Upper90 Capital Management, LP

Upper90 Fund III LP Update - Q4-2025

Confidential - Not for Further Distribution

Q4-2025 Performance Snapshot

Called Capital:	Invested Capital:	Committed Capital:	Net DPI:	Gross Annualized Debt ITD Portfolio Yield:	Debt / Equity Allocation:
85%	$242M / 63%	$356M / 93%	0.38x	16.3%	92% / 8%

Fund III's credit book has generated a 16.3% gross yield with quarterly distributions increasing over time (7.3% in Q4 2025) with continued deployment. Our strong deal pipeline and short duration facilities give us the ability to recycle throughout the investment period, which ends in July 2026. **We plan to draw the remaining 15% of commitments in late Q1.** We remain focused on consistent deployment to achieve our target returns and believe investors should see DPI and TVPI continue to climb. Our Equity allocation remains below our target of 10% as in certain cases, we may opt for warrants and continue to prioritize liquidity. The equity portion of the portfolio is valued conservatively, which provides inherent drag on near-term performance, but should ultimately create upside for investors.

Q1 Deal Pipeline

- **Specialized aviation services company** that transforms retired aircraft into high-quality, ready-to-use components for airlines and aviation professionals: *Target SOFR + 9.0%*
  - When aircraft reach the end of their operational life, many of the components like engines, landing gear, and APU retain significant value
  - Demand for new parts from suppliers outpaces supply by 10%-20%, and the availability of used parts remains constrained
  - Used engines are increasingly being converted into power for AI data centers

- **Vertically integrated manufacturer of best-in-class natural gas turbines** to power AI data, with $1.3B of pre-orders: *Target SOFR + 9.5 - 10.5%*
  - AI is facing a power crisis, projected turbine TAM of $60-90B by 2030
  - 42 Megawatt turbines fit in marine shipping containers for fast deployment and mobility

- **Roll-up financing of home security platforms**, combining AI-enabled cameras with neighborhood patrol services for luxury homes: *Target SOFR + 10.25%*
  - Patrol and home security businesses generate ~30% operating margin and have low capital requirements
  - Wealthy home owners are unlikely to reduce spend on home security in an economic downturn
  - TAM is large and fragmented with ~1,200 companies and ~9.7M homes worth over $1M in zip codes with 25+ homes worth >$1M+.

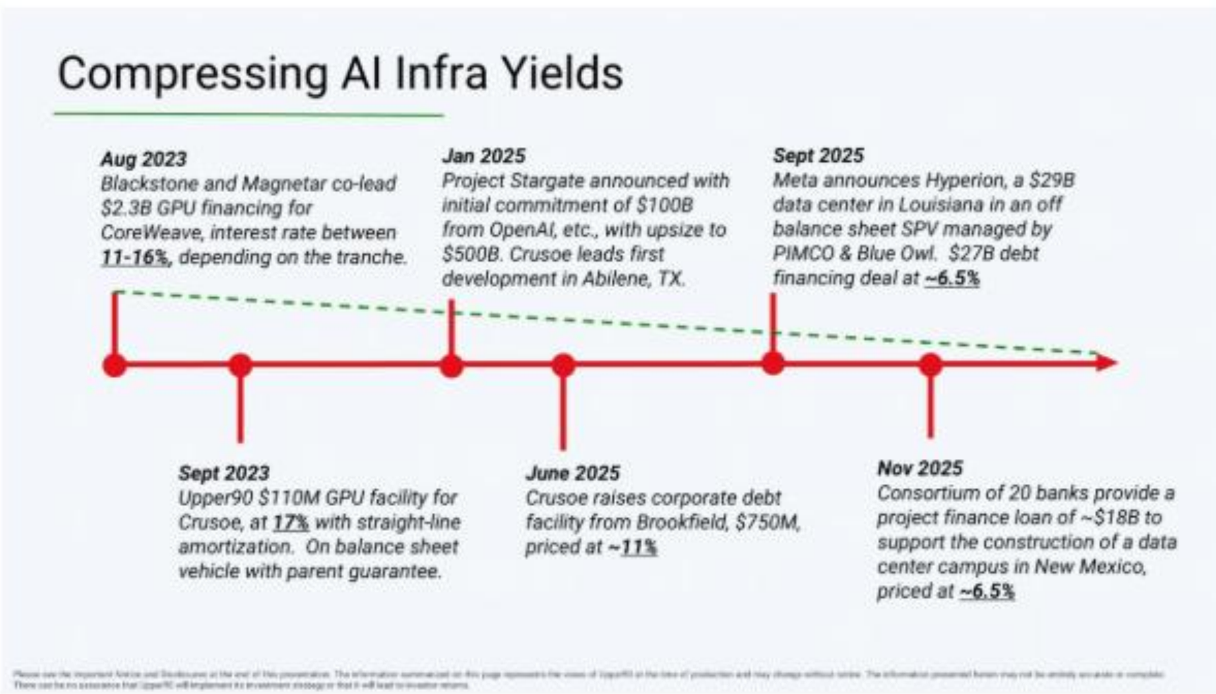
- **Fintech platform disrupting the hospitality industry** through a comprehensive suite of built-in rewards, credit card services and a vendor marketplace: *Target SOFR + 9.75%*
  - Seamless platform for expense tracking, loyalty rewards, and easy access to distributor deals
  - Redeemable rewards directly from hospitality suppliers & vendors to improve margins
  - Path to $6M+ of annualized revenue in first year of operation

The list of companies shown herein is solely intended to illustrate examples of investment opportunities screened by Upper90. It should not be assumed that Upper90 will be able to invest in the companies displayed herein or that any investments made in the future will be comparable in quality to those displayed herein.

Investable AI Credit Stack

The AI buildout is still in its early innings, and we believe it represents a compelling long-term capital formation opportunity. While skeptics warn of a bubble, the evidence points instead to a durable build cycle that is existential for hyperscalers, who must continue investing to defend their cloud franchises. As of late 2025, US generative AI investment represents <1% of GDP, well below historical investment levels for prior emerging technologies.

We've observed capital crowding into 2 AI segments: (i) Large-scale data center development financing for hyperscalers and (ii) financing of semiconductors & GPUs. In the past 2 years over $115B of debt has been invested in AI data center development while $25B+ has been invested in GPU debt.[3] As these investments have scaled, structures have shifted toward bank-like terms with lower amortization and greater back-ended economics, compressing returns for similar or greater risk. Larger Credit players have entered the space, like the recent strategic partnership between 8VC and Apollo designed to support capital-intensive businesses that are building physical and digital infrastructure for the future. Upper90 was early to GPU financing starting in 2023, investing and syndicating a total of $400M of debt for Crusoe supported by amortizing structures, Nvidia chips, and multi-year enterprise compute contracts. We secured *mid-teens yield plus equity upside* ahead of crowding and return compression in the years that followed.



As returns have declined, we are now hunting for companies within less trafficked niches that are too early for institutional capital. We prioritize foundational, collateral-rich segments of AI and favor structures with contracted offtake, clear utilization requirements, and assets that amortize or are otherwise matched to cash generation:

- **Capex intensive spend** supported by assets in the form of contracted fee streams for project-work, predictable cash flows from customer contracts / creditworthy offtake, and long-life hard assets.

- **Short-term working capital needs** (factoring net payment terms from customers, financing variable costs that directly generate revenue recognized in the near-future) that are supported by accounts receivable, inventory, and cash.

- **Acquisitions of profitable companies** as part of platform/roll-up strategy where value creation is driven by AI applications/agents via growth or margin expansion (fragmented, professional services-heavy industries like accounting, staffing & recruiting, healthcare clinics, etc.)

(3) S&P Global, December 2025

Investable AI Credit Stack

Data Center Supply Chain

- Funding mid-market data center developers with contracted hyperscaler and neocloud tenant offtake
- Includes long-lead items: turbines, transformers, small modular reactors, chillers, waterless cooling, etc
- Power availability and equipment are the binding constraints for AI capacity and **developers that can de-risk power will capture outsized economics**
- Crusoe Industries (in-house subsidiary) manufactures long lead items and a key growth differentiator
- We are monitoring Raeden, a data center developer for hyperscaler and neocloud clients, generating $30M in construction fees from initial tenant with backstop from Nvidia
- ***~$5 Trillion*** estimated spend over next 5 years

Energy Transition & Capture

- Funding new battery technology, modular microgrids, repurposed energy sources (aircraft engines) and companies that help monitor/manage energy for data centers with secured power and line of sight to offtake
- **These technologies can compress timelines** (repurposed turbines get capacity online 12–36 months sooner) **and improve reliability** (microgrids are becoming essential for large AI campuses)
- Boom Supersonic has augmented its aerospace business model, striking a deal with Crusoe to build power turbines for data centers
- ***~$14 Trillion*** estimated spend over next 5 years

Inference & AI Model Platforms

- Financing GPU hardware for inference-focused cloud service providers that host open-source models, offering API-level access to developers who want to run their AI models on GPUs "plug and play" without owning/ managing the underlying hardware
- **Inference demand is broader, recurring and more cost-sensitive than training**, making it well-suited to asset-backed, usage-linked financing
- Developers increasingly want model flexibility and price transparency (per-token or per-second)
- ***~$3 Trillion*** estimated spend over next 5 years

Data & Monetization for AI Models

- Financing the acquisition of user-generated data (text, images, video, sensor) that is sold, licensed or accessed via API to AI Labs to improve their training or inference models
- Supported by 30-90 day accounts receivable collateral due from well-capitalized AI Labs paying on net terms
- **Diminishing returns from generic web data have shifted demand** toward high-signal, domain-specific datasets
- Many data suppliers face a working capital gap between acquiring/ curating data and monetizing it, lending itself to short-term debt
- ***~$600 Billion*** estimated spend over next 5 years

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Vertical / Agentic AI Apps

- Financing the acquisition of profitable companies in professional services-heavy industries, expanding margins through the deployment of agentic AI
- High labor intensity and pricing power making them **ideal for AI driven operating leverage without underwriting speculative technology risk**
- Debt supported by cash flows of an EBITDA-positive platform
- We recently invested in Tensec, an FX payments platform enabling faster, cheaper cross-border transactions for SMBs using AI tools and stablecoin rails
- Cast is another Fund 3 investment, rolling-up accounting/advisory firms serving SMBs and deploying AI agents to automate workflows and expand margins
- ***~$3 Trillion*** in estimated demand over next 5 years

Specialized Chip Developers

- New entrants designing lower cost hardware chips with specialized inference-focused use cases as alternatives to incumbents AMD & NVIDIA
- Financing semiconductor manufacturers which require large down payments to foundries (e.g. TSMC) to build the chip, with debt supported by signed POs from hyperscalers and leading neoclouds
- **Many inference tasks don't need cutting edge Blackwell or Ryzen stacks**, and large buyers now actively dual-source chips to reduce cost and reliance on top silicon vendors
- Post the recent Groq / NVIDIA deal, this space likely becomes more challenging for upstarts and not our core focus
- ***~$1.5 Trillion*** in estimated demand over next 5 years

Physical AI

- Humanoid robotics, AI-enabled drones, AI-enabled satellites and other applications in new industries which banks are unable to underwrite
- Financing assembly and testing, with debt supported by equipment and contracts / POs from enterprise customers or state & local governments
- Sitting between traditional infrastructure finance and specialty asset-backed lending, **with asymmetric upside as these categories mature into bankable infrastructure**
- We are monitoring Apptronik, which is developing multiple generations of humanoid robotics and optimizing its platform for commercial production via strategic partnerships with Google DeepMind and Jabil
- ***~$1 Trillion*** in estimated demand over next 5 years

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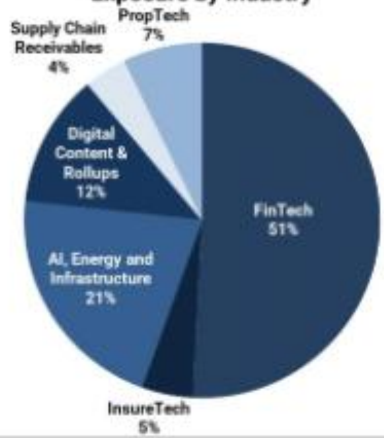
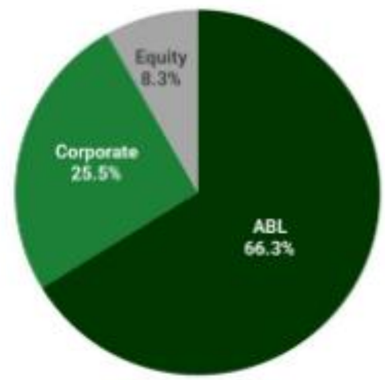
Fund III Performance

Diversified Portfolio: **26 companies with an average credit position size of $12.6M** (~3.3% concentration).

Exposure by Industry

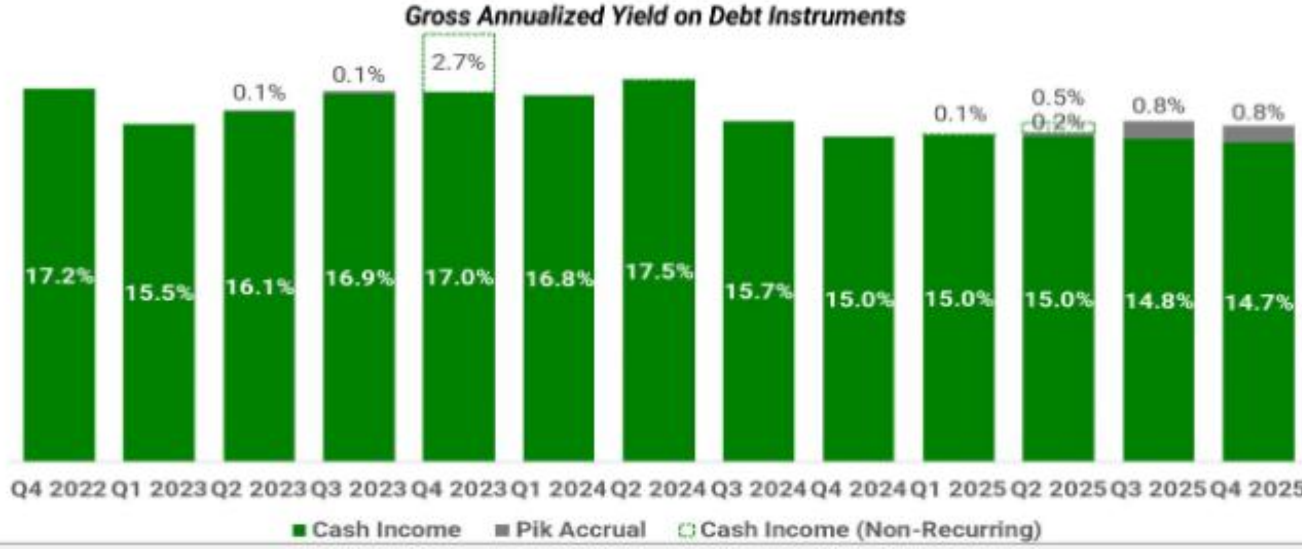


Exposure by Security Type



Credit instruments are earning an average lifetime annualized unlevered yield of 16.3%. 68% of the portfolio is floating rate and 32% is fixed rate.

Gross Annualized Yield on Debt Instruments



Fund III has made quarterly distributions since Q1-2023. Distributions will continue quarterly as the portfolio generates interest income. Q4's 7.3% distribution of called capital brings net DPI to 0.38x.

Quarterly Distribution Detail

Past performance is not an indication of future returns. Portfolio exposure is based on committed capital as of 9/30/2025. Annualized quarterly asset yield calculated as cash income and non-recurring payments earned during the quarter, divided by the average debt outstanding during the period, multiplied by 365/6 over the number of days in the quarter to annualize. Lifetime annualized yield is based on inception to date gross yield of credit instruments. For illustrative purposes only. There is no assurance that any trends depicted or described will continue. Please see the Important Notices and Disclosures at the end of this presentation.

New Investments & Updates

NEON

Neon is a consumer app paying users to record phone calls, with anonymized conversational data sold to AI labs to train voice LLMs. Neon first launched in September '25, and within a week had 300,000+ users. In November 2025, we provided Neon a $20M delayed draw term loan to fund their invoices which will be paid by their customers (OpenAI, Anthropic, etc) on a 30-60 day net basis, while Neon pays its users out immediately.

NOOKS

We upsized our investment in Nooks based on substantial progress the company has made. The company leases commercial RE space and converts it into SCIFs (secured, classified office space), reducing barriers for government agencies and defense companies to access compliant workspaces. In 2025, the company secured the only US Gov't shared SCIF services contract ($470M), with significant revenue expected this year. The company has 3 operational sites now and plans to scale to 20–30 sites quickly using a mix of debt and potential Propco/Opco structures to optimize capital efficiency.

OCTANE

We participated in Octane Lending's Series F financing, raising $100M at a $1.3B post-money valuation. Octane is now the #1 lender to the powersports vertical in the US, and there's a long runway to grow into adjacent consumer segments. Not many Fintech firms are growing 30%+ per year while continuing to expand profitability and we believe Octane belongs in the same comp set as Sofi and Affirm, which command premium multiples versus the broader Fintech group.

160 DRIVING ACADEMY
TRUCK DRIVER TRAINING

160 Driving Academy is the largest commercial drivers license (CDL) training school in the U.S. The company offers education, training and certifications for individual customers (B2C) and businesses such as Amazon, FedEx and Ryder (B2B). Fund III invested $16.5M in Q2-2024 earning a 14% unlevered credit yield, with warrants for 1.5% fully diluted share ownership.

A combination of 1) macro headwinds from tariff uncertainty which caused B2B customers to reduce training volumes and 2) execution errors on branch expansions have negatively impacted profitability. Upper90 worked closely with the company to conduct a deep review of its footprint to focus only on long-term viable locations and shed those that rely on lumpy B2B contracts. Green shoots emerged in late 2025 as B2C enrollments have paced above plan and several B2B customers have inquired about increasing enrollments in 2026. The company is fully compliant with both State & Federal standards for qualified, naturalized U.S. employees (confirmed in a recent FMSCA audit), and the company could see increased enrollments as new drivers are needed to replace unqualified ones.

Communication Schedule

2026 Fund III Communication Schedule

Q1-2026	➢	*Quarterly Update*
Early April 2026	➢ ➢ ➢	*2025 Audited Financial Statements* *Q4-2025 NAV Statements* *Tax-year 2025 Final K-1s*

2026 Fund III Cash Flow Guidance
(Subject to Change)

Quarter-End	➢	*Distributions of income and principal*
Q1-2026	➢	*15% Capital Call*

SPV Communication Schedule

➢	*Next Annual SPV Updates will be distributed in Summer 2026*

A PDF copy of this update and all administrative documents can be downloaded on the [Investment Cafe Website]

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Fund DPI calculated as cumulative distributions divided by paid in capital as of 12/31/2025. Gross annualized quarterly asset yield is calculated as of 12/31/2025 as cash income and non-recurring payments earned during the quarter, divided by the average debt outstanding during the period, multiplied by 365/6 over the number of days in the quarter to annualize. Net IRR is calculated using the Microsoft Excel XIRR function on cash flows from contributions, distributions and NAV for full fee-paying investors as of 12/31/2025. Net TVPI is calculated as Net NAV plus ITD distributions divided by total called capital. Net DPI is calculated as ITD distributions divided by paid in capital as of 12/31/2025. Min MOIC targets reflect gross deal-level make whole targets based on assumed cash flows to maturity. Asset level net IRR is calculated using the Microsoft XIRR function on deal level projected cash flows from contributions and distributions less carry and management fees on invested capital in the deal.

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