

# YEAR-END REPORT 2019

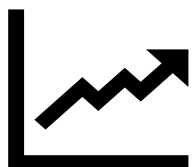
Fredrik Sandelin  
CEO

2020-02-21



- 1. 2019 Highlights**
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# CONTINUED EXPANSION WITH THREE NEW FACILITIES, A SUCCESSFUL LISTING AND STRONG FINANCES



1

**+25%**

Revenue increased by 25% vs 2018.



2

**1.1**  
SEK Bn

Property value SEK 1,141.5 m (989.2) at year end.



3

**40.6**  
SEK m

Unrealized change in value of property portfolio SEK 40.6 m (38.3).



4

**37%**

Equity/assets ratio 37% (29).  
LTV 53% (65).  
Cash and cash equivalents SEK 189.3 m (62.5).



5

**+8,300**  
sqm

Built out area increased by 8,300 sqm vs 2018.

# ABOUT 24STORAGE



# 24STORAGE IS A SELF STORAGE COMPANY OFFERING STORAGE SPACE OUT OF HOME

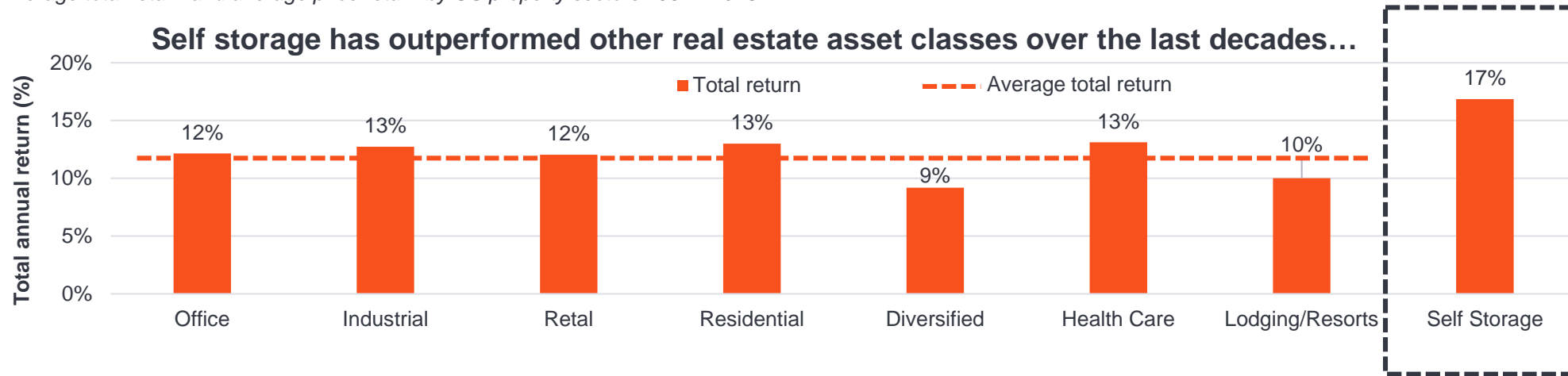
**23 SELF STORAGE FACILITIES**  
**3 REGIONS OF GROWTH**  
**>53,000 SQM**  
**>10,000 STORAGE UNITS**



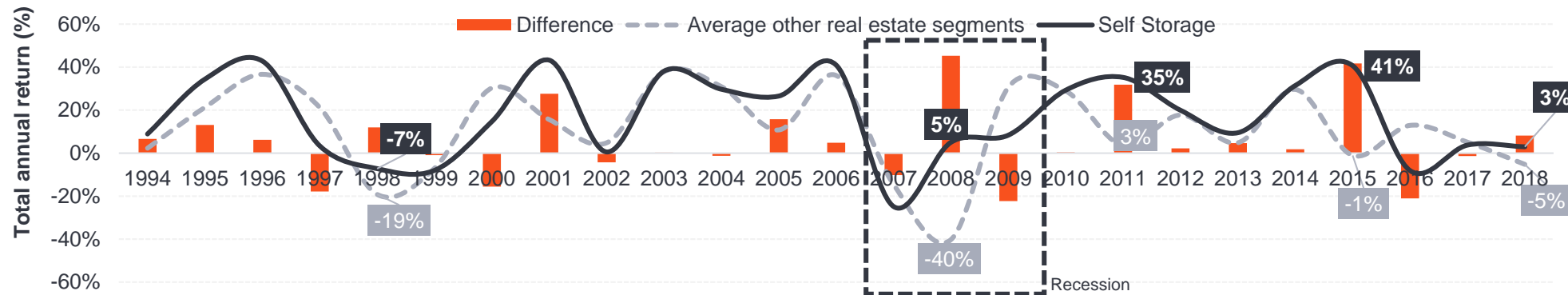
- ✓ Owns, operates and develops own self storage facilities throughout Sweden
- ✓ One of the leading players in the Swedish market
- ✓ Focus to expand in metropolitan areas such as Stockholm, Gothenburg and Malmö
- ✓ Cash flow comes from operating activities such as renting out storage space to residential and corporate customers
- ✓ By digitalizing manual processes a centralized operational models is enabled, opening up for a scalable business.

# ONLY SELF STORAGE COMPANY ON THE STOCKHOLM STOCK EXCHANGE

Average total return and average price return by US property sectors 1994 - 2018



**...and is viewed as fairly “recession proof” in light of strong relative performance during the US financial crisis**



Source: Company Data, Self-storage Almanac 2018 NAREIT Link: <https://www.reit.com/data-research/reit-indexes/annual-index-values-returns>

## MARKET DRIVERS



1

### Urbanization is the primary demand driver

- Urbanization, housing shortages, limited storage space, high property prices and more benefit the self storage industry as a whole.
- Swedish citizens move 11 times during a lifetime in average, more often than Europeans.



2

### Leading player in under- penetrated Swedish market

- Sweden is a growing and under-penetrated market with favourable real estate market drivers supporting a freehold strategy.
- Second largest player in Sweden with significant growth ambitions, growing with 3-5 new self storage facilities per year.

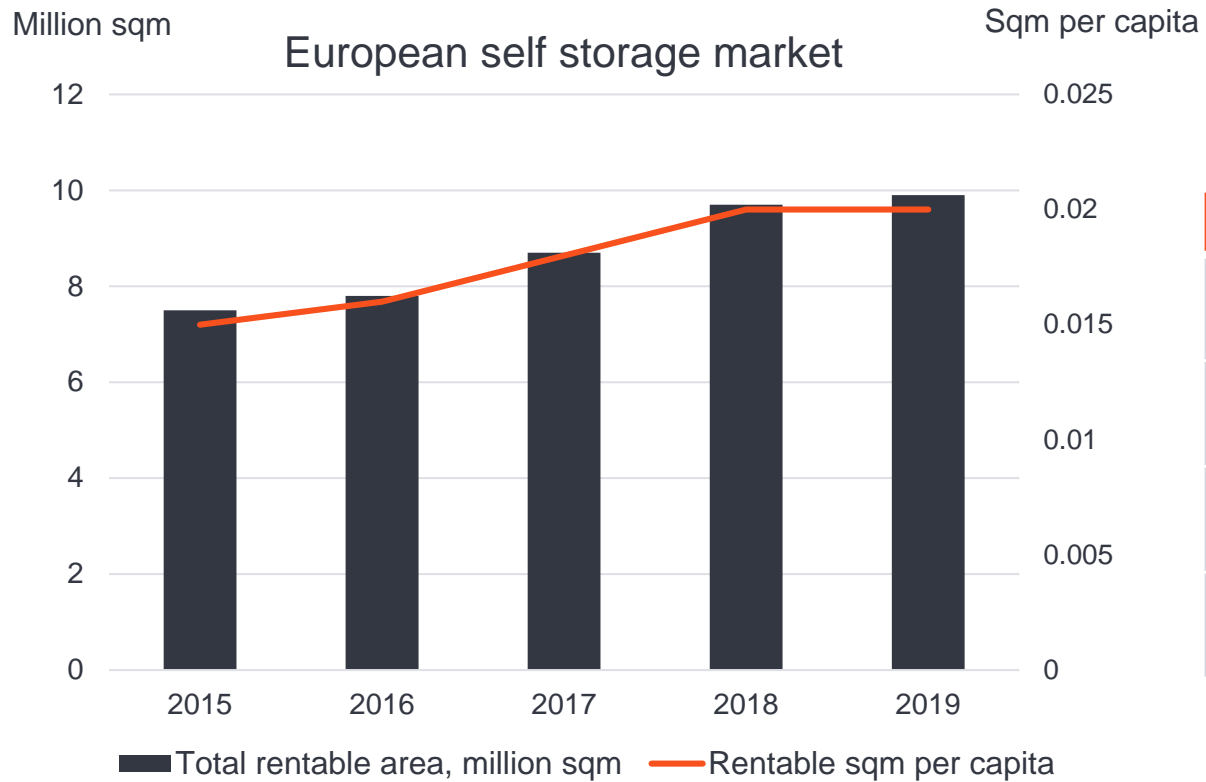


3

### Proven ability to develop and operate storage with “proptech” approach

- 23 high quality facilities in prime locations operated through a centralized operational model with a unique tech platform for genuine automation.
- Current portfolio of over 10,000 storage units in three regions of growth with more than 6,000 customers.

# GROWING TREND IN AN IMMATURE EUROPEAN MARKET



2019	Sweden	Europe	US
Self-storage facilities #	206	4,290	54,000
Rentable sqm per capita	0.05	0.02	0.87
Self-storage facilities per million inhabitants	20.5	8.7	166
Population density per sqkm	23	125	25

US vs SWE

260x

18x

8x

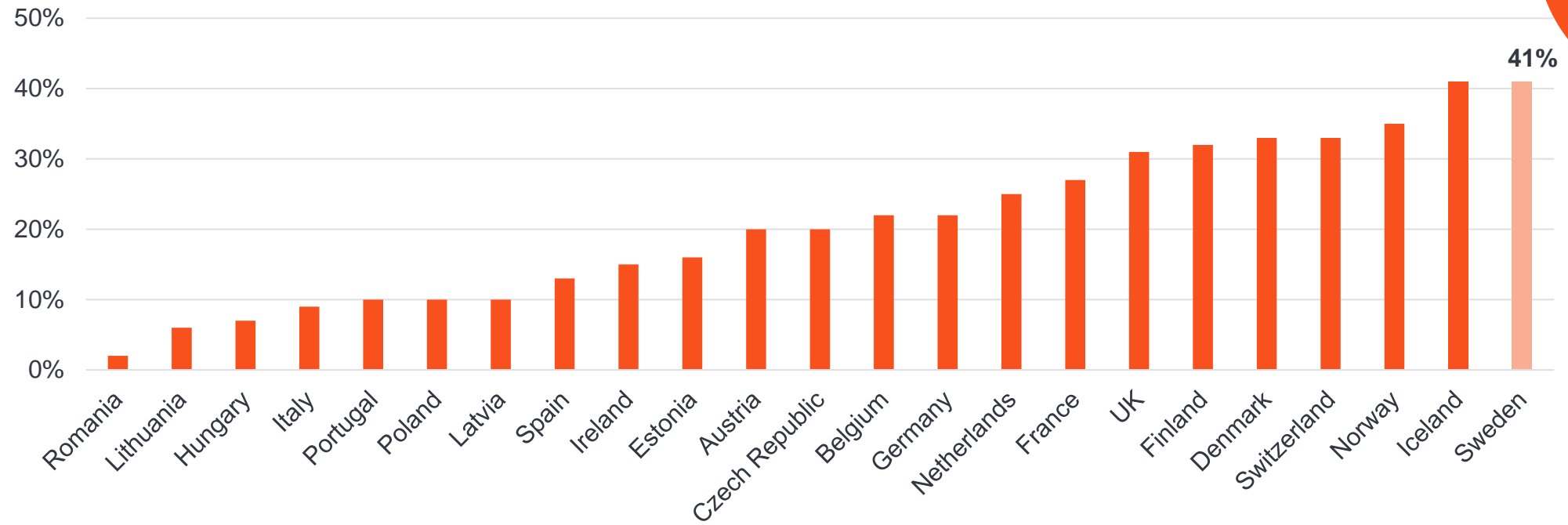
Source: FEDESSA Annual Survey 2019.



# PEOPLE MOVING BEING THE PRIMARY DEMAND DRIVER IN SWEDEN

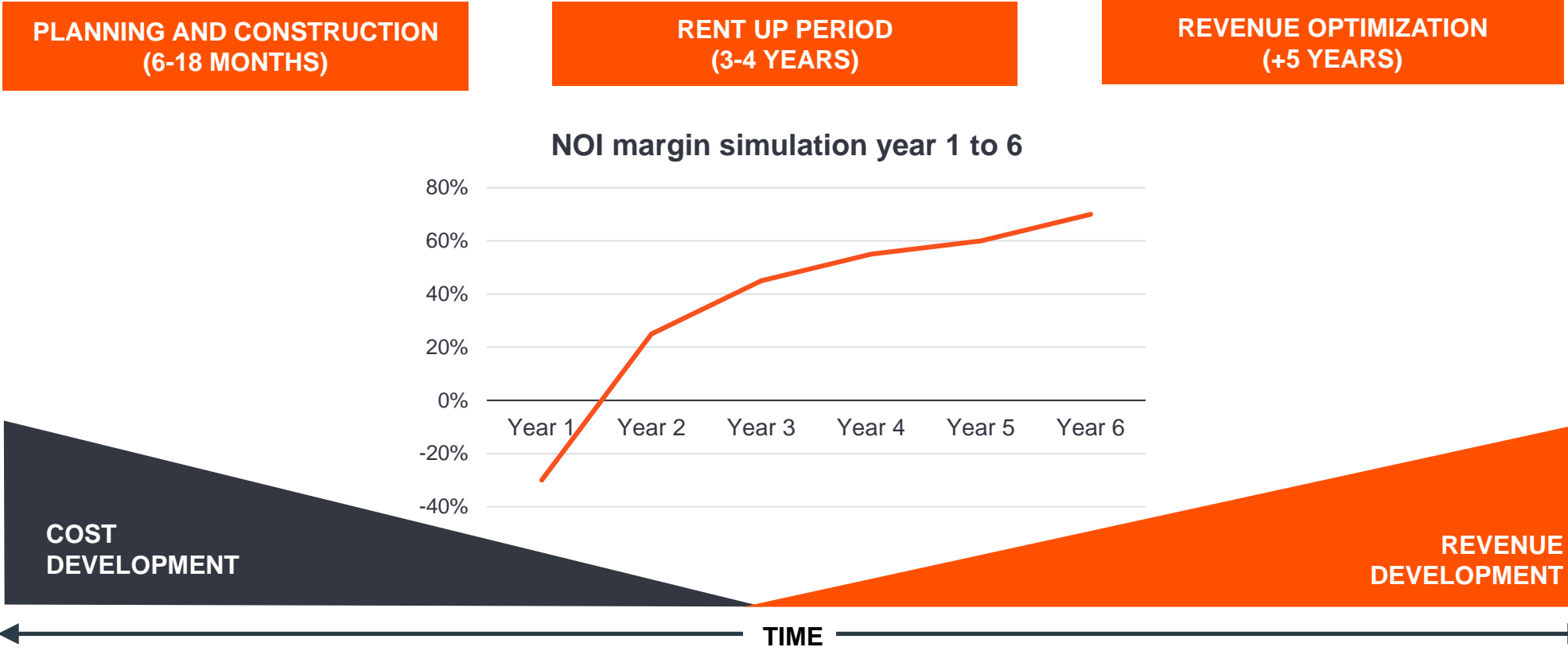
An average Swede moves **11** times in a lifetime

% population in cities who moved within the last five years

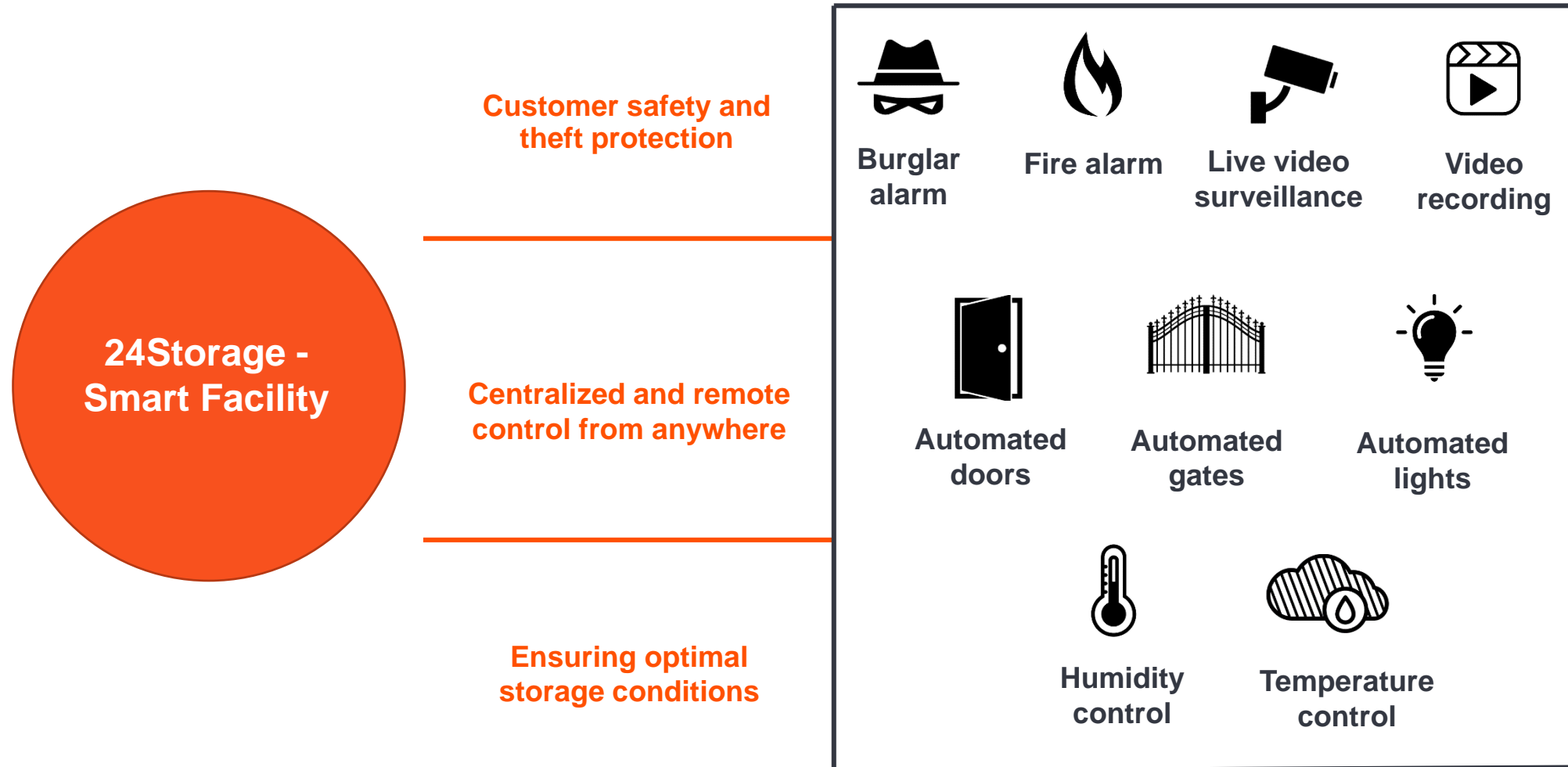


<sup>1</sup> Source: FEDESSA Annual Survey 2018. <sup>2</sup> SCB, 2018.

# SELF STORAGE INVESTMENT CYCLE

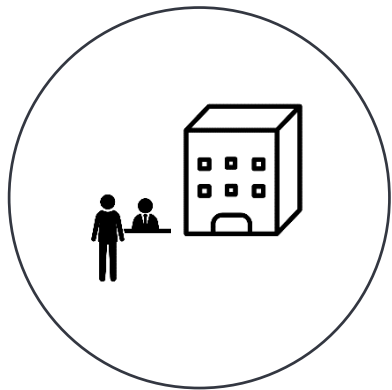


# PROPTECH – ENABLES A CENTRALIZED OPERATIONAL MODEL



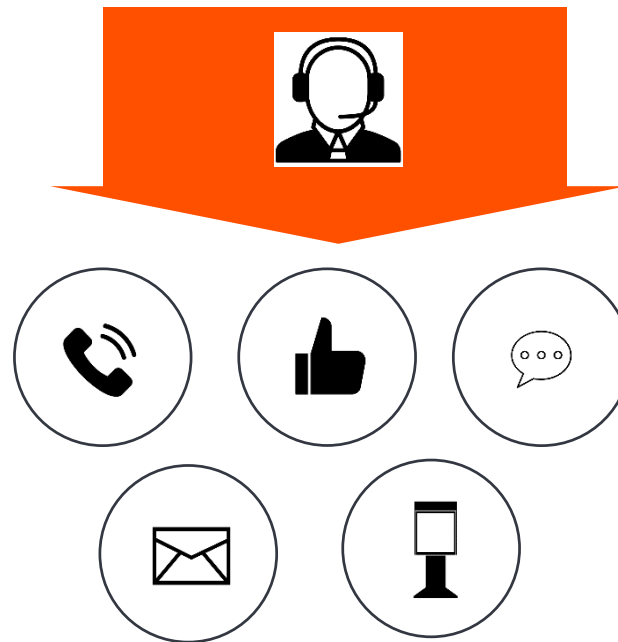
# DIGITIZING CUSTOMER JOURNEY

## Meeting appointments

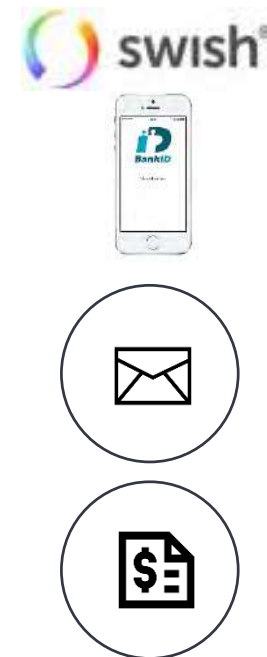


Scheduled appointments  
by CSC and traditional  
manned stores

## Customer service adapted in all channels



## Fully automated processes



## Customer self-service at location



# KEY BENEFITS OF CENTRALIZED OPERATIONAL MODEL

1

**Higher availability for customers**  
- Extended opening hours vs. competitors

2

**More flexible to meet customer demands**  
- Available on more channels (web, phone, chat, video)

3

**Lower FTE cost per facility**  
- 0.8 FTE on average per 500 units  
(peers 2-2.5 FTE per facility)

4

**Standardized processes and dedicated staff for different tasks**  
- Quality assurance

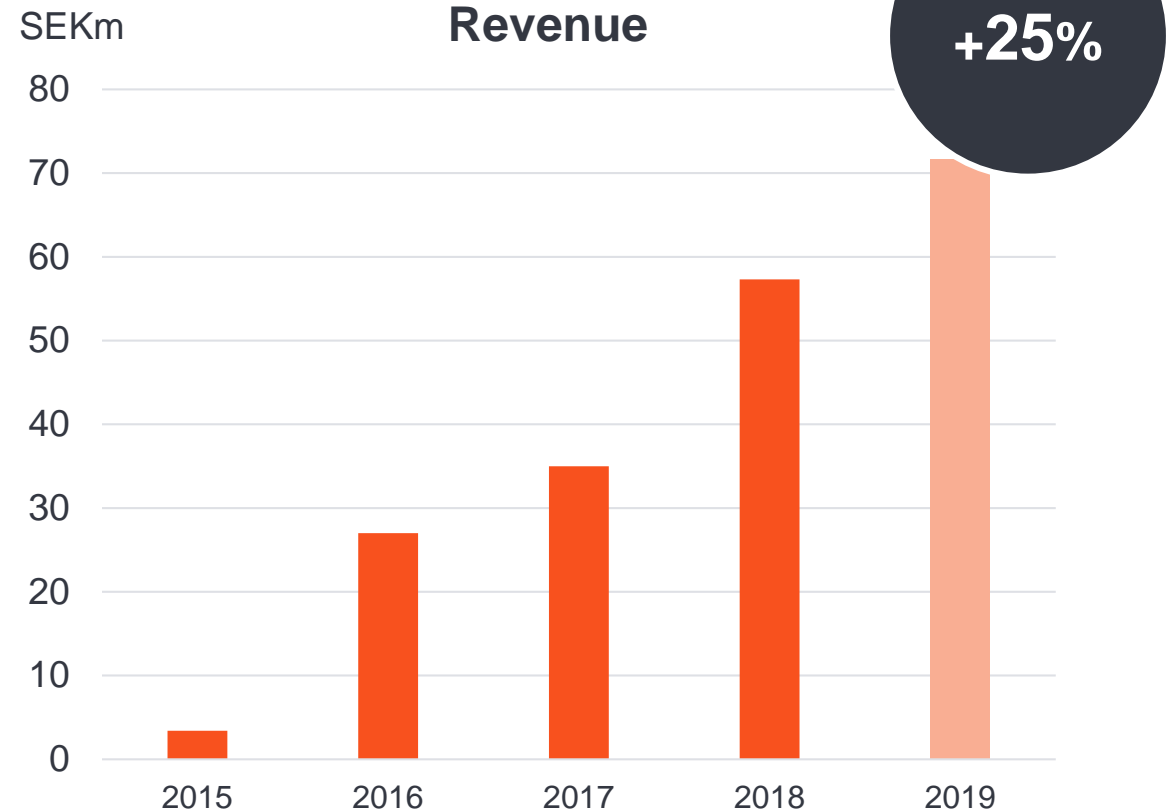


# FINANCIAL RESULTS

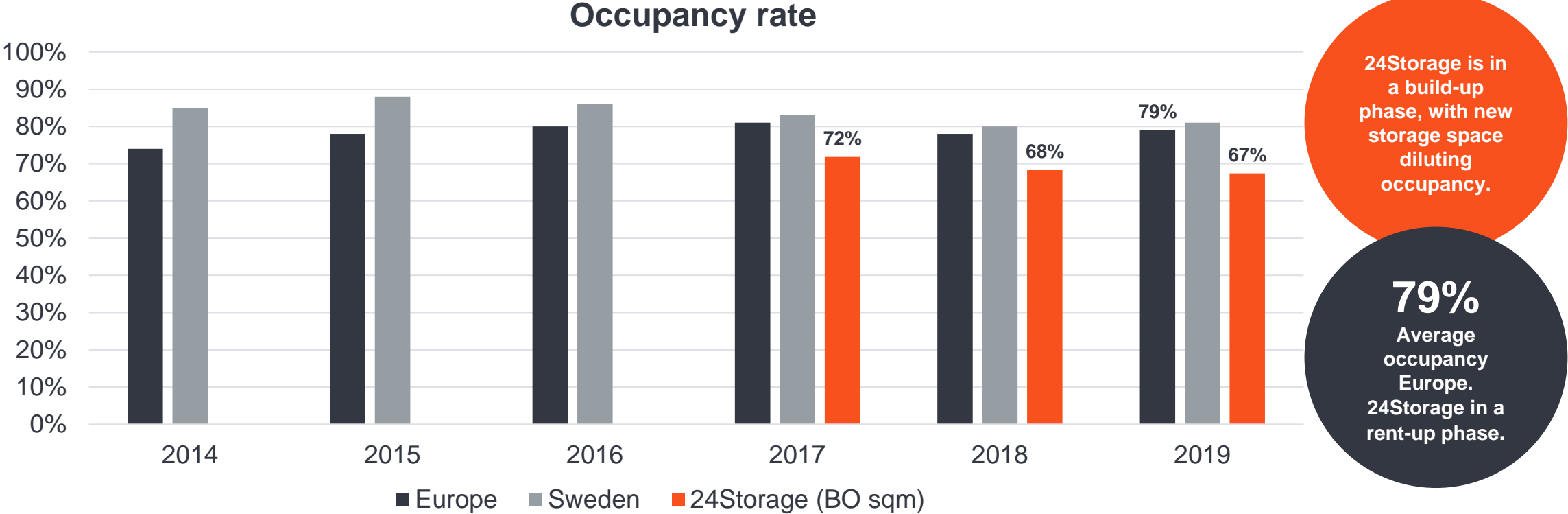


## 2019: CONTINUED GROWTH IN REVENUE

- Revenue increased by 25% vs 2018 to SEK 71.7 m (57.3)
- Occupancy rate in comparable facilities increased vs 2018
- Higher average prices in comparable facilities vs 2018
- Added capacity
  - 3 new facilities opened during 2019
  - + 8,300 sqm built out area



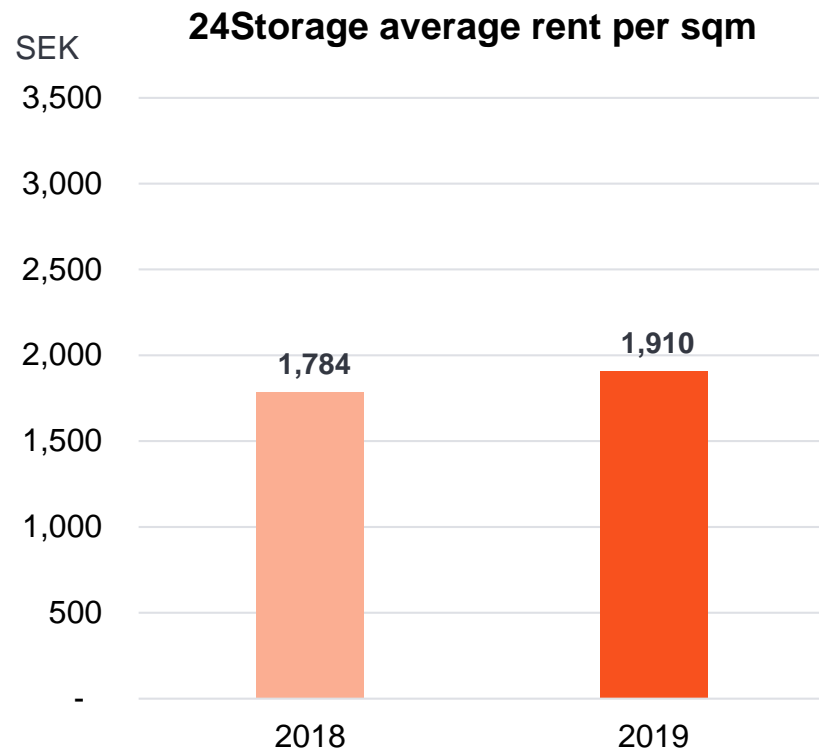
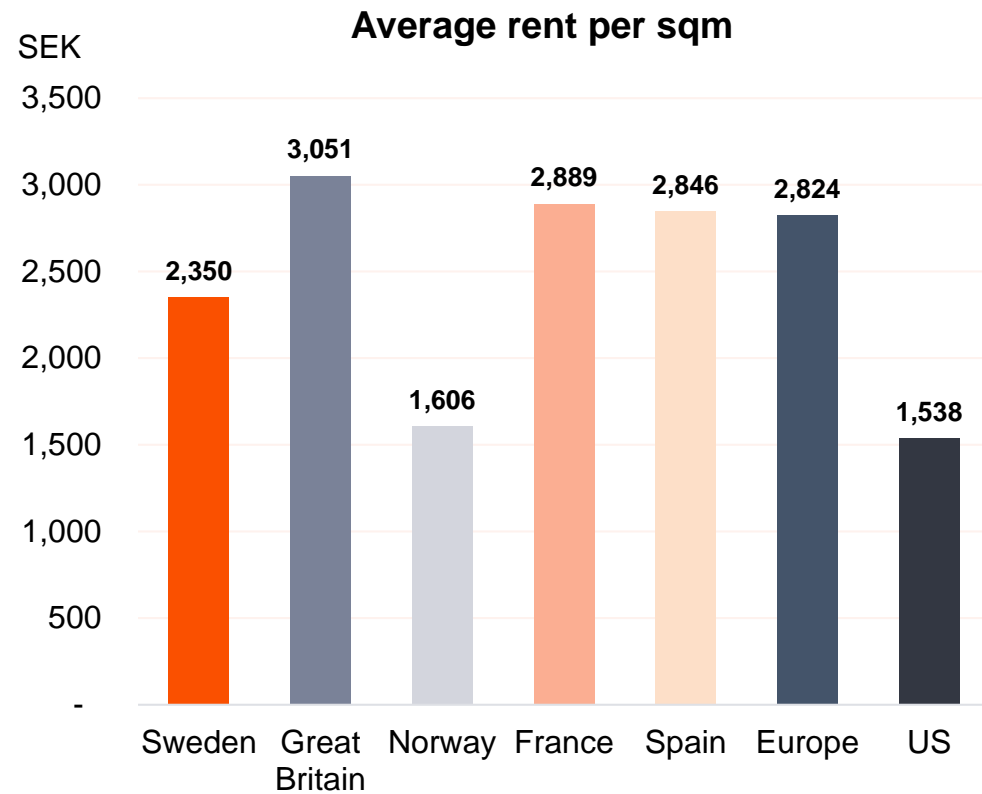
# OCCUPANCY RATE INDICATING GROWTH OPPORTUNITIES



Source: FEDESSA Annual Survey 2014-2019. Occupancy defined as rented area of built out area



# RENTAL PRICES VS MARKET



24Storage is in a rent-up phase, with lower average rent per sqm vs market.

## 2019: ECONOMIES OF SCALE IN BUSINESS MODEL

- Revenue in 2019 increased by 25% vs 2018
- Operating costs only increased by 15% vs 2018
- Average number of employees from 35 to 30 in 2019
- Gross margin in comparable facilities improved 50% vs 2018
- Newly opened facilities initially impact profit

Change in gross profit, SEKm	Result 2018	Change 2019 comparable facilities	Result 2019 comparable facilities	New facilities	Other	Result 2019
Net sales	57.3	9.6	66.9	4.8	0.0	71.7
Operating cost	-47.9	-2.7	-50.6	-7.3	2.6	-55.3
Gross profit (NOI)	9.4	6.9	16.3	-2.5	2.6	16.4
<b>Gross margin (NOI margin)</b>	<b>16%</b>		<b>24%</b>			<b>23%</b>

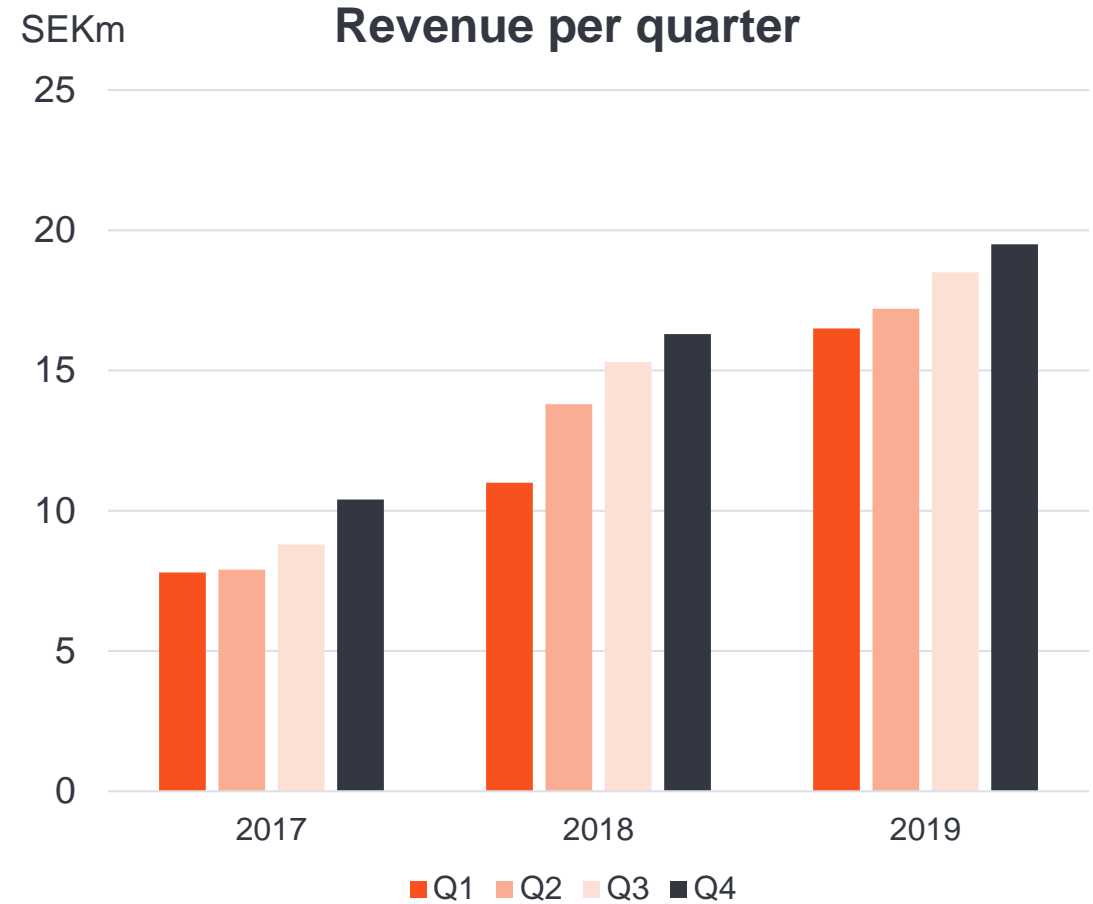
# PROFIT/LOSS FULL YEAR 2019

- Administration costs SEK 47.4 m (42.7)
  - Including listing costs of SEK 4.6 m (-) and depreciation of SEK 7.6 m (6.9)
- Unrealized change in value of property portfolio SEK 40.6 m (38.3)
- Net financial costs SEK 45.8 m (28.6)
  - Including costs in connection with redemption of debenture loans SEK of 10.7 m
- Profit after tax SEK -37.6 m (-14.1)

Income statement, SEKm	2019 Oct-Dec	2018 Oct-Dec	2019 Full year	2018 Full year
Net sales	19,5	16,3	71,7	57,3
Operating cost	-15,3	-13,8	-55,3	-47,9
<b>Gross profit (NOI)</b>	<b>4,2</b>	<b>2,5</b>	<b>16,4</b>	<b>9,4</b>
Administrative expenses	-20.1	-10.9	-47.4	-42.7
<b>Profit/loss before value adjustments</b>	<b>-15.9</b>	<b>-8.4</b>	<b>-30.9</b>	<b>-33.3</b>
Change in fair value of investment properties	28.7	32.1	40.6	38.3
<b>EBIT</b>	<b>12.7</b>	<b>23.7</b>	<b>9.7</b>	<b>4.9</b>
Financial income	0.0	0.0	0.0	0.0
Financial expenses	-8.4	-7.7	-45.8	-28.6
<b>Net financial items</b>	<b>-8.3</b>	<b>-7.7</b>	<b>-45.8</b>	<b>-28.6</b>
<b>Profit/loss before tax</b>	<b>4.4</b>	<b>16.1</b>	<b>-36.1</b>	<b>-23.7</b>
Tax	-1.5	9.6	-1.5	9.6
<b>Profit/loss after tax</b>	<b>2.9</b>	<b>25.6</b>	<b>-37.6</b>	<b>-14.1</b>

# SALES & PROFIT Q4 2019

- Revenue SEK 19.5 m (16.3)
  - An increase of 20% vs 2018
- Unrealized change in value of property portfolio SEK 28.7 m (32.1)
- Profit after tax SEK 2.9 m (25.6)



# LISTING ON NASDAQ FIRST NORTH GROWTH MARKET

- **New share issues during Q3 of SEK 171.1 m**
  - Cash SEK 41.7 m
  - Redemption of debenture loan SEK 79.0 m and interest SEK 7.6 m
  - Repurchase options 42.8 m
- **New share issue in connection with listing on Nasdaq First North Growth Market**
  - Oversubscribed 6 times
  - 1,700 new shareholders
  - Gross liquidity of SEK 100 m (net SEK 95.5m)



# STRONG FINANCES ENTERING 2020

- Property value SEK 1,141.5 m (989.2)
- Cash and cash equivalents SEK 189.3 m (62.5) at year end
- Equity / assets ratio 37% (29) at year end
- Net debt SEK 606.4 m (645.4)
- Loan ratio SEK 53% (65)

BALANCE SHEET, SEKm	2019 31 Dec	2018 31 Dec
<i>Assets</i>		
Fixed assets	1,183.1	1,030.6
Current assets	210.6	79.4
<b>Total assets</b>	<b>1,393.7</b>	<b>1,110.0</b>
<i>Equity and liabilities</i>		
Total equity	509.7	322.2
Total long term debt	613.4	667.0
Total current liabilities	270.6	120.7
<b>Total liabilities</b>	<b>884.0</b>	<b>787.7</b>
<b>Total equity and liabilities</b>	<b>1,393.7</b>	<b>1,110.0</b>

# CASH FLOW FULL YEAR 2019

- **Cash flow from operating activities SEK -53.1 m (-95.3)**
  - **Operations in a build-up phase**
- **Cash flow from investing activities SEK -115.0 m (-130.1)**
  - **Property acquisitions and ongoing construction projects**
- **Cash flow from financing activities SEK 294.9 m (240.3)**
  - **New share issues**
  - **Bank loans**

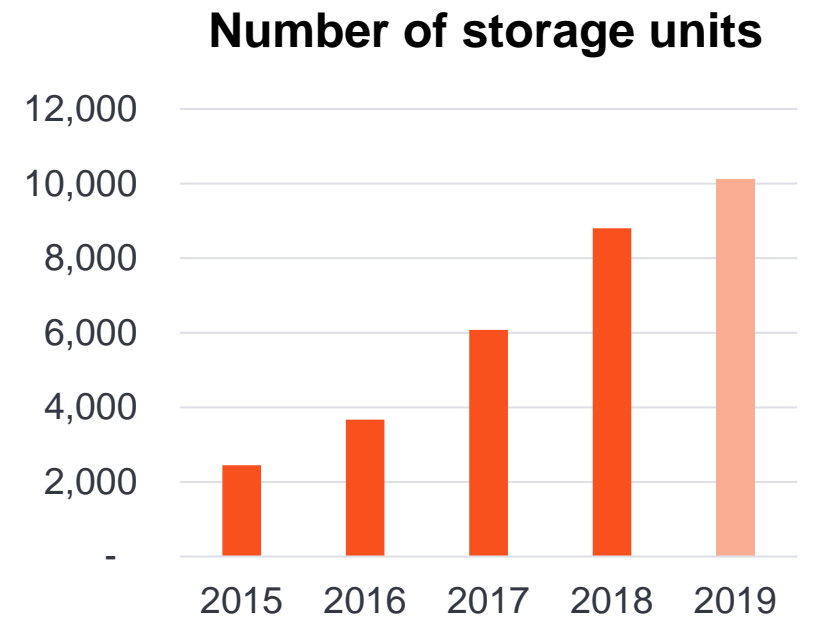
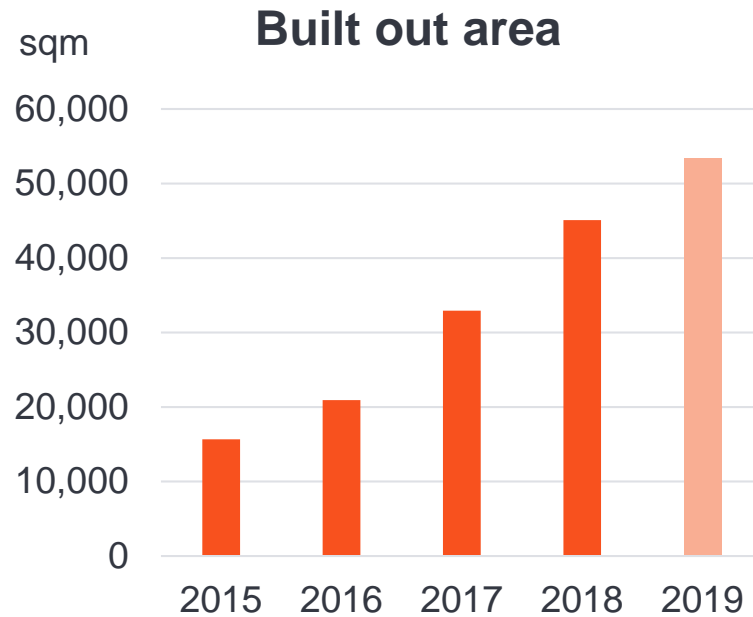
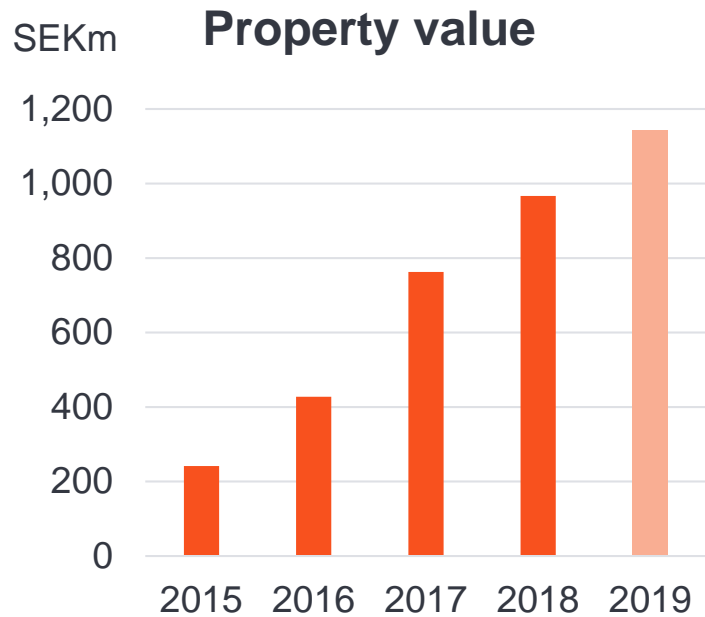
CASH FLOW SEKm	2019 Full year	2018 Full year
<b>Cash flow from operating activities</b>	<b>-53.1</b>	<b>-95.3</b>
Acquisition of properties	-30.8	-41.8
Investment in properties	-80.5	-79.6
Acquisition of tangible fixed assets	-3.1	-5.3
Acquisition of intangible fixed assets	0.8	-5.4
Sale of properties	-	2.3
Change in financial fixed assets	-1.4	-0.1
<b>Cash flow from investing activities</b>	<b>-115.0</b>	<b>-130.1</b>
New share issues	223.8	82.5
Options issued	1.3	-
Borrowings	242.3	228.8
Amortization of loans	-90.8	-48.5
Amortization of leasing loans	-2.7	-
Amortization convertible loan	-	-25.0
Change debenditure loan	-79.0	2.5
<b>Cash flow from financing activities</b>	<b>294.9</b>	<b>240.3</b>
<b>Total cash flow</b>	<b>126.8</b>	<b>14.9</b>

# BUSINESS UPDATE



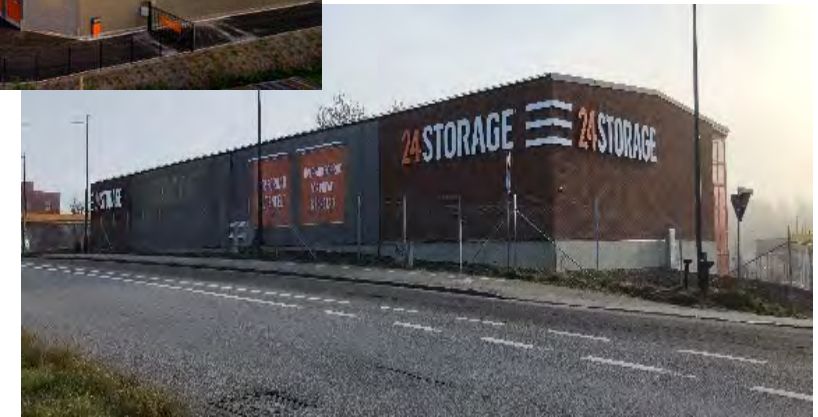


# GROWTH STRATEGY SINCE INTERCEPTION



# CONTINUED EXPANSION WITH THREE NEW SELF STORAGE FACILITIES IN 2019

- Three new facilities during 2019
  - Borås
  - Malmö
  - Vallentuna
- Added 8,300 sqm built out area
- In total 23 facilities with 53,400 sqm built out area



# PORTFOLIO OVERVIEW

 <b>23</b> FACILITIES	 <b>6,000</b> TENANTS
 <b>~70</b> OCCUPANCY %	 <b>~1,900</b> AVERAGE RENT PER OCC M <sup>2</sup>
 <b>&gt;53,000</b> CURRENT LETTABLE M <sup>2</sup>	 <b>1.1</b> ASSET VALUE SEK BN



# LOCATION IS KEY

**Close to customers - majority of potential customers live, work or shop within 15 minutes (business is part of the pattern)**

**High visibility from major roads creates top of mind awareness**

**Enabling authority approvals for residential builders  
- facility acts as noise protection or act as illuminated pedestrian passage for a safer local environment**



# OUTLOOK

# “SCALABILITY INCREASES AS WE INCREASE OUR PORTFOLIO OF FACILITIES”

- Acquired/contracted properties
  - Farsta
  - Mölndal
  - Täby
  - Uppsala
  - Vällingby
- Strong pipeline of potential new establishments



”

**THREE TO FIVE NEW SELF STORAGE PLANTS PER YEAR MEAN THAT WE WILL ADD ABOUT 10,000 SQM OF RENTABLE SPACE IN CAPACITY EACH YEAR. FOR 2020, ALREADY DECIDED PROJECTS WILL MEAN AN INCREASE OF MORE THAN 9,700 SQM.**

## LARGEST SHAREHOLDERS AS OF 31 DECEMBER 2019

SHAREHOLDER	NUMBER OF SHARES	HOLDING (%)
Ernström Kapital AB	2,919,720	19.56
Staffan Persson*	2,250,000	15.08
Tilander family*	1,460,820	9.79
Michael Fogelberg and family**	1,401,042	9.39
Per Josefsson**	977,420	6.55
Carl Rosvall*	727,740	4.88
Ulf and Bo Eklöf*	727,740	4.88
Jan-Olof Backman and family**	550,000	3.69
Adrigo Asset Mangement	501,578	3.36
Wattin family*	497,760	3.34
<i>Others</i>	<i>2,910,200</i>	<i>19.4</i>
<b>Total number of shares</b>	<b>14,924,020</b>	<b>100.0</b>

\* Through company.

\*\* Privately and through company.



# FINANCIAL CALENDAR **2020**

Interim report Q1 2020

29 April 2020 (*New date*)

Annual report 2019

May 2020

Annual General Meeting

28 May 2020

Interim report Q2 2020

13 August 2020

Interim report Q2 2020

5 November 2020

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