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## **NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**October 30, 2020**

### **Pender Growth Fund Acquires Shares in INSCAPE Corporation**

**VANCOUVER, B.C.** Pender Growth Fund Inc. (TSXV: PTF) (“**PGF**” or the “**Company**”) announces today that PGF has entered into a Share Purchase Agreement (the “**Purchase Agreement**”) with Bhayana Management Ltd. and The Madan and Raksha M. Bhayana Family Foundation (collectively, the “**Vendors**”) pursuant to which PGF will purchase from the Vendors a total of 6,886,981 Class B Subordinated Voting Shares (the “**Subordinated Voting Shares**”) in the share capital of INSCAPE Corporation (TSX: INQ) (“**Inscape**”) at the price of \$0.65 per Subordinated Voting Share, representing an aggregate purchase price of \$4,476,538, all upon the terms and conditions of the Purchase Agreement (the “**Transaction**”).

Concurrent with the execution of the Purchase Agreement, PGF today purchased 3,541,100 Subordinated Voting Shares (the “**First Purchased Shares**”) for an aggregate purchase price of \$2,301,715 from the Vendors, representing a portion of the total Subordinated Voting Shares to be purchased and of the total consideration to be paid by PGF pursuant to the Transaction. PGF expects to complete the purchase of the remaining 3,345,881 Subordinated Voting Shares in a subsequent closing on or about November 3, 2020.

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.

Prior to entering into the Purchase Agreement, PGF held no Subordinated Voting Shares of Inscape. However, certain other funds managed by PenderFund held in aggregate 1,040,340 Subordinated Voting Shares, representing approximately 9.43% of Inscape’s then-issued and outstanding Subordinated Voting Shares (calculated on a non-diluted basis).

Following the purchase of the First Purchased Shares, and including the Subordinated Voting Shares already owned, as of today, PGF and other funds managed by PenderFund hold in aggregate 4,581,440 Subordinated Voting Shares, or approximately 31.86% of the total issued and outstanding Subordinated Voting Shares of Inscape (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 Inscape (calculated on a non-diluted basis).

Upon completion of the Transaction, on a pro-forma basis, it is expected that PGF and other funds managed by PenderFund will hold in aggregate 7,927,321 Subordinated Voting Shares, or approximately 55.12% of the total issued and outstanding Subordinated Voting Shares of Inscape (calculated on a non-diluted basis). Of this amount, it is expected that PGF will hold 6,886,981 Subordinated Voting Shares, or approximately 47.89% of the total issued and outstanding Subordinated Voting Shares of Inscape (calculated on a non-diluted basis).

The purchase of the 6,886,981 Subordinated Voting Shares of Inscape 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 hereof.

PGF and other funds managed by PenderFund are 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. An early warning report will be filed by PGF in accordance with applicable securities laws.

PGF’s head office is located at Suite 1830, 1066 W. Hastings Street, Vancouver, British Columbia, V6E 3X2. Inscap’s head office is located at 67 Toll Road Holland Landing, Ontario L9N 1H2.

#### **About Pender Growth Fund Inc.**

Pender Growth Fund Inc. is an investment company with the objective of achieving long-term capital appreciation for its investors. The company utilizes its small capital base and long-term horizon to invest in unique situations; primarily small cap, special situations, and illiquid public and private companies. The company trades on the TSX Venture Exchange under the symbol “PTF”.

Please visit [www.pendergrowthfund.com](http://www.pendergrowthfund.com).

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

#### **Forward-Looking Information**

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to the purchase of Subordinated Voting Shares by PGF from the Vendors pursuant to the Transaction and PGF’s proposed investment in Inscap and the environment in which PGF operates. Forward-looking statements are identified by words such as “believe”, “anticipate”, “project”, “expect”, “intend”, “plan”, “will”, “may”, “estimate” and other similar expressions. These statements are based on the Company’s expectations, estimates, forecasts and projections and include, without limitation, statements regarding the Company’s decreased portfolio risk and future investment opportunities. The forward-looking statements in this news release are based on certain assumptions; they are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading “Risk Factors” in the Company’s annual information form available at [www.sedar.com](http://www.sedar.com). There can be no assurance that forward-looking

statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this news release and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.