Equicapita Report to Unitholders: Q2 2023

Equicapita Q2 2023 Report to Unitholders

We are pleased to present the report to unitholders for the quarter ended June 30, 2023. The following data reflects key performance indicators ("KPIs"), broken down by functional area, and are meant to provide a shorter-term, simple to reference snap-shot of critical metrics. Please reference the annual Year in Review for our detailed analysis of long-term portfolio operational and macro-economic trends.

Fund Snapshot:

$282M	$117M	3	~1,200	5.5%
TTM Sales	Total Distributions	Portfolio Operating Partnerships	# of Employees	Yield[3]

Key Performance Indicators:

	Inception to Date	Q2 2023	Q2 2022	Change
Assets Under Management ($M)	320	320	349	-8%
NAV ($/unit)	1.15	1.15	1.26	-9%
Management Expense Ratio[1] (%)	1.5	1.5	1.6	6%
Number of Companies	14	14	13	1
Acquisitions	15	1	-	1
Divestitures	1	-	-	0
TTM Sales ($M)	-	282	253	11%
TTM EBITDA[2] ($M)	-	37	33	12%
Gross Profit Margin (%)	-	37	37	0%
Working Capital ($M)	-	50	41	22%
Operating Expense Ratio (%)	-	22	24	8%
Operating Cash Flow ($M)	18	18	14	29%
Capital Expenditures ($M)	-	1.3	1.0	30%
Distributions ($M)	117	3	0.4	650%
Debt Repayments (Principal and Interest) ($M)	56	2	3	-33%
Total Cash Returns to Debt and Equity Holders ($M)	173	5	3	67%
Employees	1,252	1,252	1,151	9%
Total Kaizen Projects Completed	2,183	219	223	-2%
Estimated Kaizen Cost Savings/Avoidance ($M)	10	0.8	0.6	33%

CORPUS PARTNERS

Investments in healthcare

Partnered with BMO
Capital Partners

Corpus Partners is the holding entity for our companies in the healthcare portfolio operating group. Corpus is focused on rolling up businesses in the dental laboratory space with BMO Capital Partners as its co-investment partner. Healthcare spending continues to be positively impacted by ongoing demographic shifts and an increasing focus on preventive medicine.

Partnership Snapshot:

$59M	>4,500	~450	10
TTM Sales	Dental Clinic Customers	# of Employees	Labs

Key Investment Elements:

Fragmentation	Buy Multiples	Growth Drivers	Macro Overlay	Integration Impact
Yes	<7x (earnings <$5M)	GDP+ and Organic	Aging Population	Growth + Sale

Acquisition(s)/Disposition(s):

The Partnership acquired Hallmark Dental Laboratory, the largest dental laboratory in Atlantic Canada on July 10, 2023. The addition of Hallmark brings Corpus' dental lab vertical to 10 labs with approximately 450 employees servicing over 4,500 dentists with a footprint in Western Canada, Ontario and the Atlantic provinces.

Key Performance Indicators:

	Q2 2023	Q2 2022	Change
TTM Sales ($M)	59	54	9%
TTM EBITDA[2] ($M)	10	8	25%
Gross Profit Margin (%)	40	39	3%
Working Capital ($M)	6	6	0%
Operating Expense Ratio (%)	27	28	4%
Operating Cash Flow ($M)	5	4	25%
Capital Expenditures ($M)	0.3	0.3	0%
Employees	459	394	16%
Total Kaizen Projects Completed	126	64	97%
Estimated Kaizen Cost Savings/Avoidance ($M)	0.3	0.3	0%

Senior Team:


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AVERINE PARTNERS

Investments in master franchisors

Averine Partners is the holding entity for our companies in the master franchisor portfolio operating group. Averine is currently focused on rolling up master franchisors in the restaurant, automotive repair and health and beauty sectors. Established royalties tied to quality brands tend to be inflation hedging given their nature. Master franchisors also have low capital intensity with the ability to generate synergies and higher rates of organic growth via a multi-brand portfolio.

Partnership Snapshot:

$48M	**9**	**~200**	**178**
TTM Sales	Pending New Franchises	# of Corporate Employees	# of Franchise Locations

Key Investment Elements:

Fragmentation	Buy Multiples	Growth Drivers	Macro Overlay	Integration Impact
Yes	<7x (earnings <$5M)	GDP+ and Organic	SME Consolidation	Growth + Sale

Acquisition(s)/Disposition(s):

The Partnership did not complete any acquisitions or dispositions in Q2 but continues to actively review deal flow.

Key Performance Indicators:

	Q2 2023	Q2 2022	Change
TTM Sales ($M)	48	44	9%
TTM EBITDA[2] ($M)	10	9	11%
Gross Profit Margin (%)	56	55	2%
Working Capital ($M)	7	4	75%
Operating Expense Ratio (%)	32	34	6%
Operating Cash Flow ($M)	5	3	67%
Capital Expenditures ($M)	0.1	-	100%
Employees	189	178	6%
Total Kaizen Projects Completed	17	42	-60%
Estimated Kaizen Cost Savings/Avoidance ($M)	0.2	0.1	100%

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PRECEPTOS PARTNERS

Investments in light industrial products and services

Preceptos Partners is the holding entity for our companies in the light industrial portfolio operating group. Preceptos is focused on acquiring industrial businesses in environmental services and light manufacturing. The thesis is that a portfolio of low cost, light industrial small and medium sized enterprises can be a proxy for diversified Canadian GDP.

Partnership Snapshot:

$175M	7	~600	35
TTM Sales	# of Companies	# of Employees	# of Operating Locations

Key Investment Elements:

Fragmentation	Buy Multiples	Growth Drivers	Macro Overlay	Integration Impact
Yes	<6x (earnings <$5M)	GDP and Organic	On-shoring	Growth + Sale

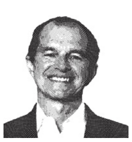
Acquisition(s)/Disposition(s):

The Partnership did not complete any acquisitions or dispositions in Q2 but continues to actively review deal flow.

Key Performance Indicators:

	Q2 2023	Q2 2022	Change
TTM Sales ($M)	175	155	13%
TTM EBITDA[2] ($M)	17	16	6%
Gross Profit Margin (%)	31	30	3%
Working Capital ($M)	37	31	19%
Operating Expense Ratio (%)	18	20	10%
Operating Cash Flow ($M)	8	7	14%
Capital Expenditures ($M)	0.9	0.7	29%
Employees	604	579	4%
Total Kaizen Projects Completed	76	117	-35%
Estimated Kaizen Cost Savings/Avoidance ($M)	0.3	0.2	50%

Senior Team: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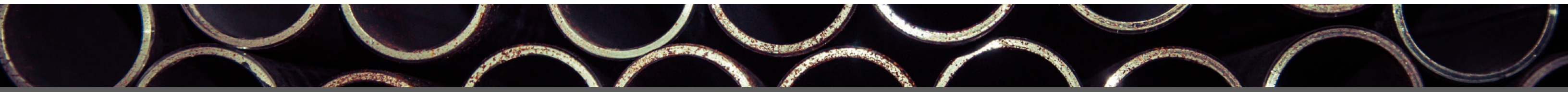

CORPUS PARTNERS AVERINE PARTNERS PRECEPTOS PARTNERS

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DISCLAIMER

Notes:

1. Management Expense Ratio – Calculated by dividing fund G&A, net of non-recurring and one-time expenses, including management fees, by the Assets Under Management.
2. EBITDA – Income from continuing operations before (i) finance expense, (ii) income taxes, (iii) depreciation and amortization, (iv) other non-cash expenses, and v) nonrecurring expenses and one-time extraordinary gains and losses for all portfolio companies. References to EBITDA excludes funding provided by government subsidies in the amounts of $nil and $1.7M for the TTM periods ended June 30, 2023 and 2022.
3. Yield – Calculated by dividing the quarterly distribution by the number of preferred units outstanding, annualized for a full year.