Quisitive Technology Solutions, Inc.
Third Quarter Report September 30, 2022

QUISITIVE TECHNOLOGY SOLUTIONS, INC.

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This management discussion and analysis ("MD&A") of Quisitive Technology Solutions, Inc. (the "Corporation", "Quisitive", "we" or "us") for the three and nine months ended September 30, 2022, should be read in conjunction with the Corporation's unaudited condensed consolidated interim financial statements and the notes thereto for the three and nine months ended September 30, 2022 and the audited consolidated financial statements and the notes thereto for the years ended December 31, 2021 and 2020. 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 thousands of United States dollars unless otherwise indicated.

This MD&A is current as at November 14, 2022, 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 General

The Corporation is a premier global Microsoft partner that harnesses Microsoft cloud platforms and complementary technologies, including custom solutions and first-party offerings, to generate transformational impact for midsize and enterprise customers. As Microsoft has entered the public cloud space and expanded their market share, it has transformed the landscape for technology consulting organizations: increasingly, corporations are facing vendor fatigue and require a single technology solutions provider that can address technology needs across all cloud technologies and every segment of their business. The Corporation's Global Cloud Solutions segment has expanded to include services that help enterprises move, operate, and innovate in each of the three Microsoft clouds. Additionally, to accelerate impact for customers, Quisitive has developed first-party IP that applies established methodologies and proprietary solutions to customers' most pressing challenges. The Corporation's Global Payment Solutions segment is centered on its LedgerPay rebranded as PayiQ product suite and leverages the Microsoft Azure cloud to transform the payment processing industry, unlocking essential 1st party data and making it actionable to enable seamless consumer engagement and customer personalization at scale.

Even before the founding of Quisitive, Quisitive's CEO, Michael Reinhart, and the Quisitive extended leadership and management teams had over 25 years of experience in the Microsoft ecosystem. Quisitive's core foundation is the combination of the deep Microsoft technical expertise and ongoing relationship building with Microsoft as a core partner to build strong joint sales and marketing motions that enable significant lead generation. The Corporation's brand identity together with its senior executive relationships is considered a key pillar to the consolidation and scale partnership development.

To date, Quisitive has acquired five businesses in North America, four in the Global Cloud Solutions segment and one in the Global Payment Solutions segment. This has allowed the Corporation to grow sales capabilities, expand geographic presence, incorporate nearshore and offshore development centers, and facilitate expansion of product and services portfolio for its Global Cloud Solutions segment, and add over 7,000 merchants processing over $4 billion in annual payment processing for its Global Payment Solutions segment. These acquired businesses provide the Corporation with a complementary suite of products and services capabilities, with the ability to cross-sell and connect its global customer base with a broad set cloud services and solutions.

Global Cloud Solutions Segment

The Corporation's Global Cloud Solutions segment delivers technical cloud and business solutions to help customers achieve their business goals. Through an organic and inorganic growth strategy, Quisitive Cloud Solutions is on a mission to become the leading provider of Microsoft professional services globally. The Corporation harnesses the Microsoft platform and complementary technologies, including custom solutions and first-party offerings, to generate meaningful impact for midsize and 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, Microsoft 365 and Dynamics 365).

The Global Cloud Solutions segment includes technology services including those addressing infrastructure, data and analytics, security, digital workplace, application development, and business applications services that apply the benefits of technology to solve business needs and help customers meet their goals. As a complement to its cloud solutions services, the Corporation also develops IP and complete first-party business applications to better serve its customers and their business goals. Additionally, the Corporation provides on-going technology service and maintenance through its managed services offerings across security, infrastructure, and Dynamics, that expand on existing customer relationships and create streams of recurring revenue.

Global Cloud Solutions Segment(continued)

Aligned to Microsoft's sales and marketing approach for enhanced synergies and increased demand generation, Quisitive goes to market with an industry approach that applies industry acumen with technical expertise to deliver solutions customized to address industry specific challenges.

The consulting organization that supports the Global Cloud Solutions segment is comprised of expert Microsoft technologists, business analysts, and project managers that deliver solutions aligned to business needs. Through acquisition, Quisitive has diversified its delivery model, now providing on-shore, off-shore, and near-shore delivery to combine technical expertise with varied delivery methods that fit customer needs and optimize revenue. With a long history and depth of knowledge in Microsoft products, as well as a commitment to continual learning and achievement of advanced specializations, the Corporation is positioned to provide high quality technical expertise to help achieve its customers' goals.

By committing to its strategic partnership with Microsoft, the Corporation has differentiated itself in the market. The strategic relationship with Microsoft enables aligned sales and marketing motions that drive revenue, but also has established Quisitive as a premier solution provider in the ecosystem, providing enhanced opportunities for acquisition of other Microsoft partners and a reputation as a talent destination for Microsoft technologists. These attributes combine to enable Quisitive to provide full-service technology solutions to meet enterprise customers' diverse needs as a best-in-class technology consulting organization.

Global Payment Solutions Segment

The Corporation's Global Payment Solutions segment is comprised of two key business units: merchant payment processing services and payments intelligence. The payment processing business unit is enabled by the PayiQ platform, which is an innovative cloud-based payment processing and payments intelligence platform that supports solutions that optimize a merchant's payment processing and consumer engagement operations. PayiQ is efficient and scalable, and the only payment processing platform solution leveraging the Microsoft Azure cloud to deliver a full suite of acquiring, issuing, and processing services with unmatched speed, security, and access to customer's data. Quisitive's payments solutions business provides payment processing services to merchants directly and to merchants through integrated software vendors (ISV's) and independent sales organizations (ISOs). The Corporation's flagship product platform, PayiQ, is a cloud-based data insights and payments intelligence suite that enables its second business unit, Payments Intelligence, to turn everyday transaction data into customer loyalty for merchants. As the PayiQ platform progresses towards full commercialization, the platform was recently rebranded from its prior brand identity of LedgerPay rebranded as PayiQ.

PayiQ expects to generate revenue through payment processing, consumer data, consumer engagement and consumer activation transaction fees. PayiQ's payments intelligence solution captures and analyzes rich data from every card-based transaction. The capture of first party consumer information during credit and debit transactions enables PayiQ to uniquely share anonymized information about what that card holder purchased. This insight enables the delivery of personalized promotions based on an individual's historic buying behaviors and category preferences to shoppers at the point of purchase in real-time. By seamlessly integrating payments, real time transaction data, AI-based predictive analytics, and targeted push marketing operations in a single cloud-based solution, PayiQ's payments intelligence service will have the potential to increase a merchant's customer engagement, loyalty, and revenue.

(all amounts in thousands of USD unless otherwise stated)

Global Payment Solutions Segment(continued)

The acquisition of BankCard on May 7, 2021 brought an established all-in-one merchant payment services provider to the payments solutions segment with over $3.78 billion of payment volume for the twelve months ended 2021 and at the nine months ended September 30, 2022 volume is at 3.27 billion and expectation for the twelve months ended 2022 is 4.37 billion. BankCard has a seasoned payments industry management team, strong in-house sales team, deep risk management program and attractive recurring revenue model with card-not present volume representing approximately 70%. The acquisition of BankCard is expected to serve as a growth catalyst for Quisitive's PayiQ payment processing with a focused strategy on migrating BankCard merchants to PayiQ payment processing. See "General Development of the Business — Significant Acquisitions".

Structure

As at September 30, 2022, the structure of the Corporation was as follows:

Entity name	Country	Ownership percentage at September 30, 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. rebranded as PayiQ	USA	80	80
Mazik Global, Inc	USA	100	100
Menlo Software India Private Limited	India	100	100
Menlo Technologies, Inc	USA	100	100
MidTech Software Solutions, Inc	USA	100	100
Quisitive LLC	USA	100	100
Quisitive Ltd	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 Quisitive Technology Solutions, Inc.

(all amounts in thousands of USD unless otherwise stated)

Third quarter results

The following table summarizes condensed results for the three months ending September 30, 2022 and 2021:

	Three Months Ended		Change	
	September 30, 2022	September 30, 2021	Amount	%
Revenue	$ 48,814	$ 27,761	$ 21,053	76 %
Cost of Revenue	28,486	16,907	11,579	68 %
Gross Margin	20,328	10,854	9,474	87 %
Operating Expenses				
Sales and marketing expense	3,501	1,673	1,828	109 %
General and administrative	9,217	4,015	5,202	130 %
Development	111	115	(4)	(3)%
Share-based compensation	1,334	189	1,145	606 %
Interest expense	1,275	1,820	(545)	(30)%
Amortization	4,312	3,641	671	18 %
Earn-out settlement loss	1,406	1,081	325	— %
Acquisition related compensation	663	253	410	162 %
Depreciation	520	460	60	13 %
Foreign exchange loss (gain)	(364)	(39)	(325)	833 %
Acquisition-related, transaction and other expenses	164	1,415	(1,251)	(88)%
US Payroll Protection Plan Forgiveness	—	(1,683)	1,683	(100)%
Other Income	(14)	—	(14)	(100)%
Loss Before Income Taxes	(1,797)	(2,086)	289	(14)%
Income tax expense — current	1,363	539	824	153 %
Deferred income tax expense (recovery)	(1,019)	407	(1,426)	(350)%
Net Loss for the Period	$ (2,141)	$ (3,032)	$ 891	(29)%

Revenue increased $21,053 or 76%, to $48,814 for the three months ended September 30, 2022. This increase was driven by incremental revenue of $15,311 from the acquisition of Catapult. The remainder of the increase was due to organic growth from an $3,005 increase in professional service billing and software sales to new and existing customers within the Global Cloud Solutions segment and also a $2,736 increase in processing revenue from merchants driven by increased charge volume within the Global Payments Solutions segment.

(all amounts in thousands of USD unless otherwise stated)

The following table summarizes condensed results for the nine months ending September 30, 2022 and 2021:

	Nine Months Ended		Change	
	September 30, 2022	September 30, 2021	Amount	%
Revenue	$ 141,361	$ 63,383	$ 77,978	123 %
Cost of Revenue	83,803	39,940	43,863	110 %
Gross Margin	57,558	23,443	34,115	146 %
Operating Expenses				
Sales and marketing expense	10,803	4,153	6,650	160 %
General and administrative	25,916	9,339	16,577	178 %
Development	317	518	(201)	(39)%
Share-based compensation	2,575	651	1,924	296 %
Interest expense	3,168	3,295	(127)	(4)%
Amortization	12,893	7,131	5,762	81 %
Earn-out settlement loss	1,478	1,081	397	100 %
Acquisition related compensation	2,153	506	1,647	325 %
Depreciation	1,541	1,041	500	48 %
Foreign exchange loss (gain)	(255)	287	(542)	(189)%
Acquisition-related, transaction and other expenses	723	5,093	(4,370)	(86)%
US Payroll Protection Plan Forgiveness	—	(1,683)	1,683	(100)%
Other Income	(12)	—	(12)	(100)%
Loss Before Income Taxes	(3,742)	(7,969)	5,898	(53)%
Income tax expense — current	3,683	1,430	2,253	158 %
Deferred income tax expense (recovery)	(3,252)	(1,485)	(1,767)	119 %
Net Loss for the Period	$ (4,173)	$ (7,914)	$ 5,412	(47)%

Revenue increased $77,978 or 123%, to $141,361 for the nine months September 30, 2022. This increase was partially driven by incremental revenue from the acquisitions of Mazik (April 2021), BankCard (May 2021) and Catapult (November 2021) of $71,329. In addition to growth from acquisitions, organic growth from existing and new customers further increased revenue due to both an increase in professional service billing and software sales within our Global Cloud Solutions segment and also increased merchant processing revenue within our Global Payments Solutions segment.

(all amounts in thousands of USD unless otherwise stated)

The following table summarizes results for the three months ended September 30, 2022 and 2021 on a segmented basis:

Segment	Three months ended					
	September 30, 2022			September 30, 2021		
	Global Cloud Solutions	Global Payment Processing Solutions	Consolidated	Global Cloud Solutions	Global Payment Processing Solutions	Consolidated
Revenue	$ 36,023	$ 12,791	$ 48,814	$ 17,354	$ 10,407	$ 27,761
Expenses	30,896	10,321	$ 41,217	15,116	7,479	22,595
EBITDA (Adjusted)	5,127	2,470	7,597	2,238	2,928	5,166
All Other Expenses			9,738			8,198
Net Loss			$ (2,141)			$ (3,032)

Revenue within the Global Cloud Solutions segment increased $18,669 or 108% to $36,023 for the three months ended September 30, 2022 from $17,354 for the three months ended September 30, 2021. This increase was principally driven by incremental revenue from the acquisition of Catapult and organic growth of the segment from cross-selling of the Corporation's proprietary products and increased professional services revenue from an increase in customer engagements as the Corporation's increased scale secured more engagement opportunities.

Revenue within the Global Payment Solutions segment increased $2,384 or 23% to $12,791 for the three months ended September 30, 2022 from $10,407 for the three months ended September 30, 2021. This increase was due to increased transactions from organic growth. .

The following table summarizes results for the nine months ended September 30, 2022 and 2021 on a segmented basis:

Segment	Nine Months ended					
	September 30, 2022			September 30, 2021		
	Global Cloud Solutions	Global Payment Solutions	Consolidated	Global Cloud Solutions	Global Payment Solutions	Consolidated
Revenue	$105,036	$ 36,325	$ 141,361	$ 46,983	$ 16,400	$ 63,383
Expenses	93,674	26,816	120,490	41,218	12,214	53,432
EBITDA (Adjusted)	11,362	9,509	20,871	5,765	4,186	9,951
All Other Expenses			25,042			17,865
Net Loss			$ (4,171)			$ (7,914)

Revenue within the Global Cloud Solutions segment increased $58,053 or 124% to $105,036 for the nine months ended September 30, 2022 from $46,983 for the nine months ended September 30, 2021. This increase was principally driven by incremental revenue from the acquisitions of Mazik and Catapult followed by organic growth of the segment from synergies thru cross-selling of the Corporation's proprietary products and increased professional services revenue from an increase in customer engagements as the Corporation's increased scale secured more engagement opportunities.

(all amounts in thousands of USD unless otherwise stated)

Revenue within the Global Payment Solutions segment increased $19,925 or 121% to $36,325 for the nine months ended September 30, 2022 from $16,400 for the nine months ended September 30, 2021.

Overall Revenue increased $77,978, or 123%, to $141,361 for the nine months ended September 30, 2022 from $63,383 for the nine months ended September 30, 2021. The growth in the Corporation's revenues is due to both revenue from 2021 acquisitions and organic revenue growth within both the Global Cloud Solutions segment and the Global Payments Solutions segment. Revenue for the nine months ended September 30, 2022 includes additions from the 2021 fiscal year acquisitions of Mazik, BankCard and Catapult.

Cost of revenue is comprised of salaries and other personnel related costs, direct subcontractor and other costs associated with delivering the services in the Global Cloud Solutions segment. Cost of revenue in the Global Payment Solutions segment is primarily comprised of residuals payments to sales staff and independent sales agents of the business. Cost of revenue increased $43,863, or 110%, to $83,803 for the nine months ended September 30, 2022 compared to $39,940 for the nine months ended September 30, 2021. The increase in cost of revenue is driven by the acquisition of Mazik and Catapult within Global Cloud Solutions and BankCard related residuals payments for payment processing services. Gross margin as a percentage of revenue is 42% and 41% for the three and nine months ended September 30, 2022 and 39% and 37% for the three and nine months ended September 30, 2021. The increase in gross margin as a percentage of revenue is related to the BankCard acquisition within Global Payment Solutions, which contributed a full period of results in 2022 for the nine months ended as compared to a partial period in 2021. BankCard typically experiences higher gross margin as a percentage of revenue when compared to the Global Cloud Solutions segment.

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 its services.

Sales and marketing expense

The following table summarizes sales and marketing expenses for the three and nine months ended ended September 30, 2022 and 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Sales and marketing expense	3,501	1,673	10,803	4,153
As a percentage of revenue	7 %	6 %	8 %	7 %

Sales and marketing expense consists primarily of salary and personnel related costs including commissions. Additional expenses include digital marketing campaigns, marketing events, travel and efforts on proof of concept. Sales and marketing expense for the three and nine months of 2022 versus the three and nine months of 2021 remained consistent as a percentage of revenues. The overall increase in sales and marketing expense in 2022 compared to 2021 is primarily due to the additions of Mazik and Catapult sales and marketing expenses and the marketing expenses of PayiQ.

(all amounts in thousands of USD unless otherwise stated)

General and administrative expense

The following table summarizes General and administrative expense for the quarter ended September 30, 2022 and 2021:

	Three months ended September 30.		Nine months ended September 30,	
	2022	2021	2022	2021
General and administrative	9,217	4,015	25,916	9,339
As a percentage of revenue	19 %	14 %	18 %	15 %

General and administrative expense consists primarily of salary and personnel related costs. Additional expenses include professional fees, insurance, bad debt, occupancy costs and other office related expenses. General and administrative expense for the three and nine months of 2022 versus the three and nine months of 2021 remained consistent as a percentage of revenues. The overall increase in 2022 over the prior year is primarily due to the additions of Mazik, BankCard and Catapult general and administrative expense. The remainder of the increase was driven by the additional administrative employee burden to manage the increased headcount in the Corporation and increased insurance and professional fees associated with the growth of the Corporation.

Amortization is attributable to intangible assets, including Microsoft relationship, customer agreements and relationships, brand and software acquired in the Quisitive LLC, CRG, Menlo, Mazik, BankCard and Catapult transactions as well as website and capitalized software development costs. Intangibles assets with a finite life are amortized to income over their useful life. Amortization increased in 2022 to $12,893 for the nine months ended September 30, 2022 compared to $7,131 for the nine months ended September 30, 2021 due to the additional amortization associated with the intangible assets recognized in the Mazik, BankCard and Catapult acquisitions.

Interest expense on the BMO Loan Agreement during the three and nine months ended September 30, 2022, was $1,153 and $2,761 . Overall interest expense during the three and nine months ended September 30, 2022, was 1,275 and $3,168 and for September 30, 2021, was $1,820 and $3,295, respectively.

Share-based compensation is the value ascribed to the granting of stock incentives to employees and directors of the Corporation. Share-based compensation can encompass stock options, restricted stock units, performance based stock units and stock appreciation rights For the three and nine months ended September 30, 2022, the Corporation recognized share based compensation of $1,334 and $2,575 (September 30, 2021 — $189 and $651).

Depreciation expense for the three and nine months ended September 30, 2022 was $520 and $1,541 compared to $460 and $1,041 for the three and nine months ended September 30, 2021. The increase in 2022 is primarily related to office lease right of use expense for acquired office locations and additional depreciation on property and equipment added through the the aforementioned acquisitions.

Acquisition-related, transaction and other expenses include all direct and incremental expenses associated with ongoing transaction and acquisition activity. They are comprised of legal, accounting, valuation, taxation and other consulting expenses incurred directly related to corporate transactions including acquisitions. Transaction related expenses for the ended three and nine months were $164 and $723, a decrease from $1,415 and $5,093 respectively for the three and nine months ended September 30, 2021. Acquisition and transaction costs in 2022 included costs incurred during the Catapult acquisition. The Corporation continues to pursue its acquisition strategy and will continue to incur acquisition-related transaction costs.

(all amounts in thousands of USD unless otherwise stated)

Earnout settlement losses for the three and nine months ended September 30, 2022 of $1,406 and $1,478 (September 30, 2021, $1,081 and $1,081) were incurred in relation to the revaluation of contingent consideration to reflect current expectations.

Acquisition-related compensation of $663 and $2,153 was incurred in the three and nine months ended September 30, 2022 to reflect the current expectation of earn-out obligations classified as compensation rather than purchase consideration.

Three months ended September 30, 2022 and 2021 Adjusted EBITDA reconciliation

	Three months ended September 30	
	2022	**2021**
Net loss	$ (2,141)	$ (3,032)
Income tax	344	946
Acquisition-related, transaction and other expenses	164	1,415
Foreign exchange loss (gain)	(364)	(39)
Depreciation	520	460
Acquisition-related compensation	663	253
Amortization	4,312	3,641
Interest	1,275	1,820
Share-based compensation	1,334	189
Development	111	115
Earn-out settlement loss	1,406	1,081
US Payroll Protection Plan Loan	—	(1,683)
Gain/Loss on sale of asset	(9)	
Other	(18)	—
Loss on debt extinguishment	—	—
Adjusted EBITDA	$ 7,597	$ 5,166
Adjusted EBITDA as a percentage of revenue	16 %	19 %

Adjusted EBITDA for the three months ended September 30, 2022 was $7,597, or 16% of revenue, compared to $5,166, or 19% of revenue, for the three months ended September 30, 2021. The change reflects the ability to execute on the Corporation's growth through acquisition strategy and shows the results of a continued focus on investing in the sales and marketing organization, the consulting practice and emerging technologies. The Global Cloud Solutions segment contributed $5,127 of Adjusted EBITDA for the three months ended September 30, 2022 while the Global Payment Solutions segment delivered $2,470 of Adjusted EBITDA for the three months ended September 30, 2022. In 2022, the Corporation continues to incur selling, general and administrative costs related to the PayiQ entity which is pre-production and the Corporation expects to begin payment processing activities for clients in spring of 2023. The Corporation increased its sales team and product team investment in the Global Payments Solutions business as it prepares for organic growth in 2023 and beyond.

(all amounts in thousands of USD unless otherwise stated)

Nine months ended September 30, 2022 and 2021 Adjusted EBITDA reconciliation

	Nine months ended September 30, 2022	
	2022	**2021**
Net loss	$ (4,171)	$ (7,914)
Income tax	431	(55)
Acquisition-related, transaction and other expenses	723	5,093
Foreign exchange loss (gain)	(255)	287
Depreciation	1,541	1,041
Acquisition-related compensation	2,153	506
Amortization	12,893	7,131
Grant Income	—	—
Interest	3,168	3,295
Share-based compensation	2,575	651
Development	317	518
Earn-out settlement loss	1,478	1,081
US Payroll Protection Plan	—	(1,683)
Gain/Loss on sale of asset	(9)	—
Other	27	—
Loss on debt extinguishment	—	—
Adjusted EBITDA	$ 20,871	$ 9,951
Adjusted EBITDA as a percentage of revenue		16 %

Adjusted EBITDA for the nine months ended September 30, 2022 was $20,871, or of revenue, compared to $9,951, or 16% of revenue, for the nine months ended September 30, 2021. The change continues to reflect the ability to execute on the Corporation's growth through acquisition strategy and shows the results of a continued focus on investing in the sales and marketing organization, the consulting practice and emerging technologies. The Global Cloud Solutions segment contributed $11,362 of Adjusted EBITDA for the nine months ended September 30, 2022 while the Global Payment Solutions segment delivered $9,509 of Adjusted EBITDA for the nine months ended September 30, 2022. In 2022, the Corporation continues to incur selling, general and administrative costs related to the PayiQ entity which is pre-production and the Corporation expects to begin payment processing activities for clients in spring of 2023. The Corporation increased its sales team and product investment in the Global Payments Solutions business as it prepares for organic growth in 2023 and beyond.

(all amounts in thousands of USD unless otherwise stated)

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 income (loss) ($)	Income (Loss) per share ($)	Income (Loss) per fully diluted share ($)	Adjusted EBITDA ($)
Q3 2022	30-Sep-22	48,814	20,238	(2,141)	(0.01)	(0.01)	7,597
Q2 2022	30-Jun-22	47,619	19,322	(580)	(0.00)	(0.00)	6,854
Q1 2022	31-Mar-22	44,928	17,908	(1,450)	(0.00)	(0.00)	6,421
Q4 2021	31-Dec-21	33,295	13,074	(8,889)	(0.03)	(0.03)	4,521
Q3 2021	30-Sep-21	27,761	10,854	(3,032)	(0.01)	(0.01)	5,166
Q2 2021	30-Jun-21	22,994	8,299	(2,933)	(0.01)	(0.01)	3,600
Q1 2021	31-Mar-21	12,628	4,290	(1,949)	(0.01)	(0.01)	1,166
Q4 2020	31-Dec-20	13,073	5,424	1,998	0.01	0.01	2,203
Q3 2020	30-Sep-20	12,680	5,092	(1,843)	(0.01)	(0.01)	2,049
Q2 2020	30-Jun-20	13,125	5,641	(5,753)	(0.05)	(0.05)	2,768
Q1 2020	31-Mar-20	10,886	4,037	(4,310)	(0.04)	(0.04)	1,103

LIQUIDITY AND CAPITAL RESOURCES

Selected financial information from the condensed unaudited consolidated interim statements of financial position as at September 30, 2022 and December 31, 2021 are as follows:

	September 30, 2022	December 31, 2021
Working capital surplus (deficit)	$ (595)	$ (4,703)

The Corporation had a working capital deficit at September 30, 2022 of $(595) compared to $(4,703) at December 31, 2021, which reflects a decrease in accrued contingent consideration from acquisitions due to payments made, an increase in accounts receivable and work in progress with customers, increases in accounts payable and income taxes payable and an increase in the current portion of the BMO Loan Agreement from the recent amendment and subsequent borrowing, partially offset by a decrease in cash on hand. The Corporation has the contractual right, and in some cases a contractual obligation, to settle approximately half of the earn-out payments with shares of the Corporation rather than cash.

(i) BMO Loan agreement and repayment of previous loan facilities

On August 3, 2022, the Corporation amended the BMO Loan Agreement that provides for, among other things, a new US$9.5 million non-revolving five year term loan of which $7,500 was drawn down. The proceeds from the new loan were used to fund earn-out obligations on previously completed acquisitions and for general corporate purposes. As part of the amendment, the Corporation's total senior debt to EBITDA ratio was increased to 3.25:1.00 through December 31, 2022, and the Corporation also transitioned its interest rate benchmark from the London Interbank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR).

On August 27, 2021, the Corporation entered a credit facility with a syndicate led by Bank of Montreal ("BMO") pursuant to the terms of a loan agreement entered into 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 $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 on a monthly basis 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 installments 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 at December 31, 2021; 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.

On August 3, 2022, the Corporation amended the BMO Loan Agreement that provides for, among other things, a new US$9.5 million non-revolving, five year term loan. Once exercised, the proceeds from the new loan are expected to be used to fund earn-out obligations on previously completed acquisitions and for general corporate purposes. As part of the amendment, the Corporation's total senior debt to EBITDA ratio was increased to 3.25:1.00 through December 31, 2022, and the Corporation also transitioned its interest rate benchmark from the London Interbank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR).

Total finance costs incurred in relation to the Term Loan agreement of $1,299 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 three and nine months ended September 30, 2022, was $1,153 and $2,761 (2021 — $324 and $324).

(i) Broker Compensation unit and warrant exercises

During the quarter ended September 30, 2022, the corporation had no activity related to exercise of broker compensation units.

(all amounts in thousands of USD unless otherwise stated)

Sources and Uses of Cash

	Nine months ended September 30	
	2022	2021
Cash provided by operating activities	$ 10,854	$ 2,162
Cash used in investing activities	(2,673)	(113,955)
Cash (used by) provided by financing activities	$ (12,241)	$ 118,515
Net (decrease) / increase in cash	$ (4,060)	$ 6,722

The net decrease in cash as of September 30, 2022 is primarily attributable to repayments on the BMO Loan Agreement, payments of contingent consideration or earn-outs, and increased interest payments resulting from increased debt incurred to finance the Corporation's acquisitions, partially offset by proceeds of the loan agreement. The Corporation also increased investments in software development. These uses of cash were partially offset by increased cash provided by operating activities. As of September 30, 2021, the increase in cash was due to proceeds from share issuance, private placement and exercise of warrants.

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 September 30, 2022 and 2021 were as follows:

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Salaries and short term benefits	$ 450	$ 354	$ 1,490	$ 660
Share Based Compensation	$ 556	$ 91	$ 1,020	$ 314

In addition, the Corporation has contingent consideration to related parties through acquisition purchases. As of June 28, 2022, one of the Corporation's historical Board members did not stand for reappointment. Consequently, transactions with certain entities affiliated with that Director ceased to be related party transactions.

(all amounts in thousands of USD unless otherwise stated)

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Quisitive has leased several office facilities under separate non-cancelable operating leases which are capitalized under IFRS16.

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

	September 30, 2022
2022	$ 389
2023	1,448
2024	1,194
2025	651
2026+	1,033
Total	$ 4,715
Discounting	(519)
	$ 4,196

In addition, the Corporation has the following contractual obligations with payments set out below:

	under 3 months	3 months-1 year	1-2 years	3-5 years
Accounts payable and accrued liabilities	16,381	2,478	—	—
Income taxes payable	—	2,374	—	—
Contingent consideration	—	—	—	—
Loan agreement	—	10,028	10,028	59,344
Total	$ 16,381	$ 22,226	$ 10,028	$ 59,344

OUTSTANDING SHARE CAPITAL

At September 30, 2022, there were 367,232,989 Common Shares 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 its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that is material to investors.

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 notes payable, Menlo acquisition loan, purchase price notes and bank term loan approximate fair value as they were at market rates of interest.

(all amounts in thousands of USD unless otherwise stated)

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 at September 30, 2022 is $25,137 (December 31, 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 and maximum exposure thereto is $25,137 (December 31, 2021 — $19,895). Accounts receivable are shown net of provision of credit losses of $1,353 (December 31, 2021 — $422).

	under 30	30-60 days	over 60 days	Total
Trade receivable and processing receivable aging	$ 21,102	$ 1,454	$ 2,581	$ 25,137

The Corporation has no customers that constitute greater than 10% at September 30, 2022 or December 31, 2021.

(a) 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 September 30, 2022, the Corporation had $9,457 (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
Accounts payable and accrued liabilities	$ 16,381	$ 2,478	$ —	$ —
Income taxes payable	—	2,374	—	—
Contingent consideration	—	7,346	—	—
Loan agreement	—	10,028	10,028	59,344
Total	$ 16,381	$ 22,226	$ 10,028	$ 59,344

The Corporation manages its liquidity risk by relying upon its revenues. In addition, recent events will impact the Company to varying degrees as the discrete effects of COVID19 across companies and industries evolves. This could potentially impact its financing efforts, ability to operate, customer demand and the liquidity its 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 calculated on a trailing twelve-month basis. A 1% change in Bankers Acceptance rate would lead to +/$705 in interest payable over 1 year.

(all amounts in thousands of USD unless otherwise stated)

(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.

(a) Foreign currency risk(continued)

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 September 30, 2022 and December 31, 2021, the Corporation's net exposure to foreign currency risk on its financial instruments is as follows:

	September 30, 2022	December 31, 2021
	CAD$	CAD$
Cash	$ 418	$ 336
Accounts payable and accrued liabilities	(879)	(895)
	(461)	(559)
United States dollar equivalent	$ (336)	$ (441)

(b) 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.

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 and the notes thereto for the years ended December 31, 2021 and 2020.

ACCOUNTING STANDARDS ISSUED ADOPTED DURING THE PERIOD

For the preparation of these condensed consolidated interim financial statements, there were no new standards or amendments to standards adopted in 2022.

RISK FACTORS

The following discussion summarizes the principal risk factors that apply to the Corporation's business and that may have a material adverse effect on the Corporation's business, financial condition and results of operations, or the trading price of the Common Shares. Some of the following factors are interrelated and, consequently, readers should treat such risk factors as a whole. These risks and uncertainties are not the only ones that could affect the Corporation, or the Common Shares and additional risks and uncertainties not currently known to the

Corporation, or that it currently deems to be immaterial, may also impair the business, financial condition and results of operations of the Corporation and/or the value of the Common Shares. If any of the following risks or other risks occur, they could have a material adverse effect on the Corporation's business, financial condition and results of operations and/or the value of the Common Shares. There is no assurance that any risk management steps taken by the Corporation will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

In addition to the risks noted below, risks related to Financial Instruments as set forth in this MD&A, and those risk factors described in Quisitive's annual information form dated June 23, 2022 which is available on SEDAR, special consideration should be given when evaluating trends, risk and uncertainties relating to Quisitive's business.

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.

Since inception, the Corporation has been engaged in growth activities and has made a significant number of acquisitions that have grown the business. This acquisition activity requires substantial capital and other expenditures. As a result, the Corporation incurred net losses in the years ended December 31, 2021, 2020 and 2019, and may incur losses again in the future. A substantial portion of the Corporation's historical revenue growth has resulted from acquisitions. Cash needs are expected to increase significantly for the next several years as the Corporation:

a. makes additional acquisitions;

b. markets its products and services;

c. Expands its client support and service operations;

d. hires additional marketing, client support and administrative personnel; and

e. implements new and upgraded operational and financial systems, procedures and controls

As a result of these continuing costs and expenses, the Corporation needs to generate significant revenues to attain and maintain profitability and positive cash flow. To date, the Corporation's operations have been supported by equity and debt financings. If the Corporation does not continue to increase its revenues, its business, results of operations and financial condition could be materially and adversely affected.

COVID-19 Pandemic

The global outbreak of 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 duration and impact of the COVID-19 pandemic 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. To date, certain customers of the Corporation have suspended or scaled back their operations for precautionary purposes or as governments have declared a state of emergency or taken other actions, which may adversely affect the price and demand for the Corporation's services as well as its ability to collect outstanding receivables from its customers. Conversely, the Corporation has also experienced an increased demand for its services as certain customers have accelerated their use and dependence of the Corporation's cloud solutions as a result of work from home measures. The extent to which COVID-19 impacts the Corporation's financial results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and the actions taken by governments to curtail or treat its impact, including shelter in place directives, which, if extended, may impact the economies in which the Corporation now, or may in the future, operate.

Availability of Financing

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. 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 Board of the Corporation 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 continuously strives to identify and provide 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 is 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; (ii) hire, train and retain quality employees; and (iii) evolve Quisitive's business to gain advantages in a competitive environment.

Acquisitions

Quisitive intends to acquire additional businesses in the future. 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 favorable 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 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

To manage its growth effectively, the Corporation must continue to strengthen its existing infrastructure, develop and improve its processes and internal controls, create and improve its reporting systems, and timely address issues as they arise. As the Corporation continues to strengthen its existing infrastructure and systems, it will also be required to hire additional personnel. These efforts may require substantial financial expenditures, commitments of resources, developments of its processes, and other investments and innovations. Furthermore, the Corporation encourages employees to quickly develop and launch new features for its products and services. As the Corporation grows, it may not be able to execute as quickly as smaller, more efficient organizations. In addition, as the Corporation grows, it may not be able to maintain its entrepreneurial company culture, which fosters innovation and talent. If the Corporation does not successfully manage its growth, its business may be adversely affected.

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

Global Cloud Solutions

The IT Services industry in which Quisitive operates 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, multiregional, 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 favorable pricing for its products and services, its profit margin and profitability may suffer.

Global Payment Solutions

In the payment processing arena Quisitive competes with a range of providers, each of whom may provide a component of the Corporation's offering, but may not provide an integrated offering capable of solving complex business challenges for software partners and merchants. For certain services and solutions, including end-to-end payments, we compete with third-party payment processors (such as Chase Paymentech, Elavon, FIS, Fiserv and Global Payments) and integrated payment providers (such as Adyen, Lightspeed POS, Shopify, Square and Toast).

Quisitive faces substantial competition from other national, multiregional, regional payment 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.

If Quisitive is not able to maintain favorable pricing for its payment 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 rebranded as PayiQ 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 PayiQ 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 PayiQ, 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 withholding.

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 52109 Certification of Disclosure in issuers' Annual and Interim filings ("NI 52109"), 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 52109. In particular, the certifying officers filing 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 52109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.