

An aerial photograph of a modern building with a glass facade and a parking lot with green landscaping. The building has a grid of windows and a flat roof. The parking lot is paved with asphalt and has a central green area with a blue path. The landscaping includes green grass, shrubs, and a blue path. The image is rotated 90 degrees clockwise.

Dooba Finance AB Interim Report Q4 2023

29 February 2024

Table of contents

1. Message from the Chairman of CEG

2. Dooba Group at a Glance

- Portfolio Summary
- Our Approach to Sustainability

3. Key Financial Highlights

- Equity Ratio
- Net Asset Value by Category
- Reduction in Interest Bearing Debt Levels

4. Financial Statements - IFRS

- Financial Statements for the Guarantor
- Financial Statements for the Borrower
- Notes to Financial Statements



Message from the Chairman of CEG



Gerard Versteegh, founder and Chairman of CEG

The UK market felt stronger this year, despite the country being in a technical recession. Letting interest remains strong across all our portfolios which we believe is largely due to the our properties being higher quality than competing offices, located close to transportation and our flexible tenant lead approach to deals.

We are seeing that both the debt and property markets are functioning with the Group refinancing all of its property linked debt that expired in 2023 at substantially the same margins. The Group is lowly geared at 39% LTV and the Bond Equity ratio remains healthy at 60%.

The directly owned properties had a write down of £7.0m on a like for like basis compared to the prior year. We will continue to add value through active management so we remain confident that valuations will come back in time as sentiment in the wider economy improves.

Smallbrook Queensway plots will generate initial net land receipts of £30m for plots 2 and 3 out of which the £20m will fund the repayment of debt, with a third receipt of £23m for plot 1 to follow.

We have decided to look at “forward funding” two of the SBQ blocks. This would have no impact on the timings or cash value of the receipts reported above but allows the group to enhance the revenue from the project by at least £20m by providing development and construction services to the buyers in a separate transaction to the land purchases. This is a common structure in the UK for this type of asset as it allows passive investors without development and construction skills to purchase and develop sites like SBQ. CEG has the construction and development skills and track record to provide these services. There is strong demand from investors for large scale residential investments but virtually no built stock as this market is in its infancy in the UK.

The added benefit is that the group keeps more control of the sales process and delivery of the project. When completed the development will provide 1635 apartments and 35,000 sq ft of retail space. The development will transform this City Centre location and is one of the most significant development projects in Birmingham.

The Group remains optimistic that it can continue to capitalise on new investment opportunities, as we are advanced discussions with investors in the market. The Group is expecting to receive significant receipts from its co-investments and land promotions investments over the next year.

Dooba group at a glance

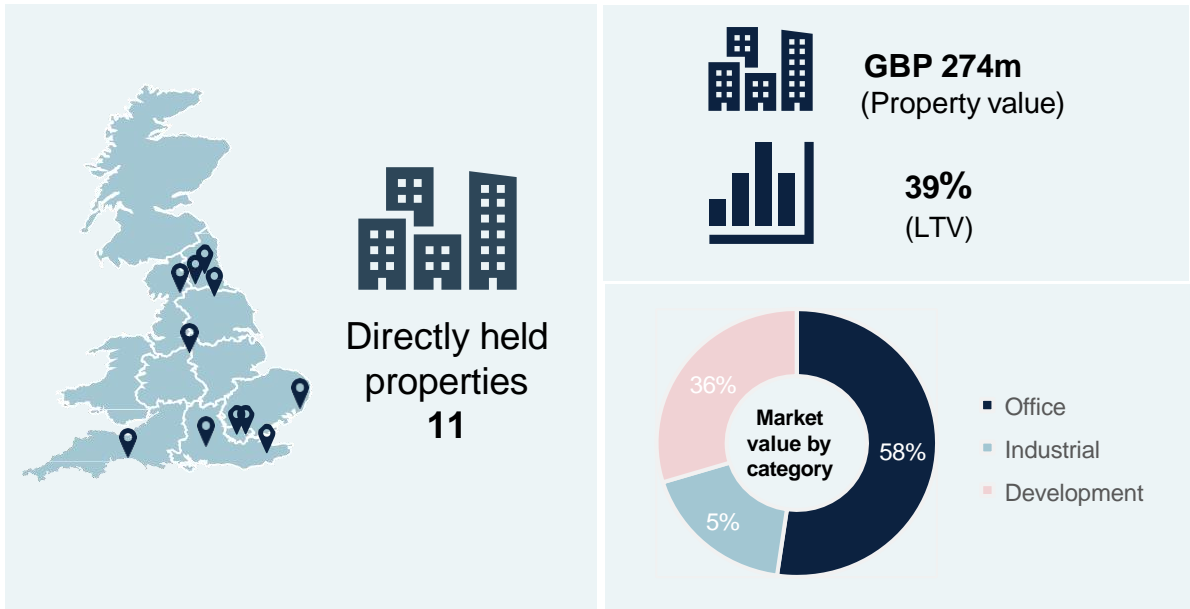
Commercial real estate investment group with strong Nordic roots

Background and holdings history – GMVH Group

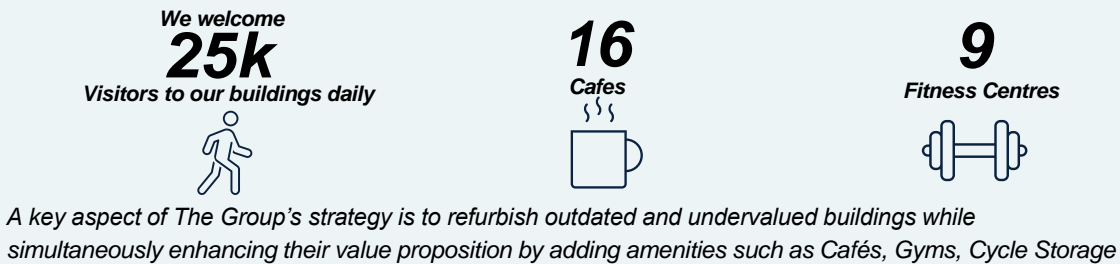
GMVH Groups

- Dooba holds a 75% investment in GMVH Group. The GMVH Group invests in commercial real estate properties and developments throughout the UK, as well as three of the five strategic land investment clubs.
- The direct property holdings are primarily held by GMVH with a focus on office and industrial properties located in regional cities and larger towns in the UK.
- The Group targets assets where value can be created through improved management, capital expenditure, project management and change of use. ‘Problem’ buildings are identified where other investors do not have the skill set and experience that CEG has to turn around what have become problem buildings.
- During the year, the Group made a number of controlled exits, with net receipts of £75.8m across five properties. The net receipts were used to significantly reduce the Group’s debt levels in a high interest environment.
- Contracted rental income grew to £8.0m for all directly held properties from £7.6m in the prior period for like for like properties held at 31 December 2023.
- The investment facility for the directly owned properties was refinanced during the year for three years at substantially the same margin.

Breakdown of direct portfolio holdings



Refurbishments with added amenities



Dooba group at a glance

Other investments

Background and holdings history

Investment club portfolios co-invested with Swedish national pension funds – ASE Groups

- In 2012, the Group established its first co-investment structure, Anglo Scandinavian Estates (“ASE”), together with the Swedish national pension funds (AP1 and AP4), focusing on office and industrial properties located in big 9 regional cities in the UK. ASE assets are held in three separate associates, ASE I, II and III.
- Dooba is entitled to 25% of all distributions and promote payments in ASE I, 29% in ASE II and 14% in ASE III.
- Similar to directly owned properties, problem’ buildings are identified where other investors do not have the skill set and experience that CEG has to turn around what have become problem buildings. All ASE Groups hold both hold both investment and development sites.
- The co-investments are conservatively leveraged (average 51%) with most of the debt refinanced in the 2023
- The Group is expecting to receive £19.4m in distributions and promote payments from its investments in the next 4 years

Strategic Land investment clubs

- CEG identifies attractive sites/locations which are currently used for industrial or agricultural purposes at the edge of towns and cities. A partnership is formed with the landowners to assist them with the rezoning and planning process, and later exit through a sale to developers, where a promote is earned.
- The Group has invested in three vehicles with external investors (LP I, LP II, LP III), and through its subsidiaries can access receipts in Ampersand Homes Limited and Land Investment Projects Limited. The Group is entitled to 38% of all LP1 distributions, 80% of LP II, and 33% of LP III. It is entitled to 66% of all Ampersand Home receipts.
- The Group is expecting to receive £44.4m in distributions and promote payments from its investments in the next 4 years.

Breakdown of co-investment clubs

Holdings within Regional Big 9 geographies

Property Value (£)

£172m

£415m

Outside Inside

Properties 33 total

Our partners

+£262m committed to date

Strategic Land investment clubs

Promotion sites 32

GBP up to 44m

Estimated revenue from land promotion site sales coming 4 years

History of land distributions

30.0

44.4

Since bond Inception Oct-2020

Expected 2024-2027

Our Approach to Sustainability

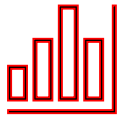
Sustainability is not simply a matter of compliance or target setting; it is a core principle of our business.



We take a long-term view with any investments we manage, which means we have the opportunity to embed and influence sustainability throughout the whole lifecycle of our buildings and developments.

We believe every project is unique and our approach will always consider a range of factors including social, environmental and financial performance.

Investor first approach to reporting



We have taken an investor first approach to our sustainability reporting, aligning with recognised institutional bodies: United Nations' Sustainable Development Goals (UN SDGs), UKGBC and BREEAM.

This approach aims to support our investors with their own sustainability reporting, ensuring an integrated, future-proofed approach towards our collective reasonability of improving the environment.

Recognition in the market



First office building in the UK to achieve “Outstanding” BREEAM in Use. BREEAM is a holistic environmental assessment method that enables investors, owners, managers and occupiers to understand performance and drive sustainability improvements in the operational performance of their buildings.

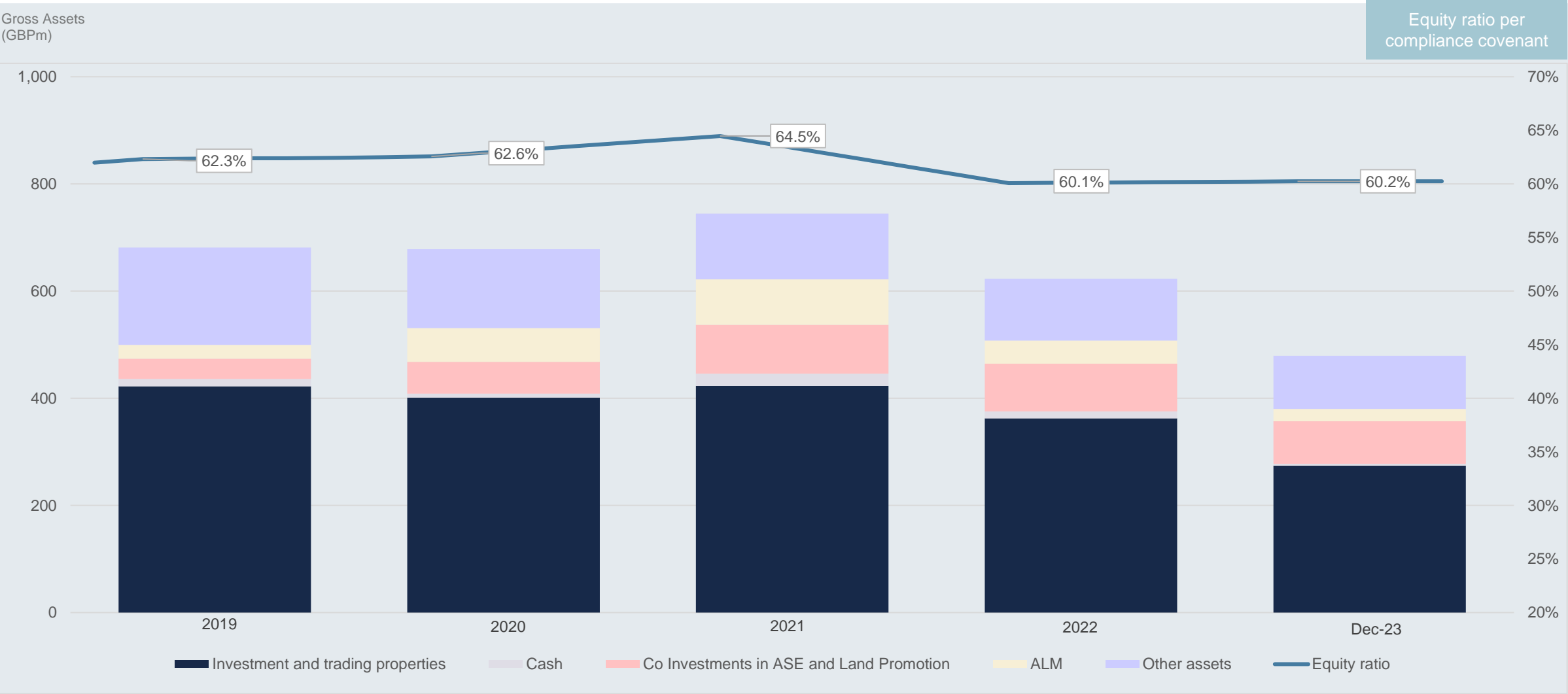
The Group, through its directly owned properties and co-investments has six sustainability linked loans with various lenders, representing 47% of total debt.



Key Financial Highlights

Key Financial Highlights: Equity ratio

Dooba Holdings Consolidated Equity Ratio

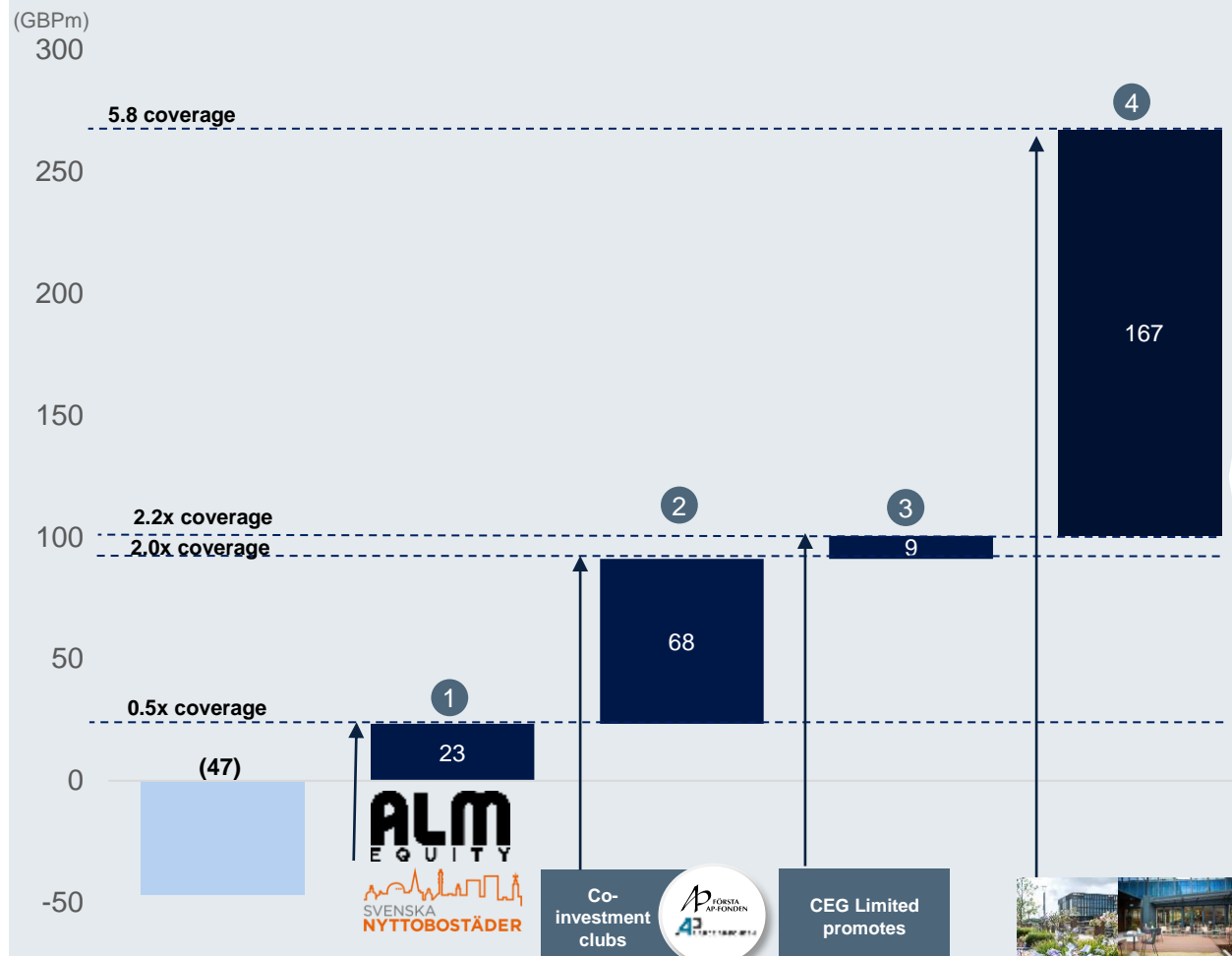


1. SEK FX rate 12.84 at Dec-23. Figures for Dec-19 – Dec-22 are audited. Sep-23 are based on unaudited accounts

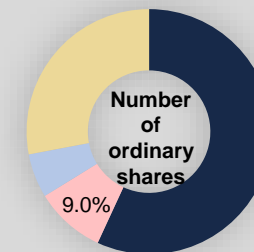
Key Financial Highlights: Net asset value by category

Substantial net coverage from guarantor holdings

5.8x NAV to bond at Guarantor group level



1



Joakim Alm
Dooba Investments Limited
Johan Wachtmeister
Other Holders

2

Co-investment clubs

10-30% Ownership



ASE I (2012)
ASE II (2014)
ASE III (2016)



LTV 57%
LTV 41%
LTV 60%

3

CEG Limited promotes

LP I (2011)



PROMOTE 30%

The Group will receive 38% of all future LP I distributions

4

Directly owned properties



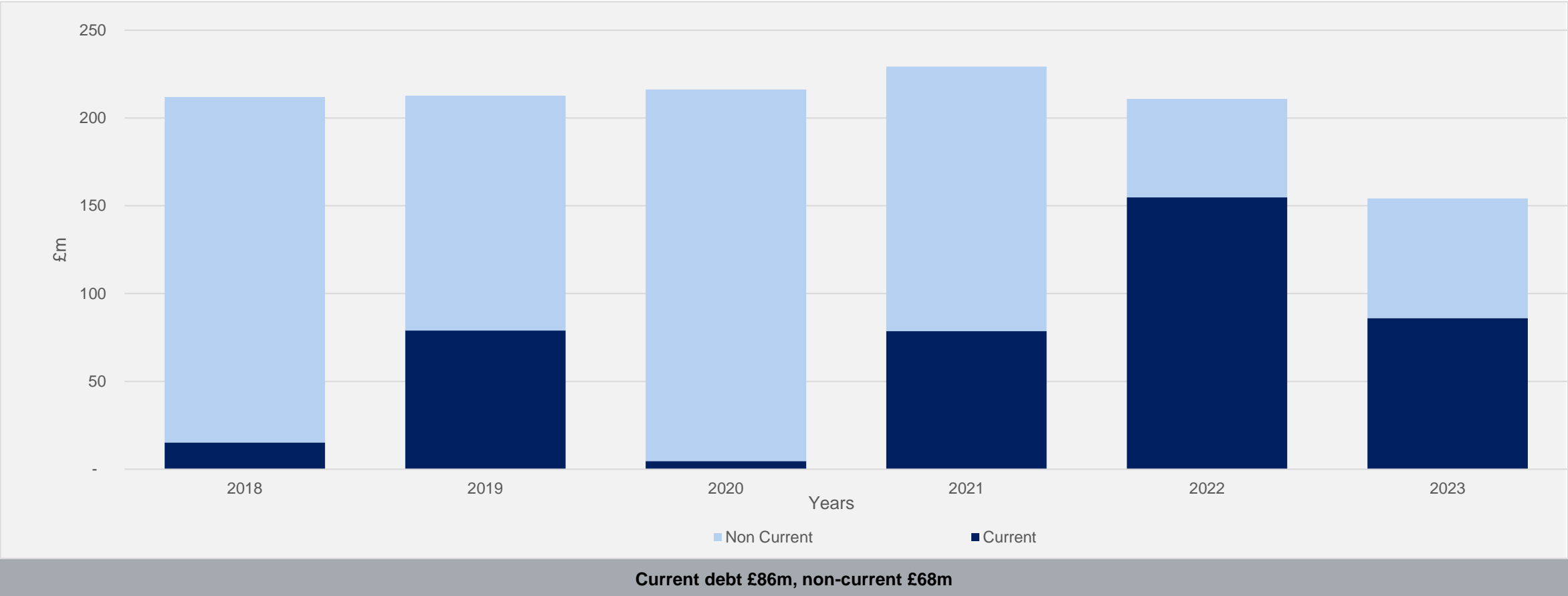
GBP 274m
(Property value)

39% LTV

Net coverage has decreased from 7.1x to 5.8x due to the reduction in property valuation on directly held properties, driven by yield shift. The Group does not anticipate further reduction.

Key Financial Highlights: Reduction in interest bearing debt levels

The Group has retired a significant amount of debt



The LTV has improved over the term of the bond. At inception it was 46% and remained consistent around 43%-45% throughout the duration of the bond term. In Q4 2023 the LTV reduced to 39% through repayment of Lloyds Banking Group, which enabled several properties to be released from charge. The repayment was facilitated due the sales of three key properties in the last six months.

The Group refinanced all current debt expiring in 2023. The Group is looking to renegotiate £38m of its current debt with various lenders in 2024, moving the debt to non-current, whilst the bond (£47m) will be refinanced upon its expiration in Oct-24.

Financial Statements

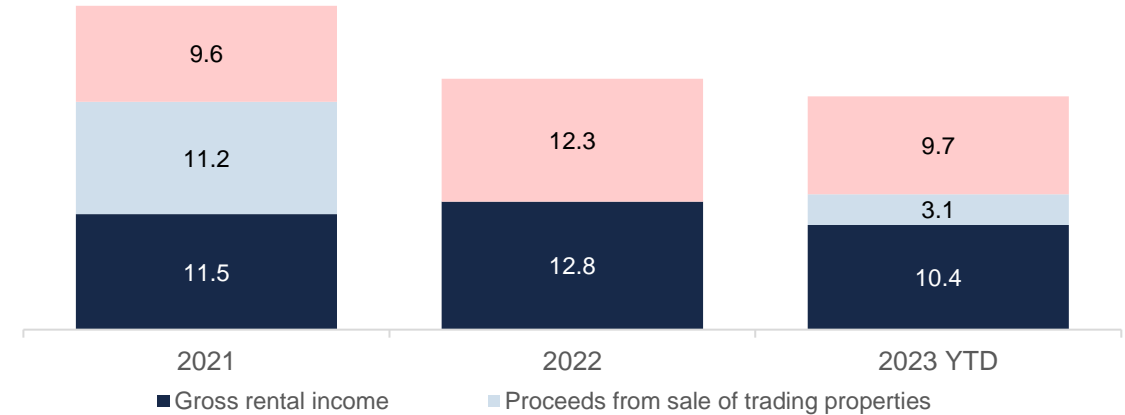
Financial Statements

Income Statement for the Guarantor

Consolidated DHL income statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited FY2023
Gross Rental income	11.5	12.8	10.4
Management fee income	9.6	12.3	9.7
Proceeds from sale of trading properties	11.2	0.0	3.1
Total revenue	32.3	25.1	23.2
Property outgoings	-6.4	-6.6	-7.0
Cost of sales of trading properties	-2.8	0.0	-0.5
Provision against trading properties	-8.5	-16.1	20.5
Operating expenses	-17.7	-22.7	13.0
Net rental and other property income	14.7	18.5	13.1
Profit on sales of trading properties	-0.1	-16.1	23.1
Gross profit	14.6	2.4	36.2
Administrative expenses (incl. CEG)	-22.8	-24.6	-23.6
Other operating income	8.1	2.6	2.2
Profit / (Loss) on disposal of investment property	0.2	-3.3	-7.3
Changes in fair value of investment properties	23.2	-34.0	-34.2
Operating profit / (loss)	23.3	-56.9	-26.7
Share of post-tax results of equity accounted associates	8.3	-15.9	-21.1
Revaluation of other investments	23.6	-42.8	-25.6
Finance incomes	5.5	7.0	7.7
Finance costs	-11.9	-13.9	-16.9
Change in fair value of derivative financial instruments	6.9	15.3	-3.1
Gain on bargain purchase	2.7	0.0	0.0
Income from investments	5.8	5.6	0.3
Profit / (loss) before tax	64.2	-101.6	-85.4
Taxation	0.3	-0.4	0.0
Profit / (loss) for the year and total comprehensive income	64.5	-102.0	-85.4

Revenue (GBPm)



Consolidated DHL statement of changes in equity (GBPm)

	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to owners of the parent	Non controlling interest	Total	
Balance at 1 January 2023	0.0	243.5	-	213.0	266.6	297.1	65.4	362.5
Purchase of additional interest in subsidiary	-	-	-	-	4.1	4.1	1.2	5.3
Comprehensive income for the financial year	-	-	-	-	70.1	70.1	15.3	85.4
Capital contribution - waiver of shareholder loan	-	-	-	0.1	-	0.1	-	0.1
Balance at 31 December 2023	0.0	243.5	-	213.1	192.4	222.8	48.9	271.7
Balance at 1 January 2022	0.0	243.5	-	212.6	351.4	382.3	82.6	464.9
Comprehensive income for the financial year	-	-	-	-	84.8	84.8	17.2	102.0
Capital contribution - waiver of shareholder loan	-	-	-	0.4	-	0.4	-	0.4
Balance at 31 December 2022	0.0	243.5	-	213.0	266.6	297.1	65.4	362.5

Financial Statements

Balance Sheet for the Guarantor

Consolidated DHL balance sheet (GBPm)

	Audited FY2021	Audited FY2022	Unaudited FY2023
Property, plant and equipment	0.3	0.4	0.3
Intangible assets	1.2	1.2	1.2
Investment properties	323.5	275.3	159.1
Other investments	100.8	55.3	33.2
Investments in equity accounted associates	84.2	92.5	74.0
Trade and other receivables	1.0	1.0	0.5
Non current assets	511.0	425.7	268.3
Trading properties	99.0	86.8	114.9
Trade and other receivables	110.4	89.6	89.6
Cash and cash equivalents	23.0	12.7	3.5
Derivative financial assets	1.0	8.1	3.1
Current assets	233.4	197.2	211.1
Total Assets	744.4	622.9	479.4
Issued share capital	0.0	0.0	0.0
Preference shares	0.0	0.0	0.0
Share premium	243.5	243.5	243.5
Other reserves	-212.6	-213.0	-213.1
Retained earnings	351.4	266.6	192.4
Attributable to equity shareholders	382.3	297.1	222.8
Non-controlling interest	82.6	65.4	48.9
Total equity	464.9	362.5	271.7
Loans and borrowings	150.7	56.1	68.1
Deferred tax liability	0.0	0.0	0.0
Lease liability	3.4	3.2	-0.1
Non-current liabilities	154.1	59.3	68.0
Loans and borrowings	78.6	154.8	86.0
Trade and other payables	45.8	45.8	53.4
Derivative financial liabilities	0.3	0.0	0.0
Lease liability	0.0	0.5	0.3
Current liabilities	124.7	201.1	139.7

Consolidated DHL balance sheet (GBPm)

	Audited FY2021	Audited FY2022	Unaudited FY2023
Other provisions	0.7	0.0	0.0
Total equity and liabilities	744.4	622.9	479.4
Adjusted			
Equity	464.9	362.5	271.7
Preference share/Shareholder loan	15.0	11.6	16.9
Total	479.9	374.1	288.7

Change in total assets in 2023



Financial Statements

Cash-flow statement for the Guarantor

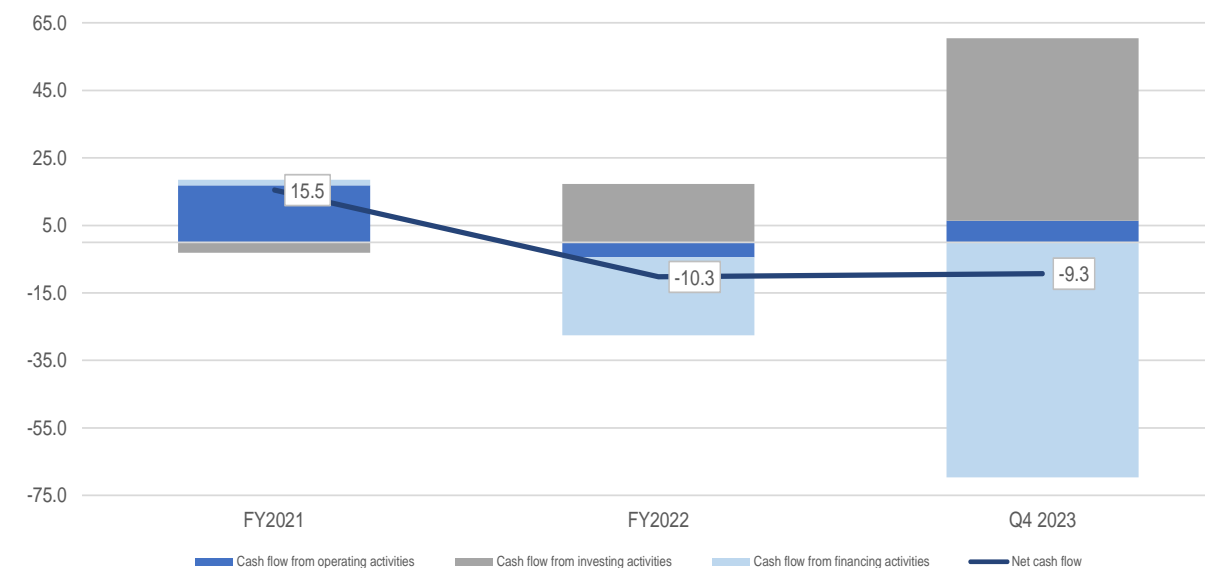
Consolidated DHL cash-flow statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited FY2023
Operating activities			
Profit/(Loss) for the year	64.4	-102.0	-85.4
Adjustments for:			
Exchange differences	1.8	0.5	0.4
Changes in fair value of investment properties	-23.2	34.0	34.6
Depreciation of fixed asset	0.3	0.2	0.2
Movement in rent smoothing adjustment	0.6	-0.6	-0.2
Changes in fair value of derivative instruments	-6.9	-15.3	3.1
Changes in fair value of other investments	-23.6	42.8	21.1
Share of post-tax results of equity accounted associates	-8.3	15.9	25.6
Profit/(Loss) on disposal of investment property	-0.2	3.3	0.0
Income from investments	0.0	-4.1	0.0
Finance revenue	-5.5	-7.0	-7.7
Finance cost	11.9	13.9	16.9
Amortisation of goodwill	0.1	0.0	0.0
Gain on bargain purchase	2.7	0.0	0.0
Taxation	-0.3	0.4	0.0
Changes in working capital			
Trading properties	3.3	12.2	-28.1
Trade and other receivables	2.0	1.8	5.9
Trade and other payables	-1.5	-0.1	5.3
Provisions	0.7	-0.7	0.0
Tax paid	-1.5	0.4	0.0
Cash flow from operating activities	16.9	-4.4	-8.3
Investment activities			
Capital expenditure on investment property	-4.6	-5.3	-2.1
Capital expenditure of fixtures and fittings	0.0	0.0	-0.2
Proceeds from disposal of investment properties	2.6	16.9	80.5
Investment in equity accounted associates	-5.3	-3.8	-7.2
Acquisition of other investments	-3.8	-0.2	-0.3
Disposal of other investments	0.0	0.9	0.0
Interest received	0.1	0.7	2.3
Loan to equity accounted associates	0.1	-0.2	-4.3
Dividends received from equity accounted associates	7.8	4.2	0.0
Income from investments	0.0	4.1	0.0
Consideration net of cash received	0.1	0.0	0.0
Cash flow from investing activities	-3.1	17.3	68.7

Consolidated DHL cash-flow statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited FY2023
Financing activities			
Proceeds from borrowings	22.8	2.2	13.9
Repayment of loans	-9.9	-20.2	-70.0
Bond revaluation	0.0	0.0	0.0
Proceeds from cancellation of derivative financial instrument	0.0	7.8	2.0
Redemption of preference shares	0.0	-0.4	-0.1
Refinancing costs	-0.8	-0.1	-1.0
Interest paid	-10.2	-12.2	-14.4
Headlease obligations paid	-0.1	-0.2	0.0
Payments under finance leases	-0.1	-0.1	0.0
Cash flow from financing activities	1.6	-23.2	-69.6
Cash flow for the period	15.5	-10.3	-9.3
Cash and cash equivalents at the beginning of the year	7.5	23.0	12.7
Cash and cash equivalents EoP	23.0	12.7	3.5

Cashflow for the period (GBPm)



Financial Statements

For the Borrower – Dooba Finance AB (“DFAB”)

DFAB income statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited FY2023
Finance income	3.3	3.0	2.7
Gross profit	3.3	3.0	2.7
Other operating income	3.7	1.4	0.7
Administrative expenses	-0.2	-0.1	0.0
Operating profit	6.8	4.3	3.4
Finance costs	-4.0	-4.0	-3.8
Profit/(loss) before tax	2.8	0.3	-0.4
Taxation	0.0	0.0	0.0
Profit for the year and total comprehensive income	2.8	0.3	-0.4

DFAB Statement in changes of equity (GBPm)

	Share capital	Other contribution	Retained earnings	Total
Balance at 1 January 2023	0.1	1.0	3.3	4.4
Comprehensive income for the financial year	0.0	0.0	-0.4	-0.4
Balance at 31 December 2023	0.1	1.0	2.9	4.0
Balance at 1 January 2022	0.1	1.0	3.0	4.1
Comprehensive income for the financial year	0.0	0.0	0.3	0.3
Balance at 31 December 2022	0.1	1.0	3.3	4.4

Financial Statements

For the Borrower – Dooba Finance AB (“DFAB”)

DFAB balance sheet (GBPm)

	Audited FY2021	Audited FY2022	Unaudited FY2023
Trade and other receivables	51.0	52.7	54.4
Derivative financial asset	0.0	0.0	0.0
Cash and cash equivalents	2.5	1.8	1.8
Current assets	53.5	54.5	56.2
Total Assets	53.5	54.5	56.2
Attributable to equity shareholders	4.1	4.4	4.0
Total equity	4.1	4.4	4.0
Loans and borrowings	48.0	46.9	0.0
Non-current liabilities	48.0	46.9	0.0
Trade and other payables	1.4	3.2	5.8
Loans and borrowings	0.0	0.0	46.4
Current liabilities	1.4	3.2	52.2
Total equity and liabilities	53.5	54.5	56.2

DFAB cash-flow statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited FY2023
Operating activities			
Profit/(Loss) for the year	2.9	0.3	-0.4
Adjustments for:			
Exchange differences	-3.8	-1.5	-0.8
Finance cost	4.0	3.0	3.8
Finance revenue	-3.3	-2.3	-2.7
Changes in working capital			
Trade and other receivables	-9.9	-1.6	-1.8
Trade and other payables	0.7	2.7	2.6
Cash flow from operating activities	-9.4	0.6	0.7
Investment activities			
Cash flow from investing activities	0.0	0.0	0.0
Financing activities			
Interest paid	-3.6	-3.7	-3.4
Interest received	3.3	2.3	2.7
Refinancing costs	-0.2	0.0	0.0
Repayment of loans	-1.1	0.0	0.0
Proceeds from bond	11.5	0.0	0.0
Cash flow from financing activities	9.9	-1.3	-0.7
Cash flow for the period	0.5	-0.7	0.0
Cash and cash equivalents at the beginning of the year	2.0	2.5	1.8
Cash and cash equivalents EoP	2.5	1.8	1.8

Financial Statements

Notes – For the Guarantor



Notes to the interim report

General

Dooba Holdings Limited (“the Guarantor”) and its subsidiaries the (“Group”) acts as a investment holding company with a controlling interest in its subsidiary GMV Holdings Limited. The company also holds an interest in a number of other investments through its wholly owned subsidiary, Dooba Properties Limited.

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

This Interim Report is presented in accordance with IAS 34 Interim Financial Reporting and International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (“adopted IFRSs”).

The financial statements have been prepared on the historical cost basis except that investment properties, other investments and derivative financial instruments are measured at fair value.

The applied accounting principles are in accordance with those described in Dooba Holdings Limited annual report for 2022.

Going concern

The directors’ have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the period ended 31 December 2023.

The Group’s going concern assessment is dependent on a number of factors, including performance of rental collections, continued access to funding and the ability to continue to operate the Group’s secured debt structure within its financial covenants.

The directors have performed stress testing of the Group’s forecasts over the next 12 months. The impact of a reduction in rental collections has been applied across a variety of performance indicators including free cash flow and debt serviceability covenants.

The Group expect that any current loans and borrowings expiring in the 12 months post year end will be refinanced in the next 12 months.

Whilst taking into consideration the negative impact from inflation and a deterioration in the economy, the directors continue to consider that it is appropriate to adopt the going concern basis in preparing the interim financial statements.

Notes to the interim report (continued)

Changes in accounting policies

New standards, interpretations and amendments effective for the current year

During the year, the Group adopted the amendments to IFRS 3, IAS 16 and IAS 37 and adopted the amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 arising from the annual improvement cycle to IFRSs. There was no material change to the Group’s accounting policies and disclosures as a result.

There were no other new or amended standards issued by the International Accounting Standards Board (“IASB”) during the year, and none of the interpretations issued by the IFRS Interpretations Committee (“IFRIC”) have led to any material changes in the Group’s accounting policies or disclosures during the year.

Standards and interpretations in issue not yet adopted

The IASB and IFRIC have issued or revised IFRS 17, IAS 1, IFRS 2, IAS 8, IAS 12, IFRS 17 and IFRS 16 but these are not expected to have a material effect on the operations of the Group.

The Group does not expect any other standards, amendments or interpretations issued by the IASB or IFRIC, but not yet effective, to have a material impact on the Group.

Significant events and transactions

The Group completed on two properties for a combined £63.1m net receipt. Lloyds Banking Group was repaid in full using the proceeds of the sales. A further property was refinanced by Natwest who increased their lending to the Group to 65.2m while extending the maturity to July 2026.

The Group has acquired a majority interest in Land Promotions II Group during the quarter, increasing the Group’s ownership to 80%.

Thank you

