

Canada Growth Fund Inc.

Q3 2025 Interim Report

as at September 30, 2025 (Q3FY25)

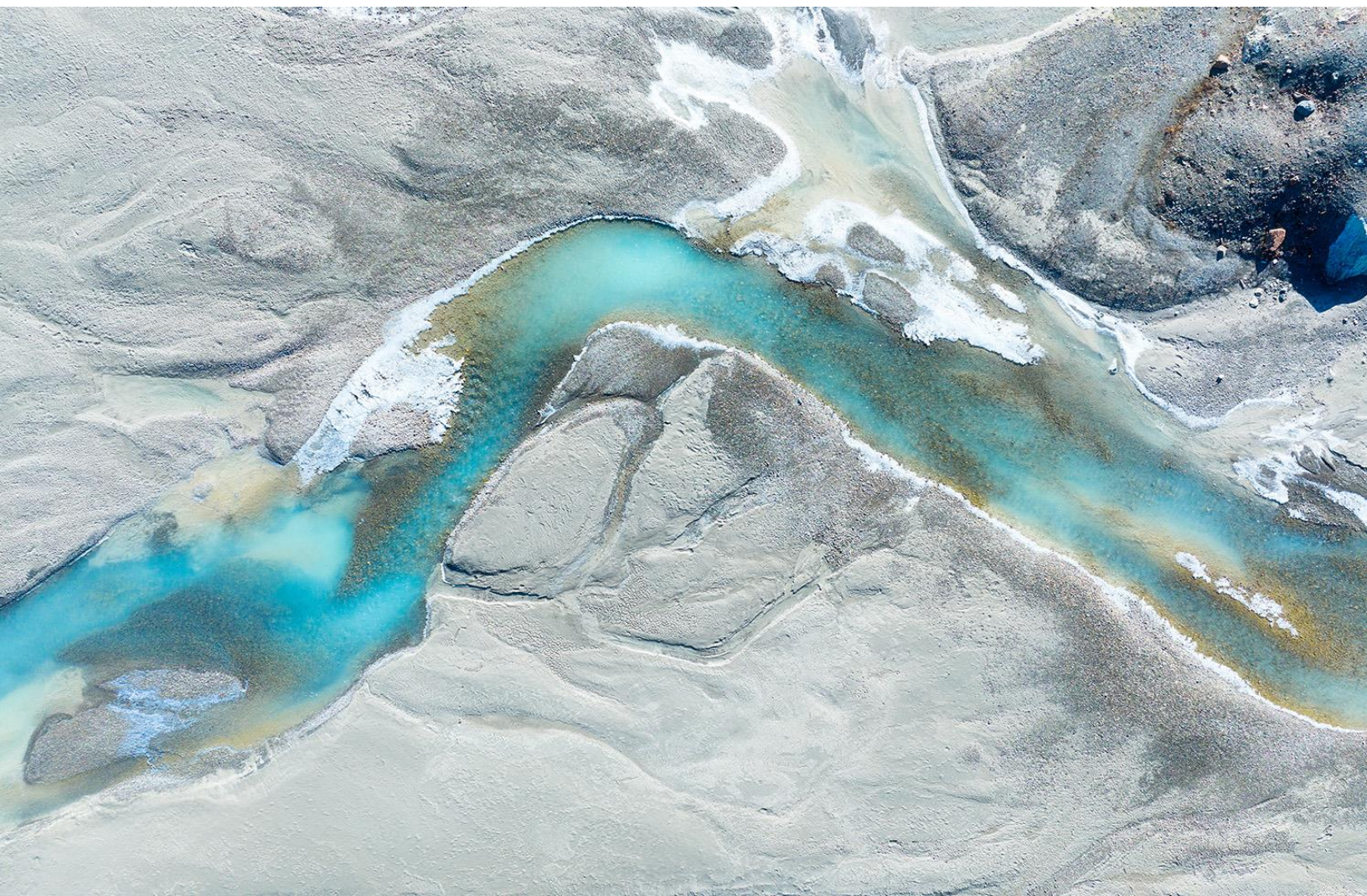




Table of contents

<u>Management's Responsibility for Financial Reporting</u>	3
<u>Discussion of Fund Performance and Results</u>	4
Forward-looking Statements	4
<u>About the Canada Growth Fund</u>	5
Overview	5
<u>Mandate and Strategic Objectives</u>	6
<u>Fund Activity and Results</u>	7
Funding Received	8
Investment Income	8
Expenses	8
<i>Operating Expenses:</i>	8
<i>Investment-related Expenses:</i>	8
<u>Risk Management</u>	9
<u>Capital Management</u>	9
Common Shares	9
Preference Shares	9
<u>Guarantees, Indemnities and Commitments</u>	10
<u>Significant Accounting Judgments, Estimates and Assumptions</u>	10
<u>Interim Condensed Financial Statements</u>	11



Management's Responsibility for Financial Reporting

The Unaudited Interim Condensed Financial Statements of Canada Growth Fund Inc. ("CGF") for the three-month and nine-month periods ended September 30, 2025 (the "Interim Condensed Financial Statements") have been prepared by Canada Growth Fund Investment Management Inc. ("CGFIM"), acting in its capacity as investment manager of CGF pursuant to and in accordance with the provisions of the Investment Management Agreement dated as of March 11, 2024 among CGF, CGFIM, Canada Development Investment Corporation and Public Sector Pension Investment Board (CGFIM together with officers of CGF referred to as "Management" herein), and approved by the Board of Directors of CGF. These Interim Condensed Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB) and should be read in conjunction with the audited December 31, 2024, annual financial statements and the accompanying notes. Management is responsible for the contents of these Interim Condensed Financial Statements and the financial information contained in the discussion of fund performance. The Interim Condensed Financial Statements include certain amounts based on Management's judgments and best estimates where deemed appropriate. The material accounting policy information used is disclosed in Note 2 of the Interim Condensed Financial Statements. The financial information presented throughout the discussion of fund performance is consistent with the Interim Condensed Financial Statements.

Based on our knowledge, these Interim Condensed Financial Statements present fairly, in all material respects, the financial position, the financial performance and cash flows of CGF, as at the date of and for the periods presented in the Interim Condensed Financial Statements.

CGFIM has adequately designed and implemented internal controls over financial reporting as at September 30, 2025, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Interim Condensed Financial Statements for external purposes.

CGFIM maintains records and systems of internal control and supporting procedures designed to provide reasonable assurance that CGF's assets are adequately safeguarded.

The Board of Directors is responsible for reviewing and approving the Interim Condensed Financial Statements.

Corinne Boone

*Chair of the Board of Directors,
Canada Growth Fund Inc.*

November 20, 2025

Yannick Beaudoin

*President and Chief Executive Officer,
Canada Growth Fund Investment
Management Inc.*

November 20, 2025



Discussion of Fund Performance and Results

The Discussion of Fund Performance and Results provides an analysis of the operations and financial position of Canada Growth Fund Inc. ("CGF") for the three-month and nine-month periods ended September 30, 2025 and 2024, and should be read in conjunction with CGF's Unaudited Interim Condensed Financial Statements (the "Interim Condensed Financial Statements"), for the three-month and nine-month periods ended September 30, 2025 and 2024. This report takes into account material elements, if any, between September 30, 2025, and November 20, 2025, the date of approval of this report by the Board of Directors.

Forward-looking Statements

From time to time, CGF makes forward-looking statements that reflect its assumptions, expectations, objectives, strategies and intentions as of the date of this report. These forward-looking statements are typically identified by future or conditional verbs or words, such as "outlook", "believe", "estimate", "project", "expect", "plan", and similar terms and expressions.

By their nature, forward-looking statements require assumptions to be made and involve inherent risks and uncertainties. As a result, CGF cannot guarantee that any forward-looking statement will materialize, and its future investment activities may vary from those outlined herein. You should not place undue importance on forward-looking statements and should not rely upon this information as of any other date.



About the Canada Growth Fund

All amounts in this report are in Canadian dollars unless otherwise noted.

Overview

CGF¹ is a \$15 billion independent investment fund, operating at arm's length from the Government of Canada. To keep Canada competitive on the global stage and to ensure it continues to be a leading destination for investment, CGF was established to drive innovation across new and traditional sectors of Canada's industrial base. Its investment mandate (the "CGF Mandate") is focused on accelerating efficient emission reduction projects, helping Canadian clean technology ("clean technology") companies scale up successfully, and capitalizing on Canada's abundant natural resources and strengthening low-carbon supply chains.

By investing in and supporting the development of domestic expertise, intellectual property, knowledge, and technologies aligned with the CGF Mandate, CGF seeks to help Canadian businesses compete and win as global leaders. CGF achieves this through rigorous and proven investment discipline, fiscal prudence, effective governance, and an arm's length operational model. CGF expects to deliver against its Strategic Objectives (as defined further below) while preserving its capital and recycling its capital base over the long term.

CGF takes a unique value-add role in the investor ecosystem by deploying innovative financial structures—including through equity, debt, and hybrid instruments—to unlock new investment in an efficient and effective Canadian energy transition. It takes on carefully considered risks that help attract private capital and ultimately accelerate investment in Canadian projects and technologies. It aims to improve the risk profile of investment opportunities and attract additional private capital to projects, technologies, businesses and supply chains aligned with the CGF Mandate and Strategic Objectives.

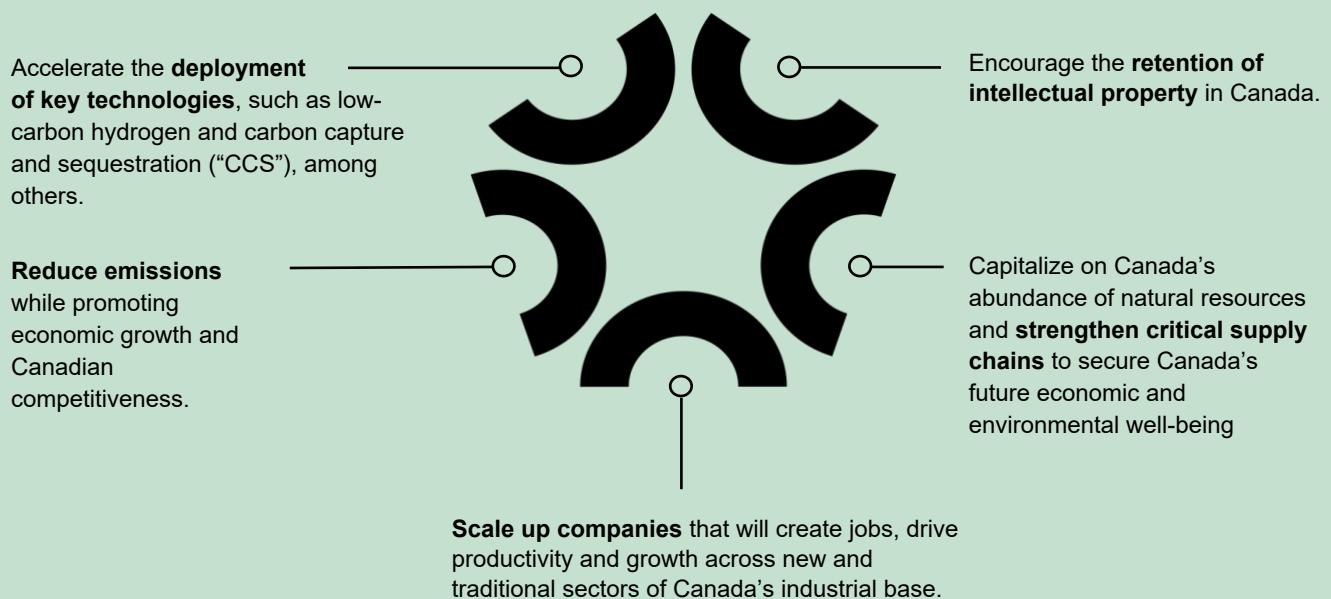
Canada Growth Fund Investment Management Inc. ("CGFIM"), a wholly-owned subsidiary of Public Sector Pension Investment Board ("PSP Investments"), acts as the exclusive, arm's length and independent investment manager of CGF². The CGFIM team has full discretionary authority over all aspects of investment decisions and asset management. Individual investment decisions are made by CGFIM's investment committee based on investment acumen and fit with the CGF Mandate, as described further below. All investment decisions are made in strict independence from the Government of Canada.

¹ CGF was incorporated as a subsidiary of Canada Development Investment Corporation ("CDEV") in December 2022.

² Pursuant to the terms of the Investment Management Agreement ("IMA") which was entered into among PSP Investments, CGFIM, CGF and CDEV on March 11, 2024.

Mandate and Strategic Objectives

The CGF Mandate consists of building a financially prudent portfolio of investments that unlock private sector investment in Canadian businesses and projects to help grow Canada's economy at speed and scale on the path to emissions reductions, in the interest of remaining competitive globally over the longer term. CGF is intended to help Canada meet the following national economic and environmental goals (hereafter, the "Strategic Objectives"):





Fund Activity and Results

During the nine-month period ended September 30, 2025 (the “current period”), CGF committed an additional \$2.6 billion across seven Portfolio Investments, as described below, resulting in a total of \$4.7 billion committed across a variety of areas of focus and regions since its inception. In addition, CGF deployed an additional \$390.3 million, resulting in a total of \$636.9 million deployed since inception.

New Portfolio Investments during the current period:

- In February 2025, CGF announced a commitment of up to \$50 million to Longbow Energy Transition Fund II LP, which will target growth-stage technology products and services that will benefit from the tailwinds of the energy transition.
- In February 2025, CGF announced an up to \$234.7 million (US\$165 million) investment in two separate convertible notes issued by Hydrostor Inc. (“Hydrostor”) a global long-duration energy storage developer and operator and deployed \$5.5 million (US\$3.8 million). The transaction supports Hydrostor’s continued investments in Advanced Compressed Energy Storage projects in Canada and around the world.
- In March 2025, CGF invested \$57 million (US\$40 million) in a convertible note issued by dcbel Inc., a Montreal-based company which has developed a bidirectional electric vehicle charging hardware integrated with a home energy management system platform for the residential market.
- In May 2025, CGF announced its participation in a \$350 million private placement in the common shares of Foran Mining Corporation (“Foran”) (public equity investment). CGF committed \$156 million alongside other co-investors, deploying the funds in two tranches. The net proceeds from the private placement will be used to complete construction at the McIlvenna Bay Project (Foran’s 100%-owned flagship asset), a polymetallic deposit along the Flin Flon Greenstone Belt and is Canada’s only copper and zinc deposit currently under construction.
- In June 2025, CGF committed an additional \$137.6 million (US\$100 million) to accelerate the development and commercial deployment of Eavor Technologies Inc.’s (“Eavor”) geothermal technology. CGF invested \$89.4 million (US\$65 million) in a convertible note issued by Eavor and will deploy the remaining \$48.2 million (US\$35 million) upon the achievement of performance milestones.
- In September 2025, CGF, in partnership with MKB Equity Partners Inc.- one of CGF’s fund partners - committed \$31 million (includes \$1 million for partnership fees and expenses) to Cascadia Windows & Doors (“Cascadia”). This investment supports Cascadia’s efforts to expand its manufacturing capacity and market presence, scale operations and accelerate the deployment of its advanced technologies that support buildings sector decarbonization across North America.
- In September 2025, CGF and Building Ontario Fund signed equity commitment agreements to finance the Small Modular Reactors project to be constructed at the Darlington New Nuclear Project, which will be majority owned and operated by Ontario Power Generation Inc. Through this agreement, subject to the satisfaction of conditions, CGF has committed to invest up to \$2 billion, taking a minority ownership position in the project.

CGF generated \$176.1 million of net income during the current period consisting of investment income of \$213.3 million, net of expenses of \$37.2 million. During the quarter ended September 30, 2025, CGF generated \$135.6 million of net income, consisting of \$148.7 million of investment income, net of \$13.1 million of expenses.



CGF's results are presented below.

Funding Received

Over the course of the current period, no funding was received from the Government of Canada.

Investment Income

During the current period, total investment income amounted to \$213.3 million, consisting primarily of \$90.8 million of income generated from cash management activities, comprised of cash, cash equivalents and short-term investments, and \$122.5 million from portfolio investments. Compared to the same period in 2024, total investment income increased by \$155.1 million due to an increase in income generated from cash management activities and from portfolio investments of \$32.9 million and \$122.2 million, respectively.

CGF's public equity investments were the main contributor to portfolio income during the period, generating \$101.5 million through increases in fair value. Additionally, \$25 million in portfolio income came from increases in fair value of private investments. These gains were partially offset by \$4 million in foreign exchange losses due to the depreciation of the U.S. dollar relative to the Canadian dollar.

Expenses

Total expenses for the current period amounted to \$37.2 million, representing a \$2.7 million decrease from the \$39.9 million reported for the same period in 2024. This decrease was mainly attributable to a \$6.3 million reduction in operating expenses, largely due to a different workforce mix in the current period. The decrease was partially offset by a \$3.6 million increase in investment-related expenses, resulting from increased investment activity and opportunities.

Total CGF expenses were composed of the following key components:

Operating Expenses:

Total operating expenses amounted to \$29 million for the current period. A key component of operating expenses was \$27.3 million in compensation and indirect expenses in connection with activities and services supporting CGF's ongoing operations and its progression towards a \$15 billion fund by 2028.

- **Compensation:** This component of operating expenses consists of compensation and benefits related to executing the CGF Mandate, while supporting the acceleration of CGFIM's investment capabilities.
- **Indirect expenses:** Indirect expenses are those associated with portions of PSP Investments' transversal functions that support CGFIM, such as technology, compliance, and human resources. A key benefit of leveraging PSP Investments' established transversal functions is that CGFIM can utilize PSP Investments' world class expertise, resources and infrastructure, without having to go through the lengthy process of hiring and training staff or the otherwise expensive set-up of its own systems and operations. This governance model and approach presents long-term benefits to CGF.

As part of operating expenses, professional and consulting fees for the current period amounted to \$1.7 million and consisted mainly of advisory mandates where specialized expertise was required for a short period of time, such as legal advisory and consulting services.

Investment-related Expenses:

CGF's total expenses for the current period included \$8.2 million incurred in investment transaction costs. These costs, driven by expenses related to due diligence, legal and other investment-related activities, are mainly associated with opportunities currently being analyzed and, to a lesser extent, for asset management purposes.



Risk Management

CGF's business purpose is to make investments according to the CGF Mandate, delivering against its strategic objectives while recovering its capital on a portfolio basis and recycling its capital base over the long term. CGFIM leverages PSP Investments' expertise in identifying, evaluating, managing, mitigating, and monitoring risks and performing sensitivity analyses while adapting its processes to meet CGF's specific needs. Several risk practices of PSP Investments have already been leveraged, adapted to CGF's activities and formalized.

As at September 30, 2025, CGF's risk measurement focused mainly on investment risks, which include market, credit, liquidity and concentration risks as described in Note 6 of the Interim Condensed Financial Statements.

Capital Management

Common Shares

CGF was nominally capitalized with one common share issued at a par value of \$1,000 per share, for a total share capital of \$1,000. CGF is authorized to issue an unlimited number of common shares. Holders of these shares are entitled to dividends, as and when declared from time to time, and are entitled to one vote per share at general meetings of CGF.

Preference Shares

On March 11, 2024, the Amended and Restated Funding Agreement (the "FA") was entered into between CGF and the Government of Canada regarding the funding of CGF, pursuant to subsection 118(1) of the Fall Economic Statement Implementation Act, 2022, as amended by the Budget Implementation Act, 2023, No.1. The funding is by way of subscription for Class A Preference Shares ("Preference Shares") of CGF on the terms set forth in the FA to provide funding to CGF, up to the amount of \$15 billion, for the administration and implementation of the CGF Mandate. Preference Shares are further described in Note 7 of the Interim Condensed Financial Statements.



Guarantees, Indemnities and Commitments

In certain cases, CGF may provide indemnification to directors, officers, certain CGF representatives or third parties as part of its normal course of business. As a result, CGF may be required to indemnify such parties under certain conditions or in connection with the performance of their contractual obligations.

CGF and its investment entity subsidiaries may also enter into commitments in connection with investment transactions as part of its normal course of business.

Indemnities, guarantees and commitments including any amounts outstanding are described in Notes 11 and 12, respectively, of the Interim Condensed Financial Statements.

Significant Accounting Judgments, Estimates and Assumptions

In preparing the Interim Condensed Financial Statements, management makes certain judgments, estimates and assumptions that can affect the amounts reported therein. Significant judgments include those related to the determination of the investment entity status as described in Note 2.2.

Management also makes estimates and assumptions in the measurement, risk assessment and related disclosures surrounding investments in private equity, private funds, convertible debt and other loan and derivatives. The main assumptions made by management regarding the measurement of financial instruments are outlined in Note 4.3 and those regarding the assessment of risk are outlined in Note 6.

Sources of estimate uncertainty related to macroeconomic unpredictability and volatility include the nature of the industry in which CGF is investing, the current geopolitical context, including the potential imposition of new tariffs, the early-stage nature of the investments, supply chain challenges, changes in governments' carbon policies, inflation and interest rates. This could continue to impact financial results, due to uncertainties, including their extent and duration. The Interim Condensed Financial Statements of CGF reflect the impacts resulting from the aforementioned macroeconomic factors to the extent known at the reporting date.

Although assumptions reflect management's best estimates, actual results may differ from such estimates due to the uncertainties involved in using them.

Interim Condensed Financial Statements

September 30, 2025 (unaudited)



Table of Contents

Interim Condensed Statement of Financial Position	15
Interim Condensed Statement of Net Income	16
Interim Condensed Statement of Changes in Equity.....	16
Interim Condensed Statement of Cash Flows.....	17
Notes to the Interim Condensed Financial Statements.....	18
1. CORPORATE INFORMATION.....	19
2. MATERIAL ACCOUNTING POLICY INFORMATION.....	20
2.1 Basis of Presentation	20
2.2 Investment Entity Status	20
2.3 Summary of Material Accounting Policy Information.....	21
2.4 Significant Accounting Judgments, Estimates and Assumptions	21
3. FUTURE CHANGES IN ACCOUNTING STANDARDS	22
4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES	23
4.1. Classes of investments and fair value hierarchy	23
4.2. Process for Level 3 Fair Value Determination	25
4.3 Level 3 Significant Inputs	25
4.4 Level 3 Reconciliation	29
4.5 Investment Income.....	30
5. INTERESTS IN OTHER ENTITIES.....	31
6. INVESTMENT RISK MANAGEMENT	31
6.1. Market Risk	31
6.2 Credit Risk.....	32
6.3 Liquidity Risk.....	32
6.4 Concentration Risk.....	33
7. EQUITY.....	34
7.1 Common shares.....	34
7.2 Preference shares.....	34
8. EXPENSES	35
9. RELATED PARTY TRANSACTIONS	35



9.1 Certain Investees	35
9.2 The Government of Canada and Government-Related Entities	35
10. CAPITAL MANAGEMENT	36
11. GUARANTEES AND INDEMNITIES	36
12. COMMITMENTS.....	37



Interim Condensed Statement of Financial Position

As at
(unaudited)

(Canadian \$ thousands)	Notes	September 30, 2025	December 31, 2024
Assets			
Cash and cash equivalents	4.1	2,166	33,316
Interest receivable	4.1	120	1,502
Investments	4.1	4,626,076	4,421,190
Total assets		4,628,362	4,456,008
Liabilities			
Accounts payable and other liabilities	9.2	12,960	16,703
Total liabilities		12,960	16,703
Equity			
Share capital	7	4,390,001	4,390,001
Retained earnings		225,401	49,304
Total equity		4,615,402	4,439,305
Total liabilities and equity		4,628,362	4,456,008

The accompanying notes are an integral part of the Interim Condensed Financial Statements.

On behalf of the Board of Directors

Corinne Boone

Board Member,

*Chair of the Board of Directors,
Canada Growth Fund Inc.*



Interim Condensed Statement of Net Income

For the periods ended September 30,
(unaudited)

(Canadian \$ thousands)	Notes	Three-month period		Nine-month period	
		2025	2024	2025	2024
Income					
Investment income	4.5	148,713	29,203	213,308	58,231
Expenses					
Investment-related expenses	8	(4,148)	(265)	(8,169)	(4,557)
Operating expenses	8	(8,928)	(10,171)	(29,042)	(35,376)
Net income		135,637	18,767	176,097	18,298

Interim Condensed Statement of Changes in Equity

For the periods ended September 30,
(unaudited)

(Canadian \$ thousands)	Notes	Three-month period		Nine-month period	
		2025	2024	2025	2024
Share capital					
Balance at beginning of period		4,390,001	2,190,001	4,390,001	290,001
Issuance of preferred shares	7.2	-	-	-	1,900,000
Balance at end of period		4,390,001	2,190,001	4,390,001	2,190,001
Retained earnings (deficit)					
Balance at beginning of period		89,764	(31,993)	49,304	(31,524)
Net income		135,637	18,767	176,097	18,298
Balance at end of period		225,401	(13,226)	225,401	(13,226)
Total equity		4,615,402	2,176,775	4,615,402	2,176,775

The accompanying notes are an integral part of the Interim Condensed Financial Statements.



Interim Condensed Statement of Cash Flows

For the periods ended September 30,
(unaudited)

(Canadian \$ thousands)	Notes	Three-month period		Nine-month period	
		2025	2024	2025	2024
Cash flows from operating activities					
Net income		135,637	18,767	176,097	18,298
Adjustments to reconcile net income to net cash flows:					
Investment income	4.5	(148,713)	(29,203)	(213,308)	(58,231)
Net changes in operating assets and liabilities					
Decrease in accounts payable and other liabilities		(359)	(4,623)	(3,743)	(9,388)
Interest received		18,123	9,791	76,903	33,719
Purchase of short-term investments		(1,817,167)	(690,335)	(7,241,603)	(3,978,155)
Disposals of short-term investments		1,856,502	598,798	7,565,401	2,188,787
Purchase of other than short-term investments		(43,416)	(80,252)	(390,363)	(107,469)
Net cash flows provided by (used in) operating activities^B		607	(177,057)	(30,616)	(1,912,439)
Cash flows from financing activities					
Capital contributions received - preference shares	7	-	-	-	1,900,000
Net cash flows provided by financing activities		-	-	-	1,900,000
Net change in cash and cash equivalents ^B		607	(177,057)	(30,616)	(12,439)
Cash and cash equivalents at the beginning of the period ^B		1,559	177,918	33,316	13,300
Effect of exchange rate changes on cash and cash equivalents		-	-	(534)	-
Cash and cash equivalents at the end of the period^{A,B}		2,166	861	2,166	861

The accompanying notes are an integral part of the Interim Condensed Financial Statements.

^A As at September 30, 2025, cash and cash equivalents were comprised of cash of \$2,166 thousand and cash equivalents of nil (September 30, 2024 - \$861 thousand and nil).

^B Certain comparative figures have been reclassified to conform to the current year's presentation, refer to Note 2.3 for additional information.

Notes to the Interim Condensed Financial Statements

For the three-month and nine-month periods ended September 30, 2025



1. CORPORATE INFORMATION

Canada Growth Fund Inc. (“CGF”) is a Crown Corporation and wholly-owned subsidiary of Canada Development Investment Corporation (“CDEV”). CDEV is, in turn, wholly owned by His Majesty in Right of Canada (the “Government of Canada”). CDEV incorporated CGF under the Canada Business Corporations Act (“CBCA”) on December 13, 2022. CGF is subject to the Financial Administration Act (“FAA”) and it is exempt from Part I tax under paragraph 149(1)(d.2) of the Income Tax Act (Canada).

The objective of CGF, as established by the directive (P.C. 2022-1272) pursuant to section 89 of the FAA, is to take such steps as are necessary to implement its mandate in accordance with any Statement of Priorities and Accountabilities, as may be issued by the Minister of Finance. The intention is for CGF to support the growth of Canada’s clean economy and help to meet its national economic and climate policy goals, including to reduce emissions and achieve Canada’s climate targets. CGF’s mandate is to build a financially prudent portfolio of investments that unlock private sector investment in Canadian businesses and projects to help grow Canada’s economy at speed and scale on the path to emissions reductions, in the interest of remaining competitive globally over the longer term.

CGF differs from traditional for-profit private sector investors seeking to maximize market returns and traditional public sector grant and contribution programs. Its objective is to deliver against its strategic objectives while recovering its capital on a portfolio basis and recycling its capital base over the long term.

Following the federal budget announcement in March 2023, Public Sector Pension Investment Board (“PSP Investments”) was selected to act as the independent and exclusive investment manager of CGF. The Public Sector Pension Investment Board Act was amended in June 2023 to allow a subsidiary of PSP Investments to manage the investments of CGF. To that effect, PSP Investments incorporated Canada Growth Fund Investment Management Inc. (“CGFIM”) as its wholly-owned subsidiary in August 2023. PSP Investments is at arm’s length from the Government of Canada, and CGFIM is providing investment management services, pursuant to an investment management agreement among itself, CGF, CDEV and PSP Investments, also at arm’s length from the Government of Canada.

CGF’s registered office is located at 79 Wellington Street West, Suite 3000, Toronto, Ontario.



2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Presentation

The Interim Condensed Financial Statements of CGF have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

The Interim Condensed Financial Statements do not include all the information and disclosures required by IFRS® Accounting Standards for annual financial statements. These Interim Condensed Financial Statements should be read in conjunction with CGF's 2024 annual financial statements, approved by the Board of Directors on March 26, 2025.

CGF qualifies as an investment entity as defined under IFRS 10 *Consolidated Financial Statements* ("IFRS 10") and, consequently, does not consolidate its subsidiaries other than those that solely provide it with services that relate to its investment activities. Instead, CGF measures its investments in subsidiaries at fair value through profit and loss ("FVTPL") in accordance with IFRS 9 *Financial Instruments* ("IFRS 9"), including those that are formed by CGF and that qualify as investment entities ("investment entity subsidiaries"). CGF also measures its investments in associates, joint ventures and financial assets at FVTPL in accordance with IAS 28 *Investments in Associates and Joint Ventures* and IFRS 9. Financial liabilities, which include accounts payable and other liabilities, are measured at amortized cost.

These Interim Condensed Financial Statements present the financial position and results of operations of CGF. They reflect the economic activity of CGF as it pertains to the investment of the funds transferred to it by the Government of Canada.

The Interim Condensed Financial Statements for the three-month and nine-month periods ended September 30, 2025 were approved by the Board of Directors and authorized for issue on November 20, 2025.

2.2 Investment Entity Status

CGF has determined that it meets the mandatory items of the definition of an investment entity under IFRS 10 on the basis of the facts and circumstances as at the end of the period. They are as follows:

(i) Mandate and business purpose

As further described in Note 1, CGF's mandate is to manage and invest the funds that are transferred to it to catalyze substantial private sector investment in Canadian businesses and projects to help transform and grow Canada's economy at speed and scale on the path to emissions reductions. CGF's business purpose is to recover its capital on a portfolio basis and recycle its capital base over the long term. Consequently, CGF has to invest according to its mandate, with a view of earning a rate of return from capital appreciation and income from investments.

CGF's projected investment horizon is forecasted to be over a period of 15 years, due to the longer recovery period expected for private sector investments in support of CGF's mandate.

(ii) Performance evaluation

CGF measures and evaluates the performance of its investments on a fair value basis.

In addition to the mandatory items of the definition, IFRS 10 also outlines certain typical characteristics of an investment entity, the absence of any of which does not necessarily preclude an entity from qualifying as an investment entity. One of these characteristics is that an investment entity should have investors that are not related parties of the entity.

As described in Note 9, since CGF is a Crown corporation, it is considered to be related to the Government of Canada as well as other entities that are controlled or jointly controlled by the Government of Canada or entities over which the latter otherwise has



significant influence. Consequently, since the funds managed by CGF originate from related parties, it may be considered not to meet the typical characteristic outlined above. However, as described in Note 1, CGF operates at arm's length from the Government of Canada. Accordingly, it meets all of the mandatory items of the definition described above and qualifies as an investment entity.

Should any changes occur in the facts and circumstances, CGF will evaluate the impact of any such changes on its investment entity status.

2.3 Summary of Material Accounting Policy Information

The material accounting policies applied in the preparation of these Interim Condensed Financial Statements are the same as those applied in the CGF's 2024 annual financial statements.

(i) Cash and cash equivalents

As of December 31, 2024, CGF changed its accounting policy to classify instruments with maturities of three months or less from acquisition date as cash and cash equivalents. The change was made to better reflect the nature of cash equivalents as highly liquid instruments with an insignificant risk of changes in value. As a result, as at June 30, 2024 and September 30, 2024, respectively, cash and cash equivalents decreased from \$777.6 million to \$177.9 million and from \$598.0 million to \$0.9 million, representing a reclass from cash and cash equivalents to short-term investments of \$599.7 million and of \$597.1 million, respectively. The comparative figures for the three-month and nine-month periods ended September 30, 2024 in Interim Condensed Statement of Cash Flows, were reclassified, respectively: Net cash flows used in operating activities decreased from \$179.6 million to \$177.1 million and increased from \$1,315.3 million to \$1,912.4 million and net change in cash and cash equivalents increased from \$(179.6) million to \$(177.1) million and decreased from \$584.7 million to \$(12.4) million.

2.4 Significant Accounting Judgments, Estimates and Assumptions

In preparing the Interim Condensed Financial Statements, management makes certain judgments, estimates and assumptions that can affect the amounts reported therein. Significant judgments include those related to the determination of the investment entity status as described in Note 2.2.

Management also makes estimates and assumptions in the measurement, risk assessment and related disclosures surrounding investments in private equity, private funds, convertible debts and other loan and derivatives. The main assumptions made by management regarding measurement of financial instruments are outlined in Note 4.3 and those regarding the assessment of risk are outlined in Note 6.

Sources of estimate uncertainty related to macroeconomic unpredictability and volatility include the nature of the industry in which CGF is investing, the current geopolitical context, including the potential imposition of new tariffs, the early-stage nature of the investments, supply chain challenges, changes in governments' carbon policies, inflation and interest rates. This could continue to impact financial results, due to uncertainties including their extent and duration. The Interim Condensed Financial Statements of CGF reflect the impacts resulting from the afore mentioned macroeconomic factors to the extent known at the reporting date.

Although assumptions reflect management's best estimates, actual results may differ from such estimates due to the uncertainties involved in using them.



3. FUTURE CHANGES IN ACCOUNTING POLICIES

The following accounting standard issued by IASB has not been adopted by CGF.

(i) IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB completed its project to replace IAS 1 *Presentation of Financial Statements* with IFRS 18 *Presentation and Disclosure in Financial Statements*. The standard includes requirements for the statement of profit or loss, the statement of cash flows and the statement of financial position, that are designed mainly to enhance consistency and comparability between reporting entities. It also involves new disclosure requirements, including disclosing management-defined performance measures. IFRS 18 is effective and applicable to CGF for annual periods beginning on January 1, 2027, with early adoption permitted. The standard is to be applied retrospectively. Management is currently assessing the impact of adopting this standard.



4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

4.1. Classes of Investments and Fair Value Hierarchy

Financial instruments measured at fair value are classified within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that CGF can access at the end of the reporting period.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that are used within model-based techniques. They reflect management's assessment of the assumptions that market participants would use in pricing the assets or liabilities.

The classification within the levels of the hierarchy is established upon initial measurement of the financial instruments and reviewed at the end of each reporting period. Transfers between levels are measured at fair value at the beginning of each reporting period. There were no transfers between Levels 1 and 2 during the nine-month period ended September 30, 2025, and the year ended December 31, 2024.

The following table shows the financial instruments measured at fair value, classified within the fair value hierarchy:

As at September 30, 2025

(Canadian \$ thousands)	Level 1	Level 2	Level 3	Total Fair Value
Cash and cash equivalents ⁽ⁱ⁾	-	2,166	-	2,166
Interest receivable ^A	-	120	-	120
Investments				
Short-term investments ⁽ⁱⁱ⁾	3,822,500	-	-	3,822,500
Public equity investments ⁽ⁱⁱⁱ⁾	279,463	-	-	279,463
Private equity investments	-	-	108,946	108,946
Private fund investments	-	-	47,689	47,689
Convertible debts and other loan ^{A,(iv)}	-	-	317,725	317,725
Derivatives ^(v)				
Warrants	-	-	45,372	45,372
CCO	-	-	4,381	4,381
CP CfD	-	-	-	-
Total	4,101,963	2,286	524,113	4,628,362

**As at December 31, 2024**

(Canadian \$ thousands)	Level 1	Level 2	Level 3	Total Fair Value
Cash and cash equivalents ⁽ⁱ⁾	-	33,316	-	33,316
Interest receivable ^A	-	1,502	-	1,502
Investments				
Short-term investments ⁽ⁱⁱ⁾	4,131,890	-	-	4,131,890
Public equity investments ⁽ⁱⁱⁱ⁾	45,040	-	-	45,040
Private equity investment	-	-	90,000	90,000
Private fund investments	-	-	27,277	27,277
Convertible debts and other loan ^{A,(iv)}	-	-	100,106	100,106
Derivatives ^(v)				
Warrants	-	-	22,297	22,297
CCO	-	-	4,580	4,580
CP CfD	-	-	-	-
Total	4,176,930	34,818	244,260	4,456,008

^A As at September 30, 2025, paid-in-kind interest on convertible debts is presented as part of convertible debts and other loan to better reflect its nature.

- (i) Fair value of cash and cash equivalents is determined using cost, which approximates fair value due to the highly liquid nature of these assets.
- (ii) Short-term investments are treasury bills, which are instruments having a maximum term to maturity of one year and are held for near term upcoming funding and cash management requirements. Treasury bills are valued based on quoted prices obtained from third-party pricing sources. Such prices are determined using the most representative price within a spread of dealer quotations.
- (iii) Public equity investments consist of common shares of publicly listed issuers. They are valued using quoted prices in active markets.
- (iv) Convertible debts are fixed-income investments that can be converted into common equity of the borrower at CGF's option, subject to conditions. The convertible debt instruments held by CGF have been issued by Canadian-based developers of technologically advanced sustainable energy solutions, such as carbon capture and sequestration (CCS), home energy stations, long duration energy storage or geothermal power. Other loan consists in sums of money lent to a borrower in exchange for future repayment with interest, for the purpose of funding CCS projects.

CGF's undrawn portions of the convertible debts and other loan are financial instruments measured at fair value and classified as Level 3 on the fair value hierarchy. As at September 30, 2025, and December 31, 2024, their fair value was nil.

- (v) Derivatives include warrants, carbon credit offtake agreements ("CCO") and carbon policy contracts for difference ("CP CfD").

Warrants are options to purchase an issuer's common shares at a predetermined price, potentially subject to conditions. The warrants held by CGF give it the right to acquire, upon the occurrence of a positive final investment decision ("FID"), a number of additional common shares of an investee at a predetermined price, for a quantity subject to a formula.

A CCO is a contractual agreement to purchase carbon credits from a counterparty based on output of sequestered emissions over a contractual term and contractually agreed carbon-credit pricing. In the CCO concluded by CGF, CGF is the purchaser.

A CP CfD is a commodity swap whereby one party receives a fixed price for the underlying commodity, that is compliance obligation units, while the other party receives a floating price. Under the CP CfD concluded by CGF, CGF



shall receive a fixed price and pay the floating unit price, up to a cap, thus providing the counterparty certainty regarding the financial impact of future carbon policy prices.

Total commitments related to these investments are described in Note 12.

The process for fair value measurement of the private equity investments, private fund investments, convertible debts and other loan, and derivatives is described in Note 4.2. and the valuation techniques together with the significant inputs used are described in Note 4.3.

4.2. Process for Level 3 Fair Value Determination

The fair value of investments classified as Level 3 is determined quarterly and adjusted to reflect the impact of market or investment-specific events using valuation methodologies based on widely recognized practices that are consistent with professional valuation standards. In cases where external valuation experts are used to provide independent views on significant inputs or fair values, CGF ensures their independence and that valuation techniques used are consistent with its valuation governance procedure.

The transaction price of a recent investment usually represents its fair value as of the transaction date. Quarterly, the fair value is reassessed using relevant valuation methodologies which are consistently applied over time as appropriate in the prevailing circumstances. Valuation techniques include earnings multiples of comparable publicly traded companies, recent transactions, discounted cash flow analysis, the option pricing model, the probability weighted expected return model and other industry-accepted methods. When there are no current, short-term future earnings or positive cash flows, and no comparable companies or transactions to infer value from, change in fair value is based on data from the portfolio company and the likelihood of achieving key project development milestones. Other valuation methods may be used for validation.

With respect to fund investments classified as Level 3, fair value is obtained from information provided by the fund manager and is reviewed by management to ensure reasonableness and adherence to acceptable industry valuation methods. Where necessary, the impact of restrictions on the sale or redemption of such investments is taken into consideration in determining fair value.

4.3 Level 3 Significant Inputs

The fair values of investments classified as level 3 were measured using valuation techniques where the significant inputs are unobservable. Judgement is applied surrounding the inputs used within the valuation models. For investments valued using recent transactions, judgement is involved in assessing the recency of the last observed transaction and its relevance to determining fair value. The valuation models incorporate various inputs and assumptions including the likelihood of successfully achieving key project development milestones, forward carbon credit prices, contractual prices, volume in tonnes of carbon dioxide (CO₂) sequestered, energy sale prices, forecasted capital expenditures, volatility, discount rates and exit multiples.

(i) Measurement Uncertainty

The nature of CGF's investments includes projects at various stages of advancement, ranging from early-stage initiatives that may not yet have obtained the requisite permits, licenses, or other governmental approvals, to later-stage projects on a path to construction readiness or currently under construction. Nonetheless, investments feature inherent uncertainty regarding their future commercial viability. This uncertainty is shaped by factors such as changes in governments' carbon policies, carbon credit prices, capture volumes, the achievement of an FID in a commercially viable manner, securing funding and grants, completing feasibility studies, and ensuring compliance with laws and regulations. Moreover, the nascent stage of the investments introduces additional challenges, and timelines for completion cannot be assured.

While the impact of trade tariffs on the broader global economy continues to remain uncertain, the determination of fair value for investments classified as Level 3 reflected, where applicable, the effect of tariffs that were imposed on or before September 30, 2025. Although trade tariffs announced or imposed after this reporting date were not reflected in such valuations, related uncertainties present as at September 30, 2025, and their impact on the fair value of investments were taken into consideration as applicable.



(ii) Valuation Inputs

The following table outlines the primary valuation techniques and significant unobservable inputs related to financial instruments categorized within Level 3 as at September 30, 2025:

Financial Instruments	Fair Value (Canadian \$ thousands)	Primary valuation techniques	Unobservable inputs	Input Range
Private equity investments	108,946	Recent Transaction ^A	N/A	N/A
Private fund investments	47,689	Net Asset Value ^B	N/A	N/A
Convertible debts and other loan	97,463	Recent Transaction ^A	N/A	N/A
	220,262	Discounted Cash Flows ^C and Option Pricing Model	Discount rate	14.0% - 26.0%
			Historical volatility	60.0% - 85.0%
Derivatives				
Warrants	45,372	Option Pricing Model	Historical volatility	65.0% - 85.0%
CCO and CP CfD	4,381	Probability Weighted Discounted Cash Flows	Discount rate	7.5% - 16.0%
			Carbon Credit Price (\$/tonne) ^D	27.2 - 187.7
			Total TPA ^E Expected to be Mitigated/ Sequestered (in thousands)	0.0 - 181.2



The following table outlines the primary valuation techniques and significant unobservable inputs related to financial instruments categorized within Level 3 as at December 31, 2024:

Financial Instruments	Fair Value (Canadian \$ thousands)	Primary valuation techniques	Unobservable inputs	Input Range
Private equity investment	90,000	Recent Transaction ^A	N/A	N/A
Private fund investments	27,277	Net Asset Value ^B	N/A	N/A
Convertible debts and other loan	100,106	Recent Transaction ^A	N/A	N/A
		Discounted Cash Flows and Option Pricing Model	Discount rate	14.0% - 16.0%
			Historical volatility	65.0% - 85.0%
Derivatives				
Warrants	22,297	Option Pricing Model	Historical volatility	65.0% - 85.0%
CCO and CP CfD	4,580	Probability Weighted Discounted Cash Flows	Discount rate	7.0% - 16.0%
			Carbon Credit Price (\$/tonne) ^D	79.1 - 187.7
			Total TPA ^E Expected to be Mitigated/ Sequestered (in thousands)	0.0 - 181.2

^A Fair value is based on the price from the latest financing round.

^B When investments are held through private funds, the fair value is determined by the fund manager, unless there is a specific and objectively verifiable reason to deviate from the value provided.

^C Involves Probability Weighted Discounted Cash Flows for certain investments.

^D Subject to probabilistic scenarios, forward carbon credit prices are based on independent sources.

^E TPA is defined as "Tonnes Per Annum" of carbon dioxide (CO₂).

Forward carbon credit prices are based on observable and unobservable inputs from independent sources reflecting current governments' carbon policies. Forward carbon credit prices are subject to changes in market forces, including, but not limited to, interest rates, enacted policies, voluntary and compliance carbon credit prices, and the timing and quantity of anticipated carbon credit supply and demand. CGF invests in different provinces each with their own pricing regimes, such as the Alberta Technology Innovation and Emissions Reduction regulation ("Alberta TIER") and the Ontario Emissions Performance Standards ("Ontario EPS"), respectively subject to different liquidity and market activity summarized in the table below as at September 30, 2025, and December 31, 2024.

Derivative	TPA Commitment	Initial Price ^B (\$/Credit)	Term (years) ^C	Credit Market
CCO	Up to 163,119 ^A	86.50	15	Alberta TIER
CP CfD	Up to 18,900	100.00	10	Ontario EPS

^A Represents the TPA related to the one CCO project that has been signed, which accounts for 27% of the total maximum commitment of 600 thousand TPA (Note 12). Initial price, term and credit market of the remaining projects are undetermined.

^B The initial price is subject to adjustment based on indexation.

^C The CCO and the CP CfD terms begin, respectively, upon the first carbon injection date and the commercial operation date, which have not occurred yet as of September 30, 2025. As a result, no carbon-credits were purchased under the CCO and no payment has been exchanged under the CP CfD.



The fair value calculation of the warrants also takes into account the following contractual assumptions as at September 30, 2025, and December 31, 2024:

Derivatives	Exercise Period	Exercise Price (U.S. \$/share)
Warrants	Upon FID until December 2029	2.38

(iii) Sensitivity Analysis

The following table shows the sensitivity of fair value measurements to reasonably possible alternative assumptions for the significant unobservable input, from the preceding table, that would change fair value significantly.

As at September 30, 2025

(Canadian \$ thousands)	Unobservable inputs	Change in unobservable inputs	Increase to Fair Value	Decrease to Fair Value
Convertible Debts and Other Loan				
	Discount rate	+/- 1 %	4,459	4,142
	Historical Volatility	+/- 10 %	5,212	5,713
Derivatives				
Warrants	Historical Volatility	+/- 10 %	4,097	4,393
CCO and CP CfD ^A	Discount rate	+/- 1 %	1,050	921
	Carbon Credit Price (\$/tonne)	+/- 1 %		
	Total TPA Expected to be Mitigated/ Sequestered	+/- 10 %		

**As at December 31, 2024**

(Canadian \$ thousands)	Unobservable inputs	Change in unobservable inputs	Increase to Fair Value	Decrease to Fair Value
Convertible Debts and Other Loan				
	Discount rate	+/- 1 %	1,604	672
	Historical Volatility	+/- 10 %	1,351	435
Derivatives				
Warrants	Historical Volatility	+/- 10 %	2,613	2,859
CCO and CP CfD ^A	Discount rate	+/- 1 %	1,054	922
	Carbon Credit Price (\$/tonne)	+/- 1 %		
	Total TPA Expected to be Mitigated/ Sequestered	+/- 10 %		

^A When multiple unobservable inputs are sensitized, no netting is applied, resulting respectively in the greatest increase and decrease to fair value.

The sensitivity analyses above exclude investments where the measurement relies on recent transaction data and net asset value such as new transactions in private equity investments and fund investments.

An increase (decrease) in discount rates would result in a corresponding decrease (increase) in fair value. Similarly, an increase (decrease) in carbon credit prices and CO2 mitigated annually would lead to an increase (decrease) in fair value. These changes would result in a corresponding variance in investment income (loss). There is no predictable correlation between unobservable inputs. These sensitivity analyses are hypothetical and should be used with caution, as changing one significant input can lead to adjustments in several underlying assumptions, potentially amplifying or reducing the impact on the valuation.

4.4 Level 3 Reconciliation

The following table shows a reconciliation, for the nine-month period ended September 30, 2025, of all movements related to financial instruments held by CGF as at September 30, 2025, and categorized within Level 3:

(Canadian \$ thousands)	Opening Balance	Purchases/ Drawdowns	Sales/ Repayments	Realized Losses	Unrealized Gains (Losses)	Closing Balance
Private equity investments	90,000	18,946	-	-	-	108,946
Private fund investments	27,277	13,497	-	-	6,915	47,689
Convertible debts and other loan	100,106	215,281	-	-	2,338	317,725
Derivatives						
Warrants	22,297	-	-	-	23,075	45,372
CCO	4,580	-	-	-	(199)	4,381
CP CfD	-	-	-	-	-	-
Total	244,260	247,724	-	-	32,129	524,113



The following table shows a reconciliation, for the year ended December 31, 2024, of all movements related to financial instruments held by CGF as at December 31, 2024, and categorized within Level 3:

(Canadian \$ thousands)	Opening Balance	Purchases/ Drawdowns	Sales/ Repayments	Realized Gains	Unrealized Gains	Closing Balance
Private equity investments	90,000	-	-	-	-	90,000
Private fund investments	-	25,158	-	-	2,119	27,277
Convertible debts and other loan	-	96,638	-	-	3,468	100,106
Derivatives						
Warrants	-	-	-	-	22,297	22,297
CCO	-	-	-	-	4,580	4,580
CP CfD	-	-	-	-	-	-
Total	90,000	121,796	-	-	32,464	244,260

There were no transfers to or from Level 3 during the nine-month period ended September 30, 2025, and the year ended December 31, 2024.

4.5 Investment Income

Investment income for the periods ended September 30, 2025, is comprised of the following:

(Canadian \$ thousands)	Three-month period		Nine-month period	
	2025	2024	2025	2024
Investment income (loss) from:				
Cash equivalents	21	1,391	(409)	4,702
Short-term investments	29,253	25,279	91,186	53,169
Other than short-term investments	119,439	2,533	122,531	360
Total investment income	148,713	29,203	213,308	58,231



5. INTERESTS IN OTHER ENTITIES

(i) Subsidiaries and Associates

In the normal course of business, investments in private markets may be held directly by CGF or through investment entity subsidiaries formed by CGF. As at September 30, 2025, five investment entity subsidiaries were incorporated in Canada (December 31, 2024 – nil).

In addition, as at September 30, 2025, and December 31, 2024, due to CGF's level of financial commitment through a convertible debt instrument, board presence and a significant transaction, CGF is considered to have a significant influence over Entropy Inc., a Calgary-based company. The ownership interest held by CGF in Entropy Inc. is nil.

(ii) Structured Entities

CGF holds interests in funds mainly in the context of its investments in private markets. Given their nature, such entities commonly have the characteristics of a structured entity, that is, an entity where contractual arrangements matter more than voting rights in determining control and directing relevant activities. These entities are held as investments and do not expose CGF to additional risks or returns compared to interests held in non-structured entities. Information regarding structured entities is included, as applicable, within disclosures of investment risk management under Note 6, guarantees and indemnities under Note 11 and commitments under Note 12.

6. INVESTMENT RISK MANAGEMENT

CGF's business purpose is to make investments according to its mandate, delivering against its strategic objectives while recovering its capital on a portfolio basis and recycling its capital base over the long term. CGF is leveraging PSP Investments' expertise in identifying, evaluating, managing, mitigating, monitoring risks, and performing sensitivity analyses while adapting its processes to meet CGF's specific needs and to reflect the startup nature of the entity. Several risk practices of PSP Investments have already been leveraged, adapted to CGF's investment activities and formalized. Investment risks include market, credit, liquidity and concentration risks.

6.1. Market Risk

(i) Interest rate risk

CGF is exposed to interest rate risk mainly through its holdings in cash equivalents, short-term investments, as well as convertible debts and other loan investments. When performing a sensitivity analysis, with all other variables held constant, a 25-basis point increase (decrease) in nominal risk-free rates would result in a (decrease) increase in the value of cash equivalents and short-term investments of \$5,124 thousand (December 31, 2024 - \$3,493 thousand). This change would result in a corresponding variance in investment income (loss). The sensitivity of the fair value of CGF's convertible debts and other loan investments to a change in the discount rate, including the interest rate, is described in Note 4.3.



(ii) Foreign Currency Risk

CGF is exposed to foreign currency risk through its US \$106 million (CA \$147 million) convertible debts and other loan investments (December 31, 2024 – US \$53 million (CA \$76 million)), including corresponding interest receivable. When performing a sensitivity analysis, with all other variables held constant, a 5% strengthening or weakening in the Canadian dollar relative to the US dollar would result in an increase (decrease) in the value of investments directly impacted by exchange rate changes of \$7,357 thousand (December 31, 2024 - \$3,815 thousand). This change would result in a corresponding variance in investment income (loss).

As at September 30, 2025, fixed and variable commitments denominated in US of US \$136.2 million (CA \$189.5 million) were outstanding (December 31, 2024 - nil). When performing a sensitivity analysis, with all other variables held constant, a 5% strengthening or weakening in the Canadian dollar relative to the US dollar would result in an increase (decrease) in the fixed and variable commitments denominated in US directly impacted by exchange rate changes of \$9.5 million (December 31, 2024 - nil).

(iii) Other price risk

CGF is exposed to other price risk related to carbon credit pricing, through its CCO and CP CfD investments. The sensitivity of the fair value of CCO and CP CfD to a change in carbon credit prices is described in Note 4.3.

6.2 Credit Risk

Credit risk monitoring entails an evaluation of the credit quality of each issuer that transacts with CGF and its investment entity subsidiaries. As at September 30, 2025, and December 31, 2024, CGF's maximum exposure to credit risk amounted to the carrying value of the cash and cash equivalents, interest receivable, short-term investments, and convertible debts and other loan investments.

For public issuers, CGF relies on recognized credit rating agencies. Short-term investments consisted primarily of Canadian treasury bills, for which the long-term credit ratings were between AAA/Stable, Aaa/Stable and AA+/Stable and the short-term credit rating between A-1, Prime-1 and F1+.

For private issuers related to CGF's convertible debts and other loan investments, internal credit ratings are assigned using methodologies comparable to those used by recognized rating agencies. All existing ratings are non-investment grade.

6.3 Liquidity Risk

CGF's liquidity risk is not significant as it will receive amounts from the Government of Canada as described in Note 7.2. Furthermore, management utilizes appropriate measures and controls to monitor liquidity risk in order to ensure that there is sufficient liquidity to meet financial obligations as they come due. CGF typically maintains sufficient cash and cash equivalents and short-term investments to cover all its financial obligations, including operating costs, working capital requirements and commitments, which encompass binding contracts with fixed obligations, binding contracts with variable obligations and discretionary commitments, as presented in Note 12.

The financial liabilities of CGF include accounts payable and other liabilities, which are presented at undiscounted contractual cash flows value and are all due within three months of the period end.



6.4 Concentration Risk

Given CGF's mandate, it is understood that the portfolio of investments is likely to be concentrated. Notwithstanding the above, and within its mandate, CGF invests in different areas of focus, as determined by the Statement of Investment Principles prepared by CGF pursuant to its mandate to make investments that catalyze substantial private sector investment in Canadian businesses and projects to help transform and grow Canada's economy at speed and scale to meaningful and efficient emissions reduction.

Concentration risk is presented in the following table and consists of the fair values of financial assets as well as binding commitments with fixed and variable amounts as defined in Note 12. Concentration risk by area of focus was as follows as at:

(Canadian \$ thousands)	September 30, 2025				December 31, 2024			
	Projects ^A	Clean tech ^B	Low-carbon supply chains ^C	Total	Projects ^A	Clean tech ^B	Low-carbon supply chains ^C	Total
Public equity investments	-	-	279,463	279,463	-	-	45,040	45,040
Private equity investments	-	121,000	-	121,000	-	90,000	-	90,000
Private fund investments	-	155,034	-	155,034	-	102,118	-	102,118
Convertible debts and other loan ^D	206,081	473,371	-	679,452	203,319	73,289	-	276,608
Derivatives								
Warrants	-	-	45,372	45,372	-	-	22,297	22,297
CCO	1,004,381	-	-	1,004,381	1,004,580	-	-	1,004,580
CP CfD	19,969	-	-	19,969	19,969	-	-	19,969
Total	1,230,431	749,405	324,835	2,304,671	1,227,868	265,407	67,337	1,560,612

^A Projects: Consists of projects that use less mature technologies and processes (proven in pilots but not yet widely adopted) to reduce emissions across the Canadian economy (e.g., carbon capture, utilization, and storage; hydrogen; and biofuels).

^B Clean Tech: Consists of technology companies, including small and medium enterprises ("SMEs"), which are scaling less mature technologies that are in the demonstration or commercialization stages of development.

^C Low-Carbon Supply Chains: Consists of companies (including SMEs) and projects across low-carbon or climate tech value chains, including low-carbon natural resource development.

^D Including Interest receivable.



7. EQUITY

7.1 Common shares

CGF was nominally capitalized with one common share issued at a par value of \$1,000 per share, for a total share capital of \$1,000. CGF is authorized to issue an unlimited number of common shares. Holders of these shares are entitled to dividends, as and when declared from time to time, and are entitled to one vote per share at general meetings of CGF.

7.2 Preference shares

The following table presents a reconciliation of the preference shares issued and outstanding as at:

(Canadian \$ thousands except for number of shares)	September 30, 2025		December 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	4,390,000	4,390,000	290,000	290,000
Preference shares issued	-	-	4,100,000	4,100,000
Balance at end of the period	4,390,000	4,390,000	4,390,000	4,390,000

On March 11, 2024, an Amended and Restated Funding Agreement (the "Funding Agreement") was entered into between CGF and the Government of Canada regarding the funding of CGF, pursuant to section 118(1) of the Fall Economic Statement Implementation Act, 2022, as amended by the Budget Implementation Act, 2023, No.1. The funding is by way of subscription for Class A Preference Shares ("Preference Shares") of CGF on the terms set forth in the Funding Agreement to provide funding to CGF, up to the amount of \$15 billion, for the administration and implementation of CGF's mandate.

The holders of the Preference Shares are not entitled to vote at any meeting of the shareholders of CGF, except where the holders of another class or series of shares of CGF are entitled to vote separately as a class or series.

The holders of the Preference Shares, in priority to the holders of the common shares and any other shares ranking junior to the Preference Shares, are entitled to receive preferential dividends as and when they are declared by the Board of Directors. If, in any fiscal year, the Board of Directors has not declared any dividends on the Preference Shares, then the holders of such shares shall have no right to any such dividend for that year.

Subject to the CBCA, CGF may, upon giving at least 30 days' notice, redeem all or any part of the outstanding Preference Shares at a price of \$1,000 per Preference Share, together with all declared but unpaid dividends.

The aggregate proceeds from Preference Shares issued to the Government of Canada are included as an addition to the Share Capital line on the Interim Condensed Statement of Financial Position. When these shares are redeemed by CGF, the aggregate redemption amount will be a deduction against this line item.



8. EXPENSES

Expenses include amounts incurred by related parties, on behalf of and in service to CGF, as described in Note 9. Expenses are comprised of the following for the periods ended September 30:

	Three-month period		Nine-month period	
(Canadian \$ thousands)	2025	2024	2025	2024
Transaction costs	4,148	265	8,169	4,557
Investment-related expenses	4,148	265	8,169	4,557
Compensation and indirect expenses	8,536	8,976	27,345	32,205
Professional and consulting fees	392	1,195	1,697	3,171
Operating expenses	8,928	10,171	29,042	35,376
Total expenses	13,076	10,436	37,211	39,933

9. RELATED PARTY TRANSACTIONS

9.1 Certain Investees

As outlined in Note 2.1, investments in associates are measured at FVTPL. Transactions between CGF and such entities or subsidiaries of such entities are related party transactions. CGF enters into investment transactions with such related parties in the normal course of its business. Since balances in connection with all investment transactions are measured at FVTPL, those transactions undertaken with related parties have the same impact on net assets and net income as those with unrelated parties.

9.2 The Government of Canada and Government-Related Entities

Since CGF is a Crown corporation as described in Note 1, it is considered to be related to the Government of Canada as well as other entities that are controlled, jointly controlled or significantly influenced by the Government of Canada (together “government-related entities”), such as CDEV and PSP Investments.

(i) The Government of Canada

The only transactions undertaken between CGF and the Government of Canada consist of the issuance of shares outlined in Note 7.

(ii) Government-Related Entities





As part of the investment management and secondment services rendered by PSP Investments to CGF, all costs incurred directly or indirectly on behalf of CGF are charged back with no added mark-up. As at September 30, 2025, CGF had an account payable to PSP Investments in the amount of \$12,870 thousand (December 31, 2024 - \$16,639 thousand) included in accounts payable and other liabilities. Through PSP Investments, CGF incurred \$12,870 thousand and \$36,716 thousand of expenses for the three-month and nine-month periods ended September 30, 2025, respectively (three-month and nine-month periods ended September 30, 2024 - \$10,442 thousand and \$36,623 thousand, respectively).

Also, through CDEV, CGF incurred \$30 thousand and \$48 thousand of expenses for the three-month and nine-month periods ended September 30, 2025, respectively (three-month and nine-month periods ended September 30, 2024 - \$2 thousand and \$38 thousand, respectively).

10. CAPITAL MANAGEMENT

In 2022, the Government of Canada announced its intention to create CGF and to fund it up to the amount of \$15 billion, as described in Note 7.2.

CGF defines capital that it manages as the aggregate of its equity with the following objectives for managing capital:

- To safeguard its ability to continue as a going concern; and
- To fulfil its mandate and objectives for the Government of Canada.

CGF has to invest according to its mandate, with a view of earning a rate of return from capital appreciation and income from investments, as described in Note 2.2.

CGF's only source of funding is from issuing Preference Shares to the Government of Canada, which is limited to \$15 billion. As of September 30, 2025, the aggregate contributed capital was \$4,390 million (December 31, 2024 - \$4,390 million).

Furthermore, CGF is not entitled to borrow money other than providing guarantees and entering into loan commitments in support of its investment transactions, for an annual aggregate amount not exceeding the annual commitment amount approved and effective under the most recent Corporate Plan. Amounts guaranteed, if any, are disclosed in Note 11.

11. GUARANTEES AND INDEMNITIES

CGF provides indemnification to its directors, its officers, and to certain CGF representatives asked to serve as directors, officers or Board observers of entities in which CGF or its investment entity subsidiaries have made an investment or have a financial interest. As a result, CGF may be required to indemnify these representatives for costs incurred, such as claims, actions or litigation in connection with the exercise of their duties, unless the liability of such a representative relates to a failure to act honestly and in good faith. To date, CGF has not received any claims nor made any payment for such indemnities.

In certain cases, CGF also provides indemnification or guarantees to third parties in the normal course of business. As a result, CGF may be required to indemnify or make payments on guarantees to such third parties in connection with the performance of their contractual obligations. To date, CGF has not received any claims nor made any payments for such indemnities or guarantees.



12. COMMITMENTS

CGF and its investment entity subsidiaries have committed to enter into investment transactions, which will be funded over the next several years in accordance with agreed terms and conditions. The unfunded commitments were as follows as at:

	September 30, 2025				
(Canadian \$ thousands)	Fixed ^A	Variable ^B	Discretionary ^C	Total	Timeframe
Private equity investments	12,054	-	2,000,000	2,012,054	2025-onwards
Private fund investments	107,345	-	-	107,345	2025-2029
Convertible debts and other loan	233,457	128,150	604,354	965,961	2025-onwards
Derivatives					
CCO	-	1,000,000	-	1,000,000	2026-2041 ^D
CP CfD	-	19,969	-	19,969	2026-2035
Total	352,856	1,148,119	2,604,354	4,105,329	

	December 31, 2024				
(Canadian \$ thousands)	Fixed ^A	Variable ^B	Discretionary ^C	Total	Timeframe
Private fund investments	65,897	8,944	-	74,841	2024-2029
Convertible debts and other loan	175,000	-	571,910	746,910	2024-onwards
Derivatives					
CCO	-	1,000,000	-	1,000,000	2026-2041 ^D
CP CfD	-	19,969	-	19,969	2025-2035
Total	240,897	1,028,913	571,910	1,841,720	

^A Represents the maximum amounts under binding contracts that are not dependent on future conditions.

^B Represents the maximum amounts under binding contracts that are dependent on future conditions, outside of CGF's approval.

^C Represents the maximum amounts under contracts with respect to which a binding commitment is subject to CGF's approval.

^D Represents the timeframe related to the one CCO project that has been signed, which accounts for 27% of the total commitment of 600 thousand TPA. Initial price, term and credit market of the remaining projects are undetermined.