

24STORAGE: SIMPLY STORAGE

We offer customers convenient, accessible storage space outside the home or office. Digitalising and automating manual processes means operations and staffing can be centralised, which gives advantages of scale that increase as we grow.

SMART STORAGE OUTSIDE THE HOME

We offer companies and private customers storage space for a short or long-term rental. The size of the storage units varies from small units (one square metre) to considerably larger units (18-30 square metres). We believe it should be just as easy to become a customer and rent a unit as to cancel the lease. That's why we offer a self-service system on our home page, where it's easy for our customers to book and pay for their unit, and then move in to one of our 23 stores, which are accessible round the clock. If assistance is needed at the store we are only a video call away from early morning to late at night.

E-COMMERCE AND PROPTECH INCREASE CUSTOMER ACCESSIBILITY AND REDUCE OPERATING COSTS

We combine traditional self storage operations with a digitalised customer journey, which means that we make storage outside the home possible for a larger target group. Our customers can book and pay for everything on the home page. For example, the customers can view vacant units using 3D models, get help to

calculate the size of unit they need using digital tools, and make a digital 3D visit to a facility via Google Street View. We are working actively to optimise the conversion of our e-commerce, with a focus on organic growth combined with a constant increase in pay-per-click advertising and exposure in new digital channels. In 2019 our e-commerce sales amounted to an average of around 31 (20) per cent of total sales with around 11,000 unique visitors per month and both the number of visitors and the share of e-commerce increasing continuously during 2019.

Our proptech solutions with automated and online properties give our customers individual pin codes which enable round the clock access to the store and their unit. If a customer wants to have, for example, an overview of the terms of the agreement, or access to another form of self-service, or to cancel their lease they can do so via a personal account (Mina Sidor) on our home page. The digital process means that a customer can make the complete customer journey without needing to have any contact with our customer service, unless they want to or find it more convenient.

Digitalised customer processes





OUR CUSTOMERS

We have over 6,000 customers, of whom around 15 per cent are companies and around 85 per cent are private customers aged 20-79, with the 35-64 age group over-represented. The needs of this customer group are driven primarily by dynamic life changes that lead to a move or a change in living circumstances, such as moving in with a partner, separating, or welcoming a new member of the family. It is becoming much less common to move to a new home after retirement. The older people become the more possessions they accumulate. This group is also a separate target group for us in the private segment. The most common segments in the group of business customers are people who work in sales, accountants, tradespeople and wholesalers, who are often also e-commerce traders.

BETTER ACCESS WITH CENTRALISED STAFFING

In 2018 we launched a central call centre, which has meant we can offer better access to personal customer service than our closest competitors. Our call centre handles both sales and support. In addition, we offer our customers video calls via the video booths placed in the stores. Channels for customer service are offered via voice and video conversation, chat and social media.

COLLABORATION FOR GREATER CUSTOMER VALUE AND RECOGNITION

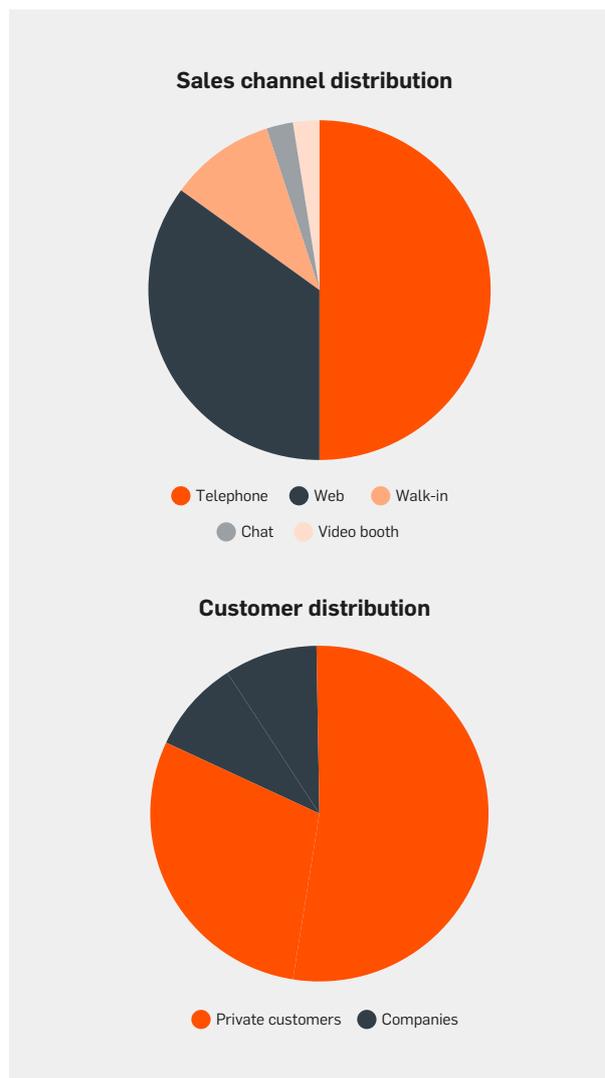
We work continuously to identify new collaboration partners and develop those we already have. Our collaborations have two main purposes: to build brand recognition by coming out onto new channels and to create direct customer benefit by solving more of the customer's problems through a partnering service.

One example where we are building brand recognition is our collaboration with real estate agents. Our network of collaboration partners has grown strongly during 2019. During the year we have signed a number of new collaboration agreements with real estate agents at both local and national level. The collaboration means that our partners offer their end customers removals storage at their local 24Storage facility in conjunction with the estate agent's assignment. We also have new collaborations with home improvers, sports clubs, boat clubs and membership clubs within the media where, for example, we offer membership networks discounts on storage.

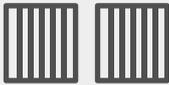
Our second focus in establishing collaboration is to increase customer value. We are constantly searching for new and better ways to solve our customers' storage-related problems. In October 2019 we established a national collaboration with the trailer company Freetrailer. Through our collaboration we can now offer our customers free rental of trailers at selected stores. Market surveys from 2019 show that this collaboration has been appreciated, with both a high rate of rental and experienced added customer value.

A SAFE STORAGE PLACE

We want all our customers to feel safe, so when we enter into a lease we require the customer to have insurance protection for everything they store in their unit. As a supplementary service, we offer customers the opportunity to sign up for our insurance protection, which has been specifically produced for storage outside the home, since traditional home insurance often does not include such protection. Through our collaboration with a specialised insurance partner we offer our customers insurance protection that covers, for example, fire, water leaks, pest damage and burglary. At the end of 2019 around 75 per cent of our customers had chosen this additional protection. A customer who chooses not to take part in the insurance protection we have arranged must prove that they have other insurance before the agreement can be signed.



24Storage Smart facility

Security and surveillance	Central control	Optimal climate
 <p>Surveillance 24/7</p>	 <p>Lighting control</p>	 <p>Temperature control</p>
 <p>Fire alarm</p>	 <p>Automatic doors</p>	 <p>Humidity control</p>
 <p>Video recording</p>	 <p>Automatic gates</p>	

SMART FACILITY GIVES BETTER CONTROL AND ACCESSIBILITY

From the outset, we have equipped our stores with the technology to manage and control them centrally. Our proptech solutions allow us to offer customer service that is both present and scalable, and efficient property management. In many ways, this is the key to our ability to run a successful customer service through central staffing of the stores. The technology in the facilities has been updated during 2019 and new routines and ways of working have been implemented. Systems and functions used in property management include control systems with sensors to monitor temperature and humidity. Passage and video surveillance systems are used widely to allow new customers to view the facilities and to make virtual tours.

OUR REAL ESTATE PORTFOLIO

At 31 December 2019 our real estate portfolio comprised 23 storage facilities in operation with more than 10,000 units representing just over 53,000 square metres of lettable space. Each facility has, on average, a lettable space of around 2,300 square metres. In addition, we own a number of project properties.

The total value of our real estate portfolio amounted at the end of 2019 to 1,141.5 MSEK, an increase of 152.3 MSEK on the previous year. The property valuation has been made through the measurement of the fair value of each property by independent valuers. See Note 14 on page 71.

Our units vary in size from 1 up to around 30 square metres, either inside a store or outside with direct access. A small unit (one square metre) normally holds 15 packing boxes while a large unit (18 square metres) holds considerably more. The number of units varies from property to property and the most common type of unit let is 4.5 square metres.

We focus on the metropolitan regions:

- Stockholm region: 14 stores with 5,237 units.
- Gothenburg region: 7 stores with 3,827 units.
- Malmö region: 2 stores with 1,061 units.

During 2019 we opened three new storage facilities. In April we opened a second store in Malmö (phase 1 of 2, phase 2 will open in 2020), in September we opened a second store in Vallentuna and in November a second store was opened in Borås. During 2019 a total of 8,300 lettable square metres were added.

A further two stores are due to open during 2020, one in Uppsala and one in Vällingby, Stockholm. Projects that have already been approved will mean an increase of just over 9,700 square metres of lettable space in 2020 to be added to our current 53,400.

An overview of the geographical distribution of open storage facilities, storage facilities under construction/development and storage facilities which have been approved but not yet commenced is given on the following pages.

OUR REAL ESTATE PORTFOLIO

23

Storage facilities

1.1

Bn SEK in property value

10,000

Units

53,000

m² lettable space

1,900

SEK in rental income/m²

70%

Occupancy



23 FACILITIES IN 3 METROPOLITAN REGIONS

We own, operate and develop our own self-storage facilities throughout Sweden, with the focus on the growth regions of Stockholm, Gothenburg and Malmö. We have 23 facilities in operation and two facilities we plan to open during 2020.

STOCKHOLM

ALVIK

Drottningholmsvägen 195

No. of units: **504** Lettable area: **1,943 m²**

BROMMA

Karlsbodavägen 2

No. of units: **206** Lettable area: **744 m²**

ESKILSTUNA

Langsgatan 3

No. of units: **256** Lettable area: **1,277 m²**

HANDEN

Träffgatan 7

No. of units: **714** Lettable area: **3,573 m²**

KALLHÄLL

Skarprättarvägen 26

No. of units: **698** Lettable area: **3,758 m²**

KUNGS HOLMEN

Wargentinsgatan 7

No. of units: **122** Lettable area: **348 m²**

ORMINGE

Telegramvägen 48

No. of units: **650** Lettable area: **3,186 m²**

SOLNA

Brahevägen 3-5, Slottsvägen 7, 14

No. of units: **428** Lettable area: **1,929 m²**

SUNDBYBERG LILLA ALBY

Albygatan 123

No. of units: **318** Lettable area: **1,012 m²**

SUNDBYBERG TULE

Skogsbacken 2

No. of units: **123** Lettable area: **449 m²**

TUMBA

Länsmansvägen 15

No. of units: **183** Lettable area: **1,176 m²**

TYRESÖ

Sikljevägen 5

No. of units: **417** Lettable area: **1,826 m²**

VALLENTUNA BÄLLSTA

Fågelsångsvägen 5

No. of units: **257** Lettable area: **1,184 m²**

VALLENTUNA CENTRUM

Olsborgsvägen 13

No. of units: **361** Lettable area: **2,482 m²**

GOTHENBURG

BORÅS REGEMENTET

Göteborgsvägen 25

No. of units: **418** Lettable area: **2,624 m²**

BORÅS TULLEN

Teknikgatan 5

No. of units: **201** Lettable area: **1,111 m²**

MALMÖ CENTRUM

Lundavägen 54

No. of units: **767** Lettable area: **4,499 m²**

HISINGS BACKA

Exportgatan 31A

No. of units: **700** Lettable area: **4,331 m²**

KUNGSBACKA HEDE + VARLA

Göteborgsvägen 180, Magasinsgatan 12B

No. of units: **751** Lettable area: **4,910 m²**

MALMÖ HYLLIE

Axel Danielssons väg 277

No. of units: **294** Lettable area: **1,745 m²**

KUNGÄLV

Västra Porten 2

No. of units: **674** Lettable area: **3,250 m²**

TROLLHÄTTAN

Betongvägen 13

No. of units: **763** Lettable area: **4,138 m²**

UDDEVALLA

Schillers väg 1

No. of units: **320** Lettable area: **1,902 m²**

- Open storage facilities
- Storage facilities under construction/development
- Storage facilities approved, not yet commenced

Alvik
Bromma
Eskilstuna
Farsta
Handen
Kallhäll
Kungsholmen
Orminge
Solna
Sundbyberg Lilla Alby
Sundbyberg Tule
Tumba
Tyresö
Täby
Uppsala
Vallentuna Bällsta
Vallentuna Centrum
Vällingby

Borås Regementet
Borås Tullen
Göteborg
Kungälv
Kungsbacka Hede + Varla
Möndal
Trollhättan
Uddevalla

Malmö Centrum
Malmö Hyllie

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