CUP CAPITAL CORP.
(A CAPITAL POOL COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ending June 30, 2017 and 2016

(EXPRESSED IN CANADIAN DOLLARS)

Introduction

This Management's Discussion and Analysis ("MD&A") is dated October 27, 2017 unless otherwise indicated and should be read in conjunction with the audited financial statements of CUP Capital Corp. ("CUP" or "the Corporation") for the year ended June 30, 2017, and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the year ended June 30, 2017, are not necessarily indicative of the results that may be expected for any future period.

The audited annual financial statements for the year ended June 30, 2017, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Further information about the Corporation and its operations can be obtained from the offices of the Corporation or from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve 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 forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Description of the Business

The Corporation was incorporated under the Business Corporations Act (Ontario) on December 19, 2014 and was created as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV"). The Corporation has no assets other than cash. The Corporation proposes to identify and evaluate potential acquisitions of businesses (for a "Qualifying Transaction"), and once identified and evaluated, to negotiate an acquisition or participation.

The Corporation's continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the Exchange. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. There is no assurance that the Corporation will be able to complete a Qualifying Transaction within twenty-four months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Corporation's common shares from trading should it not meet these requirements.

The address of the registered office, as of the period end date, was Suite 3000, 77 King Street West, Toronto, Ontario.

As a Capital Pool Company, the proceeds raised from the issuance of capital stock may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenditures of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

Initial Public Offering

On March 30, 2016, the Corporation completed its initial public offering through its agent, Mackie Research Capital Corporation (“Mackie”), of 1,059,650 common shares of the Corporation at a price of $0.40 per common share for total gross proceeds of $423,860.

As consideration for its role as agent, the Corporation granted to Mackie a non-transferable option (the “Agent’s Option”) to purchase up to 105,965 common shares of the Corporation at a price of $0.40 per common share for a period of 24 months until March 30, 2018. In addition, Mackie received a cash commission in an amount equal to 10% of the gross proceeds of the initial public offering.

Escrow shares

All common shares issued prior to the offering and all common shares that may be acquired from treasury of the Corporation by non-arm's length parties, as defined in the policies of the Exchange, of the Corporation prior to the completion of the Qualifying Transaction will be deposited with the trustee under the escrow agreement. Under the Discount Seed Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange

Bulletin (the "Initial Release") and an additional 15% will be released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. This release schedule may be accelerated if the Corporation is listed as a Tier 1 Issuer.

All common shares acquired upon exercise of stock options prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final exchange bulletin is issued, following which the common shares will be released from escrow in accordance with the terms of the escrow agreement.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a control person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer following the Qualifying Transaction will also be escrowed. As at June 30, 2017, 675,000 common shares were in escrow.

Operations Highlights

The Corporation's net loss totaled $157,060 for the year ended June 30, 2017 (2016-$119,693), with basic and diluted loss per share of $0.09 (2016- $0.12). Activities for the year ended June 30, 2017, principally involved professional fees and TSXV fees and others.

Financial Highlights

Financial Performance

The Corporation's total assets at June 30, 2017 were $252,011 (June 30, 2016 - $389,486) against total liabilities of $23,638 (June 30, 2016 - $4,053).

Cash Flow

At June 30, 2017, the Corporation had working capital of $228,373, compared to working capital of $385,433 at June 30, 2016. The Corporation had cash of $252,011 at June 30, 2017, compared to $389,486 at June 30, 2016.

Liquidity and Financial Position

At June 30, 2017, the Corporation had working capital of $228,373. The Corporation manages its capital structure and makes adjustments to it, based on available funds to the Corporation. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the TSX-V. These guidelines state that until Completion of the Qualifying Transaction, and except as otherwise provided in the Policy 2.4, a maximum of the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation and $210,000 may be used for purposes other than evaluating businesses or assets, subject to the obtaining of a waiver of the TSX-V. These restrictions apply until Completion of the Qualifying Transaction by the Corporation. Management believes the Corporation's working capital is sufficient for the Corporation to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction. As of June 30, 2017, the Corporation was in compliance with these restrictions.

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Contractual Obligations

There are no significant contractual obligations.

Related Party Transactions

The following transactions with individuals related to the Corporation arose in the normal course of business and have been accounted for at the exchange amount, being the amount agreed to by the related parties, which approximates the arm's length equivalent value:

During the year ended June 30, 2017, the Corporation incurred legal fees of $120,892 (2016 - $32,954) provided by a law firm whose partner is a director of the Corporation.

Proposed Qualifying Transaction and Offering

The Corporation filed a preliminary prospectus dated March 14, 2017 with the securities regulatory authorities in the provinces of Ontario, British Columbia, Alberta and Saskatchewan for the public offering of a minimum of 4,687,500 units (the "Units") for total gross proceeds of $3.0 million and a maximum of 15,625,000 Units for gross proceeds of $10.0 million (the "Offering"). The Units are being offered on a best-efforts basis by Mackie Research Capital Corporation (the "Agent") at a price of $0.64 per Unit (the “Offering Price”). Each Unit will be comprised of one common share and one-half of one warrant, with each whole warrant being exercisable into one common share at an exercise price of $1.00 for a period of 24 months from the date of issuance. The Corporation has granted to the Agent an over-Allotment option, exercisable at any time up to 48 hours prior to the closing, to offer for sale up to an additional 2,343,750 Units at the Offering Price. In consideration for the services performed by the Agent in connection with the Offering, at closing, the Corporation will pay the Agent a commission equal to 7.5% of the gross proceeds of the Offering (including the over-allotment option), and pay the Agent a non-refundable work fee of $30,000 plus HST. The Corporation will also issue broker warrants to the Agent entitling it to purchase that number of Agent’s units equal to 7.5% of the Units issued pursuant to the Offering (including the over-allotment option). The Agent's units will be exercisable for a period of 24 months from the closing of the Offering at a price per Agent’s unit equal to the Offering Price.

Concurrent to the closing of the Offering, the Corporation intends to acquire all of the issued and outstanding ordinary shares (the “GBLT Shares”) of GBLT German Battery & Lighting Technologies PLC (“GBLT”), a corporation incorporated under the laws of England and Wales, (the "Share Exchange") by way of a share exchange pursuant to a securities exchange agreement (the “Securities Exchange Agreement”) made as of December 14, 2016 as amended on March 6, 2017, July 6, 2017 and September 11, 2017, among the Corporation, GBLT, GBT GmbH (“GBT”) and the principal shareholder of GBLT, and pursuant to the drag along right contained in GBLT's articles. As a result of the Share Exchange, the Corporation will become the sole beneficial owner of all of the outstanding securities of GBLT, and GBT will remain a wholly-owned subsidiary of GBLT. Pursuant to the terms of the Securities Exchange Agreement, and subject to completion of certain conditions precedent, including receipt of all necessary director, shareholder, regulatory and exchange approvals, the proposed Share Exchange and the Offering will qualify as CUP’s “Qualifying Transaction” as defined by TSX-V Policy 2.4. Pursuant to the Securities Exchange Agreement, the deemed value ascribed to CUP shall be CAD$1,110,000, and the deemed value ascribed to GBLT shall be CAD$60,000,000 (subject to adjustment in the event GBLT raises additional funds prior to closing). It is a condition of the Share Exchange that the Corporation raises gross proceeds of at least $3,000,000 under the Offering.

Subsequent Events

Subsequent to the year end, the Corporation entered into the third amending agreement on September 11, 2017 to the Share Exchange Agreement, extending the deadline for closing of the Share Exchange to November 30, 2017.

The Corporation's preliminary prospectus dated March 14, 2017 expired on or about September 15, 2017 and the Corporation filed a new preliminary prospectus dated September 26, 2017 with respect to the Offering and the Share Exchange. The Corporation filed an amended and restated preliminary prospectus dated October 16, 2017 with respect to the Offering and the Share Exchange (the "Prospectus"), amending and restating the preliminary prospectus dated September 26, 2017.

Subsequent to the year end on October 4, 2017, the Corporation received conditional acceptance of the Share Exchange and the Offering by the TSX-V. Final acceptance of the proposed qualifying transaction will be subject to the Corporation receiving approval for the Prospectus from the securities regulatory authorities in Ontario, British Columbia, Alberta and Saskatchewan and the Corporation satisfying other conditions set out in the TSXV conditional approval.

Risk Factors

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Corporation and its financial position.

Possible Trading Suspension or Delisting

The TSX-V may suspend from trading or delist the securities of the Corporation where the Corporation has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Corporation fails to meet initial listing requirements of the TSX-V upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Corporation. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Corporation held by Insiders. Trading in the common shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the TSX-V in the time periods required.

Securities Regulatory Authorities or TSX-V May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including approval of the Prospectus by the securities regulatory authorities, acceptance by the TSX-V and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the securities regulatory authorities or the TSX-V may not approve a Qualifying Transaction:

(a) if the Corporation fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the TSX-V upon Completion of the Qualifying Transaction;

(b) if, following Completion of the Qualifying Transaction, the Corporation will be a finance company or a mutual fund as defined under applicable securities laws;

(c) the consideration proposed to be paid by the Corporation in connection with the Qualifying Transaction is not acceptable to the TSX-V; or

(d) for any other reason at the sole discretion of the securities regulatory authorities or the TSX-V.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm’s Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the common shares.

Dilution

If the Corporation issues treasury shares to finance acquisition or participation opportunities, control of the Corporation may change and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation but will be devoting such time as required to effectively manage the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Corporation may be exposed to liability and its ability to achieve its business objectives may be impaired.

Reliance on Management

The Corporation is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Corporation.

Foreign Acquisition

In the event the Corporation identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Critical Accounting Estimates

The preparation of the audited financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The audited financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Accounting standards issued but not yet applied

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the financial statements.

Financial Instruments Fair Values

At June 30, 2017, the Corporation's financial instruments consisted of cash and accrued liabilities. The fair value of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash. To minimize the credit risk the Corporation places these instruments with a high credit quality financial institution.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Corporation's liabilities.

Capital management and risk management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of issued common shares, in the definition of capital. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

Outlook

The financial results for the year ended June 30, 2017 are indicative of a Capital Pool Company that has not yet commenced business operations. At year end the Corporation had no commercial assets other than cash. Until the completion and approval of the Qualifying Transaction the Corporation will not carry on any business other than the identification and evaluation of assets or businesses to be developed by the Corporation.

The Corporation has entered the Securities Exchange Agreement with GBLT, GBT and GBLT's principal shareholder. The Share Exchange and the Offering contemplated by the Securities Exchange Agreement meet the policies of the TSX-V for a qualifying transaction and represents a bona fide business model for the Corporation to develop in an international marketplace. Management is encouraged by the potential of this opportunity.

At the date of this report the Corporation awaits the approval of the Prospectus by the securities commissions of Ontario, British Columbia, Alberta and Saskatchewan and for the final approval from the TSX-V. Upon completion of the Share Exchange and the Offering, the Corporation can commence business operations and public trading of the Corporation's shares can resume for the shareholders of the Corporation.

Share Capital

As of the date of this MD&A, the Corporation had 1,734,650 issued and outstanding common shares. In addition, the Corporation had Agent’s option outstanding exercisable for 105,965 common shares and stock options outstanding exercisable for 173,465 common shares.