

Self Storage Group ASA: Acquisition of Eurobox Minilager AS, property acquisitions in Oslo and contemplated private placement

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Self Storage Group ASA: Acquisition of Eurobox Minilager AS, property acquisitions in Oslo and contemplated private placement

(Oslo, 25 June 2019) Self Storage Group ASA ("Self Storage Group" or the "Company") has on 25 June 2019 entered into an agreement with First Risk Capital AS to acquire 100% of the shares in Eurobox Minilager AS (the management company of Eurobox in Norway) and the associated property companies Eurobox Billingstad AS, Cron Gruppen AS and Cron Invest AS (collectively referred to as "Eurobox" and the "Eurobox Acquisition"). In addition, Self Storage Group has agreed on the purchase price of two additional properties in Oslo, located at Skøyen and Kalbakken. The closing of these transactions is subject to due diligence and board approval.

"Eurobox is a good strategic and geographical fit for Self Storage Group with its leading local market position. The acquisition, in combination with the contemplated acquisition of the two properties at Skøyen and Kalbakken, underlines our ambitious growth strategy of increasing the Company's freehold portfolio in selected markets in Scandinavia, in addition to carry out accretive acquisitions in a fragmented market", says Martin Nes, Chairman of Self Storage Group.

In connection with the acquisition of Eurobox and the two properties in Oslo, Self Storage Group will launch a contemplated private placement raising gross proceeds of up to NOK 250 million (the "Private Placement"). The Company will after the Private Placement have financial flexibility to finance the Eurobox Acquisition, the two additional properties in Oslo and future expansion opportunities through its combined debt capacity under the Company's existing loan facilities.



The acquisition of Eurobox

Eurobox operates four high quality climate controlled sites in the greater Oslo region, ideally located close to the main roads in the urban areas of Oslo, Asker and Drammen. Three of the facilities are freehold, and one facility has a long-term leasehold contract.

Self Storage Group will acquire Eurobox, consisting of four legal entities, for an enterprise value of NOK 320 million, on a cash free basis, which will be settled through a cash component of NOK 245 million and consideration shares worth NOK 75 million in Self Storage Group (the "Consideration Shares"). The valuation of the Consideration Shares for the purpose of settlement will be equal to the subscription price in the contemplated Private Placement. The cash component and Consideration Shares will be transferred at the time of closing of the acquisition. The Consideration Shares will be issued based on a Board authorisation granted by the Company's Annual General Meeting held on 23 May 2019.

Eurobox provides self-storage units to private individuals and businesses in the greater Oslo-area with facilities in Oslo, Asker and Drammen, and has a current lettable area of approximately 10,800 m². The three owned properties are located in Billingstad (Billingstadsletta 91) and Drammen (Austadgata 18 and Nedre Eikervei 37A). The facility located at Adamstuen in Oslo (General Birchs gate 16) is on a long-term leasehold contract.

Key Figures*:

(NOK million)	2016	2017	2018
Revenues	23.0	25.6	28.3
EBITDA	7.5	12.3	11.7
EBITDA %	32.8 %	48.1 %	41.5 %
EBIT	7.1	11.8	11.2
Total assets**	276.6	274.2	272.8

**The unaudited key financial information from the target is converted to IFRS and adjusted to represent the entities and assets to be acquired by Self Storage Group under the agreement.*

***In Eurobox's financial statement, properties have been recorded at cost less depreciation. SSG applies fair value with changes through the profit and loss statement. Due to lack of accurate information, no changes in fair value of investment property is reflected in historical figures of the target when converted to IFRS.*

"Eurobox has developed four quality sites in prime locations in an attractive region. The sites will be rebranded to the City Self-Storage concept and we expect to further improve the utilisation, efficiency and profitability when they become a part of the Self Storage Group. The acquisition leverages on the large untapped potential for self-storage in Scandinavia as urbanization and smaller living spaces cause increasing need for external storage solutions. To enhance these opportunities, we have established a solid platform for future growth with prime locations, leveraging on a lean and operationally focused organization to increase margins and target additional growth", says Fabian Søbak, Chief Executive Officer of Self Storage Group.

Eurobox is owned by First Risk Capital, which was co-founded and is 54% owned by Carl August Ameln. Mr. Ameln was the founder of City Self-Storage in Norway. The Eurobox Acquisition is expected to close in two tranches during the third quarter of 2019, with consolidation from 1 July 2019, and will be subject to ordinary closing conditions. The first closing will entail all companies other than Eurobox Billingstad and is expected to complete early July 2019, while the closing of Eurobox Billingstad will occur subsequently following completion of a statutory demerger of the relevant real property into that legal entity.

Following the Eurobox Acquisition, Self Storage Group will reinforce its position as a leading self-storage provider with a total of 106 facilities across Scandinavia with a total lettable area of 128,336 m², and an additional 18,469 m² under development as of 31 March 2019 (not adjusted for the contemplated acquisition of the two properties at Skøyen and Kalbakken described in the next section).

More detailed information about Eurobox is included in the attached presentation.

Acquisition of two additional properties in Oslo

In addition, Self Storage Group have agreed on the purchase price of two additional properties in Oslo, located at Skøyen (Hovfaret 11) and Kalbakken (Østre Aker vei 101). The closing of these transactions is subject to final purchase agreements, due diligence and board approval. The property at Skøyen has an estimated lettable area of 3,500 m², is located in an attractive commercial hub with a significant catchment area with higher income demographic, and has a property value of NOK 145 million. The expected rent level is above the current average for City Self Storage in Norway. The property at Kalbakken has an estimated lettable area of 3,000 m², has excellent visibility and easy access from the main road, and has a property value of NOK 55 million.

The two transactions are expected to close during Q3 2019 and both facilities will be operated under the City Self-Storage brand. The acquisitions are in line with the Groups strategy to grow the freehold portfolio in the greater Oslo area.

For more detailed information, please see the attached presentation.

The contemplated Private Placement

Self Storage Group has retained Arctic Securities AS, Carnegie AS and DNB Markets, a part of DNB Bank ASA, as Joint Bookrunners (collectively the "Managers") to advise on and carry out the contemplated Private Placement. The Private Placement is directed towards Norwegian and international investors, subject to applicable exemptions from relevant registration, filing and prospectus requirements, and subject to other applicable selling restrictions.

Through the Private Placement, the Company is offering new shares (the "Offer Shares") for gross proceeds of up to NOK 250 million, representing approximately 19% of the outstanding share capital of the Company at current share price levels and prior to registration of the Consideration Shares. The price in the Private Placement is NOK 19.25 per share. The minimum application and allocation amount has been set to the NOK equivalent of EUR 100,000. The Company may however, at its sole discretion, allocate amounts below EUR 100,000 to the extent exemptions from the prospectus requirement in accordance with applicable regulations, including the Norwegian Securities Trading Act and ancillary regulations, are available.

The net proceeds from the Private Placement will be used to partly secure funding for the acquisition of Eurobox and the two properties at Skøyen and Kalbakken, and for general corporate purposes, including funding strategic growth initiatives within the Company's business.

The Managers have prior to launch received indications of demand covering a substantial part of the Private Placement. FEOK AS (represented on the Board of Directors by Martin Nes) has pre-committed to subscribe for Offer Shares for a total value equal to NOK 40 million; Vatne Equity AS, represented on the Board of Directors by Runar Vatne has pre-committed to subscribe for Offer Shares for a total value equal to NOK 8 million; Yvonne Sandvoll (board member) has through Yls Næringseiendom AS pre-committed to subscribe for Offer Shares for a total value equal to NOK 8 million; Martin Nes (Chairman of the Board) has through Hanekamb Invest AS pre-committed to subscribe for Offer Shares for a total value equal to NOK 1 million;



Ingrid Leisner (board member) has pre-committed to subscribe for Offer Shares for a total value equal to NOK 200,000; Ulf Tore Hekneby, related party to Cecilie Hekneby (CFO), has pre-committed to subscribe for Offer Shares for a total value equal to NOK 5 million; Frøydis Rundhovde (Group Controller) has pre-committed to subscribe for Offer Shares for a total value equal to NOK 150,000 and Arild Nymoen (Chief Accountant) has pre-committed to subscribe for Offer Shares for a total value equal to NOK 75,000.

The book building period for the Private Placement commences today, 25 June 2019, at 16:30 CEST and closes on 26 June 2019 at 08:00 CEST. The Managers and the Company may, however, at any time resolve to close or extend the book building period at their sole discretion and on short notice. If the book building period is shortened or extended, any other dates referred to herein may be amended accordingly.

The allocation of Offer Shares will be determined at the end of the book building process. The final allocation will be made at the discretion of the Company's Board of Directors in consultation with the Managers. Notification of allotment will be sent to the applicants by the Managers on or about 26 June 2019, subject to any shortenings or extensions of the book building period.

The Offer Shares allocated in the Private Placement will be settled through a delivery versus payment transaction on a regular T+2 basis by delivery of existing and unencumbered shares in the Company, that are already listed on Oslo Børs, pursuant to a share lending agreement between DNB Markets, a part of DNB Bank ASA (on behalf of the Managers), the Company and Feok AS. The Offer Shares delivered to the subscribers will thus be tradable upon allocation. The Managers will settle the share loan with new shares in the Company to be issued by the Board of Directors pursuant to an authorisation given by the Annual General Meeting held on 23 May 2019. The new shares will be placed on a separate ISIN number until a listing prospectus has been prepared and approved by the Financial Supervisory Authority of Norway (the "NFSA"), expected during Q3 2019.

Subject to successful completion of the Private Placement, the Company will announce the final number of Offer Shares to be issued in connection with the Private Placement in a stock exchange announcement expected to be published before opening of trading on Oslo Stock Exchange tomorrow, 26 June 2019. Payment date for the Offer Shares is expected to be on or about 28 June 2019. Completion of the Private Placement is subject to final approval by the Board.

The Company's Board of Directors has considered the Private Placement in light of the equal treatment obligations under the Norwegian Securities Trading Act and Oslo Stock Exchange' Circular no. 2/2014, and is of the opinion that the contemplated transaction is in compliance with these requirements. The share issuance will be carried out as a private placement in order to complete a transaction in an efficient manner without the significant discount typically seen in rights issues, and without the need for a guarantee consortium. On this basis, and based on an assessment of the current equity markets, the Company's Board of Directors has considered the Private Placement to be in the common interest of the Company and its shareholders. As a consequence of the Private Placement structure, the shareholders' preferential rights will be deviated from.

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About Self Storage Group | www.selfstoragegroup.no

¹In addition there is a potential lettable area of 3,150 m² from the option to acquire the neighbouring building at Billingstad, 3,600 m² from the greenfield project in Trondheim and 4,900 m² from the greenfield project in Alnabru, Oslo, that is not included in the CLA as of 31 March 2019.

