

RiseTech Announces that Tantalus Upsizes Offering to \$10 Million. Secures an Additional \$1.1 Million Through Second Closing of Previously Announced Subscription Receipt Offering

Vancouver, British Columbia--(Newsfile Corp. - January 22, 2021) - RiseTech Capital Corp. (TSXV: RTCC.P) ("**RiseTech**"), a "capital pool company" pursuant to Policy 2.4 - *Capital Pool Companies* ("**Policy 2.4**") of the TSX Venture Exchange (the "**Exchange**") is pleased to announce that Tantalus Systems Holding Inc. ("**Tantalus**") has closed the second tranche of its previously announced private placement (the "**Offering**") of subscription receipts (each a "**Subscription Receipt**"). The second tranche of the Offering includes the issuance of an additional 500,803 Subscription Receipts at a price of \$2.25 per Subscription Receipt for aggregate gross proceeds of \$1,126,806.75 (the "**Second Tranche**"). Together with the first tranche of the Offering, which closed on November 19, 2020, Tantalus has issued a total of 4,418,210 Subscription Receipts, for aggregate gross proceeds of \$9,940,972.50, under the Offering.

The Second Tranche is being conducted in connection with RiseTech's previously announced definitive arrangement agreement (the "**Arrangement Agreement**") with each of 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 and TSS, the whole in accordance with the Arrangement Agreement and the plan of arrangement (the "**Plan of Arrangement**") included therein (the "**Transaction**"). In connection with the Transaction, RiseTech will consolidate its issued and outstanding shares on the basis of 1 pre-consolidation RiseTech share (each, a "**RiseTech Share**") for 0.06094549 post-consolidation RiseTech Shares (the "**Consolidation**"). The Transaction is intended to constitute RiseTech's "Qualifying Transaction" as defined under Policy 2.4. It is expected that RiseTech, following the 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.

Each Subscription Receipt issued pursuant to the Second Tranche 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 common shares of Tantalus and the subsequent conversion of such common 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, as amended and supplemented by a supplemental indenture, entered into with TSX 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 connection with the Second Tranche, Tantalus (i) paid to Canaccord Genuity Corp. ("**Canaccord**") a cash fee (the "**Cash Fee**") equal to 4.5% of the gross proceeds raised from the Subscription Receipts issued to subscribers introduced to Tantalus by Canaccord and (ii) issued to Canaccord warrants equal to 4.5% of the Subscription Receipts subscribed for by persons introduced to Tantalus by Canaccord. Fifty percent (50%) of the Cash Fee will be paid on the closing of the Second Tranche, with the remaining 50% expected to be paid upon the 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 Resulting Issuer Shares 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*).

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.

Please refer to RiseTech's press releases of September 9, 2020 and November 19, 2020 for further information with respect to the Transaction.

About RiseTech Capital Corp.

RiseTech is a Capital Pool Company as defined by Policy 2.4. The principal business activity of RiseTech is to identify and evaluate opportunities for acquisition of assets or business. RiseTech is headquartered in Vancouver, British Columbia.

About Tantalus Systems Holding Inc.

Over the past three decades, Tantalus has been consistently and creatively developing technology that enhances the safety, security, reliability and efficiency of public power and electric cooperative utilities across North America and the Caribbean Basin. Tantalus provides mission-critical smart grid solutions that include a market-leading edge computing platform, robust software applications and an advanced IoT communications network. By leveraging technology, Tantalus empowers its utility customers to access granular data from both legacy meters and cutting-edge two-way intelligent devices to improve customer service, facilitate consumer engagement, realize cost savings and streamline system operations. Tantalus' comprehensive suite of smart grid solutions includes advanced metering infrastructure, demand-management technologies, data analytics, distribution automation and street lighting control systems - a broad portfolio built purposefully to support smart community initiatives essential to both the near-term and long-term success of the utilities Tantalus supports and the communities they serve.

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 this press 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.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this press release. Neither the Exchange nor its Regulatory Services Provider (as that term is defined in the policies of the Exchange) has in any way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

This press release does not constitute an offer to sell securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered, sold or delivered, directly or indirectly, in the United States unless pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state

securities laws.

Notice on Forward-Looking Information

Information set forth in this news release contains forward-looking statements. These statements reflect management's current estimates, beliefs, intentions and expectations regarding the future, including, but not limited to, the completion of the Transaction and transactions related thereto, the full completion of the Offering, the Consolidation, the satisfaction of the EscrowRelease Conditions, the use of proceeds from the Offering and the various conditions to be satisfied for the completion of the Transaction, as applicable. Such statements are not guarantees of future performance. 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, TSS and Tantalus. 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 the parties will obtain from them. Except as required under applicable securities legislation, RiseTech undertakes no obligation to publicly update or revise forward-looking information.

For further information please contact Manny Padda, the CEO of RiseTech, by email at info@risetechcapital.com or by telephone at 778-381-6322.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/72636>