

RISETECH CAPITAL CORP.
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

Background and Corporate Update

This Management Discussion and Analysis (“MD&A”) – Quarterly Highlights (“Quarterly Highlights”) for RiseTech Capital Corp. (the “Company” or “RiseTech”) is prepared as at November 30, 2020 and should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2019, and the unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2020.

The unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2020, have been prepared in accordance with International Financial Reporting Standard (“IFRS”) and with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”).

All dollar figures included therein and in the following Quarterly Highlights are expressed in Canadian dollars.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on February 26, 2018 and is a Capital Pool Corporation (a “CPC”), defined by Policy 2.4 of the TSX-Venture Exchange (“TSX-V” or the “Exchange”). The common shares of the Company were listed for trading on the TSX-V under the symbol “RTCC.P” on November 21, 2018. The registered and records office of the Company is located at Suite 2900, 550 Burrard Street, Vancouver, British Columbia V6C 0A3. Additional information relevant to the Company and its regulatory filings can be found on SEDAR at www.sedar.com.

As a CPC, the Company’s business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a qualifying transaction (“Qualifying Transaction”), as defined in TSX-V Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the TSX-V. As at September 30, 2020, the Company has an accumulated deficit of \$342,695.

Announcement of Qualifying Transaction

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 (the “Transaction”).

The Transaction is intended to constitute RiseTech’s “Qualifying Transaction” as defined under Policy 2.4 of the Exchange. 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, 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 of the Exchange. 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 on a one for one basis, the whole as further detailed herein.

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.

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. 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 will be held following the receipt of interim court approval and prior to obtaining final court approval in respect of the Plan of Arrangement.

In connection with the Transaction, RiseTech also announced that Tantalus has completed a private placement offering (the "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. 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 shares of Tantalus and the subsequent conversion of such 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.

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.

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.

Business Environment and COVID-19

The Company's continued operations are dependent upon its ability to identify, evaluate and successfully negotiate an agreement to acquire an interest in a sustainable/viable business operation within 24 months of listing on the TSX-V. Despite the announcement of a potential Qualifying Transaction within the mandated twenty-four months from the date the Company's shares were listed on the TSX-V, there is no assurance that the Company will complete the Qualifying Transaction, and as such the TSX-V may suspend or de-list the Company's shares from trading if the Qualifying Transaction is not completed.

During the nine months ended September 30, 2020 and subsequent to period end, the novel coronavirus (“COVID-19”) pandemic has created uncertainty and volatility in the global financial markets as a result of the worldwide implementation of measures designed to contain COVID-19, including extended quarantines and work and travel restrictions. While some of these measures have been relaxed and financial markets have improved to some degree, the Company expects the economic disruptions and volatile market conditions to continue into 2021. The impact of the COVID-19 pandemic on the business of the Company is uncertain. The balance of these effects will likely be driven by how long the economic disruptions and market conditions last once the pandemic is contained, the timing of which is not yet determinable.

While this situation is constantly evolving, the Company has seen a slowdown of the Canadian merger and acquisition market so far in 2020. Processes continue forward on both the buy side and the sell side, however in certain jurisdictions and in industries particularly affected by the COVID-19 pandemic, some deals are on pause as the parties evaluate the effects of the pandemic. This may result in price renegotiations and, in some cases, termination of negotiations if buyers are unsure whether they are overpaying for an asset under current circumstances. Buyers and sellers can expect last-minute halts where parties re-evaluate and potentially renegotiate material terms (including prices and valuations) as they await some stabilization, if not recovery in the market. If the related market volatility persists, the Company expects parties to reconsider if and when to launch new processes.

The Company cannot yet determine the impact of the COVID-19 pandemic on its financial position or cash flows for the year ending December 31, 2020 and beyond.

Analysis of the Company’s Financial Performance and Condition

For the nine months ended September 30, 2020, the Company reported a loss of \$130,831 (2019 – \$84,512) which equates to a loss per share of \$0.05 (2019 – \$0.03). During the period, the Company incurred audit and accounting fees of \$1,168 (2019 – \$3,592), general and administrative expenses of \$2,513 (2019 – \$13,486), listing and filing fees of \$12,864 (2019 – \$20,272), professional fees of \$91,697 (2019 – \$52,869) and share-based compensation expense of \$29,465 (2019 – \$nil). Excluding professional fees and share-based compensation, expenses generally decreased as the Company is now into its third calendar year of operations and efficiencies have been realized for routine and ongoing corporate costs. Professional fees increased as the Company worked towards closing a Qualifying Transaction, and share-based compensation expense resulted from the grant of stock options to directors.

For the nine months ended September 30, 2020, the Company’s expenses were offset in part by interest income of \$6,876 (2019 – \$5,707). The increase in interest income reflects a higher balance being held by the Company in its cash equivalents account as compared to the prior period.

Liquidity and Changes to Expense Structure

As a CPC, the Company’s routine expenses are generally expected to consist of general administrative expenses, TSX-V listing and filing fees, audit and accounting fees, professional fees and transfer agent, listing and filing fees. When the Company has identified a potential Qualifying Transaction, additional legal or other transaction-related costs may be incurred, regardless of whether or not the transaction is ultimately completed. Management believes that the Company’s current cash and cash equivalents balance of \$484,093 will be sufficient to fund corporate overhead costs. The Company’s exposure to liquidity risk is currently negligible.

During the nine months ended September 30, 2020, the Company used \$32,041 in operating activities (2019 – \$119,341). During the same periods, the Company incurred no cash flows related to investing or financing activities.

Related Party Transactions

As at September 30, 2020, one of the Company's Directors had advanced \$475 to the Company for payment of an operating expenditure. The amount was reimbursed subsequent to September 30, 2020.

Forward-Looking Statements

Certain statements contained in these Quarterly Highlights may constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements, which are current as of the date of these Quarterly Highlights. These risks include, but are not limited to, the completion of the Transaction and transactions related thereto, the full completion of the Offering, the satisfaction of the Escrow Release Conditions, the use of the net proceeds from the Offering, the various conditions to be satisfied for the completion of the Transaction, including the approval of the Exchange the granting of the final order of the Supreme Court of British Columbia approving the Plan of Arrangement,, the parties' ability to obtain requisite shareholder and regulatory approvals, as applicable. Such statements are not guarantees of future performance, and closing of the Transaction. They are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including risks related to factors beyond the control of RiseTech. Such factors include, among other things: the requisite corporate approvals of the directors and shareholders of the parties may not be obtained; the Exchange may not approve the Transaction; and other risks that are customary to transactions of this nature. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits RiseTech will obtain from them. More information on the risks and uncertainties associated with investing in the securities of the Company, are discussed in the Company's 2019 annual MD&A dated March 30, 2020, available on SEDAR. Readers are cautioned not to place undue reliance on these forward-looking statements.