Canada Growth Fund

2024 Annual Report

Yoho National Park, British Columbia

Table of Contents

Message from Canada Growth Fund Investment Management President and CEO

I take on the role of President and CEO of Canada Growth Fund Investment Management Inc. ("CGFIM") with the backdrop of a team and strategy that has quickly sought to meet the needs of Canadian innovators, entrepreneurs and project developers. I look forward to building on these accomplishments and continuing the excellent work of the CGFIM team in the year ahead.[1]

Yannick Beaudoin
President and Chief Executive Officer
Canada Growth Fund Investment Management Inc.

Delivering important investment outcomes to the Canadian market

It is an honour to write my first letter as President and CEO of CGFIM.[2] To begin, I'd like to extend my sincere thanks to my predecessor, Patrick Charbonneau, for his work in launching the initial investment strategy and operations of CGFIM. Since its launch in June 2023, Canada Growth Fund Inc. ("CGF") has deployed numerous unique financial structures to bridge funding gaps not fully addressed by public and private markets today. In my view, this "investor-first" approach will deliver tremendous value to Canada and Canadians and will have a strong replicability across the market over time.

CGF is designed as a self-funded vehicle and is led by experienced investors at CGFIM focused on carbon capture and sequestration ("CCS"), innovative technologies and critical minerals. It has an important mandate to unlock investment in Canada's energy, natural resources and clean technology sectors to grow Canada's economy and promote efficient and cost-effective emissions reductions across the country. As the arm's length and independent investment manager of CGF, CGFIM aims to operate with rigour, prudence and fiscal discipline, making the most of our unique mandate to help Canadian businesses remain competitive globally.

1 Yannick Beaudoin was appointed as President and CEO of CGFIM effective February 3, 2025.

2 In March 2023, Public Sector Pension Investment Board ("PSP Investments") was selected to act as the independent, arm's length and exclusive investment manager of CGF. Following this, PSP Investments incorporated CGFIM as its wholly-owned subsidiary for that purpose.

Since inception, CGF investments have supported more than 1,100 jobs and 315 total patents at portfolio companies, as well as crowded-in nearly one billion dollars of private funding towards Canadian projects and companies.

Since inception, CGF investments have supported more than 1,100 jobs and 315 total patents at portfolio companies, as well as crowded-in nearly one billion dollars of private funding toward Canadian projects and companies, which are anticipated to avoid up to nearly 16 million tonnes of greenhouse gas ("GHG") emissions globally by 2030.[3] **Please refer to Appendix A, p. 53 for additional information.** As the newly appointed President and CEO of CGFIM, I aim to draw on my experience investing in natural resources and agriculture globally to help build on CGF's momentum in the market and lead the organization into the next stage of its maturity and impact.

Ramping up the portfolio at speed and scale

In 2024, CGFIM's focus was on ramping up the portfolio and scaling its investment strategy. As of December 31, 2024, CGF had announced nine transactions, committing $2.1 billion across five provinces since inception. This speed to market and excellence in execution were made possible by leveraging PSP Investments' mature operational ecosystem, arm's length governance, and team of seasoned investment professionals from fields including infrastructure, private equity and natural resources. By leveraging PSP Investments' strong foundation, the CGFIM team can spend more time meeting with market and industry players across Canada, building a pipeline of opportunities and ultimately completing investments to spur jobs and growth in Canada.

As we look ahead to 2025, our top priority is to continue to unlock innovative and value-add investment opportunities. CGFIM remains focused on the Canadian investment ecosystem to crowd-in private investment toward important projects, technologies and companies that will improve Canadian competitiveness and advance economic and environmental outcomes.

In closing, I'd like to thank our industry partners across Canada for their interest in what CGF brings to the investment industry and their enthusiasm to work with us to continue delivering value to Canadians.

Sincerely,

Yannick Beaudoin

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

3 Avoided emissions calculation is based on an internal methodology and does not represent a target, but instead reflects CGFIM's assumptions and expectations as of the date of this report, which involve inherent risks and uncertainties. These underlying drivers shall be reassessed on a regular basis by CGFIM, and as such forward-looking metrics may be subject to fluctuations over time. **Please refer to Appendix A, p. 53 for additional information.**

Introduction

River on moraine, Alberta

All amounts in this report are in Canadian dollars unless otherwise noted. Key concepts are defined in the Glossary at the end of this report, p. 59.

Overview

Canada Growth Fund Inc. ("CGF" or the "Fund")[4] 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 in a subsequent section) 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 CGF.[5] The CGFIM team has full discretionary authority over all aspects of investment management and transactions. 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.

Our team

4 CGF was incorporated as a subsidiary of Canada Development Investment Corporation ("CDEV") in December 2022.
5 Pursuant to the terms of the Investment Management Agreement (the "IMA") which was entered into between 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 (the "Strategic Objectives"):

Accelerate the **deployment of key technologies,** such as low-carbon hydrogen and carbon capture and sequestration ("CCS").

Encourage the **retention of intellectual property ("IP")** in Canada.

Reduce emissions while promoting economic growth and Canadian competitiveness.

Capitalize on Canada's abundance of natural resources and **strengthen critical supply chains** to secure Canada's future economic and environmental well-being.

Scale up companies that will create jobs and drive productivity and growth across new and traditional sectors of Canada's industrial base.

Key Achievements Since Inception

9
investments

since inception, with seven investments in 2024.

1,100
jobs

in Canada at CGF portfolio companies.

$2.1 B
Committed

across five provinces.[6]

315
Patents

held at CGF portfolio companies.

15.9 M
tCO_2e[7]

anticipated cumulative avoided emissions to 2030[8] generated by portfolio companies. **Please refer to Appendix A, p. 53 for additional information.**

Yoho National Park, British Columbia

6 **Please refer to Discussion of Fund Performance and Results, p. 21 for further details regarding CGF's financial results.**
7 Tonnes of carbon dioxide equivalent.
8 Avoided emissions calculation is based on an internal methodology and does not represent a target, but instead reflects CGFIM's assumptions and expectations as of the date of this report, which involve inherent risks and uncertainties. These underlying drivers shall be reassessed on a regular basis by CGFIM, and as such forward-looking metrics may be subject to fluctuations over time. **Please refer to Appendix A, p. 53 for additional information.**

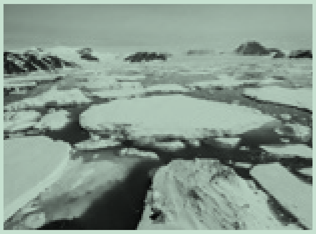
CGF’s Commitments Since Inception

2023

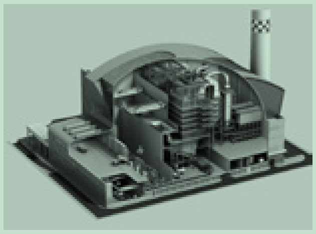
October 25
Eavor
Calgary — AB
$90 million

December 20
Entropy
Calgary — AB
$1.2 billion

2024



March 25
Idealist
Montréal — QC
$50 million

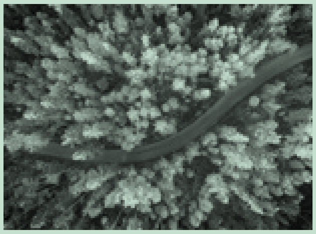


June 11
Varme
Edmonton — AB
N/A (contingent on FID)

June 26
Markham District Energy
Markham — ON
N/A

July 10
Strathcona
Calgary — AB
$500 million
(contingent on FID)

August 15
Svante
Vancouver — BC
$135 million



August 22
MKB
Montréal — QC
$50 million

December 17
Nouveau Monde Graphite
Saint-Michel-des-Saints
and Bécancour — QC
~$35.6 million

Investment Strategy

Investment Strategy and Criteria

Scope of Investment Activities

CGF focuses its investing activities on three key areas:

Projects

Projects that use technologies and processes (that have been proven in pilots but not yet widely adopted) to efficiently reduce emissions across the Canadian economy, including but not limited to, CCS, electrification and low-carbon electricity, as well as hydrogen and biofuels. CGF will take direct minority or control positions through a mix of debt, equity, hybrid instruments, and contracts.

Clean technology

Clean technology companies, including small and medium enterprises ("SMEs"), which are scaling less mature but proven technologies that are in the demonstration or commercialization stages of development. CGF will invest through i) direct investments focusing on minority growth equity positions, and ii) select commitments to third party fund managers and/or co-investment opportunities, where the strategy and objectives align with those of CGF.

Low-carbon supply chains

Projects, companies, and technologies across low-carbon supply chains, including critical minerals, that will allow Canada to leverage its abundance of natural resources, help secure Canada's supply chains, and improve Canada's domestic and global competitiveness. CGF will invest through i) direct investments in projects and companies; ii) funds, whereby it commits to, and, where applicable, co-invests alongside, mining-focused specialist investment managers, and iii) co-investment alongside corporates, developing strategic partnerships with builders, operators, processing/refining partners and manufacturers.

Investment Criteria

When evaluating investment opportunities on behalf of CGF, CGFIM uses a set of investment criteria that supports a rigorous, fair, and consistent evaluation, while evaluating the alignment of opportunities with relevant aspects of the CGF Mandate ("Investment Criteria"). Notably, any one individual investment may not fully satisfy all Investment Criteria and Strategic Objectives of the CGF Mandate.

Consistency with goals

The investment will advance the CGF Mandate and Strategic Objectives.

Long-term benefits for Canada

The investment has a reasonable chance to strengthen the development of Canadian workers and generate knowledge that will produce long-term benefits for the Canadian economy. For example:

— **Canadian presence:** activities related to the project or company are done in Canada and/or may generate widely shared economic benefits in Canada.

— **Intellectual property:** the activity will enable the development, utilization, or commercialization of Canadian IP, or maintain Canadian ownership.

— **Value chain creation:** the investment will develop or strengthen Canadian competitiveness by participating in a new or existing value chain.

Additionality

The investment may attract private sector investment, immediately or in the future, that would likely not have been secured without the participation of CGF.

Financial soundness

The investment will fit within a portfolio that will target preservation of capital.

Consistency with public disclosure sustainability-related principles

The investment will fit within a portfolio that will assist CGF in meeting internationally recognized standards of sustainability-related measurement, disclosure, and performance.

Balancing Returns, Risk Mitigation, and Concessionality

The CGFIM team is comprised of investment professionals with extensive experience across a range of sectors and strategies, as well as expertise in structuring and executing complex investments. Considering the nature of the CGF Mandate, CGF has unique considerations to balance compared to market returns-focused investors. In seeking to create a portfolio of investments that fulfills the CGF Mandate, including the Investment Criteria and Strategic Objectives, CGFIM considers and aims to balance three key elements with respect to any particular investment: (i) financial returns, (ii) risks mitigated, and (iii) concessionality.

Financial Returns

CGF does not provide grants or subsidies and will not invest where it does not have a reasonable expectation of a return of capital. Making individual investment decisions on this basis reflects CGF's aim to preserve its invested capital on a portfolio basis in the long run. Any distributions of capital in respect of CGF investments are intended to cover its operating expenses and be reinvested in additional investments, with the aim to create a self-funded vehicle over time.

Risk Mitigation

CGF uses investment instruments that absorb certain risks to reduce uncertainty and encourage private sector investment in efficient low-carbon projects, technologies, businesses, and supply chains. Each CGF investment is expected to address one or more of the following key risk factors that create uncertainty with respect to an investment's long-term financial profile:

— Demand risk associated with uncertainty around end-market demand and pricing;

— Policy risk related to perceived uncertainty around climate regulations;

— Regulatory risk with respect to project assessments and permitting approvals for construction projects;

— Execution risk from building first-of-a-kind commercialized products and companies;

— Liquidity risk from investing in projects without abundant debt financing or visible secondary markets for equity; and

— Other risks that limit investor interest.

Concessionality

It is expected that CGF's investments will generally have some level of concessionality (i.e., below market expected risk-adjusted returns) to fully serve the purpose of leveraging private capital. Such concessional investing may take different forms and is guided by the following principles:

— CGF will always aim to minimize the level of investment concessionality to the level necessary to attract private capital or otherwise make the project viable; and

— CGF will participate, to an appropriate degree, alongside private sector investors in both the downside risk and upside potential of an investment.

Nouveau Monde Graphite Inc.

Select Investment Cases

Low-Carbon Supply Chain Investment:

~$35.6 M

CGF Investment

Supports the development of the **largest fully integrated natural graphite production facility in North America**

Supports and **strengthens critical supply chains** and new manufacturing jobs in Canada

First direct investment in Québec, contributing to the diversification of the CGF portfolio

With its flexible financing tools, CGF enables Canadian companies at critical stages of their development to continue their growth and de-risk their projects.

In December 2024, CGF announced its first transaction in the critical minerals sector with an investment in Québec-based Nouveau Monde Graphite Inc. (TSX:NOU, NYSE:NMG) ("NMG"), a graphite mining and processing company developing an integrated value chain to transform natural graphite into active anode material, a critical component of lithium-ion batteries. NMG's Phase-2 Matawinie Mine and Bécancour Battery Material Plant collectively represent one of the most advanced integrated critical minerals opportunities in Canada and will support North America's efforts to build more resilient supply chains to the benefit of their domestic economies.

This investment demonstrates alignment with the CGF Mandate by:

— **Capitalizing on Canada's abundance of natural resources and strengthening critical supply chains** to support the country's long-term economic and environmental prosperity;

— **Promoting geopolitical supply chain resilience** and the integration of the North American battery and electric vehicle supply chain; and

— **Helping to scale a company** that will create jobs and clean growth across Canada's industrial base.

With its flexible financing tools, CGF enables Canadian companies at critical stages of their development to continue their growth and de-risk their projects. This investment will allow NMG to continue its development to final investment decision ("FID"), currently targeted for 2025.

The integrated feasibility study for NMG's Phase-2 Matawinie Mine and Bécancour Battery Material Plant is progressing to optimize production parameters, engineering, and cost projections. Investors and policymakers alike recognize the strategic importance of securing a stable supply of critical minerals, which are essential for high-tech industries, from defence to renewable energy and batteries.

Investment Process

The delivery of the CGF Mandate is done on an arm's length basis from the Government of Canada. CGFIM, a subsidiary of PSP Investments, is comprised of a team of seasoned investment professionals leveraging experience from numerous asset classes, including infrastructure, private equity and natural resources.

Through this governance structure, CGFIM selects and underwrites investments in alignment with the CGF Mandate. CGFIM's aim is to leverage its team's investment judgement to build a portfolio of CGF investments aligned with the CGF Mandate and at the speed and scale required to maximize its impact.

To operationalize the CGF Mandate, CGFIM has developed frameworks and tools to translate each of the Strategic Objectives into pillars and key performance indicators, to complement CGF's statutory financial reporting.

CGF investment evaluation includes both a more conventional financial evaluation aligned with best investment practices, and an impact focused assessment in alignment with the CGF Mandate. As discussed in the previous section, all investments must demonstrate financial soundness and CGFIM's investment process ensures that the investment will fit within a portfolio that will target preservation of capital. The subsequent section will focus on outlining details related to the impact evaluation.

View of a river surrounded by trees, Québec

Impact Framework

CGFIM defines "impact" as the collection of indicators which CGF aims to deliver on a portfolio level over time, aggregating performance data from individual portfolio companies. The resulting pillars and select Performance Criteria[9] (as defined in a subsequent section) make up CGF's Impact Measurement and Management ("IM+M") framework, which is integrated across the investment lifecycle, providing the basis for investment diligence and selection, asset management, and portfolio monitoring. CGF investments are expected to address one or more aspects of the IM+M framework.

Table 1
CGF Impact Measurement and Management (IM+M) Framework

Pillars	Link to CGF Mandate	Performance Criteria
Decarbonize Canada	Reduce emissions while promoting economic growth and Canadian competitiveness	— Financed emissions (including Scope 1 and 2 emissions, Scope 3 where possible) — Anticipated avoided emissions
Drive Canadian Clean Growth	Scale technologies and companies that will drive productivity, competitiveness, growth and jobs across new and traditional sectors of Canada's industrial base Capitalize on Canada's resource endowment and strengthen critical supply chains Provide long-term benefits for Canada	— Estimated permanent jobs created or supported by CGF investments — Number of technologies and/or patents created, supported or maintained due to CGF investments — Annual export revenue from major projects, clean technology and/or low-carbon supply chains
Additionality	Prioritize investments that unlock additional financial (crowding in capital) or advance economic and environmental outcomes that would not otherwise have been achieved	— Ratio of private investment (equity and debt) catalyzed due to CGF investments — Amount of new capital leveraged or unlocked that invests in alignment with the CGF Mandate (including qualitative evidence)

The Fund's IM+M framework supports evaluating all investments against each pillar and aligns the overall investment strategy, decisions and management toward common objectives. Each investment may not support all standard Performance Criteria but should contribute to at least one of the key objectives, such that CGFIM can deliver against the CGF Mandate on a portfolio basis. These objectives are then integrated across the investment process, as outlined further in the next section. Total performance against objectives is evaluated, on aggregate, at the portfolio level.

9 To be reported by CGFIM on an annual basis, to the extent possible and appropriate, at the portfolio-level. **Please refer to 2024 Impact Outcomes and Performance, p. 16, Table 2 for additional information.**

Integrating Impact into Investment Lifecycle

CGF's IM+M framework outlines a process to integrate impact management at every step of the investment lifecycle by defining specific steps to assess impact during investment screening, diligence and selection, asset management and portfolio monitoring.

Figure 1
Overview of Investment Process and IM+M Integration

	PHASE I Initial pre-clearance to ensure alignment with the CGF Mandate		**PHASE II** Formal assessment against a comprehensive evaluation matrix		
1 Sourcing	**2 Screening**	**3 Initial Recommendation**	**4 Due Diligence**	**5 Final Recommendation**	**6 Closing & Asset Monitoring**
Process Step					
→ Dual-track sourcing strategy, including: – Active outreach strategy allowing CGFIM to engage directly with stakeholders – Public electronic mailing address for inbound proposals	→ Opportunities are pre-cleared using a standardized list of Investment Criteria ("pre-clearance memorandum") → Systematic and disciplined approach to screening ensures that opportunities are aligned with the CGF Mandate	→ CGFIM prepares an initial investment recommendation outlining the key merits and risks of the transaction	→ Prior to moving to the due diligence stage, CGFIM obtains various internal approvals → CGFIM conducts a comprehensive transaction due diligence, in line with best practices	→ Upon successful completion of due diligence, CGFIM: – Negotiates and finalizes the investment structure – Prepares a comprehensive investment recommendation → Seeks investment approval from CGFIM IRIC	→ Upon receiving final investment approval, transaction is funded and closed → Asset is actively monitored by CGFIM post-close, in accordance with its asset monitoring framework
IM+M Integration					
→ Investment criteria translated into clear screening definitions and metrics to relevant investments	→ Pre-clearance memorandum impact screening tool provides a high-level evaluation of a potential investment's alignment to the CGF Mandate and IM+M objectives	→ Standardized memo summary table presents impact-related attributes of the potential investment, included in the initial investment recommendation	→ Impact diligence tool structures and documents detailed qualitative and quantitative assessment of all impact criteria and metrics, considering key findings from technical, legal and commercial due diligence processes to produce a comprehensive IM+M profile	→ Standardized investment recommendation documents present complete impact criteria and metrics, and evaluate overall alignment to the CGF Mandate	→ Frameworks and tools monitor and manage impact performance throughout the hold period, including tracking portfolio performance against underwriting expectations

The Fund seeks to sustain the impacts created through its investments, including after divesture. CGFIM seeks to evaluate and monitor the performance of each investment against the Fund's Strategic Objectives, notably at the following stages of the investment process:

Sourcing, Screening and Due Diligence

During Phase I ("screening") and Phase II ("diligence"), the IM+M framework guides users to evaluate an investment opportunity against a consistent and comprehensive set of impact metrics that align with the Fund's impact objectives. Screening focuses on demonstrating the alignment with the CGF Mandate. Diligence focuses on evaluating each impact metric to measure the potential performance of the investment in alignment with the CGF Mandate. CGFIM has developed tools to support the evaluation of investments during the screening and diligence of the investment process. These tools allow CGFIM to construct a comprehensive assessment of each potential CGF investment, which is used, among other things, to inform the final investment recommendation and decision.

Closing and Asset Monitoring

CGFIM monitors and manages impact performance throughout the holding period, notably through:

— **Contractual Terms and Governance:** CGFIM seeks to embed impact-focused metrics and requirements into the investment contract to ensure impacts aligned with the CGF Mandate are created and maintained throughout the investment hold. Examples of other investor influence and support include: leveraging CGF's role within governance structures (e.g., boards, committees) to influence decision making and strategies that will improve investment performance; supporting investees in building capacity, systems and tools to collect and manage impact data, and quantifying impact and sustainability performance.

— **Data Collection:** During the post-investment process, CGFIM monitors the performance of CGF investments to measure and report on the impacts created throughout the hold period. CGFIM collects impact data from investees annually. CGFIM seeks to standardize this data collection, providing additional information related to definitions and units, sources, guidance and frameworks to support consistent reporting of each metric. The data provided from each investment is reviewed and quality checked to clarify and limit any information gaps.

— **Asset Management and Engagement:** The impact data collected allows CGFIM to monitor impact progress over the investment hold period and against the initial underwriting expectations, informing its governance and portfolio company engagement activities.

— **Reporting and Monitoring:** As required in its governance documents, such as the IMA, CGF reports on aggregated portfolio-level impact data annually, monitoring performance against the CGF Mandate and Strategic Objectives. Financial and impact-related data will be aggregated into a central data management system that will be used to monitor the Fund's overall impact performance and CGF Mandate achievement. Insights from this analysis can then be fed back into the investment strategy to support impact management at the portfolio level.

— **Exit:** CGFIM also considers CGF's exit scenarios and related impact outcomes (e.g., projected avoided emissions, asset viability, potential to scale) to understand how impacts aligned with the CGF Mandate would be sustained. As of the date of this report, the Fund has not yet exited any of its investments.

Eavor Technologies Inc.

Select Investment Cases

Clean Technology Investment:

$90.0 M

CGF Investment

Accelerates the deployment of **clean technology that strengthens energy autonomy and reduces emissions**

Creates and supports **80 permanent jobs** in Alberta

Retains technology IP developed in Canada

Through this investment, CGF is supporting a Canadian clean energy champion.

Eavor Technologies Inc. ("Eavor") is an advanced geothermal energy technology company that is pioneering a "closed-loop" system, the Eavor-Loop™, which produces clean, reliable baseload heat and power using very little land and water. A leading startup, the technology and engineering behind Eavor's global pipeline of projects is undertaken at their headquarters in Calgary.

Through this investment, CGF is supporting a Canadian clean energy champion. Eavor is leveraging oil sands drilling expertise to decarbonize heat and power supply — supporting energy autonomy while reducing global carbon emissions.

This investment demonstrates alignment with the CGF Mandate by:

— **Accelerating deployment of Eavor's closed-loop geothermal technology,** which will contribute to lowering greenhouse gas emissions in Canada and globally;

— **Supporting job creation and preservation,** as the investment will help Eavor grow its workforce in Alberta; and

— **Creating and protecting IP and strengthening Canada's status as a leader** in clean energy innovation.

Eavor is nearing commercialization, from its first commercial Eavor-Loop™ project in Geretsried, Germany. The project will supply the nearby towns with 64 megawatts of heat while putting 8.2 megawatts of electricity on the grid over time.

Over the next year, CGF will work with Eavor to continue to scale its operations and accelerate the deployment of its technologies both internationally and within Canada.

2024 Impact Outcomes and Performance

CGFIM is focused on investing to unlock outcomes and drive results in relation to the CGF Mandate. On this basis, CGFIM measures the performance of the CGF portfolio against CGF's Performance Criteria (as defined below) on an annual basis.

Table 2
CGF Annual Portfolio Monitoring Criteria

Pillars	Annual Portfolio Monitoring Criteria ("Performance Criteria")	Section Reference
Financial Soundness	Discussion and analysis of CGF annual financial statements	Discussion of Fund Performance and Results, p. 21
Decarbonize Canada	Annual reporting in alignment with the Task-Force on Climate Related Financial Disclosures framework	Appendix A, p. 53
	Portfolio-level Avoided Emissions	Table 3, p. 17
	CGF Financed Emissions (i.e., Portfolio-level Scope 3 (Category 15) emissions)	Table 4, p. 17
Drive Canadian Clean Growth	Where possible and appropriate, estimated total jobs created or supported by CGF investments, over a period of time as may be determined by the Manager	Table 5, p. 18
	Where possible and appropriate, annual export revenue from major projects, clean technology and/or low-carbon supply chains	*Omitted this year*
	Where possible and appropriate, number of technologies and/or patents created, supported, or maintained due to CGF investments	Table 6, p. 18
Additionality	Ratio of private investment (equity and debt) catalyzed due to CGF investments	Table 7, p. 19
	Where possible and appropriate, amount of new capital leveraged or unlocked that invests in alignment with the CGF Mandate	Table 7, p. 19
Other	CGF capital committed to major projects, clean technology and/or low carbon supply chain activities	Discussion of Fund Performance and Results, p. 21
	Where possible and appropriate, Fund-level reporting on select sustainability-related KPIs	*Omitted this year*

CGFIM is continuously working to strengthen its data collection and reporting. In general, the Performance Criteria may be measured in absolute terms or pro-rata to CGF's investment in the relevant project or company. This being the first year of reporting, CGFIM is actively working with companies in CGF's portfolio to improve data quality and refine procedures. Since CGF primarily invests in early-stage companies and projects, some metrics may evolve as more data becomes available. As such, while the table above encompasses the entirety of CGF's annual Performance Criteria per the IMA, select criteria are intentionally omitted this year.

The key performance indicators in this report are based on evolving methodologies and company-reported data, which is not subject to assurance at this time. Any errors in underlying data may lead to inaccuracies in reported indicators. As industry standards evolve and underlying data quality improves, CGFIM may update its models and methodologies, resulting in disclosures that may not be comparable on a year-on-year basis and that may necessitate re-statement. **Please refer to Statement on Performance Indicators, p. 19 for additional information.**

Decarbonize Canada

Portfolio-Level Avoided Emissions

Avoided emissions refers to the measurement of anticipated outcomes associated with the deployment of a project or technology that is expected to result in a lower carbon intensity process compared to the status quo. This metric quantitatively illustrates the greenhouse gas ("GHG") benefits that are anticipated to stem from CGF investments over time. Notably, many of CGF's clean technology investments are in companies or general partners based in Canada that also deploy their technologies or operations in other jurisdictions. By tracking both Canadian and worldwide avoided emissions, CGFIM aims to capture the substantial anticipated impact driven by its portfolio companies, both within Canada and internationally.

Importantly, this metric does not represent a target but instead reflects CGFIM's assumptions and expectations as of the date of this report, which involve inherent risks and uncertainties. **Please refer to Appendix A, p. 53 for additional information.**

Table 3
Cumulative anticipated direct avoided emissions by CGF portfolio companies, 2024 to 2030

Up to 15.9 million tCO_2e	Up to 4.1 million tCO_2e
Worldwide	in Canada

CGF Financed Emissions

Financed emissions are the GHG emissions linked to the investment and lending activities of financial institutions. In keeping with current practice from institutional investors, including PSP Investments, CGFIM is leveraging the Partnership for Carbon Accounting Financials ("PCAF") Standard to assess and disclose GHG emissions associated with its financial activities.

The methodology used by CGFIM to calculate CGF's financed emissions is informed by PCAF Standard, which is built on Greenhouse Gas Protocol's Technical Guidance for Calculating Scope 3 Emissions, Category 15 (Investments). In keeping with this guidance, CGF's investment portfolio represents an indirect source of emissions reported under the Greenhouse Gas Protocol's Corporate Value Chain activities guidance.[10] **Please refer to Appendix A, p. 53 for additional information.**

Table 4
CGF Financed Emissions in 2024

Financed emissions and carbon footprint – PCAF informed (2024)	
Financed emissions – PCAF informed (tCO_2e)	1,088
Adjusted PCAF AUM in-scope ($ million invested)	259
Coverage of in-scope AUM	90%
PCAF data quality score, weighted by investment size	1.88
2024 Carbon footprint (tonnes CO_2e/$ million invested)	4.2

10 CGFIM applies an operational control consolidation approach to the Fund's organizational boundary.

Drive Canadian Clean Growth

CGF invests in projects, technologies and companies that, among other things, create value for Canadians by supporting and creating jobs. Please note that the jobs figures include only direct, permanent Canadian jobs at CGF portfolio companies, and exclude additional temporary jobs (such as construction jobs) and indirect jobs.

Table 5
Direct, permanent Canadian jobs at CGF portfolio companies (full time equivalent)

1,192 Canadian jobs	261 new Canadian jobs
Total Canadian jobs at CGF portfolio companies at December 31, 2024	Growth in Canadian jobs at CGF portfolio companies, 2024

CGF also seeks to protect and promote the IP of Canadian companies, in the furtherance of Canadian competitiveness. Patent figures cover the number of individual patents held by CGF portfolio companies, understanding that some of these patents may be held in jurisdictions outside of Canada.

Table 6
Number of patents held by CGF portfolio companies

315 patents	85 new patents
Total patents held by CGF portfolio companies at December 31, 2024	Growth in patents held by CGF portfolio companies, 2024

Both the jobs and patent figures are self-reported by CGF portfolio companies and funds, are not pro-rated to CGF investment, and are not independently verified or assured.

Additionality

Financial additionality is a cornerstone of CGF's investment strategy and refers to "unlocking" private sector investment into the Canadian economy that likely would not have occurred without CGF's involvement. CGF considers two categories of financial additionality:

— **Concurrent additionality (crowding in):** Private sector investment that occurs simultaneously with CGF's investment. The concept of concurrent financial additionality, also known as the crowd-in ratio, highlights the ability of concessional finance structures to make investments commercially viable for conventional investors alongside and on substantively similar terms to CGF.

— **Deferred additionality (risk bridging):** Private capital raised by a company over a prolonged period following CGF's commitment. At times, external private capital unlocked by CGF investment may not appear on the same timeline as CGF's own investment. For example, CGF capital may de-risk a company or project, allowing it to reach a critical milestone that positions it for successful fundraises in the future.

CGFIM aims for each CGF investment to lead to outcomes that would not likely have occurred without the Fund's intervention, initially and over time. Both forms of financial additionality are underpinned by a credible hypothesis describing how CGF's investment structure, concessionality and/or ability to de-risk investments may have contributed to attracting additional capital. CGFIM speaks to stakeholders, examines the timelines of various investors' interests, and seeks to understand the underlying drivers of the private capital's investment thesis to seek to validate these hypotheses.

CGFIM also seeks to avoid CGF "crowding out" private sector investors, where disproportionate CGF investment could reduce, replace or eliminate private sector participation. CGFIM aims to direct CGF investments toward areas requiring mitigation of specific risks to attract private financing, which the CGF Mandate is uniquely designed to mitigate.

Given that CGF is a young organization, and all investments are recent, current indicators only capture concurrent financial additionality that is likely to be observed in the short term. This is capital that either has already been invested alongside CGF or is contractually committed to doing so at a precise future milestone (for example, at an anticipated upcoming FID). Note that the ratio figure includes all equity, debt, and hybrid instruments, including both deployments and commitments, but excludes derivatives, such as contracts for difference or carbon credit offtake agreements ("CCOs"). CGFIM will continue to monitor portfolio company fundraising over time to confirm whether investments have indeed been de-risked, attracting private capital per CGF's additionality hypotheses.

Table 7
New capital leveraged or unlocked that invests in alignment with the CGF Mandate

Up to $892 M	Up to 0.84:1
Amount of new private capital leveraged or unlocked that invests in alignment with the CGF Mandate since Fund inception	Ratio of private investment (equity and debt) catalyzed due to CGF investments, per dollar of CGF capital committed (less derivatives) since Fund inception

Statement on Performance Indicators

In preparing the performance indicators contained in this report, CGFIM has made a number of key judgements, estimations and assumptions. The processes, methodologies and issues involved are complex. The data, models and methodologies used are often relatively new, may rapidly evolve and may not be of the same standard as those available in the context of financial and other information, nor are they subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles.

It is often not possible to rely on historical data as a strong indicator of future trajectories. Outputs of models, processed data, and methodologies are likely to be affected by underlying data quality, which can be hard to confirm, and we expect industry guidance, standards, market practice and regulations in this field to continue to evolve. CGFIM is also faced by challenges in relation to its ability to receive data on a timely basis and the lack of consistency and comparability between data that is available. This means the forward-looking statements and information discussed in this report carry an additional degree of inherent risk and uncertainty.
In light of uncertainty as to the nature of any future policy and/or market responses to the energy transition and other issues relevant to the CGF Mandate, including between regions, as well as the effectiveness of any such responses, and as market practice and data quality and availability develop, CGFIM may update the models and/or methodologies it uses, or alter its approach to analyses. On this basis, CGFIM may amend, update and recalculate its disclosures and assessments. Revisions to impact-related data may render it irreconcilable or incomparable on a year-on-year basis. The information in this report includes non-financial metrics, estimates or other information or data that are subject to significant uncertainties, which may include the methodology, collection and verification of data, various estimates and assumptions, and underlying data that are obtained from third parties. The impact-related information contained within this report has not been independently verified or assured. Non-financial portfolio-level metrics include data pertaining to companies to which CGF has already disbursed capital, or otherwise has legal commitments (conditional or otherwise) to do so, as at December 31, 2024.

Entropy Inc.

Select Investment Cases

Project Investment:

Up to

$1.2 B

CGF Investment

Lowers emissions both in **Canada and globally**

Leverages **Canada's high-quality geological storage and unique CCS knowledge**

De-risks and accelerates private CCS investment

This strategic growth partnership represents an important new investment in Canadian carbon markets.

CGF and Advantage Energy Ltd. (TSX:AAV) ("Advantage") entered into a strategic investment agreement with Entropy Inc. ("Entropy"), a Calgary-based developer of technologically-advanced CCS projects with the potential to significantly reduce emissions in Canada and worldwide. CGF has agreed to a $200 million investment in Entropy coupled with a fixed-price CCO of up to one million tonnes per annum.

This strategic growth partnership represents an important new investment in Canadian carbon markets. The features of the CCO — notably its large scale and its long-term contract-price — represent a global first in compliance markets. This financeable structure helps to de-risk and accelerate private CCS investment by establishing carbon price certainty for Canadian projects.

This investment demonstrates alignment with the CGF Mandate by:

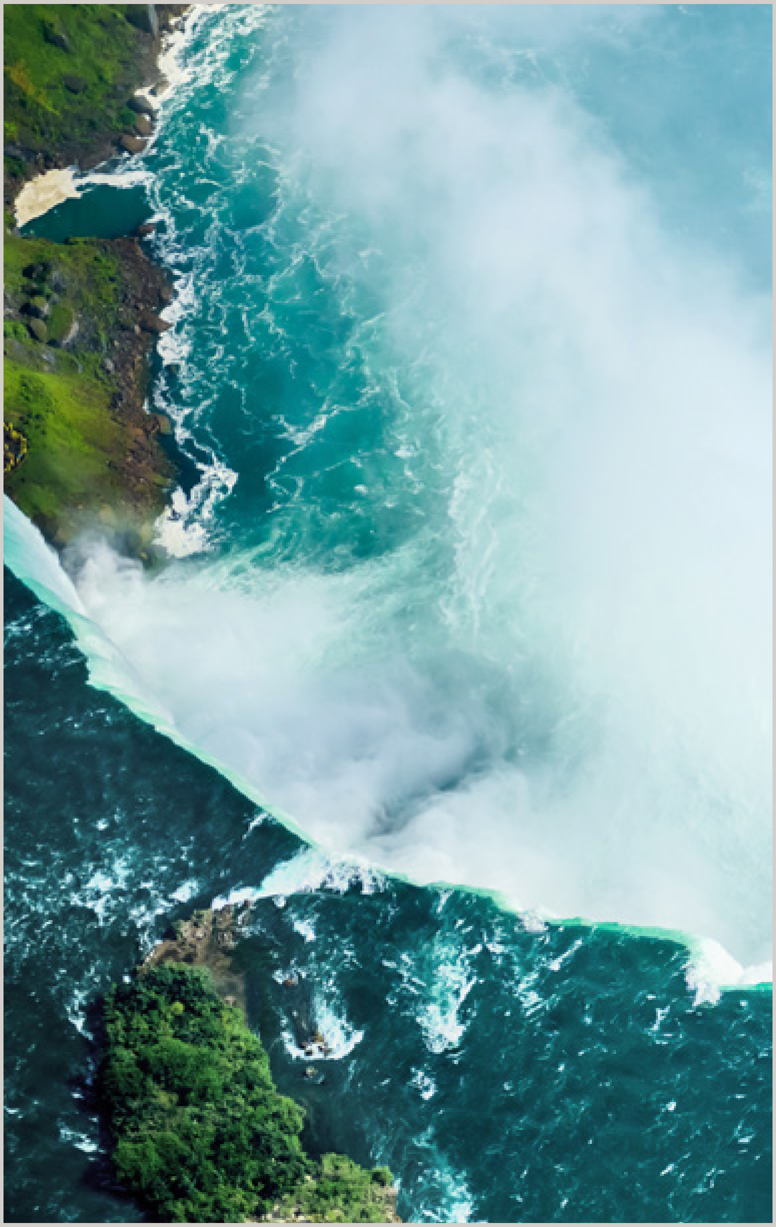
— **Accelerating a Canadian-based CCS company** with an innovative technology solution;

— **Supporting a skilled team of Canadian experts** focused on expanding the use of CCS technology in Canada and globally; and

— **Leveraging innovative Canadian IP to deploy CCS projects at scale,** as Entropy's modular CCS technology is relevant across Canada's hard-to-abate industries.

In March 2022, Entropy announced a strategic $300 million investment agreement with Brookfield Corporation, via the Brookfield Global Transition Fund ("Brookfield"), to scale up the deployment of Entropy's CCS technology globally. CGF's investment built on this strong foundation and provides greater revenue certainty to accelerate Entropy's major investments in Canada. CGF's strategic investment and first-of-a-kind large scale, long-term, fixed-price CCO, was designed to unlock Brookfield's capital and crowd it into Canadian activities and expedite the deployment of Entropy's CCS technology across Canada. The framework agreement enables CGF to purchase up to one million tonnes per annum of Alberta Technology Innovation and Emissions Reduction Regulation ("TIER") carbon credits or equivalents generated by Entropy, with an initial allocation targeting the purchase of approximately 160,000 tonnes per annum of Alberta TIER carbon credits. In July 2024, Entropy announced FID on the Glacier Phase II project, with an onstream date expected in the second quarter of 2026.

Discussion of Fund Performance and Results



Niagara Falls, Ontario

The Discussion of Fund Performance and Results provides an analysis of the operations and financial position of Canada Growth Fund Inc. ("CGF" or the "Fund") for years ended December 31, 2024 and 2023, and should be read in conjunction with CGF's Financial Statements for the year ended December 31, 2024 (the "**Financial Statements**"), and for the year ended December 31, 2023.[11] This report takes into account material elements, if any, between December 31, 2024 and March 26, 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.

11 Unless otherwise stated, any reference to the "year ended December 31, 2023" refers to the 384-day period comprised between December 13, 2022 (date of incorporation) and December 31, 2023.

Economic Overview

Over the past several years, the Canadian economy has exhibited resilience in the face of numerous global challenges, including the COVID-19 pandemic, geopolitical and trade-related tensions, and rising inflationary pressures. In 2024, Canada's Gross Domestic Product (GDP) growth slowed to 1.3%, down from 2.1% in 2023, marking the slowest annual pace since 2016, excluding the pandemic.

The Bank of Canada's restrictive monetary policy up until June 2024 weighed on the economy. Oil prices declined from a peak of $87 in April 2024 to a range of $70-$75 in the second half of the year. The labour market showed signs of deterioration, with the unemployment rate rising to 6.7% in December 2024, compared to the all-time low of 5% two years prior. With inflation declining towards its target of 2%, closing the year at 2.4% compared to 3.9% in 2023, the Bank of Canada initiated a monetary policy easing cycle in June 2024, bringing its policy rate back down to 3.25% in December 2024 from a peak of 5%.

Against the backdrop of global and North American policy shifts, geopolitical risks, and ongoing structural challenges, including low productivity and affordability constraints, Canada's economic outlook is subject to uncertainty. The potential impact of US tariffs on Canada's economy could unfold in complex and unpredictable ways over time. Factors, such as tariff size, currency responses, and policy decisions from the Canadian government, may influence the depth and duration of the effects.

In a context of heightened uncertainty for businesses and relatively high borrowing costs, CGF is well positioned to help grow the Canadian economy, in particular by supporting private sector investment in Canadian businesses. Accelerating the development and deployment of key technologies, strengthening critical supply chains and capitalizing on the country's abundant natural resources have become all the more crucial to help grow Canada's economy, for the benefit of all Canadians from coast to coast to coast.

Overview of Fund Activity

During the year ended December 31, 2024, seven portfolio investments were announced across a variety of areas of focus and regions, which allowed CGF to reach a total of nine portfolio investments, committing $2.1 billion across five provinces since its inception. In 2024, Canada Growth Fund Investment Management Inc.'s ("CGFIM")[12] focus was on ramping up the portfolio and scaling its investment strategy.

This speed to market and excellence in execution was made possible by leveraging PSP Investments' mature operational ecosystem, arm's length governance, and team of seasoned investment professionals from fields including infrastructure, private equity and natural resources. CGFIM management is pleased with CGF's strong delivery model and performance to date. Since inception, CGF investments have supported more than 1,100 jobs and 315 total patents at portfolio companies, crowded-in nearly one billion dollars of private funding towards Canadian projects and companies, and is anticipated to avoid up to 15.9 million tCO_2e[13] of emissions globally. **Please refer to Appendix A, p. 53 for additional information.**

Over the course of the year, a total of $4.1 billion[14] was received from the Government of Canada in capital contributions. Funding was received to support commitments to the portfolio investments, which in some cases may be deployed over the course of many years, to honour any guarantees to be provided during CGF's business, to cover costs and to maintain prudent coverage to mitigate liquidity risk.

CGF generated $80.8 million of net income during the year consisting of investment income of $137.4 million net of expenses of $56.6 million. As a long-term investment manager, CGFIM invests to unlock private sector interest in relatively more risky technologies and projects. CGF's investment mandate (the "CGF Mandate") entails that CGFIM's focus is not on short-term annual returns but rather on preserving capital on a portfolio basis over the long term. Although volatility would be expected in the Fund's financial performance over time, CGF's current year performance is a positive rate of return, net of all expenses, nearing 4% in 2024. To this end, CGFIM continues to expect CGF to recover its capital on a portfolio basis in the long term.

Finally, CGF and CGFIM reached a critical milestone with the signature of the Investment Management Agreement among CGFIM, CGF, Canada Development Investment Corporation ("CDEV") and PSP Investments on March 11, 2024. During the year, CGFIM continued to build its team and established a presence in Calgary. Moreover, the corporate objectives set out in Appendix C of CGF's 2024-2028 Corporate Plan Summary have been met by CGFIM and CGF (as relevant).

CGF's results are presented below.

12 In March 2023, Public Sector Pension Investment Board ("PSP Investments") was selected to act as the independent, arm's length and exclusive investment manager of CGF. Following this, PSP Investments incorporated CGFIM as its wholly-owned subsidiary for that purpose.

13 Tonnes of carbon dioxide equivalent.

14 Includes $1.1 billion that was called under the previous Corporate Plan. In 2024, $3 billion was received, in line with the approved 2024-2028 Corporate Plan.

Funding Received, Committed & Deployed

During the year, CGF issued 4,100 thousand Preference Shares (as defined in a subsequent section) to, and received $4.1 billion in capital contributions from, the Government of Canada. Such contributions were received by CGF to support commitments to the portfolio investments, which in some cases may be deployed over the course of many years, to honour any guarantees to be provided in the course of CGF's business, to cover costs, and to maintain prudent coverage to mitigate liquidity risk.

During the year ended December 31, 2024, CGF committed $802.3 million over seven investments and deployed $157.1 million. Since its inception, CGF has committed $2.1 billion over nine investments and deployed $247.1 million.

Investment Income

During the year, CGF total investment income amounted to $137.4 million, consisting of $93.1 million generated by cash management activities, $38.4 million of valuation gains on its investments and the remainder mainly resulting from currency gains and interest income.

Valuation gains are the result of the increase in the fair value of investments held and reflect the impact of market and investment specific events. Fair value is determined using valuation techniques that are widely recognized and consistent with professional valuation standards. They were determined using quoted market prices in certain cases, valuation techniques in others and using the net asset values in the case of private fund investments. Valuation gains were mainly driven by CGF's investments in Nouveau Monde Graphite Inc., Entropy Inc. and Idealist Climate Impact fund.

Total investment income is significantly higher compared to the prior year where CGF held two investments entered into during the fourth quarter of 2023, therefore generating no valuation gains or losses. Similarly, given lower available liquidities, minimal income was generated on cash management activities.

Expenses

Total CGF expenses of $56.6 million for the current year were composed of the following key components:

Operating Expenses:

Total operating expenses amounted to $48 million for the current period. A key component of operating expenses was $43 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 (from commitments since inception of $2.1 billion as at December 31, 2024). In this progression, the trajectory of operating expenses is expected to follow a common pattern known as the "J Curve", where the build-out pace of operational capabilities is initially faster than the pace of investments.

— **Compensation:** The majority of operating expenses is made up of compensation, including benefits, attributable to executing on the CGF Mandate, accelerating CGFIM's investment capabilities and, to a lesser extent, further developing CGFIM and CGF's operational and governance framework.

— **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 setup 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 year amounted to $5 million and consisted mainly of advisory mandates where specialized knowledge was required for a short period of time, such as legal advisory and consulting services in different targeted markets.

Investment-related Expenses:

CGF's total expenses included $8.6 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 completed investments and, to a lesser extent, investments currently in progress or under evaluation.

Current Year Expenses compared to the 2024-2028 Corporate Plan:

The 2024-2028 Corporate Plan (the "Corporate Plan") outlined planned investment activities and resources required to support the delivery thereof. Projected total expenses for 2024 were $73.4 million, compared to actual expenses of $56.6 million. This favourable variance to the Corporate Plan resulted from significantly lower investment expenses partially offset by higher operating expenses. Lower investment expenses were driven by lower transaction volume and related transaction costs. Lower transaction costs were in part the result of CGFIM's conscious decision to perform more investment-related activities internally rather than engage with external advisors. To this end, CGFIM intends to continuously assess its organizational needs and to prudently and gradually add resources, when and if needed, in line with the anticipated growth of its portfolio and within the confines of the Corporate Plan.

Current Year Expenses compared to Expenses for the year ended December 31, 2023 (the "prior year")

Total expenses for the prior year amounted to $32.2 million – significantly lower than those for the current year – as CGF was at the outset of its startup period at that time with less investment and operational activities taking place than in the current year and CGFIM was ramping up its dedicated workforce.

Operating Expenses:

Total expenses during the prior year reflected startup activities intended to set up CGF and were largely comprised of compensation and indirect expenses of $20.6 million as well as professional and consulting fees of $8.5 million, the majority of which was incurred by CDEV in connection with establishing CGF.

Investment-related Expenses:

CGF's investment-related expenses for the prior year included $3.1 million incurred in transaction costs.

Total Expense Ratio:

CGF's total expenses for the current year were below 40 bps of the committed $15 billion on an annualized basis. As CGF ramps up, we continue to expect that total expenses will remain within 90 bps of the committed $15 billion at maturity.

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 is leveraging 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 and reflect the startup nature of the entity. Several risk practices of PSP Investments have already been leveraged, adapted to CGF's activities and formalized.

As at December 31, 2024, CGF's risk measurement focused mainly on investment risks, which include market, credit, liquidity and concentration risks as described in Note 6 of the Financial Statements, as well as strategic and impact-related risk via the CGF Impact Measurement and Management framework as described in the Investment Process section of this report.

Capital Management

The capital structure of CGF consists of common and Preference Shares. Preference Shares are its primary source of funding. CGF is not authorized 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 of the Financial Statements.

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 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 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 Financial Statements.

Significant Accounting Judgments, Estimates and Assumptions

In preparing the 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 derivative-related instruments. The main assumptions made by management regarding measurement of financial instruments are outlined in Note 4.2.3 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 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.

Financial Statements

and Notes to the Financial Statements

Kluane National Park, Yukon

Management's Responsibility for Financial Reporting

The Financial Statements of Canada Growth Fund Inc. ("CGF") for the financial year ended December 31, 2024 (the "Financial Statements") have been prepared by Canada Growth Fund Investment Management Inc.[A] ("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 (together with Officers of CGF referred to as "Management" herein), and approved by the Board of Directors of CGF. These Financial Statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board (IASB) and incorporated into the CPA Canada Handbook. Management is responsible for the contents of these Financial Statements and the financial information contained in the discussion of fund performance. The 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 to the Financial Statements. The financial information presented throughout the discussion of fund performance is consistent with the Financial Statements.

Based on our knowledge, these 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 Financial Statements.

CGFIM has adequately designed and implemented internal controls over financial reporting as at December 31, 2024, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS.

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 Financial Statements and meets regularly with Management to discuss financial reporting matters. The Board of Directors reviews and approves the annual financial statements.

CGF's external "joint" auditors, the Office of the Auditor General of Canada and Deloitte LLP (the "External Auditors"), have conducted an independent audit of the Financial Statements in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to express an opinion in their Independent Auditors' Report. The External Auditors have full and unrestricted access to Management and the Board to discuss findings related to the integrity of CGF's financial reporting and the adequacy of internal control systems.

Corinne Boone

Corinne Boone

Board Member,
Canada Growth Fund Inc.

March 26, 2025

Yannick Beaudoin

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

March 26, 2025

A References in this letter to CGFIM include seconded personnel to CGF from Public Sector Pension Investment Board, for the period prior to the signing of the IMA.

Independent Auditors' Report

To the Minister of Finance

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canada Growth Fund Inc. (CGF), which comprise the statement of financial position as at December 31, 2024, and the statement of net income (loss), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CGF as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of CGF in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained the annual report prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing CGF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate CGF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CGF's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CGF's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CGF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause CGF to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mélanie Cabana, CPA auditor

Senior Principal
for the Auditor General of Canada

Montréal, Canada
March 26, 2025

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of Canada Growth Fund Inc. coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the applicable provisions of Part X of the *Financial Administration Act* and regulations, the *Canada Business Corporations Act*, the articles and by-law of Canada Growth Fund Inc., and the directive issued pursuant to section 89 of the *Financial Administration Act*.

In our opinion, the transactions of Canada Growth Fund Inc. that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in IFRS Accounting Standards as issued by the IASB have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for Canada Growth Fund Inc.'s compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable Canada Growth Fund Inc. to comply with the specified authorities.

Auditors' Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Deloitte LLP[1]

[1] CPA auditor, public accountancy permit No. A125494

Montréal, Canada
March 26, 2025

Statement of Financial Position

As at December 31, 2024

(Canadian $ thousands)	Notes	**December 31, 2024**	December 31, 2023
Assets			
Cash and cash equivalents	4.1	**33,316**	13,300
Interest receivable	4.1	**1,502**	–
Investments	4.1	**4,421,190**	265,061
Total assets		**4,456,008**	278,361
Liabilities			
Accounts payable and other liabilities	4.1	**38**	103
Accounts payable to related parties	4.1, 9.2	**16,665**	19,781
Total liabilities		**16,703**	19,884
Equity			
Share Capital	7	**4,390,001**	290,001
Retained earnings (Deficit)		**49,304**	(31,524)
Total equity		**4,439,305**	258,477
Total liabilities and equity		**4,456,008**	278,361

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

On behalf of the Board of Directors

Corinne Boone

Corinne Boone
Board Member

Statement of Net Income (Loss)

For the year ended December 31, 2024

(Canadian $ thousands)	Notes	**2024**	2023[A]
Income:			
Investment income	4.2.5	**137,422**	649
Expenses:			
Investment-related expenses	8	**(8,556)**	(3,144)
Operating expenses	8	**(48,038)**	(29,029)
Net income (loss)		**80,828**	(31,524)

Statement of Changes in Equity

For the year ended December 31, 2024

(Canadian $ thousands)	Notes	**2024**	2023[A]
Share capital			
Balance at beginning of year		**290,001**	–
Issuance of common shares	7	**–**	1
Issuance of preference shares	7	**4,100,000**	290,000
Balance at end of year		**4,390,001**	290,001
Retained earnings (Deficit)			
Balance at beginning of year		**(31,524)**	–
Net income (loss)		**80,828**	(31,524)
Balance at end of year		**49,304**	(31,524)
Total equity		**4,439,305**	258,477

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

A Unless otherwise stated, any reference to the "year ended December 31, 2023" in the Financial Statements refers to the 384-day period comprised between December 13, 2022 (date of incorporation) and December 31, 2023.

Statement of Cash Flows

For the year ended December 31, 2024

(Canadian $ thousands)	Notes	**2024**	2023
Cash flows from operating activities[A]			
Net income (loss)		**80,828**	(31,524)
Adjustments to reconcile net income to net cash flows			
Investment income	4.2.5	**(137,422)**	(649)
Net changes in operating assets and liabilities			
Increase (decrease) in accounts payable and other liabilities		**(65)**	103
Increase (decrease) in accounts payable to related parties		**(3,116)**	19,781
Interest received		**62,341**	475
Purchase of short-term investments		**(8,637,641)**	(174,887)
Disposal of short-term investments		**4,711,575**	–
Purchase of investments other than short-term		**(156,484)**	(90,000)
Net cash flows used in operating activities		**(4,079,984)**	(276,701)
Cash flows from financing activities			
Capital contributions received – common shares	7	**–**	1
Capital contributions received – preference shares	7	**4,100,000**	290,000
Net cash flows provided by financing activities		**4,100,000**	290,001
Net change in cash and cash equivalents		**20,016**	13,300
Cash and cash equivalents at the beginning of the year		**13,300**	–
Cash and cash equivalents at the end of the year[B]		**33,316**	13,300

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

A For the year-ended December 31, 2024, investment income and interest received are classified separately within Operating activities to better reflect the significance of these cash and non-cash movements. Accordingly, comparative figures were reclassified to present investment income and interest received separately and to decrease the combined total of purchase of short-term investments and purchase of investments other than short-term by the same amount.

B As at December 31, 2024, cash and cash equivalents were comprised of cash of $1,416 thousand and cash equivalents of $31,900 thousand (December 31, 2023 - $13,092 thousand and $208 thousand).

Notes to the Financial Statements

For the year ended December 31, 2024

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 on March 2023, the 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, also at arm’s length from the Government of Canada (during the 384-day period ended December 31, 2023, a framework agreement was put in place, whereby an investment committee with personnel seconded from PSP Investments was making investment decisions on behalf of CGF).

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

2. Material Accounting Policy Information

The material accounting policy information that has been applied in the preparation of these Financial Statements is summarized below and has been used throughout the presented years.

2.1. Basis of Presentation

The Financial Statements of CGF have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

CGF qualifies as an investment entity as defined under IFRS 10 *Consolidated Financial Statements*. CGF measures its investments in associates, joint ventures and financial assets at fair value through profit and loss (“FVTPL”) in accordance with IAS 28 *Investments in Associates and Joint Ventures* and IFRS 9 *Financial Instruments*. Financial liabilities, which include accounts payable and other liabilities and accounts payable to related parties, are measured at amortized cost.

These 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.

CGF’s Statements of Financial Position are as at December 31, 2024 and December 31, 2023. The Statements of Net Income (Loss), Statements of Changes in Equity and Statements of Cash Flows are for the year ended December 31, 2024 and the year ended December 31, 2023.

These Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on March 26, 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 year. They are as follows:

(i) Mandate and business purpose
As further described in Note 1, 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'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 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 Financial Statements are set out below.

2.3.1. Financial Instruments

(i) Classification
Financial assets, representing cash and cash equivalents, interest receivable and investments are managed according to the entity's business model to make investments in accordance with its mandate while recovering its capital on a portfolio basis and recycling its capital base over the long term. The performance of such financial instruments is evaluated on a fair value basis and they are classified at FVTPL. They are described in detail in Note 4.1.

Financial liabilities, representing accounts payable and other liabilities and accounts payable to related parties, are measured at amortized cost.

(ii) Recognition
Financial assets and financial liabilities are recorded at the date upon which CGF becomes a party to the associated contractual provisions.

(iii) Initial and subsequent measurement
All financial assets and financial liabilities are initially recorded in the Statement of Financial Position at fair value. After initial measurement, financial assets and financial liabilities continue to be measured at fair value or amortized cost. Subsequent changes in the fair value of financial assets classified at FVTPL, if any, are recorded in net gains (losses) on changes in fair value of investments in the Statement of Net Income (Loss).

(iv) Derecognition
A financial asset (or, where applicable, a part thereof) is derecognized when the following conditions are met:

— The rights to receive cash flows from the asset have expired, or
— CGF has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to a third party,

and

— CGF has transferred substantially all the risks and rewards of the asset, or
— In cases where CGF has neither transferred nor retained substantially all the risks and rewards of the asset, it has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

2.3.2. Determination of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

At initial recognition, CGF evaluates the facts and circumstances related to a transaction to confirm that the transaction price represents the fair value of an asset or a liability. At each subsequent reporting date, market prices are used to determine fair value where an active market exists (such as a recognized securities exchange), as they reflect actual and regularly occurring market transactions on an arm's length basis. If quoted market prices are not available, then fair value is estimated using valuation techniques based on inputs existing at the end of the reporting period that are derived from observable market data or best information available.

Valuation techniques are generally applied to investments in private markets and derivative-related instruments. The values derived from applying these techniques are impacted by the choice of valuation model and the underlying assumptions made concerning factors such as the amounts and timing of future cash flows, discount rates, volatility and credit risk. In certain cases, such assumptions are not supported by market observable data.

The determination of fair value of all financial assets and financial liabilities is described in Note 4.2.2.

2.3.3. Functional and Presentation Currency

The functional and presentation currency of CGF is the Canadian dollar, which is the currency of the primary economic environment in which it operates. CGF's performance is evaluated and its liquidity is managed in Canadian dollars.

2.3.4. Investment Income

Investment income is made up of interest, gains (losses) on the disposal of financial assets as well as gains (losses) which reflect the change in unrealized appreciation (depreciation) of financial assets held, which are all classified mandatorily at FVTPL as described in Note 2.3.1. Interest is recognized, on a consistent basis, using the prescribed rates until maturity.

2.3.5. Expenses

Expenses are costs directly incurred by CGF as well as fees incurred by related parties that are charged back to CGF as disclosed in Note 9.2. These combined costs are recorded on an accrual basis and are made up of investment-related and operating expenses as disclosed in Note 8.

2.4. Significant Accounting Judgments, Estimates and Assumptions

In preparing the 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 derivative-related instruments. The main assumptions made by management regarding measurement of financial instruments are outlined in Note 4.2.3 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 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.

3. Future Changes in Accounting Standards

3.1. Current Accounting Standards

CGF has determined that there is no material impact on its Financial Statements arising from new standards, amendments and interpretations that have been issued by the IASB, effective for the year ended on December 31, 2024.

3.2. Future Accounting Standards

A number of new standards, amendments and interpretations have been issued by the IASB but are not yet effective. The following relates to one or more of CGF's material accounting policies or disclosures:

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, which 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 Financial Assets and Financial Liabilities

The fair value of financial assets and financial liabilities held by CGF were as follows, as at:

(Canadian $ thousands)	**December 31, 2024**	December 31, 2023
Financial assets		
Cash and cash equivalents	**33,316**	13,300
Interest receivable	**1,502**	–
Investments		
Short-term investments	**4,131,890**	175,061
Public equity investments	**45,040**	–
Private equity investment	**90,000**	90,000
Private fund investments	**27,277**	–
Convertible debt and other loan	**100,106**	–
Derivative-related instruments		
Warrants	**22,297**	–
CCO	**4,580**	–
CP CfD	**–**	–
	4,456,008	278,361
Financial liabilities		
Accounts payable and other liabilities and accounts payable to related parties	**16,703**	19,884
	16,703	19,884

4.1.1. Cash and Cash Equivalents

Cash and cash equivalents include instruments having a maximum term to maturity of 90 days or less and are held to meet short-term financial commitments. Such instruments are readily convertible into known amounts of cash and have an insignificant risk of change in value. Fair value is determined using cost, which approximates fair value due to the highly liquid nature of these assets.

4.1.2. Investments

(i) Short-Term Investments
Short-term investments are treasury bills, which are instruments having a maximum term to maturity of one year and are held for 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.

(ii) Public Equity Investments
Public equity investments consist of common shares of publicly listed issuers. They are valued using quoted prices in active markets.

(iii) Private Equity Investments
Private equity investments are direct equity positions in private companies.

(iv) Private Fund Investments
Private fund investments are investments in portfolio companies managed by Canadian-based investment managers pursuing growth equity opportunities in companies that are leading the energy transition.

(v) Convertible Debt and Other Loan
Convertible debt is a fixed-income investment that can be converted into common equity of the borrower at CGF's option, subject to conditions. The convertible debt instrument held by CGF was issued by a Canadian-based developer of technologically advanced carbon capture and sequestration (CCS). Other loan consists of sums of money lent to a borrower in exchange for future repayment with interest, for the purpose of funding CCS projects.

(vi) Derivative-related Instruments
Derivative-related instruments 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 contractual 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 debt and other loan, and derivative-related instruments is described in Note 4.2.2 and the valuation techniques together with the significant inputs used are described in Note 4.2.3.

4.1.3. Accounts Payable and Other Liabilities and Accounts Payable to Related Parties

Accounts payable and other liabilities and accounts payable to related parties are recorded at amortized cost. Their fair values approximate their carrying amounts due to their short-term maturities.

4.2. Fair Value Hierarchy

4.2.1. Classification

Financial instruments measured at fair value, as described under Note 4.1, 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 2 inputs include:

(i) Quoted prices for similar assets or liabilities in active markets.

(ii) Quoted prices for identical or similar assets or liabilities in markets that are not active.

(iii) Inputs other than quoted prices that are observable for the asset or liability.

(iv) Market-corroborated inputs.

— 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 at the time of the initial determination of fair value of the asset or liability and reviewed at the end of each reporting period. CGF determines whether a transfer between levels has occurred and recognizes such transfer at the beginning of the reporting period.

The following table shows the financial instruments measured at fair value as at December 31, 2024, classified within the fair value hierarchy:

(Canadian $ thousands)	Level 1	Level 2	Level 3	Total Fair Value
Cash and cash equivalents	–	**33,316**	–	**33,316**
Interest receivable	–	**1,502**	–	**1,502**
Investments				
Short-term investments	**4,131,890**	–	–	**4,131,890**
Public equity investments	**45,040**	–	–	**45,040**
Private equity investment	–	–	**90,000**	**90,000**
Private fund investments	–	–	**27,277**	**27,277**
Convertible debt and other loan	–	–	**100,106**	**100,106**
Derivative-related instruments				
Warrants	–	–	**22,297**	**22,297**
CCO	–	–	**4,580**	**4,580**
CP CfD	–	–	–	–
Financial instruments at FVTPL	**4,176,930**	**34,818**	**244,260**	**4,456,008**

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

The following table shows the financial instruments measured at fair value as at December 31, 2023, classified within the fair value hierarchy:

(Canadian $ thousands)	Level 1	Level 2	Level 3	Total Fair Value
Cash and cash equivalents	208	13,092	–	13,300
Investments				
Short-term investments	175,061	–	–	175,061
Private equity investment	–	–	90,000	90,000
Derivative-related instrument				
CCO	–	–	–	–
Financial instruments at FVTPL	175,269	13,092	90,000	278,361

CGF's undrawn portion of the convertible debt is a financial instrument measured at fair value and classified as level 3 on the fair value hierarchy. As at December 31, 2023, its fair value was nil.

There were no transfers between levels 1 and 2 during the year ended December 31, 2024 and the year ended December 31, 2023.

4.2.2. 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 general partner unless there is a specific and objectively verifiable reason to deviate from the value provided. Where necessary, the impact of restrictions on the sale or redemption of such investments is taken into consideration in determining fair value.

4.2.3. 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 CO_2 sequestered, energy sale prices, forecasted capital expenditures, volatility, discount rates and exit multiples.

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 carbon credit prices, capture volumes, the achievement of a 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.

Valuation Inputs
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[1]	N/A	**N/A**
Private Fund Investments	**27,277**	Net Asset Value[2]	N/A	**N/A**
Convertible Debt and Other Loan	**100,106**	Recent Transaction[1]	N/A	**N/A**
		Discounted Cash flows and Option Pricing Model	Discount rate	**14.0% – 16.0%**
			Historical volatility	**65.0% – 85.0%**
Derivative-related Instruments				
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)[3]	**79.1 – 187.7**
			Total TPA[4] Expected to be Mitigated/ Sequestered (in thousands)	**0.0 – 181.2**

1 Fair value is based on the price from the latest financing round.
2 When investments are held through private funds, the fair value is determined by the general partner, unless there is a specific and objectively verifiable reason to deviate from the value provided.
3 Subject to probabilistic scenarios, forward carbon credit prices are based on independent sources.
4 TPA is defined as "Tonnes Per Annum" of carbon dioxide (CO_2).

As of December 31, 2023, the fair value of the CCO was determined based on a recent transaction. As relevant transactions have ceased to be recent, a probability weighted discounted cash flows approach has been used.

Forward carbon credit prices are based on observable and unobservable inputs from independent sources. 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 mechanisms 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.

Derivative-related Instruments	**TPA Commitment**	**Initial Price** [2] ($/Credit)	**Term** (years) [3]	**Credit Market**
CCO	Up to 185,000[1]	86.50	15	Alberta TIER
CP CfD	Up to 18,900	100.00	10	Ontario EPS

1 Represents the TPA related to the one CCO project that has been signed, which accounts for 31% of the total maximum commitment of 600 thousand tpa. Initial price, term and credit market of the remaining projects are undetermined.

2 The initial price is subject to adjustment based on indexation.

3 The CCO and the CP CfD terms begin, respectively, upon the first carbon injection date and the commercial operation date (COD), which have not occurred yet as of December 31, 2024. 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:

Derivative-related Instruments	**Exercise Period**	**Exercise Price** (US $/share)
Warrants	Upon FID until December 2029	2.38

As of December 31, 2023, the fair values of investments were calculated using valuation techniques where the significant inputs were unobservable. Since these investments were in their early stages of development, the most significant valuation input was the likelihood of successfully achieving key project milestones in the upcoming year, to be monitored on a quarterly basis. Achieving these key project milestones impacted other valuation inputs, including discount rates based on current market yields of instruments with similar characteristics, future carbon credit pricing, volume in tonnes of CO_2 sequestered, energy sale price, forecasted capital expenditure and exit multiples.

As of December 31, 2023, no significant project milestones had been reached since the acquisition, significantly reducing the impact of other valuation inputs in the analysis.

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.

Sensitivity of Fair Value (Canadian $ thousands)	**Unobservable inputs**	**Change in unobservable inputs**	**Increase to Fair Value**	**Decrease to Fair Value**
Convertible Debt and Other Loan				
	Discount rate	+/- 1%	1,604	672
	Historical volatility	+/- 10%	1,351	435
Derivative-related Instruments				
Warrants	Historical volatility	+/- 10%	2,613	2,859
CCO and CP CfD[1]	Discount rate	+/- 1%	1,054	922
	Carbon Credit Price ($/tonne)	+/- 1%		
	Total TPA Expected to be Mitigated/ Sequestered	+/- 10%		

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

The sensitivity analysis above excludes 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 CO_2 mitigated annually would lead to an increase (decrease) in fair value. There is no predictable correlation between unobservable inputs. This sensitivity analysis is 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.

As of December 31, 2023, the primary basis for measuring the fair value of CGF's investments, which included a $90 million equity investment and a derivative-related instrument valued at nil, was the transaction price. Given the recency of the transaction, there was no reasonably possible alternative assumptions for the significant unobservable inputs, and therefore, no sensitivity analysis was conducted.

4.2.4. Level 3 Reconciliation

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 investment	90,000	–	–	–	–	90,000
Private fund investments	–	25,158	–	–	2,119	27,277
Convertible debt and other loan	–	96,638	–	–	3,468	100,106
Derivative-related instruments						
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 year ended December 31, 2024.

The following table shows a reconciliation, for the year ended December 31, 2023, of all movements related to financial instruments held by CGF as at December 31, 2023, and categorized within Level 3:

(Canadian $ thousands)	Opening Balance	Purchases/ Drawdowns	Sales/ Repayments	Realized Gains	Unrealized Gains (Losses)	Closing Balance
Private equity investment	–	90,000	–	–	–	90,000
CCO	–	–	–	–	–	–
Total	–	90,000	–	–	–	90,000

There were no transfers to or from Level 3 during the year ended December 31, 2023.

4.2.5. Investment Income

Investment income for the year ended December 31 is comprised of the following:

(Canadian $ thousands)	**2024**	2023
Investment income from cash equivalents	**5,154**	475
Investment income from short-term investments	**87,951**	174
Investment income from other than short-term investments	**44,317**	–
Total investment income	**137,422**	649

5. Interests in Other Entities

As an investment entity, CGF measures its investments in its associates and joint ventures at FVTPL as described in Note 2.1.

(i) Control and significant influence

CGF determines that it controls an investee when it has power over the investee, is exposed, or has rights, to variable returns from its investment in the investee and has the ability to affect those returns through its power over the investee.

As at December 31, 2024 and December 31, 2023, there was no investment over which CGF has control.

CGF determines that it has significant influence over the investee when CGF does not have control but has the power to participate in the financial and operating policy decisions of the investee.

In the context of control or significant influence, power over an investee is obtained through voting rights conveyed by CGF's ownership interest, other contractual arrangements, or a combination thereof.

As at December 31, 2024, due to CGF level of financial commitment through a convertible debt, board presence and occurred significant transaction, CGF has a significant influence over Entropy Inc., a Calgary-based company. The ownership interest held by CGF in Entropy Inc. is nil.

As at December 31, 2023, there was no investment over which CGF had significant influence.

(ii) Joint control

CGF determines that it is party to a joint venture arrangement when it has joint control over an investee and has rights to the net assets of the investee. Joint control is established through a contractual arrangement which requires the unanimous consent of the parties sharing control for the activities that significantly affect the returns of the arrangement.

Generally, decision making regarding such activities is governed through voting rights conveyed by the ownership interest of each party. In certain cases, it is governed solely through contractual arrangements or in conjunction with the ownership interest of each party.

As at December 31, 2024 and December 31, 2023, there was no investment over which CGF has joint control.

(iii) 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

Market risk is the risk that the value of an investment will fluctuate as a result of an adverse financial outcome due to changes in the factors that drive that value.

As at December 31, 2024, and December 31, 2023, CGF was exposed to factors that could impact its cash and cash equivalents and investments, such as changes in market prices, changes caused by factors specific to the individual investment, valuation multiples and discount rates or other factors affecting similar securities traded in the market, along with interest rates, foreign currency and other price risk which are described below.

(i) Interest rate risk

Interest rate risk refers to the risk that fluctuations in interest rates will directly affect the fair value of an investment or investment liability. CGF is exposed to interest rate risk mainly through its holdings in cash equivalents, short-term investments, as well as convertible debt and other loan. 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 $3,493 thousand (December 31, 2023 – $139 thousand).The sensitivity of the fair value of convertible debt and other loan to a change in the discount rate, including the interest rate, is described in Note 4.2.3.

(ii) Foreign Currency Risk

CGF is exposed to currency risk through holding of investments in US dollars. Fluctuations in the relative value of the Canadian dollar against the US dollar can result in a positive or a negative effect on the fair value of the investment. CGF is exposed to foreign currency risk through its US $53 million (CA $76 million) convertible note and loan investments, 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 $3,815 thousand (December 31, 2023 – nil).

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors that affect all similar financial instruments traded on the market. 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 4.2.3.

6.2. Credit Risk

Credit risk is the risk of non-performance of a debtor on whom CGF relies to fulfill contractual or financial obligations. That is, the risk that the issuer of a debt security is unable to meet its financial obligations. Credit risk encompasses the risk of a deterioration of creditworthiness and the corresponding concentration risk.

Credit risk monitoring entails an evaluation of the credit quality of each issuer that transacts with CGF. As at December 31, 2024, and December 31, 2023, 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 debt and other loan.

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 investments in convertible debt and other loan, 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

Liquidity risk corresponds to the risk that CGF will not be able to meet its financial obligations on a timely basis, with sufficient and readily available cash resources.

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. As at December 31, 2024, and as at December 31, 2023, CGF maintained 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 and accounts payable to related parties, which are presented at undiscounted contractual cash flows value and are all due within three months of the period end.

6.4. Concentration Risk

Concentration risk arises from exposure due to a lack of diversification or concentrated exposure. 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 greenhouse gas 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:

	December 31, 2024				December 31, 2023			
(Canadian $ thousands)	**Projects [1]**	**Clean tech [2]**	**Low-carbon supply chains [3]**	**Total**	Projects [1]	Clean tech [2]	Low-carbon supply chains [3]	Total
Public equity investments	**–**	**–**	**45,040**	**45,040**	–	–	–	–
Private equity investment	**–**	**90,000**	**–**	**90,000**	–	90,000	–	90,000
Private fund investments	**–**	**102,118**	**–**	**102,118**	–	–	–	–
Convertible debt and other loan [4]	**203,319**	**73,289**	**–**	**276,608**	200,000	–	–	200,000
Derivative-related instruments								
Warrants	**–**	**–**	**22,297**	**22,297**	–	–	–	–
CCO	**1,004,580**	**–**	**–**	**1,004,580**	1,000,000	–	–	1,000,000
CP CfD	**19,969**	**–**	**–**	**19,969**	–	–	–	–
Total	**1,227,868**	**265,407**	**67,337**	**1,560,612**	1,200,000	90,000	–	1,290,000

1 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).

2 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.

3 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.

4 Including Interest receivable.

7. Equity

Equity is comprised of retained earnings (deficit) and share capital. The following are additional details about CGF's share capital.

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.

No dividends were declared during the year ended December 31, 2024 (year ended December 31, 2023 – nil).

7.2. Preference shares

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

	December 31, 2024		December 31, 2023	
	Number of shares (thousands)	**Amount (Canadian $ thousands)**	Number of shares (thousands)	Amount (Canadian $ thousands)
Balance at beginning of the year	**290**	**290,000**	–	–
Preference shares issued	**4,100**	**4,100,000**	290	290,000
Balance at end of the year	**4,390**	**4,390,000**	290	290,000

On March 11, 2024, an Amended and Restated Funding Agreement ("FA") 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 FA to provide funding to CGF, up to the amount of $15 billion, for the administration and implementation of the 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 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 year ended December 31:

(Canadian $ thousands)	**2024**	2023
Transaction costs	**8,556**	3,144
Investment-related expenses	**8,556**	3,144
Compensation and indirect expenses	**42,985**	20,564
Professional and consulting fees	**5,053**	8,465
Operating expenses	**48,038**	29,029
Total expenses	**56,594**	32,173

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 loss 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 December 31, 2024, CGF had an account payable to PSP Investments in the amount of $16,639 thousand (December 31, 2023 – $19,732 thousand). CGF incurred $53,218 thousand of expenses for the year ended December 31, 2024, through PSP Investments ($25,732 thousand for the year ended December 31, 2023).

Also included in CGF's expenses for the year ended December 31, 2024, is an amount of $67 thousand incurred through CDEV ($6,365 thousand for the year ended December 31, 2023).

(iii) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling CGF's activities, directly or indirectly, and consist of members of the Board of Directors, its President and its Officers. For the year ended December 31, 2024, the members of CGF's Board of Directors were allocated retainers and per diems for a total amount of $19 thousand ($1 thousand for the year ended December 31, 2023), while the President and the Officers were not compensated.

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, which is comprised of retained earnings (deficit) and its share capital, outlined in Note 7. CGF's objectives in managing capital are as follows:

— 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 December 31, 2024, the aggregate contributed capital was $4,390 million (December 31, 2023 – $290 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 or officers of entities in which CGF 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

The commitments outlined in the table below pertain to various types of contracts that CGF has entered into and represent amounts that CGF has not funded as of:

	December 31, 2024				
(Canadian $ thousands)	**Fixed [1]**	**Variable [2]**	**Discretionary [3]**	**Total**	**Timeframe**
Private fund investments	**65,897**	**8,944**	**–**	**74,841**	**2024 – 2029**
Convertible debt and other loan	**175,000**	**–**	**571,910**	**746,910**	**2024 – onwards**
Derivative-related instruments					
CCO	**–**	**1,000,000**	**–**	**1,000,000**	**2026 – 2041 [4]**
CP CfD	**–**	**19,969**	**–**	**19,969**	**2025 – 2035**
Total	**240,897**	**1,028,913**	**571,910**	**1,841,720**	

	December 31, 2023				
(Canadian $ thousands)	Fixed [1]	Variable [2]	Discretionary [3]	Total	Timeframe
Private fund investments	–	–	–	–	–
Convertible debt and other loan	200,000	–	–	200,000	2024 – onwards
Derivative-related instrument					
CCO	–	1,000,000	–	1,000,000	2026 – 2041 [4]
Total	200,000	1,000,000	–	1,200,000	

1 Represents the maximum amounts under binding contracts that are not dependent on future conditions.
2 Represents the maximum amounts under binding contracts that are dependent on future conditions, outside of CGF's approval.
3 Represents the maximum amounts under contracts with respect to which a binding commitment is subject to CGF's approval.
4 Represents the timeframe related to the one CCO project that has been signed, which accounts for 28% of the total commitment. Timeframe for the remaining projects is undetermined.

Appendix A:

CGF's Inaugural Climate-related Financial Disclosures

The CGF Mandate involves not only seizing climate-related opportunities, but also absorbing certain risks, including climate-related risks, to bridge private market funding gaps and attract additional private capital, so called a "blended finance" approach. CGFIM is committed to public reporting on the CGF portfolio informed by evolving standards, including reporting on climate-related risks and opportunities inspired by global best practices.

Governance

Given that climate-related risks and opportunities are core to the CGF Mandate, they are inherently considered at all levels of CGF governance and oversight. Pursuant to the IMA, all decisions relating to CGF's assets and activities, including all investment decisions and effective management of climate-related risks and opportunities, are made by CGFIM in alignment with the CGF Mandate and strategic goals, without direction or undue influence from the Government of Canada.

CGF is governed by a Board of Directors appointed by CDEV, in consultation with the federal Minister of Finance. The CGF Board of Directors oversees CGFIM's compliance with the IMA, which provides for annual reporting from CGFIM on CGF's Performance Criteria, including climate-related metrics and a report aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). CGFIM reports publicly on behalf of CGF, promoting accountability for portfolio impact management over time.

The CGFIM Board of Directors has established the Impact, Risk, and Investment Committee (IRIC), which has the duty and responsibility to review and approve all CGF investments. Investment approval memorandums submitted to IRIC include analyses of potential investments' impact performance, utilizing quantitative metrics when and where possible, to support rigorous and evidence-based decision-making.

Ensuring investments are undertaken in alignment with the CGF Mandate is a priority for all levels of CGFIM Management, with team objectives linked to the implementation of the IM+M framework, which features climate-related metrics.

Strategy

CGF's strategy is built on identifying and leveraging key climate-related opportunities to support progress towards Canada's economic and environmental goals. The CGF Mandate is to act as a catalyst, and it therefore strives to have a clear contribution to the impact(s) achieved by each investment, including its climate-related impacts.

Although climate-related opportunities may or may not be explicitly labelled as such, pursuing them is inherent to the focus areas and approaches prescribed by the CGF Mandate. The following table applies a climate opportunity lens to the CGF Mandate, demonstrating the strong alignment between the two:

Climate-related Opportunities	Example of Relevant Investment Types
Supporting resource and energy efficiency to lower emissions from projects in the real economy	Investments that unlock large-scale projects for large emitters across Canada's traditional industrial base, enabling Canada to leverage its abundance of natural resources in a more efficient manner
Investing in lower emission energy sources	Project and clean technology direct investments supporting new and traditional energy sources, such as geothermal for low-grade industrial heat and carbon capture and sequestration associated with oil and gas production
Developing new products and services that support a lower carbon economy	Clean technology direct investments in new and innovative products and services, such as smart technology to optimize energy consumption, distribution, and/or storage
Building resilience along the supply chain	Supply chain investments in key inputs to the Canadian and global economy, such as critical minerals

In pursuing these opportunities while seeking to unlock private investment, CGF may absorb certain investment risks beyond a conventional risk/return ratio. On this basis, CGF's portfolio may develop increased exposure to climate-related transition risks, as well as sector and geographic concentration. Going forward, CGFIM seeks to understand and track these potential risks in the short (1-5 years), medium (5-10 years), and long terms (10+ years) on an investment-by-investment basis as part of due diligence, ongoing asset management and portfolio monitoring. **Please refer to the Risk Management section for additional information.**

Transition risks, potentially material to CGF's ability to recycle capital in the long term, include:

Transition Risks	Example of Relevant Investment Types
Technology	De-risking certain aspects of construction, execution and regulatory risks tied to developing First-Of-A-Kind ("FOAK") technologies and projects are explicit aspects of the CGF Mandate. For example, clean technology investments target technologies, which are proven in pilots, but still need to reach commercialization, and therefore retain aspects of execution risks.
Market	De-risking demand risk is an aspect of the CGF Mandate. For example, supply chain investments may be particularly exposed to commodity-related market volatility and related shifts in the market for key components, such as critical minerals in the short term.
Policy	Absorbing certain policy risks is an aspect of the CGF Mandate. For example, CGF has developed bespoke CCO agreements to purchase compliance-grade carbon credits from large emitters in Alberta's carbon market.

CGF is also exposed to climate-related physical risk. CGF is not concessional on aspects related to climate physical risks and it therefore has a similar risk tolerance to conventional investors. In keeping with best practices at PSP Investments, CGFIM leverages the S&P Global Climanomics platform to quantify physical climate-related financial risks in line with the recommendations of the TCFD framework. CGFIM has assessed its existing portfolio of real assets to determine the potential financial impacts to its investments related to physical hazards under various climate scenarios.[15] These impacts are minor and conclusions from this analysis are consistent with the Canadian geographic concentration of the CGF portfolio, as well as the relatively early stage of many investments, which results in a limited physical footprint at present. However, CGF anticipates additional physical assets to be constructed in the coming years. CGFIM will continue to leverage Climanomics to monitor and manage the portfolio's evolving exposure to physical risk, including integrating it into due diligence where relevant.

Risk Management

CGF's exposure to climate-related risks is inherent to the CGF Mandate. However, several portfolio-level risk management levers help limit, mitigate and manage these risks:

— **Risk Governance:** CGFIM's team includes risk management professionals, leveraging best practices from PSP Investments, to assess and monitor risk exposure across all investments. This governance translates into defined roles and responsibilities under the CGFIM risk policy, as approved by the CGFIM Board of Directors, and corporate procedures.

— **Financial Soundness:** Each investment must generally have a reasonable expectation of capital return, with concessionality minimized to the level necessary to attract private capital or make the project viable.

— **Investment Structuring:** CGF investments are generally structured to participate alongside private sector investors in both the downside risk and upside potential, allowing the Fund to capitalize on climate opportunities to help counterbalance certain risks incurred.

— **Technology Development Stage:** CGF invests in technologies with a demonstrated track record entering the commercialization phase (e.g. Technology Readiness Level 7), avoiding pilots or purely R&D investments.

— **Portfolio Diversification:** While the portfolio is concentrated by design, CGFIM aims to build a diversified portfolio across areas of focus, technologies, geographies, and investment types to the extent possible, to reduce exposure to single risk factors.

To complement these portfolio-level levers, CGFIM must also understand the climate risk profile of CGF's investments. Conventional portfolio-level transition risk assessments, typically organized by sector and geography, are not directly applicable to CGF due to the concentrated nature of its portfolio. Therefore, CGFIM relies on a bottom-up approach. Climate risks are integral to the due diligence performed on investment opportunities, as CGFIM seeks to understand relevant exposure to policy, market, regulatory, technological, and other transition risks.

15 The *Climanomics* platform leverages the IPCC climate scenarios, specifically RPC 2.6/SSP1-2.6, RPC 4.5/SSP2-4.5, RCP 7.0/SSP3-7.0 and RCP 8.5/SSP5-8.5.

Quantified climate metrics and discussions of material climate-related opportunities and risks are a standard part of investment processes, informing decision making from opportunity identification through to the investment recommendation memos. Following investment, portfolio companies report on impact metrics each year, including emissions, as well as progress on climate strategies and/or reporting. CGFIM accounts for these factors in governance, and CGFIM asset management teams regularly engage with the investee team to determine if the investment is on track to achieving its intended impacts. CGFIM may also provide technical assistance and resources to build internal capacities that support enhancing impact measurement and management processes where appropriate.

Metrics

CGFIM climate-related relation to the CGF Mandate, as elaborated below:

Portfolio Avoided Emissions

Avoided emissions refers to the measurement of anticipated outcomes associated with the deployment of a project or technology that is expected to result in a lower carbon intensity process compared to the status quo. This metric quantitatively illustrates the GHG benefits that are anticipated to stem from CGF portfolio companies over time.

CGFIM has developed an in-house avoided emissions measurement methodology, with the support of external experts, to capture, compare, and track the potential and actual emissions reduction of each CGF investment. To calculate avoided emissions, CGFIM identifies the financial, commercial and technical case of the project or company in question ("investment case") and then defines a hypothetical scenario of what may likely occur in its absence ("counterfactual"). CGFIM then identifies and quantifies relevant sources of GHG emissions that differ between the investment case and the counterfactual and expresses this as the avoided emissions. For example, in the case of an investment in a CCS project, the counterfactual would be the continued release of GHG emissions into the atmosphere from a given project, and the avoided emissions might be the net emissions captured and sequestered through the deployment of CCS technology at the project. Similarly, if CGF invests in a product with a lower carbon footprint than its closest alternative, the counterfactual scenario would be the continued sale and use of the higher-carbon alternative as the only product available in the market. The avoided emissions would be the anticipated net reduction in GHG emissions achieved by replacing the higher-carbon product with the lower-carbon alternative, aligned with the company's projected sales.

Since these calculations require professional and technical judgment, CGFIM employs a rigorous and factual approach informed by relevant third-party standards and guidance, and with documented assumptions that align with CGFIM's investment case. CGFIM actively engages with experts to monitor evolving best practices and may make future changes to its approach to promote further alignment to internationally recognized standards and/or methodologies as they become available.

Table A1
Cumulative anticipated direct avoided emissions by CGF portfolio companies, 2024 to 2030

Up to 15.9 million tCO_2e	Up to 4.1 million tCO_2e
Worldwide	in Canada

The forward-looking metric presented herein does not represent a target but instead reflects CGFIM's assumptions and expectations as of the date of this report, which involve inherent risks and uncertainties. These underlying drivers shall be reassessed on a regular basis by CGFIM, and as such forward-looking metrics may be subject to fluctuations over time. **Please refer to Statement on Performance Indicators, p. 19 for additional information.**

Notably, many of CGF's portfolio companies are anticipated to reduce emissions both in Canada and abroad. This differentiates the "Worldwide" and "Canada" emissions metrics. CGFIM quantifies direct avoided emissions only; enabled or indirect avoided emissions are excluded from CGFIM's analyses. The cumulative figures include all anticipated avoided emissions spanning from the time of CGF investment until 2030, inclusively. No attribution factor is applied to the figures. The CGF portfolio currently consists of recent investments in development assets (such as projects which have not yet achieved FID or clean technology companies beginning commercialization), requiring assumptions about future expected performance. As portfolio companies ramp up operations in the coming years, CGFIM plans to monitor actual performance against these projections and update forecasts accordingly.

Portfolio Financed Emissions

Financed emissions are the GHG emissions linked to the investment and lending activities of financial institutions. In keeping with current practice from institutional investors, including PSP Investments, CGFIM is leveraging the PCAF Standard to assess and disclose GHG emissions associated with its financial activities.

The methodology used by CGFIM to calculate CGF's financed emissions is informed by the PCAF Standard, which is built on Greenhouse Gas Protocol's Technical Guidance for Calculating Scope 3 Emissions, Category 15 (Investments). In keeping with this guidance, CGF's investment portfolio represents an indirect source of emissions reported under the Greenhouse Gas Protocol's Corporate Value Chain activities guidance.[16] CGF's financed emissions methodology includes only a select number of investment instruments in scope, namely public and private equity, debt, and hybrid instruments. Moreover, in alignment with CGF's financial year, it utilizes net asset values as at December 31, 2024. For certainty, CGF's PCAF-informed financed emissions value excludes warrants, stock options and derivatives, such as contracts for difference or CCOs.

Table A2
CGF Financed Emissions

Financed emissions and carbon footprint – PCAF informed	
Financed emissions – PCAF informed (tonnes CO_2e)	1,088
Adjusted PCAF AUM in-scope ($ million invested)	259
% Coverage of in-scope AUM	90%
PCAF data quality score, weighted by investment size	1.88
Carbon footprint (tonnes CO_2e/$ million invested)	4.2

Score 1	Verified emissions reported by the company.
Score 2	Unverified emissions reported by the company.
Score 3	Emissions estimated using physical activity data such as the company's production.
Score 4	Estimated using emissions factors per unit of revenue for the sector.
Score 5	Estimated using emissions factors per unit of asset for the sector.

The PCAF Standard provides guidance on data quality scoring per asset class. CGFIM employs PCAF's data quality terminology as described in the table above. The data quality scores are weighted by the investment size.

16 CGFIM applies an operational control consolidation approach to the Fund's organizational boundary.

CGFIM believes the PCAF-informed financed emissions and carbon footprint metric is an insightful measure to understand portfolio-level financed emissions normalized by millions of dollars invested. The applied methodology is as follows:

$$\textbf{Financed emissions} = \sum_{i}^{n} \frac{\text{Holding NAV}_i}{\text{Fair market value of Equity}_i + \text{Debt}_i} \times \text{GHG emissions}_i$$

(With i = investee company)

$$\textbf{Carbon footprint – PCAF-informed} \quad \frac{\textit{Financed emissions}}{\textit{Adjusted AUM in-scope}}$$

CGFIM includes investee companies' Scope 1 and Scope 2 emissions in portfolio carbon footprint metrics. Scope 1 emissions are direct emissions from owned or controlled sources at CGF portfolio companies. Scope 2 emissions are those associated with purchased energy. Investee companies' Scope 3 emissions cover other indirect sources, such as the extraction and production of purchased materials and fuels, outsourced activities, business travel and waste disposal. At this stage, investee companies' Scope 3 emissions are excluded from the calculation because the comparability, coverage, transparency and reliability of Scope 3 data is generally insufficient in the marketplace, especially given the early-stage nature of many of CGF's portfolio companies.

CGFIM relies primarily on emissions data directly obtained from investee companies. Investee company GHG data is generally not verified by a third party. This presents an important limitation with respect to the degree of confidence regarding the integrity of investee company disclosures, particularly given that investee companies sometimes use different methodologies to calculate and report their carbon emissions. Precise reporting periods used to calculate the emissions may vary depending on the investment financial period end. To the extent possible, the emissions data used to calculate the climate-metrics were the most recent full year (12 months) datasets as at February 28, 2025.

CGFIM acknowledges that requirements related to climate disclosures are rapidly evolving. On this basis, it seeks to monitor the evolution of leading disclosure initiatives and standards, including the evolution of PCAF, the recently finalized International Financial Reporting Standards S1 and S2 of the International Sustainability Standards Board, and the Canadian Sustainability Disclosure Standards 1 and 2 of the Canadian Sustainability Standards Board. As a result, the methodology employed will continue to evolve.

Glossary

Additionality	See Investment Criteria section below.
Areas of Focus	— **Projects:** projects that use technologies and processes (that have been proven in pilots but not yet widely adopted) to efficiently reduce emissions across the Canadian economy, including but not limited to, CCS, electrification and low-carbon electricity, as well as hydrogen and biofuels; — **Clean technology:** clean technology companies, including small and medium enterprises, which are scaling less mature but proven technologies that are in the demonstration or commercialization stages of development; and — **Low-Carbon Supply Chains:** projects, companies, and technologies across low-carbon supply chains, including critical minerals, that will allow Canada to leverage its abundance of natural resources, help secure Canada's supply chains, and improve Canada's domestic and global competitiveness.
Avoided Emissions	Avoided emissions refers to the measurement of anticipated outcomes associated with the deployment of a project or technology that is expected to result in a lower carbon intensity process compared to the status quo. This metric quantitatively illustrates the GHG benefits that are anticipated to stem from CGF investments over time.
Carbon Capture and Sequestration (CCS)	A process that captures pollution in the form of carbon dioxide and converts it into a stable form for long-term storage.
Carbon Credit	An asset representing an emissions reduction or the removal from the atmosphere of one metric tonne of greenhouse gas (GHG). The reduction is generated by a carbon offset project.
CGF Financed Emissions	GHG emissions linked to the investment and lending activities of CGF. In keeping with current practice from institutional investors, including PSP Investments, CGFIM is leveraging the Partnership for Carbon Accounting Financials to assess and disclose GHG emissions associated with its financial activities.
CGF Mandate	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 Strategic Objectives (outlined below).
Clean growth	Economic growth , focusing on GHG emissions reduction and building resilience to a changing climate.
Clean technology	See Areas of Focus section above.
Concessionality	It is expected that CGF's investments will generally have some level of below market expected returns to fully serve the purpose of leveraging private capital. Such concessional investing may take different forms and is guided by the following principles: CGF will always aim to minimize the level of investment concessionality to the level necessary to attract private capital or otherwise make the project viable; and CGF will participate, to an appropriate degree, alongside private sector investors in both the downside risk and upside potential of an investment.

Glossary

Impact	Collection of indicators (as further detailed in the Impact Measurement and Management framework below) which CGF aims to deliver on at a portfolio level over time.
Impact Measurement and Management	CGF's Impact Measurement and Management framework is an in-house framework which is integrated across the CGF investment lifecycle, providing the basis for investment diligence and selection, asset management and portfolio monitoring. CGF investments are expected to address one or more aspects of the IM+M framework, but any individual investment may not align with all aspects.
Investment Criteria	— **Consistency with goals:** The investment will advance the CGF Mandate and Strategic Objectives. — **Long-term benefits for Canada:** The investment has a reasonable chance to strengthen the development of Canadian workers and generate knowledge that will produce long-term benefits for the Canadian economy. For example: – **Canadian presence:** activities related to the project or company are done in Canada and/or may generate widely shared economic benefits in Canada. – **Intellectual property:** the activity will enable the development, utilization, or commercialization of Canadian intellectual property, or maintain Canadian ownership. – **Value chain creation:** the investment will develop or strengthen Canadian competitiveness by participating in a new or existing value chain. — **Additionality:** The investment may attract private sector investment, immediately or in the future, that would likely not have been secured without the participation of CGF. — **Financial soundness:** The investment will fit within a portfolio that will target preservation of capital. — **Consistency with public disclosure sustainability-related principles:** The investment will fit within a portfolio that will enable CGF to meet internationally recognized standards of measurement, disclosure, and performance.
Low-carbon electricity	Electricity that was produced in a manner that releases a smaller amount of GHGs as a result of fuel combustion, relative to unabated fossil fuel generation.
Low-carbon hydrogen	Low-carbon hydrogen is hydrogen that is made in a way that creates little to no greenhouse gas emissions. This means that low-carbon hydrogen has a smaller carbon footprint than hydrogen made from methods that leave a large carbon footprint.
Low-carbon project	Low-carbon project is project that is built in a way that reduces greenhouse gas emissions. This means that a low-carbon project has a smaller carbon footprint than a similar project made from methods that leave a large carbon footprint.
Low-carbon supply chains	See Areas of Focus section above.
Portfolio	Includes all the assets, such as stocks, bonds, and other investments, held by CGF.
Private sector	The CGF investments are intended to be made alongside one or more private sector investors, including through investments structured as direct investments (e.g., bilateral partnerships and coalitions), fund investments and co-investments.
Smart technology	Smart technology includes devices, systems and places that use advanced technologies to interact intelligently with people and other devices.

Glossary

Strategic Objectives	CGF's Strategic Objectives are as follows: — Reduce emissions while promoting economic growth and Canadian competitiveness. — Accelerate the deployment of key technologies, such as low-carbon hydrogen and CCS, among others. — Scale up companies that will create jobs, drive productivity and growth across new and traditional sectors of Canada's industrial base. — Encourage the retention of intellectual property in Canada. — Capitalize on Canada's abundance of natural resources and strengthen critical supply chains to secure Canada's future economic and environmental well-being.
Sustainability	Goals, strategies or projects which cover the social, economic, and environmental dimensions of sustainable development, and integrate peace, governance, and justice elements.
Type of Investments	CGF Investments may be comprised of one or more categories, including as follows: — **Equity, debt or hybrid investments:** CGF investments may be made in equity (e.g., common shares, preferred shares, trust interests or partnership interests), debt, or hybrid instruments, each of which may be made on a concessional basis. — **Contracts for difference ("CfDs") and other forms of price assurance:** CGF investments may be made in CfDs and other forms of price assurance to address demand and policy risk and improve project economics. In respect of CfDs, CGF investments may be made in two types of CfDs: (i) two-way contracts, whereby CGF underwrites a "strike price" and receives the upside or downside should the market price differ from the strike price; and (ii) one-way contracts, whereby CGF underwrites a "strike price" without the benefit of any amount by which the market price exceeds the strike price (one-way contracts should be accompanied by another type of instrument, such as warrants, with the potential to provide upside return). — **Offtake contracts:** CGF investments may include offtake contracts to address demand risk and improve project economics by providing revenue for a volume of production where sufficient demand from prospective private buyers is still developing.

Canada Growth Fund

Business Offices[17]

Montréal

1250 René-Lévesque Blvd. West, Suite 1400
Montréal, Québec H3B 5E9 Canada

Calgary

685 Centre Street SW
Calgary, Alberta T2G 5P6 Canada

infocgf@cgf-fcc.ca
cgf-fcc.ca

17 Business offices of CGFIM (a subsidiary of PSP Investments). CGFIM is the exclusive, arm's length and independent investment manager of CGF, with full authority over investment management activities.