Nicola Venture Capital Limited Partnership Quarterly Report | Q2 2025

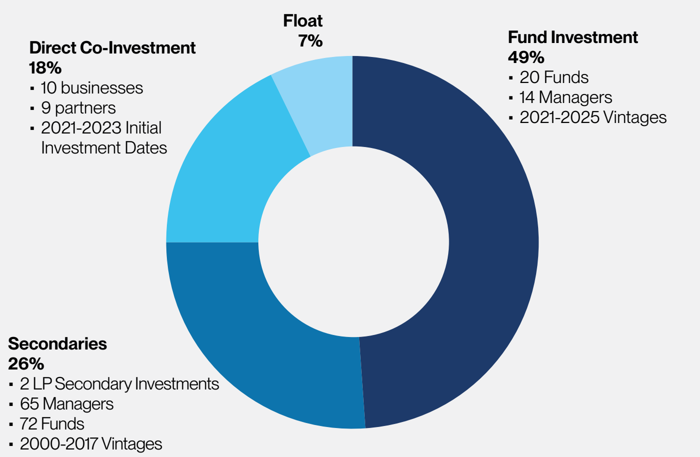
Objective

The objective of the Nicola Venture Capital Limited Partnership ("Nicola VCLP" or the "Fund") is to seek long term capital growth through a basket of primarily high growth private businesses diversified by industry, partner, vintage, and company stage.

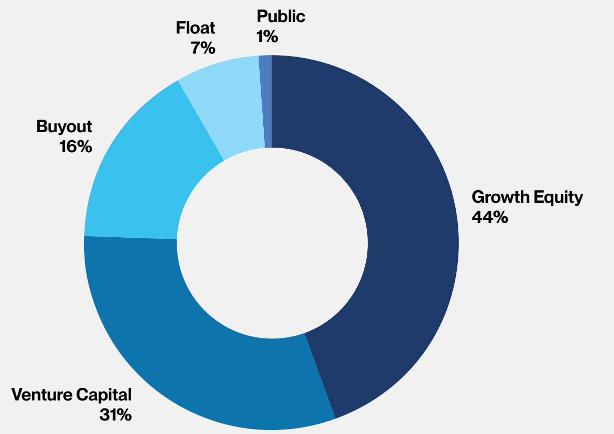
Strategy

Nicola VCLP's seeks to create a portfolio of attractive Venture Capital ("VC") and growth equity investments, through a variety of structures ranging from traditional primary fund investments, secondary investments, and direct co-investments.

INVESTMENT BY TYPE as of June 30, 2025

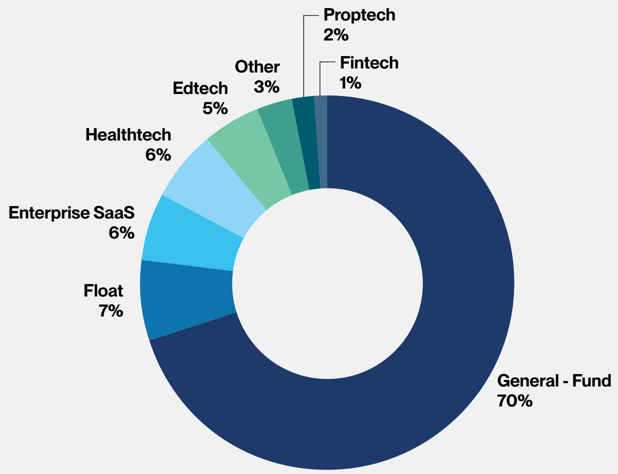


INVESTMENTS BY STAGE as of June 30, 2025



May not add to 100% due to rounding

INVESTMENTS BY VERTICAL as of June 30, 2025



May not add to 100% due to rounding

Returns for the period ENDING as of June 30, 2025

	USD	CAD
QTD	**0.5%**	**-4.8%**
YTD	**0.8%**	**-4.5%**
1 year	**2.3%**	**1.8%**
3 year	**-0.6%**	**1.0%**
5 year	–	–
10 year	–	–
Since inception*	**4.2%**	**5.8%**

* September 30, 2021 for CAD series and USD series.

Performance

Venture Capital and Growth Equity are long-term asset classes and the Fund is focused on maximizing returns over a 5+ year investing horizon. Inception to date , the Fund has delivered annualized CAD and USD returns of +5.8% and 4.2%, respectively. Note that the Fund has been investing for less than 5 years, and we believe that the inception to date returns are not indicative of the longer-term asset class returns.

The majority of investments in the Fund are denominated in USD and as a result, the CAD-class units have historically seen volatility from FX fluctuations. Nicola VCLP (CAD share class) returned -4.8% during Q2 2025, bringing last twelve month return to 1.8% and the 3-year return to 1.0%. The Fund was significantly impacted by foreign exchange, which had a -5.2% impact on performance over the quarter.

Nicola VCLP (USD share class) returned +0.5% during Q2 2025, bringing last twelve month return to +2.3% and the 3-year return to -0.6%.

The Fund performance was negatively impacted by declines in valuations in both Project Sudbury and Project Manhattan (LP secondary investments), while offset by continued strong performance in primary fund investments including Georgian Growth VI, Battery Ventures XIV, Bain Capital Ventures 2022 and XYZ Go Faster Fund II.

Total Fund Net Assets were C$113.3M at quarter-end.

New Investments & Realizations

The Fund reviewed 82 opportunities in Q2 and deployed C$5.3M into several primary fund investments.

Among the deployment this quarter was an additional investment into Bain Capital Ventures 2022, which in Q2 co-led an early-stage investment in Klutch AI, a Seattle-based startup developing AI agents to automate jobsite workflows in residential and commercial construction.

During the quarter, we saw a distribution from Project Sudbury, an LP secondary transaction that we invested in alongside Overbay Capital in 2021. The realizations came from the ongoing monetization of two publicly traded positions. We have now received over 70% of our invested capital back on this investment since inception.

Our Thoughts On:

The Market

We continue to believe that there are strong secular tailwinds that will drive returns in VC and Growth Equity over the long-term. Technology innovation cycles tend to last several decades, and today we continue to reap the benefits of the mobile, internet, and software as a service ("SaaS") cycles. We believe we are in the early innings of the AI cycle, which we expect to drive the next wave of technology innovation over the coming decade.

According to Pitchbook, venture backed companies raised $70B in Q2 2025, up ~40%, while transaction volumes were only up ~5% year over year. We continue to see financing activity in the VC market concentrating in more mature, growth-stage companies. In Q2 2025, ~40% of all VC dollars raised went to just 10 companies, including Scale AI, World View, Anduril, and Safe SuperIntelligence. There continues to be tremendous investor appetite to gain exposure to late-stage private companies that offer differentiated growth and thematic exposures that are unavailable in public markets, and we believe capital will continue to concentrate in large, late-stage financings.

Activity continues to trend higher across both M&A and IPO exit markets. Some of the largest exit events during the quarter included the IPO of Chime Financial (a US fintech company), Circle Internet Group (a blockchain technology company), and Hinge Health (a virtual therapy platform), and several large M&A exits including iO Product's sale to OpenAI, Digital Global Systems (Acquired by Casa del Fuego), and Meta's ~$14B investment into Scale AI. The VC-backed IPOs have traded well post-listing, and there continues to be a healthy IPO pipeline developing for 2H 2025, including both Figma and Cerebras, which have both filed IPO paperwork.

Our Fund

Nicola VCLP began investing in 2021 during a tough cyclical backdrop for Venture Capital, with industry growth rates and valuations resetting as interest rates rose. Based on Cambridge Associates benchmarks, the VC industry returned -6.5% for the trailing three-year period. Despite beating median industry returns, the Fund has underperformed our long-term expectations.

Since the Fund's inception in 2021, Nicola VCLP has evolved from a Canada-focused VC fund, to a global strategy diversified across venture and growth stage investments. The Fund expects to put a greater emphasis on growth-stage investments in the coming years. As part of our continued evolution, we are actively mapping the VC, growth equity, and Life Sciences markets to create a high priority list of funds and companies for the Fund to pursue over the short to medium term.

The Fund continues to see a healthy pipeline of funds, secondaries, and direct opportunities and are in active diligence processes for several fund managers. More importantly, we continue to see the quality of investment opportunities improve over time, as we continue to build our network of partners and investors.

Operationally, we continue to grow and evolve our team and investment processes. The PE and VC/Growth funds are now managed by a team of 9 individuals and we plan on hiring an additional two team members in Q4 2025. The Fund shares the same investment committee processes and team resources as the Nicola Private Equity Limited Partnership, which allows Nicola VCLP to benefit from the scale and transaction expertise of the broader private equity platform. In addition to our investment committee, we continue to leverage the expertise of our external Advisory Committee in our strategic planning and investment underwriting. Our Advisory Committee members bring a wealth of investing and fund management experience across the venture capital and growth equity industry.

We believe that the Fund has the right team and go-forward strategy in place to capture the attractive investment opportunities ahead and we believe with consistent execution toward our strategy, we can continue to improve our fund returns toward our long-term expectations.

Top 10 Investments

Investment	Strategy	%AUM	Description
Project Sudbury	Secondaries	12.9	Basket of multiple, well-diversified LP interests across global venture, growth and buyout managers
Project Manhattan	Secondaries	12.8	Basket of two well-diversified LP interests in growth equity funds managed by a top quartile-performing U.S. manager
Georgian Growth Fund VI	Primary Fund	8.6	Commitment to a Canadian growth stage technology investment fund
BCV 2022	Primary Fund	5.8	Commitment to a U.S. early-stage technology investment fund
Battery Ventures XIV	Primary Fund	5.6	Commitment to a U.S. multi-stage technology investment fund
Verisma Systems	Co-Investments and Directs	4.1	Investment in Verisma Systems, a healthcare IT services provider
Greenspring Opportunities Fund VI	Primary Fund	3.8	Commitment to a late stage co-investment fund managed by a large venture and growth asset manager
HarbourVest Ventures XII	Primary Fund	3.6	Commitment to a U.S. venture and growth fund-of-funds
Owl Ventures Fund V	Primary Fund	3.5	Commitment to U.S. early stage edtech-focused venture fund
ScaleUp Opportunity Fund I	Primary Fund	3.4	Commitment to a Canadian growth stage technology investment fund