

**Form 62-103F1**  
**Required Disclosure under the Early Warning Requirements**

**State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.**

Not applicable.

**Item 1 – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to Class B Subordinated Voting Shares (the “**Subordinated Voting Shares**”) of INSCAPE Corporation (“**Inscape**”).

Inscape’s head office is located at 67 Toll Road Holland Landing, Ontario L9N 1H2.

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Toronto Stock Exchange

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the Acquiror.**

Pender Growth Fund Inc. (“**PGF**”)  
Suite 1830, 1066 W. Hastings Street  
Vancouver, British Columbia V6E 3X2

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On November 18, 2020, PGF completed the second and final tranche (the “**Reportable Event**”) of the share purchase transaction with Bhayana Management Ltd. and The Madan and Raksha M. Bhayana Family Foundation (collectively, the “**Vendors**”) pursuant to the terms of the Share Purchase Agreement entered into between PGF and the Vendors on October 30, 2020, as amended (the “**Purchase Agreement**”).

PGF purchased from the Vendors a total of 3,345,881 Class B Subordinated Voting Shares (the “**Subordinated Voting Shares**”) in the share capital of Inscape at the price of \$0.65 per Subordinated Voting Share, for an aggregate purchase price of \$2,174,822.65, all upon the terms and conditions of the Purchase Agreement (the “**Transaction**”).

**2.3 State the names of any joint actors.**

PenderFund Capital Management Ltd. (“**PenderFund**”) is a joint actor of PGF in connection with the Transaction as a result of PenderFund being the manager of PGF.

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the Acquiror’s security holding percentage in the class of securities.**

Prior to the Reportable Event, PGF and other funds managed by PenderFund held in aggregate 4,581,440 Subordinated Voting Shares, or approximately 31.86% of the total issued and outstanding Subordinated Voting Shares of Inscope (calculated on a non-diluted basis). Of this amount, PGF holds 3,541,100 Subordinated Voting Shares, or approximately 24.63% of the total issued and outstanding Subordinated Voting Shares of Inscope (calculated on a non-diluted basis).

As a result of the Reportable Event, PGF and other funds managed by PenderFund hold in aggregate 7,927,321 Subordinated Voting Shares, or approximately 55.12% of the total issued and outstanding Subordinated Voting Shares of Inscope (calculated on a non-diluted basis). Of this amount, PGF holds 6,886,981 Subordinated Voting Shares, or approximately 47.89% of the total issued and outstanding Subordinated Voting Shares of Inscope (calculated on a non-diluted basis).

**3.2 State whether the Acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.**

On November 18, 2020, PGF purchased from the Vendors a total of 3,345,881 Subordinated Voting Shares of Inscope at the price of \$0.65 per Subordinated Voting Share pursuant to the Transaction. See Item 2.2 and Item 3.1

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

See Item 2.2. and Item 3.1.

**3.5 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the Acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 2.2. and Item 3.1.

**(b) the Acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the Acquiror or any joint actor, and**

Not applicable.

**(c) the Acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the Acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the Acquiror's securityholdings.**

Not applicable.

**3.7 If the Acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of**

the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the Acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the Acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

#### Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

See Item 2.2.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the Acquiror.

See Item 2.2.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

#### Item 5 – Purpose of the Transaction

State the purpose or purposes of the Acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the Acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;

- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

PGF and other funds managed by PenderFund is acquiring such Subordinated Voting Shares from the Vendors pursuant to the Transaction for investment purposes. Other than the transactions contemplated by the Purchase Agreement, PGF currently has no other plans or intentions that relate to or would result in any of the actions listed in paragraphs (a) through (k) of Item 5 of the early warning report. Depending on market conditions and other factors, including Inscap's business and financial condition, PGF and other funds managed by PenderFund may acquire additional Subordinated Voting Shares of Inscap or dispose of some or all of the Subordinated Voting Shares of Inscap that they own at such time.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the Acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

#### **Item 7 – Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the Acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

#### **Item 8 – Exemption**

**If the Acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

The purchase of the 3,345,881 Subordinated Voting Shares of Inscap from the Vendors pursuant to the Transaction is being made by PGF pursuant to the "private agreement exemption" set forth in Item 4.2 of National Instrument 62-104 - *Take-Over Bids and Issuer Bids* ("NI 62-104") as such purchase is being made from not more than five persons in aggregate, and the value of the consideration to be paid for each Subordinated Voting Share, including any brokerage fees or commissions, is not greater than 115% of the "market price" of the Subordinated Voting Shares

(as determined in accordance with Section 1.11 of NI 62-104) as at the date of the Purchase Agreement.

**[*Signature page follows.*]**

**Item 9 – Certification**

**I, as the Acquiror, certify, or I, as the agent filing this report on behalf of an Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.**

**Date: November 20, 2020**

**PENDER GROWTH FUND INC.**

Per: (signed) *"Gina Jones"*

Name: Gina Jones

Title: Chief Financial Officer