

**Torrent Capital Ltd.**  
**Management Discussion and Analysis**  
**Quarter ended June 30, 2025**

*This Management's Discussion and Analysis ("MD&A") of Torrent Capital Ltd. ("Torrent" or the "Company") is dated August 14, 2025 and provides an analysis of the financial operating results for the quarters ended June 30, 2025 and 2024. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and accompanying notes for the period ended June 30, 2025, which have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards ("IFRS<sup>®</sup>") for interim condensed financial statements. This MD&A should be read in conjunction with the audited annual financial statements and accompanying notes for the year ended December 31, 2024, which have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards 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 infrastructure 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 digital assets and may invest in private placements, event-driven opportunities, special situations 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 interest earned, dividend income, income from staking rewards, 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.
- Investments 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 may enter into oversight arrangements as a condition of an investment. Oversight may range from a Board of Director appointment to an advisory or management consulting engagement with the target company.
- 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.
- 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.
- 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.
- With the recent shift in the US regulatory environment towards digital assets, the Company is investing in certain digital assets and will continue exploring potential new 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.

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.

### ***Investment in Securities***

The Company initiated and maintains core positions in kneat.com, Inc. (TSXV: KSI), WildBrain Ltd. (TSX: WILD) and SentinelOne Inc. (NYSE: S) as well as investments in several other public and private companies. Other investments include a Resource Investments Portfolio, Digital Asset investments, a joint venture with Port of Argentia Inc. and other related business opportunities.

#### ***kneat.com, inc. (TSE: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 to some of 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 business model 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, multi-national 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., (TSE: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 network 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.

***SentinelOne Inc. (NYSE: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.

In July 2025, 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 Annual Recurring Revenue ("ARR") multiples of its close competitors despite growing revenue at a faster pace.

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

Gold bullion prices reached all-time highs in early 2025 and we anticipate that commodity prices will continue to strengthen through the remainder of 2025 as economic uncertainty persists. Share prices of Resource Investments 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.

### ***Investment in Digital Assets***

Torrent created a Digital Asset Investment Portfolio in late 2024 to increase its exposure to decentralized digital assets and cryptocurrencies. Solana tokens ("SOL") are Torrent's primary digital asset holding. Torrent's digital assets are held in a multi-signature wallet with a regulated Qualified Custodian, ensuring best-practice and maximum security.

The recent shift in the US regulatory landscape around digital assets is encouraging their adoption by reducing legal hurdles and roadblocks for blockchain related projects. Institutional participation in the sector is 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 Bitcoin usage will grow over time as an alternative decentralized currency with no intermediaries.

Torrent has identified Solana as a utility blockchain with the significant 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, 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 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 on its website outlining Solana's long-term potential and thesis. Although the sector is highly volatile, the trend is upwards and Torrent plans to maintain exposure to digital assets.

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

In September 2022, Torrent and Port of Argentia Inc. ("POA") launched a joint venture, Argentia Capital Inc. ("ACI"), to catalyze infrastructure modernization and unlock business opportunities at the Port of Argentia ("the Port"). ACI targets long-term, value-driven initiatives aligned with strategic sectors such as renewable energy, oil and gas, and future-forward industrial services. The ACI Board includes seasoned leaders: former Premier Dwight Ball, POA CEO Scott Penney, Torrent CEO Wade Dawe and Torrent President & COO Carl Sheppard, — ensuring the governance reflects a deep commitment to purposeful growth and regional impact.

Situated in Placentia Bay, Newfoundland and Labrador, the Port is evolving into a multi-sector industrial hub that embodies sustainable development principles. Over the next number of years, ACI will pursue transformative investment opportunities—from wind energy, to wind, hydrogen, and ammonia production facilities to marine terminal support services. Opportunities related to these multi-year ventures lay the foundation for ACI's diversified revenue strategy—spanning equity returns, royalties, interest income, and operating cash flows.

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

In June 2023, POA announced a landmark agreement with Pattern Renewable Holdings Canada 2 ULC ("Pattern Energy") for a "renewable energy to green fuels" initiative at Argentinia. ACI is a named signatory to the binding commercial terms, which establish a royalty model based on gross revenue from green ammonia sales—ranging from 1% to 3.5% depending on market pricing. In addition, ACI holds the right to acquire up to a 12.5% equity interest in the wind-hydrogen-ammonia complex or related entities operating green fuels assets at the Port.

Torrent will lead capital formation efforts, enabling ACI to unlock its co-investment right and participate directly in the long-term economics of this strategic project. Pattern Energy, a global leader in renewable power generation and infrastructure, plans to deploy 300 MW of wind energy across POA-owned lands and construct an adjacent hydrogen/ammonia facility producing approximately 400 tonnes per day—with scalable capacity up to 1,400 tonnes per day.

This project exemplifies Torrent's vision for sustainable, revenue-generating ventures that pair environmental responsibility with commercial resilience.

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

Torrent and POA are advancing a rare earths industrial park concept aimed at positioning Argentinia as a mid-stream processing hub for this critical supply chain. In partnership with engineering consultancy TrajectorE and supported by federal and provincial contributions, Torrent completed a comprehensive supply chain study. Management is now engaging with potential partners to realize infrastructure that supports rare earths processing—reinforcing Torrent's role as a catalyst in sectors essential to the green economy and national security. One of these partners is Memorial University of Newfoundland and Labrador. Torrent is an Industry Contributor to a project titled Characterization and Solvent Extraction of Rare Earth Elements. The project is being funded by the Natural Sciences and Engineering Research Council of Canada.

### ***Port of Argentinia Preferred Vendor Program***

ACI's Preferred Vendor Program, developed with POA, is streamlining procurement and supplier engagement for Port tenants. Anchored by the Argentinia Procurement Platform, the program aligns labor, equipment, and service providers with tenant needs through an integrated and agile supply chain model.

### ***Unrealized Gain/(Loss) on Investment in 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 investments in securities based on the market prices of the shares at the end of each quarter. The current quarters income includes an unrealized gain on investments of \$ 1,515,648 or \$0.04 per share as compared to an unrealized gain on marketable securities of \$1,784,791 or \$0.07 per share in the comparable quarter. The year-to-date income includes an unrealized gain on investments of \$1,725,167 or \$0.05 per share as compared to an unrealized gain on investments of \$1,193,914 or \$0.05 per share in the comparable period.

The Company's investment activity and fair value of the changes in the unrealized gains and losses as at June 30, 2025, and the market value as at December 31, 2024, are summarized as follows:

	Shares #	Cost of Investment \$	Market Value June 30, 2025 \$	Unrealized Gain (Loss) Quarter ended June 30, 2025 \$	Unrealized Gain (Loss) Year to date June 30, 2025 \$	Market Value December 31, 2024 \$
kneat.com, inc.	1,451,500	1,541,017	8,738,030	(319,330)	178,500	8,571,422
WildBrain Ltd	679,200	1,086,144	1,385,568	133,726	242,127	1,705,421
Sentinel One Inc.	18,000	640,744	448,909	(20,818)	(125,404)	574,313
Other Securities		4,596,645	4,992,292	879,012	973,943	5,145,194
Digital Assets ETF Portfolio		302,710	260,172	213,240	10,891	791,693
Resource Investments Portfolio		1,935,701	1,889,635	629,818	848,966	733,472
MDA Space Ltd		-	-	-	(403,856) <sup>(a)</sup>	856,370
		<b>10,102,961</b>	<b>17,714,606</b>	<b>1,515,648</b>	<b>1,725,167</b>	<b>18,377,885</b>

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

***Torrent Capital's Net Asset Value ("NAV") increased from \$26.12 million (\$0.69 per share) to \$28.73 million (\$0.75 per share) during the second quarter of 2025, representing an 9.0% increase on a per share basis during the second quarter, whereas the S&P/TSX Small Cap Index increased by 11.06%.***

The global financial markets bottomed in the first week of Q2, then proceeded to rebound to new highs throughout the quarter. Despite macro headwinds from US and other retaliatory tariffs, geopolitical tensions, and signs of a slowing US economy from jobs and inflation data, the markets rallied higher. Investors appear to have become desensitized to tariff headlines, as they are had less of an impact on the markets in Q2 as compared to Q1. Several trade deals were announced during the quarter, which all include the US maintaining some level of long term tariff. The markets reacted positively to these deals, extending gains. Technology stocks outperformed, and earnings mostly exceeded expectations throughout the quarter. Anticipation of interest rate cuts was another positive catalyst that helped drive valuations higher during the quarter.

After a market rally that extended subsequent to a quarter-end, equity valuations in the US markets appear to be getting stretched, especially in the technology sector. Torrent is maintaining a cautious approach in its equity portfolio and is being highly selective when assessing new opportunities focussing on stocks that have asymmetric upside without excessive risk. Torrent continues to reposition its portfolio over time, trimming certain holdings that have not delivered on the original investment thesis to re-allocate capital into opportunities with better risk-reward characteristics. Torrent is focussed on identifying new high conviction core holdings through deep research and due diligence and holding them for the long term.

The digital asset markets rebounded in Q2 and Torrent recovered a substantial portion of the unrealized losses on its Solana holdings from its first quarter results. Bitcoin broke out to all-time highs of approximately \$112,000 USD in Q2 and has continued higher in Q3. Institutional adoption of digital assets and blockchain technology remains strong. Solana's underlying usage metrics and growth has been strong relative to competition in the alt-coin market. In Q2, Solana was the leader in DEX volume, number of users, and number of transactions. Short term volatility is normal in this sector and is to be expected, but the long-term trend is clearly upwards. As the underlying metrics and usage grow, Torrent is confident that Solana price will perform well and potentially outperform other digital assets. Torrent plans to hold its Solana position but may re-balance from time to time to maintain sufficient diversification of its investment holdings.

The persistent and growing US deficit has raised serious concerns about US fiscal sustainability. The United States now spends more annually on debt servicing costs than its entire defense budget. Such deficits and excessive spending are likely to lead to persistent inflation and weakness in the US dollar, leading investors to seek alternative non-sovereign stores of value such as gold and/or bitcoin. Torrent maintains exposure to both and believes that exposure to gold and bitcoin are complementary to the portfolio providing diversification benefits.

***kneat.com, inc. – Unrealized gain on the investment of \$178,498 year to date including unrealized losses of \$319,330 in the current quarter reversing previously recorded unrealized gains. Realized gain on investment of \$66,565 year to date.***

KSI's share price declined 3.5% during Q2 2025, underperforming the S&P/TSX Small Cap Index which rose 11%. KSI posted another quarter with strong growth on the top and bottom line. KSI is executing its growth strategy by increasing ARR, expanding gross and EBITDA margins, and landing top tier customers.

In its Q2 financials, quarterly revenue increased 32% to \$15.4 million, compared to \$11.7 million for the second quarter of 2024. Total ARR was \$64.8 million, an increase of 43% from \$45.4 million during the comparable quarter. KSI maintained strong gross margins, while growing its ARR and demonstrating the scalability of its business model. Gross margin was 75%, up from 74% in Q2 of 2024. and Adjusted EBITDA was \$0.4 million down from \$1.6 million, in the comparable quarter. Kneat faced some deceleration of revenue during Q2 and a decline in EBITDA which weighed on share price. Torrent does not view this as a concern and anticipates that long term growth trends will resume.

Kneat continued to add top tier customers again in Q1. In April 2025, Kneat announced that it signed a Services Agreement with a multinational producer of generic pharmaceuticals. The new customer operates more than a dozen manufacturing facilities around the world and employs more than 20,000 people. In May 2025, Kneat announced that it signed a three-year Master Services Agreement with a leading manufacturer of clinical diagnostics for the healthcare industry. The manufacturer operates in more than 40 countries and employs over 14,000 people. In June 2025, Kneat announced that it signed a multi-year Master Services Agreement with a leading global healthcare technology company. The healthcare company employs over 50,000 people and manufactures in more than a dozen countries worldwide.

Torrent remains confident that significant growth potential remains for Kneat and plans to hold the position long term.

***WildBrain Ltd. – Unrealized gain on investment of \$242,127 year to date including \$133,726 in the current quarter. Realized gain on investment of \$103,804 year to date including \$67,179 for the current quarter.***

WILD's stock price increased 14.6% in Q2 2025, whereas the S&P Media and Entertainment Industry Group Index rose 21%. WildBrain reported its Q3 2025 earnings in May, showing revenue from continuing operations of \$128.4 million, up 42% from Q3 2024. Adjusted EBITDA was \$15.9 million, up 18% year over year. Cash provided in operating activities was \$47.3 million, compared to \$23.3 million in Q2 2024.

WildBrain demonstrated strong growth in its Global Licensing business for Peanuts, Strawberry Shortcake and Teletubbies. WILD also reaffirmed its guidance for double digit revenue growth and adjusted EBITDA growth of 5-10%. During the quarter, WildBrain announced a licensing agreement with Jazwares, one of the World's leading toy companies, to launch new toys and targeted consumer products for its "YO GABBA GABBA!" brand. These types of licensing deals and partnerships are a positive sign that WILD is delivering on its 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 as it monetizes its diverse asset base and reduces leverage.



***Resource Investments Portfolio (seven public companies) – Unrealized gain on investments of \$848,966 year to date including \$629,818 in the current quarter reversing previously recorded unrealized losses.***

Gold prices increased 5.7% during Q2 2025. Resource stocks, as measured by the S&P NA Natural Resources Index, decreased 2.7% during the same period.

Gold bullion performed well again in Q2, setting new all-time highs throughout the quarter. Gold prices are continuing to benefit from the increased volatility and uncertainty in the global markets. The growing US deficit and higher than recent average inflation rates have also created a strong macro backdrop for gold. The accelerating US deficit has raised serious concerns about fiscal sustainability, which is likely to lead to persistent inflation and weakness in the US dollar. This encourages investors to seek alternative non-sovereign stores of value such as gold. Torrent's Resource Investments portfolio outperformed in Q2 as the market began recognizing the underlying value of some of Torrent's gold exploration holdings.

Torrent remains confident that gold prices will remain strong as economic uncertainties, loose fiscal policy and geopolitical tensions continue to persist. Torrent's resource portfolio is well positioned for a bull market in gold through its exposure to high quality junior exploration companies. Torrent's junior gold exploration holdings outperformed the rest of the portfolio during the quarter and are demonstrating strong signals of a recovery in the sector. The rising gold prices in recent years are highly beneficial to exploration company valuations, which have not yet fully priced in gold's performance. 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. – Unrealized loss on investment of \$125,404 year to date including \$20,818 in the current quarter.***

SentinelOne's share price was relatively flat, increasing 0.5% during Torrent's Q2 2025 compared to the S&P500 Information Technology Index which increased 23.5% during the same period. Sentinel reported its fiscal Q1 2026 earnings in May, showing revenue growth of 23% to US \$229M compared to US \$186.4M in Q1 2025. ARR increased 24% to US\$948.1M. Gross margin grew to 75% compared to 73% in the comparable quarter. Sentinel's balance sheet remains strong with US\$1.2B 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.

Although SentinelOne beat revenue estimates and posted EPS in line with estimates, Q2 guidance again came in slightly below estimates. While the guidance miss was only slightly below estimates, it prompted a steep selloff in the stock on concerns that growth is decelerating. SentinelOne appears to be undervalued relative to its peers. The company remains an attractive acquisition target for large complementary technology companies that seek to enter the growing cybersecurity market.

Torrent is confident that SentinelOne has considerable upside with potential for a strong rerating by the market once growth re-accelerates, with optionality as a takeover candidate. Torrent plans to hold its position in SentinelOne for the mid to long term.

***MDA Space Ltd. – Unrealized loss on investment of \$403,856 year to date, reversing previously recognized unrealized gains. Realized gains of \$291,660 year to date.***

MDA's share price declined 6.9% in Q1 2025. MDA had strong news flow during the quarter including the announcement of a \$1.1 billion deal with Globalstar with Apple as the end customer. Despite this, share price performance was weak in the first half of the quarter due to fears of US tariff's impacting MDA's sales. MDA is a Canadian company, but a considerable portion of its revenue comes from US based companies and government organizations. Torrent recorded considerable gains on MDA stock in a short period of time and sold its positions to realize its gains. MDA's growth story remains intact and Torrent will keep MDA on its watch list.

### ***Unrealized Gain/(Loss) on Investments in Digital Assets***

Acquisitions of investments digital assets are initially recognized at acquisition cost plus transaction costs. After initial recognition, all investments in digital assets are measured at fair value through other comprehensive income. The determination of fair market value for digital assets is based on the trading price at the end of the reporting period as quoted on a recognized exchange. Gains and losses arising from changes in the fair market value of the investments in digital assets are presented in the Statements of Income (Loss) and Comprehensive Income (Loss) as a net change in unrealized gains or losses on investments in digital assets.

The Company fair market values its digital assets based on the market prices of the assets at the end of each quarter. The current quarters income includes an unrealized gain on investments in digital assets of \$1,290,223 or \$0.04 per share. The year-to-date income includes an unrealized loss on digital assets of \$1,552,902 or \$0.04 per share. The Company's digital asset activity and fair value of the changes in the unrealized gains and losses as at June 30, 2025, and the market value as at December 31, 2024, are summarized as follows:

	Tokens #	Cost \$	Market Value June 30, 2025 \$	Unrealized Gain (Loss) Quarter ended June 30, 2025 \$	Unrealized Gain (Loss) Quarter ended June 30, 2025 \$	Market Value December 31, 2024 \$
Solana	43,313	10,674,934	9,122,032	1,145,996 <sup>(a)</sup>	(1,552,902)	149,965
Bitcoin	-	-	-	144,228 <sup>(a)</sup>	-	-
		10,674,934	9,122,032	1,290,223	(1,552,902)	149,965

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

### ***Solana ("SOL") – Unrealized loss on investment of \$1,552,902 year to date including an unrealized gain of \$1,145,996 in the current quarter reversing previously recorded unrealized losses.***

SOL prices increased 24.1% in Q2 2025. Solana prices have been highly volatile in the first half of the year, following a breakout year in 2024. Despite the volatility, underlying user metrics remained strong in Q2, showing Solana's dominance in on-chain finance including DEX volume and daily active users. The Solana blockchain has significant advantages over Ethereum in terms of speed, transaction cost, simplicity, and scalability. While volatility is to be expected in this sector, Torrent believes significant upside remains as more applications and assets move on-chain to the Solana blockchain.

The United States is moving quickly to encourage cryptocurrency and digital asset adoption and remove restrictive regulations placed on the sector by prior administrations. Torrent believes the new clarity in regulations will help financial institutions adopt digital assets, further increasing demand over time. Torrent's SOL holdings are staked and generating a yield paid in SOL. 1,023 SOL were generated in staking yield year to date and added to Torrent's holdings. Since initiating a digital asset portfolio, Torrent has grown its SOL position and held all tokens generated from staking yield. Depending on market conditions, Torrent may rebalance its portfolio from time to time to maintain target position size and exposures.

### ***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>June 30, 2025 \$</b>	<b>March 31, 2025 \$</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>
Realized gain (loss) on investment in securities	<b>(3,473)</b>	405,699	735,601	(310,233)	<b>442,413</b>	(736,631)	(1,169,244)	(143,361)
Unrealized gain (loss) on investment in securities	<b>1,515,648</b>	209,519	2,119,002	2,086,916	<b>(1,784,791)</b>	2,978,705	250,058	(860,582)
Staking rewards income	<b>149,869</b>	64,856						
Equity loss from joint venture	<b>(185,050)</b>	(16,500)	(19,000)	(50,000)	<b>(48,900)</b>	(47,100)	9,110	(44,900)
Interest income	<b>16,148</b>	15,549	14,650	12,668	<b>10,980</b>	10,692	10,009	8,155
Operating expenses	<b>(369,996)</b>	(274,913)	(240,643)	(177,389)	<b>(190,891)</b>	(151,937)	(269,553)	(232,616)
Net income (loss)	<b>1,134,994</b>	394,405	2,609,609	1,561,962	<b>(1,571,189)</b>	2,050,999	(1,169,620)	(1,273,304)
Unrealized gain (loss) on investment in digital assets	<b>1,290,223</b>	(2,843,125)	-	-	-	-	-	-
Provision for income tax recovery (expense)	-	45,000	(45,000)	-	-	-	115,000	110,000
Net Comprehensive income (loss)	<b>2,425,217</b>	(2,403,720)	2,564,609	1,561,962	<b>(1,571,189)</b>	2,050,999	(1,169,260)	(1,163,304)
Net Comprehensive income (loss) per share	<b>0.06</b>	(0.07)	0.10	0.06	<b>(0.06)</b>	0.08	(0.04)	(0.05)
Cash	<b>1,868,505</b>	1,594,963	1,669,034	119,390	<b>595,280</b>	275,153	499,727	457,879
Investment in securities at fair market value	<b>17,714,606</b>	17,394,436	18,377,885	17,598,439	<b>15,351,990</b>	17,394,911	14,936,703	16,099,952
Investment in digital assets at fair market value	<b>9,122,032</b>	6,999,689	149,965	-	-	-	-	-
Investment in joint venture	<b>302,167</b>	471,117	422,117	366,867	<b>379,367</b>	342,060	360,521	304,391
Total assets	<b>29,044,075</b>	26,520,921	20,657,554	18,164,720	<b>16,556,801</b>	18,248,998	16,051,572	16,915,907
Current liabilities	<b>311,182</b>	398,340	335,043	451,818	<b>405,861</b>	526,869	380,442	269,444
Deferred income taxes	-	-	45,000	-	-	-	-	-
Shareholders' equity	<b>28,732,893</b>	26,122,581	20,277,511	17,712,902	<b>16,150,940</b>	17,722,129	15,671,130	16,646,463

### ***Results of Operations for the six months ended June 30, 2025, and 2024***

For the period ended June 30, 2025, the Company reported a net comprehensive loss of \$21,497 as compared to a net comprehensive income of \$479,810 or \$0.02 per share in the comparable period. The current period's results include an unrealized gain on marketable securities of \$1,725,167 or \$0.05 per share as compared to an unrealized gain of \$1,193,914 or \$0.05 per share in the comparable period. The Company's results also included an unrealized loss on digital assets of \$1,522,902 or \$0.04 per share and staking rewards income of \$214,725. See the "Unrealized Gain/(Loss) on Investments in Digital Assets" section for additional details on the unrealized gains and losses on the Digital Asset Portfolio.

During the six months ended June 30, 2025, the Company recorded unrealized gains of \$0.2 million on its investment in KSI, unrealized gains of \$0.2 million on its investment in WILD, unrealized gains of \$0.8 million on its investments in its Resource Investments Portfolio and unrealized gains of \$1.0 on 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 period, the Company realized net gains on its Investment Portfolio of \$402,226 as compared to realized net losses of \$297,218 in the comparable period. These realized net gains and losses on its Investment Portfolio are summarized as follows:

	Six months ended June 30, 2025 \$	Six months ended June 30, 2024 \$
MDA Space Ltd.	291,660	-
Wildbrain	103,804	-
Kneat.com	66,565	501,048
Pinterest Inc.	41,943	-
iShare Bitcoin ETF	42,536	-
Transcode Therapeutics, Inc	(106,114)	-
Bluerush Inc.	-	(183,904)
AnalytixInsight Inc.	-	(165,319)
Ifabric Corp.	-	(158,661)
Kova Healthtech	-	(96,180)
Tower Resources	-	(86,815)
Electrovaya	-	(76,286)
Other - net	(38,168)	(133,567)
	<b>402,226</b>	<b>(297,218)</b>

In the current period, the Company recognized its 50% equity loss of \$201,550 (2024 - \$96,000) from the ACI joint venture. The current period equity loss increased as a result of additional Directors Fee amounts payable to the ACI Board of Directors. In the current period, the Company advanced an additional \$50,000 on the ACI loan in addition to the \$485,000 previously advanced to the end of 2024. In the period ended June 30, 2025, the Company recorded interest revenue of \$31,600 (2024 - \$21,600), based on an interest rate of 12% on these advances.

During the six months ended June 30, 2025, the Company incurred consulting fees of \$262,477 (2024 - \$154,658) including CEO fees of \$90,000 (2024 - \$78,000), CFO fees of \$70,350 (2024 - \$38,288), President & COO fees of \$60,000 (2024 - \$nil). The Company also incurred fees for controller services of \$18,000 (2024 - \$18,000) paid to Numus and \$20,566 (2024 - \$12,992) paid to Brigus Capital for investment consulting services. The Company also incurred rent and digital media fees paid to Numus of \$15,300 (2024 - \$15,300) and \$15,000 (2024 - \$nil).

In each of the comparable periods, the Company incurred Directors' fees of \$59,250 and D&O insurance of \$8,850 (2024 - \$12,149). In the current period, the Company incurred professional fees of \$58,763 (2024 - \$14,214) and stock exchange and maintenance fees of \$18,010 (2024 - \$11,496). In the current period, the Company incurred administration costs of \$61,205 (2024 - \$47,651) and travel expenses of \$6,641 (2024 - \$nil) as the result of costs associated with attendance of digital asset investment conferences in New York and Toronto.

During the six months ended June 30, 2025, the Company recorded a foreign exchange loss of \$28,268 (2024 - loss of \$6,215) on its USD payables and transactions. The increased exchange loss was the result of unfavourable changes in the USD/CAD exchange rate during the period.

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 75%, an expected life of five years based on the contractual term of the options, and a risk-free rate of 2.81% with no expected dividend yield. In current period, the Company recognized \$103,532 (2024 - \$nil) of stock-based compensation for options and \$22,613 (2024 - \$nil) for restricted share units.

During the current period, the Company recorded \$45,000 of deferred income tax recovery (2024 - \$nil).

## ***Results of Operations for the Quarters ended June 30, 2025, and 2024***

For the quarter ended June 30, 2025, the Company reported a net comprehensive gain of \$2,425,217 or \$0.06 per share as compared to a net comprehensive loss of \$1,571,189 or \$0.06 per share in the comparable quarter. The current quarter's results include an unrealized gain on marketable securities of \$1,515,648 or \$0.04 per share as compared to an unrealized loss of \$1,784,791 or \$0.07 per share in the comparable quarter. The Company's results also included an unrealized gain on digital assets of \$1,290,223 or \$0.03 per share and staking rewards income of \$149,869. See the "Unrealized Gain/(Loss) on Investments in Digital Assets" section for additional details on the unrealized gains and losses on the Digital Asset Portfolio.

During the quarter ended June 30, 2025, the Company recorded unrealized gains of \$0.6 million on its investments in its Resource Investments Portfolio, unrealized gains of \$0.1 million on its investment in WILD, unrealized gains of \$0.2 million on its Digital Asset EFT Investment Portfolio, unrealized gains of \$0.9 on its investments in Other Securities and unrealized losses of \$0.3 million in its investment in KSI. 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 losses on its Investment Portfolio of \$3,473 as compared to realized net gains of \$442,413 in the comparable quarter. These realized net gains and losses on its Investment Portfolio are summarized as follows:

	Three months ended June 30, 2025 \$	Three months ended June 30, 2024 \$
Wildbrain	67,179	-
Transcode Therapeutics, Inc	(106,114)	-
Kneat.com	-	501,048
Electrovaya	-	(71,723)
Other - net	35,462	13,088
	<u>(3,473)</u>	<u>422,413</u>

In the current quarter, the Company recognized its 50% equity loss of \$185,050 (2024 - \$48,900) from the ACI joint venture. The current quarters equity loss increased as a result of additional Directors Fee amounts payable to the ACI Board of Directors. In the current quarter, the Company advanced no additional funds on the ACI loan beyond the \$535,000 previously advanced to the end of the first quarter of 2025. In the second quarter of 2025, the Company recorded interest revenue of \$16,050 (2024 - \$10,800), based on an interest rate of 12% on these advances.

During the current quarter, the Company incurred consulting fees of \$135,350 (2024 - \$82,498) including CEO fees of \$51,000 (2024 - \$39,000), CFO fees of \$31,875 (2024 - \$24,375), President & COO fees of \$30,000 (2024 - \$nil). The Company also incurred fees for controller services of \$9,000 (2024 - \$9,000) paid to Numus and \$10,283 (2024 - \$9,744) paid to Brigus Capital for investment consulting services. The Company also incurred rent and digital media fees paid to Numus of \$7,650 (2024 - \$7,650) and \$6,000 (2024 - \$nil).

In each of the comparable quarters, the Company incurred Directors' fees of \$29,625 and D&O insurance of \$4,410 (2024 - \$4,500). In the current quarter, the Company incurred professional fees of \$30,424 (2024 - \$23,595) and stock exchange and maintenance fees of \$11,728 (2024 - \$7,655). In the current quarter, the Company incurred administration costs of \$24,596 (2024 - \$34,183) and travel expenses of \$6,641 (2024 - \$nil) as the result of costs associated with attendance of digital asset investment conferences in New York and Toronto.

During the current quarter, the Company recorded a foreign exchange loss of \$35,476 (2024 - \$1,185) on its USD payables and transactions. The increased exchange loss was the result of unfavourable changes in the USD/CAD exchange rate during the quarter.

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 75%, an expected life of five years based on the contractual term of the options, and a risk-free rate of 2.81% with no expected dividend yield. In current quarter, the Company recognized \$69,021 (2024 - \$nil) of stock-based compensation for options and \$15,075 (2024 - \$nil) for restricted share units.

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

As at:	June 30, 2025 \$	December 31, 2024 \$	December 31, 2023 \$
Cash	<b>1,868,505</b>	1,669,034	499,727
Investments at fair market value	<b>17,714,606</b>	18,377,885	14,936,703
Digital assets at fair market value	<b>9,122,032</b>	149,965	-
Investment in joint venture	<b>302,167</b>	422,177	360,521
Total assets	<b>29,044,075</b>	20,657,554	16,051,572
Total current liabilities	<b>311,182</b>	335,043	380,442
Deferred income taxes	-	45,000	-
Shareholders' Equity	<b>28,732,893</b>	20,277,511	15,671,130

The Company has working capital, as of June 30, 2025, of \$28,430,727 (December 31, 2024 – \$19,900,394) and a cash balance of \$1,868,505 (December 31, 2024 – \$1,669,034). The Company funds its operations through the proceeds on sale of its investments and equity financings, if necessary.

In February, the Company completed financings to raise gross proceeds of \$8,757,740 (the “Financings”) by the issuance of 12,511,057 units of Torrent (each, a “Unit”) at \$0.70 per Unit (the “Offering Price”). Each Unit consists of one Common Share of Torrent (a “Common Share”) and three-quarters of one non-transferable Common Share purchase warrant (each full warrant, a “Warrant” and collectively, the “Warrants”).

Each Warrant will be exercisable at a price of \$1.10 per share until February 10, 2027, provided that if the volume weighted average trading price of the Company’s Common Shares on the TSX Venture Exchange is at least \$2.20 per Common Share for a period of ten consecutive trading days, the expiry date of the Warrants may be accelerated by the Company to a date that is not less than 30 days after the date that notice of such acceleration is provided to the Warrant holders by way of a press release and concurrent written notice is provided to the warrant agent.

With respect to the Financings, the Company relied on the “Listed Issuer Financing Exemption” provided for in Part 5A of National Instrument 45-106 – Prospectus Exemptions for the issuance of 5,368,200 Units (“LIFE Offering”). The concurrent non-brokered prospectus exempt offering of 7,142,857 Units was conducted by way of private placement.

The LIFE Offering was made through a syndicate of agents including Canaccord Genuity and Ventum Financial Corp. Numus Capital Corp. (the “Finder”) acted as exclusive Finder for the concurrent private placement. In connection with the Financings, Torrent paid the cash commissions of \$459,415 and issued 535,761 non-transferable share purchase units (the “Compensation Units”). Each Compensation Unit entitles the holder to acquire one Common Share at an exercise price of \$0.70 until February 10, 2027 and grants three-quarters of one non-transferable Common Share purchase warrant (each full warrant, a “Compensation Warrant”) and collectively the “Compensation Warrants”). Each Compensation Warrant will be exercisable at a price of \$1.10 per share until February 10, 2027.

On May 19, 2025, the Company issued 375,000 shares on the exercise of expiring options, by Directors and Officers, for a fair value of \$227,002, including cash proceeds of \$150,000.

During the period ended June 30, 2025, the Company received proceeds on the sale of investments of \$4.4 million including \$1.1 million on the sale of Bitcoin EFT shares, \$0.7 million on the sale of MDA Space Ltd. shares, \$0.7 million on the sale of Pinterest Inc. shares, \$0.7 million on the sale of shares of Wildbrain, \$0.4 million on the sale of Ouster Inc shares, \$0.3 million on the sale of WonderFi Technologies shares, and \$0.4 million on the sale of shares within Other Securities. The Company also incurred costs of \$1.5 million on the

acquisition of investments including \$0.4 on its acquisition of Bitcoin EFTs, \$0.4 million on its acquisition of Fortue Bay shares, \$0.3 million on its acquisition of shares of WonderFi Technologies and \$0.4 million on investments within Other Securities.

During the period ended June 30, 2025, the Company received proceeds on the sale of digital assets of \$1.6 million including \$1.6 million on the sale of Bitcoin. The Company also incurred costs of \$11.9 million on the acquisition of digital assets including \$10.3 million on its acquisition of Solana and \$1.6 million on its acquisition of Bitcoin.

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.

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 June 30, 2025, and August 14, 2025 the Company had 38,090,224 outstanding common shares outstanding.

As at June 30, 2025, and August 14, 2025 the Company had 90,000 RSUs outstanding which vest over a one year period.

As at June 30, 2025, and August 14, 2025 the Company had 805,000 outstanding stock options outstanding with a weighted average exercise price of \$0.81 and varying expiry dates.

As at June 30, 2025, and August 14, 2025, there were 10,320,867 warrants outstanding with a weighted average exercise price of \$1.08 per common share and an expiry date of February 10, 2027.

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

During the periods ended June 30, 2025 and 2024, the Company incurred the following amounts with related parties:

- director fees of \$59,250 (2024 - \$59,250) to Directors or companies controlled by Directors;
- fees to President and CEO, Wade Dawe, in the amount of \$90,000 (2024 - \$78,000);
- fees to COO, Carl Sheppard, in the amount of \$60,000 (2024 - \$nil)
- fees to CFO, Rob Randall, in the amount of \$70,350 (2024 - \$38,228);
- investment consulting fees to Brigus Capital, a company controlled by CEO, Wade Dawe, of \$20,566 (2024 - \$12,992); and
- controller service fees, rent and other fees of \$48,300 (2024 - \$38,600) to Numus, a company controlled by two Directors (one being the CEO of Torrent).

Numus Capital Corp. acted as exclusive Finder for Torrent's concurrent private placement. The Finder is registered as an Exempt Market Dealer and deals with Torrent on a non-arm's length basis, insiders of Torrent being indirectly principal shareholders as well as directors and officers of the Finder. In connection with the private placement, Torrent paid the Finder cash commissions of \$149,568 and issued 213,669 non-transferable share purchase units (the "Compensation Units"). Each Compensation Unit entitles the holder to acquire one Common Share at an exercise price of \$0.70 until February 10, 2027, and grants three-quarters of one non-transferable Common Share purchase warrant (each full warrant, a "Warrant" and collectively the "Warrants"). Each Warrant will be exercisable at a price of \$1.10 per share until February 10, 2027.

On May 19, 2025, the Company issued 375,000 shares on the exercise of expiring options, by Directors and Officers, for a fair value of \$227,002, including cash proceeds of \$150,000.

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 pricing model to calculate the value of warrants obtained or issued 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 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 digital 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 digital 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 their use and trade, others have banned or restricted them. Likewise, various government agencies, departments, and courts have classified digital assets and 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 Assets – 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).