QUISITIVE™

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the three and nine months ended September 30, 2024 and 2023

(expressed in United States dollars unless otherwise noted)

QUISITIVE TECHNOLOGY SOLUTIONS, INC
Unaudited Condensed Consolidated Interim Financial Statements
For the three months ended September 30, 2024 and 2023
(Expressed in thousands of United States Dollars)

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QUISITIVE TECHNOLOGY SOLUTIONS, INC
Unaudited Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2024 and December 31, 2023
(Expressed in thousands of United States Dollars)

As at	September 30, 2024	December 31, 2023
Assets current		
Cash	$ 9,697	$ 7,015
Accounts receivable (Note 3)	20,766	21,390
Work in progress	3,373	1,753
Prepaid expenses	2,509	1,990
Current income tax receivable	881	—
Assets held for sale (Note 15)	—	116,536
	37,226	148,684
Non-current assets		
Investment in equity securities (Note 4)	29,964	—
Property and equipment, net (Note 5)	1,968	2,594
Intangible assets (Note 6)	18,175	21,366
Goodwill	61,945	61,945
Deferred tax asset	36	5
Total Assets	**$ 149,314**	**$ 234,594**
Liabilities current		
Accounts payable and accrued liabilities	$ 16,310	$ 14,187
Current income tax payable	714	3,853
Current portion of loan agreement (Note 7)	3,400	67,512
Current portion of deferred revenue	4,167	5,015
Current portion of lease liability (Note 9)	545	775
Liabilities directly associated with the assets held for sale (Note 15)	—	13,812
Current portion of contingent consideration	—	10,333
	25,136	115,487
Non-current liabilities:		
Loan agreement (Note 7)	27,823	—
Lease liability (Note 9)	1,210	1,593
Total Liabilities	$ 54,169	$ 117,080
Shareholders' Equity		
Share capital (Note 10)	217,003	254,403
Contributed surplus (Note 11)	5,270	4,012
Deficit	(126,053)	(139,979)
Accumulated other comprehensive income	(1,075)	(922)
Equity attributable to owners of the Corporation	95,145	117,514
Total Liabilities and Shareholders' Equity	**$ 149,314**	**$ 234,594**

Approved on behalf of the Board:	"Mike Reinhart"	"David Guebert"
	Mike Reinhart, CEO	David Guebert, Director and Chair of Audit Committee

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

QUISITIVE TECHNOLOGY SOLUTIONS, INC
Unaudited Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
For the three and nine months ended September 30, 2024 and 2023
(Expressed in thousands of United States Dollars, except share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenue continuing operations (Note 13)	$ 30,715	$ 30,679	$ 90,241	$ 92,814
Cost of Revenue	17,544	17,513	51,797	56,095
Gross Margin	13,171	13,166	38,444	36,719
Operating Expenses				
Sales and marketing expense	3,878	3,080	11,550	9,312
General and administrative	4,986	5,190	14,932	17,274
Development	121	108	339	332
Share-based compensation (Note 10)	501	548	1,386	3,209
Interest expense (Note7)	643	1,570	3,229	4,850
Amortization (Note 6)	1,748	1,842	5,460	5,652
Acquisition related compensation	5	—	182	638
Depreciation (Note 5)	217	267	693	810
Foreign exchange loss (gain)	157	(166)	(77)	53
Acquisition-related, transaction and other expenses	186	1,428	3,707	2,165
Other income	(6)	(7)	(26)	3
Income (Loss) Before Income Taxes	735	(694)	(2,931)	(7,579)
Income tax expense (recovery)— current	370	1,017	(213)	1,862
Deferred income tax recovery	(32)	(336)	(32)	(1,213)
Income (Loss) from continuing operations	**$ 397**	**$ (1,375)**	**$ (2,686)**	**$ (8,228)**
Discontinued Operations				
Income (loss) from discontinued operations, net of tax (Note 15)	(112)	96	16,611	943
Income (Loss) for the Period	**$ 285**	**$ (1,279)**	**$ 13,925**	**$ (7,285)**
Comprehensive Income/(Loss):				
Items that may be reclassified subsequently to income:				
Foreign currency translation adjustment	160	(154)	(153)	2
Comprehensive income (loss)	**$ 445**	**$ (1,433)**	**$ 13,772**	**$ (7,283)**
Net Income/(Loss) Attributed to:				
Non controlling interest	—	(345)	—	(808)
Owners of the Corporation	285	(934)	13,925	(6,477)
	$ 285	$ (1,279)	$ 13,925	$ (7,285)
Basic and Diluted Income (loss) per share from continuing operations (Note 11)	$ —	$ —	$ (0.01)	$ (0.02)
Basic and Diluted Income (loss) per share from discontinuing operations (Note 11)	$ —	$ 0.00	$ 0.05	$ 0.00
Weighted Average Number of Common Shares Outstanding	276,878,034	380,661,050	333,654,415	375,628,127

***Comparative information has been re-presented due to a discontinued operation and a change in classification. See Note 16**

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

QUISITIVE TECHNOLOGY SOLUTIONS, INC
Unaudited Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the nine months ended September 30, 2024 and 2023
(Expressed in thousands of United States Dollars, except share amounts)

	Share Capital						
	Number	Amount	Contributed Surplus	Deficit	AOCI	Non-Controlling Interest	Total
Balance December 31, 2022	**368,753,749**	**$243,978**	**$ 7,455**	**$ (48,777)**	**$(1,124)**	**$ (1,122)**	**$ 200,410**
Exercise of RSUs	9,972,550	3,591	(3,591)				—
Exercise of stock options	670,000	326	(152)				174
Share-based compensation			3,209				3,209
Shares issued as payment of contingent consideration	1,279,765	583					583
Bought deal	19,780,000	4,544					4,544
Change in cumulative impact of foreign currency					2		2
Net loss for the period				(6,477)		(808)	(7,285)
Balance September 30, 2023	**400,456,064**	**$253,022**	**$ 6,921**	**$ (55,254)**	**$(1,122)**	**$ (1,930)**	**$ 201,637**
Balance December 31, 2023	**404,729,064**	**$254,403**	**$ 4,012**	**$(139,979)**	**$ (922)**	**$ —**	**$ 117,514**
Exercise of RSUs and PSUs	2,236,514	526	(526)				—
Exercise of stock options	155,000	63	(35)				28
Share-based compensation			1,386				1,386
Shares issued as payment of contingent consideration (Note 10)	3,391,671	1,000					1,000
Cancellation of shares related to the sale of BankCard (Note 15)	(133,095,168)	(38,576)					(38,576)
Adjustment in share value to prior year minority interest buy back		(433)	433				—
Cost of capital		20					20
Change in cumulative impact of foreign currency					(153)		(153)
Net income (loss) for the period				13,926			13,926
Balance September 30, 2024	**277,417,081**	**$217,003**	**$ 5,270**	**$(126,053)**	**$(1,075)**	**$ —**	**$ 95,145**

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

QUISITIVE TECHNOLOGY SOLUTIONS, INC.
Unaudited Condensed Consolidated Interim Statements of Cash Flow
For the nine months ended September 30, 2024 and 2023
(Expressed in thousands of United States Dollars)

	For the nine months ended September 30,	
	2024	**2023**
Operating activities		
Net income (loss) for the period	$ **13,925**	$ **(7,285)**
Items not involving cash		
Amortization	5,460	12,367
Depreciation	693	1,328
Unrealized foreign exchange	(101)	55
Share-based compensation	1,386	3,209
Interest expense and accretion	3,241	4,899
Acquisition related compensation	182	638
Gain on sale of assets held for sale	(27,071)	—
Impairment of goodwill of assets held for sale	12,048	—
Deferred income tax (expense) recovery	1,168	(3,294)
	10,931	11,917
Changes in non-cash working capital		
Accounts receivables	(487)	201
Income tax receivable	(881)	—
Work in progress	(1,620)	108
Prepaid and expenses	(519)	(1,925)
Accounts payable and accrued liabilities	2,852	(891)
Income tax payable, net	(3,139)	2,231
Deferred revenue	(848)	(1,155)
Cash provided by operating activities	**6,289**	**10,486**
Investing activities		
Additions of intangible assets	(2,269)	(5,425)
Purchase of property and equipment	(76)	(136)
Proceeds from sale of BankCard	40,000	—
Deposits from sponsoring banks	—	(200)
Cash provided (used) in investing activities	**37,655**	**(5,761)**
Financing activities		
Proceeds from bought deal net of issuance costs (Note 7)	—	4,544
Repayment of loan agreement	(36,313)	(7,020)
Interest paid	(3,163)	(4,591)
Lease payments	(824)	(944)
Payment of debt issuance costs	(400)	(100)
Payment of contingent consideration	(1,000)	(583)
Proceeds from the exercise of stock options	28	173
Cash used by financing activities	**(41,672)**	**(8,521)**
Net decrease in cash classified within assets held for sale throughout period	410	—
Net increase (decrease) in cash in continuing operations throughout period	2,272	(3,796)
Cash and restricted cash, beginning of period	7,015	9,408
Cash and restricted cash, end of period	$ **9,697**	$ **5,612**

The Corporation has elected to present a statement of cash flows that includes an analysis of all cash flows in total - i.e. including both continuing and discontinued operations; amounts related to discontinued operations by operating, investing and financing activities are disclosed in Note 16.

The accompanying Notes are an integral part of these condensed consolidated interim 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 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 decision to dispose of the operations previously consisting of the Payment Solutions segment (Notes 14, 15 and 16), 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.

(b) Structure of Business

On January 1, 2024, the Corporation effected an internal reorganization through the amalgamation of Corporate Renaissance Group, Inc. into Quisitive Technology Solutions, Inc. The Corporation has the following subsidiaries:

Entity name	Country	Ownership percentage at September 30,, 2024	Ownership percentage at December 31, 2023
		%	%
Bankcard USA Merchant Services, Inc. (Sold April 4, 2024, Note 15)	USA	—	100
Ledgerpay, Inc rebranded as PayiQ (Sold January 26, 2024, Note 15)	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

2. BASIS OF PRESENTATION

(a) Basis of presentation

These unaudited condensed consolidated interim 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, 2023, except as denoted below. These 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") have been omitted or condensed. These financial statements should be read in conjunction with the Corporation's consolidated financial statements for the years ended December 31, 2023 and 2022.

Investments in equity securities

The Corporation holds an investment in the securities of Fulcrum Payment Solutions, Inc. (Fulcrum) (Note 4). These securities are not held for trading and do not generate contractual cash flows. The Corporation records its investment in equity securities at fair value and records the changes in fair values in the Consolidated Statements of Comprehensive Income (Loss) as a component of profit or loss. The Corporation reports the carrying value for its equity investments in Fulcrum within Investments in equity securities on its consolidated balance sheets. At the end of each reporting period, the Corporation reviews its equity investments for impairment by comparing the fair value of each of our investments to their carrying value. If the carrying value of an investment exceeds its fair value and the loss in value is other than temporary, we consider the investment impaired, reduce its carrying value to its fair value and record the impairment in our Consolidated Statements of Comprehensive Income (Loss) earnings in the period identified. We use certain factors to make this determination including (i) the duration and magnitude of the fair value decline, (ii) the financial condition and near-term prospects of the Fulcrum and (iii) our intent and ability to hold our investment until recovery to its carrying value.

These financial statements were authorized for issue by the Board of Directors on November 25, 2024.

(b) 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.

(c) Functional and reporting currency

These consolidated financial statements are presented in USD$. The reporting currency of the Corporation and each of the Corporations' controlled subsidiaries is USD$. The Corporation maintains accounts where the functional currency is Canadian dollars.

(d) 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)

(e) 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 income 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. In addition, additional estimates relating to the number of awards expected to be vested are based on performance conditions for performance based awards.

(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) Investments in equity securities — The Corporation records its investment in the equity securities of Fulcrum at fair value and records the changes in fair values in the Consolidated Statements of Comprehensive Income (Loss) as a component of profit or loss.

The Corporation notes that Fulcrum is a privately-held entity. Fulcrum's only current asset is its investment in PayiQ (see Note 15), which is in an early-stage company that has yet to achieve meaningful revenue or earnings. In determining the fair value of our investment in Fulcrum, we made certain judgments, estimates and assumptions, the most significant of which were likelihood of sales volume, operating margins, discount rates and perpetual growth rates. All significant inputs used in the valuation are classified in Level 3 of the fair value hierarchy. 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.

(iv) 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 rate applied.

(v) 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.

2. BASIS OF PRESENTATION (Continued)

(vi) 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.

(vii) The Corporation records an expected credit loss 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.

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 basis 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) The determination of whether development costs meet the criteria for capitalization requires judgement related to assessing the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; the asset will generate probable future economic benefits and demonstrate the existence of a market or the usefulness of the asset if it is to be used internally; the availability of adequate technical, financial and other resources to complete the development and to use or sell it; and the ability to measure reliably the expenditure attributable to the intangible asset.

(vi) 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.

(Expressed in thousands of United States Dollars)

(vii) The assessment of the Corporation's operating segment.

3. ACCOUNTS RECEIVABLE

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

As at	September 30, 2024	December 31, 2023
Trade receivable	$ 18,380	$ 19,304
Allowance for doubtful accounts	(723)	(577)
Other receivables	3,109	2,663
Net accounts receivable	$ 20,766	$ 21,390

For the three and nine months ended September 30, 2024, the Corporation recorded bad debt expense of $172 and $216 (September 30, 2023 - $26 and $35).

4. INVESTMENT IN EQUITY SECURITIES

The Corporations investment in equity securities consists of the following:

As at	September 30, 2024
Preferred shares in Fulcrum Payment Solutions, Inc.	$ 27,973
Fair value of contingent consideration from sale of PayiQ	1,991
Investment in equity securities	$ 29,964

At September 30, 2024, the Corporation held 27,000 preferred shares of Fulcrum Payment Solutions, Inc, each with a par value of one thousand dollars. These shares were received as consideration for the sale of PayiQ (see Note 15). The preferred shares do not have voting interests in Fulcrum. The preferred shares have a right to receive a dividend on an annual basis equal to 4.0% of the value of the preferred shares, to be paid in kind. In January 2027, the Corporation has the right to require Fulcrum to repurchase all of its preferred shares for $27,000. Alternatively, if Fulcrum is publicly-traded at the time, the preferred shares would automatically convert to common shares of Fulcrum. Any payment obligations to the Corporation from Fulcrum are currently guaranteed up to $20,000 by Fulcrum's parent, Fulcrum IT Partners, Ltd. This guarantee is subject to future reductions to $10,000 and ultimately zero based on certain future capital raise and acquisition investment targets at Fulcrum.

As part of the sale of PayiQ, the Corporation has the right to receive contingent consideration based on the revenue achievements of PayiQ. If earned, Fulcrum can make these payments to the Corporation through promissory notes, through equity if Fulcrum is a publicly-traded entity at the time, or through cash at a 20% discount. At September 30, 2024, the Corporation had $1,991 of long-term contingent consideration classified as investment in equity securities. The Corporation also had $166 of short-term contingent consideration classified within accounts receivable.

(Expressed in thousands of United States Dollars)

5. PROPERTY AND EQUIPMENT

	Computers and Network Equipment	Furniture and Equipment	Leasehold Improvements	Software	Right of Use Asset	Total
Cost						
Balance December 31, 2023	$ 897	$ 543	$ 226	$ 195	$ 5,801	7,662
Additions	76	—	—	—	—	76
Effect of foreign currency translation	(4)	(3)			(18)	(25)
Balance at September 30, 2024	$ 969	$ 540	$ 226	$ 195	$ 5,783	$ 7,713
Accumulated Depreciation						
Balance, December 31, 2023	$ 593	$ 451	$ 129	$ 194	$ 3,701	$ 5,068
Depreciation	121	26	37	1	508	693
Effect of foreign currency translation	(6)	(2)	1		(9)	(16)
Balance at September 30, 2024	$ 708	$ 475	$ 167	$ 195	$ 4,200	$ 5,745
Carrying Value						
Balance December 31, 2023	$ 304	$ 92	$ 97	$ 1	$ 2,100	$ 2,594
Balance at September 30, 2024	$ 261	$ 65	$ 59	$ —	$ 1,583	$ 1,968

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, 2023	$ 10,545	$ 300	$ 3,860	$ 31,907	$ 3,642	$ 50,254
Additions	2,269	—	—	—	—	2,269
Balance September 30, 2024	$ 12,814	$ 300	$ 3,860	$ 31,907	$ 3,642	$ 52,523
Accumulated Amortization						
Balance December 31, 2023	$ 5,518	$ 144	$ 3,860	$ 16,073	$ 3,293	$ 28,888
Amortization	1,666	62		3,591	141	5,460
Balance September 30, 2024	$ 7,184	$ 206	$ 3,860	$ 19,664	$ 3,434	$ 34,348
Carrying Value						
Balance December 31, 2023	$ 5,027	$ 156	$ —	$ 15,834	$ 349	$ 21,366
Balance September 30, 2024	$ 5,630	$ 94	$ —	$ 12,243	$ 208	$ 18,175

(Expressed in thousands of United States Dollars)

7. BORROWING

The following table sets out the Corporation's borrowings:

As at	September 30, 2024	December 31, 2023
Loan Agreement (i) Balance - end of period	$ 31,223	$ 67,512
Current	$ 3,400	$ 67,512
Non-current	27,823	—
	$ 31,223	$ 67,512

(i) BMO Loan agreement and predecessor loan agreements

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% plus a standby fee ranging from .40% to .70%.

(Expressed in thousands of United States Dollars)

7. BORROWING (continued)

As part of the Second Amendment, the minimum fixed charge coverage ratio covenant was set 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 $400 were capitalized and will be expensed over the life of the loan.

The total of capitalized financing costs equals $1,077 at September 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 September 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 nine months ended September 30, 2024 was $671 and $3,184 (September 30, 2023 - $1,507 and $4,595).

(ii) Finance Costs

The Corporation's finance costs comprise the following:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest on borrowings	$ 671	$ 1,507	$ 3,184	$ 4,595
Interest on contingent consideration	—	—	206	42
Amortization of debt issuance costs	194	35	424	118
Cumulative dividends on investment in preferred shares	(253)	—	(676)	—
Net finance costs on leases	31	28	91	95
Total finance costs continuing operations	643	1,570	3,229	4,850
Total finance costs in discontinued operations	—	14	12	49
Total finance costs	$ 643	$ 1,584	$ 3,241	$ 4,899

(Expressed in thousands of United States Dollars)

8. RELATED PARTY TRANSACTION AND BALANCES

(i) Key management compensation

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

The compensation recorded in the financials to key management personnel during the three and nine months ended September 30, 2024 and 2023 were as follows:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Salaries and short term benefits	$ 223	$ 223	$ 685	$ 668
Share-based compensation	$ 233	$ 59	$ 589	$ 1,043

9. LEASE LIABILITIES

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

	September 30, 2024
2024	$ 191
2025	553
2026	449
2027	269
2028+	502
Total	$ 1,964
Discounting	(209)
Total	$ 1,755

(ii) Property lease payments including variable lease payments for the months ended September 30, 2024 and 2023 were as follows:

	Nine months ended September 30,	
	2024	2023
Total short-term lease expense	$ 132	$ 124
Variable lease expense	253	279
Sublease income	(123)	(119)
	$ 262	$ 284

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

Opening balance January 1, 2024	$ 2,368
Payments (net of accretion)	(606)
Effect of foreign currency translation	(7)
Present value of lease liability September 30, 2024	$ 1,755

10. SHARE CAPITAL

(a) Share Issuances and Repurchases

The Corporation is authorized to issue an unlimited number of common shares. As at September 30, 2024, 277,417,081 common shares were issued and outstanding as fully paid and non-assessable (December 31, 2023 —404,729,064).

On June 30, 2023, the Corporation closed a bought deal offering, including the exercise of an over-allotment option, of an aggregate 19,780,000 common shares for aggregate gross proceeds of $5,229 ($6,923CAD). After consideration of underwriter and other expenses, the net proceeds were $4,544.

On March 27, 2024, the Corporation entered into a definitive stock purchase agreement with the original shareholders of Bankcard, BUSA Acquisition Co. (“BUSA”), pursuant to which the Corporation agreed to sell 100% of the shares of Bankcard. The consideration for the sale of Bankcard consisted of cash consideration of $40,000, the return and cancellation of 133,095,168 common shares of Quisitive (the “Quisitive Shares”) with a fair value of $37,453, and the 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 customary mutual releases. The Corporation also incurred excise and share repurchase taxes of $1,123 which were recorded as a reduction in the value of the common shares acquired.

For the nine months ended September 30, 2024, the Corporation issued 2,236,514 shares related to the vesting of restricted stock units (RSUs) and performance based restricted stock units (PSUs) (September 30, 2023 - 9,972,550 net exercise of RSUs and PSUs and 670,000 options). For the period ended September 30, 2024, the Corporation also issued 3,391,671 shares as payment of contingent consideration in relation to performance earn-out targets related to the Mazik Global, Inc. acquisition which were achieved during the quarter ended March 31, 2023.

(b) Stock Options

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

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

The Black-Scholes model is utilized to value options and the key variables are per share market price of the underlying stock, exercise price of the option, expected term of the option, risk-free interest rate for the duration of the option's expected term, expected annual dividend yield on the underlying stock and expected stock price volatility over the option's expected term. The convention utilized for quoted market price is close price on the grant date. The exercise price is generally defined by the terms of the award and the remaining valuation model inputs require judgement.

(Expressed in thousands of United States Dollars)

10. SHARE CAPITAL (Continued)

	Number of options	Weighted average exercise price (CAD)
Outstanding at December 31, 2023	3,620,000	0.48
Exercised/released	(155,000)	0.24
Cancelled/forfeited	(466,667)	0.98
Outstanding at September 30, 2024	2,998,333	$ 0.42

For the three and nine months ended, the Corporation recognized share-based compensation from stock options of $0 and $31 (September 30, 2023 - $21 and $136).

The following options were issued and outstanding as at September 30, 2024:

Grant Date	Expiry Date	Ex price (CAD)	Number of options	Exercisable
24-Dec-19	December 23, 2024	0.20	900,000	900,000
03-Jan-20	January 2, 2025	0.25	100,000	100,000
07-Jul-21	July 7, 2026	1.60	150,000	150,000
02-Aug-21	August 2, 2026	1.52	100,000	100,000
26-Jul-22	July 26, 2027	0.59	608,333	575,000
12-Oct-23	December 10, 2028	0.32	250,000	—
19-Dec-23	December 19, 2028	0.25	920,000	890,000
			3,028,333	2,715,000

The weighted average contractual life for the remaining options at September 30, 2024 is .56 years. Options expected life ranges from two to five years. Valuation of the options utilizes the Black Scholes model on a graded method along with fair value per option. Amortization of expense initiates at the grant date and is spread over the grant period.

(c) Restricted Stock Units

i. The Corporation grants RSUs to employees. The RSUs 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, 2024 is as follows:

Opening balance December 31, 2023	7,263,301
Granted	10,355,858
Exercised	(2,190,364)
Forfeited	(716,695)
Closing balance September 30, 2024	14,712,100

ii. The Corporation grants PSUs to employees. The PSUs are contingent on the achievement of preestablished performance metrics. The PSUs 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.

(Expressed in thousands of United States Dollars)

10. SHARE CAPITAL (Continued)

Performance based restricted stock activity during the period ending September 30, 2024 is as follows:

	# of PSUs
Opening balance December 31, 2023	3,793,486
Granted	500,000
Exercised	(46,150)
Cancelled/forfeited	(47,554)
Closing balance September 30, 2024	4,199,782

For the three and nine months ended September 30, 2024, the Corporation recognized share-based compensation related to RSUs and PSUs of $502 and $1,355 (September 30, 2023 - $529 and $3,090).

d. Stock appreciation rights

The Corporation granted 116,500 stock appreciation rights (SARs) 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 SARs of $97 was estimated using the Black Scholes option pricing model with the following assumptions:

a. Annualized volatility 93.492%

b. Risk free interest rate .90%

c. Expected life 3 years and 100% vest on February 10, 2024 and expiration date of February 10, 2026

The change in fair value will be recorded in share-based compensation expense over the vesting period. For the three and nine months ended September 30, 2024, the Corporation recognized $(0) and $(0) in the fair value of the SARs. For the three and nine months ended September 30, 2023, the Corporation recognized an expense of $(0) 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 nine months ended September 30, 2024 and September 30, 2023 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Loss from continuing operations for the period	$ 397	$ (1,375)	$ (2,686)	$ (8,228)
Income (loss) from discontinued operations for the period	$ (112)	$ 96	$ 16,611	$ 943
Weighted average number of shares outstanding, basic	276,878,034	380,661,050	333,654,415	375,628,127
Weighted average number of shares outstanding, fully diluted	299,877,888	392,162,295	356,654,264	392,162,295
Basic and diluted loss per share from continuing operations	$ —	$ —	$ (0.01)	$ (0.02)
Basic and diluted income per share from discontinued operations	$ —	$ 0.00	$ 0.05	$ 0.00

Potentially dilutive shares relating to RSUs, PSUs, stock options and SARs as set-out below have been excluded from the calculation of the diluted number of shares as the impact would be anti-dilutive.

	Nine months ended September 30,	
	2024	2023
RSUs	14,712,100	6,140,239
PSUs	4,199,782	5,890,042
Stock options	2,998,333	3,595,000
SARs	58,750	70,750
	21,968,965	15,696,031

12. 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 carrying value of investment in equity securities approximate fair value based on discounted future cash flows of the investment.

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 at September 30, 2024 is $9,697 (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 at September 30, 2024 is $17,657 (December 31, 2023 — $18,727). Accounts receivable are shown net of provision of credit losses of $723 (December 31, 2023 — $577).

(Expressed in thousands of United States Dollars)

12. FINANCIAL INSTRUMENTS (continued)

	under 30	30-60 days	over 60 days	Total
Trade receivables	$ 12,527	$ 1,932	$ 3,921	$ 18,380

The Corporation has no customer that constitutes greater than 10% of accounts receivable at September 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 September 30, 2024, the Corporation has $9,697 (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	12,246	$ 4,064	$ —	$ —
Income taxes payable	—	714	—	—
Loan agreement	850	2,550	6,800	21,023
Total	$ 13,096	$ 7,328	$ 6,800	$ 21,023

The Corporation manages its liquidity risk by relying upon its revenues.

(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 1% to 2.5%; CORRA advance or SOFR advance from 2% to 3.5% and a standby fee ranging from .40% to .70%. A 1% change in the interest rate would lead to +/-$312 change in interest over 1 year.

The Corporation is also exposed to interest rate risk in the potential effects to the discount rates applied in measuring the fair value of the future discounted cash flows of its equity investment in Fulcrum.

(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.

(Expressed in thousands of United States Dollars)

12. FINANCIAL INSTRUMENTS (continued)

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

	September 30, 2024	December 31, 2023
	CAD$	CAD$
Cash	$ 5,410	$ 6,541
Accounts receivable	2,317	2,536
Accounts payable and accrued liabilities	(5,410)	(4,099)
	$ 2,317	$ 4,978
United States dollar equivalent	$ 1,716	$ 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 September 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.

(Expressed in thousands of United States Dollars)

12. FINANCIAL INSTRUMENTS (continued)

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.

13. REVENUE

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

	For the three months ended September 30,			
	Continuing Operations		Discontinued Operations	
	2024	2023	2024	2023
Cloud solutions professional services	$ 18,312	$ 19,275	$ —	$ —
Cloud solutions maintenance, license and third party licenses and support	12,403	11,404	—	—
Payment processing solutions	—	—	—	13,692
	$ 30,715	$ 30,679	$ —	$ 13,692

	For the nine months ended September 30,			
	Continuing Operations		Discontinued Operations	
	2024	2023	2024	2023
Cloud solutions professional services	$ 53,555	$ 58,247	$ —	$ —
Cloud solutions maintenance, license and third party licenses and support	36,686	34,567	—	—
Payment processing solutions	—	—	11,532	45,190
	$ 90,241	$ 92,814	$ 11,532	$ 45,190

The Corporation is not exposed to concentration risk relating to any one customer representing greater than 10% of revenue for the three and nine months ended September 30, 2024 or 2023.

(Expressed in thousands of United States Dollars)

14. SEGMENT INFORMATION

The Corporation has one operating segment. The Corporation's assets and operations are located in North America and South Asia.

Segment	For the three months ended September 30,					
	2024			2023		
	Global Cloud Solutions	Global Payment Solutions (Discontinued Segment)	Consolidated	Global Cloud Solutions	Global Payment Solutions (Discontinued Segment)	Consolidated
Revenue	$ 30,715	$ —	$ 30,715	$ 30,679	$ 13,692	$ 44,371
Expenses	26,473	26	26,499	25,779	11,582	37,361
Adjusted EBITDA	4,242	(26)	4,216	4,900	2,110	7,010
All other expenses			3,844			8,289
Net loss from disposal of BankCard			(86)			—
Net income (loss)			$ 286			$ (1,279)

Segment	For the nine months ended September 30,					
	2024			2023		
	Global Cloud Solutions	Global Payment Solutions (Discontinued Segment)	Consolidated	Global Cloud Solutions	Global Payment Solutions (Discontinued Segment)	Consolidated
Revenue	$ 90,241	$ 11,532	$ 101,773	$ 92,814	$ 45,190	$ 138,004
Expenses	78,210	7,894	86,104	82,666	36,953	119,619
Adjusted EBITDA	12,031	3,638	15,669	10,148	8,237	18,385
All other expenses			16,765			25,670
Net gain from disposal of PayIQ and BankCard			15,022			—
Net income (loss)			$ 13,926			$ (7,285)

(Expressed in thousands of United States Dollars)

15. DISPOSAL GROUP HELD FOR SALE

On October 30, 2023, the Corporation decided to focus its efforts and resources on the Cloud Solutions segment and initiated the process to exit the Payment Solutions segment, which was comprised of PayiQ and Bankcard.

Sale of PayiQ

On November 28, 2023, the Company entered into a definitive stock purchase agreement with Fulcrum Payment Solutions, Inc. ("Fulcrum") pursuant to which the Company agreed to sell 100% of the shares of PayiQ. The consideration for the sale of PayiQ will consist of the issuance of 27,000 preferred shares of Fulcrum with a deemed value of $1,000 per share (the "Consideration Shares"), and contingent consideration.

On the third anniversary of the effective date of the transaction, the Consideration Shares shall be automatically converted into the number of Fulcrum shares with a value equal to $27,000, provided that the common shares of Fulcrum are listed and posted for trading on a recognized stock exchange in Canada or the United States. If Fulcrum's common shares are not publicly traded at such time, the Company shall have the right to require Fulcrum to purchase all or a portion of the Consideration Shares for a purchase price equal to $1,000 per share, for aggregate consideration of up to $27,000. The Consideration Shares give the Company the right to a dividend of 4.0% on an annual basis, to be paid-in-kind.

The Company may also be entitled to additional contingent consideration in the form of performance earn-outs if PayiQ achieves certain revenue thresholds for years ended December 31, 2024, 2025, and 2026. The maximum amount of the earn-out is $18,000.

The PayiQ Sale was completed on January 29, 2024.

	USD Fair value recognized on sale $
Consideration (fair value of preferred shares received)	**$ 29,455**
Less:	
Cash	(22)
Prepaid expenses	(630)
Property and equipment, net	(195)
Intangible assets	(10,319)
Accounts payable and accrued liabilities	772
Income tax payable	136
Deferred tax liability	910
Gain on sale of PayiQ	**$ 20,107**

(Expressed in thousands of United States Dollars)

15. DISPOSAL GROUP HELD FOR SALE (continued)

Sale of Bankcard

On December 22, 2023, management committed to a plan to sell Bankcard. On March 27, 2024, the Corporation entered into a definitive stock purchase agreement with the original shareholders of Bankcard, BUSA Acquisition Co. ("BUSA"), pursuant to which the Corporation agreed to sell 100% of the shares of Bankcard. The consideration for the sale of Bankcard consisted of cash consideration of $40,000, the return of 133,095,168 common shares of Quisitive (the "Quisitive Shares") of $38,576 (including excise tax payable of $1,123), and the 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 of $539) 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 involved in the BUSA transaction have also agreed to provide full customary mutual releases as of the BUSA sale date dated April 4, 2024.

The Bankcard Sale information below:

	USD Fair value recognized on sale $
Consideration	**$ 88,244**
Less:	
Cash	(1,261)
Accounts Receivable	(3,886)
Prepaid expenses	(646)
Inventory	(224)
Property and equipment, net	(929)
Intangible assets and goodwill	(87,431)
Accounts payable and accrued liabilities	2,975
Lease Liability - LT	163
Deferred tax liability	9,958
Gain on sale of Bankcard	**$ 6,963**

(Expressed in thousands of United States Dollars)

15. DISPOSAL GROUP HELD FOR SALE (continued)

Assets and liabilities held for sale at:

		December 31, 2023
Assets		
Cash	$	410
Trade and other receivables		3,784
Prepaid expenses		871
Property and equipment, net (Note 5)		1,123
Intangible assets (Note 6)		52,689
Goodwill		57,109
Deposits with sponsoring banks		550
Assets held for sale	**$**	**116,536**
Liabilities		
Trade and other payables	$	3,203
Deferred revenue		190
Current portion of lease liability (Note 11)		461
Lease liability (Note 11)		290
Deferred tax liability		9,668
Liabilities directly associated with assets held for sale	**$**	**13,812**

Assets and liabilities of the disposal group were stated at fair value less costs to sell. Income from discontinued operations for the three and nine months ended September 30, 2024 includes the following:

		Three months ended September 30, 2024		Nine months ended September 30, 2024
Gain recorded sale of PayiQ as of January 26, 2024	$	—	$	20,107
Impairment recorded on Bankcard as of March 31, 2024	$	—	$	(12,048)
Gain (loss) recorded sale of Bankcard as of April 4, 2024	$	(86)	$	6,963

(Expressed in thousands of United States Dollars)

16. DISCONTINUED OPERATION

On October 30, 2023, the Corporation decided to focus its efforts and resources on the Cloud business and initiated the process to exit the Payment Solutions segment, which was comprised of PayiQ and Bankcard. Given the disposal group represents a separate major line of business, it has been presented as discontinued operations in the current and comparative periods on the consolidated statements of comprehensive loss. PayiQ was sold January 26, 2024 and Bankcard was sold April 4, 2024.

The results for discontinued operations for the three month and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended		For the nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenue (Note 13)	$ —	$ 13,692	$ 11,532	$ 45,190
Cost of revenue	—	8,525	6,345	28,679
Gross Margin	**—**	**5,167**	**5,187**	**16,511**
Expenses	26	5,518	1,565	16,287
Impairment of goodwill	—	—	12,048	—
Income (loss) from operations	**(26)**	**(351)**	**(8,426)**	**224**
Net loss (gain) from disposal of segment	86		(27,070)	—
Income tax expense (recovery) - current	—	226	833	1,362
Deferred income tax expense (recovery)	—	(673)	1,200	(2,081)
Net income (loss) from discontinued operations, net of tax	**$ (112)**	**$ 96**	**$ 16,611**	**$ 943**

Cash flows from discontinued operations for the three and nine months ended September 30, 2024 and 2023 are comprised of the following:

	For the three months ended		For the nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Cash flows (used) generated from discontinued operating activities	$ (26)	$ 6,858	$ (3,613)	$ 3,219
Cash flows provided (used) generated from discontinued investing activities	$ —	$ (1,685)	$ 40,000	$ (4,056)
Cash flows (used) in discontinued financing activities	$ (28)	$ (107)	$ (127)	$ (310)

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