Terrace Global Inc.
(Formerly Apolo II Acquisition Corp.)
Management Discussion and Analysis
For the Period ended September 30, 2019

November 28, 2019

The following management discussion and analysis ("MD&A") of the results of the operations and financial position of Terrace Global Inc. (formerly Apolo II Acquisition Corp., herein referred to as the "Corporation" or "Terrace Global") for the three and nine month periods ended September 30, 2019 should be read in conjunction with the Corporation's unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2019 and 2018. All figures contained in this MD&A are presented in Canadian dollars.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

The Corporation

The Corporation was incorporated under the Business Corporations Act (Ontario) on December 15, 2017 and is classified as a Capital Pool Company, as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual (the "Manual"). The Corporation's common shares commenced trading on the TSX Venture Exchange under the trading symbol "APII" on March 14, 2018.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced operations and has no assets other than cash and short-term investments. The

Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital by the Corporation may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation, in respect of the sale of its securities, or $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation, as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval as a Capital Pool Company.

On January 2, 2018, the Corporation completed its initial seed round private placement for 3,900,000 common shares at a price of $0.05 per share for total proceeds of $195,000. On February 9, 2018, the Corporation completed a second private placement for 3,000,000 common shares at a price of $0.10 per share for total proceeds of $300,000. Total issuance costs related to these private placements was $3,000.

On March 6, 2018, the Corporation completed its Initial Public Offering ("IPO") of 5,000,000 common shares at $0.10 per share ($500,000). The Corporation entered into an agreement with Richardson GMP Limited (the "Agent") to raise $500,000 in connection with the Corporation's IPO. The Corporation paid a commission of 10% of the gross proceeds of the IPO to the Agent, and granted the Agent warrants to acquire such number of common shares equal to 10% of the common shares issued in the IPO exercisable for a period ending twenty-four months from the date the Corporation's common shares are listed on the TSX Venture Exchange, exercisable at $0.10 per share. The Corporation also paid a corporate finance fee upon the closing of the offering and reimbursed the Agent for legal fees and other reasonable expenses incurred in connection with the IPO. Total issuance costs related to the IPO was $102,792, of which $26,442 relates to the Agent's warrants.

On March 6, 2018, the Corporation granted 500,000 warrants to the Agent, which are exercisable to acquire common shares of the Corporation within two years from the date of grant at an exercise price of $0.10 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.75%, expected volatility of 100% and an expected life of two years. The value attributed to these options was $26,442.

On March 6, 2018, the Corporation granted 1,190,000 options to directors and officers, which are exercisable to acquire common shares of the Corporation within ten years from the date of grant at an exercise price of $0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.16%, expected volatility of 100% and an expected life of five years. The value attributed to these options was $89,297.

On November 13, 2018, the Corporation announced that it had entered into a binding letter of intent with Terrace Inc. ("Terrace") pursuant to which the Corporation will acquire all of the issued and outstanding common shares in the capital of Terrace by way of a "three-cornered amalgamation" pursuant to the provisions of the Business Corporations Act (British Columbia). The proposed transaction would constitute the Corporation's QT pursuant to Exchange Policy 2.4. Completion of QT with Terrace is subject to all requisite regulatory approvals.

On July 17, 2019, the Corporation entered into a definitive business combination agreement with Terrace Inc. ("Terrace") and Terrace Acquisition Corp. (the "Subco") in connection with the Corporation's proposed QT (to occur by a way of three-cornered amalgamation). In connection with the amalgamation, holders of Terrace shares will ultimately receive one post-Consolidation share of the Corporation for each Terrace Share held and all the convertible securities of Terrace will be exchanged for convertible securities of the Resulting Issuer, or adjusted on their terms, as applicable.

Pursuant to the Definitive Agreement, the Corporation has agreed to acquire all the issued and outstanding shares of Terrace by way of a three-cornered amalgamation. On or immediately prior to the completion of the Proposed Transaction, it is anticipated that the Corporation will consolidate its common shares on the basis of one "new" share for every 2.5 "old" shares issued and outstanding (the "Consolidation"). The proposed transaction would constitute the Corporation's QT pursuant to Exchange Policy 2.4. Completion of the QT is subject to all requisite regulatory approvals.

On July 22, 2019, the Corporation filed its preliminary non-offering prospectus to be used in connection with the Proposed Transaction described above. In addition, the Corporation announced that Terrace closed a private placement of 34,000,000 subscription receipts at a price of $0.50 per subscription receipt for aggregate gross proceeds of $17,000,000.

On November 8, 2019, the Corporation announced the filing of the final non-offering prospectus with Terrace Inc. On November 14, 2019 the Company completed the qualifying transaction with Terrace Inc.

On November 28, 2019, the Board of Directors approved the unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2019 and 2018.

Summary of Quarterly Results

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Total assets	$781,008	$816,490	$828,017	$832,841	$834,125	$843,688	$885,573	$175,000
Total revenues	nil	$4,400	nil	nil	nil	nil	nil	nil
Total expenses	$19,793	$20,477	$27,011	$15,535	$3,217	$7,934	$167,810	$1,500
Net loss	($19,793)	($16,077)	($27,011)	($15,535)	($3,217)	($7,934)	($167,810)	($1,500)
Basic and diluted net loss per share	($0.00)	($0.00)	($0.00)	($0.00)	($0.00)	($0.00)	($0.00)	($0.00)

Results of Operations

Three month period ended September 30, 2019

The Corporation recorded a net loss of $19,793 during the three month period ended September 30, 2019 (2018 - $3,217). The net loss for the three month period ended September 30, 2019 is due mainly to professional fees.

Nine month period ended September 30, 2019

The Corporation recorded a net loss of $62,881 during the nine month period ended September 30, 2019 (2018 - $178,962). The net loss for the nine month period ended September 30, 2019 is due mainly to professional fees and costs in relation to its listing on the Exchange.

Additional Disclosure for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations other than interest income earned on short-term investments, the following is a breakdown of the material costs incurred from incorporation (December 15, 2017) to September 30, 2019:

Material Costs	Period from incorporation (December 15, 2017) to September 30, 2019
Share-based compensation	$89,297
Professional fees	$138,446
Listing fees	$35,292
Bank charges	$242

Liquidity and Capital Resources

As at September 30, 2019, the Corporation had cash of $376,608 and short-term investments of $404,400, resulting in total assets of $781,008. The Corporation had current liabilities of $34,938 and working capital of $746,070.

Negative cash flows of $56,233 were recorded from operating activities for the nine month periods ended September 30, 2019, primarily as a result of professional fees and costs in relation to its listing on the Exchange.

Outstanding Share Data

The Corporation is authorized to issue an unlimited number of common shares. As of the date of this MD&A, 11,690,000 common shares are issued and outstanding. In addition, there are 1,190,000 stock options outstanding, exercisable at $0.10 per share, expiring on March 6, 2028 and 500,000 Agent's Warrants outstanding, exercisable at $0.10 per share, expiring on March 6, 2020.

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements since incorporation to the date of this MD&A.

Related Party Transactions

During the nine month period ended September 30, 2019, the Corporation incurred legal fees of approximately $39,345 (2018 - $47,660) for services provided by a law firm whose partner is an officer of the Corporation. As at September 30, 2019, an amount of $25,684 (2018 - $7,265) is included in accrued liabilities in respect of these services.

There were no other related party transactions and no remuneration was paid to key management personnel during the three and nine month periods ended September 30, 2019 or September 30, 2018.

Capital 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 share capital, contributed surplus and accumulated deficit, 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.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under Exchange Policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash, short-term investments and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management’s opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Critical Accounting Estimates

The Corporation’s significant accounting policies are summarized in Note 2 to the audited financial statements for the year ended December 31, 2018 and for the period from incorporation (December 15, 2017) to December 31, 2017.

Additional Information

For further detail, see the Corporation’s unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2019 and 2018. Additional information about the Corporation can also be found on SEDAR.