# Interim Report Q2 2023

Self Storage Group ASA


Self
Storage
Group

# Contents

# Highlights

Self Storage Group (SSG) continues to deliver solid organic revenue growth at attractive margins. New area for self-storage is continuously developed and during the quarter 6 000 $m^2$ current lettable area (CLA) was opened. As of June, SSG has opened 10 200 $m^2$ CLA and is on track to reach the target of opening +20 000 $m^2$ CLA development-led growth in 2023.

Like-for-Like (L-f-L)[1] average rent for the quarter increased by 9% to 2 493 per $m^2$ per year compared to the second quarter 2022 following annual CPI-adjustments in the first quarter 2023 and increased focus on optimising rents. L-f-L occupancy for the second quarter is 87.5% (89.8%) and close to target of 90%.

Operating expenses in the quarter are impacted by the increased number of CLA and facilities in the portfolio and the record high development pipeline.

A new bank facility agreement was signed on 31 March 2023 and paid out in April 2023. Interest expense in the second quarter is highly impacted by accrued non-cash amortisation of the repaid facility in April 2023.

The new bank facility combined with the favourable interest rate swaps provides SSG financial flexibility to continue to execute on the Group's strategy. The record-high pipeline and proven scalable business model combined with a strong cashflow from operations, give SSG a solid foundation for further profitable growth and expansion in the Nordics.

## Q2 2023

- Revenues of NOK 104.2 million, up 6.5% from NOK 97.9 million in Q2 2022
- EBITDA of NOK 62.9 million, up 5.5% from NOK 59.6 million in Q2 2022
- Net finance of NOK -27.1 million compared to NOK -9.3 million in Q2 2022
- Profit before tax of NOK 15.6 million compared to NOK 31.4 million in Q2 2022
- Opening of three new facilities in Trollhättan, Ulven and Skien
- Acquisition of two properties in the quarter adding 5 900 $m^2$ in potential CLA to the portfolio and acquisition of one leasehold land property

## First half 2023

- Adjusted[2] revenues of NOK 206.0 million, up 8.5% from NOK 189.8 million in the first half year 2022
- Adjusted[3] EBITDA of NOK 120.0 million, up 8.5% from NOK 110.6 million in the first half year 2022
- 196 000 $m^2$ CLA in operation and 40 100 $m^2$ under development
- Loan to value of freehold investment property is 46%
- Total value of freehold investment property end June 2023 of NOK 2.8 billion

[1]Facilities with same CLA in Q2 23 as in Q2 22 + / - 50 $m^2$
[2]Adjusted for non-recurring revenue of NOK 3.4 million in 1H 2023 and NOK 0 million in 1H 2022
[3]Adjusted for non-recurring items of NOK -2.6 million in 1H 2023 and NOK 0 million in 1H 2022

# Key Figures[1]

| (Amounts in NOK million) | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | Full year 2022 |
|---|---|---|---|---|---|
| Revenue | 104.2 | 97.9 | 209.4 | 189.8 | 392.2 |
| Lease expenses | (3.4) | (3.8) | (7.8) | (7.6) | (15.5) |
| Total other operating expenses | (37.9) | (34.5) | (78.9) | (71.7) | (152.1) |
| Total adjustments | - | - | (2.6) | - | 1.0 |
| **Adjusted EBITDA** | **62.9** | **59.6** | **120.0** | **110.6** | **225.5** |
| Adjusted EBIT | 56.6 | 54.8 | 108.5 | 101.1 | 204.6 |
| Change in fair value of freehold investment property | (0.0) | (1.7) | (22.5) | 4.5 | (147.2) |
| Change in fair value of leasehold investment property | (13.9) | (12.4) | (27.3) | (24.8) | (49.3) |
| Net finance | (27.1) | (9.3) | (50.0) | 6.9 | (17.2) |
| **Adjusted Profit before tax** | **15.6** | **31.4** | **8.7** | **87.6** | **(9.1)** |
| **Adjusted Net Profit** | **12.7** | **21.5** | **1.1** | **68.2** | **(7.7)** |
| Current lettable area (in thousands $m^2$) | 196.0 | 180.5 | 196.0 | 180.5 | 185.8 |
| Lettable area under development (in thousands $m^2$) | 40.1 | 37.3 | 40.1 | 37.3 | 35.8 |
| Number of facilities | 142 | 131 | 142 | 131 | 135 |

[1]Non-GAAP measures are defined on page 34

# Financial development

## Revenue

Self Storage Group (SSG) continues to experience strong demand for its services, and total revenue increased by 6.5% to NOK 104.2 million in the second quarter 2023 compared to second quarter 2022.

Rental income from self-storage services increased by 8% and was NOK 96.3 million in Q2 2023, an increase of NOK 7.2 million from Q2 2022. Increased self-storage revenue from the CSS-segment amounts to NOK 5.6 million, while increased self-storage revenue from the OKM-segment amounts to NOK 1.6 million compared to Q2 2022. Income from rental of containers from both segments amounts to approximately 8 % of the Group's self-storage revenue.

The increase in self-storage income is related to organic growth in lettable area through opening of new facilities and expansions and increased average rent. Current lettable area (CLA) at the end of June 2023 was 196 000 $m^2$, of which 176 200 $m^2$ had been in operation for more than 12 months. The CLA increased by 6 000 $m^2$ during the second quarter and has increased by 15 000 $m^2$ since June 2022. Occupancy for Like-for-Like (L-f-L) facilities with comparable $m^2$ in Q2 23 and Q2 22 was 87.5% in the second quarter of 2023. Occupancy for facilities in operation more than 12 months and defined as mature, was 85.3% (90.5%) in the second quarter of 2023. Lower move-in rates during the winter season, compared to the Covid-years, have impacted occupancy in Q2 2023. The development in the second quarter has been strong, with record high number of move-ins in June. Rents were CPI adjusted from 1 January 2023, and street-rates and the use of entry-offers are constantly evaluated. The average rent for L-f-L per $m^2$ increased by 9% to NOK 2 493 per year in the second quarter 2023. Average rent for mature facilities increased by 8% to NOK 2 516 per year in the second quarter 2023 up from NOK 2 326 in the second quarter 2022.

Other revenue was NOK 8.0 million in Q2 2023, a decrease of NOK 0.8 million compared by Q2 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 decrease is related to fewer manned facilities offering ancillary products in addition to reduced income from parking at Adamstuen as a new floor will be opened for self-storage.

The Danish and Swedish krone strengthened against NOK during Q2 2023 compared to Q2 2022. In total there is a foreign exchange effect on the revenue of NOK 3.3 million when comparing Q2 2023 and Q2 2022.

Total revenue for the first half 2023 was NOK 209.4 million, an increase of NOK 19.5 million compared to first half year 2022. NOK 3.4 million of the revenue is attributable to a non-recurring compensation received in Q1 2023 related to the discontinued leasehold at Gärdet in Sweden. Adjusted revenue of NOK 206.0 million is an increase of NOK 16.1 million from first half year 2022. Rental income from self-storage services was NOK 188.4 million in first half 2023, an increase of NOK 13.9 million (8%) from first half year 2022. Increased self-storage revenue from the CSS-segment amounts to NOK 10.7 million, while increased self-storage revenue from the OKM-segment amounts to NOK 3.2 million compared to first half year 2022.

# Lease expenses

According to IFRS 16, non-current leasehold agreements are treated as financial leases. Lease expenses consist of leasehold contracts classified as current. Lease expense was NOK 3.4 million in Q2 2023, down from NOK 3.8 million in Q2 2022. Lease expenses in the first half year 2023 was NOK 7.8 million compared to NOK 7.6 million for first half year 2022.

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 June 2023, 62% of the current lettable area in SSG is held freehold, compared to 56% at the end of June 2022. 54% of current lettable area in the City Self-Storage segment is freehold, while 75% of current lettable area in OK Minilager is freehold. The share of freehold is increasing in both segments as the entire pipeline of 40 100 $m^2$ CLA under development is freehold.

# 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 Q2 2023 were NOK 14.5 million, an increase of NOK 2.0 million compared to Q2 2022. The increase is mainly related to the increased number of facilities and CLA in the portfolio and level of maintenance compared by one year earlier. Lettable area in SSG has increased by 15 500 $m^2$ (9%) and 11 facilities since June 2022. SSG has a record high pipeline of 40 100 $m^2$, and costs related to properties not yet in operation, like property tax and insurance, impact property cost in the second quarter 2023.

Property related expenses in the first half year 2023 is NOK 31.8 million, an increase of NOK 4.7 million compared by first half year 2022.

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 0.2 million lower in the second quarter 2023 than in the second quarter 2022 despite the growth and constitute 15% of property-related expenses in the second quarter 2023 (19%).

# Salary and other employee benefits

Salary and other employee benefits in Q2 2023 were NOK 10.3 million, a decrease of NOK 1.9 million from Q2 2022. The decrease is related to a change in timing of holiday-pay for the Norwegian employees.

Salary and other employee benefits in the first half 2023 are also impacted by the change in timing of holiday pay and were NOK 24.2 million, a decrease of NOK 0.8 million from first half year 2022.

The number of full-time employee equivalent (FTE) was 63 FTE as of June 2023 compared by 65 FTE at the end of June 2022.

# Depreciation

Depreciation in Q2 2023 was NOK 6.2 million, an increase of NOK 1.4 million compared to second quarter 2022. Depreciation in first half year 2023 was NOK 11.6 million, an increase of NOK 2.0 million compared to second quarter 2022. The increased level is due to increased growth in lettable area.

The depreciation is mainly related to fit-out and other equipment for 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 Q2 2023 other operating expenses amounted to NOK 13.2 million, an increase of NOK 3.4 million compared to second quarter 2022. NOK 2.3 million of increase is related to bad debts provisions in Denmark following the implementation of a new CRM and ERP-system in Q1 2023. Bad debt provisions are normally on a low level, and it is a focus area in SSG to keep bed debt at low levels. The implementation of new systems has been particularly demanding in Denmark, and the automated debt collection process had to be paused. The combination of manual follow-up of bad debt and reduced capacity in the team to follow up has led to a temporary higher bad debt provision. Bad debt constitutes 3.0% of total revenue in Q2 2023 compared to 0.6 % in Q2 2022.

Costs to sales and marketing is the same level in Q2 2023 as in Q2 2022, and constitute 3.1% of total revenue (3.6%)

Other operating expenses for the first half year 2023 is NOK 22.9 million, an increase of NOK 3.4 million compared by first half year 2022. NOK 0.8 million of the increase is related to the closing of Gärdet in the first quarter 2023 and defined non-recurring costs.

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) | Q2 2023 | Q2 2022 | YTD 2023 | YTD 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.

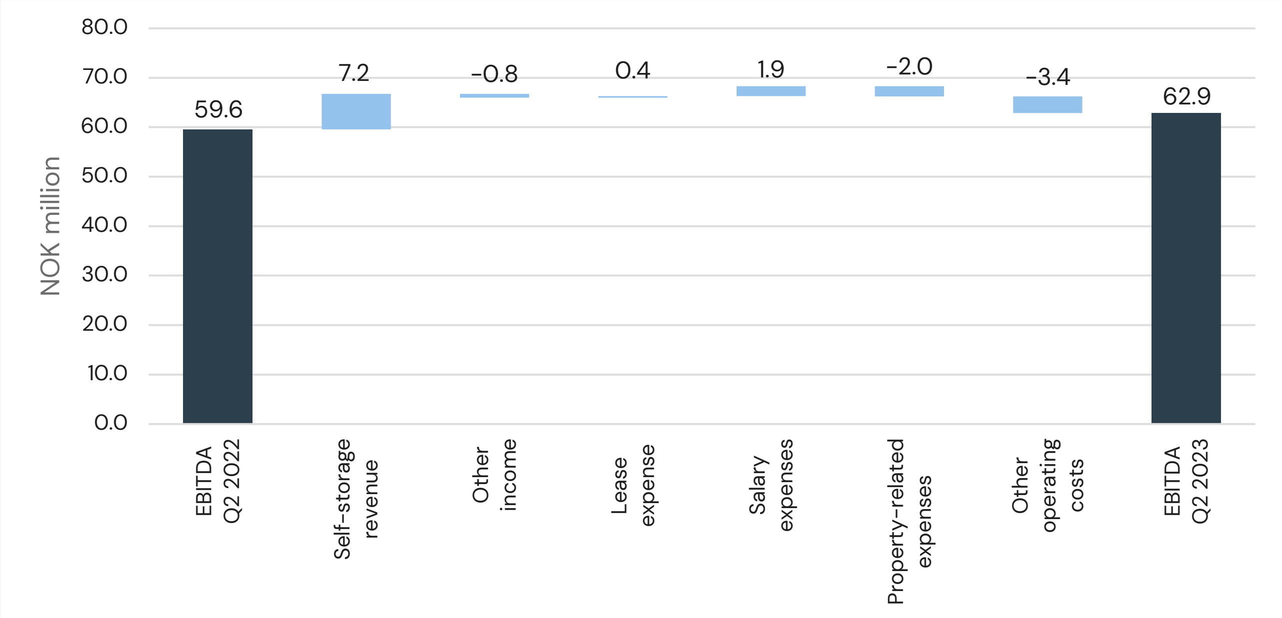
The total average yield in the Group was 5.6% as of 31 December 2022. All freehold properties were appraised on facility level by an independent appraiser during the fourth quarter of 2022. In the first quarter 2023 the independent appraiser estimated a negative change in the fair value of freehold investment properties driven by rising interest rates and the following yield expansion in the property market. Inflation is expected to exceed the official long-term inflation target over the next few years which drives rent and increases the value of the freehold portfolio. This benefit is offset by negative effects from yield expansions in the property market. Hence, for the second quarter 2023, the appraiser has concluded that there is no further indication of change to the fair value of freehold investment properties in SSG. Change in fair value of investment property in Q2 2022 was NOK -1.7 million. Change in fair value of investment property in first half year 2023 was NOK -22.5 million compared to NOK 4.5 million in first half year 2022.

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. Fair value of freehold investment property was NOK 2 764 million as of 30 June 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 Q2 2023 was NOK -13.9 million, compared to NOK -12.4 million in Q2 2022. Change in fair value of leasehold investment property recognised in the P&L in first half 2023 was NOK -27.3 million, compared to NOK -24.8 million in first half year 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 448.5 million on 30 June 2023, compared to NOK 445.9 million on 31 December 2022.

# EBITDA and profit before tax

EBITDA in Q2 2023 was NOK 62.9 million, an increase of NOK 3.3 million since Q2 2022. There were no non-recurring items in Q2 2023, nor in Q2 2022. The Danish and Swedish krone strengthened against NOK during Q2 2023 compared to Q2 2022. In total, the effect on EBITDA for both currencies in Q2 2023 compared to Q2 2022 was positive with NOK 1.0 million. In Q2 2023, EBITDA grew 5.5% compared to Q2 2022. EBITDA for Q2 2023 vs Q2 2022 is visualised below.




EBITDA in the first half 2023, adjusted for non-recurring effects from the closing of Gärdet, was NOK 120.0 million, an increase of NOK 9.4 million since first half 2022.

Net finance amounted to NOK -27.1 million in Q2 2023, compared to NOK -9.3 million in Q2 2022. Financial income in Q2 2023 was NOK 19.5 million, an increase of NOK 5.0 million compared to Q2 2022. The financial income in Q2 2022 was strongly affected by a positive change in fair value of financial instruments of NOK 15.2 million and gain on interest rate swaps of NOK 4.1 million.

The financial expense in Q2 2023 was NOK -46.6 million, an increase of NOK 22.7 million compared to Q2 2022. NOK 36.8 million of the financial expenses is attributable to interest expense on borrowings.

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.

The new loan was paid out in April 2023 and the former bank facility was repaid a year before planned. . During the quarter the company paid and expensed NOK 16.7 million in interest. However, due to the early redemption as well as a technical error in the amortisation schedule, an accrued non-cash amortisation was recorded in the quarter. Per the loan agreement, no early redemption fees apply.

Net finance for the first half year 2023 was NOK -50.0 million compared to NOK 6.9 million in the first half year 2022. Financial income of NOK 40.0 million in the first half year 2023 is offset by non-cash effects of unrealised loss in foreign currency and amortisation of the repaid facility.

SSG has favourable financial terms with interest rate swaps covering 59% of total interest-bearing debt as of end June 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.

Profit before tax in Q2 2023 was NOK 15.6 million, compared to NOK 31.4 million in Q2 2022. The positive development in operating profit is offset by higher non-cash financial expenses related to the repayment of the former bank-facility.

Profit before tax in the first half year 2023 was NOK 11.3 million, compared to NOK 87.6 million in first half year 2022. The positive development in operating profit is offset by negative non-cash effects on the P&L from change in fair value following increasing interest rates in the property market, unrealised loss in foreign currency and financial expenses related to the repayment of the former bank-facility.

# Statement of financial position

Total assets were NOK 3 853 million as of 30 June 2023, compared to NOK 3 638 million on 31 December 2022, an increase of NOK 214.8 million.

Freehold investment property increased by NOK 234.3 million from 31 December 2022 to NOK 2 764 million as of 30 June 2023. The increase is related to the acquisition of nine properties, five in Norway, two in Sweden 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 448.5 million on 30 June 2023, an increase of NOK 2.7 million from 31 December 2022. Lease liabilities at the end of June 2023 were NOK 479.6 million, an increase of NOK 4.9 million compared to the end of December 2022. The increases are related to two renegotiated lease contracts, CPI-adjustments and the weakening of NOK towards SEK and DKK, mostly offset by the change in fair value of leasehold investment property due to passage of time for the first half year of 2023 for the assets and lease payments due to passage of time for the first three month of 2023 for the liability.

Cash and bank deposits decreased by NOK 62.7 million to NOK 131.4 million at the end of June 2023 from December 2022. The main changes in cash and bank deposits for the first half year of 2023 relates to net cash outflow on acquisitions and additions to freehold investment property, partly offset by cash from operating activities and NOK 99.5 million in net proceeds from repayment of the term- and revolving credit facility from 2021 and payment of the new term loan paid out in April 2023. 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 1 266 million at the end of June 2023, an increase of NOK 177.4 million from December 2022. The Group's interest rate swaps cover 59% of total interest-bearing debt as of end June 2023. Loan to value[1] of freehold investment property is 46% as of end June 2023, compared to 43% at the end of December 2022. The loan facility has several covenants[2]. As of 30 June 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 June 2023 interest-bearing debt less cash was NOK 1 135 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 June 2023 was NOK 1 848 million, an increase of NOK 40.4 million from December 2022. The increase is attributable to total comprehensive income. The equity ratio was 48% at the end of June 2023, compared to 50% at the end of December 2022.

[1]Non-GAAP measures are defined on page 34
[2]See note 7 for the Group's covenants

# Cash flow

SSG continue to have a strong cash flow. The net cash flow from operating activities during Q2 2023 was NOK 46.6 million, compared to NOK 55.3 million in Q2 2022. The increase in operational profit for Q2 2023 compared to the Q2 2022 and positive timing differences for receivables and payments in Q2 2023 compared to Q2 2022 are exceeded by the decrease in net finance adjusted for non-cash items in Q2 2023 compared to Q2 2022. Net cash flow from operating activities for the first half year of 2023 was NOK 94.1 million, compared to NOK 90.4 million for the first half year of 2022. The increase in operational profit for the first half year of 2023 compared to the Q2 2022 are exceeded by the decrease in net finance adjusted for non-cash items in the first half year 2023 compared to the first half year 2022 and negative timing differences for receivables and payments in the first half year 2023 compared to the first half year 2022.

Net cash flow from investing activities during Q2 2023 was NOK -124.3 million compared to NOK -61.1 million during Q2 2022. Net cash flow from investing activities in the first half year of 2023 was NOK -268.1 million compared to NOK -121.8 million in the first half year of 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 99.4 million for Q2 2023, compared to NOK -35.3 million for Q2 2022. Net cash flow from financial activities in Q2 2023 were affected by repayment of the term-and revolving credit facility from 2021 amounting to NOK -1 151 million, proceeds from the new term loan paid out in April 2023 amounting to NOK 1 286 million, interest paid amounting to NOK -17.4 million and net payment of lease liabilities and payments of lease classified as interests amounted to NOK -18.1 million. The increase in net interest paid in the second quarter 2023 compared to the second quarter 2022 relates to higher interest and timing of interests paid on the new bank facility. With the new bank facility, the schedule for payment changed, and interest paid in the second quarter applies to more than a quarter.

Net cash flow from financing activities for the first half year 2023 was NOK 109.0 million compared to NOK -69.6 million for the first half year 2022.

SSG's cash balance at the end of June 2023 was NOK 131.4 million.

# Strategy

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

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

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

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

# Business concepts

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

## OK Minilager

is a nationwide self-storage concept offered in the Norwegian market and the strategy is to continue to increase its presence in all major regions and communities in Norway. The planned expansion will mainly be composed of freehold properties, including a combination of purpose-built facilities and conversion of existing buildings. 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 in Norway, Stockholm and Västra Götaland in Sweden, and 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 several properties in 2022 and 2023. In Sweden, organic growth for City Self-Storage has been initiated with the acquisition of Trollhätten in 2022 and the acquisition of two properties in Malmö in the first half year of 2023. 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 acquisition of 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.

# Corporate developments

## Acquisitions

| Acquired properties1 | Area | Transaction quarter | Total potential lettable area (m²) | Transaction value (NOK million) | Closing quarter | Estimated opening quarter |
|---|---|---|---|---|---|---|
| Skjærven næringspark | Gjøvik, Norway | Q3 2023 | 1 400 | 18.9 | 1H 2024 | 1H 2024 |
| 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 | 41.1 | 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 | 13.9 | 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 | Kristiansand, 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 | Q3 2023 | Q3 2023 |
| **Total** | | | **19 680** | **216.2** | | |

[1]Properties with closing quarter in 2023 or later
[2]Acquisition 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 59% of total interest-bearing debt as of June 2023. These agreements will reduce the risk of high volatility in future interest payments.

Since the end of 2022 there has been a weakening 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 40 100 $m^2$ 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 30 June 2023, the Group operates 142 facilities across Scandinavia with a total lettable area of 236 100 m$^2$ and current lettable area of 196 000 m$^2$. 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, and strong move-in development during recent months. 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. The rates have increased by 9% over the past 12 months on a Like-for-like basis.

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 40 100 m$^2$ 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 m$^2$ of new lettable self-storage space was developed, and the Group aims to further accelerate development-led growth in 2023. As of June 2023, SSG has opened 10 200 m$^2$ CLA and is on track to reach the target of opening +20 000 m$^2$ CLA development-led growth during the year. 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 Trollhätten (Sweden). In the first half year of 2023 two properties have been acquired in Denmark (Vejle and Randers), and two 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 half year 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.

# Statement by the Board of Directors

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2023 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Oslo, 20 August 2023
Board of Directors, Self Storage Group ASA

| | | |
|---|---|---|
| **Steven Skaar** | **Gustav Søbak** | **Carl August Ameln** |
| Chairman | Board member | Board member |
| **Ingrid Elvira Leisner** | **Yvonne Litsheim Sandvold** | **Fabian Søbak** |
| Board member | Board member | CEO |

# Financials

## Condensed consolidated statement of comprehensive income

| (Amounts in NOK 1 000) | Note | Unaudited Q2 2023 | Unaudited Q2 2022 | Unaudited YTD 2023 | Unaudited YTD 2022 | Audited Full year 2022 |
|---|---|---|---|---|---|---|
| **Revenue** | 3 | **104 238** | **97 880** | **209 369** | **189 832** | **392 161** |
| Lease expenses | 3,8 | (3 446) | (3 819) | (7 848) | (7 574) | (15 538) |
| Property-related expenses | 3 | (14 477) | (12 444) | (31 768) | (27 077) | (59 134) |
| Salary and other employee benefits | 3 | (10 249) | (12 196) | (24 213) | (25 020) | (49 557) |
| Depreciation | | (6 231) | (4 791) | (11 553) | (9 545) | (20 900) |
| Other operating expenses | 3 | (13 206) | (9 817) | (22 936) | (19 556) | (43 411) |
| **Operating profit before fair value adjustments** | | **56 629** | **54 813** | **111 051** | **101 060** | **203 621** |
| Change in fair value of freehold investment property | 5 | (8) | (1 698) | (22 476) | 4 450 | (147 242) |
| Change in fair value of leasehold investment property | 5,8 | (13 925) | (12 415) | (27 295) | (24 820) | (49 346) |
| **Operating profit after fair value adjustments** | | **42 696** | **40 700** | **61 280** | **80 690** | **7 033** |
| Finance income | 9 | 19 533 | 14 556 | 39 998 | 47 131 | 60 245 |
| Finance expense | 7,8,9 | (46 619) | (23 884) | (89 973) | (40 264) | (77 441) |
| **Profit before tax** | | **15 610** | **31 372** | **11 305** | **87 557** | **(10 163)** |
| Income tax expense | | (2 929) | (9 889) | (7 068) | (19 374) | 1 612 |
| **Profit for the period** | | **12 681** | **21 483** | **4 237** | **68 183** | **(8 551)** |
| Profit/loss attributable to owners of the parent | | 12 681 | 21 483 | 4 237 | 68 183 | (8 551) |
| Profit/loss attributable to non-controlling interests | | - | - | - | - | - |
| **Earnings per share** | | | | | | |
| Basic (NOK) | 4 | 0.13 | 0.23 | 0.04 | 0.72 | 3.96 |
| Diluted (NOK) | 4 | 0.13 | 0.23 | 0.04 | 0.72 | 3.96 |
| **Other comprehensive income, net of income tax** | | | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| - currency translation difference | | 8 382 | 19 549 | 36 134 | 9 151 | 12 420 |
| **Other comprehensive income for the period, net of income tax** | | **8 382** | **19 549** | **36 134** | **9 151** | **12 420** |
| **Total comprehensive income for the period** | | **21 063** | **41 032** | **40 371** | **77 334** | **3 869** |
| Total comprehensive income for the year attributable to owners of the parent | | 21 063 | 41 032 | 40 371 | 77 334 | 3 869 |
| Total comprehensive income for the year attributable to non-controlling interests | | - | - | - | - | - |

# Condensed consolidated statement of financial position

| (Amounts in NOK 1 000) | Note | Unaudited 30 June 2023 | Audited 31 December 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Freehold investment property | 5 | 2 763 795 | 2 529 540 |
| Leasehold investment property | 5,8 | 448 527 | 445 873 |
| Property, plant and equipment | 8 | 225 155 | 198 999 |
| Goodwill | | 185 022 | 187 496 |
| Financial instruments | | 52 741 | 39 497 |
| Other intangible assets | | 2 600 | 3 099 |
| Deferred tax assets | | 41 | 37 |
| **Total non-current assets** | | **3 677 881** | **3 404 541** |
| **Current assets** | | | |
| Inventories | | 1 354 | 1 467 |
| Trade and other receivables | | 18 949 | 17 620 |
| Other current assets | | 23 384 | 20 502 |
| Cash and bank deposits | | 131 411 | 194 089 |
| **Total current assets** | | **175 098** | **233 678** |
| **TOTAL ASSETS** | | **3 852 979** | **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 | | 46 743 | 10 609 |
| Retained earnings | | 709 287 | 705 050 |
| **Total equity** | | **1 848 154** | **1 807 783** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Non-current interest-bearing debt | 7 | 1 204 534 | 1 033 562 |
| Non-current lease liabilities | 7,8 | 425 797 | 425 796 |
| Other financial liabilities | | 433 | 634 |
| Deferred tax liabilities | | 180 213 | 178 839 |
| **Total non-current liabilities** | | **1 810 977** | **1 638 831** |
| **Current liabilities** | | | |
| Current interest-bearing debt | 7 | 61 750 | 55 331 |
| Current lease liabilities | 7,8 | 53 782 | 48 835 |
| Trade and other payables | | 12 130 | 18 486 |
| Income tax payable | | 18 288 | 16 040 |
| Other taxes and withholdings | | 8 131 | 6 761 |
| Other current liabilities | | 39 767 | 46 152 |
| **Total current liabilities** | | **193 848** | **191 605** |
| **Total liabilities** | | **2 004 825** | **1 830 436** |
| **TOTAL EQUITY AND LIABILITIES** | | **3 852 979** | **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** | **(1 811)** | **713 601** | **1 803 914** |
| Profit (loss) for the period | – | – | – | 68 183 | 68 183 |
| Other comprehensive income (loss) for the period net of income tax | – | – | 9 151 | – | 9 151 |
| Total comprehensive income for the period | – | – | 9 151 | 68 183 | 77 334 |
| **Balance at 30 June 2022 (Unaudited)** | **9 467** | **1 082 657** | **7 340** | **781 784** | **1 881 248** |
| **Balance at 1 January 2023** | **9 467** | **1 082 657** | **10 609** | **705 050** | **1 807 783** |
| Profit (loss) for the period | – | – | – | 4 237 | 4 237 |
| Other comprehensive income (loss) for the period net of income tax | – | – | 36 134 | – | 36 134 |
| Total comprehensive income for the period | – | – | 36 134 | 4 237 | 40 371 |
| **Balance at 30 June 2023 (Unaudited)** | **9 467** | **1 082 657** | **46 743** | **709 287** | **1 848 154** |

# Condensed consolidated statement of Cash flows

| (Amounts in NOK 1 000) | Note | Unaudited Q2 2023 | Unaudited Q2 2022 | Unaudited YTD 2023 | Unaudited YTD 2022 | Audited Full year 2022 |
|---|---|---|---|---|---|---|
| **Cash flow from operating activities** | | | | | | |
| Profit before tax | | 15 610 | 31 372 | 11 305 | 87 557 | (10 163) |
| Income tax paid | | (238) | (196) | (7 884) | (9 512) | (11 123) |
| Net expensed interest and fees on borrowings and leases | | 27 235 | 21 709 | 53 020 | 27 418 | 49 505 |
| Depreciation | | 6 231 | 4 791 | 11 553 | 9 545 | 20 900 |
| Gain/loss on disposal of property, plant and equipment | | – | (78) | – | (78) | (78) |
| Unrealised gain/loss in foreign currency | 9 | 4 757 | 6 939 | 16 310 | 1 621 | 1 598 |
| Change in fair value of financial instruments | 9 | (15 162) | (8 124) | (13 245) | (30 470) | (25 338) |
| Change in fair value of freehold investment property | 5 | 8 | 1 698 | 22 476 | (4 450) | 147 242 |
| Change in fair value of leasehold investment property | 5,8 | 13 925 | 12 415 | 27 295 | 24 820 | 49 346 |
| Change in trade and other receivables | | 3 926 | 1 235 | (1 326) | 2 297 | (176) |
| Change in trade and other payables | | (12 841) | 4 094 | (6 395) | 7 673 | 4 724 |
| Change in other current assets | | 2 855 | (3 120) | (2 322) | (9 438) | (948) |
| Change in other current liabilities | | 251 | (17 417) | (16 679) | (16 624) | (19 014) |
| **Net cash flow from operating activities** | | **46 557** | **55 318** | **94 108** | **90 359** | **206 475** |
| **Cash flow from investing activities** | | | | | | |
| Payments for freehold investment property | | (58 741) | (38 488) | (140 684) | (60 671) | (176 158) |
| Payments for property, plant and equipment | | (16 038) | (14 257) | (36 705) | (28 141) | (58 127) |
| Proceeds from disposal of property, plant and equipment | | – | 165 | – | 165 | 165 |
| Net cash outflow on acquisition of subsidiaries | | (49 527) | (8 481) | (90 737) | (33 192) | (52 745) |
| **Net cash flow from investing activities** | | **(124 306)** | **(61 061)** | **(268 126)** | **(121 839)** | **(286 865)** |
| **Cash flow from financing activities** | | | | | | |
| Proceeds from borrowings | 7 | 1 286 000 | – | 1 336 000 | – | 300 000 |
| Repayment of borrowings | 7 | (1 151 028) | (12 300) | (1 163 528) | (24 600) | (149 200) |
| Net interest paid | 7,9 | (17 436) | (7 192) | (27 623) | (13 686) | (29 606) |
| Payments of lease liabilities | 7,8 | (13 190) | (11 683) | (26 144) | (22 889) | (45 915) |
| Payments of interest on lease liabilities | 7,8,9 | (4 898) | (4 160) | (9 742) | (8 411) | (16 438) |
| **Net cash flow from financing activities** | | **99 448** | **(35 335)** | **108 963** | **(69 586)** | **58 841** |
| Net change in cash and cash equivalents | | 21 699 | (41 078) | (65 055) | (101 066) | (21 549) |
| Cash and cash equivalents at beginning of the period | | 109 247 | 153 985 | 194 089 | 214 746 | 214 746 |
| Effect of foreign currency rate changes on cash and cash equivalents | | 465 | 1 434 | 2 377 | 661 | 892 |
| **Cash and equivalents at end of the period** | | **131 411** | **114 341** | **131 411** | **114 341** | **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 20 August 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 30 June 2023, the freehold investment portfolio was appraised, resulting in a change in fair value of NOK -22.5 million in the first half year 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. |

| Q2 2023 | CSS | OKM | Property | HQ | Other/ eliminations | IFRS 16 | Total |
|---|---|---|---|---|---|---|---|
| Rental income from self-storage services | 68 938 | 27 343 | - | - | - | - | 96 281 |
| Other income | 5 125 | 1 266 | 36 197 | - | (34 631) | - | 7 957 |
| Lease expenses | (40 687) | (14 451) | - | (376) | 34 631 | 17 437 | (3 446) |
| Other operating costs | (26 672) | (6 996) | (5 584) | 929 | 391 | - | (37 932) |
| **EBITDA** | **6 704** | **7 162** | **30 613** | **553** | **391** | **17 437** | **62 860** |
| Reconciliation to profit before tax as reported under IFRS | | | | | | | |
| Depreciation | | | | | | | (6 231) |
| Change in fair value of freehold investment property | | | | | | | (8) |
| Change in fair value of leasehold investment property | | | | | | | (13 925) |
| Finance income | | | | | | | 19 533 |
| Finance expense | | | | | | | (46 619) |
| **Profit before tax** | | | | | | | **15 610** |

| Q2 2022 | CSS | OKM | Property | HQ | Other/ eliminations | IFRS 16 | Total |
|---|---|---|---|---|---|---|---|
| Rental income from self-storage services | 63 364 | 25 756 | - | - | - | - | 89 120 |
| Other income | 6 123 | 1 053 | 28 853 | - | (27 269) | - | 8 760 |
| Lease expenses | (34 779) | (11 488) | - | (351) | 27 269 | 15 530 | (3 819) |
| Other operating costs | (22 666) | (5 913) | (4 696) | (1 182) | - | - | (34 457) |
| **EBITDA** | **12 042** | **9 408** | **24 157** | **(1 533)** | **-** | **15 530** | **59 604** |
| Reconciliation to profit before tax as reported under IFRS | | | | | | | |
| Depreciation | | | | | | | (4 791) |
| Change in fair value of freehold investment property | | | | | | | (1 698) |
| Change in fair value of leasehold investment property | | | | | | | (12 415) |
| Finance income | | | | | | | 14 556 |
| Finance expense | | | | | | | (23 884) |
| **Profit before tax** | | | | | | | **31 372** |

| YTD 2023 | CSS | OKM | Property | HQ | Other/ eliminations | IFRS 16 | Total |
|---|---|---|---|---|---|---|---|
| Rental income from self-storage services | 135 039 | 53 359 | - | - | - | - | 188 398 |
| Other income | 15 589 | 2 178 | 70 551 | - | (67 347) | - | 20 971 |
| Lease expenses | (80 246) | (28 399) | - | (752) | 67 347 | 34 202 | (7 848) |
| Other operating costs | (50 743) | (14 237) | (12 022) | (2 306) | 391 | - | (78 917) |
| **EBITDA** | **19 639** | **12 901** | **58 529** | **(3 058)** | **391** | **34 202** | **122 604** |
| Reconciliation to profit before tax as reported under IFRS | | | | | | | |
| Depreciation | | | | | | | (11 553) |
| Change in fair value of freehold investment property | | | | | | | (22 476) |
| Change in fair value of leasehold investment property | | | | | | | (27 295) |
| Finance income | | | | | | | 39 998 |
| Finance expense | | | | | | | (89 973) |
| **Profit before tax** | | | | | | | **11 305** |

| 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) | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 |
|---|---|---|---|---|
| Profit (loss) for the period | 12 681 | 21 483 | 4 237 | 68 183 |
| Weighted average number of outstanding shares during the period (basic) | 94 678 584 | 94 678 584 | 94 678 584 | 94 678 584 |
| Weighted average number of outstanding shares during the period (diluted) | 94 678 584 | 94 678 584 | 94 678 584 | 94 678 584 |
| | **0.13** | **0.23** | **0.04** | **0.72** |
| **Earnings (loss) per share - diluted in NOK** | **0.13** | **0.23** | **0.04** | **0.72** |

See also note 6.

# Note 5 Investment property

During the first half year 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 | (27 295) | - | (27 295) |
| Additions and disposals leasehold investment property in the year | 17 258 | - | 17 258 |
| Asset acquisition in Property segment | - | 51 491 | 51 491 |
| Company acquired as asset acquisition | - | 94 328 | 94 328 |
| Additions to existing properties | - | 89 193 | 89 193 |
| Fair value adjustments recognised in profit or loss | - | (22 476) | (22 476) |
| Other/translation differences | 12 691 | 21 719 | 34 410 |
| **Balance as at 30 June 2023** | **448 527** | **2 763 795** | **3 212 322** |

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

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

All freehold properties were appraised on facility level by an independent appraiser during the fourth quarter of 2022. In the 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. Inflation is expected to exceed the official long-term inflation target over the next few years which drives rent and increases the value of the freehold portfolio. This benefit is offset by negative effects from yield expansions in the property market. Hence, for the second quarter 2023, the appraiser has concluded that there is no further indication of change to the fair value of freehold investment properties in SSG. Change in fair value of investment property in Q2 2022 was NOK -1.7 million. Change in fair value of investment property in first half year 2023 was NOK -22.5 million compared to NOK 4.5 million in first half year 2022. 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 2 764 million at 30 June 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 30 June 2023** | | | **94 678 584** | **9 467 858** | **0.10** |

At the General Meeting in 2023 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 2024.

## List of main shareholders at 30 June 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 | J.P. Morgan Securities LLC | United States | 6 273 550 | 6.6% |
| 4 | GSS INVEST AS[3] | Norway | 5 565 000 | 5.9% |
| 5 | VERDIPAPIRFONDET ODIN EIENDOM | Norway | 5 077 166 | 5.4% |
| 6 | J.P. Morgan SE | Sweden | 4 134 560 | 4.4% |
| 7 | SOLE ACTIVE AS | Norway | 3 527 601 | 3.7% |
| 8 | BNP Paribas | Luxembourg | 2 729 686 | 2.9% |
| 9 | SKAGEN M2 VERDIPAPIRFOND | Norway | 2 707 002 | 2.9% |
| 10 | FIRST RISK CAPITAL AS[4] | Norway | 2 600 000 | 2.7% |
| 11 | VERDIPAPIRFONDET HOLBERG NORGE | Norway | 2 600 000 | 2.7% |
| 12 | HSBC Bank Plc | United Kingdom | 2 387 970 | 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 | 1 421 476 | 1.5% |
| 16 | MUSTAD INDUSTRIER AS | Norway | 1 155 635 | 1.2% |
| 17 | Brown Brothers Harriman & Co. | United States | 1 016 072 | 1.1% |
| 18 | J.P. Morgan SE | Sweden | 882 894 | 0.9% |
| 19 | Skandinaviska Enskilda Banken AB | Luxembourg | 654 526 | 0.7% |
| 20 | Bank Julius Bär & Co. AG | Switzerland | 628 202 | 0.7% |
| | Other | | 12 165 780 | 12.8% |
| | **Sum** | | **94 678 584** | **100.0%** |

[1]The 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
[2]Fabian Holding AS is owned by CEO Fabian Søbak
[3]GSS Invest AS is owned by board member Gustav Søbak
[4]First Risk Capital AS is controlled by board member Carl August Ameln
Duo Jag AS, which is partly owned by board member Ingrid Leisner, owns 10 390 shares in Self Storage Group ASA
CFO Cecilie Brænd Hekneby and close relatives own 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

| (Amounts in NOK 1 000) | Amounts due in | | |
|---|---|---|---|
| As at 30 June 2023 | less than 1 year | 1-5 years | Total |
| Debt to financial institutions[1] | 61 750 | 1 204 534 | 1 266 284 |
| Lease liabilities[2] | 85 127 | 492 506 | 577 633 |

[1]Non-discounted amount excluding estimated interest
[2]Non-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 | – | 17 007 | 17 007 |
| Additions and disposals of other leases in the year | – | – | – |
| Repayments of borrowings/Payments of lease | (1 163 528) | (26 144) | (1 189 672) |
| Proceeds from borrowings | 1 336 000 | – | 1 336 000 |
| Interests expenses of borrowings | 37 248 | – | 37 248 |
| Interests paid of borrowings | (27 623) | – | (27 623) |
| Amortisation | (4 706) | – | (4 706) |
| Other/translation differences | – | 14 085 | 14 085 |
| **Balance as at 30 June 2023** | **1 266 284** | **479 579** | **1 745 863** |

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 million is drawn from the new revolving credit facility as of 30 June 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.

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 30 June 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 is:

- 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 30 June 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 positive change in fair value of interest rate swaps of NOK 15.2 million for Q2 2023 related to hedging of interests is included in finance income. In Q2 2023 a gain of NOK 4.1 million on the interest rate swaps was received and is included in finance income. YTD 2023 a positive change in fair value of interest rate swaps of NOK 15.2 million and a negative change in fair value of interest rate swaps of NOK 1.9 million related to hedging of interests is included in finance income and expense. A gain of NOK 8.2 million on the interest rate swaps was received and is included in finance income YTD 2023.

# 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 | 17 007 | 17 258 | - |
| Additions and disposals of other leases in the year | - | - | - |
| Payments of lease | (26 144) | - | - |
| Change in fair value of leasehold investment properties | - | (27 295) | - |
| Depreciation | - | - | (591) |
| Other/translation differences | 14 085 | 12 691 | - |
| **Balance as at 30 June 2023** | **479 579** | **448 527** | **1 479** |

| Amounts related to leases recognised in profit or loss: | Q2 2023 | Q 2022 | YTD 2023 | YTD 2022 | Full year 2022 |
|---|---|---|---|---|---|
| Expenses relating to short-term leases (included in lease expenses) | (3 446) | (3 819) | (7 848) | (7 574) | (15 538) |
| Change in fair value of leasehold properties | (13 925) | (12 415) | (27 295) | (24 820) | (49 346) |
| Depreciation expense of leased assets classified as property, plant and equipment | (295) | (277) | (591) | (566) | (1 119) |
| Interest expense on lease liabilities (included in finance expenses) | (4 898) | (4 160) | (9 742) | (8 411) | (16 438) |
| **Total amount recognised in profit or loss** | **(22 564)** | **(20 671)** | **(45 476)** | **(41 371)** | **(82 441)** |

Total cash outflows for leases were NOK 22.6 million in Q2 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 193.3 million as of 30 June 2023, with periods ranging between one and ten years. Options to extend, not reasonably certain to commit to, amounts to NOK 15.3 million as of 30 June 2023, with periods ranging between one and ten years.

The Group has not committed to any additional future leases as of 30 June 2023.

# Note 9 Net financial items

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

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | Full year 2022 |
|---|---|---|---|---|---|
| Interest income and other financial income | 162 | 254 | 284 | 283 | 665 |
| Interest income on borrowings (gain on interest rate swaps) | 4 144 | - | 8 218 | - | 2 395 |
| Realised gain from transactions in foreign currency | 65 | 41 | 136 | 71 | 343 |
| Unrealised gain in foreign currency | - | 6 137 | 16 198 | 16 307 | 23 024 |
| Positive change in fair value of financial instruments[1] | 15 162 | 8 124 | 15 162 | 30 470 | 33 818 |
| **Total financial income** | **19 533** | **14 556** | **39 998** | **47 131** | **60 245** |
| | | | | | |
| Interest expense on borrowings | (36 785) | (6 451) | (45 467) | (12 496) | (25 824) |
| Interest expense on lease liabilities | (4 272) | (4 160) | (8 499) | (8 411) | (16 438) |
| Other interests, fees and charges | (693) | (74) | (1 186) | (1 147) | (1 610) |
| Realised loss from transactions in foreign currency | (113) | (121) | (396) | (282) | (466) |
| Unrealised loss in foreign currency | (4 756) | (13 078) | (32 508) | (17 928) | (24 623) |
| Negative change in fair value of financial instruments[1] | - | - | (1 917) | - | (8 480) |
| **Total financial expenses** | **(46 619)** | **(23 884)** | **(89 973)** | **(40 264)** | **(77 441)** |
| **Net financial items** | **(27 086)** | **(9 328)** | **(49 975)** | **6 867** | **(17 196)** |

[1]Change in fair value of interest rate swaps

Net finance amounted to NOK -27.1 million in Q2 2023, compared to NOK -9.3 million in Q2 2022. Financial income in Q2 2023 was NOK 19.5 million, an increase of NOK 5.0 million compared to Q2 2022. The financial income in Q2 2022 was strongly affected by a positive change in fair value of financial instruments of NOK 15.2 million and gain on interest rate swaps of NOK 4.1 million.

The financial expense in Q2 2023 was NOK -46.6 million, an increase of NOK 22.7 million compared to Q2 2022. NOK 36.8 million of the financial expenses is attributable to interest expense on borrowings.

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 new loan was paid out in April 2023 and the former bank facility was repaid a year before planned. During the quarter the company paid and expensed NOK 16.7 million in interest. However, due to the early redemption as well as a technical error in the amortisation schedule, an accrued non-cash amortisation was recorded in the quarter. Per the loan agreement, no early redemption fees apply.

Net finance for the first half year 2023 was NOK -50.0 million compared to NOK 6.9 million in the first half year 2022. Financial income of NOK 40.0 million in the first half year 2023 is offset by non-cash effects of unrealised loss in foreign currency and amortisation of the repaid facility.

# Note 10 Subsequent events

- On 4 July 2023, an agreement to acquire a property under development in Skjerven næringspark in Gjøvik, Norway, was entered into. The property has an estimated lettable area of 1 400 $m^2$

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

# Reconciliation of APMs used in the Interim Report

| (Amounts in NOK 1 000) | 30 June 2023 | 31 December 2023 |
|---|---|---|
| Interest-bearing debt | | |
| Non-current interest-bearing debt | 1 204 534 | 1 033 562 |
| Current interest-bearing debt | 61 750 | 55 331 |
| **Total interest-bearing debt** | **1 266 284** | **1 088 893** |

| (Amounts in NOK 1 000) | Q2 2023 | Q 2022 | YTD 2023 | YTD 2022 | Full year 2022 |
|---|---|---|---|---|---|
| Property-related expenses | (14 477) | (12 444) | (31 768) | (27 077) | (59 134) |
| Salary and other employee benefits | (10 249) | (12 196) | (24 213) | (25 020) | (49 557) |
| Other operating expenses | (13 206) | (9 817) | (22 936) | (19 556) | (43 411) |
| **Total other operating expenses** | **(37 932)** | **(34 457)** | **(78 917)** | **(71 653)** | **(152 102)** |
| | | | | | |
| Operating profit before fair value adjustments | 56 629 | 54 813 | 111 051 | 101 060 | 203 621 |
| EBIT | 56 629 | 54 813 | 111 051 | 101 060 | 203 621 |
| Total adjustments | – | – | (2 592) | – | 1 014 |
| **Adjusted EBIT** | **56 629** | **54 813** | **108 459** | **101 060** | **204 635** |
| Change in fair value of freehold investment property | (8) | (1 698) | (22 476) | 4 450 | (147 242) |
| Change in fair value of leasehold investment property | (13 925) | (12 415) | (27 295) | (24 820) | (49 346) |
| Net finance | (27 086) | (9 328) | (49 975) | 6 867 | (17 196) |
| **Adjusted Profit before tax** | **15 610** | **31 372** | **8 713** | **87 557** | **(9 149)** |
| Adjusted tax | (2 929) | (9 889) | (7 602) | (19 374) | 1 451 |
| **Adjusted Net profit** | **12 681** | **21 483** | **1 111** | **68 183** | **(7 698)** |
| | | | | | |
| Operating profit before fair value adjustments | 56 629 | 54 813 | 111 051 | 101 060 | 203 621 |
| Depreciation | (6 231) | (4 791) | (11 553) | (9 545) | (20 900) |
| EBITDA | 62 860 | 59 604 | 122 604 | 110 605 | 224 521 |
| Total adjustments | – | – | (2 592) | – | 1 014 |
| **Adjusted EBITDA** | **62 860** | **59 604** | **120 012** | **110 605** | **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)** |