

DEVELOP NORTH PLC

QUARTERLY FACTSHEET 31 AUGUST 2022

Develop North PLC (DVNO) is an investment company listed on the LSE Main Market. It targets a 4.0p annual dividend and 5% NAV total return, through a diversified portfolio of fixed rate loans:

- Secured over land and/or property in the UK, primarily regional (i.e. loans to property developers)
- Targeted towards both residential and commercial property developments

KEY FACTS

Ticker	DVNO
Launched	24 January 2017
Domicile	UK
Listing	LSE Main Market
Ordinary shares	26,924,063
Market cap	£22.5m
Share price	86.0p
NAV per share (cum income)	83.13p
Price premium to NAV	3.2%
Forecast Yield	4.65%
Dividends	1.0p/quarter
Dividend cover	0.75
Gearing	19.0% (max. 30%)
Portfolio Manager	Tier One Capital Ltd
Annual Management Fee (% of net assets)	
0.25%	On assets from £0m to £100m
0.50%	On assets above £100m
Financial year end	30 November
Dividend payment dates	Jan, Apr, Jul, Oct
OCF	2.46%

REVIEW OF THE QUARTER TO 31 AUGUST 2022

On the 4 May 2022, the company changed its name to Develop North PLC. The company has rebranded to highlight its Northern UK credentials and aspirations. Since being established, the company has supported the development of 31 residential and commercial projects across the region and Scotland with a combined value of £66m and an estimated £160m gross development value.

Deal flow remains steady but completion of these deals continues to be frustratingly slow as we continue to deal with backlogs following two disrupted years of the pandemic.

No new deals completed in the quarter and £2.2m was deployed into current projects. Three exits occurred during the period, bringing the total number of exits to 15 since inception. In addition, there were a further £0.75m of partial redemptions from three loans.

2.7% NAV total return	Attributed as follows (as a % of 30 Nov 2021 NAV): <ul style="list-style-type: none">• for the nine months to 31 August 2022
1.0p dividends declared	Interim dividends of 1.0p for the quarter to 31 May 2022 were declared September 2022.
Relevant market developments	The last quarter has seen a seismic shift in the economic landscape with the western economies struggling to curb inflation before it becomes embedded in the economy. The UK has had three Prime Ministers and a 180 flip in economic policy. The Bank of England has at the time of writing increased interest rates to 3% and signalled that rates will likely reach between 4 and 5% in early 2023.

PORTFOLIO AT A GLANCE

17 Loans

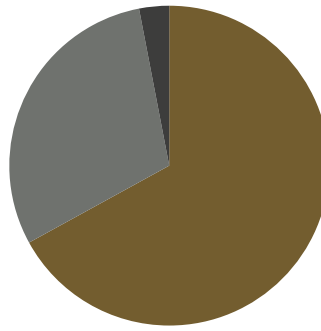
£25.0m Portfolio value

£1.4m Average loan size

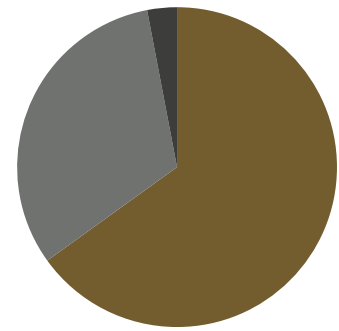
7.9% Average coupon

100% Secured

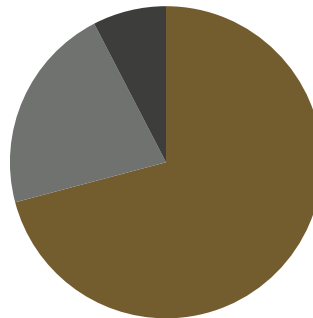
68.9% LTV



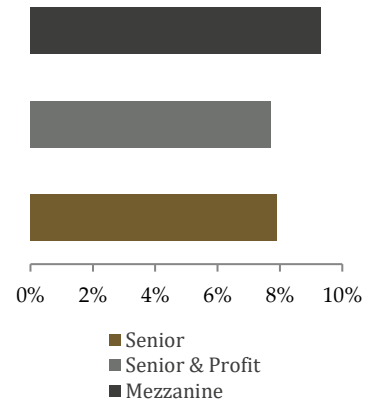
■ Residential
■ Commercial
■ Cash



■ North East
■ Scotland
■ Cash



■ Senior & Profit
■ Senior
■ Mezzanine



FURTHER INFORMATION

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BROKER

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INVESTMENT RISKS

The value of investments and any income will fluctuate, and investors may not get back the full amount invested. When making an investment into an investment trust you are buying shares in a company that is listed on a stock exchange. The price of the shares will be determined by supply and demand. Consequently, the share price of an investment trust may be higher or lower than the underlying net asset value of the investments in its portfolio and there can be no certainty that there will be liquidity in the shares. The investment trust may use borrowings to invest in the market. The use of borrowings may enhance total return when the investment trust's assets are rising, but it will have the opposite effect when asset values fall. The use of borrowings may increase the volatility of the share price and the net asset value per share. In certain circumstances the investment trust may be required to repay borrowings, and this could adversely affect income and capital returns.

IMPORTANT INFORMATION

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