

Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

RiseTech Capital Corp. (“**RiseTech**” or the “**Company**”)
2900 - 550 Burrard Street
Vancouver, BC
V6C 0A3

Item 2. Date of Material Change

November 19, 2020

Item 3. News Release

The news release was issued on November 19, 2020 (the “**News Release**”) and was disseminated via Newsfile Corp. and subsequently filed on SEDAR. The statements in the News Release under the heading “Notice on Forward-Looking Information” are incorporated into this report.

Item 4. Summary of Material Change

On November 19, 2020, the Company announced that, further to its previously announced proposed transaction by way of press release on September 9, 2020, it has entered into a definitive arrangement agreement (the “**Arrangement Agreement**”) with each of Tantalus Systems Holding Inc. (“**Tantalus**”) and Tantalus Systems Shareholders Inc. (“**TSS**”) pursuant to which, among other things, RiseTech will acquire all of the issued and outstanding securities of Tantalus, the whole in accordance with the Arrangement Agreement and plan of arrangement (the “**Plan of Arrangement**”) included therein.

In connection with the Transaction, RiseTech also announced that Tantalus has completed a private placement offering of 3,917,407 subscription receipts (the “**Subscription Receipts**”) at an issue price of \$2.25 per Subscription Receipt for aggregate gross proceeds of \$8,814,166.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that further to its previously announced proposed transaction by way of press release on September 9, 2020, it has entered into an Arrangement Agreement with each of Tantalus and TSS pursuant to which, among other things, RiseTech will acquire all of the issued and outstanding securities of Tantalus, the whole in accordance with the Arrangement Agreement and Plan of Arrangement included therein (the “**Transaction**”).

RiseTech is a “capital pool company” as defined under TSX Venture Exchange (the “**Exchange**”) Policy 2.4 – *Capital Pool Companies* (“**Policy 2.4**”) and the Transaction is intended to constitute RiseTech’s “Qualifying Transaction” as defined under Policy 2.4. It is expected that RiseTech, following closing of the Transaction (referred to as the “**Resulting Issuer**”) will be listed on the Exchange as a Tier 1 Technology issuer, and that the business of the Resulting Issuer will be the business of Tantalus, the whole as further described below. The Resulting Issuer also intends to change its name to “Tantalus Systems Holding Inc.”, or such other name as may be approved by

the board of directors of RiseTech and/or the Resulting Issuer, and subject to applicable regulatory and Exchange approvals.

The Transaction is an “Arm’s Length Transaction” and therefore will not require approval by the shareholders of RiseTech under Policy 2.4. The Transaction is further subject to, among other things, the approval by the shareholders of Tantalus and TSS, the interim and final orders of the Supreme Court of British Columbia approving the Plan of Arrangement, and the approval of the Exchange.

There is no finder’s fee payable in connection with the Transaction and no deposits or advances have or will be made to Tantalus with respect to the Transaction.

Trading in the common shares of RiseTech (the “**RiseTech Shares**”) has been halted since the initial announcement of the proposed Transaction, and the halt is expected to remain in place until the Transaction is completed.

Upon completion of the Transaction, the number of post-consolidation RiseTech Shares that are expected to be issued to securityholders of Tantalus will be approximately 33,676,634. In addition, it is anticipated that there will be also be 4,841,884 options exercisable for post-consolidation RiseTech Shares issued to former optionholders of Tantalus in exchange for such options of Tantalus held immediately prior to the closing of the Transaction. Additional post-consolidation RiseTech Shares will also be issued in exchange for Subscription Receipts (as defined below) on a one for one basis, the whole as further detailed herein.

The Arrangement Agreement

Under the terms of the Arrangement Agreement, the Transaction is expected to be completed by way of the Plan of Arrangement pursuant to Section 192 of the Canada Business Corporations Act. Pursuant to the terms of the Plan of Arrangement, it is expected that, among other things, TSS and Tantalus will amalgamate (the “**Amalgamation**”) and all issued and outstanding securities of Tantalus, immediately following completion of the Amalgamation, will be exchanged for equivalent securities of RiseTech on a one-for-one basis, subject to the applicable consolidation and exchange ratios as set forth in the Plan of Arrangement.

The Arrangement Agreement includes a number of conditions precedent to the closing of the Transaction, including, but not limited to, receipt of the requisite shareholder approvals, court approval, approvals of all regulatory bodies having jurisdiction in connection with the Transaction, approval of the Exchange, including the satisfaction of its listing requirements, and the satisfaction of other closing conditions customary to transactions of this nature. There can be no assurance that the Transaction will be completed as proposed or at all. Following completion of the Transaction, and the steps included in the Plan of Arrangement, Tantalus will become a wholly-owned subsidiary of RiseTech which, together, along with the other subsidiaries, will form the Resulting Issuer.

The foregoing is a summary of the Arrangement Agreement and the Plan of Arrangement and is qualified in its entirety by the Arrangement Agreement and Plan of Arrangement, a copy of which will be available under RiseTech’s profile on SEDAR at www.sedar.com.

Board of Directors of the Resulting Issuer

Following completion of the Transaction, it is expected that the board of directors and management of the Resulting Issuer will be the board of directors and management of Tantalus. The board of directors of Tantalus is currently comprised of Laura Formusa, Francis Harvey, John McEwen and Peter Londa. In addition, Tom Liston, a member of the board of directors of RiseTech, will remain a director of the Resulting Issuer.

The proposed officers and management of the Resulting Issuer are expected to be:

<u>Name</u>	<u>Office</u>
Peter Londa	President and Chief Executive Officer
George Reznik	Chief Financial Officer
Dermot O’Leary	Chief Operating Officer
Michael Grandis	General Counsel and Corporate Secretary
Michael Julian	Executive Vice President, Sales and Marketing
Hugo Hodge	Executive Vice President & General Manager, Caribbean Basin

Shareholder Meetings

In connection with the Transaction, RiseTech will seek shareholder approval at a meeting scheduled to take place on or about December 18, 2020, to, among other things, (a) change its name to “Tantalus Systems Holding Inc.”, or such other name as may receive approval by the board of directors of RiseTech and/or the Resulting Issuer, subject to applicable regulatory and Exchange approvals, (b) consolidate its issued and outstanding shares on the basis of 0.06094549 post-consolidation RiseTech Share for one (1) pre-consolidation RiseTech Shares (the “**Consolidation**”), (c) adopt a new long-term omnibus equity incentive plan of the Resulting Issuer, and (d) amend its Notice of Articles and amend and restate its Articles. The foregoing approvals will remain subject to the completion of the Transaction.

Special meetings of the shareholders of each of TSS and Tantalus will be held to, among other things: (a) approve the Transaction, (b) approve the Arrangement Agreement and the Plan of Arrangement, (c) approve a consolidation of the common shares of Tantalus (each, a “**Tantalus Share**”), and (d) approve such other matters that may be required to be approved in order to give effect to the arrangement steps set forth in the Plan of Arrangement and the implementation of the Transaction. Dates for the special meetings of the shareholders of TSS and Tantalus have not yet been set, but are expected to be called shortly and, in any event, will be held following the receipt of interim court approval and prior to obtaining final court approval in respect of the Plan of Arrangement.

Closing of Tantalus’ Private Placement

In connection with the Transaction, RiseTech is also pleased to announce that Tantalus has completed a private placement offering (the “**Offering**”) of 3,917,407 Subscription Receipts at an issue price of \$2.25 per Subscription Receipt for aggregate gross proceeds of \$8,814,166. The Offering was conducted on a “commercially reasonable efforts basis” pursuant to an agency agreement (the “**Agency Agreement**”) entered into on November 19, 2020 among Tantalus, Canaccord Genuity Corp. (“**Canaccord**”) and Cormark Securities Inc. (together with Canaccord, the “**Lead Agents**”), as co-lead agents and joint bookrunners, and PI Financial Corp. (together with the Lead Agents, the “**Agents**”).

Each Subscription Receipt will ultimately entitle the holder thereof to receive, without any further action on the part of the holder or payment of any additional consideration, one post-Consolidation common share of the Resulting Issuer (each, a “**Resulting Issuer Share**”), upon the conversion of the Subscription Receipts into Tantalus Shares and the subsequent conversion of such Tantalus Shares into Resulting Issuer Shares upon the completion of the Transaction. The conversion of the Subscription Receipts will be subject to the satisfaction or waiver of certain escrow release conditions (the “**Escrow Release Conditions**”) prior to January 31, 2021, the whole in accordance with a subscription receipt agreement entered into with TMX Trust Company (the “Escrow Agent”). The proceeds of the Offering will be held in escrow by the Escrow Agent pending the satisfaction of the Escrow Release Conditions, the primary condition being the receipt of all approvals necessary for the completion of the Transaction.

In accordance with the Agency Agreement, the Agents will receive a cash commission of 6.0% of the gross proceeds from the Offering (including all proceeds from subscribers under a president’s list agreed to between Tantalus and the Canaccord (the “**President’s List Subscribers**”), as well as such number of compensation warrants equal to 6.0% of the number of Subscription Receipts issued in the Offering (excluding all Subscription Receipts sold to the President’s List Subscribers). Each such compensation warrant will entitle the holder thereof to acquire one Tantalus Share (and, following completion of the Transaction, one Resulting Issuer Share) at a price of \$2.25 per share for a period of 24 months following the closing of the Transaction. In accordance with the Agency Agreement, 50% of the cash commission has been paid on closing of the Offering, with the remaining 50% expected to be paid upon closing of the Transaction and satisfaction of the Escrow Release Conditions.

The Subscription Receipts will be subject to an indefinite hold period as set out in National Instrument 45-102 - *Resale of Securities*, but the common shares of the Resulting Issuer issuable pursuant to the Plan of Arrangement to the holders of common shares of Tantalus received upon the conversion of the Subscription Receipts are expected to be freely tradable (other than any applicable escrow requirements or seed share resale restrictions pursuant to the Exchange Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions*). Following the closing of the Transaction, it is anticipated that certain Resulting Issuer Shares will be subject to Tier 1 Value Security Escrow and seed share resale matrix restrictions. Full details of such conditions will be set forth in a filing statement that is expected to be filed shortly by Tantalus.

The Resulting Issuer intends to use the net proceeds of the Offering to, among other things, accelerate several strategic growth initiatives aimed at expanding its product portfolio through research and development, strategic partnerships and targeted acquisitions to provide additional software applications, services and support to its growing user community of utilities and for general working capital purposes.

Additional Information

Further press releases with additional particulars relating to the Transaction and the Resulting Issuer will follow in due course. All information contained in the News Release with respect to RiseTech and Tantalus was supplied, for inclusion herein, by the respective parties and each party and its directors and officers have relied on the other party for any information concerning the other party.

Completion of the Transaction is subject to a number of conditions, including but not limited to, the approval of the Exchange, requisite shareholder approval and disinterested shareholder approvals, requisite court approval, regulatory and third party approvals and the satisfaction of

other closing conditions. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No significant facts remain confidential and no information has been omitted in this report.

Item 8. Executive Officer

Name of Executive Officer: Manny Padda, Chief Executive Officer

Telephone Number: 778-381-6322
info@risetechcapital.com

Item 9. Date of Report

November 26, 2020