

Disclosure under PSP Investments’ Conflicts of Interest Policy

PSP Investments has established a policy to address the risk of any real, potential or perceived conflicts of interest in the context of the services provided by Canada Growth Fund Investment Management Inc. to Canada Growth Fund Inc. (“CGF”), requiring PSP and CGF to disclose where they have overlapping investments.

CGF has entered into binding agreements pursuant to which CGF will participate in Entropy Inc. (“Entropy”) through:

1. A delayed draw convertible debenture facility of up to \$200 million, that could be converted into common equity of Entropy; and
2. A carbon credit offtake contract framework for the development of carbon capture and
3. sequestration (“CCS”) projects in Canada (together, the “Transaction”).

Entropy was founded and is majority-owned by Advantage Energy Ltd (TSE: AAV) (“Advantage”), a listed pure-play natural gas and liquids producer headquartered in Calgary, Alberta. In March 2022, approximately one year prior to PSP Investments being named as the manager of CGF Inc., Entropy [announced](#) a \$300 million funding arrangement with Brookfield Global Transition Fund I (“BGTF”) to fund capital projects.

At the time of the approval of the Transaction, PSP Investments held: (i) a passive limited partner interest, representing no more than 4% of fund commitments, with no investment discretion or decision-making ability in BGTF, amounting to an indirect ownership interest in Entropy of no more than 1%; and (ii) ownership of Advantage’s publicly traded common stock through index replication activities in an amount not exceeding 360,000 shares, as well as positions in Advantage through externally managed funds where PSP has no discretionary authority in an amount not exceeding 68,000 shares.

Under the Transaction, at full deployment of BGTF and CGF’s convertible debenture facilities, on an as-converted basis, PSP Investments will indirectly own no more than 1.5% of Entropy, excluding any indirect ownership through Advantage.

The foregoing is being disclosed in accordance with [PSP Investments’ Conflicts of Interest Policy](#).