Quisitive Technology Solutions, Inc.
Second Quarter Report June 30, 2024

This management discussion and analysis ("MD&A") of Quisitive Technology Solutions, Inc. (the "Corporation", "Quisitive", "we" or "us") for the three and six months ended June 30, 2024, should be read in conjunction with the Corporation's unaudited condensed consolidated interim financial statements and the notes thereto for the three and six months ended June 30, 2024 and the audited financial statements and the notes thereto for the years ended December 31, 2023 and 2022. 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 IFRS Accounting Standards ("IFRS"). All amounts are expressed in thousands of United States dollars unless otherwise indicated.

This MD&A is current as at August 19, 2024, 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 measures that do not have a standardized meaning under generally accepted accounting principles (GAAP) and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. The Corporation includes these measures because it believes certain investors use these measures and metrics as a means of assessing financial performance. EBITDA (earnings before interest, taxes, depreciation and amortization is calculated as net earnings before finance costs (net of finance income), income tax expense, and depreciation and amortization of intangibles) is a non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. We prepare and release quarterly unaudited and annual audited financial statements prepared in accordance with IFRS. The Corporation also discloses and discusses certain non-GAAP financial information, used to evaluate our performance, in this MD&A as a complement to results provided in accordance with IFRS. We believe that current shareholders and potential investors in the Corporation use non-GAAP financial measures, such as Adjusted EBITDA, in making investment decisions about the Corporation and measuring our operational results. The term "Adjusted EBITDA" refers to a financial measure that we define as earnings before certain charges that management considers to be non-operating expenses and which consist of interest, taxes, depreciation, amortization, stock-based compensation (for which we include related fees and taxes), changes in fair value of derivatives, transaction and acquisition-related expenses, US payroll protection plan loan forgiveness, and earn-out settlement losses.

OVERVIEW OF THE CORPORATION AND STRUCTURE

Business Overview General

Quisitive Technology Solutions, Inc. (the "Corporation") is a premier Microsoft solutions provider that leverages the power of the Microsoft cloud and artificial intelligence, alongside custom and proprietary technologies, to drive business outcomes for its customer.

Based on the information reviewed by the chief operating decision maker, and following the divestitures of LedgerPay, Inc. (PayiQ) and BankCard USA Merchant Services, Inc (Bankcard) during 2024, the Corporation consists of a sole operating and reporting segment, Cloud Solutions.

Quisitive focuses on helping enterprises across industries leverage the Microsoft platform to adopt, innovate, and thrive in the era of AI. With a legacy of deep technical and business expertise across the entire Microsoft cloud platform, Quisitive maintains capabilities in Microsoft Azure, Microsoft Dynamics, Microsoft 365, artificial intelligence, security, custom application development, managed services, and more.

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 four Cloud Solutions businesses in North America. This has allowed the Corporation to grow sales capabilities, expand geographic presence, incorporate nearshore and offshore development centers, and facilitate expansion of its product and services. These acquired businesses provide the Corporation with a complementary suite of products and services capabilities and the ability to cross-sell and connect its global customer base with a broad set cloud services and solutions.

Global Cloud Solutions

The Corporation's Global Cloud Solutions 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) in the era of AI.

Global Cloud Solutions includes capabilities in AI, 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.

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.

(all amounts in thousands of USD unless otherwise stated)

The consulting organization that supports the Global Cloud Solutions 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.

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.

Structure

On January 1, 2024, the Corporation effected an internal reorganization through the amalgamation of Corporate Renaissance Group, Inc. into Quisitive Technology Solutions, Inc. As at June 30, 2024, the structure of the Corporation was as follows:

Entity name	Country	Ownership percentage at June 30, 2024	Ownership percentage at December 31, 2023
		%	%
Bankcard USA Merchant Services, Inc. (Sold April 4, 2024)	USA	—	100
Ledgerpay, Inc rebranded as PayiQ (Sold January 26, 2024)	USA	—	100
Mazik Global, Inc.	USA	100	100
Quisitive Technology Solutions India Private Limited	India	100	100
Quisitive, Ltd	USA	100	100
Quisitive, LLC	USA	100	100
Quisitive Payment Solutions, Inc	USA	100	100

(all amounts in thousands of USD unless otherwise stated)

Second quarter results

The following table summarizes results for the three months ended June 30, 2024 and 2023:

	Three months ended June 30,		Change	
	2024	2023*	Amount	%
Revenue from continuing operations	$ 29,623	$ 30,233	$ (610)	(2)%
Cost of Revenue	17,157	18,575	(1,418)	(8)%
Gross Margin	12,466	11,658	808	7 %
Operating Expenses				
Sales and marketing expense	3,768	3,044	724	24 %
General and administrative	4,885	6,710	(1,825)	(27)%
Development	112	110	2	2 %
Share-based compensation (Note 9)	423	710	(287)	(40)%
Interest expense (Note 6)	754	1,659	(905)	(55)%
Amortization (Note 5)	1,741	1,870	(129)	(7)%
Acquisition Related Compensation	177	29	148	510 %
Depreciation (Note 4)	221	256	(35)	(14)%
Foreign exchange loss	(77)	203	(280)	(138)%
Acquisition-related, transaction and other expenses	2,987	295	2,692	913 %
Other Income	(15)	29	(44)	(152)%
Loss from continuing operations before income taxes	**(2,510)**	**(3,257)**	**747**	**(23)%**
Income tax expense (recovery) - current	(607)	217	(824)	(380)%
Deferred income tax expense (recovery)	—	(349)	349	(100)%
Loss from continuing operations	**$ (1,903)**	**$ (3,125)**	**$ 1,222**	**(39)%**
Discontinued Operations				
Income loss from discontinued operations	9,350	(293)	9,643	(3291)%
Income (loss) for the Period	**$ 7,447**	**$ (3,418)**	**$ 10,865**	**(318)%**

***Comparative information has been represented due to a discontinued operation. See Note 15 and Note 16 in the unaudited condensed consolidated interim statements for the three and six months ended June 30, 2024.**

Revenue decreased $(610) or (2)%, to $29,623 for the three months ended June 30, 2024 compared to $30,233 for the three months ended June 30, 2023. The decrease was driven by reduced market demand within professional services revenue through the three months ended June 30, 2023 and the Corporation's corresponding reduction in revenue-generating headcount after that period. Revenue has remained relatively stagnant after the completion of the second quarter of 2023. During the three months ended June 30, 2024, the decrease in professional services revenue was offset by increased revenue from managed services and software licensing.

(all amounts in thousands of USD unless otherwise stated)

The following table summarizes results for the three months ended June 30, 2024 and 2023 on a segmented basis:

	Three months ended June 30,					
	2024			2023		
	Global Cloud Solutions	Global Payment Solutions (Discontinued Segment)	Consolidated	Global Cloud Solutions	Global Payment Solutions (Discontinued Segment)	Consolidated
Revenue	$ 29,623	$ 711	$ 30,334	$ 30,233	$ 15,089	$ 45,322
Expenses	25,769	338	26,107	28,330	12,643	40,973
Adjusted EBITDA	3,854	373	4,227	1,903	2,446	4,349
All other expenses			3,826			7,767
Net gain from disposal of PayiQ and BankCard			7,046			—
Net income (loss)			$ 7,447			$ (3,418)

Revenue within the Global Cloud Solutions segment decreased $(610) or (2)% to $29,623 for the three months ended June 30, 2024 from $30,233 for the three months ended June 30, 2023. The decrease in revenue from professional services was partially offset by an increase in the Corporation's revenue from maintenance, license and support services.

Revenue within the discontinued segment Global Payment Solutions was $711 for the three months ended June 30, 2024 as the sale of Bankcard closed on April 4, 2024. Revenue for the three months ended June 30, 2023 was $15,089

Overall revenue primarily decreased $(14,988), or (33)%, to $30,334 for the three months ended June 30, 2024 from $45,322 for the three months ended June 30, 2023, due to the discontinued Global Payment Solutions segment.

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 decreased $(1,418), or (8)%, to $17,157 for the three months ended June 30, 2024 compared to $18,575 for the three months ended June 30, 2023. The decrease in cost of revenue is due to the Corporation's reductions in headcount to align with market demand.

Gross margin increased $808, or 7%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 as the Corporation streamlined its cost basis as part of headcount reductions. As a result, the Corporation earned more gross margin even through revenue fell slightly between the periods. As a percentage of revenue, gross margin was 42% for the three months ended June 30, 2024 compared to 39% for same period in 2023.

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. Operating expenses are further described below.

(all amounts in thousands of USD unless otherwise stated)

The following table summarizes condensed results for the six months ending June 30, 2024 and 2023:

	Six months ended June 30,		Change	
	2024	2023	Amount	%
Revenue (Note 14)	$ 59,526	$ 62,135	$ (2,609)	(4)%
Cost of Revenue	34,253	38,582	(4,329)	(11)%
Gross Margin	25,273	23,553	1,720	
Gross margin as percent of revenue	42 %	38 %		5 %
Operating Expenses				
Sales and marketing expense	7,672	6,232	1,440	23 %
General and administrative	9,946	12,084	(2,138)	(18)%
Development	218	224	(6)	(3)%
Share-based compensation (Note 9)	885	2,661	(1,776)	(67)%
Interest expense (Note 6)	2,586	3,280	(694)	(21)%
Amortization (Note 5)	3,712	3,810	(98)	(3)%
Acquisition Related Compensation	177	638	(461)	(72)%
Depreciation (Note 4)	476	543	(67)	(12)%
Foreign exchange loss	(234)	219	(453)	(207)%
Acquisition-related, transaction and other expenses	3,521	737	2,784	378 %
Other Income	(20)	10	(30)	(300)%
Loss from continuing operations before income taxes	(3,666)	(6,885)	3,219	
Income tax expense (recovery) - current	(583)	845	(1,428)	(169)%
Deferred income tax expense (recovery)	—	(877)	877	(100)%
Loss from continuing operations	$ (3,083)	$ (6,853)	3,770	(55)%
Discontinued Operations				
Income from discontinued operations	16,723	847	15,876	1874 %
Income (loss) for the Period	13,640	(6,006)	19,646	(327)%

Revenue decreased by $(2,609), or (4)%, to $59,526 for the six months ended June 30, 2024 from $62,135 for the same period in 2023. The decrease was influenced by a shift in market demand within professional services revenue and the Corporation's strategic realignment of revenue-generating headcount.

(all amounts in thousands of USD unless otherwise stated)

The following table summarizes results for the six months ended June 30, 2024 and 2023 on a segmented basis:

Segment	For the six months ended June 30, 2024			2023 (Restated)		
	Global Cloud Solutions	Global Payment Solutions (Discontinued Segment)	Consolidated	Global Cloud Solutions	Global Payment Solutions (Discontinued Segment)	Consolidated
Revenue	$ 59,526	$ 11,532	$ 71,058	$ 62,135	$ 31,498	$ 93,633
Expenses	51,737	7,868	59,605	56,887	25,350	82,237
Adjusted EBITDA	7,789	3,664	11,453	5,248	6,148	11,396
All other expenses			12,921			17,402
Loss on Debt Extinguishment						—
Net gain from disposal of PayIQ and revaluation of BankCard assets held for sale			15,108			—
Net income (loss)			$ 13,640			$ (6,006)

Revenue within the Global Cloud Solutions segment decreased $(2,609), or (4)%, to $59,526 for the six months ended June 30, 2024 from from the six months ended June 30, 2023. The decrease in revenue from professional services was partially offset by an increase in the Corporation's revenue from maintenance, license and support services.

Revenue within the discontinued Global Payment Solutions segment concluded on April 4, 2024 with the sale of Bankcard.

Overall revenue decreased $(22,575) or (24)%, to $71,058 for the six months ended June 30, 2024 from $93,633 for the six months ended June 30, 2023, primarily due to the sale of Bankcard within the discontinued Global Payment Solutions segment.

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 decreased $(4,329), or (11)%, to $34,253 for the six months ended June 30, 2024 compared to $38,582 for the six months ended June 30, 2023. The decrease in cost of revenue is due to the Corporation's reductions in headcount to align with market demand.

Gross margin increased $1,720, or 7%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 as the Corporation streamlined its cost basis as part of headcount reductions. As a result, the Corporation earned more gross margin even through revenue decreased between the periods. As a percentage of revenue, gross margin increased to 42% of revenue for the six months ended June 30, 2024 compared to 38% for the six months ended June 30, 2023.

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. Operating expenses are further described below.

(all amounts in thousands of USD unless otherwise stated)

Sales and marketing expense

The following table summarizes sales and marketing expenses for the three and six months ended June 30, 2024 and 2023:

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Sales and marketing expense	3,768	3,044	7,672	6,232
As a percentage of revenue	13 %	10 %	13 %	10 %

Sales and marketing expense consist primarily of salary and personnel related costs including commissions.

Additional expenses include digital marketing campaigns, marketing events, travel and efforts on proof of concept. The overall increase in sales and marketing expense for both the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023. is primarily due to increased headcount within the sales, presales and marketing teams.

General and administrative expense

The following table summarizes General and administrative expense for the three and six months ended June 30, 2024 and 2023:

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
General and administrative expense	$ 4,885	$ 6,710	$ 9,946	$ 12,084
As a percentage of revenue	16 %	22 %	17 %	19 %
total revenue	$ 29,623	$ 30,233	$ 59,526	$ 62,135
	(1,825)	(27)%	(2,138)	(18)%

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 expenses decreased $(1,825), or (27)%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 and for the six months general and administrative expenses decreased $(2,138), or (18)% as compared to June 30, 2023. The Corporation reduced headcount and overhead during the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023 and also began to receive monthly payments from Fulcrum Payment Solutions (Fulcrum) for certain back-office services provided to PayiQ during a transitional period after the sale of PayiQ.

Amortization is attributable to intangible assets, including the Microsoft relationship, customer agreements and relationships, brand and software acquired in the Corporation's prior acquisitions as well as website and capitalized software development costs. Intangibles assets with a finite life are amortized to expense over their useful life. Amortization decreased $(129) from $1,870 to $1,741 for the three months ended June 30, 2024 compared to three months ended June 30, 2023 and decreased $(98) to $3,712 for the six months ended June 30, 2024 compared to $3,810 for the six months ended June 30, 2023.

Interest expense on borrowings during the three and six months ended June 30, 2024, was $796 and $2,513, respectively (June 30, 2023 - $1,558 and $3,088). Interest expense decreased as the Company's outstanding borrowings were reduced by $34,613 with proceeds from the sale of Bankcard on April 4, 2024.

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 six months ended June 30, 2024, the Corporation recognized share-based compensation of $423 and $885 , respectively. (June 30, 2023 — $710 and

(all amounts in thousands of USD unless otherwise stated)

$2,661). Share-based compensation decreased for six months ended June 30, 2024 from the six months ended June 30, 2023 as the 2023 period included the conversion of various accrued bonuses to share-based compensation.

Depreciation expense for the three and six months ended June 30, 2024 was $221 and $476, respectively, compared to $256 and $543 for the three and six months ended June 30, 2023. The decrease is primarily related to reductions in office lease right of use expense for office locations and also reduced depreciation related to software.

Acquisition-related, transaction and other expenses include all direct and incremental expenses associated with ongoing transactions related to acquisition activity. They are comprised of legal, accounting, valuation, taxation and other consulting expenses incurred directly related to corporate transactions including acquisitions and divestitures. Transaction related expenses for the three and six months ended June 30, 2024 were $2,987 and $3,521, respectively (June 30, 2023 - $295 and $737). The Corporation notes the divestitures of PayiQ during January 2024 and BankCard in April 2024 have driven the various transaction related expenses.

Acquisition-related compensation reflects the expectation of earn-out obligations classified as compensation rather than purchase consideration. There was $177 of acquisition-related compensation for the three and six months ended June 30, 2024 compared to $29 and $638 for the three and six months ended June 30, 2023.

For the three months ended June 30, 2024 and 2023 Adjusted EBITDA reconciliation:

	For the three months ended June 30,	
	2024	**2023**
Net income (loss) for the period	$ 7,447	$ (3,418)
Income (loss) from discontinued operations, net of tax	9,350	293
Net loss from continued operations	(1,903)	(3,125)
Current income tax expense (recovery)	(607)	217
Deferred income tax recovery	—	(349)
Foreign exchange	(77)	203
Depreciation	221	256
Amortization	1,741	1,870
Interest	754	1,659
Share-based compensation	423	710
Acquisition Related Compensation	177	29
Acquisition-related, transaction and other expenses	2,987	295
Other	26	28
Development	112	110
Adjusted EBITDA	$ 3,854	$ 1,903
Adjusted EBITDA as a percentage of revenue	13 %	6 %

Adjusted EBITDA for the three months ended June 30, 2024 was $3,854, or 13% of revenue, compared to $1,903, or 6% of revenue, for the thee months ended June 30, 2023. The increase in Adjusted EBITDA was due to a streamlined cost structure as the Corporation responded to reduced market demand for professional services. During the three months ended June 30, 2023, the Corporation carried excess staff capacity as market demand was decreasing. The Corporation responded to the market changes and adjusted its billable staff and also reduced general and administrative expenses.

The discontinued Global Payment Solutions segment delivered $373 of Adjusted EBITDA for the three months ended June 30, 2024. Total Adjusted EBITDA for the three months ended June 30, 2024 would have reflected $4,227 before the impact of discontinued operations presentation.

(all amounts in thousands of USD unless otherwise stated)

Six months ended June 30, 2024 and 2023 Adjusted EBITDA reconciliation

	Six months ended June 30, 2024	Six months ended June 30, 2023
Net income (loss) for the period	$ 13,640	$ (6,006)
Income from discontinued operations, net of tax	16,723	$ 847
Net loss from continued operations	(3,083)	(6,853)
Current income tax expense (recovery)	(583)	845
Deferred Income tax recovery	—	(877)
Acquisition-related, transaction and other expenses	3,521	737
Foreign exchange loss (gain)	(234)	219
Depreciation	476	543
Acquisition-related compensation	177	638
Amortization	3,712	3,810
Interest	2,586	3,280
Share-based compensation	885	2,661
Development	218	224
Other	114	21
Adjusted EBITDA	$ 7,789	$ 5,248
Adjusted EBITDA as a percentage of revenue	13 %	8 %

Adjusted EBITDA for the six months ended June 30, 2024 was $7,789, or 13% of revenue, compared to $5,248 or 8% of revenue, for the six months ended June 30, 2023. The increase in Adjusted EBITDA was due to a streamlined cost structure as the Corporation responded to reduced market demand for professional services. During the three months ended June 30, 2023, the Corporation carried excess staff capacity as market demand was decreasing. The Corporation responded to the market changes and adjusted its billable staff and also reduced general and administrative expenses.

The discontinued Global Payment Solutions segment delivered $3,664 of Adjusted EBITDA for the six months ended June 30, 2024. Total Adjusted EBITDA for the six months ended June 30, 2024 would have reflected $11,453 before the impact of discontinued operations presentation.

(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, presented with the combined effect of continuing operations and discontinued operations, are as follows:

	Quarter ended	Revenue ($)	Gross Margin ($)	Net income (loss) ($)	Income (Loss) per share ($)	Income (Loss) per fully diluted share ($)	Adjusted EBITDA ($)
Q2 2024	30-Jun-24	30,334	12,922	7,447	(0.01)	(0.01)	4,227
Q1 2024	31-Mar-24	40,724	17,537	6,193	0.02	0.01	7,226
Q4 2023	31-Dec-23	39,467	17,026	(85,001)	(0.21)	(0.23)	4,729
Q3 2023	30-Sep-23	44,371	18,332	(1,279)	(0.00)	(0.00)	7,009
Q2 2023	30-Jun-23	45,322	16,730	(3,418)	(0.01)	(0.01)	4,350
Q1 2023	31-Mar-23	48,311	18,168	(2,587)	(0.01)	(0.01)	7,046
Q4 2022	31-Dec-22	45,901	18,998	(5,107)	(0.01)	(0.01)	8,072
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

LIQUIDITY AND CAPITAL RESOURCES

Selected financial information from the audited consolidated statements of financial position as at June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024	December 31, 2023
Working capital surplus	$ 12,160	$ 33,197

The Corporation had a working capital surplus at June 30, 2024 of $12,160 compared to $33,197 at December 31, 2023. The Corporation's entire Payments Solution segment was classified as held for sale at December 31, 2023. The net asset value of the disposal group, net of liabilities, was $102,724 at December 31, 2023 and was zero at June 30, 2024, as the dispositions of PayiQ and Bankcard were completed. Further, the $10,333 contingent consideration payable at December 31, 2023 was settled as part of the Bankcard disposition and has a zero balance at June 30, 2024. At December 31, 2023, the current portion of the BMO Loan Agreement was $67,512 as the Corporation's entire facility was classified as current. The credit facility was paid down by $34,613 as part of the Bankcard disposition and the BMO Loan Agreement was amended. The current potion of the loan agreement was $3,400 at June 30, 2024.

The remaining change reflects an increase in accounts receivable and work in process, an increase in prepaid expenses, a decrease in taxes payable, a decrease in accounts payable and accrued liabilities, a decrease in deferred revenue and a decrease in cash.

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

On August 3, 2022, the Corporation amended and restated its existing 2021 BMO Loan Agreement with a new credit agreement (the "BMO Loan Agreement"), with a syndicate led by Bank of Montreal ("BMO"). The Corporation concluded that the amendment of the 2021 BMO Loan Agreement should be accounted for as a debt modification based on the guidance in IFRS 9. The BMO Loan Agreement provided for a term loan of $75,554 (the "Term Loan"), an additional term loan of $9,500 (the "Earn-Out Loan") and a revolving loan facility of up to $5,000 (the "Revolving Facility"). The Corporation ultimately borrowed $7,500 of the Earn-Out

Loan. All debts, liabilities, and obligations of the Corporation and guarantors under the BMO Loan Agreement are 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 proceeds from the Revolving Facility were expected to be used by the Corporation to fund working capital requirements in the ordinary course. The Term Loan, Earn-Out Loan and Revolving Facility were available by way of Canadian dollar prime rate loans, U.S. dollar base rate loans, Canadian dollar CDOR loans and SOFR loans in either US or Canadian dollars.

Interest on the Term Loan, the Earn-Out Loan and the Revolving Facility were payable based on a price grid which ranges, depending on the Corporation's total senior debt to EBITDA ratio. The rates range on Canadian prime rate advances or U.S. base rate advances from 0.25% to 2.50%, CDOR advances or SOFR advances from 1.75% to 4.0% and a standby fee ranging from .35% to .60%.

On March 31, 2023, the Corporation amended the BMO Loan Agreement to reduce the minimum fixed charge coverage ratio covenant, as defined therein, from 1.25:1.00 to 1.10:1.00 through December 31, 2023. The minimum fixed charge coverage ratio returned to 1.25:1.00 for the quarter ending March 31, 2024. As part of the amendment, additional financing costs were capitalized and will be expensed over the life of the loan.

On April 4, 2024, the Corporation entered into a second amendment to the BMO Loan Agreement (the "Second Amendment") with the same syndicate of institutions led by Bank of Montreal and including Federation descaisses Desjardins du Quebec that (i) reduced the term loan credit facility from approximately $68,617 to $34,000; and (ii) reduced revolving loan credit facility from $5,000 to $3,500. A portion of the cash proceeds received from the sale of BankCard (Note 15) were used to partially repay the BMO Loan Agreement in the amount of $34,613. The Corporation concluded that the Second Amendment should be accounted for as a debt modification based on the guidance in IFRS 9. All debts, liabilities, and obligations of the Corporation and guarantors under the Second Amendment are collaterally secured by a first ranking security interest in all of the Corporation's shares and its material subsidiaries. The maturity date of the facility is April 4, 2026.

After the the Second Amendment, interest on the Term Loan and the Revolving Facility is payable based on a price grid which ranges, depending on the Corporation's total senior debt to EBITDA ratio. The rates range on Canadian prime rate advances or U.S. base rate advances from 1% to 2.50%, CORRA advances or SOFR advances from 2% to 3.50% and a standby fee ranging from .40% to .70%.

As part of the Second Amendment, the minimum fixed charge coverage ratio covenant was set as to 1.10:1.00 through March 31, 2025. The minimum fixed charge coverage ratio will increase to 1.15:1.00 commencing on April 1, 2025 through December 31, 2025. On January 1, 2026 the minimum fixed charge coverage ratio will increase to 1.25:1.00 at all times thereafter. As part of the amendment, additional financing costs of $483 were capitalized and will be expensed over the life of the loan.

The total of capitalized financing costs equals $1,934 at June 30, 2024 (December 31, 2023 - $1,451). After the Second Amendment, the BMO Loan Agreement is repayable in equal quarterly installments of $850 over the loan term with a final payment due at maturity.

The BMO Loan Agreement contains standard compliance requirements as well as ongoing debt service and coverage covenants. The Corporation was in compliance with all covenants on June 30, 2024, however there can be no assurances that compliance will be achieved throughout the remaining term of the agreement.

Interest expense on borrowings during the three and six months ended June 30, 2024 was $796 and $2,513 (June 30, 2023 - $1,558 and $3,088).

(all amounts in thousands of USD unless otherwise stated)

(ii) Sale of PayiQ

On November 28, 2023, Quisitive entered into a definitive stock purchase agreement dated November 28, 2023 (the "PayiQ Agreement") with Fulcrum pursuant to which Quisitive agreed to sell its PayiQ subsidiary which includes the PayiQ cloud-enabled payment processing platform, operations and team (the "PayiQ Sale"). The PayiQ Sale was completed on January 29, 2024. Pursuant to the terms of the PayiQ Agreement, Quisitive is entitled to aggregate consideration of up to $45,000 comprised of $27,000 of Fulcrum Shares (as defined below) and earn-out payments in cash of up to $18,000 based on PayiQ exceeding revenue growth. On completion of the PayiQ sale, Quisitive received 27,000 preferred shares of Fulcrum (the "Consideration Shares"). The Consideration Shares have a right to receive a dividend on an annual basis equal to 4.0% of the value of the Consideration Shares, to be paid in kind. On January 29, 2027, the Consideration Shares will be automatically converted into common shares of Fulcrum (the "Fulcrum Shares") with a value equal to one thousand dollars per Consideration Share, provided that the Fulcrum Shares are listed and posted for trading on a recognized stock exchange in Canada or in the United States. If the Fulcrum Shares are not publicly traded at such time, Quisitive shall have the right to require Fulcrum to purchase all or a portion of the Consideration Shares for a purchase price equal to one thousand dollars per Consideration Share, for aggregate consideration of up to $27,000. Quisitive may also be entitled to additional contingent consideration in the form of performance earn-outs if PayiQ achieves certain financial thresholds during the three-year period following the closing of PayiQ Sale Transaction. The amount of the earn-out is a maximum of $18,000 payable in cash based on PayiQ exceeding revenue growth targets.

(iii) Sale of BankCard

Sale of BankCard

On April 4, 2024, Quisitive finalized a definitive stock purchase agreement. (the "BUSA Agreement") pursuant to which Quisitive agreed to sell its BankCard business unit (the "BUSA Transaction") to BUSA Acquisition Co. (the "Acquiror"), a Nevada incorporated entity owned by a consortium of current employees of BankCard, including Shawn Skelton, Scott Hardy and Jason Hardy, as well as other arm's length third parties. The BUSA Pursuant to the terms of the BUSA Agreement, the consideration received by Quisitive for the sale of BankCard consisted of: (i) $40,000 in cash; (ii) the return by the Acquiror of 133,095,158 common shares of Quisitive (the "Quisitive Shares") to a wholly-owned subsidiary of Quisitive; and (iii) delivery by the former vendors of BankCard of a settlement agreement releasing Quisitive (and certain of its subsidiaries) of any and all obligations to pay a $10,000 earnout payment (plus accrued interest) as provided pursuant to the terms of a stock purchase agreement between Quisitive, a wholly-owned subsidiary of Quisitive, and the former vendors of BankCard dated March 29, 2021. The parties to the BUSA Transaction also agreed to full and final customary mutual releases.

Sources and Uses of Cash

The cash activity presented below presents the combined results of continuing operations and discontinued operations.

	Six months ended June 30,	
	2024	2023
Cash generated from operating activities	$ 455	$ 5,314
Cash used in investing activities	38,565	(3,729)
Cash used by financing activities	(39,842)	(4,299)
Net increase (decrease) in cash	$ (822)	$ (2,714)

The net decrease in cash as of June 30, 2024 was primarily attributable to reduced cash from activities as the Corporation incurred costs related to the Bankcard and PayiQ dispositions and paid down its income tax balance. The Corporation received $40,000 as part of the Bankcard disposition, which was offset by $35,463 in repayments of the BMO Loan Agreement ($34,613 of which was paid down as part of the amendment to the credit agreement concurrent with the sale of Bankcard on April 4, 2024), $1,000 in contingent consideration paid related to the Mazik acquisition, $2,531 of interest paid and $1,381 of capital expenditures for software development related to its Global Cloud Solutions segment.

(all amounts in thousands of USD unless otherwise stated)

The net decrease in cash as if June 30, 2023 was driven by $3,607 in capital expenditures for software development primarily for the PayiQ platform, $4,613 in repayments of the BMO Loan Agreement and $3,088 in interest, partially offset by $4,544 in net proceeds from the issuance of common stock in a bought deal.

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 three and six months ended June 30, 2024 and 2023 were as follows:

	Three months ended		Six months ended	
	June 30, 2024	06/30/2023	June 30, 2024	June 30, 2023
Salaries and short term benefits	$ 223	$ 355	$ 462	$ 660
Share Based Compensation	$ 221	$ 191	$ 356	$ 984

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:

	June 30, 2024
2024	$ 420
2025	553
2026	449
2027	269
2028+	502
Total	$ 2,193
Discounting	(236)
Total	$ 1,957

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	$ 9,215	$ 1,437	$ —	$ —
Income taxes payable	602	—	—	—
Contingent consideration	—	—	—	—
Loan agreement	850	2,550	28,396	
Total	$ 10,667	$ 3,987	$ 28,396	$ —

OUTSTANDING SHARE CAPITAL

At June 30, 2024, there were 276,670,745 Common Shares issued and outstanding.

(all amounts in thousands of USD unless otherwise stated)

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, accounts receivable, accounts payable and accrued liabilities, and income tax receivable (payable) 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 major US and Canadian financial institutions and the Corporation's concentration of credit risk for cash and maximum exposure thereto is at June 30, 2024 is $5,320 (December 31, 2023 — $7,015).

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 maximum exposure thereto is at June 30, 2024 is $18,121 (December 31, 2023 — $18,727). Accounts receivable are shown net of provision of credit losses of $582 (December 31, 2023 — $577).

	under 30	30-60 days	over 60 days	Total
Trade receivables	$ 12,576	$ 1,581	$ 3,964	$ 18,121

The Corporation has no customer that constitutes greater than 10% of accounts receivable at June 30, 2024 and December 31, 2023.

(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 June 30, 2024, the Corporation has $5,320 (December 31, 2023 — $7,015) 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	$ 9,215	$ 1,437	$ —	$ —
Income taxes payable	602	—	—	—
Contingent consideration	—	—	—	—
Loan agreement	850	2,550	28,396	
Total	$ 10,667	$ 3,987	$ 28,396	$ —

The Corporation manages its liquidity risk by relying upon its revenues. Any concerns with respect to the liquidity risks presented by the outstanding contingent consideration were alleviated as a result of the aforementioned divestiture of Bankcard subsequent to the year ended December 31, 2023. Liquidity risks to repay the full balance of the Loan agreement on demand were removed by amending and restating the BMO Loan Agreement, as noted above.

(all amounts in thousands of USD unless otherwise stated)

(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 Term Loan. Quarterly interest payments are based on a price grid which ranges, depending on the Corporation's total senior debt to EBITDA ratio. The rates range on Canadian prime rate advance or U.S. Base Rate advance from .25% to 2.5%; CDOR advance, SOFR advance from 1.75% to 4.0% and a standby fee ranging from .35% to .60%. A 1% change in the interest rate would lead to +/-$327 change in interest over 1 year.

(e) Foreign currency risk

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

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

As at June 30, 2024 and December 31, 2023, the Corporation's net exposure to foreign currency risk on its financial instruments is as follows:

	June 30, 2024	December 31, 2023
	CAD$	CAD$
Cash	$ 1,188	$ 6,541
Accounts receivable	3,166	2,536
Accounts payable and accrued liabilities	(800)	(4,099)
	$ 3,554	$ 4,978
United States dollar equivalent	$ 2,596	$ 3,764

(f) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is not exposed to other price risk as at June 30, 2024, other than those arising from interest rate risk or foreign currency risk.

The carrying value of investment in equity securities in Fulcrum are not readily-determinable as Fulcrum is a privately-held entity. Although the discounted cash flow analyses used to determine the fair value of the investment were based on assumptions that the Corporation's management considered reasonable and were based on the best available information at the time that the analyses were developed, there is significant judgment used in determining future cash flows. The Corporation believes that deviations in the significant assumptions of the likelihood of sales volume, operating margins and perpetual growth rates, could potentially materially change the valuation of its investment in Fulcrum. Additionally, the value of its investment in Fulcrum could be significantly impacted by changes in the discount rate, which could be caused by numerous factors, including changes in market inputs.

(g) Fair values

The carrying values of cash, accounts receivable, accounts payables and accrued liabilities and income tax receivable (payable) approximate fair values due to the short-term nature of these items or they are being carried at fair value. The risk of material change in fair value is not considered to be significant. The Corporation does not use derivative financial instruments to manage this risk. Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Corporation categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- Level 1 – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Investment in equity securities measured at fair value are classified as Level 3 financial instruments. The valuation method and significant assumptions used to determine the fair value of the equity securities have been disclosed in Note 4. During the period, there were no transfers of amounts between levels.

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. Material accounting policies and estimates under IFRS are found in Note 3 of the Corporation's consolidated annual financial statements and the notes thereto for the three months and six ended June 30, 2024 and 2023.

ACCOUNTING STANDARDS ISSUED ADOPTED DURING THE PERIOD

For the preparation of these audited consolidated financial statements, there were no new standards or amendments to standards adopted in 2024 that had a material impact on the Corporation.

RISK FACTORS

The following risk factors should not be exhaustive and may not be all the risks that Quisitive may face. Management of the Corporation believes that these factors set out below could cause actual results to be different from expected and historical results. 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 May 29, 2023 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.

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 North America, 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.

Equity Securities

The expected benefits of our investment in Fulcrum may not materialize in the expected manner or timeframe or at all, including due to foreign currency exchange rates, Fulcrum's business results, impairment losses on the value of the investment, and the incurrence of additional tax liabilities related to the investment in Fulcrum.

We account for our investment in Fulcrum under the equity method of accounting. Dividends and earnings from the carrying value of our equity investment in Fulcrum are also subject to the risks encountered by Fulcrum in its business, its business outlook, cash flow requirements and financial performance, the state of the market and the general economic climate.

We assess the value of our equity investment in ABI as required by IFRS. If the carrying value of our investment in Fulcrum exceeds its fair value and any loss in value is other than temporary, we record appropriate impairment losses. It is possible that we may be required to record impairment charges in the future and, if we do so, our net income and carrying value of our equity investment in Fulcrum could be materially adversely affected.

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

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

Regulatory Risks

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

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

Changes in Laws, Regulations and Guidelines

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

Reliance on Computer Systems

Quisitive's information technology and internal infrastructure is susceptible to damage from computer viruses, unauthorized access, natural disasters, terrorism, war, telecommunication and electrical failures, hackers and other security issues. 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.

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 Quisitive from time to time, including trade secrets, know-how and continuing technological innovation. Although Quisitive seeks to protect proprietary rights, its 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 Quisitive 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 to costly litigation. If the protection of proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties, the value of Quisitive 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.