FUSION AGILETECH PARTNERS, INC.

Condensed Consolidated Interim Financial Statements
For the Three and Six Months ended June 30, 2018 and 2017
(Unaudited)
(Expressed in United States Dollars)

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Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited 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 financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

FUSION AGILETECH PARTNERS, INC.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in United States Dollars)

	June 30, 2018	December 31, 2017
Assets		
Current		
Cash	$ 1,437,082	$ 1
Accounts receivable	2,551,005	-
Work in progress	153,039	-
Prepaid	71,973	-
	4,213,099	1
Deposits	43,241	-
Property and equipment, net (note 5)	212,203	-
Intangibles (note 6)	461,785	-
Goodwill (note 10)	11,696,372	-
	$ 16,627,700	$ 1
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 1,347,496	$ -
Deferred revenue	23,232	-
Equipment leases	162,877	-
Operating line of credit (note 7)	1,459,200	-
Accrued income taxes (note 4)	7,800	-
	3,000,605	-
Long term debt (note 7)	5,244,851	-
Deferred tax liability (note 4)	439,101	-
Earn-out liability (note 10)	1,202,000	-
	9,886,557	-
Shareholders' Equity (Deficiency)		
Share capital	6,367,123	1
Equity Reserves (note 11)	1,349,099	-
Contributed Surplus (note 11)	141,506	-
Other comprehensive income	137,967	-
Deficit	(1,255,552)	-
Equity Attributable to Owners of the Company	6,738,504	1
Non-Controlling Interest	1,639	-
	6,740,143	1
	$ 16,626,700	$ 1

Approved on behalf of the Board:

"Michael Reinhart" ……………………………………………… Michael Reinhart, CEO and Director

" Dave Guebert" ……………………………………………… Dave Guebert, Director

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

FUSION AGILETECH PARTERS, INC.
Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited)
(Expressed in United States Dollars)
For the three and six months ended

	Three Months Ended		Six Months Ended	
	June 30, 2018	**June 30, 2017**	**June 30, 2018**	**June 30, 2017**
Revenue	$ 3,207,308	$ -	$ 4,502,831	-
Cost of Revenue	(2,035,901)	-	(2,901,752)	-
	1,171,407	-	1,601,079	-
Operating Expenses				
Sales and marketing expense	269,543	-	398,298	-
General and administrative	1,058,474	-	1,505,047	-
Share-based compensation (note 11)	141,506	-	141,506	-
	1,469,523	-	2,044,851	-
Operating Loss	(298,116)	-	(443,772)	-
Interest expense	85,682		141,189	
Acquisition related expenses	68,691	-	223,691	-
Net Operating Loss for the Period	$ (452,489)	$ -	$ (808,652)	$ -
Income tax expense – current (note 4)	-	-	7,800	-
Deferred income tax expense (note 4)	-	-	439,100	-
Net Loss for the Period	(452,489)	-	(1,255,552)	-
Net Loss attributed to:				
Owners of the Company	$ (451,898)	$ -	$ (1,253,913)	$ -
Non-controlling interest	(591)	-	(1,639)	-
Basic and Diluted Loss Per Share	$ (0.01)	$	$ (0.02)	$ -
Weighted Average Number of Common Shares Outstanding	73,249,691		56,921,642	
Other Comprehensive Income (Loss)				
Foreign currency translation	73,862		137,967	
Total Comprehensive Income (Loss for the Period)	(378,627)		(1,117,585)	

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

FUSION AGILETECH PARTNERS, INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
(Unaudited)
(Expressed in United States Dollars)

	Share Capital						
	Number	**Amount**	**Contributed Surplus**	**Equity Reserves**	**Deficit**	**Non-Controlling Interest**	**Total**
		$	$	$	$	$	$
Balance, December 31, 2017	-	-	-	-	-	-	-
Share issuance	1,000,000	1	-	-	-	-	1
Shares issued from private placement	37,500,000	1,509,750	-	-	-	-	1,509,750
Shares issued in connection with Quisitive acquisition	11,588,725	466,562	-	-	-	-	466,562
Share issued from private placement	24,138,716	6,552,696	-	-	-	-	6,552,696
Share issuance costs	-	(920,398)	-	-	-	-	(920,398)
Warrants	-	(1,235,088)	-	1,235,088	-	-	-
Broker Warrants	-	(90,596)	-	90,596	-	-	-
Shares issued from 2nd private placement	428,572	115,710	-	-	-	-	115,710
Shares issuance costs 2nd private placement	-	(8,099)	-	-	-	-	(8,099)
Warrants from 2nd private placement	-	(21,766)	-	21,766	-	-	-
Broker Warrants from 2nd private placement	-	(1,649)	-	1,649	-	-	-
Share-based compensation	-	-	141,506	-	-	-	141,506
Other Comprehensive Income (loss)	-	-	-	-	137,967	-	137,967
Net income (loss) for the period	-	-	-	-	(1,253,913)	(1,639)	(1,255,552)
Balance, June 30, 2018	74,656,013	6,367,123	141,506	1,349,099	(1,115,946)	(1,639)	6,740,143

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

FUSION AGILETECH PARTNERS, INC.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in United States Dollars)

	Six Months Ended	
	June 30, 2018	**June 30, 2017**
Operating Activities		
Net loss for the period	$ (1,255,552)	$ -
Items not involving cash		
Amortization	24,748	-
Depreciation	44,581	-
Share-based compensation	141,506	-
Deferred income tax	439,100	-
	(605,617)	-
Changes in non-cash working capital		
Receivables	(867,199)	-
Work in progress	(80,415)	-
Prepaid expense	75,375	-
Accounts payable and accrued liabilities	180,919	-
Deferred revenue	23,232	-
Accrued income taxes	7,800	-
Cash Provided by (Used in) Operating Activities	(1,265,905)	-
Investing Activity		
Purchase of property and equipment	(16,069)	-
Capitalization of intangibles	(330,279)	-
Investment in Quisitive, LLC.	(4,328,363)	-
Cash Used in Investing Activity	(4,674,711)	-
Financing Activities		
Proceeds from share issuance, net of issuance costs	7,249,658	1
Interest paid on long term debt	141,189	-
Draw on line of credit	12,138	-
Payment of equipment leases	(25,288)	-
Cash Provided by (Used in) Financing Activities	7,377,697	1
Foreign Exchange Effect on Cash	-	-
Inflow (Outflow) of Cash	1,437,081	1
Cash, Beginning of Period	1	-
Cash, End of Period	$ 1,437,082	$ 1

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

1. GENERAL INFORMATION

(a) Nature of Business and Going Concern

Fusion Agiletech Partners, Inc. (formerly Fusion Martech Partners, Inc.) (the "Company" or "Fusion Canada") was incorporated on February 8th, 2017 under the *Business Corporation Act* (Ontario). On November 30th, 2017 the Company changed its name to Fusion Agiletech Partners, Inc. The Company is a holding company that has been incorporated to acquire IT service companies in the United States and Canada. The address of the Company's registered office is 161 Bay Street, Suite 2325, Toronto, Ontario, M5J 2S1.

Fusion Agile Tech Holdings Ltd. ("Fusion Holdings") was incorporated on December 22nd, 2017 under the General Corporate Law of the State of Delaware. On January 10, 2018, Fusion Holdings became a wholly owned subsidiary of the Company, which is a holding company that was incorporated to acquire IT service companies in the United States and Canada. The address of Fusion Holding's registered office is 919 North Market Street, Suite 950, Wilmington, Delaware, 19801.

On January 22, 2018, Fusion Holdings entered into a definitive agreement to acquire the shares of MRA Digital Consulting Inc., the shares of Quisitive LLC ("Quisitive") and the shares of LedgerPay Inc. ("LedgerPay"). The transactions closed on February 20, 2018 (see Note 10) and the operations of LedgerPay and Quisitive since February 21, 2018 have been reflected in the condensed consolidated interim financial statements.

Quisitive is a Texas Limited Liability Company and provides capabilities in customer-oriented information technology solutions, specializing in blockchain and transformative technologies, strategy and management consulting, agile software development, digital transformation, cloud and data analytics. Quisitive's headquarters is 1431 Greenway Drive Suite 1000 Irving, TX 75038 and has a secondary office in Denver, Colorado.

LedgerPay 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 blockchain-enabled payments-related software products. Fusion Holdings owns 88.9% of LedgerPay. The address of the LedgerPay's registered office is 919 North Market Street, Suite 950, Wilmington, Delaware, 19801.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to 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. Several conditions raise significant doubt regarding the validity of the going concern basis. The Company incurred losses and negative operating cash flows. As at June 30, 2018, the Company has an accumulated deficit of $1,115,946 (December 31, 2017 - $nil). The Company will require additional funding in order to satisfy its liabilities as they become due and sustain its ongoing operations in the normal course of business. The Company plans to generate the necessary resources to finance operations by way of a combination of sales of its products, issuance of equity securities and debt instruments.

The condensed consolidated interim financial statements do not reflect adjustments to the amounts and classifications of assets and liabilities that would be necessary if the going concern assumption was not appropriate. Such adjustments could be significant.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

These condensed consolidated interim financial statements for the three months ended June 30, 2018 of the Company were prepared in accordance with International Accounting 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 interim consolidated financial statements for the quarter ended March 31, 2018 prepared in accordance with International Financial Reporting Standards ["IFRS"] as issued by the IASB.

Certain comparative figures have been reclassified to conform to the current period’s presentation.

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 six months ended June 30, 2018 should be read together with the annual consolidated financial statements for the year ended December 31, 2017.

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 Company’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, 2017. These condensed consolidated interim financial statements were authorized for issue by the Board of the Directors on August 29, 2018.

(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, except where otherwise noted. United States of American Dollars is the operational currency used by all the subsidiary, Fusion Holdings, Quisitive and LedgerPay. Fusion Canada’s functional currency is Canadian Dollars.

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

(c) Application of New IFRS Requirements

For the preparation of these condensed consolidated interim financial statements, the following amendments to Standards are mandatory for the first time for the financial year beginning January 1, 2018.

(d) New Interpretations

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.

(e) New Standards

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 Company has elected to apply the limited exemption in IFRS 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. 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.

(f) Classification

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

(g) Financial Assets at Fair Value through Comprehensive Income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through comprehensive income instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at fair value through other comprehensive income are initially measured at fair value and changes therein are recognized in other comprehensive income.

(h) 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.

(i) Impairment

The Company 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 Company 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 Company applies the simplified approach as permitted by IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company 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 Company under the contract, and the cash flows that the Company expects to receive. The Company 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 Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

(j) Summary of the Company'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
Long-term debt	Amortized cost	Amortized cost	Other liabilities	Amortized cost

(k) Adoption of IFRS 5 – Revenue from Contracts with Customers

The Company has adopted IFRS 15 – Revenue from Contracts with Customers for the three months ended March 31, 2018. 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 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.

(l) ***IFRS 16 Leases (issued in January 2016)*** - The Standard, effective for annual periods beginning on or after January 1, 2019 (earlier application permitted only if IFRS 15 also applied), replaces IAS 17 and its Interpretations. The biggest change introduced is that almost all leases will be brought onto lessees' balance sheets under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Lessor

accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. Management anticipates that IFRS 16 will be adopted in the Company's consolidated financial statements when it becomes mandatory, with the following effects:

i. For the Company’s non-cancellable operating lease commitments as of December 31, 2017 (Note 9), a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under IFRS 16. Thus, the Company will have to recognize a right-of-use asset and a corresponding liability in respect of all these leases - unless they qualify for low value or short-term leases upon the application of IFRS 16 – which might have a significant impact on the amounts recognized in the Company’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of that effect until Management completes their review.
ii. For finance leases where the Company is a lessee, as the Company has already recognized an asset and a related finance lease liability for the lease arrangement, Management is currently assessing the impact IFRS 16 will have on the Company's financial statements.

(B) REVENUE AND COST RECOGNITION

Time and material engagements are accounted for using the percentage of completion method as project progress occurs. Revenue is recognized in proportion to the number of service activities performed, in proportion to the direct costs of performing the service activities, or evenly across the period of performance depending upon the nature of service provided.

Revenues from all projects may vary based on the actual number of labor hours worked and other actual contract costs incurred. If actual labor hours and other project costs exceed the original estimate agreed to by our client, the Company generally obtains a change order or a contract modification.

Certain costs incurred by the Company 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 labor 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. Changes in job performance, job conditions, and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

(C) BASIS OF CONSOLIDATION

(a) Subsidiaries

A subsidiary is an entity controlled by the Company, i.e. the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity’s relevant activities (power over the investee).

The existence and effect of potential voting rights that the Company has the practical ability to exercise (i.e. substantive rights) are considered when assessing whether the Company controls another entity.

The Company's financial statements incorporate the results, cash flows, assets and liabilities of IFRS Statements Limited and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Company obtains control of the acquired business, until that control ceases. All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

The non-controlling interests in the net assets and net results of consolidated subsidiaries are shown separately in the condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss, and condensed consolidated interim statement of comprehensive income.

Total comprehensive income (i.e. profit or loss and each component of other comprehensive income) is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control are accounted for as transactions with owners in their capacity as owners (i.e. equity transactions). The carrying amounts of the Company's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent.

Upon loss of control of a subsidiary, the Company's profit or loss is calculated as the difference between (i) the fair value of the consideration received and of any investment retained in the former subsidiary and (ii) the previous carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests.

(b) Translation of Financial Statements of Foreign Entities

The assets and liabilities of foreign operations are translated into United States dollars using exchange rates at the reporting date. The components of shareholders' equity are stated at historical value.

Average exchange rates for the period are used to translate income and expense items of foreign operations. However, if exchange rates fluctuate significantly, the exchange rates at the dates of the transactions are used.

All resulting exchange differences are recognized in other comprehensive income and accumulated in currency translation reserve, a separate component of equity.

Any goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and, as such, translated at the closing rate.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation that are attributable to the owners of the parent company are reclassified to profit or loss. The cumulative amount of the exchange differences relating to that foreign operation that had been

attributed to the non-controlling interests are derecognized, but without reclassification to profit or loss. The same applies in case of loss of control, joint control or significant influence.
On the partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of exchange differences accumulated in the separate component of equity are re-attributed to non-controlling interests (they are not recognized in profit or loss). For any other partial disposal of a foreign entity (i.e. associates or joint arrangements without loss of significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(c) Business Combinations

The Company applies the acquisition method to account for all acquired businesses, whereby the identifiable assets acquired, and the liabilities assumed are measured at their acquisition-date fair values (with few exceptions as required by IFRS 3 Business Combinations).

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, the liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company.

Acquisition-related costs such as finder's fees, consulting fees, administrative costs are recognized as expenses in the periods in which the costs are incurred and the services are received.

On acquisition date, goodwill is measured as the excess of the aggregate of consideration transferred, any non-controlling interests in the acquiree, and acquisition-date fair value of the Company's previously held equity interest in the acquiree (if business combination achieved in stages) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after appropriate reassessment, the amount as calculated above is negative, it is recognized immediately in profit or loss as a bargain purchase gain.

At acquisition date, non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. This choice of measurement is made separately for each business combination. Other components of non-controlling interests are measured at their acquisition-date fair values, unless otherwise required by IFRS.

The acquisition-date fair value of any contingent consideration is recognized as part of the consideration transferred by the Company in exchange for the acquiree. Changes in the fair value of contingent consideration that result from additional information obtained during the measurement period (maximum one year from the acquisition date) about facts and circumstances that existed at the acquisition date are adjusted retrospectively against goodwill. Other changes resulting from events after the acquisition date are adjusted at each reporting date, only when the contingent consideration is classified as an asset or a liability (i.e. not equity), and the adjustment is recognized in profit or loss. In a business combination achieved in stages, the Company remeasures its previously held equity interest in the acquiree at its

acquisition-date fair value and any resulting gain or loss is recognized in profit or loss. If any, changes in the value of the Company's equity interest in the acquiree that have been previously recognized in other comprehensive income are reclassified to profit or loss, if appropriate had that interest been disposed of directly.

(D) INCOME TAXES

Income tax comprises current and deferred tax. Income tax is recognized in the statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' equity, in which case the income tax is also recognized directly in shareholders' equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the reporting period, and any adjustments to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted at the statement of financial position dates and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable the assets can be recovered.

(a) Provisions

A provision is recognized when the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The Company has not been audited by the Internal Revenue Service or other state agencies, and accordingly the business tax returns for the past two and one-half years (from inception) are open to examination. Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the financial statements.

(E) PROPERTY AND EQUIPMENT

For financial reporting purposes, equipment is recorded at cost. Depreciation of equipment is calculated by the straight-line and declining balance methods. Software is depreciated on a straight-line basis over the life of the software. Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the lease term.

Estimated useful lives for major asset categories are listed below:

Asset Categories	Years
Computer and network equipment	3-7 years
Furniture and equipment	3-7 years
Leasehold improvements	5 years
Software	3 years

Expenditures over $2,500 for major renewals and betterments that extend the useful life of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

(F) INTANGIBLES

(a) Internally Generated Intangible Assets

Development costs represent typical internally generated intangible assets of relevance. Costs incurred in relation to individual projects are capitalized only when the future economic benefit of the project is probable and the following main conditions are met: (i) the development costs can be measured reliably, (ii) the technical feasibility of the product has been ascertained and (iii) Management has the intention and ability to complete the intangible asset and use or sell it.

When expenditure is initially recognized as an expense, for example where it cannot be determined whether future economic benefits are probable, it cannot later be recognized as part of the cost of an intangible asset. Internally generated intangible assets primarily relate to internally developed software and internally developed patented technology as well as processes or receipts and are amortized over three years. Research costs are expensed as incurred.

(G) IMPAIRMENT OF NON-FINANCIAL ASSETS

(a) Property and Equipment and Intangible Assets with Useful Lives

The carrying amounts of such assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the statement of profit or loss to its estimated recoverable amount. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Value in use is the present value of the estimated future cash flows of the asset / unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset / unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(b) Goodwill and Intangible Assets with Indefinite Useful Lives

Irrespective of whether there is any indication of impairment, such assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire were assigned to those units or groups of units.

Each unit or company of units to which the goodwill is so allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

Goodwill impairment is not reversed in any circumstances.

(H) DEFERRED REVENUE

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

(I) ACCOUNTS RECEIVABLE

Credit terms are extended to customers in the normal course of business. The Company 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 Company'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 Company's credit terms.

(J) FINANCIAL INSTRUMENTS

(a) Financial Instruments

The Company has classified its cash as fair value through profit and loss ("**FVTPL**"), receivables as loans and receivables, and accounts payable and accrued liabilities, due to related parties and convertible debentures as other financial liabilities.

The carrying values of cash, receivables, and accounts payable and accrued liabilities approximate their fair values due to their short periods to maturity.

(b) *Fair Value Hierarchy*

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data

Level 3 – inputs for assets and liabilities not based upon observable market data

(K) FOREIGN CURRENCY TRANSACTION

Foreign currency monetary assets and liabilities are translated into the functional currency of the concerned entity of the Company using the exchange rates at the reporting date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognized in profit or loss (except when deferred in other comprehensive income as qualifying cash flow hedges).

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency (e.g. available-for-sale equity instruments) are translated using the exchange rates at the date when the fair value is determined.

(L) DEFINED CONTRIBUTION RETIREMENT BENEFITS

The Quisitive has adopted a defined contribution (401(k)) retirement plan for employees who have completed one year of service, and work 1,000 hours annually. The Plan provides for discretionary profit sharing contributions and deferred contributions allowable under section 401(k) of the Internal Revenue Code. Discretionary contributions are determined by the Board of Directors in an amount not to exceed the amount deductible for federal income tax purposes and are allocated amongst participants based on an integrated formula. For the quarter ended employer contributions were $0.

(M) SHARE-BASED PAYMENTS

Share-based payments of the Company are equity-settled share options granted to employees, for which an option pricing model is used to estimate the fair value at grant date. That fair value is charged on a straight-line basis as an expense in the consolidated statement of profit or loss over the period that the employee becomes unconditionally entitled to the options (vesting period), with a corresponding increase in equity.

If the Company modifies the terms and conditions on which the equity instruments were granted, as a minimum, the services received measured at the grant date fair value of the equity instruments granted (unless those equity instruments do not vest because of failure to satisfy a vesting condition other than a market condition) are charged to profit or loss.

Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting; therefore, the unrecognized remaining amount is recognized immediately in the consolidated statement of profit or loss.

3. SEGMENT INFORMATION

For management purposes, there is one major unit because there is no revenue activity from LedgerPay or the other holding companies. All revenues are generated in the United States of America.

4. INCOME TAXES

		June 30, 2018		December 31, 2017
Current taxes	$	7,800	$	-
Promissory Note		439,100		-
Total income tax expense	$	446,900	$	-

Income tax expense exceeds the statutory rate as a result of the initial year accrual to cash for Quisitive.

The tax effects of temporary differences that give rise to the Company's deferred income tax assets and liabilities consist of the following:

		June 30, 2018
Deferred tax assets		
Net operating loss carryforward	$	152,000
Total deferred tax assets		152,000
Deferred tax liabilities		
Accrual to cash conversion	$	266,100
Accelerated depreciation and amortization for tax		325,000
Total deferred tax liability	$	591,100
Net deferred tax asset (liability)	$	(439,100)

5. PROPERTY AND EQUIPMENT

	Six months ended June 30,			
		2018		2017
Computers and network equipment	$	113,216	$	-
Furniture and equipment		399,267		-
Leasehold improvements		36,239		-
Software		12,205		-

Total Cost		560,927		-
Less Accumulated Depreciation		(348,724)		-
Net property and equipment	$	212,203	$	-

Depreciation expense for the quarter ending June 30, 2018 was $33,452.

6. INTANGIBLES

Intangible software includes internally developed software relating to the following:

a. **Data Link** is a cloud based data ingestion software service that loads data to Microsoft's Azure Datalink environment.
b. **LedgerPay Product Family** is focused on loyalty, payments and compliance for retail and banks.
   i. This includes software development work
   ii. Business planning and product roadmap development
c. **Blockchain Oil Pipeline solution –** software development services as well as sales and marketing asset development
d. **Blockchain methodology**, services, a programmatic practice development

As of June 30, 2018 the Company has capitalized $516.229 and amortized $54,444 for a net of $461,785. Amortization expense for the quarter ending June 30, 2018 was $3,830.

7. OPERATING LINE OF CREDIT

Quisitive has a $1,500,000 operating line of credit guaranteed by the Company. The note is secured by the general assets of Quisitive and accrues interest at 3.25% above LIBOR Daily Float Rate (LIBOR Daily Floating Rate at June 30, 2018 was 1.7%). Interest is payable monthly and borrowings are subject to a monthly borrowing base calculation. 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. Beginning June 30, 2017, Quisitive failed the covenant but as of December 31, 2017, the covenant was waived. As of June 30, 2018 Quisitive is in compliance with the financial covenants however the financial institution has called the operating line of credit and the equipment leases due to issues in 2017 and effective August 31, 2018 the line and the equipment leases will be repaid in full.

The operating line of credit will soon be replaced by a factoring facility at an interest rate of 7.5% above LIBOR Daily Floating Rate plus an administrative fee of 0.35% of the invoice value. The credit facility will be in the amount of $2,000,000 and will factor receivables at the rate of 85% of current invoices and will have a term of 12 months. The agreement is in underwriting and is not yet finalized.

As of August 27, 2018 the outstanding balance was $936,363.

8. LONG-TERM DEBT

Quisitive has a long term debt repayable in unequal monthly installments, plus 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 Company's personal property. Interest is being paid monthly, and the full amount of principal is due February 23, 2020.

	Six months ended June 30, 2018	2017
Long term debt	$ 5,244,851	$ -
Interest paid for the quarter ending June 30, 2018	$ 85,682	$ -

9. LEASE COMMITMENTS

Quisitive has leased its two office facilities under separate non-cancellable operating leases. Total monthly rent for the two leases is $50,000 plus operating costs. Rent expense for these leases was $7181,119 for the second quarter of 2018.

Future minimum cash payments required under these two leases are as follows:

	12 months ending, June 30, 2018	2017
2019	$ 622,137	$ -
2020	553,172	-
2021	450,556	-
2022	189,484	-
Total	$ 1,815,351	$ -

10. BUSINESS COMBINATIONS

On February 20, 2018, Fusion Holdings purchased all outstanding member units of Quisitive to become 100% owner. For the 8 days of February and all of March 2018, the subsidiary contributed revenue of $1,295,523, $429,672 in gross profit and a net loss of $64,132 for the period. As part of the purchase of Quisitive, there is an unallocated purchase price premium which management has yet to allocate. Management has one year to determine the purchase price allocation.

The fair values shown below for Quisitive are provisional as the allowed hindsight period has not yet expired. A detailed expert report on the fair value is expected to be available in time for the next set of annual financial statements.

As part of the compensation for the Quisitive membership units, the Company entered into an earn-out with certain former Quisitive members (the "Earn-Out"). The Earn-Out has a maximum payout of $2,500,000 based on a five times EBITDA exceeding $1,700,000 to a maximum of $2,200,000 over a two-year period. Management has estimated the fair market value of the Earn-Out to be $1,202,000 by

estimating the likelihood of achieving such Earn-Out goals and applying a present value to such likely amounts.

		Provisional fair value
Current assets	$	1,600,756
Property and equipment		396,969
Other assets		43,241
Total Assets		2,040,966
Current liabilities		(958,183)
Line of credit		(1,581,371)
Loan payable - Gideon		(5,529,272)
Total Liabilities	$	(8,068,826)
Net liabilities assumed		(6,027,860)
Consideration of the acquisition		5,668,563
Unallocated Purchase Price Premium	$	11,696,423
Satisfied by:		
11,558,738 shares issued at market price		466,563
Cash paid		4,000,000
Fair value of earn-out		1,202,000
Consideration of the acquisition	$	5,668,563

11. SHARE CAPITAL

(a) Share Issuances

The Company is authorized to issue an unlimited number of Fusion shares. As at June 30, 2018, 74,656,013 Fusion Shares were issued and outstanding as fully paid and non-assessable.

(b) Warrants Issued

As part of the share issuance 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 RTO (as defined below) or (ii) March 29, 2020. In addition, 1,647,711 broker warrants exercisable for units were issued exercisable at CAD$0.35 and expiring on earlier of (i) three years following RTO or (ii) March 29, 2022.

As part of the share issuance 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 RTO (as defined below) 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 RTO or (ii) June 1, 2022.

Both the fusion warrants and the fusion broker warrants were valued using Black-Scholes model and a total of $1,319,099 was recorded. The weighted average assumptions used in the Black-Scholes model are as follows:

Risk-free interest rate	2.97%
Expected term (in years)	3
Estimated dividend yield	0%
Weighted-average estimated volatility	180%

(c) Stock Options

	Number of Options	Weighted Average Exercise Price (CAD)
Outstanding, December 31, 2017	-	-
Granted	1,665,000	0.35
Outstanding, June 30, 2018	1,665,000	0.35

The Company issued 1,665,000 options to employees and directors. All of the strike prices are CAD$0.35 per share and the vesting is 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%
Expected term (in years)	5
Estimated dividend yield	0%
Weighted-average estimated volatility	100%

For the six months ended June 30, 2018, the Company recognized share-based compensation of $141,506 (2017 - $Nil) relating to the stock options that vested during the period.

12. SUBSEQUENT EVENT

Quisitive Technology Solutions, Inc. (formerly Nebo Capital Corp.) ("Quisitive") and Fusion Agiletech Partners Inc. ("Fusion") effective August 8, 2018 completed the previously announced business combination which resulted in a reverse take-over of Quisitive by the shareholders of Fusion (the "Transaction"). The common shares of Quisitive (the "Quisitive Shares") resumed trading on the TSX Venture Exchange (the "TSXV") under the symbol "QUIS" at the open on Monday, August 13, 2018.

The Transaction proceeded by way of a three cornered amalgamation (the "Amalgamation") pursuant to which Fusion amalgamated with Nebo Acquisition Corp., a wholly-owned subsidiary of Quisitive ("Subco") incorporated under the laws of Ontario, and Quisitive acquired all of the issued and outstanding Class A common shares of Fusion (the "Fusion Shares"), in exchange for Quisitive Shares

on a 1:1 basis, such that Fusion became a wholly-owned subsidiary of Quisitive. The Amalgamation also provided that all outstanding convertible securities to purchase Fusion Shares were either exchanged in accordance with their terms, on a 1:1 basis, for economically equivalent securities of Quisitive or became exercisable for equivalent securities of Quisitive in lieu of securities of Fusion and otherwise on the same terms and conditions. In connection with the closing of the Transaction, Quisitive 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), of which the shareholders of Quisitive hold approximately 11.99%, and the shareholders of Fusion 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"), a subsidiary of Fusion Agile Tech Holdings Ltd. ("Fusion Holdings"), which in turn is a subsidiary of Fusion, and which amount shall be payable in Quisitive Shares at a deemed price of $0.35 per share; Quisitive will be required to issue 2,125,000 Quisitive Shares as employment incentives to certain employees of LedgerPay Inc., a subsidiary of Fusion Holdings; and1,815,000 Quisitive Shares are reserved for issuance upon the exercise of all previously existing stock options of Fusion and Quisitive.

13. KEY MANAGEMENT COMPENSATION

The compensation paid or payable to key management personnel during the three months ended June 30, 2018 and 2017 were as follows:

	Three months ended June 30,	
	2018	2017
Salaries and employee benefits	$ 178,105	$ -

Executive Officers own directly or beneficially 15.1% of the issued common shares of the Company ("Common Shares") as at June 30, 2018.