



# QUISITIVE

## Corporate Presentation

August 2022

Quisitive Technology Solutions  
TSXV: QUIS    OTCQX: QUISF

Corporate Investor Presentation

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# Quisitive Mission:

Generate transformational impact with immense value for customers through our business solutions and cloud innovations as a premier, global Microsoft partner.

1

## Cloud Solutions

Leveraging our foundation of Microsoft cloud technical expertise with focused industry acumen to deliver technology solutions to transform companies.

2

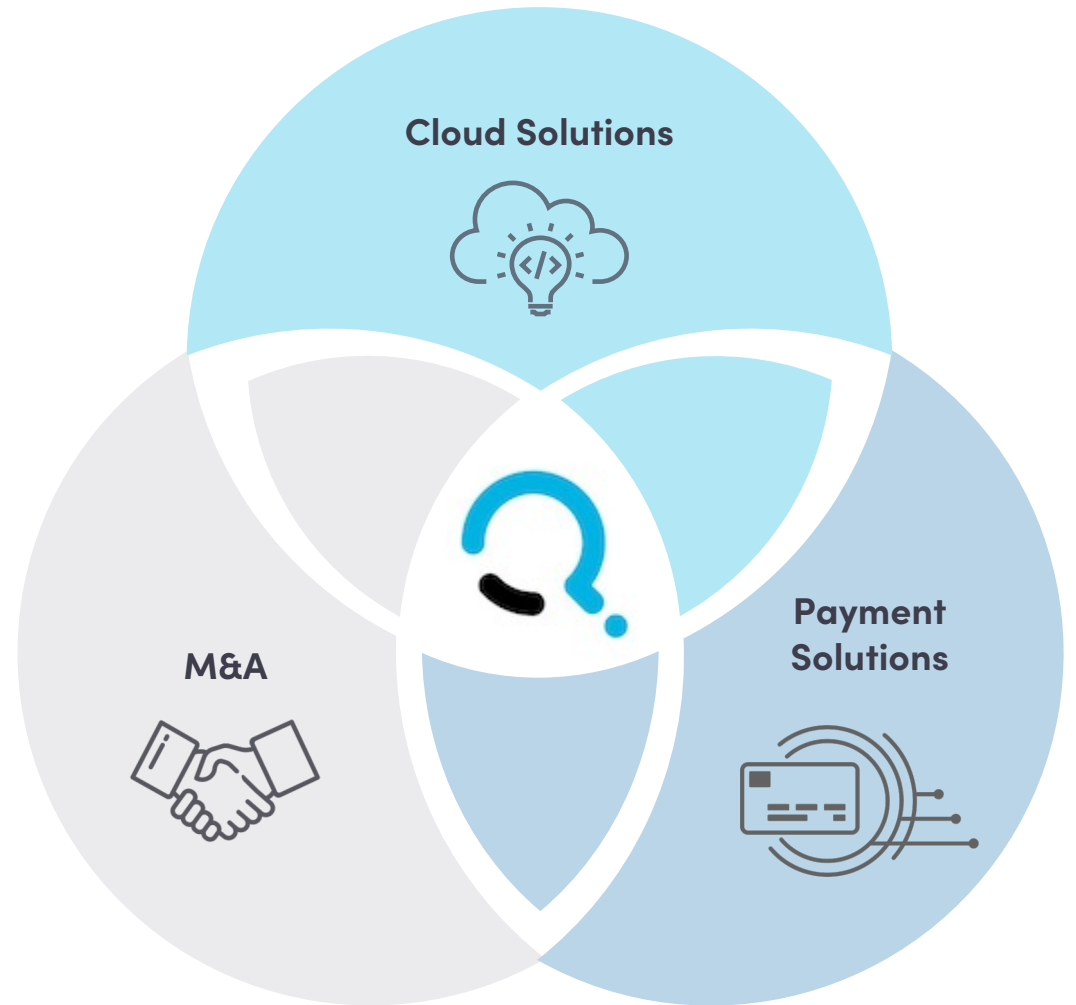
## Payment Solutions

Applying technology to transform the necessary-but-commoditized industry of payment processing into an entirely new source of customer engagement and operational efficiency.

3

## M&A

Acquiring key businesses that augment and complement Quisitive core offerings.



# Recent Highlights

## 2022 Financial Updates

- Q2 Revenue up 107% to \$47.6M
- Q2 Gross Profit up 133% to \$19.3M
- Q2 Adj EBITDA up 92% to \$6.9M
- Q2 Global Cloud Solutions Revenue up 82% to \$35.3M
- Q2 Global Payments Revenue up 242% to \$12.4M
- Q2 Global Payments volume exceeded \$1.1B

## Key H1 2022 Accomplishments

- *Received Mastercard and Visa certifications to process credit and debit payments through the LedgerPay platform*
- Appointed Jana Schmidt and Scott Meriwether to the Quisitive executive team as President of Global Payment Solutions and CFO/Corporate Secretary, respectively
- Executed a bank sponsorship agreement with Peoples Trust Company, which will allow LedgerPay to process payments in Canada
- Graduated to the OTCQX® Best Market (“QTCQX”)
- Announced we have earned a spot on the Globe and Mail’s 2022 Report on Business Women Lead Here list
- Achieved two new Microsoft advanced specializations which bring our total to 12 advanced specializations
- Recognized as Microsoft’s United States Health and Life Sciences Partner of the Year
- Elected Amy Brandt to Board of Directors



# Quisitive at a glance

Run rate based on H1 2022 results

**\$185M**

Annual Run Rate  
Revenue

**48%**

Recurring/Transaction  
Revenue

**14%**

Adjusted EBITDA  
Margin

**40%**

Gross Margin

**\$4B**

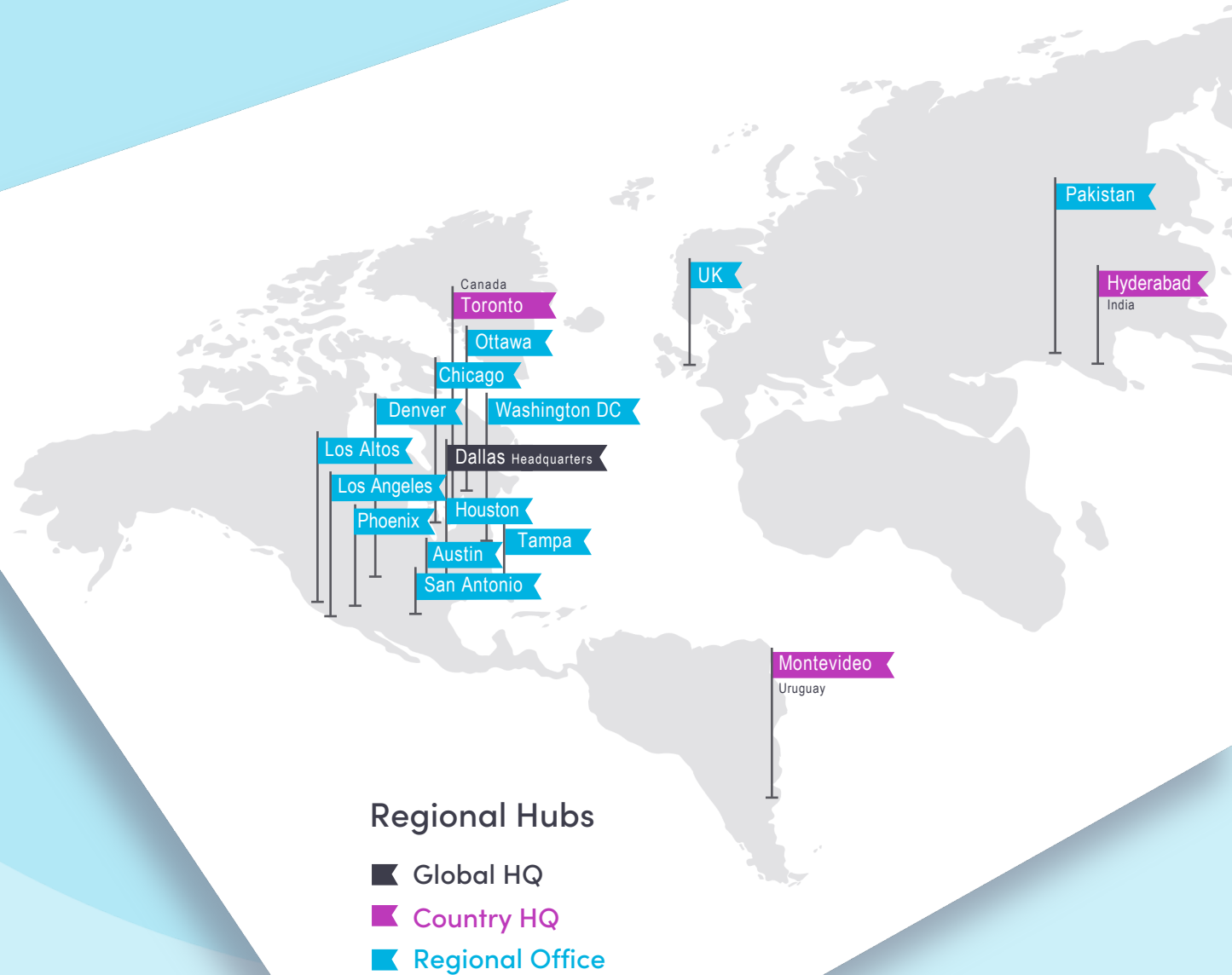
Annual Run Rate Payment  
Processing Volume

**17**

Resource Hubs

**≈800**

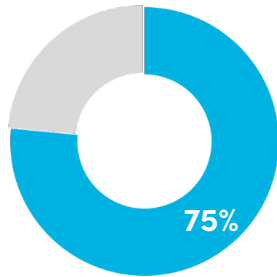
Team Members



# Business Model

## Business Segment

### Cloud Solutions\*



- \$139M annual run rate revenue
- 40% gross margin
- Top tier Microsoft partner
- Organic growth of 20% Y/Y
- 31% recurring revenue with 49% gross margin

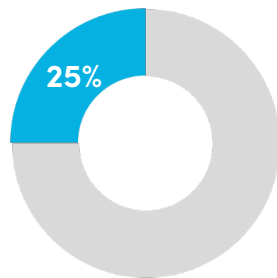
## Strategic Partners



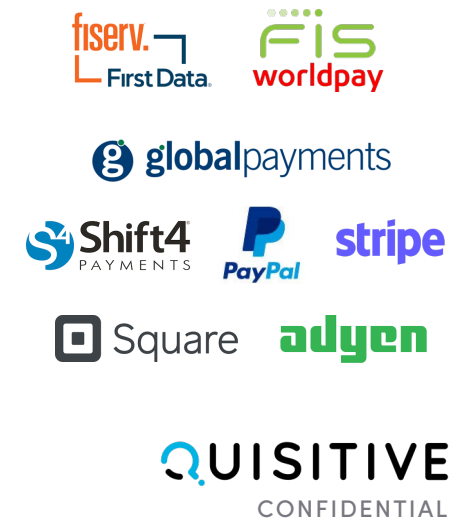
## Competitors



### Payments Solutions\*



- \$46M annual run rate revenue
- 42% gross margin
- 100% recurring/transaction revenue
- \$4B+ annual run rate payments volume
- Organic growth of 20% Y/Y
- Significant organic growth upside potential with LedgerPay payments processing and data insights with gross margin expansion



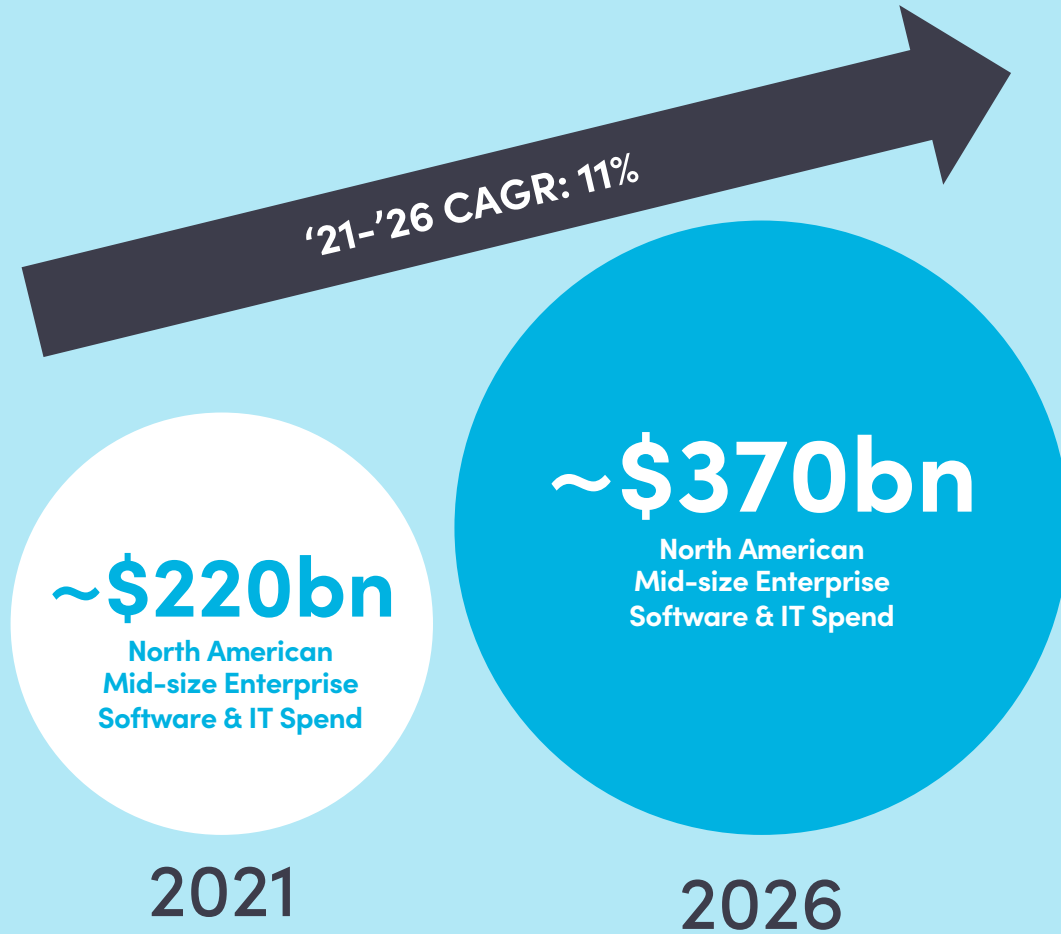
\*Based on H1 2022 Revenue



## BUSINESS AT A GLANCE

# Cloud Solutions

Leveraging our foundation of Microsoft technical expertise and portfolio of industry-focused IP to deliver technology solutions to transform mid and enterprise-sized companies



# Global Cloud Solutions Business Overview

## Our Foundation

- Expert technologists with deep experience in Microsoft cloud technology
- Founded on the *Move, Operate, Innovate* model in the initial wave of public cloud migration
- Apply cloud technology to solve business challenges and rise above competition

## Our Approach

- Customer acquisition through unique industry-led perspectives
- Enhancing our foundation to meet the increasingly complex cloud needs of modern businesses
- Leverage our robust IP portfolio and strong solution foundation to build sustainable partnerships with our customers

## Quisitive Accolades

2022 Microsoft US Health & Life Sciences Partner of the Year

2022 Microsoft Healthcare Partner of the Year Finalist

2021 Microsoft Healthcare Partner of the Year Winner

2021 Microsoft Inner Circle for Business Applications

2020 Microsoft Azure-DevOps Partner of the Year Winner

2020 Microsoft Data Analytics Partner of the Year Finalist

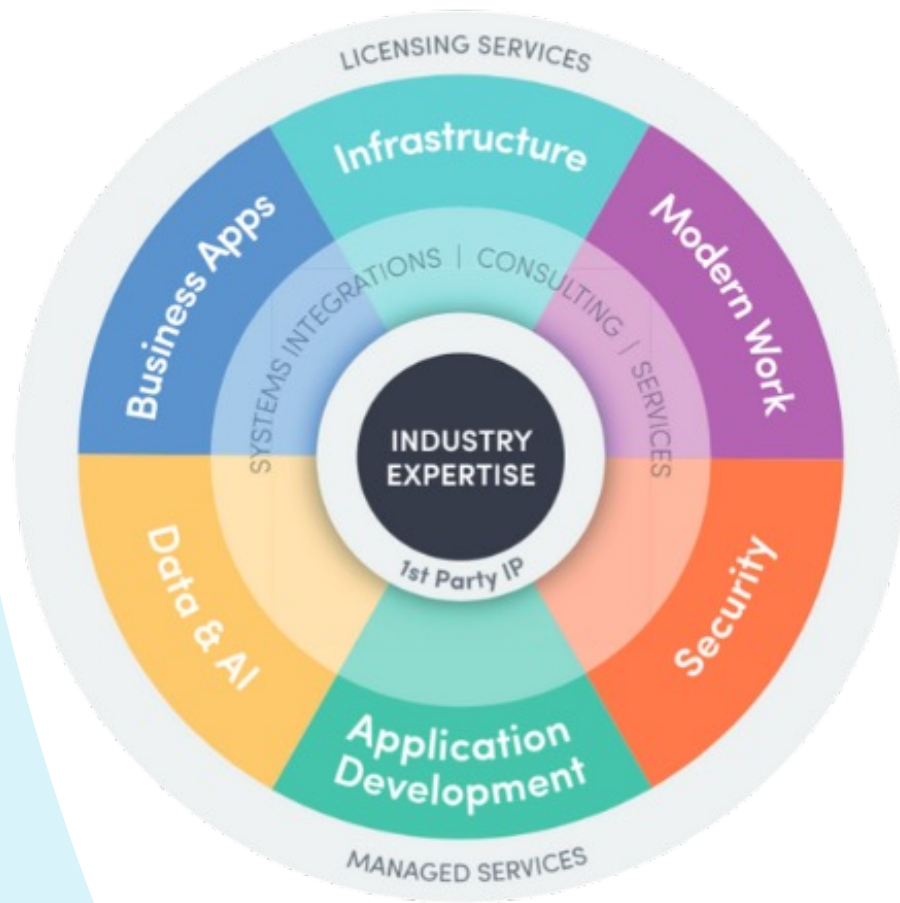
2019 Microsoft United States Partner of the Year Winner

2018 Microsoft United States Partner of the Year Finalist

12 Microsoft Advanced Specializations

# Global Cloud Solutions Revenue Model

*Company Targets 15-20% Organic Growth*



## 69% Professional Services

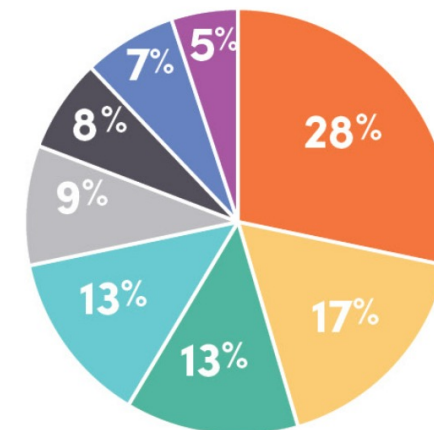
35% Gross Margin

- Infrastructure Services
- Modern Work Services
- Security Services
- Application Development Services
- Data & AI Services
- Business Applications

## 31% Recurring Revenue

49% Gross Margin

- Quisitive 1<sup>st</sup> Party IP SaaS Subscriptions
- Cloud Managed Services
- Cloud License Resale



**Revenue  
by Industry**

- Mix
- Manufacturing
- Healthcare
- Public Sector
- Software
- Financial Services
- Retail
- Education

# Global Cloud Solutions

## Intellectual Property

*IP Portfolio*

### MazikCare

Delivering a **digital bridge** between patients, providers, and payers

SaaS

### emPerform

Aligning performance year-round to **build a winning workforce.**

SaaS

### ShopFloor

Transforming organizations to create **connected manufacturing** and resilient supply chain

SaaS

### Spyglass Security

**Optimizing your security environment** with a proactive, continuous approach

Managed Services

### Azure Management Services

Accelerating innovation by continuously **improving your Azure infrastructure**

Managed Services

### Velocity Insights

Monitoring, diagnosing, and **prioritizing errors efficiently** with the help of AI and Machine Learning

Solution Services

### PowerGov

**Empowering citizens** with intuitive and omni channel experience

SaaS

# Global Cloud Solutions

## Go-To-Market Approach

### CUSTOMER CASE STUDY

Digital Transformation and a Solid Relationship Provide Foundation for Innovation



#### DIGITAL MARKETING

**15%** of net-new customer acquisitions comes via digital and in-bound marketing

#### DIRECT SALES & PRESALES

**50** full-time employees on our dedicated pre-sales and direct sales teams

#### CHANNEL SALES

**400+** customers acquired via Microsoft Channel referral within last 24 months.





# Global Cloud Solutions

## Acquisition Summary



June 2019  
Acquisition of CRG



Jan 2020  
Acquisition of Menlo Technologies



April 2021  
Acquisition of Mazik Global



November 2021  
Acquisition of Catapult Systems

Total Revenue Acquired – \$85.5M  
Total EBITDA Acquired – \$12M  
Average Multiple Paid pre synergies – 8.7x

### Mazik Global Acquisition Case Study



**Completed Full Integration in 6 months**



**Industry Solutions**

- Healthcare SaaS Solution
- Manufacturing SaaS Solution
- Public Sector SaaS Solution
- Expanding Recurring Revenue



**Revenue Synergies**

- Strategic Enterprise Wins
- Expanding Gross Margin

Enables Industry Cross selling in Dynamics, Data, Security, Application Development and Managed Services

Quisitive's vision for M&A includes complete integration across brand, teams, and systems to generate value.



**Brand Integration**  
Fuels Customer Growth



**Team Integration**  
Drives Synergies



**Systems Integration**  
Optimizes Costs

# Cloud Solutions Segment

## Acquisition Opportunity

Quisitive targets the multiple paid to range between 7-12x TTM EBITDA before synergies.

Quisitive has the opportunity to add \$150-200M in revenue and \$20-35M in EBITDA in the next 3-5 years.

### Target Profile



- \$10M-\$50M Annual Revenue
- Strong EBITDA Margin (10-15%)



- Microsoft Specialization
- Geographic Location



- Industry Expertise
- 1<sup>st</sup> Party IP and SaaS Solutions

### Future Market Opportunity

- 90,000 cloud solution providers in Microsoft ecosystem ~ 1,000 meet target profile
- Quisitive's executive team maintains strong relationships across the ecosystem
- Quisitive strong track record of integrating acquisitions

### Representative Opportunities

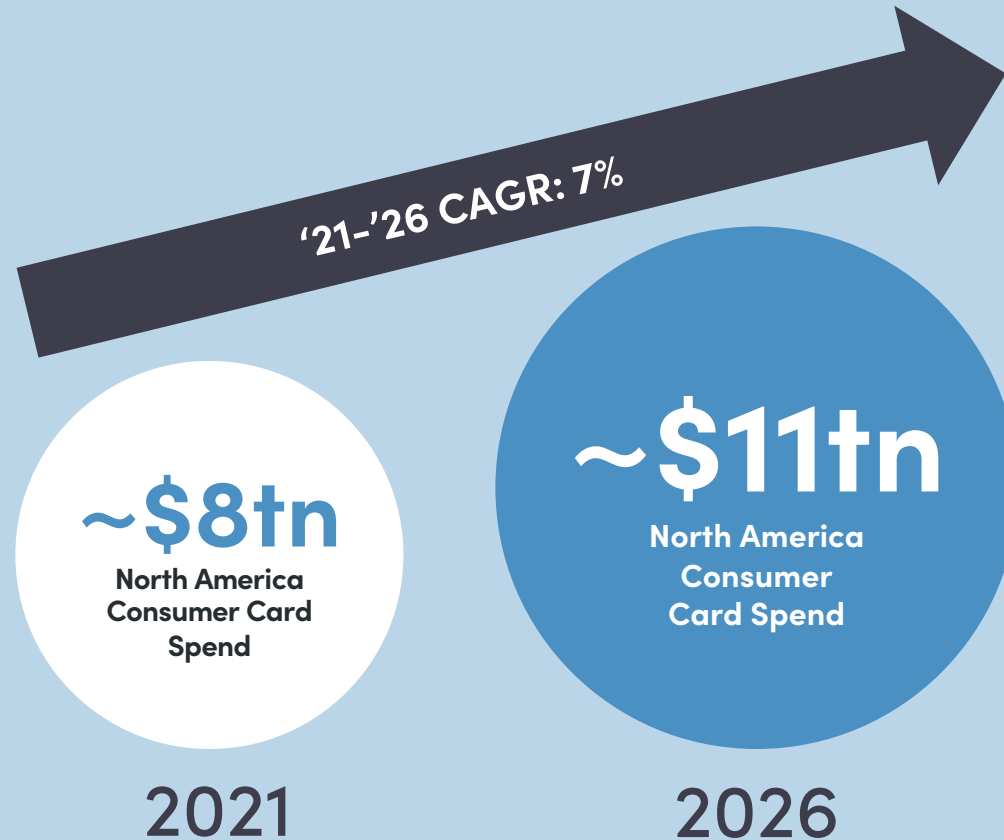
- \$30M Revenue Dynamics Retail Services Partner
- \$8M Revenue Azure Security and Payments Consulting Partner
- \$25M Revenue Data and Analytics Services Partner



## BUSINESS AT A GLANCE

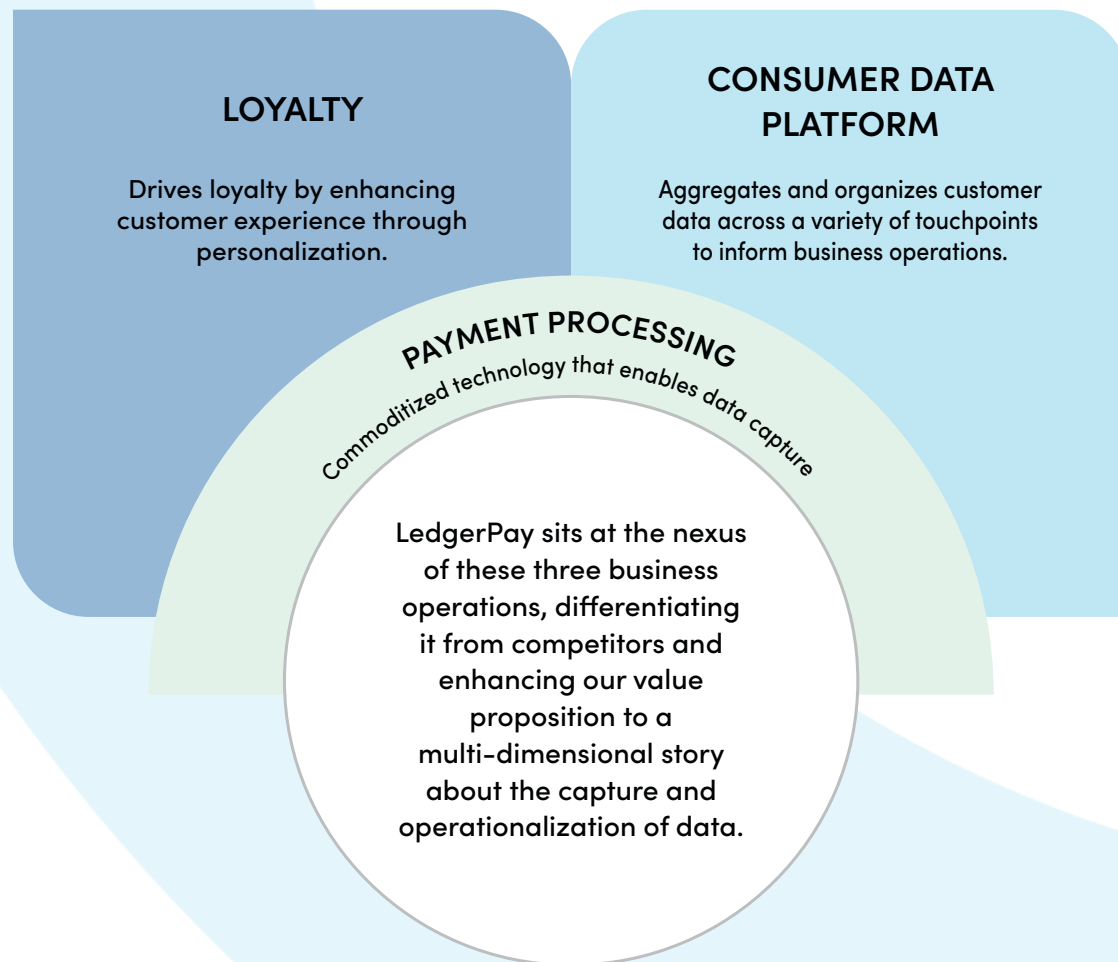
# Payment Solutions

Transforming the necessary-but-commoditized industry of payment processing into an entirely new source of customer engagement



# Payment Solutions

## Our Journey to Payments



Payments is an extension of our mission — to provide transformative cloud solutions to customers. We recognized a hole in the industry and took the initiative to deliver a solution to the entire market.



Through our work with the Merchant Customer Exchange (MCX), a consortium of U.S. retail companies, we learned of the gaping holes in the payments industry.



We identified that payments is a cost center for merchants that fails to provide the real-time data needed to **improve payment processing and to drive customer engagement**.



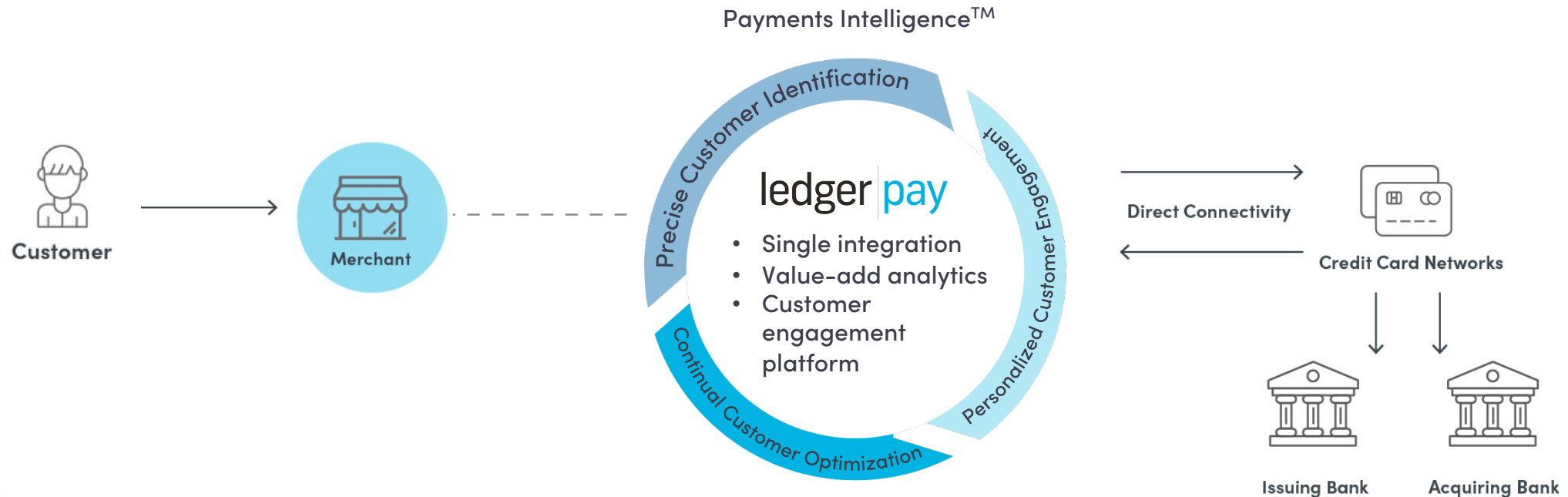
Quisitive began developing a cloud-enabled technology solution in collaboration with Microsoft to transform the payments industry into a source of value for merchant customers.

# LedgerPay

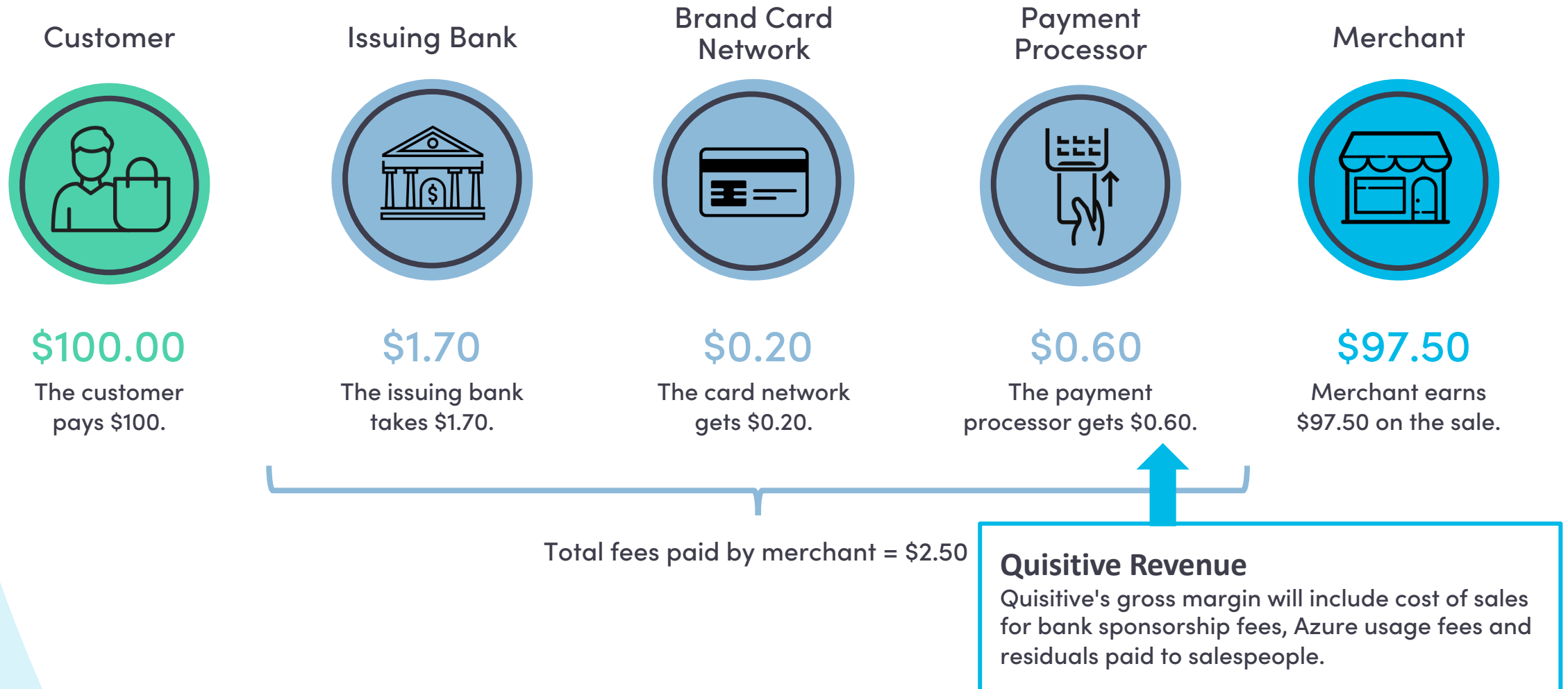
## Payment to Value Chain

Quisitive's LedgerPay platform is an advanced, cloud-enabled payment processing and payments data insights solution to disrupt legacy processors by disintermediating traditional payment value chain.

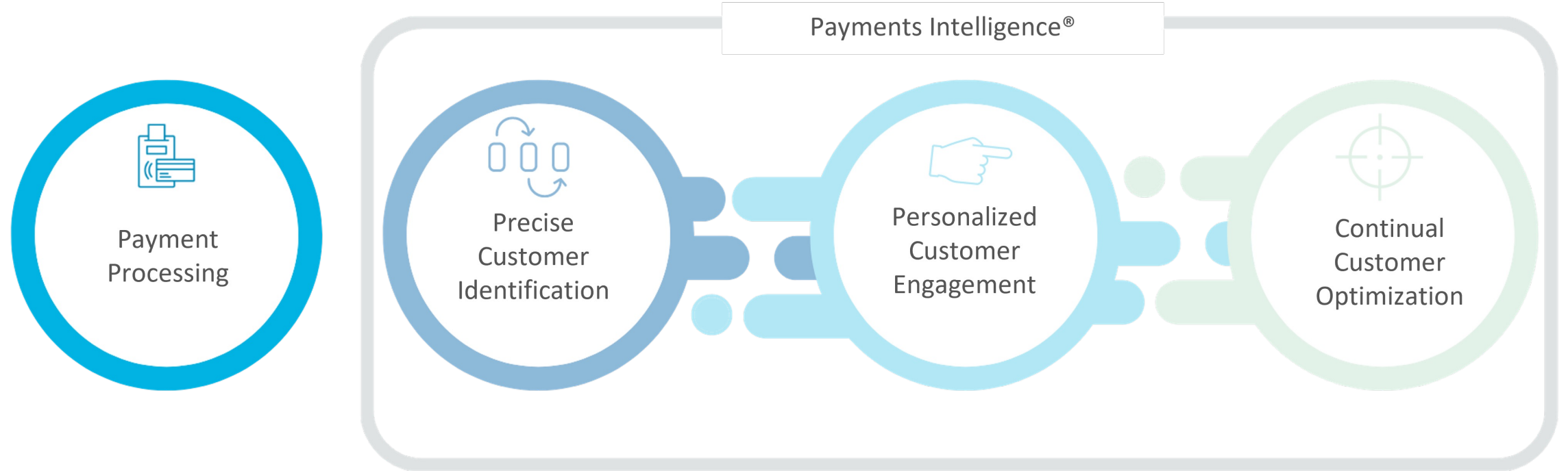
**Its added value is a highly scalable, unique data capture technology that creates meaningful, personalized shopping experiences.**



# Revenue Model – Payment Processing (Illustrative)



# LedgerPay Platform Overview



Processes non-cash payments from retail merchants



Advanced, cloud-enabled payment processing with full acquiring and issuing services



Identifies and captures customer based on visit behavior, in absence of loyalty identifier



Uses payment data to build detailed customer profile over time with segmentation into groups



Pushes designed offers to customer at point of sale in real time



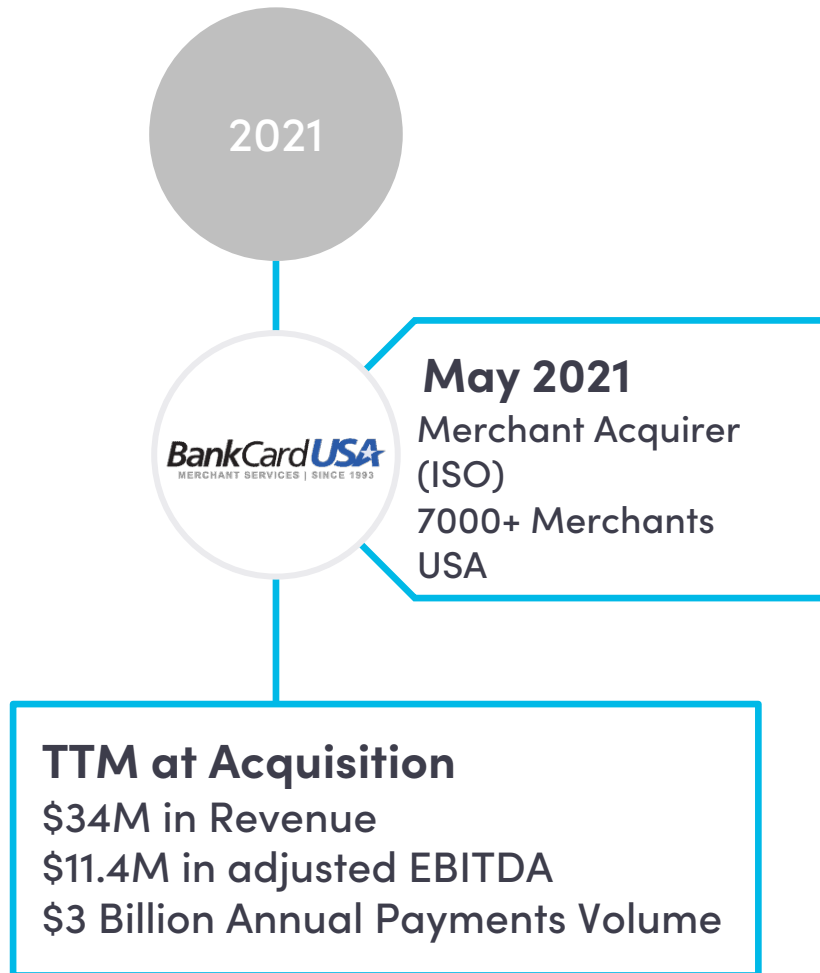
Analyzes return on marketing spend and overall program performance



Leverages machine learning and artificial intelligence to observe and learn from current offers to improve marketing performance



# Payments Solutions Segment Acquisition Summary



## Recent Results

- 2021 Payments Volume \$3.8B - Up 27% YOY
- Q2 2022 Payments Volume - \$1.1B
- Q2 2022 Payments Revenue - \$12.4M

## Accretive Value Driver

- Planned migration of BankCard merchants from First Data and TSYS to LedgerPay payment processing beginning in Q4 2022
- *Capture Payment Processing Gross Margin Synergies of ~\$4M over subsequent 18-24 months*

## Product Activation

# Payment Solutions Sales Strategy



### Direct Sales

**30 Dedicated Payment Sales Representatives**  
**50 Cloud Solutions Sales Representatives**

- SMB & Mid-Market Retail Merchants
- Enterprise Retail Merchants
- Independent Sales Organizations (ISO)
- Independent Software Vendors (ISV)



### Channel Sales

**Creating Scale and Leveraging**  
**Channel Partner Brand Permission to Play**

- Microsoft
  - Retail, Financial Services, Healthcare
- Banks
  - The Bancorp
  - Westamerica
  - Peoples Trust
- VISA
- dunnhumby
- Equifax/Kount

# Payment Solutions Segment

## Acquisition Opportunity

### Target Profile



- Independent Sales Organizations (ISO's)
- Industry Software Solutions



- \$10M-\$50M+ Annual Revenue
- Recurring/Transaction Revenue
- 20%+ EBITDA Margin



- Portability of Merchants
- Payment Technology

### Future Market Opportunity

- Significant # of ISOs in US meeting our target profile
- Accretive revenue/margin synergies with LedgerPay
- Drives scale for payments and Payments Intelligence

### Representative Opportunities

- \$12M Revenue ISO and Gateway Provider
- \$30M Revenue ISO
- \$29M Revenue ISO and Gateway Provider

# Quisitive Growth Drivers

## Ride the Digital Transformation Wave

- Growing IT spend particularly in Cloud Services
- Differentiated services with vertical IP
- Operating at the center of Microsoft's fastest growing business segment

Organic

## LedgerPay Commercialization

- Advanced cloud-enabled payment processing and payments intelligence platform
- Highly scalable unique data capture technology enabling more meaningful consumer engagement
- Migration of BankCard Merchants to LedgerPay

Organic

## Expand Upon Cross-Sell Opportunities

- Continue cross-sell from acquired companies
- Create opportunities between Cloud Data practice and Payments
- Expand existing customer lifetime value

Organic

## Strategic M&A Across Payments and Cloud

- Strong M&A pipeline across Cloud and Payments
- Targeted M&A playbook
- Seamless integration merging industry expertise and technical specializations
- Experienced management with track record to capture synergies

Inorganic

# Combined Power of Payments and Cloud Solutions

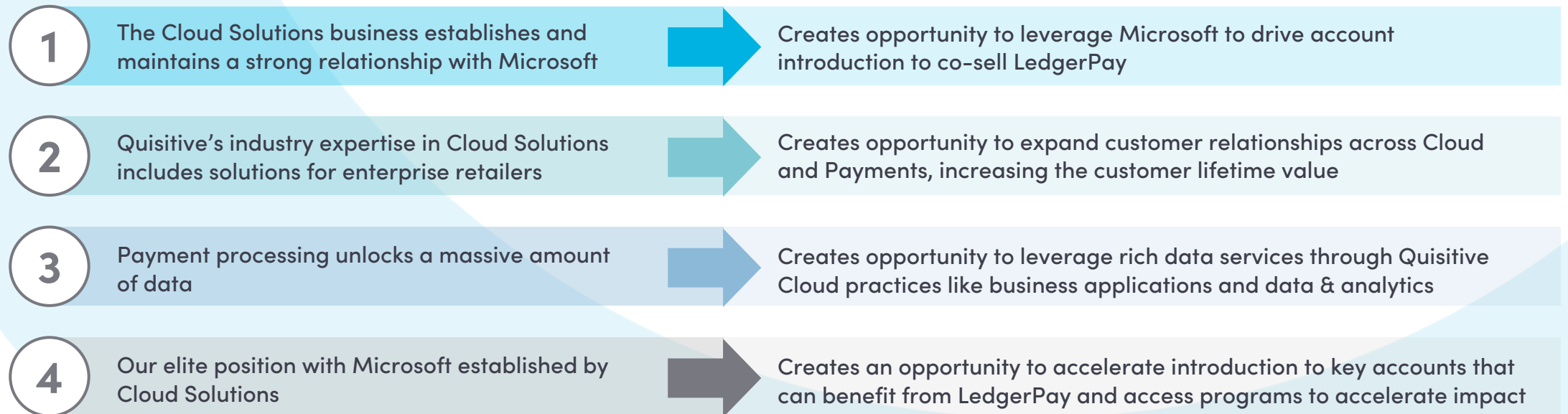
## Shared Foundations

Our Payments Solutions business originated when Quisitive identified a technology gap in the payments market and filled it with Microsoft Azure cloud backed solutions.

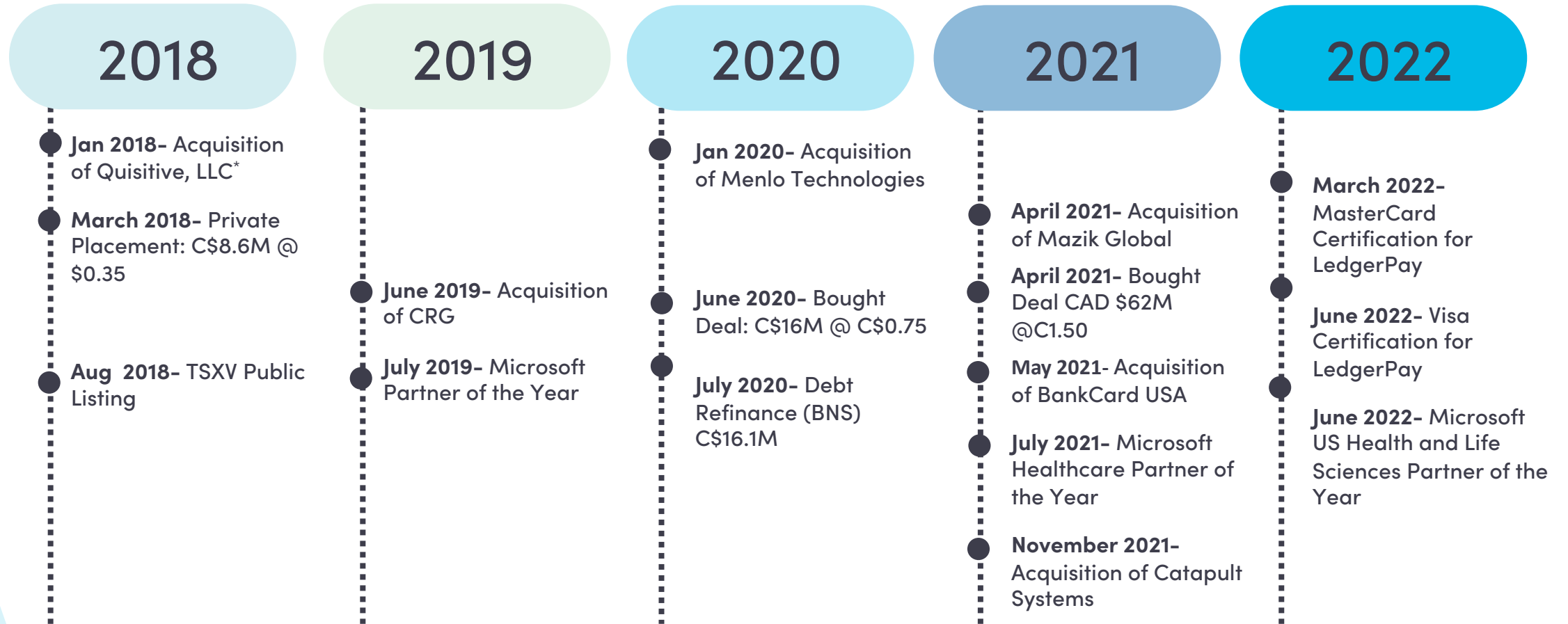
## Separate Operations

Our two businesses are managed separately to ensure focus on distinct goals and go-to-markets but shared executive leadership and partnership with Microsoft enables unique value to customers.

## Capitalizing on Synergies



# Company Timeline



# Who we are

## Executive Team & Board of Directors

### EXECUTIVE TEAM



**Mike Reinhart**  
CEO



**Tami Anders**  
Chief of Staff



**Steven Balusek**  
SVP - IT & Innovation



**Terri Burmeister**  
President Cloud Services



**Scott Meriwether**  
CFO & Corporate Secretary



**Jana Schmidt**  
President Payments



**Lane Sorgen**  
SVP Business Applications



### BOARD OF DIRECTORS



**Mike Reinhart**  
Chairman



**Amy Brandt**  
Independent Director



**Laurie Goldberg**  
Independent Director



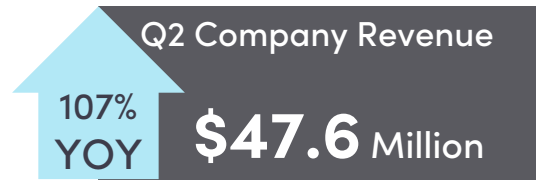
**Dave Guebert**  
Independent Director



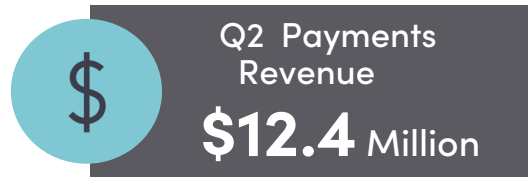
**Phil Sorgen**  
Lead Independent Director



# Quisitive Financials

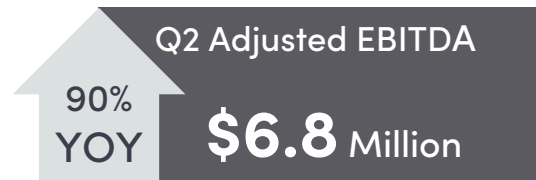


Member of TSX  
Venture 50 2021



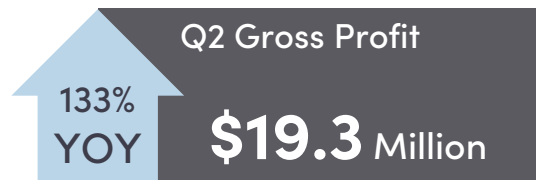
Common Shares  
Outstanding\*

**367.2m**



Market Capitalization\*

**~C\$253.4m**



Analysts Consensus  
Target Price \*

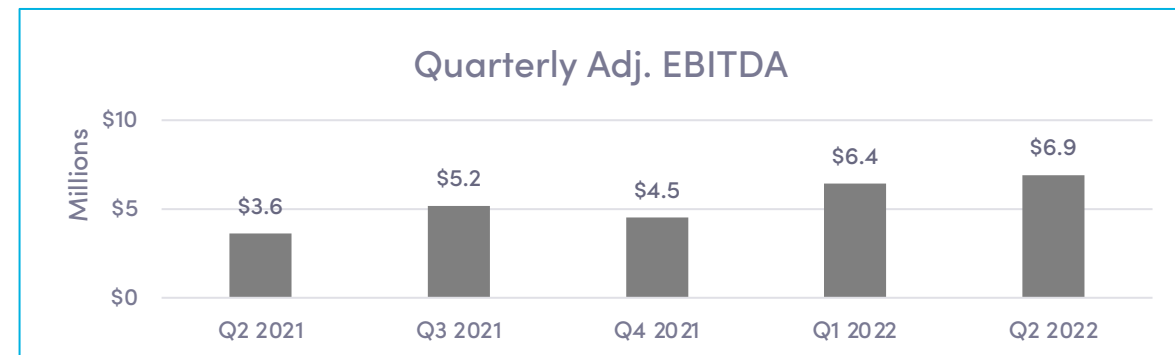
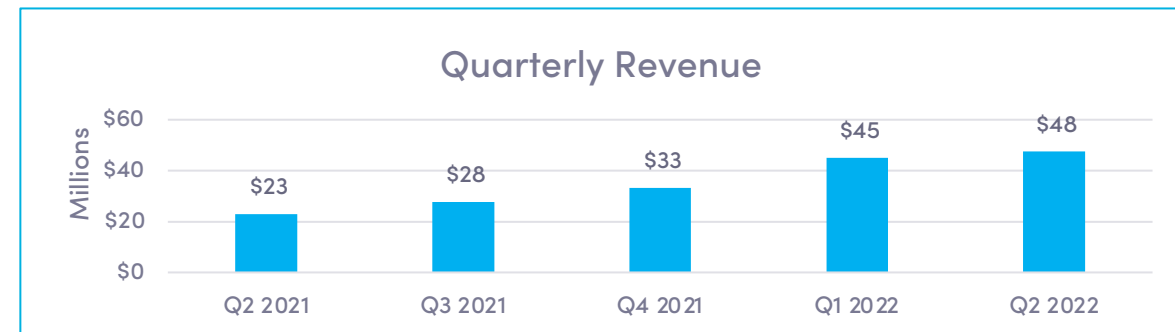
**C\$1.73**



Recent Share Price\*

**C\$0.69**

## Consistent and Robust Growth



# Capital Structure

The reconciliation of our total debt to net debt is as follows. The actual results are derived directly from our unaudited interim condensed consolidated financial statements as of June 30, 2022.

(in thousands)

	June 30, 2022	
Current portion of Loan agreement	\$	8,128
Loan agreement		66,429
Total debt	\$	74,557
Add back: Debt issuance costs		997
Gross Debt at June 30	\$	75,554
<i>Pro Forma Adjustments</i>		
August Loan agreement expansion		9,500 (1)
Less: Cash at June 30		(9,202) (2)
Net Debt (current)	\$	75,852 (3)

1.) On August 4, Quisitive announced an amendment to the Loan agreement that expanded the credit facility by \$9.5 million.

2.) Under the terms of our Loan agreement, only \$5 million in cash can be used to net against outstanding debt for the purposes of calculating covenants.

3.) Net Debt is a non-GAAP and non-IFRS financial measure.

# Free Cash Flow

Between half and two-thirds of Quisitive's EBITDA converts to free cash flow and can be used for debt paydowns, acquisition earnout payments, further investment in LedgerPay and other IP or future acquisitions.

*in thousands*

	2021	H1-2022
EBITDA	14,472	13,275
Capex, including internally capitalized software	(3,030)	(1,830)
Cash interest	(2,439)	(1,609)
Cash taxes	(1,162)	(1,157)
<b>Free Cash Flow</b>	<b>7,841</b>	<b>8,679</b>
<b>FCF as a % of EBITDA</b>	<b>54%</b>	<b>65%</b>
Quarterly term loan paydown	***	(4,062)
<b>FCF after term loan paydowns</b>		<b>4,617</b>
		<b>35%</b>

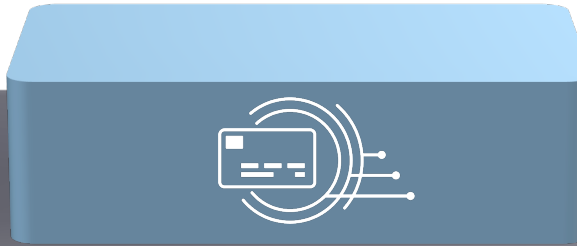
# Who we are

## Investment Thesis

Brand Position and  
Strategic Relationship  
with Microsoft



Payments  
First Mover Advantage  
with Minimal Competition



Expanding  
M&A Portfolio



### The One Quisitive Foundation

When a company becomes a part of the Quisitive family, they are not left to stand alone. We fully integrate them on a fundamental level.

**They become Quisitive.**



Brand Integration  
Fuels Customer  
Growth



Team Integration  
Drives Synergies



Systems Integration  
Optimizes Costs

# Contact Us

## Investor Relations

### Gateway IR

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QUIS@gatewayir.com



Quisitive.com



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LinkedIn/Quisitive

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