NICOLA WEALTH PRIVATE CAPITAL

Nicola Private Equity Limited Partnership Quarterly Report | Q4 2025

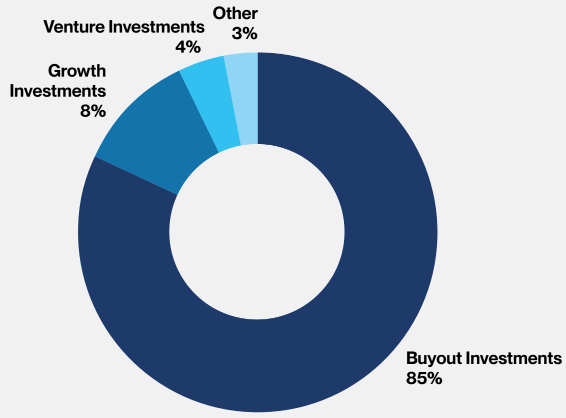
Objective

The primary objective of the Nicola Private Equity Limited Partnership ("Nicola PELP" or the "Fund") is to generate long-term capital growth by investing in a diversified portfolio of private equity ("PE") investments. The Fund aims to achieve this objective by combining co-investments and investments in funds, focusing on value creation over the long-term.

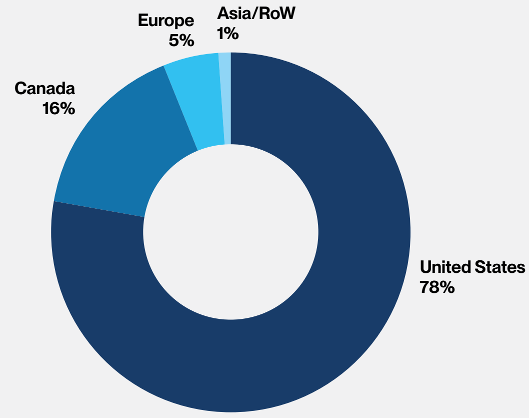
Strategy

Nicola PELP's investment strategy is primarily buyout investments, which means investing in control stakes in cash-flowing companies, focusing on well-established, resilient businesses. The Fund aims to generate strong long-term returns by partnering with PE funds with established track-records and by co-investing in attractive direct PE opportunities alongside these partners. The Fund also selectively invests in PE secondary and growth equity opportunities. The Fund aims to diversify its investments across sectors, geographic regions, company sizes, and vintages.

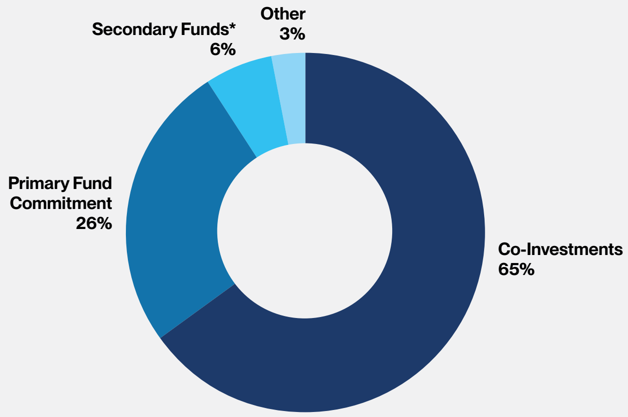
INVESTMENTS BY STRATEGY
as of December 31, 2025



INVESTMENTS BY GEOGRAPHY
as of December 31, 2025



INVESTMENTS BY TYPE
as of December 31, 2025



** Secondary includes LP Baskets and Secondary Closed-Ended Funds*
May not add to 100% due to rounding

Returns for the period
ENDING as of December 31, 2025

	USD	CAD
QTD	**3.2%**	**2.1%**
YTD	**11.7%**	**8.0%**
1 year	**11.7%**	**8.0%**
3 year	**–**	**8.0%**
5 year	**–**	**10.9%**
10 year	**–**	**10.0%**
Since inception*	**8.5%**	**8.8%**

* May 31, 2012 for CAD series. June 28, 2024 for USD series.

Performance

Given PE is a long-term asset class, the Fund is focused on maximizing returns over a 5+ year investing horizon. Over the last 5 and 10 year periods, the Fund has delivered annualized returns of 10.9% and 10%, respectively (both in CAD).

In Q4 2025, the Fund returned 2.1% (CAD) / 3.2% (USD), bringing Last Twelve Months returns to 8.0% (CAD) / 11.7% (USD). Constant currency returns were stable but FX had a negative impact of -1.2% for the CAD class during Q4 2025, and -3.7% for the LTM period.

Performance during Q4 2025 was driven by valuation increases in the following:

- **Tailwind Concessions:** A U.S. airport concessionaire operating across food, beverage, and retail. Increased enplanement, price optimization, strategic M&A, and cost efficiencies drove revenue and gross profit growth of 17% year-over-year.
- **Project Avon:** A U.S. healthcare services company continually set new admissions records while generating stable free cash flow resulting in adjusted EBITDA growing 63% year-over-year.
- **Fisher Lynch Capital Co-Investment Fund V:** Fisher Lynch Capital's flagship co-investment fund has seen broad-based valuation increases across its portfolio.

Performance was also impacted by a write-down in each of the following investments:

- **Johnvince Foods:** A Canadian company specializing in importing, processing, and distributing bulk and specialty food products across North America.
- **Project Getaway:** A vacation rental management company that handles property management, marketing, and guest services for vacation homes across various U.S. destinations.

Total Fund net assets were C$1.3B as at quarter-end, compared to C$1.1B at the end of Q4 2024 (16.9% growth in net assets)

New Investments & Realizations

During Q4 2025, Nicola PELP deployed C$51.9M, including C$18.0M in co-investments. In Q4 2025, we received 37 co-investment opportunities, evaluated 5 of those opportunities, and closed on 1 opportunity.

New direct co-investment funded during Q4 2025:

- **Project Inbox:** The largest top-level internet domain registry alongside its existing sponsor in a GP-led secondary transaction. The company has an attractive and stable financial profile, and operates in a market that we believe to have strong tailwinds.

Recent Developments

The Market

As we close out 2025, we believe that signs of recovery in private equity are becoming increasingly evident. After two years of muted activity, green shoots are emerging across the industry. Deal flow is picking up as financing conditions stabilize and valuation gaps between buyers and sellers begin to narrow. According to KPMG, global PE deal volume rose ~15% in Q4 2025 as dealmaking momentum returns to market. Exit activity, which had been a major drag on returns, is showing meaningful improvement as well, particularly in sponsor-to-sponsor transactions and select strategic sales. IPO markets remain quiet, but the volume of secondary transactions is growing rapidly, providing liquidity to investors.

These developments are translating into stronger performance across the asset class. Many PE managers are reporting positive returns over the second half of 2025 as portfolio companies benefit from operational improvements under a more stable economic environment and renewed buyer interest. While macro uncertainty remains, the combination of resilient corporate earnings, easing rate pressures, and abundant dry powder is creating a more constructive backdrop for PE investing.

We are seeing this momentum firsthand in our own portfolio. Several of our investments experienced exits and valuation uplifts during Q3 and Q4 2025. We believe this trend will continue into 2026 as the market transitions from a period of caution to one of renewed confidence.

As we have noted in the past, PE is a long-term asset class and any short-term headwinds experienced over the 2023-2024 period appear to have started to reverse in 2025. PE has historically been a patient, long-term asset class and has historically outperformed public markets by 300-500 basis points over rolling 10-year periods across multiple cycles.

The Fund

Nicola PELP enters 2026 in a strong position, benefiting from the improving PE environment and the momentum we've seen within our own portfolio. Many of our holdings experienced valuation uplifts in Q4 2025. We also completed four successful exits during the year, further validating our ability to generate liquidity. Nicola PELP generated 7.3% of NAV in liquidity from exits and distributions over the course of 2025 and we expect to generate higher levels of liquidity going forward as deal activity across the PE market continues to improve.

FX volatility, which was a headwind in the first half of 2025, largely stabilized in the second half of the year. The USD's depreciation (down 3.7% for 2025 versus the CAD) has impacted returns for the Fund's CAD share class, creating a drag on investment performance for this share class. While FX volatility may persist into 2026, history leads us to believe that these effects tend to neutralize over the long-term (e.g. FX impact of only ~100 bps for the Fund's 5-year annualized return). Nicola PELP's USD class will report less FX volatility compared to the CAD class, as it better reflects the underlying currency profile of the Fund's investments.

On the strategic front, we are well on our way to achieving greater global diversification. In 2025, following a multi-month relationship building and due diligence exercise, we selected our initial set of PE partners in Asia and Europe. This marked an important milestone in expanding our geographic footprint. Looking ahead, we plan to deepen our exposure to Europe, targeting 15-20% of Fund NAV in that region. These markets offer differentiated deal flow and compelling return opportunities, complementing our North American base. As always, our approach in these new markets is partnership-centric: build long-term alignment with top-tier PE partners, then selectively co-investing in high-conviction direct opportunities alongside them.

The Fund has maintained a high level of investment activity over the past 12 months. We committed more than C$313 million across 7 new direct investments and 10 new fund investments. This capital was largely deployed into resilient, scalable businesses across the technology, healthcare, and services sectors. We expect the 2024–2025 vintages to be particularly attractive, as periods of lower market activity have historically produced some of the strongest-performing PE investments.

Finally, our investment team continues to be a key driver of success. With four additions made in 2025, we now have 11 investment professionals across Private Equity and Growth / Venture Capital, and we are increasingly operating as one integrated team across these two strategies. This collaborative approach enhances our ability to source, evaluate, and support investments with a broader perspective and deeper expertise. We also promoted five team members in 2025, reflecting our commitment to developing talent from within and recognizing the contributions of our high-performing team.

Top 10 Holdings

Investment	%AUM	Strategy	Description
FLC Direct Fund	6.4%	Co-Investment	An SMA partnership with Fisher Lynch which focuses on pursuing buyout opportunities in the United States
FLC Co-Investment Fund V	4.2%	Fund	An investment in Fisher Lynch's Fund V which focuses on pursuing buyout opportunities in the United States
Tailwind Concessions	4.1%	Co-Investment	An airport concessionaire in food, beverage, and retail
Project Avon	3.8%	Co-Investment	An investment in a US healthcare services company
FLC NW Co-Investment Fund V	3.6%	Fund	A semi discretionary investment vehicle with Fisher Lynch which focuses on pursuing buyout opportunities in the United States
Micross Components	3.4%	Co-Investment	A global provider of specialty electronic components, servicing high-reliability markets
Project Hubble	2.9%	Co-Investment	A enterprise software provider in cloud, data, integration, and digital workspaces
Project Minerva	2.7%	Co-Investment	A global leading network of premium international schools.
Southeast Mechanical	2.7%	Co-Investment	An HVAC (Heating, ventilation, and air conditioning) services business headquartered in North Carolina
Convex Insurance	2.5%	Co-Investment	A specialty insurer and reinsurer