NICOLA WEALTH
PRIVATE CAPITAL

Nicola Venture Capital Limited Partnership Quarterly Report | Q2 2026

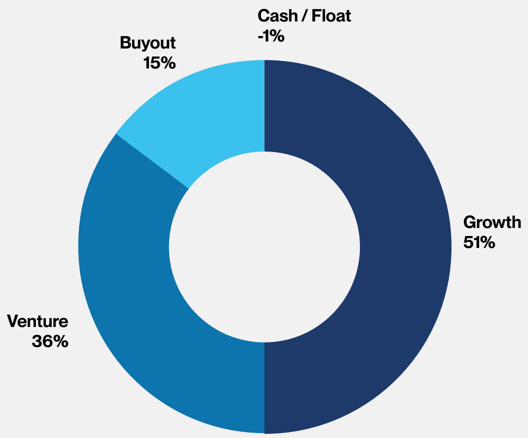
Objective

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

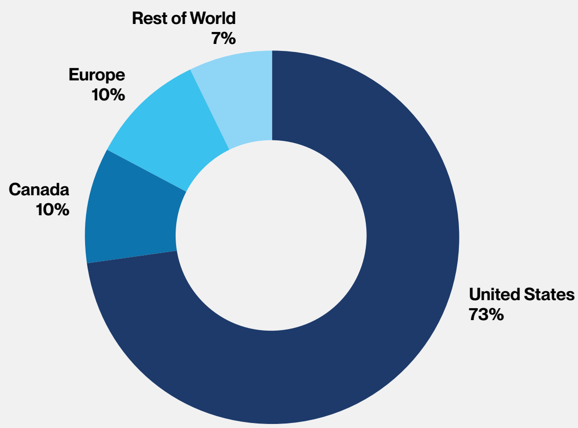
Nicola VCLP seeks to create a portfolio of attractive Growth and Venture Capital ("GVC") investments, through a variety of structures ranging from traditional primary fund investments, secondary investments, and direct co-investments.

INVESTMENTS BY STRATEGY
as of June 30, 2026

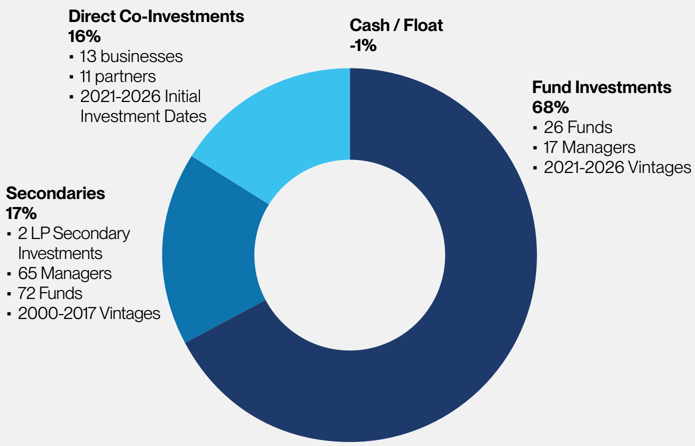


May not add to 100% due to rounding

INVESTMENTS BY GEOGRAPHY
as of June 30, 2026



INVESTMENT BY TYPE
as of June 30, 2026



May not add to 100% due to rounding

Returns for the period ENDING as of June 30, 2026

	USD	CAD
QTD	**3.9%**	**5.5%**
YTD	**6.4%**	**9.5%**
1 year	**9.7%**	**13.8%**
3 year	**5.8%**	**8.1%**
5 year	–	–
10 year	–	–
Since inception*	**5.4%**	**7.4%**

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

Performance

GVC is generally considered to be a long-term asset class, and the Fund is focused on maximizing returns over a five-year or longer investment horizon. Since inception, the Fund has delivered annualized CAD and USD returns of 7.4% and 5.4%, respectively. Based on Cambridge Associates benchmarks, as of December 31, 2025, the venture capital industry returned 7.3%, 9.0% and 14.4% for the trailing three-, five-, and ten-year periods, respectively. As the Fund has been investing for less than five years, we believe 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 experienced volatility from currency fluctuations. Nicola VCLP (USD class) returned 3.9% during Q2 2026, bringing the twelve-month return to 9.7% and the 3-year return to 5.8%. Nicola VCLP (CAD class) returned 5.5% during Q2 2026, bringing the trailing twelve-month return to 13.8% and the three-year return to 8.1%.

The Fund was positively impacted by broad-based write-ups across the portfolio, including funds managed by Georgian Capital Partners, Inovia Capital, and XYZ. The Fund also benefited from valuation increases across several AI-related co-investments. These gains were partially offset by a valuation write-down in a secondary fund investment with diversified exposure to a mature portfolio of venture and growth fund interests.

Total Fund net assets were CAD 105 million at the end of Q2 2026, representing a 31% increase compared to Q2 2025.

New Investments & Realizations

The Fund reviewed 37 new investment opportunities in Q2 2026 and deployed CAD 10.1 million across several primary fund investments, including a new commitment to the Dragoneer Select Opportunities Fund, a growth equity strategy investing in leading private technology companies globally. During Q2 2026, we also received several distributions from both our secondary investments and our primary fund portfolio.

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 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 USD 560 billion globally in the first half of 2026, compared to USD 508 billion raised in all of 2025. This activity was heavily skewed by large announced fundraises by four leading foundation model companies–OpenAI, Anthropic, xAI, and DeepSeek, with OpenAI raising USD 22 billion and Anthropic raising USD 65 billion. We continue to see a bifurcated market, where companies with AI tailwinds are seeing strong valuations and continued revenue momentum while the remaining companies face a challenging funding and operating environment. AI-enabled businesses represented ~80% of all capital raised in the first half of 2026.

In Q2 2026, there was significant discussion about rising token costs and we are seeing early signs that enterprises are more focused on managing AI spend. Given the substantial amount of capital raised for AI-related investments, there will clearly be winners and losers, and we expect to see increasing consolidation across the sector. We are mindful of this risk and pursue co-investments only where we have strong conviction.

Since late 2022, the broader GVC market has experienced a prolonged period of low distributions, driven by a valuation reset resulting from rising interest rates, a weak M&A exit environment, and the absence of a meaningful IPO market. This has led to an increasing number of attractive growth-stage businesses remaining private for longer, including Stripe, Anthropic, and Databricks. According to Crunchbase, there are over 1,700 venture-backed companies valued at more than USD 1 billion, with a combined market capitalization of USD 8.8 trillion as of July 2026. We continue to believe that a select group of these growth-stage companies represent an attractive market segment for capital deployment.

In the first half of 2026, there were signs of an improving M&A and IPO exit en-vironment. Cerebras completed its IPO in May 2026 at a USD 40 billion valuation while SpaceX completed its IPO in June 2026 at a USD 1.77 trillion valuation. These transactions are expected to generate meaningful liquidity for GVC investors over the coming quarters. Further, Anthropic, most recently valued at a USD 965 billion post-money valuation, filed a confidential S-1 and may also seek to go public in the coming quarters.

The Fund

Since the Fund's inception in 2021, Nicola VCLP has evolved from a Canada-focused venture capital fund into a global strategy diversified across venture- and growth-stage investments. Historically, the Fund placed a greater emphasis on secondary transactions to help drive vintage-year diversification and to enter the GVC market at what we viewed as attractive relative valuations. This approach has enabled the Fund to generate internal annual distributions of 4.3% since inception, despite being early in its investment lifecycle. However, Fund performance since inception has been hampered by rising interest rates, and meaningful disruption from AI, along with the broader GVC market.

Since mid-2025, we have continued to shift our strategy toward growth equity while further broadening our exposure outside of Canada. As discussed in our article, *From Public to Private: The Structural Shift in Growth Equity,* we believe that growth equity represents an attractive area for allocation, and we expect it to continue to grow as a proportion of the Fund's portfolio. Since mid-2025, we have committed capital to two new growth-stage partnerships and completed three growth-stage co-investments.

In 2026, we continue to be focused on generating liquidity for the Fund and are exploring secondary sales as a tool to enhance liquidity and further improve portfolio construction. This includes selectively reducing exposure to lower-returning or non-core positions and reallocating capital toward higher-conviction investments alongside our top-tier partners. Over time, we believe this approach will improve overall portfolio quality and support stronger long-term returns for the Fund.

The Fund continues to see a healthy pipeline of fund, secondary, and direct opportunities and is currently engaged in active diligence processes with several fund managers and direct investment opportunities. However, we remain disciplined and highly selective in our deployment of new capital.

Operationally, we continue to strengthen and evolve our team and investment processes. Nicola Private Equity Limited Partnership and Nicola VCLP share the same investment committee processes and team resources, allowing Nicola VCLP to benefit from the scale, expertise and transaction experience of the broader private equity platform.

Top 10 Investments

Investment	Strategy	%AUM	Description
Georgian Growth Fund VI	Primary Fund	11.1%	A Canadian growth stage technology investment fund
Project Sudbury	Secondaries	8.6%	Basket of multiple, well-diversified LP interests across global venture, growth and buyout managers
Project Manhattan	Secondaries	8.5%	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	8.1%	A U.S. multi-stage technology investment fund
BCV 2022	Primary Fund	7.7%	A U.S. early-stage technology investment fund
Greenspring Opportunities Fund VI	Primary Fund	5.7%	A late stage co-investment fund managed by a large venture and growth asset manager
iNovia Fund V	Primary Fund	4.6%	A Canadian early stage technology investment fund
HarbourVest Ventures XII	Primary Fund	4.3%	A U.S. venture and growth fund-of-funds
Owl Ventures Fund V	Primary Fund	4.1%	A U.S. early stage edtech-focused venture fund
Verisma Systems Inc.	Co-Investment	3.7%	A healthcare IT services provider