



2025

Annual Report



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Leadership Perspective

Message from Yannick Beaudoin, President and CEO of Canada
Growth Fund Investment Management (“CGFIM”)



Yannick Beaudoin

PRESIDENT AND CHIEF EXECUTIVE OFFICER
CANADA GROWTH FUND
INVESTMENT MANAGEMENT

Over the past year as President & CEO of CGFIM, I have had the privilege and benefit of working with an exceptional team and engaging with business leaders across the country. I have witnessed how Canada is rich in talent, resources, and high potential projects, and how the growing momentum behind Canada Growth Fund (“**CGF**”) comes at a critical time for Canada.

The Canadian investment ecosystem continues to develop its ability to bring large-scale projects to an investable stage at the speed required. CGF was created for precisely this purpose. I can now say with confidence that Canada is ready to turn its ambition into investable, world-leading projects.

A Mandate to Advance National Prosperity

Our mandate is simple but transformative: unlock private capital investment that spurs economic growth and accelerate emission reductions in a cost-effective manner. Our investment objective goes beyond delivering positive risk-return results; we want tangible impact for Canadians achieved by advancing the deployment of key technologies, lowering emissions, supporting

the creation of high-quality jobs, protecting the intellectual property of Canadian companies, and capitalizing on Canada’s natural resources.

Entrusted with the management of Canadians’ hard-earned tax dollars, our fiscal-neutral platform aims to recover and recycle its capital over time, while converting high-risk opportunities into investable projects and companies for private investors. Operating at arm’s length from the government, our team has the necessary expertise to pursue innovative investment structures that act as a catalyst to crowd-in private capital by providing investors with the confidence they need to deploy billions of investment dollars into the Canadian economy. In that sense, CGF bridges the gap between early-stage vision and financial close.



CGFIM team

CGFIM executed **10 transactions** and committed close to **three billion dollars** over a 12-month period. This included a landmark two-billion-dollar commitment to the Darlington New Nuclear Project (“**DNNP**”).

2025 in Review

Throughout 2025, we built on CGF’s early successes and strengthened our internal capabilities to accelerate investments across all strategic sectors.

CGFIM executed 10 transactions and committed close to three billion dollars over a 12-month period. This included a landmark two-billion-dollar commitment to the Darlington New Nuclear Project (“DNNP”). This investment underscores Canada’s ambition to become a clean energy superpower through strategic public risk taking. CGF’s participation will help deliver the G7’s first commercial small modular reactors and positioning Canada as a global leader in nuclear innovation. In addition, CGFIM completed seven clean technology (“**Cleantech**”) transactions during the year, bringing CGF’s commitments to companies and funds to more than \$950 million since its inception, making CGF one of Canada’s most active Cleantech investors. Finally, we supported the growth of the Canadian critical minerals sector with two new investments, reinforcing the resilience of strategic supply chains while building a robust deal pipeline that underpins continued growth and future investments.

Nearly three years after its launch, CGFIM has completed 18 transactions, totaling approximately \$5 billion in commitments. The pace and quality of CGF’s investments were made possible by the Government of Canada’s decision to entrust CGF’s exclusive management to the Public Sector Pension Investment Board (“**PSP Investments**”) through its subsidiary, CGFIM. Through this arrangement, CGF has been and continues to be able to benefit from PSP Investments’ deep expertise in rapid and disciplined capital deployment. Importantly, the relationship is mutually beneficial: CGFIM’s involvement in cutting-edge projects provides PSP Investments with visibility into emerging technologies, developing supply chains, and sector trends that would typically fall outside a pension fund’s traditional risk-return profile.

Looking Ahead

CGF now enters its next phase of investments at a moment when Canada is facing challenges and opportunities amid profound changes in the global trade and climate landscape. This heightened geopolitical uncertainty underscores the importance of patient and strategic capital.

CGF’s mandate is more relevant than ever, ensuring robust and targeted investments in support of a vibrant, competitive, and resilient Canadian economy.

CGF is not acting alone. We have been working in collaboration with our Canadian Crown corporation peers, including Canada Development Investment Corporation and the newly formed Major Projects Office, Canadian pension fund investors, institutional investors, and industry leaders who have all built global reputations for excellence. These groups want to invest here, at home. By taking on a share of the risks that unlocks commercially viable opportunities, CGF gives investors the confidence needed to move quickly and confidently to accelerate transformational investments.

Sincerely,

Yannick Beaudoin

PRESIDENT AND CHIEF EXECUTIVE OFFICER
CANADA GROWTH FUND INVESTMENT
MANAGEMENT INC.



All amounts in this report are in Canadian dollars unless otherwise noted. *Key terms and concepts are defined in the Glossary at the end of this report.*

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Overview

Canada Growth Fund Inc. (“**CGF**” or the “**Fund**”)¹ is a \$15 billion independent investment fund, operating at arm’s length from the Government of Canada, that aims to keep Canada globally competitive and ensure it remains a leading destination for investment. CGF was established to catalyze Canada’s resources and expertise by unlocking their full potential through innovation across both emerging and traditional sectors of the industrial base. Its investment mandate (the “**CGF Mandate**”) is focused on helping Canadian clean technology (“**Cleantech**”) companies scale up successfully, capitalizing on Canada’s abundant natural resources, strengthening low-carbon supply chains, and accelerating clean power projects underpinning Canada’s technology know-how.

CGF was incorporated as a subsidiary of Canada Development Investment Corporation (“**CDEV**”). Its Board of Directors is appointed by CDEV on consultation with the Minister of Finance and National Revenue. Pursuant to the IMA,² the CGF Board of Directors has delegated all investment and asset management decisions to CGFIM. CGFIM provides CGF with quarterly and annual reporting in compliance with the *Financial Administration Act* (Canada) (the “**Reporting**”). The CGF Board of Directors is accountable to the Minister of Finance and National Revenue, the Government of Canada, Parliament, and the general Canadian public for the monitoring of CGFIM’s delivery of the CGF Mandate under the performance criteria established in the IMA. The CGF Board of Directors is also accountable for the review and approval of the Reporting.

CGFIM, a wholly-owned subsidiary of PSP Investments, acts as the exclusive, arm’s length and independent investment manager of CGF. 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 below. All investment decisions are made strictly independent of the Government of Canada.

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 on a path to reduced emissions. The Fund delivers on the CGF Mandate through rigorous and proven investment discipline, fiscal prudence, effective governance, and an arm’s length operational model. CGF is expected to achieve its Strategic Objectives (as defined in a subsequent section) while preserving 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 principally through equity or equity-like structures, hybrid instruments, and debt, where appropriate, to unlock new investments. CGF takes on carefully considered risks that help attract private capital and ultimately accelerate investment in Canadian projects, companies, and technologies. Through its participation, CGF aims to improve the risk return profile of investments, catalyzing additional private capital into projects, technologies, businesses, and supply chains aligned with the CGF Mandate and Strategic Objectives.

CGF Board of Directors

CGFIM extends its sincere appreciation to the CGF Board of Directors for their trust and confidence in its ability to deliver this important mandate. Collectively, CGFIM and the CGF Board of Directors are proud of the Fund’s achievements to date and remain committed to delivering meaningful, lasting impact.

Corinne Boone

BOARD CHAIR

Aaron Engen

DIRECTOR

Candace MacGibbon

DIRECTOR AND AUDIT COMMITTEE CHAIR

Sean W. Strickland

DIRECTOR

Elizabeth Wademan

DIRECTOR

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

² Pursuant to the terms of the Investment Management Agreement (“**IMA**”) which was entered into among Public Sector Pension Investment Board (“**PSP Investments**”), Canada Growth Fund Investment Management Inc. (“**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**"):

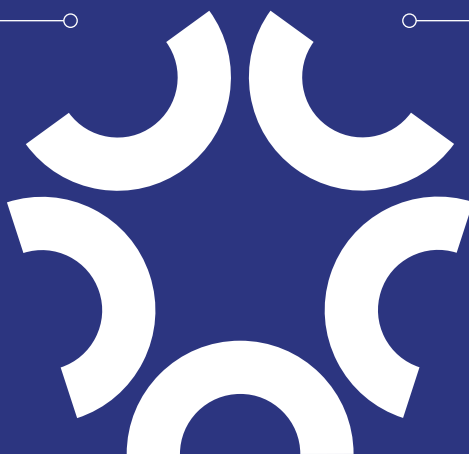
Accelerate the **deployment of key technologies**, such as low-carbon hydrogen and carbon capture and storage ("**CCS**").

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

Reduce emissions while promoting economic growth and Canadian competitiveness.

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



2025 Key Achievements



Completed in 2025

10 investments

\$2.8 B

of capital committed across five provinces.

Completed since CGF's inception

18 investments

\$4.9 B

of capital committed across five provinces.³

\$2.0 B

landmark commitment to the Darlington New Nuclear Project.

\$1.75 B

of additional private capital leveraged or committed alongside CGF to date, for the benefit of the Canadian economy.

Up to 14.5 M tCO₂e⁵

in cumulative expected Avoided Emissions to 2030.⁶ Refer to Appendix A, p. 55 for additional information.

CGF

becoming a cornerstone investor in Canadian critical minerals.

471 patents

held by CGF portfolio companies in 2025,⁴ securing their IP.

1,911 jobs

supported in Canada at CGF portfolio companies as at December 31, 2025.

³ Refer to Discussion of Fund Performance and Results, p. 24 for further details regarding CGF's financial results.

⁴ Patent numbers include patents held in Canada and in other jurisdictions.

⁵ Tonnes of carbon dioxide equivalent.

⁶ 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. Refer to Appendix A, p. 55 for additional information.

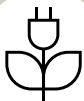


Investment Strategy

Investment Strategy and Criteria

Scope of Investment Activities

CGF focuses its investing activities across three verticals:



Cleantech

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



Low-carbon supply chains (“LCSC”)

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 may invest through (i) direct investments in projects and companies; (ii) co-investments alongside corporate partners – developing strategic partnerships with developers, operators, processing/refining partners and manufacturers, and (iii) fund investments, through commitments to, and where applicable, co-investments alongside, mining-focused specialist investment managers.



Projects

Projects that use technologies and processes proven at the pilot stage but not yet widely adopted, to efficiently reduce emissions across the Canadian economy, and position Canada as a global leader in key innovations. These include, but are not limited to, CCS, electrification and low-carbon electricity, hydrogen, and low carbon fuels. CGF may take direct minority or control positions through a mix of equity, hybrid instruments, debt, and contracts.

Looking back at the year

For CGF’s investment portfolio, 2025 was a pivotal year for CGF’s investment portfolio, as the Fund reached operational maturity, accelerating its capacity to commit capital with focus and rigour at speed and scale, across sectors of strategic significance to Canada.



Darlington New Nuclear Project
Up to \$2B | PROJECTS
Ontario



Hydrostor
~\$235M | CLEANTECH
Ontario



Foran Mining
~\$156M | LCSC
Saskatchewan



Eavor Technologies
~\$138M | CLEANTECH
Alberta



Mangrove Lithium
Up to \$90M | CLEANTECH
British-Columbia



dcbel
~\$57M | CLEANTECH
Québec



Longbow Capital
Up to \$50M | CLEANTECH
Alberta



Cyclic Materials
~\$34M | CLEANTECH
Ontario



Cascadia Windows & Doors
Up to \$31M | CLEANTECH
British Columbia



Rio Tinto Iron and Titanium
~\$25M | LCSC
Québec

Investment Criteria

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

Consistency with goals

The investment advances the CGF Mandate and Strategic Objectives.

Long-term benefits for Canada

The investment strengthens the development of Canadian workers and generates knowledge that will produce long-term benefits for the Canadian economy. For example:

- **Canadian presence:** activities related to the project or company are carried out 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 attracts private sector investment, immediately or in the future, that would likely not have been secured without the participation of CGF.

Financial soundness

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

Consistency with public disclosure sustainability-related principles

The investment fits 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

Given the nature of the CGF Mandate, CGF has unique considerations to balance compared to market returns-focused investors. CGF uses levers available as part of its mandate to address market gaps where private financing alone is insufficient, without displacing private sector financing. In seeking to create a portfolio of investments that fulfills the CGF Mandate, including the Investment Criteria and Strategic Objectives, CGFIM considers and balances three key elements with respect to any particular investment:

Financial Returns

CGF does not provide grants or subsidies and will generally 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 over 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;
- Regulatory risk with respect to project assessments and permitting approvals for construction projects;
- Execution risk from building first-of-a-kind commercialized projects and companies;
- Liquidity risk from investing in projects without abundant debt financing or visible secondary markets for equity;
- Policy risk related to perceived uncertainty around climate regulations; and
- Other risks that limit investor interest.

Concessionality

CGF's investments may have some level of concessionality (i.e., 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.

CGF investments are intended to be made alongside, or to crowd in subsequently, one or more private sector investors, including through investments structured as direct investments, fund investments and co-investments. Notwithstanding the foregoing, it is acknowledged that the participation of other private sector investors may not be synchronous with CGF's investment, and that CGF may be the only provider of fresh capital at the time of its investment, provided that at the time of such investment there is a reasonable expectation the investment will lead to future private sector investment in the company or project, once sufficiently de-risked. CGF is intended to be complementary to private sector investors and is structured to catalyze, rather than crowd out, private capital by addressing risks and market gaps that limit private investment at earlier stages.

Investments to date

CGF is building a high-impact investment portfolio that aims to accelerate emissions reductions and strengthen Canada's global competitiveness in sectors where the country has clear expertise and resource advantages. As at December 31, 2025, nearly \$5 billion has been committed.



Cleantech

2023

Eavor Technologies
Alberta — October

2024

Idealist Capital
Québec — March
Svante Technologies
British Columbia — August
MKB
Quebec — August

2025

Hydrostor
Ontario — February
Longbow Capital
Alberta — February
dcbel
Québec — March
Eavor Technologies
Alberta — June
Cascadia Windows & Doors
British Columbia — October
Cyclic Materials
Ontario — December
Mangrove Lithium
British Columbia — December



LCSC

2024

Nouveau Monde Graphite
Québec — December

2025

Foran Mining
Saskatchewan — May
Rio Tinto Iron and Titanium
Québec — October



Projects

2023

Entropy
Alberta — December

2024

Varme
Alberta — June
Markham District Energy
Ontario — June
Strathcona Resources
Saskatchewan — July

2025

Darlington New Nuclear Project
Ontario — October



Investment Process

The delivery of the CGF Mandate is fulfilled on an independent and 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, and with expertise in structuring and executing complex investments as well as asset management.

Through this governance structure, CGFIM selects and underwrites investments in alignment with the CGF Mandate. CGFIM aims to leverage its team's investment judgment to build a portfolio of 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,


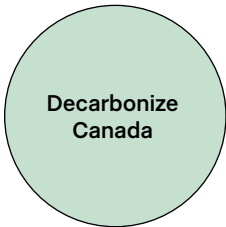
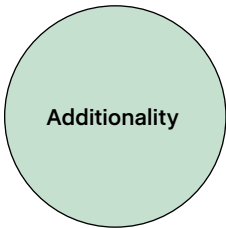
to complement CGF's statutory financial reporting. CGF's investment evaluation includes both a conventional financial evaluation aligned with best investment practices, and an impact-focused assessment in alignment with the CGF Mandate. Generally, CGF's investments must demonstrate financial soundness and CGFIM's investment process ensures that the investment fits within a portfolio that targets capital preservation.



Impact Framework Aligned with our Impact Criteria

CGFIM defines “impact” as the collection of indicators, which CGF aims to deliver at a portfolio company level over time. The resulting pillars and performance criteria 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 IM+M Framework

Pillars	Link to CGF Mandate	Performance Criteria ⁷
 <p>Drive Canadian Clean Growth</p>	<p>Scale technologies and companies that will drive productivity, competitiveness, growth and jobs across new and traditional sectors of Canada’s industrial base</p> <p>Capitalize on Canada’s resource endowment and strengthen critical supply chains</p> <p>Provide long-term benefits for Canada</p>	<ul style="list-style-type: none"> — 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, Cleantech and/or low-carbon supply chains
 <p>Decarbonize Canada</p>	<p>Reduce emissions while promoting economic growth and Canadian competitiveness</p>	<ul style="list-style-type: none"> — CGF Financed Emissions (including Scope 1 and 2 emissions, Scope 3 where possible) — Anticipated Avoided Emissions
 <p>Additionality</p>	<p>Prioritize investments that unlock additional financial (crowding in capital) or advance economic and environmental outcomes that would not otherwise have been achieved</p>	<ul style="list-style-type: none"> — 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 each standard dimension of impact but should significantly 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, in the aggregate, at the portfolio level.

⁷ To be reported by CGFIM on an annual basis, to the extent possible and appropriate, at the portfolio-level. Refer to 2025 Impact Outcomes and Performance, p. 19, 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.

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

Sourcing, Screening and Due Diligence

During the Sourcing, Deal Screening and Due Diligence phase, CGFIM assesses each opportunity against the IM+M framework. Sourcing is completed through a dual-track sourcing strategy, including an active outreach strategy allowing CGFIM to engage directly with stakeholders and engagement through a public mailing address for inbound proposals. Screening focuses on alignment with the CGF Mandate, while Due Diligence involves developing a detailed evaluation of potential performance against all impact metrics. Using in-house evaluation tools, CGFIM constructs a comprehensive impact assessment, which contributes to the final investment recommendation and decision.

Closing and Asset Monitoring

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

Contractual Terms and Governance

CGFIM seeks to embed impact-focused metrics and requirements into each investment agreement to ensure impacts aligned with the CGF Mandate are created and maintained throughout the investment hold period. Examples include strengthening the structure and oversight of the impact and sustainability performance of portfolio companies; leveraging CGF's role within governance structures (e.g., board and committee representation) to influence strategies that will improve investment performance; and supporting investees in building capacity, systems and tools to quantify and manage impact and sustainability performance data.

Data Collection

During the post-investment period, CGFIM monitors the performance of CGF investments to measure and report on impact throughout the hold period. Impact data is collected annually from investees, with standardization efforts to support consistent, high-quality reporting across all metrics.

Asset Management & 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, CGF reports on aggregated portfolio-level impact data annually, monitoring performance against the CGF Mandate and Strategic Objectives. In 2025, CGFIM aggregated impact-related data into a central data management system. It is expected that this will improve performance monitoring against the CGF Mandate and help further inform investment strategy and portfolio-level impact management.

Exit

CGFIM also considers CGF's exit scenarios and related impact outcomes (e.g., projected Avoided Emissions, asset viability, and 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.

Darlington New Nuclear Project



Select
Investment
Cases

CGF COMMITMENT

Up to
\$2 B

PROJECT | ONTARIO

Supports the deployment of the first **grid-scale commercial small modular reactor (“SMR”) within the G7**

Expected to generate 1,200MW of **reliable low-carbon base load capacity**

Expected to contribute approximately **\$38.5 billion to Canada’s GDP**

CGF and the Building Ontario Fund (“**BOF**”) announced the execution of equity commitment agreements to support Ontario Power Generation’s (“**OPG**”) Darlington New Nuclear Project (“**DNNP**”), with the construction of four SMRs in Clarington, Ontario. CGF and BOF have committed up to \$2 billion and \$1 billion, respectively, each taking minority ownership positions in DNNP.

CGF and BOF investments are intended to de-risk the construction and early operation of this world-leading energy infrastructure by deploying innovative financing structures that temporarily share risks constraining private sector participation. This approach is expected to catalyze future private sector and Indigenous investment over time.

This investment is a catalyst for growth in Canada by:

- **Partnering with OPG, a Canadian-nuclear leader, on the first deployment of a grid-scale commercial SMR in the G7**, positioning Canada at the forefront of next generation nuclear energy;
- **Unlocking investment in world-leading nuclear infrastructure by de-risking construction and early operations** through innovative financing structures that catalyze future private sector participation; and

— **Delivering up to 1,200 MW of reliable, affordable, and low carbon electricity, enough to power approximately 1.2 million homes** and strengthen the resilience of Canada’s clean power system.

The deployment of the DNNP reinforces Canada’s nuclear supply chain, injects hundreds of millions of dollars into Ontario’s industrial base, and strengthens the resilience of Canada’s low carbon electricity grid, while supporting the development of the next generation of Canadian nuclear expertise. According to Signal49 Research (previously known as the Conference Board of Canada), DNNP is expected to support up to 18,000 Canadian jobs annually during construction and contribute approximately \$38.5 billion to Canada’s GDP over the next 65 years. Leveraging a rigorous investment process, depth of expertise, operational excellence, and arm’s length governance model, this investment advances the execution of the CGF Mandate and establishes a scalable financing model designed to attract additional private capital to low carbon energy infrastructure projects across Ontario and Canada.

Innovative equity investment
in world-leading Ontario Power
Generation SMR project.



CGF INVESTMENT

LCSC | SASKATCHEWAN

~\$156 M

Supports the development of **Canada's only greenfield copper and zinc deposit currently under construction**

Aggregates a large pool for private capital to **strengthen critical supply chains** with new critical mineral production

CGF's first direct investment in the Canadian Prairies, contributing to growth and local job creation in northern Saskatchewan and Manitoba

CGF announced its cornerstone participation in a \$350M strategic private placement in May 2025 with Foran Mining (TSX: FOM) ("**Foran**"), a Canadian-based mining company involved in the exploration, development and operation of mineral properties. Foran's flagship asset is the 100%-owned McIlvenna Bay Project, a polymetallic deposit in Saskatchewan. At the time of CGF's investment, the McIlvenna Bay Project was Canada's only greenfield copper and zinc mine under construction, with commercial production expected mid-2026. McIlvenna Bay is anticipated to be one of the industry's lowest-emission operations of its kind.

CGF invested ~\$156M alongside existing shareholders, including Agnico Eagle Mines (TSX: AEM), a leading Canadian mining company, certain affiliates of Fairfax Financial Holdings (TSX: FFH) as well as other institutional and private investors.

This investment is a catalyst for growth in Canada 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** by unlocking new critical mineral production in Canada; and

— **Supporting the construction of a project of strategic national significance** to drive economic growth and local job creation in northeastern Saskatchewan and northwestern Manitoba.

On February 2, 2026, Eldorado Gold (TSX: ELD) announced the proposed acquisition of Foran in a transaction that values the copper-focused developer at approximately \$3.8 billion, reinforcing CGF's function as a catalytic investor that bridges critical risk gaps at key inflection points during project development, supporting successful execution and potentially positioning projects for private capital participation at scale.

With its flexible financing tools, CGF enables Canadian companies at critical stages of their development to continue their growth and de-risk their projects of strategic priority. Copper has been identified by Canada as one of six priority critical minerals within its broader list of 34 critical minerals. It is foundational to the energy transition due to its superior electrical and thermal conductivity and its essential role across low carbon technologies. Demand for copper is accelerating as it is essential for expanding electricity networks, modern infrastructure, transportation systems, consumer electronics, and industrial machinery, as well as electric vehicles, which require significantly more copper than internal combustion engine vehicles.

Investment alongside top-tier investors and mining operators who share CGF's ambition to better leverage Canada's abundance of natural resources.



Mangrove Lithium



Select Investment Cases

CGF COMMITMENT

CLEANTECH | BRITISH COLUMBIA

Up to
~\$90 M

Supports accelerated expansion of, and strengthens domestic processing capacity for, battery-grade lithium

Supports Canada's emergence as a secure supplier of essential inputs for electrification and clean energy technologies

Retains and scales strategic processing capabilities and supply chain expertise within Canada

CGF announced an up to ~\$90 million commitment as part of an ~\$117M financing round in Mangrove Lithium (“Mangrove”), a British Columbia-based company developing a lithium processing capacity critical to North America’s clean energy and electrification supply chains. Through this investment, CGF is accelerating the build-out of domestic processing infrastructure for battery-grade lithium, a material essential to electric vehicles, energy storage, and broader Cleantech deployment.

This investment supports the commercialization and operational scaling of Mangrove’s technology and facilities while anchoring production capacity in Canada, thereby strengthening the resilience of North American supply chains for critical battery materials. The transaction reinforces Canada’s position in a vital segment of the clean energy economy and aligns with national objectives to secure trusted sources of critical minerals.

This investment is a catalyst for growth in Canada by:

- **Supporting the acceleration of the domestic lithium processing capacity, reducing reliance on offshore sources** and advancing Canada’s ability to supply battery-grade materials essential to the energy transition;
- **Supporting high-value Canadian employment and technology development**, anchoring strategic activities and expertise within Canada’s industrial ecosystem; and

— **Reinforcing supply chain resilience for critical minerals, bolstering Canada’s capacity to meet growing global demand** while contributing to the nation’s economic and environmental goals.

As demand for battery materials accelerates and global supply chains face increasing concentration risk, securing a reliable and scalable lithium processing capacity has become a strategic imperative. Mangrove’s technology enables the conversion of diverse lithium feedstocks into battery-grade materials, addressing a critical gap in North America’s value chain. By supporting Mangrove’s scale-up, CGF is advancing domestic processing capability, strengthening Canada’s role as a trusted supplier of critical battery materials, and enabling deeper integration with downstream manufacturers as the company moves toward commercial operations. Mangrove was spun out of a University of British Columbia (“UBC”) research group led by Dr. David Wilkinson, Canada Research Chair in clean energy, with core intellectual property originating from doctoral research conducted at UBC by one of its co-founders, Saad Dara. This investment underscores the strength of Canada’s innovation ecosystem and demonstrates how domestically developed technologies can be scaled from academic research to commercial deployment within Canada, reinforcing both economic competitiveness and supply chain resilience.

Structured financing to support the commercialization and deployment of lithium refining technology in Canada and abroad.



Cyclic Materials



Select Investment Cases

CGF INVESTMENT

CLEANTECH | ONTARIO

~\$34 M

Supports accelerated deployment of **key technology that enables the recycling of rare earths from end-of-life feedstock**

Scales a **domestic urban mining solution for rare earth elements, developing local supply chains** and reducing offshore reliance

Retains **intellectual property and strategic know-how** in Canada

CGF announced an ~\$34M investment in Cyclic Materials (“**Cyclic**”), a Cleantech recycling company developing advanced urban mining and materials recovery technologies to create a circular supply chain for rare earth elements (“**REEs**”) and other critical metals necessary for the energy transition and national security. Through this investment, CGF is accelerating the deployment of a critical technology that enables the recycling of REEs from end-of-life feedstock, a sector of strategic importance for Western governments, including Canada.

This investment supports the global commercialization of Cyclic’s technology while anchoring the company’s headquarters and its Centre of Excellence in Canada, thereby strengthening Canada’s position across the critical minerals and mining technology value chain.

This investment is a catalyst for growth in Canada by:

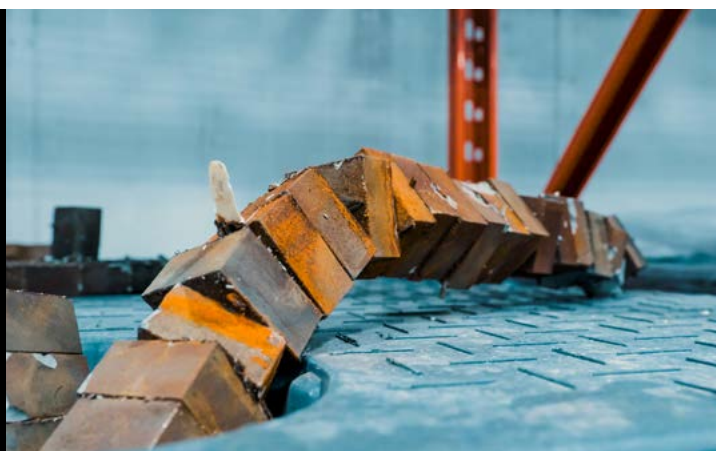
— **Accelerating the deployment of Cyclic’s recycling technology, which generates fewer emissions** through a more efficient process compared to virgin rare earth element mining;

— **Anchoring Cyclic’s technology development in Canada and supporting high value full time Canadian jobs**, with additional employment generated as the company scales;

— **Reducing reliance on offshore imports to meet domestic demand**, strengthening regional supply chains for a critical input required for energy transition innovation and technologies.

Diversifying supply and investing in domestic processing capacity are increasingly recognized as strategic priorities for Western governments seeking to reduce vulnerability and build long-term resilience in critical mineral supply chains. In response, Cyclic has developed a recycling-based circular model that provides an alternative and incremental source of REEs beyond traditional mining. The company’s hub and spoke operating model enables the efficient recovery of high-value magnet metals from end-of-life products and magnet manufacturing waste, the most economically significant segment of the rare earth market. Over the next year, CGF will work with Cyclic to continue to scale its operations and accelerate the deployment of its technologies both internationally and within Canada.

Equity round alongside high-quality partners to enable the scale-up of North America’s REE processing capabilities, which are essential for building a domestic REE supply chain.





2025 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. These criteria capture alignment with CGF’s Investment Criteria and IM+M framework at the portfolio level.

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	Overview of Fund Activity and Results, p. 27
	CGF capital committed to major projects, Cleantech and/or LCSC activities	2025 Key Achievements, p. 6
Drive Canadian Clean Growth	Where possible and appropriate, estimated total jobs created or supported by CGF investments, over a period of time	Table 3, p. 20
	Where possible and appropriate, annual export revenue from major projects, Cleantech and/or low-carbon supply chains	<i>Omitted this year</i>
	Where possible and appropriate, number of technologies and/or patents created, supported, or maintained due to CGF investments	Table 4, p. 20
Decarbonize Canada	Portfolio-Level Avoided Emissions	Table 5, p. 20
	Anticipated annual average direct Avoided Emissions by CGF portfolio companies, 2030-2040	Table 6, p. 21
	CGF Financed Emissions (i.e., Portfolio-level Scope 3 (Category 15) emissions)	Table 7, p. 22
Additionality	Ratio of private investment (equity and debt) catalyzed due to CGF investments	Table 8, p. 23
	Where possible and appropriate, amount of new capital leveraged or unlocked that invests in alignment with the CGF Mandate	Table 8, p. 23
Consistency with sustainability-related principles	Annual reporting in alignment with the Task Force on Climate Related Financial Disclosures framework	Appendix A, p. 55
	Where possible and appropriate, Fund-level reporting on select sustainability-related KPIs	<i>Omitted this year</i>

CGFIM continues to strengthen its data collection and reporting processes. Performance Criteria may be measured in absolute terms or pro-rata to CGF's investment in the relevant project or portfolio company. Since CGF primarily invests in early-stage companies and projects, certain metrics may evolve as more data becomes available. As such, while the table above reflects the full set of CGF's annual Performance Criteria under 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. Errors in underlying data may lead to inaccuracies in reported indicators. As industry standards evolve and underlying data quality improves, CGFIM may refine its models and methodologies, which may result in disclosures that may not be comparable on a year-on-year basis and that may necessitate re-statement. *Refer to Statement on Performance Indicators, p. 23 for additional information.*

Drive Canadian Clean Growth

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

Table 3

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

1,911 Canadian jobs	271 new Canadian jobs
Total Canadian jobs at CGF portfolio companies as at December 31, 2025	Growth in Canadian jobs at CGF portfolio companies, 2025

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 registered or held in jurisdictions outside of Canada.

Table 4

Number of patents held by CGF portfolio companies

471 patents	120 new patents
Total patents held by CGF portfolio companies as at December 31, 2025	Growth in patents held by CGF portfolio companies, 2025

Both the jobs and patent figures are self-reported by CGF portfolio companies and are not independently verified or assured by CGFIM. Portfolio companies for which CGF only has discretionary commitments are excluded from the calculations.

Decarbonize Canada

Portfolio-Level Avoided Emissions

Avoided Emissions represent the expected greenhouse gas ("GHG") reductions from projects or technologies that operate with lower carbon intensity than the prevailing alternative, quantitatively illustrating the GHG benefits that are anticipated to result from CGF investments over time. Many of CGF's Cleantech investments are in companies or general partners based in Canada, but who also deploy their technologies or operate in other jurisdictions. By tracking both Canadian and worldwide Avoided Emissions, CGFIM aims to capture the substantial anticipated impact driven by CGF 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. The figures presented are inclusive of all CGF investments and unfunded commitments. *Refer to Appendix A, p. 55 for additional information.*

Table 5

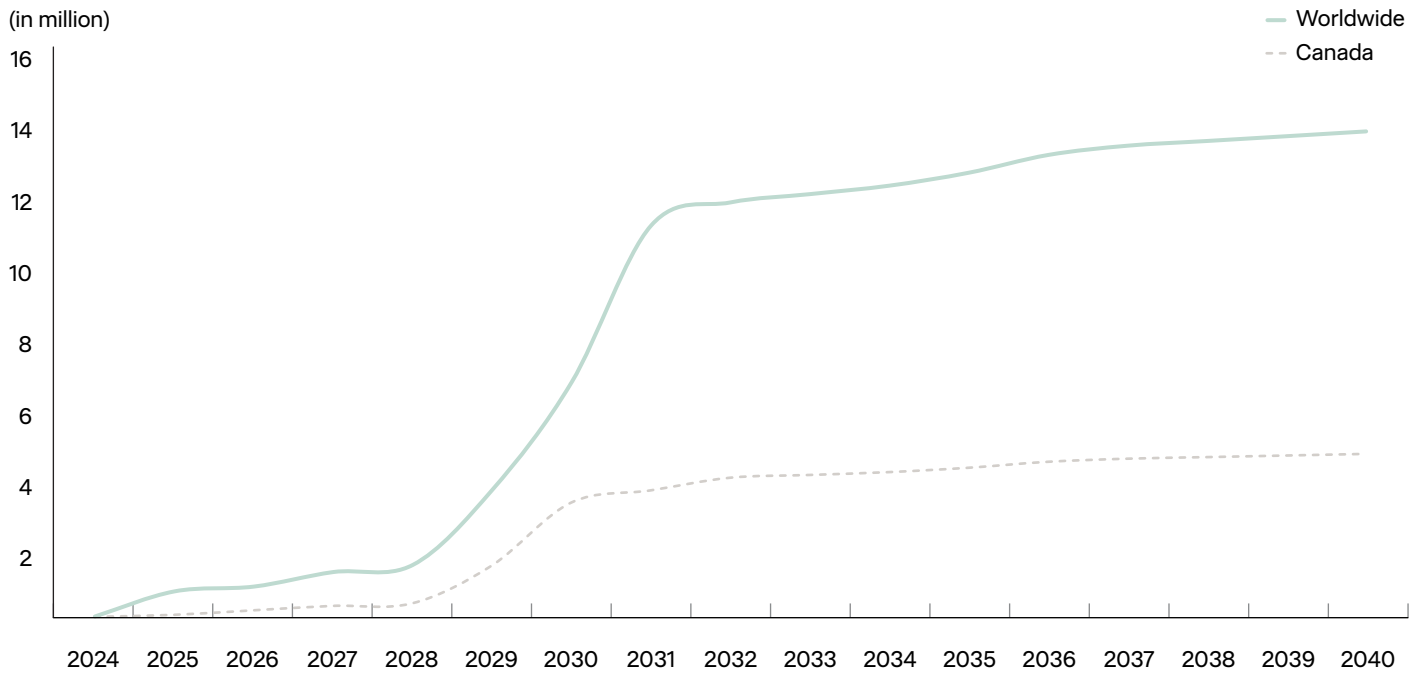
Cumulative anticipated direct Avoided Emissions by CGF portfolio companies, 2024 to 2030

Up to 14.5 million tCO ₂ e	Up to 5.6 million tCO ₂ e
Worldwide	in Canada

Importantly, CGF’s portfolio consists primarily of development stage assets, such as projects in construction or Cleantech companies reaching commercialization. As such, anticipated Avoided Emissions are expected to be realized progressively over the pre-2030 period as companies advance through early execution, before reaching a more sustained level once

investments scale toward full capacity. The 2024-2030 cumulative figures capture this ramp-up phase. Note that this trajectory is based on CGFIM’s current performance expectations and assumptions regarding execution timelines and scaling pathways, which are subject to uncertainty and may fluctuate over time.

Figure 1
Anticipated Avoided Emissions 2024-2040,
illustrative trajectory based on current performance expectations



The 2030-2040 anticipated annual average of direct Avoided Emissions encompasses the currently expected annual impact of CGF portfolio companies in the later phases of their development, once a more consistent run rate has been reached.

Table 6
Anticipated annual average direct Avoided Emissions
by CGF portfolio companies, 2030-2040

Up to 12.9 million tCO ₂ e/year	Up to 4.4 million tCO ₂ e/year
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 leverages a methodology informed by the Partnership for Carbon Accounting Financials (“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.⁸ The figures presented are inclusive of all CGF investments. Refer to Appendix A, p. 55 for additional information concerning our estimates of CGF Financed Emissions.

Table 7

CGF Financed Emissions in 2025

CGF Financed Emissions and carbon footprint – PCAF informed (2025)	
CGF Financed Emissions – PCAF informed (tCO ₂ e)	6,855
Adjusted PCAF AUM in-scope (\$ million invested)	992
Coverage of in-scope AUM	95%
PCAF data quality score, weighted by investment size	1.63
2025 carbon footprint (tonnes CO ₂ e/\$ million invested)	6.9

These results reflect the expansion of CGF’s portfolio, both in terms of the number of investments and the commercialization stage of some of its portfolio companies. CGF Financed Emissions results are expected to increase in the coming years as projects and companies in the portfolio progress through capital-intensive construction and early development phases, consistent with the anticipated growth and associated socioeconomic benefits inherent to the CGF Mandate. As projects transition toward steady state operations and portfolio composition continues to evolve, CGF Financed Emissions are expected to stabilize over the medium term.

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 (crowd-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 a 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 investment, 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 engages with stakeholders, evaluates the timelines associated with various investors’ interests, and examines the underlying drivers of the private capital’s investment thesis to inform its assessment of 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.

⁸ Informed by PCAF guidance, CGFIM applies an operational control consolidation approach to the Fund’s organizational boundary.

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 final investment decision (“**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 offtakes (“**CCOs**”). CGFIM will continue to monitor portfolio company fundraising over time to confirm whether investments have indeed been de-risked, attracting private capital per CGFIM’s additionality hypotheses.

Table 8
New capital leveraged or unlocked that invests in alignment with the CGF Mandate

<p>Up to \$1.75 billion</p> <p>Amount of new private capital leveraged or unlocked that invests in alignment with the CGF Mandate since Fund inception</p>	<p>Up to 0.45 : 1 ratio</p> <p>Ratio of private investment (equity and debt) catalyzed due to CGF investments, per dollar of CGF capital committed (less derivatives) since Fund inception</p>
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The year 2025 saw the mobilization of nearly \$850 million of additional private capital alongside CGF, illustrating its contribution to de-risking investments and catalyzing capital investment into the Canadian ecosystem. Beyond this concurrent capital crowd-in, CGF’s major commitment to DNNP is designed to de-risk the construction and early operation of the first grid-scale SMR, bridging project risk and catalyzing additional private capital over time. As such, this investment mechanically results in a lower ratio of private investment catalyzed per dollar of CGF capital committed in the short term, while deferred additionality is expected to materialize in future periods as key project milestones are achieved. When DNNP is excluded, CGF’s ratio of private investment catalyzed per dollar of CGF capital committed increases to 0.93 : 1.

Statement on Performance Indicators

In preparing the performance indicators contained in this report, CGFIM has made a number of key judgments, 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 with 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 that the forward-looking statements and information discussed in this report carry an additional degree of inherent risk and uncertainty. In light of the uncertainty as to the nature of any future policy and/or market responses to 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, at any time, 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 companies to which CGF has already disbursed capital, or otherwise has legal commitments (conditional or otherwise) to do so, as at December 31, 2025.



Discussion of Fund Performance and Results

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Nagara 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 the year ended December 31, 2025, and should be read in conjunction with CGF’s Financial Statements for the year ended December 31, 2025 (the “**Financial Statements**”). This report takes into account material elements, if any, between December 31, 2025, and March 26, 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.

Economic Overview

In 2025, Canada faced uncertainty from intensified U.S. trade tensions and higher tariffs. Despite these challenges, economic growth remained resilient and a recession was avoided. Tariff-sensitive sectors experienced pressure, but Canada-United States – Mexico Agreement (“**CUSMA**”)-compliant provisions helped limit the impact. As a result, economic growth slowed from 2.0% in 2024 to 1.7% in 2025.

As inflation eased and wage pressures showed signs of moderation, the Bank of Canada reduced the policy rate from 3.25% to 2.25% by the end of 2025, providing modest support to domestic demand.

Fiscal support increased through the federal government’s Fall 2025 Budget, which introduced \$89.7 billion in net new spending over five years, focusing on defence, infrastructure, liquefied natural gas, critical minerals, copper mining, nuclear energy, and emphasizing private-sector and provincial participation.

Looking ahead, uncertainty remains elevated due to trade risks and structural adjustment pressures and global geopolitical context. The outcome of the formal CUSMA review, scheduled to begin in July 2026, represents a pivotal moment for the Canadian economy. With monetary easing completed, economic support is expected to rely primarily on fiscal policy, effective budget implementation, and broader public initiatives.

This environment of trade uncertainty and slowing growth underscores the strategic relevance of CGF’s mandate (the “**CGF Mandate**”). Business non-residential investment in Canada remained subdued in 2025, at about 11% of GDP—below its 2015 peak of 14%—following a modest annual increase of just 0.4%. Catalyzing private investment in productivity enhancing, resilient, and globally competitive sectors is now imperative. The CGF Mandate—to act as an impact investor to catalyze private capital, accelerate decarbonization projects, support emerging Cleantech, and help Canadian firms scale—directly addresses these macroeconomic challenges, thereby strengthening Canada’s growth outlook, economic resilience, and competitiveness amid persistent economic and geopolitical risks.

Overview of Fund Activity and Results

During the fiscal year ended December 31, 2025 (“**Fiscal 2025**”), CGF committed an additional \$2.8 billion, as described below, resulting in a total of \$4.9 billion committed across a variety of areas of focus and regions since the Fund’s inception. In addition, CGF deployed a net additional \$567.4 million, resulting in total deployments of \$814 million since inception.

New Portfolio Investments during Fiscal 2025:

February	<p>CGF committed up to \$50 million to Longbow Energy Transition Fund II LP, a private equity fund focused on Canada’s energy transition, of which \$13 million was deployed during Fiscal 2025. The transaction supports target growth-stage technology products and services that are expected to benefit from the tailwinds of the energy transition.</p> <p>CGF committed up to \$234.7 million (US\$165 million) in two separate convertible notes issued by Hydrostor Inc. (“Hydrostor”), a global long-duration energy storage developer and operator, of which \$27.1 million (US\$19.2 million) was deployed during Fiscal 2025. The transaction supports Hydrostor’s continued investments in Advanced Compressed Energy Storage projects in Canada and around the world.</p>
March	<p>As part of a funding round in partnership with Idealist Climate Impact Fund LP and other investors, CGF invested \$57.1 million (US\$40 million) in a convertible note issued by dcbel Inc. (“dcbel”), a Montreal-based company that has developed a bidirectional electric vehicle charging hardware integrated with a home energy management system platform for the residential market. The transaction supports dcbel’s efforts to scale the commercialization of its technology in North America and Europe, while maintaining its headquarters and intellectual property in Canada and supporting high quality job creation.</p>
May	<p>CGF participated in a \$350 million non-brokered private placement of common shares of Foran Mining Corporation (“Foran”), representing its second public equity investment. CGF invested \$156 million alongside other co-investors, deploying the capital in two tranches. The transaction supports completion of construction at the McIlvenna Bay Project, Foran’s 100%-owned flagship asset, a polymetallic deposit along the Flin Flon Greenstone Belt and the only copper and zinc deposit currently under construction in Canada.</p>
June	<p>CGF committed an additional \$137.6 million (US\$100 million) in convertible notes issued by Eavor Technologies Inc. (“Eavor”), all of which was deployed during Fiscal 2025. The transaction supports Eavor’s efforts to accelerate the development and commercial deployment of its geothermal technology.</p>
September	<p>CGF committed \$31 million in private equity of Cascadia Windows & Doors (“Cascadia”), in partnership with MKB Equity Partners Inc., one of CGF’s fund partners. During Fiscal 2025, \$19.1 million of this commitment was deployed. The transaction supports Cascadia’s efforts to expand its manufacturing capacity and market presence, scale operations and accelerate the deployment of its advanced technologies that support buildings sector decarbonization across North America.</p> <p>CGF and Building Ontario Fund signed equity commitment agreements to finance the Small Modular Reactors project to be constructed at the Darlington New Nuclear Project (“DNNP”), which will be majority owned and operated by Ontario Power Generation Inc. Subject to the satisfaction of certain conditions, CGF has committed to invest up to \$2 billion, taking a meaningful minority ownership position in the project.</p>
October	<p>CGF committed \$25 million (US\$18 million) to Rio Tinto Iron and Titanium Inc. (“Rio Tinto”) through an equity-like financial royalty structure. The transaction supports the Canadian production of scandium oxide in Sorel-Tracy, Québec at Rio Tinto’s Critical Minerals and Metallurgical Centre.</p>
December	<p>CGF invested \$34.4 million (US\$25 million) in the private equity of Cyclic Materials, Inc. (“Cyclic”), a Canadian cleantech leader developing innovative recycling technologies for rare earth elements. The transaction supports the accelerated expansion of Cyclic’s Centre of Excellence in Kingston, Ontario, the advancement of its Canadian-based R&D, the execution on its first hub and global commercialization.</p> <p>CGF invested \$20.6 million (US\$15 million) in a convertible note and \$13.7 million (US\$10 million) in private equity of Mangrove Water Technologies Ltd. (“Mangrove Lithium”), a Canadian cleantech company pioneering a feedstock-flexible, electrochemical lithium refining platform that produces battery-grade lithium hydroxide or lithium carbonate. The investment, which forms part of a total financing commitment from CGF of up to \$89.6 million (US\$65 million), supports the commercialization and deployment of Mangrove Lithium’s lithium refining technology in Canada and abroad.</p>

CGF generated \$247.3 million of net income during Fiscal 2025, consisting of investment income of \$301.1 million, net of expenses of \$53.8 million, compared to a net income of \$80.8 million for the comparative year ended December 31, 2024 (“**Fiscal 2024**”), consisting of investment income of \$137.4 million, net of expenses of \$56.6 million. The CGF Mandate entails that Canada Growth Fund Investment Management Inc.’s (“**CGFIM**”) focus is not on short-term annual returns but rather on preserving capital on a portfolio basis over the long term. For more details, refer to “Mandate and Strategic Objectives”, p. 5. 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, approximately 5% in 2025 (4% in 2024). To this end, CGFIM continues to expect CGF to recover its capital on a portfolio basis in the long term.

CGF’s results are presented below.

Funding Received

In December 2025, CGF issued 3,000,000 Preference Shares (as defined in a subsequent section) to the Government of Canada for a total capital contribution of \$3 billion. This contribution was received to support commitments to its portfolio investments, which in some cases may be deployed over the course of many years, for current and future investments, 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.

Investment Income

During Fiscal 2025, total investment income amounted to \$301.1 million, an increase of \$163.7 million from \$137.4 million in Fiscal 2024. More specifically, investment income related to cash management activities, comprising cash, cash equivalents and short-term investments, totaled \$119.3 million, an increase of \$26.2 million over Fiscal 2024. This increase is primarily attributable to a higher level of investment in short-term investments.

In addition, investment income from sources other than short-term investments amounted to \$181.8 million, an increase of \$137.5 million compared to \$44.3 million in Fiscal 2024. This increase is mainly driven by the appreciation in the fair value of the investments in Nouveau Monde Graphite Inc. and Foran Mining Corporation, as well as higher interest income on convertible debts and other loan, partly offset by higher foreign exchange losses on private investments.

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 Fiscal 2025 amounted to \$53.8 million, representing a \$2.8 million decrease from the \$56.6 million for Fiscal 2024.

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 Fiscal 2025, investment-related expenses amounted to \$12.7 million, representing an increase of \$4.2 million compared to \$8.6 million in Fiscal 2024. This variation is mainly attributable to a higher level of activities required to support investment transactions and opportunities during Fiscal 2025.

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 the Public Sector Pension Investment Board’s (“**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 \$41.1 million for Fiscal 2025, comprising \$38.7 million in compensation and indirect expenses, and \$2.4 million in professional and consulting fees.

Compared to Fiscal 2024, total operating expenses decreased by \$6.9 million, primarily due to a \$4.3 million decrease in compensation and indirect expenses—largely attributable to a different workforce mix—and a \$2.6 million decrease in professional and consulting fees, primarily reflecting the completion of CGF’s initial implementation phase, resulting in lower reliance on external professional services as CGF continued progressing toward full operating 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 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 December 31, 2025, CGF's risk measurement focused mainly on investment risks, which include market, credit, liquidity and concentration risks as described in Note 6 of the 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 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 measurement of financial instruments are outlined in Note 4.3 and those regarding the assessment of risk are outlined in Note 6.

Sources of estimate uncertainty related to macroeconomic unpredictability and volatility include the nature of the industry in which CGF is investing, the current geopolitical context, including the potential imposition of new tariffs,

the early-stage nature of the investments, supply chain challenges, changes in governments' carbon policies, inflation and interest rates. This could continue to impact financial results, due to uncertainties, including their extent and duration. The 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.



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River in the woods, Alberta

Management's Responsibility for Financial Reporting

The financial statements of Canada Growth Fund Inc. (“**CGF**”) for the financial year ended December 31, 2025 (the “**Financial Statements**”) have been prepared by Canada Growth Fund Investment Management Inc. (“**CGFIM**”), acting in its capacity as investment manager of CGF pursuant to and in accordance with the provisions of the Investment Management Agreement dated as of March 11, 2024 among CGF, CGFIM, Canada Development Investment Corporation and Public Sector Pension Investment Board (CGFIM together with officers of CGF referred to as “**Management**” herein), and approved by the Board of Directors of CGF. These 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 of 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 year presented in the Financial Statements.



Corinne Boone

CHAIR OF THE BOARD OF DIRECTORS,
CANADA GROWTH FUND INC.

March 26, 2026

CGFIM has adequately designed and implemented internal controls over financial reporting as at December 31, 2025, 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.



Yannick Beaudoin

PRESIDENT AND CHIEF EXECUTIVE OFFICER,
CANADA GROWTH FUND INVESTMENT MANAGEMENT INC.

March 26, 2026

Independent Auditors' Report

To the Minister of Finance and National Revenue

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, 2025, and the statement of net income, 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, 2025, 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, 2026

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.



¹ CPA auditor, public accountancy permit No. A125494

Montréal, Canada
March 26, 2026

Statement of Financial Position

As at December 31,

(Canadian \$ thousands)	Notes	2025	2024
Assets			
Cash and cash equivalents	4.1	150,563	33,316
Interest receivable	4.1	234	1,502
Investments	4.1	7,552,336	4,421,190
Total assets		7,703,133	4,456,008
Liabilities			
Accounts payable and other liabilities	9.2	16,535	16,703
Total liabilities		16,535	16,703
Equity			
Share capital	7	7,390,001	4,390,001
Retained earnings		296,597	49,304
Total equity		7,686,598	4,439,305
Total liabilities and equity		7,703,133	4,456,008

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

On behalf of the Board of Directors



Corinne Boone

CHAIR OF THE BOARD OF DIRECTORS,
CANADA GROWTH FUND INC.

Statement of Net Income

For the year ended December 31,

(Canadian \$ thousands)	Notes	2025	2024
Income			
Investment income	4.5	301,123	137,422
Expenses			
Investment-related expenses	8, 9.2	(12,775)	(8,556)
Operating expenses	8, 9.2	(41,055)	(48,038)
Net income		247,293	80,828

Statement of Changes in Equity

For the year ended December 31,

(Canadian \$ thousands)	Notes	2025	2024
Share capital			
Balance at beginning of year		4,390,001	290,001
Issuance of preference shares	7.2	3,000,000	4,100,000
Balance at end of year		7,390,001	4,390,001
Retained earnings (deficit)			
Balance at beginning of year		49,304	(31,524)
Net income		247,293	80,828
Balance at end of year		296,597	49,304
Total equity		7,686,598	4,439,305

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

Statement of Cash Flows

For the year ended December 31,

(Canadian \$ thousands)	Notes	2025	2024
Cash flows from operating activities			
Net income		247,293	80,828
Adjustments to reconcile net income to net cash flows:			
Investment income	4.5	(301,123)	(137,422)
Net changes in operating assets and liabilities:			
Decrease in accounts payable and other liabilities		(168)	(3,181)
Interest received		94,830	62,341
Purchase of short-term investments		(11,151,582)	(8,637,641)
Disposal of short-term investments		8,795,510	4,711,575
Purchase of other than short-term investments		(572,233)	(156,484)
Disposal of other than short-term investments		5,368	-
Net cash flows used in operating activities		(2,882,105)	(4,079,984)
Cash flows from financing activities			
Issuance of preference shares	7.2	3,000,000	4,100,000
Net cash flows provided by financing activities		3,000,000	4,100,000
Net change in cash and cash equivalents		117,895	20,016
Cash and cash equivalents at the beginning of the year		33,316	13,300
Effect of exchange rate changes on cash and cash equivalents		(648)	-
Cash and cash equivalents at the end of the year^A		150,563	33,316

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

^A As at December 31, 2025, cash and cash equivalents were comprised of cash of \$1,059 thousand and cash equivalents of \$149,504 thousand (December 31, 2024 – \$1,416 thousand and \$31,900 thousand).

Notes to the Financial Statements

For the year ended December 31, 2025

1. Corporate Information

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

The objective of CGF, as established by the directive (P.C. 2022-1272) pursuant to section 89 of the FAA, is to take such steps as are necessary to implement its mandate in accordance with any Statement of Priorities and Accountabilities, as may be issued by the Minister of Finance 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

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* (“**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 Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors on March 26, 2026.

2.2. Investment Entity Status

CGF has determined that it 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 items 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 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 this typical characteristic.

However, CGF operates at arm's length from the Government of Canada. Accordingly, CGF meets all mandatory items 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

2.3.1. Financial Instruments

Financial assets, representing cash and cash equivalents, interest receivable and investments are managed in accordance with CGF's mandate.

Financial liabilities comprise accounts payable and other liabilities.

(i) Classification and measurement

All financial assets are classified at FVTPL and measured at fair value both initially and subsequently. Any changes in their fair value after initial recognition are recorded in investment income in the Statement of Net Income.

Financial liabilities are measured initially at fair value and subsequently at amortized cost.

(ii) 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 derivatives. 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 is described in Note 4.1 and the main assumptions made by management regarding measurement of investments are outlined in Note 4.3. The carrying amounts of accounts payable and other liabilities approximate their fair values due to their short-term nature.

2.3.3. Investment Income

Investment income is made up of interest, gains (losses) on the disposal of financial assets as well as unrealized gains (losses) on financial assets held. Interest is recognized, on a consistent basis, using the prescribed rates until maturity.

2.3.4. Expenses

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

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.

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

Sources of estimate uncertainty related to macroeconomic unpredictability and volatility include the nature of the industry in which CGF is investing, the current geopolitical context, including the potential imposition of new tariffs, the early-stage nature of the investments, supply chain challenges, changes in governments' carbon policies, inflation and interest rates. This could continue to impact

financial results, due to uncertainties including their extent and duration. The 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 beginning on January 1, 2025.

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 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 years ended December 31, 2025 and 2024.

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

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 ^{A, (iv)}	–	–	430,314	430,314
Derivatives^(v)				
Warrants	–	–	36,184	36,184
CCO ^B	–	–	4,381	4,381
CP CfD ^C	–	–	–	–
Total	6,991,162	1,293	710,678	7,703,133

^A As at December 31, 2025, paid-in-kind interest on convertible debts is presented as part of convertible debts and other loan to better reflect its nature.

^B Carbon credit offtake agreements.

^C Carbon policy contracts for difference.

As at December 31, 2024

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

^A As at December 31, 2025, paid-in-kind interest on convertible debts is presented as part of convertible debts and other loan to better reflect its nature.

^B Carbon credit offtake agreements.

^C 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.

(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 December 31, 2025 and 2024, their fair value was nil.

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

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

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

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

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

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

4.2. Process for Level 3 Fair Value Determination

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

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

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

4.3. Level 3 Significant Inputs

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

(i) Measurement Uncertainty

The nature of CGF's investments includes projects at various stages of advancement, ranging from early-stage initiatives that may not yet have obtained the requisite permits, licenses, or other governmental approvals, to later-stage projects on a path to construction readiness or currently under construction. Nonetheless, investments feature inherent uncertainty regarding their future commercial viability. This uncertainty is shaped by factors such as changes in governments' carbon policies, 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, 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 tariffs that were imposed on or before December 31, 2025. Although trade tariffs announced or imposed after this reporting date were not reflected in such valuations, related macroeconomic uncertainties and volatility present as at December 31, 2025, and their impact on the fair value of investments, were taken into consideration as applicable.

(ii) Valuation Inputs

The following table outlines the primary valuation techniques and significant unobservable inputs related to financial 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 Transactions ^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).

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

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

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

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

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

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

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

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

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 (up to 185,000 for 31% as at December 31, 2024) (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 at December 31, 2025. As a result, no carbon credits were purchased under the CCO and no payment has been exchanged under the CP CfD.

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

Derivatives	Exercise Period	Exercise Price (US \$/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 December 31, 2025		Unobservable inputs	Change in unobservable inputs	Increase to Fair Value	Decrease to Fair Value
(Canadian \$ thousands)					
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%		
As at December 31, 2024					
(Canadian \$ thousands)		Unobservable inputs	Change in unobservable inputs	Increase to Fair Value	Decrease to Fair Value
Convertible Debts and Other Loan					
		Discount rate	+/- 1%	1,604	672
		Historical volatility	+/- 10%	1,351	435
Derivatives					
Warrants		Historical volatility	+/- 10%	2,613	2,859
CCO and CP CfD ^A		Discount rate	+/- 1%	1,054	922
		Carbon Credit Price (\$/tonne)	+/- 1%		
		Total TPA Expected to be Mitigated/ Sequestered	+/- 10%		

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

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

An increase (decrease) in discount rates would result in a corresponding decrease (increase) in fair value. Similarly, an increase (decrease) in carbon credit prices and CO₂ mitigated annually would lead to an increase (decrease) in fair value. These changes would result in a corresponding variance in investment income (loss). There is no predictable

correlation between unobservable inputs. These sensitivity analyses are hypothetical and should be used with caution, as changing one significant input can lead to adjustments in several underlying assumptions, potentially amplifying or reducing the impact on the valuation.

4.4. Level 3 Reconciliation

The following table shows a reconciliation, for the 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	–	–	(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

The following table shows a reconciliation, for the year ended December 31, 2024, of all movements related to financial assets 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 debts and other loan	–	96,638	–	–	3,468	100,106
Derivatives						
Warrants	–	–	–	–	22,297	22,297
CCO	–	–	–	–	4,580	4,580
CP CfD	–	–	–	–	–	–
Total	90,000	121,796	–	–	32,464	244,260

4.5. Investment Income

Investment income is comprised of the following:

(Canadian \$ thousands)	2025	2024
Investment income (loss) from:		
Cash equivalents	(382)	5,154
Short-term investments	119,708	87,951
Other than short-term investments	181,797	44,317
Total investment income	301,123	137,422

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 December 31, 2025, five investment entity subsidiaries were incorporated in Canada (December 31, 2024 – nil).

In addition, as at 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 significant influence over Entropy Inc. and Mangrove Water Technologies Ltd., both Canadian companies (December 31, 2024 – Entropy Inc.). As at 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. (nil as at December 31, 2024).

(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

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, 2025 and 2024, CGF was exposed to factors that could impact its cash and cash equivalents, interest receivable 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 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 \$9,436 thousand (December 31, 2024 – \$3,493 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 \$171 million (CA \$234 million) private equity, convertible debts and other loan investments (December 31, 2024 – US \$53 million (CA \$76 million)), including corresponding interest receivable. When performing a sensitivity analysis, with all other variables held constant, a 5% strengthening or weakening in the Canadian dollar relative to the US dollar would result in a decrease (increase) in the value of investments directly impacted by exchange rate changes of \$11,704 thousand (December 31, 2024 – \$3,815 thousand). This change would subsequently result in a corresponding variance in investment income (loss).

As at December 31, 2025, fixed and variable commitments of US \$161 million (CA \$220 million) were outstanding (December 31, 2024 – nil). When performing a sensitivity analysis, with all other variables held constant, a 5% strengthening or weakening in the Canadian dollar relative to the US dollar would result in a decrease (increase) in the fixed and variable commitments denominated in US directly impacted by exchange rate changes of \$11,023 thousand (December 31, 2024 – nil).

(iii) Price risk

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 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 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 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:

	December 31, 2025			
(Canadian \$ thousands)	AAA to BBB-	BB+ to B-	CCC+ and below ^B	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 ^A	–	102,364	327,950	430,314
Total	6,663,673	102,364	328,184	7,094,221

	December 31, 2024			
(Canadian \$ thousands)	AAA to BBB-	BB+ to B-	CCC+ and below ^B	Total
Cash and cash equivalents	33,316	–	–	33,316
Interest receivable	–	–	1,502	1,502
Short-term investments	4,131,890	–	–	4,131,890
Convertible debts and other loan ^A	–	25,320	74,786	100,106
Total	4,165,206	25,320	76,288	4,266,814

^A As at December 31, 2025, paid-in-kind interest on convertible debts is presented as part of convertible debts and other loan to better reflect its nature.

^B Includes securities that are not rated.

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. 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 fiscal year 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 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)	December 31, 2025				December 31, 2024			
	Projects ^A	Clean tech ^B	Low-carbon supply chains ^C	Total	Projects ^A	Clean tech ^B	Low-carbon supply chains ^C	Total
Public equity investments	-	-	328,548	328,548	-	-	45,040	45,040
Private equity investments	-	168,867	-	168,867	-	90,000	-	90,000
Private fund investments	-	173,558	-	173,558	-	102,118	-	102,118
Convertible debts and other loan ^D	207,659	545,351	-	753,010	203,319	73,289	-	276,608
Derivatives								
Warrants	-	-	36,184	36,184	-	-	22,297	22,297
CCO	1,004,381	-	-	1,004,381	1,004,580	-	-	1,004,580
CP CfD	19,969	-	-	19,969	19,969	-	-	19,969
Total	1,232,009	887,776	364,732	2,484,517	1,227,868	265,407	67,337	1,560,612

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

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

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

^D Including Interest receivable.

7. Equity

7.1. Common shares

CGF was nominally capitalized with one common share issued at a par value of \$1,000 per share, for a total share capital of \$1,000. CGF is authorized to issue an unlimited number of common shares. Holders of these shares are

entitled to dividends, as and when declared from time to time, and are entitled to one vote per share at general meetings of CGF.

7.2. Preference shares

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

(Canadian \$ thousands except for number of shares)	December 31, 2025		December 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Balance at beginning of the year	4,390,000	4,390,000	290,000	290,000
Preference shares issued	3,000,000	3,000,000	4,100,000	4,100,000
Balance at end of the year	7,390,000	7,390,000	4,390,000	4,390,000

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

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

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

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

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)	2025	2024
Transaction costs	12,775	8,556
Investment-related expenses	12,775	8,556
Compensation and indirect expenses	38,666	42,985
Professional and consulting fees	2,389	5,053
Operating expenses	41,055	48,038
Total expenses	53,830	56,594

9. Related Party Transactions

9.1. Certain Investees

Transactions between CGF and 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 December 31, 2025, CGF had an account payable to PSP Investments in the amount of \$16,402 thousand (December 31, 2024 – \$16,639 thousand) included in accounts payable and other liabilities. Through PSP Investments, CGF incurred \$53,119 thousand of expenses for the year ended December 31, 2025, (\$53,218 thousand for the year ended December 31, 2024).

Also, through CDEV, CGF incurred \$95 thousand of expenses for the year ended December 31, 2025 (\$67 thousand for the year ended December 31, 2024).

(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, 2025, the members of CGF’s Board of Directors were allocated retainers and per diems for a total amount of \$36 thousand (\$19 thousand for the year ended December 31, 2024), while the President and the Officers were not compensated.

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 at December 31, 2025, the aggregate contributed capital was \$7,390 million (December 31, 2024 – \$4,390 million).

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

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.

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:

December 31, 2025					
(Canadian \$ thousands)	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	

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

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

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

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

^D Represents the maximum amounts under 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. (31% as at December 31, 2024). Initial price, term and credit market of the remaining projects are undetermined.



Appendix A:

CGF's 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, a so-called “blended finance” approach.

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 approaches and methodologies employed in CGF climate-related management and reporting will continue to evolve.

Governance

Disclose the organization's governance around climate-related risks and opportunities.

Describe the board's oversight of climate-related risks and opportunities

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. CGF is governed by a Board of Directors appointed by CDEV, in consultation with the federal Minister of Finance and National Revenue. Pursuant to the IMA, the CGF Board of Directors has delegated all decisions to CGFIM relating to CGF's assets and activities, including all investment decisions and effective management of climate-related risks and opportunities, in alignment with the CGF Mandate and Strategic Objectives, without direction or undue influence from the Government of Canada. CGFIM provides annual reporting to the CGF Board of Directors on CGF's Performance Criteria, including climate-related metrics and a Task Force on Climate-related Financial Disclosures ("TCFD") report. CGFIM also reports publicly on behalf of CGF, promoting accountability for portfolio impact management over time.

Describe management's role in assessing and managing climate-related risks and opportunities

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, including climate-related metrics, 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. CGFIM's Impact Measurement and Management function reports directly into the Executive Leadership Team, and consideration of CGF's Performance Criteria, including its climate change-related objectives, is integrated across strategic planning, due diligence, portfolio management and monitoring.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term

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 this climate opportunity lens, demonstrating the strong alignment:

Climate-related Opportunities	Example of Relevant Investment Types
Supporting resource and energy efficiency to lower emissions from projects in the real economy	Cleantech direct investments in new and innovative products and services, such as more thermally efficient materials that support building decarbonization
Investing in lower emission energy sources	Project and Cleantech direct investments supporting traditional and new energy sources, such as SMRs
Developing new products and services that support a lower carbon economy	Cleantech direct investments in new and innovative products and services, such as bi-directional EV charging equipment
Building resilience along the supply chain	Supply chain investments in key inputs to the Canadian and global economy, such as graphite, copper and scandium

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. *Refer to the Risk Management, p. 29 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, Cleantech 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.

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning

Identifying and leveraging key climate-related opportunities to support progress towards Canada's economic and environmental goals is inherent to CGF's strategy. The CGF Mandate is to act as a catalyst, and it therefore strives to have a clear contribution to the impact(s) achieved on a portfolio basis, including its climate-related impacts. These results are quantified and discussed in Metrics section, p. 60. All of CGFIM's strategy, operations and financial planning are underpinned by the CGF Mandate. In practice, this influences factors, such as CGF's capital allocation, investment structuring and return expectations, including longer investment horizons, and targeted exposure to sectors and technologies critical to reducing emissions while promoting economic growth and Canadian competitiveness. Refer to Impact Framework Aligned with our Impact Criteria, p. 13, Table 1 for more information about how Impact Measurement and Management is integrated across CGFIM's operations and investment lifecycle.

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios

Physical climate-related impacts are increasingly manifesting in Canada, and in 2025, CGFIM furthered its use of climate scenarios to assess the potential financial impacts to its investments related to physical hazards under various climate scenarios.⁹ Results of this updated analysis were consistent with the Canadian geographic concentration of the CGF portfolio, highlighting potential exposure of certain investments to hazards, such as wildfires and temperature change under higher warming scenarios. Though the

relatively early stage of many investments results in a limited physical footprint at present, CGF anticipates additional physical assets to be constructed in the coming years. CGFIM will continue to leverage these analytics to monitor and manage the portfolio's evolving exposure to physical risk, including during due diligence where relevant.

Currently, transition risk is primarily considered on an investment-by-investment basis, as CGFIM seeks to understand relevant exposure to policy, market, regulatory, technological, and other transition risks. CGFIM will endeavour to further complement and deepen this understanding at a portfolio level in the coming year.

⁹ The *First Street* platform leverages the IPCC climate scenarios, specifically SSP1-2.6, SSP2-4.5, and SSP5-8.5.

Risk Management

Disclose how the organization identifies, assesses and manages climate-related risks.

Describe the organization's processes for identifying and assessing climate-related risks

CGF's primary transition risks, as described in the "Strategy" section, are explicitly mentioned in the CGF Mandate, as well as its foundational documents. Given CGF's mandate-driven, investment-focused operating model, climate related risks and opportunities are primarily identified and managed through investment selection, structuring, and asset management processes, rather than through a standalone climate risk framework.

Describe the organization's process for managing climate-related risks

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 Management 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.
- **Portfolio Diversification:** While the portfolio is concentrated by the Mandate, CGFIM aims to build a diversified portfolio across areas of focus, regions, 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.

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's asset management teams regularly engage with the investee's 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.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management

CGF does not currently maintain a separate climate risk framework distinct from its investment and risk management processes. Instead, risks related to the strategic objectives of the CGF Mandate, inherently including those pertaining to the climate-related risks and opportunities, are integrated directly into CGFIM's Risk Management policy and processes and are managed by CGFIM's Risk Management, Investment and Impact Measurement and Management professionals, aligned with best practices from PSP Investments. An exercise is underway in 2026 to further expand and structure CGFIM's risk management approach and governance, including more explicit and structured identification and management of sustainability-related risks, including climate-related risks.

Metrics

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.

CGFIM measured numerous metrics in relation to the CGF Mandate, as elaborated below. Note that CGFIM does not have any climate-related targets at this time. Now that a baseline of portfolio performance has been established, more in-depth portfolio analysis is underway, allowing CGFIM to improve strategic planning and the establishment of corporate objectives through time.

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 investments 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 14.5 million tCO ₂ e Worldwide	Up to 5.6 million tCO ₂ e in Canada
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Table A2
Anticipated annual average direct Avoided Emissions by CGF portfolio companies, 2030-2040

Up to 12.9 million tCO ₂ e/year Worldwide	Up to 4.4 million tCO ₂ e/year in Canada
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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. Refer to *Statement on Performance Indicators, p. 23 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's 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 Cleantech 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 to assess and disclose GHG emissions associated with its financial activities.

The methodology used by CGFIM to calculate CGF 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.¹⁰ CGF 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, 2025. For certainty, CGF's PCAF-informed Financed Emissions value excludes warrants, stock options and derivatives, such as contracts for difference or carbon credit offtakes.

Table A3

CGF Financed Emissions

CGF Financed Emissions and carbon footprint – PCAF informed	
CGF Financed Emissions – PCAF informed (tonnes CO ₂ e)	6,855
Adjusted PCAF AUM in-scope (\$ million invested)	992
% Coverage of in-scope AUM	95%
PCAF data quality score, weighted by investment size	1.63
Carbon footprint (tonnes CO ₂ e/\$ million invested)	6.9

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	Emissions estimated using emissions factors per unit of revenue for the sector.
Score 5	Emissions estimated using emissions factors per unit of asset for the sector. We use the median of GHG intensity on EVIC.

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.

¹⁰ 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:

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

(With i = investee company)

Carbon footprint – PCAF-informed	$\frac{\text{Financed emissions}}{\text{Adjusted AUM in-scope}}$
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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 due to insufficient comparability, coverage, transparency and reliability of Scope 3 data 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 December 31, 2025.

Glossary

Additionality	See Investment Criteria section below.
Areas of Focus	<ul style="list-style-type: none"> — Cleantech: clean technology (“Cleantech”) companies 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. — Projects: projects that use technologies and processes proven at the pilot stage but not yet widely adopted, to efficiently reduce emissions across the Canadian economy, and position Canada as a global leader in key innovations. These include, but are not limited to, CCS, electrification and low-carbon electricity, hydrogen, and low-carbon fuels.
Avoided Emissions	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 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 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 (Cleantech)	See Areas of Focus section above.
Concessionality	<p>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:</p> <ul style="list-style-type: none"> — 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

Discretionary Commitment	Investment in which a binding commitment is subject to CGF's approval.
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 (IM+M)	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	<ul style="list-style-type: none"> — Consistency with goals: The investment will advance the CGF Mandate and Strategic Objectives. — Long-term benefits for Canada: The investment strengthens the development of Canadian workers and generates knowledge that will produce long-term benefits for the Canadian economy. For example: <ul style="list-style-type: none"> – Canadian presence: activities related to the project or company are carried out 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; and – 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	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 larger carbon footprint.
Low-carbon project	A 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 larger carbon footprint.
Low-carbon supply chains (LCSC)	See Areas of Focus section above.
Portfolio	Includes all assets, such as stocks, bonds, and other investments, held by CGF.

Glossary

Strategic Objectives	<p>CGF's Strategic Objectives are as follows:</p> <ul style="list-style-type: none"> — 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; and — Capitalize on Canada's abundance of natural resources and strengthen critical supply chains to secure Canada's future economic and environmental well-being.
Sustainability	<p>Goals, strategies or projects, which cover the social, economic, and environmental dimensions of sustainable development, and integrate peace, governance, and justice elements.</p>
Type of Investments	<p>CGF Investments may be comprised of one or more categories, including as follows:</p> <ul style="list-style-type: none"> — 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; and — 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.



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