4.6	4.4	4.7
Number of reviews	510	336	542	76	813

Targets for 2023

- 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, and in 2022 a new ERP system was launched for the Group's Norwegian entities. The new ERP system will be launched for the Swedish and Danish companies in 2023. 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 part of the daily operations.

Timely deliveries from suppliers are essential for the Groups operations and growth. To ensure that all suppliers follow laws and regulations the Group uses a supplier declaration. The declaration focuses on hired labours salary and rights, recycling, use of subcontractors and quality systems. There has not been any significant change in suppliers or the supply chain in 2022.

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.

Self Storage Group has a tradition to donate funds to a voluntary organisation. The employees of SSG choose the voluntary organisation, and in 2022 the receiver of this years donation was the voluntary organisation "Fattighuset". The organisation supports disadvantaged people with food, clothing and other support.

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 goal 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.

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 2022 the Board of Directors was authorised to increase 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.

Non-conformance with the recommendation: None

4. Equal treatment of shareholders and transactions with close associates

At the General Meeting in 2022 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 2023.

Non-conformance with the recommendation: None

8. Board of Directors: Composition and independence

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

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

At the General Meeting 25 May 2022, 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, sustainable, 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. SSG has established a policy for whistleblowing. The Audit Committee will receive information of whistleblowing cases from the management and prepare a yearly summary for the Board of Directors. There have been no cases in 2022. The Audit Committee is chaired by Ingrid Elvira Leisner, and the other member is Gustav Søbak. The chair of the Audit Committee has the required competence on all topics handled by the Audit Committee. 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 2022. 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 the management team

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 the management team 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 management team.

The CEO determines the remuneration of the rest of the management team. The Board shall issue guidelines for the remuneration of the management team for approval by the General Meeting. The guidelines shall lay down the main principles for the Company's remuneration policy for the management team. 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 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 2022 will be presented to the Annual General Meeting in 2023 and be made available on the Group's website.

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 Audit Committee meetings in which the annual report and financial statements are considered and adopted. 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 Board meets with the auditors at least annually without management present.

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 overview 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 2022	For the year ended 31 December 2021
Revenue	7, 8	392 161	346 075
Lease expenses	7, 25	-15 538	-13 250
Property-related expenses		-59 134	-44 414
Salary and other employee benefits	10	-49 557	-44 115
Depreciation	14, 15	-20 900	-16 863
Other operating expenses	7, 11, 27	-43 411	-41 373
Operating profit before fair value adjustments		**203 621**	**186 060**
Change in fair value of freehold investment property	9	-147 242	319 996
Change in fair value of leasehold investment property	9	-49 346	-46 356
Operating profit after fair value adjustments		**7 033**	**459 700**
Finance income	12	60 245	36 273
Finance expense	12	-77 441	-55 357
Profit/(-loss) before tax		**-10 163**	**440 616**
Income tax expense	13	1 612	-92 015
Profit/(-loss) for the period		**-8 551**	**348 601**
Profit/(-loss) attributable to owners of the parent		-8 551	348 601
Profit/(-loss) attributable to non-controlling interests		-	-
Earnings per share			
Basic (NOK)	21	-0,09	3,96
Diluted (NOK)	21	-0,09	3,96
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
- currency translation difference		12 420	-14 650
Other comprehensive income for the period, net of income tax		**12 420**	**-14 650**
Total comprehensive income for the period		**3 869**	**333 951**
Total comprehensive income for the year attributable to owners of the parent		3 869	333 951
Total comprehensive income for the year attributable to non-controlling interests		-	-

Consolidated statement of financial position

(Amounts in NOK 1 000)	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Freehold investment property	9, 24	2 529 540	2 422 368
Leasehold investment property	9, 25	445 873	444 253
Property, plant and equipment	14, 24	198 999	162 615
Goodwill	15	187 496	187 330
Financial instruments	6, 22	39 497	14 160
Other intangible assets	15	3 099	1 220
Deferred tax assets	13	37	91
Total non-current assets		**3 404 541**	**3 232 037**
Current assets			
Inventories	17	1 467	1 857
Trade and other receivables	18, 24	17 620	17 140
Other current assets		20 502	25 668
Cash and bank deposits	19, 22	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	20	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	23	1 033 562	892 626
Non-current lease liabilities	23, 25	425 796	422 479
Other financial liabilities		634	320
Deferred tax liabilities	13	178 839	196 745
Total non-current liabilities		**1 638 831**	**1 512 170**
Current liabilities			
Current interest-bearing debt	23	55 331	51 644
Current lease liabilities	23, 25	48 835	46 192
Trade and other payables		18 486	12 804
Income tax payable	13	16 040	10 478
Other taxes and withholdings		6 761	6 713
Other current liabilities	26	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 ASA

Oslo, April 27th, 2023

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 2022	For the year ended 31 December 2021
Cash flows from operating activities			
Profit before tax		-10 163	440 616
Income tax paid		-11 123	-14 330
Net expensed interest and fees on borrowings and leases		49 505	37 468
Depreciation	14, 15	20 900	16 863
Gain/loss on disposal of property, plant and equipment		- 78	- 177
Unrealised gain/loss in foreign currency	12	1 598	-9 745
Change in fair value of financial instruments	12	-25 338	-16 178
Change in fair value of freehold investment property	9	147 242	-319 996
Change in fair value of leasehold investment property	9	49 346	46 356
Change in trade and other receivables		- 176	-1 418
Change in trade and other payables		4 724	-3 974
Change in other current assets		- 948	-3 614
Change in other current liabilities		-19 014	2 438
Net cash flows from operating activities		**206 475**	**174 309**
Cash flows from investing activities			
Payments for investment property		-176 158	-174 836
Payments for property, plant and equipment		-58 127	-47 332
Proceeds from disposal of property, plant and equipment		165	684
Net cash outflow on acquisition of subsidiaries		-52 745	-463 862
Net cash flows from investing activities		**-286 865**	**-685 346**
Cash flows from financing activities			
Net proceeds from issue of equity instruments		-	291 999
Proceeds from borrowings	23	300 000	1 084 268
Repayment of borrowings	23	-149 200	-809 162
Interest paid	23	-29 606	-25 444
Payments of lease liabilities	23, 25	-45 915	-43 296
Payments of leases classified as interest	23, 25	-16 438	-18 527
Net cash flows from financing activities		**58 841**	**479 838**
Net change in cash and cash equivalents		-21 549	-31 199
Cash and cash equivalents at beginning of the period		214 746	246 804
Effect of foreign currency rate changes on cash and cash equivalents		892	- 859
Cash and equivalents at end of period	19	**194 089**	**214 746**

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 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**
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		**9 467**	**1 082 657**	**10 609**	**705 050**	**1 807 783**

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 27 April 2023. 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 amortised, 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 first allocated to recognised goodwill and any residual loss is allocated to 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 is transfer to the 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 based on contractual terms for the upcoming year when known. Lease payments are discounted using the Group's incremental borrowing rate, 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 centraliced. 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.

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 with lease term less than one year 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 amortisation are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill and intangible assets with indefinite useful life are 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 recognised 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-recognised 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.

Classification and impairment

The Group's financial assets classified as "amortised 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. 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 upon initial recognition as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost. Financial instruments 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 2023 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 2023.

Standards and Interpretations in issue but not yet adopted

Amendments to IAS 1 Presentation of Financial Statements that entered into force on 1 January 2023, might entail some minor changes in the group's description of accounting policies. There are no other 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 2022, the amount of goodwill tested for impairment amounted to NOK 187.5 million. No impairment losses were recognised in 2022 or 2021. 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.

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 2022. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed terms. Refer to note 23 for maturity analysis.

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. 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 + 1.70 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. As of 31 December 2022 the Group has four five-year interest rate swaps.

The following table illustrates the sensitivity of the Group to potential interest rate without interest rate swaps. The calculation is based on management's estimate of reasonably possible 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 2022 replacing 3 months Nibor.

Interest rate sensivity	Change in interest rates in basis points	Effect on profit before tax
2022	100	-10 888
	- 100	10 888
2021	100	-9 442
	- 100	9 442

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

		2022	2021
Bank loans		3,22	2,77
Fixed interest 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 +/- 5% measured against NOK, managements estimate for reasonable possibly change:

		2022	2021
Foreign currency sensitivity	**Changes in currency**	**Effect on profit before tax**	**Effect on profit before tax**
DKK	5%	9 899	8 955
	-5%	-9 899	-8 955
SEK	5%	288	577
	-5%	- 288	- 577
EUR	5%	- 580	- 283
	-5%	580	283
GBP	5%	- 187	- 33
	-5%	187	33

Capital management

The main purpose of the Group's capital management is to maintain a good balance between debt and equity, in order to maximise the value of the shares in the Group 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 2022, the Group is compliant with all loan covenants, and also expects to comply with covenants throughout 2023.

Note 6 Business combinations

(Amounts in NOK 1 000)

The Group has net cash outflow on acquisition of subsidiaries of NOK 52.7 million (asset acquisition) in 2022 and NOK 464 million in 2021. One of the acquisitions in 2021 meet the definition of a business combination. The remaining of the acquisitions in 2022 and 2021 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 amortisation. 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)

The management team has determined the operating segments based on reports reviewed by the 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 administrative and management activities with Self Storage Group ASA (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. The Group reports management information excluding IFRS 16 impacts.

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

The Group's reportable segments are as follows:

OK Minilager (OKM)	Nationwide presence in Norway offering climate controlled storage units and container-based storage.
City Self-Storage (CSS)	Climate controlled facilities in all Scandinavian countries, with a primary focus on the capital cities of Oslo, Stockholm and Copenhagen. 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 year ended 31 December 2022	CSS	OKM	Property	HQ	Other/ elimina-tions	IFRS 16-adjust-ment*	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/ 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**

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 2022	For the year ended 31 December 2021
Rental income from self-storage services*	358 835	320 244
Revenue from retail sales	3 321	4 041
Agent revenue from insurance services	12 305	8 040
Other revenue**	17 700	13 750
Total revenue	**392 161**	**346 075**

Geographical analysis of revenues:		
Norway	288 057	267 013
Sweden	38 320	38 707
Denmark	65 784	40 355
Total revenue	**392 161**	**346 075**

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

Total revenue under IFRS 15 is NOK 33.3 million (2021: NOK 25.8 million), and the company has only immaterial contract assets and liabilities. Lease contracts on self-storage are short-term and can be terminated on short notice.

**Accounted for under the leasing standard*

***Mainly rental income from expiring contracts with office-tenants*

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 2021	**444 253**	**2 422 368**	**2 866 621**
Additions and disposals leasehold investment property in the year	49 161	-	49 161
Value adjustment due to passage of time	-49 346	-	-49 346
Asset acquisition in Property segment	-	49 342	49 342
Company acquired as asset acquisition	-	68 167	68 167
Additions to existing properties	-	126 816	126 816
Fair value adjustments recognised in profit or loss	-	-147 242	-147 242
Other/translation differences	1 805	10 089	11 894
Balance as at 31 December 2022	**445 873**	**2 529 540**	**2 975 413**

	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 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**

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	-	-	2 529 540	2 529 540
Leasehold investment property	-	-	445 873	445 873
Total as at 31 December 2022	**-**	**-**	**2 975 413**	**2 975 413**
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**

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.

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 several significant ongoing contractual obligations for construction contracts related to investment properties at year-end 2022 and two at year-end 2021 with upcoming liabilities. The significant contractual obligations at year-end 2022 are related to two steel buildings with Borga Stålbygg at Sarpsborg and Knarvik, Norway, amounting to approximately NOK 10.3 million and NOK 5.2 million, one steel building with Seltor at Skien, Norway, amounting to approximately NOK 29.6 million, one conversion project with Østheim Entreprenør amounting to approximately NOK 4.9 million and one elevator project with Byggfornying amounting to approximately NOK 4.7 million (all amounts exclusive of VAT). The significant contractual obligations at year-end 2021 are related to one steel building at Knarvik, 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). In addition, the Group continuously has ongoing smaller development projects related to conversion and expansion projects.

Valuation

Freehold investment property appraised at 31 December 2022	Number of properties	Total gross area (m²)	Market value	Market rent	Net yield
Oslo and Akershus	15	67 676	1 252 500	66 913	4.8 %
Eastern Norway except Oslo and Akershus	31	62 765	512 900	34 643	6.0 %
Southern Norway	12	13 390	102 400	7 444	6.4 %
Western Norway	17	23 912	223 500	15 140	6.2 %
Trøndelag and Northern Norway	9	17 041	187 000	12 680	6.2 %
Denmark	7	25 695	203 870	16 195	7.2 %
Total[1]	**91**	**210 479**	**2 482 170**	**153 015**	**5.6 %**

Freehold investment property appraised 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	60 319	4.2 %
Eastern Norway except Oslo and Akershus	29	60 371	504 800	30 907	5.3 %
Southern Norway	8	9 206	64 800	4 378	5.9 %
Western Norway	16	23 912	224 000	14 012	5.4 %
Trøndelag and Northern Norway	7	13 928	174 550	10 192	5.3 %
Denmark	6	24 254	187 511	14 679	6.9 %
Total[1]	**80**	**197 907**	**2 420 761**	**134 486**	**4.9 %**

[1]As of 31 December 2021 and 2022 some properties were acquired, but not yet appraised

The portfolio of freehold investment property is valued by an independent appraiser at least annually. In addition to the impact of annual CPI-adjustment of internal leases, the change in fair value adjustments of freehold investment property is related to yield expansion in the property market in 2022. This is a non-cash P&L charge and there are no other negative elements impacting the valuation of the portfolio. In 2021 there was a yield reduction in the property market. 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.

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 2022	For the year ended 31 December 2021
Salaries and wages	-40 553	-36 658
Social security tax	-5 548	-5 061
Pension expense	-1 778	-1 755
Other	-1 678	- 641
Total salary and other employee benefits	**-49 557**	**-44 115**
Average number of full time equivalent employees	66.3	62.9

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

Remuneration to the management team during the year ended 31 December 2022

Name	Title	Salary and other benefits	Pension expense	Bonus	Total remuneration
Fabian Søbak	CEO	1 212	78	-	1 290
Cecilie Hekneby	CFO	2 126	116	-	2 242
Lars Moen	CPMO	996	82	-	1 078
Petter Løyning	CMO	750	42	-	792
Madeleine Svensson	COO (started 1.10.2022)	251	14	-	265
Sveinung Høyer-Trollnes	COO (left company 30.9.2022)	1 258	76	-	1 335
Henning Gravnås	CIO (left company 31.8.2022)	700	50	-	750
Total		**7 294**	**459**	**-**	**7 752**

Remuneration to the management team 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 (started 1.7.2021)	445	33	-	478
Petter Løyning	CMO (started 22.11.2021)	84	6	-	91
Total		**5 405**	**336**	**-**	**5 741**

Remuneration to Board of Directors during the year ended 31 December 2022

Name	Title	
Steven Skaar	Chairman of the Board*	-
Gustav Søbak	Boardmember and member of Audit Comittee	200
Yvonne Sandvold	Boardmember	170
Ingrid Elvira Leiser	Boardmember and Chair of Audit Comittee	230
Carl Ameln	Boardmember	170
Dominik Jochem	Chair of nomination Committee*	-
Lasse Høydal	Nomination Committee	10
Øyvind Hagelund	Nomination Committee	10
Total		**790**

**Refrains from remuneration*

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*

Salaries and remuneration to the management team

The remuneration packages are designed to attract, motivate, and retain employees of the necessary calibre and to reward them for enhancing value to shareholders. Total remuneration for the management team in 2022 consists of a fixed salary and a few common fringe benefits.

A long-term incentive plan (LTIP) for the management team 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 2022 will be presented at the AGM for 2023 and be made available on the Group's website. As of 31 December 2022, 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. The management team 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 2022	For the year ended 31 December 2021
Audit fee	-2 045	-1 397
Other attestation services	- 350	- 150
Tax compliance services	-	-
Total fee to auditor	**-2 395**	**-1 547**

Note 12 Finance income and finance expense

(Amounts in NOK 1 000)

Finance income

	For the year ended 31 December 2022	For the year ended 31 December 2021
Interest income and other financial income	665	1 013
Interest income on borrowings (gain on interest rate swaps)	2 395	-
Gain from transactions in foreign currency	343	138
Unrealised gain from transactions in foreign currency	23 024	18 944
Positive change in fair value of financial instruments*	33 818	16 178
Total finance income	**60 245**	**36 273**

Finance expense

	For the year ended 31 December 2022	For the year ended 31 December 2021
Interest expense on borrowings	-25 824	-21 480
Interest expense on lease liabilities	-16 438	-18 527
Other interests, fees and charges	-1 610	-5 674
Loss from transactions in foregin currency	- 466	- 477
Unrealised loss from transactions in foregin currency	-24 623	-9 199
Negative change in fair value of financial instruments*	-8 480	-
Total finance expense	**-77 441**	**-55 357**

** 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 2022	For the year ended 31 December 2021
Deferred tax expense	-16 854	-80 811
Current tax expense	18 466	-11 204
Income tax expense	1 612	-92 015

Income tax payable (balance sheet)	For the year ended 31 December 2022	For the year ended 31 December 2021
Income tax payable	16 040	10 478

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 2022	For the year ended 31 December 2021
Profit/(loss) before income tax	-10 163	440 616
Norwegian tax rate	22%	22%
Expected income tax expense/(benefit)	2 236	-96 936
Tax effect non deductible expenses (benefits)	- 874	5 439
Foreign operations with tax rates other than Norwegian tax rate	29	32
Change in deferred tax not recognised	222	- 552
Correction previous years' taxes	-	1
Income tax expense/income for the year	**1 612**	**-92 015**
Effective tax rate	-16%	-21%

Tax losses carried forward

Tax losses carried forward in selected countries expire as follows:

	Norway	Sweden	Denmark	Total
Not time limited	-	-	56 911	56 911
Total tax losses carried forward	**-**	**-**	**56 911**	**56 911**
Of which not recognised as deferred tax assets	-	-	15 668	15 668

Deferred tax asset are not recognised for unused tax losses carried forward, as the recognition criteria are not meet as of 2022.

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 2022	For the year ended 31 December 2021
Investment PP&E	-187 813	-211 481
Leases	12 569	9 913
Receivables	639	304
Tax losses carried forward	3 447	3 862
Deferred income	-	-
Gain/loss account	247	309
Other differences	-11 866	-4 454
Deferred tax assets, not recognised	3 975	4 892
Net deferred tax liability	**-178 802**	**-196 654**

Deferred tax has been calculated using a tax rate of 22%. This is the tax rates enacted as at 31 December 2022 and 31 December 2021.

Net deferred tax presented in the balance sheet

	For the year ended 31 December 2022	For the year ended 31 December 2021
	37	91
Deferred tax assets	37	-
Deferred tax liabilities	-178 839	-196 745
Net deferred tax liability	**-178 802**	**-196 654**

The deferred tax assets and deferred tax liabilities are in two different tax jurisdictions.

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 and Denmark (22%).

Note 14 Property, plant and equipment

(Amounts in NOK 1 000)

Year ended 31 December 2022	Operating and office equipment	Leased assets	Total
Cost at 1 January 2022	235 274	6 271	241 545
Additions in the year	55 578	64	55 642
Disposals in the year	107	-	107
Translation differences	1 604	-	1 604
Cost at 31 Desember 2022	**292 349**	**6 335**	**298 684**
Accumulated depreciation at 1 January 2022	75 715	3 215	78 929
Depreciation in the year	19 107	1 119	20 226
Disposals in the year	17	-	17
Translation differences	546	-	546
Accumulated depreciation at 31 December 2022	95 351	4 334	99 684
Net carrying amount at 31 December 2022	**196 998**	**2 001**	**198 999**

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**
Estimated useful life	3-20 years	Contract lifetime	
Depreciation method	straight-line	straight-line	

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

Leased assets are assesed for impairment. The Group has not identfied any indications of impairment on leased assets.

Note 15 Goodwill and other intangible assets

(Amounts in NOK 1 000)

Year ended 31 December 2022	Goodwill	Software	Total
Cost at 1 January 2022	187 330	3 151	190 481
Additions in the year	-	2 553	2 553
Translation differences	166	-	166
Cost at 31 Desember 2022	187 496	5 704	193 200
Accumulated depreciation at 1 January 2022	-	1 931	1 931
Depreciation in the year	-	674	674
Accumulated depreciation at 31 December 2022	-	2 605	2 605
Net carrying amount at 31 December 2022	**187 496**	**3 099**	**190 595**

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**

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.

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 9.0 percent applied (WACC). There is no impairment with a reasonable change within equity. Management's assessment is that goodwill would not suffer an impairment loss given a reasonable change in the key assumptions utilised in calculating the value in use for the relevant cash generating units isolated or aggregated.

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

– Future sales and costs are based on budget for 2023 approved by the Board of Directors
– Growth rate is set at 5.0 percent for the first year and 2.0 percent the following years
– Inflation is set at 5.0 percent for the first year and 2.0 percent the following years
– Management has projected cash flows for a ten-year period based on budget for 2023 adjusted for a growth rate
– 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 31.12.2022

	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 2022	CSS	OKM
Pre-tax discount rate	9,0 %	9,0 %
Discount rate level before possible impairment of goodwill	14,0 %	44,0 %

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 2022	31 Dec 2021
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%
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%	100%
Dit Pulterkammer A/S	Self-storage	14 April 2021	Dit Pulterkammer Holding A/S	100%	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%
EATS 2 AS	Real estate	1 Jan 2022	OK Property AS	*	
NV4BC Eiendom AS	Real estate	3 Jan 2022	OK Property AS	*	
Kjerne Eiendom AS	Real estate	7 Jan 2022	OK Property AS	*	
Favusgården 1. etasje AS	Real estate	8 Feb 2022	OK Property AS	*	
Rødmyrjordet 3 AS	Real estate	7 Apr 2022	OK Property AS	100%	
MEL Gardermoen 33 AS	Real estate	15 Aug 2022	OK Property AS	100%	
SSG Shared Services Norway AS	Head office services	Established 2022	Self Storage Group ASA	100%	
CSS Property AB	Real estate	Established 2022	City Self-Storage Sverige AB	100%	
Østerskogen Stålbygg AS	Real estate	6 Dec 2022	OK Property AS	100%	

** AS Adamstuen Garasjer, GoWork Billingstad AS, Vinkelhuset IV AS, Mo2 Eiendom AS, EATS 2 AS, NV4BC Eiendom AS, Kjerne Eiendom AS and Favusgården 1. etasje AS were merged with OK Property AS in 2022*

Note 17 Inventories

Inventories comprise finished goods of NOK 1.5 million as at 31 December 2022 (2021: NOK 1.9 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 2022 have been expensed in profit or loss.

Note 18 Trade and other receivables

(Amounts in NOK 1 000)	For the year ended 31 December 2022	For the year ended 31 December 2021
Trade receivables	21 130	18 996
Allowances for bad debt provisions (analysed below)	-3 510	-1 856
Total trade receivables	**17 620**	**17 140**
Other receivables	-	-
Total trade and other receivables	**17 620**	**17 140**

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 2022			
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	12 317	0%	-	12 317
Past due 0-30 days	3 370	0%	-	3 370
Past due 31-60 days	885	20%	- 175	710
Past due 61-90 days	1 189	48%	- 573	616
Past due over 90 days	3 369	82%	-2 762	607
Carrying amount:	**21 130**		**-3 510**	**17 620**

	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**

70 percent of Trade and other receivables at 31 December 2022 are in NOK (2021: 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.

Note 19 Cash and cash equivalents

(Amounts in NOK 1 000)	For the year ended 31 December 2022	For the year ended 31 December 2021
Cash	33	113
Employee withholding tax	1 299	1 231
Bank deposits	192 757	213 402
Total cash and cash equivalents	**194 089**	**214 746**

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 2022. All shares carry equal rights.

(Amounts in NOK)	For the year ended 31 December 2022	For the year ended 31 December 2021
Ordinary shares at beginning of period	94 678 584	84 328 584
Issue of ordinary shares from cash contribution	-	10 350 000
Ordinary shares at 31 December	**94 678 584**	**94 678 584**

List of main shareholders at 31 December 2022:

Shareholder	Country	Number of shares	Ownership percentage
The Bank of New York Mellon[1]	United States	27 206 078	28.7 %
Fabian Holding AS	Norway	8 565 000	9.0 %
GSS Invest AS	Norway	5 565 000	5.9 %
VERDIPAPIRFONDET ODIN EIENDOM	Norway	5 085 778	5.4 %
J.P. Morgan Securities LLC	United States	4 138 214	4.4 %
J.P. Morgan SE	Sweden	4 134 560	4.4 %
SOLE ACTIVE AS	Norway	3 277 601	3.5 %
SKAGEN M2 VERDIPAPIRFOND	Norway	3 225 402	3.4 %
BNP Paribas	Luxembourg	2 729 686	2.9 %
FIRST RISK CAPITAL AS	Norway	2 600 000	2.7 %
VERDIPAPIRFONDET HOLBERG NORGE	Norway	2 500 000	2.6 %
HSBC Bank Plc	United Kingdom	2 388 255	2.5 %
Danske Invest Norge Vekst	Norway	1 843 253	1.9 %
BNP Paribas	Luxembourg	1 449 756	1.5 %
The Bank of New York Mellon	Canada	1 291 183	1.4 %
State Street Bank and Trust Comp	United States	1 220 872	1.3 %
MUSTAD INDUSTRIER AS	Norway	1 155 635	1.2 %
Brown Brothers Harriman & Co.	United States	1 016 072	1.1 %
BNP Paribas	France	902 673	1.0 %
J.P. Morgan SE	Sweden	882 894	0.9 %
Other		13 500 672	14.3 %
Sum		**94 678 584**	**100%**

Shares held by Board of Directors and Executive Management

Board of Directors	Title	Amount of shares	Ownership percentage
Steven Skaar[2]	Chairman of the Board	27 206 078	28.7 %
Gustav Søbak (GSS Invest AS)	Board member	5 565 000	5.9 %
Carl August Ameln (First Risk Capital AS)	Board member	2 600 000	2.7 %
Ingrid Leisner (Duo Jag AS)[3]	Board member	10 390	0.0 %
Executive Management			
Fabian Søbak (Fabian Holding AS)	CEO	8 565 000	9.0 %
Cecilie Hekneby[4]	CFO	688 893	0.7 %
Lars Moen	CPMO	27 799	0.0 %
Petter Løyning	CMO	2 000	0.0 %
Madeleine Svensson	COO	500	0.0 %

Note 21 Earnings per share and changes in shareholders' equity

(Amounts in NOK)

Earnings per share

	For the twelve months ended 31 December 2022	For the twelve months ended 31 December 2021
Profit (loss) for the year	-8 551 000	348 601 000
Weighted average number of outstanding shares during the period (basic)	94 678 584	87 986 529
Weighted average number of outstanding shares during the period (diluted)	94 678 584	87 986 529
Earnings (loss) per share - basic in NOK	-0.09	3.96
Earnings (loss) per share - diluted in NOK	-0.09	3.96

Changes in shareholders' equity

	Date	Number of shares issued	Total number of shares	Total share capital	Value per share
Ordinary shares at 31 December 2022			**94 678 584**	**9 467 858**	**0.10**
Ordinary shares at 31 December 2021			**94 678 584**	**9 467 858**	**0.10**
Issue of ordinary shares as settlement to the selling shareholder of Ulven P28 AS	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**

Expenses related to issuance of shares amounted to respectively NOK 0 million in 2022 and NOK 8.1 million in 2021.

At the Annual 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 May 2023.

[1]The Bank of New York Mellon 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 28.7% 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

Note 22 Categories of financial assets and liabilities

(Amounts in NOK 1 000)

As at 31 December 2022	Amortised cost	Fair value through profit or loss	Other financial liabilities measured at amortised cost	Total
Non-current financial assets				
Financial instruments	-	39 497	-	39 497
Current financial assets				
Trade and other receivables	17 620	-	-	17 620
Cash and bank deposits	194 089	-	-	194 089
Total financial assets	**211 709**	**39 497**	**-**	**251 206**
Non-current financial liabilities				
Long term debt to financial institutions	-	-	1 033 562	1 033 562
Long term lease liabilities	-	-	425 796	425 796
Other financial liabilities	-	-	634	634
Current liabilities				
Short term interest-bearing debt	-	-	55 331	55 331
Short term lease liabilities	-	-	48 835	48 835
Trade and other payables	-	-	18 486	18 486
Other current liabilities	-	-	46 152	46 152
Total financial liabilities	**-**	**-**	**1 628 796**	**1 628 796**

As at 31 December 2021	Amortised cost	Fair value through profit or loss	Other financial liabilities measured at amortised cost	Total
Non-current financial assets				
Financial instruments	-	14 160	-	14 160
Current financial assets				
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	**-**	**-**	**1 473 598**	**1 473 598**

The carrying amounts of financial assets and liabilities approximate their fair value as at 31 December 2022 and 31 December 2021 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.

Note 23 Maturity analysis financial liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortised costs.

	Amounts due in				
For the year ended 31 December 2022	**less than 1 year**	**1-2 years**	**3-4 years**	**more than 5 year**	**Total**
Debt to financial institutions[1]	104 657	1 062 169	-	-	1 166 826
Lease liabilities[2]	79 967	116 376	116 376	263 671	576 390
For the year ended 31 December 2021	**less than 1 year**	**more than 1 year**			**Total**
Debt to financial institutions[1]	74 023	928 081	-	-	1 002 104
Lease liabilities[2]	76 031	116 631	116 631	260 318	569 610

[1]Non-discounted amount including estimated interest

[2]Including short-term contracts not reconciled in the balance sheet

Specification of debt to financial institutions

	2022	Currency	Maturity date	Interest rate
Handelsbanken and Danske Bank	1 103 499	NOK	Feb-24	3 months NIBOR +1.70 %
Amortised borrowing cost	- 14 606	NOK		
Total bank borrowings at amortised cost	**1 088 893**			

	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 amortised cost	**944 270**			

SSG entered into a bank facility loan with Handelsbanken and Danske Bank in 2021. In December 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 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 2022, the Group is in compliance with all loan covenants, and also expects to comply with covenants throughout 2023.

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 amortisation and interest) must be higher or equal to 1.2

The Group's booked solidity must be above 35%

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

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

Interest rate swaps are recorded at fair value through profit and loss. A gain of NOK 25.3 million for the full year 2022 and a loss of NOK 3.7 million for the full year 2021 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 2022	**944 270**	**468 671**	**-**	**1 412 941**
Cash flow:				
Proceeds from borrowings	300 000	-	-	300 000
Interests paid	- 29 606	- 16 438	-	- 46 044
Repayment of borrowings /Payments of lease	- 149 200	- 45 915	-	- 195 115
Cash flows - total	**121 194**	**- 62 353**	**-**	**58 841**
Non-cash changes:				
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	-	-	-	-
New leases	-	49 161	-	49 161
Interest expenses	23 429	16 438	-	39 867
Other movements	23 429	16 438	-	39 867
Other/translation differences	-	2 714	-	2 714
Foreign exchange movements	-	2 714	-	2 714
Closing balance 31 December 2022	**1 088 893**	**474 631**	**-**	**1 563 524**

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**

Note 24 Assets pledged as security

(Amounts in NOK 1 000)

	As at 31 December 2022	As at 31 December 2021
Liability secured by assets pledged:	**1 103 499**	**949 812**
Carrying value of assets pledged as security:		
Trade receivables	17 620	17 140
Freehold investment properties and other assets	2 728 539	2 584 983
Total	**2 746 159**	**2 602 123**

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 office space 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.

Changes in recognised leases during the period:

	Lease liabilities	Leased assets	
		Leasehold investment property	Other leases
Opening balance 1 January 2022	**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 property	-	- 49 346	-
Depreciation	-	-	- 1 119
Other/translation differences	2 714	1 805	-
Closing balance 31 December 2022	**474 631**	**445 873**	**2 070**

	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**

Amounts related to leases recogniced in profit or loss:

	2022	2021
Expenses relating to short-term leases (included in lease expenses)	- 15 538	- 13 250
Change in fair value of leasehold investment property	- 49 346	- 46 356
Depreciation expense of leased assets classefied as property, plant and equipment	- 1 119	- 1 231
Interest expense on lease liabilities (included in finance expenses)	- 16 438	- 18 527
Total amount recognised in profit or loss	**- 82 441**	**- 79 364**

The Group had total cash outflows for leases of NOK 77.9 million in 2022 (2021: NOK 75.1 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 201.6 million as of 31 December 2022 (NOK 158.5 million as of 31 December 2021), 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 (38.0 million as of 31 December 2021), 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 2022 as it during 2022 is 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 20.7 million in reduced lease liability (2021: NOK 20.6 million), and NOK 22.5 million in increased lease liability (2021: NOK 22.3 million) if discount rate decreases with 1%.

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

Note 26 Other current liabilities

(Amounts in NOK 1 000)

	As at 31 December 2022	As at 31 December 2021
Prepayments from customers	29 847	33 873
Payables to employees	908	470
Other current liabilities	15 397	13 190
Total	**46 152**	**47 533**

All other liabilities are classified as current liabilities.

Note 27 Related party transactions

There have not been any transactions between the Group and other related parties in 2022 or 2021.

Note 28 Events after the reporting period

– In the period between 1 January and 27 April 2023 from 2022 the following asset 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
- Property in Friis Hansens vej 9 in Vejle, Denmark

– On 9 January 2023, an agreement to acquire a property in Sandviken in Bergen, Norway, was entered into. The asset acquisition was completed 23 March 2023. The property has an estimated lettable area of 430 m^2

– 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 m^2

– 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 m^2

– On 15 March 2023, an agreement to acquire a property in Gl. Jennumvej 3 in Randers, Denmark, was entered into. The asset acquisition was completed 30 March 2023. The property has an estimated lettable area of 550 m^2

– On 16 March 2023, an agreement to acquire a property in Lundavägen in Malmö, Sweden, was entered into. The property has an estimated lettable area of 4 700 m^2

– On 17 March 2023, an agreement to acquire a property in Pilotveien in Kristiansund, Norway, was entered into. The property has an estimated lettable area of 1 250 m^2

– On 14 April 2023, an agreement to acquire a property in Luftveien in Røyken, Norway, was entered into. The property has an estimated lettable area of 1 700 m^2

– On 19 April 2023, an agreement to acquire a land plot at Emblem in Ålesund, Norway, was entered into. The asset acquisition was completed 20 April 2023. The property is an existing leasehold with a currently lettable area of 700 m^2

Financial statements Self Storage Group ASA

Parent company income statement

(Amounts in NOK 1 000)

	Note	For the year ended 31 December 2022	For the year ended 31 December 2021
Other revenue	2	23 806	19 198
Salary and other employee benefits	3	- 28 872	- 22 686
Depreciations	4, 5	- 907	- 906
Other operating expenses	6	- 2 099	- 2 834
Operating profit		**- 8 072**	**- 7 228**
Finance income	7	106 260	89 874
Finance expense	7	- 55 392	- 35 760
Net financials		**50 868**	**54 114**
Profit before tax		**42 796**	**46 886**
Income tax expense	8	- 9 508	- 6 985
Net profit for for the year		**33 288**	**39 901**
Proposed profit appropriation			
Retained earnings		33 288	39 901
Total appropriation		**33 288**	**39 901**

Parent company statement of financial position

(Amounts in NOK 1 000)

	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Intangible assets	4	3 295	1 220
Investment in subsidiaries	9	1 781 088	1 481 058
Loans to group companies	10	366 167	537 184
Property, plant and equipment	5	2 191	3 448
Total non-current assets		**2 152 741**	**2 022 910**
Current assets			
Trade and other receivables		3 174	604
Receivables from group companies	10	74 475	76 901
Other current assets		-	-
Cash and bank deposits	11	116 326	60 398
Total current assets		**193 975**	**137 903**
TOTAL ASSETS		**2 346 716**	**2 160 813**
EQUITY AND LIABILITIES			
Equity			
Issued share capital	12, 13	9 467	9 467
Share premium	13	1 123 921	1 123 921
Retained earnings	13	93 572	60 284
Total equity		**1 226 960**	**1 193 672**
Liabilities			
Non-current liabilities			
Non-current interest-bearing debt	10, 14	1 048 168	898 168
Non-current debt to group companies	10	-	5 219
Deferred tax liabilities	8	156	54
Other non-current liabilities		634	320
Total non-current liabilities		**1 048 958**	**903 761**
Current liabilities			
Current interest-bearing debt	15	55 331	51 644
Trade and other payables		1 636	864
Income tax payable	8	9 406	6 650
Other taxes and withholdings		1 562	1 371
Other current liabilities		2 863	2 851
Total current liabilities		**70 798**	**63 380**
Total liabilities		**1 119 756**	**967 141**
TOTAL EQUITY AND LIABILITIES		**2 346 716**	**2 160 813**

Self Storage Group ASA

Oslo, April 27th, 2023

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 2022	For the year ended 31 December 2021
Cash flows from operating activities			
Profit before tax		42 796	46 886
Income tax paid	8	- 6 650	- 618
Net expensed interests and fees on borrowings and leases		- 14 817	20 438
Depreciation	4, 5	907	906
Unrealised gain/loss in foreign currency	7	47 624	4 422
Group contribution and dividend from subsidiaries	10, 7	- 55 561	- 71 087
Change in trade and other receivables		- 59	-
Change in receivables from group companies		- 6 325	834
Change in trade and other payables		771	306
Change in other current assets		- 2 147	618
Change in other current liabilities		1 233	- 10 871
Net cash flows from operating activities		**7 772**	**- 8 166**
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		- 1 725	- 3 028
Net cash flow of loan to subsidiaries		- 134 201	- 644 262
Net cash outflow on acquisition of subsidiaries		- 31	-
Net cash flows from investing activities		**- 135 957**	**- 647 290**
Cash flows from financing activities			
Proceeds from issue of equity instruments		-	291 999
Proceeds from borrowings	15	300 000	1 084 268
Group contribution and dividend from subsidiaries		62 919	16 168
Repayment of borrowings	15	- 149 200	- 809 162
Interest paid		- 29 606	- 25 444
Net cash flows from financing activities		**184 113**	**557 829**
Net change in cash and cash equivalents		55 928	- 97 627
Cash and cash equivalents at beginning of the period		60 398	158 025
Cash and equivalents at end of period	**11**	**116 326**	**60 398**

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

Revenue is related to management fees and centralised services to group companies. Revenues is recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Income tax

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

Balance sheet classification

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

Property, plant and equipment

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

Subsidiaries and investment in associates

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

Accounts receivable and other receivables

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

Short-term investments

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

Pensions

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

Cash flow statement

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

Note 2 Revenue

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

Note 3 Salary and other employee benefits

(Amounts in NOK 1 000)	For the year ended 31 December 2022	For the year ended 31 December 2021
Salaries and wages	- 23 874	- 18 555
Social security tax	- 3 483	- 2 709
Pension expense	- 1 082	- 819
Other	- 433	- 603
Total salary and other employee benefits	**- 28 872**	**- 22 686**
Average number of full time equivalent employees	33.4	26.2

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

Remuneration to the management team

Total remuneration to the management team during the year ended 31 December 2022 is as follows:

	Title	Salary and other benefits	Pension expense	Bonus	Total remuneration
Fabian Søbak	CEO	1 212	78	-	1 290
Cecilie Hekneby	CFO	2 126	116	-	2 242
Lars Moen	CPMO	996	82	-	1 078
Petter Løyning	CMO	750	42	-	792
Madeleine Svensson	COO (started 1.10.2022)	251	14	-	265
Sveinung Høyer-Trollnes	COO (left company 30.9.2022)	1 258	76	-	1 335
Henning Gravnås	CIO (left company 31.8.2022)	700	50	-	750
Total		**7 294**	**459**	**-**	**7 752**

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

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 (started 1.7.2021)	445	33	-	478
Petter Løyning	CMO (started 22.11.2021)	84	6		91
Total		**5 405**	**336**	**-**	**5 741**

Remuneration to Board of Directors during the year ended 31 December 2022

Name	Title	
Steven Skaar	Chairman of the Board*	-
Gustav Søbak	Boardmember and member of Audit Comittee	200
Yvonne Sandvold	Boardmember	170
Ingrid Elvira Leiser	Boardmember and Chair of Audit Comittee	230
Carl Ameln	Boardmember	170
Dominik Jochem	Chair of nomination Committee*	-
Lasse Høydal	Nomination Committee	10
Øyvind Hagelund	Nomination Committee	10
Total		**790**

Refrains from remuneration

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

No loans or guarantees have been provided to any employees, members of the Board or their related parties.

Note 4 Intangible assets

(Amounts in NOK 1 000)

Year ended 31 December 2022	Intangible assets	Total
Cost at 1 January 2022	3 151	3 151
Additions in the year	2 749	2 749
Cost at 31 Desember 2022	5 900	5 900
Accumulated depreciation at 1 January 2022	1 931	1 931
Depreciation in the year	674	674
Accumulated depreciation at 31 December 2022	2 605	2 605
Net carrying amount at 31 December 2022	**3 295**	**3 295**

Year ended 31 December 2021	Intangible assets	Total
Cost at 1 January 2021	2 876	2 876
Additions in the year	275	275
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**
Estimated useful life	3 year	
Depreciation method	straight-line	

Note 5 Property, plant and equipment

(Amounts in NOK 1 000)

Year ended 31 December 2022	Operating and office equipment	Total
Cost at 1 January 2022	3 922	3 922
Additions in the year	- 1 024	- 1 024
Cost at 31 Desember 2022	2 898	2 898
Accumulated depreciation at 1 January 2022	474	474
Depreciation in the year	233	233
Accumulated depreciation at 31 December 2022	707	707
Net carrying amount at 31 December 2022	**2 191**	**2 191**

Year ended 31 December 2021	Operating and office equipment	Total
Cost at 1 January 2021	1 169	1 169
Additions in the year	2 753	2 753
Cost at 31 Desember 2021	3 922	3 922
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**	**3 448**
Estimated useful life	5 year	
Depreciation method	straight-line	

Note 6 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 2022	For the year ended 31 December 2021
Audit fee	695	526
Other attestation services	175	63
Tax compliance services	-	-
Total fee to auditor	**870**	**589**

Note 7 Finance income and finance expense

(Amounts in NOK 1 000)

Finance income

	For the year ended 31 December 2022	For the year ended 31 December 2021
Group contribution	55 561	62 919
Dividend	-	8 168
Gain from transactions in foreign currency	214	36
Unrealised gain from transactions in foreign currency	28 472	-
Other finance income	22 013	18 751
Total finance income	**106 260**	**89 874**

Finance expense

	For the year ended 31 December 2022	For the year ended 31 December 2021
Loss from transactions in foreign currency	- 113	- 89
Unrealised loss from transactions in foreign currency	- 19 152	- 4 422
Interest cost	- 34 295	- 26 837
Other fees and charges	- 1 832	- 4 412
Total finance expense	**- 55 392**	**- 35 760**

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 8 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 2022	For the year ended 31 December 2021
Deferred tax expense	- 102	- 335
Current tax expense	- 9 406	- 6 650
Income tax expense	- 9 508	- 6 985

Income tax payable (balance sheet)	For the year ended 31 December 2022	For the year ended 31 December 2021
Income tax payable	9 406	6 650

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 2022	For the year ended 31 December 2021
Profit/(loss) before income tax	42 796	46 886
Statutory income tax rate	22%	22%
Expected income tax expense/(benefit)	- 9 415	- 10 315
Tax effect non deductible expenses	- 92	3 330
Correction previous years' taxes	-	-
Income tax expense/income for the year	**- 9 508**	**- 6 985**
Effective tax rate	-22%	-15%

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 2022	For the year ended 31 December 2021
Property, plant and equipment	- 156	- 54
Financial instruments	-	-
Deferred tax asset (liability)	**- 156**	**- 54**

Deferred tax has been calculated using a tax rate of 22 % for 2022 and 2021. This is the tax rates enacted as at 31 December 2022 and 31 December 2021.

Note 9 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 2022	Book value 31 Dec 2021	31 Dec 2022	31 Dec 2021
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	1 561 498	1 261 498	100%	100%
SSG Shared Services Norway AS	Head office services	Established 2022	30		100%	

Note 10 Balance with group companies

(Amounts in NOK 1 000)

Receivables	2022	2021
Loans to group companies		
OK Property AS	41 546	238 827
Breivollveien 25C AS	135 119	125 135
City Self-Storage A/S (Denmark)	189 502	173 222
Accounts receivable	8 338	1 953
Other receivables	66 137	74 948
Sum	**440 642**	**614 085**

Payables	2022	2021
Non-current debt to group companies	-	5 219
Other liabilities	743	743
Sum	**743**	**5 962**

Interest income from loans to group companies amounts to NOK 19.2 million in 2022 (2021: NOK 16.5 million) and interest expense from loans to group companies amounts to NOK 0.1 million in 2022 (2021: NOK 0.1 million)

Note 11 Cash and cash equivalents

(Amounts in NOK 1 000)

	As at 31 December 2022	As at 31 December 2021
Employee withholding tax	874	883
Bank deposits	115 452	59 515
Total cash and cash equivalents	**116 326**	**60 398**

Note 12 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 2022. All shares carry equal rights.

(Amounts in NOK)	For the year ended 31 December 2022	For the year ended 31 December 2021
Ordinary shares at beginning of period	94 678 584	84 328 584
Issue of ordinary shares from cash contribution	-	10 350 000
Ordinary shares at 31 December	**94 678 584**	**94 678 584**

List of main shareholders at 31 December 2022:

Shareholder	Country	Number of shares	Ownership percentage
The Bank of New York Mellon[1]	United States	27 206 078	28.7 %
Fabian Holding AS	Norway	8 565 000	9.0 %
GSS Invest AS	Norway	5 565 000	5.9 %
VERDIPAPIRFONDET ODIN EIENDOM	Norway	5 085 778	5.4 %
J.P. Morgan Securities LLC	United States	4 138 214	4.4 %
J.P. Morgan SE	Sweden	4 134 560	4.4 %
SOLE ACTIVE AS	Norway	3 277 601	3.5 %
SKAGEN M2 VERDIPAPIRFOND	Norway	3 225 402	3.4 %
BNP Paribas	Luxembourg	2 729 686	2.9 %
FIRST RISK CAPITAL AS	Norway	2 600 000	2.7 %
VERDIPAPIRFONDET HOLBERG NORGE	Norway	2 500 000	2.6 %
HSBC Bank Plc	United Kingdom	2 388 255	2.5 %
Danske Invest Norge Vekst	Norway	1 843 253	1.9 %
BNP Paribas	Luxembourg	1 449 756	1.5 %
The Bank of New York Mellon	Canada	1 291 183	1.4 %
State Street Bank and Trust Comp	United States	1 220 872	1.3 %
MUSTAD INDUSTRIER AS	Norway	1 155 635	1.2 %
Brown Brothers Harriman & Co.	United States	1 016 072	1.1 %
BNP Paribas	France	902 673	1.0 %
J.P. Morgan SE	Sweden	882 894	0.9 %
Other		13 500 672	14.3 %
Sum		**94 678 584**	**100%**

Shares held by Board of Directors and Executive Management

Board of Directors	Title	Amount of shares	Ownership percentage
Steven Skaar[2]	Chairman of the Board	27 206 078	28.7 %
Gustav Søbak (GSS Invest AS)	Board member	5 565 000	5.9 %
Carl August Ameln (First Risk Capital AS)	Board member	3 225 402	3.4 %
Ingrid Leisner (Duo Jag AS)[3]	Board member	10 390	0.0 %
Executive Management			
Fabian Søbak (Fabian Holding AS)	CEO	8 565 000	9.0 %
Cecilie Hekneby[4]	CFO	688 893	0.7 %
Lars Moen	CPMO	27 799	0.0 %
Petter Løyning	CMO	2 000	0.0 %
Madeleine Svensson	COO	500	0.0 %

Note 13 Changes in equity for the company

(Amounts in NOK 1 000)	Issued Share capital	Share premium	Retained earnings	Total equity
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**
Balance at 1 January 2022	**9 467**	**1 123 921**	**60 284**	**1 193 672**
Profit (loss) for the period	-	-	33 288	33 288
Issue of ordinary shares, net of transaction costs	-	-	-	-
Balance at 31 December 2022	**9 467**	**1 123 921**	**93 572**	**1 226 960**

Note 14 Non-current liabilities and receivables

(Amounts in NOK 1 000)

The Company has the following non-current liabilities:	2022	2021
Danske Bank	524 084	449 084
Handelsbanken	524 084	449 084
Non-current liabilities to subsidiaries	-	5 219
Payables to employees	634	320
Deferred tax liabilities	156	54
Non-current financial liabilities	-	-
Total non-current liabilities	**1 048 958**	**903 761**

The Company has the following non-current receivables:	2022	2021
Non-current receivables from subsidiaries	366 167	537 184
Total non-current receivables	**366 167**	**537 184**

[1] *The Bank of New York Mellon 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 28.7% 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*

Note 15 Maturity analysis financial liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortised costs.

	Amounts due in		
	less than 1 year	1-5 years	Total
For the year ended 31 December 2022			
Debt to financial institutions[1]	104 657	1 062 169	1 166 826
For the year ended 31 December 2021			
Debt to financial institutions[1]	74 023	928 081	1 002 104

[1]*Non-discounted amount including estimated interest*

Specification of loans

	2022	Currency	Maturity date	Interest rate
Handelsbanken and Danske Bank	1 103 499	NOK	Feb-24	3 months NIBOR +1.70 %
Total bank borrowings at amortised cost	**1 103 499**			
	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**			

Changes in liabilities arising from financing activities	Interest bearing borrowings
Opening balance 1 January 2022	**949 813**
Proceeds from borrowings	300 000
Interest expenses	32 492
Interests paid	- 29 606
Repayment of borrowing	- 149 200
Closing balance 31 December 2022	**1 103 499**

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 2022	**949 813**

SSG entered into a bank facility loan with Handelsbanken and Danske Bank in 2021. In December 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 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 2022, the Group is in compliance with all loan covenants, and also expects to comply with covenants throughout 2023.

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 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 (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. There are no effects related to hedging of interests is included in the profit and loss for 2022 and a gain of NOK 3.7 million in the finance income for 2021.

Trade and other payables are due within three months.

Note 16 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 10 Balances with Group companies.

There have not been any transactions between the Group and other related parties in 2022 or 2021.

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

Statement by the Board of Directors

We confirm that the financial statements for the period 1 January up to and including 31 December 2022, 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 27th, 2023

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

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

(Amounts in NOK 1 000)

Interest-bearing debt	**31 December 2022**	**31 December 2021**
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**
	2022	**2021**
Property-related expenses	-59 134	-44 414
Salary and other employee benefits	-49 557	-44 115
Other operating expenses	-43 411	-41 373
Total other operating expenses	**-152 102**	**-129 902**
Operating profit before fair value adjustments	203 621	186 060
EBIT	203 621	186 060
Total adjustments	1 014	3 416
Adjusted EBIT	204 635	189 476
Change in fair value of investment properties	- 147 242	319 996
Change in fair value of leasehold properties	- 49 346	- 46 356
Adjusted Profit before tax	- 9 149	444 032
Adjusted tax	1 451	- 92 728
Adjusted Net profit	**- 7 698**	**351 304**
Operating profit before fair value adjustments	203 621	186 060
Depreciation	- 20 900	- 16 863
EBITDA	224 521	202 923
Total adjustments	1 014	3 416
Adjusted EBITDA	**225 535**	**206 339**
Adjustments		
Revenue: release of historical liability (Acquisition of Minilageret AS)	-	507
Other operating expenses: acquisition costs	- 410	- 3 923
Salary and other employee benefits: severance packages	- 604	-
Total adjustments	**- 1 014**	**- 3 416**

Global Reporting Initiativ (GRI)

In addition to General Disclosures (2-1 to 2-30) and Material Topics (3-1 to 3-3), only GRI disclosures defined as material by Self Storage Group based on our materiality analysis, are included in the GRI Index. Self Storage Group has reported in accordance with the GRI Standards for the period 1 January to 31 December 2022.

Disclosure	Disclosure name	Page	Notes
GRI 2: General Disclosures 2021			
2-1	Organizational details	3, 20-21	Annual report 2022
2-2	Entities included in the organization’s sustainability reporting	56, 88	Annual report 2022
2-3	Reporting period, frequency and contact point	8, 10, 47, 56, 124	Annual report 2022
2-4	Restatements of information	NA	There have been no restatements in 2022
2-5	External assurance	NA	SSG has not requested external assurance for the Corporate Social Responsibility and Sustainability Report as of 2022. SSG will assess this practice in the future.
2-6	Activities, value chain, and other business relationships	3, 9-10, 17-19, 23, 41	Annual report 2022
2-7	Employees	38-39	Annual report 2022
2-8	Workers who are not employees	23	Annual report 2022
2-9	Governance structure and composition	44-46	Annual report 2022
2-10	Nomination and selection of the highest governance body	44-46	Annual report 2022
2-11	Chair of the highest governance body	NA	Not applicable as the chair of the highest governance body is not a senior executive in the organisation
2-12	Role of the highest governance body in overseeing the management of impacts	45-46	Annual report 2022
2-13	Delegation of responsibility for managing impacts	46	Annual report 2022
2-14	Role of the highest governance body in sustainability reporting	46	Annual report 2022
2-15	Conflicts of interest	43, 46	Annual report 2022
2-16	Communication of critical concerns	46	Annual report 2022
2-17	Collective knowledge of the highest governance body	45-46	Annual report 2022
2-18	Evaluation of the performance of the highest governance body	45-46	Annual report 2022
2-19	Remuneration policies	47, 79	Annual report 2022
2-20	Process to determine remuneration	47	Annual report 2022
2-21	Annual total compensation ratio	38-39	Annual report 2022
2-22	Statement on sustainable development strategy	6, 30	Annual report 2022
2-23	Policy commitments	31, 36, 42-44	Annual report 2022
2-24	Embedding policy commitments	46-47	Annual report 2022
2-25	Processes to remediate negative impacts	31-41	Annual report 2022
2-26	Mechanisms for seeking advice and raising concerns	46	Annual report 2022
2-27	Compliance with laws and regulations	21, 41	Annual report 2022
2-28	Membership associations	40	Annual report 2022
2-29	Approach to stakeholder engagement	31-32	Annual report 2022
2-30	Collective bargaining agreements	38	Annual report 2022

Disclosure	Disclosure name	Page	Notes
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	30-32	Annual report 2022
3-2	List of material topics	30-32	Annual report 2022
3-3	Management of material topics	31-41	Annual report 2022
Specific Standard Disclosures			
GRI 205: Anti-Corruption 2016			
205-1	Operations assessed for risks related to corruption	36	Annual report 2022
205-3	Confirmed incidents of corruption and actions taken	NA	There have been no such incidents in 2022
Main Category: Social			
3-3	Management of material topics	6, 30, 33, 36-39	Annual report 2022
GRI 403: Occupational Health and Safety 2018			
403-6	Promotion of worker health	33	Annual report 2022
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33	Annual report 2022
GRI 404: Training and Education 2016			
404-2	Programs for upgrading employee skills and transition assistance programs	38-39	Annual report 2022
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	36	Annual report 2022
405-2	Ratio of basic salary and remuneration of women to men	39	Annual report 2022
GRI 406: Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	NA	There have been no such incidents in 2022

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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 2022 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 2022, 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 2022 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 2022 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 6 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 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of freehold investment property

Basis for the key audit matter
The freehold investment property in the consolidated statement of financial position are recorded at fair value, amounting to NOK 2 529.5 million, equal to 70% of the total assets. The negative change in fair value recorded in the income statement amounted to NOK 147 million in 2022. 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 assessed the estimates and the movements in the fair value of the freehold investment property with management and the external appraiser, particularly in light of the development in the real estate market in 2022. 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 principles (section Investment Property), note 4 Critical accounting judgements and key sources of estimation uncertainty, and note 9 Investment property in the consolidated financial statements.

Other information

Other information consists of the information included in the 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, the statement on corporate governance 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 the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

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

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

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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.

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

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describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

Opinion

As part of the audit of the financial statements of Self Storage Group ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 254900TSU8Q0HCFHLY03-2022-12-31-en, have 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 pursuant to 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 the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, 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. We conduct our work 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 about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include 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, 27 April 2023
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The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

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