QUISITIVE™

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the quarter ended March 31, 2022 and 2021

(expressed in United States dollars unless otherwise noted)

QUISITIVE TECHNOLOGY SOLUTIONS, INC.

Unaudited Condensed Consolidated Interim Financial Statements
March 31, 2022 and 2021
(Expressed in thousands of United States Dollars)

QUISITIVE TECHNOLOGY SOLUTIONS, INC.
Unaudited Condensed Consolidated Interim Statements of Financial Position
March 31, 2022 and December 31, 2021
(Expressed in thousands of United States Dollars)

As at	March 31, 2022	December 31, 2021
Assets current		
Cash	$ 9,484	$ 13,516
Accounts receivable and contract assets (Note 4)	27,789	23,631
Current income tax receivable	67	69
Work in progress	2,351	1,783
Prepaid expenses	2,800	2,600
	42,491	41,599
Non-current assets		
Property and equipment, net (Note 5)	6,339	6,793
Intangible Assets (Note 6)	92,320	95,816
Goodwill	197,271	197,309
Deposits with sponsor banks (Note 13)	350	350
Total Assets	**$338,771**	**$341,867**
Liabilities current		
Accounts payable and accrued liabilities	$ 17,205	$ 16,789
Current income tax payable	1,331	655
Current portion of Loan agreement (Note 7)	8,128	8,128
Current portion of Deferred revenue	4,358	3,925
Current portion of Lease liability (Note 9)	1,121	1,189
Current portion of Contingent consideration	15,640	15,616
	47,783	46,302
Non-current liabilities:		
Loan agreement (Note 7)	68,434	70,427
Contingent consideration	5,887	5,788
Lease liability (Note 9)	3,506	3,806
Deferred tax liability	13,672	14,842
Total Liabilities	139,282	141,165
Shareholders' equity		
Share capital (Note 10)	237,384	237,398
Warrants (Note 10)	416	416
Contributed surplus (Note 10)	4,512	4,319
Deficit	(41,660)	(40,405)
Accumulated other comprehensive income	(752)	(810)
Equity attributable to owners of the Corporation	199,900	200,918
Non-Controlling Interest (Note 14)	(411)	(216)
	199,489	200,702
Total Liabilities and Shareholders' Equity	**$338,771**	**$341,867**

Approved on behalf of the Board:

"Mike Reinhart" — Mike Reinhart, CEO

"David Guebert" — David Guebert, Director and Chair of Audit Committee

The accompanying Notes are an integral part of these condensed consolidated interim financial statements.

QUISITIVE TECHNOLOGY SOLUTIONS, INC.
Unaudited Condensed Consolidated Interim Statements of Comprehensive Loss
March 31, 2022 and March 31, 2021
(Expressed in thousands of United States Dollars except per share and share amounts)

	March 31, 2022	March 31, 2021
Revenue (Note 15)	$ 44,928	$ 12,628
Cost of Revenue	27,020	8,338
Gross Margin	17,908	4,290
Operating Expenses		
Sales and marketing expense	3,513	1,028
General and administrative	8,013	2,077
Development	100	313
Share-based compensation (Note 10)	422	389
Interest expense (Note 7 (ii))	963	279
Grant Income	—	19
Amortization (Note 6)	4,270	878
Earn-out settlement loss	72	—
Acquisition Related Compensation (Note 3)	765	—
Depreciation (Note 5)	512	253
Foreign exchange loss	310	278
Acquisition-related, transaction and other expenses	362	456
Loss Before Income Taxes	(1,394)	(1,680)
Income tax expense — current	1,237	430
Deferred income tax expense (recovery)	(1,181)	(161)
Net Loss for the Period	$ (1,450)	$ (1,949)
Comprehensive Loss:		
Items that may be reclassified subsequently to income:		
Foreign currency translation adjustment	58	97
Comprehensive loss	$ (1,392)	$ (1,852)
Net Loss Attributed to:		
Non controlling interest (Note 14)	(195)	(53)
Owners of the Corporation	(1,255)	(1,896)
	$ (1,450)	$ (1,949)
Basic and Diluted Loss per share (Note 11)	$ (0.00)	$ (0.01)
Weighted Average Number of Common Shares Outstanding	356,721,500	197,851,522

The accompanying Notes are an integral part of these consolidated financial statements.

QUISITIVE TECHNOLOGY SOLUTIONS, INC.
Unaudited Condensed Consolidated Interim Statements of Changes in Shareholder's Equity
For the quarter ended March 31, 2022 and 2021
(Expressed in thousands of United States Dollars except share amounts)

	Share Capital							
	Number	Amount	Contributed Surplus	Warrants	Deficit	AOCI	Non-Controlling Interest	Total
Balance December 31, 2020	**193,585,013**	**$ 45,781**	**$3,300**	**$2,463**	**$(24,090)**	**$(865)**	**$ 272**	**$ 26,861**
Private Placement	16,000,000	14,836						14,836
Exercise of RSU's	668,805	135	(135)					—
Warrants exercised	160,000	266		(115)				151
Exercise of stock options	15,000	16	(14)					2
Stock based compensation			389					389
Change in cumulative impact of foreign currency						97		97
Net income (loss) for the period					(1,896)		(53)	(1,949)
Balance March 31, 2021	**210,428,818**	**$ 61,034**	**$3,540**	**$2,348**	**$(25,986)**	**$(768)**	**$ 219**	**$ 40,387**
Balance December 31, 2021	**356,314,879**	**$237,398**	**$4,319**	**$ 416**	**$(40,405)**	**$(810)**	**$(216)**	**$200,702**
Exercise of RSU's.	757,064	229	(229)					—
Net settlement of tax liabilities on RSU's	(270,672)	(243)						(243)
Stock based compensation			422					422
Change in cumulative impact of foreign currency						58		58
Net loss for the period					(1,255)		(195)	(1,450)
Balance March 31, 2022	356,801,271	$237,384	$4,512	$ 416	$(41,660)	$(752)	$(411)	$199,489

The accompanying Notes are an integral part of these consolidated financial statements.

QUISITIVE TECHNOLOGY SOLUTIONS, INC.
Unaudited Condensed Consolidated Interim Statements of Cash Flows
For the quarter ended March 31, 2022 and 2021
(Expressed in thousands of United States Dollars)

	March 31, 2022	March 31, 2021
Operating Activities		
Net loss for the period	$ (1,450)	$ (1,949)
Items not involving cash		
Amortization	4,270	878
Depreciation	512	253
Unrealized foreign exchange	310	132
Share based compensation	422	389
Interest expense and accretion	963	279
Disposals of property and equipment	95	—
Deferred Grant Income	—	19
Acquisition related compensation	765	—
Earnout settlement loss	72	—
Deferred income tax recovery	(1,181)	(161)
	4,778	(160)
Changes in non-cash working capital		
Accounts receivables and contract assets	(4,270)	(1,130)
Work in progress	(568)	140
Prepaids and expenses	(200)	(74)
Accounts payable and accrued liabilities	(851)	39
Income tax payable (receivable), net	678	322
Deferred Revenue	433	278
Cash provided by Operating Activities	—	(585)
Investing Activity		
Purchase of intangible assets	(724)	(191)
Purchase of property and equipment	(153)	(36)
Cash used in Investing Activities	(877)	(227)
Financing Activities		
Proceeds from share issuance, net of issuance costs	—	14,836
Proceeds from exercise of warrants	—	151
Repayment of BMO Loan Agreement	(2,031)	—
Interest paid	(444)	(245)
Lease payments	(437)	(207)
Proceeds of Loan Agreement,	—	(202)
Payment of equity issuance costs	(12)	—
Payment of contingent consideration	—	(700)
Payments of employee taxes net settlement RSU/stock options	(231)	—
Proceeds from the exercise of stock options	—	4
Cash used by Financing Activities	(3,155)	13,637
Inflow (Outflow) of Cash	(4,032)	12,825
Cash and restricted cash, Beginning of period	13,516	10,983
Cash and restricted cash, End of period	**$ 9,484**	**$23,808**

The accompanying Notes are an integral part of these consolidated financial statements.

(Expressed in thousands of United States Dollars)

1. NATURE OF OPERATIONS

(a) Nature of operations

Quisitive Technology Solutions, Inc. (the "Corporation") is a premier Microsoft solutions provider that helps enterprise organizations move, operate and innovate in the Microsoft cloud: Quisitive provides Microsoft Azure, Microsoft Dynamics business applications and Microsoft O365 as well as proprietary Software as a Service ("SaaS") solutions such as CRG emPerform™, LedgerPay, and business solutions from other technology partners that complement the Microsoft platform.

On May 7, 2021, Quisitive purchased BankCard USA Merchant Services, Inc ("Bankcard") which is a registered and full-acquiring ISO/MSP, that is party to sponsorship agreements with several member banks ("Sponsoring Banks") to process and settle bankcard transactions for merchant customers.

The Corporation consists of two operating segments — Cloud Solutions and Payment Solutions.

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.

(b) Structure of Business

The Corporation has the following subsidiaries:

Entity name	Country	Ownership percentage at March 31, 2022	Ownership percentage at December 31, 2021
		%	%
Bankcard USA Merchant Services, Inc	USA	100	100
Catapult Systems LLC	USA	100	100
Corporate Renaissance Group Inc,	Canada	100	100
Ledgerpay, Inc	USA	80	80
Menlo Technologies, Inc	USA	100	100
Mazik Global Inc	USA	100	100
Menlo Software India Private Limited	India	100	100
MidTech Software Solutions, Inc	USA	100	100
Quisitive Ltd	USA	100	100
Quisitive LLC	USA	100	100
Quisitive Payment Solutions, Inc	USA	100	100
Support Solutions, Inc	USA	100	100

The Corporation on October 28, 2021 resolved to amalgamate Fusion Agiletech Partners, Inc. The amalgamation has been completed and Fusion Agiletech Partners, Inc. capital is now the capital of Qusitive Technology Solutions, Inc.

2. BASIS OF PRESENTATION

(a) Basis of presentation

These unaudited interim condensed consolidated financial statements ("financial statements") were prepared using the same accounting policies and methods as those used in the Corporation's consolidated financial statements for the year ended December 31, 2021. These interim condensed consolidated financial statements have been prepared in compliance with IAS 34 — Interim Financial Reporting. Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") have been omitted or condensed. These interim condensed consolidated financial statements should be read in conjunction with the Corporation's consolidated financial statements for the year ended December 31, 2021.

These financial statements were authorized for issue by the Board of Directors on May 25, 2022.

(b) COVID-19

The outbreak of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Corporation's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to contain the COVID-19 virus or remedy its impact, among others. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

(c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(d) Functional and reporting currency

These consolidated financial statements are presented in USD$. The functional currency of the Corporation and each of the Corporations' controlled subsidiaries is USD$ with the exception of Corporate Renaissance Group, Inc. which uses Canadian dollars as its functional currency.

(e) Basis of consolidation

The consolidated financial statements include the Corporation and its subsidiaries. Subsidiaries are entities that the Corporation has control and are fully consolidated from the date that control commences until the date that control ceases.

Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

2. BASIS OF PRESENTATION (Continued)

(f) Use of Estimates

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates include:

(i) Share-based compensation is valued using the Black-Scholes Option Pricing Model at the date of grant and expensed in profit or loss over the vesting period of each award. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumptions on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

(ii) Useful lives of intangible assets — Following initial recognition, the Corporation carries the intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

(iii) The amount of goodwill initially recognized as a result of a business combination, the fair value estimate of any contingent consideration and the determination of the fair value of the identifiable assets acquired and liabilities assumed is based, to a considerable extent, on management's estimate of future cash flows expected to be derived from the assets acquired and the discount rates applied.

(iv) Recoverability of the carrying value of non-financial assets requires management to use valuation methodology to determine the greater of value in use and fair value less costs at disposal. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, estimated future cash flows, terminal growth rates and discount rates.

(v) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts and therefore do not necessarily provide certainty as to their recorded values.

(vi) The Corporation records an allowance for doubtful accounts related to accounts receivable that are considered to be uncollectable. The allowance is based on the Corporation's knowledge of the financial condition of its customers, the aging of the receivables, the current business environment and historical experience. A change to those factors could impact the estimated allowance and the provision for bad debts.

Significant areas requiring the use of judgments include:

(i) The determination of cash generating units ("CGU") and the allocation of goodwill for the purpose of impairment testing.

(ii) The determination of the functional currency for the Corporation and each of its subsidiaries is based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

2. BASIS OF PRESENTATION (Continued)

(iii) Deferred income tax assets and liabilities result from timing differences between the financial reporting and tax bases of assets and liabilities. Loss carry forwards also comprise a portion of the temporary differences and result in a deferred income tax asset. Deferred income tax assets are only recognized to the extent that management considers it probable that a deferred income tax asset will be realized. The assessment for the recognition of a deferred tax asset requires significant judgement. The factors used to assess the likelihood of realization are the Corporation's forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets. The Corporation has and continues to use tax planning strategies to realize deferred tax assets in order to avoid the potential loss of benefits. Unknown future events and circumstances, such as changes in tax rates and laws, may materially affect the assumptions and estimates made from one period to the next. Any significant change in events, tax laws, and tax rates beyond the control of the Corporation may materially affect the consolidated financial statements.

(iv) Contingencies are subject to measurement uncertainty as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgement, including assessing whether a present obligation exists, assessing factors that may mitigate or reduce the obligation, and determining a reliable estimate of the amount of cash outflow required to settle the obligation. The Corporation is required to both determine whether loss is probable and whether the loss can be reasonably estimated. The uncertainty involved with the time and amount at which a contingency may be settled may have a material impact on the consolidated financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

(v) Contingent consideration and the allocation of fair value of assets acquired. Management has applied judgment with respect to the probability of the contingent consideration being earned and the discount rate. The determination of fair value of assets acquired requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of the assets acquired require the most judgment and include estimates of future cash flows.

(vi) The assessment of the corporation's operating segments.

3. BUSINESS COMBINATIONS

(i.) Catapult Systems LLC

On November 22, 2021, the Corporation, through its subsidiaries purchased all of the shares of Catapult Systems, LLC ("Catapult"), an Austin, Texas based Microsoft-focused digital solutions and services provider to obtain control. The aggregate consideration paid by the Corporation to acquire Catapult is comprised of the following: (i) $51,500 paid in cash at closing; (ii) Net working capital adjustment at the acquisition date of $389.

The Corporation has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired, and liabilities assumed were recorded at their estimated fair value at the acquisition date.

The fair values shown below for Catapult are final. An adjustment was made in intangible assets value, deferred tax asset and goodwill from the preliminary values as disclosed in the annual consolidated financial statements.

(Expressed in thousands of United States Dollars)

3. BUSINESS COMBINATIONS (Continued)

	USD Fair value recognized on acquisition $
Cash and cash equivalents	$ 1,200
Trade receivable and other current assets	7,866
Property and equipment, net	428
Right-of-use-assets	2,320
Intangibles	15,150
Deferred tax asset	1,941
Goodwill	28,631
Accounts payable and accrued liabilities	(1,884)
Taxes payable	(35)
Lease liability	(453)
Other current liabilities	(64)
Lease liability — LT	(1,867)
Deferred revenue	(1,344)
Fair value of assets acquired and liabilities assumed	$51,889
Cash	$51,500
Working capital adjustment	389
Total Consideration	$51,889

The Trade receivable and other current assets balance is not materially different from the fair value on acquisition.

The Corporation incurred $1,462 in acquisition costs related to the acquisition, which was recorded in the year ended December 31, 2021.

The goodwill recognized in connection with the acquisition of Catapult Systems LLC, a global modern digital solutions and services firm that uses technology to solve complex business challenges and deliver exceptional value to several industries, is attributable to the support and synergies gained by the support of Quisitive services. Goodwill also includes other intangibles such as an assembled workforce that do not qualify for a separate recognition under IFRS.

The goodwill is not tax deductible and has been allocated to the cloud services cash generating unit. The acquired intangible assets are being amortized over their estimated useful lives as follows:

Brand	2 years
Developed Technology	4 years
Customer Relationships	5 years

3. BUSINESS COMBINATIONS (Continued)

(ii.) Bankcard USA Merchant Services Inc.

On May 7, 2021, the Corporation, through its subsidiaries purchased all of the shares of Bankcard to obtain control. The aggregate consideration paid by the Corporation to acquire Bankcard is comprised of the following: (i) $100,523 paid in cash at closing; (ii) 50,000,000 common shares valued at $77,739; (iii)Contingent consideration with a fair value of $9,253; and, (iv) Net working capital adjustment estimated at the acquisition date of $1,925.

Contingent consideration of up to $5,000 in cash and up to $5,000 of common shares of the Corporation ("Shares") per annum is payable at the end of each of the two twelve-month periods post acquisition (the "Earnout"). If Bankcard's year one annual revenue exceeds $38,900 the maximum cash payout is $5,000 in cash and $5,000 in Shares, and if year two annual revenue exceeds $44,700 the maximum payout is $5,000 in cash and $5,000 in Shares. The vendors of Bankcard can also achieve the Earnout opportunity if the revenue earned exceeds $83,580 over the 24-month earnout period post acquisition. The maximum aggregate Earnout payment over the two years is $10,000 in cash and $10,000 in Shares. The Corporation has estimated the contingent consideration at present value at the date of acquisition to be approximately $9,253.

The goodwill recognized in connection with the acquisition of BankCard by Quisitive is primarily attributable to the anticipated cost savings synergies expected to be realized as a result of the migration of payment processing services from third party providers to the proprietary software developed by Quisitive and the application of Quisitive's best practices to improve the operations of BankCard. Goodwill also includes other intangibles such as assembled workforce that do not qualify for separate recognition under IFRS.

The Corporation has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired, and liabilities assumed were recorded at their estimated fair value at the acquisition date.

(Expressed in thousands of United States Dollars)

3. BUSINESS COMBINATIONS (Continued)

The fair values shown below for Bankcard are preliminary, pending finalization of certain assumptions used in valuing the acquired assets, assumed liabilities and value of contingent consideration.

	USD Fair value recognized on acquisition $
Cash	$ 919
Processing and trade receivables	4,229
Property and equipment	840
Right of use asset	1,781
Indemnification asset	659
Intangibles	66,234
Other assets	393
Goodwill	135,326
Trade and other payables	(2,918)
Deferred tax liability	(15,583)
US payroll protection plan loan	(659)
Lease liability	(1,781)
Fair value of assets acquired and liabilities assumed	$189,440
Cash	$100,523
Quisitive common shares	77,739
Working capital adjustment	1,925
Contingent consideration	9,253
Total Consideration	$189,440

The gross processing and trade receivable balance is not materially different from the fair value on acquisition.

The Corporation incurred $3,188 in acquisition costs related to the acquisition, which has been expensed as transaction-related expenses in the consolidated statement of comprehensive loss which was recorded in the year ended December 31, 2021.

The goodwill is not tax deductible and has been allocated to the payment solutions cash generating unit. The acquired intangible assets are being amortized over their estimated useful lives as follows:

Brand	3 years
Developed Technology	9 years
Customer Relationships	8 years

3. BUSINESS COMBINATIONS (Continued)

(iii.) Mazik Global, Inc.

On April 1, 2021, the Corporation, through its subsidiaries purchased all of the shares of Mazik Global, Inc. ("Mazik") to obtain control. The aggregate consideration paid by the Corporation to acquire Mazik is comprised of the following: (i) $7,000 paid in cash at closing; (ii) 6,254,020 common shares valued at $7,516; and (iii) Net working capital adjustment at the acquisition date of $1,339.

In addition, the agreement included contingent consideration per annum of $2,100, 2,000 and $1,900 for the years ended March 31, 2022, March 31, 2023 and March 31, 2024, respectively contingent on the legacy Mazik business achieving revenue targets of $15,000 from April 1, 2022 to March 31, 2022, $18,500 from April 1, 2022 to March 31, 2023 and $22,000 from April 1, 2023 to March 31, 2024. Additional growth earnouts of $650, $650 and $700 are payable contingent on achieving license revenue targets of $3,500, $5,000, and $6,500 for the years ended March 31, 2022, March 31, 2023 and March 31, 2024, respectively. The contingent consideration includes a requirement for the shareholders to remain employed with Quisitive at the applicable calculation date. As such, the earn-out payments have been accounted for as compensation for post-combination services, and not consideration in the business combination. Any amounts owing will be expensed in the applicable fiscal years as earned. For the quarter ended March 31, 2022, the Corporation recorded $525 of acquisition-related compensation expense. (March 31, 2021, $0).

The goodwill recognized in connection with the acquisition of Mazik, an independent software vendor that helps companies deploy Microsoft Dynamics CRM, Cloud, and ERP solutions to the healthcare, public sector, education, and manufacturing industries by Quisitive is primarily attributable to the support of Quisitive services. Goodwill also includes other intangibles such as assembled workforce that do not qualify for separate recognition under IFRS.

The Corporation has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting whereby the assets acquired, and liabilities assumed were recorded at their estimated fair value at the acquisition date.

(Expressed in thousands of United States Dollars)

3. BUSINESS COMBINATIONS (Continued)

The fair values shown below for Mazik are final. There were no changes to the Preliminary PPA as disclosed in the annual consolidated financial statements as at and for the year ended December 31, 2021.

	USD Fair value recognized on acquisition $
Cash	$ 609
Trade and other receivables	1,782
Work in Progress	1,267
Right-of-use asset	31
Indemnification asset	829
Intangibles	7,070
Goodwill	9,330
Trade and other payables	(1,120)
Deferred revenue	(1,402)
Deferred tax liability	(1,641)
US payroll protection plan loan	(869)
Lease liability	(31)
Fair value of assets acquired and liabilities assumed	$15,855
Cash	$ 7,000
Quisitive common shares	7,516
Working capital adjustment	1,339
Total Consideration	$15,855

The trade and other receivables balance is not materially different from the fair value on acquisition.

The Corporation incurred $965 in acquisition costs related to the acquisition, which has been expensed as transaction-related expenses in the consolidated statement of comprehensive loss which was recorded in the year ended December 31, 2021.

The goodwill is not tax deductible and has been allocated to the cloud services cash generating unit. The acquired intangible assets are being amortized over their estimated useful lives as follows:

Brand	3 years
Developed Technology	3 years
Customer Relationships	8 years

(Expressed in thousands of United States Dollars)

4. ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

The Corporation's accounts receivable is comprised of the following:

	March 31, 2022	December 31, 2021
Trade receivable	$20,308	$16,943
Processing receivable	4,492	3,374
Allowance for doubtful accounts	(420)	(422)
Contract assets	1,499	1,499
Other receivables	1,910	2,237
Net accounts receivable and contract assets	$27,789	$23,631

For the quarter ended March 31, 2022, the Corporation recorded bad debt expense of $51 (March 31, 2021 — $1). Contract assets of $1,499 relate to performance under a first party license sale contract that has not been billed at March 31, 2022 (December 31, 2021 — $1,499).

5. PROPERTY AND EQUIPMENT

	Computers and Network Equipment	Furniture and Equipment	Leasehold Improvements	Software	Right of Use Asset	Total
Cost						
Balance December 31, 2021	$1,067	$742	$868	$195	$7,274	$10,146
Additions	85	37	31			153
Dispositions	(5)	(94)	(15)			(114)
Reclassifications		42	(42)			—
Effect of Foreign Currency Translation		1				1
Balance at March 31, 2022	$1,147	$728	$842	$195	$7,274	$10,186
Accumulated Depreciation						
Balance, December 31, 2021	$ 320	$464	$141	$ 73	$2,355	$ 3,353
Depreciation	74	23	62	15	338	512
Dispositions	(3)		(15)			(18)
Balance at March 31, 2022	$ 391	$487	$188	$ 88	$2,693	$ 3,847
Carrying amounts						
Balance December 31, 2021	$ 747	$278	$727	$122	$4,919	$ 6,793
Balance March 31, 2022	$ 756	$241	$654	$107	$4,581	$ 6,339

(Expressed in thousands of United States Dollars)

6. INTANGIBLE ASSETS

Intangible assets with a finite life are amortized into operating expenses over their useful lives.

	Software	Website Development	Microsoft Relationship	Customer Relationship	Brand	Total
Cost						
Balance December 31, 2021	$11,012	$320	$3,860	$92,567	$6,992	$114,751
Additions	724	—	—	—	—	724
Catapult Acquisition Valuation Adjustments	(50)	—	—	100	—	50
Balance March 31, 2022	11,686	320	3,860	92,667	6,992	115,525
Accumulated Amortization						
Balance December 31, 2021	$ 1,763	$171	$3,036	$11,571	$2,394	$ 18,935
Amortization	449	9	193	3,092	527	4,270
Balance March 31, 2022	$ 2,212	$180	$3,229	$14,663	$2,921	$ 23,205
Carrying Value						
Balance December 31, 2021	$ 9,249	$149	$ 824	$80,996	$4,598	$ 95,816
Balance March 31, 2022	$ 9,474	$140	$ 631	$78,004	$4,071	$ 92,320

7. BORROWINGS

The following table sets out the Corporation's borrowings:

	March 31, 2022	December 31, 2021
BMO Loan Agreement (i)	76,562	78,555
Balance — end of period	$76,562	$78,555
Current	$ 8,128	$ 8,128
Non-current	68,434	70,427
	$76,562	$78,555

(i) BMO Loan agreement and predecessor loan agreements

On August 27, 2021, the Corporation entered a new credit facility with a syndicate led by Bank of Montreal ("BMO") pursuant to the terms of a loan agreement entered between the Corporation, certain material subsidiaries of the Corporation, as guarantors, BMO, as administrative agent and the lenders party thereto (the "Lenders") (the "BMO Loan Agreement"). The proceeds from the BMO Loan Agreement were used to repay and retire the Corporation's existing Loan Agreement, with the balance expected to be used to finance future permitted acquisitions. The proceeds from the Revolving Facility are expected to be used by the Corporation to fund working capital requirements in the ordinary course.

The BMO Loan Agreement provides for a five-year term loan of $70,000 (the "Term Loan") and a revolving loan facility of up to $5,000 (the "Revolving Facility"), with all debts, liabilities, and obligations of the Corporation and guarantors under the Term Loan and Revolving Facility collaterally secured by a first ranking security interest in all of the present and future undertaking, property and assets of the Corporation and its material subsidiaries. The Term Loan has an accordion feature by which the Corporation may request increases in principal under the Term Loan up to a maximum amount of

(Expressed in thousands of United States Dollars)

7. BORROWINGS (Continued)

$35,000. On, November 18, 2021, $15,000 was drawn under the accordion to provide funds to complete the Catapult acquisition.

The Term Loan is available by way of Canadian dollar prime rate loans, U.S. dollar base rate loans, Canadian dollar CDOR loans and U.S. dollar LIBOR loans. Interest on the Term Loan is payable monthly based on a price grid which ranges, depending on the Corporation's total senior debt to EBITDA ratio, from the Bank's Canadian prime rate or U.S. base rate plus 0.25% to 1.50% and from the CDOR rate or LIBOR rate plus 1.75% to 3.00%. The Term Loan amortizes over 10 years and advances under the Term Loan are repayable in equal quarterly instalments over the loan term with a final payment of any amounts then outstanding due at maturity. The Loan Agreement contains standard compliance requirements as well as ongoing debt service and coverage covenants. The Corporation was in compliance with all covenants on March 31, 2022, however there can be no assurances that compliance will be achieved throughout the remaining term of the agreement. The Revolving Facility is repayable with monthly interest consistent with the Term Loan rates.

Total finance costs incurred in relation to the Term Loan agreement of $1,098 were deferred and are being amortized using the effective interest rate method over the life of the loan. The Operating Line is repayable with monthly interest consistent with the Term Loan rates.

Interest expense on the BMO Loan Agreement during the quarter ended March 31, 2022, was $810 (2021 — $0).

(ii) Finance Costs

The Corporation's finance costs comprise the following:

	Quarter ended March 31, 2022	2021
Interest on borrowings	$810	$208
Amortization of debt issuance costs	38	—
Accretion expense	51	52
Net finance costs on leases	64	19
Total finance costs	$963	$279

8. RELATED PARTY TRANSACTION AND BALANCE

(i) *Key management compensation*

The Corporation's key management consist of executive officers and directors.

The compensation recorded to key management personnel during the quarter ended March 31, 2022 and 2021 were as follows:

	Quarter ended March 31, 2022	2021
Salaries and short term benefits	$278	$210
Share Based Compensation	$ 83	$309

In addition, the Corporation has contingent consideration due to certain directors and officers.

(Expressed in thousands of United States Dollars)

8. RELATED PARTY TRANSACTION AND BALANCE (Continued)

(ii) During the quarter, the Corporation had transactions with Software Integrators International, Inc. and Corporate Renaissance Group Solutions (PVT) Ltd. which are controlled by a Director/Officer of the Corporation. The transactions and balances for the quarter ended March 31, 2022 are set out in the table below and the ending balance is included in accounts payable and accrued liabilities.

	Opening receivable (payable)	Net repayment / (Payments Received)	Sales provided (Services Received)	Closing (payable) receivable
		(all amounts in CAD)		
Software Integrators International Inc.	$(101)	$ 4	$ 6	$(91)
Corporate Renaissance Group Solutions (PVT) Ltd	$ (40)	$167	$(127)	$ —

9. LEASE LIABILITIES

(i) Future minimum cash payments required under the property leases held by the Corporation are as follows:

	March 31, 2022
2022	$1,081
2023	1,388
2024	1,192
2025	658
2026+	1,032
Total	$5,351
Discounting	(724)
	$4,627

(ii) Property lease payments including variable lease payments for the quarter ended March 31, 2022 and 2021 were as follows:

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
Total Short-Term Lease Expense	$ 47	$ 7
Variable Lease Expense	83	46
	$130	$53

(iii) continuity of fair value of lease obligations is as follows:

Opening balance January 1, 2022	$4,995
Payments (net of accretion)	(368)
New leases	—
Present value of lease liability March 31, 2022	$4,627

(Expressed in thousands of United States Dollars)

10. SHARE CAPITAL

(a) Share Issuances

The Corporation is authorized to issue an unlimited number of common shares. As at March 31, 2022, 356,801,271 common shares were issued and outstanding as fully paid and non-assessable (December 31, 2021 — 356,314,879).

For the period ended March 31, 2022, the Corporation issued 486,392 and 0 shares in connection with the exercise of RSU's and stock options, respectively. For the period ended March 31, 2021 the Corporation issued 668,805 and 15,000 shares in connection with the exercise of RSU's and stock options.

For the period ended March 31, 2022, the corporation issued 0 common shares on exercise of broker compensation options and warrants and 0 common shares on exercise of warrants for total proceeds of $0. During the quarter ended March 31, 2021, 160,000 common shares were issued pursuant to the exercise of common shares purchase warrants issued on June 26, 2020 for the proceeds of $151.

(b) Warrants Issued

Issue date	Type	Number of warrants outstanding at December 31, 2021	Number of warrants outstanding at March 31, 2022	Maturity date	Exercise price (in CAD)
26-Jun-20 . . .	compensation unit options	160,433	160,433	26-Jun-22	0.75

(c) Stock Options

The Corporation has a stock and incentive plan in place to promote the interests of the Corporation and its shareholders by aiding the Corporation in attracting and retaining employees, officers, consultants, advisors and directors capable of assuring the future success of the Corporation, to offer such persons incentives to put forth maximum efforts for the success of the Corporation's business and to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership in the Corporation, thereby aligning the interests of such persons with the Corporation's shareholders.

The plan sets out the framework for determining eligibility as well as the terms of any stock based compensation granted. In 2019, the Corporation adopted an Omnibus plan which includes the full scope of governance on stock options, RSU's, stock appreciation rights, and incentive stock options.

	Number of options	Weighted average exercise price (CAD)
Outstanding at December 31, 2021	3,480,000	$0.45
Granted	100,000	0.81
Outstanding at March 31, 2022	3,580,000	$0.46

For the quarter ended March 31, 2022, the Corporation recognized share based compensation from stock options of $35 (March 31, 2021 — $12).

The following options were issued and outstanding as at March 31, 2022:

(Expressed in thousands of United States Dollars)

10. SHARE CAPITAL (Continued)

Grant Date	Expiry Date	Ex price (CAD)	Number of options	Exercisable
9-Apr-18	April 9, 2023	0.35	605,000	605,000
30-Apr-18	April 30, 2023	0.35	100,000	100,000
17-Aug-18	August 17, 2023	0.35	200,000	200,000
20-Nov-18	November 20, 2023	0.35	950,000	950,000
23-Dec-19	December 23, 2024	0.20	1,000,000	1,000,000
03-Jan-20	January 3, 2025	0.25	200,000	200,000
07-Jul-21	July 7, 2026	1.60	325,000	108,333
02-Aug-21	August 2, 2026	1.52	100,000	33,334
01-Mar-22	February 28, 2027	0.81	100,000	—
			3,580,000	3,196,667

The weighted average contractual life for the remaining options at March 31, 2022 is 2.28 years.

(d) Restricted Stock Units

The Corporation granted restricted stock units (RSU's) to employees. The RSU's vest over 0-3 years. Each RSU entitles the employee to either one share of the Corporation or the cash equivalent of one share of the Corporation at the option of the Corporation at the exercise date. The fair value of restricted stock awards is estimated using the market price of the Corporation's common stock at the date of grant. Restricted stock activity during the year is as follows:

	# of RSU's
Opening balance December 31, 2021	6,702,966
Granted	2,182,500
Exercised	(757,064)
Forfeited	—
Closing balance March 31, 2022	8,128,402

During the quarter ended March 31, 2022, the Corporation recognized share based compensation of $381 (March 31, 2021 — $377).

(e) Stock appreciation rights

The Corporation granted 116,500 stock appreciation rights (SAR's) to employees in the first quarter of 2021. The SAR's vest over three years. Each SAR entitles the employee to receive the increase in the value between the exercise price of $1.27 and the market price of one common share on the vesting date. The payment upon exercise of a SAR will be in cash or common shares at the option of the Corporation. The grant date fair value of the SAR's of $97 was estimated using the Black Scholes option pricing model with the following assumptions:

Annualized volatility 99.15%

Risk free interest rate 2%

Expected life 3 years

The fair value will be recorded as a charge to income and included in stock based compensation expense over the vesting period with $6 charged to income for the quarter ended March 31, 2022 (March 31, 2021 — $5).

(Expressed in thousands of United States Dollars)

11. NET LOSS PER SHARE

The computation for basic and diluted net income (loss) per share for the quarter ended March 31, 2022 and 2021 are as follows:

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
Net loss for the period	$ (1,450)	$ (1,949)
Weighted average number of shares outstanding, basic	356,721,500	197,851,522
Basic and Diluted Income (Loss) Per Share	$ (0.00)	$ (0.01)

Potentially dilutive shares relating to warrants, compensation unit options broker warrants, stock options and RSU's as set-out below have been excluded from the calculation of the diluted number of shares as the impact would be anti-dilutive.

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
Warrants	—	10,506,203
Broker compensation options	160,433	1,718,927
Broker warrants	—	419,428
Stock options	3,580,000	3,390,000
RSU's	8,128,402	5,602,063
	11,868,835	21,636,621

12. FINANCIAL INSTRUMENTS

The carrying values of the cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, and operating line of credit approximate their fair values due to their short term to maturity. The carrying value of the Loan Agreement, Notes payable, Menlo acquisition loan, Purchase price notes and Bank term loan approximate fair value as they were at market rates of interest.

The Corporation has exposure to the following risks from its use of financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash is placed with a major US and Canadian financial institutions and the Corporation's concentration of credit risk for cash and maximum exposure thereto is $9,484 (2021 — $13,516).

With respect to its accounts receivable, the Corporation assesses the credit rating of all customers and maintains provisions for potential credit losses, and any such losses to date have been within management's expectations. The Corporation's credit risk with respect to trade accounts receivable and processing receivable with maximum exposure thereto is $24,379 (December 31, 2021 — $19,895). Accounts receivable are shown net of provision of credit losses of $420 (December 31, 2021 — $422).

	under 30	30-60 days	over 60 days	Total
Trade and processing receivable ageing	$21,747	$849	$1,783	$24,379

The Corporation has no customers that constitute greater than 10% of accounts receivable at March 31, 2022 and December 31, 2021.

(Expressed in thousands of United States Dollars)

12. FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation. At March 31, 2022, the Corporation has $9,484 (December 31, 2021 — $13,516) of unrestricted cash and liabilities with the following due dates at their carrying values:

	under 3 months	3 months-1 year	1-2 years	3-5 years
A/P and accrued liabilities	$15,105	2,100		
Income taxes payable		1,331		
Contingent consideration	6,817	8,823	5,887	
Loan agreement		8,128	8,128	60,306
Total	$21,922	$20,382	$ 14,015	$ 60,306

The Corporation manages its liquidity risk by relying upon its revenues. In addition, recent events will impact the Corporation to varying degrees as the discrete effects of COVID-19 across companies and industries evolves. This could potentially impact our financing efforts, ability to operate, customer demand and the liquidity our clients and the Corporations liquidity.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate, foreign currency and other price risk.

(d) Interest rate risk

The Corporation is exposed to interest rate risk through the Loan Agreement loan which bears interest at Bankers Acceptance plus a percentage determined by the results of the corporation collocated on a hailing twelve month basis. A 1% change in Bankers Acceptance rate would lead to +/-$747 in interest payable over 1 year.

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value of the Corporation's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Corporation is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Corporation are not denominated in its functional currency. The Corporation does not manage currency risk through hedging or other currency management tools.

As at March 31, 2022 and December 31, 2021, the Corporation's net exposure to foreign currency risk on its financial instruments is as follows:

	March 31, 2022	December 31, 2021
	CAD$	CAD$
Cash	$ 510	$ 336
Accounts payable and accrued liabilities	(939)	(895)
	(429)	(559)
United States dollar equivalent	$(343)	$(441)

12. FINANCIAL INSTRUMENTS (Continued)

(f) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Corporation is not exposed to other price risk.

13. BANK SPONSORING AGREEMENTS

Under VISA and MasterCard program rules, only member banks are allowed to directly process bankcard transactions through their network as the Corporation's Sponsoring Banks are member banks. The Sponsoring Bank agreements generally expire either annually or every two years and are subject to automatic renewal for one- or two-year terms, respectively, unless canceled by either party. The agreement permits the funds to be routed under the Sponsoring Bank's control and identification numbers to clear credit bank card transactions through Visa and MasterCard. The sponsorship agreement also enables the Corporation to settle funds between cardholders and merchants by delivering funding files to the Sponsoring Bank, which in turn transfers settlement funds to the merchants' bank accounts. These restrictions place the settlement assets and obligations under the control of the Sponsoring Bank.

The sponsorship agreement requires, among other things, that the Corporation abide by the by-laws and regulations of the Visa and MasterCard networks. In addition, the agreement requires the Corporation maintain a reserve account. For the quarter ended March 31, 2022, the Corporation has $350 in deposits with sponsoring banks (December 31, 2021 — $350).

Under the terms of the agreement, in the event that one of the Corporation's merchant customers is unable to settle chargebacks, resulting from valid customer disputes, the Corporation is required to fulfill any remaining obligation, up to the gross amount paid by the customer. As the Corporation's customer base consists predominantly of small retail merchants that fulfill obligations at the time of payment, the Corporation's cost of fulfilling this obligation has not historically been material. The Corporation further mitigates this risk by withholding a percentage of amounts due to high risk merchants that collect significant amounts of customer funds in advance of delivery or performance. Costs of fulfilling customer chargeback obligations are accrued when such amounts become probable and estimable.

14. NON-CONTROLLING INTEREST

The Corporation owns 80% of its subsidiary LedgerPay.

On January 22, 2018, the Corporation, through its subsidiaries, executed an employment agreement with an executive, and issued 5% or 500,000 shares of LedgerPay to him that are convertible to 1,062,500 shares in the Corporation, at the holder's option. Those shares are not currently converted.

On March 5, 2018, the Corporation, through its subsidiaries, executed an employment agreement with an executive and granted an award of restricted stock equal to five percent (5%) or 500,000 of the issued and outstanding voting stock of LedgerPay. The award vested over the initial term at a rate of 12.5% every three-month period following the effective date provided the executive remains employed by the Corporation as of the end of each such three-month period. The award is now fully vested and is convertible into 1,062,500 the Corporation common shares at the holder's choice. Those shares are currently not converted.

In 2019, the Corporation entered into two employment agreements that granted an award of restricted stock equal to five percent or 1,000,000 of the issued and outstanding voting stock of LedgerPay. The shares of LedgerPay are convertible into Common Shares of the Corporation based on the ratio of

(Expressed in thousands of United States Dollars)

14. NON-CONTROLLING INTEREST (Continued)

1:2.124 per share. The awards are fully vested at December 31, 2021 and this results in a dilution in the Corporation's interest in LedgerPay to 80%.

For the quarter ended March 31, 2022 the Corporation recorded non-controlling interest of $(195) (March 31, 2021 — $(53)).

15. REVENUE

(i) The following table sets out the Corporation's revenues by type.

	March 31, 2022	March 31, 2021
Cloud Solutions Professional Services	$23,609	$ 9,341
Cloud Solutions Maintenance, License and third party licenses and support	10,142	3,287
Payment Processing Solutions	11,177	—
	$44,928	$12,628

The Corporation is not exposed to concentration risk relating to one customer greater than 10% of revenue for the quarter ended March 31, 2022 (March 31, 2021 — one customer 14%).

(ii) The following table shows geographic area

	March 31, 2022	March 31, 2021
USA	$42,457	$10,132
Canada	2,471	2,496
	$44,928	$12,628

16. SEGMENT INFORMATION

The Corporation's operating business segments include strategic units that offer different products and services. The Corporation has two operating business segments: Global Cloud Solutions (Cloud Solutions) and Global Payment Processing Solutions (Payment Solutions).

The Corporation's cloud solutions segment is a full-service digital technology consulting firm whose mission is to acquire and integrate companies to become the leading provider of Microsoft professional services in North America. The Corporation is a premier, global Microsoft partner that harnesses the Microsoft platform and complementary technologies, including custom solutions and first-party offerings, to generate meaningful impact for enterprise customers. The Corporation's cloud solutions business focuses on helping enterprises move to, operate within, and innovate via modern development in the three Microsoft clouds (Azure, M365 and Dynamics 365).

The Corporation's Payment Solutions segment has a diverse portfolio of merchant accounts on which it provides scalable processing solutions, payment processing equipment and software corresponding to each card solution, with complimentary support services designed to best meet each new and existing merchant's specific needs and online age verification software offered through the Corporation's AgeChecker.Net platform.

The Corporation evaluates each segment's performance based on Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization ("Adjusted EBITDA"). The Corporation defines Adjusted

(Expressed in thousands of United States Dollars)

16. SEGMENT INFORMATION (Continued)

EBITDA as earnings before certain charges that management considers to be non-operating expenses and which consist of interest, taxes, depreciation, amortization, foreign exchange, share-based compensation, transaction related expenses, acquisition related compensation, settlement gains and losses on earn-out liabilities, changes in fair value of the derivative liability, loan forgiveness, grant income and non-recurring development costs associated with obtaining bank sponsorship and operational certifications required to complete LedgerPay.

SEGMENT INFORMATION

	Twelve months ended					
	March 31, 2022			March 31, 2021		
	Global Cloud Solutions	Global Payment Processing Solutions	Consolidated	Global Cloud Solutions	Global Payment Processing Solutions	Consolidated
Revenue	$33,751	$11,177	$44,928	$12,245	$383	$12,628
Expenses	29,277	9,230	38,507	11,454	8	11,462
EBITDA (Adjusted)	4,474	1,947	6,421	791	375	1,166
All Other Expenses			7,871			3,115
Net Loss			$ (1,450)			$ (1,949)

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