

# GOING IN TO 2020 WITH STRONG FINANCES AND A STABLE PLATFORM FROM WHICH TO GROW

Right from the start in 2015 our vision has been to digitalise the self storage industry and be at the forefront of the development. In four years we have become one of Sweden's leading self storage players. Our success is the result of a clear growth strategy. We have now implemented digitalisation and automation throughout our operations, which gives us greater scalability and a stable platform from which we can continue to grow.

The storage industry has traditionally been dependent on the individual, with staff in place at each store. Operating costs for each store have been constant, with no advantages of scale. What makes us different from other self storage companies is that we use digital solutions and automation to a greater extent, which enables us to staff our stores centrally and more effectively. This makes us more competitive and gives us better profitability per store. Our ambition is to open three to five new stores each year, so this advantage will increase over time.

**“In line with our growth target we have opened three new stores in 2019, in Borås, Malmö and Vallentuna.”**

We have made substantial investments in a technical platform and a central organisation. Our business model is built on scalability and the return on this investment will increase as we increase our portfolio of stores. In line with our growth target we have opened three new stores in 2019, in Borås, Malmö and Vallentuna. We have also acquired or signed an agreement to acquire four new properties in Farsta, Mölndal, Uppsala and

Vällingby. In addition, we have a strong pipeline of potential new start-ups.

We will, however, exercise discipline in our growth and maintain full control over our construction costs – thus the target of three to five new stores per year. This ambition also ensures that we will have sufficient resources in place for marketing and sales, so that a new store can produce a positive cash flow more quickly. Three to five new stores per year means that we will on average add capacity of approximately 10,000 square metres of lettable space each year. In 2019 we added just over 8,300 square metres. During 2020, projects which have already been approved will bring an increase of just over 9,700 square metres of lettable floor space to add to the current 53,400.

During 2019 revenues increased by 25 per cent compared with the previous year. The increase is an effect of both increased occupancy and higher prices in our existing facilities, as well as the addition of new capacity. We see that revenues continue to rise faster than operating costs. The gross margin for comparable facilities has increased by as much as 50 per cent compared to the previous year and the number of employees has decreased from 35 to 30 during the year. This is a clear example of the advantages of scale inherent in our business model at the same time as the stores are reaching a higher degree of maturity.

## TARGETS MET 2019

**+3**  
New stores

**+8,300**  
m<sup>2</sup> lettable space

**+25%**  
Sales

## **“Our business model is built on scalability and the return on this investment will increase as we increase our portfolio of stores.”**

Our investments in marketing, both digital and traditional, continue. We have also continued to develop our website and see traffic is both increasing and of better quality, with a higher degree of conversion. As things stand, more than 30 per cent of our new customers close the deal, in other words sign a contract, on the homepage. We offer almost all types of payment options, with the most recent addition being payment via Swish.

During the year, in preparation for our listing on the stock exchange, we have streamlined the balance sheet and strengthened the company's financial position considerably. Now that we are a listed company new opportunities for other forms of financing are also opening up, which will support our growth. The equity ratio at the end of the year is a full 37 per cent compared with 29 per cent at the start of the year.

Sweden continues to be an immature market with significant growth potential. Urbanisation, over-crowded living conditions and an increasingly mobile population are driving demand in the self storage industry. Digitalisation, accessibility and the locations of our stores benefit us as newcomers to the industry. Moreover, more and more people are now aware of our brand and we are working extremely hard to be the most attractive alternative on the market.

We reached a number of important milestones in 2019 and we go in to 2020 with both strong finances and a stable platform from which we can continue to grow. We are following developments with regard to Covid-18 and continuously assess how this might affect us. Historically, the self storage industry has proved to be resilient in times of recession and so far the impact on our business has been very limited. Nonetheless, we are preparing ourselves for an uncertain future by reducing our costs and strengthening our liquidity.

Our business model with central staffing makes us less vulnerable because we can serve 23 stores from one place. We also use digital solutions and automation to a greater degree than our competitors. This makes us more competitive and enables better profitability per store. This advantage will increase as we open more facilities.

**Fredrik Sandelin**  
Stockholm, April 2020

