



PINETREE CAPITAL LTD.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED: DECEMBER 31, 2024

FEBRUARY 25, 2025

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PINETREE CAPITAL LTD.

ANNUAL INFORMATION FORM

All references in this annual information form (“AIF”) to “Pinetree”, the “Corporation”, the “Company”, “we”, “us”, “our” and words of similar meaning refer to Pinetree Capital Ltd. and its subsidiaries (as the context requires).

Unless otherwise indicated, all references to dollar amounts herein are to Canadian dollars.

All information contained herein is as at December 31, 2024 unless otherwise noted.

All financial information in this AIF is prepared in accordance with international financial reporting standards, unless otherwise indicated.

CORPORATE STRUCTURE

Name and Incorporation

The Company is currently a corporation existing under the *Business Corporation Act* (Ontario). The Company was incorporated under the Ontario Corporations Act by Letters Patent dated May 11, 1962 under the name “Pinetree Exploration Limited”, with an authorized capital of 3,000,000 common shares of par value of \$1.00 each, for the purposes of conducting mining exploration and development. By Articles of Amendment dated November 16, 1971, all of our issued and unissued common shares were changed to common shares without par value. By Articles of Amendment dated May 19, 1981, our authorized capital was increased to 10,000,000 common shares. By Articles of Amendment dated January 24, 1989, our authorized capital was increased to an unlimited number of common shares and the objects set out in our Letters Patent were deleted. By Articles of Amendment dated January 28, 1992, our outstanding common shares were consolidated on a 10:1 basis and the name of the Company was changed to “Pinetree Capital Inc.”. By Articles of Amendment dated July 8, 1996, our outstanding common shares were consolidated on a 3:1 basis and the name of the Company was changed to “Pinetree Capital Corp.”. By Articles of Amendment dated June 2, 2004, our outstanding common shares were consolidated on a 1.75:1 basis and the name of the Company was changed to “Pinetree Capital Ltd.”. By Articles of Amendment dated July 20, 2016, our outstanding common shares were consolidated on a 100:1 basis. By Articles of Amendment dated July 12, 2021, our outstanding common shares were consolidated on a 100:1 basis, and subdivided on a 1:50 basis.

The Company’s registered and head office is located at 49 Leuty Ave., Toronto, ON, M4E 2R2. Telephone: (416) 941-9600. Website: www.pinetreecapital.com.

The Company is a reporting issuer in Alberta, British Columbia, Ontario and Quebec. The Company’s common shares are listed for trading on the Toronto Stock Exchange (the “TSX”) under the symbol “PNP”.

Inter Corporate Relationships

The following is a list of our subsidiaries as at December 31, 2024, all of which are wholly-owned (directly or indirectly) by us:

<u>Name</u>	<u>Jurisdiction of incorporation</u>
Emerald Capital Corp.	Alberta
Pinetree (Barbados) Inc.	Barbados
Pinetree Capital Investment Corp.	Ontario

We also operate through two Ontario law governed partnerships - Pinetree Resource Partnership and Pinetree Income Partnership - all the interests of which are held by certain of our subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History of the Business

Details of the events that have influenced the general development of our business over our last three completed financial years are provided below. Additional information concerning our business is provided in the following section entitled “Description of the Business”.

Management Changes

On August 15, 2023, Shezad Okhai, Chief Investment Officer of the Company, left the Company and accepted a contract position with Bravura Solutions, as Chief Commercial Officer. On October 22, 2024, Pinetree appointed Shezad Okhai as Chief Investment Officer, effective November 1, 2024.

Liquidity and Capital Management

Over the past three years, Pinetree has invested an increasing portion of its cash resources in new investments. As at December 31, 2022, the fair market value of investments was \$31,145 which represented 78% of the Company’s assets at the time. As at December 31, 2024 this has increased to approximately \$73,077 which represents 93% of the Company’s assets.

DESCRIPTION OF THE BUSINESS

General

Pinetree Capital is a value-oriented investment company focused on enterprise software and technology. Our managers are experienced investors who follow value investing principles. We form a long-term view of intrinsic value by assessing quantitative and qualitative characteristics of potential investees through fundamental analysis, review of public filings, interviewing management, employees, competitors, and customers. Investments are then monitored on a continuous basis and may be sold when their prices reach or exceed management’s estimate of intrinsic value. See “— Our Investment Approach” below.

<i>(\$ in thousands except per share amounts)</i>	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Net investment gains	32,892	6,055	1,884
Dividend income	244	173	125
Interest income	167	421	280
Revenue and other income	33,303	6,649	2,289
Net income	32,327	5,753	1,180
Earnings per share - basic and diluted	3.45	0.61	0.13
Total assets	78,270	45,749	40,062
Total liabilities	571	377	443
Book value per share	8.28	4.83	4.22

Portfolio Assets

The following information regarding the portfolio is historical as at the dates indicated and may change due to the ongoing investment activities of the Company, in addition to fluctuations in the fair values of investments. The fair value of investments have been measured in accordance with the Company’s accounting policy and the amounts at which the Company’s investments could be disposed of currently may differ from their carrying values for a variety of reasons discussed in Risk Factors below. Refer to Note 3 of the Notes to the annual financial statements for the year ended December 31, 2024 for additional details about the Company’s investments and accounting policy.

The portfolio consists of investments, cash and cash equivalents. The fair value of individual positions as a percentage of the portfolio is used by management to monitor concentration, exposure, and other factors.

As at December 31, 2024, the portfolio consists of the following:

Portfolio assets by investment type	Number of positions	Cost \$000's	Total fair value \$000's	Percentage of portfolio
Public	10	42,291	72,077	92%
Private	1	1,000	1,000	1%
Legacy positions	7	2,890	-	0%
Equity investments	18	46,181	73,077	93%
Cash and cash equivalents			5,127	7%
Total portfolio			78,204	100%

As at December 31, 2023, the portfolio consisted of the following:

Portfolio assets by investment type	Number of positions	Cost \$000's	Total fair value \$000's	Percentage of portfolio
Public	10	32,947	37,428	82%
Private	1	1,000	1,000	2%
Legacy positions	7	2,890	-	0%
Equity investments	18	36,837	38,428	84%
Debenture	1	2,450	2,570	6%
ETF	1	2,454	2,450	5%
Cash and cash equivalents			2,168	5%

At December 31, 2024, excluding legacy investments, equity investments represented 93% of the portfolio. The Company held 11 equity investments, 10 public and 1 private. This compares to 11 equity investments representing 84% of portfolio assets as of December 31, 2023.

At December 31, 2024, the Company held 7 legacy investments all of which have been evaluated as having a fair value of zero. This compares to 7 legacy investments at December 31, 2023, all of which were evaluated as having a fair value of zero. At December 31, 2023, cash and cash equivalents represented 7% of the portfolio.

Investments by Industry

The following table summarizes the carrying value and cost of Pinetree's equity investments, both public and private, excluding legacy investments, aggregated by industry as at December 31, 2024 and December 31, 2023:

Equity investments by industry (\$000's)	As at December 31, 2024			As at December 31, 2023		
	Cost	Fair value	Difference	Cost	Fair value	Difference
Healthcare Software	12,275	22,233	9,958	3,407	3,377	(29)
Financial Services Software	8,716	18,364	9,648	12,242	11,087	(1,155)
Vertical Market Software	5,165	12,604	7,439	3,664	8,935	5,271
Dealership Software	5,788	7,600	1,812	5,788	4,960	(828)
Finance/Accounting Software	3,073	3,862	789	2,590	2,583	(6)
Enterprise Software	2,902	2,709	(193)	-	-	-
Utilities Software	1,986	2,385	399	-	-	-
Insurance Software	2,386	2,320	(67)	2,365	3,296	931
Education Software	1,000	1,000	-	1,000	1,000	-

Business Process Services	-	-	-	2,239	2,052	(187)
Field Services Software	-	-	-	654	1,138	484
Total equity investments	43,291	73,077	29,786	33,947	38,428	4,480

Equity investments excluding legacy investments are comprised entirely of investments in companies that provide software and technology enabled services to the private and public sectors.

Investments by Geography

The following table summarizes the locations of Pinetree's equity investments, both public and private, according to their headquarters as at December 31, 2024 and December 31, 2023:

Headquarters of investee	As at December 31, 2024		As at December 31, 2023	
	Number of investments	Fair value \$000's	Number of investments	Fair value \$000's
Australia	2	20,749	1	7,046
United States	2	19,884	3	9,388
Canada	3	11,309	3	7,098
Poland	1	6,527	1	5,633
Netherlands	1	6,077	1	3,302
Norway	1	4,669	1	3,377
United Kingdom	1	3,862	1	2,583
Total	11	73,077	11	38,428

At December 31, 2024, 8 of the Company's 11 investees were located outside of Canada. These investments represented 79% of the fair value of the portfolio. This compares to 8 of 11 investees representing 69% of the fair value of the portfolio as at December 31, 2023.

With a significant exposure to investments denominated in currencies other than the Canadian Dollar, the fair market value of Pinetree's portfolio may be subject to fluctuations based on foreign exchange rates. Management does not set restrictions on allocations by geography and does not hedge.

Investments by Size

The following table summarizes the size of Pinetree's equity investments according to their market capitalizations in Canadian Dollars as at December 31, 2024 and December 31, 2023:

Equity investments by issuer size (market cap)	As at December 31, 2024		As at December 31, 2023	
	Number of positions	Fair value \$000's	Number of positions	Fair value \$000's
Under 350 million	3	16,131	6	24,738
350m to 1 billion	4	44,840	-	-
Over 1 billion	3	11,106	5	12,690
Private investments (unallocated)	1	1,000	1	1,000
Total	11	73,077	11	38,428

At December 31, 2024, 3 of the Company's 11 equity investments were in investees with market capitalizations of less than \$350 million. These investments represented 21% of the portfolio. This compares to 6 of 11 investments representing 54% of the portfolio as at December 31, 2023. When considering the size of public issuers in which to invest, management does not set restrictions or target allocations for the portfolio, instead focusing on total potential returns and appropriateness of such investments in the context of Pinetree's overall portfolio. Smaller investees may be subject to significant price fluctuations and positions in smaller issuers may be difficult to build or exit due to lack of liquidity.

Our Investment Approach

Applying value investing principles, we invest primarily in equity, as well as debt and convertible securities.. Securities are evaluated bottom-up by the management team using fundamental analysis, review of public filings, interviewing management, employees, competitors, and customers. Investments are then monitored on a continuous basis and may be sold when their prices reach or exceed management's estimate of intrinsic value.

We believe in sticking to one's circle of competence and thus spend our time and energy looking for opportunities in the technology sector, focusing on providers of mission critical software and services. The weighting of our investments across software verticals, geographies, or investee size changes over time with a view of maximizing the total value of our portfolio and without regard to maintaining particular allocations. Our goal is to grow Pinetree's book value per share over the long-term. With insider ownership of over 45% we are strongly aligned with all shareholders in this endeavour.

We look for businesses that have one or both of the following:

- They are providers of mission-critical software and services, often into niche markets. They have typically spent decades investing in their intellectual property. These businesses provide tools to their customers that are deeply embedded, improving the efficiency and effectiveness of their customers' operations. They have long customer lifetimes and low customer churn.
- Businesses that are run by high-integrity managers with a track-record of success in both operations and capital allocation, governed by a board that is focused on long term shareholder interests.

Not all investments will meet both of these criteria, but those that do are generally wonderful businesses that we would be happy to own forever. Applying value investing principles, we form a long-term view of intrinsic value by assessing quantitative and qualitative characteristics of potential investees through primary due diligence. To us, value is found when a business is trading at a deep discount to our estimate of its intrinsic value; it is not to be confused with being statistically cheap.

We typically hold 8-12 investments, resulting in equity positions between 7% and 12% of assets (though our positions may at times reach or exceed 20%). Pinetree does not have an investment committee, but Board approval is required to initiate positions representing more than 10% of assets

Where warranted, we have taken and will consider a more active role by advising management of the businesses in which we have an ownership stake and/or placing one or more nominees on their boards of directors. In these circumstances, we work with management to help unlock value by providing strategic counsel in areas such as vertical market software operating best practices, capital allocation, capital structure, potential acquisitions and divestitures.

During 2024, our primary focus was to find attractive opportunities for our existing cash balance.

Employees

As at December 31, 2024, we had 3 employees.

Competitive Conditions

We are neither a mutual fund nor an investment fund but we do compete with these investment vehicles (for the purposes of investment opportunities), in addition to hedge funds, other institutional investors and corporate buyers. Many of these competitors have greater financial, technical and other resources than we do. (See "Risk Factors – Available Opportunities and Competition for Investments".) However, we believe that our competitive position vis-à-vis these other players is enhanced by virtue of our investment discipline, our network of business contacts, the collective experience of our management team and our investment focus, all of which contribute to our ability to source, identify and capitalize upon investment opportunities relatively quickly, subject to having sufficient capital to do so.

RISK FACTORS

An investment in our securities is subject to numerous risks, including those set out below, under the heading “Forward-Looking Statements” and elsewhere in this AIF, as well as those included in our most recently filed Management’s Discussion and Analysis available on SEDAR+ at www.sedarplus.ca. These risks should be carefully considered by an investor before making any investment decision. Additional risks not currently known to us, or that we currently believe to be immaterial, may also have a material adverse effect on our business and on the value of our securities.

No Guaranteed Return

There is no guarantee that an investment in our securities will earn any positive return in the short term or long term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. Our past performance provides no assurance of our future success.

Reliance on Management

The Company is dependent upon the efforts, skill and business contacts of key members of management for, among other things, the information and deal flow they generate during the normal course of their activities and their various fields of expertise and knowledge. Accordingly, the continued success of the Company will depend upon the continued service of these individuals, who are not obligated to remain employed with the Company. The loss of the services of any of these individuals could have a material adverse effect on the revenues, net income and cash flows of the Company, and could harm its ability to maintain or grow its existing assets and raise additional funds in the future.

Possible Volatility of Stock Price

The market price of our common shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in our consolidated results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of our common shares. The purchase of our common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Our common shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in our common shares should not constitute a major portion of an investor’s portfolio.

Trading Price of Common Shares Relative to Net Asset Value

We are neither a mutual fund nor an investment fund, and due to the nature of our business and investment strategy and the composition of our investment portfolio, the market price of our common shares, at any time, may vary significantly from our net asset value per share. This risk is separate and distinct from the risk that the market price of our common shares may decrease.

Portfolio Exposure

Given the nature of our activities, our results of operations and financial condition are heavily dependent upon the market value of the securities that comprise our portfolio. Market value can be reflective of the actual or anticipated operating results of our portfolio investments and/or the general market conditions that affect the sectors in which we invest. Our investment activities are currently concentrated primarily in the technology industry, a sector which has been shown to experience significant performance shifts. There are various factors which could have a negative impact on our portfolio investments and thereby have an adverse effect on our business. Additionally, several of our investments may be in small-cap businesses which we generally believe exhibit potential for growth and sustainable cashflows, but which may not ever mature or generate the returns we expect or may require a number of years to do so. Junior technology companies may never achieve commercial success. This may create an irregular pattern in our revenues (if any) and an investment in our securities may only be suitable for investors who are prepared to hold their investment for a long period of time and lose some or all of their initiative/investment. Macro factors such

as fluctuations global political and economic conditions could have an adverse effect on one or more sectors to which we are exposed, thereby negatively impacting one or more of our portfolio investments. Company-specific risks could have an adverse effect on one or more of our portfolio investments at any point in time. Company-specific and industry-specific risks which materially adversely affect our portfolio investments may have a material adverse impact on our operating results.

Private Issuers and Illiquid Securities

Investments in private issuers are subject to numerous re-sale restrictions and there may not be any market for these securities. These limitations may impair our ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments and do not represent a readily available source of capital for us to fund our ongoing operations. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a market will develop for any of our private company investments or that we will otherwise be able to realize a return on such investments.

The value attributed to securities of a private issuer (which is typically initially recorded at the transaction value, being the fair value at the time of acquisition, and is thereafter subject to adjustment in accordance with our accounting policies) may not reflect the amount for which they can be sold. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within a short period of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments.

We also hold illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time we are able to do so, and the value of such securities could materially decline during such period. Illiquid investments are subject to various risks, particularly the risk that we will be unable to realize our investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, we may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

We may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult for us to make trades in these securities without adversely affecting the price of such securities.

Concentration of Investments

Other than as disclosed in this AIF, there are no restrictions on the proportion of our funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. We may hold a limited number of investments and, as a consequence, our financial results may be substantially adversely affected by the unfavourable performance of a single investment, or sector. Completion of one or more investments may result in a highly concentrated investment by us in a particular entity, business, industry or sector.

Control Block

L6 Holdings Inc. ("L6"), a family holding company owned by Mr. Leonard and certain of his siblings, owns 35% of our outstanding common shares which may affect the trading volume and liquidity of our common shares. L6 also has significant voting power and may have a material influence in respect of fundamental changes to the Company.

Access to Capital/Liquidity

We will need to finance our ongoing working capital requirements from portfolio dispositions and external sources of capital which are dependent upon many factors which are outside of our control. There can be no assurance that we will be able to generate sufficient cash to fund our operations and satisfy our commitments, and the failure to do so will have a material adverse effect on our business and operations.

Cash Flow/Revenue

We generate revenue and cash flow primarily from our financing activities and proceeds from the disposition of our investments, in addition to interest and dividend income earned on our investments and fees generated from securities lending and other activities. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of our direct control. Our liquidity and

operating results may be adversely affected if our access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to us, or if the value of our investments decline, resulting in capital losses for us upon disposition.

Available Opportunities and Competition for Investments

The success of our operations depends upon, among other things: (i) the availability of appropriate investment opportunities; (ii) our ability to identify, select, acquire, grow and exit those investments; and (iii) our ability to generate funds for future investments. We can expect to encounter competition from other entities having investment objectives similar to ours, including institutional investors and strategic investors. These groups may compete for the same investments as us, may be better capitalized, have more personnel, have a longer operating history and have different return targets than us. As a result, we may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing which may further limit our ability to generate desired returns. There can be no assurance that there will be a sufficient number of suitable investment opportunities available to us to invest in or that such investments can be made within a reasonable period of time. There can be no assurance that we will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that we are unable to find and make a sufficient number of investments.

Share Prices of Investments

Our investments in securities of public entities are subject to volatility in the share prices of such entities. There can be no assurance that an active trading market for any of the subject securities is sustainable. The trading prices of the subject securities could be subject to wide fluctuations in response to various factors beyond our control, including, quarterly variations in the subject entities' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions. In recent years, equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific entities. Such market fluctuations could adversely affect the market price of our investments.

Additional Financing Requirements

We anticipate ongoing requirements for funds to continue to carry on business and may seek to obtain additional funds for these purposes through public or private equity or debt financing. There are no assurances that additional funding will be available to us, on acceptable terms or at an acceptable level. Any additional equity financing may cause shareholders to experience dilution and, due to our current financial position, our ability to incur debt at reasonable rates may be limited. Any limitations on our ability to access the capital markets for additional funds could have a material adverse effect on our ability to carry on business.

Strategic and Operational Objectives

Our ability to operate in the ordinary course of business and pursue attractive investment opportunities may be restricted by certain of our capital obligations from time to time. Furthermore, our portfolio has been and may continue to be subject to significant dispositions, to the extent possible, in order to fund our obligations, including at times when market prices are not optimal. These risks could have a material adverse effect on our business and results of operation.

Business and Operational Uncertainty

There is uncertainty regarding the state of our business, operations and financial condition. We may not have sufficient working capital or access to external sources of capital to continue to operate our business and our common shares may not have any value.

Due Diligence

The due diligence process that we undertake in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, we 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 and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigations that we will carry 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 ultimately being successful for the Company.

Exchange Rate Fluctuations

A portion of our portfolio is invested in U.S. dollar denominated investments and investments denominated in other foreign currencies. Changes in the value of the foreign currencies in which our investments are denominated could have a negative impact on the ultimate return on our investments and our overall financial performance.

Non-Controlling Interests

Our investments include debt instruments and equity securities of entities that we do not control. These instruments and securities may be acquired by us in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the entity in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the values of our investments could decrease and our financial condition, results of operations and cash flow could materially suffer as a result.

Tax Matters

The Company has accrued capital and non-capital losses that may be carried forward to reduce income taxes in future years. The availability of these income tax loss carry forwards as deductions against taxable income of the Company is dependent upon a number of factors including, but not limited to, Canadian federal income tax rules and regulations governing the application of income tax losses and the availability of the income tax loss carry forwards at the time such taxable income arises. There can be no assurance that Canadian federal income tax laws regarding the treatment of income tax loss carry forwards, or the administrative and/or assessment practices of the Canada Revenue Agency in respect thereof, will not be changed in a manner that has a material adverse effect on the Company's shareholders.

DIVIDENDS

We have not declared any cash dividends on our common shares in our last three financial years and we do not expect to pay any cash dividends on our common shares within the foreseeable future. Any future payments of dividends or distributions will depend upon our financial condition, capital requirements and earnings, as well as other factors that our board of directors may consider relevant.

Other than the restrictions on the payment of dividends contained in the *Business Corporations Act* (Ontario) to which all corporations governed by the statute are subject, there are no restrictions which could prevent us from paying dividends or distributions on our common shares.

Pinetree Capital Investment Corp., one of our subsidiaries, declared aggregate cash dividends of \$0.80 per share annually on its Class C preferred shares in each of 2022, 2023 and 2024. The dividends were accrued in 2023 and 2024 and cash dividends of \$32,480 were paid in 2022.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

Our authorized capital consists of an unlimited number of common shares, of which 9,387,000 common shares were issued and outstanding as at the close of business on February 25, 2025.

The holders of our common shares are entitled to one vote per share at all meetings of our shareholders. Holders of our common shares are entitled to receive dividends as and when declared by the directors and to receive a *pro rata* share of our assets available for distribution to the holders of the common shares in the event of liquidation, dissolution or winding-up of the Company.

MARKET FOR SECURITIES

Trading Price and Volume

Our common shares are listed for trading on the Toronto Stock Exchange (the “TSX”) under the trading symbol “PNP”. The following table sets out the monthly market price range and trading volume of our common shares on the TSX during our financial year ended December 31, 2024, as reported by the TSX.

Common Shares:

2024	High (\$)	Low (\$)	Volume (# of shares)
January	4.20	3.46	69,231
February	5.25	3.95	96,077
March	5.80	4.76	178,652
April	5.90	5.50	102,451
May	5.99	5.50	245,756
June	6.58	5.60	493,015
July	7.10	6.05	120,875
August	7.10	6.13	102,633
September	7.49	6.90	63,872
October	9.46	7.06	103,458
November	12.53	8.71	194,297
December	15.43	9.93	381,498

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth the name, province and country of residence of each of our directors and executive officers, and their respective positions or offices held with us and principal occupation during the last five years. The table reflects our directors and executive officers as at the date of this AIF.

Name, Province and Country of Residence	Positions with Company	Principal Occupation ⁽¹⁾	Director Since ⁽²⁾
Damien Leonard ⁽¹⁾ Ontario, Canada	Chairman and President	President, Pinetree	2017
Peter Tolnai ⁽³⁾⁽⁶⁾ Australia	Director	Corporate Director	2016
Craig Miller ⁽⁴⁾⁽⁶⁾⁽⁷⁾ Ontario, Canada	Director	President of Ithaka Partners Ltd., a company providing advisory and management services to companies in the food and hospitality sectors	2016
Howard Riback ⁽⁵⁾⁽⁷⁾ British Columbia, Canada	Director	Director of Private Equity, Sectoral Asset Management Inc.	2016
Shezad Okhai ⁽¹⁾ Ontario, Canada	Chief Investment Officer	Chief Investment Officer, Pinetree	N/A
John Bouffard ⁽¹⁾ Ontario, Canada	Chief Financial Officer	Chief Financial Officer, Pinetree	N/A

- (1) Mr. Leonard has served as managing director of L6 Holdings Inc. since 2011, a director of Quorum Information Technologies since 2023 and a director of Bravura Solutions since 2023. Mr. Okhai was Vice President, M&A, at Volaris Group from 2010-2021 and Chief Commercial Officer at Bravura Solutions from 2023-2024.
- (2) Directors are elected to serve until the next annual meeting of shareholders or until their successors are elected or appointed, unless their office is earlier vacated
- (3) Chair of the Corporate Governance, Nominating and Compensation Committee
- (4) Lead Independent Director
- (5) Chair of the Audit Committee
- (6) Member of the Audit Committee
- (7) Member of the Corporate Governance, Nominating and Compensation Committee

As at February 25, 2025, our directors and executive officers, as a group, beneficially owned, or controlled or directed, directly or indirectly, 4,504,608 common shares of Pinetree, representing approximately 48% of our outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is as at the date of this AIF, or was within the 10 years prior to the date of this AIF, a director, chief executive officer or chief financial officer of any company that

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days (any of such orders, an "Order"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

No director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

No director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of our knowledge, other than as described in this AIF, there are no known existing or potential conflicts of interest between Pinetree (or a subsidiary of Pinetree) and any of its directors or officers, except that, from time to time, directors and officers serve as directors, officers, and members of management of other public companies, including companies in which we have investments, and may also be shareholders of such companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, or member of management of such

other companies, or their interests as a shareholder of such other companies, and as a director or officer of Pinetree (or its subsidiaries).

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunities and requiring disclosures by directors and officers of conflicts of interest, and in the case of directors, requiring them to abstain from voting on matters in respect of which they have a conflict of interest. We rely upon each director and officer to comply with such laws in respect of conflicts of interest and fiduciary duties.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) requires us to disclose annually in our annual information form certain information concerning the constitution of our audit committee and its relationship with our independent auditor, as set forth below.

Audit Committee Charter

The text of our Audit Committee’s charter is attached as Schedule “A” to this AIF.

Composition of the Audit Committee

The Audit Committee is comprised of three board members – Howard Riback, Craig Miller and Peter Tolnai. Howard Riback is the Chair. The Company has determined that each of the committee members is independent and financially literate for the purposes of NI 52-110. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. The relevant education and experience of each member of the Audit Committee is as follows:

- Howard Riback is a retired Chartered Professional Accountant with over 35 years’ of accounting and financial experience. He was the CFO of Ventures West Capital Ltd. From 1991 to 2013. As CFO, Howard Riback was responsible for the financial and legal due diligence of all of Ventures West Capital Ltd.’s investments and for the financial reporting of its managed investment funds.

- Craig Miller holds an M.B.A. from Harvard Business School. He has extensive experience in financial analysis and review of financial statements as a consultant at McKinsey & Company and during his role as Vice President of Corporate Development at Pineridge Group, which involved the frequent review and analysis of financial statements.

- Peter Tolnai holds an M.B.A. from Harvard Business School. He has 40 years of experience in financial analysis and review of financial statements as an investor in public and private equities, with a focus on management controls.

Pre-Approval Policies and Procedures

In the event that the Company wishes to retain the services of our external auditors for tax compliance, tax advice or tax planning, our Chief Financial Officer must consult with the Chair of the Audit Committee, who has the authority to approve or disapprove on behalf of the Audit Committee, such non-audit services. All other non-audit services must be approved or disapproved by the Audit Committee as a whole.

Our external auditors are prohibited from performing for the Company non-audit services of the following nature: (a) bookkeeping or other services related to the Company’s accounting records or financial statements; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports; (d) actuarial services; (e) internal audit outsourcing services; (f) management functions; (g) human resources; (h) broker or dealer, investment adviser or investment banking services; (i) legal services; (j) expert services unrelated to the audit; and (k) any other service that the Canadian Public Accountability Board determines is impermissible.

Audit Fees

The following chart summarizes the aggregate fees billed by our external auditors for professional services rendered to us during the fiscal years ended December 31, 2024 and 2023 for audit and non-audit related services:

Type of Work	2024 (\$)	2023 (\$)
Audit fees ⁽¹⁾	82,500	78,000
All other fees	-	--
Total	82,500	78,000

⁽¹⁾ Aggregate fees billed for audit of annual financial statements.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings to which we are or were a party or which any of our property is or was the subject of, during our most recently completed financial year, and we are not aware of any such proceedings that are contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To our knowledge, no (i) director or executive officer of the Company, (ii) person or company who beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of outstanding voting securities of the Company; or (iii) associate or affiliate of any of the persons or companies referred to in (i) or (ii), has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company, other than L6 Holdings Inc.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for our common shares is TSX Trust Company at its principal offices at 200 University Avenue, Suite 300, Toronto, Ontario, Canada, M5H 4H1.

INTERESTS OF EXPERTS

Our auditor is MNP LLP. MNP LLP is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accounts of Ontario.

FORWARD-LOOKING STATEMENTS

Certain statements in this AIF may constitute forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or courses of action, or the Company’s future performance. Often, but not always, forward-looking statements can be identified by the use of words such as “anticipate”, “plan”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “intend”, “could”, “might”, “should”, “believe” and other similar terminology (including negative variations) suggesting future outcomes or statements regarding an outlook.

By their nature, forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The assumptions that were made in support of the forward-looking statements in this AIF, while considered reasonable by management at the time, are inherently subject to uncertainties and no assurance can be given that these

assumptions will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements contained in this AIF.

Some of the risks, uncertainties and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in this AIF include, but are not limited to: the nature of the Company's investments; the concentration of its investments in certain industries and sectors; the Company's dependence on its management team; risks affecting the Company's investments; Global, political and economic conditions; investments by the Company in private issuers which have illiquid securities; issuer-specific events that affect a company's market value; and other risks and factors discussed in this AIF under "Risk Factors". These are unpredictable and outside the Company's control, and may affect the future value of the Company's investment portfolio as well as the prices at which investments may be disposed of. Adverse changes in these conditions would negatively impact the Company's ability to remain in compliance with its contractual obligations and generate working capital to fund its ongoing requirements. Readers are cautioned that the foregoing list of risks and factors is not exhaustive and other risks are discussed elsewhere in this AIF under the heading "Risk Factors".

The forward-looking statements contained in this AIF are made as at the date hereof and, except as may be required by law, the Company assumes no obligation to update or revise them to reflect new events or circumstances. All the forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans will be contained in our management information circular in connection with our annual meeting of shareholders to be held later this year. Furthermore, additional financial information is provided in our financial statements and management's discussion and analysis for our most recently completed fiscal year.

SCHEDULE “A”
PINETREE CAPITAL LTD.
Charter of the Audit Committee of the Board of Directors

I PURPOSE

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Pinetree Capital Ltd. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. The Committee’s primary duties and responsibilities are to:

1. conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
2. assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
3. ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
4. review the quarterly and annual financial statements and management’s discussion and analysis of the Company’s financial position and operating results and report thereon to the Board for approval of same;
5. select and monitor the independence and performance of the Company’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration;
6. reviews and approves all non-audit related engagements of the Company’s auditors; and
7. provide oversight to related party transactions entered into by the Company.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

II AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

1. Engage independent counsel and other advisors as it determines necessary to carry out its duties;
2. Set and pay the compensation for advisors employed by the Committee; and;
3. Communicate directly with the internal and external auditors;

III COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission (“**OSC**”), the Toronto Stock Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. Every member of the Committee shall be “independent” and shall be “financially literate” (as each such term is defined in Multilateral Instrument 52-110).
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
6. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours’ notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
7. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
8. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
9. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
10. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

IV RESPONSIBILITIES

A Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles (“**GAAP**”) and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements.

2. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors and have meetings with the Company's auditors without management present, as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
3. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
5. The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws, before the Company publicly discloses this information.
6. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
7. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
8. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
9. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
10. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
11. The Committee shall provide oversight to related party transactions entered into by the Company.

B Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.

4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
8. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

C Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

PINETREE CAPITAL LTD.
Procedures for Receipt of Complaints and Submissions
Relating to Accounting Matters

1. The Company shall inform employees via e-mail that is disseminated to all employees at least annually, of the officer (the “**Complaints Officer**”) designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters. The Complaints Officer shall be a member of the Audit Committee to be designated by the members of the Committee, generally the Lead Independent Director.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Company.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

PINETREE CAPITAL LTD.
Procedures for Approval of Non-Audit Services

1. The Company's external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Company's accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.