



Interim Report & Financial Statements

FOR THE SIX MONTHS
ENDED 31 MAY 2025



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CHAIRMAN'S STATEMENT



JOHN NEWLANDS, CHAIRMAN

HIGHLIGHTS

- Net Asset Value total return of 2.5% for the six months to 31 May 2025.
- Dividends of 2.0 pence per share paid or declared during the period, equivalent to an annualised yield of 5.1%.
- Loan to value ("LTV") of the portfolio reduced to 68.7% (30 November 2024: 71.2%).
- Three exits during the period, bringing the number of exits to 26 since inception.
- 66% of the portfolio now deployed in the North East of England.

INTRODUCTION

I am pleased to present the Company's results for the half year ended 31 May 2025, during which the Company entered its ninth year of trading. The financial reporting period has included two cuts in UK interest rates, reducing the base rate to 4.25%. At the time of writing (August 2025), there had been a further rate cut of 0.25%, taking interest rates to 4.0%. UK Consumer Price Inflation (CPI) is also proving difficult to rein in, running at 3.4% over the twelve months to May 2025, down a mere 0.1% from a year earlier. The UK's GDP growth forecast for 2025 is generally expected to be around 1%, with some forecasts ranging slightly higher or lower.

Turning to the housing market, impending Stamp Duty changes accelerated the rate of transactions earlier in the year, leading to an easing of sales in more recent months. This one-off effect is now working through, with house prices predicted to grow by a moderate 2% during 2025 but to gather pace to 5% or more in 2026. These points are described more fully in the Investment Adviser's Report.

NET ASSET VALUE

The Company's Net Asset Value ('NAV') per share decreased from 79.81p to 79.79p over the six months ended 31 May 2025. Taking the effects of dividend distributions into account, this has resulted in a NAV Total Return for the period of 2.5%.

This figure may be placed into context by the total return figures over the same period of the Association of Investment Companies' (AIC's) 'Property-Debt' sector, of which Develop North is a component member, of 1.4% and of the AIC's 'Debt-Loans' sector of (1.9%).

DIVIDENDS

A quarterly dividend of 1 penny per share was paid on 27 June 2025 in respect of the quarter ended 28 February 2025. As set out in the Annual Report, the Company expects to pay dividends at a rate of 1 penny per share per quarter, equivalent to 4 pence per share per year in aggregate.

Depending on market conditions and the performance of the investment portfolio, a final balancing payment may be made at the end of the current financial year so as to at least fulfil the UK investment company qualification requirements.¹

SHARE BUYBACKS

In December 2023 the Company announced the extension of the share buyback programme which began in November 2023. A further 566,369 Ordinary shares were purchased under this extension. In April

¹ see Glossary (page 22) for explanation

2024 the Company announced a new share buyback programme to purchase further Ordinary shares for up to a total maximum consideration of £500k. The Company repurchased 689,655 Ordinary shares under the new programme.

No share buybacks were completed during the period under report. The authority to buy back shares was renewed at the recent AGM. The Board will continue to monitor the discount to NAV at which the shares trade and consider embarking upon further buy backs as and when appropriate.

INVESTMENT PORTFOLIO

The total value of the Company's portfolio now stands at £21.6 million, from 15 live projects.

New Investments:

The Company agreed two new facilities during the period: a £2.4 million, 11 month facility to fund a roadside retail development in South Tyneside. Secondly, a £1.2million, 18 month loan to finance a boutique smart hotel in Edinburgh. In total, £2.6 million was deployed into five projects including the two new projects mentioned above. The quality of the loan book continues to be maintained with the Loan to Value moving from 71.2% at 30 November 2024 to 68.7% at 31 May 2025.

Exits:

Three portfolio exits were completed during the period, bringing the number of exits to twenty-six since inception.

Impairments:

As specified by the requirements of accountancy standard IFRS 9, the Company has continued to recognise an impairment charge should interest not be paid by the borrower and there is not a clear expectation that this can be recovered subsequently. During the period, two projects were unable to meet their interest obligations in full. IFRS 9 also requires the Company to consider various credit loss scenarios and assign a risk weighting to these. This calculation generates a provision which is taken as a further impairment for the period. In the six months ended 31 May 2025 the Company has set the provision at £64,000. This is an increase of £15,000 from the general provision at 30 November 2024. This provision

is based on forward looking scenarios and is designed to withstand market-related shocks, reflecting current economic uncertainties. The loan portfolio is discussed more fully in the Investment Adviser's review.

GEARING

The Company continues to benefit from a gearing facility with Shawbrook Bank Limited, which is expected to be renewed for a further year in August 2025. At the period end £2.85m had been drawn down under this facility.

NEW DIRECTOR

I am delighted to welcome Dr Sameer Al Ansari as a Non-Executive Director and Deputy Chairman with effect from 2 May 2025.

Dr Al-Ansari, an internationally respected figure in finance, investment and corporate governance, will play a key role in shaping Develop North's future investment and wider fund strategy. His appointment will also support the fund's ambitions to raise its international profile, drive new investment into the Company, and promote economic growth across the North East region.

OUTLOOK

For Develop North and its shareholders, not to mention the North East of England, these are exciting and potentially transformative times, as the post-reporting period note below explains. In the nearer term, the intention is to continue the process of creating and managing a diversified portfolio of fixed rate loans secured over land and/or property, predominantly but not exclusively in our local region here in the North East.

To make an accurate assessment of the company's outlook, it is necessary to look past the torrent of alarming headlines faced daily whether domestically or on the global stage. It is obviously important to keep abreast of developments covering everything from conflicts in the Middle East and Ukraine to the effects of US tariffs on international trade to political developments as the Labour government approaches

its second year in office. To assess the investment outlook for our company, however, it is important to look at the prospects and background factors a little nearer home.

The Office for Budget Responsibility (OBR) forecasts 1.0% growth in 2025 for the UK economy, while the Treasury's June 2025 survey of independent forecasts produces a similar figure averaging 1.1%. These are not exciting numbers – but whatever the external backdrop, people will always need houses. Bank and building societies will also always need to offer mortgages to millions of people to make their own businesses work. Last but not least, there is widespread agreement that there is a crucial shortage of housing stock across the UK.

Develop North and its management team stands ready to play its part over the coming months and years.

The proposed changes to the Investment Policy will enable the Company to take advantage of a growing investment opportunity in the North East, with two major recent events contributing to a far higher level of focus in the region than before, including the formalisation of a £1.4 billion devolution agreement in May 2024 and the increased international profile following the acquisition of Newcastle United by the Saudi Public Investment Fund.

A potential fundraise would enable the Company to invest at greater scale and take advantage of the new opportunities identified in the new Investment Policy.

Further details may be found in the Company's RNS announcement dated 9 July 2025:

<https://www.investegate.co.uk/announcement/rns/develop-north--dvno/change-to-investment-policy-potential-fundraise/8969899>

JOHN NEWLANDS

CHAIRMAN

8 AUGUST 2025

POST-REPORTING PERIOD NOTE

On 9 July 2025, the Company announced via the London Stock Exchange a proposed change to its investment policy and potential fundraise to enhance shareholder value through a broader, more diversified portfolio of investments predominantly focused in the North East of England.

As announced, the revised investment policy will enable the Company to allocate the capital that it intends to raise across a wider range of asset classes, pursuing investments across three core areas: Real Estate Lending, Commercial Real Estate and Residential Real Estate.

Supporting Tier One Capital in managing the Company through its next phase of growth is an experienced and regionally embedded asset management team, comprising Homes or Houses, specialists in residential acquisitions and leasing; and Broadoak Asset Management, experts in commercial real estate investment.

INVESTMENT ADVISER'S REVIEW



REVIEW OF THE 6 MONTHS TO 31 MAY 2025

Investment Adviser's highlights:

- NAV Total Return of 2.5% for the 6 months to 31 May 2025.
- Funds deployed into two new projects
- Three exits during the period, bringing the number of exits to twenty-six since inception
- Loan to Value (LTV) of portfolio reduced to 68.7%
- Dividends totalling 2p per share paid or declared for the six months to 31 May 2025, equivalent to an annualised dividend yield of 5.1%.
- 66% of funds deployed in North East England reflecting the Company's ongoing commitment to focus operations on our chosen regional markets.

This Interim Report and Accounts covers the end of the eighth and the beginning of the ninth year of performance of the Company, since its listing in January 2017.

The Company's investment objective is to provide debt finance to the property sector. The Company also benefits from a small number of equity positions attained at nil cost in four of the borrowing entities which it

supports. In addition, the Company benefits from exit fees on redemption of other projects that additionally contribute to the Senior and Profit lending type.

Progress on the Company's Strategic Objectives:

- Weighted Average interest generated was 9.8% - up from 9.4% on the prior year end.
- Prudent cost control saw overheads maintained at last years level – a below inflation rise.
- Portfolio LTV improved at 68.7%
- Further progress in managing non-performing assets and improvement in loan book quality.
- Fund liquidity further improved, with the continuation of the share buy-back exercise.

Economic Backdrop and Outlook:

The first six months of the financial year have seen two interest rate cuts with the base rate at 4.25% at the period end. At the time of writing (August 2025), there had been a further rate cut of 0.25%, taking interest rates to 4.0%. The Bank of England has been understandably cautious and the most recent minutes from 7 May 2025 suggest "a gradual and careful approach to the further withdrawal of monetary policy restraint remains appropriate". Many commentators

are interpreting this as a sign that the Bank will continue to cut rates during the rest of 2025 and into 2026.

2025 has been up and down for the housing market with the stamp duty changes accelerating transactions earlier in the year leading to a softening of the market in more recent months. Commentators are now expecting house prices to grow by only 2% during 2025 but for 2026 to grow by 5%.

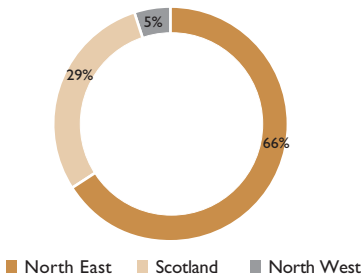
Build cost inflation and labour in the construction sector have broadly returned to normal levels with BICS all-in tender price index, which measures the trend of contractors pricing levels in accepted tenders, showing annual growth of 2.3% in the second quarter of this year. Labour remain the main driver of project costs, with increases to employers' National Insurance Contributions and the National Living Wage feeding into an expected 7.1% annual increase in the BCIS Labour cost index in Q2 2025.

The Company has used the first six months to continue to support quality borrowers with strong business plans which is reflected in the consistent recurring income that is being generated across the portfolio.

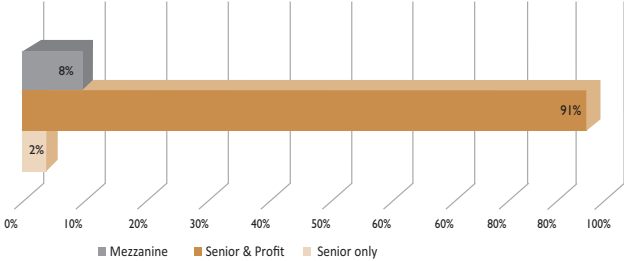
DEPLOYMENT

The Company's portfolio can be broken down as follows:

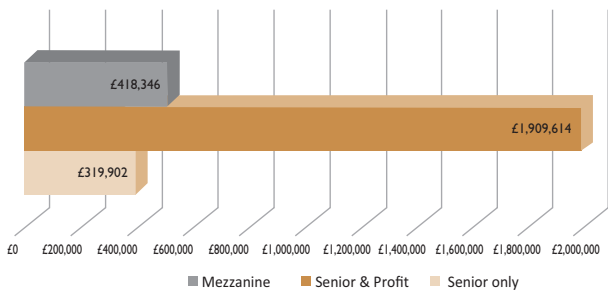
Deployment by Region



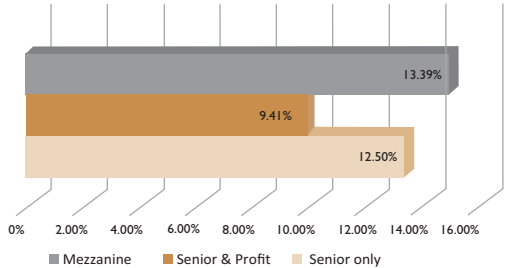
Lending type



Average loan size



Average returns by loan type



We are pleased to report an active period for new transactions, deployments to existing projects together with full and partial exits:

The Company agreed two new facilities during the period:

- South Tyneside - £2.4m 11-month facility
- Edinburgh - £1.2m 18-month facility

During the period a total of £2.6m was deployed into five projects including the two new projects mentioned above.

At the period end, fund deployment totalled £21.6m. The quality of the loan book continues to be maintained with the Loan to Value moving from 71.2% at 30 November 2024 to 68.7% at 31 May 2025.

Portfolio Exits

There was three portfolio exits during the period, bringing the number of exits to twenty-six since inception.

Partial Redemptions Update

During the period there was £2.9m of partial redemptions across four of the portfolio projects including the three exits in the period.

Impairments

In accordance with IFRS 9 the Company recognises the gross interest receivable on all its loans, and then recognises an impairment charge if that interest is not paid by the borrower and there is not a clear expectation that this can be recovered subsequently. During the period, two projects were unable to meet their interest obligations in full.

IFRS 9 also requires the Company to consider various credit loss scenarios and assign a risk weighting to these. This calculation generates a provision which is taken as a further impairment for the period. In the six months ended 31 May 2025 the Company has set the provision at £64,000. This is an increase of £15,000 from the general provision at 30 November 2024. This provision is based on forward looking scenarios and is designed to withstand market-related shocks, reflecting current economic uncertainties.

Gearing

The Company has agreed to renew its committed revolving credit facility with Shawbrook Bank for a further year. Again, the key driver was headroom and liquidity. This renewal for a seventh year demonstrates the support that the Company has from its lender, and the growing confidence in future deployment given the current strength of pipeline.

BUYBACK PROGRAMME

In November 2023, the Company announced the commencement of a share buyback programme. To date the Company has purchased 1,945,862 shares in the market. The shares will be held as treasury shares on the Company's balance sheet.

OUTLOOK

Residential

As at 31 May 2025, 74.9% of deployed funds were invested across 9 projects with a residential focus with a further £0.481m committed to live projects.

Commercial

As at 31 May 2025, 25.1% of deployed funds were invested across 5 projects with a commercial focus.

PIPELINE

There is currently £4.7m at various stages of due diligence across two projects, all in the North East.

PERFORMANCE SINCE 2018

Since 1 June 2018, the company has provided £50.1m across twenty-five new projects. These projects have generated an average IRR of 9.4% with only 0.2% of capital write offs which have been more than covered by associated exit and plot fees. These projects have also been lower risk projects with the LTVs than the historic projects.

The quality and experience of each management team that we are in discussions with will continue to enhance the Company's portfolio and strengthen its reputation in the market. This should lead to the creation of shareholder value that is sustainable in the longer term.

IAN MCELROY

TIER ONE CAPITAL LTD
8 AUGUST 2025

THE INVESTMENT PORTFOLIO AS AT 31 MAY 2025

Sector	% of Portfolio	LTV* (May 25)	Loan Value (May 25) £'000s	LTV* (Nov 24)	Loan Value (Nov 24) £'000s
Residential	73.8%	71.0%	16,194	75.3%	17,032
Commercial	24.7%	61.7%	5,417	53.9%	4,082
Cash	1.5%	–	331	–	118
General Impairment	–	–	(64)	–	(49)
Total/Weighted Average	100.0%	68.7%	21,878	71.2%	21,183

*LTV has been calculated using the carrying value of the loans as at the balance sheet date

INTERIM MANAGEMENT REPORT

The principal and emerging risks and uncertainties that could have a material impact on the Company's performance have not changed from those set out on pages 15 and 16 of the Company's Annual Report for the year ended 30 November 2024.

The Directors consider that the Chairman's Statement and the Investment Adviser's Review on pages 2 to 8 of this Interim Report, the disclosure on related party transactions and the Statement of Directors' Responsibilities on page 10 together constitute the Interim Management Report of the Company for the six months ended 31 May 2025 and satisfy the requirements of the Disclosure Guidance and Transparency Rules 4.2.3 to 4.2.11 of the Financial Conduct Authority.

The Interim Report has not been reviewed or audited by the Company's Auditor.

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, the nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this Interim Report. For these reasons they consider that there is sufficient evidence to continue to adopt the going concern basis in preparing the accounts.

DIRECTORS' RESPONSIBILITIES STATEMENT

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit of the Company, as at 31 May 2025, as required by the Disclosure Guidance and Transparency Rule 4.2.4R;
- The Interim Report includes a fair review of the information required by the Disclosure and Transparency Rule 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- The Interim Report includes a fair review of the information concerning related party transactions as required by Disclosure Guidance and Transparency Rule 4.2.8R.

On Behalf of the Board

JOHN NEWLANDS

CHAIRMAN

8 AUGUST 2025

CONDENSED INCOME STATEMENT

		Six months ended 31 May 2025 (unaudited)	Six months ended 31 May 2024 (unaudited)	Year ended 30 November 2024 (audited)		
	Notes	Revenue £'000	Capital £'000	Total £'000	Total £'000	Total £'000
REVENUE						
Investment interest		1,036	–	1,036	953	1,938
Total revenue		1,036	–	1,036	953	1,938
Losses on investments held at fair value through profit or loss	5	–	–	–	–	(143)
Amortisation of exit fees	5, 6	–	13	13	–	126
Total net income		1,036	13	1,049	953	1,921
EXPENDITURE						
Investment adviser fee	2	(30)	–	(30)	(31)	(61)
Impairments on investments held at amortised cost	6	–	(15)	(15)	(30)	(122)
Other expenses		(277)	(152)	(429)	(248)	(484)
Total expenditure		(307)	(167)	(474)	(309)	(667)
Profit/(loss) before finance costs and taxation		729	(154)	575	644	1,254
FINANCE COSTS						
Interest payable		(81)	–	(81)	(39)	(84)
Profit/(loss) before taxation		648	(154)	494	605	1,170
TAXATION						
Profit/(loss) for the period/year and total comprehensive profit for the period/year		648	(154)	494	605	1,170
Basic earnings per share	3	2.59p	(0.61)p	1.98p	2.38p	4.64p

The notes on pages 16 to 20 form an integral part of the financial statements.

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

There is no other comprehensive income as all income is recorded in the statement above.

CONDENSED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 May 2025 (unaudited) £'000	As at 31 May 2024 (unaudited) £'000	As at 30 November 2024 (audited) £'000
NON-CURRENT ASSETS				
Loans at amortised cost	6	1,000	3,064	1,000
		1,000	3,064	1,000
CURRENT ASSETS				
Investments held at fair value	5	2,942	3,056	2,899
Loans at amortised cost	6	18,800	14,759	18,146
Other receivables and prepayments		3	16	17
Cash and cash equivalents		332	239	115
		22,077	18,070	21,177
TOTAL ASSETS		23,077	21,134	22,177
CURRENT LIABILITIES				
Loan facility		(2,850)	(1,125)	(2,100)
Other payables and accrued expenses		(297)	(138)	(141)
TOTAL LIABILITIES		(3,147)	(1,263)	(2,241)
NET ASSETS		19,930	19,871	19,936
SHARE CAPITAL AND RESERVES				
Share capital	7	269	269	269
Share premium		9,094	9,094	9,094
Special distributable reserve		10,973	10,973	10,973
Capital reserve		(1,316)	(1,071)	(1,162)
Revenue reserve		910	606	762
EQUITY SHAREHOLDERS' FUNDS		19,930	19,871	19,936
Net asset value per ordinary share	8	79.79p	79.55p	79.81p

The notes on pages 16 to 20 form an integral part of the financial statements.

The financial statements on pages 11 to 20 were approved by the Board of Directors of Develop North PLC (a public limited company incorporated in England and Wales with company number 10395804) and authorised for issue on 8 August 2025.

They were signed on its behalf by:

JOHN NEWLANDS
CHAIRMAN

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended
31 May 2025

	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
AT BEGINNING OF THE PERIOD	269	9,094	10,973	(1,162)	762	19,936
Total comprehensive income for the period:						
Profit for the period	—	—	—	(154)	648	494
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY:						
Dividends paid (note 4)	—	—	—	—	(500)	(500)
Repurchase of shares into treasury	—	—	—	—	—	—
At 31 May 2025	269	9,094	10,973	(1,316)	910	19,930

For the six months ended
31 May 2024

	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
AT BEGINNING OF THE PERIOD	269	9,094	12,267	(1,059)	133	20,704
Total comprehensive income for the period:						
Profit for the period	—	—	—	(1)	606	605
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY:						
Dividends paid (note 4)	—	—	(386)	—	(133)	(519)
Repurchase of shares into treasury	—	—	(908)	(11)	—	(919)
At 31 May 2024	269	9,094	10,973	(1,071)	606	19,871

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the year ended
30 November 2024

	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
AT BEGINNING OF THE YEAR	269	9,094	12,267	(1,059)	133	20,704
Total comprehensive income for the year:						
Profit for the year	–	–	–	(92)	1,262	1,170
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY:						
Dividends paid (note 4)	–	–	(386)	–	(633)	(1,019)
Repurchase of shares into treasury	–	–	(908)	(11)	–	(919)
At 30 November 2024	269	9,094	10,973	(1,162)	762	19,936

CONDENSED CASH FLOW STATEMENT

		Six months to 31 May 2025 (unaudited) £'000	Six months to 31 May 2024 (unaudited) £'000	Year ended 30 November 2024 (audited) £'000
	Notes			
OPERATING ACTIVITIES				
Profit before taxation		494	605	1,170
Losses on investments held at fair value through profit and loss		–	–	143
Impairments on loans at amortised cost	6	15	30	75
Amortisation of exit fees		(13)	–	(126)
Interest expense		1,036	39	84
Changes in working capital				
Increase in loan interest receivable on investments held at fair value through profit and loss	5	(55)	(34)	(84)
Increase in loan interest receivable on loans at amortised cost	6	(163)	(268)	(152)
Increase/(decrease) in other receivables		14	(3)	(4)
Increase/(decrease) in other payables		156	(53)	(50)
NET CASH INFLOW FROM OPERATING ACTIVITIES AFTER TAXATION		1,484	316	1,056
INVESTING ACTIVITIES				
Loans given		(3,456)	(3,291)	(9,151)
Loans repaid		2,974	2,412	6,978
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(482)	(879)	(2,173)
FINANCING				
Equity dividends paid		(500)	(519)	(1,019)
Repurchase of shares into Treasury		–	(919)	(919)
Bank loan drawn down		2,250	2,325	6,125
Repayment of bank loan		(1,500)	(1,200)	(4,025)
Interest paid		(1,035)	(39)	(84)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(785)	(352)	78
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
		217	(915)	(1,039)
Cash and cash equivalents at the start of the year		115	1,154	1,154
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR		332	239	115

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)



1. INTERIM RESULTS

The condensed financial statements have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ and the accounting policies set out in the statutory accounts of the Company for the year ended 30 November 2024. The condensed financial statements do not include all of the information required for a complete set of financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 November 2024, which were prepared in accordance with UK-adopted International Accounting Standards as applicable to companies reporting under international accounting standards. There have been no significant changes to management judgements and estimates.

The condensed financial statements have been prepared on the going concern basis. In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. After making enquiries, and bearing in mind the nature of the Company’s business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these financial statements.

2. INVESTMENT ADVISER

In its role as the Investment Adviser, Tier One Capital Ltd is entitled to receive from the Company an investment adviser fee which is calculated and paid quarterly in arrears at an annual rate of 0.25 per cent. per annum of the prevailing Net Asset Value if less than £100m; or 0.50 per cent. per annum of the prevailing Net Asset Value if £100m or more.

There is no balance accrued for the Investment Adviser for the period ended 31 May 2025 (31 May 2024: £nil; 30 November 2024: £nil)

There are no performance fees payable.

	31 May 2025 £'000	30 November 2024 £'000
Investment Adviser fee	30	61

ALTERNATIVE INVESTMENT FUND MANAGER’S DIRECTIVE (‘AIFMD’)

The Company has been approved by the Financial Conduct Authority as a Small Registered UK Alternative Investment Fund Manager (‘AIFM’).

3. EARNINGS PER SHARE

The revenue, capital and total return per ordinary share is based on each of the profit after tax and on 24,978,201 ordinary shares, being the weighted average number of ordinary shares in issue throughout the period.

	Six months ended 31 May 2025		Six months ended 31 May 2024		Year ended 30 November 2024	
	£'000	Pence per share	£'000	Pence per share	£'000	Pence per share
Revenue earnings	648	2.59	606	2.38	1,262	5.00
Capital earnings	(154)	(0.61)	(1)	0.00	(92)	(0.36)
Total earnings	494	1.98	605	2.38	1,170	4.64
Average number of shares in issue	24,978,201		25,515,318		25,246,760	

Earnings for the period to 31 May 2025 should not be taken as a guide to the results for the year to 30 November 2025.

4. DIVIDENDS

	Six months ended 31 May 2025	Six months ended 31 May 2024	Year ended 30 November 2024
	£'000	£'000	£'000
Dividends paid in the year relating to previous year:			
Interim dividend for the quarter ended August, paid in December	250	262	262
Interim dividend for the quarter ended November, paid in March	250	257	257
Dividends paid during and relating to the current year:			
Interim dividend for the quarter ended February, paid in June	—	—	250
Interim dividend for the quarter ended May, paid in September	—	—	250
Total	500	519	1,019

The Company intends to distribute at least 85% of its distributable income earned in each financial year by way of interest distribution. On 4 June 2025, the Company declared an interim dividend of 1.00 pence per share for the quarter ended 28 February 2025, paid on 27 June 2025.

5. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company's investment held at fair value through profit or loss represents its profit share arrangements whereby the Company owns at least 25.1% or has an exit fee mechanism for four companies.

	31 May 2025	31 May 2024	30 November 2024
	£'000	£'000	£'000
Opening Balance	2,899	3,024	3,024
Principal repayments	(25)	(2)	(66)
Movements in interest receivable	55	34	84
Unrealised (losses)/gains on investments held at fair value through profit or loss	—	—	(143)
Amortisation of exit fees	13	—	—
Total investments held at fair value through profit and loss	2,942	3,056	2,899

Split:

Non-current assets: Investments held at fair value through profit and loss due for repayment after one year

— — —

Current assets: Investments held at fair value through profit and loss due for repayment under one year

2,942 3,056 2,899

6. LOANS AT AMORTISED COST

	31 May 2025	31 May 2024	30 November 2024
	£'000	£'000	£'000
Opening Balance	19,146	16,704	16,704
Loans deployed	3,457	3,291	9,151
Principal repayments	(2,951)	(2,410)	(6,912)
Movements in interest receivable	163	268	152
Movement in impairments	(15)	(30)	(75)
Amortisation of exit fees	—	—	126
Total Loans at amortised cost	19,800	17,823	19,146

Split:

Non-current assets: Loans at amortised cost due for repayment after one year

1,000 3,064 1,000

Current assets: Loans at amortised cost due for repayment under one year

18,800 14,759 18,146

The Company's loans held at amortised cost are accounted for using the effective interest method. The carrying value of each loan is determined after taking into consideration any requirement for impairment provisions during the year; allowances for impairment losses amounted to £15,000 (May 2024: £30,000; November 2024: £75,000).

7. SHARE CAPITAL

Allotted, issued and fully paid:	31 May 2025 £'000	31 May 2024 £'000	30 November 2024 £'000
24,978,201 (May 2024: 24,978,201; November 2024: 24,978,201) ordinary shares of 1p each*	250	249	250
1,945,862 (May 2024: 1,945,862; November 2024: 1,945,862) ordinary shares of 1p held in Treasury	19	20	19
	269	269	269

*The Ordinary Shares (excluding shares held in Treasury) are eligible to vote and have the right to participate in either an interest distribution or participate in a capital distribution (on winding up).

8. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share is based on net assets of £19,929,613 (31 May 2024: £19,870,979; 30 November 2024: £19,936,700) and on 24,978,201 ordinary shares (31 May 2024: 24,978,201; 30 November 2024: 24,978,201), being the number of ordinary shares in issue at the period/year end.

9. RELATED PARTIES

The Directors are considered to be related parties. No Director has an interest in any transactions which are, or were, unusual in their nature or significant to the nature of the Company.

The Directors of the Company received £46,000 fees for their services during the period to 31 May 2025 (30 November 2024: £85,000; 31 May 2024: £43,000). £nil was payable at the period and prior year end.

Ian McElroy is Chief Executive of Tier One Capital Ltd and is a founding shareholder and director of the firm.

Tier One Capital Ltd received £30,000 investment adviser's fee during the period (30 November 2024: £61,000, 31 May 2024: £31,000) and £nil was payable at the period end (30 November 2024: £nil; 31 May 2024: £nil). Tier One Capital Ltd receives up to a 20% margin and arrangement fee for all loans it facilitates.

There are various related party relationships in place with the borrowers as below:

The following related parties arise due to the opportunity taken to advance the profit share contracts:

- **Coalsnaughton**

Develop North PLC owns 40.1% of the borrower Kudos Partnership. The loan amount outstanding as at 31 May 2025 was £1.9m (30 November 2024: £1.9m; 31 May 2024: £2.0m). Transactions in relation to loans made during the year amounted to £nil (30 November 2024: £nil; 31 May 2024: £nil). Interest due to be received as at 31 May 2025 was £567,000 (30 November 2024: £513,000; 31 May 2024: £459,000). Interest received during the period amounted to £nil (30 November 2024: £20,000; 31 May 2024: £nil).

- **Oswald Street**

Develop North PLC owns 25.1% of the Riverfront Property Limited Partnership. The loan amount outstanding as at 31 May 2025 was £448,000 (30 November 2024: £448,000; 31 May 2024: £448,000). Transactions in relation to loans made during the year amounted to £nil (30 November 2024: £nil; 31 May 2024: £nil). Interest due to be received as at 31 May 2025 was £8,000 (30 November 2024: £8,000; 31 May 2024: £5,000).

Interest received during the period amounted to £12,000 (30 November 2024: £47,000; 31 May 2024: £25,000).

10. OPERATING SEGMENTS

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Company is engaged in a single unified business, being the investment of the Company's capital in financial assets comprising loans and joint venture equity contracts and in one geographical area, the United Kingdom, and that therefore the Company has no segments. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance is the total return on the Company's net asset value. As the total return on the Company's net asset value is calculated based on the IFRS net asset value per share as shown at the foot of the Consolidated Statement of Financial Position, the key performance measure is that prepared under IFRS. Therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

11. FAIR VALUE HIERARCHY

Accounting standards recognise a hierarchy of fair value measurements for financial instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:

- Level 1 – Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Examples of such instruments would be investments listed or quoted on any recognised stock exchange.
- Level 2 – Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of

investment. Examples of such instruments would be forward exchange contracts and certain other derivative instruments.

- Level 3 – External inputs are unobservable. Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instrument. All loans are considered Level 3.

12. INTERIM REPORT STATEMENT

These are not full statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year ended 30 November 2024, which received an unqualified audit report and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. No full statutory accounts in respect of any period after 30 November 2024 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

SHAREHOLDER INFORMATION

Share Register Enquiries

For shareholder enquiries, please contact the registrar, Computershare +44 (0) 370 702 0000.

Share Capital and General Information

Ordinary £0.01 Shares	24,978,201
SEDOL Number	BD0ND66
ISIN	GB00BD0ND667
Ticker	DVNO

Share Prices

The Company's shares are listed on the London Stock Exchange.

Financial Reports

Copies of the Annual Reports are available from the Company Secretary on telephone number 01245 398950 and are also available on the Company's website www.developnorth.co.uk. Interim Reports are available on the Company's website.

Provisional Financial Calendar

August 2025	Interim period end results announced
September 2025	Payment of interim dividend
30 November 2025	Year end
December 2025	Payment of interim dividend
March 2026	Payment of interim dividend
April 2026	Annual General Meeting
31 May 2026	Interim period end
June 2026	Payment of interim dividend

GLOSSARY

AIC Association of Investment Companies

This is the trade body for Closed-end Investment Companies (www.theaic.co.uk).

AIFMD Alternative Investment Fund Managers Directive

Issued by the European Parliament in 2012 and 2013, the Directive requires the Company to appoint an Alternative Investment Fund Manager (AIFM). The Board of Directors of a Closed-ended Investment Company, nevertheless, remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations.

AIFM Alternative Investment Fund Manager

The Company has been approved by the Financial Conduct Authority as a Small Registered UK Alternative Investment Fund Manager.

Basic Total Earnings per Share Total profit after taxation divided by the weighted average number of Ordinary shares in issue during the period.

Closed-end Investment Company

A company with a fixed issued ordinary share capital which is traded on a stock exchange at a price not necessarily related to the Net Asset Value of the company and where shares can only be issued or bought back by the company in certain circumstances.

Discount (or Premium) of Share Price to NAV

If the share price is less than the Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium. The discount (or premium) is calculated by reporting the difference between the Net Asset Value per share and the Share Price as a percentage of the Net Asset Value per share.

Dividend Yield

Calculated using the annual dividend as a percentage of the share price at the year end.

Dividends per Share

Dividends declared for the year.

Gearing

Total assets less all cash divided by shareholders' funds.

Increase/decrease in NAV

The movement in NAV in the period, shown in total and as a movement per share. Expressed in whole numbers and as a percentage.

Investment Trust Qualification

The Investment Trusts (Approved Company) (Tax) Regulations 2011 (SI 2011/2999) set out requirements for investment trust approval, amongst which is that an investment trust must not retain in respect of an accounting period an amount which is greater than 15% of its income for the accounting period.

Loan to Value

Debt outstanding and drawn at the period end, net of any cash held in the Lender deposit account, expressed as a percentage of the market value of all property assets.

Net Assets (or Shareholders' Funds)

This is calculated as the value of the investments and other assets of an Investment Company, plus cash and debtors, less borrowings and any other creditors. It represents the underlying value of an Investment Company at a point in time.

Net Asset Value (NAV) per Ordinary Share

This is calculated as the net assets of the Company calculated under its accounting policies as set out in the year end report and financial statements divided by the number of shares in issue. This is the number disclosed at the foot of the Statement of Financial Position on page 11.

NAV Total Return

The growth in NAV plus dividends reinvested, and this can be expressed as a percentage of NAV per share at the start of the year.

Ongoing Charges

All operating costs incurred by the Company, expressed as a proportion of its average Net Assets over the reporting year.

Share Price Total Return

The percentage change in the Share Price assuming dividends are reinvested to purchase additional Ordinary Shares at the prevailing share price.

SORP

Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the AIC.

Total Assets

This is calculated as the value of the investments and other assets of the Company, plus cash and debtors.

Total Return

The return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.

UK Corporate Governance Code

A code issued by the Financial Reporting Council which sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. All companies with a Premium Listing of equity shares in the UK are required under the Listing Rules to report on how they have applied the Code in their annual report and accounts.

Alternative Performance Measures (APMs)

The Company uses the following APMs (as described in the glossary) to present a measure of profitability which is aligned with the requirements of our investors and potential investors, to draw out meaningful data around revenues and earnings to provide additional information not required for disclosure under accounting standards. All APMs relate to past performance.

- Dividend yield
- Increase / decrease in NAV
- Loan to value
- NAV total return
- Ongoing charges
- Share price total return

CORPORATE INFORMATION

DIRECTORS

JOHN NEWLANDS

Chairman

SAMEER AL ANSARI

Deputy Chairman

MATTHEW HARRIS

Chairman of the Audit Committee

IAN MCELROY

DOUGLAS NOBLE

Chairman of the Remuneration Committee

REGISTERED OFFICE

Hamilton Centre
Rodney Way
Chelmsford
Essex CM1 3BY

INVESTMENT ADVISER

TIER ONE CAPITAL LTD

16 Brenkley Way
Seaton Burn
Newcastle upon Tyne NE13 6DS

BROKER AND FINANCIAL ADVISER

CAVENDISH CAPITAL MARKETS LIMITED

One Bartholomew Close
London EC1A 7BL

SOLICITOR

GOWLING WLG (UK) LLP

4 More London Riverside
London SE1 2AU

SECRETARY AND ADMINISTRATOR

APEX FUND ADMINISTRATION SERVICES (UK) LIMITED

Hamilton Centre
Rodney Way
Chelmsford
Essex CM1 3BY

INDEPENDENT AUDITOR

MHA

CHARTERED ACCOUNTANTS & STATUTORY AUDITOR

2 London Wall Place
London EC2Y 5AU

REGISTRAR

COMPUTERSHARE INVESTOR SERVICES PLC

The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

WEBSITE

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