

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**November 23, 2023**

**Pender Growth Fund Provides Financial Highlights and Company Updates**

**VANCOUVER, B.C. (TSXV: PTF)** Pender Growth Fund Inc. (the “Company”) today announced its financial and operational results for the three months and nine months ended September 30, 2023.

**Financial Highlights (Unaudited)**

- Net loss was \$97,003 for the three months ended September 30, 2023 (September 30, 2022 – Net loss \$8,520,121) primarily the result of negative investment performance in the quarter
- Net loss per Class C common share (“Share”) for the three months ended September 30, 2023 was \$0.01 (September 30, 2022 – Net loss per share \$1.12).
- The Company’s total shareholders’ equity decreased by \$253,874 for the three months ended September 30, 2023, primarily due to share repurchases of \$156,871 under the Company’s Normal Course Issuer Bid (“NCIB”) and a net loss of \$97,003, primarily the result of negative investment performance during the quarter.
- Shareholders’ equity per Share was \$8.85 as at September 30, 2023 (December 31, 2022 – \$9.28).
- The Company’s total shareholders’ equity was \$66.6 million as at September 30, 2023, a decrease from December 31, 2022 (\$70.2 million) resulting primarily from negative investment performance for the nine months ended September 30, 2023.
- Shares outstanding were 7,524,629 as at September 30, 2023, a decrease from December 31, 2022 (7,569,929) as a result of share repurchases under the NCIB, which was renewed on February 14, 2023.
- At September 30, 2023, 85.9% of the investment portfolio was made up of private companies and 14.1% of public companies. However, taken together with the Company’s indirect exposure to public companies through its investment in Pender Private Investments Inc. (“PPI”) and Pender Technology Inflection Fund II Limited Partnership (“PTIF II”), public companies make up 68.8% of the Company’s holdings.
- Management Expense Ratio (“MER”) before performance fees was 2.45% for the quarter ended September 30, 2023, up 0.10% compared to 2.35% in the third quarter of 2022.

<b>PERFORMANCE</b> <b>(Based on Shareholders’ Equity)</b>	<b>3 Month</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>Since Inception</b>
Class C	0.1%	-15.4%	20.7%	15.9%	17.5%

The Company’s portfolio is materially concentrated in the shares of one publicly listed Portfolio Company, Copperleaf Technologies Inc. (“Copperleaf”). At September 30, 2023, considering both its direct investment and its indirect investment through its holding of shares of PPI, the Company held 6,889,883 shares of Copperleaf with a value of \$38.9 million, which was 58.5% of the Company’s total shareholders’ equity of \$66.6 million (December 31, 2022 – 6,762,065 Shares with a value of \$38.8 million which was 55.3% of the Company’s total shareholders’ equity of \$70.2 million). As at September 30, 2023, Copperleaf’s trading price was at \$5.65 per share, down \$0.09 per share from its December 31, 2022 closing price of \$5.74 per share. There can be no assurance that the Company will be able to realize the value of this investment.

## Portfolio Highlights

During the third quarter, overall market sentiment was more challenging, with equities and risk assets broadly lower over the period. With the peak in inflation nearing or behind us and central banks slowing and, in some cases, pausing, their interest rate raising campaigns, the focus has turned to apprehension about future economic growth and the lag effect of tighter financial monetary conditions brought about by higher interest rates. We think this will remain in focus with concern from investors that tighter financial conditions will impact spending habits and that a recession is on the horizon.

We believe that the Company continues to be well-positioned today to pursue its investment objectives despite current market volatility and valuations in micro and small cap stocks in North America.

Investment results may be affected by future developments and new information that may emerge about inflation and the impact of central bank measures and geopolitical and other global events, factors that are beyond the Company's control.

While macro events have driven investor sentiment, we have remained focused on our bottom-up fundamental research to identify companies that can thrive in a wide range of economic scenarios. We believe that this environment provides compelling opportunities for long term focused investors and that the Company is well-positioned to continue to pursue its investment objectives.

As always, this quarter we worked closely with our private portfolio companies and certain of our public portfolio companies.

### *Significant Equity Investments & Recent Developments*

#### Pender Private Investments Inc.

At September 30, 2023, the Company held 100% of the Legacy Shares of PPI, formerly the Working Opportunity Fund (EVCC) Ltd. ("WOF"). These shares were acquired in May 2021 from shareholders of WOF ("Exiting Shareholders") under the previously announced transaction (the "WOF Transaction") and in transactions subsequent to May 2021.

During the period, after receiving approval from the PPI shareholders, a satisfactory Fairness Opinion and court approval, the Company acquired the remaining 2% of PPI's Legacy Shares at a purchase price \$6.94 per Share for a total cash purchase price of \$855,490, effective August 17, 2023.

#### Copperleaf Technologies Inc.

At September 30, 2023, the Company held 9.4% of Copperleaf's issued and outstanding shares, both directly and through its investment in PPI. The value of the Company's direct and indirect holdings of Copperleaf was \$38.9 million at September 30, 2023, which was 58.5% of the Company's total shareholders' equity.

### *Other Highlights*

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. On February 14, 2023, the Company launched a new NCIB, under which the Company may purchase a maximum of 663,045 shares, or 10% of the Company's public float on launch date, during the one-year period ending February 13, 2024.

We encourage you to refer to the Company's MD&A and quarterly unaudited financial statements for September 30, 2023, the annual audited financial statements for the year-ended December 31, 2022, and other disclosures available under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca) for additional information.

## **About the Company**

Pender Growth Fund Inc is an investment firm. Its investment objective is to achieve long-term capital growth. 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 firm invests in public and private companies based primarily in Canada and the U.S., principally in the technology sector. It trades on the TSX Venture Exchange under the symbol "PTF" and posts its NAV on its website, generally within five business days of each month end.

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

For further information, please contact:

### **Tony Rautava**

Corporate Secretary

Pender Growth Fund Inc.

(604) 653-9625

Toll Free: (866) 377-4743

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## **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 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.sedarplus.ca](http://www.sedarplus.ca). 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.