

**Torrent Capital Ltd.**  
**Management Discussion and Analysis**  
**Quarter ended September 30, 2024**

*This Management’s Discussion and Analysis (“MD&A”) of Torrent Capital Ltd. (“Torrent” or the “Company”) is dated November 14, 2024 and provides an analysis of the financial operating results for the quarters ended September 30, 2024 and September 30, 2023. This MD&A should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the period ended September 30, 2024, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim condensed financial statements. This MD&A should also be read in conjunction with the audited annual financial statements and accompanying notes of Torrent Capital Ltd. for the year ended December 31, 2023, which have been prepared in accordance with IFRS 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; 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, 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, 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, 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 Board of Directors 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 extra-ordinary 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.

- 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), ElectroVaya Inc. (TSX: ELVA), as well as investments in several other public and private companies. Torrent recently initiated new core positions in SentinelOne Inc. (NYSE: S), and MDA Space Ltd (TSX: MDA). Other investments include a Resource Investment Portfolio, 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") for modeling 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 by some of the world's leading Life Sciences companies and KSI is currently in a rapid growth phase. KSI's client base is comprises many of the Tier 1 biotech and pharmaceutical 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, 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., ("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 one of the largest 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 and should be well received by the market. 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.

***Electrovaya Inc. ("ELVA")***

ELVA was founded in 1996 as a research and development company focused on lithium-ion battery technologies and manufacturing processes. In 2000, ELVA listed on the Toronto Stock Exchange and in 2023 it commenced trading on the Nasdaq.

In its early years, ELVA developed key IP related to fundamental cell technologies through to battery systems technologies. More recently, ELVA has focused on battery solutions for heavy duty applications that require superior cycle life and performance. It has developed unique, ultra-long cycle life battery systems, specially designed for Materials Handling Electric Vehicles ("MHEVs"). The company is also a supplier of specialized battery modules and systems to large Original Equipment Manufacturers.

ELVA is currently focused on manufacturing lithium-ion batteries and systems for MHEVs and other electric transportation applications. Its main business is the sale of lithium-ion batteries to power MHEVs including forklifts and automated guided vehicles. Additionally, ELVA sells related accessories and systems to support the use of electromotive power products in electric trucks, electric buses, heavy machinery, and other transportation applications.

ELVA has a 62,000 square foot battery design and manufacturing facility in Mississauga, Ontario. To date, ELVA has developed 42 battery models for the e-forklift market. The company has received purchase orders from multiple Fortune 1000 companies including Walmart, Mondelez, and The Raymond Corporation, a Toyota Industries subsidiary (“Raymond”). ELVA batteries are powering e-forklifts in over 80 locations, primarily in the USA, Canada, and Mexico, distributing its products into both the replacement market and the new vehicle market. It also develops and markets batteries and modules for energy storage and green electromobility vehicles and signed a contract with Sustainable Development Technology Canada to assist in developing a high voltage battery for electric buses. The e-bus market is supported by strong industry tailwinds as major metropolitan centers, such as Los Angeles, New York, Toronto, and Vancouver, commit to electrifying their entire bus fleets. Additionally, the electrification of heavy machinery is a potential area for growth, particularly in the construction and mining sectors.

Annual demand for lithium-ion batteries is growing at a record pace. ELVA has robust IP and established relationships with top-tier clients, which gives it a competitive advantage. ELVA’s OEM partner, Raymond, has done extensive research indicating that the company’s lithium-ion batteries are the best on the market for cycle life, safety, and value. Torrent sees embedded optionality from the company’s development of a solid-state battery in its ElectroVaya Labs Division. The company’s solid-state battery has been in development for years and has the potential to be a disruptive technology in various EV segments.

#### ***Resource Investment Portfolio (eight 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. Despite the current market, resource stocks continue to trade at historically low multiples and are ignoring the fact that many companies are generating significant free cash flow and improved balance sheets coming out of the last bear market.

Gold bullion prices recently surpassed all-time highs and we anticipate that commodity prices will continue to strengthen through the course of 2024 as more interest rate cuts are anticipated. 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 of the global economy. These companies include rare earth and lithium explorers and developers that should enjoy demand growth given they are key components in numerous Cleantech 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. (“Sentinel”)***

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 common clients use Sentinel’s endpoint, cloud, and identity products to prevent, detect and respond to cyberattacks.

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, as well as, 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.

### ***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 innovation 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 subsea pipe fabrication, 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 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. Feasibility and permitting work for a renewable energy-to-green fuels project at the Port is ongoing. 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.

On August 1, 2024, the Government of Newfoundland and Labrador published the Argentia Renewables Project environmental assessment registration. The environmental registration kicked off a 45-day review period after which the Minister of Environment and Climate Change was obligated to make a decision impacting the Project's approval. On September 19, 2024, the Government announced the Project would require an Environmental Preview Report ("EPR") before being released from the environmental approval process. Guidelines for the EPR are due to be issued November 18, 2024

### ***Recent Industry Agreements between Canada and Germany***

On July 31, 2024, the Canadian and German governments announced a multimillion-dollar commitment to Atlantic Canada's hydrogen export industry. The two countries are investing up to \$600 million to support hydrogen exports from Atlantic Canadian producers to Germany. Through an auction process, Canadian companies will be allowed to bid on opportunities to supply hydrogen to Germany. Hydrogen purchased through the process will be auctioned off to buyers through a process referred to as a double-sided auction. Financial contributions from Governments are intended to be used to close any gaps between the price producers offer and the price that buyers are willing to pay.

### ***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 reviewing 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.

### ***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 current quarter's income includes an unrealized gain on investments of \$2,086,916 or \$0.08 per share as compared to an unrealized loss on investments of \$860,582 or \$0.03 per share in the comparable quarter. The year-to-date income includes an unrealized gain on investments of \$3,280,830 or \$0.13 per share as compared to an unrealized loss on marketable securities of \$4,249,216 or \$0.17 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 September 30, 2024, and the market value as at December 31, 2023, are summarized as follows:

	Shares #	Cost of Investment \$	Market Value September 30, 2024 \$	Unrealized Gain (Loss) Quarter ended September 30, 2024 \$	Unrealized Gain (Loss) Year to date September 30, 2024 \$	Market Value Dec. 31, 2023 \$
kneat.com, inc.	1,518,000	1,611,618	7,089,060	570,385	2,097,358	5,193,976
WildBrain Ltd	1,988,941	3,152,275	2,525,955	339,233	401,540	2,263,821
The Game Day	11,250	953,550	389,588	-	(1,912,613) <sup>(b)</sup>	2,302,200
Electrovaya Inc.	229,200	1,289,447	724,272	59,633	(18,541)	1,401,300
MDA Space Ltd.	31,500	487,330	547,470	60,140	60,140	-
Sentinel One Inc.	13,500	482,864	436,452	45,716	(46,411)	-
Other Securities		3,745,369	4,557,827	568,654	2,033,911	2,751,528
Resource Investment Portfolio		2,020,320	1,327,815	443,155	665,446 <sup>(a)</sup>	1,023,878
		<b>13,742,773</b>	<b>17,598,439</b>	<b>2,086,916</b>	<b>3,280,830</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 \$16.15 million (\$0.64 per share) to \$17.75 million (\$0.70 per share) during the third quarter of 2024, representing an 9.9% increase during the quarter, whereas the S&P/TSX Small Cap Index increased by 7.81%.***

The markets continued to trend higher in Q3 2024, with indices reaching all-time highs again in September and continuing higher through October and November. As discussed in our previous Q1 and Q2 commentary, small caps became oversold during 2022 and 2023 and still present discounted valuation multiples compared to large cap stocks. We are pleased to see that the small cap sector outperformed large caps in Q3 for the first time in several quarters. The TSX Small cap index and Russell 2000 indices returned 7.8% and 9.3% respectively in Q3, compared to the S&P500 return of 5.5% during the quarter. This trend validates our belief that a rebound in the small cap sector is underway, and Torrent is well positioned to benefit. Torrent's NAV increased 9.9% during the quarter, outperforming its benchmarks.

In 2024, we have been focussed on repositioning Torrent's Investment Portfolio to drive growth in the NAV. Torrent has significantly reduced and/or exited several underperforming positions that represented small portions of its portfolio, and re-allocated capital towards new core positions that have been identified. Torrent has capitalized on opportunities in 2024 to buy high quality, growing small cap equities that are undervalued relative to their growth potential and peer multiples. In Canada, there are several such companies that have been underappreciated by the market and trade at steep discounts to peers despite their growth and profitability.

One such example is MDA Space Ltd. (TSX: MDA), Torrent began accumulating a position in MDA towards the end of Q3 2024. MDA is a prime example of an underfollowed company on the Canadian markets that presents strong growth metrics and profitability at a reasonable valuation. The company forecasts approximately 30% earnings growth for the next few years, while reducing leverage and generating significant cash flow. At the time of our purchase, MDA traded at a 7x 2026 EV/EBITDA multiple, compared to a 14.8x peer average while growing near twice the average growth rate of peers.

Torrent's recent strategy of allocating more capital to the US markets has also proven to be beneficial to the portfolio. The performance of the Canadian economy continues to lag considerably behind the USA. This has been reflected in the equity markets, and more recently emphasized by the weakness in the Canadian dollar exchange rate against the US dollar. We forecast that the Canadian economy will continue to underperform the USA for some time. Torrent has identified and invested in a number of small to mid-cap US equities that fit our growth mandate and risk/return profile.

One NYSE traded stock that was recently added to Torrent's portfolio is SentinelOne Inc (NYSE: S). SentinelOne is a leader in the modern cybersecurity market, delivering best in class software utilizing AI. It was ranked the #1 fastest growing company among the top ten cyber security vendors in 2023. Despite this, it continues to trade at a steep discount to the ARR multiple of its peers and remains well-below its IPO price from three years ago. Further commentary on our investment thesis for SentinelOne and MDA is outlined below in the company specific updates section.

Gold bullion prices reached new heights again in Q3, continuing even higher in October on the back of geopolitical instability in the Middle East combined with a weakening of the US dollar. There is some speculation in the market that US inflation may be more persistent than previously anticipated, which could be contributing to higher gold prices. This is worth paying close attention to in the coming months, as inflation has a considerable impact on equity markets. Mining and exploration stocks have been buoyant during the quarter, but have still underperformed the broader market. We continue to anticipate activity in the exploration sector to pick up so long as gold bullion remains on its current trajectory. Overall, we remain cautiously optimistic with the state of the markets for the remainder of 2024 and are confident in the repositioning of Torrent's portfolio to drive growth.

***kneat.com, inc. – Unrealized gain on the investment of \$2,097,358 year to date including \$570,385 in the current quarter. Realized gain on investment of \$604,528 year to date including \$103,479 for the quarter.***

KSI's share price rose 10.14% during Q3 2024, outperforming the S&P/TSX Small Cap Index which rose 7.18%. 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. Kneat showed positive net income in Q3 for the first time which is a notable milestone.

In the Q3 results released in early November, quarterly revenue increased 52% to \$12.8 million, compared to \$8.4 million for the third quarter of 2023. Total ARR was \$49.9 million, an increase of 59% from \$31.4 million during the comparable quarter. KSI expanded gross and adjusted EBITDA margins considerably while growing its ARR and demonstrating the scalability of its business model. Gross margin was 77%, compared to 65% in Q3 of 2023 and Adjusted EBITDA was \$2.9 million, a considerable improvement compared with a loss of \$0.5 million in Q3 of 2023.

Kneat continued to add to its customer base in Q3. In early October, it signed a three-year master services agreement with an unnamed global pharmaceutical company based in Germany with over 11k employees. In late October, Kneat another master services agreement with a medical device manufacturer also based in Germany 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. Kneat's ability to deliver accelerating sales growth while simultaneously driving operational efficiencies has been impressive.

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 \$401,540 year to date including \$339,233 in the current quarter reversing previously recorded unrealized losses.***

WILD's stock price increased 13.4% in Q3 2024, whereas the S&P Media and Entertainment Industry Group Index increased only a slight 0.02%.

In July 2024, WildBrain announced a new US\$415 million senior secured credit facility. This new credit facility fully funded the repayment of WILD's outstanding convertible debentures and extended its corporate debt maturities to 2029. This reduced WildBrain's credit risk considerably by extending the current maturities by several years.

WildBrain reported its Q1 2025 earnings in early November, showing revenue of \$111 million, compared to \$105.5 million in Q1 2024. Adjusted EBITDA was \$15.3 million, compared to \$18.9 million in the comparable period. Cash provided in operating activities was \$25.8 million, compared to cash provided in Q1 2024 operating activities of \$3.0 million.

Wildbrain's business is still rebounding from the difficult period in 2023 in which the company faced writers and actors strikes that caused a significant slowdown in content production. Now that these issues are resolved, management is indicating that the sales and production pipeline is strengthening, and further growth is expected later in FY 2025 through 2026. Wildbrain's re-financing of debt back in July reduced risk considerably. The company is now focussed on simplifying the business model, reducing leverage, and driving profitable growth.

Management is signalling that Wildbrain has 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 have proven to be very challenging in 2024. Large publicly listed companies in the sports media and betting industry have faced steep share price declines in the past year, including Catena Media, Gambling.com, and Better Collective.

As a result of challenging market conditions, TGD enacted strict cost cutting measures including reducing headcount from 24 to 9, closing the office in New York, switching to fully remote work and scaling back content production. These measures have reduced monthly operational costs by approximately 70%. TGD also brought back the previous web strategy team who oversaw record profits in Q1 2023. TGD remains focused on cost cutting measures to reduce its burn rate and stabilize the business. TGD is closely watching as more US states consider legalizing sports betting in the next 12-24 months, which could help TGD to return to growth.

***Electrovaya Inc. – Unrealized loss on investment of \$18,541 year to date with a gain of \$59,633 in the current quarter reversing previously recorded unrealized losses.***

ELVA’s share price declined 10.23% during the quarter, compared to the WilderHill Clean Energy Index which decreased by 1%. ELVA reported fiscal Q3, 2024 earnings in mid-August, showing a quarterly revenue decline to \$10.3 million, a decrease of 3% versus \$10.6 million in Q3 of 2023. Gross margin increased to 33.7% for the quarter, compared to 30.5% in the comparable quarter. Adjusted EBITDA was \$0.6M in Q3 2024 with the adjusted EBITDA margin of 9.7%.

Management has revised its revenue guidance down to \$45 million from \$65 to \$75 million for the year. This disappointed the market. Management had warned of the risks of potential delays in the startup of customers distribution sites, which could delay deliveries and revenue recognition.

In early September, ELVA received a purchase order for preproduction battery modules to be provided to a global Japanese headquartered manufacturer of construction equipment. This is the first order from ELVA’s established supply agreement with a leading Japanese trading company, announced earlier in the year.

Later in September, ELVA announced it entered into a strategic supply agreement with Innovative Rail Technologies (“IRT”) for the supply of battery systems for electric rail applications. IRT has a strong pipeline of orders targeting applications in industrial operations, short-line railways, ports, defence and commuter rail.

Torrent has partially reduced the size of its position in ELVA during Q3, but remains invested in ELVA.

***Resource Investment Portfolio (eight public companies) – Unrealized gain on investments of \$665,446 year to date including an unrealized gain of \$443,155 in the current quarter.***

Physical commodities, as measured by the Bloomberg Commodity Index, were flat during Q3 2024. Resource stocks, as measured by the S&P NA Natural Resources Index, increased a slight 0.02% during the same period.

Gold bullion prices performed well reaching all-time highs in September 2024. Gold continues to serve as a safe haven asset amid global economic uncertainties and geopolitical tensions, particularly in the Middle East and eastern Europe and has proven to be an effective hedge against inflation during the year. We are optimistic that the gold market will continue to strengthen during the remainder of 2024 as economic uncertainties persist. Torrent's resource portfolio is mostly comprised of junior exploration companies, primarily in the gold market. Even though Torrent's resource portfolio recorded gains in Q3, the exploration sector underperformed the broader market again, despite strong bullion prices. Over time, Torrent believes that continued strength in the gold market will lead to higher share prices in the junior exploration sector, which has been out of favor and undervalued for several years.

Torrent maintains exposure to the mining and exploration sector but will continue to reduce certain underperformers to re-invest in opportunities with more favorable risk adjusted returns.

***SentinelOne Inc (NYSE: S) – Unrealized loss on investment of \$46,411 year to date including \$45,716 in unrealized gain the current quarter.***

SentinelOne's share price increased 13.6% during Q3, outperforming US market indices. Sentinel reported its fiscal Q2 2025 earnings in late August, showing strong revenue growth of 33% to US\$199M, compared to US\$149M in Q2 2024. ARR increased 32% to US\$806M. Gross margin grew to 75% compared to 70% in the comparable quarter. Non-GAAP losses narrowed to US\$3M compared to US\$22M in the comparable quarter. Sentinel's balance sheet remains strong with US\$1.1B in cash and equivalents.

SentinelOne is still 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.

In September, SentinelOne announced a collaboration with Lenovo, which will integrate SentinelOne's software into millions of new Lenovo devices across the Globe. Sentinel also announced an agreement with Amazon Web Services ("AWS"), in which Sentinel's Purple AI cybersecurity analyst product will be powered by AWS. Further, the agreement will increase investments in SentinelOne's AI-powered Singularity Platform within the AWS Marketplace.

Torrent believes that considerable growth potential remains for SentinelOne as it scales up within the cybersecurity market.

***MDA Space Ltd. (TSX: MDA) – Unrealized gain on investment of \$60,140 in the current quarter and year to date***

MDA's share price returned 27% in Q3, setting all-time highs. The stock continued to breakout higher in October 2024. MDA reports Q3 earnings later in November. As its sales backlog approaches \$5B, we anticipate MDA's growth to continue. During the quarter, MDA announced that construction is underway at its new Quebec facility, which aims to double satellite manufacturing capacity to meet demand. The new facility is expected to deliver up to two MDA Aurora digital satellites a day, making it the largest high-volume manufacturing facility in the world for its satellite class.

Additionally, during the quarter, one of MDA's key clients, Globalstar, filed an 8K that included an announcement of an expanded agreement with Apple to provide satellite services. Apple is also investing in a 20% stake of a Globalstar subsidiary. Torrent will be closely monitoring this development as MDA, a supplier of satellites to Globalstar, may potentially benefit from any additional orders that Apple places with Globalstar.

Torrent is confident that MDA faces limited downside risk compared to its growth potential. We plan to hold our new position in MDA for the mid to long term.

## Selected Quarterly Financial Information

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

For the quarter ended	Sept 30, 2024 \$	June 30, 2024 \$	March 31, 2024 \$	Dec 31, 2023 \$	Sept. 30, 2023 \$	June 30, 2023 \$	March 31, 2023 \$	Dec. 31, 2022 \$
Realized gain (loss) on Investments	(310,233)	442,413	(736,631)	(1,169,244)	(143,361)	(195,341)	(145,127)	195,146
Unrealized gain (loss) on marketable securities	2,086,916	(1,784,791)	2,978,705	250,058	(860,582)	(1,694,252)	(1,694,382)	2,562,593
Equity loss from joint venture	(50,000)	(48,900)	(47,100)	9,110	(44,900)	(31,949)	(33,651)	(64,660)
Interest income	12,668	10,980	10,692	10,009	8,155	6,639	4,676	3,695
Operating expenses	(177,389)	(190,891)	(151,837)	(269,553)	(232,616)	(249,788)	(272,951)	(292,090)
Net income (loss) before taxes	1,561,962	(1,571,189)	2,050,999	(1,169,620)	(1,273,304)	(2,164,691)	(2,141,435)	2,404,684
Provision for income tax recovery (expense)	-	-	-	115,000	110,000	300,000	350,000	(317,856)
Net income (loss)	1,561,962	(1,571,189)	2,050,999	(1,054,620)	(1,163,304)	(1,864,691)	(1,791,435)	2,086,828
Net (loss) income per share	0.06	(0.06)	0.08	(0.04)	(0.05)	0.07	0.07	0.08
Cash	119,390	595,280	275,153	499,727	457,879	84,632	282,071	263,923
Investments at fair market value	17,598,439	15,351,990	17,394,911	14,936,703	16,099,952	17,496,441	19,482,067	21,593,056
Investment in joint venture	366,867	379,367	342,060	360,521	304,391	225,041	131,534	160,685
Total assets	18,164,720	16,556,801	18,248,998	16,051,572	16,915,907	18,344,741	20,381,949	22,377,980
Current liabilities	451,818	405,861	526,869	380,442	269,444	282,335	243,486	249,262
Deferred income taxes	-	-	-	-	-	270,000	510,000	760,000
Shareholders' equity	17,712,902	16,150,940	17,722,129	15,671,130	16,646,463	17,792,406	19,628,463	21,368,718

### Results of Operations for the nine months ended September 30, 2024 and 2023

For the nine months ended September 30, 2024, the Company reported net income of \$2,041,772 or \$0.08 per share as compared to a net loss of \$4,819,430 or \$0.19 per share in the comparable period. The current period's results include an unrealized gain on marketable securities of \$3,280,830 or \$0.13 per share as compared to an unrealized loss of \$4,249,216 or \$0.17 per share in the comparable period.

During the nine months ended September 30, 2024, the Company recorded unrealized gains of \$2.1 million on its investment in KSI, \$0.7 million on its Resource Investment Portfolio and \$2.0 million on its investment 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 period, the Company realized a net loss on its Investment Portfolio of \$607,451 as compared to a net realized loss of \$483,829 in the comparable period. These realized net gains and losses on the Investment Portfolio are summarized as follows:

	Nine months ended September 30, 2024 \$	Nine months ended September 30, 2023 \$
kneat.com	604,528	-
Electrovaya	(242,472)	-
Bluerush Inc.	(183,904)	-
AnalytixInsight Inc.	(165,319)	-
Ifabric Corp.	(158,661)	-
Kovo Healthtech Corp.	(96,180)	(74,652)
Tower Resources	(86,815)	-
WildBrain	(24,055)	58,350
Canaccord Genuity	-	111,292
Loop Energy	-	(144,579)
Braille Energy	-	(258,306)
Pond Tech	-	(279,127)
Other - net	(254,573)	(103,193)
	<u>(607,451)</u>	<u>(483,829)</u>

In the period ended September 30, 2024, the Company recognized its 50% equity loss of \$146,000 from the ACI joint venture (2023- \$110,500). In the comparable period, 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 \$65,000 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 \$31,400 in the period ended September 30, 2024 (2023 - \$19,000).

During the nine months ended September 30, 2024, consulting fees of \$228,658 (2023 - \$357,391) includes CEO fees of \$117,000 (2023 - \$117,000), CFO fees of \$50,175 (2023 - \$55,275) and \$nil (2023 - \$103,500) to the former Chief Investment Officer. The Company also incurred fees of \$31,000 (2023 - \$72,500) with Numus Financial Inc. (“Numus”) to cover consulting and controller services. The Company also incurred \$26,736 with Brigus Capital Ltd (“Brigus”) to cover investment consulting services in the current period. In the first three quarters of 2024 and 2023, the Company incurred Director’s fees of \$88,875. The Company also incurred D&O insurance fees of \$16,649 (2023 - \$24,750). Professional fees of \$53,234 were incurred in the first nine months of 2024 as compared to \$66,915 in the comparable period.

The stock exchange and maintenance fees of \$19,922 were incurred in the first nine months of 2024 compared to \$19,605 in the comparable period. These amounts include the cost of the Company’s Annual and General Meeting was held in June. In the period ended September 30, 2024, the Company incurred administration costs of \$62,704 (2023 - \$78,026). The Company incurred market subscription service fees of \$30,000 for a Bloomberg terminal in each of the comparable periods. In the current period the Company also incurred \$3,000 for digital media services (2023 - \$25,000). The Company recorded a foreign exchange loss of \$13,141 (2023 -\$445) 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. In comparable period, the Company recognized \$84,050 of stock-based compensation for options and \$13,125 for restricted share units.

In the current period, the Company recorded no amounts for current and deferred income taxes. In the comparable period, the Company recorded recoveries for current income taxes of \$140,000 and deferred income taxes of \$620,000.

### ***Results of Operations for the Quarters ended September 30, 2024, and 2023***

For the quarter ended September 30, 2024, the Company reported a net income of \$1,561,962 or \$0.06 per share as compared to a net loss of \$1,163,304 or \$0.05 per share in the comparable quarter. The current quarter’s results include an unrealized gain on marketable securities of \$2,086,916 or \$0.08 per share as compared to an unrealized loss of \$860,582 or \$0.03 per share in the comparable quarter.

During the quarter ended September 30, 2024, the Company recorded unrealized gains of \$0.1 million on its investment in KSI. The Company also recorded unrealized gains of \$0.3 million on its investment in WILD, \$0.4 million on its investments in its Resource Portfolio, and \$0.6 million 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 quarter, the Company realized net losses on its Investment Portfolio of \$310,233 as compared to realized net losses of \$143,361 in the comparable quarter. These realized net gains and losses on its Investment Portfolio are summarized as follows:

	<b>Three months ended September 30, 2024</b>	Three months ended September 30, 2023
	\$	\$
kneat.com	103,479	-
Electrovaya	(166,185)	-
Radio Fuels	(75,300)	-
Pond Technologies	-	(149,865)
Other - net	(172,227)	6,504
	<u>(310,233)</u>	<u>(143,361)</u>

In the current quarter, the Company recognized its 50% equity loss of \$50,000 (2023 - \$44,900) from the ACI joint venture. In the comparable quarter, ACI received \$50,000 in revenue from its contract arrangements with Pattern Energy. In the current quarter, the Company advanced an additional \$65,000 on the ACI loan in addition to the \$360,000 previously advanced to the end of 2023. In the third quarter of 2024, the Company recorded interest revenue of \$12,500 (2023 - \$8,000), based on an interest rate of 12% on these advances.

During the quarter ended September 30, 2024, the Company incurred consulting fees of \$74,000 (2023 - \$117,934) including CEO fees of \$39,000 (2023 - \$39,000), CFO fees of \$11,888 (2023 - \$18,787) and \$nil (2023 - \$34,500) to the former Chief Investment Officer. The Company also incurred fees for controller services of \$9,000 (2023 - \$9,000) paid to Numus and \$13,744 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 \$15,425 (2023 - \$17,773) and stock exchange and maintenance fees of \$8,426 (2023 - \$7,821). In the quarter ended September 30, 2024, the Company incurred administration costs of \$15,053 (2023 - \$22,562). In each of the comparable quarters, the Company incurred market subscription service fees of \$10,000 for a Bloomberg terminal and rental costs of \$7,650 (2023 - \$5,100). In the comparable quarter, the Company incurred \$15,000 for digital media services. In the current quarter, the Company also incurred a foreign exchange loss of \$6,926 (2023 - gain of \$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 \$12,986 of stock-based compensation for options and \$4,375 for restricted share units.

In the third quarter of 2024, the Company recorded no amounts for current and deferred income taxes. In the comparable period, the Company recorded a recovery for current income taxes of \$20,000 and a deferred income taxes provision of \$130,000.

## *Liquidity and Capital Resources*

As at:	September 30, 2024 \$	December 31, 2023 \$	December 31, 2022 \$
Cash	119,390	499,727	263,923
Investments at fair market value	17,598,439	14,936,703	21,593,056
Investment in joint venture	366,867	360,521	160,685
Total assets	18,164,72	16,051,572	22,377,980
Total current liabilities	451,818	380,442	249,262
Deferred income taxes	-	-	760,000
Shareholders' Equity	17,712,902	15,671,130	21,368,718

The Company has working capital as of September 30, 2024, of \$17,346,035 (December 31, 2023 – \$15,310,609) and a cash balance of \$119,390 (December 31, 2023 – \$499,727). The Company funds its operations through the proceeds on sale of its investments and equity financings, if necessary.

During the period ended September 30, 2024, the Company received proceeds on the sale of investments of \$2.6 million including \$0.8 million on the sale of shares of kneat.com, \$0.3 million on the sale of shares of UI Path Inc., \$0.4 million on the sale of shares of Electrovaya, \$0.1 million on the sale of shares of Zedcor Inc. and \$0.9 million on the sale of investments within Other Securities. The Company also incurred costs of \$2.6 million on the acquisition of investments including \$0.6 million for shares of Palantir Technologies Inc., \$0.5 million for shares in MDA Space Ltd., \$0.5 million for shares of Sentinel One Inc., \$0.4 million for shares in UI Path Inc., and \$0.1 million for shares of Coveo Solutions Inc.

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 September 30, 2024, and November 14, 2024, the Company has 25,204,167 outstanding common shares and 750,000 outstanding stock options.

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

During the periods ended September 30, 2024 and 2023, the Company incurred the following amounts with related parties:

- director fees of \$88,875 (2023 - \$88,875) to Directors or companies controlled by Directors;
- fees to President and CEO, Wade Dawe, in the amount of \$117,000 (2023 - \$117,000);
- no fees to the former Chief Investment Officer in the 2024 period (2023 - \$103,500);
- fees to CFO, Rob Randall, in the amount of \$50,175 (2023 - \$55,275);
- investment consulting fees to Brigus, a company controlled by CEO, Wade Dawe, of \$26,763; and
- controller service fees, rent and other fees of \$58,250 (2023 - \$112,800) 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.

### ***Critical Accounting Estimates***

The preparation of the financial statements in conformity with IFRS requires Management to make estimates and assumptions 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.

Critical accounting estimates 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.

#### ***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.

#### ***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.

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, 2023.

## ***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* - War and occupation, terrorism and related geopolitical risks 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.

*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).