

Canada Growth Fund Inc.

Q1 2026
Interim Report

as at March 31, 2026 (Q1FY26)

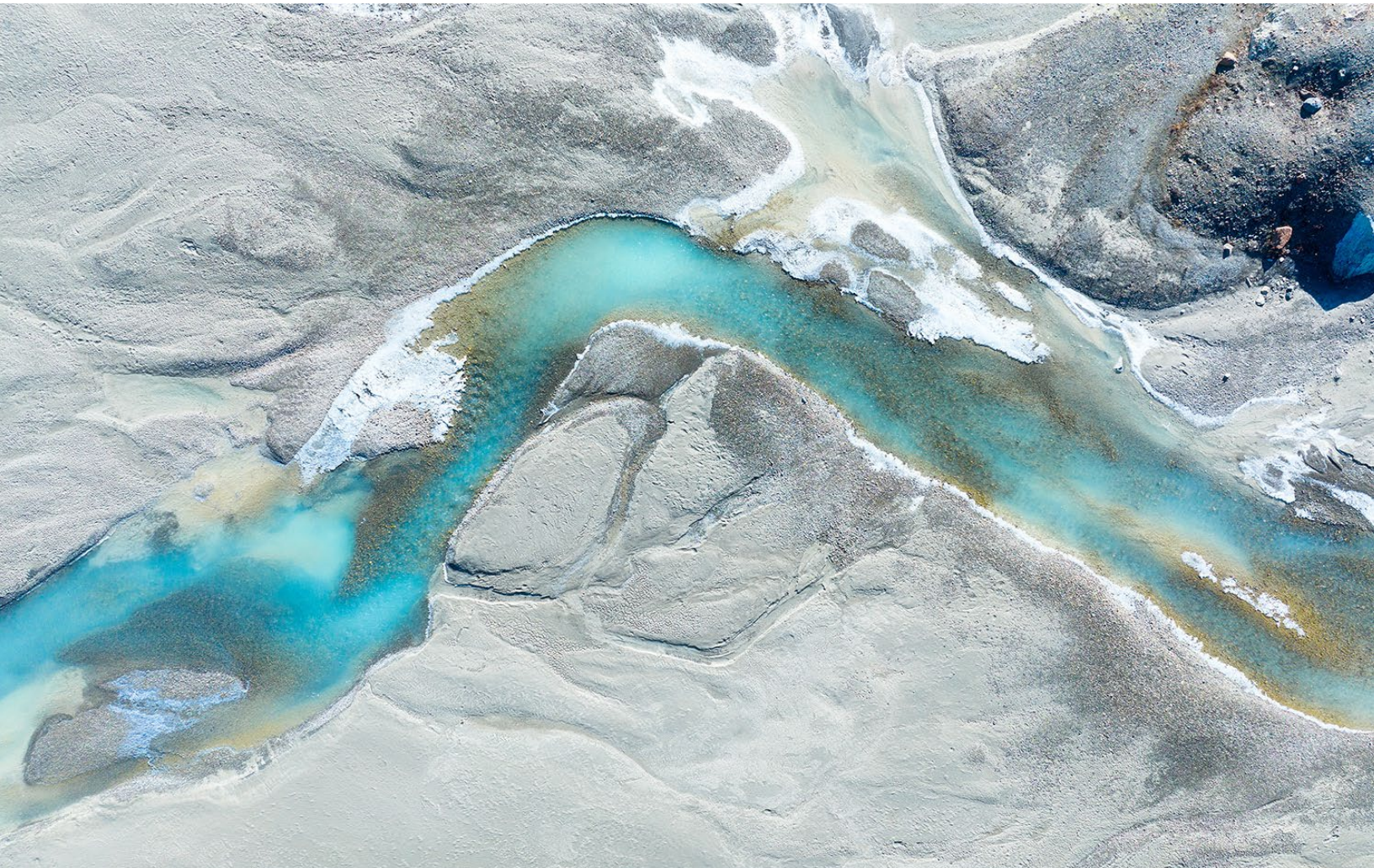


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Discussion of Fund Performance and Results

The Discussion of Fund Performance and Results provides an analysis of the operations and financial position of Canada Growth Fund Inc. (“CGF” or the “Fund”) for the three-month period ended March 31, 2026, and should be read in conjunction with CGF’s Unaudited Interim Condensed Financial Statements for the three-month period ended March 31, 2026 (the “Interim Condensed Financial Statements”). This report takes into account material elements, if any, between March 31, 2026, and May 21, 2026, the date of approval of this report by the Board of Directors.

Forward-looking Statements

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

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



About the Canada Growth Fund

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

Overview

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

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

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

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

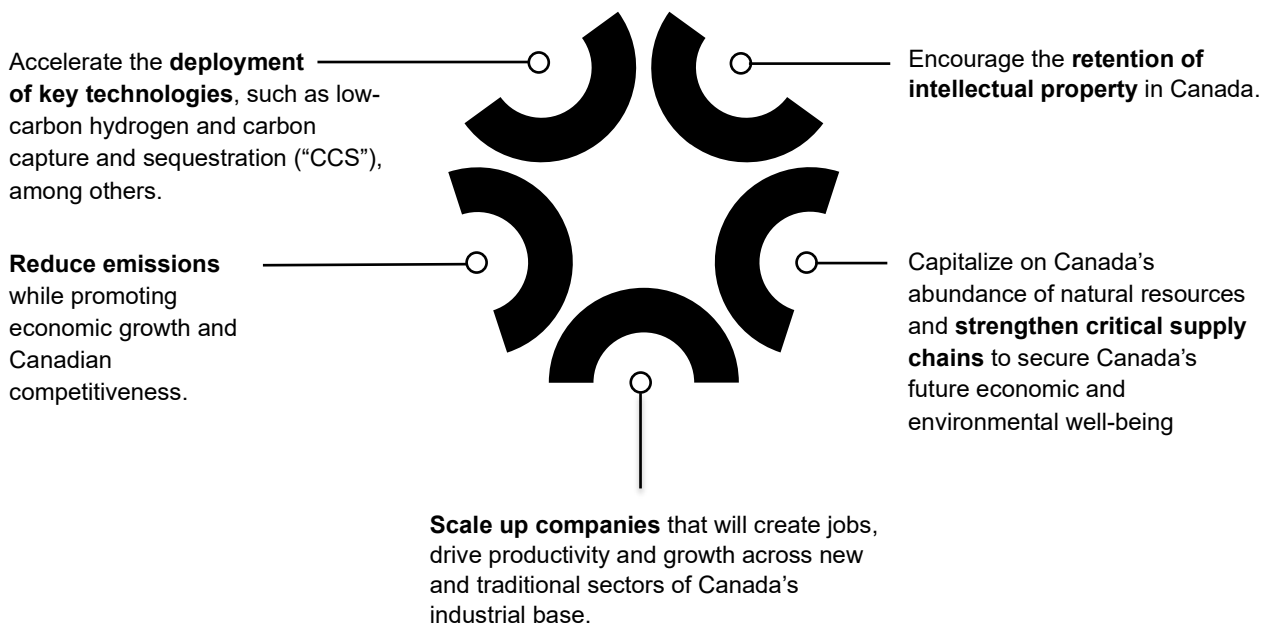
¹ Canada Growth Fund Inc. was incorporated as a subsidiary of Canada Development Investment Corporation ("CDEV") in December 2022.

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



Mandate and Strategic Objectives

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





Fund Activity and Results

During the three-month period ended March 31, 2026 (the “current period”), CGF committed \$137 million, as described below, resulting in a total of \$5 billion committed across a variety of areas of focus and regions since the Fund’s inception. In addition, CGF deployed a net additional \$81.6 million, resulting in total portfolio investment value of \$1.1 billion.

New Portfolio Investments during the current period:

- In February 2026, CGF committed to invest up to \$117 million (US\$84 million) to Exiro Nickel Company Inc. as part of a broader transaction for the acquisition and turnaround of the Thompson Mine Complex (the “Thompson Mine”). This transaction is also expected to improve Thompson Mine’s competitiveness, making it a flagship asset for northern Manitoba.
- In March 2026, CGF announced a commitment of \$20 million to support the next phase of Solugen Global Inc.’s (“Solugen”) growth representing CGF’s first co-investment with Idealist Climate Impact Fund. The new funding will accelerate Solugen’s production capacity scale-up and support its mission to advance organic agriculture practices with innovative, circular fertilizer.

CGF generated \$40.2 million of net income during the current period consisting of investment income of \$58.5 million, net of expenses of \$18.3 million, compared to a net income of \$22.8 million for the comparative period ended March 31, 2025 (“the Comparative Period”), consisting of investment income of \$33.5 million, net of expenses of \$10.8 million.

Funding Received

No shares were issued during the current period. Funding, when received, is intended to support commitments to portfolio investments, which in some cases may be deployed over several years. Funding may also be used for current and future investments, to honour any guarantees issued in the course of CGF’s business, to cover costs, and to maintain prudent coverage to mitigate liquidity risk.

Investment Income

During the current period, CGF total investment income amounted to \$58.5 million, an increase of \$25 million from \$33.5 million in the comparative period. More specifically, investment income related to cash management activities, comprising cash and cash equivalents and short-term investments, totaled \$35 million, consistent with \$36.1 million in the comparative period.

Investment income from sources other than short-term investments amounted to \$23.5 million, compared to a loss of \$2.6 million in the comparative period, representing an increase of \$26.1 million. This increase was mainly driven by the appreciation in fair value of the public equity investment in Foran Mining Corporation, as well as higher interest income and foreign exchange gains on convertible debt and other loans. In contrast, the comparative period was characterized by an unrealized loss of \$5.1 million resulting from the fair value measurement of the public equity investment in Nouveau Monde Graphite Inc., which was fully reversed by the end of the year ended December 31, 2025. The unrealized loss was partially offset by interest income and foreign exchange gains.



Expenses

CGF incurs expenses comprising investment-related expenses, including transaction costs, as well as operating expenses, including compensation and indirect expenses and professional and consulting fees.

Total expenses for the current period amounted to \$18.3 million, representing a \$7.5 million increase from \$10.8 million for the comparative period.

Investment-related Expenses

Investment-related expenses include transaction costs related to due diligence, legal services, and other investment-related activities, mainly associated with both completed transactions and opportunities currently under analysis. For the current period, investment-related expenses amounted to \$6.7 million, representing an increase of \$5.5 million compared to \$1.2 million in the comparative period. This variation is mainly attributable to a higher level of activities required to support investment transactions, including the Darlington New Nuclear Project announced in fiscal year 2025, and opportunities during the current period.

Operating Expenses

Operating expenses include compensation and indirect expenses, as well as professional and consulting fees. More specifically, indirect expenses refer to the portions of PSP Investments' transversal functions that support CGFIM, including technology, compliance, and human resources. By leveraging PSP Investments' established transversal functions, expertise, resources, and infrastructure, CGFIM benefits from an efficient and cost-effective operating model that provides long-term advantages for CGF.

Total operating expenses amounted to \$11.6 million for the current period, comprising \$10.3 million in compensation and indirect expenses, and \$1.3 million in professional and consulting fees.

Compared to the period ended March 31, 2025, total operating expenses increased by \$2 million. This increase was primarily driven by a \$1.5 million increase in compensation and indirect expenses, largely attributable to changes in the workforce mix to support a higher level of activity. Professional and consulting fees increased slightly by \$0.5 million, reflecting ongoing use of external professional services.

Risk Management

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

As at March 31, 2026, CGF's risk measurement focused mainly on investment risks, which include market, credit, liquidity and concentration risks as described in Note 6 of the Interim Condensed Financial Statements.



Capital Management

The Fund's capital management objectives are to ensure that CGF maintains sufficient capital to support the delivery of its public-policy mandate, while operating within the authorities and constraints approved by its shareholder.

Over the course of the execution of the CGF Mandate, CGF primarily obtains its funding through the issuance of Preference Shares to the Government of Canada. CGF is not entitled to borrow money other than for 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 its most recently approved Corporate Plan.

CGF's capital management focuses on the prudent deployment and stewardship of shareholder-provided capital, taking into account the nature, scale, and risk profile of the Fund's investment activities. In managing its capital, CGF considers its ability to meet ongoing operational and investment obligations, absorb potential losses arising from its activities, and continue to deliver on the CGF Mandate under a range of investment and market conditions. Capital sufficiency is assessed on a forward-looking basis and is overseen by the Board of Directors through CGF's governance.

Common Shares

CGF is authorized to issue an unlimited number of common shares. Holders of common 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. Upon its organization, 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.

The common share structure reflects the Fund's governance and control framework rather than a source of capital for funding operations or investments.

Preference Shares

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



Significant Accounting Judgments, Estimates and Assumptions

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

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

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

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

Financial Statements

and Notes to the
Financial
Statements



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Management's Responsibility for Financial Reporting

The Unaudited Interim Condensed Financial Statements of Canada Growth Fund Inc. ("CGF") for the three-month period ended March 31, 2026 (the "Interim Condensed Financial Statements") have been prepared by Canada Growth Fund Investment Management Inc. ("CGFIM"), acting in its capacity as investment manager of CGF pursuant to and in accordance with the provisions of the Investment Management Agreement dated as of March 11, 2024 among CGF, CGFIM, Canada Development Investment Corporation and Public Sector Pension Investment Board (together with Officers of CGF referred to as "Management" herein), and approved by the Board of Directors of CGF. These Interim Condensed Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB) and should be read in conjunction with the audited December 31, 2025, annual financial statements and the accompanying notes. Management is responsible for the contents of these Interim Condensed Financial Statements and the financial information contained in the discussion of fund performance. The Interim Condensed Financial Statements include certain amounts based on Management's judgments and best estimates where deemed appropriate. The material accounting policy information used is disclosed in Note 2 of the Interim Condensed Financial Statements. The financial information presented throughout the discussion of fund performance is consistent with the Interim Condensed Financial Statements.

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

CGFIM has adequately designed and implemented internal controls over financial reporting as at March 31, 2026, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Interim Condensed Financial Statements for external purposes.

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

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

Corinne Boone

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

May 21, 2026

Yannick Beaudoin

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

May 21, 2026

Interim Condensed Financial Statements Canada Growth Fund Inc.

March 31, 2026
(unaudited)



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Canada Growth Fund Inc.

Interim Condensed Statement of Financial Position

As at
(unaudited)

(Canadian \$ thousands)	Notes	March 31, 2026	December 31, 2025
Assets			
Cash and cash equivalents	4.1	1,451	150,563
Interest receivable	4.1	353	234
Investments	4.1	7,743,172	7,552,336
Total assets		7,744,976	7,703,133
Liabilities			
Accounts payable and other liabilities	9.2	18,214	16,535
Total liabilities		18,214	16,535
Equity			
Share capital	7	7,390,001	7,390,001
Retained earnings		336,761	296,597
Total equity		7,726,762	7,686,598
Total liabilities and equity		7,744,976	7,703,133

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

On behalf of the Board of Directors



Corinne Boone

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

Canada Growth Fund Inc.

Interim Condensed Statement of Net Income

For the three-month period ended March 31,
(unaudited)

(Canadian \$ thousands)	Notes	2026	2025
Income			
Investment income	4.5	58,527	33,548
Expenses			
Investment-related expenses	8, 9.2	(6,786)	(1,172)
Operating expenses	8, 9.2	(11,577)	(9,592)
Net income		40,164	22,784

Interim Condensed Statement of Changes in Equity

For the three-month period ended March 31,
(unaudited)

(Canadian \$ thousands)	Notes	2026	2025
Share capital			
Balance at beginning of period		7,390,001	4,390,001
Issuance of preference shares	7.2	-	-
Balance at end of period		7,390,001	4,390,001
Retained earnings			
Balance at beginning of period		296,597	49,304
Net income		40,164	22,784
Balance at end of period		336,761	72,088
Total equity		7,726,762	4,462,089

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

Canada Growth Fund Inc.

Interim Condensed Statement of Cash Flows

For the three-month period ended March 31,
(unaudited)

(Canadian \$ thousands)	Notes	2026	2025
Cash flows from operating activities			
Net income		40,164	22,784
Adjustments to reconcile net income to net cash flows:			
Investment income	4.5	(58,527)	(33,548)
Net changes in operating assets and liabilities:			
Increase (decrease) in accounts payable and other liabilities		1,679	(5,898)
Interest received		28,366	32,688
Purchase of short-term investments		(1,896,753)	(3,100,966)
Disposal of short-term investments		1,817,421	3,146,887
Purchase of other than short-term investments		(81,583)	(93,319)
Disposal of other than short-term investments		-	-
Net cash flows used in operating activities		(149,233)	(31,372)
Cash flows from financing activities			
Issuance of preference shares	7.2	-	-
Net cash flows provided by financing activities		-	-
Net change in cash and cash equivalents		(149,233)	(31,372)
Cash and cash equivalents at the beginning of the period		150,563	33,316
Effect of exchange rate changes on cash and cash equivalents		121	(534)
Cash and cash equivalents at the end of the period^A		1,451	1,410

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

^A As at March 31, 2026, cash and cash equivalents were comprised of cash of \$1,451 thousand and cash equivalents of nil (March 31, 2025 - \$1,410 thousand and nil).

Canada Growth Fund Inc.
Notes to the Interim Condensed Financial Statements
For the three-month period ended March 31, 2026
(unaudited)

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 and National Revenue. 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 minimizing concessionality, recovering its capital on a portfolio basis and recycling its capital base over the long term.

Following the federal budget announcement in 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.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1. Basis of Presentation

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

The Interim Condensed Financial Statements do not include all the information and disclosures required by IFRS® Accounting Standards for annual financial statements. These Interim Condensed Financial Statements should be read in conjunction with CGF’s 2025 annual financial statements, approved by the Board of Directors on March 26, 2026.

CGF is an investment entity as defined under IFRS 10 *Consolidated Financial Statements* (“IFRS 10”), which requires an investment entity not to consolidate its subsidiaries other than those that solely provide it with services that relate to its investment activities. Accordingly, CGF measures its investments in subsidiaries at fair value through profit and loss (“FVTPL”) in accordance with IFRS 9 *Financial Instruments* (“IFRS 9”), including those that are formed by CGF and that qualify as investment entities (“investment entity subsidiaries”). CGF also measures its investments in associates, joint ventures and financial assets at FVTPL in accordance with IAS 28 *Investments in Associates and Joint Ventures* and IFRS 9.

The functional and presentation currency of CGF is the Canadian dollar, which is the currency of the primary economic environment in which it operates.

These Interim Condensed Financial Statements for the three-month period ended March 31, 2026 were approved by the Board of Directors and authorized for issue on May 21, 2026.

Canada Growth Fund Inc.
Notes to the Interim Condensed Financial Statements
For the three-month period ended March 31, 2026
(unaudited)

2.2. Investment Entity Status

CGF meets the mandatory requirements of the definition of an investment entity under IFRS 10 on the basis of the facts and circumstances. They are as follows:

(i) Mandate and business purpose

CGF's mandate is to build a financially prudent portfolio of investments that unlock private sector investment in Canadian businesses and projects to help transform and grow Canada's economy at speed and scale on the path to emission reductions. CGF's business purpose is to recover its capital on a portfolio basis and recycle its capital base over the long term. Consequently, CGF has to invest according to its mandate, with a view of earning a rate of return from capital appreciation and income from investments.

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

(ii) Performance evaluation

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

In addition to the mandatory requirements of the definition, IFRS 10 outlines certain typical characteristics of an investment entity, including that its investors are not related parties of such entity.

Since CGF is a Crown corporation, it is 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 a related party, it may be considered not to meet this typical characteristic.

However, CGF operates at arm's length from the Government of Canada. Accordingly, CGF meets all mandatory requirements of the definition of an investment entity.

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

2.3. Summary of Material Accounting Policy Information

The material accounting policies applied in the preparation of these Interim Condensed Financial Statements are the same as those applied in CGF's 2025 annual financial statements.

2.4. Significant Accounting Judgments, Estimates and Assumptions

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

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

Sources of estimation uncertainty related to macroeconomic unpredictability and volatility include the nature of the industries in which CGF is investing, the current geopolitical context, including the conflicts in the Middle East, as well as tariffs, the early-stage nature of the investments, supply chain challenges, changes in governments' carbon policies, inflation and interest rates. These factors could continue to impact financial results, due to uncertainties including their extent and duration. The Interim Condensed Financial Statements of CGF reflect the impacts of these 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

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 presentation and disclosure requirements for the statement of profit or loss, the statement of cash flows and the statement of financial position, that are designed mainly to enhance consistency and comparability between reporting entities. It also involves new disclosure requirements, including disclosing management-defined performance measures. IFRS 18 is effective and applicable to CGF for annual periods beginning on January 1, 2027, with early adoption permitted. The standard is to be applied retrospectively. Management is currently assessing the impact of adopting this standard.

4. FINANCIAL ASSETS

4.1. Classes of Financial Assets and Fair Value Hierarchy

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

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

The classification within the levels of the hierarchy is established upon initial measurement of the financial assets and reviewed at the end of each reporting period. There were no transfers between levels during the three-month period ended March 31, 2026, and the year ended December 31, 2025.

Canada Growth Fund Inc.
Notes to the Interim Condensed Financial Statements
For the three-month period ended March 31, 2026
(unaudited)

The following table shows the financial assets, classified within the fair value hierarchy:

As at March 31, 2026

(Canadian \$ thousands)	Level 1	Level 2	Level 3	Total Fair Value
Cash and cash equivalents⁽ⁱ⁾	-	1,451	-	1,451
Interest receivable	-	353	-	353
Investments				
Short-term investments ⁽ⁱⁱ⁾	6,598,995	-	-	6,598,995
Public equity investments ⁽ⁱⁱⁱ⁾	342,383	-	-	342,383
Private equity investments	-	-	163,845	163,845
Private fund investments	-	-	87,999	87,999
Convertible debts and other loan ^(iv)	-	-	513,966	513,966
Derivatives ^(v)				
Warrants	-	-	31,603	31,603
CCO ^A	-	-	4,381	4,381
CP CfD ^B	-	-	-	-
Total	6,941,378	1,804	801,794	7,744,976

As at December 31, 2025

(Canadian \$ thousands)	Level 1	Level 2	Level 3	Total Fair Value
Cash and cash equivalents⁽ⁱ⁾	149,504	1,059	-	150,563
Interest receivable	-	234	-	234
Investments				
Short-term investments ⁽ⁱⁱ⁾	6,513,110	-	-	6,513,110
Public equity investments ⁽ⁱⁱⁱ⁾	328,548	-	-	328,548
Private equity investments	-	-	156,994	156,994
Private fund investments	-	-	82,805	82,805
Convertible debts and other loan ^(iv)	-	-	430,314	430,314
Derivatives ^(v)				
Warrants	-	-	36,184	36,184
CCO ^A	-	-	4,381	4,381
CP CfD ^B	-	-	-	-
Total	6,991,162	1,293	710,678	7,703,133

^A Carbon credit offtake agreements.

^B Carbon policy contracts for difference.

- (i) Cash includes demand deposits with financial institutions. Cash equivalents include treasury bills, certificates of deposit and other fixed-income securities with maturities of 90 days or less that 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 of cash and cash equivalents is determined using cost, which approximates fair value due to the highly liquid nature of these assets.

Canada Growth Fund Inc.
Notes to the Interim Condensed Financial Statements
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- (ii) Short-term investments are treasury bills, which are instruments having a maximum term to maturity of one year and are held for near term upcoming funding and cash management requirements. Treasury bills are valued based on quoted prices obtained from third-party pricing sources. Such prices are determined using the most representative price within a spread of dealer quotations.
- (iii) Public equity investments consist of common shares of publicly listed issuers. They are valued using quoted prices in active markets.
- (iv) Convertible debts are fixed-income investments that can convert into common or preferred equity of the borrower, as applicable, either automatically, at borrower's option or at CGF's option, subject to the terms and conditions of the instrument. The convertible debt instruments held by CGF have been issued by Canadian-based developers of technologically advanced sustainable energy solutions, such as carbon capture and sequestration ("CCS"), home energy management systems, long duration energy storage and geothermal power technology. Other loan consists of sums of money lent to a borrower in exchange for future repayment with interest, for the purpose of funding a CCS project. CGF's undrawn portions of the convertible debts and other loan are financial instruments measured at fair value and classified as Level 3 on the fair value hierarchy. As at March 31, 2026, and December 31, 2025, their fair value was nil.
- (v) Derivatives include warrants, carbon credit offtake agreements ("CCO") and carbon policy contracts for difference ("CP CfD").

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

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

A CP CfD is a commodity swap whereby one party receives a fixed price for the underlying commodity, that is compliance obligation units, while the other party receives a floating price. Under the CP CfD concluded by CGF, CGF shall receive a fixed price and pay the floating unit price, up to a cap, thus providing the counterparty certainty regarding the financial impact of future carbon policy prices. Total commitments related to these investments are described in Note 12.

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

4.2. Process for Level 3 Fair Value Determination

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

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

4.3. Level 3 Significant Inputs

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

(i) Measurement Uncertainty

The nature of CGF's investments includes projects at various stages of advancement, ranging from early-stage initiatives that may not yet have obtained the requisite permits, licenses, or other governmental approvals, to later-stage projects on a path to construction readiness or currently under construction. Nonetheless, investments feature inherent uncertainty regarding their future commercial viability. This uncertainty is shaped by factors such as changes in governments' carbon policies, evolving global political landscape, 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.

Globally, international military conflicts and trade-tariff tensions remain uncertain and contribute to volatility in financial markets, exerting pressure on the broader economic environment. The determination of fair value for investments classified as Level 3 reflects, where applicable, the effect of market volatility and price sensitivities brought on by the escalation of recent international military conflicts as well as the tariffs that were imposed on or before March 31, 2026. Although any military progress announcements and trade tariffs announced or imposed after this reporting date were not reflected in such valuations, related macroeconomic uncertainties and volatility present as at March 31, 2026, and their impact on the fair value of investments, were taken into consideration as applicable.

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(ii) **Valuation Inputs**

The following table outlines the primary valuation techniques and significant unobservable inputs related to financial assets categorized within Level 3 as at March 31, 2026:

Financial Assets	Fair Value (Canadian \$ thousands)	Primary valuation techniques	Unobservable inputs	Input Range
Private equity investments	163,845	Recent Transactions ^A	N/A	N/A
Private fund investments	87,999	Net Asset Value ^B	N/A	N/A
Convertible debts and other loan	166,152	Recent Transactions ^A	N/A	N/A
	347,814	Discounted Cash Flows ^C and Option Pricing Model	Discount rate	10.4% - 26.0%
			Historical volatility	60.0% - 115.0%
Derivatives				
Warrants	31,603	Option Pricing Model	Historical volatility	65.0% - 85.0%
CCO and CP CFD	4,381	Probability-Weighted Discounted Cash Flows	Discount rate	7.5% - 16.0%
			Carbon Credit Price (\$/tonne) ^D	48.9 - 187.7
			Total TPA ^E Expected to be Mitigated/ Sequestered (in thousands)	0.0 - 182.0

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

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

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

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

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

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The following table outlines the primary valuation techniques and significant unobservable inputs related to financial assets categorized within Level 3 as at December 31, 2025:

Financial Assets	Fair Value (Canadian \$ thousands)	Primary valuation techniques	Unobservable inputs	Input Range
Private equity investments	156,994	Recent Transaction ^A	N/A	N/A
Private fund investments	82,805	Net Asset Value ^B	N/A	N/A
Convertible debts and other loan	162,705	Recent Transactions ^A	N/A	N/A
	267,609	Discounted Cash Flows ^C and Option Pricing Model	Discount rate	10.4% - 26.0%
			Historical volatility	60.0% - 115.0%
Derivatives				
Warrants	36,184	Option Pricing Model	Historical volatility	65.0% - 85.0%
CCO and CP CfD	4,381	Probability-Weighted Discounted Cash Flows	Discount rate	7.5% - 16.0%
			Carbon Credit Price (\$/tonne) ^D	48.9 - 187.7
			Total TPA ^E Expected to be Mitigated/ Sequestered (in thousands)	0.0 - 182.0

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

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

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

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

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

Forward carbon credit prices are based on observable and unobservable inputs from independent sources, reflecting current governments' carbon policies. Forward carbon credit prices are subject to changes in market forces, including, but not limited to, interest rates, enacted policies, voluntary and compliance carbon credit prices, and the timing and quantity of anticipated carbon credit supply and demand. CGF invests in different provinces each with their own pricing regimes, such as the Alberta Technology Innovation and Emissions Reduction regulation ("Alberta TIER") and the Ontario Emissions Performance Standards ("Ontario EPS"), respectively subject to different liquidity and market activity summarized in the table below as at March 31, 2026, and December 31, 2025.

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

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

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

^C The CCO and the CP CfD terms begin, respectively, upon the first carbon injection date and the commercial operation date, which have not occurred yet as of March 31, 2026. As a result, no carbon-credits were purchased under the CCO and no payment has been exchanged under the CP CfD.

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The fair value calculation of the warrants also takes into account the following contractual assumptions as at March 31, 2026, and December 31, 2025:

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

(iii) Sensitivity Analysis

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

As at March 31, 2026

(Canadian \$ thousands)	Unobservable inputs	Change in unobservable inputs	Increase to Fair Value	Decrease to Fair Value
Convertible Debts and Other Loan				
	Discount rate	+/- 1%	5,702	4,893
	Historical Volatility	+/- 10%	7,903	8,421
Derivatives				
Warrants	Historical Volatility	+/- 10%	3,621	3,856
CCO and CP CfD ^A	Discount rate	+/- 1%	4,948	4,948
	Carbon Credit Price (\$/tonne)	+/- 5%		
	Total TPA Expected to be Mitigated/ Sequestered	+/- 10%		

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As at December 31, 2025

(Canadian \$ thousands)	Unobservable inputs	Change in unobservable inputs	Increase to Fair Value	Decrease to Fair Value
Convertible Debts and Other Loan				
	Discount rate	+/- 1%	4,261	3,652
	Historical Volatility	+/- 10%	5,951	6,342
Derivatives				
Warrants	Historical Volatility	+/- 10%	3,761	4,023
CCO and CP CfD ^A	Discount rate	+/- 1%	4,904	4,606
	Carbon Credit Price (\$/tonne)	+/- 5%		
	Total TPA Expected to be Mitigated/ Sequestered	+/- 10%		

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

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

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

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4.4. Level 3 Reconciliation

The following table shows a reconciliation, for the three-month period ended March 31, 2026, of all movements related to financial assets categorized within Level 3:

(Canadian \$ thousands)	Opening Balance	Purchases/ Drawdowns	Sales/ Repayments	Realized Gains	Unrealized Gains (Losses)	Closing Balance
Private equity investments	156,994	6,000	-	-	851	163,845
Private fund investments	82,805	5,716	-	-	(522)	87,999
Convertible debts and other loan	430,314	78,578 ^A	-	-	5,074	513,966
Derivatives						
Warrants	36,184	-	-	-	(4,581)	31,603
CCO	4,381	-	-	-	-	4,381
CP CfD	-	-	-	-	-	-
Total	710,678	90,294	-	-	822	801,794

The following table shows a reconciliation, for year ended December 31, 2025, of all movements related to financial assets categorized within Level 3:

(Canadian \$ thousands)	Opening Balance	Purchases/ Drawdowns	Sales/ Repayments	Realized Gains	Unrealized Gains (Losses)	Closing Balance
Private equity investments	90,000	67,310	-	-	(316)	156,994
Private fund investments	27,277	34,917	(5,368)	540	25,439	82,805
Convertible debts and other loan	100,106	333,963 ^A	-	-	(3,755)	430,314
Derivatives						
Warrants	22,297	-	-	-	13,887	36,184
CCO	4,580	-	-	-	(199)	4,381
CP CfD	-	-	-	-	-	-
Total	244,260	436,190	(5,368)	540	35,056	710,678

^A Includes paid-in-kind interest.

4.5. Investment Income

Investment income for the three-month period ended March 31, 2026, is comprised of the following:

(Canadian \$ thousands)	2026	2025
Investment income (loss) from:		
Cash equivalents	1,885	(463)
Short-term investments	33,155	36,600
Other than short-term investments	23,487	(2,589)
Total investment income	58,527	33,548

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5. INTERESTS IN OTHER ENTITIES

As an investment entity, CGF does not consolidate its subsidiaries and measures its investments in its subsidiaries and associates at FVTPL.

(i) Control and significant influence

In the normal course of business, investments in private markets may be held directly by CGF or through investment entity subsidiaries formed by CGF. As at March 31, 2026, and December 31, 2025, five investment entity subsidiaries were incorporated in Canada.

In addition, as at March 31, 2026, and December 31, 2025, due to one or more factors, such as investment in a convertible debt instrument or preferred shares, board presence, and the occurrence of significant transactions between CGF and other entities, CGF is considered to have a significant influence over Entropy Inc. and Mangrove Water Technologies Ltd., both Canadian companies. As at March 31, 2026, and December 31, 2025, CGF held an equity ownership interest of 9% in Mangrove Water Technologies Ltd. and does not hold any equity ownership interest in Entropy Inc.

(ii) Structured Entities

CGF holds interests in funds mainly in the context of its investments in private markets. Given their nature, such entities commonly have the characteristics of a structured entity, that is, an entity where contractual arrangements matter more than voting rights in determining control and directing relevant activities. These entities are held as investments and do not expose CGF to additional risks or returns compared to interests held in non-structured entities. Information regarding structured entities is included, as applicable, within disclosures of investment risk management under Note 6 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. Several risk practices of PSP Investments have already been leveraged, adapted to CGF's investment activities and formalized. Investment risks include market, credit, liquidity and concentration risks.

6.1. Market Risk

(i) Interest rate risk

CGF is exposed to interest rate risk mainly through its holdings in cash equivalents, short-term investments, as well as convertible debts and other loan investments. When performing a sensitivity analysis, with all other variables held constant, a 25-basis point increase (decrease) in nominal risk-free rates would result in a (decrease) increase in the value of cash equivalents and short-term investments of \$8,014 thousand (December 31, 2025 - \$9,436 thousand). This change would subsequently result in a corresponding variance in investment income (loss). The sensitivity of the fair value of CGF's convertible debts and other loan investments to a change in the discount rate, including the interest rate, is described in Note 4.3.

(ii) Foreign Currency Risk

CGF is exposed to foreign currency risk through its US \$207 million (CA \$289 million) private equity, convertible debts and other loan investments (December 31, 2025 – US \$171 million (CA \$234 million)), including corresponding interest receivable. When performing a sensitivity analysis, with all other variables held constant, a 5% strengthening or weakening in the Canadian dollar relative to the US dollar would result in a decrease (increase) in the value of investments directly impacted by exchange rate changes of \$14,457 thousand (December 31, 2025 - \$11,704 thousand). This change would subsequently result in a corresponding variance in investment income (loss).

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As at March 31, 2026, fixed and variable commitments of US \$138 million (CA \$192 million) were outstanding (December 31, 2025 – US \$ 161 million (CA \$ 220 million)). 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 a decrease (increase) in the fixed and variable commitments denominated in US directly impacted by exchange rate changes of \$9,618 thousand (December 31, 2025 - \$11,023 thousand).

(iii) Price risk

CGF is exposed to price risk, as the fair value or future cash flows of certain of its financial instruments may fluctuate due to changes in market prices (other than those arising from interest rate risk or foreign exchange risk). More specifically, this risk arises through CGF's investments in CCO, CP CfD and warrant instruments, for which fair values are sensitive to carbon credit prices (in the case of CCO and CP CfD instruments) and assumptions regarding historical volatility (in the case of warrant instruments). The sensitivity of the fair value of CCO, CP CfD and warrant instruments to changes in these inputs is described in Note 4.3.

CGF is also exposed to price risk through its investments in public equity securities, as the fair value of these instruments may fluctuate due to changes in market prices and factors specific to individual issuers.

6.2. Credit Risk

Credit risk monitoring entails an evaluation of the credit quality of each issuer and counterparty that transacts with CGF. For public issuers, CGF relies on recognized credit rating agencies. For private issuers, CGF assigns internal credit ratings, using methodologies comparable to those used by recognized rating agencies.

To monitor the evolution of credit risk, CGF periodically produces a concentration report by credit rating for credit-sensitive securities. The concentration of credit risk by credit rating was as follows as at:

(Canadian \$ thousands)	March 31, 2026			
	AAA to BBB-	BB+ to B-	CCC+ and below ^A	Total
Cash and cash equivalents	1,451	-	-	1,451
Interest receivable	-	-	353	353
Short-term investments	6,598,995	-	-	6,598,995
Convertible debts and other loan	-	129,252	384,714	513,966
Total	6,600,446	129,252	385,067	7,114,765

(Canadian \$ thousands)	December 31, 2025			
	AAA to BBB-	BB+ to B-	CCC+ and below ^A	Total
Cash and cash equivalents	150,563	-	-	150,563
Interest receivable	-	-	234	234
Short-term investments	6,513,110	-	-	6,513,110
Convertible debts and other loan	-	102,364	327,950	430,314
Total	6,663,673	102,364	328,184	7,094,221

^A Includes securities that are not rated.

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6.3. Liquidity Risk

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

The financial liabilities of CGF are presented at undiscounted contractual cash flows value and are all due within three months of the period end.

6.4. Concentration Risk

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

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

(Canadian \$ thousands)	March 31, 2026				December 31, 2025			
	Projects ^A	Clean tech ^B	Low-carbon supply chains ^C	Total	Projects ^A	Clean tech ^B	Low-carbon supply chains ^C	Total
Public equity investments	-	-	342,383	342,383	-	-	328,548	328,548
Private equity investments	-	189,718	-	189,718	-	168,867	-	168,867
Private fund investments	-	173,036	-	173,036	-	173,558	-	173,558
Convertible debts and other loan ^D	209,722	573,950	-	783,672	207,659	545,351	-	753,010
Derivatives								
Warrants	-	-	31,603	31,603	-	-	36,184	36,184
CCO	1,004,381	-	-	1,004,381	1,004,381	-	-	1,004,381
CP CFD	19,969	-	-	19,969	19,969	-	-	19,969
Total	1,234,072	936,704	373,986	2,544,762	1,232,009	887,776	364,732	2,484,517

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

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

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

^D Includes Interest receivable.

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7. EQUITY

7.1. Common shares

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

7.2. Preference shares

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

(Canadian \$ thousands except for number of shares)	March 31, 2026		December 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the period	7,390,000	7,390,000	4,390,000	4,390,000
Preference shares issued	-	-	3,000,000	3,000,000
Balance at end of the period	7,390,000	7,390,000	7,390,000	7,390,000

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

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

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

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

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8. EXPENSES

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

(Canadian \$ thousands)	Three-month period	
	2026	2025
Transaction costs	6,786	1,172
Investment-related expenses	6,786	1,172
Compensation and indirect expenses	10,299	8,820
Professional and consulting fees	1,278	772
Operating expenses	11,577	9,592
Total expenses	18,363	10,764

9. RELATED PARTY TRANSACTIONS

9.1. Certain Investees

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

9.2. The Government of Canada and Government-Related Entities

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

(i) The Government of Canada

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

(ii) Government-Related Entities

As part of the investment management and secondment services rendered by PSP Investments to CGF, all costs incurred directly or indirectly on behalf of CGF are charged back with no added mark-up. As at March 31, 2026, CGF had an account payable to PSP Investments in the amount of \$17,977 thousand (December 31, 2025 - \$16,402 thousand) included in accounts payable and other liabilities. Through PSP Investments, CGF incurred \$17,977 thousand of expenses for the three-month period ended March 31, 2026, (\$10,587 thousand for the three-month period ended March 31, 2025).

Also, through CDEV, CGF incurred \$114 thousand of expenses for the three-month period ended March 31, 2026 (\$5 thousand for three-month period ended March 31, 2025).

10. CAPITAL MANAGEMENT

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

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

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

CGF's only source of funding is from issuing Preference Shares to the Government of Canada, which is limited to \$15 billion. As of March 31, 2026, the aggregate contributed capital was \$7,390 million (December 31, 2025 - \$7,390 million).

Furthermore, CGF is not entitled to borrow money other than providing guarantees and entering into loan commitments in support of its investment transactions, for an annual aggregate amount not exceeding the annual commitment amount approved and effective under the most recent Corporate Plan. As required under the FAA, the Corporate Plan is published annually by CGF and sets out the corporation's authorized activities, objectives, and performance expectations.

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

In certain cases, CGF may also provide indemnifications 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.

Canada Growth Fund Inc.

Notes to the Interim Condensed Financial Statements

For the three-month period ended March 31, 2026

(unaudited)

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 at:

(Canadian \$ thousands)	March 31, 2026				
	Fixed ^A	Variable ^B	Discretionary ^C	Total	Timeframe
Private equity investments	25,873	-	2,117,029	2,142,902	2026-onwards
Private fund investments	85,037	-	-	85,037	2026-2029
Convertible debts and other loan	133,287	136,066	615,830	885,183	2026-onwards
Derivatives					
CCO ^D	-	1,000,000	-	1,000,000	2026-2041
CP CfD	-	19,969	-	19,969	2026-2035
Total	244,197	1,156,035	2,732,859	4,133,091	

(Canadian \$ thousands)	December 31, 2025				
	Fixed ^A	Variable ^B	Discretionary ^C	Total	Timeframe
Private equity investments	11,873	-	2,000,000	2,011,873	2026-onwards
Private fund investments	90,753	-	-	90,753	2026-2029
Convertible debts and other loan	188,814	133,648	627,479	949,941	2026-onwards
Derivatives					
CCO ^D	-	1,000,000	-	1,000,000	2026-2041
CP CfD	-	19,969	-	19,969	2026-2035
Total	291,440	1,153,617	2,627,479	4,072,536	

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

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

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

^D Represents the maximum amount under a contract related to the one CCO project, of which 27% of the total commitment of 600 thousand TPA has been signed and included in Note 4.1. Initial price, term and credit market of the remaining projects are undetermined.