Nicola Venture Capital Limited Partnership
Quarterly Report | Q3 2025

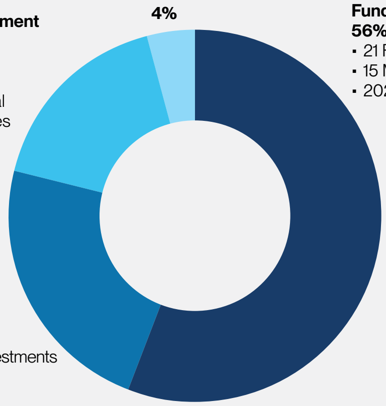
Objective

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

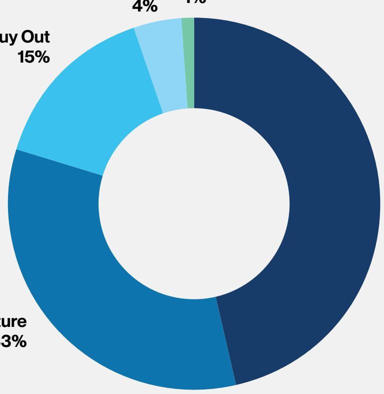
Strategy

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

INVESTMENT BY TYPE
as of September 30, 2025

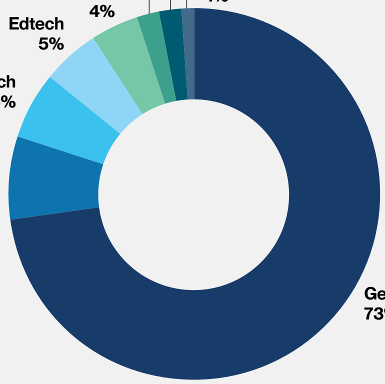


INVESTMENTS BY STAGE
as of September 30, 2025



May not add to 100% due to rounding

INVESTMENTS BY VERTICAL
as of September 30, 2025



May not add to 100% due to rounding

Returns for the period ENDING as of September 30, 2025

	USD	CAD
QTD	**1.9%**	**4.1%**
YTD	**2.7%**	**-0.6%**
1 year	**3.2%**	**6.2%**
3 year	**1.5%**	**2.1%**
5 year	**–**	**–**
10 year	**–**	**–**
Since inception*	**4.4%**	**6.5%**

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

Performance

Growth and Venture Capital 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 6.5% and 4.4%, 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 currency fluctuations. Nicola VCLP (CAD share class) returned 4.1% during Q3 2025, bringing last twelve month return to 6.2% and the 3-year return of 2.1%.

Nicola VCLP (USD share class) returned 1.9% during Q3 2025, bringing last twelve month return to 3.2% and the 3-year return to 1.5%.

The Fund was positively impacted by broad-based write-ups across the portfolio, including funds managed by Battery Ventures, Georgian Growth, Inovia, and Race Capital. These write-ups were offset by a write-down of a direct investment in Cerio.

Total Fund Net Assets were C$120.3MM at quarter-end.

New Investments & Realizations

The Fund reviewed 32 opportunities in Q3 and deployed C$8.7M into several primary fund investments and one new co-investment. During the quarter, we also saw several distributions across both our secondary investments and our primary fund portfolio.

Among the deployment this quarter was a co-investment in Project Cortex, an artificial intelligence infrastructure company focused on developing enterprise-grade large language models. We made this investment alongside G Squared, a late-stage growth equity investor we partnered with earlier this year.

Project Manhattan, a secondary investment in which we acquired interests in two mature funds managed by a U.S. growth equity manager, distributed additional capital back to us related to the sell-down of a public position. We have now received back over half of our invested capital on this position, and the remaining unrealized portfolio is comprised of good quality, late-stage businesses.

Race Capital, one of our early-stage VC investment partners, distributed capital to us from the sale of portfolio company PlayAI to Meta's SuperIntelligence Labs. PlayAI developed a voice interface for human-AI interactions.

Georgian, a Canada-based growth equity investor, distributed capital to us from a partial secondary sale of their position in a cybersecurity software company. The company is an AI-powered data security platform that has seen rapid growth and significant investor interest.

Recent Developments

The Market

We continue to believe that there are favorable secular tailwinds that will drive returns in GVC 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, GVC backed companies raised $120.7B in Q3 2025, up 45% from Q3 2024, while the number of companies raising capital declined ~4%. Deal activity in Venture Capital continues to be driven by AI-enabled businesses, with 39% and 64% of all deal capital raised in Q3 2025 going to AI-enabled companies in Europe and North America, respectively. Notably, AI foundation models continue to raise a large proportion of capital, with OpenAI, xAI, and Anthropic collectively raising ~$30B of capital in Q3 2025.

Notably, GVC exit activity has continued to trend upward, supported by a relatively more active IPO environment. There were $144B of exits in Q3 2025, up ~100% versus Q3 2024, and surpassing the amount of capital raised by Growth and Venture-backed companies in the same period. These included the IPOs of Figma (a media design platform), Klarna (a buy-now, pay-later fintech), and Netskope (a cybersecurity company). Year to date, exit activity has increased 65% year over year, driven by both M&A and IPO activity. Investors are also increasingly leveraging the direct secondaries market to generate liquidity for LPs on the back of successful fundraises.

The 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, as of June 30, 2025, the VC industry returned 0% for the trailing three-year period, relative to 5 and 10-year returns of 13.5% and 13,0%, respectively. Recent industry returns have been hampered by rising interest rates driving compression in valuation multiples, and a poor exit environment to generate liquidity. 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. Historically, the Fund placed a greater emphasis on secondaries transactions to help drive vintage year diversification, and to enter the GVC market at attractive relative valuations. This has led the Fund to generate internal annual distributions of 4.9% since inception, despite being early in its investment lifecycle.

Going forward, 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 venture capital and growth equity 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 Nicola Private Equity Limited Partnership ("Nicola PELP") and GVC team added two additional team members, and is now managed by a team of 11 individuals. The Fund shares the same investment committee processes and team resources as Nicola PELP, which allows Nicola VCLP to benefit from the scale and transaction experience 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 industries.

Top 10 Investments

Investment	Strategy	%AUM	Description
Project Sudbury	Secondary	11.9%	Basket of multiple, well-diversified LP interests across global venture, growth and buyout managers
Project Manhattan	Secondary	10.7%	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	9.6%	Commitment to a Canadian growth stage technology investment fund
Battery Ventures XIV	Primary Fund	7.0%	Commitment to a U.S. multi-stage technology investment fund
BCV 2022	Primary Fund	6.2%	Commitment to a U.S. early-stage technology investment fund
Verisma Systems SACV	Co-Investment	4.3%	Investment in Verisma Systems, a healthcare IT services provider
Greenspring Opportunities Fund VI	Primary Fund	3.9%	Commitment to a late stage co-investment fund managed by a large venture and growth asset manager
iNovia Fund V	Primary Fund	3.8%	Commitment to a Canadian early stage technology investment fund
HarbourVest Ventures XII	Primary Fund	3.8%	Commitment to a U.S. venture and growth fund-of-funds
Owl Ventures Fund V	Primary Fund	3.7%	Commitment to U.S. early stage edtech-focused venture fund