

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.

Not applicable.

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 October 28, 2022 PGF and PenderFund Capital Management Ltd. (“**PenderFund**”), on behalf of certain funds managed by it, entered into lock-up agreements (the “**Lock-Up Agreements**”) pursuant to which they agreed to deposit all of their Class B Subordinated Voting Shares (the “**Subordinated Voting Shares**”) to the offer (the “**Offer**”) made by HUK 121 Limited (the “**Offeror**”) to acquire all of the Subordinated Voting Shares of Inscape for a purchase price of \$0.007 per Subordinated Voting Share.

PGF holds 6,886,981 Subordinated Voting Shares and PenderFund, its joint actor, holds 1,040,430 Subordinated Voting Shares on behalf of certain funds managed by it. Accordingly, together they hold an aggregate 7,927,321 Subordinated Voting Shares or approximately 55.12% of the total issued and outstanding Subordinated Voting Shares.

In the event the Offer is completed, PGF and PenderFund will cease to own any Subordinated Voting Shares of Inscape.

2.3 State the names of any joint actors.

PenderFund is a joint actor 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.**

See response to Item 2.2.

- 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.**

As the result of the Lock-Up Agreement, PGF and PenderFund have ceased to have control over the Subordinated Voting Shares.

- 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.

- 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.

- (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**

See Item 3.2.

- (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.**

See Item 2.2.

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.**

See Item 2.2.

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 entered into the Lock-Up Agreement for investment purposes. In the event the Offer is completed, PGF and PenderFund will cease to hold any Subordinated Voting Shares.

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.

Pursuant to the Lock-Up Agreements, PGF and PenderFund have agreed to deposit their Subordinated Voting Shares within 20 days of commencement of the Offer and, unless the Lock-Up Agreements are terminated in accordance with its terms, not to withdraw their Subordinated Voting Shares from the Offer.

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.

This report is being filed on the basis that the existence of the Lock-Up Agreements constitutes a change in a material fact set out in a previous report.

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.

Not applicable.

[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 1, 2022

PENDER GROWTH FUND INC.

Per: (signed) "Gina Jones"
Name: Gina Jones
Title: Chief Financial Officer