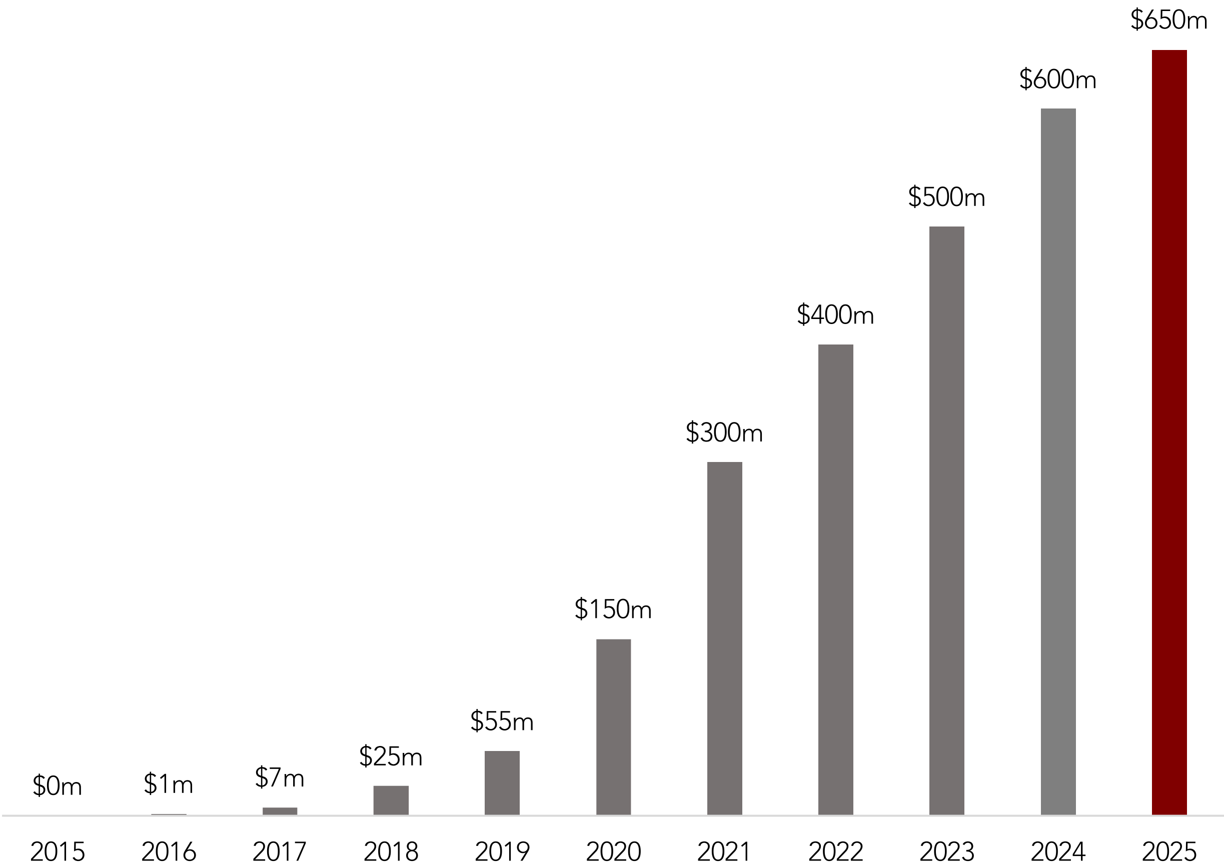
2025 ANNUAL LETTER

Long-Term Investors Providing Permanent Capital

RDCP's Growth in Enterprise Value (EV)



In 2025, RDCP increased its enterprise value ("EV") by 8%, from $600 million to $650 million. This growth was driven by the acquisition of two highly accretive businesses: Monarch Healthcare, a freehold portfolio of 12 nursing homes, and DJL Petfoods, a pet food ingredients distributor.

RDCP's Performance vs. the S&P 500 and FTSE 100

	S&P 500	FTSE 100	RDCP
Annual Return 2015 – 2025	12.1%	3.2%	73.9%
Total Return 2015 – 2025	231.5%	38.5%	32400.0%

While EV growth in 2025 was more modest than in prior years, RDCP continues to benefit from strong long-term compounding, delivering a high double-digit internal rate of return of 73.9% over a ten-year investment period. Looking ahead to 2026, we expect steady progress as we focus more specifically on improving efficiencies across the existing portfolio — including integration and cost synergies — with acquisitions playing a secondary role.

To the Stakeholders of RD Capital Partners (RDCP):

This year marks RDCP's ten-year anniversary: a full decade since we first began in the summer of 2015. As I reflect on this milestone, I inevitably return to one of my most regular reference points: Warren Buffett.

I find myself often looking back at Buffett's early years — what he had built by his late 20s and early 30s — and comparing them with my own milestones at the same age. Adjusting his early Buffett Partnership figures into today's dollars gives me a simple reference point for measuring RDCP's progress against Berkshire Hathaway, one of history's greatest compounding machines.

What strikes me most about Buffett's early years is not the glamour of his eventual success, but the scrappy, almost uncomfortable, methods he employed at the outset. For his first 14 years, from age 25 to 39, he focused on building a capital base rather than a legacy. He was a net-current-asset-value (NCAV) investor, a classic "cigar-butt" picker, acquiring businesses trading below liquidation value, often in distressed or neglected situations. This was unglamorous work: working with distressed businesses, challenging entrenched managers, and patiently realising value from operations in decline. Yet this was his necessary tuition — the cost of Buffett's education. Those cigar butts provided the capital, the discipline, and the hard-earned lessons he needed, even though they were never meant to be the endgame.

In many ways, RDCP's first decade mirrors that story. We too have been aggressive, opportunistic, and at times heavily reliant on leverage. We pursued businesses where price came first and quality second. We built a large and diversified portfolio this way — and make no apologies for that. It was our foundation-building decade.

Like Buffett, our early years came with their own tuition. And we have had to pay the price. Not every acquisition went the way we hoped, and not every strategy survived contact with reality. In a small number of cases, the cost of those lessons was not borne by us alone. When businesses fail, the impact is felt by real people — employees whose roles are disrupted, suppliers and counterparties who face uncertainty, and communities that feel the consequences. These outcomes are never taken lightly. They have weighed heavily on us and have directly shaped the more conservative, people-aware and liquidity-focused approach that defines RDCP today.

One of the clearest lessons from our first decade relates to the overuse of leverage in acquisitions. In the early years, we relied more on leverage than we should have, simply because our capital base had not yet been built. It allowed us to grow, but it also created fragility.

RDCP 2.0 is our deliberate pivot away from that model. It means investing with more equity and less debt, and working closely with our existing portfolio companies to accelerate deleveraging and debt repayment, and strengthening liquidity across the group. The objective is clear: to reach a position where we can invest and compound solely from our own permanent capital, with very limited (if any) reliance on external leverage. It also means focusing, as Buffett would say, on wonderful businesses at fair prices, partnering with strong managers, scaling enduring companies, and allowing time and compounding to do their work.

In 2025, and as we move into 2026, we continue to strengthen our corporate and financial governance. As the group has grown, we have learned how essential clear reporting lines, clean accounting boundaries, and robust oversight are to a permanent-capital enterprise. RDCP today is a more disciplined and better-structured organisation than it was a year ago, and indeed at any point in its history.

A decade ago, our focus was on acquiring almost anything we could afford in order to get the compounding machine started. Today, our focus is on deleveraging, building substantial group cash balances, and developing a high-quality investment firm built around high-quality portfolio companies.

We have shifted decisively toward larger businesses with durable economics, strong leadership teams, and long runways for compounding. By studying Berkshire's evolution in real time, we did not need to wait decades to understand the power of a See's-Candies-type business. RDCP Care, RDCP Electrical, DJL Petfoods, TSDC Wholesale and Alma Rail are our own equivalents — wonderful companies with durable moats and outstanding managers. They are not merely assets; they are the backbone of RDCP's second decade.

If our first decade was our cigar-butt era, our next decade will be our See's Candies era.

RDCP has shaped me as much as I have shaped it. I have made mistakes — many born of inexperience, some of ambition — but each one helped form the positive principles that now guide us.

Portfolio Overview: 2025 Acquisitions

Over the past 10 years, RDCP has made 31 investments that have been consolidated into 10 companies, employing a total of circa 2,000 staff members.

Below, I detail the businesses we have acquired in 2025.

1. Monarch Healthcare

Monarch Healthcare

Leadership: Rosie Howell

Sector: Healthcare
Headcount: 500

Revenue: £25m
EBITDA: £6m

In April 2025, RDCP (via RDCP Care) acquired Monarch Healthcare. Monarch is a well-established, high-quality group of freehold residential and nursing care homes located across the Midlands and the North of England, with a long operating history and a strong reputation for delivering consistent, regulatorily compliant care.

Monarch provides residential, nursing, dementia and palliative care, operating from purpose-built and well-maintained freehold properties that are embedded in their local communities. The group has historically been characterised by stable occupancy, long-standing relationships with local authorities, and a disciplined, care-first operating culture. Importantly, 100% of the homes are rated "Good" by the CQC — a standard that closely aligns with our own philosophy within RDCP Care.

Monarch comprises 12 freehold nursing and residential homes, all of which fit squarely within RDCP's long-standing investment criteria: asset-backed, operationally resilient, and capable of long-term compounding under stable ownership.

The Monarch acquisition represents a natural extension of RDCP's journey in the healthcare sector. In fact, when we founded RDCP in 2015, our focus for the first 4-5 years was almost exclusively on the UK healthcare sector. In 2016, we incorporated RDCP Care to go on a buy-and-build journey in the elderly care sector, with a focus on dementia and nursing care. Over the past decade, RDCP Care has executed on five transactions:

- Kings Bromley Care Home (2017)
- St Nicholas House Care Home (2017)
- Dignus Healthcare (2019)
- Coton Care (2023)
- Monarch Healthcare (2025)

Today, RDCP Care is a group of 20 freehold nursing homes with a portfolio value of approximately £100 million, forming one of the core pillars of RDCP's permanent-capital strategy.

Central to the success of RDCP Care — and to the successful integration of Monarch — is leadership. We continue to fully back Rosie Howell, Managing Director of RDCP Care, whose operational discipline, regulatory focus and people-first approach has been instrumental in building a high-quality platform. Rosie is supported by an exceptional senior team, whose depth of experience and consistency of execution underpin both care quality and financial performance across the group.

Monarch Healthcare strengthens RDCP Care not just in scale, but in substance. It adds depth, geographic density and operational maturity to a platform that has been a cornerstone of RDCP since inception — and it exemplifies the type of essential, asset-backed businesses we seek to own for decades, not years.

2. DJL Petfoods

DJL Petfoods Ingredients Ltd

Leadership: Duncan Lancaster

Sector: Consumer Staples	Revenue: £25m
Headcount: 26	EBITDA: £4m

In July 2025, RDCP acquired DJL Petfoods, the UK's leading one-stop, multi-brand supplier of pet food ingredients and raw materials to premium pet food manufacturers. DJL operates as a critical link in the pet food supply chain, sourcing, accrediting and distributing high-quality, fully traceable ingredients to some of the UK's best-known pet nutrition brands.

The business supplies over 50 GMP+ accredited SKUs, spanning animal proteins, fats, oils and complementary plant-based inputs, enabling manufacturers to produce safe, reliable and high-quality pet food products at scale. Its deep understanding of regulatory requirements, supplier accreditation and logistics makes DJL a trusted partner rather than a transactional distributor.

The business benefits from several structural advantages. DJL is deeply embedded within its customers' operations, reflected in an exceptional year-on-year customer retention rate. Long-standing relationships with both customers and suppliers provide purchasing scale, reliability of supply and attractive pricing that would be difficult for individual manufacturers to replicate independently. This creates meaningful barriers to entry and underpins a resilient, recurring revenue base.

Operationally, DJL runs from three facilities totalling over 40,000 sq. ft., strategically located to serve pet food manufacturers across the UK. The business is supported by a highly experienced team of 26 employees, whose specialist knowledge, operational discipline and customer service culture have been instrumental in DJL's growth over more than two decades in the industry.

DJL exemplifies the type of business we seek to own under RDCP 2.0: asset-light but infrastructure-critical, founder-led, defensively positioned, and capable of compounding steadily without reliance on constant reinvestment. It operates in a growing end-market, benefits from long-term demographic tailwinds in pet ownership and premiumisation, and possesses durable competitive advantages rooted in trust, accreditation and operational execution.

We see significant opportunity ahead for DJL through disciplined expansion of its product range, further embedding with existing customers, and selective growth into adjacent European markets — all while maintaining the service quality and reliability that define the business today. DJL Petfoods strengthens RDCP's portfolio by adding a high-quality, cash-generative platform with long-term compounding potential and aligns closely with our focus on owning essential businesses with enduring relevance.

3. STAR Capital Care

STAR CAPITAL CARE NETWORK

Leadership: Fuzail Ahmad

Sector: Healthcare (USA)
Headcount: 360

Revenue: £2m
EBITDA: £0.4m

In October 2025, RDCP made its first investment in the United States through a minority stake in STAR Capital Care, a portfolio of six freehold nursing homes comprising approximately 360 beds across North Carolina, South Carolina, and Connecticut.

STAR Capital Care is a high-quality, asset-backed healthcare business focused on skilled nursing and long-term care. The portfolio benefits from freehold ownership, experienced on-the-ground management, and exposure to a large, fragmented and structurally growing healthcare market. While modest in scale relative to RDCP's UK platforms, the investment represents an important strategic milestone for the group.

STAR Capital Care was founded by a family member of mine. In 2025, an existing family investment was formally incorporated into RDCP, enabling us to take a minority ownership position and bring STAR Capital Care into the RDCP portfolio. The investment represents RDCP's first international platform.

This investment was our first step into what will become a long-term investment strategy into the US: formalising an existing family investment into the RDCP platform, while allowing RDCP to gain direct exposure to the US care market alongside trusted operators with deep local experience.

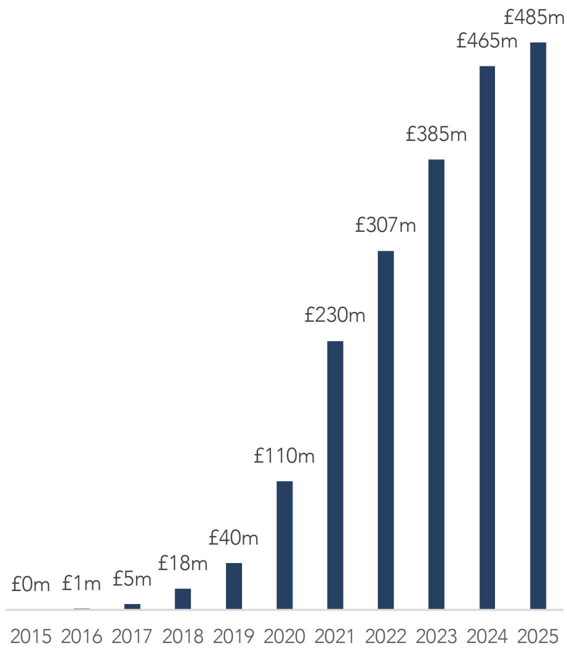
From a strategic perspective, STAR Capital Care serves two purposes. First, it reinforces RDCP's long-standing conviction in healthcare as an essential, defensively positioned sector with strong asset backing. Second, it provides a foothold in the United States — a market we believe offers significant long-term opportunity, but one that requires patience, local knowledge and more sizeable financial capital than we currently have.

We do not expect RDCP to materially expand its US footprint in the immediate term. Our focus in 2026 and likely 2027 remains firmly on strengthening our existing platforms in the UK, deleveraging, and building group liquidity. However, as RDCP's cash balances grow and our permanent-capital base strengthens, we expect to begin allocating capital more meaningfully to the US from 2027–2028 onwards, with healthcare likely to be at the forefront of that expansion.

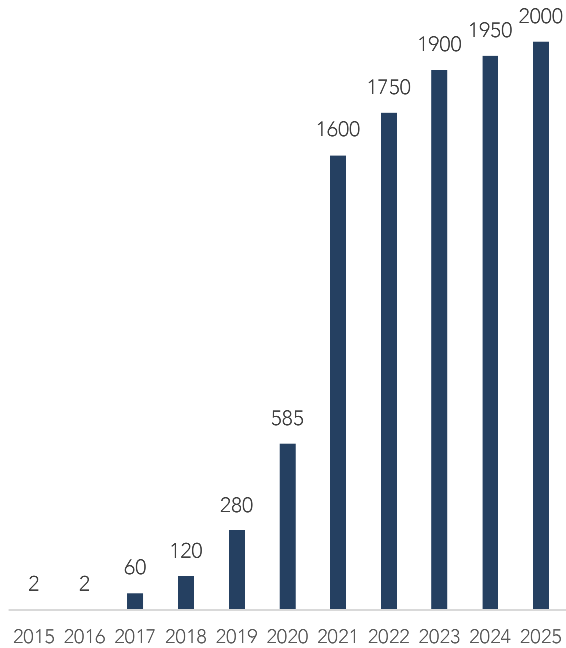
STAR Capital Care represents the beginning of that journey — a small, aligned, and carefully chosen first step into a market we intend to approach with the same long-term mindset that has shaped RDCP from the outset.

RDCP as a Snapshot in 2025

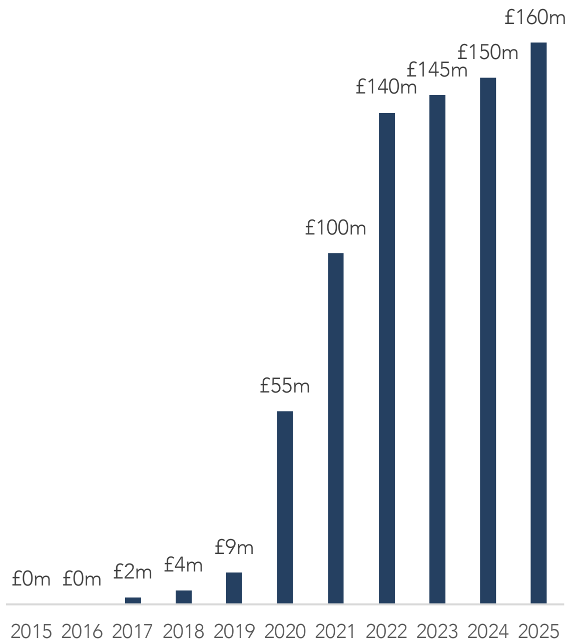
In 2025, we acquired two new companies and exited a few non-performing assets, as well as one opportunistic exit. Below is what the RDCP portfolio looks like today. Please note that some of the historic numbers have been updated to account for discontinued operations or exited investments.



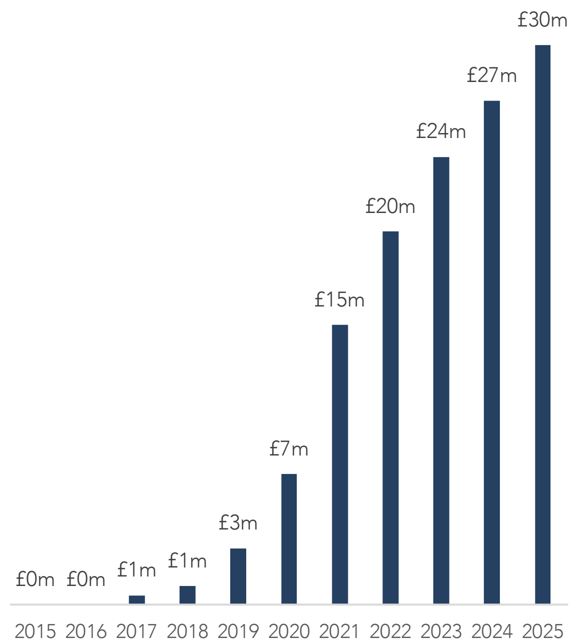
Growth in Enterprise Value (EV)



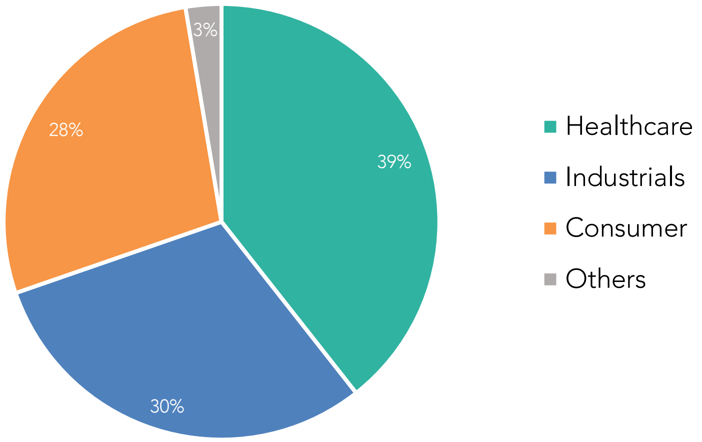
Growth in Staff Headcount



Growth in Run-Rate Revenue



Growth in Run-Rate EBITDA



Sector Diversification

Portfolio Companies

The RDCP portfolio today comprises 10 portfolio companies across our 3 core sectors, generating a combined £160m ($220m) in run-rate revenue and £30m ($41m) in run-rate EBITDA.

Healthcare

Healthcare

RDCP Care
Elderly care provider w/ 20 nursing homes & 883 beds, a top-10 Midlands operator

STAR CAPITAL CARE NETWORK
Elderly care provider w/ 6 nursing homes & 360 beds across the US East Coast

Consumer

Consumer Staples

TSDC WHOLESALE
£30m revenue food and grocery wholesale group

DJL Petfoods Ingredients Ltd
£25m revenue pet food ingredients manufacturer and supplier

Industrials

Industrials

RDCP Electrical
£40m revenue electrical distribution group with 3 businesses across 17 sites

Engineering

Alma Rail
www.almarail.co.uk
RAILWAY TRACK AND CIVIL ENGINEERING
Railway track and rail engineering business

Manufacturing

Majestic Designs (UK) Ltd.
Windows design and manufacturing business

i4Plus
Precision manufacturing group with 2 companies

Facilities Management

Home Counties Pools & Hot Tubs
Swimming pool design and installation group

Others

Real Estate

RDCP Real Estate
Private real estate portfolio valued at £7m

RDCP’s Presence in the UK

A map is worth a thousand words — or in RDCP’s case, approximately £485 million (or $650 million).

The map below captures the sheer breadth of RDCP’s footprint across the UK. From 20 freehold nursing homes in and around Birmingham and the Midlands, to 17 electrical distributor branches across Worcestershire, West Midlands and Wales, to a pet food supplier in Nottingham, and much more, our portfolio reflects our long-term commitment to the UK economy. We have been investing in the UK since 2015, and the nation continues to provide attractive opportunities for disciplined, long-term capital.

RDCP Catalyst Team

As RD Capital Partners (RDCP) has scaled, it has become increasingly clear that long-term value creation depends not only on the quality of the businesses we own, but on the quality of the infrastructure that supports them. 2025 marked the formal development of the RDCP Catalyst Team — a central group designed to strengthen, support and accelerate performance across the portfolio.

The Catalyst Team is not about centralised control for its own sake, nor about diluting the autonomy of strong management teams. Its purpose is to remove friction, improve visibility and raise standards across finance, governance, reporting, marketing and IT, allowing portfolio company MDs and CEOs to spend more time running their businesses and less time navigating complexity. In practice, this includes a centralised finance and reporting function, improved cashflow forecasting, tighter governance frameworks, better and more consistent decision-making processes, and group-wide marketing and IT capabilities that support growth, visibility and operational resilience.

The concept itself was influenced by discussions with peers who have successfully scaled institutional platforms, including an ex-neighbour and friend of mine who founded KLAR Partners, a well-known European private equity firm. Seeing how disciplined central support functions can materially improve outcomes at scale helped crystallise our thinking around building something similar — but tailored to RDCP's permanent-capital model and long-term ownership mindset.

Importantly, the Catalyst Team reflects a broader evolution from RDCP 1.0 to RDCP 2.0. As the group matures, intuition and founder-led execution must increasingly be supported by systems, data and repeatable processes. The Catalyst Team provides that backbone. It allows us to identify issues earlier, allocate capital more effectively and support management teams with better information and clearer priorities.

Over time, we expect the RDCP Catalyst Team to become a quiet but powerful driver of compounding — improving margins, strengthening controls, enhancing resilience and enabling us to scale without proportionately increasing risk. It is not a visible asset in the way a new acquisition is, but it is one of the most important investments we have made in the durability and long-term performance of the group.

Lessons Learned / Reasons Behind Our Success

Every year teaches you something. Some years teach you gently. Others teach you forcefully. 2025 was very much the latter. It was a year that tested not just our businesses, but our structures, our judgement, our resilience and our discipline. I am confident that RDCP is a stronger, more mature organisation because of it.

A few lessons stand out:

1. <u>Liquidity is the single greatest asset in any business</u>. In theory, RDCP is significantly larger today than it was a few years ago. But 2025 reinforced a simple truth: paper value does not solve real-world problems — liquidity does. Cash flow pays obligations, funds operations and buys time when circumstances become unpredictable. Time, in turn, creates optionality. This year sharpened our focus on owning businesses that are genuinely cash generative, using conservative leverage, and avoiding structures that appear attractive on entry but restrict the movement of cash when it is needed most. Growth without liquidity is fragile. Going forward, cash generation and access to liquidity will sit at the centre of every capital allocation decision we make.

2. <u>Control is a real asset and drives outcomes</u>. Control is often invisible when things are going well and painfully obvious when they are not. 2025 served as a reminder that control is one of the most valuable assets we own, and one that can quietly erode if not protected deliberately. Control determines how quickly decisions can be made, how disputes are resolved and who ultimately sets direction in moments of pressure. This year reinforced the importance of clear shareholder arrangements, unambiguous governance and properly aligned ownership structures. Preserving control is not about ego or rigidity; it is about ensuring the ability to act decisively, protect value and move forward when conditions are uncertain. Growth without control is not real growth.

3. <u>Settling early allows us to move forward faster</u>. One of the hardest decisions this year was choosing to settle rather than "be right". Experience teaches an important lesson: winning arguments is expensive, while building businesses is considerably more important and undoubtedly more profitable. Even when you believe you are right, time, energy and focus carry a real opportunity cost. Once it became clear that resolution allowed us to move forward decisively, the choice was obvious. The lesson is not to avoid disputes, that is virtually unrealistic as a business scales, but to resolve them pragmatically, early and with clarity.

4. <u>The best businesses are boring and simple recurring revenue businesses</u>. 2025 reinforced the difference between businesses that quietly compound and those that demand constant intervention. Project-based and lumpy revenue models can appear attractive during periods of growth, but they often introduce volatility, working capital strain and an ongoing dependency on new wins. In contrast, recurring revenue businesses create predictability, resilience and operational leverage. They allow management teams to focus on improvement rather than survival. Going forward, we are increasingly prioritising businesses with

contracted, repeat or highly visible revenue streams, where time and energy are spent compounding value rather than constantly recreating it. RDCP Care is a clear example of this.

5. Anti-fragility is a competitive advantage. Periods of pressure tend to expose weaknesses, distract management and slow decision-making. They also create opportunity. 2025 reinforced that businesses rarely fail because of a single event; they fail because execution deteriorates when conditions become uncomfortable. Resilience allows a business to withstand stress and continue operating. Anti-fragility goes a step further: it allows a business to improve because of the stress. Our experience this year highlighted the importance of staying focused on operations, capital allocation and long-term objectives while navigating short-term noise. By preserving liquidity, maintaining control and avoiding structural fragility, we positioned RDCP to remain decisive when others could not. When built correctly, periods of uncertainty expand optionality — assets become mispriced, competitors retrench and disciplined execution creates long-term value. Anti-fragility is not about seeking volatility; it is about being prepared to benefit from it.

6. What worked at £2m of capital does not work at scale. RDCP 1.0 benefited enormously from speed, hustle and a willingness to move quickly. That approach allowed us to build a large portfolio with very limited starting capital. However, 2025 reinforced that behaviours which are effective at a small scale can become liabilities as complexity and stakes increase. Informality, speed and intuition must eventually give way to structure, process and institutional discipline. Scaling a business is not just about doing more of the same; it requires doing things differently. RDCP 2.0 reflects a deliberate shift from founder-led execution to system-led decision-making, recognising that durability matters more than pace over the long term.

7. Reputation compounds in the same way capital does. Reputation is an intangible asset, but its impact is very real. It influences access to opportunities, the quality of counterparties, lender behaviour and outcomes in moments of dispute. 2025 reinforced that reputation compounds quietly when managed deliberately and erodes quickly when neglected. For a permanent-capital organisation, long-term credibility matters more than short-term wins. Despite some of our historic mistakes, in 2025, we have sharpened our focus on acting with consistency, transparency and fairness, even when doing so is not the easiest path. Over time, reputation behaves like capital — it compounds when invested in properly and becomes a competitive advantage in its own right.

8. Centralised finance functions reduce risk and complexity. As organisations grow, complexity tends to accumulate quietly — more entities, more counterparties, more bespoke arrangements. 2025 reinforced that complexity is not neutral; it increases risk, obscures accountability and slows decision-making, particularly in periods of stress. Centralisation, by contrast, creates clarity and resilience. It improves visibility over cash, control and performance, and allows issues to be identified and addressed earlier. A core focus of RDCP 2.0 is simplifying the group through a centralised finance function, clearer governance and

more standardised operating models — recognising that long-term compounding favours organisations that are easy to understand and easy to run.

9. Leverage changes who is in control. Debt can accelerate growth, but it also transfers control in ways that are often underestimated. Even modest leverage introduces new decision-makers, constraints and priorities that may not align with long-term equity value creation. This year reinforced that leverage is not simply a financial tool; it is a governance decision. While debt played a necessary role in RDCP's early growth, the experience of operating under pressure reaffirmed our preference for falling leverage, simpler capital structures and ultimately debt-free businesses. Growth achieved at the expense of control is rarely worth the trade-off.

Future Plans

As RDCP enters its second decade, our priorities are clear. We are focused on strengthening what we already own, continuing to deleverage, building liquidity, and supporting our management teams through better systems, governance and long-term alignment. Growth will continue, but it will be disciplined, patient and grounded in quality rather than pace.

If our first decade was about building a foundation, our second will be about permanence. The objective is not maximum activity, but maximum durability — owning high-quality businesses, led by strong people, and allowing time and compounding to do the heavy lifting.

I remain deeply grateful to the teams across RDCP and our portfolio companies. Their resilience, professionalism and commitment — particularly during a demanding year — are what make long-term ownership possible.

We move into 2026 better structured, more focused and more disciplined than at any point in our history. The work ahead is clear, and we approach it with confidence and humility in equal measure.

Respectfully,

Sameer Rizvi
Founder & CEO
23rd December 2025