CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the three and nine months ended September 30, 2022 and 2021

(expressed in United States dollars unless otherwise noted)

QUISITIVE TECHNOLOGY SOLUTIONS, INC.

Unaudited Condensed Consolidated Interim Financial Statements
September 30, 2022 and 2021
(Expressed in thousands of United States Dollars)

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QUISITIVE TECHNOLOGY SOLUTIONS, INC.

Unaudited Condensed Consolidated Interim Statements of Financial Position
September 30, 2022 and December 31, 2021
(Expressed in thousands of United States Dollars)

As at	September 30, 2022	December 31, 2021
Assets current		
Cash	$ 9,457	$ 13,516
Accounts receivable and contract assets (Note 4)	29,349	23,631
Current income tax receivable	79	69
Work in progress	2,385	1,783
Prepaid expenses	2,525	2,600
	43,795	41,599
Non-current assets		
Property and equipment, net (Note 5)	$ 5,224	6,793
Intangible Assets (Note 6)	85,515	95,816
Goodwill	197,271	197,309
Deposits with sponsor banks (Note 13)	350	350
Total Assets	**$ 332,155**	**$ 341,867**
Liabilities current		
Accounts payable and accrued liabilities	$ 18,859	$ 16,789
Current income tax payable	2,374	655
Current portion of Loan agreement (Note 7)	10,028	8,128
Current portion of Deferred revenue	4,512	3,925
Current portion of Lease liability (Note 9)	1,271	1,189
Current portion of Contingent consideration	7,346	15,616
	44,390	46,302
Non-current liabilities:		
Loan agreement (Note 7)	$ 69,372	70,427
Contingent consideration	—	5,788
Lease liability (Note 9)	2,925	3,806
Deferred tax liability	11,602	14,842
Total Liabilities	128,289	141,165
Shareholders' equity		
Share capital (Note 10)	$ 242,778	237,398
Warrants (Note 10)	—	416
Contributed surplus (Note 10)	7,065	4,319
Deficit	(43,839)	(40,405)
Accumulated other comprehensive income	(1,185)	(810)
Equity attributable to owners of the Corporation	204,819	200,918
Non-Controlling Interest (Note 14)	(953)	(216)
	203,866	200,702
Total Liabilities and Shareholders' Equity	**$ 332,155**	**$ 341,867**

Approved on behalf of the Board:

"Mike Reinhart" — Mike Reinhart, CEO

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

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

Unaudited Condensed Consolidated Interim Statements of Comprehensive Loss
Three And Nine Months Ended September 30, 2022 and 2021
(Expressed in thousands of United States Dollars except per share and share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenue (Note 15)	$ 48,814	$ 27,761	$ 141,361	$ 63,383
Cost of Revenue	28,486	16,907	83,803	39,940
Gross Margin	20,328	10,854	57,558	23,443
Operating Expenses				
Sales and marketing expense	3,501	1,673	10,803	4,153
General and administrative	9,217	4,015	25,916	9,339
Development	111	115	317	518
Share-based compensation (Note 10)	1,334	189	2,575	651
Interest expense (Note 7 (ii))	1,275	1,820	3,168	3,295
Amortization (Note 6)	4,312	3,641	12,893	7,131
Earn-out settlement loss	1,406	1,081	1,478	1,081
Acquisition related compensation (Note 3)	663	253	2,153	506
Depreciation (Note 5)	520	460	1,541	1,041
Foreign exchange loss (gain)	(364)	(39)	(255)	287
Acquisition-related, transaction and other expenses (Note 3)	164	1,415	723	5,093
US Payroll Protection Plan Forgiveness	—	(1,683)	—	(1,683)
Other Income	(14)	—	(14)	—
Loss Before Income Taxes	(1,797)	(2,086)	(3,740)	(7,969)
Income tax expense — current	1,363	539	3,683	1,430
Deferred income tax expense (recovery)	(1,019)	407	(3,252)	(1,485)
Net Loss for the Period	$ (2,141)	$ (3,032)	$ (4,171)	$ (7,914)
Comprehensive Loss:				
Items that may be reclassified subsequently to income:				
Foreign currency translation adjustment	66	68	(375)	(74)
Comprehensive loss	$ (2,075)	$ (2,964)	$ (4,546)	$ (7,988)
Net Loss Attributed to:				
Non controlling interest (Note 14)	(292)	(105)	(737)	(212)
Owners of the Corporation	(1,849)	(2,927)	(3,434)	(7,702)
	$ (2,141)	$ (3,032)	$ (4,171)	$ (7,914)
Basic and Diluted Loss per share (Note 11)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.03)
Weighted Average Number of Common Shares Outstanding	362,378,976	322,147,521	358,654,639	264,585,089

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

Unaudited Condensed Consolidated Interim Statements of Changes in Shareholder's Equity
For the nine months ended September 30, 2022 and 2021
(Expressed in thousands of United States Dollars except share amounts)

	Share Capital Number	Share Capital Amount	Contributed Surplus	Warrants	Deficit	AOCI	Non-Controlling Interest	Total
Balance December 31, 2020	**193,585,013**	**45,781**	**3,300**	**2,463**	**(24,090)**	**(865)**	**272**	**26,861**
Shares issued with acquisition of Mazik (Note 3)	6,254,020	7,516						7,516
Shares issued with acquisition of BankCard USA (Note 3)	50,000,000	77,739						77,739
Bought deal and concurrent private placement	41,743,333	46,770						46,770
Private Placement	16,000,000	14,836						14,836
Exercise of RSU's	1,029,837	150	(150)					—
Exercise of stock options	15,000	16	(12)					4
Stock based compensation			651					651
Shares issued as repayment of contingent consideration	1,664,539	1,360						1,360
Exercise of broker compensation units and warrants	12,306,224	12,593		(2,005)				10,588
Net settlement of tax liabilities on RSU's	(284,778)	(216)	(11)					(227)
Expiration of warrants			42	(42)				—
Change in cumulative impact of foreign currency						(74)		(74)
Net income (loss) for the period					$ (7,702)		$ (212)	$ (7,914)
Balance September 30, 2021	**322,313,188**	**$206,545**	**$ 3,820**	**$ 416**	**$ (31,792)**	**$ (939)**	**$ 60**	**$ 178,110**
Balance December 31, 2021	**356,314,879**	**$237,398**	**$ 4,319**	**$ 416**	**$ (40,405)**	**$ (810)**	**$ (216)**	**$ 200,702**
Exercise of RSU's	873,740	245	(245)					—
Net settlement of tax liabilities on RSU's	(270,672)	(286)						(286)
Stock based compensation			2,575					2,575
Shares issued as payment of contingent consideration	10,315,042	5,573						5,573
Expiration of warrants			416	(416)				—
Equity issuance costs		(152)						(152)
Change in cumulative impact of foreign currency						(375)		(375)
Net income (loss) for the period					$ (3,434)		$ (737)	$ (4,171)
Balance September 30, 2022	**367,232,989**	**$242,778**	**$ 7,065**	**$ —**	**$ (43,839)**	**$(1,185)**	**$ (953)**	**$ 203,866**

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

Unaudited Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended September 30, 2022 and 2021
(Expressed in thousands of United States Dollars)

	Nine Months Ended	
	September 30, 2022	September 30, 2021
Operating Activities		
Net loss for the period	$ (4,171)	$ (7,914)
Items not involving cash		
Amortization	12,893	7,131
Depreciation	1,541	1,041
Unrealized foreign exchange	(303)	(220)
Share based compensation	2,575	651
Interest expense and accretion	3,168	3,295
Acquisition related compensation	2,153	506
US Payroll protection loan forgiveness	—	(1,683)
Earnout settlement loss	1,478	1,081
Deferred income tax recovery	(3,252)	(1,485)
	16,082	2,403
Changes in non-cash working capital		
Accounts receivables and contract assets	(5,430)	(1,263)
Work in progress	(602)	(876)
Prepaid and expenses	75	(1,490)
Accounts payable and accrued liabilities	(1,590)	3,292
Income tax payable net	1,733	251
Deferred revenue	587	(155)
Cash Provided by Operating Activities	10,855	2,162
Investing Activity		
Purchase of property and equipment	(131)	(497)
Purchase of intangible assets	(2,542)	(1,569)
Purchase of Mazik Global (net of cash acquired)	—	(8,299)
Purchase of BankCard USA (net of cash acquired)	—	(101,530)
Cash Used in Investing Activities	(2,673)	(111,895)
Financing Activities		
Proceeds from share issuance, net of issuance costs	—	46,770
Proceeds from private placement, net of issuance costs	—	14,836
Proceeds from exercise of warrants	—	10,588
Repayment Loan Agreement	(6,568)	(16,110)
Interest paid	(2,746)	(1,510)
Lease payments	(962)	(813)
Proceeds of Loan Agreement	7,500	66,275
Financing costs incurred	—	(1,525)
Equity issuance costs	(152)	—
Payment of contingent consideration	(8,853)	(2,060)
Net settlement of RSU's employee stock options	(287)	—
Proceeds from the exercise of stock options	—	4
Cash (Used in) / Provided by Financing Activities	(12,241)	116,455
Inflow (Outflow) of Cash	(4,059)	6,722
Cash and restricted cash, Beginning of period	13,516	10,983
Cash and restricted cash, End of period	**$ 9,457**	**$ 17,705**

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

(Expressed in thousands of United States Dollars)

1. NATURE OF OPERATIONS

(a) Nature of operations

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

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

Following the acquisition of BankCard, the Corporation re-evaluated its assessment of operating segments based on information reviewed by the Chief Operating Decision Maker and determined that the operations of BankCard and LedgerPay rebranded as PayiQ, represent a separate operating segment (Payment Solutions) from the Corporation's Cloud Solutions segment (Note 16).

With a legacy of deep technical and business expertise, Quisitive is empowering the enterprise to navigate the ever-changing technology climate their business relies upon. Quisitive helps customers harness the power of the Microsoft cloud and innovative technologies such as, artificial intelligence, machine learning, the Internet of Things (IoT) and blockchain through customized solutions.

(b) Structure of Business

The Corporation has the following subsidiaries:

Entity name	Country	Ownership percentage at 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
Menlo Technologies, Inc	USA	100	100
Mazik Global Inc	USA	100	100
Menlo Software India Private Limited	India	100	100
MidTech Software Solutions, Inc	USA	100	100
Quisitive Ltd	USA	100	100
Quisitive LLC	USA	100	100
Quisitive Payment Solutions, Inc	USA	100	100
Support Solutions, Inc	USA	100	100

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

2. BASIS OF PRESENTATION

(a) Basis of presentation

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

These financial statements were authorized for issue by the Board of Directors on November 14, 2022.

(b) COVID-19

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

(c) Basis of measurement

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

(d) Functional and reporting currency

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

(e) Basis of consolidation

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

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

2. BASIS OF PRESENTATION (Continued)

(f) Use of Estimates

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

Significant areas requiring the use of management estimates include:

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

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

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

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

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

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

(vii) Inventories are carried at specific identification of cost. When the value of inventory is less than cost inventory is adjusted to net realizable value.

2. BASIS OF PRESENTATION (Continued)

Significant areas requiring the use of judgments include:

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

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

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

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

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

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

3. BUSINESS COMBINATIONS

(i) <u>Catapult Systems LLC</u>

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

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

(Expressed in thousands of United States Dollars)

3. BUSINESS COMBINATIONS (Continued)

The fair values shown for Catapult are final. An adjustment was made in intangible assets value, deferred tax asset and goodwill from the preliminary values as disclosed in the annual consolidated financial statements for the year ended December 31, 2021.

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

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

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

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

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

Brand	2 years
Developed Technology	4 years
Customer Relationships	5 years

3. BUSINESS COMBINATIONS (Continued)

(ii) <u>BankCard USA Merchant Services Inc.</u>

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

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

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

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

The fair values shown for BankCard are final. There was no change compared to the Preliminary PPA as disclosed in the annual consolidated financial statements for the year ended December 31, 2021.

(Expressed in thousands of United States Dollars)

3. BUSINESS COMBINATIONS (Continued)

	USD Fair value recognized on acquisition $
Cash	$ 919
Processing and trade receivables	4,229
Property and equipment	840
Right of use asset	1,781
Indemnification asset	659
Intangibles	66,234
Other assets	393
Goodwill	135,326
Trade and other payables	(2,918)
Deferred tax liability	(15,583)
US payroll protection plan loan	(659)
Lease liability	(1,781)
Fair value of assets acquired and liabilities assumed	$ 189,440

Cash	$ 100,523
Quisitive common shares	77,739
Working capital adjustment	1,925
Contingent consideration	9,253
Total Consideration	$ 189,440

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

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

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

Brand	3 years
Developed Technology	9 years
Customer Relationships	8 years

3. BUSINESS COMBINATIONS (Continued)

(iii) Mazik Global, Inc.

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

In addition, the agreement included contingent consideration per annum of $2,100, $2,000 and $1,900 for the years ended March 31, 2022, March 31, 2023 and March 31, 2024, respectively contingent on the legacy Mazik business achieving revenue targets of $15,000 from April 1, 2022 to September 30, 2022, $18,500 from April 1, 2022 to March 31, 2023 and $22,000 from April 1, 2023 to March 31, 2024. Additional growth earn-outs of $650, $650 and $700 are payable contingent on achieving license revenue targets of $3,500, $5,000, and $6,500 for the years ended March 31, 2022, March 31, 2023 and March 31, 2024, respectively. The contingent consideration includes a requirement for the shareholders to remain employed with Quisitive at the applicable calculation date. As such, the earn-out payments have been accounted for as compensation for post-combination services, and not consideration in the business combination. Any amounts owing will be expensed in the applicable fiscal years as earned. For the three and nine months ended September 30, 2022, the Corporation recorded $500 and $1,525 (2021 - $253 and $506) of acquisition-related compensation expense.

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

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

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

(Expressed in thousands of United States Dollars)

3. BUSINESS COMBINATIONS (Continued)

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

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

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

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

Brand	3 years
Developed Technology	3 years
Customer Relationships	8 years

(Expressed in thousands of United States Dollars)

4. ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

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

	September 30, 2022	December 31, 2021
Trade receivable	$ 22,200	$ 16,943
Processing receivable	4,290	3,374
Allowance for doubtful accounts	(1,353)	(422)
Contract assets	1,499	1,499
Other receivables	2,712	2,237
Net accounts receivable and contract assets	$ 29,349	$ 23,631

For the three and nine months ended September 30, 2022, the Corporation recorded bad debt expense of $654 and $989(September 30, 2021 — $30 and $31). Contract assets of $1,499 relate to performance under a first party license sale contract that has not been billed at September 30, 2022 (December 31, 2021 — $1,499).

5. PROPERTY AND EQUIPMENT

	Computers and Network Equipment	Furniture and Equipment	Leasehold Improvements	Software	Right of Use Asset	Total
Cost						
Balance December 31, 2021	$ 1,067	$ 742	$ 868	$ 195	$ 7,274	$ 10,146
Additions	159	43	92	—	163	457
Dispositions	(9)	(102)	(14)	—	(362)	(487)
Reclassifications	—	42	(42)	—	—	—
Effect of Foreign Currency Translation	(15)	(8)	—	—	—	(23)
Balance at September 30, 2022	$ 1,202	$ 717	$ 904	$ 195	$ 7,075	$ 10,093
Accumulated Depreciation						
Balance, December 31, 2021	$ 320	$ 464	$ 141	$ 73	$ 2,355	$ 3,353
Depreciation	222	77	175	46	1,021	1,541
Dispositions	(3)	—	—	—	—	(3)
Effect of Foreign Currency Translation	$ (15)	$ (3)	$ —	$ —	$ (4)	$ (22)
Balance at September 30, 2022	$ 524	$ 538	$ 316	$ 119	$ 3,372	$ 4,869
Carrying Value						
Balance December 31, 2021	$ 747	$ 278	$ 727	$ 122	$ 4,919	$ 6,793
Balance at September 30, 2022	$ 678	$ 179	$ 588	$ 76	$ 3,703	$ 5,224

(Expressed in thousands of United States Dollars)

6. INTANGIBLE ASSETS

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

	Software	Website Development	Microsoft Relationship	Customer Relationship	Brand	Total
Cost						
Balance December 31, 2021	$ 11,012	$ 320	$ 3,860	$ 92,567	$ 6,992	$ 114,751
Additions	2,542	—	—	—	—	$ 2,542
Catapult Acquisition Valuation Adjustments	(50)	—	—	100	—	$ 50
Balance September 30, 2022	$ 13,504	$ 320	$ 3,860	$ 92,667	$ 6,992	$ 117,343
Accumulated Amortization						
Balance December 31, 2021	$ 1,763	$ 171	$ 3,036	$ 11,571	$ 2,394	$ 18,935
Amortization	1,430	28	579	9,276	1,580	$ 12,893
Adjustment	—	—	—	—	—	$ —
Balance September 30, 2022	$ 3,193	$ 199	$ 3,615	$ 20,847	$ 3,974	$ 31,828
Carrying Value						
Balance December 31, 2021	$ 9,249	$ 149	$ 824	$ 80,996	$ 4,598	$ 95,816
Balance September 30, 2022	$ 10,311	$ 121	$ 245	$ 71,820	$ 3,018	$ 85,515

7. BORROWING

The following table sets out the Corporation's borrowings:

	September 30, 2022	December 31, 2021
BMO Loan Agreement (i)	79,400	78,555
Balance — end of period	$ 79,400	$ 78,555
Current	10,028	$ 8,128
Non-current	69,372	70,427
	$ 79,400	$ 78,555

(i) BMO Loan agreement and predecessor loan agreements

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 and additional financing costs of $200 were capitalized and will be expensed over the life of the loan. 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).

(Expressed in thousands of United States Dollars)

7. BORROWING (continued)

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

The BMO Loan Agreement provides for a five-year term loan of US$70,000 (the "Term Loan") and a revolving loan facility of up to US$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 US$35,000. On, November 18, 2021, $15,000 was drawn under the accordion to provide funds to complete the Catapult acquisition.

The Term Loan is available by way of Canadian dollar prime rate loans, U.S. dollar base rate loans, Canadian dollar CDOR loans and U.S. dollar LIBOR loans. Interest on the Term Loan is payable monthly based on a price grid which ranges, depending on the Corporation's total senior debt to EBITDA ratio, from the Bank's Canadian prime rate or U.S. base rate plus 0.25% to 1.50% and from the CDOR rate or LIBOR rate plus 1.75% to 3.00%. The Term Loan amortizes over 10 years and advances under the Term Loan are repayable in equal quarterly 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 on September 30, 2022, however there can be no assurances that compliance will be achieved throughout the remaining term of the agreement. The Revolving Facility is repayable with monthly interest consistent with the Term Loan rates.

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

Interest expense on the BMO Loan Agreement during the three and nine months ended September 30, 2022, was $1,153 and $2,762 (2021 — $0 and $0).

(ii) Finance Costs

The Corporation's finance costs comprise the following:

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Interest on borrowings	$ 1,153	$ 1,548	$ 2,762	$ 2,945
Amortization of debt issuance costs	37	35	102	35
Accretion expense	25	186	119	219
Net finance costs on leases	60	51	185	96
Total finance costs	$ 1,275	$ 1,820	$ 3,168	$ 3,295

(Expressed in thousands of United States Dollars)

8. RELATED PARTY TRANSACTION AND BALANCE

(i) Key management compensation

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

The compensation recorded to key management personnel during the quarter ended September 30, 2022 and 2021 were as follows:

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2021	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. On June 28, 2022, following one of the Corporation's Board members not standing for reappointment, transactions with certain entities affiliated with that Director ceased to be related party transactions.

9. LEASE LIABILITIES

(i) 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

(ii) Property lease payments including variable lease payments for the quarter ended September 30, 2022 and 2021 were as follows:

	Nine months ended September 30, 2022	
	2022	2021
Total Short-Term Lease Expense	$ 117	$ 19
Variable Lease Expense	259	143
Sublease Income	(12)	—
	$ 364	$ 162

(Expressed in thousands of United States Dollars)

9. **LEASE LIABILITIES(continued)**

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

Opening balance January 1, 2022	$	4,995
Payments (net of accretion)		(962)
New leases		163
Present value of lease liability September 30, 2022	$	4,196

10. SHARE CAPITAL

(a) Share Issuances

The Corporation is authorized to issue an unlimited number of common shares. As at September 30, 2022, 367,232,989 common shares were issued and outstanding as fully paid and non-assessable (December 31, 2021 — 356,314,879).

For the nine months ended September 30, 2022, the Corporation issued a net of 603,068 shares related to the vesting of 873,740 RSU's less 270,672 used to net settle tax liabilities and 0 shares in connection with the exercise of stock options, respectively (September 30, 2021 745,059 and 315,000). As at September 30, 2022, the corporation had no outstanding warrants..

On May 9, 2022, the Corporation issued 664,504 common shares in relation to performance earn-out targets which were achieved during the year ended December 31, 2021 with the remaining balance settled in cash.

On August 19, 2022, the Corporation issued 9,650,538 common shares in relation to performance earn-out targets which were achieved during the quarter ended June 30, 2022 with the remaining balance settled in cash.

(b) Warrants Issued

Pursuant to the terms of the warrant indenture between Computershare Trust Company of Canada and the Corporation dated June 26, 2020, if the volume weighted average trading price of the Corporation's common shares on the TSX Venture Exchange exceeds $1.60 for a period of 10 consecutive trading days the Corporation was entitled to accelerate the expiry date of the warrants to the date that is not less than 30 days following the date notice of such acceleration. The Corporation had no outstanding warrants at September 30, 2022. On June 26, 2022 - 160,433 compensation units options and the associated warrant's expired.

(c) Stock Options

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

(Expressed in thousands of United States Dollars)

10. SHARE CAPITAL (continued)

The plan sets out the framework for determining eligibility as well as the terms of any stock based compensation granted. In 2019, the Corporation adopted an Omnibus plan which includes the full scope of governance on stock options, RSU's, PSU's, stock appreciation rights, and incentive stock options. On June 29, 2022, the Corporation made an amendment to the Omnibus plan moving from a fixed plan to a 10% rolling plan.

	Number of options	Weighted average exercise price (CAD)
Outstanding at December 31, 2021	3,480,000	$ 0.45
Granted	1,100,000	0.62
Cancelled/Forfeited	(16,666)	$ 0.20
Outstanding at September 30, 2022	4,563,334	$ 0.47

For the three and nine months ended September 30, 2022, the Corporation recognized share based compensation from stock options of $21 and $83 (September 30, 2021 — $86 and $102).

The following options were issued and outstanding as at September 30, 2022:

Grant Date	Expiry Date	Ex price (CAD)	Number of options	Exercisable
10-Apr-18	April 9, 2023	0.35	605,000	605,000
30-Apr-18	April 30, 2023	0.35	100,000	100,000
26-Aug-18	August 26, 2023	0.35	100,000	100,000
30-Aug-18	August 31, 2023	0.35	100,000	100,000
20-Nov-18	November 19, 2023	0.35	950,000	950,000
24-Dec-19	December 23, 2024	0.20	983,334	666,660
03-Jan-20	January 2, 2025	0.25	200,000	200,000
07-Jul-21	July 7, 2026	1.60	325,000	216,666
02-Aug-21	August 2, 2026	1.52	100,000	66,667
01-Mar-22	February 28, 2027	0.81	100,000	—
26-Jul-22	July 26, 2027	0.59	1,000,000	—
			4,563,334	3,004,993

The weighted average remaining recognition period for options is 1.08 years at September 30, 2022.

(d) Restricted Stock Units

i. The Corporation granted restricted stock units (RSU's) to employees. The RSU's vest over 0-3 years. Each RSU entitles the employee to either one share of the Corporation or the cash equivalent of one share of the Corporation at the option of the Corporation at the exercise date. The fair value of restricted stock awards is estimated using the market price of the Corporation's common stock at the date of grant. Restricted stock activity during the period ending September 30, 2022 is as follows:

	# of RSU's
Opening balance December 31, 2021	6,702,991
Granted	3,702,500
Exercised	(893,740)
Forfeited	(211,667)
Closing balance September 30, 2022	9,300,084

(Expressed in thousands of United States Dollars)

10. SHARE CAPITAL (Continued)

ii. The Corporation granted performance based restricted stock units (PSU's) to employees. The PSU's are contingent on the achievement of preestablished performance metrics. The PSU's vest on an annual basis and are amortized over the performance period. Each PSU entitles the employee to either one share of the Corporation or the cash equivalent of one share of the Corporation at the option of the Corporation at the exercise date. The fair value of performance based restricted stock awards is estimated using the market price of the Corporation's common stock at the date of grant. Performance based restricted stock activity during the period ending September 30, 2022 is as follows:

	# of PSU
Opening balance December 31, 2021	—
Granted	3,721,090
Exercised	—
Forfeited	(140,499)
Closing balance September 30, 2022	3,580,591

For the three and nine months ended September 30, 2022, the Corporation recognized share based compensation related to RSU's and PSU's of $1,306 and $2,472, (September 30, 2021 — $98 and $532).

(e) Stock appreciation rights

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

Annualized volatility 99.15%

Risk free interest rate 2%

Expected life 3 years

The fair value will be recorded as a charge to income and included in stock based compensation expense over the vesting period with $7 and $20 charged to income for the three and nine months ended September 30, 2022. (September 30, 2021, $4 and $17).

(Expressed in thousands of United States Dollars)

11. NET LOSS PER SHARE

The computation for basic and diluted net income (loss) per share for the three and six months ended September 30, 2022 and 2021 are as follows:

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net loss attributable to common shareholders	$ (1,849)	$ (2,927)	$ (3,434)	$ (7,702)
Weighted average number of shares outstanding, basic	362,378,976	322,147,521	358,654,639	264,585,089
Basic and Diluted Income (Loss) Per Share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.03)

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

	September 30, 2022	September 30, 2021
Broker compensation options	—	160,433
Broker warrants	—	—
Stock options	4,563,334	3,680,000
RSU's and PSU's	12,880,675	6,708,141
	17,444,009	10,548,574

12. FINANCIAL INSTRUMENTS

The carrying values of the cash, accounts receivable, accounts payable, and accrued liabilities approximate their fair values due to their short term to maturity. The carrying value of the Loan Agreements approximate fair value as they were at market rates of interest.

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

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash is placed with a major US and Canadian financial institutions and the Corporation's concentration of credit risk for cash and maximum exposure thereto is at September 30, 2022 is $9,457 (December 31, 2021 — $13,516).

(Expressed in thousands of United States Dollars)

12. FINANCIAL INSTRUMENTS(continued)

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.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation. At September 30, 2022, the Corporation has 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 Corporation to varying degrees as the discrete effects of COVID-19 across companies and industries evolves. This could potentially impact our financing efforts, ability to operate, customer demand and the liquidity our clients and the Corporations liquidity.

(c) Market risk

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

(d) Interest rate risk

The Corporation is exposed to interest rate risk through the Loan Agreement loan which bears interest at Bankers Acceptance plus a percentage determined by the results of the corporation collocated on a hailing twelve month basis. A 1% change in Bankers Acceptance rate would lead to +/-705 in interest payable over 1 year.

(e) Foreign currency risk

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

(Expressed in thousands of United States Dollars)

12. FINANCIAL INSTRUMENTS(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)

(f) Other price risk

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

13. BANK SPONSORING AGREEMENTS

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

The sponsorship agreement requires, among other things, that the Corporation abide by the by-laws and regulations of the Visa and MasterCard networks. In addition, the agreement requires the Corporation maintain a reserve account. For the quarter ended September 30, 2022, the Corporation has $350 in deposits with sponsoring banks.

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

(Expressed in thousands of United States Dollars)

14. NON-CONTROLLING INTEREST

The Corporation owns 80% of its subsidiary LedgerPay rebranded as PayiQ.

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

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

In 2019, the Corporation entered into two employment agreements that granted an award of restricted stock equal to five percent or 1,000,000 of the issued and outstanding voting stock of LedgerPay rebranded as PayiQ. The shares of LedgerPay rebranded as PayiQ are convertible into Common Shares of the Corporation based on the ratio of 1:2.124 per share. The awards are fully vested at December 31, 2021 and this results in a dilution in the Corporation's interest in LedgerPay rebranded as PayiQ to 80%.

For the three and nine months ended September 30, 2022 the Corporation recorded non-controlling interest of ($292) and ($737) (September 30, 2021: ($105) and ($212)).

15. REVENUE

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

	Three months ended September 30, 2022		Nine Months ended September 30, 2022	
	2022	2021	2022	2021
Cloud Solutions Professional Services	$ 24,849	$ 12,560	$ 73,028	$ 35,078
Cloud Solutions Maintenance, License and third party licenses and support	11,174	4,794	32,008	11,905
Payment Processing Solutions	12,791	10,407	36,325	16,400
	$ 48,814	$ 27,761	$ 141,361	$ 63,383

The Corporation is not exposed to concentration risk relating to any one customer greater than 10% of revenue for the three and nine months September 30, 2022 or 2021.

(Expressed in thousands of United States Dollars)

16. SEGMENT INFORMATION

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

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

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

The Corporation evaluates each segment's performance based on Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization ("Adjusted EBITDA"). The Corporation defines Adjusted EBITDA as earnings before certain charges that management considers to be non-operating expenses and which consist of interest, taxes, depreciation, amortization, foreign exchange, share-based compensation, transaction related expenses, acquisition related compensation, settlement gains and losses on earn-out liabilities, loan forgiveness, grant income and non-recurring development costs associated with obtaining bank sponsorship and operational certifications required to complete LedgerPay rebranded as PayiQ.

	Nine Months ended					
Segment	**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	$ 46,630	$ 16,753	$ 63,383
Expenses	91,247	29,243	120,490	41,217	12,215	53,432
EBITDA (Adjusted)	13,789	7,082	20,871	5,413	4,538	9,951
All Other Expenses			25,042			17,865
Net Loss			$ (4,171)			$ (7,914)

(Expressed in thousands of United States Dollars)

16. SEGMENT INFORMATION(continued)

Segment	Three Months ended					
	September 30. 2022			September 30, 2021		
	Global Cloud Solutions	Global Payment Solutions	Consolidated	Global Cloud Solutions	Global Payment Solutions	Consolidated
Revenue	$ 36,023	$ 12,791	$ 48,814	$ 17,354	$ 10,407	$ 27,761
Expenses	31,297	9,920	$ 41,217	15,116	7,479	22,595
EBITDA (Adjusted)	4,726	2,871	7,597	2,238	2,928	5,166
All Other Expenses			9,738			8,198
Net Loss			$ (2,141)			$ (3,032)

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