

Dooba Finance AB Year End Report Q4 2020

25 February 2021



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Key Highlights

Quarter 4 2020



Power station at Ridham Dock sold for £7.5m, well in excess of valuation



Refinance of Lloyd's investment facility completed with a development loan for industrial units at Vesuvius, Worksop



Old bond refinanced fifteen months early with a new bond with a late 2024 maturity

Post Year End



Refinance of Natwest investment facility completed with additional working capital for capital expenditure



Planning approved for first phase of residential development at Kirkstall Forge comprising of 213 homes of which 136 will be built for rental



Strong start to leasing activity with more space currently under offer, or already signed up this year, than during all of 2020.

Comments from the Chairman of CEG

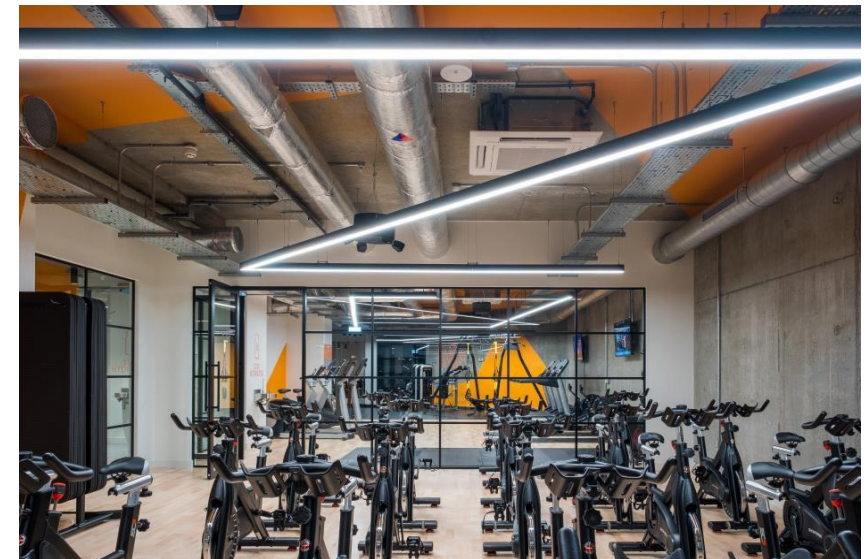


Gerard Versteegh, founder and Chairman of CEG

Considering the circumstances we found ourselves in last year, we are pleased with the significant progress Dooba made and in making a small profit in 2020. Letting activity was low due to the pandemic and the Brexit uncertainties which were only resolved through a UK/EU trade deal shortly before year end.

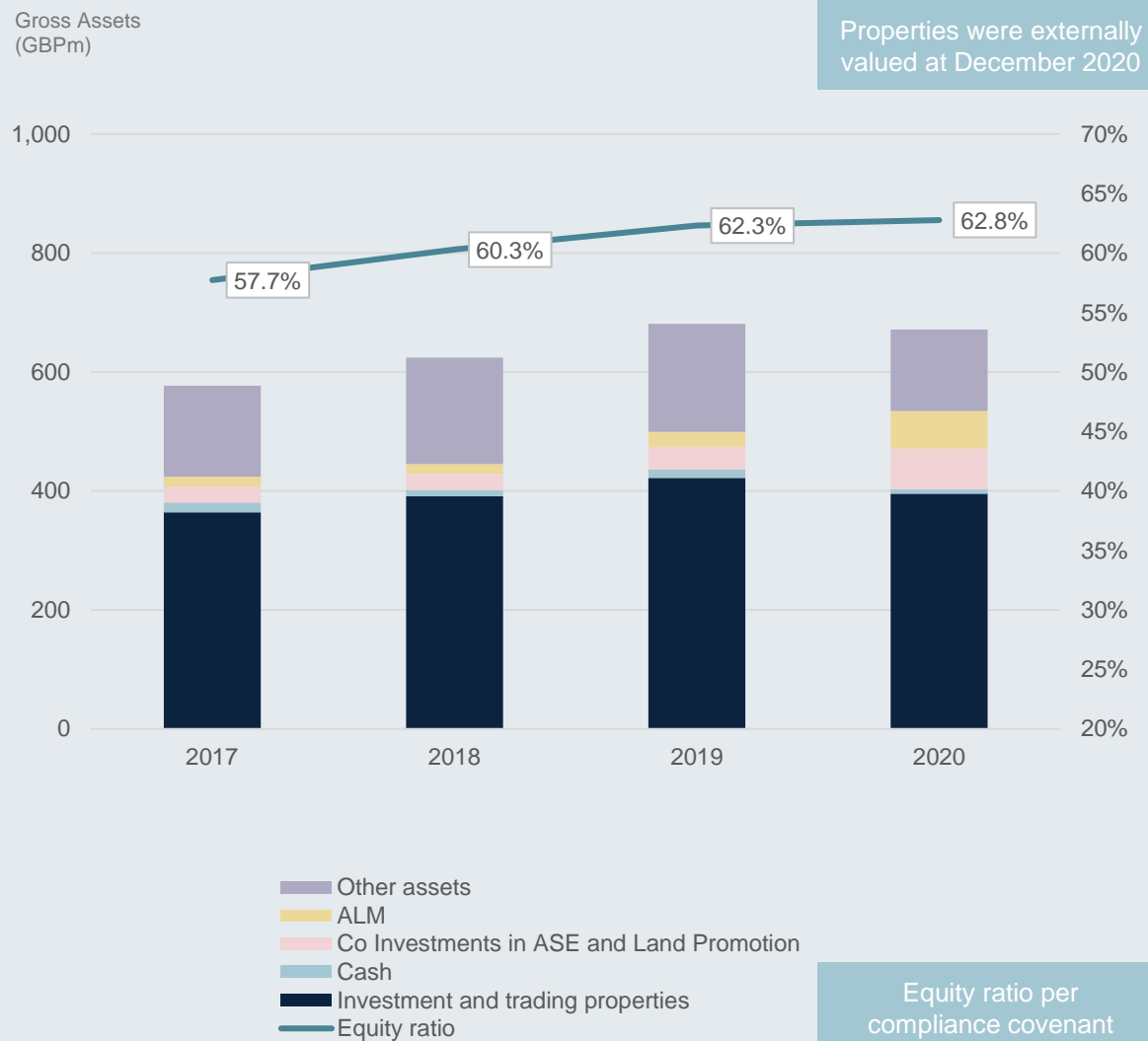
UK business sentiment has improved markedly since year end which is also being fuelled by the rapid progress in vaccinating the UK population. Dooba has made a strong start to 2021 with more space currently under offer, or already signed up this year, than during all of 2020. Dooba should be well placed to profit handsomely in 2021 and beyond from foundations laid in 2020.

During the year, a new bond was issued, the old one was repaid 15 months before expiry and the Group's Lloyds bank facility refinanced, following which the Group's NatWest bank facility was refinanced in the new year.

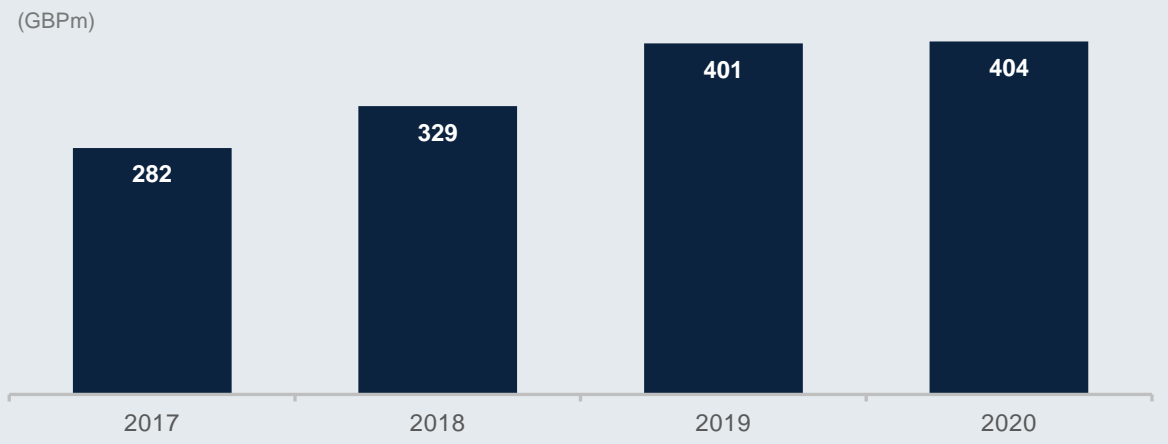


Key Financial Highlights: Equity Ratio, Net Assets and Debt

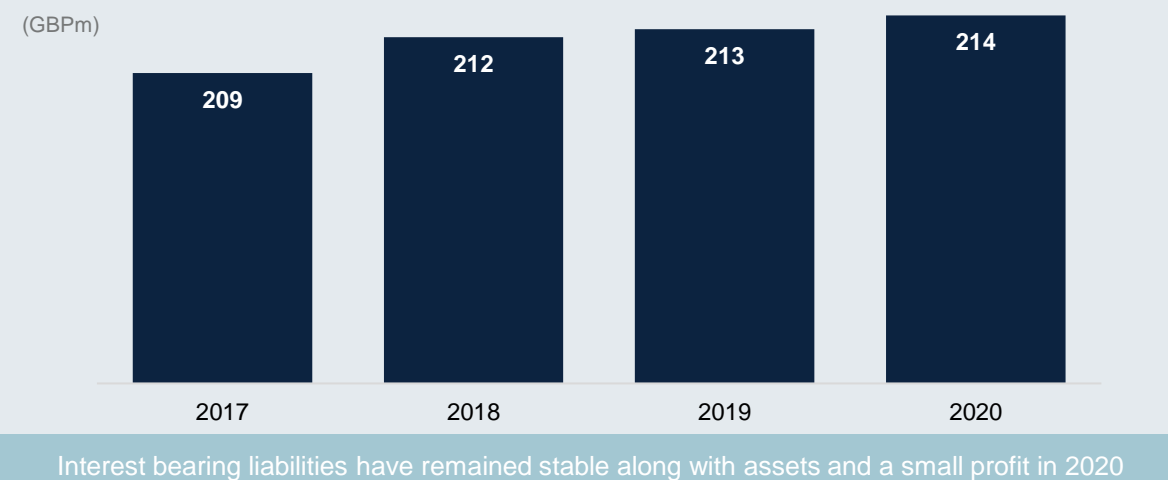
Dooba Holdings Consolidated ("DHL")



Net Assets



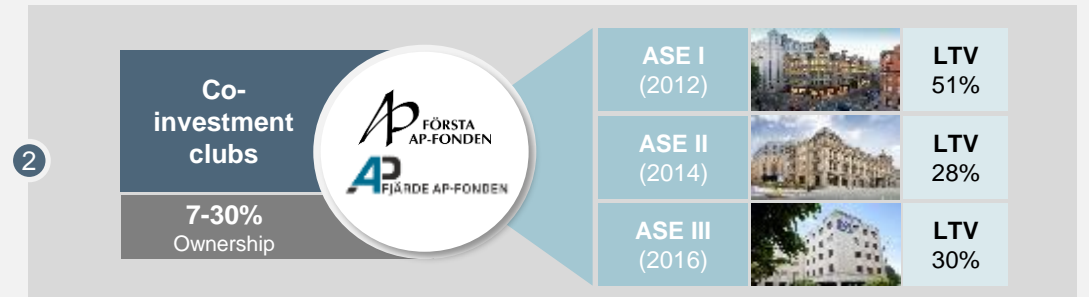
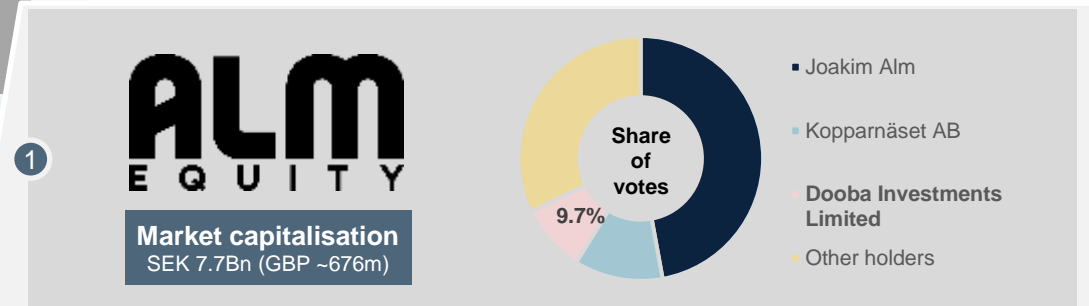
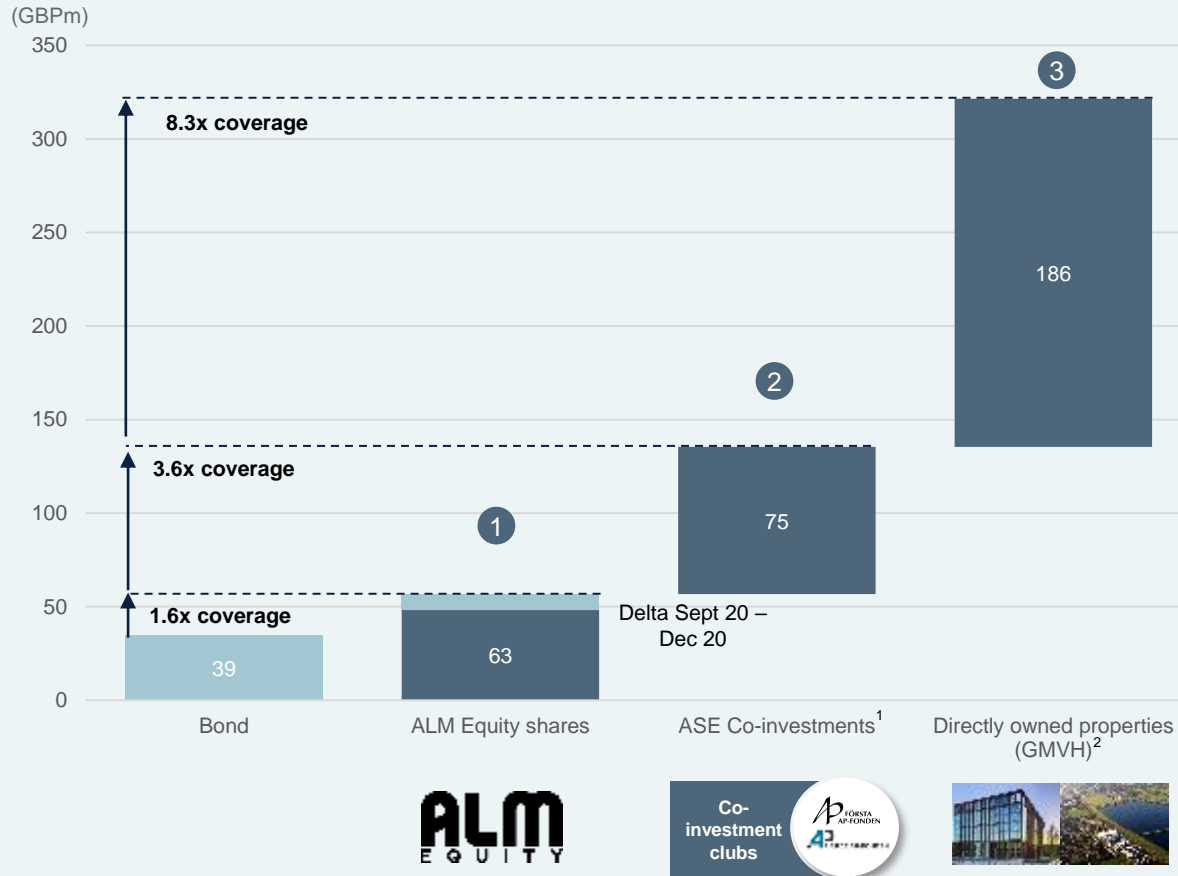
Interest Bearing Debt



Key Financial Highlights: Net asset value by category

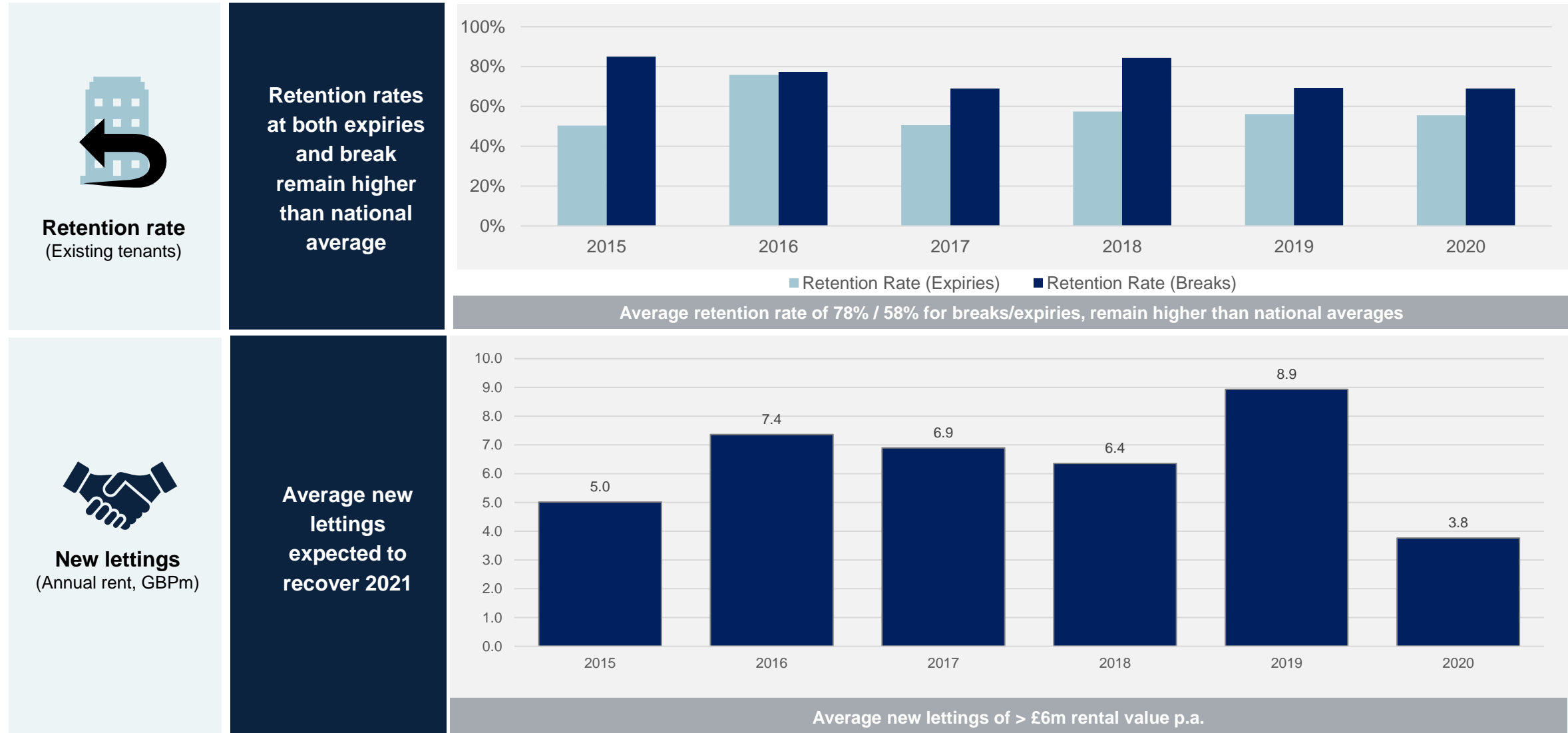
Substantial net coverage from guarantor holdings

8.3x NAV to bond at Guarantor group level



Key Financial Highlights: Lease retention and new lettings

Above market retention rates and proven ability to generate new lettings

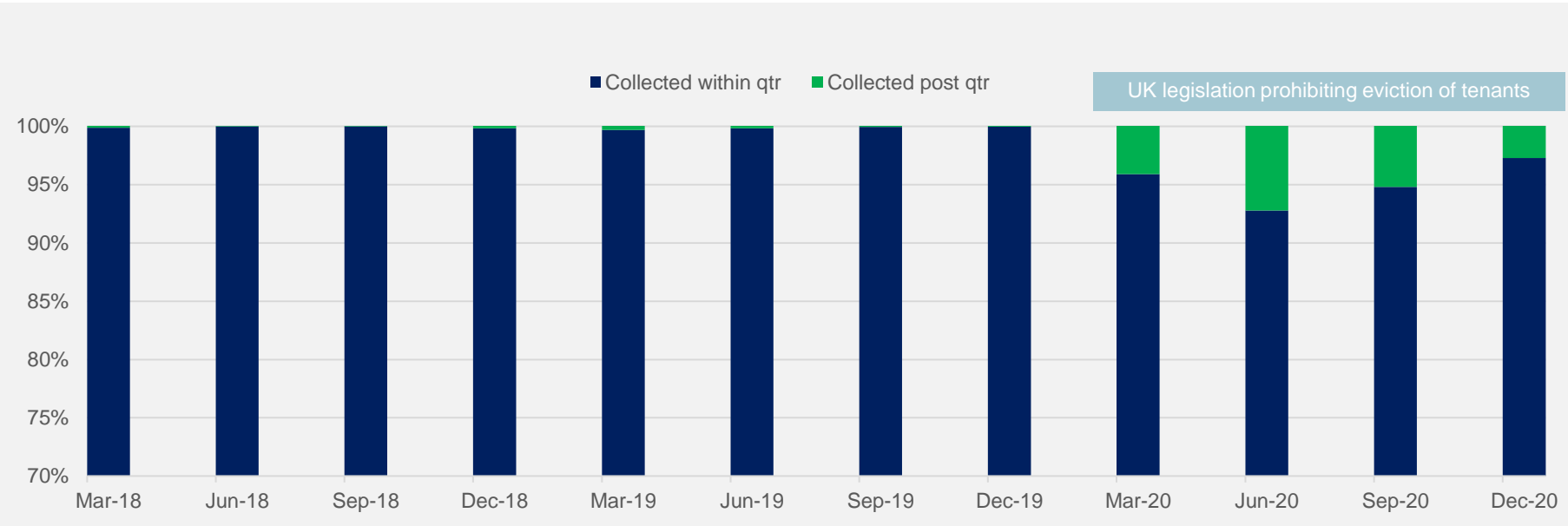


Notes: (1) BNP Paribas (2) Defined as the period for when restrictions on freedom of movement were in place

Key Financial Highlights: Rent collections

Strong rental collections during the pandemic

Rental collections during the pandemic were ahead of our peers



Financial Statements

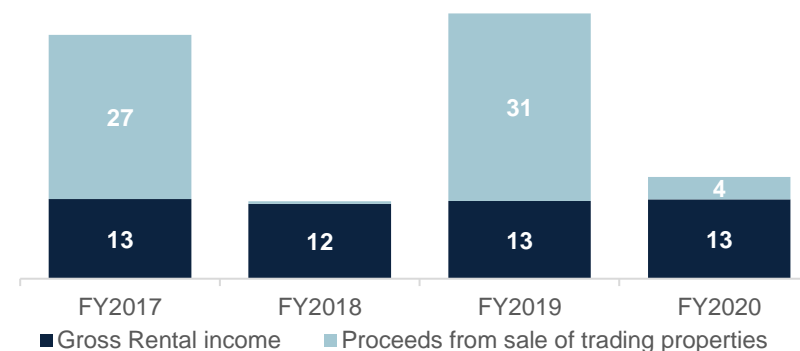
Income Statement for the Guarantor



Consolidated DHL income statement (IFRS)

	Audited FY2017	Audited FY2018	Audited FY2019	Unaudited FY2020
Gross Rental income	13.1	12.3	12.7	13.0
Property Development services	5.1	0.1	0.5	0.0
Proceeds from sale of trading properties	26.9	0.4	30.7	3.7
Total revenue	45.0	12.7	44.0	16.7
Property outgoings	-11.2	-5.4	-5.9	-7.0
Cost of sales of trading properties	-19.8	0.9	-21.0	-1.1
Provision against trading properties	-5.3	4.2	-1.7	-2.5
Operating expenses	-36.3	-0.3	-28.5	-10.5
Net rental and other property income	7.0	6.9	6.9	6.0
Profit on sales of trading properties	1.8	5.5	8.6	0.2
Gross profit	8.7	12.4	15.4	6.2
Administrative expenses	-3.0	-4.7	-9.9	-5.1
Other operating income	1.4	2.9	1.9	7.9
Profit / (Loss) on disposal of investment property	-2.0	1.5	-1.4	1.5
Profit on disposal of investments	0.1	0.0	0.0	0.0
Changes in fair value of investment properties	11.3	18.9	43.2	-26.1
Operating profit	16.5	31.0	49.3	-15.7
Share of post-tax results of equity accounted associates	8.5	19.0	10.1	-4.0
Revaluation of other investments	-12.6	-0.7	9.9	33.7
Finance incomes	5.7	9.3	7.3	6.9
Finance costs	-16.2	-13.5	-13.0	-14.9
Change in fair value of derivative financial instruments	0.0	1.4	-3.3	-5.2
Income from investments	0.1	0.9	0.7	0.2
Profit before tax	2.0	47.6	61.0	1.0
Taxation	0.0	0.0	-1.5	1.2
Profit for the year and total comprehensive income	1.9	47.7	59.5	2.2

Rental Income



Statement of changes in equity (IFRS)

Consolidated statement of changes in equity for the year ended 31 December 2020	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to		Total
					owners of the parent	Non-controlling interest	
Balance at 1 January 2020	0.0	243.5	-212.4	283.5	314.6	86.8	401.4
Comprehensive income for the financial year				6.4	6.4	-4.2	2.2
Capital contribution – waiver of shareholder loan							
Balance as end of 31 December	0.0	243.5	-212.4	289.9	321.0	82.6	403.6

Consolidated statement of changes in equity for the year ended 31 December 2019	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to		Total
					owners of the parent	Non-controlling interest	
Balance at 1 January 2019	0.0	243.5	-224.9	236.7	255.4	74.0	329.4
Comprehensive income for the financial year				46.8	46.8	12.7	59.5
Capital contribution – waiver of shareholder loan			12.5		12.5		12.5
Balance as end of 31 December	0.0	243.5	-212.4	283.5	314.6	86.8	401.4

Financial Statements

Balance Sheet for the Guarantor

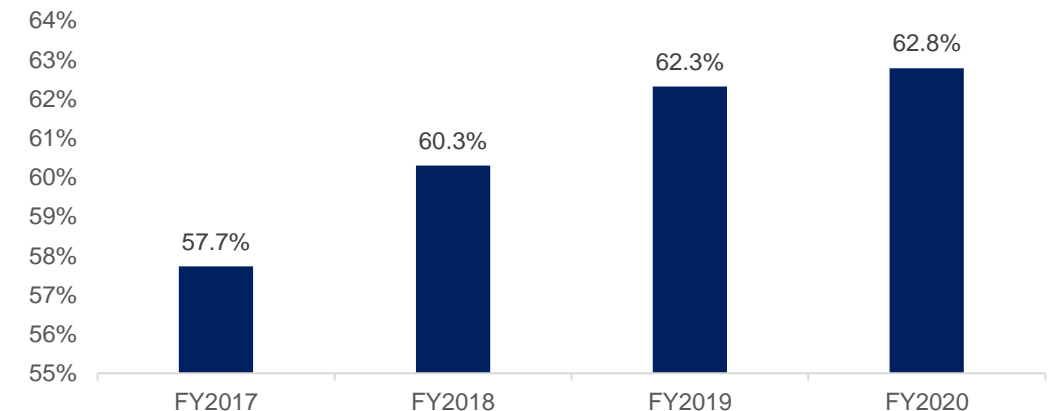
Consolidated DHL balance sheet (IFRS)

	Audited FY2017	Audited FY2018	Audited FY2019	Unaudited FY2020
Property, plant and equipment	0.0	0.1	0.1	0.0
Intangible assets	2.3	2.3	1.3	1.3
Investment properties	288.7	307.0	336.7	309.4
Other investments	27.2	27.3	38.0	75.4
Investments in equity accounted associates	43.8	60.7	74.5	68.7
Trade and other receivables	11.3	5.5	7.6	7.8
Non current assets	373.2	402.9	458.2	462.7
Trading properties	75.3	83.8	85.2	85.8
Trade and other receivables	112.1	126.9	123.9	114.9
Cash and cash equivalents	16.5	10.6	13.7	7.5
Derivative financial assets	0.0	0.3	0.0	0.0
Current assets	203.9	221.6	222.9	208.2
Total Assets	577.1	624.5	681.1	670.9
Attributable to equity shareholders	215.5	255.4	314.6	321.0
Non-controlling interest	66.2	74.0	86.8	82.6
Total equity	281.7	329.4	401.4	403.6
Loans and borrowings	188.7	196.7	133.7	209.2
Deferred tax liability	0.0	0.0	1.5	0.0
Lease liability	0.0	0.0	3.3	3.3
Non-current liabilities	188.7	196.7	138.5	212.5

Consolidated DHL balance sheet (IFRS)

	Audited FY2017	Audited FY2018	Audited FY2019	Unaudited FY2020
Loans and borrowings	19.9	15.2	78.9	4.7
Trade and other payables	84.9	81.3	56.2	43.8
Derivative financial liabilities	1.7	0.6	3.6	6.3
Current liabilities	106.5	97.1	138.7	54.8
Other provisions	0.1	1.2	2.4	0.0
Total equity and liabilities	577.1	624.5	681.1	670.9
Equity for bond equity ratio				
Total equity	281.7	329.4	401.4	403.6
Pref shares/Shareholder loan	51.4	47.1	23.0	17.9
Total	333.1	376.5	424.4	421.5

Group equity ratio



Financial Statements

Cash-flow statement for the Guarantor

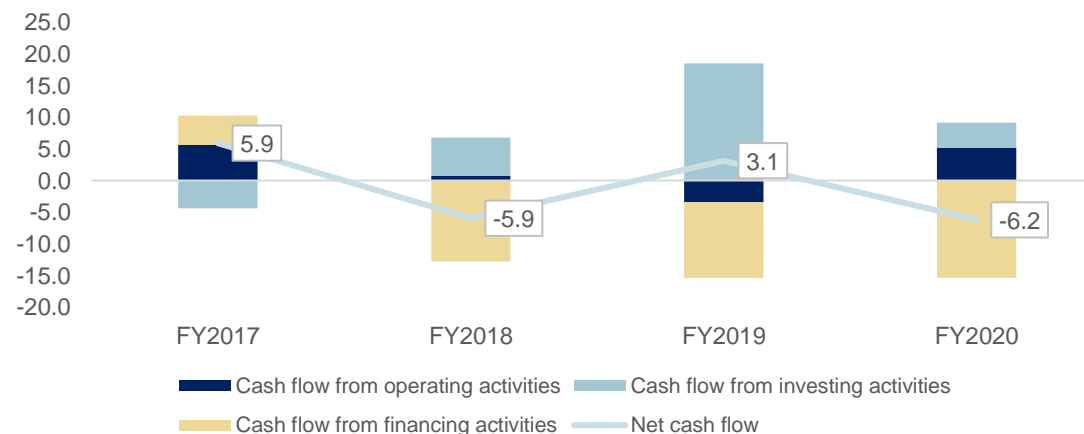
Consolidated DHL cash-flow statement (IFRS)

	Audited FY2017	Audited FY2018	Audited FY2019	Unaudited FY2020
Operating activities				
Profit/(Loss) for the year	1.9	47.7	60.4	2.2
Adjustments for:				
Exchange differences	-0.7	0.3	1.6	-3.5
Changes in fair value of investment properties	-11.3	-18.9	-43.2	26.1
Depreciation of fixed asset	0.1	0.0	0.0	0.0
Movement in rent smoothing adjustment	-0.7	-1.2	-1.4	0.4
Changes in fair value of derivative instruments	0.0	-1.4	3.3	5.2
Changes in fair value of other investments	12.6	0.7	-9.9	-33.8
Share of post-tax results of equity accounted associates	-8.5	-19.0	-10.1	4.0
Profit/(Loss) on disposal of investment property	2.0	-1.5	1.4	-1.5
Profit on disposal of investments	-0.1	0.0	0.0	0.0
Income from investments	-0.1	0.0	0.0	0.0
Finance revenue	-5.7	-9.3	-7.3	-6.9
Finance cost	16.2	13.5	12.1	14.9
Amortisation goodwill		0.0	0.9	0.0
Taxation	0.0	0.0	1.5	-1.2
Changes in working capital				
Trading properties	9.7	-8.5	-1.4	-0.6
Trade and other receivables	-11.2	0.3	8.2	16.1
Trade and other payables	1.9	-2.7	-20.5	-14.5
Provisions	-0.4	1.1	1.2	-2.4
Tax paid	-0.2	0.0	-0.2	-0.7
Cash flow from operating activities	5.6	0.8	-3.4	3.9
Investment activities				
Capital expenditure on investment property	-51.5	-5.7	-4.8	-5.4
Capital expenditure of fixtures and fittings	0.0	-0.1	0.0	0.0
Proceeds from the disposal of investments	0.0	0.0	0.0	0.0
Proceeds from disposal of investment properties	55.7	9.0	21.6	7.7
Investment in equity accounted associates	-7.3	-4.8	-5.4	-1.4
Acquisition of other investments	0.0	-1.1	-2.3	-0.1
Interest received	2.4	0.1	0.2	0.0
Loan to equity accounted associates	-7.5	-0.1	0.0	0.0
Dividends received from equity accounted associates	2.1	6.9	1.7	3.2
Loans repaid from equity accounted associates	1.6	1.8	7.7	0.0
Income from investments	0.1	0.0	0.0	0.0
Cash flow from investing activities	-4.4	6.0	18.5	4.0

Consolidated DHL cash-flow statement (IFRS)

	Audited FY2017	Audited FY2018	Audited FY2019	Unaudited FY2020
Financing activities				
Proceeds from borrowings	98.5	11.3	20.0	47.1
Repayment of loans	-65.1	-8.7	-19.6	-43.3
Bond revaluation	0.0	0.0	0.0	-1.7
Repayment of financial instruments	0.0	0.0	0.0	-2.5
Refinancing costs	0.0	0.0	0.0	-2.3
Interest paid	-9.5	-10.2	-12.3	-11.2
Loan arrangement fees paid	-1.9	0.0	0.0	0.0
Repayment of loan from investor	-18.2	-5.5	0.0	0.0
Loans from equity accounted associates	0.9	0.3	0.1	0.0
Headlease obligations paid	0.0	0.0	-0.1	-0.1
Cash flow from financing activities	4.7	-12.7	-12.0	-14.1
Cash flow for the period	5.9	-5.9	3.1	-6.2
Cash and cash equivalents at the beginning of the year	10.6	16.5	10.6	13.7
Cash and cash equivalents EoP	16.5	10.6	13.7	7.5

Cash flow from financing activities were negative in 2020 as two ungeared assets were removed from the Lloyds investment facility and are now being refinanced with NatWest



Financial Statements

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



DFAB balance sheet (IFRS)

	Audited FY2017	Audited FY2018	Audited FY2019	Unaudited FY2020
Trade and other receivables	36.5	45.5	42.9	41.0
Cash and cash equivalents	7.4	1.8	1.8	2.0
Current assets	43.9	47.3	44.7	43.1
Total Assets	43.9	47.3	44.7	43.1
Attributable to equity shareholders	0.4	0.7	1.8	3.5
Total equity	0.4	0.7	1.8	3.5
Loans and borrowings	33.8	34.1	34.4	38.9
Non-current liabilities	33.8	34.1	34.4	38.9
Trade and other payables	9.7	12.5	8.5	0.7
Current liabilities	9.7	12.5	8.5	0.7
Total equity and liabilities	43.9	47.3	44.7	43.1

DFAB income statement (IFRS)

	Audited FY2017	Audited FY2018	Audited FY2019	Unaudited FY2020
Finance income	2.2	4.5	4.9	4.8
Gross profit	2.2	4.5	4.9	4.8
Other operating income	0.3	0.0	0.0	1.7
Administrative expenses	0.0	-0.1	0.0	-0.2
Operating profit	2.5	4.4	4.9	6.3
Finance costs	-3.2	-4.0	-3.8	-4.6
Profit/(loss) before tax	-0.7	0.3	1.1	1.7
Taxation	0.0	0.0	0.0	0.0
Profit for the year and total comprehensive income	-0.7	0.3	1.1	1.7

DFAB cash-flow statement (IFRS)

	Audited FY2017	Audited FY2018	Audited FY2019	Unaudited FY2020
Operating activities				
Profit/(Loss) for the year	-0.7	0.3	1.1	1.7
Adjustments for:				
Finance cost	0.0	4.0	3.8	4.6
Finance revenue	0.0	-4.5	-4.9	-4.8
Changes in working capital				
Trade and other receivables	-36.4	-8.9	2.6	1.9
Trade and other payables	10.0	2.7	-3.9	-6.9
Cash flow from operating activities	-27.2	-6.3	-1.4	-3.5
Investment activities				
Cash flow from investing activities	0.0	0.0	0.0	0.0
Financing activities				
Interest paid	0.0	-3.8	-3.6	-4.9
Interest received	0.0	4.5	4.9	4.8
Issue of ordinary shares	1.0	0.0	0.0	0.0
Refinancing costs	0.0	0.0	0.0	-1.3
Repayment of loans	0.0	0.0	0.0	-35.0
Proceeds from bond	33.6	0.0	0.0	41.8
Bond revaluation	0.0	0.0	0.0	-1.7
Cash flow from financing activities	34.6	0.7	1.4	3.7
Cash flow for the period	7.4	-5.6	0.0	0.2
Cash and cash equivalents at the beginning of the year	0.0	7.4	1.8	1.8
Cash and cash equivalents EoP	7.4	1.8	1.8	2.0

Financial Statements

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



Statement of changes in equity (IFRS)

Consolidated statement of changes in equity for the year ended 31 December 2020	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance at 1 January 2020	1.0			0.8	1.8
Comprehensive income for the financial year				1.7	1.7
Balance as end of 31 December	1.0	0.0	0.0	2.5	3.5

Consolidated statement of changes in equity for the year ended 31 December 2019	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance at 1 January 2019	1.0			-0.3	0.7
Comprehensive income for the financial year				1.1	1.1
Balance as end of 31 December	1.0	0.0	0.0	0.8	1.8

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 2019.

Going concern

Given the significant impact of COVID-19 on the macro-economic conditions in which the Group is operating, the directors' have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 December 2020.

Notes to the interim report (continued)

Going concern

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, adopting a primary assumption that rental collections will be lower than what would normally be expected. The impact in the reduction in the rental collections have been applied across a variety of performance indicators including free cash flow and debt serviceability covenants.

The directors consider that it is appropriate to adopt the going concern basis in preparing the interim financial statements.

Changes in accounting policies

New standards, interpretations and amendments effective for the current year:

None of the new or amended standards or interpretations issued by the International Accounting Standards Board (“IASB”) or the IFRS Interpretations Committee (“IFRIC”) have led to any material changes in the Company'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 1, IFRS 3, IFRS 4, IFRS 7, IFRS 9, IFRS 17, IAS 1, IAS 8, IAS 16, IAS 28, IAS 37, IAS 39 and IAS 41 but these are not expected to have a material effect on the operations of the Group.

During the year, the Group adopted the amendments to IFRS 16 that were introduced as a result of the Covid-19 pandemic. As these largely apply to lessees rather than lessors, there was no material change to the Group's accounting policies and disclosures.

The Company 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