

NEWS RELEASE

FOR IMMEDIATE RELEASE

November 21, 2024

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, 2024.

Financial Highlights (Unaudited)

- Net income was \$5,815,990 for the three months ended September 30, 2024 (September 30, 2023 – Net loss \$97,003) due to positive investment performance in the quarter.
- Net income per Class C common share (“Share”) was \$0.80 for the three months ended September 30, 2024 (September 30, 2023 – Net loss per Share \$0.01).
- The Company’s total shareholders’ equity increased by \$39,630,185, from \$69,886,178 at December 31, 2023 to \$109,516,363 as at September 30, 2024, due to net income from positive investment performance of \$40,612,249 during the 9 months, offset by shares repurchase of \$982,064 under the Company’s Normal Course Issuer Bid (“NCIB”).
- Shareholders’ equity was \$15.10 per Share as at September 30, 2024 (December 31, 2023 – \$9.48).
- 7,250,429 shares were outstanding as at September 30, 2024 (December 31, 2023 – 7,368,229), a decrease of 117,800 shares as a result of shares repurchase under the NCIB, which was renewed on February 15, 2024.
- At September 30, 2024, 75.1% of the investment portfolio was made up of public companies and 24.9% of private companies and Net Assets were 38% publicly listed companies, 12.5% private unlisted companies, and 49.5% cash and other assets net of liabilities.
- Management Expense Ratio (“MER”) before performance fees was 2.39% for the quarter ended September 30, 2024, down 0.06% compared to 2.45% in the third quarter of 2023.

PERFORMANCE (Based on Shareholders’ Equity)	3 Month	1 Year	3 Year	5 Year	Since Inception
Class C	5.7%	70.7%	18.2%	30.9%	20.7%

Portfolio Highlights

The completion of the sale of Copperleaf in the third quarter of 2024 and the resulting injection of \$70 million cash, substantially changed the Company’s portfolio. At June 30, 2024, the Company’s Net Assets were 95.7% publicly listed companies, 13.3% private unlisted companies and (-9.0%) cash and other assets net of liabilities. At September 30, 2024, Pender’s Net Assets were 38% publicly listed companies, 12.5% private unlisted companies, and 49.5% cash and other assets net of liabilities.

Since the Copperleaf closing, Pender has been deploying cash into opportunities that it believes show promise and by September 30, 2024, the portfolio included \$58 million of cash. By October 31, 2024, the cash balance was \$35 million and by November 15, 2024, a further \$8 million had been deployed into investments, and the Company’s Net Assets were 49% publicly listed companies, 28% private unlisted companies and 23% cash and other assets net of liabilities.

In October, subsequent to the quarter end, the Company closed the purchase of four private technology companies from Pluribus Technologies. The acquisition was made by Pender Software Holdings (or “PSH”) a new entity owned 86% by Pender, with the balance owned by Acorn Partners Inc. (“Acorn”) and its principals. Acorn (www.acorncappartners.com) is a Vancouver based company that invests in tech companies and provides advisory services to clients. The four software companies acquired are each cash flow positive and stable. PSH is leaving existing management in place to facilitate a focus on operational excellence with strategic support and access to capital managed by Pender and Acorn. Ampere Chan, the founder and CEO of Acorn is the CEO of PSH. Pender intends to use PSH as a vehicle for investing in additional software companies. We believe this new enterprise has great potential.

We believe that the Company continues to be well-positioned today to pursue its investment objectives and we continue to find attractive investments opportunities as valuations in micro and small cap stocks in North America remain attractive despite the recent rally this year.

Investment results may be affected by future developments and new information that may emerge about broad economic conditions, inflation, central bank measures, geopolitical risks, market risk, unexpected judicial or regulatory proceedings, 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.

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 15, 2024, the Company launched a new NCIB, under which the Company may purchase a maximum of 630,188 shares, or 10% of the Company’s public float on launch date, during the one-year period ending February 14, 2025.

We encourage you to refer to the Company’s MD&A and quarterly unaudited financial statements for September 30, 2024, the annual audited financial statements for the year-ended December 31, 2023, and other disclosures available under the Company’s profile at 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 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.

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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. 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.