QUISITIVE™

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2019 and September 30, 2018
(expressed in thousands of Canadian dollars, except share and per share amounts, unless otherwise noted)

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QUISITIVE TECHNOLOGY SOLUTIONS, INC.

Condensed Consolidated Interim Financial Statements
For the Three and Nine Months ended September 30, 2019 and 2018
(Unaudited)
(Expressed in United States Dollars)

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Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

QUISITIVE TECHNOLOGY SOLUTIONS, INC.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in United States Dollars)

	September 30, 2019	December 31, 2018
Assets		
Current		
Cash	$ 781,588	$ 273,448
Accounts receivable (Note 5)	3,231,003	1,400,739
Work in progress	225,272	510,444
Customer contracts	385,343	—
Prepaid expenses	269,260	219,318
	4,892,466	2,376,602
Property and equipment, net (Note 6)	1,061,985	179,840
Deferred tax asset	274,950	—
Intangibles (Note 7)	9,190,568	4,922,572
Goodwill (Note 8)	16,439,450	5,752,748
Total Assets	**$31,859,419**	**$13,259,109**
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 2,677,867	$ 2,071,222
Operating line of credit (Note 9)	930,098	230,253
Income taxes payable (recovery)	21,463	38,187
Note payable (Note 10)	5,244,851	5,244,851
Bank term loan (Note 11)	696,429	—
Deferred revenue	1,512,464	—
Lease liability	415,181	—
Contingent consideration (Note 4)	2,842,875	1,186,094
	14,341,228	8,770,607
Non-current liabilities:		
Purchase price note (Note 4)	4,966,761	—
Note payable due to related party (Note 12)	573,810	—
Bank term loan (Note 11)	3,510,248	—
Contingent consideration (Note 4)	4,063,570	—
Lease liability	542,390	—
Deferred revenue	46,264	—
Total Liabilities	28,044,271	8,770,607
Shareholders' equity		
Share capital (Note 14)	9,793,723	9,117,405
Warrants (Note 14)	3,013,987	1,551,091
Contributed surplus (Note 14)	450,411	374,266
Deficit	(9,442,814)	(6,593,814)
Equity attributable to owners of the Corporation	3,815,307	4,448,948
Non-Controlling Interest (Note 17)	(159)	39,554
	3,815,148	4,488,502
Total Liabilities and Shareholders' Equity	**$31,859,419**	**$13,259,109**

Going Concern (Note 2(a))

Approved on behalf of the Board:

"Michael Reinhart"
Michael Reinhart, CEO and Director

"Dave Guebert"
Dave 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.
Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited)
(Expressed in United States Dollars)
For the three and nine months ended

	Three Months Ended		Nine Months Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revenue	$ 5,337,191	$ 3,234,208	$13,527,806	$ 7,586,189
Cost of Revenue	2,761,350	2,155,788	7,499,970	5,034,385
Gross Margin	2,575,841	1,078,420	6,027,836	2,551,804
Operating Expenses				
Sales and marketing expense	890,489	619,629	2,349,323	1,017,928
General and administrative	771,981	1,069,620	2,251,491	2,475,743
Development	58,360	—	74,280	—
Share-based compensation (Note 14)	32,939	58,526	128,372	200,031
Interest expense	492,075	175,101	970,364	316,290
Amortization (Note 7)	628,636	9,219	1,511,650	33,967
Depreciation (Note 6)	180,867	33,996	488,962	78,577
Foreign exchange loss (gain)	(187,232)	38,282	345,461	(99,685)
Acquisition related expenses	140,426	42,920	660,455	266,611
Listing expenses (Note 3)	—	2,780,736	—	2,780,736
Loss Before Income Taxes	(432,700)	(3,749,609)	(2,752,522)	(4,518,394)
Income tax expense — current	129,810	—	201,035	7,800
Deferred income tax expense	(54,796)	—	(54,796)	439,100
Net Loss for the Period	$ (507,714)	$(3,749,609)	$(2,898,761)	$(4,965,294)
Comprehensive Loss:				
Comprehensive Loss Attributed to:				
Owners of the Corporation	$ (487,828)	$(3,748,455)	$(2,849,000)	$(4,961,489)
Non-controlling interest (Note 17)	(19,886)	(1,154)	(49,761)	(3,805)
Basic and Diluted Loss per share (Note 15)	$ (0.01)	$ (0.05)	$ (0.03)	$ (0.08)
Weighted Average Number of Common Shares Outstanding	89,981,328	79,065,181	87,086,539	66,042,681

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

QUISITIVE TECHNOLOGY SOLUTIONS, INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited)

(Expressed in United States Dollars)

	Share Capital		Contributed			Non-Controlling	
	Number	Amount	Surplus	Warrants	Deficit	Interest	Total
Balance, December 31, 2017	**1,000,000**	**1**	**—**	**—**	**—**	**—**	**1**
Shares issued from private placements	62,067,288	8,178,156	—	—	—	—	8,178,156
Share issuance costs		(704,732)	—	—	—	—	(704,732)
Share issued in connection with Quisitive acquisition	11,588,725	466,562	—	—	—	—	466,562
Warrants	—	(1,214,327)	—	1,214,327	—	—	—
Broker warrants	—	(336,764)	—	336,764	—	—	—
Shares issued pursuant to RTO	10,175,000	2,728,509	23,042	—	—	—	2,751,551
Stock-based compensation	—	—	351,224	—	—	55,940	407,164
Net loss for the year	—	—	—	—	(6,593,814)	(16,386)	(6,610,200)
Balance, December 31, 2018	**84,831,013**	**$ 9,117,405**	**$374,266**	**$1,551,091**	**$(6,593,814)**	**$ 39,554**	**$ 4,488,502**
Shares issued in private placement	750,000	114,090	—	—	—	—	114,090
Shares issued in connection with Corporate Renaissance Group acquisition	4,473,684	562,228	—	—	—	—	562,228
Warrants issued in conjunction with Corporate Renaissance Group acquisition	—	—	—	1,462,896	—	—	1,462,896
Stock-based compensation	—	—	76,145	—	—	10,048	86,193
Net loss for the period	—	—	—	—	(2,849,000)	(49,761)	2,898,761
Balance, September 30, 2019	**90,054,697**	**$ 9,793,723**	**$450,411**	**$3,013,987**	**$(9,442,814)**	**$ (159)**	**$(3,815,148)**

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

QUISITIVE TECHNOLOGY SOLUTIONS, INC.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in United States Dollars)

	Nine Months Ended	
	September 30, 2019	September 30, 2018
Operating Activities		
Net loss for the period	$(2,898,759)	$(4,965,294)
Items not involving cash		
Amortization	1,511,650	33,967
Unrealized foreign exchange loss	169,008	—
Depreciation	488,962	78,577
Share-based compensation	128,372	221,441
Reverse takeover consideration	—	2,728,509
Financing Interest	61,052	57,341
Deferred income tax	(54,796)	439,100
Changes in non-cash working capital	(594,512)	(1,406,359)
Receivables	(900,732)	(923,857)
Work in progress	285,172	(62,974)
Prepaid expense	(75,694)	(23,370)
Customer contracts	(124,666)	—
Accounts payable and accrued liabilities	(388,159)	917,321
Deferred revenue	18,562	—
Accrued income taxes	(110,538)	7,800
Cash Provided by (Used in) Operating Activities	(1,890,567)	(1,491,439)
Investing Activity		
Purchase of property and equipment	(33,947)	(21,423)
Capitalization of intangibles	—	(145,818)
Investment in Quisitive, LLC	—	(4,081,939)
Investment in Corporate Renaissance Group (Note 4)	(3,331,084)	—
Cash Used in Investing Activity	(3,365,031)	(4,249,180)
Financing Activities		
Proceeds from share issuance, net of issuance costs	114,090	7,524,658
Proceeds of Bank term loan, net of repayments	4,259,725	(261,450)
Draw (Repayment) of operating line of credit	699,845	(661,056)
Promissory Note from related party (note 12)	580,650	300,000
Payment of equipment leases	—	(44,452)
Cash Provided by (Used in) Financing Activities	5,763,737	6,857,700
Inflow (Outflow) of Cash	**508,139**	**1,117,081**
Cash, Beginning of Period	**273,448**	—
Cash, End of Period	**$ 781,588**	**$ 1,117,081**

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

QUISITIVE TECHNOLOGY SOLUTIONS, INC.
Notes to the Condensed Consolidated
Interim Financial Statements
Three and Nine Months ended September 30, 2019 and 2018
(Unaudited)
(Expressed in United States Dollars)

1. GENERAL INFORMATION

(a)

Quisitive is a premier Microsoft solutions provider that helps enterprise organizations move, operate and innovate in the Microsoft cloud: Microsoft Azure, Microsoft Dynamics business applications and Microsoft O365 as well as provide proprietary Software as a Service ("SaaS") solutions such as CRG emPerform™, and LedgerPay and business solutions from other technology partners that complement the Microsoft platform With a legacy of deep technical and business expertise, Quisitive is empowering the enterprise to navigate the ever-changing technology climate their business relies upon. Quisitive helps customers harness the power of the Microsoft cloud and innovative technologies such as, artificial intelligence, machine learning, the Internet of Things (IoT) and blockchain through customized solutions.

Quisitive is the 2019 Microsoft United States Partner of the Year. Quisitive earned this top honor among a global field of top Microsoft partners for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft cloud technology.

In June 2019 Quisitive expanded their Canadian business with the acquisition of Corporate Renaissance Group ("CRG") which was an important milestone for Quisitive in its overall strategy and vision. Modern companies need complete business systems that work together to boost productivity and transform the entire organization. The combination of skills and expertise across both the Quisitive US and Canada teams translates to end-to-end business technology enablement and support as well as complete digital transformation powered by Microsoft.

Quisitive's expertise with Azure and cloud technology, combined with CRG's expertise in the Microsoft Dynamics™ platforms, which include Enterprise Resource Planning business applications brings additional synergies to benefit customers in the U.S. and Canada. Quisitive will leverage CRG's proprietary Level 7™ framework, its expertise in planning and budgeting, financial reporting, consolidation and enterprise dashboards as well its own cost management IP (CRG Cost Allocator™ and CRG FlexABM™) to strategically engage, advise and support the office of the CFO for customers.

CRG also has expertise in talent and performance management for companies who consider people as their most important assets. CRG emPerform™ is CRG's proprietary performance management subscription software solution, being used by thousands of users across North America, the Caribbean and the U.K. The emPerform™ product along with the new Microsoft offering, Dynamics 365 for Talent, will allow Quisitive to provide a total solution to the Human Resources function of customers, empower the people asset in their business and grow recurring revenue for Quisitive.

CRG's strong brand recognition and footprint developed over thirty years, its expertise and experience in Dynamics 365 business applications, combined with Quisitive's expertise and experience in Azure and Office 365 and technologies such as big data, artificial intelligence, IoT, and mobility, Quisitive is now positioned to become the strategic Microsoft partner for the C-suite. Per Gartner™ (Helen Huntley, The IT Services Scenario — It's a Changing World, presented at Gartner Tech Growth & Innovation Conference June 2019), only 5% of Microsoft partners have this combined IT plus Business capability.

Quisitive is uniquely comprised of experienced Microsoft partner leaders and technologists who share a deep understanding of market needs and the appropriate application of Microsoft cloud technology. The company's expertise and focus are on helping industries such as financial services, manufacturing, oil and gas, and retail, drive innovation using Microsoft cloud-based technologies.

1. GENERAL INFORMATION (Continued)

(b) Structure of Business

Quisitive Technology Solutions, Inc. ("Quisitive" or the "Corporation"), formerly Nebo Capital Corporation ("Nebo"), is the parent Corporation of Fusion Agiletech Partners, Inc. (formerly Fusion Martech Partners, Inc.) ("Fusion Canada") which was incorporated on February 8th, 2017 under the Business Corporation Act (Ontario).

On August 8, 2018, a Qualifying Transaction occurred pursuant to a definitive Business Combination Agreement and was approved by the TSX-V and proceeded by way of a three cornered amalgamation (the "Amalgamation") pursuant to which Fusion Canada amalgamated with Nebo Acquisition Corp., a wholly-owned subsidiary of Nebo incorporated under the laws of Ontario, and Nebo acquired all of the issued and outstanding common shares of Fusion Canada (the "Fusion Shares"), in exchange for Nebo's shares on a 1:1 basis, such that Fusion Canada became a wholly-owned subsidiary of Nebo. The Amalgamation also provided that all outstanding convertible securities to purchase Fusion Canada's Shares were either exchanged in accordance with their terms, on a 1:1 basis, for economically equivalent securities of Nebo or became exercisable for equivalent securities of Nebo in lieu of securities of Fusion Canada and otherwise on the same terms and conditions. In connection with the closing of the Qualifying Transaction, Nebo also changed its name from "Nebo Capital Corp." to "Quisitive Technology Solutions, Inc.".

The common shares of Quisitive are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "QUIS". The Corporation is a holding Corporation that has been incorporated to acquire IT service companies in the United States and Canada as well as develop SaaS solutions for business. The address of the Corporation's registered office is 161 Bay Street, Suite 2325, Toronto, Ontario, M5J 2S1.

Fusion Agiletech Holdings Ltd. ("Fusion Holdings")), a wholly owned subsidiary of Fusion Canada, was incorporated on December 22nd, 2017 under the General Corporate Law of the State of Delaware. Fusion Holding's registered office is 1675 South State Street, Suite B, Dover, Delaware, 19901. In connection with the Qualifying Transaction, Fusion Holdings changed its name to Quisitive Ltd.

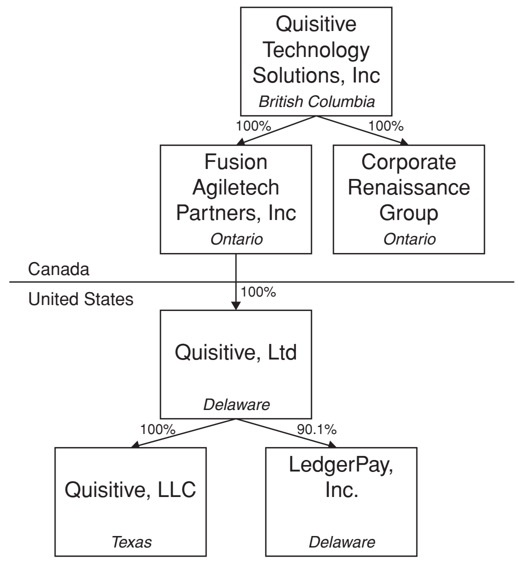
Quisitive LLC, is a Texas Limited Liability Corporation, Quisitive LLC's headquarters is 1431 Greenway Drive, Suite 1000, Irving, TX 75038 and has a secondary office in Denver, Colorado. On January 22, 2018, Fusion Holdings entered into a definitive agreement to acquire the membership of Quisitive LLC. The transaction closed on January 23, 2018 and the operations of Quisitive LLC since January 24, 2018 have been reflected in the consolidated financial statements. Quisitive LLC is a wholly owned subsidiary of Quisitive, Ltd.

LedgerPay, Inc, was incorporated on December 26th, 2017 under the General Corporate Law of the State of Delaware. LedgerPay's principal activity is to develop, promote and sustain payments-related software products. Quisitive Ltd owns 90.1% of LedgerPay. The address of the LedgerPay's registered office is 1675 South State Street, Suite B, Dover, Delaware, 19901.

On June 1, 2019, Quisitive Technology Solutions, Inc acquired the shares of CRG. Operations of CRG since June 1, 2019 have been reflected in the condensed consolidated interim financial statements.

1. GENERAL INFORMATION (Continued)

Figure 1: Corporate Structure Diagram of Quisitive.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) GOING CONCERN:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and the basis of presentation outlined in note 2(B)) on the assumption that the Corporation is a going concern and will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Hence, it is assumed that the Corporation has neither the intention nor the need to liquidate and can realize its assets and discharge its liabilities and commitments in the normal course of business. The Corporation has experienced losses since inception and has a shareholders' deficiency. Additional financing will be required to support operating and investing activities, as the Corporation continues to expand its operations in the foreseeable future. There is no certainty that additional financing will be available or that it will be available on attractive terms.

The above condition indicates the existence of a material uncertainty that may cast significant doubt as to the Corporation's ability to continue as a going concern. The condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumptions were not appropriate. If the going concern basis was not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses, and the condensed consolidated statement of financial position classification used.

(B) BASIS OF PREPARATION

These condensed consolidated interim financial statements for the three and nine months ended September 30, 2019 of the Corporation were prepared in accordance with International Accounting

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB")

The same accounting policies and methods of computation were followed in the preparation of these condensed consolidated interim financial statements as were followed in the preparation of the annual financial statements of the Corporation for the year ended December 31, 2018 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB, with the exception of new accounting policies adopted per (c) below.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, these condensed consolidated interim financial statements for the three and nine months ended September 30, 2019 should be read together with the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2018 and the Nebo Capital Corporation Filing Statement dated July 27, 2018 as filed on www.sedar.com.

The preparation of condensed consolidated interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are consistent with those disclosed in the notes to the annual consolidated financial statements for the year ended December 31, 2018.

These financial statements were authorized for issue by the Audit Committee and Board of Directors on **November 25, 2019**.

(a) Measurement Bases

The 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.

All financial information is stated in United States of America Dollars ("USD"), except where otherwise noted. USD is the operational currency used by all entities except Corporate Renaissance Group, Inc. which uses Canadian Dollars as their functional currency.

(b) Basis of consolidation

The consolidated financial statements include the Corporation and its wholly owned subsidiaries Fusion Agiletech Partners, Inc., Quisitive Ltd., Quisitive Inc., and Corporate Renaissance Group, Inc. as well as LedgerPay, in which the Company owns a 90.1% interest.

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

(c) Use of Estimates

In preparing financial statements in conformity with international financial reporting standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates.

(d) Adoption of New Accounting Standards

For the preparation of these condensed consolidated interim financial statements, the following new and amendments to Standards were adopted on January 1, 2018.

IFRS 9 — Financial instruments

Effective January 1, 2018, the Company adopted IFRS 9.

IFRS 9 introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. IFRS 9 also amends the requirements around hedge accounting, and introduces a single, forward-looking expected loss impairment model.

The adoption of IFRS 9 had no impact on the Company's condensed consolidated interim financial statements on the date of initial application. There was no change in the carrying amounts on the basis of allocation from original measurement categories under IAS 39 Financial Instruments: Recognition and Measurement to the new measurement categories under IFRS 9.

Classification

The Corporation classifies its financial assets and financial liabilities in the following measurement categories i) those to be measured subsequently at fair value through profit or loss (FVTPL); ii) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment

The Corporation assesses all information available, including on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Corporation compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information. For trade receivables only, the Corporation applies the simplified approach as permitted by IFRS 9. The simplified approach to the recognition of expected losses does not require the Corporation to track the changes in credit risk; rather, the Corporation recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

Evidence of impairment may include indications that the counterparty debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Corporation under the contract, and the cash flows that the Corporation expects to receive. The Corporation assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

The Corporation measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

Summary of the Corporation's Classification and Measurements of Financial Assets and Liabilities

	IFRS 9		IAS 39	
	Classification	**Measurement**	**Classification**	**Measurement**
Cash and cash equivalents	FVTPL	Fair value	Loans and receivables	Fair Value
Accounts receivables	Amortized cost	Amortized cost	Loans and receivables	Amortized cost
Trade payables and accrued liabilities	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Line of credit	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Note payable	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Bank term loan	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Purchase price notes	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Contingent consideration	Amortized cost	Amortized cost	Other liabilities	Amortized cost

Adoption of IFRS 15 — Revenue from Contracts with Customers

The Corporation has adopted IFRS 15 — Revenue from Contracts with Customers. There were no material changes with the adoption of IFRS 15 on these condensed consolidated interim financial statements.

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with a customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Corporation's policies for the recognition of revenue under IFRS 15 are as follows:

Professional Services

Services revenues are derived from professional services that include developing, implementing, integrating, automating and extending business processes, technology infrastructure, and software applications. Professional services revenues are recognized over time as services are rendered. Most of our projects are performed on a time and materials basis, while a portion of our revenues is derived from projects performed on a fixed fee or fixed fee percent complete basis. For time and material projects, revenues are recognized and billed by multiplying the number of hours our professionals expend in the performance of the project by the hourly rates. For fixed fee contracts, revenues are recognized and billed by multiplying the established fixed rate per time period by the number of time periods elapsed. For fixed fee percent complete projects, revenues are generally recognized using an input method based on the ratio of hours expended to total estimated hours.

Certain costs incurred by the Corporation for subcontractors and other expenses that are recoverable directly from clients are billed to the clients and therefore included in revenue.

Project costs include all direct labour and subcontract costs and those indirect costs related to contract performance such as benefits, travel expenses and hardware and software reimbursements. Selling, general and administrative costs are charged to expenses as incurred.

In conjunction with services provided, we receive referral fees under partner programs. These referral fees are recognized at a point in time when earned and recorded within services revenues on a net basis.

License revenue

License revenue is derived from sales of third-party software resales, in which we are considered the agent, and sales of internally developed software, in which we are considered the principal. Revenues from sales of third-party software are recorded on a net basis, while revenues from internally developed software sales are recorded on a gross basis.

License revenue is expected to fluctuate depending on our clients' demand for these products. There are no significant cancellation or termination-type provisions for our software sales. Contracts for our professional services provide for a general right, to the client or us, to cancel or terminate the contract within a given period of time (generally 30 days' notice is required). The client is responsible for any time and expenses incurred up to the date of cancellation or termination of the contract.

Deferred revenue is the amount paid over the current billing to the client project where the revenue is not yet realizable nor recognized.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Credit terms are extended to customers in the normal course of business. The Corporation performs ongoing credit evaluations of its customers based on payment history and willingness to pay and, generally, requires no collateral.

Accounts receivable are recorded at their estimated net realizable value, net of an allowance for doubtful accounts. The Corporation's estimate of the allowance for doubtful accounts is based upon historical experience, its evaluation of the current status of receivables, and unusual circumstances, if any. Accounts are considered past due if payment is not made on a timely basis in accordance with the Corporation's credit terms.

Adoption of IFRS 16 — Leases

IFRS 16 introduced a single, on-balance sheet accounting approach for leases. Effective January 1, 2019, the Corporation adopted IFRS 16 using the modified retrospective approach for recognizing the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings as January 1, 2019. Comparative information has not been restated and continues to be reported under IAS17.

Under the new standard the Corporation assesses whether at contract inception, such contract contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control or use an identified asset for a period of time in exchange for consideration.

i) Significant Accounting Policies

The Corporation records a right-of-use asset and lease liability at the lease commencement date. The right-of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the Corporation's incremental borrowing rate. Payments included in the measurements of the liability include fixed payments and payments expected to be made where a renewal/extension option is reasonably certain to be exercised. The lease liability is subsequently increased by the interest cost and decreased by lease payments made. The liability is remeasured when there is a change in the future lease payments arising from the exercise of extension options, changes in the assessment of extension options reasonably expected to be excised, renegotiations with lessors and contract amendments, changes in the scope of a lease due to certain contract rights being exercised, and changes in assessments of termination options reasonably expected to be exercised.

The Corporation elected to record the right-of-use assets based on the corresponding lease liability. In addition, the Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial applications short term leases.

ii) Impacts on Financial Statements

On initial transition, the Corporation has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Right -of-use assets and lease liabilities of $1,203,998 were recorded on January 1, 2019. There was no net impact on opening retained earnings on adoption.

(Expressed in United States Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a table that reconciles the Corporation's operating lease obligations at December 31, 2018 as previously disclosed in the Corporation's 2018 Consolidated Financial Statements to the IFRS 16 lease liability recognized on January 1, 2019. The discount rate applied on transition was 5.3%.

Commitments, December 31, 2018	$1,507,950
Less: Non-lease commitments	210,549
Undiscounted lease obligation at January 1, 2019	1,297,401
Discount	(93,402)
Balance, right-of-use asset January 1, 2019	$1,203,998

The Corporation with its recent acquisition of Corporate Renaissance Group was also impacted by the standard and, has recorded an asset of $139,517 and a corresponding increase in liabilities to record a right-of-use asset and a lease liability on its consolidated statements of financial position.

Post adoption, there will be a decrease to operating costs and an increase to finance costs associated with the interest accretion on the lease liability and depreciation expense related to the right-of-use asset.

(e) Upcoming Accounting Pronouncements

IFRIC 23 Uncertainty over Income Tax Treatments (issued in June 2017) — The Interpretation, applicable to annual periods beginning on or after January 1, 2019 (earlier application permitted), provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under IAS 12, in particular (i) whether uncertain tax treatments should be considered separately, (ii) assumptions for taxation authorities' examinations, (iii) determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, and tax rates, and (iv) effect of changes in facts and circumstances. The Interpretation is not expected to have a material effect on the Company's financial statements.

3. REVERSE ACQUISITION OF NEBO CAPITAL CORPORATION

On August 8, 2018, Nebo completed its Qualifying Transaction, which was effected pursuant to an agreement between Nebo and Fusion Canada. As part of the agreement, Nebo acquired all the issued and outstanding shares of Fusion Canada.

As part of the Qualifying Transaction, Fusion Canada amalgamated with a wholly owned subsidiary of Nebo Capital Corp (the "Amalgamation"), pursuant to which all shares of Fusion Canada, were exchanged for shares of Nebo.

The Transaction proceeded by way of a three cornered amalgamation (the "Amalgamation") pursuant to which Fusion Canada amalgamated with Nebo Acquisition Corp., a wholly-owned subsidiary of Nebo ("Subco") incorporated under the laws of Ontario, and Nebo acquired all of the issued and outstanding Class A common shares of Fusion Canada (the "Fusion Shares"), in exchange for Nebo Shares on a 1:1 basis, such that Fusion Canada became a wholly-owned subsidiary of Nebo. The Amalgamation also provided that all outstanding convertible securities to purchase Fusion Canada shares were either exchanged in accordance with their terms, on a 1:1 basis, for economically equivalent securities of Nebo or became exercisable for equivalent securities of Nebo in lieu of securities of Fusion Canada and otherwise on

(Expressed in United States Dollars)

3. REVERSE ACQUISITION OF NEBO CAPITAL CORPORATION (Continued)

the same terms and conditions. In connection with the closing of the Transaction, Nebo also changed its name from "Nebo Capital Corp." to "Quisitive Technology Solutions, Inc.".

Upon completion of the Transaction, there are an aggregate of 84,831,013 Quisitive Shares issued and outstanding (non-diluted) comprised of 10,175,000 common shares issued to former holders of Nebo common shares, and 74,656,013 common shares issued to former holders of Fusion Canada common shares, of which the shareholders of Nebo hold approximately 11.99%, and the shareholders of Fusion Canada hold approximately 88.01%.

In addition, immediately following the Transaction:

12,283,644 Quisitive Shares are reserved for issuance upon exercise of all outstanding Fusion share purchase warrants issued in connection with the brokered private placement completed on March 29, 2018 and June 1, 2018 (the "Private Placement"); 2,516,566 Quisitive Shares are reserved for issuance upon exercise of the compensation options issued to Clarus Securities Inc., PowerOne Capital Markets Limited and Primary Capital Inc., who acted as agents in connection with the Private Placement; Quisitive, under the membership interest purchase agreement may be required to pay an additional amount of up to USD$2,500,000 as earn-out to former membership interest holders of Quisitive, LLC ("Quisitive USA"), a subsidiary of Fusion Agiletech Holdings Ltd. ("Fusion Holdings"), which in turn is a subsidiary of Fusion Canada, and which amount shall be payable in Nebo Shares at a deemed price of $0.35 per share; Nebo will be required to issue 2,125,000 Nebo Shares as employment incentives to certain employees of LedgerPay Inc., a subsidiary of Fusion Holdings; and 1,865,000 Nebo Shares are reserved for issuance upon the exercise of all previously existing stock options of Fusion Canada and Nebo.

Upon closing of the Qualifying Transaction, the shareholders of Fusion Canada owned 88.01% of the common shares of the Company and as a result, the transaction is considered a reverse acquisition of Nebo by Fusion Canada. For accounting purposes, Fusion Canada is considered the acquirer and Nebo the acquiree. Accordingly, the consolidated financial statements are in the name of Nebo Capital Corporation which has since changed its name to Quisitive Technology Services, Inc. however, they are a continuation of the financial statements of Fusion Canada which has a financial year end of December 31, 2018.

The results of operations of Nebo are included in the consolidated financial statements as of the date of the reverse acquisition on August 8, 2018.

The following summarizes the reverse takeover of Nebo by Fusion Canada and the net assets acquired at August 8, 2018.

Fair value of consideration paid to former Nebo holders of:	
Common shares (10,175,000 common shares at CDN$0.35)	$2,728,509
Options (150,000 options)	22,617
Total consideration	2,751,126
Net identifiable assets acquired, and liabilities assumed	569,347
Other expenses associated with listing	598,957
Total Listing expense	$2,780,736

The Amalgamation with Nebo allowed the former Fusion Canada, a private company, to obtain a listing on the TSX-V without having to go through the initial public offering process. As the acquisition was not

(Expressed in United States Dollars)

3. REVERSE ACQUISITION OF NEBO CAPITAL CORPORATION (Continued)

considered a business combination, a total of $2,780,736, being the excess of fair value of the consideration paid to obtain the listing over the net assets (liabilities) received (assumed) was expensed in 2018.

4. BUSINESS COMBINATIONS

The fair values shown below for Quisitive, LLC are final.

Purchase price consideration	
Cash paid	$ 4,000,000
Shares issued	466,562
Fair value of contingent consideration	1,125,000
Consideration of the acquisition	$ 5,591,562
Cash	95,124
Other current assets	1,611,070
Deposit	27,347
Property and equipment	280,433
Other intangibles	42,732
Tangible assets acquired	2,056,706
Current liabilities	(1,636,244)
Operating line of credit	(1,392,357)
Equipment lease	(194,440)
Note payable	(5,244,851)
Total liabilities	(8,467,892)
Net tangible liabilities assumed	$(6,411,186)
Finite life intangibles asset acquired:	
Microsoft relationship	$ 3,860,000
Customer relationship	2,390,000
Goodwill	5,752,748
	$ 5,591,562

From January 23, 2018, for the year ended December 31, 2018, Quisitive, LLC contributed revenue of $12,606,724, gross profit of $4,673,424 and a net loss of $477,265. As of December 31, 2018, the Corporation expensed $163,691 in acquisition related costs to complete the transaction.

The acquired intangible assets are being amortized over their estimated useful lives as follows:

Microsoft relationship	5 years
Customer relationship	3 years

Quisitive, LLC.

On January 23, 2018, Fusion Holdings (now Quisitive, Ltd) purchased the equity interests in Quisitive, LLC to obtain control.

4. BUSINESS COMBINATIONS (Continued)

The aggregate consideration paid by the Corporation to acquire Quisitive, LLC is comprised of:

(i) $2,071,843 paid in cash at closing;

(ii) $1,228,157 issued as a short-term note, which was subsequently paid on March 29, 2018;

(iii) 11,588.738 shares in Fusion Holdings, convertible on a 1:1,000 basis into shares of parent Corporation Fusion Agiletech Partner;

(iv) $700,000 paid in cash to for settlement of lawsuit by the former shareholders of Quisitive LLC; and

(v) Contingent consideration of up to $2,500,000.

As part of the compensation for the Quisitive, LLC membership units, Fusion Holdings entered into an earn-out with certain former Quisitive, LLC members (the "Contingent Consideration"). The Contingent Consideration has a maximum payout of $2,500,000 which is based on a five times EBITDA exceeding $1,700,000 to a maximum of $2,200,000 eligible in either 2018 or fiscal 2019. Management has estimated the fair market value of the Contingent Consideration to be $1,125,000 by estimating the likelihood of achieving such Contingent Consideration goals and applying a present value at discount rate of 5.3% to such likely amounts.

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

Corporate Renaissance Group

On June 1, 2019, Quisitive Technology Solutions, Inc. purchased the equity interests in Corporate Renaissance Group to obtain control.

The aggregate consideration paid by the Corporation to acquire Quisitive, LLC is comprised of the following (all in Canadian Dollars):

(i) $5,152,750CAD paid in cash at closing;

(ii) $6,500,000CAD issued as a purchase price notes. Interest on the notes is payable at a rate of 10% per annum compounded on an annual basis and payable semi-annually with the first payment commencing six (6) months following the Closing Date. The notes have a term of twenty-four (24) months from the Closing Date with the option of the Sellers to extend by one additional year or otherwise as the Parties may agree;

(iii) 19,500,000 Share Purchase Warrants. These warrants are non-transferable, detachable share purchase warrants, each of which entitles the holder to acquire one Quisitive Share at a price of $0.35CAD per Quisitive Share

(iv) 4,473,684 shares; and

(v) Contingent consideration over three years with potential for $6.5 CAD million with an additional growth earnout for the excess EBITDA earned over $7.5 million CAD over the three year earnout period. We have estimated the full contingent consideration at present value to be approximately $5.5 million CAD.

(Expressed in United States Dollars)

4. BUSINESS COMBINATIONS (Continued)

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

The fair values shown below for Corporate Renaissance Group are preliminary.

Purchase price consideration	
Cash paid	$ 3,809,233
Purchase price notes	4,805,204
Share purchase warrants	1,462,896
Shares issued	562,228
Fair value of contingent consideration	5,503,537
Consideration of the acquisition	$16,143,099
Cash	478,149
Other current assets	$ 1,191,805
Property and equipment	132,033
Deferred tax asset	199,164
Tangible assets acquired	2,001,151
Current liabilities	(91,224)
Deferred revenue	(1,531,026)
Lease liability	(101,662)
Note payable	(622,572)
Total liabilities	$(2,346,484)
Net tangible liabilities assumed	(345,333)
Finite life intangibles asset acquired:	
Customer relationship	3,069,417
Software	1,975,308
Brand	757,005
Goodwill	10,686,702
	$16,143,099

From June 1, 2019, for the four months ended September 30, 2019, the Corporate Renaissance Group contributed revenue of $2,274,921, gross profit of $1,650,587 and a net income of $680,289. As of September 30, 2019, the Corporation expensed $660,455 in acquisition related costs to complete the transaction.

The acquired intangible assets are being amortized over their estimated useful lives as follows:

Customer relationship	7 years
Software	6 years
Brand	4 years

(Expressed in United States Dollars)

5. ACCOUNTS RECEIVABLE

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

	September 30, 2019	December 31, 2018
Accounts receivable	$3,452,064	$1,558,724
Less: Allowance for doubtful accounts	(221,061)	(157,985)
Net accounts receivable	$3,231,003	$1,400,739

6. PROPERTY AND EQUIPMENT

	June 30 2019	December 31, 2018
Computers and network equipment	$ 296,926	$ 117,175
Furniture and equipment	437,556	399,267
Leasehold improvements	54,328	36,239
Right of use lease asset	1,027,802	—
Software	12,205	12,204
Total Cost	1,828,817	564,885
Less Accumulated Depreciation	766,832	(385,045)
Net property and equipment	$1,061,985	$ 179,840

Depreciation expense for the quarter ended September 30, 2019 and 2018 was $180,867 and $33,996 respectively, and $488,962 and $78,577 for the nine months ended September 30, 2019 and 2018 respectively.

(Expressed in United States Dollars)

7. INTANGIBLES

Intangible assets related to our Quisitive, LLC and Corporate Renaissance Group acquisitions were recorded at the fair value at the acquisition date. Intangible assets with a finite life are amortized into income over their useful lives.

	Software	Website Development	Microsoft Rel	Customer Rel	Brand	Total
Cost						
Balance Dec. 31, 2018	40,157	134,292	3,860,000	2,390,000	—	6,424,449
Acquired from bus comb- CRG (Note 4)	1,975,309	—	—	3,069,417	757,005	5,801,731
Balance Sept. 30, 2019	**2,015,465**	**134,292**	**3,860,000**	**5,459,417**	**757,005**	**12,226,179**
Accumulated depreciation						
Balance Dec. 31, 2018	—	32,059	723,353	746,466	—	1,501,878
Adjustment		22,083				
Amortization	97,448	55,380	575,827	745,650	37,345	
Balance Sept. 30, 2019	**97,448**	**109,522**	**1,299,180**	**1,492,116**	**37,345**	**3,035,611**
Balance December 31, 2018	**40,157**	**102,233**	**3,136,647**	**1,643,534**	**—**	**4,922,571**
Balance September 30, 2019	**1,918,017**	**24,770**	**2,560,820**	**3,967,301**	**719,660**	**9,190,568**

Amortization expense for the three and nine months ended September 30, 2019 was $180,867 and $488,962 respectively. Amortization for the three and nine months ended September 30, 2018 was $33,996 and $78,577 respectively.

8. GOODWILL

	September 30, 2019
Balance, opening balance December 31, 2018	$ 5,752,748
Additions — Corporate Renaissance Group (Note 3)	10,686,702
Balance, September 30, 2019	$16,439,450

The Corporation tests its Cash-Generating Unit (“CGUs”) with indefinite life intangibles assets and/or allocated goodwill for impairment when circumstances indicate that an impairment might exist, or, at a minimum, annually as at December 31 of each calendar year.

9. OPERATING LINE OF CREDIT

On October 12, 2018 the Corporation entered into a two-year master purchase and sale agreement with a US Bank where trade receivables of the Corporation are factored for interest and fees. 85% of the face value of factored receivables are advanced upon presentation of verified invoices, with the other 15% remitted back to the Corporation, net of interest and fees upon payment by the end customer. The $2,500,000 facility bears administrative expenses and an advance fee calculated as interest upon the daily net outstanding balance at LIBOR Daily Floating Rate plus 7% and will have additional service costs of

(Expressed in United States Dollars)

9. OPERATING LINE OF CREDIT (Continued)

0.4% on outstanding invoices. Other facility fees, including shortfall and chargeback fees, among other fees apply. The facility is secured by a general security agreement over all the assets of the Corporation. All transaction costs have been expensed as they are not material.

	September 30, 2019	December 31 2018
Operating line of credit	$930,098	$230,253
Interest paid for the period ended	$148,144	$ 48,690

10. NOTE PAYABLE

The Corporation has a note payable with a private lender. Unpaid principal balance bears interest at 9%, increasing 0.05% every six months not to exceed 12%, maturing on February 23, 2020, secured by a second priority security interest in the Corporation's property. Interest for the first six months was not payable, and has been added to the principal balance of the debt per the agreement. Interest is payable monthly, and the principal is due February 23, 2020. There is a basic fixed charge coverage ratio covenant of at least 1.20 to 1.00 that is to be calculated on a trailing 12-month basis quarterly among other non-financial covenants that the Corporation must meet.

The note payable is subject to compliance with covenants and as of September 30, 2019, the Corporation received a waiver from the private lender and is in compliance.

	September 30, 2019	December 31, 2018
Long term debt	$5,244,851	$5,224,851
Interest paid for the quarter ended September 30	$ 166,087	$ —
Interest paid for the nine months ended September 30	$ 488,572	$ —

11. BANK TERM LOAN

	September 30, 2019	December 31, 2018
BANK TERM LOAN		
Short term	$ 696,429	—
Long term	3,510,248	—
Total	$4,206,677	$—
Interest paid for the quarter ended September 30	$ 98,937	$—

In conjunction with the acquisition of CRG, the Corporation entered into a commercial agreement with a major Canadian financial institution to provide a term facility of $4,605,818 ($6,000,000CAD). Term of the facility is 5 years, with a fixed payment of $77,381CAD per month and a balloon payment of $1,434,524CAD at the end of the term. Interest is at Canadian Variable Rate plus 6.5% per annum. The security on the term loan is a general security agreement creating a first ranking security interest in all the

(Expressed in United States Dollars)

11. BANK TERM LOAN (Continued)

present and future tangible and intangible personal property of CRG, including a second ranking share pledge agreement pledging 100% of its shares in CRG.

12. NOTE PAYABLE TO RELATED PARTY

The Company entered into a promissory note agreement totaling $750,000CAD with a related company owned by a shareholder and officer of the Corporation for the purpose of providing bridge loan for working capital of CRG. The note is unsecured and is positioned behind the BANK TERM LOAN. It is interest free and can only be repaid once the BANK TERM LOAN has been repaid in full.

	September 30, 2019
Note payable — related party	$573,810

13. LEASE COMMITMENTS

Quisitive has leased its three office facilities under separate non-cancellable operating leases and has recognized a right of use asset under IFRS16 associated with the leases.

Future minimum cash payments (undiscounted) required under this lease is as follows:

	2019
next 12 months	$ 584,434
thereafter	529,225
Total	$1,113,659

14. SHARE CAPITAL

(a) Share Issuances

The Corporation is authorized to issue an unlimited number of common shares. As at December 31, 2018, 84,831,013 common shares were issued and outstanding as fully paid and non-assessable (December 31, 2017 — 1,000,000).

On February 8, 2017 1,000,000 shares were issued for CAD$1.

On January 16, 2018, Fusion Canada completed a private placement raising aggregate gross proceeds of $1,111,175 (CAD$1,380,000) through the sale of 27,600,000 common shares at CAD$0.05 per share.

On January 19, 2018, Fusion Canada completed a private placement raising aggregate gross proceeds of $398,574 (CAD$495,000) through the sale of 9,900,000 common shares at CAD$0.05 per share.

On January 22, 2018, 11,588.738 shares in Fusion Holdings convertible on a 1:1,000 basis into shares of the Corporation at a value of $466,562 were issued pursuant the Agreement and Plan of Merger and Membership Interest Purchase Agreement of Quisitive, LLC and on January 23, 2018 Fusion Holdings exchanged the 11,588.738 common shares for 11,588,725 common shares of Fusion Canada.

14. SHARE CAPITAL (Continued)

On March 29, 2018 the Corporation issued 24,138,716 common shares for CAD$0.35 per unit for $6,552,696 (CAD$8,448,550). Each unit consisted of one share and one half of one warrant. Each whole warrant entitles the holder thereof to acquire an additional share at a price of CAD$0.50. In connection with the offering, 1,647,711 additional broker warrants were issued, each unit which entitles the holder thereof to acquire common share at a price of CAD$0.35, expiring on earlier of (i) three years following Qualifying Transaction or (ii) June 1, 2022.

On June 1, 2018, the Corporation issued 428,572 units at a price of CAD$0.35 per unit for $115,710 (CAD$150,000). Each unit consists of one common share and one half of one warrant. Each whole warrant entitles the holder thereof to acquire an additional common share at a price of CAD$0.50. As part of the share issuance 214,286 warrants were issued with a strike price of CAD$0.50 and expire on the date which is the earlier of (i) 3 years following completion of the Qualifying Transaction or (ii) June 1, 2020. In addition, 30,000 broker warrants exercisable for units as described above were issued exercisable at CAD$0.35 and expiring on earlier of (i) three years following Qualifying Transaction or (ii) June 1, 2022.

In connection with the various issuances, the Corporation incurred total share issuance costs of $704,732 which have been recorded as a reduction in share capital.

On August 8, 2018, the Corporation issued 10,175,000 common shares in connections with the Qualifying Transaction at a price of CAD$0.35.

On June 1, 2019 in conjunction with the acquisition of Corporate Renaissance Group, the Corporation issued 4,473,684 shares as part of the purchase consideration.

On July 9, 2019, the corporation issued 750,000 common shares at a price of CAD$0.20.

(b) Warrants Issued

As part of the share issuance of 24,138,716 common shares on March 29, 2018, 12,069,358 warrants were issued with a strike price of CAD$0.50 and expire on the date which is the earlier of (i) 3 years following completion of the Qualifying Transaction (see Note 4) or (ii) March 29, 2020. In addition, 1,647,711 broker warrants were issued exercisable at CAD$0.35 and expiring on earlier of (i) three years following Qualifying Transaction or (ii) March 29, 2022. Each unit is comprised of one - and one-half common shares of the Corporation. Each warrant is convertible into one common share, and each broker warrant is convertible into a unit which is one- and one-half common shares.

As part of the share issuance of 428,572 common shares on June 1, 2018, 214,286 warrants were issued with a strike price of CAD$0.50 and expire on the date which is the earlier of (i) 3 years following completion of the Qualifying Transaction (see Note 4) or (ii) June 1, 2020. In addition, 30,000 broker warrants exercisable for units were issued exercisable at CAD$0.35 and expiring on earlier of (i) three years following Qualifying Transaction or (ii) June 1, 2022. Each unit is comprised of one- and one-half common shares of the Corporation. Each warrant is convertible into one common share, and each broker warrant is convertible into a unit which is one- and one-half common shares.

(Expressed in United States Dollars)

14. SHARE CAPITAL (Continued)

Both the warrants and the broker warrants were valued using the Black-Scholes model and a total value of $1,551,091 was recorded. The weighted average assumptions used in the Black-Scholes model are as follows:

Risk-free interest rate	1.88% - 2.00%
Expected term (in years)	2-3
Estimated dividend yield	0%
Weighted-average estimated volatility	114.2 - 130.2%

On June 1, 2019 in conjunction with the acquisition of Corporate Renaissance Group, the Corporation issued 19,500,000 shares purchase warrants as part of the purchase consideration. (See Note 4) Each warrant is non-transferable, detachable share purchase warrants, each such warrant entitling the holder to acquire on the terms set out there in one Quisitive Share at a price of $0.35 per Quisitive Share.

The share purchase warrants were valued using Black-Scholes model and a total value of $1,462,896 was recorded. The weighted average assumptions used in the Black-Scholes model are as follows:

Risk-free interest rate	1.95%
Expected term (in years)	2
Estimated dividend yield	0%
Weighted-average estimated volatility	148.18%

(c) Stock Options

	Number of options	Weighted average exercise price
Outstanding December 31, 2017	0	$ —
Granted	2,880,000	0.35
re-issued to former Nebo option holders	150,000	0.2
Outstanding December 31, 2018	3,030,000	$0.34
Granted	300,000	0.15
Forfeited/expired	550,000	
Outstanding at September 30, 2019	2,780,000	$0.37

The Corporation issued 2,880,000 options to employees and directors during 2018 (2017 — nil). All the strike prices are CAD$0.35 per share and the vesting schedule is 1/3 are vested on the date of issue, 1/3 on the 1st anniversary and 1/3 on the 2nd anniversary. The fair value of these options was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	2.03% - 2.19%
Expected term (in years)	5
Estimated dividend yield	0%
Weighted-average estimated volatility	104.8% - 141.1%
Weighted-average fair value per option	$ 0.19

(Expressed in United States Dollars)

14. SHARE CAPITAL (Continued)

The Corporation issued 300,000 stock options at an exercise price of $0.15 to employees and directors during 2019 (2018 — 2,880,000 with a $0.34 exercise price). All of the issued and outstanding stock options vest as follows: 1/3 on the date of issue, 1/3 on the first anniversary and 1/3 on the second anniversary of the grant date. The fair value of these options was estimated using the Black Scholes option pricing model with the following assumptions:

Risk Free Interest Rate:	1.25% - 2.19%
Expected term:	5 years
Estimated dividend yield:	0%
Volatility:	104.8 - 141.1%

In 2018, the Corporation issued 150,000 options to former Nebo option holders at a strike price of $0.20 per share and vested on issuance. These options expired on August 8, 2019.

For the quarter ended September 30, 2019, the Corporation recognized share based compensation of $32,939 (net of $36,090 in credits related to forfeited options).

The following options were issued and outstanding as at September 30, 2019:

Grant Date	Expiry Date	Ex price	Number of options	Exercisable
9-Apr-18	April 9, 2023	0.35	665,000	510,000
30-Apr-18	April 30, 2023	0.35	100,000	66,667
3-Jun-18	June 3, 2023	0.35	500,000	500,000
17-Aug-18	August 17, 2023	0.35	200,000	133,333
20-Nov-18	November 22, 2023	0.35	1,015,000	338,333
29-Aug-19	August 29, 2024	0.15	300,000	100,000
			2,780,000	1,648,333

The weighted average contractual life for the remaining options as at September 30, 2019 is 4.54 years.

(d) Restricted Stock Units

During the year, the Company granted 750,301 restricted stock units (RSU's) to employees. 400,301 RSU's vested immediately with the remaining 350,000 vesting in three equal instalments on the first, second, and third anniversary of the date of grant. Each RSU entitles the employee to either one share of the Corporation or the cash equivalent of one share of the Corporation at the exercise date. The fair value of

(Expressed in United States Dollars)

14. SHARE CAPITAL (Continued)

restricted stock awards is estimated using the market price of the Company's common stock at the date of grant. Restricted stock activity during the year is as follows:

	# of RSU's	Estimated fair value
Opening Balance January 1, 2019	—	$ —
Granted	750,301	122,551
Vested	400,301	63,051
Unvested	350,000	59,500
forfeited/cancelled	—	—
Closing balance September 30, 2019	750,301	122,551

15. NET INCOME (LOSS) PER SHARE

The Computation for basic and diluted net income (loss) per share for the three and nine months ended September 30, 2019 and 2018 are as follows:

	Three months ended September 30,	
	2019	2018
Net income (loss) for the period	$ 512,692	$ (3,749,609)
Weighted average number of shares outstanding, basic	89,981,328	79,065,181
Net income (loss) per share, basic and diluted	$ (0.01)	$ (0.05)

	Nine months ended September 30,	
	2019	2018
Net income (loss) for the period	$ 2,903,739	$ (4,965,294)
Weighted average number of shares outstanding, basic	87,086,539	66,042,681
Net income (loss) per share, basic and diluted	$ (0.01)	$ (0.08)

For the three and nine months ended September 30, 2019 potentially dilutive shares related to stock options, warrants, broker warrants, purchase price warrants and restricted stock units totaling 12,283,644, 2,946,667, 2,516,566, 19,500,000 and 750,301 respectively, have been excluded from the calculation of diluted number of shares because the impact would be anti-dilutive.

For the three and nine months ended September 30, 2018, potentially dilutive shares related to warrants, broker warrants and options totaling 12,283,644, 2,516,566 and 2,015,000, respectively, have been excluded from the calculation of diluted number of shares because the impact would be anti-dilutive.

16. CAPITAL MANAGEMENT

The Corporation considers its capital to be comprised of shareholders' equity (deficiency) and debt obligations. The Corporation's objectives in managing its capital are to maintain its ability to continue as a going concern, to further develop its business and ensure compliance with covenants of any applicable

(Expressed in United States Dollars)

16. CAPITAL MANAGEMENT (Continued)

credit facility and other financing facilities. To effectively manage the Corporation's capital requirements, the Corporation has a planning and budgeting process in place to meet its strategic goals.

The Corporation manages its capital structure and adjusts it depending on economic conditions and the rate of anticipated expenditures. The Corporation arranged credit facilities with a Canadian financial institution to maintain operations and future acquisitions. The Corporation may issue new shares or seek debt financing to ensure that there is sufficient working capital to meet its short-term business requirements.

17. NON-CONTROLLING INTEREST

The Corporation owns 90.1% of its subsidiary LedgerPay.

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

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

For the three and nine months ended September 30, 2019 the Corporation recorded non-controlling interest of $19,886 and $49,761 and recorded $1,154 and $3,805 respectively for the three and nine months ended September 30, 2018.

18. RELATED PARTIES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of its Board of Directors.

The following compensation was awarded to key management personnel:

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Salaries and short term benefits	267,147	155,508	631,302	382,071

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