DEVELOP NORTH

Interim Report & Financial Statements

FOR THE SIX MONTHS ENDED 31 MAY 2026

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Chairman's Statement

John Newlands, Chairman

Highlights

- New Prospectus and expanded Investment Policy launched to support future growth.
- Michelle Percy appointed as Chief Executive Officer.
- £0.9 million of new equity capital raised in challenging market conditions.
- Dividends of 2.00p per share paid or declared during the period.
- More than £10 million returned to shareholders since inception.
- 28 successful portfolio exits completed since launch.
- £22.9 million portfolio across 14 live projects.
- 70.1% of portfolio deployed in the North East of England.
- Strategic investment programme underway to drive company expansion and enhance shareholder value.

Introduction

I am pleased to present Develop North's results for the six months ended 31 May 2026, a period that marks an important milestone as Develop North PLC enters its tenth year as a listed company.

Over the past nine years, Develop North has established itself as a trusted provider of property-backed finance and a committed investor in regional real estate opportunities. Since inception, Develop North has supported numerous development and investment projects, completed 28 successful portfolio exits and returned approximately £10 million to shareholders through dividends. This track record reflects the disciplined approach that has been taken to capital allocation, risk management and shareholder value creation.

The period under review has also been one of strategic progress. Following shareholder approval of our revised Investment Policy in February 2026, Develop North has broadened its investment mandate beyond traditional real estate lending to encompass commercial and residential real estate investment strategies. This represents a natural evolution for Develop North and one which we believe will create additional opportunities to generate attractive risk-adjusted returns while maintaining our long-standing focus on regional markets.

A key development during the period has been the appointment of Michelle Percy as Chief Executive Officer. Michelle joined Develop North in January 2026 and brings considerable leadership experience together with deep knowledge of the North East economy and investment landscape. Her appointment strengthens Develop North's ability to identify opportunities, build strategic partnerships and support the next phase of growth.

The confidence we have in this strategy was reflected in the successful launch of our new Prospectus and subsequent share issuance during the period. Raising approximately £1 million of new equity capital, in what remains a challenging market environment for smaller listed companies, represents a noteworthy achievement and demonstrates continued investor support for Develop North's vision and future direction.

The North East continues to present compelling opportunities for investment, supported by increasing levels of public and private sector investment, major regeneration projects and favourable property market dynamics. With more than 70% of Develop North's portfolio already deployed in the region, Develop North is positioned to benefit from these long-term trends whilst remaining disciplined in its approach to investment selection and risk management.

Net Asset Value

Develop North's Net Asset Value (NAV) per share decreased from 77.5p to 74.8p over the six months ended 31 May 2026. Taking the effects of dividend distributions into account, this has resulted in a NAV Total Return for the period of (0.88)%.

The reduction in NAV during the period is largely attributable to one-off costs associated with the launch of Develop North's new Prospectus, the implementation of its revised investment strategy and the strengthening of the management team. While these costs have naturally had a short-term impact on earnings and NAV, the Board views them not just as essential investments in the future growth of Develop North but as fundamental indicators of our confidence in the prospects for the region in which we focus and invest.

We believe the enhanced platform, broader investment mandate and strengthened leadership team will support improved earnings and long-term shareholder value creation in the years ahead.

Dividends

A quarterly dividend of 1.00p per share was paid on 10 July 2026 in respect of the quarter ended 28 February 2026. As set out in the Annual Report, Develop North expects to pay dividends at a rate of 1.00p per share per quarter, equivalent to 4.00p per share per year in aggregate.

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

Share Buybacks

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

[1] see Glossary (page 21) for explanation

Issue of Shares

On 9 July 2025, Develop North announced a proposed change to its investment policy together with a potential fundraise to enhance shareholder value through the development of a broader and more diversified portfolio, predominantly focused on the North East of England. During the period, Develop North issued new shares pursuant to this strategy, raising additional capital to support pipeline opportunities and future growth. Further details are set out in the relevant regulatory news service announcement.

At the end of the period under report, the issued share capital of Develop North consisted of 27,971,700 Ordinary Shares of 1.00p each, of which 1,945,862 Ordinary shares were held in treasury and 26,025,838 Ordinary shares were in circulation.

Appointment of Joint Broker

Subsequent to the period end, in June 2026, Develop North appointed AlbR Capital Limited as joint broker. The Board believes that this appointment will enhance Develop North's market profile, broaden its investor reach and support its ongoing investor engagement activities.

Investment Portfolio

The total value of Develop North's portfolio now stands at £22.9 million, from 14 live projects.

New Investments:
Post period end, Develop North agreed one new facility: a £1.95 million, 18 month facility to fund nine executive homes in Tyne and Wear. £2.97 million was deployed into nine existing projects. The quality of the loan book continues to be maintained with the Loan to Value moving from 69.7% at 30 November 2025 to 72.7% at 31 May 2026.

Exits:
Two portfolio exits were completed during the period, bringing the number of exits to 28 since inception.

Impairments:
As specified by the requirements of accountancy standard IFRS 9, Develop North has continued to recognise an impairment charge should interest not be

paid by the borrower and there is not a clear expectation that this can be recovered subsequently. During the period, two projects were unable to meet their interest obligations in full. IFRS 9 also requires Develop North to consider various credit loss scenarios and assign a risk weighting to these. This calculation generates a provision which is taken as a further impairment for the period. In the six months ended 31 May 2026 Develop North has set the provision at £82,000. This is the same level as the general provision at 30 November 2025. This provision is based on forward looking scenarios and is designed to withstand market-related shocks, reflecting current economic uncertainties. The loan portfolio is discussed more fully in the Investment Adviser's review.

Gearing

Develop North continues to benefit from a gearing facility with Shawbrook Bank Limited, which is due for renewal in August 2026. At the period end £4m had been drawn down under this facility.

Outlook

As we enter the second half of the financial year, the Board remains optimistic about the opportunities available to Develop North.

While economic conditions remain mixed and inflationary pressures continue to influence investor sentiment, the regional markets in which we operate continue to demonstrate resilience. The North East in particular is benefitting from inward investment, regeneration activity and increasing recognition as one of the UK's most attractive regions for growth and development. The incoming Prime Minister's devolution ambitions for the North add further impetus to Develop North's message.

Develop North enters this next phase with a strengthened leadership team, a broadened investment strategy and an established platform from which to grow. We expect to complete our first investment under the revised policy during the current financial year and continue to see encouraging levels of activity across our pipeline.

Despite the well-publicised challenges facing many listed investment companies, Develop North benefits from a high-quality portfolio, strong regional relationships and a track record of delivering income to shareholders. The Board believes these attributes will continue to differentiate Develop North and support long-term value creation.

As we look ahead, our priorities remain clear: to grow the portfolio selectively, maintain a disciplined approach to risk, support attractive dividend distributions and capitalise on the investment opportunities emerging across our chosen markets. Having returned more than £10 million to shareholders since inception and successfully navigated a range of market cycles, we believe Develop North is well positioned for its next stage of development and growth.

John Newlands

Chairman

5 August 2026

Investment Adviser's Review

REVIEW OF THE 6 MONTHS TO 31 MAY 2026

Investment Adviser's highlights:

- Launch of a new prospectus in January 2026, broadening the investment policy to include two complementary investment strategies
- Appointment of Michelle Percy as CEO in January 2026
- Two exits during the period, bringing the number of exits to 28 since inception
- LTV of portfolio at 72.7%
- Dividends totalling 2.00p per share paid or declared for the six months to 31 May 2026, equivalent to an annualised dividend yield of 5.13%.
- 70.1% of funds deployed in North East England reflecting Develop North's ongoing commitment to focus operations on our chosen regional markets.

This Interim Report and Accounts covers the end of the ninth and the beginning of the tenth year of performance of Develop North, since it's listing in January 2017.

Develop North PLC is an investment company listed on the LSE Main Market which invests predominantly in North East of England real estate. Develop North'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, through a diversified portfolio of investments. Develop North's strategy to achieve its investment objective is to create a balanced portfolio of investments, diversified by asset class, that provides exposure to attractive real estate assets and businesses.

The Economic Backdrop and Outlook:

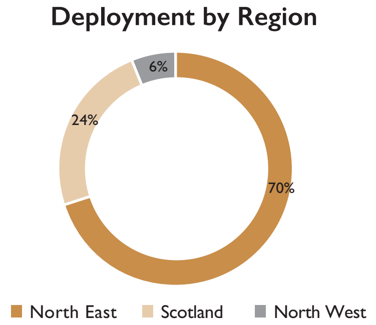
The first six months of the financial year have seen the base rate held at 3.75% at the time of writing (July 2026). The Bank of England continues to remain cautious and the most recent minutes from 17 June 2026 suggest that while risks to inflation and interest rates are on the upside, they are content to hold as the economic environment means the chance of second-round effects is small at this current time. Capital Economics (June 2026) believe that rates will remain at 3.75% for the rest of 2026 and early 2027, whilst the market continues to forecast 4% by the end of 2027.

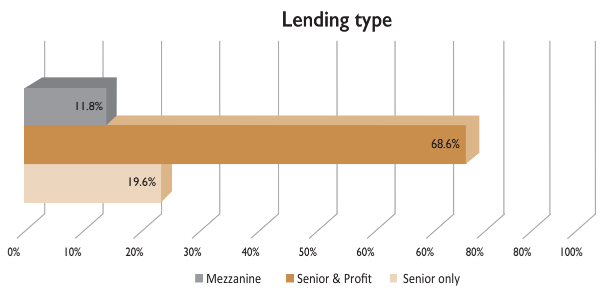
2026 has been steady but challenging for the housing market. House prices are up 0.6% year on year (June 2026 – Halifax Price Index), with the North East leading the way in England up 2.8% and Scotland also performing well, increasing by 3.9%.

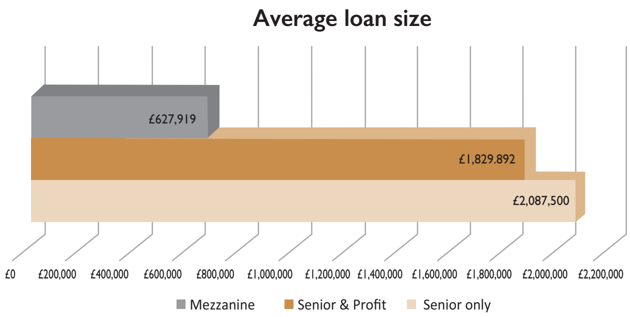
Develop North has used the first six months to continue to support quality borrowers with strong business plans which is reflected in the consistent recurring income that is being generated across the portfolio.

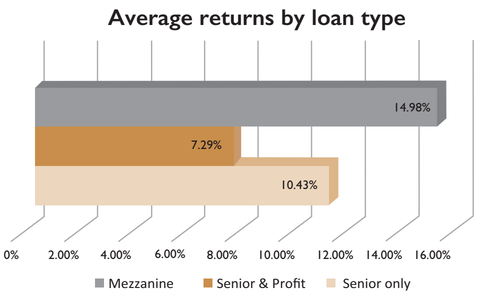
DEPLOYMENT

Develop North's portfolio can be broken down as follows:









Develop North is pleased to report an active period for deployments to existing projects together with full and partial exits.

Develop North agreed one new facility in June 2026, post period end:

- Tyne & Wear - £1.95m 18-month facility

During the period a total of £2.97m was deployed into nine projects.

At the period end, fund deployment totalled £21.6m. The quality of the loan book continues to be maintained with the LTV moving from 69.7% at 30 November 2025 to 72.7% at 31 May 2026.

Portfolio Exits

There were two portfolio exits during the period, bringing the number of exits to 28 since inception. Post period end, there was another successful exit.

Partial Redemptions Update

During the period there was £6.5m of partial redemptions across nine of the portfolio projects including the two exits in the period.

Impairments

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

IFRS 9 also requires Develop North to consider various credit loss scenarios and assign a risk weighting to these. This calculation generates a provision which is taken as a further impairment for the period. In the six months ended 31 May 2026 Develop North has set the provision at £82,000, remaining unchanged since 30 November 2025. This provision is based on forward looking scenarios and is designed to withstand market-related shocks, reflecting current economic uncertainties.

Gearing

Develop North currently has a committed revolving credit facility with Shawbrook Bank which is due to expire in August 2026. This is expected to be renewed again post period end for a further two to three years. Again, the key driver is headroom and liquidity.

SHARE ISSUANCE

Develop North issued 1,047,637 shares in April 2026 at a share price of 81.6p per share.

BUYBACK PROGRAMME

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

OUTLOOK

Residential

As at 31 May 2026, 62.5% of deployed funds were invested across eight projects with a residential focus.

Commercial

As at 31 May 2026, 37.5% of deployed funds were invested across five projects with a commercial focus.

PIPELINE

Real Estate Finance

Post period end, Develop North completed a new loan for £1.95m.

Commercial

Develop North intends to conclude its first acquisition under the new investment policy before the end of the current financial year.

Ian McElroy

Tier One Capital Ltd
5 August 2026

THE INVESTMENT PORTFOLIO AS AT 31 MAY 2026

Sector	% of Portfolio	LTV* (May 26)	Loan Value (May 26) £'000s	LTV* (Nov 25)	Loan Value (Nov 25) £'000s
Residential	59.2%	82.6%	13,319	71.0%	16,194
Commercial	35.6%	56.3%	8,007	61.7%	5,417
Cash	5.2%	–	1,174	–	331
General Impairment	–	–	(82)	–	(64)
Total/Weighted Average	**100.0%**	**72.7%**	**22,418**	**68.7%**	**21,878**

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

Interim Management Report

The principal and emerging risks and uncertainties that could have a material impact on Develop North's performance have not changed from those set out on pages 13 and 14 of Develop North's Annual Report for the year ended 30 November 2025.

The Directors consider that the Chairman's Statement and the Investment Adviser's Review on pages 2 to 8 of this Interim Report, the disclosure on related party transactions and the Statement of Directors' Responsibilities on page 9 together constitute the Interim Management Report of Develop North for the six months ended 31 May 2026 and satisfy the requirements of DTR 4.2.3 to DTR 4.2.11 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

The Interim Report has not been reviewed or audited by Develop North's Auditor.

The Directors believe, having considered Develop North's investment objectives, risk management policies, capital management policies and procedures, the nature of the portfolio and expenditure projections, that Develop North has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to Develop North that would prevent its ability to continue in such operational existence for at least 12 months from the date of the approval of this Interim Report. For these reasons they consider that there is sufficient evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit of Develop North, as at 31 May 2026, as required by DTR 4.2.4R;
- The Interim Report includes a fair review of the information required by the DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- The Interim Report includes a fair review of the information concerning related party transactions as required by DTR 4.2.8R.

On behalf of the Board

John Newlands

Chairman

5 August 2026

Condensed Income Statement

	Notes	Revenue £'000	Capital £'000	Six months ended 31 May 2026 (unaudited) Total £'000	Six months ended 31 May 2025 (unaudited) Total £'000	Year ended 30 November 2025 (audited) Total £'000
Revenue						
Investment interest		1,266	–	**1,266**	1,036	2,222
Plot fee income		–	–	**–**	–	158
Total revenue		1,266	–	**1,266**	1,036	2,380
Losses on investments held at fair value through profit or loss	5	–	–	**–**	–	(187)
Amortisation of exit fees	5, 6	–	–	**–**	13	15
Total net income		1,266	–	**1,266**	1,049	2,208
Expenditure						
Investment adviser fee	2	(38)	–	**(38)**	(30)	(60)
Impairments on investments held at amortised cost	6	–	–	**(15)**	(15)	(445)
Other expenses		(519)	(619)	**(1,138)**	(429)	(921)
Total expenditure		(557)	(619)	**(1,176)**	(474)	(1,426)
Profit/(loss) before finance costs and taxation		709	(619)	**90**	575	782
Finance Costs						
Interest payable		(269)	–	**(269)**	(81)	(367)
Profit/(loss) before taxation		440	(619)	**(179)**	494	415
Taxation		–	–	**–**	–	–
Profit/(loss) for the period/year and total comprehensive profit for the period/year		440	(619)	**(179)**	494	415
Basic earnings per share	3	1.74p	(2.44)p	**(0.70)p**	1.98p	1.66p

The notes on pages 15 to 19 form an integral part of the financial statements.

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

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

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

Condensed Statement of Financial Position

	Notes	As at 31 May 2026 (unaudited) £'000	As at 31 May 2025 (unaudited) £'000	As at 30 November 2025 (audited) £'000
Non-current assets				
Investments at fair value through profit and loss		2,406	2,472	2,327
Loans at amortised cost		1,775	1,000	11,585
		4,181	3,472	13,912
Current assets				
Investments held at fair value through profit and loss		470	470	481
Loans at amortised cost		18,224	18,800	11,808
Other receivables and prepayments		5	3	4
Cash and cash equivalents		1,174	332	226
		19,873	19,605	12,519
Total assets		24,054	23,077	26,431
Current liabilities				
Loan facility		(4,000)	(2,850)	(6,779)
Other payables and accrued expenses		(581)	(297)	(300)
Total liabilities		(4,581)	(3,147)	(7,079)
Net assets		19,473	19,930	19,352
Share capital and reserves				
Share capital	7	279	269	269
Share premium		9,884	9,094	9,094
Special distributable reserve		10,973	10,973	10,973
Capital reserve		(2,729)	(1,316)	(2,110)
Revenue reserve		1,066	910	1,126
Equity shareholders' funds		19,473	19,930	19,352
Net asset value per ordinary share	8	74.82p	79.79p	77.48p

The notes on pages 15 to 19 form an integral part of the financial statements.

The financial statements on pages 10 to 19 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 5 August 2026.

They were signed on its behalf by:

John Newlands
Chairman

Condensed Statement of Changes in Equity

For the six months ended 31 May 2026	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At beginning of the period	269	9,094	10,973	(2,110)	1,126	19,352
Total comprehensive income for the period:						
Profit for the period	–	–	–	(619)	440	(179)
Transactions with owners recognised directly in equity:						
Dividends paid (note 4)	–	–	–	–	(500)	(500)
Issue of new shares	10	845	–	–	–	855
Cost of new shares	–	(55)	–	–	–	(55)
At 31 May 2026	279	9,884	10,973	(2,729)	1,066	19,473

For the six months ended 31 May 2025	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At beginning of the period	269	9,094	10,973	(1,162)	762	19,936
Total comprehensive income for the period:						
Profit for the period	–	–	–	(154)	648	494
Transactions with owners recognised directly in equity:						
Dividends paid (note 4)	–	–	–	–	(500)	(500)
At 31 May 2025	269	9,094	10,973	(1,316)	910	19,930

Condensed Statement of Changes in Equity

For the year ended 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:						
Profit for the year	–	–	–	(948)	1,363	415
Transactions with owners recognised directly in equity:						
Dividends paid (note 4)	–	–	–	–	(999)	(999)
At 30 November 2025	269	9,094	10,973	(2,110)	1,126	19,352

Condensed Cash Flow Statement

	Notes	Six months to 31 May 2026 (unaudited) £'000	Six months to 31 May 2025 (unaudited) £'000	Year ended 30 November 2025 (audited) £'000
Operating activities				
Profit before taxation		(179)	494	415
Losses on investments held at fair value through profit and loss		–	–	187
Impairments on loans at amortised cost	6	–	15	445
Amortisation of exit fees		–	(13)	(47)
Interest expense		269	1,036	367
Changes in working capital				
Increase in loan interest receivable on investments held at fair value through profit and loss	5	(43)	(55)	(121)
Increase in loan interest receivable on loans at amortised cost	6	(126)	(163)	(476)
Decrease/(increase) in other receivables		(1)	14	13
(Decrease)/increase in other payables		281	156	159
Net cash inflow from operating activities after taxation		201	1,484	942
Investing activities				
Loans given		(2,995)	(3,456)	(9,557)
Loans repaid		6,490	2,974	5,413
Net cash (outflow)/inflow from investing activities		3,495	(482)	(4,144)
Financing				
Equity dividends paid	4	(500)	(500)	(999)
Issue of new shares		855	–	–
Cost of new shares		(55)	–	–
Bank loan drawn down		200	2,250	4,679
Repayment of bank loan		(2,979)	(1,500)	–
Interest paid		(269)	(1,035)	(367)
Net cash inflow/(outflow) from financing		(2,748)	(785)	3,313
(Decrease)/increase in cash and cash equivalents		948	217	111
Cash and cash equivalents at the start of the year		226	115	115
Cash and cash equivalents at the end of the period/year		1,174	332	226

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

1. INTERIM RESULTS

The condensed financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' and the accounting policies set out in the statutory accounts of Develop North for the year ended 30 November 2025.The condensed financial statements do not include all of the information required for a complete set of financial statements and should be read in conjunction with the financial statements of Develop North for the year ended 30 November 2025, which were prepared in accordance with UK-adopted International Accounting Standards as applicable to companies reporting under international accounting standards. There have been no significant changes to management judgements and estimates.

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

2. INVESTMENT ADVISER

In its role as the Investment Adviser, Tier One Capital Ltd is entitled to receive from Develop North an Investment Adviser fee which is calculated and paid quarterly in arrears at an annual rate of 0.35% per annum of the prevailing NAV if less than £100m; or 0.50%. per annum of the prevailing NAV if £100m or more.

There is no balance accrued for the Investment Adviser fee for the period ended 31 May 2026 (31 May 2025: £nil; 30 November 2025: £nil).

There are no performance fees payable.

	31 May 2026 £'000	30 November 2025 £'000
Investment Adviser fee	38	60

ALTERNATIVE INVESTMENT FUND MANAGER'S DIRECTIVE ('AIFMD')

Develop North has been approved by the Financial Conduct Authority as a Small Registered UK Alternative Investment Fund Manager (AIFM).

3. EARNINGS PER SHARE

The revenue, capital and total return per Ordinary share is based on each of the profit after tax and on 25,317,819 Ordinary shares, being the weighted average number of Ordinary shares in issue throughout the period.

	Six months ended 31 May 2026		Six months ended 31 May 2025		Year ended 30 November 2025	
	£'000	Pence per share	£'000	Pence per share	£'000	Pence per share
Revenue earnings	440	1.74	648	2.59	1,363	5.46
Capital earnings	(619)	(2.44)	(154)	(0.61)	(948)	(3.80)
Total earnings	(179)	(0.70)	494	1.98	415	1.66
Average number of shares in issue		25,317,819		24,978,201		24,978,201

Earnings for the period to 31 May 2026 should not be taken as a guide to the results for the year to 30 November 2026.

4. DIVIDENDS

	Six months ended 31 May 2026 £'000	Six months ended 31 May 2025 £'000	Year ended 30 November 2025 £'000
Dividends paid in the year relating to previous year:			
Interim dividend for the quarter ended August, paid in December	250	250	250
Interim dividend for the quarter ended November, paid in March	250	250	250
Dividends paid during and relating to the current year:			
Interim dividend for the quarter ended February, paid in June	–	–	250
Interim dividend for the quarter ended May, paid in September	–	–	249
Total	500	500	999

Develop North intends to distribute at least 85% of its distributable income earned in each financial year by way of interest distribution. On 18 June 2026, Develop North declared an interim dividend of 1.00p per share for the quarter ended 28 February 2026, paid on 10 July 2026.

5. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	31 May 2026 £'000	31 May 2025 £'000	30 November 2025 £'000
Opening balance	2,808	2,899	2,899
Loans deployed	25	–	–
Principal repayments	–	(25)	(25)
Movements in interest receivable	43	55	121
Unrealised (losses)/gains on investments held at fair value through profit or loss	–	–	(187)
Amortisation of exit fees	–	13	–
Total investments held at fair value through profit and loss	2,876	2,942	2,808
Split:			
Non-current assets: Investments held at fair value through profit and loss due for repayment after one year	2,406	2,459	2,327
Current assets: Investments held at fair value through profit and loss due for repayment under one year	470	483	481

6. LOANS AT AMORTISED COST

	31 May 2026 £'000	31 May 2025 £'000	30 November 2025 £'000
Opening balance	23,393	19,146	19,146
Loans deployed	2,970	3,457	9,557
Principal repayments	(6,490)	(2,951)	(5,388)
Movements in interest receivable	126	163	476
Movement in impairments	–	(15)	(445)
Amortisation of exit fees	–	–	47
Total loans at amortised cost	19,999	19,800	23,393
Split:			
Non-current assets: Loans at amortised cost due for repayment after one year	1,775	1,000	11,585
Current assets: Loans at amortised cost due for repayment under one year	18,224	18,800	11,808

Develop North'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 £82,000 (May 2025: £64,000; November 2025: £82,000).

7. SHARE CAPITAL

Allotted, issued and fully paid:	31 May 2026 £'000	31 May 2025 £'000	30 November 2025 £'000
26,025,838 (May 2025: 24,978,201; November 2025: 24,978,201) Ordinary shares of 1.00p each*	260	249	250
1,945,862 (May 2025: 1,945,862; November 2025: 1,945,862) Ordinary shares of 1.00p held in treasury	19	20	19
	279	269	269

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

8. NET ASSET VALUE PER ORDINARY SHARE

The NAV per Ordinary share is based on net assets of £19,473,483 (31 May 2025: £19,929,614; 30 November 2025: £19,352,299) and on 26,025,838 Ordinary shares (31 May 2025: 24,978,201; 30 November 2025: 24,978,201), being the number of Ordinary shares in issue at the period/year end.

9. RELATED PARTIES

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

The Directors of Develop North received £136,000 fees for their services during the period to 31 May 2026 (30 November 2025: £121,000; 31 May 2025: £46,000). £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 £38,000 Investment Adviser's fee during the period (30 November 2025: £60,000, 31 May 2025: £30,000) and £nil was payable at the period end (30 November 2025: £nil; 31 May 2025: £nil). Tier One Capital Ltd receives up to a 20% margin and arrangement fee for all loans it facilitates.

Michelle Percy was appointed as CEO of Develop North on 26 January 2026. Michelle Percy received a fee of £61,699 for her services during the period to 31 May 2026.

There are various related party relationships with borrowers arising from the opportunity taken to advance the profit share contracts entered into by Develop North, as detailed below:

- **Coalsnaughton**

  Develop North owns 40.1% of the borrower Kudos Partnership. The loan amount outstanding as at 31 May 2026 was £1.73m (30 November 2025: £1.71m; 31 May 2025: £1.9m). Transactions in relation to loans made during the year amounted to £nil (30 November 2025: £nil; 31 May 2025: £nil). Interest due to be received as at 31 May 2026 was £675,000 (30 November 2025: £621,000; 31 May 2025: £567,000). Interest received during the period amounted to £nil (30 November 2025: £nil; 31 May 2025: £nil).

- **Oswald Street**

  Develop North owns 25.1% of the Riverfront Property Limited Partnership. The loan amount outstanding as at 31 May 2026 was £448,000 (30 November 2025: £448,000; 31 May 2025: £448,000). Transactions in relation to loans made during the year amounted to £nil (30 November 2025: £nil; 31 May 2025: £nil). Interest due to be received as at 31 May 2026 was £8,000 (30 November 2025: £21,000; 31 May 2025: £8,000).

10. OPERATING SEGMENTS

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

11. FAIR VALUE HIERARCHY

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

- Level 1 – Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Examples of such instruments would be investments listed or quoted on any recognised stock exchange.
- Level 2 – Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such instruments would be forward exchange contracts and certain other derivative instruments.
- Level 3 – External inputs are unobservable.Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instrument. All loans are considered Level 3.

12. INTERIM REPORT STATEMENT

These are not full statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year ended 30 November 2025, which received an unqualified audit report and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. No full statutory accounts in respect of any period after 30 November 2025 have been reported on by Develop North's auditor or delivered to the Registrar of Companies.

Shareholder Information

Share Register Enquiries

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

Share Capital and General Information

Ordinary £0.01 Shares	26,025,838
SEDOL Number	BD0ND66
ISIN	GB00BD0ND667
Ticker	DVNO

Share Prices

Develop North's shares are listed on the London Stock Exchange.

Financial Reports

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

Provisional Financial Calendar

August 2026	Interim period end results announced
September 2026	Payment of interim dividend
30 November 2026	Year end
December 2026	Payment of interim dividend
March 2027	Payment of interim dividend
April 2027	Annual General Meeting
31 May 2027	Interim period end
June 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 Develop North 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 Develop North's strategy, operations and compliance with regulations.

AIFM Alternative Investment Fund Manager
Develop North has been approved by the Financial Conduct Authority as a Small Registered UK Alternative Investment Fund Manager.

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

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

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

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

Dividends per Share
Dividends declared for the year.

Gearing
Total assets less all cash divided by shareholders' funds.

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

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

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

Net Assets (or Shareholders' Funds)
This is calculated as the value of the investments and other assets of an Investment Company, plus cash and debtors, less borrowings and any other creditors. It represents the underlying value of an Investment Company at a point in time.

Net Asset Value (NAV) per Ordinary Share
This is calculated as the net assets of Develop North calculated under its accounting policies as set out in the year end report and financial statements divided by the number of shares in issue. This is the number disclosed at the foot of the Statement of Financial Position on page 11.

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

Ongoing Charges
All operating costs incurred by Develop North, 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 Develop North, plus cash and debtors.

Total Return

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

UK Corporate Governance Code

A code issued by the Financial Reporting Council which sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability, audit, risk management and internal control, and relations with shareholders. UK listed companies are required under the UK Listing Rules to report on how they have applied the principles of the Code in their annual report and accounts.

Alternative Performance Measures (APMs)

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

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

Corporate Information

DIRECTORS

John Newlands
Chairman

Sameer Al Ansari
Deputy Chairman

Matthew Harris
Chairman of the Audit Committee

Ian McElroy

Douglas Noble
Chairman of the Remuneration Committee

REGISTERED OFFICE

The Key Bath Lane
Newcastle Helix
Newcastle Upon Tyne
NE4 5TQ

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

JOINT BROKER

ALBR CAPITAL LIMITED
3rd Floor 80 Cheapside
London EC2V 6EE

SOLICITOR

Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

SECRETARY AND ADMINISTRATOR

Apex Fund Administration Services (UK) Limited
Hamilton Centre
Rodney Way
Chelmsford
Essex CM1 3BY

INDEPENDENT AUDITOR

MHA
Chartered Accountants & Statutory Auditor
2 London Wall Place
London EC2Y 5AU

REGISTRAR

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

WEBSITE

www.developnorth.co.uk

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