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NEWS RELEASE

FOR IMMEDIATE RELEASE

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Pender Growth Fund Provides Financial Highlights and Company Updates

VANCOUVER, B.C. (TSXV: PTF) Pender Growth Fund Inc. (the “Company” or “Pender”) today announced its financial and operational results for the three months and nine months ended September 30, 2021.

Financial Highlights (Unaudited)

- Net income was \$75,339,050 for the three months ended September 30, 2021 (September 30, 2020 – \$2,730,979) primarily the result of positive investment performance in the quarter.
- Net income per Share for the three months ended September 30, 2021 was \$9.89 (September 30, 2020 – \$0.35).
- Shareholders’ equity per Class C common share (“Share”) was \$17.31 as at September 30, 2021 (December 31, 2020 - \$6.11).
- The Company’s total shareholders’ equity was \$131.9 million as at September 30, 2021, an increase from December 31, 2020 (\$47.3 million) that was primarily the result of positive investment performance during the period.
- Shares outstanding were 7,616,529, a decrease from December 31, 2020 (7,740,129) that was the result of share repurchases under the Company’s Normal Course Issuer Bid (“NCIB”) which was renewed on February 11, 2021.
- At September 30, 2021, 85.8% of the investment portfolio is in private companies and 14.2% is in publicly-listed companies.

PERFORMANCE (based on Shareholders’ Equity)	3 Month	1 Year	3 Year	5 Year	Since Inception
Class C	47.2%	81.5%	29.2%	15.6%	21.3%

- Management Expense Ratio (“MER”) was 4.30% for the quarter ended September 30, 2021, up from 2.96% over the same period in the prior period, primarily due to the increase in management fees as a result of the increase in total Net Assets, plus, additional financing expenses.

Portfolio Highlights

We believe that the Company is particularly well-positioned today to pursue its investment objectives in the context of current market volatility and valuations in micro and small cap stocks in North America.

During the period we continued to be active in public markets where we saw what we believed to be strong opportunities both in longer-term compounders and potentially shorter-term close the discount situations. With the continued strength in small cap markets, we have been decreasing some positions and continue to work on new opportunities to deploy capital at attractive rates of return.

As always, this quarter we worked closely with our private portfolio companies and certain of our public portfolio companies. We are pleased to see private technology companies from within our portfolio flourish and build value, including having the opportunity to go public.

In particular, Copperleaf Technologies Inc., a portfolio company we own both directly and indirectly through our investment in Pender Private Investments Inc., listed on the TSX at \$15.00 per share under the symbol “CPLF” in early October.

At September 30, 2021, the Company held approximately 97% or 16.7 million Legacy Shares of Pender Private Investments Inc. (“PPI”), formerly the Working Opportunity Fund (EVCC) Ltd. (“WOF”). These shares were acquired from shareholders of WOF (“Exiting Shareholders”) under the previously announced transaction (the “WOF” Transaction”). The scheduled second payment for the remaining 50% of the proceeds from the sale of their shares has been issued to former WOF shareholders.

Under the Legacy Shares rights, PPI is required to redeem them, on a pro rata basis at NAV, upon PPI’s receipt of cash proceeds for the sale of any of its portfolio investments. PPI recently received cash proceeds for its divestment of Redlen Technologies Inc. and Teradici Corporation, and redeemed approximately 58.49% of Legacy Shares on a pro rata basis. In October, the Company received a total of \$63,197,947 on redemption of 9.8 million of the Legacy Shares it held. This redemption triggered a requirement for the Company to pay an additional cash payment of \$21,136,513, or \$1.2661 per share, to the Exiting Shareholders and the Company made the payment effective October 13, 2021.

Other Highlights

On February 11, 2021, the Company launched a new NCIB, under which the Company may purchase a maximum of 700,866 shares, or 10% of the Company’s public float on launch date, in the year ending February 11, 2022. During the period we continued to acquire shares of the Company in the market under our NCIB because we believe the shares are trading at a discount to their intrinsic value.

We encourage you to refer to the Company’s MD&A and quarterly unaudited financial statements for the September 30, 2021 and the annual audited financial statements for the year-ended December 31, 2020 as well as other disclosures available under the Company’s profile at www.sedar.com for additional information.

Recent Developments

Redlen Technologies Inc, (“Redlen”)

On September 9, 2021, Redlen, one of PPI’s key long-term private investees, reached an agreement with Canon Inc. (“Canon”) to conclude a share transfer agreement, with the goal of enabling Canon to accelerate the development of Photon Counting CT systems and continue to contribute to the advancement of diagnostic imaging. The acquisition was completed on September 28, 2021, resulting in PPI’s divestment of Redlen, as Redlen became a wholly owned subsidiary of Canon.

Teradici Corporation (“Teradici”)

During the quarter, Teradici, one of PPI’s key long-term private investees, entered into a definitive agreement to be acquired by HP Inc. (“HP”) with the goal of enhancing HP’s capabilities in the Personal Systems category by delivering new computer models and software-enabled digital services tailored for hybrid work. The acquisition was completed on October 1, 2021, resulting in PPI’s divestment of this holding.

Copperleaf Technologies Inc. (“Copperleaf”)

As at September 30, 2021, the Company held 12.9% of Copperleaf’s issued and outstanding shares, both directly and through its investment in PPI. On October 7, 2021, Copperleaf’s common shares began trading on the TSX under the symbol “CPLF”. The company raised \$161.1 million at \$15.00 per common share.

About the Company

The Company’s objective is to achieve 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”. The Company posts its Reporting Nav on its website, generally within five business days of each month end.

Please visit 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 business of the Company and the environment in which it 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 benefits of the WOF Transaction, the Company's belief that its shares trade at a discount to their intrinsic value, investment and liquidation opportunities in the public markets, 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 risk that valuations of micro and small cap public companies will change, the general volatility of public markets as well as factors discussed under the heading “Risk Factors” in the Company's annual information form and MD&A available at 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.