

Quarterly factsheet 31 August 2023

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

Review of the Quarter to 31 Aug 2023

The first nine months of the financial year have seen the base rate increase to 5.25% at the time of writing (November 2023). The OBR forecast the CPI inflation rate to average 4.6% in Q4 2023 and 3.1% in Q4 2023. In forecasts published alongside the Autumn Statement, the Office for Budget Responsibility (OBR) expects inflation to average 4.8 in Q4 2023 and 2.8% in Q4 2024). The latest annual house price inflation was -0.1% to September 2023. Most analysts still expect the country to go into recession at the beginning of 2024. The North East housing market saw the highest annual percentage increase of all English regions in the 12 months to September 2023 at 1.6%.

Within DVNO, this quarter year saw one new facility being provided to an eighteen unit development of bungalows at South Ythsie, Aberdeenshire. Post quarter end two further facilities were provided, one in Scotland and the second in the north-east of England.

There were two successful exits in the quarter bringing the total number of exits to seventeen since inception. Partial redemptions also continued across several projects. The investment adviser reports a healthy pipeline and an anticipation of further completed deals over the coming months.

In May 2023, the gearing facility with Shawbrook was refreshed for a further two years.

In November 2023 a share buyback of up 500,000 shares was announced to the market.

0.97% NAV total return for the first three quarters of this financial year	Attributed as follows (as a % of 30 Nov 2022 NAV): <ul style="list-style-type: none"> • 3.7% increase in dividends paid • 2.7% decrease in NAV per share
1.0p dividends declared	Interim dividends of 1.0p for the quarter to 31 May 2023 were declared July 2023.

Key facts

Ticker

DVNO

Launched

24 January 2017

Domicile

UK

Listing

LSE Main Market

Ordinary shares

26,924,063

Market cap

£21.9m

Share price

81.5p

NAV per share (cum income)

79.58p

Price premium to NAV

2.42%

Forecast Yield

4.91%

Dividends

1.0p/quarter

Dividend cover

0.48

Gearing

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

2.8%

Portfolio at a glance

16

Loans

£18.1m

Portfolio value

£1.1m

Average loan size

8.0%

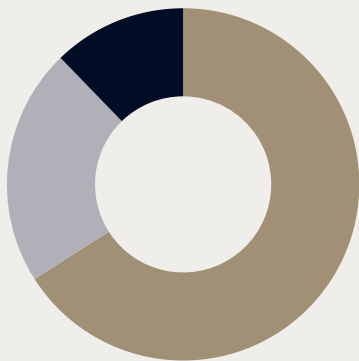
Average coupon

100%

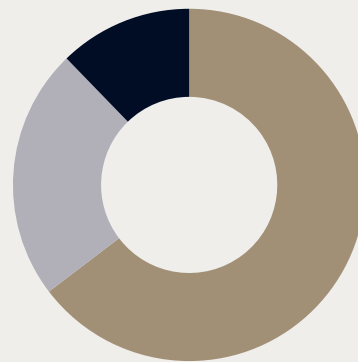
Secured

68.9%

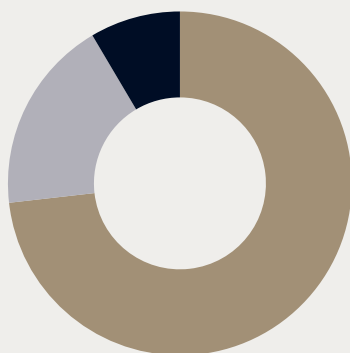
LTV



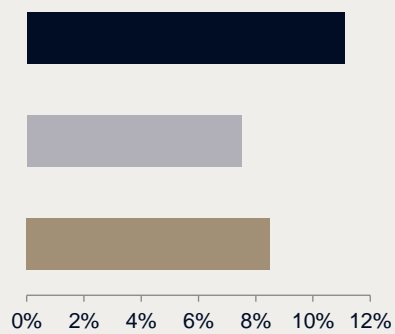
■ Residential
■ Commercial
■ Cash



■ North East
■ Scotland
■ Cash



■ Senior & Profit
■ Senior
■ Mezzanine



■ Senior
■ Senior & Profit
■ Mezzanine

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

This document is marketing material and is not intended as a recommendation to invest in any particular asset class, security or strategy.

Regulatory requirements that require impartiality of investment/investment strategy are therefore not applicable nor are any prohibitions to trade before publication. The information provided is for illustrative purposes only, it should not be relied upon as a recommendation to buy or sell securities.

Where individuals or the business have expressed opinions, they are based on current on current market conditions, they may differ from those of other investment professionals and are subject to change without notice. For more information on our products, please refer to the relevant Key Information Document (KID), Alternative Investment Fund Managers Directive document (AIFMD), and the latest Annual or Half Yearly Financial Reports. This information can be found at www.developnorth.co.uk.

Further information

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