



Introduction to Duke Capital

March 2025

AIM: DUKE

DISCLAIMER

These presentation slides and the accompanying verbal presentation (the "Presentation Materials"), have been prepared by Duke Capital Limited (the "Company"). They do not constitute or form part of any offer or any solicitation for any commitment by the Company in relation to any potential loan investment, nor should they or any part of them form the basis of, or be relied on in connection with, or act as an inducement to enter into any contract or commitment whatsoever.

The Company will only contract with a partner following the completion of its financial, commercial, technical and legal due diligence to its sole satisfaction and on the basis of definitive legal agreements, and no assurance or guarantee is, or will be, provided by the Company that it will offer any proposed terms to any potential partner or enter into any such definitive legal agreements.

Neither the Company nor its subsidiaries nor any of their respective directors, officers, employees, agents or advisers makes any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the Presentation Materials or opinions contained therein nor accepts any responsibility or liability whatsoever for any loss howsoever arising from any use of, or in connection with, these Presentation Materials or otherwise arising in connection therewith.

The Company does not undertake any obligation to update or to correct any omissions or inaccuracies which may become apparent in them. Each recipient of these Presentation Materials must make its own investigation and evaluation as to whether partnering with the Company is appropriate for its own funding requirements.

The Presentation Materials contain forward-looking statements in relation to the Company and its financing arrangements. Such statements are generally identifiable by the terminology used, such as "may", "will", "could", "should", "would", "anticipate", "believe", "intend", "expect", "plan", "estimate", "budget", "outlook" or other similar wording. By its very nature, such forward-looking information requires the Company to make assumptions that may not materialise or that may not be accurate and, in particular, commercial terms which have been agreed with one or more partners may not be available to other potential partners.

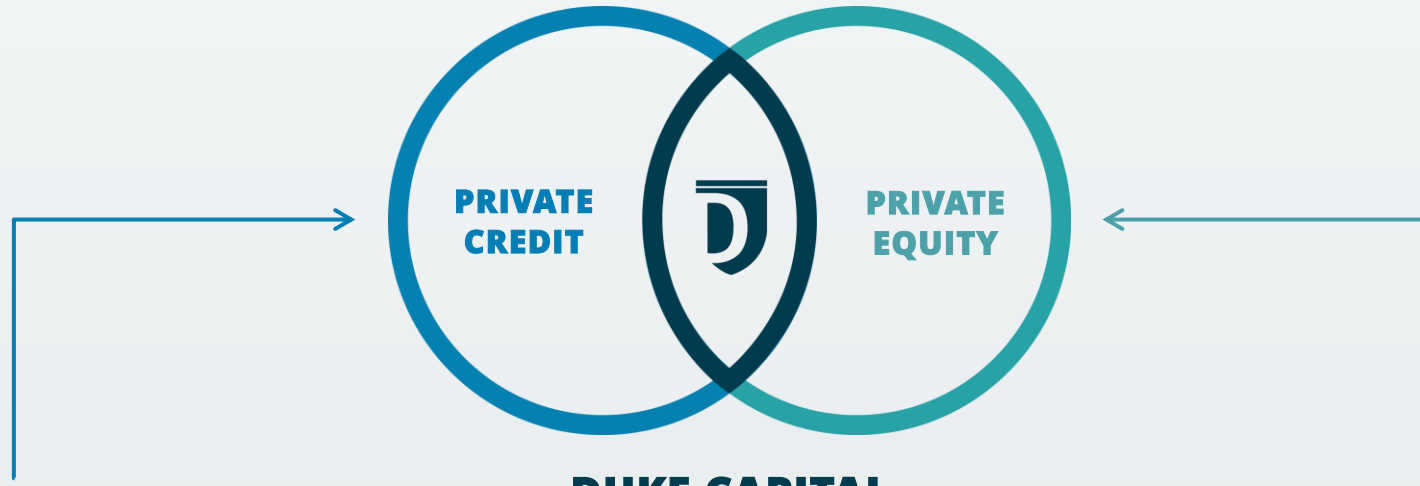
The Presentation Materials are being supplied to you for your own information and may not be distributed, published, reproduced or otherwise made available to any other person, in whole or in part, for any purposes whatsoever.

Duke Capital Limited is registered with the Guernsey Financial Services Commission as a Non-Regulated Financial Services Business to carry out Lending.

INTRODUCTION TO DUKE CAPITAL

Hybrid capital combines the best features of private credit and private equity

Duke's capital appeals to business owners who need capital but want to retain control



DUKE CAPITAL

Senior, mezzanine or junior	vs	Senior secured loan	Minority equity stakes	VS	Majority equity control
5-year term, typically bullet	vs	30-year amortisation	Unitranche capital	VS	Preference and / or ordinary shares
Floating rate: % over SONIA	vs	Fixed rate + rev. adjusted	Inflation hedged return	VS	Return only realised on exit
Light touch due diligence	vs	Intensive due diligence	Board representation	VS	Board control
Fee-based, loss ratio model	vs	Exit premium + equity upside	Exit in owners' control	VS	Exit forced at end of fund life

CLEAR INVESTMENT STRATEGY

Duke's funding solution is used by owner-operators to drive growth and increase shareholder value

Use of Proceeds

MANAGEMENT
BUYOUTS

BUY & BUILD
STRATEGIES

SHAREHOLDER
RESTRUCTURINGS

DEBT REFINANCING

What Duke looks for

- Investment size of £5 – 30 million
- Companies with EBITDA of £2 – 8 million and low maintenance capex
- Long-term partnership and alignment with business owners
- We seek owners not wanting to give up control or existing management wanting to become owners through an MBO

Business characteristics

- Long-standing private, family / owner-operated businesses
- History of organic revenue growth and profitability
- Dominant position in its local market
- Low levels of customer concentration
- Environmentally and socially responsible



Sectors:



Manufacturing



Services



Healthcare



IT Services



Countries:



U.K.



Ireland



U.S.

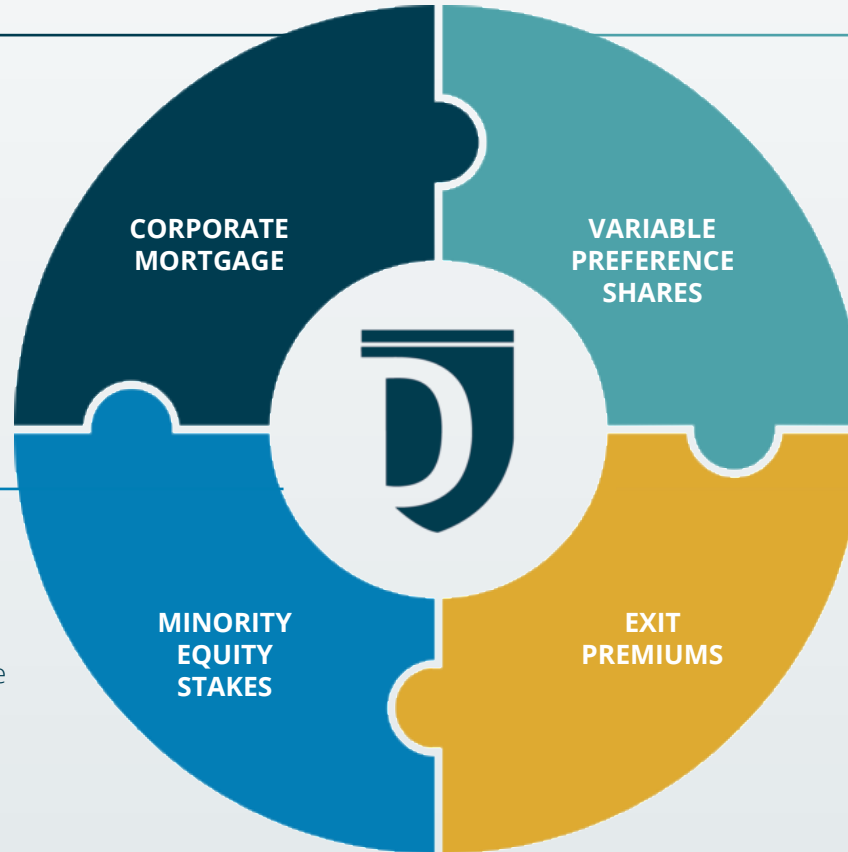


Canada

THE COMPONENTS OF DUKE'S PRODUCT

Duke offers a unique 'Corporate Mortgage' while also aligning our returns with the success of the business

- Senior secured instrument
- 12.0% fixed rate yield, with no refinancing risk
- Principal paid throughout 30-year term
- Company's current cash flows exceed interest payments, typically 2 times covered



- 1.5% - 2.0% variable preference share
- Annual adjustment to Duke's yield based on partner's change in revenue
- The change in yield is capped at +/- 6% in currency terms

- To create alignment with the business owner, Duke seeks equity when available
- Equity is typically acquired at minimal cost at transaction date

- Business owner maintains control of the timing of an exit
- Fee due upon refinancing prior to maturity in every case
- Exit premiums of 15% – 30%

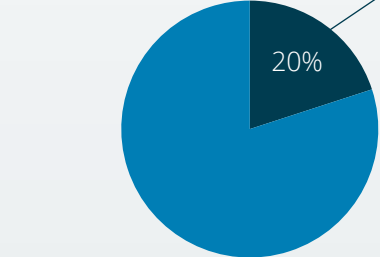
THE RISE OF PRIVATE CREDIT AND DIRECT LENDING

Private credit is a fast-growing area of the alternative lending market, with direct lending representing the biggest part of the asset class

2014 Market Size

US\$0.4tn¹

US\$100bn



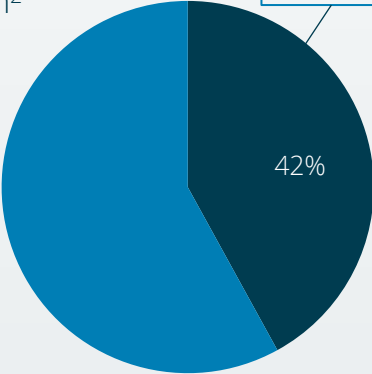
■ Direct Lending

■ Other Private Credit (venture, mezzanine, royalties)

2023 Market Size

US\$1.4tn²

US\$650bn



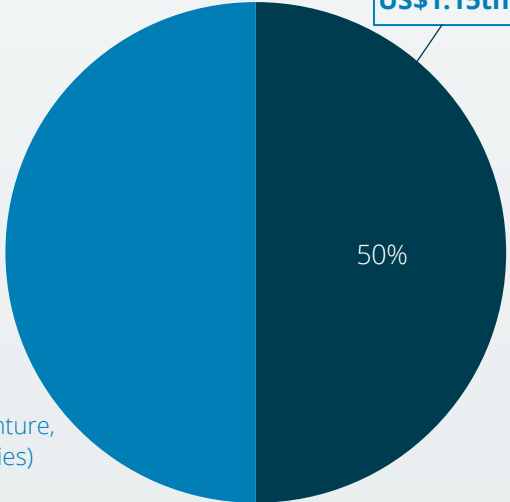
■ Direct Lending

■ Other Private Credit (venture, mezzanine, royalties)

2027E Market Size

US\$2.3tn²

US\$1.15tn



■ Direct Lending

■ Other Private Credit (venture, mezzanine, royalties)

Direct lending is negotiated directly between lender and borrower

Direct lending's popularity is due to its flexibility, certainty of execution, and increasing regulations on high street banks

Sources:
¹ Blackrock: The Growth of Direct Lending, An investor Q&A
² Morgan Stanley: Understanding Private Credit

TARGET MARKET VS. OTHER INSTITUTIONAL FORMS OF CAPITAL

The Lower Mid-Market comprises of companies with less access to institutional capital than other segments



No investment

Venture Capital

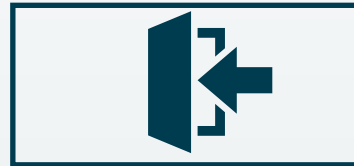
- Visionary leadership
- Focus on revenue growth not profits
- No cashflow to support debt
- Minimal operating history
- Tech companies and/or scalable business models

EBITDA range:

NA

EV / EBITDA x:

NA



Duke's point of entry

Lower Middle-Market

- Entrepreneurial leadership / owners
- Retaining control is important
- Refinancing risk is top of mind
- Distrustful of banks
- Steady revenue growth, typically serving domestic markets

EBITDA range:

£2 – 6 million

EV / EBITDA x:

4x – 6x



Duke's point of exit / refinance

Middle Market

- Professional managers and institutional ownership
- Private equity ownership sweet-spot
- Many more options for capital
- Refinancing risk diminished
- Typically established operations with expansion internationally

EBITDA range:

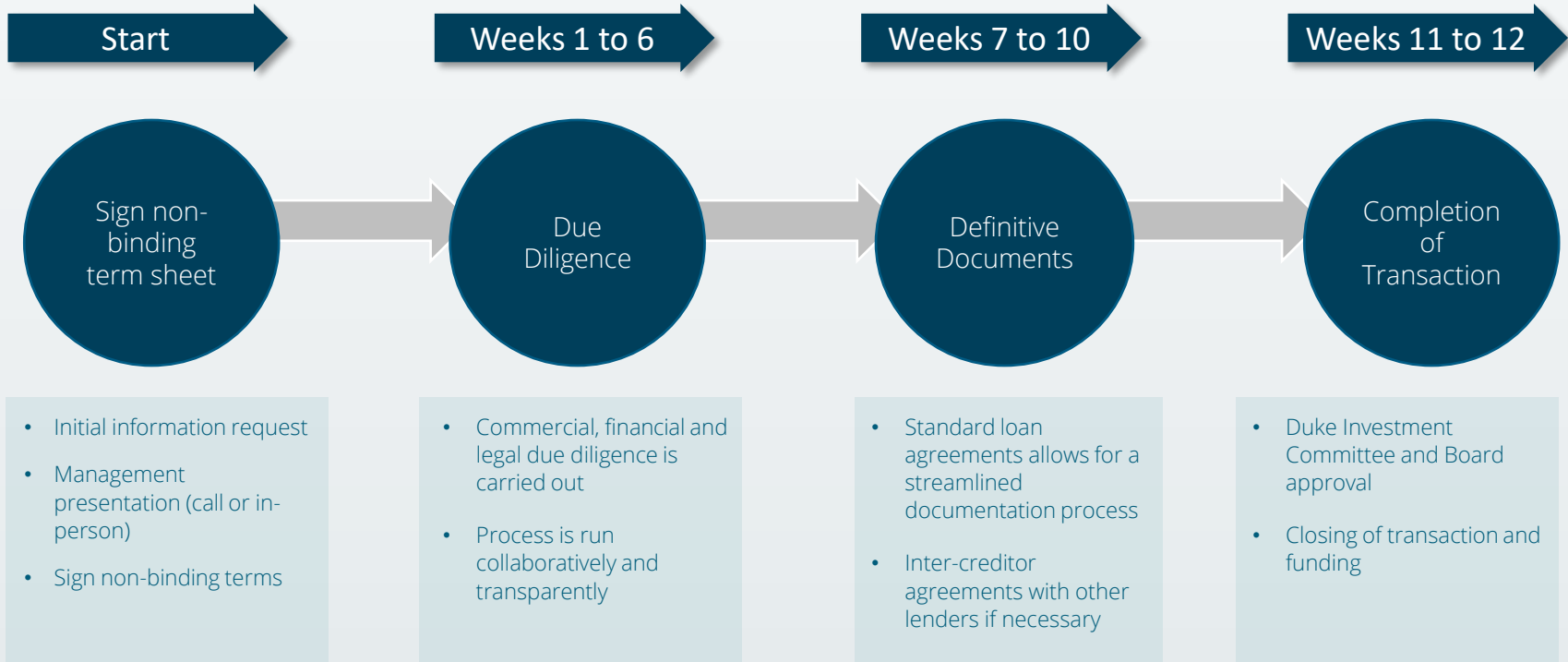
£10 - 100 million

EV / EBITDA x:

8x – 10x

INVESTMENT PROCESS

Duke has partnered with top tier management consulting firms to expedite due diligence and aims to complete transactions within two to three months



SUCCESSFUL EXIT STRATEGY PROVEN

Exits form part of Duke's funding model and validates the flexible form of capital

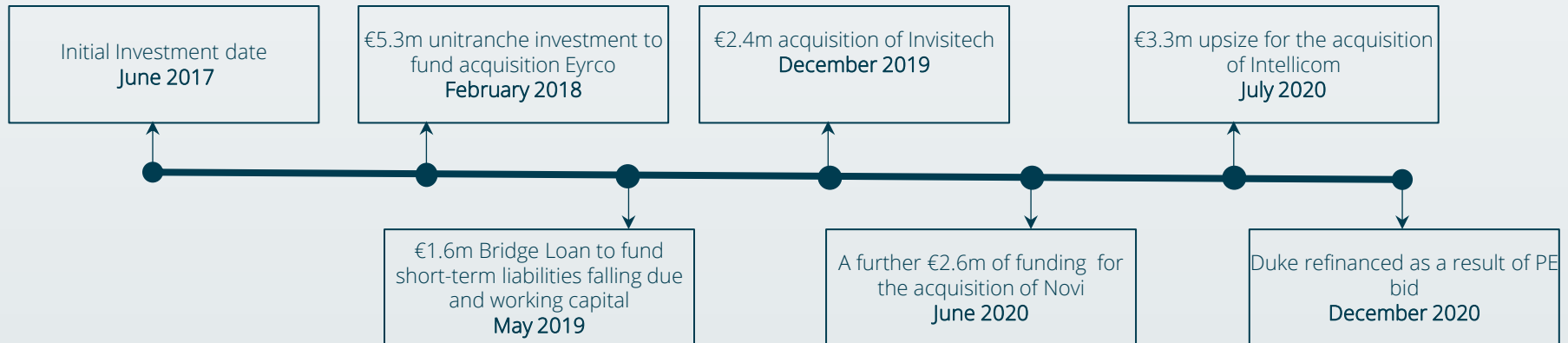
June 2017 –
December 2020



TELECOMMUNICATIONS

Acquisition Capital &
Debt Refinancing

- The lending relationship began in 2017 through Duke's subsidiary, Capital Step for €500k to fund the Company's acquisition of ATS
- Duke financed **6 different transactions over 3 years** for a total consideration of €16m to fund an ambitious M&A strategy
- The underlying Company traded strongly with the help of Duke, benefitting from the Work from Home trend which ultimately attracted compelling Private Equity offers to sell
- The owners decided to take a Private Equity offer which gave them a windfall profit; and Duke was refinanced as a result



DUKE'S INVESTORS: TOP GLOBAL FUNDS WITH SIGNIFICANT PUBLIC OWNERSHIP

Since listing on the LSE in 2017, a range of blue-chip institutional investors have invested in Duke

BlackRock

\$9.5 trn
AUM



\$2.6 trn
AUM



\$1.0 trn
AUM



\$1.0 trn
AUM



\$750 bn
AUM



\$500 bn
AUM



\$300 bn
AUM



\$70 bn
AUM



Fairfax Financial Holdings Limited is Duke's £100m debt provider and strategic investor

Fairfax headquartered in Toronto has over \$90bn of assets is primarily engaged in property and casualty insurance and reinsurance and the associated investment management



Meet Our Partners

OUR PARTNERS

Duke has proven experience investing across a range of sectors, geographies and transaction types

INTEGRUM CARE GROUP

March 2024

Invested capital: £14.5m

Acquisition Capital
Elderly Care



July 2023

Invested capital: US\$11.5m

MBO
Industrials



November 2022

Invested capital: £12.1m

Acquisition Capital
Fire & Security



December 2021

Invested capital: £19.4m

Acquisition Capital
Specialist Care



December 2021

Invested capital: US\$21.0m

Debt Refinancing
Industrials



August 2021

Invested capital: CA\$27.1m

Acquisition Capital
Industrials



July 2021

Invested capital: £30.6m

Acquisition Capital
I.T Services



February 2019

Invested capital: £23.0m

MBI
Leisure

BPVA

September 2018

Invested capital: £20.5m

Acquisition Capital
Business Services



August 2018

Invested capital: £10.0m

Growth Capital
Healthcare

Step Investments

August 2018

Invested capital: £11.5m

Growth Capital
Business Services



April 2018

Invested capital: £15.0m

Acquisition Capital
Industrials



March 2018

Invested capital: £13.3m

Equity Buyout
Industrials

LYNX equi+ty limited

October 2017

Invested capital: £15.0m

Acquisition Capital
Business Services

PARTNER: TRISTONE HEALTHCARE

Duke works closely with Tristone to assess and fund new M&A opportunities as part of their buy and build strategy

Initial Investment

£10.5m

Current Exposure

£19.4m

Transaction type

Debt Refinancing & Buy & Build

Initial obligation (incl. principal)

13.5%

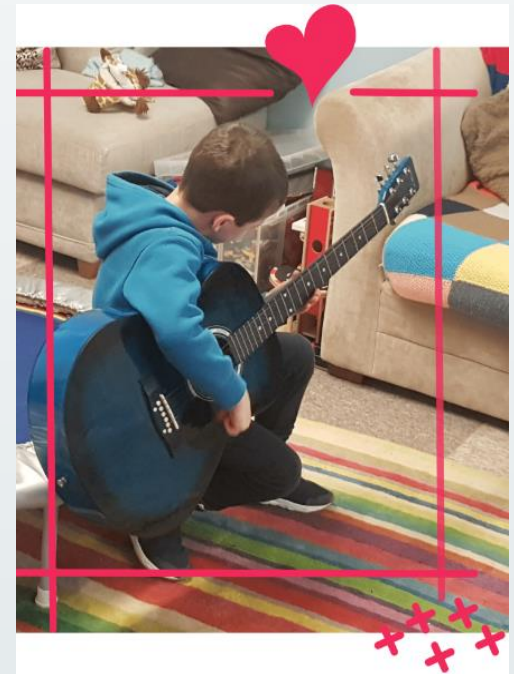
Company overview

- Tristone provides specialist residential and domiciliary care to i) high acuity adults with severe mental, physical or learning difficulties and ii) care leavers aged 16-19 who are transitioning out of social care and into independent living
- Formed in 2015, Tristone has acquired three specialist care businesses to date, and has a growing pipeline of bolt-on acquisitions
- Tristone's subsidiaries have a combined 40-year operating history

Why Duke

- Ability to draw down further capital for selective M&A opportunities
- Duke enables Tristone to independently retain control of their business

"The long-term and non-controlling characteristics of this financing was compelling as it enables us to focus on what we do best without any refinancing risk and without having to compromise our values or approach. We look forward to working with the team to deliver our shared outcomes" **Yannis Loucopoulos, CEO of Tristone Healthcare**



PARTNER: NEW PATH FIRE AND SECURITY

Since our relationship began in 2022, Duke's capital has been used to fund further M&A for the Group

Initial Investment
£5.5m

Current Exposure
£12.1m

Transaction type
Debt Refinancing & Buy & Build

Initial obligation
(incl. principal)
13.5%

Company overview

- New Path Fire and Security is an acquisitive platform, buying independent regional fire safety and security companies throughout southern England
- New Path predominantly serves business customers, helping them to protect their premises, assets, and most importantly their people.
- New Path's growing raft of competencies also allows it to act as a hassle-free single point of contact

Why Duke

- Patient capital with no refinancing risk in a challenging macroeconomic environment
- Access to further capital "war chest" to pursue M&A

"Duke is an ideal partner and shareholder for us at this point in our life cycle. Their capital will allow us to assert ourselves in a sector that we understand well and to gain scale via acquisition. We are excited about the opportunities that lie ahead and to work with the Duke team to achieve our strategic objectives" **Andrew Hill, CEO of New Path**



PARTNER: GLASSHOUSE

The MBO of Glasshouse comprised a \$11.5m investment plus a minority equity investment representing a 9.9% ownership stake

Initial Investment

\$11.5m

Current Exposure

\$11.5m

Transaction type

MBO

Initial obligation (incl. principal)

13.5%

Company overview

- Founded in 2002 in Texas, Glasshouse is a long-established provider of custom glass solutions including the design, fabrication, sale and installation of glass architectural products
- Glasshouse's product offering includes outdoor architectural glazing and glass, staircases, glass walls, shelves, furniture, shower doors, mirrors and decorative glass
- Glasshouse has long-standing customer relationships spanning the high-end residential and commercial real estate end-markets

Why Duke

- Duke's capital enabled a management buyout of Glasshouse from its parent company, transitioning equity control of the business to the current President, Royce King. Royce is the son of Glasshouse's founder and has been actively involved with the company since 2002

"The long-term, light amortising and flexible nature of Duke's investment solution, in tandem with its ongoing partnership, is a great fit for Glasshouse. We are excited about the partnership with Duke and look forward to embarking on the next stage of our growth." Royce King President of Glasshouse



OUR TEAM

The Duke team has 100+ years of combined experience



NEIL JOHNSON – CEO

- 30+ years of experience in mid-market companies
- Head of Corporate Finance (Europe) and on Global Executive Committee of Canaccord Genuity
- Has raised over £3 billion of capital across private and public markets
- Founder of Duke Capital



CHARLIE CANNON-BROOKES – CIO

- London-based Chief Investment Officer
- 20 years+ of fund management
- Has sat on the boards of several funds, trusts and other publicly traded investment companies
- Co-founder of Duke Capital



HUGO EVANS – CFO

- Extensive experience in senior finance roles within financial services
- 12 years of UK plc reporting experience
- Chartered Accountant (Grant Thornton)



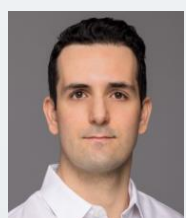
ALEX HIBBARD – PRINCIPAL, INVESTMENTS

- 10 years of private equity experience, focused on new investments and managing portfolio companies
- Chartered Financial Analyst



AJAY SHIVDASANI – PRINCIPAL, INVESTMENTS

- 4 years of private-equity LBO transaction experience and deal origination at DW Healthcare Partners and 4 years of global management consulting experience at Oliver Wyman
- MBA from INSEAD University



STEVEN RUSSO – PRINCIPAL, INVESTMENTS

- 12 years of experience in mezzanine debt and growth equity capital transactions.
- J.D./MBA Degree from Queen's University (2011)



MAGDA TARNOWSKA – EXECUTIVE ASSISTANT

- 5 years of experience as EA supporting the CEO and Duke team
- 2 years as EA at Captor Capital, supporting the CEO and Board of Directors



MARCUS OLSBERG – ORIGINATION

- 4 years at MUFG Bank where he worked in the Leveraged Finance and Credit Analysis divisions with a focus on the Aviation Sector
- BA from Durham University



TOMMY STAMADIANOS – ASSOCIATE, INVESTMENTS

- 4 years of LBO and growth equity experience focused on North America and Western Europe at AIMCo and Canadian Business Growth Fund
- Holds a BCom from the University of Toronto



KORAY KOSANOGLU – ASSOCIATE, INVESTMENTS

- 2 years at Deutsche Bank in London in the Consumer & Retail team, on a range of M&A and Financing projects
- Holds a BSc in Economics from UCL



JOEL ANDERS – ASSOCIATE, INVESTMENTS

- 2 years Blazehill Capital focusing on investment opportunities as well as managing portfolio companies across a wide range of sectors
- Holds a BSc in Economics from Bristol

