

**Torrent Capital Ltd.**  
**Management Discussion and Analysis**  
**Year ended December 31, 2024**

*This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated April 17, 2025 and provides an analysis of the financial operating results for the years ended December 31, 2024 and December 31, 2023. This MD&A should be read in conjunction with the audited annual financial statements and accompanying notes for the years ended December 31, 2024 and December 31, 2023, which have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards ("IFRS") issued by the International Accounting Standards Board for annual financial statements. All amounts are in Canadian dollars unless otherwise specified. The MD&A, financial statements and other information, including news releases and other disclosure items are available on the company's website at [www.torrentcapital.ca](http://www.torrentcapital.ca) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Company's profile. The common shares of the Company are traded on the TSX Venture Exchange under the symbol "TORR".*

*Except for the historical statements contained herein, this MD&A presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to future developments, use of funds, and the business and operations of the Issuer. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", "projections" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".*

*Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of Torrent to be materially different from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business; economic and competitive risks relating to investment decisions; volatility of markets; digital asset regulatory environment; investee company outlooks and performance of the investments; the Company's ability to realize sufficient proceeds from the disposition of investments; market fluctuations; fluctuations in prices of commodities underlying its interests and equity investments; foreign exchange fluctuations; political and economic conditions in countries in which the interests of the Company's portfolio investments are located; delay or failure to receive the Board of Directors, shareholder or regulatory approvals; and the results of continued development, as well as those factors disclosed in Torrent's publicly filed documents. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Although the Management of Torrent believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements. Torrent does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.*

### **Company Overview**

Torrent Capital Ltd. ("Torrent", or the "Company") is a publicly traded Investment Issuer listed under the symbol TORR on the TSX Venture Exchange ("TSXV"). Torrent invests primarily in the securities of public and private companies, digital assets and emerging opportunities in port developments with the objective of increasing shareholder return.

Torrent invests in companies that are perceived to be trading at a discount to their intrinsic value or in early-stage businesses offering a potential high return on investment. On behalf of its shareholders, Torrent allocates its capital towards a multitude of sectors and businesses at various stages of development. The Company typically maintains a concentrated portfolio of public securities and may invest in private placements, event-driven opportunities, special situations, digital assets and private companies with a clear liquidity window. Torrent may also provide advisory services to select companies in conjunction with its investment mandate. Advisory services are focused on those businesses that may benefit from Torrent's extensive corporate finance and capital markets experience.

## ***Investment Objective and Strategy***

Torrent's Investment Objective and Strategy ("Investment Policy") is to grow the Company's capital by generating gains from capital appreciation and income from multiple revenue streams, interest earned, dividend income, staking fees, royalty payments and fees. The Company makes investments on a public and private basis with the objective of maximizing returns while managing risks. The Company relies on the business expertise of the Company's Management Team (the "Management") and Board of Directors (the "Board") when making investment decisions.

The nature and timing of the Company's investments will depend, in part, on available capital and on investment opportunities identified and available to the Company. Subject to the availability of capital, the Company intends to maintain a diversified portfolio of investments. The composition of its Investment Portfolio will vary over time depending on its assessment of several factors including the performance of financial markets and credit risk.

The following are the guidelines for Torrent's investment strategy:

- The Company will invest in the securities of both public and private companies and may take part in private or public offerings for predetermined royalties, equity positions, debt, convertible or preferred securities.
- Investment arrangements may include a combination of securities including, but not limited to, equity, debt, warrants, preferred shares, bridge financing, collateral, royalty arrangements or other securities as deemed appropriate by Management and in compliance with the Company's Investment Policy. In certain cases, the Company expects to enter into oversight arrangements as a condition of the investment. Oversight may range from the Board of Director appointments or advisory or management consulting engagements with the target companies.
- The Company may reserve the right to acquire all or part of the businesses or assets of a target company that Management believes will enhance the value for shareholders.
- The Company will be industry agnostic in terms of investment sectors. The Company's investments will not be required to follow a percentage of industry diversification. The Company's Management and Board will make use of expertise residing within the Company and invest in industry sectors that Management believes can provide superior returns for shareholders.
- The Company may make investments in extraordinary activities, or activities not in the normal course of business, which may include but not be limited to mergers, acquisitions, corporate restructurings, spin-offs, take-overs, bankruptcies, or liquidations, leveraged buyouts or start-ups. The Company may elect to invest in such event-driven opportunities, provide financing or purchase securities in exchange for fees, interest, or equity positions.
- Torrent's investment time horizon may vary from investment to investment and contain a mix of short, medium, and long-term investments. The Company reserves the right to increase or decrease its position in any investment at any time. The Company does not report on its investment activity or position changes between quarterly results.
- It is the Company's policy to reduce its position in an investment over time to ensure that no single investment represents a disproportionate share of the current value of Torrent's Investment Portfolio.
- With the recent shift in the US regulatory environment towards digital assets, the Company is exploring new digital asset opportunities in this emerging sector.
- Depending upon market conditions, the Company may fully invest its available capital, apart from working capital requirements. Any funds not invested may be expected to be invested in the near term.
- All investments will be made in compliance with applicable laws in relevant jurisdictions and in compliance with any associated exchange policy.

The Company's Management and the Board may authorize investments outside the guidelines described above if they consider the investment to potentially be of sufficiently material benefit to the Company and its shareholders.

### ***Investment Portfolio***

The Company initiated and maintains positions in kneat.com, inc. (TSXV: KSI), WildBrain Ltd. (TSX: WILD), SentinelOne Inc. (NYSE: S), and MDA Space Ltd (TSX: MDA) as well as investments in several other public and private companies. Other investments include a Resource Investment Portfolio, digital asset investments, a joint venture with Port of Argentina Inc. and other related business opportunities.

Where a Director or Officer identifies themselves to be in a conflict of interest, they recuse themselves from any and all of the Company's discussions and decisions relating to a potential targeted investment. The Company also participates from time to time in investments associated with Numus Financial Inc.- a Venture Capital firm - and its wholly owned subsidiary Numus Capital Corp. - an Exempt Market Dealer (together the "Numus Group"). If the Company invests in these associated ventures, there may be financing fees payable to Numus Capital Corp. The Numus Group is owned by the CEO, a Torrent Director and a third independent party.

### ***kneat.com, inc. ("KSI")***

KSI offers its Kneat Gx software platform ("Kneat Gx") using the Software as a Service ("SaaS") business model, for documenting data intensive processes for regulated industries with a focus on the Life Sciences industry (i.e., biotechnology, pharmaceutical and medical device manufacturing). Kneat Gx enables companies with complex value chains to become efficient and compliant through a digital validation process. This offers many advantages over the traditional approach which has been notoriously manual, inefficient, and paper-based. KSI possesses a quality management system and is certified to ISO 9001:2015. In addition, it adheres to all applicable Life Sciences regulations such as cGMPs, GAMP5, International Conference on Harmonization ICH Q8, Q9 and Q10, EU Annex 11, FDA CFR Title 21 Part 11 governing Electronic Records and Electronic Signatures. Adhering to these regulations and guidelines is a mandatory requirement to supply this highly regulated market.

There are few competing products for the Kneat Gx software platform and sizeable barriers to entry for those looking to compete with the company. Kneat Gx was in development for ten years and built by a team who previously worked for well-known Life Science companies in project engineering, software development and research & development. This background was the genesis for the Kneat Gx platform as they recognized the inefficiencies inherent in paper-based validation lifecycle management. KSI's target market is dominated by multinational, pharmaceutical, biotech and medical device manufacturers as well as consumer packaged goods companies. The sale cycle with these organizations is long and involved given the complexity, social responsibility, and business critical nature of their reporting and manufacturing processes.

Since the initial roll out in 2014, Kneat Gx has been licenced the World's leading Life Sciences companies. In a short period of time, KSI has grown the number of contracted customers significantly and continues to accelerate its pipeline. The top 20 largest pharmaceutical companies in the World make up the majority of KSI's revenue base with eight of the top ten largest pharmaceutical companies as KSI clients. KSI is unable to mention their clients by name, however, analysts have speculated that the roster includes industry titans like Pfizer, GSK, Johnson & Johnson, and others.

Torrent believes that KSI's value proposition is sustainable during various economic cycles given the business-critical nature of its intellectual property ("IP") and by the fact that it is exposed to well-run, multinational companies in a multitude of sectors. KSI has the opportunity to significantly grow subscription revenue from existing clients as well as continue to land new license agreements with large corporations. Torrent is confident that Kneat is still in the early stages of a scale-up growth phase.

### ***WildBrain Ltd., (“WILD”)***

WILD is a leading children’s content and brands company, recognized globally for its high-profile programs including Peanuts, Teletubbies and Strawberry Shortcake. WILD is one of the world’s largest producers of children shows and owns the world’s largest independent library of children’s content with 13,000 half hour programs which are seen in more than 150 countries. Through its subsidiary, WildBrain Spark, WILD operates an extensive networks of children’s channels on YouTube. WILD licences its assets for consumer products and location-based entertainment as well as licencing the assets of clients and third-party content partners. Its television group owns and operates four family entertainment channels that are among the most viewed in the family entertainment segment.

WILD has a distribution model centered around online streaming instead of the more traditional television distribution model. WILD has content and distribution deals with the world’s largest streaming companies including Apple, Comcast, Netflix, NBCUniversal Media and CBS All Access. Netflix series “Sonic the Hedgehog” was created through a collaborative partnership between WILD and SEGA, which highlights the company’s creative pipeline and content monetization strategy as WILD shares production, distribution, and licencing revenues generated. Transactions of this nature illustrate the current market value and quality of WILD’s catalog, the growth potential of its streaming business and shows the company continues to capitalize on realizing the full value of its assets.

Within WildBrain Spark, WILD is able to take advantage of its large digital audience on YouTube and other Advertising-Based Video on Demand platforms to monetize its content and raise awareness for its brands. The company has direct ad sales to agencies and advertisers offering ad placement on its “kid-safe” and curated content. Furthermore, data analytics provides insight to determine what content children like to watch and present new revenue opportunities. The company has the potential to create more in demand content, grow its network with third-party brands and partnerships, and build durable revenue streams with consumer products.

Torrent believes that WILD’s strategic approach to its IP catalogue has the potential to move the business towards a higher margin, higher free cash flow model. The company trades at a discount to both the inherent value of its assets and its peer group, despite its market share in digital entertainment and consumer products geared towards children. Despite share price weakness, the company continues to strike new content deals, the Spark division has seen moderate growth, and its elevated debt load has likely been discounted by the market.

### ***Resource Investment Portfolio (seven public companies)***

Resource stocks typically outperform during periods of elevated inflation as the underlying commodity prices tend to rise at quicker rates than their cost of production. Higher prices lead to a rerating of a company’s reserves, which can drive up the value of their assets. Resource stocks have underperformed the broader market and continue to trade at low multiples.

Gold bullion prices recently surpassed all-time highs and we anticipate that commodity prices are expected to continue to strengthen through the course of 2025 as economic uncertainty persists. Share prices of resource companies have improved, but in our opinion still do not fully reflect the increase in gold price. Torrent remains optimistic that capital will continue to return to this sector over time.

Torrent also remains positive towards commodities exposed to the electrification and technological boom in the economy. These companies include rare earth and lithium explorers and developers that should enjoy demand growth given they are key components in numerous technology applications. This segment of the market should also benefit from the ongoing push by G7 countries to diversify strategic metal supplies away from China, given that country’s stranglehold on supply and prices.

### ***SentinelOne Inc. (“S”)***

SentinelOne is a leader in the modern cybersecurity market delivering best in class software harnessing the power of Artificial Intelligence (“AI”). Sentinel’s Singularity software platform is used by some of the World’s largest companies including Fortune 10, Fortune 500, and hundreds of G2000 customers. These clients use Sentinel’s endpoint, cloud, and identity products to prevent, detect and respond to cyber-attacks.

Gartner once again named SentinelOne as a global leader in the endpoint platform protection market for the fourth consecutive year, alongside competitors Microsoft and CrowdStrike. The cybersecurity market is rapidly growing as ransomware and other cyber-attacks become more frequent. Sentinel offers a modern solution that uses AI to automate security processes and minimize the need for human intervention. Over half of the cybersecurity market still relies on legacy AV cybersecurity solutions such as Sophos, Broadcom, and other dated software. These legacy solutions are being disrupted by modern solutions utilizing AI such as SentinelOne, CrowdStrike, and Microsoft. SentinelOne has a highly competitive product that is growing its market share in an expanding market. The company announced a collaboration deal with Lenovo in September 2024, stating that Lenovo will include SentinelOne’s Singularity platform and generative AI capabilities in millions of new PC shipments. This deal validates Sentinel’s software as a leading cybersecurity technology. The stock is trading at a sizable discount to the ARR multiples of its close competitors despite growing revenue at a faster pace.

### ***MDA Space Ltd (“MDA”)***

MDA Space is a Canadian-based developer of space technologies for government and commercial use. It manufactures and sells space robotics, satellite systems, and earth observation imagery and analytics. The company is an established market leader in the space economy which is expected to grow to a US\$1.8 trillion market in the next decade. MDA’s low earth orbit satellites are used for space based broadband internet, direct to device connectivity, and the Internet of Things (“IoT”). Its robotics technology has been integral to more than 100 space shuttle missions, the assembly and operation of the International Space Station, and the Mars rover missions. As both an owner and prime contractor for Earth and space observation missions, MDA delivers satellite-generated imagery and data to provide crucial insights to its partners and customers. These solutions are used for national security, climate monitoring, and maritime surveillance.

With an order backlog approaching \$5B backed by high value, multi-year contracts, MDA has strong revenue visibility. Considerable upside is present from existing contracts and new orders. MDA has a contract with GlobalStar, a provider of mobile satellite services, to design, manufacture, and sell satellites for use by its primary customer, Apple Inc. Apple uses MDA's satellites to enable certain direct to device services such as the new 'SOS' feature on iPhone. MDA also has a sizable \$2.1B contract with Telesat to supply satellites for its LightSpeed constellation. The LightSpeed constellation will expand the reach of affordable high-speed internet and 5G networks across Canada and internationally. In the robotics division, a \$1B contract from the Canadian Space Agency was awarded to MDA to design and deliver the CANADARM3, a space robotics system used to build and service space stations. Each of these contracts present considerable growth potential for MDA.

Torrent believes MDA to be an underappreciated Canadian success story that presents considerable upside. It trades at valuations lower than comparable companies despite higher growth rates relative to the peer average.

### ***Digital Asset Investment Portfolio***

Torrent created a digital asset investment portfolio in Q4 to increase its exposure to decentralized digital assets and cryptocurrencies. Bitcoin (“BTC”) and Solana tokens (“SOL”) are Torrent’s largest cryptocurrency holdings. The recent shift in the US regulatory landscape around cryptocurrency is encouraging its adoption by reducing legal hurdles and roadblocks for blockchain related projects. Institutional participation in the sector is rapidly accelerating and appears to still be in its early stages.

Amid economic uncertainty and high inflation, Bitcoin is becoming a recognized store of value as an internet native currency. It has evolved from a niche speculative asset to a globally recognized financial ecosystem used in recent years by financial institutions and governments. Although it is highly volatile, Torrent believes that Bitcoin usage will grow over time as an alternative decentralized currency with no intermediaries. Torrent has exposure to Bitcoin from buying and holding BTC directly and trading Bitcoin ETFs.

Torrent also identified Solana as a utility blockchain with the most potential for mainstream adoption. Solana's superior performance, low fees, and scalability position it to become the leading blockchain for decentralized applications capable for mass adoption. Its vibrant developer ecosystem has built some of the most disruptive applications across decentralized finance ("DeFi"), decentralized physical infrastructure networks ("DePIN"), stablecoins, and tokenization of real-world assets. Torrent anticipates that most financial assets and securities will eventually trade on blockchains in some form and Solana presents a compelling case as a blockchain platform that can facilitate this. Torrent's Solana holdings will be staked to high performance validators to generate a yield on its holdings while minimizing risk. Torrent also intends to participate in DeFi strategies to generate additional income and yield from its digital asset portfolio. Torrent recently published a detailed analysis of Solana on its website outlining its long-term potential and thesis. Although the sector is highly volatile, the trend is upwards and Torrent plans to increase its digital asset holdings and hold these assets long term.

### ***Joint Venture – Argentia Capital Inc. ("ACI")***

In September 2022, Torrent and Port of Argentia Inc. ("POA") established a joint venture company, ACI, to develop Port of Argentia (the "Port") infrastructure and related business opportunities. The joint venture is focused on the development of emerging opportunities at the Port through the provision of services and equity ownership in businesses that support renewable energy, and the oil and gas sectors, as well as other Port developments. The ACI Board of Directors is comprised of businessperson and former Premier of Newfoundland and Labrador Dwight Ball, Port CEO Scott Penney, Torrent President and Chief Operating Officer Carl Sheppard, and Torrent CEO Wade Dawe.

The Port, located in Placentia Bay, Newfoundland, is in the midst of a transformation to become a hub for industrial development across multiple sustainable industries. Over the next five years, the Port is expected to engage in a diverse set of investment opportunities including renewable energy companies establishing facilities to produce wind energy, hydrogen, and ammonia, as well as staging for offshore wind farm construction projects throughout North America. Other promising areas for growth include offshore marine base support services, container service expansion, aquaculture support services, and facilities for critical mineral processing.

Investments in Port infrastructure will provide significant growth and value creation for shareholders, the local communities, and the wider region of Newfoundland and Labrador. The Port is currently a host site for wind turbine blades and monopile marshalling for U.S. offshore wind projects, the location for a proposed Renewable Energy Hub and a construction site for offshore oil and gas activity. These multi-year projects have the potential to drive long-term value for ACI and generate multiple revenue streams including returns on equity, royalty payments, interest and other revenue streams over time.

### ***Pattern Energy's Argentia Renewable Project***

In June 2023, the POA announced that it had reached a binding agreement on commercial terms with Pattern Renewable Holdings Canada 2 ULC ("Pattern Energy") for a planned "renewable energy to green fuels" project ("Project") at Argentia. Pattern Energy is one of the World's largest privately-owned developers and operators of wind, solar, transmission, and energy storage projects. Its operational portfolio includes 30 renewable energy facilities that use proven, best-in-class technology with an operating capacity of approximately 6,000 MW across North America. Pattern Energy is guided by a long-term commitment to serve customers, protect the environment, and strengthen communities. Key commercial terms include land lease rates at the Port, priority berthing charges, and a wind royalty on electricity sales.

ACI is a signatory to the binding agreement. Negotiated commercial terms will see ACI receiving a royalty calculated as a percentage of gross revenue on sales of green ammonia from planned production facilities at the Port at rates ranging from 1% - 3.5% depending on the price of ammonia. In addition, ACI has the right to acquire up to a 12.5% limited partner equity interest in the wind, hydrogen and ammonia project, or any other entities established for operating a renewable energy or green fuels production project at the Port. Based on the viability of the project, Torrent will take the lead in raising the capital necessary for ACI to exercise its co-investment right in the renewables project.

Pattern Energy is planning to develop, construct and operate a renewable energy infrastructure project at the Port. The Project involves the installation of 300 MW of wind power on lands privately owned by the POA. In addition, a hydrogen / ammonia plant will be located at the Port in close proximity to the Port's marine terminal. The facility footprint will be approximately 16 hectares and will produce an estimated 400 tonnes per day ("tpd") of ammonia (135,000 to 150,000 tonnes annually). Based on the viability of the Project and market conditions, the Project could be scaled up in a second phase to more than 1 gigawatt of renewable energy producing approximately 1,400 tpd of ammonia.

### ***Rare Earths Industrial Park***

Torrent and the POA are collaborating to establish a rare earth industrial park at the Port. Torrent retained specialty engineering firm TrajectorE to prepare a rare earth supply chain study. Torrent's management team is currently acting on recommendations contained in the report with the intent of engaging with third interests in mid-stream processing. The study was undertaken with support and financial contributions from the Atlantic Canada Opportunities Agency and Newfoundland and Labrador's Department of Innovation, Energy and Technology. Torrent believes the Port is strategically situated with potential to become a processing hub in the capital-intensive rare earth supply chain.

### ***Preferred Vendor Program***

Argentia Capital Inc., in conjunction with Port of Argentia Inc. has implemented a port wide Preferred Vendor Program. The intent of the program is to create a highly efficient and agile supply chain for tenants at the Port by aligning suppliers representing a broad range of labor, equipment goods and services with the construction and operating requirements of port tenants via an integrated procurement strategy. Central to the Preferred Vendor Program is ACI's Argentia Procurement Platform. The platform, while still in its infancy, contains corporate profiles and product offerings available through Approved Preferred Vendors, Requests for Proposals and Requests for Information posted by Tenants or their representatives, and Purchase Orders award to Preferred Vendors. It also contains a registry where local companies can post the range of goods and services they provide. The Preferred Vendor Program has a fee structure based on the type and value of purchase orders awarded to preferred vendors.

### ***Unrealized Gain/(Loss) on Marketable Securities***

Acquisitions of investments in marketable securities are initially recognized at acquisition cost plus transaction costs. After initial recognition, all investments are measured at fair market value. The determination of fair market value for publicly traded securities is based on the trading price at the end of the reporting period as quoted on a recognized securities exchange. For private companies that are not traded on a recognized exchange, no market value is readily available. In these cases, private company shares may be valued based on the pricing of a recent arms-length third party financing. Gains and losses arising from changes in the fair market value of the investments are presented in the statements of income (loss) and comprehensive income (loss) as a net change in unrealized gains or losses on investments.

The Company fair market values its Investment Portfolio based on the market prices of the shares at the end of each quarter. The year-to-date income includes an unrealized gain on investments of \$5,399,831 or \$0.21 per share as compared to an unrealized loss on marketable securities of \$3,999,158 or \$0.16 per share in the prior year. The current quarter's income includes an unrealized gain on investments of \$2,119,002 or \$0.08 per share as compared to an unrealized gain on investments of \$250,058 or \$0.01 per share in the comparable quarter.

The Company's investment activity and fair value of the changes in the unrealized gains and losses as at December 31, 2024, and the market value as at December 31, 2023, are summarized as follows:

	Shares #	Cost of Investment \$	Market Value December 31, 2024 \$	Unrealized Gain (Loss) Quarter ended December 31, 2024 \$	Unrealized Gain (Loss) Year to date December 31, 2024 \$	Market Value December 31, 2023 \$
kneat.com, inc.	1,462,700	1,552,908	8,571,422	1,541,073	3,638,431	5,193,976
WildBrain Ltd	1,039,891	1,648,124	1,705,421	683,617	1,085,157 <sup>(a)</sup>	2,263,821
The Game Day	11,250	953,550	389,588	-	(1,912,613) <sup>(b)</sup>	2,302,200
Electrovaya Inc.	-	-	-	565,175 <sup>(a)</sup>	546,632 <sup>(a)</sup>	1,401,300
MDA Space Ltd.	29,000	452,514	856,370	343,716	403,856	-
Sentinel One Inc.	18,000	640,744	574,313	(20,020)	(66,431)	-
Digital Assets ETF Investment Portfolio		845,121	791,693	(53,428)	(53,428)	-
Other Securities		4,681,755	4,755,606	(738,601)	1,295,308	2,751,528
Resource Investment Portfolio		1,628,505	733,472	(202,530)	462,919 <sup>(a)</sup>	1,023,878
		<b>12,403,221</b>	<b>18,377,885</b>	<b>2,119,002</b>	<b>5,399,831</b>	<b>14,936,703</b>

(a) This includes a reversal of unrealized losses recorded in prior periods.

(b) This includes the reversal of unrealized gains recorded in 2021.

***Torrent Capital's Net Asset Value ("NAV") increased from \$17.71 million (\$0.70 per share) to \$20.28 million (\$0.80 per share) during the fourth quarter of 2024, representing an 14.5% increase during the quarter, whereas the S&P/TSX Small Cap Index increased by 0.11%.***

Q4 2024 was a strong quarter for equity markets and a risk-on environment. The year concluded with a rally in technology related stocks, especially companies with exposure to artificial intelligence. As a result, Torrent's portfolio had a strong finish to 2024 and outperformed its benchmarks. Torrent returned 14.7% in Q4, compared to the S&P-500 return of 2.1% and the TSX SmallCap index return of 0.11%. Performance was attributable to both gains in Torrent's Canadian small cap holdings and its new US technology holdings. Torrent also continued to re-position its portfolio during Q4 to reduce exposure to some of its underperforming positions that no longer meet its objectives and re-allocate towards new long term core positions that have been identified.

Several of Torrent's core Canadian small cap positions rebounded in Q4. Torrent realized profits on certain positions to re-position the portfolio and increase exposure to the US markets, which outperformed the Canadian indices again during the quarter. Towards the end of December, markets showed symptoms of being overbought and valuations became stretched, especially in the technology sector. Uncertainty levels started rising as the market awaited tariff announcements from the new US administration. This heightened level of uncertainty accelerated in the new year leading to a volatile start to 2025.

Gold bullion prices reached all-time highs again in October, before retracing later in the quarter, ultimately leading to flat price performance in Q4. The high levels of uncertainty led to a powerful breakout in gold prices and new record highs once again in Q1 2025. Gold bullion remains in a strong bull market that Torrent anticipates will continue throughout the year. As discussed in prior market commentary, gold exploration companies have still not yet reflected the substantial gains in gold prices. Torrent is confident that gold exploration companies with high quality projects are due to re-rate in 2025 as economic activity in the sector accelerates. Torrent maintains exposure to several high-quality gold exploration companies in its resource investment portfolio and is well positioned for a gold bull market.



Digital assets such as Bitcoin and Solana had a transformative year in 2024. In early 2025, the new US administration has eased regulations surrounding digital assets that have inhibited their use and adoption for years. This spurred a strong bull market in cryptocurrencies during Q4 2024 and Bitcoin and Solana outperformed the market during this period. Given the speculative and volatile nature of these assets, the unfavourable economic environment that commenced in Q1 2025 led cryptocurrencies to retrace most of their gains from late 2024. Torrent is confident in the long-term potential of these assets and believes that Solana and Bitcoin could outperform the stock market in the long term, despite having higher volatility than the market.

***kneat.com, inc. – Unrealized gain on the investment of \$3,638,431 year to date including \$1,541,073 in the current quarter. Realized gain on investment of \$852,525 year to date including \$247,997 for the current quarter.***

KSI's share price rose 25.5% during Q4 2024, outperforming the S&P/TSX Small Cap Index which rose 0.11%. KSI recently posted another strong quarter with accelerating growth on the top and bottom line. KSI is executing its growth strategy by increasing Annual Recurring Revenue ("ARR"), expanding gross and EBITDA margins, and landing top tier customers. In the recent quarter, KSI achieved a net revenue retention rate of 151%, which is remarkable compared to other SaaS businesses.

In its Q4 financials, quarterly revenue increased 40% to \$13.7 million, compared to \$9.8 million for the fourth quarter of 2023. Total ARR was \$59.7 million, an increase of 60% from \$37.4 million during the comparable quarter. KSI expanded gross and adjusted EBITDA margins considerably while profitably growing its ARR and demonstrating the scalability of its business model. Gross margin was 75%, compared to 71% in Q3 of 2023 and Adjusted EBITDA was \$2.6 million, a considerable improvement from a loss of \$0.3 million in Q4 of 2023.

Kneat continued to add customers in Q4. In December, it signed a three-year master services agreement with a global manufacturer of medical devices with over 15,000 employees and sales operations in over 100 countries. In late October, KSI signed another master services agreement with a German based medical device manufacturer with 30 production sites across 15 countries. Lastly, Kneat further strengthened its balance sheet by closing an oversubscribed bought deal of \$35.6 million at a price of \$4.75 per share. The momentum continued into 2025, Kneat onboarded a global therapeutics company with over 20,000 employees in January, and a global consumer products company in February.

Torrent remains confident that significant growth potential remains for Kneat and holds the position long term.

***WildBrain Ltd. – Unrealized gain on investment of \$1,085,157 year to date including \$683,617 in the current quarter reversing previously recorded unrealized losses.***

WILD's stock price increased 29% in Q4 2024, whereas the S&P Media and Entertainment Industry Group Index increased 9.8%. WildBrain reported its Q2 2025 earnings in February, showing revenue from continuing operations of \$125.8 million, up 7% from Q2 2024. Adjusted EBITDA was \$22.3 million, up 11% year over year. Cash provided in operating activities was \$81.4 million, compared to cash used in Q2 2024 operating activities of \$35 million.

During the quarter, WildBrain announced a definitive agreement to sell a two-thirds stake in its television broadcast business to an independent, Canadian-owned children's studio. This transaction is beneficial to help de-lever WildBrain's balance sheet to become a more lean and profitable company. This transaction also delivers on WILD's previously stated goals of simplifying the business model, reducing leverage, and driving profitable growth. Wildbrain appears to have turned the corner and is well positioned for growth in 2025 and beyond as it monetizes its diverse asset base and reduces leverage.

***The Game Day (“TGD” – Private) – Unrealized loss on investment of \$1,912,613 year to date reversing previously recorded unrealized gains of \$1,348,651 and recognizing an unrealized loss of \$563,962 from its initial cost base.***

TGD is a digital sports media company that generates revenue from online digital marketing, content syndication and affiliate sales associated with directing players to the online sportsbooks and casinos. Torrent invested in TGD at US\$66.67 per share in early 2021 and TGD raised additional funds in Q1 2023 at US\$155.04, resulting in an unrealized gain of \$1.35 million in 2021. In June 2024, TGD completed a financing at a significantly lower valuation of US\$25 per share, which reverses Torrent’s previous unrealized gain and now represents an unrealized loss of 60% on its original investment.

Market conditions in the sports media and betting industry proved to be challenging in 2024. TGD remains focused on cost cutting measures to reduce its burn rate and stabilize the business.

***Electrovaya Inc. – Unrealized gain on investment of \$546,632 year to date with a gain of \$ 565,175 in the current quarter reversing previously recorded unrealized losses.***

During Q4, Torrent exited its position in Electrovaya Inc and realized a loss. ELVA has faced considerable headwinds that Torrent believes will take time to resolve. ELVA has reduced its revenue guidance and delayed its timelines, and Torrent ultimately determined that the potential upside scenario no longer justifies the risks that are present in its operating environment. Torrent has re-invested the proceeds into other core positions that better align with Torrent’s risk/reward objectives.

***Resource Investment Portfolio (seven public companies) – Unrealized gain on investments of \$462,919 year to date including an unrealized loss of \$202,530 in the current quarter.***

Physical commodities, as measured by the Bloomberg Commodity Index, declined 1.58% during Q4 2024. Resource stocks, as measured by the S&P NA Natural Resources Index, declined 3.05% during the same period.

Gold bullion prices briefly reached all-time highs once again in October 2024 before retracing in December. Volatility increased considerably towards the end of the year as markets priced in the heightened uncertainty from the incoming US administration and its trade policies. Gold continues to serve as a safe haven asset amid global economic uncertainties and geopolitical tensions. It has proven to be an effective store of value and hedge against inflation throughout the year, as demonstrated by its outperformance during this period. The new US administration is disrupting global supply chains with its tariff strategy, which is causing excessive volatility in the markets.

Torrent remains confident that gold prices will continue to remain strong as these economic uncertainties persist. Torrent’s resource portfolio is well positioned for a bull market in gold through its exposure to high quality junior exploration companies. The exploration sector underperformed the broader market again in Q4, despite strong bullion prices. Torrent remains confident that the continued strength in the gold market will lead to higher share prices and M&A activity in the junior exploration sector throughout the year.

***SentinelOne Inc (NYSE: S) – Unrealized loss on investment of \$66,431 year to date including \$20,020 in the current quarter.***

SentinelOne’s share price declined 7.2% during Torrent’s Q4 2024 (SentinelOne’s fiscal Q3 2025), underperforming US market indices. Sentinel reported its fiscal Q3 2025 earnings in December, showing strong revenue growth of 28% to US \$210M, compared to US\$164.2M in Q3 2024. ARR increased 29% to US\$859M. Gross margin grew to 75% compared to 73% in the comparable quarter. Sentinel’s balance sheet remains very strong with US\$1.1B in cash and equivalents. SentinelOne is investing heavily to grow the business and expand market share in the cybersecurity market. It is simultaneously driving profitability by realizing operational efficiencies with scale and reducing burn rates.

SentinelOne demonstrated strong growth metrics during the quarter and is successfully executing on its growth plans. Despite this, the stock sold off considerably following the earnings announcement. Market expectations were high, leading up to the earnings announcement following the technological outage faced by competitor, CrowdStrike which caused investors to anticipate a larger beat and rise. Although investors were underwhelmed by the otherwise strong results, Torrent remains confident that the market is not fully pricing in SentinelOne's potential and the stock remains undervalued.

Torrent believes that considerable growth potential remains for SentinelOne as it scales up within the cybersecurity market. Torrent plans to hold its new position in S for the mid to long term.

***MDA Space Ltd. (TSX: MDA) – Unrealized gain on investment of \$403,856 year to date including \$343,716 in the current quarter.***

MDA's share price increased 70% in Q4, setting all-time highs. MDA reported strong Q4 revenues of \$282M, up 38% year over year, and adjusted EBITDA of \$55.5M, up 30% year over year. More importantly, MDA raised its guidance for year end, exceeding analyst estimates. We anticipate that MDA's growth trajectory will accelerate as the satellite and space industry develops. MDA continues to make progress in the construction of its new Quebec manufacturing facility, which aims to double satellite manufacturing capacity. In early 2025, MDA announced a \$1.1B deal with GlobalStar to supply its low earth orbit satellites, which are used by Apple. This is yet another transformative contract that presents upside potential as Apple expands its satellite constellation. Although the US Tariffs may bring a level of uncertainty, MDA appears well positioned for growth in 2025.

Torrent is confident that MDA faces limited downside risk compared to its growth potential.

### ***Selected Annual Financial Information***

The following table sets out selected financial information and highlights for the last three fiscal years:

<b>For the year ended</b>	<b>December 31, 2024 \$</b>	<b>December 31, 2023 \$</b>	<b>December 31, 2022 \$</b>
<b>Net investment gain (loss) and other income (expenses)</b>			
Unrealized gain (loss) on investments	<b>5,399,831</b>	(3,999,158)	(6,649,292)
Realized gain (loss) on investments	<b>128,150</b>	(1,653,073)	322,362
Equity loss from joint venture	<b>(165,000)</b>	(101,390)	(64,660)
Interest income	<b>49,260</b>	29,479	3,695
	<b>5,412,241</b>	(5,742,142)	(6,387,895)
<b>Expenses</b>			
Consulting and wages	<b>345,913</b>	507,860	531,055
Directors' fees	<b>118,500</b>	118,500	120,750
Professional fees	<b>127,552</b>	115,465	69,701
Insurance	<b>21,149</b>	33,000	32,716
Stock exchange and maintenance fees	<b>24,660</b>	27,117	27,991
Office, administration and other	<b>123,086</b>	120,004	155,871
Stock-based compensation	<b>-</b>	102,962	244,170
	<b>(760,860)</b>	(1,024,908)	(1,182,254)
<b>Income (loss) before income taxes</b>	<b>4,651,381</b>	(6,749,050)	(7,570,149)
Current income tax recovery	<b>-</b>	115,000	300,000
Deferred income tax recovery (expense)	<b>(45,000)</b>	760,000	860,000
<b>Net income (loss)</b>	<b>4,606,381</b>	(5,874,050)	(6,410,149)
Income (loss) per share	<b>\$0.18</b>	(\$0.23)	(\$0.26)
<b>Weighted average # of shares</b>	<b>25,204,167</b>	25,023,072	24,672,222

### ***Results of Operations for the years ended December 31, 2024 and 2023***

For the year ended December 31, 2024, the Company reported net income of \$4,606,381 or \$0.18 per share as compared to a net loss of \$5,874,050 or \$0.23 per share in the prior year. The current year's results include an unrealized gain on marketable securities of \$5,399,831 or \$0.21 per share as compared to an unrealized loss of \$3,999,158 or \$0.16 per share in the prior year.

During the year ended December 31, 2024, the Company recorded unrealized gains of \$3.6 million on its investment in KSI, \$1.1 million on its investment in WildBrain, \$0.5 million on its Resource Investment Portfolio and \$1.3 million on its investment in Other Securities. The Company also recorded an unrealized loss of \$1.9 million on its investment in TGD. See the "Unrealized Gain/(Loss) on Marketable Securities" section for additional details on the unrealized gains and losses in the Investment Portfolio.

In the current year, the Company realized a net gain on its Investment Portfolio of \$128,150 as compared to a net realized loss of \$1,653,073 in the prior year. These realized net gains and losses on the Investment Portfolio are summarized as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
kneat.com	<b>852,525</b>	-
Zedcor Inc.	<b>461,501</b>	-
Palantir Technologies	<b>410,560</b>	-
Electrovaya	<b>(780,858)</b>	-
AnalytixInsight Inc.	<b>(165,319)</b>	(1,153,981)
Bluerush Inc.	<b>(183,904)</b>	-
Ifabric Corp.	<b>(158,661)</b>	-
Kovo Healthtech Corp.	<b>(96,180)</b>	(74,652)
Tower Resources	<b>(86,815)</b>	-
Canaccord Genuity	-	111,292
5N Plus Inc.	-	58,627
Braille Energy	-	(258,306)
Pond Tech	-	(279,127)
Other - net	<b>(124,699)</b>	(56,926)
	<b>128,150</b>	<b>(1,653,073)</b>

In the year ended December 31, 2024, the Company recognized its 50% equity loss of \$165,000 from the ACI joint venture (2023 - \$101,390). In the prior year, ACI received \$50,000 in revenue from its contract arrangements with Pattern Energy. In the current 2024 period, Torrent capitalized certain consulting costs of \$162,500, net of government assistance of \$109,254 to the ACI joint venture. The Company also advanced an additional \$125,000 on the ACI loans in addition to the \$360,000 previously advanced to the end of 2023. The loans have an annual interest rate of 12%. Torrent recorded loan interest revenue of \$48,350 in the current year (2023 - \$28,850).

During the year ended December 31, 2024, consulting fees of \$345,913 (2023 - \$507,860) includes CEO fees of \$156,000 (2023 - \$156,000), CFO fees of \$67,088 (2023 - \$73,013), COO fees of \$20,000 (2023 - \$nil) and \$nil (2023 - \$172,500) to the former Chief Investment Officer. The Company also incurred fees of \$43,000 (2023 - \$92,000) with Numus Financial Inc. ("Numus") to cover consulting and controller services. The Company also incurred \$36,210 with Brigus Capital Ltd ("Brigus") to cover investment consulting services in the current year.

In the 2024 and 2023, the Company incurred Director's fees of \$118,500. The Company also incurred D&O insurance fees of \$21,149 (2023 - \$33,000). Professional fees of \$127,552 were incurred in the current year, as compared to \$115,465 in the prior year.

The stock exchange and maintenance fees of \$24,660 were incurred in the current year compared to \$27,117 in the prior year. These amounts include the cost of the Company's AGM which is held in June. During the current year, the Company incurred administration costs of \$66,043 (2023 - \$91,387). The Company incurred market subscription service fees of \$30,000 (2023 - \$40,000) for a Bloomberg terminal.

In the current year, the Company incurred \$4,500 for digital media services (2023 - \$25,000). The Company recorded a foreign exchange loss of \$11,857 (2023 - \$1,090) on its USD balances.

The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model. The assumptions used in the option pricing model include a volatility rate of 74%, an expected life of five years based on the contractual term of the options, and a risk-free rate of 3.2% with no expected dividend yield. During the prior year, the Company recognized \$88,380 of stock-based compensation for options and \$14,582 for restricted share units.

During the current year, the Company recorded \$45,000 of deferred income tax expense. In the prior year, the Company recorded recoveries for current income taxes of \$115,000 and deferred income taxes of \$760,000.

### ***Selected Quarterly Financial Information***

The following table sets out selected financial information and highlights for the last eight quarters:

<b>For the quarter ended</b>	<b>Dec. 31, 2024 \$</b>	<b>Sept 30, 2024 \$</b>	<b>June 30, 2024 \$</b>	<b>March 31, 2024 \$</b>	<b>Dec 31, 2023 \$</b>	<b>Sept. 30, 2023 \$</b>	<b>June 30, 2023 \$</b>	<b>March 31, 2023 \$</b>
Realized gain (loss) on Investments	<b>735,601</b>	(310,233)	442,413	(736,631)	<b>(1,169,244)</b>	(143,361)	(195,341)	(145,127)
Unrealized gain (loss) on marketable securities	<b>2,119,002</b>	2,086,916	(1,784,791)	2,978,705	<b>250,058</b>	(860,582)	(1,694,252)	(1,694,382)
Equity loss from joint venture	<b>(19,000)</b>	(50,000)	(48,900)	(47,100)	<b>9,110</b>	(44,900)	(31,949)	(33,651)
Interest income	<b>14,650</b>	12,668	10,980	10,692	<b>10,009</b>	8,155	6,639	4,676
Operating expenses	<b>(240,643)</b>	(177,389)	(190,891)	(151,837)	<b>(269,553)</b>	(232,616)	(249,788)	(272,951)
Net income (loss) before taxes	<b>2,609,609</b>	1,561,962	(1,571,189)	2,050,999	<b>(1,169,620)</b>	(1,273,304)	(2,164,691)	(2,141,435)
Provision for income tax recovery (expense)	<b>(45,000)</b>	-	-	-	<b>115,000</b>	110,000	300,000	350,000
Net income (loss)	<b>2,564,609</b>	1,561,962	(1,571,189)	2,050,999	<b>(1,054,620)</b>	(1,163,304)	(1,864,691)	(1,791,435)
Net (loss) income per share	<b>0.10</b>	0.06	(0.06)	0.08	<b>(0.04)</b>	(0.05)	0.07	0.07
Cash	<b>1,669,034</b>	119,390	595,280	275,153	<b>499,727</b>	457,879	84,632	282,071
Investments at fair market value	<b>18,377,885</b>	17,598,439	15,351,990	17,394,911	<b>14,936,703</b>	16,099,952	17,496,441	19,482,067
Digital assets at fair market value	<b>149,965</b>	-	-	-	-	-	-	-
Investment in joint venture	<b>422,117</b>	366,867	379,367	342,060	<b>360,521</b>	304,391	225,041	131,534
Total assets	<b>20,657,554</b>	18,164,720	16,556,801	18,248,998	<b>16,051,572</b>	16,915,907	18,344,741	20,381,949
Current liabilities	<b>335,043</b>	451,818	405,861	526,869	<b>380,442</b>	269,444	282,335	243,486
Deferred income taxes	<b>45,000</b>	-	-	-	-	-	270,000	510,000
Shareholders' equity	<b>20,277,511</b>	17,712,902	16,150,940	17,722,129	<b>15,671,130</b>	16,646,463	17,792,406	19,628,463

### ***Results of Operations for the Quarters ended December 31, 2024, and 2023***

For the quarter ended December 31, 2024, the Company reported a net income of \$2,564,609 or \$0.10 per share as compared to a net loss of \$1,054,62 or \$0.04 per share in the comparable quarter. The current quarter's results include an unrealized gain on marketable securities of \$2,119,002 or \$0.08 per share as compared to an unrealized gain of \$250,058 or \$0.01 per share in the comparable quarter.

During the quarter ended December 31, 2024, the Company recorded unrealized gains of \$1.5 million on its investment in KSI. The Company also recorded unrealized gains of \$0.7 million on its investment in WILD, unrealized losses of \$0.2 million on its investments in its Resource Portfolio and its investments in Other Securities. See the "Unrealized Gain/(Loss) on Marketable Securities" section for additional details on the unrealized gains and losses in the Investment Portfolio.

In the current quarter, the Company realized net gains on its Investment Portfolio of \$735,601 as compared to realized net losses of \$1,169,244 in the comparable quarter. These realized net gains and losses on its Investment Portfolio are summarized as follows:

	Quarter ended December 31, 2024	Quarter ended December 31, 2023
	\$	\$
Zedcor Inc	456,135	-
Palantir Technologies	410,560	-
kneat.com	247,997	-
Electrovaya	(538,385)	-
AnalytixInsight Inc.	-	(1,153,981)
Other – net	159,294	(15,263)
	<b>735,601</b>	<b>(1,169,244)</b>

In the current quarter, the Company recognized its 50% equity loss of \$19,000 (2023 - recovery of \$9,110) from the ACI joint venture. In the current quarter, the Company advanced an additional \$60,000 on the ACI loan in addition to the \$425,000 previously advanced to the end of the third quarter of 2024. In the fourth quarter of 2024, the Company recorded interest revenue of \$14,250 (2023 - \$9,850), based on an interest rate of 12% on these advances.

During the current quarter, the Company incurred consulting fees of \$117,255 (2023 - \$150,469) including CEO fees of \$39,000 (2023 - \$39,000), CFO fees of \$16,913 (2023 - \$17,738), COO fees of \$20,000 (2023 - \$nil) and \$nil (2023 - \$57,500) to the former Chief Investment Officer. The Company also incurred fees for controller services of \$9,000 (2023 - \$9,000) paid to Numus and \$9,474 paid to Brigus for investment consulting services (2023 - \$nil).

In each of the comparable quarters, the Company incurred Directors' fees of \$29,625 and D&O insurance of \$4,500 (2023 - \$8,250). In the current quarter, the Company incurred professional fees of \$74,318 (2023 - \$48,550) and stock exchange and maintenance fees of \$4,738 (2023 - \$7,512). In the current quarter, the Company incurred administration costs of \$3,339 (2023 - \$19,360), \$1,500 for digital media services (2023 - \$nil) and a foreign exchange gain of \$1,284 (2023 - \$452).

The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model. The assumptions used in the option pricing model include a volatility rate of 74%, an expected life of five years based on the contractual term of the options, and a risk-free rate of 3.2% with no expected dividend yield. In comparable quarter, the Company recognized \$4,329 of stock-based compensation for options and \$1,458 for restricted share units.

During the current quarter, the Company recorded \$45,000 of deferred income tax expense. In the comparable period, the Company recorded a recovery for income taxes of \$115,000.

### ***Liquidity and Capital Resources***

As at:	December 31, 2024 \$	December 31, 2023 \$	December 31, 2022 \$
Cash	1,669,034	499,727	263,923
Investments at fair market value	18,377,885	14,936,703	21,593,056
Digital assets at fair market value	149,965	-	-
Investment in joint venture	422,177	360,521	160,685
Total assets	20,657,554	16,051,572	22,377,980
Total current liabilities	335,043	380,442	249,262
Deferred income taxes	45,000	-	760,000
Shareholders' Equity	20,277,511	15,671,130	21,368,718

The Company has working capital as of December 31, 2024, of \$19,900,394 (2023 - \$15,310,609) and a cash balance of \$1,669,034 (2023 - \$499,727). The Company funds its operations through the proceeds on sale of its investments and equity financings, if necessary.

During the year ended December 31, 2024, the Company received proceeds on the sale of investments of \$9.6 million including \$1.6 million on the sales of shares of WildBrain, \$1.1 million on the sale of shares of kneat.com, \$1.2 million on the sale of shares of ElectroVaya, \$1.0 million on the sale of shares of Palantir Technologies, \$0.7 million on the sale of shares of Zedcor Inc., \$0.8 on the sale of shares of Mara Holdings and \$3.2 million on the sale of other investments. The Company also incurred costs of \$7.7 million on the acquisition of investments including \$1.3 million for shares of Mara Holdings, \$0.6 million for shares of Palantir Technologies Inc., \$0.5 million for shares in MDA Space Ltd., \$0.6 million for shares of Sentinel One Inc., \$0.6 million for shares of Pinterest Inc., \$0.4 million for shares in UI Path Inc., \$0.4 million for shares in Ouster Inc. and \$3.3 million on the acquisition of other investments.

During the year ended December 31, 2023, the Company received proceeds on the sale of investments of \$3.25 million including \$0.5 million on the sale of 5N Plus shares, \$0.4 million on the sale of Canaccord Genuity shares, \$0.4 million on the sale of Carbon Streaming shares, \$0.4 million on the sale of shares of ELVA, \$0.9 million on the liquidation of its Cleantech Portfolio and \$1.2 million on the sale of investments within Other Securities. The Company also incurred costs of \$2.2 million on the acquisition of investments including \$1.1 on its acquisition of Resource Portfolio investment and \$1.1 million on its acquisition of investments within Other Securities.

The Company has sufficient capital resources to meet its working capital obligations. The Company may raise additional funds, should its Board deem it advisable, to execute its strategic plan including the implementation and expansion of its investment strategy including its ongoing funding obligations to ACI. While Management and the Board have been successful in obtaining funding in the past, there can be no assurance that they will be able to do so in the future. The timing and ability of the Company to raise additional funds will also depend on the liquidity of the financial markets.

### ***Outstanding Share Data***

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2024, the Company had 25,204,167 outstanding common shares outstanding. Subsequent to December 31, 2024, the Company completed a LIFE offering and a concurrent private placement financing issuing 12,511,057 shares. As at April 17, 2025, the Company had 37,715,224 common shares outstanding.

As at December 31, 2024, the Company had 750,000 outstanding stock options outstanding with an average exercise price of \$0.63 and varying expiry dates. Subsequent to December 31, 2024, the Company granted 455,000 stock options to Directors. Officers and consultants. As at April 17, 2025, the Company has 1,180,000 options outstanding with an average exercise price of \$0.68 per common share and varying expiry dates.

As at December 31, 2024, there were no common share purchase warrants outstanding. In association with the above noted LIFE offering and private placement financing, the Company issued 9,383,292 warrants with an exercise price of \$1.10 per common share subsequent to December 31, 2024. As at April 17, 2025, the Company has 9,383,292 warrants outstanding with an expiry date of February 9, 2027.

### ***Transactions with Related Parties***

During the periods ended December 31, 2024 and 2023, the Company incurred the following amounts with related parties:

- director fees of \$118,500 (2023 - \$118,500) to Directors or companies controlled by Directors;
- fees to President and CEO, Wade Dawe, in the amount of \$156,000 (2023 - \$156,000);
- fees to COO, Carl Sheppard, in the amount of \$20,000 (2023 - \$nil)
- no fees to the former Chief Investment Officer in the 2024 period (2023 - \$172,500);
- fees to CFO, Rob Randall, in the amount of \$67,088 (2023 - \$73,013);
- investment consulting fees to Brigus, a company controlled by CEO, Wade Dawe, of \$36,210; and
- controller service fees, rent and other fees of \$76,400 (2023 - \$137,400) to Numus, a company controlled by two Directors (one being the CEO of Torrent).

The above noted transactions are in the normal course of business and approved by the Board of Directors in strict adherence to conflict-of-interest laws and regulations.

## ***Off-Balance Sheet Arrangements***

The Company has no off-balance sheet arrangements.

## ***Accounting Estimates***

The preparation of the financial statements in conformity with IFRS requires Management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Accounting estimates and judgements used in the preparation of the financial statements that have the most significant effect on the amounts recognized in the financial statements include the estimates outlined below.

### ***Income Taxes and Recovery of Deferred Tax Assets and Liabilities***

The measurement of income taxes payable and deferred tax assets and liabilities requires Management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

### ***Fair Value of Investment in Securities Not Quoted in an Active Market***

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position, including equities and warrants, cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible; where observable market data is not available; Management's judgment is required to establish fair values.

### ***Fair Value of Financial Derivatives***

Investments in options and warrants that are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value.

### ***Fair Value of Digital Assets***

Where the fair value of digital assets recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair values. Changes in estimates and assumptions about these inputs could affect the reported fair value.

There is currently no specific guidance for digital assets under IFRS. However, judgement is still required due to the particular characteristics of digital assets. The Company applies judgement to account for the subsequent remeasurement of digital assets held under IAS 38. In the event that new guidance is issued by the International Accounting Standards Board, the Company may be required to change its accounting policies, which could have a material effect on the Company's financial statements.

### ***Useful life of Digital Intangible Assets***

Management estimates the expected term over which the Company will receive benefits from these digital assets to be indefinite from the date of acquisition. A change in this estimate would have a significant impact on the carrying value of the digital intangible asset and could result in amortization expense recognized in the statements of income (loss) and comprehensive income (loss).



### *Warrants*

The Company uses the Black-Scholes option pricing model to calculate the value of warrants obtained as part of the Company's participation in the private placements of investment issuers. The Black-Scholes model requires six key inputs to determine a value for a warrant: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrant or a higher volatility number used would result in an increase in the warrant value.

### *Stock-Based Compensation*

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statements of income and comprehensive income based on estimates of volatility, forfeitures and expected lives of the underlying stock options.

All the Company's accounting policies and estimates are included in note 2 to the Company's audited financial statements for the year ended December 31, 2024.

### ***Risk Factors***

The Company's business as an Investment Issuer is subject to several significant risk factors, and an investment in the Company will involve a high degree of risk. Investors should carefully consider each of such risks and all the information in this MD&A before investing in the Company. The risks consist of:

*Risks of Competition* - The Company will face competition from other capital providers, all of which compete with it for investment opportunities. These competitors may limit the Company's opportunities to acquire interests in investments that are attractive to the Company. The Company may invest otherwise than following its Investment Policy and strategy to meet its investment objectives. If the Company is required to invest other than following its Investment Policy and strategy, its ability to achieve its desired rates of return on its investments may be adversely affected.

*Risks of Fluctuations in the Value of the Company and the Common Shares* - The net asset value of the Company and market value of the common shares will fluctuate with changes in the market value of the Company's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of companies whose securities are part of the Company's Investment Portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Company. There can be no assurance that shareholders will realize any gains from their investment in the Company and they may lose their entire investment.

*Due Diligence* - The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

*Risks of Investment in Illiquid Securities* - There is a possibility that the Company will be unable to dispose of illiquid securities held in its portfolio. If the Company is unable to dispose of some or all its investments at the appropriate time, a return on such investment may not be realized.

*Loss of Investment Risk* - An investment in the Company is speculative and may result in the loss of a substantial portion of an investor's investment. Only potential investors who are experienced in high-risk investments and who can afford to lose a substantial portion of their investment should consider an investment in the Company.

*No Guaranteed Return Risk* - There is no guarantee that an investment in the Company will earn any positive return in the short term or long term.

*Dividends* - To date, the Company has not paid dividends on any of its common shares and the Company is not required to pay any dividends on its Common Shares in the foreseeable future. Any decision to pay dividends will be made based on the Company's earnings, financial requirements, and other conditions.

*Currency Risk* - Some of the Company's assets may be invested in foreign securities. Consequently, the Canadian dollar equivalent of the Company's net denominated assets and dividends would be adversely affected by reductions in the value of the applicable foreign currencies relative to the Canadian dollar and would be positively affected by increases in the value of the applicable foreign currencies relative to the Canadian dollar.

*Commodity Risk* - The Company may invest in sectors that are very sensitive to the fluctuations of commodity prices.

*Foreign Investment Risks* - Foreign investments made by the Company may be subject to political risks, risks associated with changes in foreign exchange rates, foreign exchange control risks and other similar risks.

*Equity Market Risk* - The price of the equity securities in which the Company may invest are influenced by the issuing company's outlook, market activity and regional, national and international economic conditions. When the economy is expanding, the outlook for many companies is equally promising, and the value of their equity securities should rise in agreement. The opposite is also true. Typically, the greater the potential reward, the greater the potential risk. For small companies in the emerging sectors the risk and reward ratio is usually greater. Equity-related securities, which give indirect exposure to the equity value of a company, such as warrants and convertible securities, can also be affected by this equity risk.

*Market Disruption Risks* - Geopolitical risks such as war and occupation, terrorism, tariffs and trade wars may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual company's or related groups of companies. These risks could also adversely affect securities markets, inflation and other factors relating to the securities that would be held from time to time. Such events could, directly or indirectly, have a material effect on the prospects of the Company and the value of the securities in its Investment Portfolio.

*Private Company Risks* - Investments in private companies cannot be resold without a prospectus, an available prospectus exemption or an appropriate ruling under relevant securities legislation. Even if they can be sold, there may not be a market for such securities. This may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private companies may offer high potential returns but will also be subject to a relatively high degree of risk. The process of valuing investments in private company's will inevitably be based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments.

### *Regulatory Risks*

Changes in or more aggressive enforcement of laws and regulations could adversely impact the Company's various crypto assets and investments.

Regulatory agencies could shut down or restrict the use of platforms or exchanges using virtual currencies or blockchain based technologies. This could lead to a loss of any investment made by the Company and may trigger regulatory action by the OSC or other securities regulators.

The legal status of crypto assets such as cryptocurrency varies substantially from country to country and is still undefined and changing in many of them. While some countries have explicitly allowed its use and trade, others have banned or restricted it. Likewise, various government agencies, departments, and courts have classified cryptocurrencies differently.

### *Loss of access risk*

The Company's digital asset holdings are stored in a "digital wallet" in which the digital asset is held. Digital assets are controllable only by a party that possesses both the unique public key and private key or keys relating to the "digital wallet". The loss of access to the private keys associated with the Company's digital asset holdings may be irreversible and could adversely affect the Company's ability to add or dispose of its digital asset holdings. To the extent a private key is lost, destroyed or otherwise compromised and no backup is accessible the Company may be unable to access the digital assets.

### *Cybersecurity risk*

The Company's policies are designed to prevent, detect, and mitigate inappropriate access to its systems. It is possible that employees, service providers or hackers could circumvent these safeguards to improperly access the Company's systems or documents and improperly access, obtain or misuse its digital assets held in digital wallets.

### *Price risk related to digital currencies – intangible assets*

Digital asset prices are volatile and affected by various factors including global supply and demand, interest rates, exchanges rates, inflation or deflation and the political and economic conditions. Supply and demand for such assets rapidly change as a result of regulations and general economic trends. A decline in the market prices of digital assets could impact the value of the Company's investments. Digital assets that the Company deals with are various digital currencies which can be traded in a number of public exchanges or through over-the-counter markets.

*Risk of Dilution from Possible Future Offerings* - The Company may issue additional securities from time-to-time to raise funding for its business and such issuances may be dilutive to Shareholders.

*Financing Risks* - Additional funding may be required to complete future investment and growth opportunities. There is no assurance that any such funds will be available to the Company, on acceptable terms or an acceptable level. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on the Company's ability to grow its Investment Portfolio.

*Dependence upon Key Management* - The Company will depend on the business and technical expertise of its Management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required. The Company may not be able to attract and retain additional qualified personnel and this would have a negative effect on the Company's operations. The Company currently maintains no "key man" life insurance policies on any members of its Management or Directors.

### ***Management's Responsibility for Financial Information***

This MD&A and the accompanying financial statements of Torrent Capital Ltd. are the responsibility of Management and have been approved by the Board of Directors. The financial statements have been prepared by Management in accordance with IFRS. The financial statements include certain amounts and assumptions that are based on Management's best estimates and have been derived with careful judgment. Management has established these amounts in a reasonable manner, to ensure that the financial statements are presented fairly in all material respects.

### ***Disclosure and Internal Financial Control***

Management has established processes, which are in place to provide them sufficient knowledge to support Management representations that they have exercised reasonable diligence that:

- (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading considering the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and
- (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109.

In particular, the certifying Officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying Officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying Officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### ***Additional Information***

Additional information is available on the Company's website at [www.torrentcapital.ca](http://www.torrentcapital.ca) and under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR+") website, [www.sedarplus.ca](http://www.sedarplus.ca).