

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in Duke Royalty Limited you should deliver this document together with the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or otherwise transfer, or have sold or otherwise transferred only part of your holding of Existing Shares, please retain these documents and consult the stockbroker, banker or other agent through whom the sale or transfer was made.

The issue of the Placing Shares and PrimaryBid Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of the Financial Services and Markets Act 2000 (as amended) and accordingly this document does not constitute a prospectus, nor does it constitute an admission document drawn up in accordance with the AIM Rules. This document does not constitute or form part of any offer or invitation to sell or issue, or a solicitation of any offer to acquire, purchase or subscribe for, Ordinary Shares.

It is expected that Admission in respect of the Placing Shares and the PrimaryBid Shares will become effective and dealings in such shares will commence on 19 April 2021 (subject to the passing of the Resolutions). Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM and will be made (subject to the passing of the Resolutions). The Placing Shares and PrimaryBid Shares will, when issued, rank *pari passu* in all respects with the Existing Shares, including the right to receive all dividends or other distributions declared, made or paid on or after the date that they are issued.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.

DUKE ROYALTY LIMITED

(a company incorporated in Guernsey with registration number 54697)

Fundraising of up to £35 million comprising

Placing of 91,428,573 Placing Shares to raise £32 million

PrimaryBid Offer of up to 8,571,429 PrimaryBid Shares to raise up to £3 million

at a price of 35 pence per share

and

Notice of Extraordinary General Meeting.



Your attention is drawn to the letter from the Chairman of the Company set out on pages 11 to 15 of this document, which includes the recommendation of the Directors that you vote in favour of the Extraordinary Resolution to be proposed at the EGM, described further below.

Notice of the EGM, to be held at 11.00 a.m. local time on 16 April 2021 at Trafalgar Court, 4th Floor, West Wing, Admiral Park, St Peter Port, Guernsey GY1 2JA, is set out in the Appendix to this Circular. Your attention is also drawn to the section entitled "Action to be taken" on page 15 of this document. Defined terms used in this document have the meanings ascribed to them in the section headed "Definitions" starting on page 8 of this document.

Centos Securities plc who is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and joint broker to the Company in connection with the proposed Fundraising and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Centos Securities plc or for advising any other person in respect of the proposed Fundraising and Admission or any transaction, matter or arrangement referred to in this document.

Canaccord Genuity Limited who is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker to the Company in connection with the proposed Fundraising and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Canaccord Genuity Limited or for advising any other person in respect of the proposed Fundraising and Admission or any transaction, matter or arrangement referred to in this document.

Neither the Guernsey Financial Services Commission nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

Notice of a General Meeting of Duke Royalty Limited, to be held at the offices of the Company, Trafalgar Court, 4th Floor, West Wing, St Peter Port, Guernsey, GY1 2JA at 11.00 a.m. on 16 April 2021, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Computershare Investor Services (Guernsey) Limited, by not later than 11.00 a.m. on 14 April 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

Shareholders who hold their Existing Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the issuer's agent (ID 3RA50) by no later than 11.00 a.m. on 14 April 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009.

Impact of COVID-19 on Extraordinary General Meeting arrangements:

The Company is closely monitoring the COVID-19 situation, including States of Guernsey guidance and will continue to do so in the lead up to the EGM. In light of current States of Guernsey travel restrictions, as well as quarantine requirements upon entry, the Extraordinary General Meeting will be held in a different format to that of previous years, while still allowing Shareholders to exercise their voting rights. The health and safety of Shareholders and colleagues is always our main priority and we are committed to supporting the States' efforts in relation to this pandemic.

The Extraordinary General Meeting will therefore take place as a closed meeting (unless notified otherwise via our website at <http://www.dukeroyalty.com>). This means the Extraordinary General Meeting will be held only with the minimum number of persons in attendance to ensure a valid meeting is held. Two directors of the Company, each of whom is either a Shareholder, or a proxy or corporate representative appointed by a Shareholder, will attend the meeting. Please do not travel to the Extraordinary General Meeting as anyone who seeks to attend in person will be refused entry. We therefore strongly urge all Shareholders to register their votes in advance by appointing the chairman of the Extraordinary General Meeting as their proxy and giving them voting instructions. We do not recommend the appointment of any other person as your proxy as they will not be able to attend the Extraordinary General Meeting and your vote will not be counted.

In the event that further disruption to the Extraordinary General Meeting becomes unavoidable, we will announce any changes relating to the meeting (such as timing or

venue) as soon as practicably possible through the Company's website (as referred to above).

Copies of this Circular will be available free of charge from the Company's registered office, Trafalgar Court, 4th Floor, West Wing, Admiral Park, St Peter Port, Guernsey GY1 2JA, during normal business hours and a copy is available on the website of the Company at www.dukeroyalty.com.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or any accompanying documents in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Subject to certain exemptions, the New Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “**Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom and references to “Euros” and “€” are to a lawful currency of the European Union.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2021

Announcement of the Placing and PrimaryBid Offer	31 March
PrimaryBid Offer closes	3 pm on 6 April
Announcement of the results of the PrimaryBid Offer	7 April
Extraordinary General Meeting	16 April
Results of the Extraordinary General Meeting announced	16 April
Admission and dealings in the New Ordinary Shares expected to commence on AIM	19 April
Where applicable, expected date for CREST accounts to be credited in respect of New Ordinary Shares in uncertificated form	19 April
Where applicable, expected date for despatch of definitive share certificates for New Ordinary Shares in certificated form	within 14 days of Admission

Notes:

References to times in this document are to London time unless otherwise stated.

The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company in which event the Company will make an appropriate announcement to a Regulatory Information Service giving details of any revised dates and the details of the new times and dates will be notified to the London Stock Exchange and, where appropriate, Members. Members may not receive any further written communication.

FUNDRAISING STATISTICS

Issue Price	35 pence
Number of Existing Ordinary Shares	257,906,907
Number of Placing Shares being issued by the Company pursuant to the Placing	91,428,573
Number of PrimaryBid Shares issued by the Company pursuant to the PrimaryBid Offer	up to 8,571,429
Number of Ordinary Shares in issue following Admission*	357,906,909
Percentage of the existing issued ordinary share capital of the Company being placed pursuant to the Placing and PrimaryBid Offer*	approximately 38.8 per cent.
Gross proceeds of the Placing	£32.0 million
Gross proceeds of the PrimaryBid Offer*	£3.0 million
Gross proceeds of the Fundraising*	£35.0 million
Estimated net proceeds of the Fundraising receivable by the Company*	£33.5 million
ISIN of Ordinary Shares	GG00BYZSSY63

*Assumes full subscription under the PrimaryBid Offer

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

Administrator	Trident Trust Company (Guernsey) Limited
Admission	Admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
AIM	AIM, a market operated by the London Stock Exchange
AIM Rules	The AIM Rules for Companies as amended from time to time
Articles	the current articles of incorporation of the Company
Canaccord	Canaccord Genuity Limited, the Company's joint broker and joint bookrunner in relation to the Placing (company number: 01774003), whose registered office is at 88 Wood Street, London, EC2V 7QR
Centkos	Centkos Securities plc, the Company's Nominated Adviser, joint broker and joint bookrunner in relation to the Placing (company number: 05210733), whose registered office is at 6 7 8 Tokenhouse Yard, London, EC2R 7AS
certificated form or in certificated form	an Ordinary Share recorded on a company's share register as being held in certificated form (namely, not in CREST)
Companies Law	The Companies (Guernsey) Law 2008
Circular	this document
Company or Duke	Duke Royalty Limited
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
CREST Regulations	the Uncertificated Securities (Guernsey) Regulations 2009
Dealing Day	a day on which the London Stock Exchange is open for business in London
Directors or Board	the members of the board of the Company from time to time
electronic means	has the meaning given to that term in the Articles
Enlarged Share Capital	the issued Ordinary Shares immediately following Admission
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Existing Ordinary Shares	the 257,906,907 ordinary shares of no par value in the capital of the Company on the Last Practicable Date
Extraordinary General Meeting, General Meeting, EGM or Meeting	the extraordinary general meeting of the Company (or any adjournment thereof) to be held in connection with the Placing on 16 April 2021, notice of which is set out in the Appendix to this Circular
Extraordinary Resolution	an extraordinary resolution of the Company set out in the Notice of Extraordinary General Meeting which appears in the Appendix to this Circular
FCA	the UK Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000 (as amended)
Fundraising	the Placing and the PrimaryBid Offer
Group	the Company and its subsidiaries
Issue Price	35 pence per Placing Share and PrimaryBid Share

Joint Bookrunners	Cenkos and Canaccord
Latest Practicable Date	30 March 2021, being the latest practicable date prior to publication of the announcement of the Fundraising
London Stock Exchange Meeting	London Stock Exchange plc the extraordinary general meeting of Members which is being convened by way of the Notice of Extraordinary General Meeting which appears in the Appendix to this Circular
Member	holders of Ordinary Shares
Money Laundering Regulations	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, together with its Guernsey equivalent, the Handbook on Countering Financial Crime and Terrorist Financing , 2018
New Ordinary Shares	the ordinary shares of no par value in the capital of the Company to be issued pursuant to the Placing and the PrimaryBid Offer
Notice of EGM, Notice of General Meeting, Notice or Notice of Extraordinary General Meeting	the notice of EGM set out in the Appendix to this Circular
Ordinary Shares	ordinary shares of no par value in the capital of the Company
Placing	the conditional placing of the Placing Shares by the Joint Bookrunners, as agents on behalf of the Company, pursuant to the Placing Agreement, further details of which are set out in this document
Placing Agreement	the conditional agreement dated 31 March 2021 and made between Cenkos, Canaccord and the Company in relation to the Placing, further details of which are set out in this document
Placing Shares	the 91,428,573 new Ordinary Shares to be placed with institutional and certain other investors at the Issue Price pursuant to the Placing
PrimaryBid Offer	the offer of New Ordinary Shares made to investors through the PrimaryBid platform
PrimaryBid Shares	up to 8,571,429 New Ordinary Shares issued pursuant to the PrimaryBid Offer at the Issue Price
Proxy Form	a proxy form in respect of the EGM, in the form approved by the Company
Prospectus Rules	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
Overseas Shareholders	Shareholders with a registered address outside the United Kingdom
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
Qualifying Shareholders	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date but excluding any Overseas Shareholder who has a registered address in any Restricted Jurisdiction
Registrar	Computershare Investor Services (Guernsey) Limited
Regulatory Information Service	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies

Royalty Partners

any of the Company's portfolio companies into which it has provided financing

Shareholders

holders of Ordinary Shares

**uncertificated or in
uncertificated form**

an Ordinary Share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

PART I – LETTER FROM THE CHAIRMAN

Duke Royalty Limited

(Incorporated in Guernsey with registered number 54697)

Directors:

Mr Nigel Birrell (Non-Executive Chairman)
Mr Neil Johnson (Executive Director and CEO)
Mr Charles (Charlie) Cannon-Brookes (Executive Director)
Mr Mark Le Tissier (Non-Executive Director)
Mr Matthew Wrigley (Non-Executive Director)

Registered Office:
4th Floor, West Wing
Trafalgar Court Admiral
Park St Peter Port
Guernsey GY1 2JA

1 April 2021

To all Members of Duke Royalty Limited (the “Company”)

Fundraising of up to £35 million comprising
Placing of 91,428,573 Placing Shares
PrimaryBid Offer of up to 8,571,429 PrimaryBid Shares
at a price of 35 pence per share
and
Notice of Extraordinary General Meeting

Dear Member,

On 1 April 2021, the Company announced that it is undertaking a Fundraising with new and existing investors, to support further growth of the Group and development of its business. The Fundraising is being conducted through a Placing which has conditionally raised £32.0 million (before expenses) following the closing of an accelerated bookbuild process on 1 April 2021, plus a PrimaryBid Offer to raise up to an additional £3.0 million in order to provide other investors who may not have taken part in the Placing, with an opportunity to participate in the Fundraising. The Placing and PrimaryBid Offer are being carried out at the same Issue Price of 35p per share.

The Issue Price represents a discount of 9.1 per cent. to the closing middle market price of 38.5 pence per Ordinary Share on 30 March 2021, being the last practicable date prior to the announcement of the Fundraising.

This Circular provides you with the background to, and details of the Extraordinary Resolution to be passed in connection with the Fundraising and contains a Notice of Extraordinary General Meeting which is to be held to seek approval by Shareholders of the Extraordinary Resolution.

Background to and reasons for the Fundraising

Duke is a provider of alternative capital solutions to a diversified range of private, owner-managed SME businesses in Europe and abroad. Since the Company's re-admission to AIM in 2017, Duke has utilised the equity markets, raising a total of £96 million, in order to expand, support and diversify its portfolio of Royalty Partners. Since inception, the Company has deployed over £115 million into SME businesses and has a current portfolio of 10 Royalty Partners across a multitude of sectors.

Since the outbreak of the COVID-19 pandemic, the Company's board has been pleased with the resilience that Duke's business model has been able to demonstrate through a very challenging trading period. Whilst trading within the Company's underlying Royalty Partners was expectedly impacted by the pandemic to varying degrees, Duke's flexible lending model allowed for crucial support to its Royalty Partners throughout this time through a combination of further investments, forbearance arrangements, payment deferrals & equity participations. Trading across the Group's portfolio remains stable and the majority of Royalty Partners have resumed their typical royalty payment terms with Duke.

As reported in its third quarter trading update to 31 December 2020, Duke's cash receipts from its Royalty Partners remain robust, with a record quarterly cash receipt of £4.2 million in Q3, which

included a redemption premium generated from the exit of Welltel in December 2020. Total cash revenue for FY2021 is expected to see an increase year-on-year despite the COVID downturn. The Company has been able to continue paying dividends to Shareholders throughout the pandemic, temporarily opting for a SCRIP option and recently resuming cash payments. Duke is committed to growing quarterly dividends moving forward. The Group was also pleased to announce the successful exits of its first two Royalty Partners in the period, Welltell and Xtremepush, generating IRRs of 27% and 22% respectively. The Group has also recently announced the exit of its investment in three river cruising vessels through the sale of its wholly-owned subsidiary, Duke Royalty Switzerland GmbH (“Duke Switzerland”), to Starling Fleet Holding AG (“Starling”). Following the expected trading difficulties faced by the Group’s Royalty Partner Termarca, which operates riverboat cruises in the Rhine and Danube, Duke strategically restructured its Royalty investment to take ownership of the vessels and the sale of these vessels allows Duke to redeploy the cash consideration in its core corporate royalty investment model, which is preferable to direct ownership of assets with uncertain short term cash flow prospects. The Board remains confident that trading for the full year ending 31 March 2021 was in line with market guidance.

Much of the Group’s activity during 2020 was necessarily focused on supporting its existing portfolio, whilst exploring potential future investment opportunities. With the portfolio now largely stabilised and payments resumed to pre-pandemic terms, the Group is shifting its focus back to its core growth strategy of deploying further capital to continue diversifying and expanding its portfolio. The Directors believe that the role of alternative financing is becoming increasingly important for SMEs following COVID-19, as certain companies seek to benefit from longer and more flexible financing solutions, with reduced refinancing risk. The pandemic has increased the number of investment opportunities for Duke and the size of the industry in which it operates. Indeed, the Company’s pipeline remains at record levels, with three times the number of opportunities reviewed in Q1 2021 compared to Q1 2019, and 21 opportunities currently under consideration, totalling a potential deployment of £153 million of additional further capital.

The Company recently announced that it had increased and extended its revolving facility agreement with Honeycomb Investment Trust PLC (“Honeycomb”, and the facility “New Credit Facility”), a credit fund with Pollen Street Capital as Investment Manager. The New Credit Facility, which carries an uncommitted accordion facility to increase headroom to a total of £55 million subject to maintaining an appropriate loan to value threshold, provides greater flexibility for the Company to carry out its strategy.

Through full deployment of the New Credit Facility and the proceeds from the Fundraising, Duke will seek to expand its portfolio through increasing total capital deployed up to £160 million, aiming for no single investment to represent more than 10 per. cent of the overall portfolio. As detailed above, the Group has a strong pipeline of opportunities, three of which are positioned to be executed within the coming weeks.

Use of proceeds of the Fundraising

Duke has conditionally raised gross proceeds of approximately £32.0 million through the Placing via an accelerated bookbuild process, which remains conditional on the passing of the Extraordinary Resolution and Admission. The Group may also raise up to an additional £3.0 million (gross) through the PrimaryBid Offer. The net proceeds of the Fundraising, expected to be up to approximately £33.5 million, (assuming full uptake of the PrimaryBid Offer), are intended to be used, together with funds available under the New Credit Facility, a) to fund investments into two new Royalty Partners, b) to provide follow on investment into an existing royalty partner, and c) to fund the longer-term pipeline of future royalty investments.

New Royalty Partner – £11 million for IT managed solutions business

Duke intends to provide £11.4 million to a new Royalty Partner which is an acquisitive IT managed services company with six underlying operating businesses. The company operates a ‘buy and build’ model and generates recurring revenues via a growing managed services offering and the reselling of hardware and software. The company’s targeted acquisition multiples are accretive to Duke’s coverage ratio, with the ability to further realise value through operational synergies. Duke’s financing is expected to be utilised for further acquisitions.

Under the terms of the royalty agreement, Duke’s annual distribution from this investment is expected to be £1.54 million (based on an initial cash yield of 13.5%), with its typical two-way

adjustment factor of up to 6% based on revenue performance. The term of the financing is expected to be 30 years and Duke's capital will have senior security over assets.

New Royalty Partner – £7.5 million for Engineering and Construction business

Duke intends to provide £7.5 million to a new Royalty Partner – a Canadian engineering, procurement and construction solutions business serving both industrials and commercial markets. The business generated revenues of £20 million for its 2020 financial year and all of its business units are profitable. Duke's funds will enable this Royalty Partner to execute on three of its acquisition targets, which carry out projects across North and South America, Europe and the Middle East. The Royalty Partner's experienced management team expects to realise economies of scale and cross-selling to grow EBITDA as well as through strategic acquisitions. Targeted acquisitions are expected to be accretive to Duke's coverage ratio.

Under the terms of the royalty agreement, Duke's annual distribution from this investment is expected to be £1.0 million (based on an initial cash yield of 13.2%), with its typical two-way adjustment factor of up to 6% based on revenue performance. The term of the financing is expected to be 30 years and Duke's capital will have senior security over assets. At Duke's discretion, this Partner may increase the investment up to a total of £11.5 million to support further acquisitions.

Follow-on investment to existing Royalty Partner – £3.8 million

Duke is seeking to provide £3.8 million of further capital to an existing Royalty Partner to facilitate an acquisition of a profitable company. The initial cash yield for Duke's follow on investment is 13.5%, on a term of 30 years and 6% adjustment factor based on revenue performance.

Details of the Placing

The Company has conditionally raised a total of approximately £32.0 million (before expenses) through the placing of 91,428,573 Placing Shares via an accelerated bookbuild. The Issue Price of 35 pence per Placing Share represents a discount of 9.1 per cent. to the closing middle market price of 38.5 pence on 30 March 2021, being the last day prior to the announcement of the Placing. The Placing is conditional *inter alia* on the passing of the Extraordinary Resolution at the Extraordinary General Meeting and also on Admission occurring no later than 8.00 a.m. on 19 April 2021 (or such later date as the Company and Cenkos may agree, being no later than 19 May 2021).

The following directors and their related parties have agreed to subscribe for Placing Shares at the Issue Price:

Director/Related Party	Number of Placing Shares subscribed
Neil Johnson (CEO)	200,000
Nigel Birrell (Chairman)	200,000
Arlington Partners Fund*	235,639

*Arlington Partners Fund is owned by Arlington Group Asset Management Limited, in which Charlie Cannon-Brookes, Executive Director, has a 50 per cent. interest.

Placing Agreement

Pursuant to the Placing Agreement, the Joint Bookrunners have agreed to use their reasonable endeavours as agents of the Company to procure subscribers for the Placing Shares. The Placing Agreement provides, *inter alia*, for payment by the Company to the Joint Bookrunners of commissions based on certain percentages of the product of the number of Placing Shares placed by them multiplied by the Issue Price. The Company will bear all other expenses of and incidental to the Placing.

The Placing Agreement contains certain warranties and indemnities from the Company in favour of the Joint Bookrunners and the obligations of the Joint Bookrunners under the Placing Agreement in connection with the Placing are conditional, *inter alia*, upon:

- (a) the Extraordinary Resolution having been passed by the requisite majority of Shareholders at the Extraordinary General Meeting;
- (b) the Placing Agreement having become unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (c) Admission becoming effective not later than 8.00 a.m. on 19 April 2021 or such later time and/or date as the Company and Cenkos may agree, being not later than 8.00 a.m. on 19 May 2021.

The Joint Bookrunners may terminate the Placing Agreement in certain circumstances, if, *inter alia*, the Company has failed to comply with any of its obligations under the Placing Agreement; if there is a material adverse change in the financial or trading position or prospects of the Company or the Group; or if there is a change in financial, political, economic or stock market conditions, which in their reasonable opinion (acting in good faith) is or would be materially prejudicial to the successful outcome of the Placing.

Details of the PrimaryBid Offer

The PrimaryBid Offer, will allow investors to participate in the Fundraising by subscribing via PrimaryBid.com

The PrimaryBid Offer remains conditional on the Placing being or becoming wholly unconditional.

The New Ordinary Shares issued pursuant to the PrimaryBid Offer will be free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu*, in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

The PrimaryBid Offer is not underwritten. The PrimaryBid Offer will be closed at 3 p.m. on 6 April 2021 although may close early if it is oversubscribed.

The Company is relying on an available exemption against the need to publish a prospectus approved by the UK Listing Authority.

A further announcement was made by the Company on 31 March 2021 regarding further details of the PrimaryBid Offer and how investors may participate.

Investors should make their own investigations into the merits of an investment in the Company.

It should be noted that a subscription for PrimaryBid Offer Shares and investment in the Company carries a number of risks. Investors should consider the risk factors set out on PrimaryBid.com before making a decision to subscribe for PrimaryBid Shares. Investors should take independent advice from a person experienced in advising on investment in securities such as the PrimaryBid if they are in any doubt.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that subject to the passing of the Extraordinary Resolution, Admission will become effective at 8.00 a.m. on 19 April 2021.

Extraordinary General Meeting

The Extraordinary General Meeting of the Company is to be held at 11.00 a.m. on 16 April 2021 at the Company's registered office, Trafalgar Court, 4th Floor, West Wing, Admiral Park, St Peter Port, Guernsey GY1 2JA.

Under Article 4.7 of the Articles, the Company may, by Extraordinary Resolution, disapply the rights of pre-emption for the issue of equity securities. An Extraordinary Resolution is passed where no less than 75 per cent. of those present and entitled to vote, or voting by proxy, in a general meeting vote in favour for it to be passed.

Impact of COVID-19 on Extraordinary General Meeting arrangements:

The Company is closely monitoring the COVID-19 situation, including States of Guernsey guidance and will continue to do so in the lead up to the Extraordinary General Meeting. In light of current

States of Guernsey travel restrictions, as well as quarantine requirements upon entry, the Extraordinary General Meeting will be held in a different format to that of previous years, while still allowing Shareholders to exercise their voting rights. The health and safety of Shareholders and colleagues is always our main priority and we are committed to supporting the States' efforts in relation to this pandemic.

The Extraordinary General Meeting will therefore take place as a closed meeting (unless notified otherwise via our website at <http://www.dukeroyalty.com>). This means the Extraordinary General Meeting will be held only with the minimum number of persons in attendance to ensure a valid meeting is held. Two directors of the Company, each of whom is either a Shareholder, or a proxy or corporate representative appointed by a Shareholder, will attend the meeting. Please do not travel to the Extraordinary General Meeting as anyone who seeks to attend in person will be refused entry. We therefore strongly urge all Shareholders to register their votes in advance by appointing the chairman of the Extraordinary General Meeting as their proxy and giving them voting instructions. We do not recommend the appointment of any other person as your proxy as they will not be able to attend the Extraordinary General Meeting and your vote will not be counted.

Action to be taken by Shareholders

In respect of the General Meeting

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6AH, as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 14 April 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the issuer's agent (ID 3RA50) by no later than 11.00 a.m. on 14 April 2021 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009

The Placing and Primary Bid Offer are conditional, *inter alia*, upon the passing by Shareholders of the Extraordinary Resolution at the General Meeting.

Recommendation

The Directors recommend that Members should vote in favour of the Extraordinary Resolution, as they intend to do in respect of their combined holdings in the Company.

Yours faithfully

Mr Nigel Birrell
Chairman Duke Royalty Limited

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise expressly stated, all defined terms referred to below shall have the same meaning as given in the Circular dated 1 April 2021 of which the Notice convening this Extraordinary General Meeting forms part.

Notice is hereby given of an Extraordinary General Meeting of Duke Royalty Limited (Guernsey Registration Number: 54697) (the "Company") to be held at 11:00 a.m. local time on 16 April 2021 at 4th Floor, West Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey GY1 2JA ("GM") for the following purposes:

Extraordinary Resolution

To consider and, if thought fit, pass the following resolution as an extraordinary resolution of the Company:

THAT, the Directors be granted the power to issue equity securities (as defined in the Articles) in connection with the Fundraising (being the New Ordinary Shares) under the authority conferred under Article 3.1 of the Articles for cash as if the rights of pre-emption in Article 4.2 of the Articles did not apply to any such issue, by the disapplication of such rights of pre-emption in accordance with Article 4.7 of the Articles, provided that this power shall: (i) be limited to the allotment of 100,000,002 equity securities, each at the Issue Price; and (ii) expire at the conclusion of the Company's Annual General Meeting in 2021 (or, if earlier 30 June 2021), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

By Order of the Directors:

Trident Trust Company (Guernsey) Limited

1 April 2021

Registered Office
4th Floor, West Wing
Trafalgar Court
Admiral Park
St Peter Port
Guernsey
GY1 2JA

Notes:

(a) Impact of COVID-19 on Extraordinary General Meeting arrangements

The Company is closely monitoring the COVID-19 situation, including States of Guernsey guidance and will continue to do so in the lead up to the EGM. In light of current States of Guernsey travel restrictions, as well as quarantine requirements upon entry, the Extraordinary General Meeting will be held in a different format to that of previous years, while still allowing Shareholders to exercise their voting rights. The health and safety of Shareholders and colleagues is always our main priority and we are committed to supporting the States' efforts in relation to this pandemic.

The Extraordinary General Meeting will therefore take place as a closed meeting (unless notified otherwise via our website at <http://www.dukeroyalty.com>). This means the Extraordinary General Meeting will be held only with the minimum number of persons in attendance to ensure a valid meeting is held. Two directors of the Company, each of whom is either a Shareholder, or a proxy or corporate representative appointed by a Shareholder, will attend the meeting. Please do not travel to the Extraordinary General Meeting as anyone who seeks to attend in person will be refused entry. We therefore strongly urge all Shareholders to register their votes in advance by appointing the chairman of the Extraordinary General Meeting as their proxy and giving them voting instructions. We do not recommend the appointment of any other person as your proxy as they will not be able to attend the Extraordinary General Meeting and your vote will not be counted.

In the event that further disruption to the Extraordinary General Meeting becomes unavoidable, we will announce any changes relating to the meeting (such as timing or venue) as soon as practicably possible through the Company's website (as referred to above).

- (b) A Member entitled to attend, speak and vote at the EGM is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the EGM instead of him/her (the "Proxy Appointment"). A proxy need not be a Member. A Member may appoint more than one proxy in relation to the EGM provided that such proxy is appointed to exercise the rights attached to a different share or shares held by the Member. A Member may not appoint more than one proxy to exercise rights attached to any one Share. Where multiple proxies have been appointed to exercise rights attached to different Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Member who appointed them would have on a show of hands if he/she were present at the meeting. On a poll, all or any of the rights of the Member may be exercised by one or more duly appointed proxies. To appoint more than one proxy you may photocopy the Proxy Form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as

- proxy (which, in aggregate, should not exceed the number of shares held by the Member). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- (c) A Proxy Form is enclosed for use by Members to complete, sign and return.
 - (d) On a vote on a show of hands, each proxy has one vote. If a proxy is appointed by more than one member, and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote “for” or “against” as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both “for”, and “against” in order to reflect the different voting instructions.
 - (e) On a poll all or any of the voting rights of the Member may be exercised by one or more duly appointed proxies.
 - (f) In order to be valid, a Proxy Appointment must be made by one of the following methods:
 - I. by Proxy Form, delivered by post, by courier or by hand together with any power of attorney or other authority under which it is executed (or a notarially certified copy of such power of attorney or authority) to the Company’s Registrars, at c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY; or
 - II. in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,
and in each case, it must be received by the Registrars as soon as possible and in any event not later than 48 hours before the time fixed for the EGM (or any adjournment). The Articles provide that a Proxy Appointment may be given by email or other electronic means. However, a Member that appoints a person to act on its behalf under any power of attorney or other authority must return by post, by courier or by hand such power of attorney or other authority (or a notarially certified copy thereof) to the Registrars as soon as possible and in any event not later than 48 hours before the time fixed for the EGM (or any adjournment) or, in the case of a poll taken not more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of a poll, or in the case of a poll taken not more than 48 hours after it was demanded, the time at which the poll was demanded.
 - (g) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with CREST specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company’s transfer agent, the Registrars, (ID 3RA50) by the latest time(s) for receipt of 15 proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s transfer agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that no special procedures are available in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations, 2009.
 - (h) No Member will be entitled to be present or vote at the EGM (or any adjournment) either personally or by proxy unless their name appears on the register of members of the Company as at 11:00 a.m. on 14 April 2021. Changes to the entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the EGM (or any adjournments). This record time is being set for voting at the Meeting (and any adjournments) because the procedures for updating the register of members in respect of shares held in uncertificated form require a record time to be set for the purpose of determining entitlements to attend and vote at the EGM.
 - (i) Any corporation which is a Member may, by a resolution of its board or other governing body or officers authorised by such body, authorise such person or persons as it thinks fit to act as its representative at the EGM and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers as that corporation could exercise if it were an individual Member of the Company.
 - (j) The quorum for the EGM will be two Members present in person, by proxy or by corporate representative. If a quorum is not present within 20 minutes from the time appointed for the EGM, or if during the EGM such a quorum ceases to be present, the EGM, shall stand adjourned to such day, time and place as the chairman of the EGM may determine and, on the resumption of an adjourned EGM those Members present in person or by proxy shall constitute the quorum.
 - (k) Resolutions proposed at the EGM as extraordinary resolutions, will be passed conditional on obtaining not less than 75 per cent. of the total number of votes cast by those entitled to vote in respect of the extraordinary resolution.
 - (l) Information about the EGM is available on the Company’s website, www.dukeroyalty.com
 - (m) As at close of business on 31 March 2021 (being the Latest Practicable Date prior to publication of this document), the Company’s issued share capital comprised 257,906,907 Ordinary Shares. Each Share carries (on a vote conducted by way of a poll) the right to one vote per Share held at a general meeting of the Company and therefore the total voting rights in the Company as at close on 31 March 2021 is 257,906,907.

