Nicola Venture Capital Limited Partnership Quarterly Report | Q4 2025

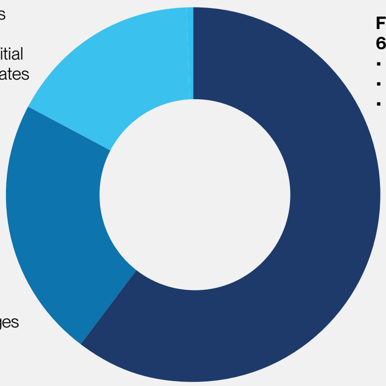
Objective

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

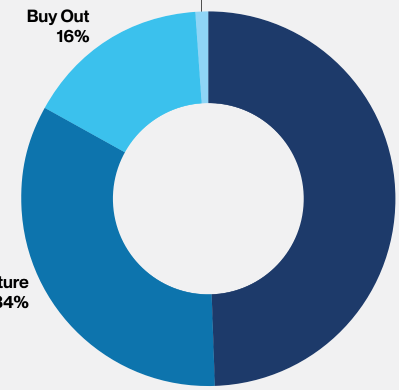
Nicola VCLP seeks to create a portfolio of attractive Growth and Venture Capital ("GVC") investments, through a variety of structures ranging from traditional primary fund investments, secondary investments, and direct co-investments.

INVESTMENT BY TYPE
as of December 31, 2025



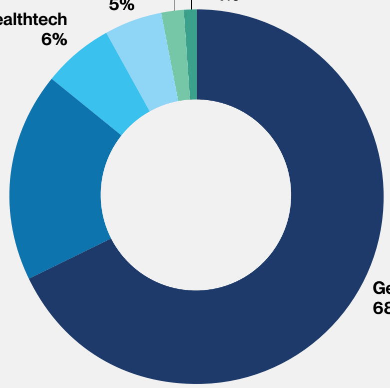
May not add to 100% due to rounding

INVESTMENTS BY STAGE
as of December 31, 2025



May not add to 100% due to rounding

INVESTMENTS BY VERTICAL
as of December 31, 2025



May not add to 100% due to rounding

Returns for the period ENDING as of December 31, 2025

	USD	CAD
QTD	**1.2%**	**-0.2%**
YTD	**3.9%**	**-0.8%**
1 year	**3.9%**	**-0.8%**
3 year	**1.9%**	**2.3%**
5 year	**–**	**–**
10 year	**–**	**–**
Since inception*	**4.5%**	**6.0%**

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

Performance

GVC 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 6.0% and 4.5%, 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 potential for 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 (USD share class) returned 1.2% during Q4 2025, bringing last twelve month return to 3.9% and the 3-year return to 1.9%. Nicola VCLP (CAD share class) returned -0.2% during Q4 2025, bringing the last twelve month return to -0.8% and the 3-year return of 2.3%.

The Fund was positively impacted by broad-based write-ups across the portfolio, including funds managed by XYZ, New Vintage Partners, StepStone, and Georgian Growth. These write-ups were offset by a write-down of a direct investment in Cerio.

Total Fund Net Assets were C$120M at quarter-end.

New Investments & Realizations

The Fund reviewed 31 opportunities in Q4 2025 and deployed C$6.5M 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 in Q4 2025 was project Clover, a bundled co-investment into four companies focused on cybersecurity, AI infra-structure and AI services. We made this investment alongside G Squared, a late-stage growth equity investor we partnered with earlier in 2025.

Project Sudbury, a secondary investment in a diversified basket of GVC fund positions continued to generate distributions for the Fund. We have now received back over 62% of our invested capital on this position.

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. In 2025, this became the predominant view in the market, with AI-related spending driving an estimated 66% increase in hyperscaler capex per Bank of America research. According to Jason Furman, a Harvard Economist, AI-related capex drove 92% of US GDP growth in the first half of 2025.

According to Pitchbook, GVC backed companies raised US$513B in 2025, up 31% from 2024, while the number of companies raising capital declined ~3%. Deal activity in Venture Capital continues to be driven by AI-enabled businesses, with 53% of all deal capital raised in 2025 going to AI-enabled companies. AI foundation models continue to raise a large proportion of capital, with OpenAI, xAI, and Anthropic collectively representing approximately 25% of all GVC capital raised in 2025, per Meritech research. With so much capital raised for AI, there will clearly be winners and losers and we expect to see increasing consolidation. We are conscious of this risk and remain extra cautious and are only pursuing investments where we have conviction.

GVC exit activity has continued to trend upward, supported by a relatively more active IPO and M&A environment. There were US$549B of exits in 2025, up ~63% versus 2024, and surpassing the amount of capital raised by GVC-backed companies in the same period for the first time since 2021. These included the IPOs of Figma (a media design platform), Klarna (a buy-now, pay-later fintech), CoreWeave (an AI datacenter company), and Circle (a stable coin company), but also announced exits of Wiz (a cybersecurity company), Armis (another cybersecurity company) and ScaleAI (a large language model training company).

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 September 30, 2025, the Venture Capital industry returned 2.6%, 12.2% and 13.6% for the trailing three, five, and ten-year periods, respectively. Recent industry returns have been hampered by rising interest rates driving compression in valuation multiples, and a poor exit environment to generate liquidity. Although the Fund has generated similar performance to median Venture Capital industry returns, it has underperformed our long-term expectations.

Since the Fund's inception in 2021, Nicola VCLP has evolved from a Canada-focused Venture Capital 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 what we viewed as 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 GVC 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 and direct investment opportunities. 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 and Nicola VCLP share the same investment committee processes and team resources, 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	11.5%	Basket of multiple, well-diversified LP interests across global venture, growth and buyout managers
Project Manhattan	Secondary	11.2%	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	10.6%	Commitment to a Canadian growth stage technology investment fund
Battery Ventures XIV	Primary Fund	7.8%	Commitment to a U.S. multi-stage technology investment fund
BCV 2022	Primary Fund	6.9%	Commitment to a U.S. early-stage technology investment fund
Greenspring Opportunities Fund VI	Primary Fund	5.1%	Commitment to a late stage co-investment fund managed by a large venture and growth asset manager
HarbourVest Ventures XII	Primary Fund	4.2%	Commitment to a U.S. venture and growth fund-of-funds
Verisma Systems SACV	Co-Investment	4.2%	Investment in Verisma Systems, a healthcare IT services provider
Owl Ventures Fund V	Primary Fund	4.0%	Commitment to U.S. early stage edtech-focused venture fund
iNovia Fund V	Primary Fund	3.9%	Commitment to a Canadian early stage technology investment fund