

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) (“FSMA”) 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 Ordinary 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 New Ordinary Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA 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 New Ordinary Shares will become effective and dealings in such shares will commence on 27 May 2022 (subject to the passing of the Extraordinary Resolution). Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM (subject to the passing of the Extraordinary Resolution). The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary 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 FCA. 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 £20 million comprising
Placing of 52,857,143 Placing Shares to raise £18.5 million
PrimaryBid Offer of 4,285,715 PrimaryBid Shares to raise £1.5 million
at an Issue 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 9 to 12 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 26 May 2022 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 12 of this document. Defined terms used in this document have the meanings ascribed to them in the section headed “Definitions” starting on page 7 of this document.

Cenkos Securities plc (“Cenkos”) which 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 Cenkos 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 (“Canaccord”) which 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.

Notice of an Extraordinary General Meeting of Duke Royalty Limited, to be held at the offices of the Company at Trafalgar Court, 4th Floor, West Wing, St Peter Port, Guernsey, GY1 2JA at 11.00 a.m. on 26 May 2022, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the Extraordinary 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 24 May 2022 (or, if the Extraordinary 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 Extraordinary 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 24 May 2022 (or, if the Extraordinary 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.

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

	2022
Announce launch of Placing via accelerated book build and launch of PrimaryBid Offer	10 May
Announcement of the results of the Placing and PrimaryBid Offer	11 May
Latest time and date for receipt of proxy voting instructions for the Extraordinary General Meeting	11.00 a.m. on 24 May
Extraordinary General Meeting	11.00 a.m. on 26 May
Result of the Extraordinary General Meeting announced	26 May
Admission and dealings in the New Ordinary Shares expected to commence on AIM	8.00 a.m. on 27 May
Expected date for CREST accounts to be credited in respect of New Ordinary Shares in uncertificated form (where applicable)	27 May
Expected date for despatch of definitive share certificates for New Ordinary Shares in certificated form (where applicable)	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	358,803,360
Number of Placing Shares being issued by the Company pursuant to the Placing	52,857,143
Number of PrimaryBid Shares issued by the Company pursuant to the PrimaryBid Offer	4,285,715
Number of New Ordinary Shares issued by the Company pursuant to the Fundraising	57,142,858
Number of Ordinary Shares in issue following Admission	415,946,218
Percentage of the Existing Ordinary Shares being placed pursuant to the Fundraising	approximately 15.9 per cent.
Gross proceeds of the Placing	£18.5 million
Gross proceeds of the PrimaryBid Offer	£1.5 million
Gross proceeds of the Fundraising	£20 million
Estimated net proceeds of the Fundraising receivable by the Company	£19.2 million
ISIN of Ordinary Shares	GG00BYZSSY63

DEFINITIONS

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

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
Cenkos	Cenkos 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
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 & International Limited, the operator of CREST
Existing Ordinary Shares	the 358,803,360 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 26 May 2022, 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 Group	the Placing and the Primary Bid Offer the Company and its Subsidiaries
Issue Price	35 pence per New Ordinary Share
Joint Bookrunners	Cenkos and Canaccord
Latest Practicable Date	9 May 2022, being the latest practicable date prior to publication of the announcement of the Fundraising
London Stock Exchange	London Stock Exchange plc

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 to be issued pursuant to the Fundraising
Notice of EGM 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 10 May 2022 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 52,857,143 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	4,285,715 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
Registrars	Computershare Investor Services (Guernsey) Limited
Regulatory Information Service	has the meaning given in the AIM Rules for Companies
Royalty Partners	any of the Company's portfolio companies into which it has provided financing
Shareholders or Members	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)
Mrs Maree Wilms (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

11 May 2022

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

**Fundraising of £20 million comprising
Placing of 52,857,143 Placing Shares
PrimaryBid Offer of 4,285,715 PrimaryBid Shares
at an Issue Price of 35 pence per share
and
Notice of Extraordinary General Meeting**

Dear Member,

On 10 May 2022, the Company announced that it is undertaking a Fundraising with new and existing investors, to invest capital into follow-on investments with its existing Royalty Partners deploying a buy and build acquisition strategy, and new opportunities. The Fundraising is being conducted through a Placing which has conditionally raised £18.5 million (before expenses) following the closing of an accelerated bookbuild process on 10 May 2022, plus a PrimaryBid Offer which has conditionally raised an additional £1.5 million in order to provide other investors who did not take 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 9.7 per cent. to the closing middle market price of 38.8 pence per Ordinary Share on 9 May 2022, being the last practicable date prior to the announcement of the Fundraising.

This Circular provides you with the background to the Fundraising 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 long term alternative capital solutions to a diversified range of private, owner-managed SME businesses in Europe and abroad. Since inception, the Company has grown its portfolio to 13 Royalty Partners, providing exposure to 48 operating companies across a multitude of sectors. The Company's model is based on capital preservation through long term participating loans to SMEs coupled with minority equity participations, and seeks to offer attractive yields to Shareholders through revenue from monthly cash distributions.

The Directors believe that Duke's track record over the past five years has proven itself as a leader of corporate royalty finance in the UK and Europe and, importantly, evidenced the utility that its long-term alternative financing model brings to SMEs. The Covid-19 pandemic has demonstrated the downside protection offered by Duke's flexible model and its ability to preserve capital during a crisis. Through a combination of previously announced equitization, forbearance and investment activity from Duke, portfolio companies received tailored support through difficult trading conditions.

Since the Covid-19 pandemic, the Company's portfolio has delivered six quarters of growth based on aggregate cash revenues payable to the Company by its Royalty Partners, comprised of monthly cash distributions as well as gains on the sale of equity assets plus buyout premiums. As reported

in its fourth quarter trading update to 31 March 2022, Duke saw record quarterly cash receipts of £6.7 million, representing a 37% increase over the previous record quarterly amount. On a normalised basis, which excludes buyout premiums and gains from the sale of equity stakes, the portfolio generated £4.7 million.

The Directors consider that Duke's portfolio is very well positioned as it enters FY23 and, based on current trading, the Company expects Q1 FY23 normalised cash revenue to increase to £5.0 million. The Group has increased the quantum of annual deployments made to Royalty Partners from £20m in FY20 to £75m in FY22. During the same period, Duke has seen its average portfolio cash yield¹ increase from 12.2% to 12.9% currently, which recovered from a temporary reduction in yield to 9.4% during FY21 following the pandemic. Across the portfolio, Duke is currently receiving 96% of its contracted cash revenues being made by Royalty Partners and the portfolio's overall debt service coverage ratio has increased from 1.7x in FY20 to 2.2x currently.²

Duke continues to pay dividends to Shareholders, and Q4 saw a second consecutive quarterly dividend rise, increasing 17% from 0.60 pence to 0.70 pence per quarter. Duke remains committed to continuing to grow quarterly dividends, which have historically yielded between 5% and 7%. Based on current information, the Board is confident that the trading results for the full year ending 31 March 2022 will be in-line with market guidance and it expects to announce the Company's audited results in September 2022.

Whilst the current economic environment presents challenges through supply chain disruption, rising inflation and the war in Ukraine, the Board believes that the Company will continue to demonstrate resilience in difficult market conditions and does not expect a material disruption to the performance of its portfolio as a result of these pressures. During 2021, the Company's Royalty Partners have worked to mitigate the impact from price increases and stock interruptions. Whilst the war in Ukraine is having an indirect inflationary impact on certain cost of goods, it has no direct trading impact on any of Duke's Royalty Partners. The nature of Duke's annual yield adjustments, which are linked to underlying companies' revenue performance, also ensures a degree of protection from inflation increases, as the adjustments are derived from the movement in audited top line revenue of the underlying Royalty Partners.

Having proven the resiliency of its investment thesis, the Company is now focused on increasing the scale of its portfolio and accelerating its first mover advantage in the UK and European Royalty Financing sector. The success of existing Royalty Partners has engendered significant opportunities for follow-on investments alongside new opportunities identified within Duke's pipeline. The Company's flexible model continues to be attractive to SMEs operating 'buy and build' acquisition strategies employed by many of its Royalty Partners, as evidenced through the numerous follow-on investments announced by the Company over the past few years. The Company is currently evaluating 26 new investment opportunities in its pipeline which could require an estimated £250m but will continue to be selective in adding new royalty partners.

Use of proceeds of the Fundraising

Duke has conditionally raised gross proceeds of approximately £18.5 million through the Placing via an accelerated bookbuild process and an additional £1.5 million (gross) through the PrimaryBid Offer. The Placing and the PrimaryBid Offer remain conditional, amongst other things, on the passing of the Extraordinary Resolution and Admission.

The net proceeds of the Fundraising, of approximately £19.2 million will be used for further capital deployments into existing Royalty Partners deploying a buy and build acquisition strategy, and new opportunities.

The Directors believe that as the portfolio expands and delivers increased cash receipts from Royalty Partners, the Company's stable and relatively fixed cost base will significantly increase free cash flow generation due to the Company's high level of operating leverage. The Company's core operating costs³ as a percentage of normalised cash revenues have decreased from 27% in Q2 FY21 to 13% in Q4 FY22. Furthermore, the Directors believe that there is significant additional value to be generated for Shareholders from potential buyout premiums inherent within Duke's

¹ Represents current monthly contracted cash distributions from all Royalty Partners as a percentage of Duke's investments into those partners

² Represents Royalty Partners' monthly EBITDA divided by their monthly royalty payments due to Duke

³ core operating costs refers to cash operating expenses less variable performance awards

current portfolio, which is not currently reflected in the Company's audited net asset value, as well as potential upside from the realisation of minority equity stakes as Duke's Royalty Partners ultimately exit their investments.

Details of the Placing

The Company has conditionally raised a total of approximately £18.5 million (before expenses) through the placing of 52,857,143 Placing Shares via an accelerated bookbuild. The Issue Price of 35 pence per Placing Share represents a discount of 9.7 per cent. to the closing middle market price of 38.8 pence on 9 May 2022, 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 27 May 2022 (or such later date as the Company, Cenkos and Canaccord may agree, being no later than 10 June 2022).

The Company's Directors and their related parties have agreed to subscribe for 1,500,000 Placing Shares at the Issue Price.

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 27 May 2022 or such later time and/or date as the Company and Cenkos may agree, being not later than 8.00 a.m. on 10 June 2022.

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 allowed 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 closed at 9.00 p.m. on 10 May 2022 and conditionally raised £1.5 million (before expenses) through the issue of 4,285,715 PrimaryBid Offer Shares.

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

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 27 May 2022.

Extraordinary General Meeting

The Extraordinary General Meeting of the Company is to be held at 11.00 a.m. on 26 May 2022 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.

Action to be taken by Shareholders

In respect of the Extraordinary General Meeting

A Form of Proxy for use at the Extraordinary 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 24 May 2022 (or, if the Extraordinary 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 Extraordinary 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 24 May 2022 (or, if the Extraordinary 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 PrimaryBid Offer are conditional, *inter alia*, upon the passing by Shareholders of the Extraordinary Resolution at the Extraordinary 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

APPENDIX

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 11 May 2022 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 26 May 2022 at 4th Floor, West Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey GY1 2JA ("EGM") for the following purpose:

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 57,142,858 equity securities, each at the Issue Price; and (ii) expire at the conclusion of the Company's Annual General Meeting in 2022 (or, if earlier 10 June 2022), 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

11 May 2022

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

Notes:

- (a) 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.
- (b) A Proxy Form is enclosed for use by Members to complete, sign and return.
- (c) 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.
- (d) On a poll all or any of the voting rights of the Member may be exercised by one or more duly appointed proxies.
- (e) 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 6AH; 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.
- (f) 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.
- (g) 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 24 May 2022. 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.
- (h) 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.
- (i) 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.
- (j) The Extraordinary Resolution proposed at the EGM as an extraordinary resolution, 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.
- (k) Information about the EGM is available on the Company's website, www.dukeroyalty.com
- (l) As at close of business on 9 May 2022 (being the Latest Practicable Date prior to publication of this document), the Company's issued share capital comprised 358,803,360 Ordinary Shares. Each Ordinary Share carries (on a vote conducted by way of a poll) the right to one vote per Ordinary Share held at a general meeting of the Company and therefore the total voting rights in the Company as at close on 9 May 2022 is 358,803,360.

