



**Pender Growth Fund Inc.**

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## **NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**May 31, 2021**

### **Pender Growth Fund Inc. Announces Completion of Acquisition of Working Opportunity Fund (EVCC Ltd.)**

**VANCOUVER, B.C. (TSXV: PTF)** Pender Growth Fund Inc. (the "Company" or "Pender") is pleased to announce that it has completed its acquisition of the majority of the outstanding shares of Working Opportunity Fund (EVCC) Ltd., which has now been renamed "Pender Private Investments Inc." ("PPI" or the "Fund") under a plan of arrangement (the "Arrangement"), pursuant to the definitive agreement announced on April 7, 2021.

Under the Arrangement, Pender has acquired 100% of the issued and outstanding Commercialization Series shares and 97% of the issued and outstanding Venture Series shares, for a total purchase price of approximately \$26MM, payable in cash. Pender was required to pay 100% of the purchase price due to the Commercialization Series shareholders on closing. 50% of the purchase price due to the Venture Series shareholders was payable on the closing date (the "First Payment") and 50% will be payable six months thereafter (the "Second Payment"). In connection with the Arrangement, Pender has obtained a three year term loan in the maximum amount of \$10MM from a Canadian chartered bank (the "Term Loan"). Partial proceeds of the Term Loan, together Pender's working capital, has been used to finance the payment due to the WOF Commercialization Series shareholders on closing and the First Payment due to the WOF Venture Series shareholders. Pender intends to finance the Second Payment using the remainder of Term Loan and ongoing portfolio dispositions.

On the Effective Date of the Arrangement, 50% of NAV per share of WOF Commercialization Series was \$0.2395 per share and 75% of the subscription receipt financing price for the BuildDirect Transaction represented \$0.5068 per share. As such, the purchase price for each Commercialization Series share was \$0.5068 per share. For Venture Series shares (series 1) 43.5% of NAV per share on April 5, 2021 was \$1.8306 and the adjusted price was \$1.7977 per share. For Venture Series shares (series 2) 43.5% of NAV per share on April 5, 2021 was \$1.5525 and the adjusted resulting purchase price was \$1.5157 per share.

Venture series shareholders holding approximately 3% of the issued and outstanding shares elected to continue to hold their shares and to continue to participate in the future performance of the underlying Venture Series portfolio.

#### *About PPI's Portfolio*

The Fund comprises a portfolio of private, BC based technology companies. Key holdings include:

*Redlen Technologies Inc.:* Redlen is a manufacturer of high-resolution Cadmium Zinc Telluride (CZT) semiconductor radiation detectors which are enabling a new generation of high-performance detection and imaging equipment for applications that include nuclear cardiology, CT Scanning, baggage scanning and dirty bomb detection.

*Copperleaf Technologies Inc.:* Copperleaf provides decision analytics to companies managing critical infrastructure. Its enterprise software solutions leverage operational and financial data to help clients make investment decisions that deliver the highest business value.

*Teradici Corporation:* Teradici is the creator of PC over IP (PCoIP) technology which securely delivers applications or entire workspaces from private data centres, public clouds or multcloud environments to any device.

*General Fusion Inc.:* General Fusion is an R&D stage company with the goal to develop the fastest, most practical and cost-effective path to commercial fusion power, enabling fusion to deliver clean, safe and on-demand power at industrial scale, providing a powerful complement to renewables and a pathway to a zero-emission grid.

David Barr, CEO of Pender, commented, "We believe that this transaction is highly accretive to Pender because the fair value of the acquired Fund portfolio is approximately \$59MM and the purchase price is approximately \$26MM. The difference between the fair value and the purchase price, \$33MM, represents approximately \$3.60 per share net of expenses and fees and will be recorded as a deferred gain under IFRS."

In conjunction with closing the Fund has deregistered as an "employee venture capital corporation" under the *Employee Investment Act* (British Columbia) and will commence reporting under the Canadian regulatory regime for reporting issuers that are not investment funds including but not limited to compliance with National Instrument 51-102 — *Continuous Disclosure Obligations*.

The required early warning report for the acquisition pursuant to the Arrangement of 1,002,555.206 Commercialization Series shares (100%), and 16,661,387.943 Venture Series shares (97%) is being filed on System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) as of the date hereof.

### **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".

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 contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian and U.S. securities laws (together, "forward-looking statements"). Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans", "potential" or similar terminology. Forward-looking statements in this news release include, but are not limited to, statements and information related to completion of the Arrangement and the anticipated benefits of the Arrangement to the Company. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, the assumptions that the parties will be able to satisfy the conditions to closing and complete the Arrangement and that the Company will be able to accomplish its plans and objectives with respect to the WOF portfolio. Forward-looking statements and information are not historical facts and are made as of the date of this news release. These

forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, risks related to the ability of the parties to satisfy the conditions of the Arrangement and close the Arrangement and the ability of the Company to accomplish its plans and objectives with respect to the Arrangement and the WOF portfolio, including any changes in general economic conditions or conditions in the financial markets. The actual results or performance by the Company could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the Arrangement or financial condition of the Company. Except as required by law, the Company is under no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.