

# Novacap Technologies VII Presentation for Rhode Island ERS

FOR PROFESSIONAL/QUALIFIED/INSTITUTIONAL CLIENTS ONLY

June 2025

# Legal Disclaimer

This presentation (this “Presentation”) is provided to Rhode Island ERS for informational and discussion purposes only and is not, and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy partnership interests (the “Interests”) of Novacap Technologies VII, L.P. or any its parallel funds (collectively the “Fund”), a fund to be managed by Novacap Management Inc. or any of its affiliates (the “General Partner” or “Novacap”) to Rhode Island ERS.

A private offering of Interests will only be made in jurisdictions where the Interests may be lawfully offered for sale pursuant to a confidential private placement memorandum (the “Offering Memorandum”) and the Fund’s subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering. No securities commission or similar regulatory authority has reviewed this Presentation or has in any way passed upon the merits of the Interests or the accuracy or adequacy of this Presentation. The information contained herein will be qualified in its entirety by reference to the Offering Memorandum, which contains additional information about the investment objective, terms and conditions of an investment in the Fund and also contains tax information and risk disclosures that are important to any investment decision regarding the Fund. No person has been authorized to make any statement concerning the Fund other than as set forth in the Offering Memorandum and any such statements, if made, may not be relied upon.

The information contained herein and the existence and nature of all discussions regarding the Fund must be kept strictly confidential and may not be reproduced or redistributed in any format without the approval of Novacap. Notwithstanding the foregoing, each investor and prospective investor (and each employee, representative, or other agent thereof) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Fund and its investments and all materials of any kind (including opinions or other tax analyses) that are provided to such investor or prospective investor relating to such tax treatment and tax structure, provided, however, that such disclosure shall not include the name (or other identifying information not relevant to the tax structure or tax treatment) of any person and shall not include information for which nondisclosure is reasonably necessary in order to comply with applicable securities laws. By accepting this Presentation, each recipient agrees to the foregoing.

All information in this Presentation is as of June 3, 2025, unless otherwise noted and subject to change, and will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof.

An investment in the Fund entails a high degree of risk, including loss of the entire investment and no assurance can be given that the Fund's investment objective will be achieved or that investors will receive a return on their capital. The Interests will be illiquid, as there is no secondary market for Interests and none is expected to develop. There will be restrictions on transferring interests in the Fund, investments may be leveraged and the investment performance may be volatile. Before deciding to invest in the Fund, prospective investors should read the Offering Memorandum and pay particular attention to the risk factors contained in the Offering Memorandum. The fees and expenses charged in connection with an investment in the Fund may be higher than the fees and expenses of other investment alternatives and may offset profits. Investors should have the financial ability and willingness to accept the risk characteristics of the Fund’s investments.

The information contained in this Presentation is presented for informational and discussion purposes only. This Presentation does not purport to be complete or to contain all of the information that may be material to a recipient’s decision to purchase any Interests. Each recipient should perform its own independent investigation and analysis of the Fund and should carefully review the Offering Memorandum before making any decision to invest in the Interests. Each prospective investor should consult its own attorney, business adviser and tax adviser as to legal, business, tax and related matters concerning the information contained herein and such offering. Each Prospective Investor’s tax treatment of the information contained herein depends on its individual circumstances and may be subject to change in the future. While the information contained in this Presentation is believed to be accurate, Novacap expressly disclaims any and all liability for any losses, claims or damages of whatsoever kind based upon the information contained in, or omissions from, this Presentation or any written or oral communication transmitted to any interested party in the course of its evaluation. The information contained in this Presentation is not meant to form the basis of any investment decision. The recipient is to rely on its independent analysis. In addition, none of the statements contained in this Presentation are intended to be, nor shall be deemed to be, representations or warranties of Novacap.

Certain information contained herein is based on, or derived from, information provided by independent third-party sources. The General Partner believes that such information is accurate and that the sources from which it has been obtained are reliable; however, the General Partner has not independently verified such information and does not assume any responsibility for the accuracy or completeness of such information.

Statements contained in this Presentation that are not historical facts and/or are not cited with a specific source, including statements regarding economic or market conditions, trends, developments and the expertise or experience of Novacap, are based on current expectations, estimates, projections, opinions and/or beliefs of Novacap and are subject to a number of uncertainties. Such statements are not facts and involve known and unknown risks, uncertainties, and other factors. Prospective investors should not rely on these statements as if they were fact.

In considering any performance data contained herein, you should bear in mind that past or targeted performance is not indicative of future results, and there can be no assurance that the Fund will achieve comparable results or that target returns will be met. You should also bear in mind that past or targeted portfolio characteristics are not indicative of future portfolio characteristics and there can be no assurance that a Fund will have comparable portfolio characteristics or that target portfolio characteristics will be achieved. Certain of the persons that were involved in Novacap funds may no longer be employed at Novacap, which may impact the ability of the Fund to achieve comparable returns. In addition, there can be no assurance that unrealized investments will be realized at the valuations shown as actual realized returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. The internal rates of return (IRR) and multiple of invested capital (MOC) presented on a “Gross” basis in this Presentation do not reflect any management fees, General Partner carried interest distributions, taxes and allocable expenses borne by investors, which in the aggregate may be substantial and would reduce the actual returns experienced by an investor in the Fund. Net IRR and Net MOC is computed after deducting management fees, General Partner carried interest distributions, taxes and allocable expenses. All IRRs presented are annualized and calculated on the basis of monthly investment inflows and outflows. IRR and MOC for unrealized investments are calculated based upon the assumption that such unrealized investments are disposed of for cash at their respective unrealized values as of the measurement date. The use of a subscription-based credit facility with respect to investments typically results in a higher reported levered IRR than if such subscription facility had not been used and instead investors' capital had been contributed at the inception of each such investment (i.e., at the commencement of the relevant borrowing). This is due to the fact that calculations of levered IRR are based on the relationship between investment gains and investors' capital employed. Therefore, if a subscription facility is used to fund an investment, capital may be called more slowly from the investors to repay such borrowings, which shortens the time between contributions and distributions and consequently increases levered IRRs. In addition, differences in timing of an investor’s commitment to a fund and the economic and other terms applicable to certain investors therein may increase or decrease the net performance information realized by such investors and, accordingly, the actual net performance information of a particular investor may differ from the net performance information indicated herein. For more information on performance calculation please refer to Footnotes to Investor Performance.

# Legal Disclaimer

Certain information contained herein is based upon hypothetical performance. Hypothetical performance results may have inherent limitations. The hypothetical performance provided is calculated based on certain inputs but not all considerations may be reflected therein. The estimated potential returns shown reflect Novacap's expectations for potential future performance and do not reflect the performance or investment returns of any actual investor, fund, or account. The estimated potential returns are based on Novacap's experience in investing in similar strategies and asset classes. Estimated potential returns are inherently uncertain and subject to various assumptions about future events that may prove to be inaccurate. These assumptions include i) the growth and profitability assumptions for the investments Novacap has underwritten, and ii) general market conditions that would facilitate a liquidity event in order to realize the estimated potential returns. The hypothetical performance results set forth in this Presentation are provided to investors on the understanding that you will understand and accept the inherent limitations of such results, will not rely on them in making any investment decision with respect to an investment with Novacap or establish an investment advisory relationship with Novacap, and will use them only for the purpose of discussing your preliminary interest in making an investment. It should not be assumed that there will be a correlation between this performance and any future returns. Estimated potential returns may not be representative and may differ, and could differ materially, from the performance of actual investments made by Novacap in the future. No representation is being made that any fund or account will or is likely to achieve profits or losses similar to that being shown. Prospective investors are urged to consider the information contained in this Presentation in conjunction with the remainder of the offering materials of the Fund and other materials provided by Novacap, and are encouraged to ask questions of Novacap and to conduct further due diligence.

Certain information contained in this presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "target," "project," "estimate," "intend," "continue" or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. Prospective investors in the Fund should not rely on these forward-looking statements in deciding whether to invest in the Fund.

Trademarks and trade names may be used in this Presentation to refer to either the entities claiming the marks and/or names or their products and are the property of their respective owners. Novacap disclaims proprietary interest in the marks and names of others.

Novacap Management Inc. (the "Investment Manager"), the parent company of the General Partner, has recently registered with the SEC as an investment adviser. Such registration is not an endorsement of the Investment Manager by the SEC, nor does it indicate that the Investment Manager has attained any particular level of skill or ability. Additionally, the information in this Presentation has not been reviewed or approved by any regulatory agency, including the SEC. Prospective investors should note that because the principal office and place of business of the Investment Manager is outside of the United States and the Fund is a Quebec limited partnership, the Investment Manager is not subject to most of the substantive provisions of the Investment Advisers Act of 1940, as amended (the "Advisers Act") and as such the prospective investors in the Fund will not be afforded all of the protections of the Advisers Act.

An investment in the Fund entails a high degree of risk and no assurance can be given that the Fund's investment objective will be achieved or that investors will receive a return on their capital.

Trademarks and trade names may be used in this Presentation to refer to either the entities claiming the marks and/or names or their products and are the property of their respective owners. Novacap disclaims proprietary interest in the marks and names of others.

UBS Securities LLC ("UBS") is not a current client of, or investor of funds managed or advised, by the investment adviser(s) referenced above. This adviser has retained UBS to market one or more funds managed or advised by them, including contacting you as a potential investor for such fund(s), and UBS and its affiliates receive cash compensation for these activities. As a result, UBS and its affiliates are incentivized to market such fund(s), and you should conduct an independent assessment before making any investment decision involving such fund(s).



# Agenda

- 1 Novacap Overview
- 2 Strategy
- 3 Returns
- 4 Culture and Team
- 5 Value Creation
- 6 Sustainability
- 7 Key Terms



# Executive Summary

As we understand Rhode Island ERS’s objectives, we believe Technologies VII is well-suited for Rhode Island ERS’s mandate for the following reasons:

Key Takeaways & Differentiators			Slide(s)
1	Deep Experience & Sector Expertise	<ul style="list-style-type: none"><li>Novacap Technologies is one of the top performing series of buyout funds globally - exceeding most benchmarks for top quartile performance across DPI, MOIC, and IRR<sup>(a)</sup> - through focused, disciplined and consistent investment strategy</li><li>Deep expertise and intellectual capital across attractive sub-sectors, typically niche markets with resilient, recurring revenue and growth potential, has resulted in 15+ years of excellent returns for investors across various market cycles</li></ul>	7
2	Proven Strategy	<ul style="list-style-type: none"><li>Consistent focus on key verticals: high value-add growth buyouts of lower to middle market, North American B2B technology companies</li><li>The Fund will typically take control positions, often with co-investment, in profitable businesses that we believe have predictable revenue and growth potential</li><li>Dual growth strategy; seek to drive strong organic growth, and pursue strategic and/or transformational acquisitions</li></ul>	9
3	Historical Attractive Returns	<ul style="list-style-type: none"><li>Disciplined investment approach has led to historically attractive investment performance</li><li>Novacap Technologies has delivered historically attractive returns for its investors over the past 15+ years</li><li>31 % Gross Levered<sup>(6)</sup>   24% Net Levered<sup>(8)</sup>   23% Net Unlevered<sup>(9)</sup> Cumulative IRR across Tech III – TMT VI<sup>(c)</sup></li></ul>	11
4	Experienced, Cohesive Team	<ul style="list-style-type: none"><li>Dedicated and experienced team of investment professionals and operators led by 8 partners with deep sector expertise</li><li>Supported by an investment team of 20 and operation teams of 52</li><li>Investment Committee of 11 members with established track record of success working together</li></ul>	13
5	World Class Value Creation Playbook	<ul style="list-style-type: none"><li>Novacap drives value creation by institutionalizing best practices and pursuing operational excellence</li><li>Supporting portfolio companies with strategic, operational and subject-matter expertise to create value for all stakeholders</li></ul>	16
6	Sustainability	<ul style="list-style-type: none"><li>Strengthening Sustainability Execution Across the Portfolio</li><li>In 2025 the firm developed a new firmwide Sustainability Playbook, which includes a standardized Sustainability Questionnaire and a proprietary score card</li></ul>	18
7	Strong Alignment & Favorable Terms	<ul style="list-style-type: none"><li>Novacap<sup>(b)</sup> is the largest investor in TMT VI and has committed C\$400m+ across its sector focused funds since 2007</li><li>Strong alignment of interest and collaboration due to European waterfall carry structure</li><li>100% of transaction fees offset</li></ul>	21

---

# **1 Novacap Overview**

---



# Introduction to Novacap

**Sector knowledge. Operational excellence. Entrepreneurial mindset.**

Focus on middle and lower-middle market value-add growth buyouts in North America

*(All values throughout the presentation are in C\$, unless otherwise noted)*

68

PLATFORM COMPANIES<sup>(a)</sup>

3.9x

REALIZED GROSS MOC<sup>(a)(10)</sup>

\$14B+

AUM ACROSS FOUR SECTOR-FOCUSED FUNDS<sup>(b)</sup>

- Technologies
- Digital Infrastructure
- Industries
- Financial Services

3

OFFICES

- Montreal
- Toronto
- New York

39

EXITS<sup>(a)</sup>

2.9x

REALIZED NET MOC<sup>(a)(11)</sup>

121

TOTAL EMPLOYEES

\$400M+

NOVACAP COMMITMENT<sup>(a)</sup>

Notes: Past performance is not a guarantee or indicator of future results. All figures denominated in Canadian dollars unless otherwise noted. All returns are as of March 31, 2025, based on quarterly reports.  
a) Across all Novacap sector-focused funds since 2007 and continuation vehicles. b) Including sector focused funds, continuation funds and co-investment funds as of June 2025.

---

## **2 Strategy**

---



# Investment Focus

Novacap Technologies is focused on North American middle market and lower middle companies seeking a value-added partner to support their next chapter of growth

## Fund Strategy

B2B TECHNOLOGY FOCUS	PROFITABLE GROWTH BUYOUTS	PREDICTABLE MODELS	BREAK-OUT POTENTIAL	GEOGRAPHICAL EDGE
----------------------	---------------------------	--------------------	---------------------	-------------------

## Sweet Spot Criteria

US\$15M-US\$75M Entry Level EBITDA	US\$100M-\$300M Initial Equity Investment	1.2 : 1.0 Historical Co-Investment Ratio <sup>(a)</sup>	Profitable Margin Profile	Common Equity Ownership Structure	10-12 Platform Companies
---------------------------------------	--	--	------------------------------	--------------------------------------	-----------------------------

## Target Sectors<sup>(b)</sup>

<div>Industrial Technology</div> <div><div><div>previan</div><div>NITREX</div><div>CREAFORM</div></div><div><div>ctasic</div><div>ONSTREAM PIPELINE INSPECTION</div><div>SYNERGEX</div></div></div>	<div>Healthcare IT</div> <div><div><div>Chemical Computing Group</div><div>harmony HEALTHCARE IT</div><div>Intelerad</div></div><div><div>InVita HEALTHCARE TECHNOLOGIES</div><div>lgi healthcare solutions</div></div></div>	<div>Enterprise Solutions<sup>(c)</sup></div> <div><div><div>FIRMEX</div><div>Dialogic</div></div><div><div>SYNTAX</div><div>COFOMO</div></div></div>	<div>AdTech</div> <div><div><div>STATIC MEDIA</div><div>CADENT</div></div><div><div>STINGRAY</div></div></div>	<div>Payments</div> <div><div>nuvei</div></div>	
<div>Vertical Software</div> <div><div>Industry-specific software not captured in other identified sectors</div><div><div>Plusgrade</div><div>ACCURATE GROUP</div></div></div>	<div>Human Capital Management</div> <div><div><div>Tenrox</div><div>TECHNOMEDIA</div></div></div>	<div>Cybersecurity</div> <div><div>PKWARE</div></div>	<div>Education</div>	<div>Government Tech</div>	<div>Governance, Risk, &amp; Compliance</div>

Multiple opportunities diligenced

Note: The above reflects Novacap's subjective beliefs and assessments regarding the types of investments that may be appropriate for the Technologies VII Fund. There can be no assurances that investments in these sectors as presented will be made by the Fund and that any investments would meet the above listed investment criteria. Novacap's investment criteria may change over time.  
a) Ratio defined as total co-investment capital raised (including SPV co-invest, CV co-invest, and direct co-invest) across TMT III, IV, V, VI divided by Novacap invested capital (including Nuvei and Syntax continuation vehicles) and uses CAD/USD FX rate of 1.3900. b) Company logos reflects Novacap current and realized investments. c) Defined as B2B software and technology enabled solutions, excluding Vertical Software and Human Capital Management.

For the Rhode Island State Investment Commission Only

Page 9

---

## 3 Returns

---



# Historically Attractive Returns

## Recent Exits and Initial/Partial Liquidity from Novacap TMT

							
2021	2021	2023	2021	2020	2024	2024	2024

## Performance by TMT Fund<sup>(a)</sup>

	Tech III	TMT IV	TMT V	TMT VI
<b>Vintage<sup>(b)</sup></b>	2007	2014	2017	2021
<b>Committed Capital (\$M)<sup>(c)</sup></b>	C\$181	C\$380	C\$840	US\$1,865
<b>Co-Investment (\$M)</b>	C\$70	C\$78	C\$1,075	US\$1,586
<b>Active Investments</b>	0	1	4	6
<b>Partially Realized Investments</b>	0	0	1	0
<b>Realized Investments</b>	10	9	3	1
<b>Gross Realized MoC<sup>(10)</sup></b>	3.9x	4.6x	3.9x	2.7x
<b>Below fund performance as of March 31, 2025</b>				
<b>Gross MoC<sup>(10)</sup></b>	3.9x	4.3x	2.9x	1.3x
<b>Gross Levered IRR<sup>(6)</sup></b>	30.7%	42.9%	34.7%	26.6%
<b>Gross Unlevered IRR<sup>(7)</sup></b>	31.6%	43.3%	33.2%	22.1%
<b>Net MoC<sup>(11)</sup></b>	2.8x	3.4x	2.3x	1.2x
<b>Net Levered IRR<sup>(8)</sup></b>	23.2%	34.6%	26.5%	12.5%
<b>Net Unlevered IRR<sup>(9)</sup></b>	23.1%	34.7%	25.2%	11.3%

Note: Past performance is not a guarantee or indicator of future results. All figures denominated in Canadian dollars unless otherwise noted. For all performance information (indicated by numbered footnotes), please refer to "Footnotes to Investment Performance" on pages 39 and 40 of this Presentation. All fund amounts excluding Novacap employee contribution side funds.

a) Tech III returns are as of December 31, 2024, based on annual reports and TMT IV – TMT VI returns are as of March 31, 2025, based on quarterly reports. b) Vintage years based on initial date of priority distributions / management fees. c) Committed capital includes Novacap employee side funds.

For the Rhode Island State Investment Commission Only

---

## **4 Culture and Team**

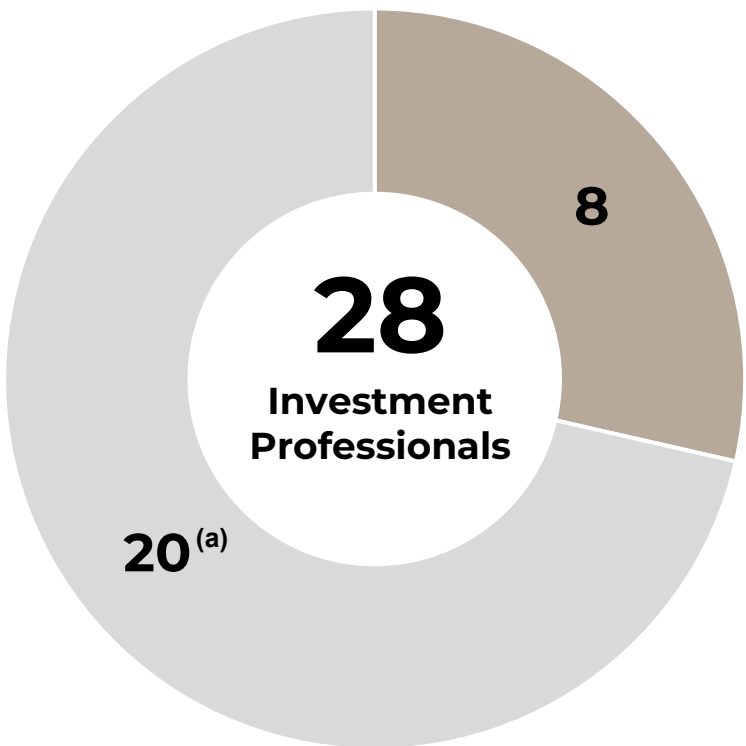
---



# Novacap Technologies Team

Dedicated and experienced team of operators, entrepreneurs and investors to build world class companies

## Investment Professionals



■ **Sr. Partners / Partners**   ■ **Investment Team**  
(VPs / Associates / Analysts)

## Investment Team Structure

- 1 Partners are sector focus and cover portfolio companies based on their deep sector knowledge and expertise
- 2 Each Partner will typically lead 2 to 3 portfolio companies per fund
- 3 Investments are typically staffed with at least 5 investment professionals
  - Lead Partner
  - Supporting Partner
  - Vice President / Associate / Analyst (3)
- 4 Strong alignment of interest and collaboration due to European waterfall carry structure

## Operation Teams

**50+ Professionals<sup>(b)</sup>**

**Operational Excellence**

**Business Development**

**Capital Markets**

**Talent**

**Legal**

**Tech, Cyber, and Business & Market Intelligence**

**Financial and Tax**

**10 Years**

Avg. Partner Tenure at Novacap

**3+1**

Newly Promoted + Hired Partners in Fund VI

**C\$400M+**

Novacap Commitment<sup>(c)</sup>

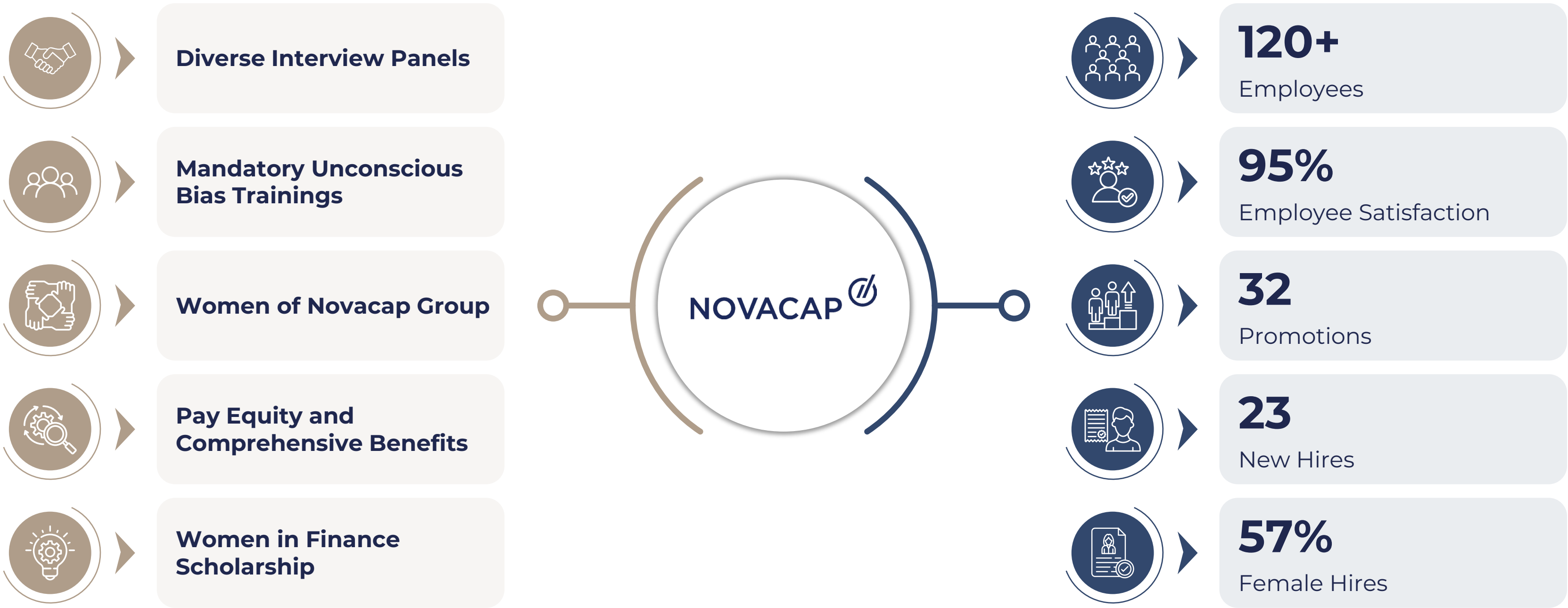
**97%**

LTM Employee Retention<sup>(d)</sup>

a) Including the 2 recently hired VPs and 3 associates in hiring process. b) Including open positions. c) Across all Novacap sector-focused funds since 2007 and continuation vehicles. d) LTM TMT employee retention defined as active employee from December 31, 2024 cohort as of December 31, 2024 divided by employees from December 31, 2024 cohort.

# Novacap's Culture and Value Driven Outcomes

We are in the people and relationship business



Note: Number of employees is as of March 31, 2025. Employee Satisfaction is from the 2024 survey. Promotions, New Hires and Female Hires statistics include 2024 and H1 2025 data.

---

## **5 Value Creation**

---

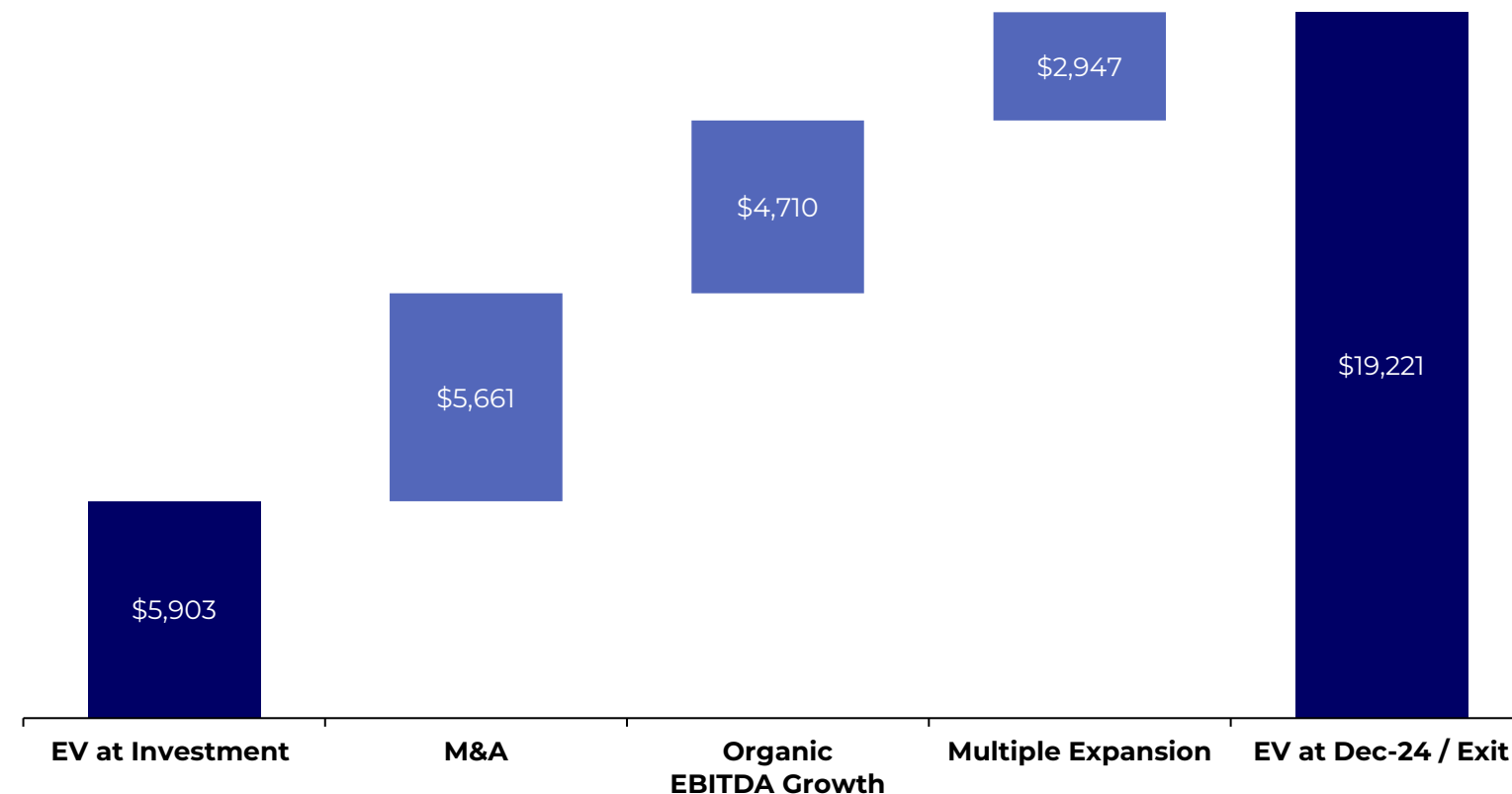


# Value Creation

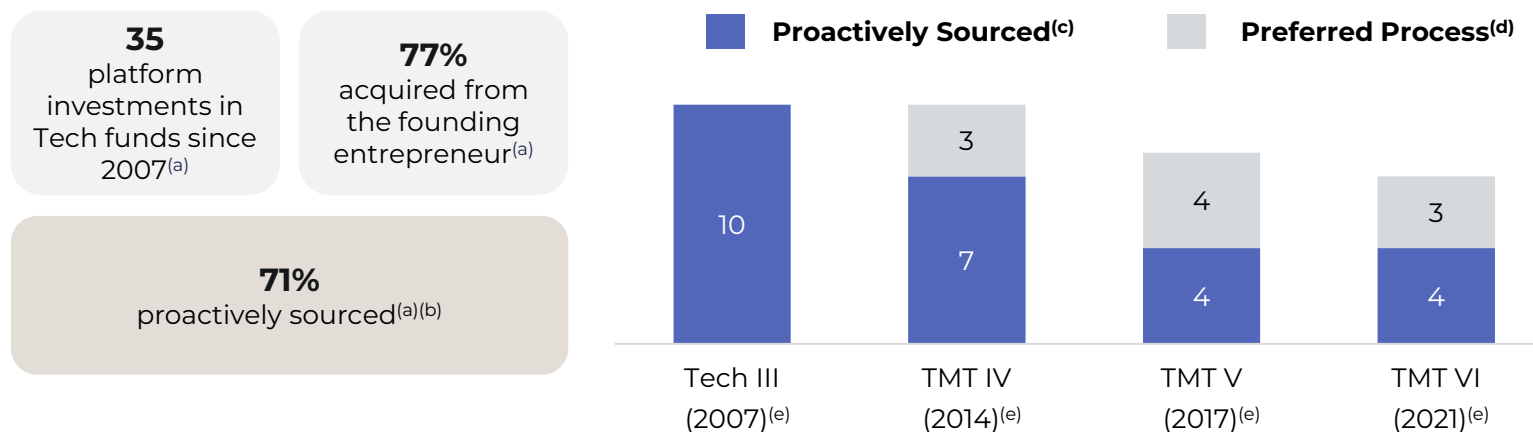
Novacap pursues value creation by enabling growth on multiple fronts

## Enterprise Value Drivers from Investment to Dec-24 / Exit

Value Creation Bridge (Tech III – TMT VI)<sup>(g)</sup>



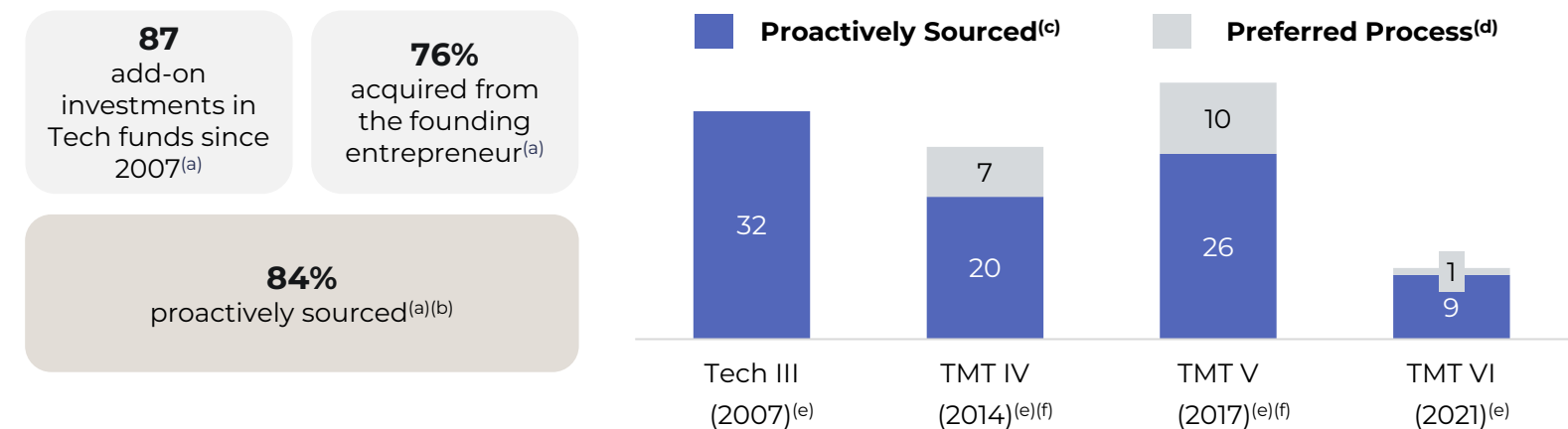
## Platform Investments – Funds III to VI



## Multiple Pillars of Value Creation

- 1 Operational excellence**  
Share best practices with management teams to seek optimal productivity across the portfolio
- 2 Pursue transformative acquisitions**  
Build industry leaders through transformative M&A strategy; discipline that targets create strategic and economic value
- 3 Expand focus into adjacent markets**  
Empower management teams to expand their addressable markets and opportunities
- 4 Leverage strength of portfolio and network effect**  
Collaboration across portfolio companies to leverage expertise, network, scale, and share institutional knowledge
- 5 Invest in business development**  
Augment go-to-market motion to optimize results
- 6 Catalyze international expansion**  
Enable portfolio companies to compete internationally and broaden their geographic reach

## Add-on Investments – Funds III to VI



Notes: The above is presented for illustrative purposes only. There can be no assurance that any similar deals or deal flow will continue to be available to the funds, or that similar investments will be made by the Fund.

a) As of December 31, 2024. b) Remaining deals sourced solely via an intermediary. c) Proactively Sourced investments are investments where Novacap had a pre-existing relationship with the Company prior to investing. d) Preferred Process investments are investments where Novacap was positioned to win the investment via an intermediary. e) All vintage years based on initial date of priority distributions / management fees. f) Nuvel's add-on acquisitions included in both TMT IV and V. g) Figures are in source currency, millions. Past performance is not a guarantee or indicator of future results. The information presented is as of December 31, 2024 based on the Novacap Valuation Report except for Technologies III which is as of June 30, 2024 based on the Novacap Quarterly Report.

---

## **6 Sustainability**

---



# Accelerating Sustainable Practices through Accountability

## Strengthening Sustainability Execution Across the Portfolio

- Sustainability team mobilized to lead and coordinate efforts
- Development of a comprehensive toolkit to implement minimum standards

## Engaging with External Partners

- Support the operational rollout of sustainability initiatives through our portfolio
- Provide hands-on guidance to portfolio companies

## Clear Accountability for Sustainability Oversight

- Direct reporting line to each company's Board of Directors
- Ultimate oversight by Novacap to ensure alignment and follow-through

## GHG Emissions Tracking

- Initiating portfolio-wide data collection and implementing systems to monitor emissions over time

## ESG: UNPRI Signatory

- Novacap is reporting to the PRI in 2025

**100% participation to our  
2024 Portfolio-Wide  
Sustainability Questionnaire**

- Program oversight by the Sustainability Committee
- Pre-investment due diligence questionnaire and scorecard
- Portfolio Sustainability Playbook
- Continuous governance by the Board of Directors
- Active monitoring and reporting



---

## **7** Key Terms

---



# Key Terms

Fund / General Partner Name

- Novacap Technologies VII, L.P., Novacap International Technologies VII, L.P. and Novacap International Technologies VII-A, L.P., and Novacap Technologies VII-B, L.P. are all Quebec limited partnerships
- Novacap Management Inc.

Target / Hard Cap

- US\$2.75bn / US\$3.5bn

Carried Interest / Preferred Return

- European waterfall structure; 20% / 8%

Management Fee / Offset

- 2%+ of commitments; then Step-Down rate on Net Invested Capital / 100% of net Transaction Fees

Commitment Period and Term

- Commitment period: 5 years from the effective date
- Term: 10 years from the effective date

GP Commitment

- The General Partner, the Principals and their respective affiliates will collectively make Commitments in an aggregate amount equal to 2% of the Commitments of the other Limited Partners. Historically, total commitment by the General Partner has been 3% - 5%. The General Partner is 100% partner/employee owned.

---

## Footnotes to Investment Performance

---



# Footnotes to Investment Performance

This presentation should be read considering the notes below, when they are applicable to the Fund. In considering the historical investment performance information contained herein, recipients should bear in mind that past performance is provided for illustrative purposes only and is not indicative of future results. There can be no assurance that the Fund will achieve comparable results.

1. All figures are in Canadian dollars, unless otherwise noted. Totals may not add due to rounding.
2. "Invested Capital" represents aggregate capital invested in each portfolio company, and may include bridge financing. Does not include capitalized interest upon the conversion or issuance of debt instruments, amounts invested as co-investment or capital called for operating expenses and organizational expenses, including the management fees and/or the priority distributions management participation. The Capital Invested amounts presented in the Investment Profile Update section of each portfolio company are the remaining Capital Invested as of the date of the report.
3. "Realized Proceeds" represents proceeds resulting from the disposition of interests in portfolio companies, recapitalizations, interest, dividends and other income. Realized proceeds include portfolio company fees and are gross of carried interest and operating expenses.
4. "Unrealized Value" Novacap values unrealized investments at the estimated fair value. There can be no assurance that investments with an unrealized value will be realized at the valuations shown. The actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and their timing and manner of sale. Accordingly, the actual realized returns on these unrealized investments may differ materially from the returns indicated herein. "Unrealized Value" may also include Other Revenues such as accrued interest, balance of escrow, balance of sale receivable, management fees not cash and/or other items at the portfolio company level that have not been realized. The actual realization of these amounts may be subject to change depending on future results and may differ materially from the amounts indicated herein.
5. "Total Value" represents the sum of Realized Proceeds and Unrealized Value of each investment.
6. "Gross levered IRR" amounts do not reflect carried interest, if any, taxes or expenses of the Fund borne by investors, including leverage related expenses, which in the aggregate may be substantial and would reduce the gross IRR. All IRRs presented are annualized and calculated on the basis of investment inflows and outflows. IRRs for unrealized investment have been calculated by assuming that the remaining interest has been sold as of the date of the investment track record at the unrealized value shown. Differences in timing of an investor's commitment to a fund and the economic and other terms applicable to certain investors therein may increase or decrease the gross performance information realized by such investors and, accordingly, the actual gross performance information of a particular investor may differ from the gross performance information indicated herein. The returns reflect any recycling of proceeds as may be applicable. Gross levered IRR is calculated based on the payment date of capital contributions received from limited partners even in instances where a Fund utilizes borrowings under a subscription-based credit facility.
7. "Gross unlevered IRR" amounts do not reflect carried interest, if any, taxes or expenses of the Fund borne by investors, excluding leverage related expenses, which in the aggregate may be substantial and would reduce the gross IRR. All IRRs presented are annualized and calculated on the basis of investment inflows and outflows. IRRs for unrealized investments have been calculated by assuming that the remaining interest has been sold as of the date of the investment track record at the unrealized value shown. The returns reflect any recycling of proceeds as may be applicable. Gross unlevered IRR is calculated from the time an investment is made without regard to whether the investment was financed through the use of a subscription-based credit facility.
8. "Net levered IRR" data is net of carried interest, management fees/ priority distributions and partnership expenses, including leverage related expenses, borne by investors. The net performance information shown herein does not represent the net performance of any particular investor. Net performance does not take into account certain taxes borne or deemed to be borne by investors (such as, for example, taxes resulting from the investors' domicile). Calculations of net IRRs in respect of investment and performance data included and / or referred to herein are based on the payment date of capital contributions received from limited partners, even in instances where a Fund utilizes borrowings under a subscription-based credit facility. Differences in timing of an investor's commitment to a fund and the economic and other terms applicable to certain investors therein may increase or decrease the net performance information realized by such investors and, accordingly, the actual net performance information of a particular investor may differ from the net performance information indicated herein. The returns reflect any recycling of proceeds as may be applicable.
9. "Net unlevered IRR" data is net of carried interest, management fees/ priority distributions and partnership expenses, excluding leverage related expenses, borne by investors. The net performance information shown herein does not represent the net performance of any particular investor. Net performance does not take into account certain taxes borne or deemed to be borne by investors (such as, for example, taxes resulting from the investors' domicile). Net unlevered IRR is calculated from the time an investment is made without regards to whether the investment was financed through the use of a subscription-based credit facility.
10. "Gross MoC" represent gross return on investments made without considering carried interest, if any, management fees / priority distributions, taxes or expenses, leverage-related or not, of the Fund borne by investors which in the aggregate may be substantial and would reduce the gross MoC amounts.
11. "Net MoC" represent net return on called investor's commitment and is net of carried interest, management fees/ priority distributions and partnership expenses, including leverage related expenses, borne by investors. The net performance information shown herein does not represent the net performance of any particular investor. Net performance does not take into account certain taxes borne or deemed to be borne by investors (such as, for example, taxes resulting from the investors' domicile).
12. "DPI" represents Distribution made by the Funds to Limited partners compared to Invested Capital.
13. "Partially Realized" investments refer to active investments where realized proceeds are at least 50% of the Invested Capital.
14. "Novacap Co-Investment" represents capital deployed by (external) Limited Partners in a Novacap-managed vehicle in an investment opportunity that requires capital in excess of the capital that the Fund may reasonably provide. The Fund may make certain investments with the expectation of offering a portion of such investment as a co-investment opportunity to co-investors including to a committed co-investment vehicle managed by the General Partner or any of its affiliates.



# Footnotes to Investment Performance

This presentation should be read considering the notes below, when they are applicable to the Fund. In considering the historical investment performance information contained herein, recipients should bear in mind that past performance is provided for illustrative purposes only and is not indicative of future results. There can be no assurance that the Fund will achieve comparable results.

15. "EBITDA": Novacap has established a framework for the financial information presentation which include certain adjustments on EBITDA to reflect the actual operating profits (loss) of each portfolio company. The following items, but not limited to, are excluded from EBITDA; managements fees, board directors' fees, non-operational foreign exchange impact, transaction fees, loss (gain) on disposal as well as other non-operational and/or operational items under specific circumstances.
16. Representative EBITDA for valuation purposes: In accordance with Novacap Valuation Policy, the EBITDA established for valuation purposes may be adjusted when considering specific factors applicable to each company and may differ from EBITDA presented for information purposes.
17. Portfolio companies' interim financial performance presented in this report is not audited and is subject to reclassification or adjustment.
18. Hypothetical performance disclaimer: The performance provided is calculated based on certain inputs, but not all considerations may be reflected therein. The performance set forth in these materials is provided to you on the understanding that you will understand and accept the inherent limitations of such results, will not rely on them in making any investment decision with respect to an investment with Novacap, and will use them only for the purpose of discussing your preliminary interest in making an investment. It should not be assumed that there will be a correlation between this performance and any future returns. No representation is being made that any fund or account will or is likely to achieve profits or losses similar to that being shown. Prospective investors are urged to consider the information contained in this section in conjunction with the remainder of the offering materials of the fund and other materials provided by Novacap and are encouraged to ask questions of Novacap and to conduct further due diligence.

