

Interim Report Q1 2023

Self Storage Group ASA



**Self
Storage
Group**

Contents

Highlights.....3

Key Figures.....4

Financial development.....5

Strategy11

Corporate developments 14

Risks and uncertainty factors 15

Outlook..... 16

Financials..... 18

Alternative performance measures (APMs).....30



Highlights

The first quarter 2023 was another strong quarter for Self Storage Group (SSG) with solid organic revenue and EBITDA-growth. SSG continues to develop new facilities and opened 4 200 m² current lettable area (CLA) and three new facilities in the first quarter. The Swedish facility Gärdet was discontinued in Q1 2023 due to a lease expiration, and a net compensation of NOK 2.6 million is classified as non-recurring.

Total revenue adjusted for non-recurring items has increased by 11 % compared with first quarter 2022. Rents were CPI-adjusted during the first quarter and Like-for-Like (L-f-L)¹ average rent for the quarter compared with the first quarter 2022 increased by 8% to 2 537 per m² per year. L-f-L occupancy for the first quarter is 86.8% (86.9%) is near target, although impacted by the slower winter-season.

The positive development in operating profit in the quarter is offset by the negative non-cash effects from change in fair value of freehold investment property, change in fair value of financial instruments and unrealised loss in foreign currency related to Danish kroner.

The yield expansion in the property market starting in the autumn of 2022 following rising interest rates has continued into 2023. SSG's independent appraiser has estimated a negative change in the fair value of the Group's freehold investment properties as of March, this is partly offset by freehold investment properties first time appraised in the quarter. Net change in fair value amounts to NOK -22.5 million. Following change in the value of the portfolio, the loan to value ratio stands at moderate 42% at the end of the quarter.

At the end of the quarter a new bank facility agreement for 3+1+1 years with Handelsbanken, Danske Bank and Nordea was signed. The new bank facility replaces the bank facility agreement of 2021 and provides the Group financial flexibility for further growth. SSG has favourable financial terms with 67% of total interest-bearing debt swapped to fixed rates at low levels as of end March 2023. The interest rate swaps mature in 2025 and 2026.

The Group has a strong pipeline and a solid foundation for further profitable growth and expansion in the Nordics.

- Adjusted revenues of NOK 101.7 million, up 11% from NOK 92.0 million in Q1 2022
- Adjusted EBITDA of NOK 57.2 million, up 12% from NOK 51.0 million in Q1 2022
- Like-for-Like occupancy in Q1 2023 is 86.8% (86.9%) with an average rent per m² of NOK 2 537 per year (NOK 2 340)
- Acquisition of six properties in the quarter adding 7 230 m² in potential CLA to the portfolio
- Signing of a new bank facility agreement at favourable terms

¹Facilities with same CLA in Q1 23 as in Q1 22 + / - 50 m²

Key Figures¹

(Amounts in NOK million)	Q1 2023	Q1 2022	Full year 2022
Revenue	105.1	92.0	392.2
Lease expenses	(4.4)	(3.8)	(15.5)
Total other operating expenses	(41.0)	(37.2)	(152.1)
Total adjustments	(2.6)	–	1.0
Adjusted EBITDA	57.2	51.0	225.5
Adjusted EBIT	51.8	46.2	204.6
Change in fair value of freehold investment property	(22.5)	6.1	(147.2)
Change in fair value of leasehold investment property	(13.4)	(12.4)	(49.3)
Net finance	(22.9)	16.2	(17.2)
Adjusted Profit before tax	(6.9)	56.2	(9.1)
Adjusted Net Profit	(13.5)	46.7	(7.7)
Current lettable area (in thousands m ²)	190.0	176.2	185.8
Lettable area under development (in thousands m ²)	38.7	38.1	35.8
Number of facilities	139	129	135

¹Non-GAAP measures are defined on page 30



Financial development

Self Storage Group (SSG) continues to experience strong demand for its services, and adjusted revenue increased by 11% to NOK 101.7 million in the first quarter 2023 compared with first quarter 2022. Like-for-Like (L-f-L) facilities with comparable m² in Q1 23 and Q1 22 was 86.8% in the first quarter of 2023. Occupancy for facilities in operation more than 12 months and defined as mature, was 84.5% (88.8%) in the first quarter of 2023. Occupancy in the quarter is impacted by the slower winter-season in addition to an increased share of large facilities newly defined as mature, but still in lease up. Current lettable area (CLA) at the end of March 2023 was 190 000 m², of which 173 200 m² had been in operation for more than 12 months. The CLA increased by 4 200 m² during the first quarter. SSG has accelerated growth and plans to open 20 000+ m² during 2023. Six properties were acquired in the first quarter of 2023, contributing to the development pipeline of 38 700 m² CLA.

Rents were CPI adjusted in January 2023, and street-rates and the use of entry-offers are constantly evaluated. Measures to increase rent were initiated in 2022, and the average rent for L-f-L per m² increased by 8% to NOK 2 537 per year in the first quarter 2023. Average rent for mature facilities also increased by 8% to NOK 2 512 per year in the first quarter 2023 up from NOK 2 322 in the first quarter 2022.

The value of the freehold investment portfolio increased by NOK 121.0 million during the first quarter to a total of NOK 2 651 million. The increase from acquisitions and expansions amounts to NOK 126.2 million, the decrease from change in fair value YTD amounts to NOK -22.5 million and the increase from positive currency differences amounts to NOK 17.3 million. The yield expansion in the property market starting in the autumn of 2022 following rising interest rates has continued into 2023. SSG's independent appraiser has estimated a negative change in the fair value of the Group's freehold investment properties as of March, this is partly offset by freehold investment properties appraised in the quarter. Net change in fair value amounts to NOK -22.5 million. This is a non-cash P&L charge and there are no other negative elements impacting the valuation of the portfolio. The strategy of the Group is to own and operate acquired properties for a long period. Hence temporary yield fluctuation does not have any impact on the day-to-day operation or underlying operational result.

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

Revenue

Total revenue for Q1 2023 was NOK 105.1 million. NOK 3.4 million of the revenue is attributable to a compensation received in the quarter related to the discontinued leasehold at Gärdet in Sweden. The compensation is booked as other income and classified as non-recurring. Adjusted revenue of NOK 101.7 million is an increase of NOK 9.7 million from Q1 2022.

Rental income from self-storage services was NOK 92.1 million in Q1 2023, an increase of NOK 6.7 million from Q1 2022. The increase is related to organic growth in lettable area through opening of new facilities and expansions and increased average rent. Increased self-storage revenue from the CSS-segment amounts to NOK 5.1 million, while increased self-storage revenue from the OKM-segment amounts to NOK 1.6 million compared to Q1 2022. Income from rental of containers from both segments amounts to approximately 8 % of the Group's self-storage revenue.

Other revenue adjusted for non-recurring revenue was NOK 9.6 million in Q1 2023, an increase of NOK 3.0 million compared with Q1 2022. Other revenue consists of revenue from distribution of insurance, ancillary services, rental income from segments other than self-storage and other income. The income from office tenants fluctuates due to contracts expiring and office space being converted to self-storage.

The Danish and Swedish krone strengthened against NOK during Q1 2023 compared to Q1 2022. In total there is a foreign exchange effect attributable to the revenue in SEK and DKK of NOK 2.1 million when comparing Q1 2023 and Q1 2022.

Lease expenses

According to IFRS 16 long-term leasehold agreements are treated as financial leases. Lease expenses consist of leasehold contracts classified as short-term. Lease expense was NOK 4.4 million in Q1 2023, up from NOK 3.8 million in Q1 2022. Lease expenses for short term contracts in first quarter 2023 are impacted by high CPI-adjustments for 2023 and exchange rate effects on lease agreements in DKK and SEK. Lease expense is impacted if long-term contracts expire and are renegotiated to short-term contracts, if new short-term contracts are signed, or if short-term contracts are renegotiated to long-term contracts.

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

At the end of March 2023, 60% of the current lettable area in SSG is held freehold, compared to 54% at the end of March 2022. 51% of current lettable area in the City Self-Storage segment is freehold, while 74% of current lettable area in OK Minilager is freehold. The share of freehold property is increasing in both segments.



Property-related expenses

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

Property-related expenses in Q1 2023 were NOK 17.3 million. Move-out costs related to the discontinued lease contract at Gärdet in Sweden amounts to NOK 0.8 million and are classified as non-recurring. Adjusted property-related expenses of NOK 16.5 million is an increase of NOK 1.8 million compared to Q1 2022. The increase is mainly related to the increased number of facilities and CLA in the portfolio and level of maintenance compared with one year earlier. Lettable area in SSG has increased by 13 800 m² (8%) and ten facilities since March 2022. SSG has a strong pipeline of 38 700 m², and costs related to properties not yet in operation, like property tax and insurance, impact property cost in the first quarter 2023.

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. Costs to electricity and heating are NOK 0.7 million lower in the first quarter 2023 than in the first quarter 2022 and constitute 21% of property-related expenses in the first quarter 2023 (28%).

Salary and other employee benefits

Salary and other employee benefits in Q1 2023 were NOK 14.0 million, an increase of NOK 1.1 million from Q1 2022. The increase is related to annual wage increases and changes in the mix of positions in the Group, due to some positions having been replaced with positions that require more formal competence and hence higher salaries. The number of full-time employee equivalent (FTE) was 63 FTE as of March 2023 compared with 67 FTE at the end of March 2022.

Depreciation

Depreciation in Q1 2023 was NOK 5.3 million, an increase of NOK 0.6 million compared to first quarter 2022.

The depreciation is mainly related to fit-out and other equipment for new facilities and expansions. Maintenance is posted as a property-related expense.

Other operating expenses

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

In Q1 2023 other operating expenses amounted to NOK 9.7 million which is the same level as in first quarter 2022. There were no non-recurring items impacting other operating expenses in first quarter 2023 nor in first quarter 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 sustainable growth.

Adjustments

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

(NOK 1 000)	Q1 2023	Q1 2022	Full year 2022
Revenue: compensation discontinued lease contract Gärdet	3 432	-	-
Property-related expenses: move-out costs discontinued lease contract Gärdet	(840)	-	-
Salary and other employee benefits: severance packages	-	-	(604)
Other operating expenses: acquisition costs	-	-	(410)
Total adjustments	2 592	-	(1 014)

Change in fair value of investment property

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

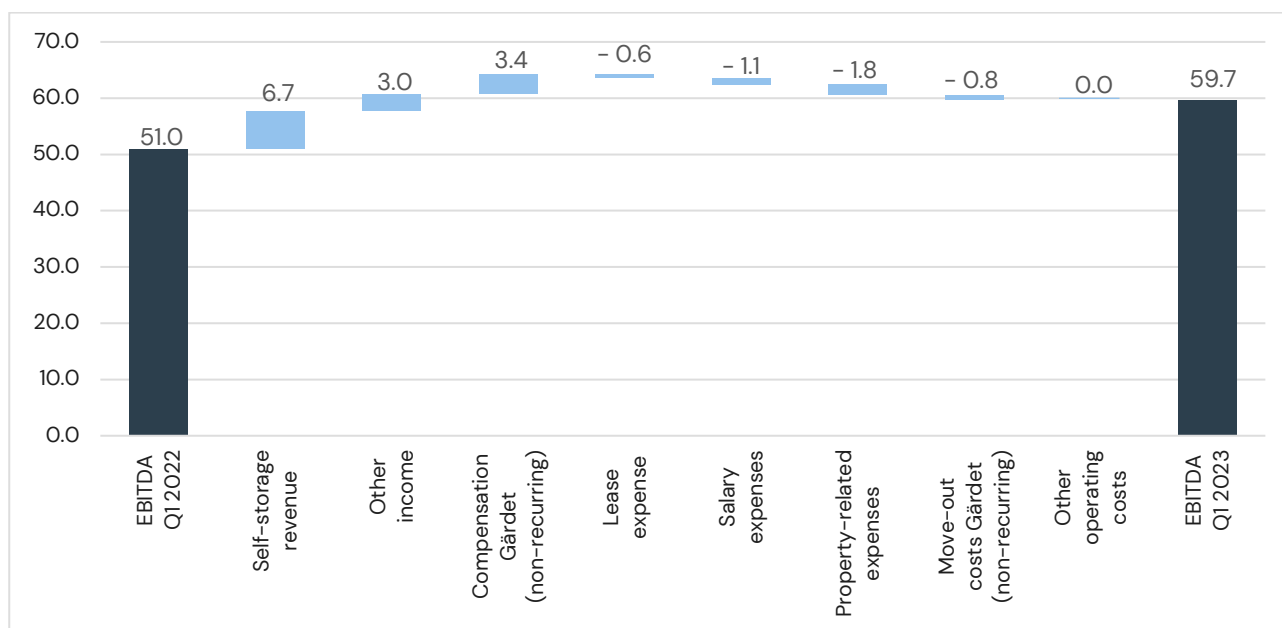
The total average yield in the Group was 5.6% as of 31 December 2022. All freehold properties were appraised by an independent appraiser during the fourth quarter of 2022. For first quarter 2023 the independent appraiser estimated a negative change in the fair value of freehold investment properties driven by rising interest rates and the following yield expansion in the property market. Net change in fair value from yield expansion and freehold investment properties appraised in Q1 2023 amount to NOK -22.5 million. This is a non-cash P&L charge and there are no other negative elements impacting the valuation of the portfolio. The strategy of the Group is to own and operate acquired properties for a long period. Hence temporary yield fluctuation does not have any impact on the day-to-day operation or underlying operational result. Fair value of freehold investment property was NOK 2 651 million as of 31 March 2023, compared to NOK 2 530 million on 31 December 2022.

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 Q1 2023 was NOK -13.4 million, compared to NOK -12.4 million in Q1 2022. 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 452.6 million on 31 March 2023, compared to NOK 445.9 million on 31 December 2022.

EBITDA and profit before tax

EBITDA in Q1 2023 was NOK 59.7 million, an increase of NOK 8.7 million since Q1 2022. There were NOK 2.6 million defined as non-recurring items in Q1 2023, and none in Q1 2022. The Danish and Swedish krone strengthened against NOK during Q1 2023 compared to Q1 2022. In total, the effect on EBITDA for both currencies in Q1 2023 compared to Q1 2022 was positive with NOK 0.6 million.

In Q1 2023, adjusted EBITDA grew 12% when compared to adjusted Q1 2022. EBITDA for Q1 2023 vs Q1 2022 is visualised below.



Net finance amounted to NOK -22.9 million in Q1 2023, compared to NOK 16.2 million in Q1 2022. Financial income in Q1 2023 was NOK 20.5 million, a decrease of NOK 12.1 million compared to Q1 2022. The financial income in Q1 2022 was strongly affected by a positive change in fair value of financial instruments. The financial expense in Q1 2023 was NOK -43.3 million, an increase of NOK 27.0 million compared to Q1 2022 and is strongly affected by unrealised loss in foreign currency related to Danish kroner. Net interest income and expense on interest-bearing debt in the first quarter 2023 amounted to NOK 4.6 million compared to NOK 6.0 million in first quarter 2022.

On 31 March 2023 a new bank facility agreement for 3+1+1 years with Handelsbanken, Danske Bank and Nordea was signed, providing the Group financial flexibility for further growth. SSG has favourable financial terms with interest rate swaps covering 67% of total interest-bearing debt as of end March 2023. The interest rate swaps will mature in 2025 and 2026. Detailed terms and conditions of the new bank facility agreement and development on net finance are disclosed in note 7 and 9.

Adjusted profit before tax in Q1 2023 was NOK -6.9 million, compared to NOK 56.2 million in Q1 2022. The positive development in operating profit is offset by negative non-cash effects from change in fair value of freehold investment property, fair value of financial instruments and unrealised loss in foreign currency.

Statement of financial position

Total assets were NOK 3 704 million as of 31 March 2023, compared to NOK 3 638 million on 31 December 2022, an increase of NOK 65.3 million.

Freehold investment property increased by NOK 121.0 million from 31 December 2022 to NOK 2 651 million as of 31 March 2023. The increase is related to the acquisition of six properties, four in Norway and two in Denmark, investments in several development and conversion projects and exchange differences, partly offset by the change in fair value YTD of NOK -22.5 million.

Leasehold investment property was NOK 452.6 million on 31 March 2023, an increase of NOK 6.7 million from 31 December 2022. Lease liabilities at the end of March 2023 were NOK 482.7 million, an increase

of NOK 8.1 million compared to the end of December 2022. The increases are related to two renegotiated lease contracts 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 first three months of 2023 for the assets and lease payments due to passage of time for the first three months of 2023 for the liability.

Cash and bank deposits decreased by NOK 84.8 million to NOK 109.2 million at the end of March 2023 from December 2022. The main changes in cash and bank deposits for the first three months of 2023 relate to net cash outflow on acquisitions and additions to freehold investment property, partly offset by cash from operating activities and NOK 50.0 million in proceeds from the revolving credit facility of 2021. Net proceeds from repayment of the term- and revolving credit facility from 2021 and payment of the new term loan were paid out in April 2023, subsequent to the quarter. SSG invoices customers in advance, which reduces credit risk and provides stable working capital. Other current liabilities consist mainly of prepaid income.

Interest-bearing debt¹ amounts to NOK 1 121 million at the end of March 2023, an increase of NOK 31.9 million from December 2022. The Group's interest rate swaps cover 67% of total interest-bearing debt as of end March 2023. Loan to value¹ of freehold investment property is 42% as of end March 2023, compared to 43% at the end of December 2022. The loan facility has several covenants². As of 31 March 2023, 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 March 2023 interest-bearing debt less cash was NOK 1 012 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 March 2023 was NOK 1 827 million, an increase of NOK 19.3 million from December 2022. The increase is attributable to total comprehensive income. The equity ratio was 49% at the end of March 2023, compared to 50% at the end of December 2022.

Cash flow

SSG has strong cash flow. Net cash flow from operating activities during Q1 2023 was NOK 47.6 million, compared to NOK 35.0 million in Q1 2022. Due to increase in operational profit, the net cash flow from operating activities adjusted for non-cash items increased for the first quarter of 2023 compared to the first quarter of 2022. This increase is partly offset by timing differences for receivables and payments in Q1 2023 compared to Q1 2022.

Net cash flow from investing activities during Q1 2023 was NOK -143.8 million compared to NOK -60.8 million during Q1 2022. Payments for investment property includes acquisition of new properties, development of properties and additions to existing properties. Payments for property, plant and equipment consists mainly of new fit-out. Net cash outflow for acquisition of subsidiaries includes acquisitions accounted for as an asset acquisition if completed in the quarter. These investing activities are in line with the Group's strategy.

Net cash flow from financing activities was NOK 9.5 million for Q1 2023, compared to NOK -34.3 million for Q1 2022. Net cash flow from financial activities in Q1 2023 was affected by proceeds from borrowing amounting to NOK 50.0 million, repayment of loan and interest paid amounting to NOK -22.7 million and net payment of lease liabilities and payments of lease classified as interests amounted to NOK -17.8 million.

SSG's cash balance at the end of March 2023 was NOK 109.2 million.

¹Non-GAAP measures are defined on page 30

²See note 7 for the Group's covenants



Strategy

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

The Group operates under two separate brands: OK Minilager and City Self-Storage. These two brands focus on different market segments and provide a strong platform for serving customers with different preferences and needs. The Group's vision is to enable people to take care of their belongings and organise their lives by being the leading Scandinavian self-storage provider with safe, smart and accessible solutions. SSG offers self-storage solutions in all Scandinavian countries, with a primary focus on the major cities through City Self-Storage, and a nationwide presence in Norway through OK Minilager. All City Self-Storage facilities are climate controlled, while OK Minilager offers both climate controlled and container-based storage facilities.

SSG aims to develop a business model that is sustainable with a low carbon footprint, and the Group believes it to be important that it engages in how to make a difference for customers as well as for the employees. SSG is determined to include sustainability as an integrated part of the business. Even though the industry in general has a low carbon footprint, SSG still has potential related to sustainability, and plans to continue the journey to achieve its potential.

The strategy is to develop the Group further and to expand the total lettable area by investing in new freehold facilities, in Norway as well as in Denmark and Sweden. Acquisition of established self-storage providers in the Nordics will continue to be part of SSG's strategy. Going forward new facilities will primarily be established as freehold properties to ensure long-term access to attractive locations at a lower running cost. In identifying such properties, the Group will focus on factors such as location, capex and conversion time. Freehold investment properties in Norway are held in the 100% owned company OK Property AS, and leased to the operating companies in the Group.

Business concepts

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

OK Minilager

is a nationwide self-storage concept offered in the Norwegian market and the strategy is to continue to increase its presence in all major regions and communities in Norway. The planned expansion will mainly be composed of freehold properties, including a combination of purpose-built facilities and conversion of existing buildings. OK Minilager has 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 acquisition of Trollhätten in 2022 and the signed agreements to acquire two properties in 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-served, customer service is becoming an even more important aspect of the customer journey. SSG considers it a significant competitive advantage to provide a seamless and well-integrated user experience by combining easy to use online booking systems with around-the-clock accessible customer service on multiple platforms. Self Storage Group was a pioneer in this area and has constantly innovated in order to improve the user experience. The company offers user-friendly online booking solutions and personal customer service across several formats such as phone, mail, chat and social media. This has been a contributing factor to why both OK Minilager and City Self-Storage have established themselves amongst the leading self-storage providers in Scandinavia.

Track record of rapid and profitable growth

Both OK Minilager and City Self-Storage have displayed solid financial track records with increasing revenues and continuously improving EBITDA margins. The Group has an ambitious growth plan, and the management team has demonstrated the ability to handle rapid growth without jeopardising profitability. SSG was listed on Oslo Stock Exchange in 2017. The Group has grown strongly over the last five years and has consistently delivered solid revenue and EBITDA-results. SSG has succeeded in attracting investors and raising capital and is well positioned to continue to execute its strategy.



Corporate developments

Acquisitions

Acquired properties ¹	Area	Transaction quarter	Total potential lettable area (m ²)	Transaction value (NOK million)	Closing quarter	Estimated opening quarter
Emblem ²	Ålesund, Norway	Q2 2023	700	9.0	Q2 2023	Existing leasehold
Luftveien	Røyken, Norway	Q2 2023	1 700	25.0	2024	2024
Pilotveien	Kristiansund, Norway	Q1 2023	1 250	16.5	Q4 2023	Q1 2024
Lundavägen	Malmö, Sweden	Q1 2023	4 700	40.2	Q2 2023	Q1 2024
Gl. Jennumvej 3	Randers, Denmark	Q1 2023	550	3.7	Q1 2023	Q4 2023
Agnesfridsvägen 185	Malmö, Sweden	Q1 2023	1 200	13.6	Q2 2023	Q4 2023
Friis Hansens vej 9	Vejle, Denmark	Q1 2023	1 400	16.3	Q1 2023	Q4 2023
Sandviken	Bergen, Norway	Q1 2023	430	7.5	Q1 2023	Q3 2023
Fidjemoen	Kristiansund, Norway	Q4 2022	2 300	19.0	Q1 2023	Q3 2023
Porsgrunn	Porsgrunn, Norway	Q2 2022	1 500	17.8	Q1 2023	Q1 2023
Storebotn Næringspark	Askøy, Norway	Q4 2021	1 050	12.0	Q1 2023	Q1 2023
Deliveien 21	Vestby, Norway	Q4 2021	1 500	15.6	Q2 2023	Q3 2023
Total			11 930	131.8		

¹Properties with closing quarter in 2023 or later

²Acquisition of plot



Risks and uncertainty factors

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

There has been an increase in the interest rate level in the market, but the Group has attractive financial terms on its interest bearing loans, but is exposed to interest rate risk. SSG 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 67% of total interest-bearing debt as of March 2023. These agreements will reduce the risk of high volatility in future interest payments.

Since the end of 2022 there has been a depreciation of NOK compared to SEK and DKK. In Denmark and Sweden both revenue and costs are in local currency, and purchases in EUR and GBP are mostly related to fit-out capitalised in the balance sheet. The table in note 5 in the Annual Report for 2022 showing currency effects on the Groups profit if the exchange rate fluctuates is still valid.

SSG has a strong pipeline of 38 700 m² of freehold lettable area under development, and is focused on growing its freehold footprint, both by developing high-quality freehold facilities and opportunistically acquiring freehold properties where SSG has an existing leasehold interest.

SSG is affected by any changes in the price of steel, as steel is the main component in the fit-out installation on new facilities, and expansions of existing facilities. The price of steel has increased as a result of macroeconomic changes the last years. With the increased fit-out material cost, SSG is focusing on negotiating terms with the Group's suppliers and utilizing 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. Fit-out cost only has a small impact on new project costs (i.e. 10–15% of total project budget).

With the exception of the above-mentioned changes there are no significant changes in the risks and uncertainty factors compared to the descriptions in the Annual Report for 2022.



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 March 2023, the Group operates 139 facilities across Scandinavia with a total lettable area of 228 700 m² and current lettable area of 190 000 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 near target level. 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 beyond annual CPI-adjustments.

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 38 700 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.

In 2022 SSG initiated an organic growth journey in both Denmark and Sweden with a property acquisition in Esbjerg (Denmark) and Trollhättan (Sweden). In the first quarter 2023 two properties have been acquired in Denmark (Vejle and Randers), and two acquisitions have been signed in Malmö, Sweden. Combined with organic growth opportunities within existing properties, the Group’s footprint is set to grow in the Danish and Swedish markets.

SSG is well positioned in an inflationary environment as the positive effect of CPI-adjustment on rental income exceeds the impact of 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 the new identity and communications strategy for both OK Minilager and City Self –Storage will continue in 2023. A new visual identity for SSG will be implemented during the summer. 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 enjoys attractive financing provided by relationship banks at attractive terms, including undrawn lines, and has a very healthy liquidity position. The signing of a new bank facility agreement for 3+1+1 years in the first quarter 2023 provides SSG financial flexibility to continue to execute on the Group's strategy.

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.

Oslo, 12 May 2023
Board of Directors, Self Storage Group ASA



Financials

Condensed consolidated statement of comprehensive income

(Amounts in NOK 1 000)	Note	Unaudited Q1 2023	Unaudited Q1 2022	Unaudited Full year 2022
Revenue	3	105 131	91 952	392 161
Lease expenses	3,8	(4 403)	(3 754)	(15 538)
Property-related expenses	3	(17 292)	(14 633)	(59 134)
Salary and other employee benefits	3	(13 964)	(12 824)	(49 557)
Depreciation		(5 322)	(4 754)	(20 900)
Other operating expenses	3	(9 730)	(9 739)	(43 411)
Operating profit before fair value adjustments		54 420	46 248	203 621
Change in fair value of freehold investment property	5	(22 468)	6 148	(147 242)
Change in fair value of leasehold investment property	5,8	(13 370)	(12 404)	(49 346)
Operating profit after fair value adjustments		18 582	39 992	7 033
Finance income	9	20 465	32 575	60 245
Finance expense	7,8,9	(43 353)	(16 381)	(77 441)
Profit before tax		(4 306)	56 186	(10 163)
Income tax expense		(4 140)	(9 485)	1 612
Profit for the period		(8 446)	46 701	(8 551)
Profit/loss attributable to owners of the parent		(8 446)	46 701	(8 551)
Profit/loss attributable to non-controlling interests		-	-	-
Earnings per share				
Basic (NOK)	4	(0.09)	0.49	(0.09)
Diluted (NOK)	4	(0.09)	0.49	(0.09)
Other comprehensive income, net of income tax				
Items that may be reclassified subsequently to profit or loss				
- currency translation difference		27 752	(10 398)	12 420
Other comprehensive income for the period, net of income tax		27 752	(10 398)	12 420
Total comprehensive income for the period		19 306	36 303	3 869
Total comprehensive income for the year attributable to owners of the parent		19 306	36 303	3 869
Total comprehensive income for the year attributable to non-controlling interests		-	-	-



Condensed consolidated statement of financial position

(Amounts in NOK 1 000)		Unaudited	Audited
	Note	31 March 2023	31 December 2022
ASSETS			
Non-current assets			
Freehold investment property	5	2 650 575	2 529 540
Leasehold investment property	5,8	452 584	445 873
Property, plant and equipment	8	215 059	198 999
Goodwill		185 333	187 496
Financial instruments		37 580	39 497
Other intangible assets		3 185	3 099
Deferred tax assets		40	37
Total non-current assets		3 544 356	3 404 541
Current assets			
Inventories		1 495	1 467
Trade and other receivables		22 872	17 620
Other current assets		25 559	20 502
Cash and bank deposits		109 247	194 089
Total current assets		159 173	233 678
TOTAL ASSETS		3 703 529	3 638 219
EQUITY AND LIABILITIES			
Equity			
Issued share capital	6	9 467	9 467
Share premium		1 082 657	1 082 657
Currency translation reserve		38 361	10 609
Retained earnings		696 604	705 050
Total equity		1 827 089	1 807 783
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing debt	7	1 065 625	1 033 562
Non-current lease liabilities	7,8	430 644	425 796
Other financial liabilities		826	634
Deferred tax liabilities		178 852	178 839
Total non-current liabilities		1 675 947	1 638 831
Current liabilities			
Current interest-bearing debt	7	55 186	55 331
Current lease liabilities	7,8	52 041	48 835
Trade and other payables		24 932	18 486
Income tax payable		16 308	16 040
Other taxes and withholdings		6 967	6 761
Other current liabilities		45 059	46 152
Total current liabilities		200 493	191 605
Total liabilities		1 876 440	1 830 436
TOTAL EQUITY AND LIABILITIES		3 703 529	3 638 219



Condensed consolidated statement of Changes in Equity

(Amounts in NOK 1 000)	Issued Share capital	Share premium	Currency translation reserve	Retained earnings	Total equity
Balance at 1 January 2022	9 467	1 082 657	(181)	713 601	1 803 914
Profit (loss) for the period	-	-	-	46 701	46 701
Other comprehensive income (loss) for the period net of income tax	-	-	(10 398)	-	(10 398)
Total comprehensive income for the period	-	-	(10 398)	46 701	36 303
Balance at 31 March 2022 (Unaudited)	9 467	1 082 657	(12 209)	760 302	1 840 217
Balance at 1 January 2023	9 467	1 082 657	10 609	705 050	1 807 783
Profit (loss) for the period	-	-	-	(8 446)	(8 446)
Other comprehensive income (loss) for the period net of income tax	-	-	27 752	-	27 752
Total comprehensive income for the period	-	-	27 752	(8 446)	19 306
Balance at 31 March 2023 (Unaudited)	9 467	1 082 657	38 361	696 604	1 827 089



Condensed consolidated statement of Cash flows

(Amounts in NOK 1 000)		Unaudited	Unaudited	Unaudited
	Note	Q1 2023	Q1 2022	Full year 2022
Cash flow from operating activities				
Profit before tax		(4 306)	56 186	(10 163)
Income tax paid		(7 646)	(9 316)	(11 123)
Net expensed interest and fees on borrowings and leases		25 785	5 709	49 505
Depreciation		5 322	4 754	20 900
Gain/loss on disposal of property, plant and equipment		-	-	(78)
Unrealised gain/loss in foreign currency	9	11 553	(5 318)	1 598
Change in fair value of financial instruments	9	1 917	(22 346)	(25 338)
Change in fair value of freehold investment property	5	22 468	(6 148)	147 242
Change in fair value of leasehold investment property	5,8	13 370	12 404	49 346
Change in trade and other receivables		(5 252)	1 062	(176)
Change in trade and other payables		6 446	3 579	4 724
Change in other current assets		(5 177)	(6 318)	(948)
Change in other current liabilities		(16 930)	793	(19 014)
Net cash flow from operating activities		47 550	35 041	206 475
Cash flow from investing activities				
Payments for freehold investment property		(81 943)	(22 183)	(176 158)
Payments for property, plant and equipment		(20 667)	(13 884)	(58 127)
Proceeds from disposal of property, plant and equipment		-	-	165
Net cash outflow on acquisition of subsidiaries		(41 210)	(24 711)	(52 745)
Net cash flow from investing activities		(143 820)	(60 778)	(286 865)
Cash flow from financing activities				
Proceeds from borrowings	7	50 000	-	300 000
Repayment of borrowings	7	(12 500)	(12 300)	(149 200)
Interest paid	7,9	(10 187)	(6 494)	(29 606)
Payments of lease liabilities	7,8	(12 954)	(11 206)	(45 915)
Payments of interest on lease liabilities	7,8,9	(4 844)	(4 251)	(16 438)
Net cash flow from financing activities		9 515	(34 251)	58 841
Net change in cash and cash equivalents		(86 755)	(59 988)	(21 549)
Cash and cash equivalents at beginning of the period		194 089	214 746	214 746
Effect of foreign currency rate changes on cash and cash equivalents		1 913	(773)	892
Cash and equivalents at end of the period		109 247	153 985	194 089



Note 1 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property, which is measured at fair value with gains and losses recognised in profit or loss. The interim financial statements were approved by the Board of Directors on 12 May 2023.

Note 2 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2022. The Group has not early adopted any standard, interpretation or amendment with effective date after 1 January 2023. None of the standards, amendments or interpretations with effective date from 1 January 2023 have had a significant impact on the consolidated interim financial statements. 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. The interim financial statements are unaudited.

The Group assesses indicators of impairment of property, plant and equipment, right to use assets, intangible assets and financial investments continuously. As of 31 March 2023, the freehold investment portfolio was appraised, resulting in a change in fair value of NOK -22.5 million in Q1 2023. No further indicators of impairment are identified.



Note 3 Segment information

(Amounts in NOK 1 000)

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

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

The Group's reportable segments are as follows:

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

Q1 2023	CSS	OKM	Property	HQ	Other/ eliminations	IFRS 16	Total
Rental income from self-storage services	66 101	26 016	-	-	-	-	92 117
Other income	10 464	912	34 354	-	(32 716)	-	13 014
Lease expenses	(39 559)	(13 948)	-	(376)	32 716	16 764	(4 403)
Other operating costs	(24 072)	(7 241)	(6 438)	(3 235)	-	-	(40 986)
EBITDA	12 934	5 739	27 916	(3 611)	-	16 764	59 742
Reconciliation to profit before tax as reported under IFRS							
Depreciation							(5 322)
Change in fair value of freehold investment property							(22 468)
Change in fair value of leasehold investment property							(13 370)
Finance income							20 465
Finance expense							(43 353)
Profit before tax							(4 306)



Q1 2022	CSS	OKM	Property	HQ	Other/ eliminations	IFRS 16	Total
Rental income from self-storage services	60 954	24 432	-	-	-	-	85 386
Other income	5 029	115	27 866	-	(26 444)	-	6 566
Lease expenses	(33 859)	(11 496)	-	(352)	26 444	15 509	(3 754)
Other operating costs	(24 950)	(6 542)	- 4 505	(1 219)	-	20	(37 196)
EBITDA	7 174	6 509	23 361	(1 571)	-	15 529	51 002
Reconciliation to profit before tax as reported under IFRS							
Depreciation							(4 754)
Change in fair value of freehold investment property							6 148
Change in fair value of leasehold investment property							(12 404)
Finance income							32 575
Finance expense							(16 381)
Profit before tax							56 186

For the full year 2022	CSS	OKM	Property	HQ	Other/ eliminations	IFRS 16	Total
Rental income from self-storage services	255 953	101 016	-	-	-	-	356 969
Other income	23 922	5 171	114 232	-	(108 133)	-	35 192
Lease expenses	(136 699)	(47 480)	-	(1 403)	108 133	61 911	(15 538)
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)



Note 4 Earnings per share

(Amounts in NOK 1 000)	Q1 2023	Q1 2022
Profit (loss) for the period	(8 446)	46 701
Weighted average number of outstanding shares during the period (basic)	94 678 584	94 678 584
Weighted average number of outstanding shares during the period (diluted)	94 678 584	94 678 584
Earnings (loss) per share – basic in NOK	(0.09)	0.49
Earnings (loss) per share – diluted in NOK	(0.09)	0.49

See also note 6

Note 5 Investment property

During the three months period ended 31 March 2023, the following changes have occurred in the Group's portfolio of investment properties:

(Amounts in NOK 1 000)	Leasehold investment property	Freehold investment property	Total
Balance as at 31 December 2022	445 873	2 529 540	2 975 413
Value adjustment due to passage of time	(13 370)	–	(13 370)
Additions and disposals leasehold investment property in the year	8 301	–	8 301
Asset acquisition in Property segment	–	38 987	38 987
Company acquired as asset acquisition	–	44 239	44 239
Additions to existing properties	–	42 956	42 956
Fair value adjustments recognised in profit or loss	–	(22 468)	(22 468)
Other/translation differences	11 780	17 321	29 101
Balance as at 31 March 2023	452 584	2 650 575	3 103 159

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

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

The yield expansion in the property market starting in the autumn of 2022 following rising interest rates has continued into 2023. SSG's independent appraiser has estimated a negative change in the fair value of the Group's freehold investment properties as of March, this is partly offset by freehold investment properties first time appraised in the quarter. Net change in fair value amounts to NOK –22.5 million. This is a non-cash P&L charge and there are no other negative elements impacting the valuation of the portfolio. Fair value of freehold investment property was NOK 2 651 million at 31 March 2023.

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



Note 6 Share capital and shareholders

	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 March 2023			94 678 584	9 467 858	0.10

At the General Meeting in 2022 the Board of Directors was authorised to increase the share capital with up to 47 339 292 shares (NOK 4 733 929.20) through one or several share capital increases. The authorisation may be used to provide the Company with financial flexibility, including in connection with investments, merger and acquisitions. The Board's authorisation is valid until the Annual General Meeting in 2023.

List of main shareholders at 31 March 2023

	Shareholder	Country	Number of shares	Ownership %
1	The Bank of New York Mellon ¹	United States	27 206 078	28.7%
2	FABIAN HOLDING AS ²	Norway	8 565 000	9.0%
3	GSS INVEST AS ³	Norway	5 565 000	5.9%
4	VERDIPAPIRFONDET ODIN EIENDOM	Norway	5 085 778	5.4%
5	J.P. Morgan Securities LLC	United States	4 333 214	4.6%
6	J.P. Morgan SE	Sweden	4 134 560	4.4%
7	SOLE ACTIVE AS	Norway	3 527 601	3.7%
8	SKAGEN M2 VERDIPAPIRFOND	Norway	2 941 402	3.1%
9	BNP Paribas	Luxembourg	2 729 686	2.9%
10	FIRST RISK CAPITAL AS ⁴	Norway	2 600 000	2.7%
11	VERDIPAPIRFONDET HOLBERG NORGE	Norway	2 500 000	2.6%
12	HSBC Bank Plc	United Kingdom	2 388 255	2.5%
13	Danske Invest Norge Vekst	Norway	1 843 253	1.9%
14	BNP Paribas	Luxembourg	1 537 133	1.6%
15	State Street Bank and Trust Comp	United States	1 471 476	1.6%
16	MUSTAD INDUSTRIER AS	Norway	1 155 635	1.2%
17	The Bank of New York Mellon	Canada	1 155 128	1.2%
18	Brown Brothers Harriman & Co.	United States	1 016 072	1.1%
19	BNP Paribas	France	902 673	1.0%
20	J.P. Morgan SE	Sweden	882 894	0.9%
	Other		13 137 746	13.9%
	Sum		94 678 584	100.0%

¹The Bank of New York Mellon is a nominee account for Alta Lux Holdco S.a.r.l./Centerbridge Partners who own 27 206 078 shares in Self Storage Group ASA

²Fabian Holding AS is owned by CEO Fabian Søbæk

³GSS Invest AS is owned by board member Gustav Søbæk

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

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

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

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

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



Note 7 Interest bearing liabilities

Interest bearing liabilities are carried at amortized cost. The carrying amounts approximate fair value as at 31 March 2023.

(Amounts in NOK 1 000)		Amounts due in	
As at 31 March 2023	less than 1 year	1-5 years	Total
Debt to financial institutions ¹	55 186	1 065 625	1 120 811
Lease liabilities ²	83 485	499 675	583 160

¹Non-discounted amount excluding estimated interest

²Non-discounted amount including short-term contracts not reconciled in the balance sheet

Changes in liabilities arising from financing activities	Interest bearing borrowings	Lease liabilities	Total financing activities
Balance as at 31 December 2022	1 088 893	474 631	1 563 524
Additions and disposals of leasehold investment property in the year	-	8 050	8 050
Additions and disposals of other leases in the year	-	-	-
Repayments of borrowings/Payments of lease	(12 500)	(12 954)	(25 454)
Proceeds from borrowings	50 000	-	50 000
Interests expenses of borrowings	4 605	-	4 605
Interests paid of borrowings	(10 187)	-	(10 187)
Other/translation differences	-	12 958	12 958
Balance as at 31 March 2023	1 120 811	482 685	1 603 496

On 31 March 2023 a new bank facility agreement for 3+1+1 years with Handelsbanken, Danske Bank and Nordea was signed. The new bank facility replaces the bank facility agreement of 2021 and provides the Group financial flexibility for further growth. The agreement amounts to NOK 1 236 million in term loan with maturity 3+1+1 years and interest rate 3 months Nibor + 1.90%. A revolving credit facility of NOK 300 million with no restrictions for drawing other than covenants is included in the agreement. The agreement also entails a term loan accordion option of up to NOK 200 million.

NOK 50.0 million is drawn from the revolving credit facility of 2021 as of 31 March 2023. Net proceeds from repayment of the term- and revolving credit facility from 2021 and payment of the new term loan were paid out in April 2023, subsequent to the quarter.

All covenants for the bank facility loan are to be measured and reported on a quarterly basis. There are both financial and non-financial covenants. As of 31 March 2023, the Group is compliant with all loan covenants, and also expects to comply with covenants throughout 2024.

The financial covenants for the bank facility loan are:

- Loan to value I (LTV I): Total net debt of the Group over the aggregate market value of all the properties of the Group must not exceed 65%
- Loan to value II (LTV II): The aggregate outstanding under the bank facility agreement with Handelsbanken, Danske Bank and Nordea over the market value of the properties pledged as security must not exceed 60%
- The Group's nominal equity must exceed NOK 1 200 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% (total equity over total assets)



As of 31 March 2023 SSG has four five-year interest rate swaps. There are no margin calls related to the interest rate swaps.

Fixed interest rate agreements	Amount	Maturity date	Interest rate (%)
Handelsbanken	150 000	Mar-25	1.08
Handelsbanken	150 000	Apr-25	0.785
Handelsbanken	300 000	Mar-26	1.345
Handelsbanken	150 000	Mar-26	1.42

Interest rate swaps are recorded at fair value through profit and loss. A negative change in fair value of interest rate swaps of NOK 1.9 million for Q1 2023 related to hedging of interests is included in finance expense. In Q1 2023 a gain of NOK 4.1 million on the interest rate swaps was received and is included in finance income.

Note 8 Leases

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

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

Changes in recognised leases during the period:	Lease liabilities	Leased assets	
(Amounts in NOK 1 000)		Leasehold investment property	Other leases
Balance as at 31 December 2022	474 631	445 873	2 070
Additions and disposals of leases for leasehold investment property in the year	8 050	8 301	-
Additions and disposals of other leases in the year	-	-	-
Payments of lease	(12 954)	-	-
Change in fair value of leasehold investment properties	-	(13 370)	-
Depreciation	-	-	(296)
Other/translation differences	12 958	11 780	-
Balance as at 31 March 2023	482 685	452 584	1 774

Amounts related to leases recognised in profit or loss:	Q1 2023	Q2 2022	Full year 2022
Expenses relating to short-term leases (included in lease expenses)	(4 403)	(3 754)	(15 538)
Change in fair value of leasehold properties	(13 370)	(12 404)	(49 346)
Depreciation expense of leased assets classified as property, plant and equipment	(296)	(289)	(1 119)
Interest expense on lease liabilities (included in finance expenses)	(4 844)	(4 251)	(16 438)
Total amount recognised in profit or loss	(22 913)	(20 698)	(82 441)

Total cash outflows for leases were NOK 22.2 million in the three first months of 2023.



The Group has certain lease contracts related to leasehold investment property that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (see note 4 in the Annual Report for 2022). Options to extend reasonably certain to commit to, but not started, amounts to NOK 188.8 million as of 31 March 2023, with periods ranging between one and ten years. Options to extend, not reasonably certain to commit to, amounts to NOK 15.2 million as of 31 March 2023, with periods ranging between one and ten years.

The Group has not committed to any additional future leases as of 31 March 2023.

Note 9 Net financial items

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

	Q1 2023	Q1 2022	Full year 2022
Interest income and other financial income	122	29	665
Interest income on borrowings (gain on interest rate swaps)	4 074	-	2 395
Realised gain from transactions in foreign currency	71	30	343
Unrealised gain in foreign currency	16 198	10 170	23 024
Positive change in fair value of financial instruments ¹	-	22 346	33 818
Total financial income	20 465	32 575	60 245
Interest expense on borrowings	(8 682)	(6 045)	(25 824)
Interest expense on lease liabilities	(4 227)	(4 251)	(16 438)
Other interests, fees and charges	(493)	(1 072)	(1 610)
Realised loss from transactions in foreign currency	(283)	(161)	(466)
Unrealised loss in foreign currency	(27 751)	(4 852)	(24 623)
Negative change in fair value of financial instruments ¹	(1 917)	-	(8 480)
Total financial expenses	(43 353)	(16 381)	(77 441)
Net financial items	(22 888)	16 194	(17 196)

¹Change in fair value of interest rate swaps

Note 10 Subsequent events

- 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 m²
- 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 m²



Alternative performance measures (APMs)

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

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

Operating profit before fair value adjustments

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

Adjustments

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

Definition of SSG's financial APMs

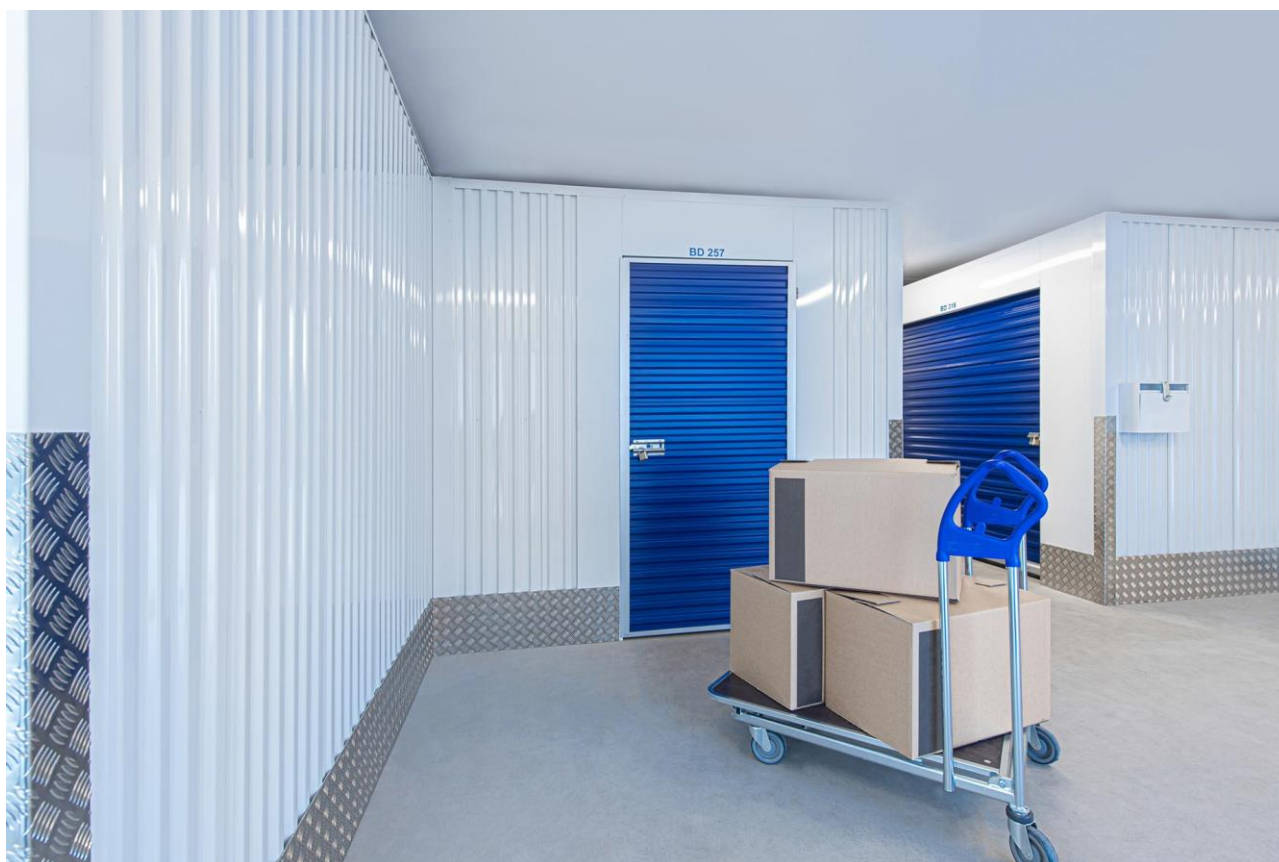
- Interest bearing debt: Defined as non-current interest-bearing debt plus current interest-bearing debt. The figure does not include lease liabilities
- Loan to value: Interest bearing debt / freehold investment property
- Total other operating expenses: property-related expenses + salary and other employee benefits + other operating expenses
- Adjusted line-items: Line-items +/- identified items to be excluded from the adjusted line-items
- EBIT: Operating profit before fair value adjustments



- Adjusted EBIT: EBIT +/- identified items to be excluded from adjusted EBIT as described in the table below
- EBITDA: EBIT + depreciation, amortisation and impairments
- Adjusted EBITDA: EBITDA +/- identified items to be excluded from adjusted EBITDA as described in the table below
- Adjusted Profit before tax: Adjusted EBIT +/- change in fair value of investment properties and leasehold properties +/- net finance
- Adjusted tax: Tax expense +/- tax on adjustments
- Adjusted Net Profit : Adjusted Profit before tax +/- tax expense

SSG's non-financial APMs

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



Reconciliation of APMs used in the Interim Report

(Amounts in NOK 1 000)	31 March 2023	31 December 2023
Interest-bearing debt		
Non-current interest-bearing debt	1 065 625	1 033 562
Current interest-bearing debt	55 186	55 331
Total interest-bearing debt	1 120 811	1 088 893

(Amounts in NOK 1 000)	Q1 2023	Q1 2022	Full year 2022
Property-related expenses	(17 292)	(14 633)	(59 134)
Salary and other employee benefits	(13 964)	(12 824)	(49 557)
Other operating expenses	(9 730)	(9 739)	(43 411)
Total other operating expenses	(40 986)	(37 196)	(152 102)
Operating profit before fair value adjustments	54 420	46 248	203 621
EBIT	54 420	46 248	203 621
Total adjustments	(2 592)	–	1 014
Adjusted EBIT	51 828	46 248	204 635
Change in fair value of freehold investment property	(22 468)	6 148	(147 242)
Change in fair value of leasehold investment property	(13 370)	(12 404)	(49 346)
Net finance	(22 888)	16 194	(17 196)
Adjusted Profit before tax	(6 898)	56 186	(9 149)
Adjusted tax	(6 632)	(9 485)	1 451
Adjusted Net profit	(13 530)	46 701	(7 698)
Operating profit before fair value adjustments	54 420	46 248	203 621
Depreciation	(5 322)	(4 754)	(20 900)
EBITDA	59 742	51 002	224 521
Total adjustments	(2 592)	–	1 014
Adjusted EBITDA	57 150	51 002	225 535
Adjustments			
Revenue: compensation discontinued lease contract Gärdet	3 432	–	–
Property-related expenses: move-out costs discontinued lease contract Gärdet	(840)	–	–
Salary and other employee benefits: severance packages	–	–	(604)
Other operating expenses: acquisition costs	–	–	(410)
Total adjustments	2 592	–	(1 014)

