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SERVICES — DEVELOPMENT CAPITAL

# Development Capital

Equity financing for the next stage of growth.

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# Growth financing without necessarily requiring a change of control

For businesses that have already proven themselves and are ready for their next stage — expanding into a new region, adding capacity, or funding a strategic acquisition — Development Capital provides growth financing without necessarily requiring a change of control.

## Where Development Capital fits

Growth financing spans a spectrum. At one end, Venture Capital backs earlier-stage, often unproven businesses where the model is still being tested. At the other, Private Equity typically takes large stakes or full control of mature businesses. Development Capital sits between the two: it is aimed at businesses that are already established, generating revenue, and profitable or close to it, but that need outside capital to fund a specific next step. The investment is usually structured as a minority position, so the founders and existing management keep running the business day to day.

| | Venture Capital | Development Capital | Private Equity |
|---|---|---|---|
| Business stage | Early, often pre-profit | Established, profitable or near-profitable | Mature, often larger scale |
| Typical stake | Minority, higher risk | Minority growth stake | Majority or full buyout |
| Primary use of funds | Proving the model, initial scaling | Expansion, capacity, acquisitions | Ownership transition, restructuring |
| Control implications | Board seat, light governance | Board input, management retains control | Often full operational control |

These are general distinctions, not fixed rules — every situation is assessed on its own facts.

## Situations we typically see

Development Capital conversations tend to start from a concrete, near-term need rather than an abstract growth plan. Some recurring examples:

- A profitable regional business ready to expand nationally, but reluctant to sell a controlling stake to fund the rollout.
- A manufacturer that needs new equipment or additional capacity to take on larger orders it would otherwise have to turn down.

- A services business that wants to fund the acquisition of a smaller competitor to consolidate its market position.
- A company with a proven, repeatable model that simply needs working capital to scale faster than cash flow alone allows.

## How we structure it

There is no single template — the right structure depends on the business, the amount involved, and what the capital is for. Typical approaches include:

| Structure | What it involves |
|---|---|
| Minority growth equity | A non-controlling equity stake, sized to the capital need and the business's valuation |
| Structured instruments | Convertible or hybrid instruments that blend debt-like and equity-like features |
| Follow-on tranches | Capital released in stages tied to milestones such as a new site opening or an order being confirmed |

## How the process works

1. **Initial conversation.** We talk through the business, what the capital is for, and whether Development Capital is the right fit compared with other stages of financing.
2. **Review.** We look at the business's financials, trading history, and growth plan in more depth to understand the opportunity and the risks.
3. **Terms.** If we want to move forward, we put together proposed terms — structure, size, and the governance rights that come with it.
4. **Commitment.** Once terms are agreed, we complete the investment and the business moves ahead with the capital it needs for its next stage.

### Frequently asked

**Do you take a majority stake?**
Not typically. Development Capital is generally structured as a minority investment, so existing owners and management retain control of the business. Larger, controlling positions sit closer to what we'd consider Private Equity territory.

**What stage of company do you look at?**
We focus on businesses that are already established — trading, generating revenue, and profitable or close to it. The capital is meant to fund a clear next step, not to prove an unproven concept.

**How is this different from venture capital?**
Venture Capital tends to back earlier-stage businesses where the model is still being tested and the risk profile is higher. Development Capital is aimed at businesses that have already proven their model and need capital to fund a specific, well-defined next stage of growth.

**Does a conversation guarantee an investment?**

No. Every situation goes through our review process, and not every conversation results in an investment. We assess each opportunity on its own merits before any terms are proposed.

> Businesses seeking development capital should use the Apply For Funding process on our website; this document does not itself constitute an offer of investment.

# Get in touch

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**Future Power Capital Ltd** — company number 16778446 (England & Wales). Registered office: The Tea Building, 56 Shoreditch High Street, London, E1 6JJ, United Kingdom. Incorporated 10 October 2025. Founder & Director: Silas Trent.

Issued and fully paid share capital: GBP 10,000,000 (10,000,000 ordinary shares of GBP 1 each).

View our official record on Companies House