Nicola Venture Capital Limited Partnership Quarterly Report | Q1 2026

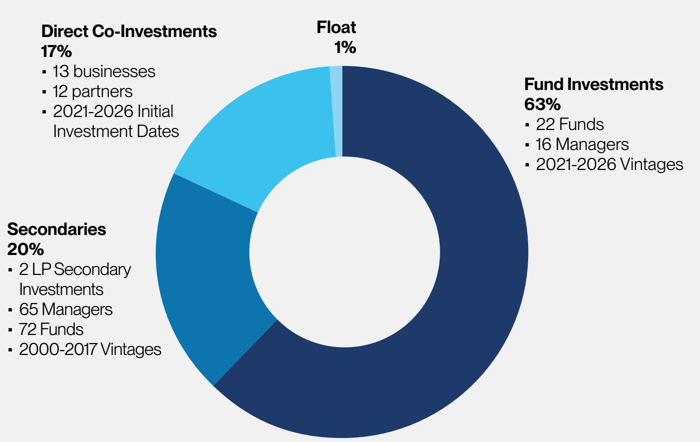
Objective

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

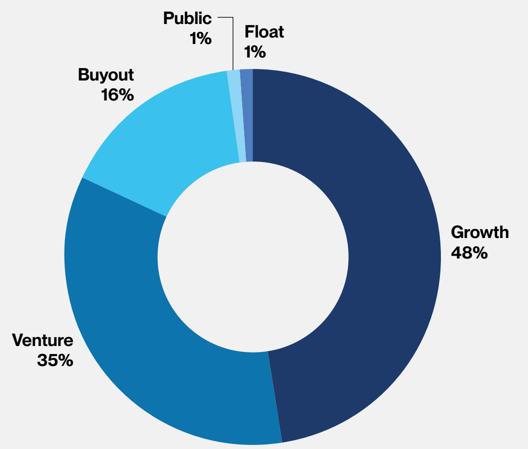
Nicola VCLP seeks to create a portfolio of attractive Growth and Venture Capital ("GVC") investments, through a variety of structures ranging from traditional primary fund investments, secondary investments, and direct co-investments.

INVESTMENT BY TYPE
as of March 31, 2026



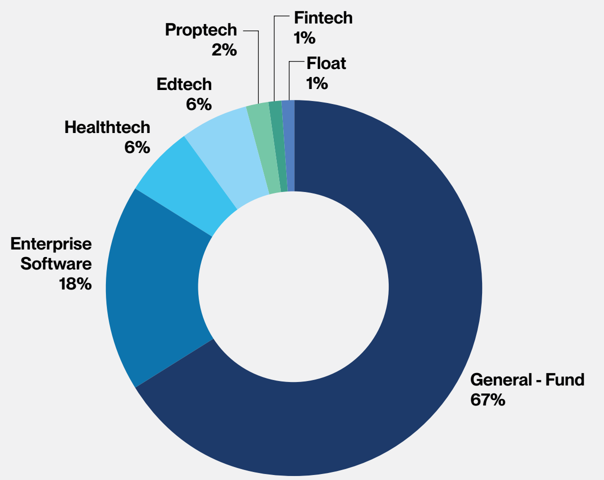
May not add to 100% due to rounding

INVESTMENTS BY STAGE
as of March 31, 2026



May not add to 100% due to rounding

INVESTMENTS BY VERTICAL
as of March 31, 2026



May not add to 100% due to rounding

Returns for the period ENDING as of March 31, 2026

	USD	CAD
QTD	**2.4%**	**3.8%**
YTD	**2.4%**	**3.8%**
1 year	**6.1%**	**2.6%**
3 year	**3.8%**	**4.8%**
5 year	–	–
10 year	–	–
Since inception*	**4.8%**	**6.6%**

* 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 +6.6% and +4.8%, respectively. Note that the Fund has been investing for less than 5 years, and we believe that these 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-class units) returned +2.4% during Q1 2026, bringing last twelve month return to +6.1% and the 3-year return to +3.8%. Nicola VCLP (CAD-class units) returned +3.8% during Q1 2026, bringing the last twelve month return to 2.6% and the 3-year return to 4.8%.

The Fund was positively impacted by broad-based write-ups across the portfolio, including funds managed by G Squared, Bain Capital Ventures and Battery Ventures. We also saw a mark-up in a co-investment in a U.S.-based AI infrastructure business. These write-ups were partially offset by write-downs in two co-investments in the enterprise software space.

Total Fund Net Assets were C$134M at the end of Q1 2026.

New Investments & Realizations

The Fund reviewed 49 opportunities in Q1 2026 and deployed C$8.7M into several primary fund investments and one new co-investment. During Q1 2026, we also saw several distributions across both our secondary investments and our primary fund portfolio.

Among the deployment in Q1 2026 was an investment in an AI-enabled tax automation platform. We made this investment alongside Headline, a US-based venture and growth equity investor.

We continue to see positive distributions from our LP secondaries investments, with continued distributions from Project Manhattan during Q1 2026. Notably, this investment continues to track well ahead of our projected best-case scenario and has returned over 60% of our invested capital back in cash proceeds since our investment in 2024.

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 USD$331B in Q1 2026 alone, relative to USD$510B raised in all of 2025. This was heavily skewed by large announced fundraises by three leading foundation model companies – OpenAI, Anthropic, and xAI, with OpenAI raising USD$122B. Deal activity in venture capital continues to be driven by AI-enabled businesses, with 80% of all capital raised in Q1 2026 going to AI-enabled companies. 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.

Since late 2022, the broader GVC market has experienced a prolonged period of low distributions, driven by a valuation reset due to rising interest rates, a poor M&A exit environment, and the lack of an IPO market. This has led to an increasing number of attractive growth-stage businesses staying private for longer, such as Stripe, SpaceX, and Databricks. According to Crunchbase, there are over 1,700 venture-backed companies valued at more than USD$1B, with a combined market capitalization of USD$8.6T as of April 2026. There continues to be more demand than supply for shares in many of these companies, and as a result, we are continuing to see the development of an active secondaries market to help early employees and shareholders generate liquidity.

In Q1 2026, there were signs of an improving M&A and IPO exit environment. While still early to signal a broader trend, one notable transaction is worth highlighting. Following its merger with xAI, SpaceX is rumored to be preparing for an IPO as early as 2H 2026 at a valuation exceeding USD$1.75T, with expectations to raise more than USD$75B in capital, according to Bloomberg. Additional deals that closed during Q1 2026 include the M&A exit of Wiz (a cybersecurity company), a buyout of EGYM (a smart fitness technology company), and the IPO of EquipmentShare (a construction equipment solutions 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. However, with upcoming planned IPO activity and the continued momentum in late stage fundraising, we expect industry returns to continue to improve over the medium term. 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 and have made progress building relationships with shortlisted managers identified as part of this process.

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	Secondaries	10.4%	Basket of multiple, well-diversified LP interests across global venture, growth and buyout managers
Georgian Growth Fund VI	Primary Fund	10.0%	Commitment to a Canadian growth stage technology investment fund
Project Manhattan	Secondaries	9.6%	Basket of two well-diversified LP interests in growth equity funds managed by a top quartile-performing U.S. manager
Battery Ventures XIV	Primary Fund	8.7%	Commitment to a U.S. multi stage technology investment fund
BCV 2022	Primary Fund	7.3%	Commitment to a U.S. early stage technology investment fund
Greenspring Opportunities Fund VI	Primary Fund	5.2%	Commitment to a late stage co-investment fund managed by a large venture and growth asset manager
Owl Ventures Fund V	Primary Fund	4.5%	Commitment to U.S. early stage edtech-focused venture fund
HarbourVest Ventures XII	Primary Fund	4.0%	Commitment to a U.S. venture and growth fund-of-funds
Verisma Systems SACV	Co-Investment	4.0%	Investment in Verisma Systems, a healthcare IT services provider
iNovia Fund V	Primary Fund	3.5%	Commitment to a Canadian early stage technology investment fund