



Annual Report 2025



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CHAIRMAN'S STATEMENT



JOHN NEWLANDS, CHAIRMAN

HIGHLIGHTS

- Net asset value (NAV) total return of 2.1% (2024: 6.3%).
- Annualised dividend yield of 5.9%, resulting in £1.0m of income distributed to shareholders.
- Increase in investment income to £2.22 million, 14.6% higher than in previous year.
- Total dividends of 4 pence per share paid or payable for the year.
- £9.5m deployed into nine projects and repayment of three projects, bringing the number of exits to twenty six since inception.
- 70.3% of funds deployed in the North East of England, reflecting the Company's increased focus on selected regional markets.

INTRODUCTION

I am pleased to present the Company's results for the year ended 30 November 2025, during which the Company entered its ninth full year of trading.

As in earlier years, the Company has made substantial investments in a range of high-quality real estate projects, while managing the successful completion and exit of older projects.

Over the year under report investment income increased to £2.22 million, a 14.6% uplift over the figure for the previous year. Importantly, and reflecting the

Company's decision to increase its focus on regional projects, 70.3% of funds deployed are now invested in the North East of England.

This strategic move is critical for two reasons. First, the economy of the North East is very much on a roll. The region entered 2025 as one of the UK's strongest-performing regional economies, with twelve consecutive months of rising business activity and the highest increase in new business registrations in the country. Manufacturing and service output continued to climb, enhanced by infrastructure investment including major upgrades to the A1 corridor, Tees Valley rail networks, and renewable-energy projects such as the Eastern Green Link, strengthening the region's role as a national hub for clean energy distribution.

The second reason is that as the Company's ninth year as a listed investment company gathers pace, a major expansion of its operations is in the course of being launched.

On 9 July 2025 the Company announced that the Board proposed to change the Investment Policy and raise further capital to enhance shareholder value through a broader, more diversified portfolio of investments, predominantly focused in the North East of England. Further details of the planned expansion of the Company and the 2026 fundraising initiative are described in the Outlook section below.

ECONOMIC BACKDROP

In 2025 the UK economy was marked by slowing momentum after a strong start, with GDP growth easing after some businesses "pulled forward" activity ahead of changes to Stamp Duty and the likely imposition of economic tariffs.

Inflation remained a challenge throughout 2025, though it eased to 3.2% by November, down from higher peaks earlier in the year. Core inflation also fell to 3.2% towards the end of the year.

The Bank of England's Monetary Policy Committee (MPC) implemented four rate cuts during 2025, bringing the base rate down to 3.75% in December, the lowest since December 2022.

Turning to the labour market, UK unemployment had

increased to 5.1% between August and October 2025, the highest level since 2021. Government surveys by the Treasury and the Bank of England both forecast that unemployment would remain at around the 5% level until the fourth quarter of 2026.

UK house prices increased by 1.7% in the year to October 2025, while household debt stood at 117% of disposable income by autumn 2025. Though at first sight a sizeable figure, this is the lowest level of UK household debt since 2007 - pointing, it might be argued, towards better affordability in certain areas of the housing market.

Savills revised its mainstream UK house price forecast downward to 1.0% growth for 2025, reflecting geopolitical uncertainty, fluctuating buyer confidence and volatility in monthly price movements.

Despite concerns over taxation at the higher end of the market, the medium term outlook remains positive, with Savills projecting total growth of 24.5% over the five years to 2029.

PERFORMANCE; NET ASSET VALUE

The Company's NAV decreased to 77.48 pence per share as at 30 November 2025, having been 79.81 pence per share twelve months earlier.

Taking into account dividends paid or declared for the period, this equates to a NAV total return for the financial year of approximately 2.1%.

This figure may be placed into context by comparison with the total return figures over the same period of the Association of Investment Companies' (AIC) 'Property-Debt' sector, of which the Company is a component member, of 1.4% and of the AIC's 'Debt-Loans' sector of 6.84% (Source: Morningstar).

The total value of the Company's portfolio now stands at £24.7m.

REVENUE AND DIVIDENDS

The Company has adhered to the dividend policy established in 2021, namely to pay dividends at a rate of 1 penny per share per quarter, equivalent to 4 pence per share per year in aggregate.

Depending upon the performance of the investment portfolio and considering broader market conditions, a final balancing payment may be made at the end of the financial year, while ensuring the Company continues to comply with the investment trust qualification requirements as prescribed by HMRC in accordance with Chapter 4 of Part 24 Corporation Tax Act 2010.

For the year to 30 November 2025, revenue decreased slightly to 4.8 pence per share (2024: 5.0 pence). The decrease in revenue per share is principally a result of impairments being taken on two loans.

The Board has declared and paid three quarterly interim dividends of 1 penny per share for the year ended 30 November 2025 and I am pleased to report that a fourth interim dividend of 1 penny per share has been declared. This dividend will be paid on 10 April 2026 to shareholders on the register at the close of business on 13 March 2026 (ex-dividend date 12 March 2026).

SHARE BUYBACKS

The Company did not repurchase any of its Ordinary shares during the financial year ending 30 November 2025 (November 2024: 1,256,024).

GEARING

Loan facilities during the year consisted of a £7m credit facility with Shawbrook Bank Limited. £6.78m was drawn under the loan facility as at 30 November 2025.

The Shawbrook loan facility runs until August 2026, thereby providing adequate liquidity for the Investment Adviser to take advantage of lending opportunities as they arise. Shawbrook has indicated that it remains supportive of the Company and its objectives and the directors expect that the loan facility will be renewed upon its expiry.

INVESTMENT PORTFOLIO

The total value of the Company's portfolio now stands at £24.7m, from 16 projects, an increase of £3.6m since last year.

The quality of the underlying loan book continues to be maintained, while the average loan to value (LTV) figure moved from c. 71.2% at 30 November 2024 to c. 69.7% at the financial year end.

NEW INVESTMENTS

During the year £9.5m was invested in nine projects. Of these four were new loans, including a £2.4 million, eleven-month facility to fund the construction of a roadside retail scheme in South Shields, a £2.375m two year facility to renovate a wedding venue in Co. Durham, a £2.35m eighteen month facility to develop seven industrial units near Northallerton, and a £1.236m eighteen month facility to complete a boutique smart hotel in Edinburgh.

Portfolio Exits Three loans were repaid over the period, bringing the number of exits in the portfolio to 26 since inception. There were also seven partial redemptions, totalling £5.4m during the year including the three exits in the year.

As required under the stringent requirements of accountancy standard IFRS 9, the Company recognises the gross interest receivable on all its loans and then recognises an impairment charge when that interest is not paid by the borrower, and there is not a clear expectation that this can be recovered subsequently. During the year, there were two projects unable to meet their interest requirements 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 year. In this period the Company has increased the provision to £82,000 from the £49,000 that was in place at 30 November 2024. This provision is based on look-forward statements to withstand market-related shocks reflecting current economic uncertainties.

Profit Share Projects There are currently two profit share projects in the portfolio (November 2024: four) reflecting further progress in our strategic aim to simplify and focus on debt-only products.

The Investment Adviser's Report on pages 6 to 9 provides further detail on performance and activity within the loan portfolio. This includes information on

deployment of capital, progress on projects undertaken, any profit share received, impairments and uplifts on loans and loan redemptions.

PERFORMANCE SINCE 2018

Since 1 June 2018, the company has provided £60m across 29 new projects. These projects have generated an average Internal Rate of Return (IRR). This is the annual rate of growth an investment is expected to generate, accounting for the time value of money. It is the discount rate that makes the Net Present Value (NPV) of all cash flows (both positive and negative) from a project equal to zero. These projects have generated an average IRR of 9.13% per annum, with only 0.1% of capital write offs, the latter more than covered by associated exit and plot fees.

BOARD OF DIRECTORS

In accordance with the requirements of the UK Corporate Governance Code all Directors will stand for re-appointment at the Company's annual general meeting (AGM).

POST YEAR-END NOTE

I am delighted to report that Michelle Percy, FRICS, was appointed Chief Executive Officer of Develop North PLC with effect from 26 January 2026. Michelle brings extensive experience in regeneration, investment and stakeholder engagement, with a particular focus upon the North East of England. Her appointment enhances the Company's capacity to deliver its growth strategy.

My boardroom colleagues, as well as our management team at Tier One Capital Ltd, look forward to working with Michelle over the months and years ahead.

ANNUAL GENERAL MEETING

The Company's AGM will be held at Gowling WLG (UK) LLP, 4 More London Riverside, London, SE1 2AU on Thursday 30 April 2026 at 12 noon. Visitors are requested to arrive at the reception no later than 11:50 a.m.

The Board strongly encourages all shareholders to exercise their votes in respect of the meeting in

advance, by completing and returning their proxy forms to the Company's registrar. This will ensure that the votes are registered.

In addition, shareholders are encouraged to raise any questions in advance of the AGM with the Company Secretary via email to cosec-uk@apexgroup.com or by post to the Company Secretary at the address set out on page 75 of this report.

Any questions received will be replied to by the Company after the AGM.

OUTLOOK; PLANNED EXPANSION OF THE COMPANY; FUNDRAISING INITIATIVE

Since its inception in 2017, Develop North PLC has successfully sought to unlock investment, drive economic growth, support more jobs and deliver regeneration in the North East of England. Over the succeeding eight years the company has supported more than 43 projects with a combined gross development value (GDV) of more than £280m and helped support an estimated 12,000 jobs. To date, the Company has deployed c. £90m in capital, with 16 projects in its current live portfolio.

We reported last year that near-record figures for business start-ups were being reported across the region, as well as the formation of The North East Combined Authority (NECA) approved by the Government on 18 March 2024. This positive trend has continued. In addition, there has been a pick-up in inward investment from countries and enterprises in the Middle East, aided at least to some extent by the investment in Newcastle United Football Club by Saudi and other business interests.

Building upon this success, beginning in spring 2026, the company plans to transition from a property-backed lending fund to a broader investment strategy, targeting an average NAV total return of 10-11% per annum over the next seven years including 4 per cent per annum capital uplift based on forecast average value increase and a target dividend of 6-7% per annum of NAV over the next seven years¹. To this end a prospectus was published on 16 January 2026, a copy of which can be

found on the Company's website.

The change in policy, which, by way of post year-end note, was approved by shareholders on 18 February 2026, will enable the Company to allocate the capital that it intends to raise across a wider range of asset classes while continuing to focus on areas where the investment team has deep expertise and strong regional insight. In support of these objectives, three specialist asset managers have been appointed by the Company, subject to certain conditions: Homes or Houses Limited (focused on residential real estate), Broadoak Asset Management Limited (focused on commercial real estate) and Tier One Capital FM Limited (focused on real estate lending).

The enlarged asset management team will bring regional insight and sector expertise, enabling Develop North PLC to identify and execute investments that align with its new investment objective and investment policy. Shareholders will be kept fully informed as to progress regarding the proposed expansion of the Company.

In summary these are exciting times for our Company, not to mention for the North East region in which it is based. The time has come to build upon what has been achieved and to apply the experience gained in operating the Company over a range of testing economic conditions, not least through the COVID pandemic, and target even greater goals.

¹ The total return and dividend figures are targets only and are based on a number of assumptions (including the Company raising money pursuant to future fundraises, which is not guaranteed). There can be no assurance that these targets will be met and should not be taken as an indication of the Company's expected future results. The total return and dividend figures are also based on the Company utilising higher levels of leverage across the commercial and residential strategies than has historically been utilised for the real estate lending portfolio.

JOHN NEWLANDS
CHAIRMAN
12 MARCH 2026

INVESTMENT ADVISER'S REPORT



INVESTMENT ADVISER'S REPORT: REVIEW OF THE 12 MONTHS TO 30 NOVEMBER 2025

Investment Adviser's Highlights:

- NAV total return of 2.1% for the year to 30 November 2025 and an annualised dividend yield of 5.9%, resulting in £1.0m of income distributed to shareholders
- £9.5m deployed into nine projects including four new projects
- Exits of three portfolio projects, bringing the number of exits since inception to twenty six
- Increase in investment income to £2.22m, a 14.6% increase on last year
- 70.3% of funds deployed in North East England reflecting the Company's ongoing commitment to focus operations on our chosen regional markets

This Annual Report and Accounts covers the eighth full year of performance of the Company, since its listing in January 2017.

The Company's primary purpose is to provide debt finance to the property sector. The Company also benefits from exit fees on redemption of other projects that additionally contributes to the senior and profit lending type.

Progress on the Company's Strategic Objectives:

- Weighted average interest generated was 9.8% - maintained at the same level as the prior year
- Portfolio value year on year increased to highest on record
- Portfolio LTV maintained at 69.7%
- Fund liquidity is being addressed with the issue of a new prospectus in January 2026
- The Investment Policy has been expanded to include three distinct but complementary strategies which positions Develop North to be a key operator in the North East region

The Economic Backdrop and Outlook:

The UK's political and economic landscape continued to evolve throughout 2025 as the Labour government entered its first full year in office. The government has faced a steep learning curve, prompting a more pragmatic dialogue with businesses, particularly following National Insurance changes introduced early in the year.

Economic conditions were mixed in 2025. UK GDP growth slowed compared with mid 2024 levels, despite having averaged around 1.5% year on year through much of the previous year. Inflation, which had briefly fallen to 1.7% in September 2024, rose again to a post

election peak of 3.8% across July–September 2025, before easing slightly to 3.6% by October. The Bank of England judged inflation to have peaked and forecast a fall toward 3.2% by March 2026.

The government's economic strategy continued to prioritise inflation reduction and cost of living relief. The 2025 Budget highlighted measures such as a one year freeze on regulated rail fares and prescription charges, reduced energy bills starting April 2026, and additional investment in public services. The UK economy outperformed earlier expectations, with GDP growth for 2025 upgraded to 1.5%, making the UK the second fastest growing G7 economy. Real wages rose faster in 2025 than during the entire decade beginning in 2010.

House prices in 2025 experienced modest growth following a subdued start to the year. Savills revised its mainstream UK house price forecast downward to 1.0% growth for 2025, reflecting geopolitical uncertainty, fluctuating buyer confidence and volatility in monthly price movements. Mortgage rates stabilised around 4%, with further reductions anticipated. Despite concerns over taxation at the higher end of the market, the medium term outlook remains positive, with Savills projecting total growth of 24.5% over the five years to 2029.

Construction sector cost trends in 2025 continued to be shaped by labour pressures and stabilising materials prices. The Office for Budget Responsibility's March 2025 Economic and Fiscal Outlook provided updated forecasts for input costs, public spending and inflation, noting ongoing uncertainty around policy driven cost impacts and wider economic fluctuations. Challenges remain regarding labour availability, though materials cost inflation has eased significantly since its 2022 peak.

The North East of England entered 2025 as one of the UK's strongest-performing regional economies, with twelve consecutive months of rising business activity and the highest increase in new business registrations in the country. Its manufacturing and service output continued to climb, placing the region among the top performers outside London, while sustained demand and rising inflows of new business reflected robust underlying confidence. This momentum has been reinforced by strategic infrastructure investment,

including major upgrades to the A1 corridor, Tees Valley rail networks, and transformative renewable-energy projects such as the Eastern Green Link, strengthening the region's role as a national hub for clean energy distribution.

At the same time, the region is benefitting from an inward investment of more than £14 billion, showcasing 23 major development sites and opportunities across clean energy, advanced manufacturing, digital industries, life sciences and the creative sector. Significant projects, such as the £10 billion AI data-centre complex in Northumberland promising more than 4,000 jobs, are accelerating the region's transformation into a centre for innovation, skills development and technology-driven growth. Combined with large-scale housing regeneration and a long-term regional growth plan focused on inclusivity and high-value sectors, the North East is exceptionally well-positioned for sustained economic expansion in 2026 and beyond.

DEPLOYMENT

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

Despite the ongoing uncertainties faced, we are pleased to report an active year for new transactions, deployments to existing projects together with full and partial exits:

The Company agreed four new facilities during the year:

- Tyne and Wear - £2.40m 11 month facility
- Edinburgh - £1.236m 18 month facility
- North Yorkshire - £2.35m 18 month facility
- Co. Durham - £2.375m 24 month facility

During the year a total of £9.5m was deployed into nine projects including the four new projects mentioned above.

At the year-end, fund deployment totalled £24.7m. The quality of the underlying loan book continues to be maintained with LTV moving from 71.2% at 30 November 2024 to 69.7% at year end.

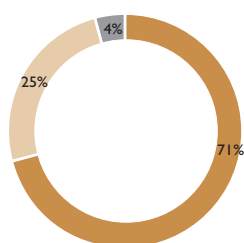
Portfolio Exits

There were three loans repaid during the year, bringing the number of exits in the portfolio to twenty six since inception.

Partial Redemptions Update

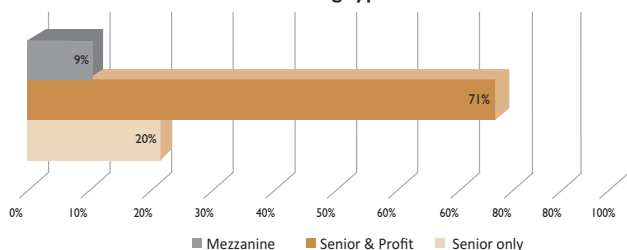
During the year there was £5.4m of partial redemptions across seven of the portfolio projects including the three exits in the year.

Deployment by Region



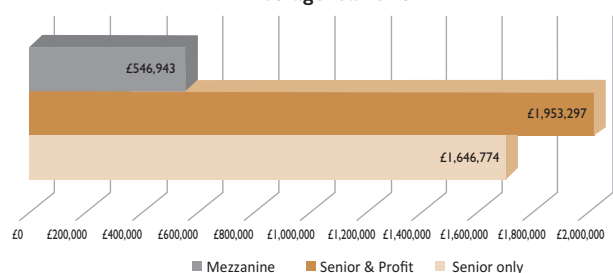
■ North East ■ Scotland ■ North West

Lending type



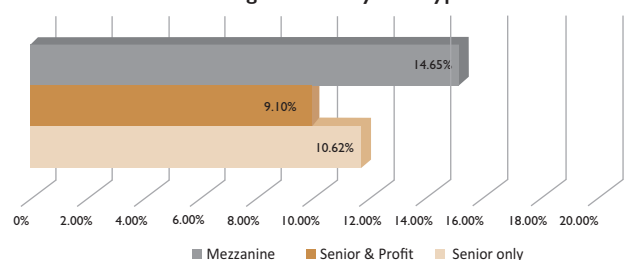
■ Mezzanine ■ Senior & Profit ■ Senior only

Average loan size



■ Mezzanine ■ Senior & Profit ■ Senior only

Average returns by loan type



■ Mezzanine ■ Senior & Profit ■ Senior only

Impairments

The Company, in accordance with IFRS 9, recognises the gross interest receivable on all its loans, and then recognises an impairment charge when that interest is not paid by the borrower, and there is not a clear expectation that this can be recovered subsequently. During the year, there were two projects unable to meet their interest requirements in full. For Stage 3 loans, interest income is calculated based on the net carrying amount, which is the gross carrying amount of the financial asset less the calculated impairment.

The ECL provision recognised as at 30 November 2025 has increased by £444k to £1.207m compared to the previous year (2024: £584k). This increase in ECL has been driven by movements in projects and other provision movements recognised during the year.

Gearing

In September 2025, the Company refreshed a 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 2024, the Company announced the commencement of a share buyback program. To date the Company has purchased 1,256,207 shares in the market. These shares will be held as treasury shares on the Company's balance sheet.

OUTLOOK

Residential

As at 30 November 2025, 58.2% of deployed funds were invested across nine projects with a residential focus.

This represented a 14.7% decrease over 2024.

Commercial

As at 30 November 2025, 40.9% of deployed funds were invested across seven projects with a commercial focus.

This represented a 150.1% increase over 2024.

PERFORMANCE SINCE 2018

Since 1 June 2018, the company has provided almost £60.0m across 29 new projects. These projects have generated an average IRR of 9.13% with only 0.1% of capital write offs which have been more than covered by associated exit and plot fees.

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
12 MARCH 2026

THE INVESTMENT PORTFOLIO AS AT 30 NOVEMBER 2025

Sector	% of Portfolio	LTV* (Nov 25)	Loan Value (Nov 25) £'000s	LTV* (Nov 24)	Loan Value (Nov 24) £'000s
Residential	58.2%	79.1%	14,499	75.3%	17,032
Commercial	40.9%	56.4%	10,208	53.9%	4,082
Cash	0.9%	–	226	–	118
General Impairment	–	–	(82)	–	(49)
Total/Weighted Average	100.0%	69.7%	24,851	71.2%	21,183

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



STRATEGIC REPORT



The Directors present their Strategic Report for the year to 30 November 2025.

STRATEGIC REPORT

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review. The Strategic Report contains a summary of the Company's business model, a statement of its objectives and policy, a review of performance and a description of the principal and emerging risks it faces. Please refer to the Chairman's Statement and the Investment Adviser's Report for an analysis of the Company's performance during the financial year and a summary of the future prospects. Pages 22 to 30, together with the sections of this Annual Report and Accounts incorporated by reference, constitute a Strategic Report that has been prepared in accordance with Section 414A of the Companies Act 2006 (the Act).

PRINCIPAL ACTIVITY AND PURPOSE

During the reporting period, the Company's principal activity was that of an investment company, with a primary purpose of providing debt finance to the property sector. The financial statements within this Annual Report and Accounts are prepared on this basis of this policy.

Following shareholder approval at the General Meeting

of the Company held on 18 February 2026, the Board adopted a broader, multi-asset strategy, pursuing investments across three core areas: real estate lending; commercial real estate; and residential real estate.

INVESTMENT OBJECTIVE

As referred to in the Chairman's Statement on page 5, the Company's investment objective is to provide shareholders with a consistent and stable income and the potential for an attractive total return over the medium to long term. This will continue to be supported by the Company's new Investment Policy, adopted on 18 February 2026.

PROPOSED INVESTMENT POLICY (POST YEAR-END)

As referred to in the Chairman's Statement on page 2, on 9 July 2025, the Company announced that the Board proposed to implement a new investment policy and raise further capital to enhance shareholder value through a broader, more diversified portfolio of investments.

The investment policy, as approved by shareholders at the General Meeting on 18 February 2026, is as follows:

The Company's investment objective is to create a balanced portfolio of investments, diversified by asset class, that provides exposure to attractive assets and businesses predominantly in the North East of England.

Investments will be focussed on three asset classes: real estate lending; commercial real estate; and residential real estate.

Real estate lending

The real estate lending strategy will focus on creating a diversified portfolio of fixed rate loans predominantly secured over land and/or property predominantly in the North East.

The Company will seek to reduce downside risk by focusing on secured debt with both quality collateral and contractual protection, off market and discounted property transactions, income generating assets.

The real estate lending strategy will represent 20 - 50 per cent. of the Company's total assets.

Commercial real estate

The commercial real estate strategy will focus on creating a portfolio of assets, diversified by size and location of assets predominantly within the North East, and by use classes including office, logistics, retail and other commercial property uses.

As well as income producing business models, when required, the Company will finance refurbishments and invest capital to upgrade property and install environmental improvements to attract occupiers and increase rents. The commercial real estate strategy may use third party borrowing where it believes it will enhance shareholder returns over the longer term. Borrowings will be limited, on an individual asset basis, to a maximum of 75 per cent. of the value, calculated at the time of investment.

The commercial real estate strategy will represent 20 - 50 per cent. of the Company's total assets.

Residential real estate

The residential real estate strategy will focus predominantly on assets to lease to social care providers predominantly in the North East, including Local Authority, charities and non-profit organisations and Community Interest Companies (CICs). The

balance of the assets allocated to the strategy will be deployed in the private rented sector.

The focus will be on freehold or leasehold property, including single-family homes, apartments, and purpose-built or adapted housing for social care needs. The residential real estate strategy may use third party borrowing where it believes it will enhance shareholder returns over the longer term. Borrowings will be limited, on an individual asset basis, to a maximum of 75 per cent. of the value, calculated at the time of investment.

The residential real estate strategy will represent 20 - 50 per cent. of the Company's total assets.

The allocations to the three strategies stated above will take effect from the date on which the NAV equals or exceeds £100 million for the first time. Until such time, and noting that this will require the Company to raise further capital: (a) the Company's assets will be invested in a manner consistent with achieving the allocation ranges when the NAV reaches £100 million and (b) the portfolio may have allocations to one or more of the three asset classes that are greater or less than the stated range.

In accordance with the requirements of the FCA Listing Rules, any material changes in the principal investment policies and restrictions of the Company would only be made with the approval of shareholders by ordinary resolution. The new Investment Policy was subsequently approved by shareholders at a General Meeting of the Company held on 18 February 2026.

INVESTMENT RESTRICTIONS

The Company observes the following investment restrictions:

- The Company will invest no more than 20 per cent. of its total assets in any single investment, nor will it have more than 20 per cent. of its total assets exposed to any one group or entity.
- The Company will not co-invest more than 20 per cent. of its total assets alongside a single co-investor entity or group, save where the Company is not exposed to the performance or fulfilment of the co-investor's obligations in respect of the relevant asset(s).

- The Company will observe the following investment restrictions within the real estate lending strategy:
 - no more than 30 per cent. of the relevant net assets¹ will be exposed to direct sale and leaseback vehicles, at the time of investment;
 - no more than 50 per cent. of the relevant net assets¹ will be exposed to subordinated loans, calculated at the time of investment and/or subsequent subordination;
 - no more than 50 per cent. of the relevant net assets¹ will be exposed to bridging loans, selected loan financings and other debt instruments, calculated at the time of investment; and
 - no more than 5 per cent. of the relevant net assets¹ will be exposed to unsecured loans, calculated.
- Compliance with the borrowing limits, investment restrictions and the allocations to the three strategies will be measured at the time of investment and non-compliance resulting from changes in the price or value of the assets following investment will not be considered as a breach of the investment restrictions.
- The Company will not invest in other UK listed closed-ended investment companies.
- The Company's assets will all be located in the United Kingdom.

Borrowing

The Company may use gearing if it believes it will enhance shareholder returns over the longer term. It will have different limits for each of the asset classes as follows:

- Real Estate Lending - 50 per cent. of the value of the loan book calculated at the time of drawdown
- Commercial real estate - 75 per cent. of the value on an individual asset basis
- Residential real estate - 75 per cent. of the value on an individual asset basis

In August 2025, the Company renewed its £6.0m committed revolving facility with Shawbrook Bank Limited until August 2026. This facility was subsequently

uplifted to £7.0m in October 2025. At the year end the Company had drawn £6.8m under this facility (November 2024: £2.1m). Since the year end £200k has been drawdown and £500k repaid on the Shawbrook loan facility.

It is expected that the Company will renew the loan facility with Shawbrook upon its expiry in August 2026.

Cash Management

The Company may from time-to-time have surplus cash. It is expected that any surplus cash will be temporarily invested in cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency or gilts or otherwise approved by the Board.

BUSINESS MODEL, CULTURE AND VALUES

The Company invests in accordance with the investment objective.

The Board is the Company's governing body and is collectively responsible to shareholders for the long-term success of the Company. It is responsible for the overall strategy of the Company, including its investment objective and policy, decisions regarding corporate governance, asset allocation, risk and internal control assessment and determining the overall limits and restrictions for the portfolio. In addition, it appoints and monitors the performance of its service providers and seeks to secure the Company's success by engaging reputable third-party service suppliers with established track records to deliver its day-to-day operations.

The management of the Company's investments, is delegated to Tier One Capital Ltd and there is a clear division of responsibilities between the Board and the Investment Adviser. The Board maintains a close working relationship with the Investment Adviser as its principal service provider.

All of the Directors seek to discharge their responsibilities and meet shareholder expectations in an open and transparent manner. The Company's values of integrity, skill and knowledge are aligned to the delivery

of its investment objective. The culture and values of the Company are embodied in the Board of Directors.

The Board seeks to recruit Directors who have diverse working experience. The industry experience on the Board ensures there is detailed knowledge and constructive challenge in the decision-making process. This helps the Company achieve its overarching aim of enhancing shareholder value. The Directors are mindful of costs and seek to ensure that the best value for money is achieved in managing the Company.

The Board seeks to employ third-party providers who share the Company's values and, importantly, will work with the Directors openly to achieve the Company's aims. As mentioned below, the Board expects and seeks assurance at least annually that the companies it works with adopt working practices that are of a very high standard.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY (ESG)

The Company has one employee, hired post year end in January 2026 (2024: nil), and the majority of its Directors are non-executive. The day-to-day activities are carried out by third parties. There are therefore limited disclosures to be made in respect of social, community, employee or environmental matters.

The Company has an investment advisory contract with Tier One Capital Ltd.

In asking the Company's Investment Adviser to deliver against set objectives, the Directors have also requested that the Investment Adviser take into account the broader social, ethical and environmental issues of counterparties within the Company's portfolio, acknowledging that companies failing to manage these issues adequately run a long-term risk to the sustainability of their businesses. More specifically, they expect companies to demonstrate ethical conduct, effective management of their stakeholder relationships, responsible management and mitigation of social and environmental impacts, as well as due regard for wider societal issues.

The Investment Adviser actively seeks to invest in companies that adopt good ESG practices and, where possible, uses its influence to encourage companies to adopt best practice on environmental, social and corporate governance matters.

MODERN SLAVERY ACT 2015 (MSA)

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year. The Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015 as it did not meet the relevant turnover threshold. In relation to this matter the Company's supply chain is thought to be low risk by the Board.

PRINCIPAL AND EMERGING RISKS

The Board of Directors has overall responsibility for risk management and internal control within the context of achieving the Company's objectives.

The Board and the Investment Adviser seek to ensure that the Company's assets are invested in such a way as to spread investment risk, whilst adhering to its published investment policy. Further details of the management of the Company's key risks are set out below.

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity, as they operated during the year and up to the approval of the Annual Report.

The Board agrees the strategy of the Company, taking into consideration the Company's risk appetite. With the assistance of the Investment Adviser, the Board has drawn up a risk matrix, which identifies the key risks to the Company, as well as emerging risks. In assessing the risks and how they can be mitigated, the Board has given particular attention to those risks that might threaten the viability of the Company. These key risks fall broadly under the following categories:

Investment and strategy risk

The Company's targeted returns are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, yield and performance of the Company's investments, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve its targeted returns. Accordingly, the actual rate of return

achieved may be materially lower than the targeted returns, or may result in a partial or total loss, which could have a material adverse effect on the Company's profitability, the NAV and the price of Ordinary shares.

Borrowers under the loans in which the Company invests may not fulfil their payment obligations in full, or at all, and/or may cause, or fail to rectify, other events of default under the loans.

The Board is responsible for setting the investment strategy to achieve the targeted returns and for monitoring the performance of the Investment Adviser and the implementation of the agreed strategy.

An inappropriate strategy could lead to poor capital performance and lower than targeted income yields.

This risk is mitigated through regular reviews and updates with the Investment Adviser, monitoring of the portfolio sectors against the investment restrictions on a quarterly basis and tracking of loan to value ratios of the underlying property projects

Market risk

The Company's investment strategy relies in part upon local credit and real estate market conditions. Adverse conditions may prevent the Company from making investments that it might otherwise have made, leading to a reduction in yield and an increase in the default rate.

The Company holds 100% of its assets in the United Kingdom.

To mitigate the market risks, the Board receives quarterly updates from the Investment Adviser containing information on the local market conditions and trends. This information is reviewed alongside the sector split of the portfolio to ensure the portfolio is aligned to meet future challenges.

Financial risk

The Company's activities expose it to a variety of financial risks that include interest rate risk, liquidity risk and credit risk. Further details on these risks and the way in which they are mitigated are disclosed in the notes to the financial statements.

Operational risk

The Company has only one employee and relies upon the services provided by third parties. It is primarily dependent on the control systems of the Investment Adviser and Administrator who respectively maintain the assets and accounting records.

Failure by any service provider to carry out its obligations in accordance with the terms of their appointment could have a detrimental effect on the Company.

To mitigate these risks, the Board reviews the overall performance of the Investment Adviser and other key third-party service providers on a regular basis and has the ability to terminate agreements if necessary. The business continuity plans of key third-party service providers are subject to Board scrutiny.

Legal and Regulatory risk

In order to qualify as an investment trust, the Company must comply with section 1158 of the Corporation Tax Act 2010. The Company has been approved by HM Revenue & Customs as an investment trust. The Company is listed on the London Stock Exchange. Non-compliance with the taxes act or a breach of listing rules could lead to financial penalties and reputational loss.

These risks are mitigated by the Board's review of quarterly financial information and compliance with the relevant rules.

PROMOTING THE SUCCESS OF THE COMPANY

Under section 172(1) of the Companies Act 2006 the Directors have a duty to act in good faith and to promote the success of the Company for the benefit of its shareholders as a whole. This includes taking into consideration the likely consequences of their decisions

over the long term and on the Company's stakeholders, employees and suppliers, while acting fairly between shareholders. The Directors must also consider the impact on the community and its reputation for maintaining high standards of business conduct.

Set out in the following table is an explanation of engagement with stakeholders:

Stakeholder Group	Engagement in the year
Investors	Shareholders play an important role in monitoring and safeguarding the governance of the Company. They have access to the Board via the Company Secretary throughout the year and are encouraged to attend the Annual General Meeting. The Board engaged with shareholders during the year and was delighted to be able to welcome shareholders to the Annual General Meeting.
Key Service Providers	Key service providers report to the Board on a regular basis. The Company employs a collaborative approach and looks to build long-term partnerships based on open terms of business and fair payment terms.
Borrowers	The Investment Adviser meets with the management of all companies to which the Company lends money and reports its findings to the Board on a quarterly basis.
Regulators	Compliance with necessary rules and regulations relevant to the Company is maintained in order to build trust and a good reputation in the market.

Factoring Shareholders and Stakeholders into the Principal Decisions

We define principal decisions as both those that are material to the Company but also those that are significant to any of our key stakeholders as identified

above. In making the following principal decisions, the Board considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company.

Principal Decision 1	<p>Change of Investment Policy</p> <p>On 9 July 2025 the Board announced proposals to amend the Company's investment policy to support its objective of delivering consistent income and attractive total returns.</p> <p>The revised policy enables capital to be deployed across a broader range of asset classes while maintaining a focus on areas where the investment team has established expertise. The updated policy centres on three core areas: real estate lending, commercial real estate and residential real estate.</p>
Principal Decision 2	<p>Fundraise</p> <p>The Board approved a fundraise to support the Company's proposed investment policy and strategic objectives, including real estate lending and investments in commercial and residential property. A retail offer was subsequently announced and commenced on 16 January 2026.</p>

Principal Decision 3	Extend the Continuation Vote To support the Company's expansion and fundraising plans, the Board proposed a resolution at the General Meeting on 18 February 2026 to adopt new Articles of Association, resulting in the next continuation vote being scheduled for the 2028 annual general meeting rather than 2027.
Principal Decision 4	Appoint a New Director The Board approved the appointment of Dr Sameer Al Ansari as a Non Executive Director and Deputy Chairman on 2 May 2025. His appointment strengthens the Board's expertise and supports the Company's investment and expansion strategy.
Principal Decision 5	Extend the Loan Facility The Board approved the extension of the Company's loan facility from Shawbrook to £7m.
Principal Decision 6	Appoint a New CEO (Post Year-End) The Board appointed Michelle Percy as Chief Executive Officer on 26 January 2026 to support the Company's next phase of growth. This decision strengthens leadership capacity as the Company advances its expanded investment strategy.

LONG TERM VIABILITY STATEMENT

In accordance with Provision 36 of the AIC Code the Directors are required to assess the prospects of the Company over a longer period than the twelve months referred to in the going concern guidance and statement.

The Board regularly considers a detailed cash flow model. The cash flow does not presently indicate any issues that would be expected to affect the Company's longer term viability, while the Board recognises that all forward-looking assessments involve a degree of inherent uncertainty. The debt portfolio held by the Company is however not expected to remain unchanged over the longer term. The Investment Adviser is expected to provide new loans and receive repayments, in line with the Company's investment objective and policy throughout the year. At 30 November 2025 16 loans had been made with an average value of £1.54m and average time to loan maturity of 0.71 years, although it is noted that it is normal for agreements to extend past the maturity date. The longer the time horizon which is considered, the higher the degree of uncertainty over the constituents of the Company's debt portfolio and, on balance, the Board considers that a period of three years is an appropriate length of time over which a detailed sensitivity analysis can be conducted whilst retaining a reasonable level of accuracy regarding forecast interest rate movements.

In making this statement the Board carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity. These risks and their mitigations are set out above.

The principal risks identified as most relevant to the assessment of the viability of the Company were those relating to potential impairment of loans in the portfolio and its effect on the capital value of the Company and its ability to pay dividends.

At a General Meeting of the Company held on 25 April 2024 a resolution was approved by shareholders to continue the Company for a further three years and, following a resolution passed at a General Meeting of the Company, the next continuation vote will not take place until 2028.

When considering the risk of under-performance, the Board carries out a series of stress tests to understand the effects of any substantial future increases in interest rates and future worsening of the property and development markets on the value of the underlying security leading to potential breaches of loan covenants by the borrowers.

The results of these stress tests have given the Board comfort over the viability of the Company and its ability to maintain capital value and dividend levels. The Board has also considered the impact of potential regulatory change for future periods and the controls in place

surrounding significant third-party providers, including the Investment Adviser.

The Directors have assessed the current economic and geopolitical environment and are satisfied that the mitigation measures in place provide sufficient resilience for the Company to operate effectively and pursue its investment objectives. The Board is also confident that the steps taken by the Investment Adviser regarding the Company and its loan portfolio, together with controls implemented by key service providers, support ongoing operational robustness. The Directors therefore do not consider these factors to undermine the Company's long-term viability.

As summarised on within the Chairman's Statement on page 5 and Note 18 on page 66, the Company launched a significant fundraise post year-end which is expected to complete in April 2026. The purpose of the fundraise is to provide additional capital to support the Company's plans for expansion and to enable the implementation of its new investment policy and investment objective, as approved by shareholders on 18 February 2026.

The Board believes that, if completed as intended, the fundraise will further strengthen the Company's financial position, enhance its ability to pursue a broader range of investment opportunities and support the long term execution of its strategy. However, in assessing the Company's viability, the Board has considered the fundraise as a post year end development. While the fundraise is expected to complete shortly after the approval of this Annual Report and Accounts, the Board has not relied upon its successful completion when forming its viability assessment.

It is expected that the Company will renew the loan facility with Shawbrook upon its expiry in August 2026.

Subject to a continuation vote being approved at the 2028 AGM, based on the Company's processes for monitoring revenue and costs, together with the Investment Adviser's compliance with the investment objective and policies, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operational existence and meet its liabilities as they fall due for a period of three years from the date of approval of this Report.

REVIEW OF THE BUSINESS

A review of the year, commentary on the future outlook and the main trends and factors likely to affect the future development, performance and position of the Company's business are provided in the Chairman's Statement and Investment Adviser's Report on pages 2 to 5 and 6 to 9 respectively.

During the year under review, the assets of the Company were invested in accordance with the Company's investment policy.

During the year the Company's net assets have decreased from £19.93m to £19.35m, as a result of impairments taken on historic loans. As at 30 November 2025 the NAV per share was 77.48p.

KEY PERFORMANCE INDICATORS

The below key performance indicators (KPIs) are used by the Board to assess the Company's success in meeting its objectives. The related Alternative Performance Measures are described in the Glossary on page 74.

Dividends

The payment of dividends is a key element of the Company's investment objective. The Board monitors the Company's ability to provide shareholders with a consistent and stable income on a continuing basis. Further details on the Board's policy is set out in the Chairman's Statement on page 3.

Details of the dividends declared and paid are set out on page 23.

Net Asset Value Total Return (NAV total return)

The Board regards the growth of the Company's NAV total return as inherent to the successful delivery of value to the shareholders over the longer term.

Since listing in January 2017, the Company has generated a NAV total return of 26.8% (November 2024: 22.5%) (including launch costs) as at 30 November 2025. The NAV total return for the year to 30 November 2025 was 2.1% (November 2024: 6.3%).

Ongoing charges ratio (OCR)

The ongoing charges are a measure of the total expenses incurred by the Company expressed as a

percentage of the average net assets over the year. The Board regularly reviews the ongoing charges. The Board seeks to ensure the expenses incurred by the Company are kept to a minimum whilst not impacting the services obtained.

The ongoing charges ratio as at 30 November 2025 was 2.9% (November 2024: 2.7%).

Discount/Premium to NAV

The Board monitors the level of the Company's discount/premium to NAV. The annualised average discount to the NAV for the Company is 5.4% discount (November 2024: discount 1.0%).

CRIMINAL CORPORATE OFFENCE

In line with the requirements of The Criminal Finances Act 2017, the Directors confirm that the Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

THE BRIBERY ACT

In order to ensure compliance with the UK Bribery Act 2010, the Directors confirm that the Company has a zero tolerance policy towards the provision of illegal services, bribery and corruption acts and a commitment to carry out business openly, honestly and fairly.

TASKFORCE FOR CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

The Company notes the TCFD recommendations on climate related financial disclosures. The Company is a Closed-ended Investment Fund and, as such, it is exempt from the Listing Rules requirement to report against the TCFD framework.

GREENHOUSE GAS EMISSIONS

The Company has no greenhouse gas emissions to report from its operations for the year ended 30 November 2025 nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 (including those within the underlying investment portfolio).

STREAMLINED ENERGY AND CARBON REPORTING

The Company is categorised as a lower energy user under the HMRC Environmental Reporting Guidelines March 2019 and is therefore not required to make the detailed disclosures of energy and carbon information set out within the guidelines. The Company's energy and carbon information is therefore not disclosed in this Report.

BOARD COMPOSITION

The Board comprises five male non-executive Directors. In accordance with best practice all Directors stand for re-election annually. The Board is mindful of the composition of the Board and the range of skills and expertise brought by each of the Directors. The Board is committed to ensuring that any vacancies are filled by the most qualified candidates and it recognises the merits of diversity in its composition.

The FCA Listing Rules require companies to report on whether they have met the targets on board diversity set out in the Parker Review's recommendations with respect to ethnic and cultural representation on UK boards. As at 30 November 2025 the Company had not met the gender diversity requirement that 40% of the individuals on the board are women, and that at least one of the senior positions on the board is a woman. The Company had, however, met the requirement for at least one director from a minority ethnic background.

On behalf of the Board

JOHN NEWLANDS

CHAIRMAN

12 MARCH 2026

BOARD OF DIRECTORS



JOHN NEWLANDS NON-EXECUTIVE CHAIRMAN

John has served more than twenty years in the City, most recently with Brewin Dolphin (now RBC Brewin Dolphin) Limited as Head of Investment Companies Research from 2007 to 2017. He was a member of the Association of Investment Companies Statistics' Committee from 2000 to 2017. He has an MBA from Edinburgh University Business School and is a Chartered Engineer. He was Chair of the Investment Committee of Durham Cathedral from 2017 to 2024. He has written four books about financial history, the most recent being *150 years: A history of The Scottish American Investment Company PLC* (Baillie Gifford, June 2023). John is currently Director of Gabelli Merchant Partners PLC and CQS New City High Yield Fund Limited.

Shareholding as at 30 November 2025: 5,000 ordinary shares (30 November 2024: 5,000).

Date of appointment: 14 November 2017.



SAMEER AL ANSARI NON-EXECUTIVE DIRECTOR AND DEPUTY CHAIRMAN

Sameer has almost forty years' experience across financial services, private equity, healthcare, real estate and digital assets. He founded Dubai International Capital, serving as Executive Chairman and CEO and later led SHUAA Capital as CEO through its post financial crisis recovery. He was most recently CEO of RAK Digital Assets Oasis. He holds board positions with Al Ramz Corporation and TVM Healthcare Partners, and has previously served on the boards of the Dubai International Finance Centre, Dubai Holding, the Hawkamah Institute of Corporate Governance and Marjan.

Shareholding as at 30 November 2025: 0 shares (30 November 2024: N/A).

Date of appointment: 2 May 2025.



MATTHEW HARRIS ('MATT')
INDEPENDENT NON-EXECUTIVE
DIRECTOR AND AUDIT COMMITTEE
CHAIRMAN

Matt is a private equity operating partner and board member. He has sat on a number of boards of private equity-backed companies and provides deal related and ongoing advice to private equity acquirers, both in the UK and around the world. A chartered accountant and M&A specialist, he was previously a transaction services partner at KPMG. Matt is a New Zealander who has spent the majority of his business career based in London.

Shareholding as at 30 November 2025: 60,724 ordinary shares (30 November 2024: 60,724).

Date of appointment: 19 December 2016.



IAN MCELROY
NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

Ian is one of the founding shareholders of Tier One Capital Ltd, establishing the business having spent many years in the wealth management industry. Ian initially trained and qualified as an investment manager with Gerrard Stockbrokers before moving into financial advice, corporate finance and credit structuring during senior roles with Barclays Wealth, Kleinwort Benson and Coutts. Over the last 25 years, Ian has worked closely with business owners and company directors, senior executives and professionals across many industries to help structure, preserve and achieve their financial objectives. Ian is a Chartered Fellow of the CISI and a Chartered Wealth Manager.

Shareholding as at 30 November 2025: 74,005 ordinary shares (30 November 2024: 74,005).

Date of appointment: 18 April 2018.



DOUGLAS NOBLE
INDEPENDENT NON-EXECUTIVE
DIRECTOR

Douglas has over 30 years' private banking experience. He is currently a Consultant with Hallcroft Finance where he is assisting Hallcroft in launching their business in Scotland. Previous to this he has held Senior Executive roles in the Banking Industry including the Scottish Head of Private Banking for Barclays, Adam & Company and HBOS. He also launched Bank of Scotland's first ever private banking operation. Douglas holds a law degree from Dundee University, as well as achieving the PCIAM and IMC from the CFA. He is a member of the Chartered Institute of Bankers, Scotland and holds Chartered Banker status.

Shareholding as at 30 November 2025: 8,600 ordinary shares (30 November 2024: 8,600).

Date of appointment: 19 December 2016.

DIRECTORS' REPORT



The Directors present their Annual Report and Financial Statements of the Company for the year to 30 November 2025.

INFORMATION DISCLOSED IN THE STRATEGIC REPORT

The following matters required to be disclosed in this Report under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 are covered in the Chairman's Statement, Investment Adviser's and the Strategic Report on pages 10 to 18: the Company's objectives, policies and financial risk management, the Company's exposure to risks and its prospects, as well as important events affecting the Company since the year end.

STATUS

The Company was incorporated in England and Wales as a public limited company under the Companies Act 2006 (number 10395804). It is an investment company as defined by Section 833 of the Companies Act 2006.

The Company is a member of the AIC.

The Company has been confirmed by HM Revenue & Customs as having approved investment trust status under the Investment Trusts (Approved Company) (Tax) Regulations 2011, subject to it continuing to comply with those regulations. The Directors conduct the affairs of the Company with a view to maintaining this approved investment trust status in order to preserve the Company's exemption from UK capital gains tax. The Directors expect that approval will continue to be obtained, subject to ongoing compliance. The Company is not a close company for taxation purposes.

MANAGEMENT OF THE COMPANY

The Investment Adviser undertakes portfolio management services for the Company, subject to overall control and supervision by the Board. The

Investment Adviser is employed under a contract which can be terminated on 12 months' notice. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

During the reporting period, the Investment Adviser was entitled to receive from the Company an investment advisory fee which was calculated and paid quarterly in arrears at an annual rate of 0.25% per annum of the prevailing NAV if less than £100m, or 0.50% per annum of the prevailing NAV if £100m or more. From 18 February 2026, the Investment Adviser fee was amended to a flat annual rate of 0.35% of the NAV.

The Board has reviewed the performance of the Investment Adviser and believes that its continued appointment is in the interests of the Company and shareholders. Such a review is carried out on an annual basis.

ALTERNATIVE INVESTMENT FUND MANAGER'S DIRECTIVE (AIFMD)

The Company is registered with the FCA as a Small Registered Alternative Investment Fund Manager (AIFM).

The Alternative Investment Managers' Directive requires certain disclosures to be made in respect of any remuneration policy of the AIFM, leverage, risk disclosures and pre-investment disclosures. The Board, as AIFM, receives no remuneration in this regard. The Company makes sufficient disclosures in relation to gearing and risk within the Annual Report. The investment policy and guidelines are set out in this Strategic Report on pages 10 to 18. Therefore, no further separate disclosures are required.

INVESTMENT POLICY AND OBJECTIVE

Details of the Company's Investment Policy and Objective are set out in the Strategic Report on pages 10 to 11.

RESULTS AND DIVIDENDS

The revenue return for the financial year ended

30 November 2025 after taxation amounted to £1,363,000 (November 2024: £1,262,000). An interim dividend of 1.0p per Ordinary share was declared and paid on 12 January 2026 and a further interim dividend has been declared, to be paid to shareholders on the register at the close of business on 13 March 2026 (ex-dividend date 12 March 2026). These dividends when added to the two quarterly interim dividends paid in 2025, make a total dividend for the year of 4 pence per share (November 2024: 4 pence).

The post balance sheet events of the Company are described in detail in Note 18 on page 66.

FUTURE DEVELOPMENTS

The outlook for the Company is described in the Chairman's Statement on page 5 and in the Investment Adviser's Report on page 6.

Post balance sheet events are summarised in Note 18 on page 66.

CHARITABLE DONATIONS

There are no charitable donations to disclose.

USE OF FINANCIAL INSTRUMENTS

The Company's use of financial instruments is disclosed in Note 16 to the Financial Statements.

CAPITAL STRUCTURE AND VOTING RIGHTS

Capital Structure and Voting Rights

As at 30 November 2025 the Company's share capital comprised 24,978,201 (November 2024: 24,978,201) Ordinary shares of 1p each. There were 1,945,862 (November 2024: 1,945,862) Ordinary shares held in Treasury. The Ordinary shares are listed within the Commercial Companies (Equity Shares) category (ESCC) on the London Stock Exchange.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in Note (xvi) to the Notice of Meeting on page 71.

Substantial Interests in Voting Rights

As at the end of the financial year the following had a declared notifiable interest in the Company's voting rights in accordance with the FCA's Disclosure Guidance and Transparency Rules:

Number of Shares		% held*
Preston's Transport Ltd	1,649,646	6.6
Mr R Thompson	1,638,000	6.56
Peter Harley Jasper	1,433,790	5.74

*Percentage as at the date of notification.

No changes have been notified since the year end to the date of this report.

There are no restrictions on the transfers of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreement between the Company and its Directors concerning compensation for loss of office.

DIRECTORS

Biographical details of the Directors who held office throughout the year can be found on pages 19 to 21. All are non-executive and, save for Ian McElroy, are independent of the Investment Adviser and the other service providers. The Directors have reviewed their independence by reference to the AIC Code.

Details of the Directors' beneficial shareholdings can be found on page 35.

Up to 1 November 2025, Ian McElroy waived his Director's fee. Since 1 November 2025 he has been receiving his Director's fee.

Sameer Al Ansari was appointed as non-executive Director and deputy chairman on 2 May 2025. Subject to shareholder approval, Sameer Al Ansari will be elected at the forthcoming Annual General Meeting. All other Directors will retire at the Annual General Meeting and, being eligible, will offer themselves for reappointment. The Board having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director

continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be reappointed.

The rules concerning the appointment, reappointment and replacement of Directors, amendment of the Articles of Association and powers to repurchase the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNIFICATION

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

As permitted by the Company's Articles of Association, each Director has the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. These indemnities were in place during the year and as at the date of this Report.

CORPORATE GOVERNANCE

The Statement of Corporate Governance is set out on pages 27 to 30 and forms part of this Report.

EMPLOYMENT, SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

The Company has only one employee and the day-to-day activities are carried out by third parties. There are therefore no disclosures to be made in respect of employees

UK LISTING RULE 6.6

UKLR 6.6 requires the Company to include certain information within its Annual Report. Under UKLR 6.6.1(4), Ian McElroy agreed to waive his entitlement to any emoluments from the Company until 1 November 2025. From that date onwards, he began to receive a Director's fee. Under UKLR 6.6.1(9)(a), Ian McElroy, as an employee of the Investment Adviser, is

deemed to be interested in the Company's investment advisory agreement.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors confirm that, so far as each of them are aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of section 418 (2) of the Companies Act 2006.

AUDITOR

The Independent Auditor's Report can be found on pages 38 to 45. MHA has indicated its willingness to continue in office with the Company and a resolution to re-appoint them will be proposed at the Annual General Meeting (resolution 10).

DIRECTORS' REMUNERATION POLICY AND REPORT

It is mandatory for listed companies to put their Directors' Remuneration Report to an advisory shareholder vote on an annual basis. Resolution 2 seeks to approve the Directors' Remuneration Report.

There have been no changes to the Company's remuneration policy since 2019. It has been decided that the policy will be approved by shareholders annually. Resolution 3 seeks to approve the Directors' Remuneration Policy.

GOING CONCERN

The Company does not have a fixed wind-up date and, therefore, unless shareholders vote to wind-up the Company, shareholders will only be able to realise their investment through the market. In addition, the Articles of Association require shareholders to approve a resolution to continue the Company at three yearly intervals. At a General Meeting of the Company held

on 25 April 2024 a resolution was approved by shareholders to continue the Company for a further three years. To support the Company's expansion and fundraising plans, a resolution was passed at the General Meeting held on 18 February 2026 to adopt new Articles of Association, pursuant to which the Company's next continuation resolution will be held at the annual general meeting in 2028 rather than 2027. The Directors have not based the going concern assessment on the Company's fundraising plans being successful. The Company has a strong balance sheet which is made up of realisable investments. The Investment Adviser monitors the Company's cash balances continually and forecasts cash flows, including stress testing in respect of the timing of those cash flows. The Board reviews the Company's liquidity, cash flow requirements and the associated assumptions at every meeting. In reaching its conclusion that the Company is a going concern, the Board takes comfort from the solid performance and improved cash generation over the past year, as well as the ongoing support of the Company's lender. 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 to 31 March 2027, which is at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis.

It is expected that the Company will renew the loan facility with Shawbrook upon its expiry in August 2026. Shawbrook has indicated its ongoing support of the Company and has provided written confirmation that the loan facility will be considered for renewal upon expiry.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting of the Company to be held on 30 April 2026 is set out on pages 67 to 68. The full text of the resolutions is set out in the notice of meeting. Resolutions relating to the following items of special business will be proposed at the meeting:

(i) Dividend Policy (Resolution 9)

Subject to market conditions and the Company's performance, financial position and financial outlook it is the Directors' intention to pay a consistent and stable income to shareholders on a quarterly basis. The Company intends to continue to pay all dividends as interim dividends.

Recognising that this means that shareholders will not have the opportunity to vote on a final dividend, the Company will instead propose a resolution to approve the Company's dividend policy at the AGM (Resolution 9). The Directors expect that this resolution to approve the Company's dividend policy will continue to be approved annually.

The Company intends to distribute at least 85% of its eligible income or such other percentage as may be prescribed sections A to C of s1158 of CTA 2010 together with the conditions specified in SI2011/2999.

(ii) Authority to allot new shares and to disapply pre-emption rights (Resolution 12 and 13)

It is advantageous for the Company to be able to issue new shares for cash to investors when the Directors consider that it is in the best interests of shareholders to do so. The proceeds of any such issue will be available for investment in line with the Company's investment policies. The Board is seeking authority to issue up to 20% of the Company's issued share capital (excluding Treasury shares) in order to provide flexibility to issue shares at a premium and manage share price volatility to NAV. This authority will expire on the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the passing of this resolution unless it is previously renewed, varied or revoked.

Resolution 13 will enable the allotment of new ordinary shares, pursuant to Resolution 12 otherwise than by way of a pro-rata issue to existing shareholders. This authority will expire on the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the passing of this resolution unless it is previously renewed, varied or revoked.

The full text of Resolutions 12 and 13 is set out in the Notice of Meeting on pages 67 and 68.

(iii) Authority to repurchase the Company's shares (Resolution 14)

The authority to repurchase up to 14.99% of the Company's issued share capital will expire at the conclusion of the forthcoming Annual General Meeting unless renewed at that meeting. The Directors consider that the renewal is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining shares. Resolution 14 will be proposed as a special resolution and seeks to provide the Directors with the authority to purchase up to 3,744,232 ordinary shares or, if less, the number representing approximately

14.99 per cent. of the Company's ordinary shares in issue at the date of the passing of Resolution 14. The Company may either cancel any ordinary shares it purchases under this authority or hold them in Treasury. This authority will expire on the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the passing of this resolution unless it is previously renewed, varied or revoked.

RECOMMENDATION

The Directors consider the passing of the Resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its shareholders and likely to promote the success of the Company for the benefit of its shareholders as a whole.

Accordingly, the Directors unanimously recommend that shareholders should vote in favour of the resolutions, as they intend to in respect of their own beneficial shareholders amounting to less than 1% of the shares in issue.

On behalf of the Board

JOHN NEWLANDS

CHAIRMAN

12 MARCH 2026

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE

The Company is committed to high standards of corporate governance. The Board has considered the Principles and Provisions of the AIC Code. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

As of 1 December 2025 the Company is required to comply with the provisions of the UK Corporate Governance Code published in January 2024 or the updated AIC Code of Corporate Governance. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the Principles and Provisions of the AIC Code; however, the Board has elected not to designate a senior independent non-executive Director as it considers that each Director has different strengths and qualities on which they may provide leadership.

THE BOARD

Composition

The Board consists of five Directors. Four are independent non-executive Directors, including the Chairman, John Newlands. These Directors are considered by the Board to be independent in character and judgment of the Investment Adviser. Ian McElroy is considered not to be independent on the basis of his role at the Investment Adviser. The independence of the Directors is determined with reference to the AIC Code and is reviewed annually.

Biographical details of the Directors and their experience is disclosed on pages 19 to 21.

Induction and Training

On appointment, the Investment Adviser and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and the Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies.

Regular reviews of the Directors' training needs are carried out by the Chairman by means of the Board and Committee evaluation process.

Role of the Board

The basis on which the Company agrees to generate value over the longer term is set out in its objective and investment policy as contained within the Strategic Review.

The Company has no executive Directors and only one employee. An Investment Adviser Agreement between the Company and its Investment Adviser sets out the matters over which the Investment Adviser has authority and the limits beyond which Board approval must be sought. All other matters, including strategy, investment and dividend policies, gearing and corporate governance procedures, are reserved for the approval of the Board.

Tenure and Reappointment of Directors

Directors are initially appointed until the following Annual General Meeting when, under the Articles of Association, they are required to be elected by shareholders.

Although the Articles require that Directors submit themselves for re-election at least every three years the Board has resolved to adopt corporate governance best practice and all of the Directors are subject to re-election on an annual basis. In addition, the Board has agreed that any Director with more than nine years' service will be required to stand for re-election at each annual general meeting.

Board Diversity – Gender and Ethnic Background

In accordance with UK Listing Rule 6.6.6(9) R(9) and (11), the Company is required to include a statement in the Annual Report setting out whether it has met the following targets on board diversity. The reference

date for this statement is 30 November 2025, the Company's year end:

- 1) At least 40% of individuals on its board are women;
- 2) At least one of the senior board positions is held by a woman; and
- 3) At least one individual on its board is from a minority ethnic background.

The following tables set out the prescribed format for information in accordance with the requirements of LR 6 Annex I.

(a) Table for reporting on gender identity or sex

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board
Men	5	100%	1
Women	–	–	–
Not specified/prefer not to say	–	–	–

(b) Table for reporting on ethnic background

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority white groups)	4	80%	1
Mixed Multiple Ethnic Groups	–	–	–
Asian/Asian British	–	–	–
Black/African/Caribbean/Black British	–	–	–
Other ethnic group, including Arab	1	20%	–
Not specified/prefer not to say	–	–	–

The Listing Rules only recognise the roles of Chairman, Chief Executive (CEO), Senior Independent Director and Chief Financial Officer (CFO) as senior board positions.

The Listing Rules require disclosure of an explanation of the Company's approach to collecting the data used for the purposes of making the disclosures. The data was collated in consultation with the Directors.

Michelle Percy joined the Company as CEO on 26 January 2026. There have been no other changes to the Board since 30 November 2025 and the date of approval of this report.

Meetings and Committees

The Board delegates certain responsibilities and functions to committees. Directors who are not members of committees may attend at the invitation of the Chairman of the relevant committee.

Directors have attended scheduled Board and Committee meetings during the year ended 30 November 2025 as follows (with their eligibility to attend the relevant meeting in brackets):

	BOARD	AC	RC	NC	MEC
M Harris	4 (4)	3 (3)	1 (1)	1 (1)	1 (1)
I McElroy	4 (4)	–	– (1)	– (1)	–
J Newlands	4 (4)	3 (3)	1 (1)	1 (1)	1 (1)
D Noble	3 (4)	3 (3)	1 (1)	1 (1)	1 (1)
S Al Ansari*	3 (3)	1 (2)	0 (0)	0 (0)	0 (0)

*Sameer Al Ansari was not eligible to attend meetings until he was appointed on 2 May 2025.

In addition to the above, ad-hoc Board and Board Committee meetings were held during the year to deal with such matters as the approval of the Annual and Half Year Reports and project specific matters.

The Board has a schedule of matters reserved to it for decision and the requirement for Board approval on these matters is communicated directly to the Investment Adviser. In addition to the scheduled meetings above, additional meetings were held to consider ad-hoc matters including borrowings, investment decisions and dividend payments.

Full and timely information is provided to the Directors to enable the Board to function effectively and to discharge its responsibilities. The Board also reviews the financial statements, performance and revenue budgets.

APPOINTMENT OF CEO

On 26 January 2026, the Board appointed Michelle Percy as Chief Executive Officer to support the Company's next phase of growth following the publication of its prospectus and the launch of its fundraise. Michelle Percy brings extensive experience

in regeneration, investment and stakeholder engagement. Her appointment enhances the Company's capacity to deliver its growth strategy.

Michelle Percy will not join the Board at this time and remains independent of Tier One Capital Ltd, Broadoak Asset Management Limited and Homes or Houses Limited.

AUDIT COMMITTEE

Matthew Harris is the Chairman of the Company's Audit Committee which comprises the four independent Directors. Ian McElroy may attend Audit Committee meetings by standing invitation.

The report of the Audit Committee is set out on pages 31 to 33.

MANAGEMENT ENGAGEMENT COMMITTEE

John Newlands is the Chairman of the Company's Management Engagement Committee which comprises the four independent Directors. The Management Engagement Committee reviews the appropriateness of the Investment Adviser's continuing appointment, together with the terms and conditions thereof, on a regular basis. The Management Engagement Committee meets at least annually.

NOMINATION COMMITTEE

John Newlands is the Chairman of the Company's Nomination Committee which comprises the four independent Directors. The Nomination Committee is responsible for Director appointments and succession planning.

The Company's affairs are overseen by a Board currently comprising five male Directors.

The Directors have a wealth of experience, bringing knowledge of investment markets, business, financial services, accounting and regulatory expertise to discussions on the Company's business. The Directors regularly consider the leadership needs and specific skills required to achieve the Company's investment objective. While appointments are based on skills and

experience, the Board is conscious of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths and experience. All appointments are based on objective criteria and merit, and are made following a formal, rigorous and transparent process.

The Board has put in place necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board as well as a performance evaluation of the Board, the individual Directors and the Board Committees. This was conducted through completion of evaluation questionnaires. The evaluation includes an assessment of how cohesively the Board and its committees operate as a whole and in conjunction with the Company's key service providers, as well as the effectiveness of the Chairman. The evaluation process is used as a mechanism to improve Board effectiveness, maximise strengths, ascertain any training needs and also to identify potential risks and strategic imperatives for the coming year.

REMUNERATION COMMITTEE

The Board has established a Remuneration Committee comprising all Directors for the purposes of considering the Directors' remuneration. The committee is chaired by Douglas Noble and meets at least annually.

The Company's policy on remuneration is discussed in the Directors' Remuneration Report on pages 34 to 36.

TERMS OF REFERENCE

The Audit Committee, Nomination Committee, Remuneration Committee and Management Engagement Committee all have written terms of reference which define clearly their respective responsibilities, copies of which are available for inspection on the Company's website at www.DevelopNorth.co.uk and on request at the Company's registered office.

RELATIONS WITH SHAREHOLDERS

The Directors place a great deal of importance on communication with shareholders. The Annual Report

and Accounts are distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Company's website. The Company responds to questions from shareholders on a wide range of issues.

A regular dialogue is maintained with the Company's shareholders.

The Notice of the General Meeting included within the Annual Report and Accounts is sent out 20 working days in advance of the meeting. The Company Secretary is available to answer general shareholder queries at any time throughout the year.

On behalf of the Board

**APEX FUND ADMINISTRATION
SERVICES (UK) LIMITED**

12 MARCH 2026

REPORT OF THE AUDIT COMMITTEE



COMPOSITION OF THE AUDIT COMMITTEE

An Audit Committee (the 'Committee') has been established with written terms of reference and comprises four non-executive Directors, Matthew Harris (Chairman), Douglas Noble, John Newlands and Sameer Al Ansari. The Committee meets on at least two occasions each year. In addition the Committee meets with the Auditors at least twice a year.

The members of the Committee consider that they have the requisite skills and experience to fulfill the responsibilities of the Committee. As a Chartered Accountant the Committee Chairman has recent and relevant financial experience and the Committee, as a whole, has competence relevant to the sector.

ROLE OF THE AUDIT COMMITTEE

A summary of the Committee's main audit review functions is shown below:

- To monitor and review the principles, policies, and practices adopted in the preparation and audit of the accounts of the Company;
- To review and monitor the effectiveness of the internal control systems and risk management systems on which the Company is reliant;

- To consider annually whether there is a need for the Company to have its own internal audit function;
- To monitor the integrity of the half-yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgments of the Investment Adviser, the Company Secretary and Administrator;
- To meet with the external Auditor to review their proposed audit programme of work and their findings following completion of the audit. The Committee also uses this as an opportunity to assess the effectiveness of the audit process;
- To make recommendations in relation to the appointment of the external Auditor and to approve the remuneration and terms of engagement of the external Auditor;
- To monitor and review annually the external Auditor's independence, objectivity, effectiveness, resources and qualification; and
- To consider and approve all non-audit services.

FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING MATTERS

The Board of Directors is responsible for preparing the Annual Report and financial statements. The Committee advises the Board on the form and content of the Annual Report and financial statements, any issues which may arise and any specific areas which require judgement.

The valuation of investments in the form of loans and profit shares, the building projects given as guarantee for the loans, and the loan recoverability and interest receipts were areas of focus given their significance to the financial statements as a whole and these were specifically reviewed by the Committee.

Following discussion with the Investment Adviser, the Committee gained comfort over the valuation of the loans as included in the Annual Report and financial statements.

AUDITOR

As part of its review of the scope and results of the audit, during the year the Committee considered and approved MHA's plan for the audit of the financial statements for the year ended 30 November 2025. At the conclusion of the audit MHA did not highlight any issues to the Committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. MHA issued an unqualified audit report which is included on pages 38 to 45.

Non-audit services

£48,000 was paid to the auditor in respect of non-audit services during the year ended 30 November 2025 (November 2024: £nil).

Auditor Independence

As part of the review of auditor independence and effectiveness, MHA has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating MHA, the Audit Committee has taken into consideration the standing, skills and experience of the firm and the audit team. The Audit Committee, from direct observation and

enquiry of the Investment Adviser and the Administrator, remains satisfied that MHA continues to provide effective independent challenge in carrying out its responsibilities.

The main areas of accounting risk considered by the Committee during the year in relation to the Company's financial statements were the valuation and ownership of investments held by the Company.

The valuation of investments is undertaken in accordance with the accounting policies as set out in Note 1 to the financial statements. Details of the fair value hierarchy are set out in Note 8.

The Committee reviews detailed information on the loan book and its value on a quarterly basis. A full portfolio analysis is prepared for each Board meeting, including a detailed update on development works, collateral given and loan to value ratios, which is reviewed in detail and considered by the Directors.

The Company also receives regular reporting on internal controls (as detailed below).

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is ultimately responsible for the Company's systems of internal control and for reviewing its effectiveness. Following publication of the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (the FRC Guidance) the Board confirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and is regularly reviewed by the Board to ensure it accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed. The significant risks faced by the Company are as follows:

- Investment and strategy;
- Market;

-
- Financial;
 - Operational; and
 - Legal and regulatory

The key components designed to provide effective internal control are outlined below:

- Apex Fund Administration Services (UK) Limited acts as Company Secretary and Administrator and, together with the Investment Adviser, prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Investment Adviser have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including concentration limits and loan to value ratios, are regularly submitted to the Board and there are meetings with the Investment Adviser in between as appropriate;
- as a matter of course the Investment Adviser's Credit and Compliance teams continually review the Investment Adviser's operations and will report to the Board on any breaches;
- written agreements are in place which specifically define the roles and responsibilities of the Investment Adviser, Company Secretary, Administrator and other third-party service providers; and
- the Board has considered the need for an internal audit function but, due to the compliance and internal control systems in place at the Investment Adviser, the Company Secretary and Administrator, it has decided to place reliance on their systems and internal audit procedures.

At its February 2026 meeting, the Committee carried out an annual assessment of internal controls for the year ended 30 November 2025 and subsequent events by considering documentation from the Investment Adviser, the Company Secretary and Administrator. The results of the assessment were reported to, and considered by, the Board at its next meeting.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and, by their nature, can only provide reasonable and not absolute assurance against mis-statement and loss.

The principal risks and uncertainties affecting the Company are disclosed in the Strategic Report on pages 13 and 14.

FAIR, BALANCED AND UNDERSTANDABLE

As a result of the work performed, the Committee has concluded that the Annual Report and Financial Statements for the year ended 30 November 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Director's Responsibilities on page 37.

MATT HARRIS
CHAIRMAN OF AUDIT COMMITTEE

12 MARCH 2026

DIRECTORS' REMUNERATION REPORT

The Board presents the Directors' Remuneration Report for the year ended 30 November 2025, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 38 and 45.

All of the Directors are non-executive. The Remuneration Committee reviews Director's fees on a regular basis and makes recommendations to the Board as and when appropriate.

The Remuneration Committee completed an assessment of the level of Directors' fees during the year. This assessment considered a number of factors, including external peer group analyses, increased regulatory responsibilities and inflationary trends.

The review resulted in changes to the Directors' remuneration effective from 1 April 2025. The new level of fees (with the previous level of fee shown in brackets) is: Chairman of the Board, £40,000 (£29,000), Deputy Chairman £40,000 (N/A), Audit Committee Chair, £30,000 (£28,500), and non-executive Directors, £30,000 (£27,500). Following the changes, the base fee for all non-executive Directors is now back to its previous 2021 level.

POLICY ON DIRECTORS' REMUNERATION

The Company's policy is that the remuneration of the Directors should reflect the experience of the Board as a whole, the time commitment required, and be fair and comparable with that of other similar companies. The remuneration of Directors has been set at a level

designed to attract individuals of a calibre appropriate to the future development of the Company. Furthermore, the level of remuneration should be sufficient to attract and retain the Directors needed to oversee the Company properly and to reflect its specific circumstances.

The fees for the Directors are determined within the limit set out in the Company's Articles of Association. The present limit is an aggregate of £400,000 per annum and may not be changed without seeking shareholder approval at a general meeting. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. No element of the Directors' remuneration is performance-related.

It is the Board's policy that Directors do not have service contracts, but each new Director is provided with a letter of appointment. The terms of Directors' appointments provide that Directors should retire and be subject to election at the first Annual General Meeting after their appointment. Directors are subject to re-election annually thereafter.

Although the Company's Articles of Association provide that Directors shall not remain in office for longer than three years without submitting themselves for re-election, the Board has resolved that all of the Directors should be subject to re-election on an annual basis.

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. There is no notice period and no provision for compensation upon early termination of appointment. Details of the Board's policy on tenure are set out on page 27.

ANNUAL REPORT ON DIRECTORS' REMUNERATION

The Directors who served in the year received the below fees:

	2025	2024
John Newlands (Chairman)	£36,333	£29,000
Matthew Harris	£29,500	£28,500
Douglas Noble	£29,167	£27,500
Ian McElroy*	£2,500	£nil
Sameer Al Ansari**	£23,231	£nil
Total	£120,731	£85,000

*Ian McElroy is entitled to Directors fees of £30,000 per annum effective from 1 April 2025. He waived this entitlement until 1 November 2025.

**Sameer Al Ansari was appointed to the Board on 2 May 2025.

ANNUAL PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The annual percentage change in fees for each Director who served in the year under review is set out in the following table:

	YEAR TO NOV 2025 %	YEAR TO NOV 2024 %	YEAR TO NOV 2023 %	YEAR TO NOV 2022 %	YEAR TO NOV 2021 %
John Newlands (Chairman)	25.3	–	–	-3.3	–
Matthew Harris	3.5	–	–	-5.0	–
Douglas Noble	6.1	–	–	-8.3	–
Ian McElroy	100	–	–	–	–
Sameer Al Ansari*	–	–	–	–	–

*Sameer Al Ansari was appointed to the Board on 2 May 2025.

The Company has only one employee who was hired post year end.

RELATIVE IMPORTANCE OF DIRECTORS' FEES

The table below sets out in respect of the financial year ended 30 November 2025 and the preceding financial year:

- the remuneration paid to Directors;
- the distribution made to shareholders by way of dividend; and
- expenses paid by the Company.

	2025 £'000	2024 £'000
Total remuneration	121	85
Dividend	999	1,019
Expenses	650	545
National Insurance Contributions	3	3

Directors' fees as a percentage of:

	2025 £'000	2024 £'000
Dividend	12.1	8.3
Expenses	18.6	15.6

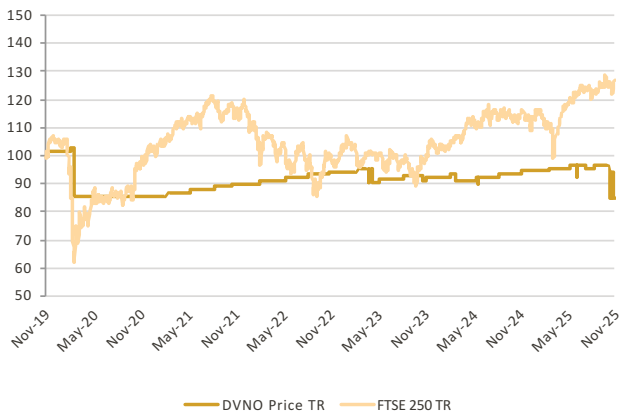
DIRECTORS' INTERESTS

The Directors, including connected parties who held office at the year end and their interests (all beneficial) in the Ordinary Shares of the Company were as follows:

	AT 30 NOVEMBER 2025 ORDINARY SHARES	AT 30 NOVEMBER 2024 ORDINARY SHARES
John Newlands	5,000	5,000
Matthew Harris	60,724	60,724
Douglas Noble	8,600	8,600
Ian McElroy	74,005	74,005
Sameer Al Ansari*	–	–

*Sameer Al Ansari was appointed to the Board on 2 May 2025.

The graph below illustrates the total shareholder return for a holding in the Company's shares as compared to the FTSE 250 for the period from Listing to 30 November 2025. The Company considers this to be an appropriate index against which to measure the Company's performance, in the absence of a meaningful benchmark index.



VOTING AT AGM

At the Company's General Meeting, held on 1 May 2025, shareholders approved the Directors' Remuneration Policy and Report in respect of the year ended 30 November 2024. 100% of the votes cast were in favour of these resolutions.

Ordinary resolutions for the approval of the Directors' Remuneration Policy and Report will be put to a shareholder vote at the forthcoming Annual General Meeting.

For and on behalf of the Board

DOUGLAS NOBLE, CHAIRMAN OF
REMUNERATION COMMITTEE

12 MARCH 2026

MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITY STATEMENT

Management report

Listed companies are required by the DTRs to include a management report in their Financial Statements. The information is included in the Strategic Report on pages 10 to 18 inclusive (together with the sections of the Annual Report and Accounts incorporated by reference) and the Directors' Report on pages 22 to 26. Therefore, a separate management report has not been included.

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (UK adopted IFRS) and with the Companies Act 2006, as applicable to companies reporting under international accounting standards.

Under Company law the Directors must not approve the financial statements unless they are satisfied that, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In order to provide these confirmations and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK adopted IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business and the Directors confirm that they have done so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position

of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006, where applicable. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The financial statements are published on www.DevelopNorth.co.uk which is a website maintained by the Company's Investment Adviser. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Under applicable UK law and regulations, the Directors are also responsible for preparing a Strategic Report, a Directors' Report, Statement of Corporate Governance and Directors' Remuneration Report that complies with that law and those regulations.

Directors' confirmation statement

Each of the Directors, whose names and functions appear on pages 19 to 21, confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with UK adopted IFRS and with the Companies Act 2006, as applicable to companies reporting under international accounting standards, give a true and fair view of the assets, liabilities and financial position and total return or loss of the Company; and
- The Management Report, referred to herein, which comprises the Chairman's Statement, the Investment Adviser's Report, Strategic Report (including risk factors) and Note 17 of the Financial Statements includes a fair review of the development and performance of the business and position of the Company, together with the principal risks and uncertainties that it faces.

The Directors consider that the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position and performance, business model and strategy.

On Behalf of the Board

JOHN NEWLANDS, CHAIRMAN
12 MARCH 2026

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Develop North PLC

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Develop North plc. For the purposes of the table on pages 3 to 4 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The "Company" is defined as Develop North plc. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

OPINION

We have audited the financial statements of Develop North plc for the year ended 30 November 2025. The financial statements that we have audited comprise:

- the Income Statement
- the Statement of Financial Position
- the Statement of Changes in Equity
- Cash Flow Statement, and
- Notes 1 to 18 of the financial statements, including material accounting policies

The financial reporting framework that has been applied in the preparation of the Company's financial statements is applicable law and UK adopted International Financial Reporting Standards ("UK Adopted IFRS").

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2025 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with UK Adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Audit Committee.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Consideration of the inherent risks to the Company's operations and specifically its business model.
- Evaluation of how those risks may impact the Company's available financial resources.
- Review of the mathematical accuracy of the cash flow forecast model prepared by management and corroboration of key data inputs to supporting documentation, ensuring consistency with assumptions used and with our knowledge obtained during the audit.
- Challenging management on the reasonableness of assumptions in respect of the timing and values of cash receipts and payments included in the cash flow model.

- Holding discussions with management regarding future financing plans, corroborating these where necessary, and assessing the impact on the cash flow forecast.
- Performing sensitivity analysis and reverse stress testing on key inputs to the cash flow forecast, including the timing of capital repayments, quantum of interest revenue and dividends.
- Reviewing the viability assessment prepared by management and considering the impact on the going concern assessment.
- Obtaining a support letter from the Company's lender confirming the facility value and their intention to renew the facility upon its expiry on 27 August 2026.
- Reviewing management's cash flow forecast and assessing the accuracy of forecast inflows by comparison to actual receipts.
- Confirming that the triennial AGM vote has been deferred and is now scheduled to take place in 2028.

- Reviewing the completeness of disclosures included within the financial statements in connection with the Directors' assessment and conclusion surrounding going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Company's financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW OF OUR AUDIT APPROACH

Scope	Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.		
Materiality	2025	2024	
Company	£264k	£221k	1% of gross assets (2024: 1% of gross assets)
Key Audit Matters			
Recurring	<ul style="list-style-type: none"> • Classification and valuation of loan portfolio 		

KEY AUDIT MATTERS

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall

audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CLASSIFICATION AND VALUATION OF LOAN PORTFOLIO

Financial Statement Elements	FY25	FY24
Loans at amortised cost (gross £23.393m; allowance £1.207m) (Note 9) and investments held at fair value through profit or loss £2.808m (Note 8)	£26.201m total loan exposure	£22.045m total loan exposure

<p>Key audit matter description</p>	<p>The Company's principal assets comprise loans to property developers, including loans measured at amortised cost and investments measured at fair value through profit or loss.</p> <p>Together, these balances represent the most significant assets within the Statement of Financial Position and are fundamental to the Company's financial performance and net asset value.</p> <p>We identified the classification and valuation of the loan portfolio as one of the most significant assessed risks of material misstatement in the current year audit.</p> <p>Classification</p> <p>Judgement is required in determining:</p> <ul style="list-style-type: none"> • Whether contractual cash flows meet the “solely payments of principal and interest” (SPPI) criteria under IFRS 9; • Whether contractual features, including profit share and equity participation arrangements, require classification at fair value through profit or loss; and • Whether loans are appropriately classified between current (£12.289m) and non-current (£13.912m) based on contractual maturity and expected repayment profile (Note 9). <p>Incorrect classification could materially affect both measurement basis and presentation.</p> <p>Valuation</p> <p>Valuation involves significant estimation uncertainty.</p> <p>For loans measured at amortised cost, management applies the IFRS 9 expected credit loss (ECL) framework. As disclosed in Note 9, the allowance of £1.207m comprises:</p> <ul style="list-style-type: none"> • Stage 1: £82k • Stage 2: £Nil • Stage 3: £1.125m <p>Judgement is required in assessing staging, probability of default, loss given default, timing of recoveries, and the recoverable value of underlying property collateral. Estimation uncertainty has increased in the current year given continued volatility in the UK property and development market.</p> <p>For investments measured at fair value through profit or loss (Note 8), management determines fair value using discounted cash flow models incorporating forecast development cash flows and project-specific discount rates. These inputs are inherently subjective and sensitive to changes in timing and valuation assumptions.</p>
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	Given the scale of the portfolio relative to net assets (£19.352m), the degree of management judgement involved, and the sensitivity of both impairment and fair value measurements to key assumptions, this area required significant auditor attention.
How the scope of our audit responded to the key audit matter	<p>Our audit procedures included, but were not limited to:</p> <p>Classification</p> <ul style="list-style-type: none"> • Reviewing loan agreements to assess SPPI compliance and profit share features. • Evaluating consistency of measurement basis with the Company's business model. • Assessing the appropriateness of current and non-current classification based on contractual terms and expected repayment profiles, including challenging management's expectations regarding loans where the maturity date had already passed, was expected to be exceeded, or where negotiations for extensions were already underway at the year-end. <p>Valuation – Loans at Amortised Cost</p> <ul style="list-style-type: none"> • Reviewing management's staging assessment under IFRS 9. • Corroborating loan-to-value calculations to independent RICS property valuations. • Challenging key ECL assumptions including probability of default, loss given default, forward looking scenarios and expected recovery timing. • Assessing the reasonableness of management overlays applied. • Performing sensitivity analysis over key assumptions. <p>Valuation – Investments at Fair Value Through Profit or Loss</p> <ul style="list-style-type: none"> • Evaluating discounted cash flow models prepared by management. • Assessing the reasonableness of forecast cash flows and applied discount rates. • Performing sensitivity analysis on key valuation inputs. <p>Valuation disclosures</p> <ul style="list-style-type: none"> • Reviewing and considering the completeness, accuracy and reasonableness of the disclosures included within the financial statements surrounding estimation uncertainty and sensitivities.
Key Observations	Based on the procedures performed, we concluded that the classification and valuation of the loan portfolio were reasonable and recognised in accordance with IFRS 9, and that related disclosures in Notes 8, 9 and 16 appropriately describe the estimation uncertainty and judgement involved.

OUR APPLICATION OF MATERIALITY

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements

below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Overall Materiality	£264,000 (2024: £221,000)
Basis of determining overall materiality	We determined materiality based on 1% (2024: 1%) of the Company's gross assets. As the Company's principal activity is lending, the loan portfolio comprises the most significant element of gross assets and is therefore of primary interest to users of the financial statements.
Performance materiality	£184,800 (2024: £154,700)
Basis of determining overall performance materiality	We set performance materiality based on 70% (2024: 70%) of overall materiality. Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.
Error reporting threshold	We agreed to report any corrected or uncorrected adjustments exceeding £13,200 (2024: £11,100) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

THE CONTROL ENVIRONMENT

We evaluated the design and implementation of those internal controls of the Company which are relevant to our audit, such as those relating to the financial reporting cycle.

CLIMATE-RELATED RISKS

In planning our audit and gaining an understanding of the Company, we considered the potential impact of climate-related risks on the business and its financial statements. We have held discussions with management in relation to their climate-related risk assessment to understand their process for identifying and assessing those risks.

We have agreed with management's assessment that climate-related risks are not material to these financial statements.

REPORTING ON OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the

financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

STRATEGIC REPORT AND DIRECTORS' REPORT

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

DIRECTORS' REMUNERATION REPORT

Those aspects of the directors' remuneration report which are required to be audited have been prepared in accordance with applicable legal requirements.

CORPORATE GOVERNANCE STATEMENT

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate as seen on page 16;
- Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meets its liabilities as seen on page 17;
- Directors' statement on fair, balanced and understandable as seen on page 37;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks as seen on page 16;

- Section of the annual report that describes the review of effectiveness of risk management and internal control systems as seen on pages 32 and 33; and
- Section describing the work of the audit committee as seen on page 31.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received by branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

IDENTIFYING AND ASSESSING POTENTIAL RISKS ARISING FROM IRREGULARITIES, INCLUDING FRAUD

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector; the control environment, business performance including remuneration policies and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Company.
- We enquired of the directors and management concerning the Company's policies and procedures relating to:
 - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious

transactions or evidence to hide losses or to improve financial performance, and management bias in accounting estimates particularly in determining expected credit losses and valuation of loans.

AUDIT RESPONSE TO RISKS IDENTIFIED

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Company's board meetings.
- audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
 - discussion within the audit engagement team as to how and where fraud might occur.
 - reviewing legal fees incurred during the year in order to assess for potential unrecorded contingent liabilities.
 - we performed a review of all journal entries posted during the year to identify any unusual or potentially inappropriate items and sampled such entries to understand the legitimacy and purpose of the journal entries.
 - enquiry of management around actual and potential litigation and claims.
 - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the determination of the expected credit losses as reported in the key audit matter section of our report.
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

OTHER REQUIREMENTS

We were appointed by the Directors on 16 September 2021. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is five years, initially under the legal entity Macintyre Hudson LLP and subsequently under MHA Audit Services LLP.

We did not provide non-audit services prohibited by the FRC's Ethical Standard to the Company and we remain independent of the Company in conducting our audit.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rules 4.1.15R to 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

ANDREW MOYSER FCA FCCA
(SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF MHA
STATUTORY AUDITOR
LONDON
UNITED KINGDOM

12 MARCH 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

INCOME STATEMENT

	Notes	Year ending 30 November 2025			Year ending 30 November 2024		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
REVENUE							
Investment interest	2	2,222	–	2,222	1,938	–	1,938
Plot fee income		158	–	158	–	–	–
Total revenue		2,380	–	2,380	1,938	–	1,938
Losses on investments held at fair value through profit or loss	8	–	(187)	(187)	–	(143)	(143)
Amortisation of exit fees	8, 9	–	15	15	–	126	126
Total net income		2,380	(172)	2,208	1,938	(17)	1,921
EXPENDITURE							
Investment adviser fee	3	(60)	–	(60)	(61)	–	(61)
Impairments on investments held at amortised cost	9	–	(445)	(445)	(47)	(75)	(122)
Other expenses	4	(590)	(331)	(921)	(484)	–	(484)
Total expenditure		(650)	(776)	(1,426)	(592)	(75)	(667)
Profit/(loss) before finance costs and taxation		1,730	(948)	782	1,346	(92)	1,254
FINANCE COSTS							
Interest payable		(367)	–	(367)	(84)	–	(84)
Profit/(loss) before taxation		1,363	(948)	415	1,262	(92)	1,170
TAXATION							
	5	–	–	–	–	–	–
Profit/(loss) for the year		1,363	(948)	415	1,262	(92)	1,170
Basic and diluted earnings per share	7	5.46p	(3.80)p	1.66p	5.00p	(0.36)p	4.64p

The notes on pages 50 to 66 form an integral part of the financial statements.

The total column of this statement represents the Company's Income Statement, prepared in accordance with UK adopted IFRS. 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.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 November 2025 £'000	As at 30 November 2024 £'000
NON-CURRENT ASSETS			
Investments held at fair value through profit or loss	8	2,327	–
Loans at amortised cost	9	11,585	1,000
		13,912	1,000
CURRENT ASSETS			
Investments held at fair value through profit or loss	8	481	2,899
Loans at amortised cost	9	11,808	18,146
Other receivables and prepayments	10	4	17
Cash and cash equivalents		226	115
		12,519	21,177
TOTAL ASSETS		26,431	22,177
CURRENT LIABILITIES			
Loan facility	11	(6,779)	(2,100)
Other payables and accrued expenses	12	(300)	(141)
TOTAL LIABILITIES		(7,079)	(2,241)
NET ASSETS		19,352	19,936
SHARE CAPITAL AND RESERVES			
Share capital	13	269	269
Share premium		9,094	9,094
Special distributable reserve		10,973	10,973
Capital reserve		(2,110)	(1,162)
Revenue reserve		1,126	762
EQUITY SHAREHOLDERS' FUNDS		19,352	19,936
Net asset value per ordinary share		77.48p	79.81p

The notes on pages 50 to 66 form an integral part of the financial statements.

The financial statements on pages 46 to 66 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 12 March 2026.

They were signed on its behalf by:

JOHN NEWLANDS
CHAIRMAN

STATEMENT OF CHANGES IN EQUITY

For the year ending 30 November 2025	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	10,973	(1,162)	762	19,936
Total comprehensive income for the year:						
(Loss)/profit for the year	–	–	–	(948)	1,363	415
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY:						
Dividends paid (Note 6)	–	–	–	–	(999)	(999)
At 30 November 2025	269	9,094	10,973	(2,110)	1,126	19,352
For the year ending 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 6)	–	–	(386)	–	(633)	(1,019)
Repurchase of shares into treasury (Note 13)	–	–	(908)	(11)	–	(919)
At 30 November 2024	269	9,094	10,973	(1,162)	762	19,936

CASH FLOW STATEMENT

	Notes	As at 30 November 2025 £'000	As at 30 November 2024 £'000
OPERATING ACTIVITIES			
Profit before taxation		415	1,170
Losses on investments held at fair value through profit and loss		187	143
Impairments on loans at amortised cost		445	75
Amortisation of exit fees		(47)	(126)
Interest expense		367	84
Changes in working capital			
Increase in loan interest receivable on investments held at fair value through profit and loss	8	(121)	(84)
Increase in loan interest receivable on loans at amortised cost	9	(476)	(152)
Decrease/(increase) in other receivables	10	13	(4)
Increase/(decrease) in other payables	12	159	(50)
NET CASH INFLOW FROM OPERATING ACTIVITIES AFTER TAXATION		942	1,056
INVESTING ACTIVITIES			
Loans given	9	(9,557)	(9,151)
Loans repaid	8,9	5,413	6,978
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(4,144)	(2,173)
FINANCING			
Equity dividends paid	6	(999)	(1,019)
Repurchase of shares into Treasury	13	–	(919)
Bank loan drawn down	14	4,679	6,125
Repayment of bank loan	14	–	(4,025)
Interest paid		(367)	(84)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		3,313	78
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the start of the year		111	(1,039)
		115	1,154
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		226	115

NOTES TO THE FINANCIAL STATEMENTS



1. ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES (A) BASIS OF PREPARATION

The financial statements of Develop North PLC have been prepared in accordance with UK adopted IFRS and with the Companies Act 2006, as applicable to companies reporting under international accounting standards. The financial statements were also prepared in accordance with the Statement of Recommended Practice, Financial Statements of Investment Trust Companies and Venture Capital Trusts (SORP) issued by the AIC (as issued in July 2022), where this guidance is consistent with UK adopted IFRS.

The financial statements have been prepared on a going concern basis under the historical cost convention, except for certain financial investments valuations which are measured at fair value.

The notes and financial statements are presented in pounds sterling (being the functional currency and presentational currency for the Company) and are rounded to the nearest thousand except where otherwise indicated.

The Company reviews forthcoming changes to UK adopted IFRS and does not anticipate material changes as a result of these.

NEW STANDARDS OR AMENDMENTS FOR 2025 FOR FORTHCOMING REQUIREMENTS

The following amendments are effective for annual reporting periods beginning on or after 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21)

The following amendments are effective for annual reporting periods beginning on or after 1 January 2026:

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

IFRS 18 Presentation and Disclosure in Financial Statements is effective for annual reporting periods beginning on or after 1 January 2027.

The Directors do not expect the above new standards and interpretations to have a significant impact on the financial statements.

GOING CONCERN

The Financial Statements have been prepared on a going concern basis. The disclosures on going concern on page 25 of the Directors' Report form part of these financial statements.

INTEREST INCOME

For financial instruments measured at amortised cost, the effective interest rate method is used to measure

the carrying value of a financial asset or liability and to allocate associated interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. In calculating the effective interest rate, the cash flows are estimated considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all fees received and paid and costs borne that are an integral part of the effective interest rate.

On an ongoing basis the Investment Adviser assesses whether there is evidence that a financial asset is impaired. The basis of calculating interest income on the three stages of impairment (detailed below) are as follows:

Stage 1 Interest is calculated on the gross outstanding principal

Stage 2 Interest is calculated on the gross outstanding principal

Stage 3 Interest income is calculated based on the net carrying amount, which is the gross carrying amount of the financial asset less the calculated impairment

EXPENSES

Expenses are accounted for on an accruals basis. The Company's administration fees, finance costs and all other expenses are charged through the Income Statement and are charged to revenue. Fees incurred in relation to operational costs of the loan portfolio, such as legal fees, are charged through the Income Statement and are charged to capital.

DIVIDENDS TO SHAREHOLDERS

Interim dividends declared during the year are recognised when they are paid. Any final dividends declared are recognised when they are approved by the shareholders at the Annual General Meeting.

TAXATION

Taxation on the profit or loss for the period comprises current and deferred tax. Taxation is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws enacted or substantively enacted at the reporting date.

Deferred income taxes are calculated using rates and laws that are enacted or substantivity are expected to apply as or when the associated temporary differences reverse. Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred income is recognised in profit or loss unless it relates to a transaction recorded in other comprehensive income or equity, in which case it is also recognised in other comprehensive income or directly in equity respectively.

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The financial assets and financial liabilities are classified at inception into the following categories:

Amortised cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI ('solely payment of principal and interest') and that are not designated at fair value through profit and loss are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance as described in the impairment note below.

The Company's cash and cash equivalents, other receivables, other payables and accruals, and the Company's loan facility are included within this category.

Fair value through profit and loss:

The Company has a number of borrower facilities in which it received a minority equity stake or exit fee mechanism in conjunction with providing those loan facilities. These loans are recognised at fair value through profit and loss. The fair value of the contracts is monitored and reviewed quarterly using discounted cash flow forecasts based on the estimated cash flows that will flow through from the underlying development project. A sensitivity analysis is included in Note 16.

Any values attributed to the equity stakes of these borrowers are incorporated into the overall loan valuation.

Exit fees:

Some of the financial assets measured at amortised costs have an exit fee. There are two types of exit fees; those recognised at the end of the term of the financial asset once it has been repaid, and those recognised during the term of the financial instrument where here they are linked to specific events such as plot sales.

IMPAIRMENT

At initial recognition, an impairment allowance is required for ECL resulting from possible default events within the next 12 months. When an event occurs that increases the credit risk, an allowance is required for ECL for possible defaults over the term of the financial instrument.

The key inputs into the measurement of ECL are probability of default (PD), loss given default (LGD), and exposure at default (EAD). These inputs are then considered and applied against residential and commercial facilities in the loan book. ECL are calculated by multiplying the PD by LGD and EAD.

PD has been determined by considering the local market where the underlying assets are situated, economic indicators including inflationary pressures on build costs, government policy, and market sentiment. For residential loans this has been further broken down

into two scenarios; where only sales risk is still present, and where both construction risk and sales risk still exist. LGD is the magnitude of the likely loss if there is a default. The LGD models consider the structure, collateral, seniority of the claim, and recovery costs of any collateral that is integral to the financial asset. LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for lending collateralised by property, to reflect possible changes in property prices. EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the borrower. The EAD of a financial asset is its gross carrying amount at the time of default. EAD for residential facilities has been further broken down into two scenarios; where the build is complete, and where construction is ongoing.

A financial asset is credit-impaired when one or more events that have occurred have a significant impact on the expected future cash flows of the financial asset. It includes observable data that has come to our attention regarding one or more of the following events:

- delinquency in contractual payments of principal and interest;
- cash flow difficulties experienced by the borrower;
- initiation of bankruptcy proceedings;
- the borrower being granted a concession that would otherwise not be considered;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio; and
- a significant decrease in assets values held as security.

Impairment of financial assets is recognised on a loan-by-loan basis in stages:

- **Stage 1:** A general impairment covering what may happen within the next 12 months, based on the adoption of BIS standards as outlined below.

- **Stage 2:** Significant increase in credit risk, where the borrower is in default, potentially in arrears, where full repayment is expected and the underlying asset value remains robust. The ECL calculation recognises the lifetime of the loan.
- **Stage 3:** Credit impaired, where the borrower is in default of their loan contract, in arrears, full loan repayment is uncertain and there is a shortfall in underlying asset value. The ECL calculation recognises likely failure of the borrower.

As at 30 November 2025, there were sixteen loans (November 2024: sixteen) in the portfolio. Two of those projects supported included either an equity stake of at least 25% for the Company. Please see Note 8 for details on these two projects.

The Board has deemed that five projects (November 2024: seven); are currently impaired and specific additional provisions have been made against these facilities in these financial statements.

The other eleven loans have been assessed as not impaired.

The Company's response to IFRS 9 requirements has been based on the Bank for International Settlements (BIS) Basel Supervisory Committee liquidity risk tool recommendations.

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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and short-term deposits in banks with an original maturity of three months or less from inception.

OTHER RECEIVABLES

Other receivables do not carry interest and are short-term in nature. There were no irrecoverable amounts accounted for at the year end or the prior period end.

RESERVES SHARE PREMIUM

The surplus of net proceeds received from the issuance of new shares over their par value is credited to this account and the related issue costs are deducted from this account.

CAPITAL RESERVE

The following are accounted for in the capital reserve:

- Capital charges and costs relating to the issuance of the new Prospectus;
- Increases and decreases in the fair value of and impairments of loan capital held at the year end

As at year end the Capital Reserve comprises both realised and unrealised gains and losses and so does not contain distributable reserves.

REVENUE RESERVE

The net profit/(loss) arising in the revenue column of the Income Statement is added to or deducted from this reserve which is available for paying dividends.

SPECIAL DISTRIBUTABLE RESERVE

Cancellation of the initial launch share premium account created a reserve that is available for paying dividends and the repurchase of shares. The Special Distributable reserve is used to prevent the revenue reserve going into a negative position when paying distributions.

REPURCHASE OF SHARES TO HOLD IN TREASURY

The cost of repurchasing ordinary shares to hold in Treasury is charged to the Special Distributable reserve and the related stamp duty and transaction cost is charged to the 'Capital reserve' and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis.

SEGMENTAL REPORTING

The Chief Operating Decision Maker is the Board of Directors. The Directors are of the opinion that the Company is engaged in a single segment of business, being the investment of the Company's capital in financial assets comprising loans. All loan income is derived from the UK. The Company derived revenue totalling £948,000 (November 2024: £789,000) where the amounts from three (November 2024: two) individual borrowers each exceeded 10% or more of the Company's revenue. The individual amounts were £353,000, £344,000 and £251,000 (November 2024: £429,000 and £360,000).

USE OF SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as

at the reporting date and the amounts reported for revenue and expenses during the year. The nature of the estimation means that actual outcomes could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key driver to determine whether loans are classified as fair value through profit or loss or amortised cost is if the facility has an exit fee or equity stake attached. Where these are present the loan is classified as fair value through profit or loss.

The following are areas of particular significance to the Company's financial statements and include the use of estimates or the application of judgement:

CRITICAL JUDGEMENTS AND ESTIMATES IN APPLYING THE COMPANY'S ACCOUNTING POLICIES – INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS:

The Company owns profit share holdings in relation to two of the borrowers in place as at the year end. The investments held have been designated at fair value through profit and loss. The determination of the fair value requires the use of estimates. A sensitivity analysis is included in Note 16. The key uncertainties are around the timings and amounts of both drawdown and repayments as these are determined by construction progress and the timing of sales.

As at 30 November 2025 the Company holds two investments that are classified and measured at fair value through profit or loss. In determining the fair value of these loans, a key source of estimation uncertainty is the expected sales price of the underlying exposure.

The estimated sales price is based on management's assessment at the reporting date, taking into account available market information and, where appropriate, external evidence such as independent risk valuations and third-party pricing information. The valuation therefore involves judgement and estimation, particularly where observable market inputs are limited.

A sensitivity analysis demonstrating the impact of investments in key assumptions on the fair value of the loans measured at fair value through profit or loss is set out in Note 8.

CRITICAL JUDGEMENTS AND ESTIMATES IN APPLYING THE COMPANY'S ACCOUNTING POLICIES – LOANS AMORTISED COST CLASSIFICATION AND IMPAIRMENTS:

The Company uses critical judgements to determine whether it accounts for its loans at either amortised cost using the effective interest rate method less impairment provisions or at fair value through profit and loss. The determination of the required impairment adjustment requires the use of estimates. The key uncertainties are around the timings and amounts of both drawdown and repayments as these are determined by construction progress and the timing of sales. See Note 9 on pages 58 and 59 for further details.

CLASSIFICATION OF FVPL AND AMORTISED COST LOANS AS CURRENT OR NON-CURRENT

The classification of loans as current or non-current is based on the directors' assessment of the expected timing of realisation or settlement of each loan.

Loans classified as current are those which the directors expect to complete or be settled within twelve months of the reporting date. This assessment is based on the contractual terms of the loan agreements, including stated maturity dates, together with information known and available at the reporting date regarding the borrower's position and expected exit or repayment profile.

Loans are classified as non-current where the directors do not expect settlement within twelve months of the reporting date or have a maturity date which is more than 12 months from 30 November 2025.

Each loan agreement includes a contractual maturity date. Where a loan agreement has expired at the reporting date, the directors carefully assess the specific

circumstances of the loan, including ongoing negotiations, repayment history and expected recovery strategy, in order to determine whether classification as current or non-current remains appropriate.

2. REVENUE

	30 November 2025 £'000	30 November 2024 £'000
Interest from loans	2,213	1,938
Other income	9	–
Total income	2,222	1,938

3. INVESTMENT ADVISER'S FEES

During the reporting period, in its role as the Investment Adviser, Tier One Capital Ltd was 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 annum of the prevailing NAV if less than £100m; or 0.50% per annum of the prevailing NAV if £100m or more. From 18 February 2026, the fee was set at a flat annual rate of 0.35% of NAV.

There is no balance accrued for the Investment Adviser for the period ended 30 November 2025 (year to 30 November 2024: £nil).

There are no performance fees payable.

	30 November 2025 £'000	30 November 2024 £'000
Investment Adviser fee	60	61

4. OPERATING EXPENSES

	30 November 2025		30 November 2024	
	Revenue	Capital	Revenue	Capital
	£'000	£'000	£'000	£'000
Legal and professional	3	–	3	–
Directors' fees	121	–	85	–
Audit fees related to the audit of the financial statements	84	–	72	–
Fund Administration and Company Secretarial	89	–	101	–
Brokers' fees	32	–	30	–
Marketing fees	153	–	10	–
AIFM fee	6	–	18	–
Other expenses*	102	331	165	–
Total other expenses	590	331	484	–

*Other expenses within capital arose from the costs associated with the issue of the Prospectus and Company's fundraise and these are considered exceptional for the year ending 30 November 2025. This also includes £48k of non-audit fees for the year, which relate to reporting accountant work provided as part of non-audit services.

All expenses are inclusive of VAT where applicable. Further details on Directors' fees can be found in the Directors' Remuneration Report on pages 33 to 35.

5. TAXATION

As an investment trust the Company is exempt from corporation tax on capital gains. The Company's revenue income from loans is subject to tax, but offset by any interest distribution paid, which has the effect of reducing the corporation tax. The interest distribution may be taxable in the hands of the Company's shareholders.

	30 November 2025	30 November 2024
	£'000	£'000
UK corporation tax at 25% (November 2024: 25%)	–	–
Deferred taxation	–	–
Tax on profit on ordinary activities	–	–
RECONCILIATION OF TAX CHARGE		
Profit on ordinary activities before taxation	415	1,170
Taxation at standard corporation tax rate 25% (November 2024: 25%)	104	293
EFFECTS OF:		
Expenses/(Income) not subject to tax	198	23
Interest distributions	(250)	(255)
Utilisation of losses not recognised for deferred tax purposes	(52)	(61)
Tax charge for the year	–	–

There is an unrecognised deferred tax asset not recognised on losses of £209,107 (November 2024: £265,833) calculated at the relevant deferred tax rate of 25%. There is no expiry date for the recognition of the unrecognised deferred tax asset.

6. ORDINARY DIVIDENDS

	30 November 2025		30 November 2024	
	Pence per share	£'000	Pence per share	£'000
Dividends paid in the year relating to previous year:				
Interim dividend for the quarter ended August, paid in December	1.00	250	1.00	262
Interim dividend for the quarter ended November, paid in April	1.00	250	1.00	257
Dividends paid during and relating to the year:				
Interim dividend for the quarter ended February, paid in June	1.00	250	1.00	250
Interim dividend for the quarter ended May, paid in October	1.00	249	1.00	250
Total dividends paid in the year		999		1,019

Of the dividends paid in the year, £nil (November 2024: £386,000) has been paid from the Special distributable reserve. This is to ensure the Revenue reserve does not go into a negative position.

The Company intends to distribute at least 85% of its distributable income earned in each financial year in the form of dividends. A third interim dividend of 1.0 pence per share was declared on 8 December 2025, payable on 12 January 2026. On 26 February 2026, the Company declared a fourth interim dividend of 1.0 pence per share for the quarter ended 30 November 2025, payable on 10 April 2026.

7. 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 (2024: 25,246,760), being the weighted average number of ordinary shares in issue (excluding shares held in Treasury of 1,945,862 (2024: 1,945,862) throughout the year. During the year there were no dilutive instruments held, therefore the basic and diluted earnings per share are the same.



8. 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%.

	30 November 2025	30 November 2024
	£'000	£'000
Opening balance	2,899	3,024
Principal repayments	(25)	(66)
Movements in interest receivable	121	84
Unrealised (losses)/gains on investments held at fair value through profit or loss	(187)	(143)
Total investments held at fair value through profit and loss	2,808	2,899
Split:		
Non-current assets: Investments held at fair value through profit and loss due for repayment after one year	2,327	–
Current assets: Investments held at fair value through profit and loss due for repayment under one year	481	2,899

Please refer to Note 16 for details of the approach to valuation and sensitivity analysis.

The investments held at fair value through profit or loss comprise loans with associated profit share arrangements. As described in Note 1 (Critical judgements and estimates in applying the Company's accounting policies investments at fair value through profit or loss), the fair value of these instruments is determined using discounted cash flow models.

A key unobservable input within these models is the estimated sales price of the underlying development assets. The sales price assumption has a direct impact on forecast cash flows and therefore on the resulting fair value of the investments. Management considers this to be a significant judgement in the valuation process.

In order to assess valuation uncertainty, the Company has performed sensitivity analysis on the sales price assumption for both investments measured at fair value through profit or loss.

The analysis assumes:

- A 10% decrease in forecast sales prices; and
- A 10% increase in forecast sales prices,

with all other variables, including timing of cash flows and discount rates, held constant.

Scenario	Fair value (£m)	Movement (£m)
Reported fair value at 30 November 2025	2.81	–
10% decrease in sales prices	2.55	(0.26)
10% increase in sales prices	3.08	0.27

A 10% reduction in forecast sales prices would decrease the fair value of the portfolio by approximately £0.26 million. Conversely, a 10% increase in forecast sales prices would increase the fair value by approximately £0.27 million.

The relationship between sales prices and fair value is broadly linear in nature for the range of scenarios tested. The sensitivity analysis does not reflect the interdependence of assumptions, and actual outcomes may differ. In practice, changes in sales prices may also be accompanied by changes in build costs, absorption rates, or discount rates, which could either mitigate or amplify the impact on fair value.

9. LOANS AT AMORTISED COST

	30 November 2025	30 November 2024
	£'000	£'000
Opening balance	19,146	16,704
Loans deployed	9,557	9,151
Principal repayments	(5,388)	(6,912)
Movements in interest receivable	476	152
Movement in impairments	(445)	(75)
Amortisation of exit fees	47	126
Total loans at amortised cost	23,393	19,146
Split:		
Non-current assets: Loans at amortised cost due for repayment after one year	11,585	1,000
Current assets: Loans at amortised cost due for repayment under one year	11,808	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 £445,000 (November 2024: £75,000).

Further details on impairment can be found within the accounting policies note on pages 52 and 53.

Movements in allowances for impairment losses in the year	Nominal value £'000
at 1 December 2024	762
Provisions for impairment losses	445
at 30 November 2025	1,207
Stage 1 provisions at 1 December 2024	49
Provisions for impairment losses	33
Stage 1 provisions at 30 November 2025	82
Stage 2 provisions at 1 December 2024	15
Provisions for impairment losses	(15)
Stage 2 provisions at 30 November 2025	–
Stage 3 provisions at 1 December 2024	699
Increase in ECL	411
Movement from stage 2	15
Stage 3 provisions at 30 November 2025	1,125

Stage 1, 2, and 3 are referenced in more detail on page 53.

10. RECEIVABLES

	30 November 2025	30 November 2024
	£'000	£'000
Prepayments	4	17
Total receivables	4	17

11. LOAN FACILITY

	30 November 2025	30 November 2024
	£'000	£'000
Bank loan	6,779	2,100

The Company increased its loan facility with Shawbrook Bank Limited to £7m, expiring in August 2026. £6.78m was drawn down at the year end.

The facility is secured against a debenture over the assets of the Company.

12. OTHER PAYABLES

	30 November 2025	30 November 2024
	£'000	£'000
Other payables and accruals	300	141
Total other payables	300	141

13. SHARE CAPITAL

	2025	2024
	£'000	£'000
Allotted, issued and fully paid:		
24,978,201 (November 2024: 24,978,201) ordinary shares of 1p each*	250	250
1,945,862 (November 2024: 1,945,862) ordinary shares of 1p held in Treasury	19	19
26,924,063 (November 2024: 26,924,063) total ordinary shares of 1p each	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).

No shares were issued by the Company during the year (November 2024: nil).

No shares were bought back by the Company during the year (November 2024: 1,256,024 at a cost of £919,000).

There were no shares bought back between 1 December 2025 and 10 March 2026.

14. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At 30 November 2024 £'000	Cash flows £'000	Non-cash flows £'000	At 30 November 2025 £'000
Short term borrowings	2,100	4,679	–	6,779
Total liabilities from financing activities	2,100	4,679	–	6,779

	At 30 November 2023 £'000	Cash flows £'000	Non-cash flows £'000	At 30 November 2024 £'000
Short term borrowings	–	2,100	–	2,100
Total liabilities from financing activities	–	2,100	–	2,100

15. 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 £120,730 fees for their services during the year to 30 November 2025 (30 November 2024: £85,000). £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 £59,954 investment adviser's fee during the year (30 November 2024: £60,613) and £nil was payable at the year end (30 November 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 30 November 2025 was £1.71m (30 November 2024: £1.97m). Transactions in relation to loans made during the year amounted to £nil (30

November 2024: £nil). Interest due to be received as at 30 November 2025 was £621,000 (30 November 2024: £513,000). Interest received during the year amounted to £nil (30 November 2024: £20,000).

- **Oswald Street**

Develop North PLC owns 25.1% of the Riverfront Property Limited Partnership. The loan amount outstanding as at 30 November 2025 was £448,000 (30 November 2024: £448,000). Transactions in relation to loans made during the year amounted to £nil (30 November 2024: £nil). Interest due to be received as at 30 November 2025 was £21,000 (30 November 2024: £8,000). Interest received during the year amounted to £49,000 (30 November 2024: £49,000).

16. FINANCIAL INSTRUMENTS

Consistent with its objective, the Company holds a diversified portfolio of fixed rate loans secured with collateral in the form of; land or property in the UK, charges held over bank accounts and personal or corporate guarantees. The benefit of a related profit share or exit fee mechanism may also be agreed. In addition, the Company's financial instruments comprise cash and receivables and payables that arise directly from its operations. The Company does not have exposure to any derivative instruments.

The Company is exposed to various types of risk that are associated with financial instruments. The most important types are credit risk, liquidity risk, interest rate risk and market price risk. There is no foreign currency risk as all assets and liabilities of the Company are maintained in pounds sterling.

The Board reviews and agrees policies for managing the Company's risk exposure. These policies are summarised below:

CREDIT RISK

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company.

In the event of default by a borrower if it is in financial difficulty or otherwise unable to meet its obligations under the agreement, the Company will suffer an interest shortfall and potentially a loss of capital. This potentially will have a material adverse impact on the financial condition and performance of the Company and/or the level of dividend cover. Management determines concentrations of risk by assessing the characteristics of each borrower and including these in the underwriting process. The most applicable of these are the geographical location of the projects and the economic sector the borrowers operate in. The Board receives regular reports on concentrations of risk and

the performance of the projects underlying the loans, using loan to value percentages to help monitor the level of risk. The Investment Adviser monitors such reports in order to anticipate, and minimise the impact of, default.

There were financial assets which were considered impaired at 30 November 2025, with impairments amounting to £1,207,000 (30 November 2024: £762,000). Our maximum exposure to credit risk as at 30 November 2025 was £26,431,000 (30 November 2024: £22,177,000).

All of the Company's cash is placed with financial institutions with a long-term credit rating of A or better. Bankruptcy or insolvency of such financial institutions may cause the Company's ability to access cash placed on deposit to be delayed or limited. Should the credit quality or the financial position of the banks currently employed significantly deteriorate, cash holdings would be moved to another bank.

The carrying amount for investments held at fair value through profit or loss best represents the maximum exposure to credit risk. The Company holds assets as collateral against loans issued. The loan portfolio with carrying value of £26.2m has been pledged as security.

Further details on the exposure to, and management of, credit risk by the Company is included in both the Investment Advisor's report and the Strategic Report on pages 6 to 18.

Loans held at amortised cost as at 30 November 2025

	Total £'000
Stage 1	16,053
Stage 2	7,065
Stage 3	275
	23,393

Loans held at amortised cost as at 30 November 2024

	Total £'000
Stage 1	9,821
Stage 2	9,050
Stage 3	275
	19,146

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulties in realising assets or otherwise raising funds to meet financial commitments. The Company's investments comprise loans.

Property and property-related assets in which the Company invests via loans are not traded in an organised public market and are relatively illiquid assets, requiring individual attention to sell in an orderly way. As a result, the Company may not be able to liquidate quickly its investments in these loans at an amount

close to their fair value in order to meet its liquidity requirements.

The Company's liquidity risk is managed on an ongoing basis by the Investment Adviser and monitored on a quarterly basis by the Board. In order to mitigate liquidity risk the Company has a comprehensive three-year cash flow forecast that aims to have sufficient cash balances, taking into account projected drawdowns on the live facilities to meet its obligations for a period of at least 12 months. At the reporting date, the maturity of the financial assets and liabilities was:

Financial assets as at 30 November 2025

	In one year £'000	In two or more years £'000	Total £'000
Cash and cash equivalents	226	–	226
Loans at amortised cost	11,808	11,585	23,393
Investments held at fair value	481	2,327	2,808
Total	12,515	13,912	26,427

Financial assets as at 30 November 2024

	In one year £'000	In two or more years £'000	Total £'000
Cash and cash equivalents	115	–	115
Loans at amortised cost	18,146	1,000	19,146
Investments held at fair value	2,899	–	2,899
Total	21,160	5,117	22,160

Financial liabilities as at 30 November 2025

	In one year £'000	In two or more years £'000	Total £'000
Bank loan	6,779	–	6,779
Total	6,779	–	6,779

Financial liabilities as at 30 November 2024

	In one year £'000	In two or more years £'000	Total £'000
Bank loan	2,100	–	2,100
Total	2,100	–	2,100

INTEREST RATE RISK

The interest rate profile of the Company was as follows:

as at 30 November 2025

	Financial net assets on which no interest is paid £'000	Fixed rate Financial Assets £'000	Variable rate financial net assets £'000	Total £'000
Other receivables and prepayments	4	–	–	4
Loan interest receivable	1,576	–	–	1,576
Other payables and accrued expenses	(300)	–	–	(300)
Cash and cash equivalents	226	–	–	226
Loan facility	–	–	(6,779)	(6,779)
Investments held at fair value through profit and loss	–	2,166	–	2,166
Loans at amortised cost	–	22,459	–	22,459
Total	1,506	24,625	(6,779)	19,352

as at 30 November 2024

	Financial net assets on which no interest is paid £'000	Fixed rate Financial Assets £'000	Variable rate financial net assets £'000	Total £'000
Other receivables and prepayments	17	–	–	17
Loan Interest receivable	979	–	–	979
Other payables and accrued expenses	(141)	–	–	(141)
Cash and cash equivalents	115	–	–	115
Loan facility	–	–	(2,100)	(2,100)
Investments held at fair value through profit and loss	–	2,378	–	2,378
Loans at amortised cost	–	18,688	–	18,688
Total	970	21,066	(2,100)	19,936

Shawbrook provide a working capital facility which is capped at 35% of the NAV of the Company.

Sensitising the equity discount rate has immaterial impact on the loans held at fair value.

MARKET PRICE RISK AND VALUATION TECHNIQUES

The management of market price risk is part of the investment management process and is typical of an investment company. The portfolio is managed with an awareness of the effects of adverse valuation movements through detailed and continuing analysis, with an objective of maximising overall returns to

shareholders. Investments in property and property-related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date. Such risk is minimised through the appointment of external property valuers. The basis of valuation of the loan portfolio is set out in detail in the accounting policies. The inputs into the DCF models are the forecast monthly cashflows including sales values and build costs, the discount rate which is the imputed interest rate at the time the facility was entered into

adjusted for any movements in the risk free rate as at current year end, and a 30% (November 2024: 30%) discount rate for the equity element to reflect the higher level of uncertainty. Any changes in market conditions will directly affect the profit and loss reported through the Income Statement. Details of the Company's investment portfolio held at the balance sheet date are disclosed in the Investment Adviser's Report on page 11. A 10% fall in the sales value of the residential development projects and a 10% reduction in asset value of commercial and investment property assets for those loans held at fair value would have resulted in a further impairment to the portfolio of £439,000 as at 30 November 2025 (30 November 2024: £439,000). The calculations are based on the property valuations at the respective balance sheet date and are not representative of the year as a whole, nor reflective of future market conditions.

VALUATION OF FINANCIAL INSTRUMENTS

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.

30 November 2025

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit and loss	–	–	2,808	2,808
Total	–	–	2,808	2,808

30 November 2024

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value through profit and loss	–	–	2,899	2,899
Total	–	–	2,899	2,899

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	30 November 2025	30 November 2024
	£'000	£'000
Opening Balance	2,899	3,024
Loans deployed	–	–
Principal repayments	(25)	(67)
Movements in interest receivable	121	85
Unrealised losses on investments held at fair value through profit or loss	(187)	(143)
Amortisation of exit fees	–	–
Total	2,808	2,899

17. CAPITAL MANAGEMENT

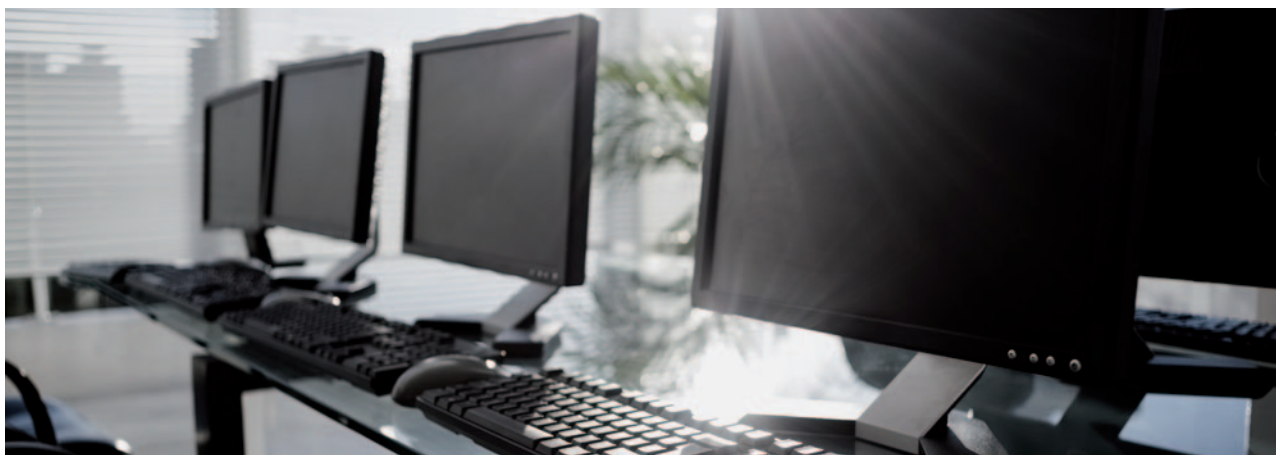
The Company's capital is represented by the Ordinary Shares, share premium, capital reserves, revenue reserve and special distributable reserve. The Company is not subject to any externally imposed capital requirements.

The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objective. Capital management activities may include the allotment of new shares, the buy back or re-issuance of shares from treasury, the management of the Company's discount to NAV and consideration of the Company's net gearing level.

18. POST BALANCE SHEET EVENTS

- Since the year end £200,000 has been drawdown and £500,000 repaid on the Shawbrook loan facility.

- On 8 December 2025, a third interim dividend of 1.0 pence per share was declared, paid on 12 January 2026.
- On 26 February 2026, a fourth interim dividend of 1.0 pence per share was declared, payable on 10 April 2026.
- Subsequent to the year end, the Company commenced a fundraise expected to complete in April 2026. The proceeds are intended to support the Company's revised investment strategy adopted on 18 February 2026. The revised policy introduces formal allocation ranges across asset classes and will apply fully once the Company's NAV reaches £100 million.
- The Company also adopted new Articles of Association in connection with these changes.
- Michelle Percy was appointed as CEO of the Company on 26 January 2026.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (“AGM”) of Develop North PLC (the “Company”) will be held at 12 noon on 30 April 2026 at Gowling WLG (UK) LLP, 4 More London Riverside, London, SE1 2AU for the purposes of considering and, if thought fit, passing the resolutions below. Resolutions 1 to 12 (inclusive) will be proposed as ordinary resolutions and resolutions 13 to 15 will be proposed as special resolutions.

ORDINARY BUSINESS

Ordinary Resolutions

1. To receive the Company’s annual report and accounts for the financial year ended 30 November 2025 (the “Annual Report and Accounts”), together with the Directors’ report and the auditors’ report on those accounts.
2. To approve the Directors’ Remuneration Report (excluding the Directors’ remuneration policy) for the year ended 30 November 2025.
3. To approve the Directors’ Remuneration Policy.
4. To elect Sameer Al Ansari as a Director of the Company.
5. To re-elect Ian McElroy as a Director of the Company.
6. To re-elect Matthew Harris as a Director of the Company.
7. To re-elect John Newlands as a Director of the Company.
8. To re-elect Douglas Noble as a Director of the Company.
9. To approve the dividend policy of the Company.
10. To re-appoint MHA as the Company’s Auditor to hold office until the conclusion of the next Annual General Meeting of the Company.
11. To authorise the Audit Committee to determine the Auditor’s remuneration.

SPECIAL BUSINESS

12. Authority to allot shares

THAT, in accordance with section 551 of the Companies Act 2006 (the “CA 2006”), the board of directors of the Company (or a duly constituted committee of the directors of the Company) (the “Directors”) be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £49,956 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 30 July 2027 or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require shares in the Company to be allotted or rights to subscribe for or to convert any security into shares in the Company to be granted and the Directors may allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Special Resolutions

13. Disapplication of pre-emption rights

THAT, subject to the passing of resolution 12 and in accordance with section 570 of the CA 2006, the Directors be authorised to allot equity securities (as defined in section 560 of the CA 2006) for cash under the authority conferred by resolution 12 and/or to sell ordinary shares of one pence each in the capital of the Company held by the Company as treasury shares as if section 561 of the CA 2006 did not apply to any such allotment or sale, provided that such authority shall be limited to the allotment

of equity securities or sale of treasury shares up to an aggregate nominal amount of £49,956. The authority granted by this resolution will, unless renewed, varied or revoked by the Company, expire at the conclusion of the Company's next annual general meeting after this resolution is passed or, if earlier, at the close of business on 30 July 2027, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired. This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities or sell treasury shares as if section 561 of the CA 2006 did not apply but without prejudice to any allotment of equity securities or sale of treasury shares already made or agreed to be made pursuant to such authorities.

14. That the Company be authorised generally and unconditionally, in accordance with Section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of £0.01 each ("Ordinary Shares") provided that:
- a. the maximum number of Ordinary Shares authorised to be purchased is 3,744,232;
 - b. the minimum price which may be paid for an Ordinary Share is £0.01; and
 - c. the maximum price which may be paid for an Ordinary Share must not be more than the higher of: (i) 5 per cent. above the average of the mid-market value of the Ordinary Shares for the five business days before the purchase is made; or (ii) the higher of the last independent trade and the highest current independent bid for Ordinary Shares.

The authority conferred by this resolution will expire on the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the passing of this resolution save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

15. That a general meeting of the Company, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

BY ORDER OF THE BOARD
APEX FUND ADMINISTRATION
SERVICES (UK) LIMITED
COMPANY SECRETARY

REGISTERED OFFICE:
HAMILTON CENTRE, RODNEY WAY,
CHELMSFORD, ESSEX CM1 3BY

12 MARCH 2026

NOTES



These notes should be read in conjunction with the notes on the Form of Proxy.

Only shareholders on the Register of Members (the "Register") at close of business on 28 April 2026 are entitled to vote at the AGM in respect of the number of Ordinary Shares registered in their name at such time. In the event of any adjournment of the AGM, the time by which a person must be entered on the Register in order to have the right to attend and vote at the adjourned AGM is the close of business 48 hours (excluding non-business days) before the time of the adjourned meeting. Such shareholders can vote in respect of the number of shares registered in their names at that time, but any subsequent changes to the Register shall be disregarded in determining rights to attend and vote.

- (i) A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend and speak and vote in his place. A proxy need not be a member of the Company.

If a member appoints more than one proxy to attend the AGM, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.

- (ii) To appoint a proxy you may use the Form of Proxy enclosed with this notice. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it

is signed or a notarially certified or office copy of the same, must be completed and returned in accordance with the instructions printed thereon to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY to be received as soon as possible and in any event by not later than 12 noon on 28 April 2026. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

- (iii) Completion of the Form of Proxy will not prevent you from attending and voting in person.
- (iv) Any person receiving a copy of this notice as a person nominated by a member to enjoy information rights under section 146 of the Act (a "Nominated Person") should note that the provisions in Note (ii) above concerning the appointment of a proxy or proxies to attend the AGM in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the AGM.

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- (v) Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
- (vi) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (vii) Shareholders who hold their Ordinary Shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders are advised that CREST is the only method by which completed proxies can be submitted electronically.
- (viii) If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare Investor Services PLC (ID number 3RA50) not later than 48 hours before the time appointed for holding the AGM excluding non-business days. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare Investor Services PLC is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
- (ix) Any corporation which is a member may appoint one or more corporate representative(s) who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is, therefore, no longer necessary to nominate a designated corporate representative. Representatives should bring to the AGM evidence of their appointment, including any authority under which it is signed.
- (x) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidelines and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidelines and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
- (xi) Any question relevant to the business of the AGM may be asked at the AGM by anyone permitted

to speak at the AGM. A holder of shares may alternatively submit a question in advance by a letter addressed to the Company's registered office. Under section 319A of the Act, the Company must answer any question a shareholder asks relating to the business being dealt with at the AGM, unless, (i) answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

- (xii) Under section 527 of the Act, a shareholder or shareholders meeting the criteria set out in note (xiv) below, have the right to request the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the AGM relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM. Where the Company is required to publish such a statement on its website: (i) it may not require the shareholder making the request to pay any expense incurred by the Company in complying with the request; (ii) it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and (iii) that statement may be dealt with as part of the business of the AGM. The request: (a) may be in hard copy form or in electronic form; (b) either set out the statement in full or, if supporting a statement sent by another shareholder, clearly identify the statement which is being supported; (c) must be authenticated by the person or persons making it; and (d) be received by the Company at least one week before the AGM.
- (xiii) In order to be able to exercise the shareholders' right to require the Company to publish audit concerns in accordance with Note (xii) above, the relevant request must be made by: (i) a shareholder or shareholders having a right to vote

at the AGM and holding at least 5 per cent. of total voting rights in the Company (please see note (xvi) below in relation to total voting rights); or (ii) at least 100 shareholders having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital.

- (xiv) Where a shareholder or shareholders wishes to request the Company to publish audit concerns in accordance with Note (xii) above, such request must be made by either sending:
- (a) a hard copy request which is signed by the relevant shareholder or shareholders, states such persons' full name(s) and address(es) and sent to the Company Secretary, Maitland Administration Services Limited; or
 - (b) a request which states the shareholder or shareholders' full name and address(es), and sent by email to cosec-uk@apexgroup.com. Please state "Develop North AGM" in the subject line of the e-mail.
- (xv) Further information regarding the AGM which the Company is required by section 311A of the Act to publish on a website in advance of the GM can be accessed at www.DevelopNorth.co.uk.
- (xvi) As at 10 March 2026 (being the latest practicable date prior to the printing of this notice) the Company's issued share capital consisted of 24,978,201 Ordinary Shares carrying one vote each.
- (xvii) You may not use any electronic address provided either in this notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.
- (xviii) A copy of the letters of appointment of the Directors will be available for inspection during normal business hours at the Company's registered office and at the place of the meeting from at least 15 minutes prior to the meeting until the end of the meeting.

EXPLANATION OF RESOLUTIONS

Resolutions 1 to 12 (inclusive) are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 13 to 15 (inclusive) are to be proposed as special resolutions. This means that for the resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolutions.

- 1. Resolution 1** – The Directors are required to lay before the meeting the Audited Financial Statements of the Company for the year ended 30 November 2025 including the Strategic Report, Report of the Directors, the Independent Auditor's report and the Director's Remuneration Report.
- 2. Resolution 2** – The shareholders are asked to approve the Directors' Remuneration Report for the year ended 30 November 2025, as set out on pages 34 to 36 of the Annual Report. The vote is advisory and does not affect the remuneration payable to any individual Director.
- 3. Resolution 3** – Is a resolution subject to a binding vote. The Company is seeking approval for its remuneration policy as set out on page 34 of the Directors' Remuneration Report. The remuneration policy will take effect immediately on approval by shareholders and will continue to apply for the next three years, unless amended by the Company in general meeting at an earlier date.
- 4. Resolutions 4 to 8** – the Directors to be appointed and reappointed.
- 5. Resolution 9** – The Directors' present the Company's dividend policy on an annual basis recognising that shareholders will not have the opportunity to vote on a final dividend.
- 6. Resolutions 10 and 11** – Shareholders are required to approve the appointment of the Company's auditor each year and to give the Audit Committee the authority to determine the auditor's remuneration. MHA have indicated their willingness to continue in office. Resolution 9 covers their re-appointment for the year ending 30 November 2025 and resolution 10 authorises the Audit Committee to determine their remuneration.
- 7. Resolution 12** – allotment of shares
- 8. Resolution 13** – disapplication of pre-emption rights
- 9. Resolution 14** – The Directors are requesting authority for the Company to make market purchases of Ordinary Shares up to a maximum nominal amount of 3,744,232 (representing approximately 14.99 per cent. of the issued Ordinary Share capital of the Company as at 18 March 2026 (the latest practicable date prior to the publication of this document)). There is no present intention to exercise such general authority. Any repurchase of Ordinary Shares will be made subject to the Act and within guidelines established from time to time by the Directors (which will take into account the income and cash flow requirements of the Company) and will be at the absolute discretion of the Directors, and not at the option of shareholders. Subject to shareholder authority for the proposed repurchases, general purchases of the Ordinary Shares in issue will only be made through the market. Such purchases may only be made provided the price to be paid is not more than the higher of: (i) five per cent. above the average of the middle market quotations for the Ordinary Shares for the five Business Days before the purchase is made; or (ii) the higher of the price of the last independent trade and the highest current independent bid at the time of purchase.
- 10. Resolution 15** – The Act provides that the notice period required for general meetings of the Company must be at least 21 clear days unless shareholders approve a shorter notice period, which cannot be less than 14 clear days (annual general meetings will continue to be held on at least 21 clear days' notice). This resolution seeks shareholder approval to hold general meetings after giving notice of 14 or more clear days. The approval will be effective until the next annual general meeting, when it is intended that a similar resolution will be proposed. The Act provides that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

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.

Provisional Financial Calendar

April 2026	Payment of interim dividend
30 April 2026	Annual General Meeting
31 May 2026	Interim period end
July 2026	Payment of interim dividend
September 2026	Payment of interim dividend
30 November 2026	Year end
December 2026	Payment of interim dividend
March 2027	Year end results announced
March 2027	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 entity that provides portfolio management and risk management services to the Company and which ensures the Company complies with the AIFMD.

Alternative Performance Measures (APMs)

The Company uses the following APMs 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

Basic Total Earnings per Share Total

Profit after taxation divided by the weighted average number of Ordinary Shares in issue during the period.

C share

This is a class of share issued by investment trusts. It allows the increase in number of shares in issue and funds under management without reducing the value of the existing ordinary shares. 'C' shares are quoted separately from the ordinary shares until the money raised from their issue has been fully invested. After that, they are converted to ordinary shares at a value based on the trust's NAV.

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 NAV 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 NAV per share, the shares are trading at a discount. If the share price is greater than the NAV per share, the shares are trading at a premium. The discount (or premium) is calculated by reporting the difference between the NAV per share and the Share Price as a percentage of the NAV 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 Trust (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 Financial Statements on pages 46 to 66 divided by the number of shares in issue (excluding shares held in Treasury). This is the number disclosed at the foot of the Statement of Financial Position on page 47.

NAV Total Return

The growth in NAV plus dividends reinvested. This is 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.

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.

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

Wizu Workspace
Portland House
New Bridge Street West
Newcastle upon Tyne NE1 8AL

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 CMI 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

www.developnorth.co.uk



