QUISITIVE TECHNOLOGY SOLUTIONS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the quarter ended September 30, 2019.

This management discussion and analysis ("MD&A") of Quisitive Technology Solutions, Inc. (the "Corporation", "Quisitive", "we" or "us") for the quarter ended September 30, 2019 should be read in conjunction with Quisitive Technology Solutions Inc. unaudited condensed consolidated interim financial statements and the notes thereto for the quarter ended September 30, 2019, the Corporations audited financial statements for the year ended December 31, 2018, the Fusion Agiletech Partners, Inc.'s ("Fusion Canada") audited financial statements and the notes thereto for the period from the date of incorporation of Fusion Canada (February 8, 2017) to December 31, 2017 and the Nebo Capital Corp Filing Statement as file on www.sedar.ca. We have prepared this MD&A with reference to National Instrument 51-102 "Continuous Disclosure Obligations" of the Canadian Securities Administrators. Our consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in United States dollars unless otherwise indicated.

This MD&A is current as at November 25, 2019, the date of preparation, and may include certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified using forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Corporation to control or predict, that may cause the Corporation's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein. These statements include, but are not limited to, statements with respect to proposed activities, consolidation strategy and future expenditures. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others the limited history of operations, lack of profitability, availability of financing, the need for additional financing, the timing and amount of expenditures, ability to successfully execute on consolidation strategies, the failure to find economically viable acquisition targets, funding for internally developed technology solutions, client retention and attrition, client demands, reliance on key personnel, economic spending in the IT industry and technological changes in the IT industry. The Corporation undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information. This MD&A also contains certain industry related non-GAAP and additional GAAP measures that management uses to evaluate performance of the Corporation. These non-GAAP and additional GAAP measures are not standardized, and the Corporation's calculation may differ from other issuers. See "Definitions — IFRS, Additional GAAP and Non-GAAP Measures.

OVERVIEW OF THE CORPORATION AND STRUCTURE

Business Overview

Quisitive is a premier Microsoft solutions provider that helps enterprise organizations move, operate and innovate in the Microsoft cloud: Microsoft Azure, Microsoft Dynamics business applications and Microsoft O365 as well as provide proprietary Software as a Service ("SaaS") solutions such as CRG emPerform™, and LedgerPay and business solutions from other technology partners that complement the Microsoft platform With a legacy of deep technical and business expertise, Quisitive is empowering the enterprise to navigate the ever-changing technology climate their business relies upon. Quisitive helps customers harness the power of the Microsoft cloud and innovative technologies such as, artificial intelligence, machine learning, the Internet of Things (IoT) and blockchain through customized solutions.

Quisitive is the 2019 Microsoft United States Partner of the Year. Quisitive earned this top honor among a global field of top Microsoft partners for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft cloud technology.

In June 2019 Quisitive expanded their Canadian business with the acquisition of Corporate Renaissance Group ("CRGroup") which was an important milestone for Quisitive in its overall strategy and vision. Modern companies need complete business systems that work together to boost productivity and transform the entire organization. The combination of skills and expertise across both the Quisitive US and Canada teams translates to end-to-end business technology enablement and support as well as complete digital transformation powered by Microsoft.

Quisitive's expertise with Azure and cloud technology, combined with CRGroups's expertise in the Microsoft Dynamics™ platforms, which include Enterprise Resource Planning business applications brings additional synergies to benefit customers in the U.S. and Canada. Quisitive will leverage CRGroups's proprietary Level 7™ framework, its expertise in planning and budgeting, financial reporting, consolidation and enterprise dashboards as well its own cost management IP (CRG Cost Allocator™ and CRG FlexABM™) to strategically engage, advise and support the office of the CFO for customers.

CRGroup also has expertise in talent and performance management for companies who consider people as their most important assets. CRG emPerform™ is CRGroup's proprietary performance management subscription software solution, being used by thousands of users across North America, the Caribbean and the U.K. The emPerform™ product along with the new Microsoft offering, Dynamics 365 for Talent, will allow Quisitive to provide a total solution to the Human Resources function of customers, empower the people asset in their business and grow recurring revenue for Quisitive.

CRGroup's strong brand recognition and footprint developed over thirty years, its expertise and experience in Dynamics 365 business applications, combined with Quisitive's expertise and experience in Azure and Office 365 and technologies such as big data, artificial intelligence, IoT, and mobility, Quisitive is now positioned to become the strategic Microsoft partner for the C-suite. Per Gartner™ (Helen Huntley, The IT Services Scenario — It's a Changing World, presented at Gartner Tech Growth & Innovation Conference June 2019), only 5% of Microsoft partners have this combined IT plus Business capability.

Quisitive is uniquely comprised of experienced Microsoft partner leaders and technologists who share a deep understanding of market needs and the appropriate application of Microsoft cloud technology. The company's expertise and focus are on helping industries such as financial services, manufacturing, oil and gas, and retail, drive innovation using Microsoft cloud-based technologies.

The Corporation's strategy is focused on four primary activities.

1. Building the Partner of the Future powered by Microsoft.
2. Expanding our Azure Assessment program across all Microsoft cloud platforms to accelerate and optimize our customers journey to the Microsoft cloud.
3. Development and expansion of proprietary SaaS IP to drive high margin recurring revenue.
4. Leverage existing first party business solutions including CRG emPerform™, FlexBM and complimentary solutions in planning, budgeting and analytics to assist the C-Suite to establish a platform for operational excellence.

Quisitive's target acquisition profile will focus on several areas. First, geographic expansion in both the U.S. and Canada. This is critical to the ability to engage with Microsoft at a field sales execution level and expand touch and reach with large national customers. Second, diversification of Microsoft service capabilities. Quisitive's vision is to bring value to our customers through a full complement of Microsoft service capabilities across Microsoft cloud workloads. Third, skilled consultants that embrace Quisitive's culture and want to make an impact at our customers. Additionally, Quisitive's acquisition targets will have developed a business model where they are servicing their customers on a monthly model, including managed services, licensing and other IP. This consolidation strategy will allow the corporation to quickly create scale to help Microsoft meet their customer demand for cloud expertise. Quisitive has a strong pipeline of acquisition targets and are in active dialogue with several companies.

Quisitive's second strategy will be to leverage proprietary Azure Accelerator Program across all Microsoft cloud platforms to accelerate and optimize the customer's journey to the Microsoft cloud. The Corporation has internally developed tools to help accelerate customers move to the Microsoft cloud. This repeatable IP methodology was developed to educate and engage customers on the advantages and process of moving to the Microsoft cloud. This includes establishing a roadmap outlining the steps to achieve their outcome within key Microsoft cloud workloads; a comprehensive ROI of what it will cost them to move and operate within the cloud; and a detailed migration plan that outlines the steps Quisitive will take to accomplish that and expedite their journey.

Quisitive's third strategy is the investment in product innovation and SaaS-based solutions. The Corporation has formed a team that is focused on the development of industry solutions leveraging the Microsoft cloud and emerging technologies, such as, big data, artificial intelligence, machine learning and Internet of Things (IoT). Quisitive has developed and will soon be launching LedgerPay an Azure cloud-based merchant payment and consumer insights solution that provides a highly reliable, data-rich payments platform. LedgerPay extends traditional payments capabilities by leveraging data science, in partnership with the world's top consumer insights firms, to help merchants use their transaction data to provide a much richer and more relevant consumer shopping experience.

Quisitive's fourth strategy is to leverage the existing first party business solutions including CRG emPerform™, FlexBM and complimentary solutions in planning, budgeting and analytics to assist the C-Suite of its customers. Quisitive via CRGroup's extensive vertical experience across customer relationship management, marketing, human resources, enterprise resource planning, and corporate performance management, brings the necessary business and technical capability to lead a company's digital transformation and establish operational excellence for the business.

With products like LedgerPay and CRG emPerform™, Quisitive is bringing the power and scale of the cloud to consumers and commercial customers in the retail and consumer goods space and first-party IP solutions to enterprise customers in the Microsoft Azure ecosystem. These IP solutions compliment the strategic technology and business consulting expertise and further establish Quisitive as the Microsoft partner of the future.

Structure

Quisitive Technology Solutions, Inc. ("Quisitive" or the "Corporation"), formerly Nebo Capital Corporation ("Nebo"), is the parent Corporation of Fusion Agiletech Partners, Inc. (formerly Fusion Martech Partners, Inc.) ("Fusion Canada") which was incorporated on February 8th, 2017 under the Business Corporation Act (Ontario).

On August 8, 2018, a Qualifying Transaction occurred pursuant to a definitive Business Combination Agreement and was approved by the TSX-V and proceeded by way of a three cornered amalgamation (the "Amalgamation") pursuant to which Fusion Canada amalgamated with Nebo Acquisition Corp., a wholly-owned subsidiary of Nebo incorporated under the laws of Ontario, and Nebo acquired all of the issued and outstanding common shares of Fusion Canada (the "Fusion Shares"), in exchange for Nebo's shares on a 1:1 basis, such that Fusion Canada became a wholly-owned subsidiary of Nebo. The Amalgamation also provided that all outstanding convertible securities to purchase Fusion Canada's Shares were either exchanged in accordance with their terms, on a 1:1 basis, for economically equivalent securities of Nebo or became exercisable for equivalent securities of Nebo in lieu of securities of Fusion Canada and otherwise on the same terms and conditions. In connection with the closing of the Qualifying Transaction, Nebo also changed its name from "Nebo Capital Corp." to "Quisitive Technology Solutions, Inc.".

The common shares of Quisitive are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "QUIS". The Corporation is a holding Corporation that has been incorporated to acquire IT service companies in the United States and Canada as well as develop SaaS solutions for business. The address of the Corporation's registered office is 161 Bay Street, Suite 2325, Toronto, Ontario, M5J 2S1.

Fusion Agiletech Holdings Ltd. ("Fusion Holdings")), a wholly owned subsidiary of Fusion Canada, was incorporated on December 22nd, 2017 under the General Corporate Law of the State of Delaware. Fusion Holding's registered office is 1675 South State Street, Suite B, Dover, Delaware, 19901. In connection with the Qualifying Transaction, Fusion Holdings changed its name to Quisitive Ltd.

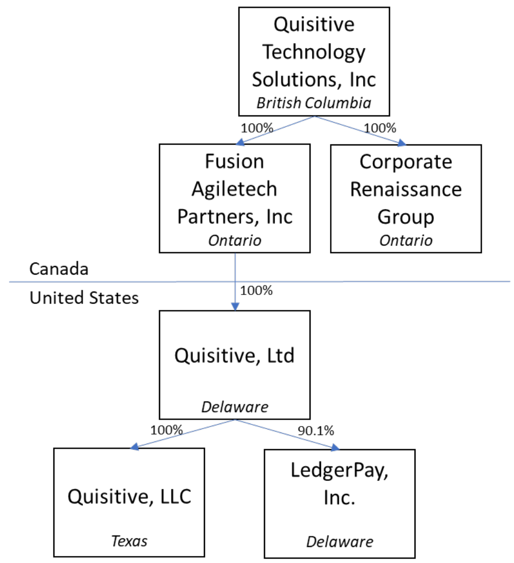
Quisitive LLC, is a Texas Limited Liability Corporation , Quisitive LLC's headquarters is 1431 Greenway Drive, Suite 1000, Irving, TX 75038 and has a secondary office in Denver, Colorado. On January 22, 2018, Fusion Holdings entered into a definitive agreement to acquire the membership of Quisitive LLC. The transaction closed on January 23, 2018 and the operations of Quisitive LLC since January 24, 2018 have been reflected in the consolidated financial statements. Quisitive LLC is a wholly owned subsidiary of Quisitive, Ltd.

LedgerPay, Inc, was incorporated on December 26th, 2017 under the General Corporate Law of the State of Delaware. LedgerPay's principal activity is to develop, promote and sustain payments-related software products. Quisitive Ltd owns

90.1% of LedgerPay. The address of the LedgerPay's registered office is 1675 South State Street, Suite B, Dover, Delaware, 19901.

On June 1, 2019, Quisitive Technology Solutions, Inc acquired the shares of Corporate Renaissance Group ("CRGroup"). Operations of CRG since June 1, 2019 have been reflected in the condensed consolidated interim financial statements.

Figure 1: Corporate Structure Diagram of Quisitive.



OVERALL PERFORMANCE

The Corporation generates revenue by providing professional services implementing Microsoft cloud solutions and recurring revenue from its proprietary software solutions. The vision is to define the partner of the future powered by Microsoft and enable enterprise customers to transform their business leveraging Microsoft cloud platforms.

Our third quarter of fiscal 2019 business highlights:

- Quisitive completed the acquisition of Corporate Renaissance Group. The transaction solidified a major milestone for the Corporation strengthening their growth vision by expanding geographic base throughout Canada, United States and the Caribbean. The CRG business complements the Corporation's Microsoft Azure and Microsoft Office 365 cloud services by adding CRG's expertise in the implementation, customization and support of Microsoft Dynamics, as well as their recurring revenue model driven by the emPerform performance management solution.
- The Corporation achieved Microsoft Azure Cloud Solution Provider designation for Government customers in the United States.
- The Corporation launched a major initiative in partnership with Microsoft to drive the adoption of Microsoft Teams within major enterprise customers.
- The Corporation signed an agreement with Microsoft Consulting Services to become a Microsoft Enterprise Services Supplier. The designation enables Quisitive to support Microsoft Consulting Services (MCS) in pre-sales pursuits and jointly deliver projects incorporating Microsoft cloud solutions to U.S.-based enterprises to enable their digital transformation.

Quisitive's Q3 customer wins and project momentum included:

- The Corporation secured a large-scale modern application development project in the healthcare manufacturing/retail space.
- The Corporation secured a modern data warehouse project to assist a large public utility in developing a strategy and roadmap for migrating their data estate to Microsoft Azure.
- The Corporation continues to have success with the Quisitive Azure Assessment program. This program was designed to guide customers through their Microsoft cloud adoption journey. During the quarter ending in September 30, 2019, Quisitive ran 21 assessments, completing 7. To date, the program has converted 17 opportunities originating from assessment customers into Quisitive projects.
- The Corporation secured a strategic contract working with Caribbean based conglomerate in distribution, food services, retail and transportation with operations in four countries. leveraging the CRGroup Level 7™ framework for consolidation reporting and analytics, organizational restructuring and design, and implementation of HRIS and talent management platforms.
- The Corporation released version 5.3 of its proprietary performance management system, CRG emPerform™ and added new customers in healthcare, banking, not for profit, advertising, engineering and software technology sectors
- The Corporation continued successful delivery of digital transformation program for an Ontario based health services company that included implementation of Microsoft 365 Customer Engagement and Business Central, as well as Azure modernization services to integrate Shopify.

The following table summarizes condensed results for the first nine months of 2019 and 2018:

	Nine Months Ended	
	September 30, 2019	September 30, 2018
Revenue	$13,527,806	$7,586,189
Cost of revenue	7,449,970	5,034,385
Gross margin	6,027,836	2,551,804
Margin%	45%	34%
Operating expenses		
Sales and marketing expense	2,349,323	1,017,928
General and administrative	2,251,491	2,376,058
Development	74,280	—
Amortization	1,511,650	33,967
Acquisition related expense	660,455	266,611
Foreign exchange	345,461	—
Interest expense	970,364	316,290
Depreciation	488,962	78,577
Stock based compensation	128,372	200,031
Listing expense	—	2,780,736
Loss before income taxes	$(2,752,522)	$(4,518,394)
Current income tax expense	201,035	7,800
Deferred income tax expense	(54,796)	439,100
Net loss	$(2,898,761)	(4,965,294)

Revenue for the first nine months of 2019 was $13,527,806 compared with $7,586,189 in the first nine months of 2018 which represents a 78% year over year growth. Total revenue is comprised of professional services revenues from consulting and implementation services related to our Microsoft service offering license and maintenance revenues and to our Microsoft Cloud Solution Provider ("CSP") program. The Corporation's core strengths include deep expertise across the Microsoft technology stack including; Microsoft Azure, Office 365, Dynamics, SQL, Microsoft cloud licensing management, blockchain, artificial intelligence, machine learning and IoT. The Corporation currently services enterprise customers with annual revenues between $25M-$5B across North America.

Revenues are earned primarily in the United States of America and Canada with a growing presence in the Caribbean.

Cost of revenue is comprised of salaries and other personnel-related costs, direct subcontractor and other costs associated with delivering the services. Cost of revenue for the first nine months of 2019 was $7,449,970 with is gross margin of 45% of revenue. Cost of revenue improved from the first nine months of 2018 where gross margin was $2,551,804 or 34%. As of September 30, 2019, we had 107 employees with over 85% of our human capital being customer facing solution experts.

Operating expense is comprised of salaries, commissions, other personnel-related costs, facilities, bad debt expenses, travel expenses, advertising programs, investor relations and other promotional activities associated with administrating the Corporation and selling and marketing our services.

Sales and marketing expense

The following table summarizes sales and marketing expenses for the first nine months of 2019 and 2018:

	Nine Months Ended September 30,	
	2019	2018
Sales and marketing expense	$2,349,323	$1,017,928
As a percentage of revenue	17.5%	13.4%

Sales and marketing expense consist primarily of salary and personnel related costs including commissions. Additional expenses include marketing events, travel and efforts on proof of concepts. Sales and marketing expense has increased from the first nine months of 2018 by $1,331,395 to $2,349,323 in the first nine months of 2019 given our increased investment in expanding our outreach on emerging technology projects and new service offerings as well as increasing our headcount to address the current available market and the addition of CRG expenses.

General and administrative expense

The following table summarizes General and administrative expense for the first nine months of 2019 and 2018:

	Nine Months Ended September 30,	
	2019	**2018**
General and administrative expense	$2,251,491	$2,376,058
As a percentage of revenue	16.6%	31.3%

General and administrative expense consist primarily of salary and personnel related costs. Additional expenses include costs of obtaining and maintaining a public listing, professional fees, insurance, bad debt, occupancy costs and other office related expenses.

Amortization is the value attributable to intangible assets, including Microsoft relationship, customer agreements and relationships, brand and software acquired in the Quisitive LLC and CRG transactions. Intangibles assets with a finite life are amortized to income over their useful life. Amortization of intangible assets was $1,511,650 for the first nine months of 2019 compared with $33,967 in the first nine months of 2018.

Interest expense for the first nine months of 2019 was $970,364 compared with $316,290 for the first nine months of 2018. Interest expense is primarily comprised of interest expense on the amount borrowed and outstanding on the note payable, the factoring facility, the purchase price note, the operating line of credit and, in fiscal 2018, the leased equipment.

Stock based compensation is the value ascribed to the granting of stock incentives to employees and directors of the Corporation. Stock based compensation for the first nine months of 2019 was $128,372 compared with $200,031 in the first nine months of 2018. The reason for the decline in 2019 was forfeitures during the year.

Acquisition related expense is the expenses associate with ongoing M&A activity. It is comprised of legal, accounting, valuation, taxation and other consulting expenses incurred directly related to acquiring businesses. Acquisition related expenses for the first nine months of 2019 was $660,455 an increase from $266,611 in the first nine months of 2018. The Corporation completed the acquisition of Quisitive LLC on January 23, 2018 and had significant acquisition related costs in the first nine months of 2018. The Corporation has also completed the acquisition of CRG on June 1, 2019 and hence had additional acquisition related costs in the first nine months of 2019. The Corporation continues to explore target acquisitions to execute on its consolidation strategy of building the North America's premier Partner of the Future for Microsoft.

Depreciation expense for the first nine months of 2019 was $488,962 compared with $78,577 in the first nine months of 2018. The increase in 2019 is related to the depreciation of the right-to-use lease assets recognized in 2019 must be capitalized, and depreciated.

Adjusted EBITDA

We prepare and release quarterly unaudited and annual audited financial statements prepared in accordance with IFRS. We also disclose and discuss certain non-GAAP financial information, used to evaluate our performance, in this and other earnings releases and investor conference calls as a complement to results provided in accordance with IFRS. We believe that current shareholders and potential investors in our Corporation use non-GAAP financial measures, such as Adjusted EBITDA and Adjusted EBITDA as a percentage of revenues, in making investment decisions about our Corporation and measuring our operational results.

The term "Adjusted EBITDA" refers to a financial measure that we define as earnings before certain charges that management considers to be non-operating expenses and which consist of interest, taxes, depreciation, amortization, foreign exchange, stock-based compensation (for which we include related fees and taxes), acquisition-related expenses and listing expense. Adjusted EBITDA as a percentage of revenues divides Adjusted EBITDA for a period by the revenues for the corresponding period and expresses the quotient as a percentage.

Management considers these non-operating expenses to be outside the scope of Quisitive' ongoing operations and the related expenses are not used by management to measure operations. Accordingly, these expenses are excluded from Adjusted EBITDA, which we reference to both measure our operations and as a basis of comparison of our operations from period-to-period.

Management believes that investors and financial analysts measure our business on the same basis, and we are providing the Adjusted EBITDA financial metric to assist in this evaluation and to provide a higher level of transparency into how we measure our own business. However, Adjusted EBITDA and Adjusted EBITDA as a percentage of revenues are non-GAAP financial measures and may not be comparable to similarly titled measures reported by other companies. Adjusted EBITDA and Adjusted EBITDA as a percentage of revenues should not be construed as a substitute for net income determined in accordance with IFRS or other non-GAAP measures that may be used by other companies, such as EBITDA. The use of Adjusted EBITDA and Adjusted EBITDA as a percentage of revenues does have limitations. As certain acquisition-related expenses may continue as we pursue our consolidation strategy, some investors may consider these charges and expenses as a recurring part of operations rather than expenses that are not part of operations.

Reconciliation of Adjusted EBITDA loss	**Nine months ended September 30, 2019**	**Nine months ended September 30, 2018**
Net loss for the period	$(2,898,761)	$(4,965,294)
Adjustments to reconcile to Adjusted EBITDA		
Income tax expense	146,239	446,900
Interest expense	970,364	316,290
Foreign exchange	345,461	(99,685)
Amortization	1,511,650	33,967
Depreciation	488,962	78,577
Share-based compensation	128,372	200,031
Acquisition related expenses	660,455	266,611
Listing expenses	—	2,780,736
Adjusted EBITDA (loss)	1,352,742	(941,867)
Adjusted EBITDA (loss) as a percentage of revenue	10%	(12.4%)

Adjusted EBITDA for the first nine months of 2019 was $1,352,742 or 10.0% of revenue compared with the first nine months of 2018 which was ($941,867) or (12.4%) of revenue. While this is a significant improvement in operational performance, the Corporation is investing in its consulting practice of emerging technologies, investing in investor relations functions and continues to investigate potential acquisition candidates to continue with this success.

Quarterly

The following table summarizes condensed results for the quarter ending September 30, 2019 with comparable of September 30, 2018:

	Three Months Ended	
	September 30, 2019	September 30, 2018
Revenue	$5,337,191	$3,234,208
Cost of revenue	2,761,350	2,155,788
Gross margin	2,575,841	1,078,420
Margin%	48%	33%
Operating expenses		
Sales and marketing expense	890,489	619,629
General and administrative	771,981	1,107,902
Development	58,360	—
Amortization	628,636	9,219
Foreign exchange	(187,232)	—
Acquisition related expense	140,426	42,920
Interest expense	492,075	175,101
Depreciation	180,867	33,996
Stock based compensation	32,939	58,526
Listing expense	—	2,780,736
Loss before income taxes	$(432,700)	$3,749,609
Current income tax expense	129,810	—
Deferred income tax expense	(54,796)	—
Net loss	$(507,714)	3,749,609

Revenue for the quarter ended September 30, 2019 was $5,337,191 compared with $3,234,208 in the quarter ended September 30, 2018 which represents a 65% year over year growth. Total revenue is comprised of professional services revenues from consulting and implementation services related to our Microsoft service offering and to our Microsoft Cloud Solution Provider ("CSP") program and we also picked up a full quarter of CRG revenues. The Corporation's core strengths include deep expertise across the Microsoft technology stack including; Microsoft Azure, Office 365, Dynamics, SQL, Microsoft cloud licensing management, blockchain, artificial intelligence, machine learning and IoT.

Revenues are earned primarily in the United States of America and Canada with a growing presence in the Caribbean.

Cost of revenue is comprised of salaries and other personnel-related costs, direct subcontractor and other costs associated with delivering the services. Gross margin for quarter ended September 30, 2019 was $2,575,841 which is gross margin of 48% of revenue. Gross margin improved from the quarter ended September 30, 2018 where gross margin was $1,078,420 or 33% due to high margin consulting engagements, recurring license and maintenance revenue streams acquired in the CRG acquisition.

Operating expense is comprised of salaries, commissions, other personnel-related costs, facilities, bad debt expenses, travel expenses, advertising programs, investor relations and other promotional activities associated with administrating the Corporation and selling and marketing our services.

Sales and marketing expense

The following table summarizes sales and marketing expenses for the quarter ended September 30, 2019 and 2018:

	Three Months Ended September 30,	
	2019	**2018**
Sales and marketing expense	$890,489	$619,629
As a percentage of revenue	16.7%	19.2%

Sales and marketing expense consist primarily of salary and personnel related costs including commissions. Additional expenses include marketing events, travel and efforts on proof of concepts. Sales and marketing expense have increased from the quarter ended September 30, 2019 by $270,860 to $890,489 in the quarter ended September 30, 2019 given our increased investment in expanding our outreach on emerging technology projects, increasing our headcount to address the current available market and the acquisition of the CRGroup.

General and administrative expense

The following table summarizes General and administrative expense for the quarter ended September 30, 2019 and 2018:

	Three Months Ended September 30,	
	2019	**2018**
General and administrative expense	$771,981	$1,107,902
As a percentage of revenue	14.5%	34.3%

General and administrative expense consist primarily of salary and personnel related costs. Additional expenses include professional fees, insurance, bad debt, occupancy costs and other office related expenses. During the quarter ended September 30, 2018, general and administrative expenses were higher due to operating lease costs which declined significantly in 2019 due to the adoption of IFRS 16, as well as additional professional and legal fees to close the Qualifying Transaction and the acquisition of Quisitive LLC incurred in 2018.

Amortization is the value attributable to intangible assets, including Microsoft relationship, customer agreements and relationships, brand and software. Intangibles assets with a finite life are amortized to income over their useful life. The amount of amortization expense in a fiscal period is dependent on our acquisition activities as well as the result of our asset impairment tests. Amortization of intangible assets was $628,636 for the quarter ended September 30, 2019 compared with $9,219 in the quarter ended September 30, 2018.

Interest expense for the quarter ended September 30, 2019 was $492,075 compared with $175,101 for the quarter ended September 30, 2018. Interest expense is primarily comprised of interest expense on the amount borrowed and outstanding on the note payable, the purchase price note, the factoring facility, the operating line of credit and, in fiscal 2018, the leased equipment.

Stock based compensation is the value ascribed to the granting of stock incentives to employees and directors of the Corporation. Stock based compensation for the quarter ended September 30, 2019 was $32,939 compared with $58,526 in the quarter ended September 30, 2018. The reason for the decline period over period is forfeitures in 2011.

Acquisition related expenses for the quarter ended September 30, 2019 was $140,426 an increase from $42,920 in the quarter ended September 2018. The Corporation had completed the acquisition of Quisitive LLC. on January 23, 2018 and hence had minimal acquisition related costs in the quarter ended September 30, 2018. The Corporation completed the acquisition of CRG on September 30, 2019 and hence had additional one-time acquisition related costs post acquisition. The Corporation continues to explore target acquisitions to execute on its consolidation strategy of building the North America's premier Partner of the Future for Microsoft.

Acquisition related expense is the expenses associate with ongoing M&A activity. It is comprised of legal, accounting, valuation, taxation and other consulting expenses incurred directly related to acquiring businesses.

Depreciation expense for the quarter ended September 30, of 2019 was $180,867 compared with $33,996 in the quarter ended September 30, 2018. The primary reason for the increase in 2019 is that, under the newly adopted IFRS 16 Lease standard, the right-to-use lease assets must be capitalized and depreciated.

Adjusted EBITDA

Reconciliation of Adjusted EBITDA loss	**Quarter ended September 30, 2019**	**Quarter ended September 30, 2018**
Net loss for the period	$(507,714)	$(3,749,609)
Adjustments to reconcile to Adjusted EBITDA		
Income tax expense	75,014	—
Interest expense	492,075	175,101
Foreign exchange	(187,232)	38,282
Amortization	628,636	9,219
Depreciation	180,867	33,996
Share-based compensation	32,939	58,526
Acquisition related expenses	140,426	42,920
Listing expenses	—	2,780,736
Adjusted EBITDA (loss)	855,011	(610,829)
Adjusted EBITDA (loss) as a percentage of revenue	16%	(18.8%)

Quarterly Operating Results

Selected financial information for each of the most recently completed quarters of Quisitive are as follows:

	Quarter ended	**Revenue ($)**	**Gross Margin ($)**	**Net loss ($)**	**Loss per share ($)**	**Loss per fully diluted share ($)**	**Adjusted EBITDA ($)**
Q3 2019	30-Sep-19	5,337,191	2,575,841	507,714	(0.01)	(0.01)	855,011
Q2 2019	30-Jun-19	4,181,782	1,846,981	(1,734,502)	(0.02)	(0.02)	259,431
Q1 2019	31-Mar-19	4,008,834	1,605,013	(656,656)	(0.01)	(0.01)	238,301
Q4 2018	31-Dec-18	3,902,545	1,584,376	(1,664,566)	(0.02)	(0.02)	(730,234)
Q3 2018	30-Sep-18	3,234,208	1,078,420	(3,749,609)	(0.05)	(0.05)	(699,111)
Q2 2018	30-Jun-18	3,056,458	1,043,713	(439,382)	(0.01)	(0.01)	(260,205))
Q1 2018	31-Mar-18	2,413,514	966,917	(782,977)	(0.02)	(0.02)	(23,676)
Q4 2017	31-Dec-17	—	—	—	—	—	—

LIQUIDITY AND CAPITAL RESOURCES

Selected financial information from the condensed consolidated interim statements of financial position as at September 30, 2019 and December 31, 2018 are as follows:

	September 30, 2019	**December 31, 2018**
Working capital	$(9,448,762)	$(6,394,005)

The Corporation has insufficient working capital at this time to meet its ongoing financial obligations including the note payable due February 2020. The Corporation is considering all sources of financing reasonably available to it, including but not limited to issuance of new capital, and issuance of new debt. There can be no assurance of continued access to financing in the future, and an ability to secure such financing may require the Corporation to substantially curtail operations and new business opportunities.

Sources and Uses of Cash

	Nine Months Ended, September 30, 2019	Nine Months Ended September 30, 2018
Cash used in operating activities	$(1,890,567)	$(1,491,439)
Cash used in investing activities	(3,365,031)	(4,249,180)
Cash provided by financing activities	5,763,737	6,857,700
Net increase (decrease) in cash and cash equivalents	$508,139	$1,117,081

During the first nine months of 2018, net increase in cash of $1,117,081 was primarily attributable to the proceeds of share issuance, less investment in the acquisition of the business of Quisitive LLC, repayment of principal and interest on debt, and cash used in operating activities, as compared to net cash increase of $508,139 in the first nine months of 2019 where we secured financing for the acquisition of CRG and invested in acquiring the shares of CRG as well as issuing new securities to source funding from financing.

All cash is held in interest bearing bank accounts with major US or Canadian financial institutions.

As of September 30, 2019, Quisitive had a $2,500,000 operating line of credit guaranteed by the Corporation where trade receivables of the Corporation are factored for interest and fees. 85% of the face value of factored receivables are advanced upon presentation of verified invoices, with the other 15% remitted back to the Corporation, net of interest and fees upon payment by the end customer. The $2,500,000 facility bears administrative expenses and an advance fee calculated as interest upon the daily net outstanding balance at LIBOR Daily Floating Rate plus 7%. Other facility fees, including shortfall and chargeback fees, among other fees apply. The facility is secured by a general security agreement over all of the assets of the Corporation.

As at September 30, 2019, the Corporation had current assets of $4,892,466 compared with $2,376,602 as at December 31, 2018 driven by increased trade receivables acquired from CRG. The Corporation had available cash of $781,588 as of September 30, 2019 compared with $273,448 as of December 31, 2018.

The Corporation believes that its cash position and expected future cash inflows from financing, and revenues will be sufficient to finance its operational and capital needs for at least 12 months. However, the Corporation's future cash requirements may vary materially from those now expected due to a number of factors. As a result, in the future it may be necessary to raise additional funds in future. These funds may come from sources such as entering into strategic collaboration arrangements, the issuance of shares from treasury, or alternative sources of financing. However, there can be no assurance that the Corporation will successfully raise funds to continue the operational activities. (see "Risk Factors")

The condensed consolidated interim financial statements have been prepared in accordance with IFRS on the assumption that the Corporation is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Corporation has neither the intention nor the need to liquidate and is able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Corporation has experienced losses since inception and has an accumulated deficit. Additional financing will be required to support operating and investing activities as the Corporation continues to expand its operations in the foreseeable future. The Corporation intends to seek new funding from equity financings, lenders and other sources, however, there is no certainty that additional financing will be available or that it will be available with attractive terms.

TRANSACTIONS WITH RELATED PARTIES

During June 2019, a related Company owned by an officer of the Corporation issued of $750,000 CAD working capital loan.

Executive Officers own directly or beneficially 13.4% of the issued common shares of the Corporation ("Common Shares") as at September 30, 2019.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of its Board of Directors.

The following compensation was awarded to key management personnel:

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Salaries and short term benefits	267,147	155,508	631,302	382,071

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Quisitive has leased its three office facilities under separate non-cancellable operating leases, of which two are capitalized under IFRS16.

Future minimum cash payments required under these leases are as follows:

	September 30, 2019
next 12 months	$584,434
thereafter	529,225
Total	$1,113,659

The Corporation has a note payable with a private lender of $5,244,851. Unpaid principal balance bears interest at 9%, increasing 0.05% every six months not to exceed 12%, maturing on February 23, 2020, secured by a second priority security interest in the Corporation's personal property. Interest on the first six months were not payable and have been added to the principal balance of the debt per the agreement. Interest is payable monthly, and the principal is due February 23, 2020. There is a basic fixed charge coverage ratio covenant of at least 1.20 to 1.00 that is to be calculated on a trailing 12-month basis quarterly among other non-financial covenants that the Corporation must meet.

The note payable is subject to compliance with covenants and as of September 30, 2019, the Corporation received a waiver from the private lender and is in compliance.

OUTSTANDING SHARE CAPITAL

As of September 30, 2019, there were 90,054,697 Common Shares issued and outstanding, 2,946,667 stock options, 12,283,644 common share purchase warrants, 2,516,566 broker compensation warrants, 19,500,000 share purchase warrants, 750,301 restricted stock units and 2,946,667 stock options of the Corporation issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on our results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated annual financial statements and application of IFRS often involve management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. The Corporation reviews estimates and underlying assumptions on an ongoing basis. Revisions are recognized in the period in which estimates are revised and may impact future periods as well. Other results may be derived with different judgments or using different assumptions or estimates and events may occur that could require a material adjustment. Significant accounting policies and estimates under IFRS are found in Note 2 of the Corporation's consolidated annual financial statements.

ACCOUNTING STANDARDS ISSUED ADOPTED DURING THE PERIOD

For the preparation of these condensed consolidated interim financial statements, the following new and amendments to Standards were adopted in 2018 and 2019.

IFRS 9 — Financial instruments

Effective January 1, 2018, the Corporation adopted IFRS 9.

IFRS 9 introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. IFRS 9 also amends the requirements around hedge accounting, and introduces a single, forward-looking expected loss impairment model.

The adoption of IFRS 9 had no impact on the Corporation's condensed consolidated interim financial statements on the date of initial application. There was no change in the carrying amounts on the basis of allocation from original measurement categories under IAS 39 Financial Instruments: Recognition and Measurement to the new measurement categories under IFRS 9.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories i) those to be measured subsequently at fair value through profit or loss (FVTPL); ii) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

Impairment

The Corporation assesses all information available, including on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Corporation compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information. For trade receivables only, the Corporation applies the simplified approach as permitted by IFRS 9. The simplified approach to the recognition of expected losses does not require the Corporation to track the changes in credit risk; rather, the Corporation recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Evidence of impairment may include indications that the counterparty debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Corporation under the contract, and the cash flows that the Corporation expects to receive. The Corporation assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

The Corporation measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

Summary of the Corporation's Classification and Measurements of Financial Assets and Liabilities

	IFRS 9		IAS 39	
	Classification	Measurement	Classification	Measurement
Cash and cash equivalents	FVTPL	Fair value	Loans and receivables	Fair Value
Accounts receivables	Amortized cost	Amortized cost	Loans and receivables	Amortized cost
Trade payables and accrued liabilities	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Line of credit	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Note payable	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Bank term loan	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Purchase price notes	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Contingent consideration	Amortized cost	Amortized cost	Other liabilities	Amortized cost

Adoption of IFRS 15 — Revenue from Contracts with Customers

The Corporation has adopted IFRS 15 — Revenue from Contracts with Customers. There were no material changes with the adoption of IFRS 15 on these condensed consolidated interim financial statements.

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with a customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Corporation's policies for the recognition of revenue under IFRS 15 are as follows:

Professional Services

Services revenues are derived from professional services that include developing, implementing, integrating, automating and extending business processes, technology infrastructure, and software applications. Professional services revenues are recognized over time as services are rendered. Most of our projects are performed on a time and materials basis, while a portion of our revenues is derived from projects performed on a fixed fee or fixed fee percent complete basis. For time and material projects, revenues are recognized and billed by multiplying the number of hours our professionals expend in the performance of the project by the hourly rates. For fixed fee contracts, revenues are recognized and billed by multiplying the established fixed rate per time period by the number of time periods elapsed. For fixed fee percent complete projects, revenues are generally recognized using an input method based on the ratio of hours expended to total estimated hours.

Certain costs incurred by the Corporation for subcontractors and other expenses that are recoverable directly from clients are billed to the clients and therefore included in revenue.

Project costs include all direct labour and subcontract costs and those indirect costs related to contract performance such as benefits, travel expenses and hardware and software reimbursements. Selling, general and administrative costs are charged to expenses as incurred.

In conjunction with services provided, we receive referral fees under partner programs. These referral fees are recognized at a point in time when earned and recorded within services revenues on a net basis.

License revenue

License revenue is derived from sales of third-party software resales, in which we are considered the agent, and sales of internally developed software, in which we are considered the principal. Revenues from sales of third-party software are recorded on a net basis, while revenues from internally developed software sales are recorded on a gross basis.

License revenue is expected to fluctuate depending on our clients' demand for these products. There are no significant cancellation or termination-type provisions for our software sales. Contracts for our professional services provide for a general right, to the client or us, to cancel or terminate the contract within a given period of time (generally 30 days' notice is required). The client is responsible for any time and expenses incurred up to the date of cancellation or termination of the contract.

Deferred revenue is the amount paid over the current billing to the client project where the revenue is not yet realizable nor recognized.

Credit terms are extended to customers in the normal course of business. The Corporation performs ongoing credit evaluations of its customers based on payment history and willingness to pay and, generally, requires no collateral.

Accounts receivable are recorded at their estimated net realizable value, net of an allowance for doubtful accounts. The Corporation's estimate of the allowance for doubtful accounts is based upon historical experience, its evaluation of the current status of receivables, and unusual circumstances, if any. Accounts are considered past due if payment is not made on a timely basis in accordance with the Corporation's credit terms.

Adoption of IFRS 16 — Leases

IFRS 16 introduced a single, on-balance sheet accounting approach for leases. Effective January 1, 2019, the Corporation adopted IFRS 16 using the modified retrospective approach for recognizing the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings as January 1, 2019. Comparative information has not been restated and continues to be reported under IAS17.

Under the new standard the Corporation assesses whether at contract inception, such contract contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control or use an identified asset for a period of time in exchange for consideration.

i) Significant Accounting Policies

The Corporation records a right-of-use asset and lease liability at the lease commencement date. The right-of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the Corporation's incremental borrowing rate. Payments included in the measurements of the liability include fixed payments and payments expected to be made where a renewal/extension option is reasonably certain to be exercised. The lease liability is subsequently increased by the interest cost and decreased by lease payments made. The liability is remeasured when there is a change in the future lease payments arising from the exercise of extension options, changes in the assessment of extension options reasonably expected to be excised, renegotiations with lessors and contract amendments, changes in the scope of a lease due to certain contract rights being exercised, and changes in assessments of termination options reasonably expected to be exercised.

The Corporation elected to record the right-of-use assets based on the corresponding lease liability. In addition, the Corporation has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial applications short term leases.

ii) Impacts on Financial Statements

On initial transition, the Corporation has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Right -of-use assets and lease liabilities of $1,203,998 were recorded on January 1, 2019. There was no net impact on opening retained earnings on adoption.

The following is a table that reconciles the Corporation's operating lease obligations at December 31, 2018 as previously disclosed in the Corporation's 2018 Consolidated Financial Statements to the IFRS 16 lease liability recognized on January 1, 2019. The discount rate applied at January 1, 2019 was 5.3%.

Commitments, December 31, 2018	$1,507,950
Less: Non-lease commitments	210,549
Undiscounted lease obligation at January 1, 2019	1,297,401
Discount	(93,402)
Balance, right-of-use asset January 1, 2019	$1,203,998

An additional right of use asset of $139,517 and a corresponding increase in lease liabilities was acquired in the purchase of CRG.

Post adoption, we expect a decrease to operating costs and an increase to finance costs associated with the interest accretion on the lease liability and depreciation expense related to the right-of-use asset

(a) Upcoming Accounting Pronouncements

IFRIC 23 Uncertainty over Income Tax Treatments (issued in June 2017) — The Interpretation, applicable to annual periods beginning on or after January 1, 2019 (earlier application permitted), provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under IAS 12, in particular (i) whether uncertain tax treatments should be considered separately, (ii) assumptions for taxation authorities' examinations, (iii) determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, and tax rates, and (iv) effect of changes in facts and circumstances. The Corporation has not assessed the impact on the financial statements.

RISK FACTORS

The following risk factors should not be exhaustive and may not be all the risks that Quisitive may face. Management of the Corporation believes that these factors set out below could cause actual results to be different from expected and historical results,

The discussion in this MD&A addresses only what management has determined to be the most significant known events, trends, risk and uncertainties relevant to the Corporation, its operation and/or its financial results., This discussion is not exhaustive.

Profitability

There is no assurance that Quisitive or any of its Subsidiaries will earn profits in the future, or that profitability will be sustained. There is no assurance that future revenues will be sufficient to generate the funds required to continue Quisitive's business development and marketing activities. If Quisitive does not have sufficient capital to fund its operations, it may be required to reduce its sales and marketing efforts or forego certain business opportunities.

Availability of Financing

Quisitive has limited financial resources and there is no assurance that additional funding will be available to Quisitive or any of the Quisitive Subsidiaries for further operations or to fulfill their respective obligations under current agreements including agreements with lenders to the Company and/or its subsidiaries. There is no assurance that Quisitive or any of the Quisitive Subsidiaries can generate sufficient revenues to operate profitably, or provide a return on investment, or that they will successfully implement their plans.

The ability of Quisitive to arrange financing in the future will depend in part upon prevailing capital market conditions, as well as upon the business success of Quisitive and its Subsidiaries and the success of blockchain usage in general. There can be no assurance that Quisitive will be successful in its efforts to arrange additional financing, or that such financing will be available on terms satisfactory to Quisitive. If additional financing is raised by the issuance of shares or other forms of convertible securities from treasury, control of Quisitive may change and shareholders may suffer additional dilution. Similarly, future acquisitions may be funded in part by equity of a Quisitive Subsidiary or proposed acquisition target, in a manner similar to the arrangements comprising the Quisitive Employment Incentives or as otherwise may be determined by the directors from time to time. Any such arrangement could have a dilutive effect on the interest of shareholders in one or more operating subsidiaries of Quisitive.

If adequate funds are not available, or are not available on acceptable terms, Quisitive and Quisitive Subsidiaries may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Changes in the IT Industry

The IT industry is characterized by rapid technological innovation, changing client needs, evolving industry standards and frequent introductions of new products, product enhancements, services and distribution methods. The success of Quisitive depends on its ability to develop expertise with these new products, product enhancements, and services and to implement IT consulting and professional services, technology integration and managed services that anticipate and respond to rapid and continuing changes in technology, industry dynamics and client needs. The introduction of new products, product enhancements and distribution methods could decrease demand for current products/services or render them obsolete. Sales of products and services can be dependent on demand for specific product categories, and any change in demand for or supply of such services could have a material adverse effect on net sales, if Quisitive fails to adapt to such changes in a timely manner.

As client requirements evolve and competitive pressures increase, Quisitive will likely be required to modify, enhance, reposition or introduce new IT solutions and service offerings.

Quisitive may experience difficulties that could delay or prevent the successful development, introduction and marketing of services and solutions that respond to technological changes or evolving industry standards or fail to develop services and solutions that adequately meet the requirements of the marketplace or achieve market acceptance. Quisitive may not be successful in doing so in a timely, cost-effective and appropriately responsive manner, or at all, which could adversely affect its competitive position and financial condition. All of these factors make it difficult to predict future operating results, which may impair Quisitive's ability to manage its business and its investors' ability to assess Quisitive's prospects.

Client Retention / Attrition

Once Quisitive's solutions and methodologies are deployed within its clients' IT infrastructure environments, the clients rely on Quisitive's support services to resolve any related issues. A high level of client support and service is important for the successful marketing and sale of the services and solutions of Quisitive. If Quisitive does not help its clients quickly resolve post-deployment issues and provide effective ongoing support, Quisitive's ability to sell its IT solutions to existing clients would suffer and its reputation with prospective clients could be harmed.

Information Systems

Quisitive's information systems will be internally developed. They will contain external applications that are linked to the proprietary core. There are continued risks when various departments in Quisitive operate on different systems and Quisitive must rely on developed interfaces between these systems. There can be no assurance that these systems will continue to expand to meet the needs of the growth of Quisitive or that the interfaces will be robust enough as Quisitive grows.

Client Demand

Quisitive plans to significantly expand the number of clients it serves and the diversity of its client base thereby increasing revenues. Quisitive is working toward identifying and providing additional products and services that appeal to existing clients in an effort to increase its revenues. Quisitive's ability to attract new clients, as well as increase revenues from existing clients, is dependent on a number of factors including but not limited to offering high quality products and services at competitive prices, the strength of its competitors and the abilities of its sales and marketing teams. The failure of Quisitive to attract new clients or to obtain new business from existing clients may mean that Quisitive will not increase its revenues as quickly as is anticipated, if at all.

Attracting and Retaining Clients

Once Quisitive's solutions and methodologies are deployed within its client's environments, such clients will be reliant on Quisitive's support services to resolve any issues with such solutions and methodologies. A high level of support and service is important for the successful marketing and sale of Quisitive's services and solutions. Failure to help its clients quickly to resolve post-deployment issues and provide effective ongoing support may adversely affect Quisitive's reputation with prospective clients and its ability to sell its solutions to existing clients.

Economic Conditions

Quisitive will be sensitive to the spending patterns of its clients, which are subject to economic and business conditions. It is difficult to estimate the level of growth for the economy as a whole. As all components of Quisitive's budgeting and forecasting will be dependent upon estimates of growth in the markets that Quisitive will serve and economic uncertainties make it difficult to estimate future income and expenditures. Downturns in the economy or geopolitical uncertainties may cause clients to reduce or cancel orders. Hence, economic factors could have an effect on Quisitive's business.

Quisitive's client base will be predominantly in the United States, and to the extent that capital investment in IT either declines or increases, Quisitive may be affected.

Ability to Successfully Execute Strategies

If Quisitive fails to execute any element of its strategy in a timely and effective manner, competitors may be able to seize marketing opportunities that Quisitive has identified. Quisitive's business strategy will require that it successfully and simultaneously complete many tasks. In order to be successful, Quisitive must: (i) continue to attract and retain clients; (iii) hire, train and retain quality employees; and (iv) evolve Quisitive's business to gain advantages in a competitive environment.

Acquisitions

Quisitive intends to in the future acquire additional businesses. Acquisitions involve a number of special risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the business, results of operations and financial condition. In addition, there can be no assurance that Quisitive can complete any acquisition it pursues on favourable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the business. Furthermore, the potential funding of any such future acquisitions could require diversion of revenue or securing of debt or equity financings by Quisitive which could, in turn, result in a potentially dilutive issuance of equity securities. If a strategy of growth through acquisition is pursued, the failure of Quisitive to successfully manage this strategy could have a material adverse effect on Quisitive's business, results of operations and financial condition.

Seasonality of the Business

Quisitive's sales are subject to quarterly and seasonal variations that may cause significant fluctuations in operating results.

Sale Cycle

The timing of Quisitive's revenues may be difficult to predict. Clients typically undertake a significant evaluation process that has in the past resulted in a lengthy sales cycle. Quisitive will spend substantial time, effort and money on its sales efforts without any assurance that the efforts will produce any sales during a given period.

Reliance on Key Personnel

Quisitive is, and Quisitive will be, substantially dependent upon the services of its management team for the successful operation of its business. The loss of the services of any of these individuals could have a material adverse effect on the business of Quisitive. If Quisitive cannot successfully recruit and retain the employees it needs, or replace key employees following their departure, Quisitive's ability to develop and manage its business will be impaired.

Management of Growth

Quisitive may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Quisitive to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Quisitive to deal with this growth may have a material adverse effect on Quisitive's consolidated business, financial condition, results of operations and prospects.

Regulatory Risks

The activities of Quisitive or any of its Subsidiaries may become subject to regulation by governmental authorities, in jurisdictions where such companies may exist or conduct its business. Quisitive cannot predict the regulations it may be required to comply with, or the time required to secure all appropriate regulatory approvals, or the extent of information and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the consolidated business, results of operations and financial condition of Quisitive.

Quisitive and its Subsidiaries may incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions of Quisitive's consolidated operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Quisitive's consolidated operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the consolidated business, results of operations and financial condition of Quisitive.

Changes in Laws, Regulations and Guidelines

While to the knowledge of management, Quisitive and its Subsidiaries are currently in compliance with all laws, any changes to laws, regulations, guidelines and policies due to matters beyond the control of Quisitive may cause adverse effects to its operations.

Reliance on Computer Systems

Quisitive's information technology and internal infrastructure is susceptible to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Significant disruption to the availability of information technology and internal infrastructure could cause delays in research and development work. Quisitive would incur liability and development of product candidates would be delayed if any disruption or security breach were to result in a loss of, or damage to, Quisitive's or any of Quisitive Subsidiaries' data.

Employee Regulations

Quisitive is exposed to the risk of employee fraud and other misconduct. Employee fraud includes intentional failure to comply with regulations, intentional failure to provide accurate information to regulatory authorities and intentional failure to comply with industry standards. Other misconduct includes failure to report financial information accurately, failure to disclose unauthorized activities to Quisitive, and the improper use of information obtained in the course of employment. Employee misconduct resulting in legal action, significant fines or other sanctions could result in a material adverse effect to Quisitive's consolidated business, results of operations or financial condition.

Foreign Currency Risk

Quisitive will be subject to risks and losses resulting from fluctuations in the relative value of the currencies of different countries where its clients and operations are located. While Quisitive will attempt to be prudent in managing such foreign exchange risks, there can be no assurance that shareholders will not suffer losses in the future. Any such losses could have a material adverse impact on results of operations and cash available to support operations.

Competition

The industry in which Quisitive will operate is developing rapidly and related technology trends are constantly evolving. In this environment, Quisitive will face significant price competition from its competitors. There is no assurance that Quisitive will be able to respond effectively or in a timely manner to the various competitive factors affecting the industries in which it operates. Quisitive may be forced to reduce the prices of the products and services it sells in response to offerings made by its competitors. In addition, Quisitive may not be able to maintain the level of bargaining power that it has enjoyed in the past when negotiating the prices of its services.

Quisitive faces substantial competition from other national, multi-regional, regional and local value-added resellers and IT service providers, some of which may have greater financial and other resources than that of Quisitive or that may have more fully developed business relationships with clients or prospective clients than Quisitive. Many of Quisitive's competitors compete principally on the basis of price and may have lower costs or accept lower selling prices and, therefore, Quisitive may need to reduce its prices.

Quisitive's profitability is dependent on the rates it is able to charge for its products and services. The rates charged for products and services are affected by a number of factors, including but not limited to:

- clients' perceptions of Quisitive's ability to add value through its services;
- introduction of new services or products by Quisitive or its competitors;
- competitors' pricing policies;
- the ability to charge higher prices where market demand or the value of Quisitive's services justifies it;
- the ability to accurately estimate, attain and sustain contract revenues, margins and cash flows over long contract periods;

- procurement practices of Quisitive's clients; and

- general economic and political conditions.

If Quisitive is not able to maintain favourable pricing for its products and services, its profit margin and profitability may suffer.

Litigation

Quisitive may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which Quisitive becomes involved be determined against Quisitive such a decision could adversely affect Quisitive's ability to continue operating and the market price for the common shares and could use significant resources. Even if Quisitive is involved in litigation and wins, litigation can redirect significant Quisitive resources. Litigation may also create a negative perception of Quisitive's brand.

Protection of Intellectual Property Rights

The future success of Quisitive's consolidated business is dependent upon the intellectual property rights surrounding certain technology held by LedgerPay and the other Quisitive Subsidiaries from time to time, including trade secrets, know-how and continuing technological innovation. Although Quisitive and Quisitive Subsidiaries seek to protect proprietary rights, their actions may be inadequate to protect any proprietary rights or to prevent others from claiming violations of their proprietary rights. There can be no assurance that other companies are not investigating or developing other technologies that are similar to the technology of LedgerPay or other Quisitive Subsidiaries from time to time. In addition, effective intellectual property protection may be unenforceable or limited in certain countries, and the global nature of the Internet makes it impossible to control the ultimate designation of the applicable technology. Any of these claims, with or without merit, could subject Quisitive or Quisitive Subsidiaries to costly litigation. If the protection of proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties, the value of LedgerPay, other Quisitive Subsidiaries and other intangible assets may be diminished. Any of these events could have an adverse effect on Quisitive's consolidated business and financial results.

Global Economic and Financial Deterioration Impeding Access to Capital or Increasing the Cost of Capital

Market events and conditions, including disruption in the Canadian, U.S. and international financial markets and other financial systems and the deterioration of Canadian, U.S. and global economic and financial market conditions, could, among other things, impact currency trading and impede access to capital or increase the cost of capital, which would have an adverse effect on Quisitive's ability to fund its working capital and other capital requirements.

Dividends

Any decision to declare and pay dividends in the future will be made at the discretion of Quisitive's Board and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Board may deem relevant. As a result, investors may not receive any return on an investment in the common shares unless they sell their shares of Quisitive for a price greater than that which such investors paid for them. Quisitive has no earnings or dividend record and may not pay any dividends on its common shares in the foreseeable future. Dividends paid by Quisitive could be subject to tax and, potentially, withholdings.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the annual consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the annual consolidated financial statements: and (ii) the annual consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in issuers' Annual and Interim filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Corporation does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P")

and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filling such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation: and

(ii) a process to provide reasonable assurance regarding the reliability of financial reposting and the preparation of the unaudited condensed interim consolidated financial statements for external purposed in accordance with the issuer's generally accepted accounting principles (IFRS).

The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.