

FUND DETAILS

| | |
|-------------------------|----------------------------|
| Fund Inception | 2013 |
| Assets Under Management | \$300 Million ¹ |
| Asset Class | SME Buyout |
| Portfolio Companies | 12 |
| Target Net IRR | 15% p.a. |
| Valuations | NAV quarterly |
| MER | 2% Target |
| Performance Fee | 20% |
| Risk Tolerance | High |

WHY INVEST IN THE FUND

Over the next two decades one of the largest generational transfers of wealth in Canadian history is expected to take place. Baby boomer entrepreneurs are retiring and are selling their businesses. Disciplined private equity investors are expected to be able to acquire these businesses at competitive valuations, generating attractive returns.

EQUICAPITA SUMMARY

Equicapita was founded in 2013 to acquire SMEs and aggregate their disparate cash-flows to create stable distributions and equity value through diversification, compounding and scale.

- Equicapita has completed 13 acquisitions and 1 divestment³ as of Dec 2020
- Equicapita's 36 month target is to grow EBITDA to over >\$70 million

MARKET OPPORTUNITY

Powerful demographic drivers create opportunity to capitalize on ownership in SME space.²

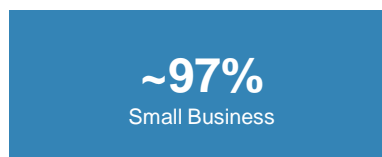
INVESTMENT STRATEGY

Construct a diversified portfolio of SMEs that generate sustainable cash flow from existing operations. Equicapita generally seeks to acquire businesses:

- with a history of stable EBITDA
- with a durable competitive advantage in their niche
- that operate in industries that have sound macro prospects
- with ongoing participation of senior personnel
- with low capital intensity

SUMMARY OF OFFERING TERMS

| | |
|-----------------|------------------------|
| Series | Pref C: Series A and F |
| Investor | All |
| RRSP Eligible | Yes |
| FundServ Codes: | |
| Series A | QWE844 |
| Series F | QWE845 |



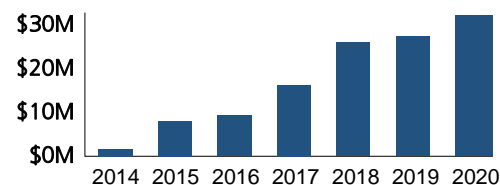
NAV

In March 2019 Equicapita solicited and received unitholder approval to extend the fund's life to March 2024. From inception to the date of the vote, Equicapita had paid out cumulative distributions and redemptions (excluding drip) of \$94M. In addition, as part of the vote Equicapita conducted a common unit buyback worth \$53M.

HISTORIC RETURNS

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021/Q1 |
|-----------------------------------|------|-------|------|------|------|------|-------|-------|---------|
| NAV (% change) | NA | NA | NA | NA | NA | NA | 4.0% | -8.5% | 1.9% |
| Preferred Distributions (*paid %) | 5.3% | 10.0% | 9.7% | 9.7% | 9.8% | 9.4% | 6.8% | 0.0% | 0.0% |
| Common Distributions (**paid %) | NA | NA | NA | NA | NA | NA | 14.0% | NA | 0.0% |
| Total | 5.3% | 10.0% | 9.7% | 9.7% | 9.8% | 9.4% | 24.8% | -8.5% | 1.9% |













EBITDA (net of minority interests)



| | 2017 | | | | 2018 | | | | 2019 | | | | 2020 | | | | 2021 |
|-----------------------------------|------|------|------|------|------|------|------|------|-------|------|------|------|--------|------|------|------|------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| NAV (% change) | NA | NA | NA | NA | NA | NA | NA | NA | NA | 0.0% | 2.0% | 2.0% | -10.6% | 1.1% | 1.2% | 0.0% | 1.9% |
| Preferred Distributions (*paid %) | 2.4% | 2.4% | 2.5% | 2.4% | 2.4% | 2.5% | 2.5% | 2.0% | 2.3% | 2.3% | 1.2% | 1.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Common Distributions (**paid %) | NA | NA | NA | NA | NA | NA | NA | NA | 14.0% | NA | NA | NA | NA | NA | NA | 0.0% | 0.0% |
| Total | 2.4% | 2.4% | 2.5% | 2.4% | 2.4% | 2.5% | 2.5% | 2.0% | 16.3% | 2.3% | 3.2% | 3.1% | -10.6% | 1.1% | 1.2% | 0.0% | 1.9% |

* (paid % - see note 4) ** (paid % - see note 5)

INDUSTRY BREAKDOWN

| Portfolio Silos | | | | |
|--|--|--|---|--|
| Industrial | Royalty/Franchise | Distribution | Healthcare | Regulatory |
|  Levy's Machine Works Ltd. |  Smitty's Canada Inc. |  ESP Salon Sales Inc. |  Shaw Dental Laboratory Inc. |  Metro Testing & Engineering |
|  A&R Metal Industries Ltd. |  Nutters Bulk and Natural Foods Inc. |  I-XL Building Products Inc. | |  Metercor Inc. |
|  Wingenback Inc. |  Master Mechanics Ltd. | | | |
| |  Caryl Baker Visage | | | |

INVESTMENT TEAM



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Michael has over 20 years experience working with SME businesses in many capacities (general business advisory, executive management, sell side advisory, buy side private equity and at the board of director level). In addition to Equicapita, Michael is a co-founder of a number of Canadian alternative strategies:

- Private credit - ~\$150M AUM
- Energy - ~\$300M AUM

Michael is a CA (1999) and CBV (2002) in addition to holding a BCom (1993) from the University of Manitoba.

Stephen has over 25 years experience as a fund manager. Stephen was head of the SocGen Emerging Markets – London UK PE team. In addition to Equicapita, Stephen is a co-founder of a number of Canadian alternative strategies:

- Farmland - ~\$150M AUM
- Private credit - ~\$150M AUM
- Energy - ~\$300M AUM

Stephen has a BSc. (1987) and a LLB from the University of Alberta (1990) and an MBA (1994) from the London Business School.

Matt has a strong business and operations track record. He is a practitioner, as well as theorist, in transformations and culture development through Six Sigma and lean methodologies and has demonstrated these skills across many organizations and industries. Matt has a MBA from Kettering University, a Bachelor of Operations from University of Western Sydney, an Executive Leadership certificate from Cornell University and a Lean Six Sigma certification from Villanova University.

NOTES

- Assets Under Management ("AUM") as of December 2020
- December 2019 data sourced from Innovation, Science and Economic Development Canada, "Key Small Business Statistics 2020" at pages 7-8 ([https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS_2020-v2-ENG.pdf/\\$FILE/KSBS_2020-v2-ENG.pdf](https://www.ic.gc.ca/eic/site/061.nsf/vwapj/KSBS_2020-v2-ENG.pdf/$FILE/KSBS_2020-v2-ENG.pdf)) (~1.2M Canadian SMEs and ~50% GDP). December 2019 data sourced from ic.gc.ca (https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03126.html) (~97% small business). 2018 data sourced from CFIB, "Nearly three quarters of small business owners plan to exit their business within the next 10 years" (<https://www.cfib-fcei.ca/en/media/nearly-three-quarters-small-business-owners-plan-exit-their-business-within-next-10-years>) (~70% owners plan to exit in next 10 years and value of SMEs being sold in next 10 years >\$1T)
- Divested North West Crane December 31 2019
- As percent of outstanding preferred capital (net plus DRIP) at end of period
- As a percent of outstanding preferred capital (net plus DRIP). The common units were sold for nominal value together with the preferred units. In March 2019, in connection with Equicapita reaching its five-year anniversary of investment for initial investors, a transaction was completed with unitholder approval that extended the term of Equicapita for five years and all of the common units were repurchased and canceled. The amount in this row represents proceeds of disposition of the common units.

LEGAL NOTICE: An offering memorandum of Equicapita Income Trust (the "**Trust**") dated April 14, 2021 (the "**Offering Memorandum**") containing important information relating to the securities described in this document (the "**Securities**") has or will be filed with the securities regulatory authorities in each of the jurisdictions where a distribution has occurred or will occur pursuant to the Offering Memorandum. A copy of the Offering Memorandum is required to be delivered to you at the same time or before you sign the agreement to purchase the Securities described in this document pursuant to the Offering Memorandum. This document does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the Offering Memorandum, especially the risk factors relating to the issuer and the Securities offered, before making an investment decision.

An investment in the Trust or Equicapita Income L.P. (collectively with the Trust, Equicapita Income GP Ltd. and Equicapita Investment Corp., "**Equicapita**") is highly speculative and involves a number of risks, including due to the nature of Equicapita's business and the risks inherent in Equicapita's investment strategies. Only investors who are willing to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Equicapita, who do not require immediate liquidity of their investment and who can afford a total loss of their investment should consider an investment in Equicapita. Prospective investors should read the entire Offering Memorandum and consult with their own professional advisors to ascertain and assess the income tax, legal, risks and other aspects of their investment in Equicapita. There is no guarantee of performance and past or projected performance is not indicative of future results. No securities regulatory authority has assessed the merits of, or expressed an opinion about the Securities, the information contained in this document or the Offering Memorandum. The Securities referred to herein will only be offered and sold in such jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such Securities. The Securities referred to herein may only be sold to prospective investors who reside in certain provinces or territories of Canada and who meet certain eligibility criteria on a basis which is exempt from the prospectus requirements of applicable Canadian securities laws. The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act).

This document contains statistical data, market research and industry forecasts that were obtained from government or other industry publications and reports or are based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. While Equicapita believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Equicapita has not independently verified any of the data from independent third-party sources referred to in this document or ascertained the underlying assumptions relied upon by such sources. This document provides addresses of, or contains hyperlinks to, third party websites. Equicapita has not reviewed and takes no responsibility whatsoever for the contents thereof. Each such address or hyperlink is provided solely for the reader's convenience and the information and the contents thereof are in no way incorporated into this document. Readers who choose to access such third party websites or follow such hyperlinks do so entirely at their own risk.

Non-IFRS Measures This document contains references to "**EBITDA**" and "**IRR**" which are measures that do not have any standardized meaning as prescribed by International Financial Reporting Standards ("**IFRS**") and are not represented in the financial statements of Equicapita Income Trust or Equicapita Income L.P. These measures are not necessarily comparable to similar measures presented by other issuers in similar or different industries and should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. Management uses these measures to aid in assessing Equicapita's underlying core performance and provides these additional measures so that readers may do the same. Management believes that the non-IFRS measures described below, which supplement IFRS measures, provide readers with a more comprehensive understanding of management's perspective on Equicapita's operating results and performance. Caution should be used if any comparisons are made to other issuers. "**EBITDA**" is defined as earnings before interest, taxes, depreciation and amortization. References to EBITDA in 2020 includes funding provided by the Canada Emergency Wage Subsidy (CEWS). "**IRR**" refers to internal rate of return, which is a metric used to determine the discount rate that derives a net present value of cash flows to zero.

FORWARD-LOOKING INFORMATION: This document includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to Equicapita. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases including, but not limited to, "expects", "does not expect", "is expected", "anticipates", "does not anticipate", "plans", "estimates", "believes", "does not believe", or "intends", or stating that certain actions, events or results may, could, would, might or will be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking information". This information represents predictions and actual events, or results may differ materially. Forward-looking information contained in this document includes, but is not limited to, statements with respect to: the expected generational transfer of wealth and investment opportunities in the SME market; the use of proceeds of the offering; Equicapita's investment objectives and strategies; SME sector and demographics; the 36 month target with respect to EBITDA; the liquidity event to be sought by Equicapita; the expectation, timing and payment of distributions and the target return; and intentions and expectations regarding the payment of the management fee and performance fee and the timing of valuations. Forward-looking information is based on a number of assumptions which have been used to develop such information but which may prove to be incorrect. Assumptions have been made by Equicapita as set forth in the Offering Memorandum, including those factors and assumptions set out under the heading "*Cautionary Statements – Forward Looking Information*". Forward-looking information is based on the current expectations, estimates and projections of Equicapita and involve a number of known and unknown risks and uncertainties which may cause actual results or events to differ materially from those presently anticipated, including those risks described under "*Item 8 - Risk Factors*" in the Offering Memorandum, many of which are beyond the control of Equicapita. Readers are cautioned that "*Item 8 - Risk Factors*" in the Offering Memorandum is not exhaustive. This document contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Equicapita's prospective results of operations and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs and in the Offering Memorandum. The FOFI contained herein is made as of April 14, 2021 and is provided for the purpose of providing further information about Equicapita's anticipated future business operations. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein and reliance on such information may not be appropriate for other purposes. Although Equicapita believes that the expectations reflected in the forward-looking information and FOFI are reasonable, it cannot guarantee future results, levels of activity, performance or achievement. Because of the risks, uncertainties and assumptions contained herein and in the Offering Memorandum, prospective investors should not place undue reliance on forward-looking information. Equicapita's actual results, performance or achievement could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits Equicapita will derive therefrom. Equicapita has included the above summary related to forward-looking information and FOFI in order to provide readers with a more complete perspective on Equicapita's current and future operations and such information may not be appropriate for other purposes. The forward-looking information and FOFI in this document is given as at April 14, 2021 and Equicapita disclaims any intent or obligation to update publicly any forward-looking information or FOFI, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. The forward-looking statements and FOFI contained in this document are expressly qualified by the foregoing cautionary statements.
