

Darwin Leisure Development Fund

Quarterly Update – Q4 2025

“B” Accumulation Units



Performance

	NAV Price £	Cumulative Performance %				Annual Return %	Total Return %			Annualised Return % per annum	
Unit Class	Current Month	1 Month	3 Month	12 Month	YTD Return	2024	3 Year	5 Year	Since Inception	3 Year	5 Year
B Accumulation Launch date: 01/04/2017	0.7411	+0.04	-16.83	-21.11	-21.11	-25.17	-50.11	-42.76	-25.89	-20.69	-10.56

All data as at 31 Dec 2025 unless otherwise stated. Please note that whilst investments into the Fund were made at a price of £1.0000 per unit from 01/04/17, the first NAV was not struck until 31 July 2017. Source: Darwin Alternatives

Investment Statement – Q4 2025

The holiday resort portfolio delivered a stable operating performance during the quarter and the reduction in NAV of approximately 17% during this period has been addressed in previous communications to investors. We anticipate that there should be some reversal to this reduction once the investment in DLDF has been revalued post reconstruction, to a DCF basis from the current break-up value, as noted in its new prospectus.

Portfolio Update

The eight resorts within the DLDF portfolio are now being operated under a newly established, streamlined central management platform, trading under the new brand, Verde Resorts.

The Verde name is derived from the Latin word *viridis*, meaning green and fresh. Green is closely associated with the natural environment and reflects both the landscapes surrounding our resorts and the sense of tranquillity they offer. Verde was selected to convey an aspirational, premium positioning that aligns with the high-quality nature of the DLDF resorts and the more affluent audience we are seeking to attract. Each resort will continue to operate under its own established brand identity, unified under the Verde Resorts umbrella.


The Verde Resorts website was successfully launched in December, and the transition of IT systems is progressing well and is expected to complete in January. At that point, the DLDF resorts will be operating fully independently from DLDF and Darwin Escapes. While the Verde brand is already live across digital and social media channels, the replacement of physical Darwin Escapes branding at the resorts will be undertaken gradually and cost-effectively as part of a longer-term programme.

Appointment of New Managing Director

James Melville-Jackson has been appointed as Managing Director of Verde Resorts. James has project-managed the transition of the portfolio away from Darwin Escapes and brings over 25 years of senior financial and operational leadership experience across consumer-facing, asset-intensive, and private equity-backed businesses. He has held CFO, COO, Finance Director, and Head of Strategy roles in a wide range of sectors, including leisure, hospitality, food, retail, and manufacturing, with a strong track record of value creation, operational improvement, and change management.

Continued overleaf

Key Data			
Fund NAV:	£123.1m	Dealing & Valuation Frequency:	Monthly
Launch Date:	1 April 2017	Minimum Subscription:	£1,000,000
Dealing Date:	1 st business day of each month	Annual Management Fee:	0.50%
		TER:	0.675%



This combination of private equity transaction experience, multi-site operational leadership, and deep commercial and financial expertise makes James exceptionally well suited to drive Verde Resorts forward. His proven ability to streamline operations, enhance profitability, manage transitions, and position businesses for growth aligns closely with Verde Resorts' strategic objectives of operational efficiency, premium positioning, and long-term value creation. James has already identified potential cost savings, particularly in relation to cleaning, and opportunities to broaden our customer base, especially from international visitors, by working more closely with tour operators.

Portfolio Performance

Holiday rental performance during the period was resilient. Rental income in October was 1% ahead of budget and 14% ahead of the prior year, reflecting strong demand during the peak school holiday period. November income was 7% below budget and 7% lower year on year, primarily due to the timing of the half-term holiday, which fell fully in October in 2025 compared with being split across October and November in 2024. Overall, combined rental income for the period was 1% ahead of this point last year and 6% behind budget. The impact of this variance is limited, as the majority of rental income is generated during the Spring and Summer months, meaning this represents approximately just 1% of total annual income.

Occupancy levels were encouraging across the portfolio, although Average Weekly Rental (AWR) was modestly lower than anticipated. Improving AWR remains a key strategic focus, particularly as the brand transitions towards a more premium positioning.

Forward booking trends are positive, with bookings currently 3% ahead of the same point last year. Stratford-upon-Avon and Dundonald Links have performed particularly well.

Ancillary income was ahead of forecast for the quarter with food and beverage exceeding its budget and golf revenues performing well. Over the past two years, we have invested significant time working with golf tour operators to develop our play-and-stay offerings, and this is now beginning to generate meaningful traction across all of our golf courses. While the initiative is still at an early stage, the trajectory to date is very encouraging. At Kilnwick Percy, for example, booked revenue from golf break packages for 2026 is already 81% of what was achieved in 2025.

Although it could be argued that the cost-of-living crisis is behind us, costs today are still significantly higher than they were a few years ago and this is still affecting the consumer at large. As evidenced by the difficult sales market, customers remain unwilling to commit to large purchases such as holiday homes, but we are seeing that they are more willing to spend on holidays and short breaks. The sales market also continues to be negatively impacted by mis-selling publicity relating to some operators, and we therefore believe that the hybrid model currently adopted by the Fund, which focuses on holiday rentals but includes some holiday sales, is the right model at this time.

Looking ahead, we expect to generate long-term cost efficiencies through the streamlining of central functions. In parallel, the strategic focus on attracting a more premium customer base is expected to support growth in Average Weekly Rentals over time.

Development Update


The sale of **Rosetta** Holiday Park, which was reported on last quarter, was completed.

At **Kilnwick Percy** we are looking to a third-party to provide a new wellness facility in the existing spa area. This would be chargeable to the guests and generate rental income for the park.

A letter of intent has been now signed with Octopus and Zestec to establish a solar array at **Dundonald Links** and planning work is now underway. The solution would deliver 0.5MW of solar capacity with battery storage, generating savings of £1M over the term and saving over 100 tonnes of CO2 per annum.

Discussions are also ongoing with Tennis Scotland to build an indoor racquet's facility at Dundonald. Padel, and possibly pickleball facilities would also be included. Tennis Scotland would offer funding of up to 66% of the CapEx through grants and an interest free loan from the LTA. The facility would attract visitors year-round and help to further raise the profile of Dundonald Links. Padel, in particular, is a very cash generative sport and the four padel courts alone could generate c£0.5m in revenues each year.

Discussions are due to be held with the Blenheim Palace Estate to discuss moving forward with our plans for phase 2 of **Blenheim Palace Lodge Retreat**. The concept is a low cost 'unplugged' experience incorporating new gardens and other spaces for wellness, relaxation and engagement. We are looking to submit a planning application in Q2 2026.



We are exploring an opportunity with a landed estate in the south of the Lake District to develop a new lodge resort. The site is a 25-minute drive from Morecombe Bay, the location of the new Eden Project, and is well served by the Manchester catchment area. Like with all developments, there are some potential issues, in this case with access and the topography of the site, which we will explore prior to proceeding further.

We are also in discussions with a landed estate near Edinburgh which is seeking to add a large lodge resort within its grounds. They are due to meet with Historic Environment Scotland in January 2026 to see whether the plans can proceed.


A similar project is also planned for an estate in the Scottish Borders, which is currently going through the planning process and we are in discussions with the estate about taking on the project.

Outlook

Data provided by Caravan Industry and Park Operator Magazine suggests that the demand for higher-quality, experience led breaks in the sector is increasing and this bides well for Verde Resorts. While international travel is becoming more competitive again, many consumers are still price-conscious and see good value in domestic holidays, especially short-breaks, particularly at well-invested parks.

However, we must not lose sight of the fact that costs will continue to be under pressure, so success will hinge on managing these costs through operational efficiencies.

Finally, we are having encouraging conversations with new long term institutional investors who are keen to invest equity into the sector. The current valuations offer an attractive buying opportunity for the diligent and long-term investor. Whilst the Fund has always intended to have some gearing, we are not looking to increase the level of debt to facilitate growth.



Strategy

The Darwin Leisure Development Fund owns and operates holiday parks that are set in excellent locations and where we believe we can generate capital growth and strong income returns through:

- The transformation of sites from lower revenue tenting and touring parks to high value static caravan and lodge parks.
- Development of brand new parks on 'greenfield' sites.
- Delivering a "Best in Class" experience for holiday home owners and holiday makers, creating a competitive advantage.
- Operational excellence to streamline the cost base and exploit economies of scale.

Fund Summary

- The objective of the Fund is to preserve and grow capital and provide income returns above the rate of inflation. The Fund aims to make annualised total returns of 10 – 14%.
- Modest level of gearing (intended max 20% at Fund level).
- The Fund invests in holiday parks throughout the UK, which comprise either Tenting & Touring, Static Caravan or Lodge accommodation, or in sites with the potential to become lodge parks.
- The accommodation comprises of a mix of holiday rental and owner-occupied units.

Portfolio

Park	Location	Purchase Rationale	Size - Acres	Purchase Date
Bleathwood	Shropshire	Develop site into luxury lodge retreat	12	Dec 2020
Blenheim Palace	Oxfordshire	Develop site into luxury lodge retreat	9.5	Dec 2021
Dundonald Links	Ayrshire	Add lodges and central facilities to create lodge resort	268	Mar 2019
Kilnwick Percy	North Yorkshire	Add additional lodges to existing golf resort	150	Mar 2020
Norfolk Woods	Norfolk	Redevelop to holiday resort with leisure facilities	15	Jun 2017
Plas Isaf	Flintshire, Wales	Add additional lodges utilising existing planning	39	Jun 2020
Rivendale	Derbyshire	Redevelop to holiday resort with some facilities	35	Jan 2018
The Springs	Oxfordshire	Upgrade golf facilities and add lodges to create small lodge resort	133	Jul 2017
Stratford Armouries	Warwickshire	Develop site into luxury lodge retreat	8.8	Jun 2017

Trustee:

Butterfield Bank (Guernsey) Limited

Administrator:

Vistra Fund Services (Guernsey) Limited

Business Valuers:

Evelyn Partners

Property Valuers:

Knight Frank

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