Agathos Fund III

January 2025

agathos

Disclaimer

This document has been prepared by Agathos Management LLP (Agathos). Agathos is authorised by the UK's Financial Conduct Authority (FCA).

This document is being provided to a recipient on a strictly confidential basis by Agathos. By accepting delivery, a recipient agrees not to reproduce or distribute this document in whole or in part, and not to disclose any of its contents to any person.

This document has been prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed by any regulatory authority in any jurisdiction. The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares in any fund managed or advised by Agathos; or (iv) an offer to enter into any other transaction whatsoever (each a Transaction). Any decision to enter into a Transaction should be based on your own independent investigation of the Transaction and appraisal of the risks, benefits and suitability of such Transaction in light of your individual circumstances. Where applicable, any decision to enter into any Transaction should be based on the terms described in the relevant Offering Document. Any Transaction will be subject to the terms set out in its Offering Document and all applicable laws and regulations. Any Offering Document will supersede this document, and any information contained herein.

No warranty or representation is given as to completeness or accuracy of the information set out in this document. The information in this document is not exhaustive and is subject to change at any time without notice.

Any past performance information contained in this document should not be viewed as indicative of future results. The value of investments can go down as well as up. Participation in a Transaction by an investor will put the investor's capital at risk. Certain assumptions and forward-looking statements may have been made either for modelling purposes, to simplify the presentation and/or the calculation of any projections or estimates contained herein (including with respect to "target returns" or "target IRRs") and Agathos does not represent that any such assumptions or statements will reflect actual future events or that all assumptions have been considered or stated. Any opinions expressed are current opinions only and subject to change at any time.

This document contains certain preliminary information relating to a proposed fund referred to as Agathos Fund III ("Fund III"). Fund III has not been established yet and any information set out in this document relating to Fund III is subject to all the foregoing qualifications. Fund III will only be offered to certain eligible investors in accordance with any applicable laws and regulations.

Interests in Fund III will not be registered under the U.S. Securities Act of 1933, as amended, or any state or non-U.S. securities laws, or with any non-U.S. securities regulator, and the Partnership will not be registered under the U.S. Investment Company Act of 1940, as amended.

Any securities described herein have not been recommended by any U.S. federal or state or non-U.S. securities commission or regulatory authority, including the Securities and Exchange Commission.

This document is being distributed only to, and is directed only at, persons who (i) are "professional clients" (as defined in the FCA's rules at COBS 3.5) or (ii) in the case of any person in the UK otherwise fall into an applicable exemption allowing distribution to them, including such persons set out at COBS 4.12 of the FCA's rules.

Any recipients represent that they are able to receive this document without contravention of any applicable legal or regulatory restrictions in the jurisdiction in which they reside or conduct business.

Contents

Investment highlights

About Agathos

- **A lower mid-market ('LMM') PE firm, established in 2014 with a team of 15.**
- **Fund I (£20m) deployed.** 8 investments made. 94% of committed capital returned. 5 assets still active. Fund I valued at 2.8x gross in December 2024, with "base case" target returns of 3.3x gross (14% net IRR), and "higher case" target returns of 4.4x gross (17% net IRR).
- **Fund II (£53m) currently being deployed**, with 5 active investments.
- **Fund III (target £100m) being raised.** We completed a first close in January 2025, and the next close is targeted for the end of February.

About Fund III

- **Investment size:** Making investments of £5-10m into UK lower mid-market businesses (EV's of up to £25m).
- **Stage:** Primary buyouts and substantial minority stakes, defensively structured. Mostly founder-owned and managed businesses.
- **Investment focus:** B2B, focused on six areas: (1) education & training; (2) healthcare & life sciences; (3) sustainability & impact; (4) the built environment; (5) digital & tech consulting; and (6) light manufacturing.
- **Market opportunity:** Identifying LMM SMEs where the greatest opportunity for arbitrage in entry/exit competitive intensity exists.
- **Value creation strategy:** Professionalisation (C-suite, strategy, governance & MI, systems), internationalisation, strategic M&A.
- **Competitive positioning:** Well-resourced and experienced team compared to LMM peers, able to deliver (1) a dual-track origination of new opportunities (direct to businesses and via advisors), and (2) hands-on engagement with portfolio businesses.
- **Targeted returns:** >15% net returns.

Our experienced investment team

- Team of 12, with breadth of SME-related experience, as investors, managers, advisors and private shareholders.
- Partners have decades of investment experience and are hands-on with every new opportunity and portfolio investment.
- Several senior team members joined Agathos from larger UK funds, bringing mid-market expertise into the LMM.
- Incentives are spread across all members of the investment team to ensure long-term alignment.

Will de Laszlo
Partner
15 years as an investor and NED
Previous: Harwin, RCapital, JP Morgan, British Army

Charles Oakshett
Partner
20 years as an investor, manager and advisor
Previous: Ennismore Group, Better Capital, BDO

Katie Beck
Advisory Partner
20 years as a chair / NED, investor and advisor
Previous: August Equity, Darwin PE, Doughty Hanson, Lazard

Hugh Costello
Partner
20 years as an investor and strategy consultant
Previous: Octopus Investments, Livingbridge, Oliver Wyman, BGF

James Bakewell
Partner
18 years as an investor, board director and advisor
Previous: August Equity, FreshMinds

Laura Morrill
Investment Director
12 years as an investor and advisor
Previous: ECI Partners, PwC

Chanelle Jones
Investment Manager
Previous: Pioneer Capital, EY

Ben Pitt
Senior Investment Manager
Previous: YFM Equity Partners, EY

John Butterworth
Investment Director
Previous: Connection Capital, KPMG

Mark Conway
Senior Investment Manager
Previous: KPMG

Skye Ranicar
Investment Associate
Previous: Equion Capital, KPMG

Claudia Kingham
Investment Analyst
Previous: Family Office, Multiverse

Our approach and values

We strive to behave in a way that makes us the partner of choice for management teams and advisors. We can win deals even when we are not the highest bidder because of our values and behaviours.

- **Decisive:** If we like an opportunity, we'll move quickly and commit time and resources.
- **Solutions-focused:** We focus on issues which are fundamental to a business's future and never lose sight of what's important to vendors.
- **Competitive:** We work tirelessly to understand a business and its growth opportunities, and we back our convictions.
- **Collaborative:** We seek to build long-term relationships. We are told that those who work with us value our integrity and pragmatism.
- **Straightforward:** We value honest interaction. We address issues as they arise and are transparent and open in our communication.

We are driven to achieve the very best results we can for our investors. We are also personally invested in achieving attractive financial returns through the team's co-investment.

Be honest and collaborative

Stay hungry and humble

Enjoy the journey

Creating value from what we do

As a team, we are clear about the typical attributes that we look for, the systems we use and the processes that we follow.

We know how we can best add value to portfolio companies, and how to crystalise value for investors.

1. Specialise in attractive markets and business models

We focus on specific end-markets and business models playing into compelling macro trends / themes.

Example areas of investment: Healthcare, Sustainability, and the Built Environment.

2. Target a consistent set of investment characteristics

We back ambitious managers, seeking expert partners to help professionalise and scale their businesses.

4 of 5 Fund II deals are primary buyouts, 3 of which are backing founding management teams.

3. Source great opportunities using the best origination tools

We maintain deep networks with advisors and directly with business owners. We use multiple software tools to maximise our origination coverage.

All platform and bolt-on deals completed in 2024 were sourced off-market.

4. Deliver expert deal appraisal and execution

We apply a rigorous investment appraisal process, and a disciplined approach to pricing negotiations.

All our investments use defensive structuring, typically with senior-ranking loan notes and limited third party debt.

5. Add value through experience and access to specialists

We focus on professionalisation and the development of: strategy; governance; sales; data / MI; and human capital.

We have built or augmented the C-suites of every portfolio business and introduced experts for specific projects.

6. Prepare well for exit and target mid-market PE

We concentrate on the real drivers of value for buyers, including quality of earnings, tech-enablement and team strength.

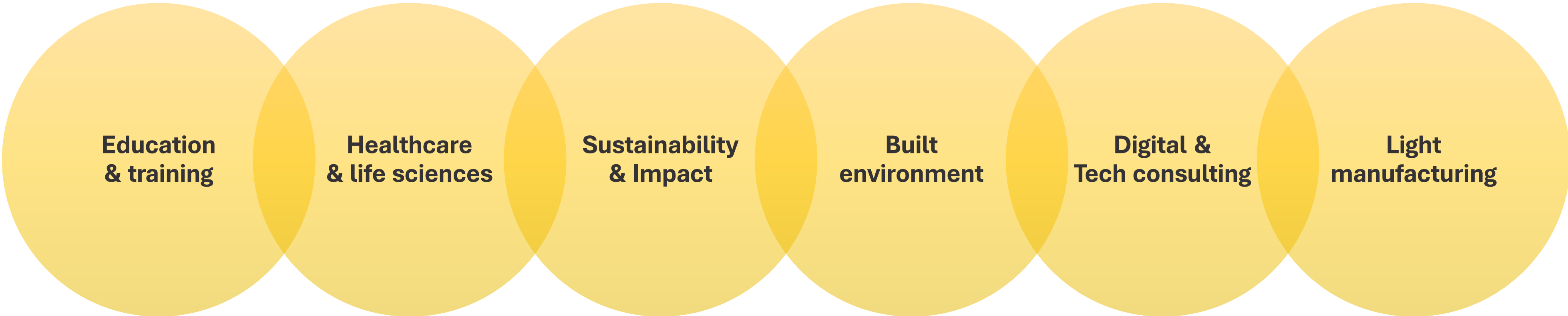
We aim to be able to exit either to trade or to the more intensely competed pool of mid-market PE buyers.

Fund II and Fund III investment focus

We look for investments in **markets with long-term growth prospects**, driven by social, demographic and regulatory trends.

We back people-based (knowledge-based) businesses and tech-enabled service businesses with a **clear value proposition** and **sustainable competitive advantage** in the following areas, and with some or all of the following characteristics:

Focus areas: Targeting attractive business models and end markets



Characteristics

- Ambitious management teams seeking an active partner
- Sizeable end-markets exhibiting long-term growth
- Regulatory & compliance drivers
- Social & demographic drivers

Value creation opportunities

- Professionalisation: strategy; governance; sales; data / MI; and human capital
- Human capital planning
- Organic & inorganic growth opportunities
- Tech enablement potential
- Internationalisation

Agathos Fund I current investments

agathos

	Description	End Market	HQ	Date of investment	Deal	Revenue	Cheque
VIKOMA	Manufacturer of oil spill response and pollution control equipment	Marine, oil & gas, environmental response, government, industrial	Isle of Wight	July 2015	MBO Accelerated process	£9.5m (FY24)	£2.0m
CARGOSTORE WORLDWIDE	Lessor of specialist containers and container equipment globally	Offshore energy, aid, government and defence	London	December 2016	MBO Pre-pack	£14.5m (FY24)	£2.5m
VACGEN	Manufacturer of ultra-high vacuum chambers, valves and components	Semiconductor, scientific and nuclear	Hailsham	April 2018	MBI Carve-out	£14.6m (FY24)	£1.9m
Amaro	Provider of rail signalling, power and telecoms services	Infrastructure - rail	Stevenage	April 2018	MBO Off-market	£15.4m (FY24)	£1.4m
Andromeda	Multi-disciplinary design and engineering consultancy	Infrastructure - rail	Liverpool	April 2018	MBO Off-market	£4.0m (FY24)	£2.2m

The table above shows current investments. The appendices include a table showing both current and realised investments.

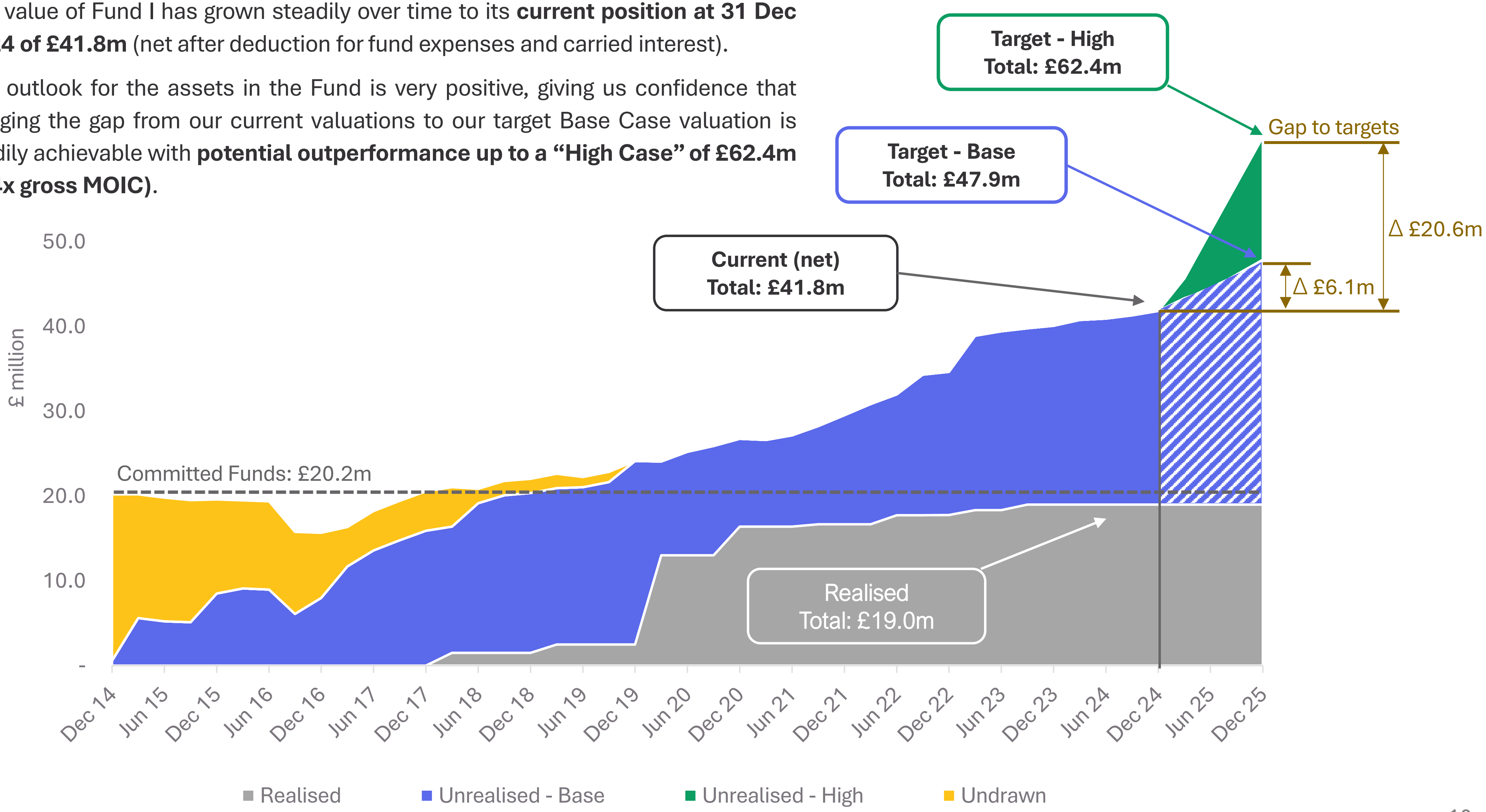
Key observations

- 94% DPI with 5 investments still held
- Growing profitability in 4 of the 5 retained investments
- Exiting, or actively planning exits of all these businesses
- Limited time required from the wider Agathos team

Value growth over time

The value of Fund I has grown steadily over time to its **current position at 31 Dec 2024 of £41.8m** (net after deduction for fund expenses and carried interest).

The outlook for the assets in the Fund is very positive, giving us confidence that bridging the gap from our current valuations to our target Base Case valuation is readily achievable with **potential outperformance up to a "High Case" of £62.4m (4.4x gross MOIC)**.



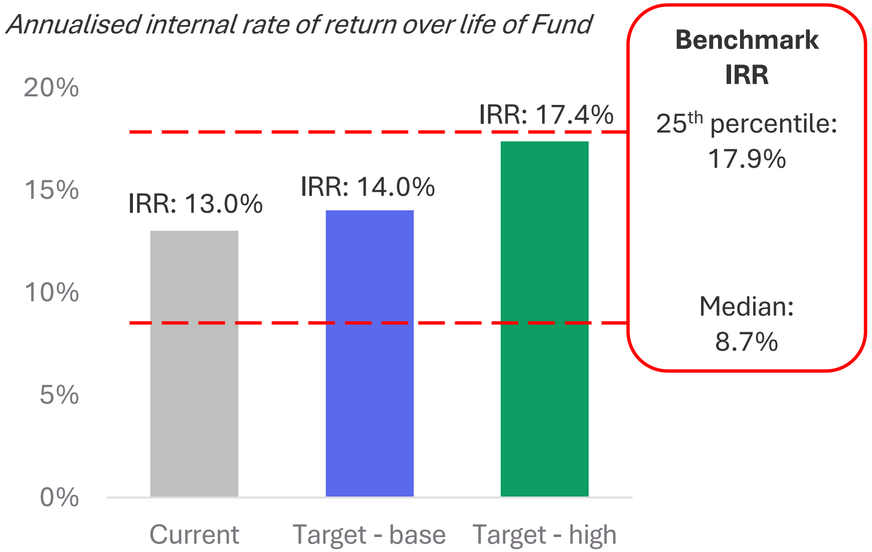
Fund I – Summary performance

The charts below highlight the Fund's current performance and target return metrics, and benchmarks them to other private equity funds.

- The most recent valuation was carried out for December quarter end. The target Base Case is our central estimate of total returns upon exit of all current assets, with the High Case considering improved EBITDA and exit multiples at exit.
- **Net IRR: both Base Case and High Case are forecast to deliver a second quartile return.**
- **TVPI: both Base Case and High Case are expected to deliver a top quartile return for TVPI.**
- A less conservative drawdown policy and use of subscription lines at a fund level would have increased the Net IRR, and potentially resulted in a higher quartile ranking for Net IRR.
- **Current DPI is 0.94x** (distributions against paid in capital)**.** This is comprised of exit proceeds (particularly from the partial realisation of Cargostore) and loan and interest repayments from investee businesses which have not yet been sold.

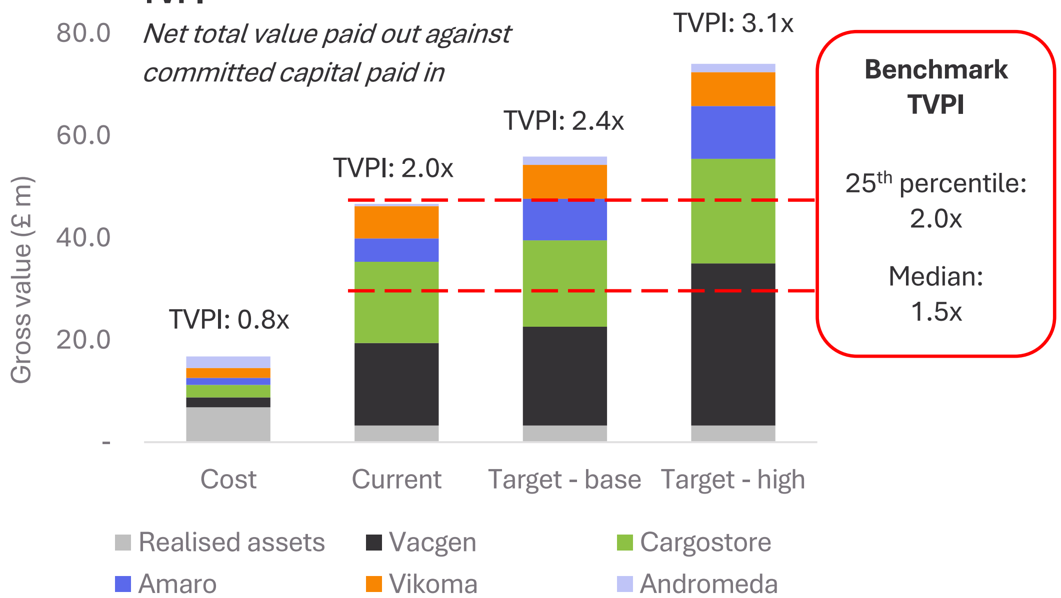
Net IRR

Annualised internal rate of return over life of Fund



TVPI

Net total value paid out against committed capital paid in



Benchmarking source: BVCA Performance Measurement Survey 2023

Agathos Fund II Investments

	Description	End Market	HQ	Date of investment	Deal	Revenue	Cheque
Hunter Healthcare	Consultancy and talent solutions provider to healthcare markets	Healthcare & Public sector	London	October 2021	MBO of passive shareholders & partial cash-out of founders	£54.2m (£13.9m fee income) (FY24)	£8.6m
Targeted Provision	Specialist education provider	Education & Public sector	London	December 2022	MBO of passive shareholders & partial cash-out of founders	£7.7m (FY24)	£6.6m
ASEND	*Asend is a strategic bolt-on for TP*		*London*	*October 2024*	*100% Founder cash out*	*£4.6m (FY24)*	*£1.4m*
SIMPLY SUSTAINABLE	ESG and sustainability consultancy	Variety (but ESG consulting focused)	London	December 2022	Founder de-risk; acquisition platform	£2.1m (FY24)	£3.2m
Plowman Craven	Geospatial surveyor and specialist measurement consultant	Built environment: Infrastructure, Rail, Logistics, Property	London	April 2024	MBO, Succession of retiring member of management	£18.9m (FY24)	£7.8m
Lexxic	Neurodiversity services provider	Healthcare, Education	London	June 2024	MBO, 75% founder cash out	£6.6m (FY24)	£6.5m
DO IT	*Do-IT Solutions is a strategic bolt-on for Lexxic*		*Cardiff*	*October 2024*	*Founder de-risk and Vendors 95% cash out*	*£1.0m (LTM)*	*£1.5m*

Common characteristics

- Knowledge-based and tech-enabled service businesses
- Operating in high-growth or large markets
- Ambitious management teams seeking an active partner
- Regulatory, compliance drivers, social or demographic drivers

Fund II – Summary performance

agathos

Fund II is still in its deployment phase, with the Plowman Craven and Lexxic acquisitions made in the past 12 months, and Targeted Provision and Simply Sustainable only two years into their investment periods.

The current focus is on value creation strategies and building the foundations for successful future exits. The table below outlines the current valuation of Fund II assets, with total value being close to cost.

Investment (£m)	Entry Date	Funds allocated	Cash invested	Realised value	Unrealised value	Total value	% of total fund value	Multiple of cost
Current investments								
Hunter Healthcare	Oct-21	8.6	8.6	-	10.2	10.2	*27%*	1.2x
Targeted Provision	Dec-22	8.0	8.0	-	10.2	10.2	*27%*	1.3x
Simply Sustainable	Dec-22	3.2	3.2	-	2.2	2.2	*6%*	0.7x
Plowman Craven	Apr-24	7.8	7.8	-	7.8	7.8	*20%*	1.0x
Lexxic	Jul-24	8.0	8.0	-	8.0	8.0	*21%*	1.0x
Total		**35.5**	**35.5**	**-**	**38.3**	**38.3**	***100%***	**1.1x**

Further detail on the performance of the Fund II assets can be found in the Quarterly Reports available in the data room.

Origination: Dual-track model

agathos

Clear investment focus

Well-defined investment focus and strong reputation, clearly communicated

Continual "targeting initiatives" focused on particularly attractive sub-markets

Advisor-led origination

Well-resourced & networked team: Leveraging deep relationships with southern UK & London-based intermediaries

Efficient coverage & tracking: Systematic coverage responsibilities for relationship management & deals across all deal stages (DealCloud CRM used)

- >20 platform opportunities and >10 bolt-on deals in progress
- History of seeing the vast majority of relevant deals in the market

Direct origination ("DO")

Internal expertise & proactive outreach: Dedicated internal research & outreach for off-market platform & bolt-on opportunities

Integrated software tools to maximise efficiency and coverage (Leadfeeder, Reply.io, SourceScrub, DealCloud)

- >10 DO opportunities in progress, 2 DO deals completed
- DO established as key performance objective for individuals

High volume of relevant opportunities to appraise:

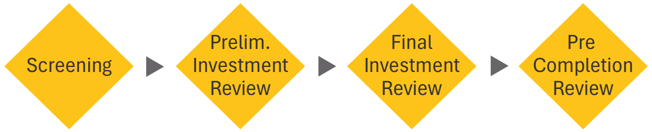
Rigorous and efficient screening process: Heads-Up papers, Screening Papers, Expert Calls

- Agathos has appraised >800 platform investment opportunities for Fund II
- Standardised scoring & early IC review → efficient evaluation & pursuit of good, relevant deals

Execution: Disciplined process and defensive structuring

Rigorous appraisal process

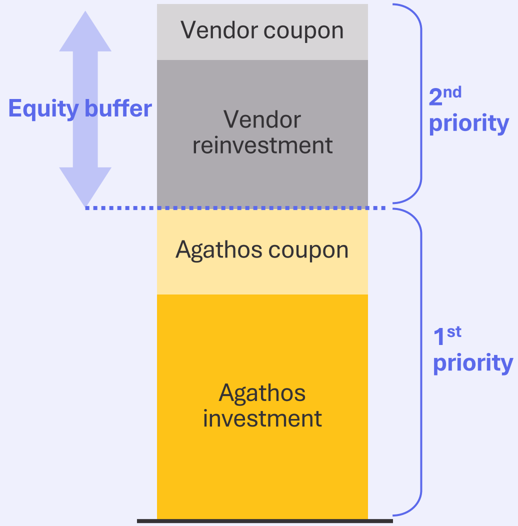
- A robust, repeatable screening and deal appraisal process.
- Clear Investment Committee review and gating stages:



- Appraisal includes the Investment Team and the target business's management working together on value creation planning, assessing risk and validating views on opportunities.

Defensive structuring

- All our current investments use some form of defensive structuring, typically with senior-ranking loan notes and limited third party debt.
- This can protect returns in a downside scenario due to the equity buffer.
- We have legal rights of a controlling shareholder on all our Fund II investments (regardless of economic holding) including the right to act unilaterally in downside situations.



Disciplined entry pricing and terms

- Discipline maintained by market benchmarking.
- Non-financial differential created for vendors by demonstrating the value of Agathos's approach and building trust.

Due diligence to suit the situation

- Decades of experience have gone into developing our network of advisors.
- Post-completion reviews have been established to learn from each due diligence process.

DD discipline	Example providers (Fund II)
Financial and tax	Grant Thornton, RSM, HMT, Crowe, Hazlewoods, K3, BDO
Commercial	CIL, Fairgrove, Baringa, Cairneagle, Armstrong
IT / Policy (as appropriate)	CG Consultancy, Intechnica, Endava, WA
Management / org	Continuum, Confidas
Legal	Stephenson Harwood

Agathos's approach to Value Creation

agathos

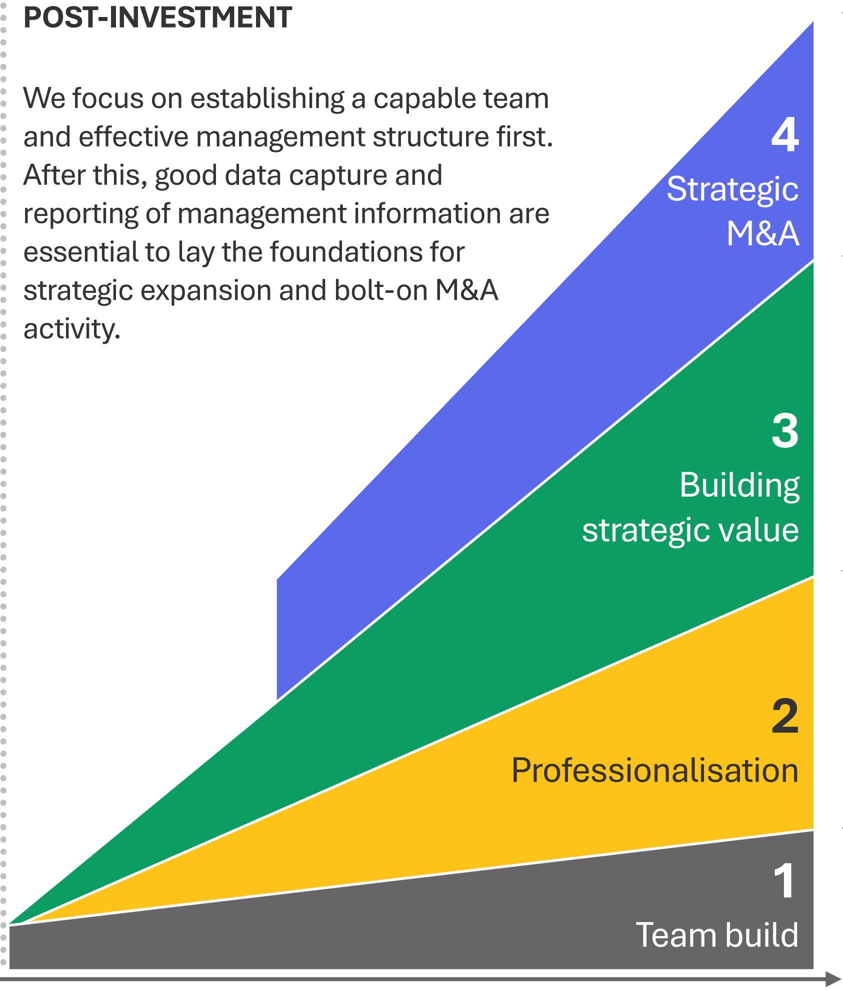
Typically, Agathos invests at a primary buyout stage, when laying the foundations for growth is a priority. This can include putting in place effective C-suites and finance functions for the very first time.

PRE-INVESTMENT

- We invest in businesses where we're confident we can add value.
- We use a systematised approach to the Value Creation Planning process (see appendices).
- We focus on a management team's capability at the very start of DD.
- We develop an informed commercial understanding of risks and opportunities by working with experts.
- We appraise each thesis through our Commercial DD and review of a business's data.

POST-INVESTMENT

We focus on establishing a capable team and effective management structure first. After this, good data capture and reporting of management information are essential to lay the foundations for strategic expansion and bolt-on M&A activity.



- Internal research function with structured approach
- Well defined market mapping processes
- Integrated research software
- M&A target identification complemented by investee company-level advisors
- Bolt-on execution work supported by Agathos team

- From the start, we focus on areas of strategic value, e.g. quality of earnings, alleviating key person risk and developing systems and processes.
- We can access a network of experts – e.g. for pricing, sales training, talent acquisition & many other projects
- Experience with new market entry (internationalisation)
- Experienced investment team with strong sector credentials and a high team-to-investee ratio

- Implement financial and KPI reporting that keeps team focussed on value creation
- Focus on IT systems, data and digital transformation to enable businesses to scale
- Improve governance, control and ESG credentials
- Optimise efficiency and cash conversion

- Augment team and create an effective C-suites and organisational structures as businesses scale
- Introduce effective NED to complement team objectives

OUTPERFORMANCE

VACGEN

Invested	April 2018
Sectors	Semiconductor, Nuclear Energy and Scientific Research
Service	Manufacture of Ultra-High Vacuum chambers and valves
Located	East Sussex
Staff	92 FTEs
FY24A EBITDA	£4.5m
FY25B EBITDA	£8.1m

£m	Entry	Target exit	
		Base	**High**
Date	Apr 2018	Dec 2025	
Equity stake	61%	64%	
Enterprise value	1.9	22.5	42.0
EBITDA	0.7	5.0	7.0
Entry / exit Multiple	2.7 x	4.5 x	6.0 x
Cost	1.9	1.9	1.9
Valuation*	1.9	19.3	31.7
Gross MOIC	1.0 x	10.2 x	16.8 x

**refers to the valuation of Agathos's stake only*

agathos

Overview

- Vacgen is a leading precision engineering business that has positioned itself as a critical series supplier to global players in the semiconductor, scientific and nuclear markets.

Investment highlights

- **Leader in its market:** The Vacgen brand is synonymous with high quality, and the business has a history of designing innovative solutions for major global OEMs and research institutions, operating out of a state-of-the-art facility.
- **Valuable know-how and expertise:** Vacgen's competitive advantage was derived from its deep technical expertise and intellectual property, with products "designed-in" to customers' requirements, creating high switching costs.
- **Attractive end-markets:** Vacgen manufactures niche products used in large end-markets, forecast to grow over the long-term. The technical nature of products and exacting manufacturing standards create very high barriers to entry.
- **Re-positioning and professionalisation opportunity**: On acquisition, Vacgen was a poorly managed, non-core subsidiary of a Swedish group. It required new leadership, an overhaul of management information and a revised commercial strategy, as well as investment in new manufacturing equipment.

Outcome: Vacgen has generated rapid growth through leveraging its designed-in position with key customers and investing in its manufacturing capabilities. This growth is expected to deliver a very successful exit in 2025.

Agathos Value Creation

Rationalised product set and established an appropriate commercial strategy

- Transitioned from being demand-led bespoke supplier to a series manufacturing partner, developing highly profitable, repeatable revenue streams, and increasing revenue by >200%.
- Invested in new machinery to increase capacity and margins. Gross margins have improved from c.30% to c.50%.

Targeted key customers in strong end markets

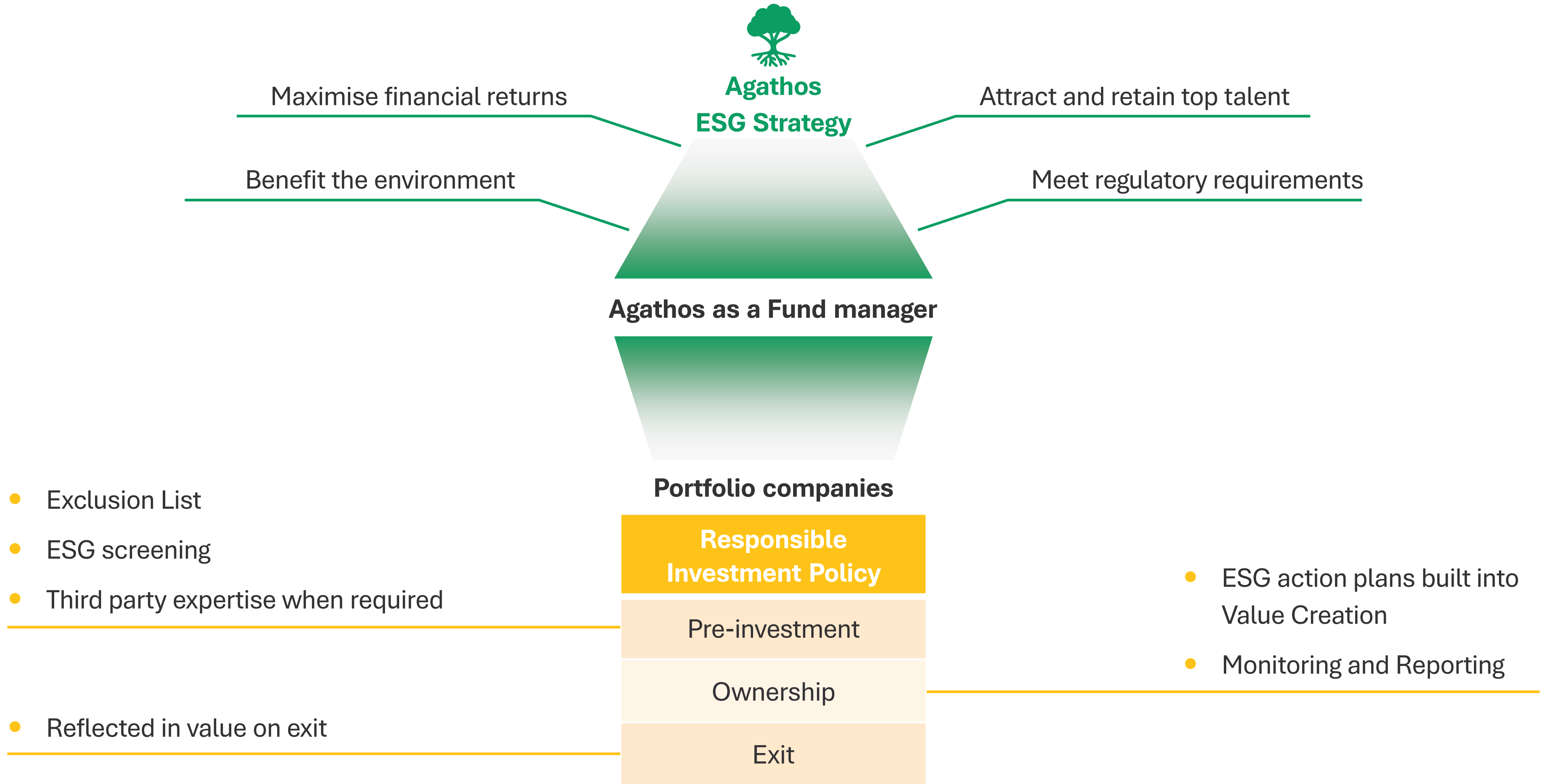
- Focused on high growth markets: semiconductor equipment and nuclear energy, both forecast to grow over 7% p.a. due to positive macroeconomic factors. c.75% of Vacgen's revenue is now derived from these markets.
- Established partnering relationships with customers and visibility of longer-term demand.

Overhauled leadership and management information

- Appointed Peter Williamson as Non-Exec Chair and Patricio Lacalle as MD.
- Recruited a new finance function through external appointments.
- Overhauled reporting, and board governance, informing commercial strategy and transforming decision-making.

Environmental, Social and Governance

At Agathos, we believe it is important to create a positive impact for our team, wider society and the environment. We now consider ESG aspects through all stages of the investment cycle, guided by our Responsible Investment Policy, and are in the process of establishing best-in-class practices. Agathos is also a member of the ESG Data Convergence Initiative (EDCI).

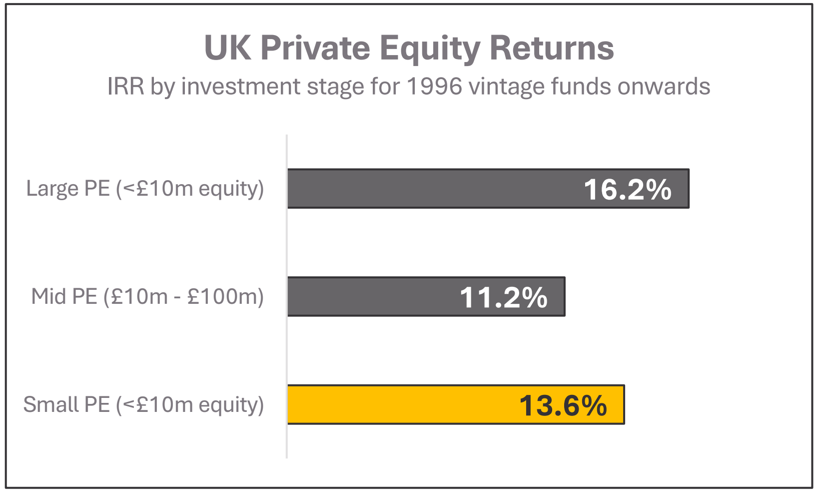


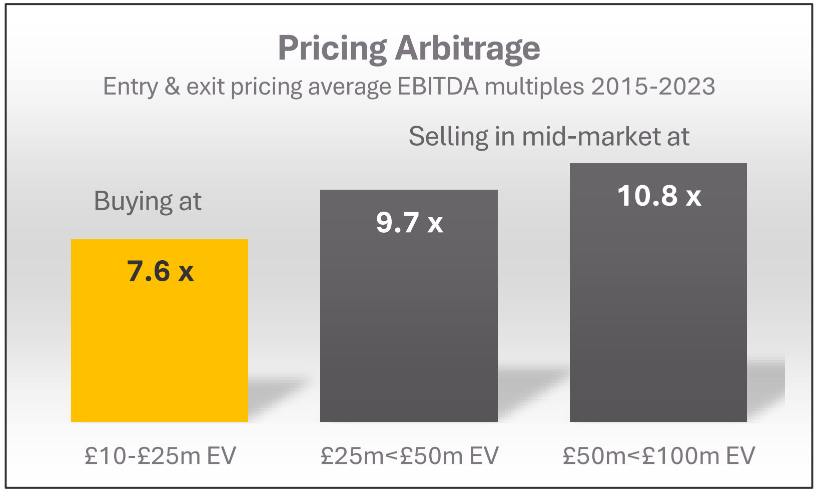
The market opportunity

The "Small PE" segment of the UK market (<£10m equity invested) has delivered c.14% net IRR over the past 25-30 years (see graph) & has consistently outperformed the mid-market over all time horizons, including the last 3, 5 & 10 years.

High returns reflect favourable market dynamics, including:

- **Large target market and consistent deal flow**
  - >27,000 UK companies estimated to have EBITDA of £1m to £5m.
  - Ambitious founder managers who are looking for sponsor support.
  - Retirement sales and staggered succession transactions.
- **Pricing arbitrage**
  - Lower competition for assets in the SME space (relative to the mid-market) gives rise to multiple arbitrage opportunities.
  - Buying at a lower EBITDA multiple in a relatively under-competed market (6x-8x) and selling at a higher multiple into a heavily competed market (10x-12x).
- **Imbalance between supply and demand for equity for UK SMEs**
  - Funds have been leaving the small LMM space, lured by economics of managing larger funds.
  - High barriers to entry to establish a new LMM fund (with committed capital and a scaled team) can prevent the re-seeding of the small LMM space, improving the prospects of existing funds.





Sources: British Venture Capital Association Performance Measurement Survey 2023
Centre of Management Buyout Research Q2 2024 & from data request
Full Circle UK Company Information research tool

Fund III terms

This table is intended to summarise some of the main terms of Fund III. However, please note that it is obviously not intended to be a comprehensive list of all key terms which form part of the Fund III Limited Partnership Agreement ("LPA"). A more detailed term sheet and the LPA itself should be reviewed by potential investors.

Target Fund Size	**£100 million**
Fund Domicile and Structure	**English Limited Partnership**
Investment Period	**5 years**
Fund Term	**10 years**
GP Commitment	**A minimum of 1% of total commitments**
Management Fee	**2.00% p.a. on commitments**
Monitoring Fees	**Capped average of £150k p.a. per investment**
Transaction Fees	**100% offset against management fees** (excl. monitoring fees and certain break fees)
Establishment Costs	**Up to £0.75m** (thereafter offset against management fees)
Preferred Return	**8.00%**
Carried Interest	**20%** **100% catch-up, and claw-back escrow**

Summary and timing

We completed a first close in January 2025, and we are targeting the end of February for our next close.

- **Fund size:** £100m
- **Investment Strategy:** Consistent with Fund II, UK LMM growth-focused buyout fund - classic MBO's, equity release of owner-managed businesses or funding for growth
- **Team:** Proven credentials in target areas and growing value in LMM businesses
- **Values and impact:** Fantastic evolving team culture, aided by investments generating a social impact in addition to a financial return
- **Systems and processes firmly embedded:** High-quality, repeatable processes which are continually being improved
- **Past performance demonstrates ability to generate excellent returns**
    - Fund I is currently valued at 2.8x cost and with 5 assets still active is projected to deliver 3.3x gross returns (14.0% net IRR, 2.4x net TVPI), with a "higher case" target return of 4.4x gross (17.4% net IRR, 3.1x net TVPI)
    - Fund II is at an early stage and the team is confident of delivering a successful outcome
- **Attractive market dynamics:**
    - High returns delivered by private equity investments in UK SMEs over the last 25 years
    - Large target market and consistent deal flow
    - Buying in a relatively under-competed market and selling in an over-competed market

Our objective is to use high-quality, repeatable processes to capitalise on the market opportunity and to consistently deliver excellent returns for our investors.

Appendices

A | Case Studies

VACGEN

Invested	April 2018
Sectors	Semiconductor, Nuclear Energy and Scientific Research
Service	Manufacture of Ultra-High Vacuum chambers and valves
Located	East Sussex
Staff	92 FTEs
FY24A EBITDA	£4.5m
FY25B EBITDA	£8.1m

£m	Entry	Target exit Base	Target exit High
Date	Apr 2018	Dec 2025	
Equity stake	61%	64%	
Enterprise value	1.9	22.5	42.0
EBITDA	0.7	5.0	7.0
Entry / exit Multiple	2.7 x	4.5 x	6.0 x
Cost	1.9	1.9	1.9
Valuation*	1.9	19.3	31.7
Gross MOIC	1.0 x	10.2 x	16.8 x

**refers to the valuation of Agathos's stake only*

agathos

Overview

- Vacgen is a leading precision engineering business that has positioned itself as a critical series supplier to global players in the semiconductor, scientific and nuclear markets.

Investment highlights

- **Leader in its market:** The Vacgen brand is synonymous with high quality, and the business has a history of designing innovative solutions for major global OEMs and research institutions, operating out of a state-of-the-art facility.
- **Valuable know-how and expertise:** Vacgen's competitive advantage was derived from its deep technical expertise and intellectual property, with products "designed-in" to customers' requirements, creating high switching costs.
- **Attractive end-markets:** Vacgen manufactures niche products used in large end-markets, forecast to grow over the long-term. The technical nature of products and exacting manufacturing standards create very high barriers to entry.
- **Re-positioning and professionalisation opportunity**: On acquisition, Vacgen was a poorly managed, non-core subsidiary of a Swedish group. It required new leadership, an overhaul of management information and a revised commercial strategy, as well as investment in new manufacturing equipment.

Outcome: Vacgen has generated rapid growth through leveraging its designed-in position with key customers and investing in its manufacturing capabilities. This growth is expected to deliver a very successful exit in 2025.

Agathos Value Creation

Rationalised product set and established an appropriate commercial strategy

- Transitioned from being demand-led bespoke supplier to a series manufacturing partner, developing highly profitable, repeatable revenue streams, and increasing revenue by >200%.
- Invested in new machinery to increase capacity and margins. Gross margins have improved from c.30% to c.50%.

Targeted key customers in strong end markets

- Focused on high growth markets: semiconductor equipment and nuclear energy, both forecast to grow over 7% p.a. due to positive macroeconomic factors. c.75% of Vacgen's revenue is now derived from these markets.
- Established partnering relationships with customers and visibility of longer-term demand.

Overhauled leadership and management information

- Appointed Peter Williamson as Non-Exec Chair and Patricio Lacalle as MD.
- Recruited a new finance function through external appointments.
- Overhauled reporting, and board governance, informing commercial strategy and transforming decision-making.

CARGOSTORE WORLDWIDE

Invested	December 2016
Sectors	Offshore energy, aid and defence
Service	Lessor of specialist containers and associated equipment
Located	London
Staff	26 FTEs
FY24A EBITDA	£6.7m
FY25B EBITDA	£7.3m

		Target exit	
£m	**Entry**	**Base**	**High**
Date	Dec 2016	Jun 2025	
Equity stake	57%	21%	
Enterprise value	5.5	29.1	47.6
EBITDA	1.0	7.3	7.3
Entry/exit Multiple	5.5 x	4.0 x	6.5 x
Cost	2.5	2.5	2.5
Valuation*	2.5	16.9	20.5
Gross MOIC	1.0 x	6.9 x	8.3 x

**refers to the valuation of Agathos's stake only*

agathos

Overview

- Cargostore is a supplier of containers and related equipment, generating 80% of its revenue from leasing high-spec DNV-certified containers to the offshore energy industries.

Investment highlights

- **Strong business model:** A differentiated offering based on a clear customer proposition: service quality and specialist equipment (DNV-certified, refrigerated offshore containers) meeting exacting regulatory requirements.
- **Attractive market dynamics:** Serving offshore wind and oil & gas projects, with regulatory tailwinds in the energy markets which presented the greatest growth opportunity (Europe and the Middle East).
- **Attractive deal dynamics:** Opportunity to invest at a material discount due to the complexity of the transaction. Significant immediate value opportunity from repositioning assets and implementing good commercial strategy.
- **Management succession:** Required new management and a thorough professionalisation of the capital allocation strategy, IT systems, governance and decision-making processes, and financial reporting.

Outcome: In 2020, we sold our majority position in Cargostore to another PE Fund. This represented a 4.4x realised return on the initial investment, with a retained equity stake of 20%. We hold a seat on the board and will remain involved in shaping the strategic direction of the business through to a target exit in mid 2025. We are targeting a similarly successful return on the funds reinvested in the secondary buy-out in 2020.

Agathos Value Creation

Built C-suite and completed management succession

- New CFO and NXC at acquisition, along with successor CEO.
- Completed further succession for both the CEO and CFO post-secondary buy-out, with new appointments now well established with 2-3 years in the business.

Transformed reporting and governance

- Created a disciplined approach to capital deployment based on data and accurate analyses of financial returns, along with appropriate governance procedures.
- Transformed IT and MI, working with an external expert on IT infrastructure. Introduced FP&A practices, data management and a BI reporting tool.

Developed strategic capability and an internationalisation plan

- Developed strategic approach to pricing, asset repositioning, capital investment, and expansion into new markets, including the Middle East and the US East Coast.
- Laid platform for long-term profitability with strategy to capitalise on market transition to offshore renewable energy.

Amaro

Invested	April 2018
Sectors	Rail infrastructure
Service	Provider of signalling, power and telecoms services
Located	Stevenage
Staff	41 FTEs (+37 contractors)
FY24A EBITDA	£1.5m
FY25B EBITDA	£1.5m

		Target exit	
£m	**Entry**	**Base**	**High**
Date	Apr 2018	Dec 2025	
Equity stake	38%	46%	
Enterprise value	2.0	13.1	18.0
EBITDA	0.6	2.4	3.0
Entry/exit Multiple	3.5 x	5.5 x	6.0 x
Cost	1.0	1.4	1.4
Valuation*	1.0	8.1	10.3
Gross MOIC	1.0 x	6.0 x	7.6 x

**refers to the valuation of Agathos's stake only*

agathos

Overview

- Amaro is a leading provider of engineering and design support services to the rail sector, specialising in signalling, power and telecoms. Key services include installation, maintenance and commissioning.

Investment highlights

- **Opportunity for service expansion:** Creation of a multidisciplined design and build group (together with Andromeda) leveraging combined services to provide a complete offering to Network Rail and Tier 1 customers.
- **Differentiation potential**: Opportunity to focus on quality service provision in a market characterised by relatively undifferentiated offerings, and poor service. Dependent on developing a technically strong workforce, with clear pathways for team members to gain technical qualifications, and a culture of continuous personal development.
- **End-market demand:** Capitalising on Network Rail's Control Period 6 procurement strategy at the time of the acquisition (delivering more work through SMEs) by securing positions on regional frameworks.
- **High-quality experts available**: We worked with the current Non-Executive Chair, with whom William de Laszlo had a successful investment at a previous fund. This individual identified and on-boarded a transformational new MD.

Outcome: Amaro secured five framework positions on CP6 and has consistently increased the scale of its operations over the investment period. It is well placed for the next control period (CP7), and we anticipate that 2025 and 2026 will be periods of high growth as CP7 spending gets underway. We expect a successful exit in late 2025 or early 2026.

Agathos Value Creation

Changed leadership and financial management

- Introduced new Chair and worked with him to back current MD, Micky Ewart (30+ years' experience in the rail industry) to drive sustainable growth with a stable team.
- Set up strong finance function on day 1 of the investment with appointment of a CFO.

Restructured incentives

- Restructured equity away from passive shareholders to other SLT members and high-performing, high-potential second tier management.
- Supported heavy investment in talent and culture, led by the CEO, with the establishment of continuous training pathways.

Professionalised governance and strategic focus

- Improved quality of management information and board reporting, with detailed project monitoring to control job margins.
- Market leading focus on safety and physical and mental wellbeing.
- Developed periodic strategy sessions focused on longer term growth horizons and exit value.

Hunter Healthcare

Invested	October 2021
Sectors	Healthcare
Service	Talent solutions
Located	London, Boston, New York
Staff	98 FTEs
FY24A EBITDA	£1.9m
FY25B EBITDA	£2.7m

£m	Entry	Target exit
Date	Oct 22	Aug 2027
Equity stake	49%	49%
Enterprise value	20.0	48.0
EBITDA	3.4	6.0
Entry/exit Multiple	5.9x	8.0x
Cost	8.6	8.8
Valuation*	8.6	26.5
Gross MOIC	1.0 x	3.1 x

**refers to the valuation of Agathos's stake only*

agathos

Overview

- Hunter Healthcare is a healthcare recruitment and consultancy firm. It places senior candidates into non-clinical roles in the Life Sciences, NHS and private healthcare sectors, as well as delivering multiple consultancy offerings.
- Hunter's highest-growth services are (1) consulting on digitalisation of the NHS (mainly relating to Electronic Patient Record ('EPR') systems) and (2) recruitment services to medtech and biotech clients in Europe and the US.

Investment highlights

- **CEO leadership and team alignment:** Prior to Agathos's involvement, the CEO had already built a high-performing, long-serving team of recruiters with respect for his leadership and vision. The CEO and COO showed a good degree of financial commitment to Hunter through rolling 65% of their ownership value into the transaction with Agathos.
- **Clear, differentiated positioning:** Hunter does not operate as a 'volume' recruiter and differentiates itself through the quality of its offering, leading with C-suite recruitment, and its specialism in non-clinical healthcare roles. This brand strength has enabled it to rapidly expand its service offerings into adjacent consultancy services.
- **Increasing demand:** Hunter is excellently-placed to benefit from increasing demands on healthcare providers and structural talent shortages in the UK and US over the long term, as well as shorter-term demand-drivers, such as the NHS's urgent need for digital skills to deliver a "major tilt towards technology" (Darzi Report, Sep'24).
- **Outcome to date:** Hunter enjoyed an exceptional first year post-acquisition, followed by two challenging years during which we built the foundations for sustained growth. This included investment into the senior team and the business's infrastructure, including its back-office functions and establishing offices in Boston and New York. This work is now bearing fruit, and in FY25 the team has recommenced increasing profitability month-on-month.

Agathos Value Creation

Developed C-suite and the approach to talent in the business

- Bolstered the team with a Chair, a CFO and a People Function.
- Collaborated on incentive structures to attract and retain the best talent.
- Supported the design and construction of an exceptional employed consultancy team.

Transformation of services:

- Established multiple consultancy offerings, particularly in areas of NHS EPR, data, AI and financial recovery.
- Drove the growth and internationalisation of the firm's offering to the life sciences sector, supporting US market entry with introduction of a dedicated US board adviser.

Governance, MI & data

- Introduced experts to put in place the systems and processes for capturing and reporting robust management information.
- Developed strategic and commercial disciplines throughout the business for decision-making and managing change (e.g. PMO capability).

Targeted Provision

Invested	December 2022
Sectors	Education Services
Service	Specialist education tutoring
Located	London
Staff	69 FTEs
FY25B EBITDA	£1.9m
FY25F EBITDA	£2.2m

£m	Entry	Target exit
Date	Dec 22	Mar 2026
Equity stake	68%	68%
Enterprise value	8.0	29.7
EBITDA	1.4	3.0
Entry/exit Multiple	6.0x	10x
Cost	6.6	8.0
Valuation*	6.6	24.0
Gross MOIC	1.0 x	3.0 x

**refers to the valuation of Agathos's stake only*

agathos

Overview

- Targeted Provision ('TP') delivers tutoring and mentoring support to vulnerable children and young people who are currently unable or at risk of being unable to access mainstream education ("Alternative Provision").
- Through its network of over 3,000 specialist, carefully screened tutors, TP delivered 120,000 hours of tuition in FY24 to a client base consisting of (predominantly) Local Authorities and Schools.

Investment highlights

- **Clear positioning and competitive advantage:** TP's premium offering is based on (i) a child-centric approach which prioritises positive outcomes for pupils and (ii) use of technology and data to safely and efficiently match young people with the most appropriate tutors to meet their needs, with greater speed and wider reach than competitors.
- **Strategy alignment with an ambitious management team:** Creation of a multi-service group through organic and inorganic growth, led by a strong and aspirational management team focused on quality, innovation and technology.
- **Attractive market dynamics:** A regulatory-underpinned proposition, serving an increasing base of vulnerable young people to whom Local Authorities have a legal obligation to provide support.
- **Outcome to date:** TP has generated impressive revenue growth of ~30% p.a. since investment. Following the acquisition of ASEND and current outperformance of the budget of the core business, we anticipate that 2025 will be a period of high growth. This growth is expected to deliver a very successful exit in 2026.

Agathos Value Creation

Augmented leadership team and second tier management

- Bolstered the existing team with Chair and CFO.
- Invested extensively in team growth to support future expansion (>£1.0m invested).
- Built out the sales and marketing team to refine the 'go to market' strategy and pricing.

Supported strategic M&A

- Completed broad market mapping exercises alongside the executive team, leading to origination of M&A opportunities.
- Completed the strategic acquisition of Asend to build out the group's service offerings, at an attractive multiple of c4x EBITDA.

Professionalised governance and strategic focus

- Refined data collection and technology use across the business, enabling a market-leading technology platform for tutor matching.
- Developed TP's strategic and commercial expertise, with periodic strategy sessions focused on long term growth.

Plowman Craven

Invested	April 2024
Sectors	Built Environment
Service	Survey
Located	London, New York, Sydney, Ahmedabad
Staff	188 FTEs
FY24A EBITDA	£2.7m
FY25B EBITDA	£3.6m

£m	Entry	Target exit
Date	Apr 24	Dec 28
Equity stake	43%	43%
Enterprise value	19.3	43.6
EBITDA	3.0	7.3
Entry/exit Multiple	6.4x	7.3x
Cost	7.8	7.8
Valuation*	7.8	23.5
Gross MOIC	1.0 x	3.0 x

**refers to the valuation of Agathos's stake only*

agathos

About

- Plowman Craven ('PC') is the UK's leading geospatial surveyor and specialist measurement consultant.
- PC delivers measurement survey and consultancy services to the property, logistics, infrastructure and rail sectors. PC captures, processes and models data sets that underpin a broad range of activities across the property lifecycle.

Investment highlights

- **Market-leading brand with a clear competitive edge:** PC has an excellent reputation through providing high-quality services over a 60-year history, working on some of the most prestigious commercial real estate projects in the UK. PC's is known for being a premium operator on the leading edge of surveying techniques and capability.
- **Transformative growth opportunities:** The US and Australia are attractive new markets where PC had established trading relationships with high-potential global clients even prior to Agathos's investment. These are the foundations for developing global partnerships in attractive niches (particularly in logistics real estate) and delivering rapid revenue growth. Additionally, the expansion of UK services offers diversification and increased quality of earnings.
- **Management succession:** The investment by Agathos required the execution of a succession plan, which created the opportunity to reprioritise capital allocation towards those responsible for driving long term value.
- **Outcome:** Within the first 9 months post-investment, PC has launched its North American and Australian operations and will launch its UK Inspection service in early 2025. Strategic relationships with global partners are developing well. We have completed the team succession and the onboarding of a CFO and Business Development Director.

Agathos Value Creation

International expansion and strategic global partnerships

- Collaborated on appointment of Heads of North America and Australia, with first contracts delivered in each region.
- Focused attention on developing strategic partnerships with key equipment suppliers and global customers, particularly in the logistics sector.

Service offering expansion to asset inspection market

- Appointed Head of Inspection with strong client pipeline and next hires identified.
- Supporting development of IP with new client portal for delivery of inspection data.
- Diversifying revenue mix and driving focus on cross-sell opportunities.

Team build and professionalisation

- Appointed Business Development Director to redefine the 'go-to-market' and account management strategies.
- Supporting cultural change to a focus on outbound sales.
- Appointed CFO to drive data and finance function maturity.

B | Origination: Approach, competitive landscape, deal flow

agathos

Origination: strategy, process & proposition

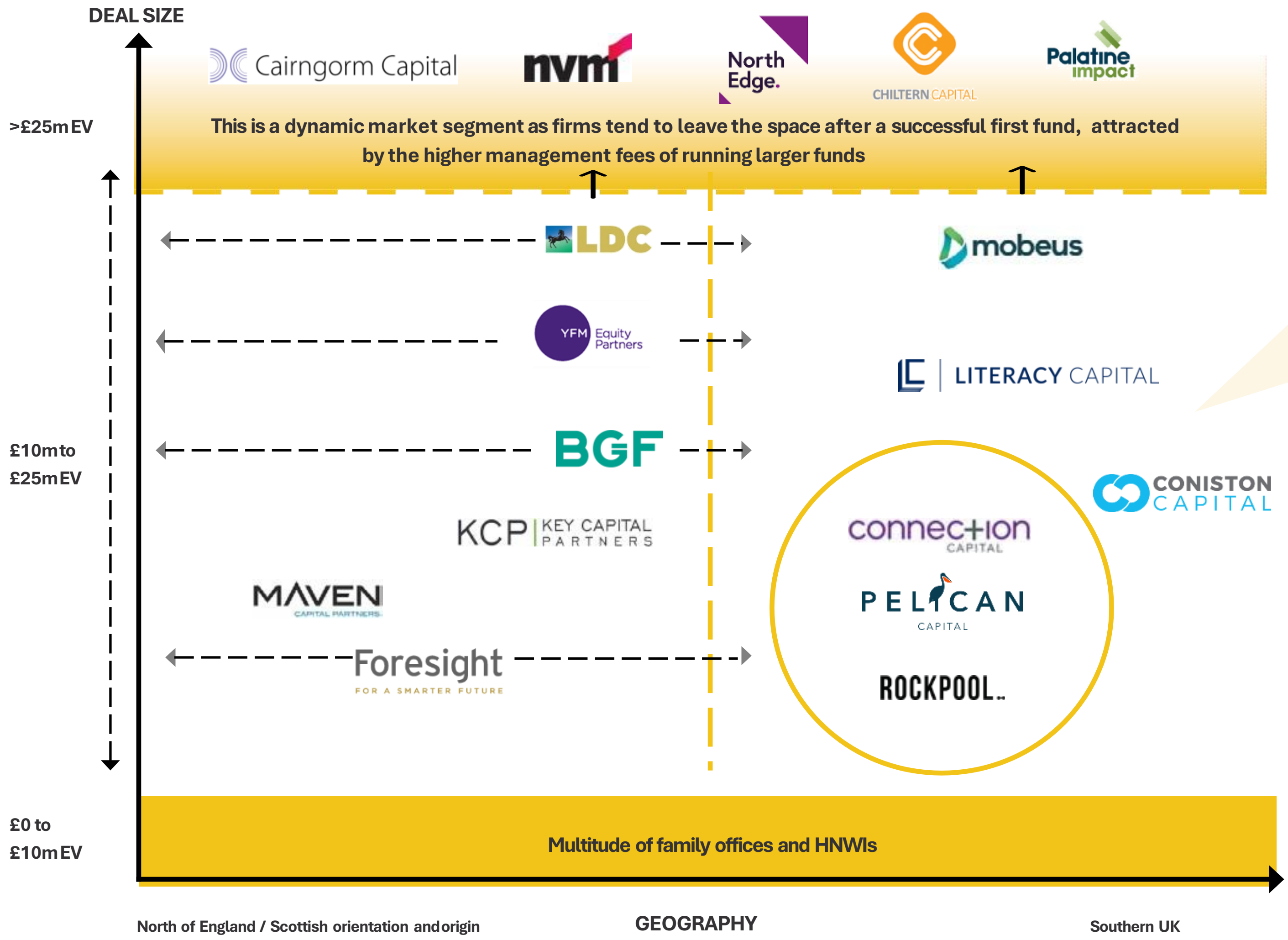
We have a well-resourced and experienced team compared to our lower mid-market direct competitors, able to source high quality deal flow via a data driven, dual-track origination strategy of: (1) “direct to businesses”: generally resulting in bilateral discussions and negotiations; and (2) “via intermediaries”: generally meaning participating in auction processes run by corporate finance advisors.

Strategy	▶ **Geographic focus:** UK, particularly targeting SMEs in London (area of the greatest deal density) and the south. ▶ **Clear targeting**: Defined & well communicated approach by size, sector, and situation - providing clarity for advisors and conviction for management teams. Continual targeting initiatives focused on attractive niches. ▶ **Dual track:** Approaching businesses both directly and continually nurturing relationships with their advisors. ▶ **Team enablement:** Advanced use of software tools (Leadfeeder, DealCloud, SourceScrub) empower proactive origination with a focused approach helping us develop an angle in both advisor processes and direct origination.
Process Management	▶ **Systematic team coverage:** clearly assigned responsibilities for advisor-led and direct opportunity sourcing. ▶ **CRM system:** DealCloud pipeline management tool for tracking and analysis of relationships & origination. ▶ **Culture of improvement:** monthly & quarterly KPI reviews to refine origination strategy.
Proposition to founders & advisors	▶ **Expertise & flexibility:** Deep sector knowledge and flexible structuring options. ▶ **Partnership-oriented:** Personalised, high-calibre approach to deal execution. ▶ **Transaction speed and certainty:** Well-resourced and agile team with committed capital.

agathos

Origination: Direct competitor landscape

- The market includes a handful of well-known brands, several **firms without committed fund structures, and a multitude of family offices.**
- Although a mature market, there is a dynamic pool of participants because some successful funds leave, **continually creating space in the LMM.**
- At the same time, **barriers to entry are high**: committed cornerstone capital is a competitive advantage, and **high-quality entrants are few in number.**



<£25m EV deals are **below the minimum size of many of the highly capable mid-market PE firms.**

For **>£5m EV** deals there are **fewer family offices and HNWIs competing.**

All these firms (in the yellow circle) do not operate with a "committed fund" structure. Intermediaries and management teams prefer the certainty of committed fund investment structures (like Agathos's) over "deal-by-deal".

Regional funds are driven by local relationships with businesses and advisor networks. Several participants have origins / HQs in the North of England and Scotland.

There are comparably few funds with scaled, high quality investment teams based in London and focused on deals of Agathos's target size.

Sources: Views of Agathos Management. Based on multiple sources including: Actum, BVCA, market knowledge, websites, press releases/ newsletters,

agathos

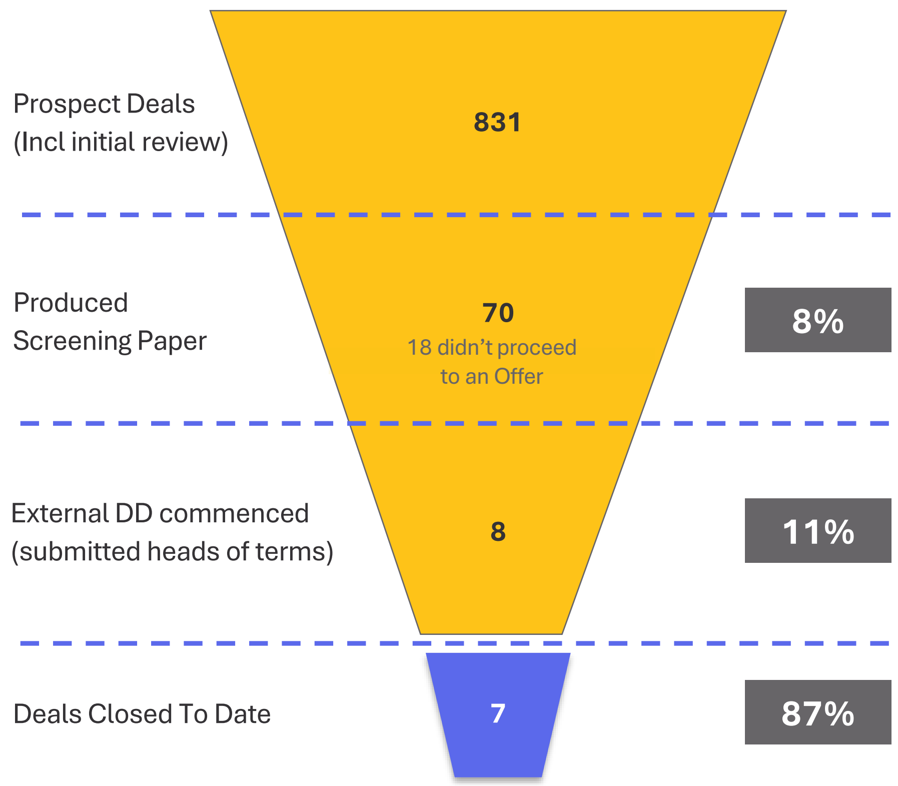
Proven deal flow & origination metrics

Our rigorous screening and efficient deal management enable us to focus on the most attractive opportunities in the market

Fund II Coverage

- **Broad advisor network:** Strong relationships with key intermediaries ensure a continuous flow of quality opportunities
  - **>4000 advisor engagements** since the launch of Fund II
- **Robust Capacity & Screening**: Efficient use of resources to identify, screen, and progress high-potential deals:
  - 8% of opportunities led to a 'screening' paper (70 papers produced by Sep 2024).
  - External DD commenced on 8 of these 70 (i.e., 11%).
  - 7 out of these 8 completed across a time span of 36 months
  - **2 of these were sourced with direct origination initiatives**
- **Consistent Pipeline & Deal Flow:** A consistently strong pipeline of active platform and bolt-on opportunities. Many direct origination and advisor-led deals coming to market for which we will be well placed:
  - >20 platform opportunities & >10 bolt-on deals in progress
  - >10 DO opportunities in progress
  - >100 deals tracked as coming to market

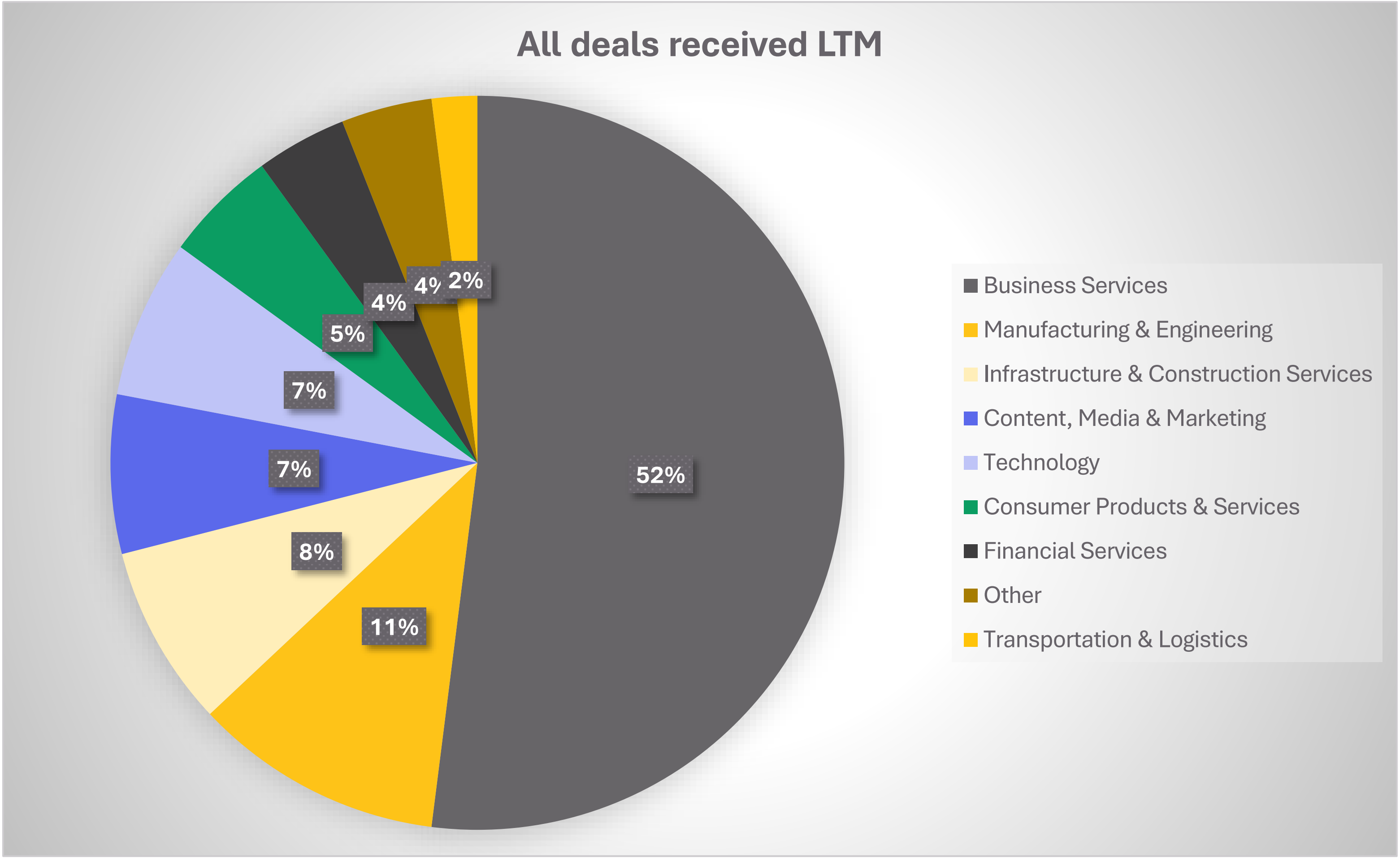
Fund II Deal Origination – 01/01/2021 > 23/10/24



Direct investing in SMEs generally requires a critical mass of team size to result in good deal flow & high-quality investment opportunities

Deal flow in our focus areas

In the last twelve months over 50% of our overall deal flow has been in the "business services" grouping, in line with our strategic focus areas. Fund III will continue the evolution of Fund II's investment strategy and continue to back knowledge-/people-based and tech-enabled service businesses with a clear value proposition and sustainable competitive advantage.

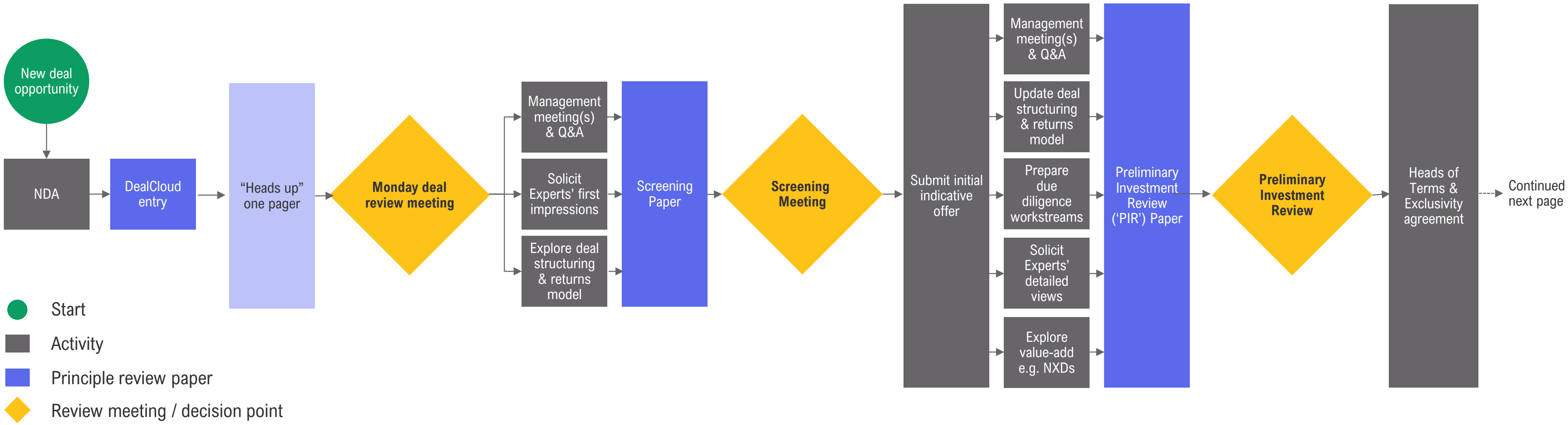


C | Selection process

agathos

Investment selection process

Process flowchart: Pre-exclusivity

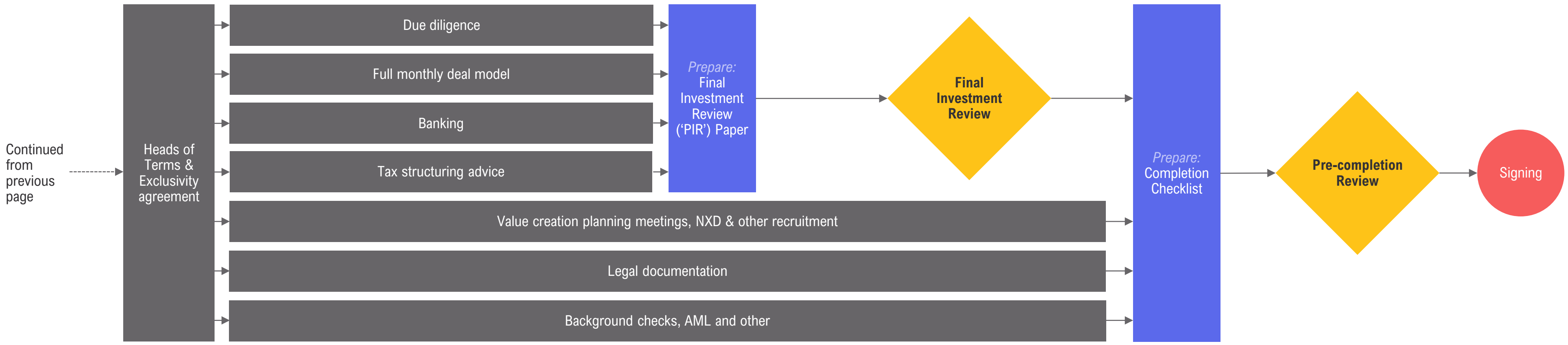


Investment process characteristics

- **Process structure and discipline:** Clear gating stages shape the template deal approach.
- **"Think-in-ink":** Review stages include production of papers with findings, scoring and conclusions.
- **Clarity on investment thesis:** Value creation theses are defined from an early stage.
- **Role definition:** "Deep team" approach is employed, to ensure all workstreams are well covered.
- **Partner involvement:** Senior team members are involved from early on in every process.

Investment selection process (cont.)

Process flowchart: Post-exclusivity



Investment process characteristics

- **Trusted advisors:** Decades of experience ensure we have networks that include the right people.
- **Management review central**: MDD is one of the first workstreams we complete. The whole IC now meets management teams prior to completion of an investment.
- **NXCs /NEDs & Management:** C-suite needs are identified, costed & addressed as swiftly as possible.
- **House terms:** Standard house key terms are defined, contributing to efficient transaction processes.
- **Defensive structuring:** Agathos typically invests in prior-ranking loan notes controlling equity stakes.

D | Value Creation approach

Value Creation approach (1)

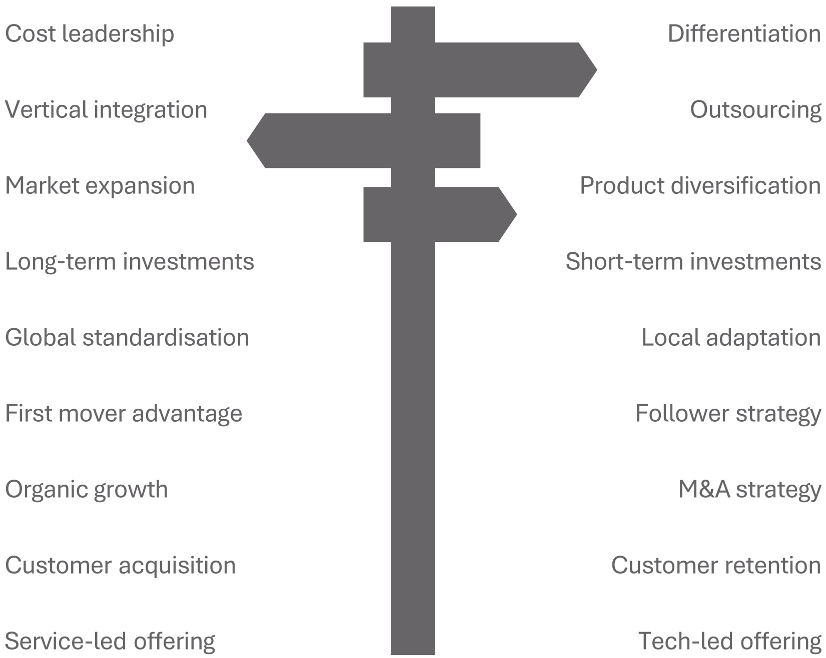
We have developed a structured “template process” for developing Value Creation plans.

	Pre-due diligence **VCP0** **Business overview**	Pre-due diligence **VCP1** **Growth strategy**	Mid-due diligence **VCP2** **Refinement of growth strategy**	Post-due diligence **VCP3** **Conclusions and tactics**	Post completion **VCP4** **Develop VCP**
Objective	• Agathos to get up to speed on where the business is today, its services, USP, markets and customers • Align on the growth potential and an initial understanding of the key opportunities	• Review and debate growth opportunities and identify strategic imperatives • Align on the most exciting opportunities and most pressing challenges	• Part A: Conclude strategies prioritisation post VCP1 and impact, resource requirements etc • Part B: Review and debate M&A contribution to VCP1 strategies and ability to unlock further strategies	• Align on the combined organic and M&A plan, strategies and actions • Build out tactics and actions, sequencing and responsibilities • Finalise VCP	• Review board pack and KPI production to with respect to the VCP • Schedule board meetings and post-transaction housekeeping activity
Management preparation material (3 days in advance)		• Ranked long-list of opportunities • Business case slides *blue highlighted* extracts on key initiatives'; and summary overlaying all initiatives on one slide • Initial Revenue bridge (ex M&A)	• Business case slides *whole slide* on key initiatives • Updated Revenue bridge (ex M&A); EBITDA bridge and capex/investment schedule (ex M&A) • Review, debate and challenge re M&A	• Updates to Business cases reflecting VCP1 and VCP2 conclusions • Initial Strategic action plan • Updated Revenue bridge (ex M&A); EBITDA bridge and capex/investment schedule (ex M&A) • Financial model aligned to emerging Investment Case	• Full VCP content draft
Buyside preparation material (3 days in advance)		• Guide to Value Creation • Review, debate and challenge	• M&A market segment overview • M&A target learnings to date • Interim CDD findings	• Final CDD findings • Review, debate and challenge	• Board pack examples from portfolio

Value Creation approach (2)

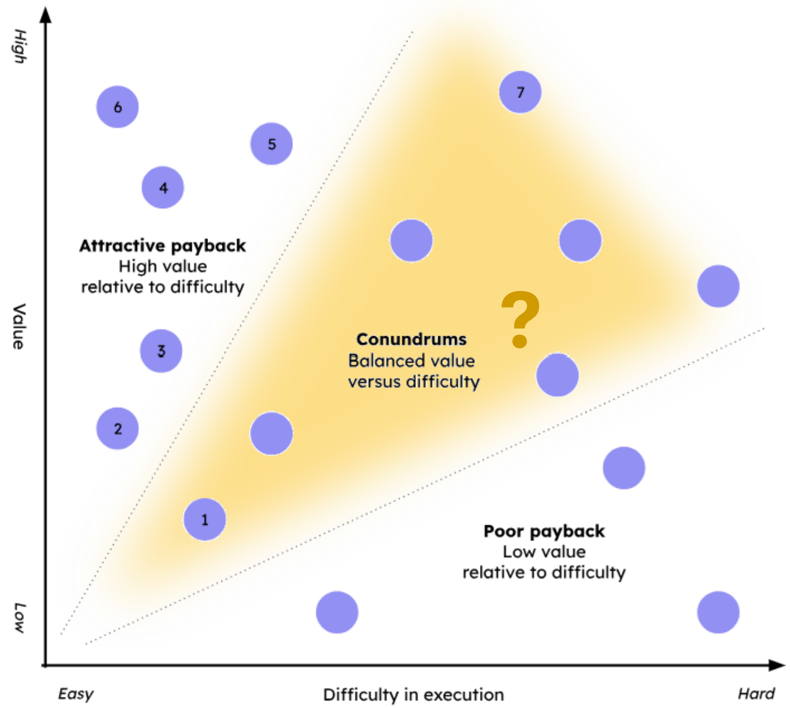
We use the value creation planning process to address crossroads & conundrums, and achieve alignment with management, both pre- and post-investment.

Crossroads in opportunities



Some potential strategies might be mutually exclusive due to market, business or capital constraints. Defining one's fundamental objectives can provide the guiding policy for such trade-offs.

Growth initiatives' value vs difficulty

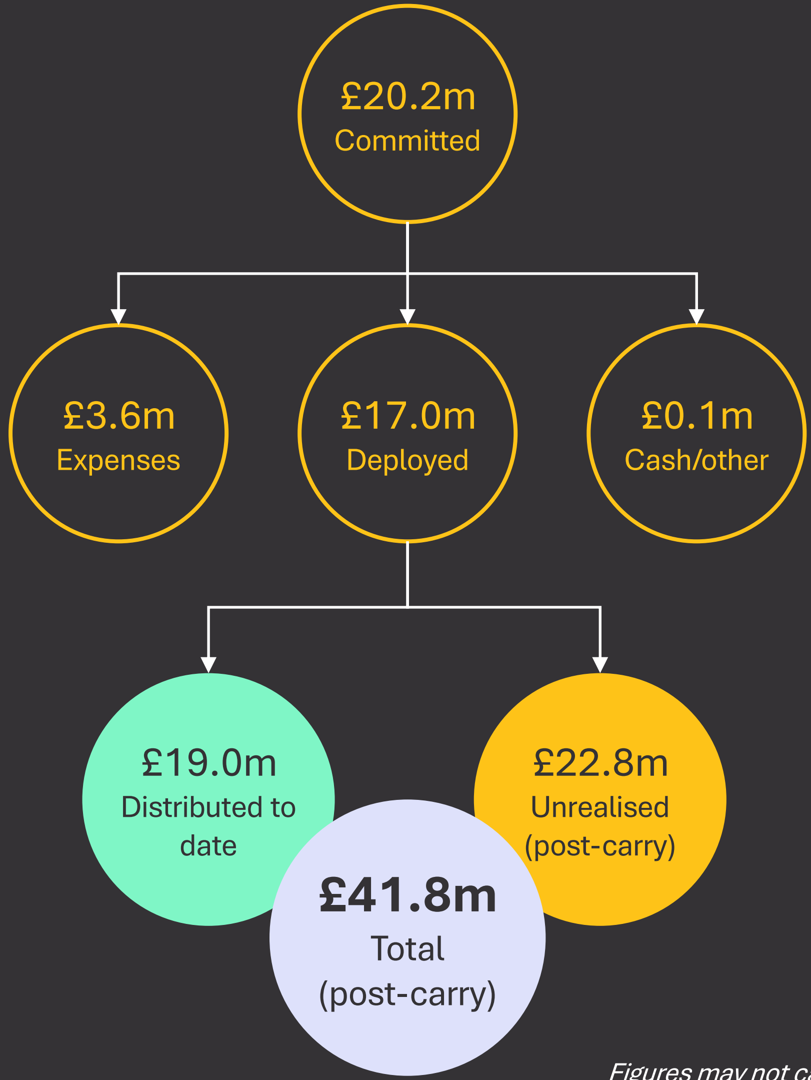


An ambitious business plan is likely to include strategies which fall into the 'conundrums' territory, after all they might offer high reward or be necessitated by technological change.

E | Fund I track record - detail

Fund I – key metrics

Current – 31 December 2024



2.8x
Gross MM of cost (pre-carry)

2.0x
Net MM of committed - TVPI (post-carry)

0.9
Distributions to paid in capital (DPI)

Figures may not cast exactly due to roundings

Target – base case

3.3x
Gross MM of cost (pre-carry)

2.4x
Net MM of committed- TVPI (post-carry)

14%
Net IRR on committed (post-carry)

Target – high case

4.4x
Gross MM of cost (pre-carry)

3.1x
Net MM of committed- TVPI (post-carry)

17%
Net IRR on committed (post-carry)

Current Fund I valuation

The table below outlines the main assumptions for each asset in Fund I and the book value of the assets in the Fund's accounts.

The most recent valuation of Fund I was carried out as of 31 December and is unaudited. The total of £41.8m represents an increase of £0.9m from the audited position at 31 March 2024.

The Fund I assets are small businesses, often with a comparatively high degree of customer or product reliance, or with lower revenue visibility due to revenues being more project-based in nature. These factors contribute to relatively low valuation multiples shown in the right-hand section of the table.

					Current (31 Dec 24)				Valuation assumptions		
Investment (£m)	Share of business	Date of Entry	Target Exit Date	Cash invested	Realised Proceeds	Unrealised Value	Total value (£m)	MM	EBITDA	Multiple	Enterprise Value
Vikoma	70%	Jul 15	*Jun 25*	2.0	2.9	3.4	6.3	*3.2x*	1.0	5.0x	5.2
Cargostore	21%	Dec 16	*Jun 25*	2.5	10.9	5.7	16.7	*6.7x*	6.7	4.3x	28.6
Vacgen	64%	Apr 18	*Dec 25*	1.9	2.2	14.3	16.5	*8.7x*	4.5	4.5x	20.2
Amaro	46%	Apr 18	*Dec 25*	1.4	0.2	4.4	4.6	*3.4x*	1.3	5.0x	6.7
Andromeda	41%	Apr 18	*Dec 25*	2.5	0.0	0.4	0.5	*0.2x*	0.1	5.0x	0.5
Sub Total Current				**10.2**	**16.3**	**28.3**	**44.5**	***4.4x***			
Sub Total Exited				**6.9**	**3.3**	**-**	**3.3**	***0.5x***			
Proceeds retained in Fund					(0.5)		(0.5)				
Total before carry				**17.0**	**19.0**	**28.3**	**47.2**	**2.8x**			
Total after carry and mgmt fees (against cost)				**17.0**	**19.0**	**22.8**	**41.8**	**2.5x**			
Return on committed capital				**20.2**			**41.8**	**2.1x**			

agathos

Target Fund I outcome - Base Case

Base Case drivers

The Base Case reflects valuation assumptions that Agathos Management believes are readily achievable. When compared to the current valuations:

- the reference EBITDAs for the Base Case are weighted more towards current year forecasts rather than prior year results, and
- the valuation multiples are similar, with an uplift for Amaro reflecting good revenue visibility. Cargostore's multiple is capped at a premium to its asset base.

Investment (£m)	Share of business	Date of Entry	Target Exit Date	Cash invested	Current Total value (£m)	Target - Base Case Total value (£m)	Target - Base Case MM	Target - Base Case IRR	Valuation assumptions Basis	Valuation assumptions Enterprise Value	Current year Outturn EBITDA
Vikoma	70%	Jul 15	*Jun 25*	2.0	6.3	6.6	*3.4x*	*20%*	Current: £1.0m EBITDA at 5x Target: £1.2m EBITDA at 5x plus £0.3m net cash generation (after loan repayments)	6.2	1.2
Cargostore	21%	Dec 16	*Jun 25*	2.5	16.7	16.9	*6.9x*	*65%*	Current: £6.7m EBITDA at 4.3x (capped at 2x NBV) Target: £7.3m EBITDA at 5x (capped at 2x NBV - implied multiple 4x), cash reinvested	29.1	6.7
Vacgen	64%	Apr 18	*Dec 25*	1.9	16.5	19.3	*10.2x*	*38%*	Current: £4.5m EBITDA at 4.5x Target: £5.0m EBITDA at 4.5x plus £4.6m net cash	22.5	4.5
Amaro	46%	Apr 18	*Dec 25*	1.4	4.6	8.1	*6.0x*	*28%*	Current: £1.3m EBITDA at 5x Target: £2.4m EBITDA at 5.5x plus £1.4m net cash	13.1	1.5
Andromeda	41%	Apr 18	*Dec 25*	2.5	0.5	1.6	*0.6x*	*-4%*	Current: £0.1m EBITDA at 5x Target: £0.4m EBITDA at 5x plus £0.5m net cash	2.2	0.1
Sub Total Current				**10.2**	**44.5**	**52.6**	***5.1x***				
Sub Total Exited				**6.9**	**3.3**	**3.3**	***0.5x***				
Proceeds retained in Fund					(0.5)	(0.5)					
Total before carry				**17.0**	**47.2**	**55.3**	**3.3x**	**21%**			
Total after carry and mgmt fees (against cost)				**17.0**	**41.8**	**47.9**	**2.8x**				
Return on committed capital				**20.2**	**41.8**	**47.9**	**2.4x**	**14%**			

agathos

Target Fund I outcome - High Case

High Case drivers

- The High Case reflects revised assumptions about the exits of Cargostore, Vacgen and Amaro. The exit multiples for each are higher than for the Base Case.
- For Amaro and Vacgen, the reference EBITDA has also been increased to reflect a higher target EBITDA off which each business will be sold.
- The target valuations for Vikoma and Andromeda are unchanged from the Base Case.

Investment (£m)	Share of business	Date of Entry	Target Exit Date	Cash invested	Current Total value (£m)	Base Total value (£m)	Target - High Case Total value (£m)	Target - High Case MM	Target - High Case IRR	Valuation assumptions Basis	Valuation assumptions Enterprise Value
Vikoma	70%	Jul 15	*Jun 25*	2.0	6.3	6.6	6.6	*3.4x*	*20%*	Current: £1.0m EBITDA at 5x Target: £1.2m EBITDA at 5x plus £0.3m net cash generation (after loan repayments)	6.2
Cargostore	21%	Dec 16	*Jun 25*	2.5	16.7	16.9	20.5	*8.3x*	*66%*	Current: £6.7m EBITDA at 4.3x (capped at 2x NBV) Target: £7.3m EBITDA at 6.5x plus £0.5m net cash	47.6
Vacgen	64%	Apr 18	*Dec 25*	1.9	16.5	19.3	31.7	*16.8x*	*47%*	Current: £4.5m EBITDA at 4.5x Target: £7.0m EBITDA at 6.0x plus £4.8m net cash	42.0
Amaro	46%	Apr 18	*Dec 25*	1.4	4.6	8.1	10.3	*7.6x*	*33%*	Current: £1.3m EBITDA at 5x Target: £3.0m EBITDA at 6.0x plus £1.4m net cash	18.0
Andromeda	41%	Apr 18	*Dec 25*	2.5	0.5	1.6	1.6	*0.6x*	*-4%*	Current: £0.1m EBITDA at 5x Target: £0.4m EBITDA at 5x plus £0.5m net cash	2.2
Sub Total Current				**10.2**	**44.5**	**52.6**	**70.7**	***7.0x***			
Sub Total Exited				**6.9**	**3.3**	**3.3**	**3.3**	***0.5x***			
Proceeds retained in Fund					(0.5)	(0.5)	(0.5)				
Total before carry				**17.0**	**47.2**	**55.3**	**73.5**	**4.3x**	**24%**		
Total after carry and mgmt fees (against cost)				**17.0**	**41.8**	**47.9**	**62.4**	**3.7x**			
Return on committed capital				**20.2**	**41.8**	**47.9**	**62.4**	**3.1x**	**17%**		

agathos

Fund I – Table of investments

The table below summarises all Fund I investments (both current and exited). Three investments have been exited, but £16.3m (circled blue) of the £19.0m realised proceeds to date (amounts returned to investors) has actually been generated from current investments.

Investment (£m)	Entry Date	Exit Date	Cash invested	Realised value	Unrealised value	Current value	% of total fund value	Multiple of cost
Current investments								
Vikoma	Jul-15		2.0	2.9	3.4	6.3	*13%*	3.2x
Cargostore	Dec-16	Feb-20 *	2.5	10.9	5.7	16.7	*35%*	6.7x
Vacgen	Apr-18		1.9	2.2	14.3	16.5	*35%*	8.7x
Amaro	Apr-18		1.4	0.2	4.4	4.6	*10%*	3.4x
Andromeda	Apr-18		2.5	0.0	0.4	0.5	*1%*	0.2x
Sub-total current investments			**10.2**	**16.3**	**28.3**	**44.5**	***94%***	**4.4x**
Exited investments								
Silverstar	Apr-16	Oct-16	3.5	0.1	-	0.1	*0%*	0.0x
Dukes	Jun-15	Sep-17	1.5	0.6	-	0.6	*1%*	0.4x
Smiths	Oct-15	Oct-20	1.8	2.5	-	2.5	*5%*	1.4x
Sub-total exited investments			**6.9**	**3.3**	**-**	**3.3**	***7%***	**0.5x**
Cash retained from asset distributions for working capital				(0.5)		**(0.5)**	***-1%***	
Total (before carry)			**17.0**	**19.0**	**28.3**	**47.2**	***100%***	**2.8x**
Less carry provision					(5.4)	(5.4)		
Total (after carry)			**17.0**	**19.0**	**22.8**	**41.8**		**2.5x**

The businesses invested in by Fund I were slightly smaller, and in more complex situations at investment date than the businesses being invested in by Fund II and Fund III. We would expect a narrower distribution of return outcomes for investments by Fund I and Fund II.

agathos