

Duke Royalty and Oliver Wyman announce Exclusive Pharmaceutical and Healthcare
Royalty Financing Collaboration

Collaboration creates UK's first quoted healthcare royalty financing offering

St. Peter Port, Guernsey and Toronto, Canada – September 7th, 2015 – Duke Royalty Limited (“Duke Royalty”), a public diversified royalty company (AIM: DUKE), and Oliver Wyman, a management consultancy wholly owned by Marsh & McLennan Companies (NYSE: MMC), announces today a financing collaboration in the rapidly developing pharmaceutical and healthcare-related royalty market. This unique collaboration brings together a global, respected source of deep healthcare knowledge with a publicly-quoted royalty company to create a unique offering to healthcare companies and public investors alike.

Collaboration Highlights

- Exclusive arrangement aligns both Duke Royalty and Oliver Wyman interests, to unlock value, growth and innovation by offering royalty financing solutions
- Long term commitment, signifying belief and dedication to the opportunity for healthcare companies and investors
- Leverages Oliver Wyman’s global presence, deep healthcare expertise and proprietary datasets and methodologies to offer a financing alternative from a trusted advisor
- Collaboration details significant commitment from both parties, to drive success for both healthcare innovators seeking capital and investors seeking yield

Duke Royalty brings the quoted royalty financing structure, a \$30 billion sector in North America, to the attractive and yet to be developed European market. Having advised on over \$2 billion healthcare royalty transactions in North America, the Investment Committee members of Duke Royalty bring their expertise to the European market. Duke Royalty will be responsible for capital raising, the structuring of definitive agreements and the acquisition of each royalty interest originating from the collaboration. Duke Royalty believes it has improved upon the classic Canadian public company royalty model in two ways: firstly, through exclusive strategic partnerships that bring deal flow and unmatched expertise, and secondly, by employing a time tested corporate structure in Guernsey that is designed to provide higher returns to shareholders.

Commenting on the collaboration, Neil Johnson, CEO of Duke Royalty said: “North America has built a number of highly successful and significant sized royalty companies in both the private and listed arenas. The Duke Royalty and Oliver Wyman collaboration will provide this progressive and compelling financing structure to the global healthcare industry. We are excited to present a new opportunity for healthcare companies to receive capital yet retain control, and look forward to providing UK public investors predictable revenues and a stable dividend.”

Oliver Wyman brings its global network of professionals, with a deep bench of clinical, health system, and risk experts and a successful track record of valuing biopharmaceutical and other healthcare intellectual property for its Fortune 1000 clientele. With offices around the world, there are over 200 professionals in the Health & Life Sciences Practice of Oliver Wyman. Under the terms of the collaboration, Oliver Wyman will identify, analyse and assist in the acquisition of royalty interests for regulatory-approved, patent-protected ethical pharmaceutical and other healthcare products. “Our company has built intellectual capital, a proprietary methodology and datasets, and a track record that will provide critical forecasting and risk assessments for investors and companies seeking capital,” says David Campbell, an Oliver Wyman Health and Life Sciences Partner and a key architect of the relationship.

“Oliver Wyman is proud to partner with Duke Royalty and combine our deep healthcare experience with their royalty financing acumen to unlock value and ultimately fuel innovation in healthcare,” adds Scott McDonald, CEO of Oliver Wyman.

More information on this collaboration can be found [here](#).

The What and Why of Royalty Financing

Royalty financing is a means of raising capital with significant differences from regular debt financing, (such as loans and trade credit), and equity financing (typically private equity, IPO or secondary issues). Royalty capital can fund the recipient’s most critical needs, such as product launches, acquisitions, further R&D, or to re-capitalize balance sheets. In exchange for the capital, the royalty company receives a small percentage of the company’s future revenues or cash flow. As payments fluctuate with revenue, royalty investors are better aligned with equity holders than debt providers, a key differentiator of royalty companies.

Royalties can offer compelling advantages to companies seeking capital:

- Royalty financing is non-dilutive and preserves equity ownership for investors and company founders;
- Royalties can be structured faster with less documentation than typical preferred equity or debt instruments;
- Royalty payments are normally structured to fluctuate with revenue and do not carry the same risk of default as traditional debt;
- Royalties can be used in combination with debt and equity to optimize a company’s cost of capital; and
- Royalty financing is highly flexible and can be structured to meet a company’s unique requirements.

About Duke Royalty

Headquartered in Guernsey, Duke Royalty Limited is a team of experienced financial executives dedicated to providing, for the first time, royalty financing solutions to a diversified number of well-run businesses in Europe and abroad. Duke Royalty has reinvented the royalty financing model for European public markets by lowering costs through an efficient structure and entering into exclusive alliances that leverage deal flow and expertise. A \$30 billion sector in North American public markets, Duke Royalty brings royalty investing to the attractive European market by leveraging the team’s Canadian experience and success with royalty investing. These investments are intended to provide robust, stable, long-term returns for Duke Royalty’s valued shareholders.

Duke Royalty is listed on the AIM market under the ticker DUKE. For more information, visit www.dukeroyalty.com.

About Oliver Wyman and its Health & Life Sciences Practice

With offices in 50+ cities across 26 countries, Oliver Wyman is a global leader in management consulting that combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. Oliver Wyman is a wholly owned subsidiary of Marsh & McLennan Companies [NYSE: MMC]. For more information on Oliver Wyman visit www.oliverwyman.com. Follow Oliver Wyman on Twitter [@OliverWyman](https://twitter.com/OliverWyman).

Oliver Wyman's Health & Life Sciences practice serves clients in the pharmaceutical, biotechnology, medical devices, provider, and payer sectors with strategic, operational, and organizational advice. Deep healthcare knowledge and capabilities allow the practice to deliver fact-based solutions.

For the latest on the new world of healthcare, visit the Oliver Wyman blog, Transforming Healthcare, at blogs.oliverwyman.com/healthcare/.

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