

Source: FactSet, QUIS-V started trading Aug 13, 2018.

Market Data (C\$)

Share Price	\$ 0.40
Market Capitalization (M)	\$ 44.7
Net Debt (M)	\$ 10.9
Enterprise Value (M)	\$ 55.6
Basic Shares O/S	111.8
Avg. Daily Volume (M)	0.074
52 Week Range	\$0.55 / \$0.07
Dividend Yield	0.0%
EV/Sales (2020E)	1.5

Management

CEO	Mike Reinhart
CFO	Michael Murphy
SVP, Consulting Services	Steven Balusek
SVP, Production Innovation	Scotty Perkins
President, CRG	Dr. Vijay Jog
President, Menlo Technologies	Gary Prioste
VP, North America Sales	Kevin Castillo
VP, Marketing	Tami Anders

Total Insider Ownership 36%

Business Description

Quisitive is a premier Microsoft solutions provider that helps enterprise organizations move, operate and innovate in the Microsoft cloud: Microsoft Azure, Microsoft Dynamics and Microsoft O365 as well as provide proprietary Software as a Service ("SaaS") solutions such as CRG emPerform(TM), LedgerPay payments and cloud data services (platform and business solutions from other technology partners that complement the Microsoft platform). QUIS helps customers harness the power of the Microsoft cloud and innovative technologies such as, artificial intelligence (AI), machine learning (ML), the Internet of Things (IoT) and blockchain through customized solutions. QUIS serves clients globally with offices in Dallas/Austin, TX; Denver, CO; Silicon Valley; Washington, DC; Minneapolis, MN; Ottawa/Toronto, ON; and Hyderabad, India.



LEDGERPAY UNVEILED; REV19 FIRST OUT OF THE GATE; DUNNHUMBY GO-TO-MARKET

Highlights

- QUIS announced the release of LedgerPay, a secure, Microsoft cloud-based payment processing and data insights platform.
- LedgerPay is the only cloud-based payment processing platform to incorporate data collection and analysis with each transaction, thereby transforming payment transactions into beneficial, profitable, and actionable experiences for brick-and-mortar merchants such as grocers, quick serve restaurants (QSR) and big box retailers and their customers.
- In addition, QUIS announced a strategic partnership and software licensing agreement with Rev19, a merchant services and financial technology company. LedgerPay empowers Rev19 to connect their merchants with consumer insights previously unavailable, offering merchants the ability to provide customers with improved experiences in stores and restaurants.
- LedgerPay also announced a strategic go-to-market relationship with dunnhumby, a global leader in customer data science - offering a first-of-its-kind service for brick-and-mortar merchants such as QSRs, grocers, and other retailers.

Catalysts

- We expect more LedgerPay announcements as QUIS works through its pipeline. Future deals could be a mix of SaaS-based revenue and annual license with maintenance and support.
- QUIS will host a Virtual Investor and Analyst Meeting on April 8, 2020, featuring the LedgerPay, Microsoft and dunnhumby partnership.

Valuation

On 2021E consensus estimates, QUIS is trading at an EV/Sales and EV/EBITDA of 1.0x/7.0x versus its North American IT Services and Global Payment Technology comparables trading at 1.3x/10.0x and 4.9x/12.7x, respectively.

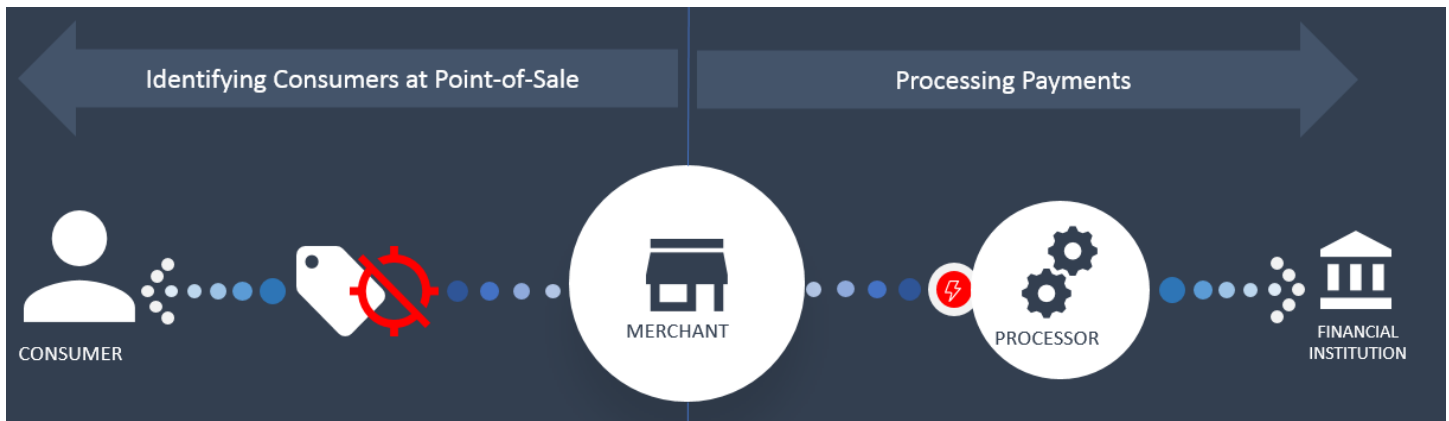
We believe QUIS's consulting business should trade in-line with IT Services companies at 1-1.5x EV/Sales, and 10-12x EV/EBITDA, and LedgerPay should trade in-line with Fin Tech companies at 5-6x EV/Sales, and 13-15x EV/EBITDA. Using a sum-of-the-parts calculation on 2021E estimates for QUIS yields a valuation in the \$0.69-1.41 range.

LEDGERPAY UNVEILED



Quisitive’s LedgerPay SaaS solution is poised to disrupt the status quo and transform payment transactions into beneficial, profitable and actionable experiences for merchants and their consumers through cloud-based payment and data analytics solutions. LedgerPay solves the problem of identifying consumers at the point-of-sale (POS) while bypassing loyalty and coupon programs, as well as intermediary payment processors.

Exhibit 1 – Solving a Problem at Point-of-Sale (POS)



Source: Company Documents

LedgerPay harnesses the power of Microsoft Azure to enable merchants to instantly learn specific, definable information about their customers that they can then act upon for marketing, promotions, and assortment purposes. Unlike loyalty programs, which only account for a small percentage of consumers who opt in, LedgerPay taps into data from every single customer who uses a payment card. There are two distinct solutions within the LedgerPay Suite:

Payment Processing. Provides traditional payment processing services on a modern, Microsoft cloud-based platform, providing merchants with a highly cost-effective combination of exceptional performance and ease of integration. LedgerPay is the first payment processor designed specifically to personalize and improve the customer experience and increase the retailer’s bottom line and customer loyalty.

Payment Tokenization. Enables merchants to securely and instantly learn specific, definable information about their customers they can leverage for marketing, promotions, and inventory purposes. Unlike loyalty programs, which only account for a small percentage of consumers who opt in, LedgerPay provides data insights from every customer who uses a payment card.

LedgerPay benefits ISOs, merchants, and ACH payables, as follows:

Independent Sales Organizations (ISO). LedgerPay provides ISOs a way to add the value of customer data collection and analytics to their current services, creating deeper loyalty with their customer base.

Quick Serve Restaurants (QSR) and Grocers. LedgerPay enables QSRs and Grocers to capitalize on additional revenue by providing invaluable--and previously unavailable--insights into customers with every payment transaction.

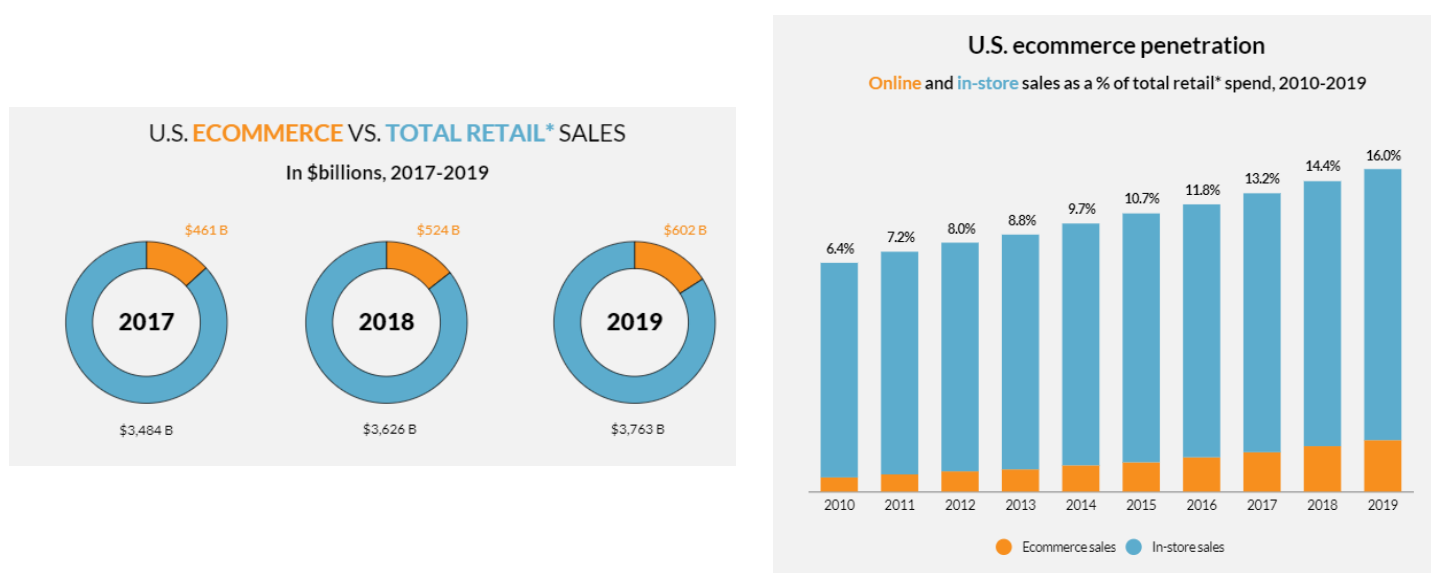
Automated Clearing House (ACH) Payables. LedgerPay is a fully-featured payment and settlement platform, providing high-performance payments for enterprises beyond just credit and debit. Enterprises can utilize LedgerPay to enable ACH and other payables automation and integrate it seamlessly with financial operations and financial reporting solutions such as Microsoft Dynamics 365 and SAP.

LedgerPay links to non-cash payment methods to provide high-value customer insights. The market for non-cash payments is significant:

- \$144B in non-cash payments in the US
- 85% of low-income consumers and 95% of upper-middle income consumers prefer non-cash payment methods
- 90% of purchase transactions in the United States are at brick and mortar merchant locations
- Credit card payments up 8.0% and debit payments up 7.1% since 2012

According to a Digital Commerce 360 study of U.S. Commerce Department retail data, online spending represented 16.0% of total retail sales for 2019. Amazon accounted for more than a third of all ecommerce in the United States. Consumers spent US\$601.75 billion online with U.S. merchants in 2019, up 14.9% from US\$523.64 billion the prior year. According to Statista, retail e-commerce sales in Canada was almost US\$25.4 billion in 2019.

Exhibit 2 – Brick and Mortar Sales Still Reign in the U.S.



Source: Digital Commerce 360 (formerly Internet Retailer) analysis of U.S. Department of Commerce data

*Total retail figures exclude sales of items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers

THE LEDGERPAY, MICROSOFT AND DUNNHUMBY PARTNERSHIP

In January 2020, **Microsoft and dunnhumby announced a global strategic partnership**, in a move that could transform the \$5.9 trillion retail sector. Under the partnership, dunnhumby will move its customer insights products to Microsoft Azure, giving retailers and suppliers instant and secure access to dunnhumby's data science tools.

dunnhumby (a Tesco subsidiary) is the world's leading customer data science company, analyzing data and applying insights from more than 660 million shoppers across the globe to create personalized customer experiences in digital, mobile, and retail environments. dunnhumby's strategic process, proprietary insights, and multichannel media capabilities build loyalty with customers to drive competitive advantage and sustained growth for clients. dunnhumby employs nearly 2,000 experts in offices throughout Europe, Asia, Africa, and the Americas and works with a prestigious group of companies including Tesco, The Kroger Co., Coca-Cola, Macy's, Procter & Gamble, and PepsiCo.

Exhibit 3 – dunnhumby at a glance



9Bn+ data records processed every week. Insights from **1.3Bn+** shoppers globally.



44Bn baskets managed daily. **4.8Bn** uniquely personalised offers.



\$600Bn in retail sales analysed.



15k professionals using our tools. **500+** in-house data analysts & scientists.



46 offices in 27 countries. **30 years' experience** in Customer Data Science.

Source: Company documents

The data monetization business in the US is a \$1.7B business, led by dunnhumby. According to Forrester, 85% of grocers said it was a top priority to develop new revenue streams over the next 12 months. The LedgerPay team is partnering with dunnhumby to drive a joint go-to-market strategy that can monetize data for up to 0.25% of a retailer's top line. The non-cash payments for the #15 grocer in the U.S. was \$1.6B in 2019. **This would be a \$30M annual revenue opportunity for LedgerPay.**

LedgerPay will offer: (1) traditional payment processing services on a modern, cloud-enabled platform for a fee per transaction; and (2) data monetization leveraging detailed historical purchase data for accurate targeted marketing with the end goal to increase customer sales and customer satisfaction.

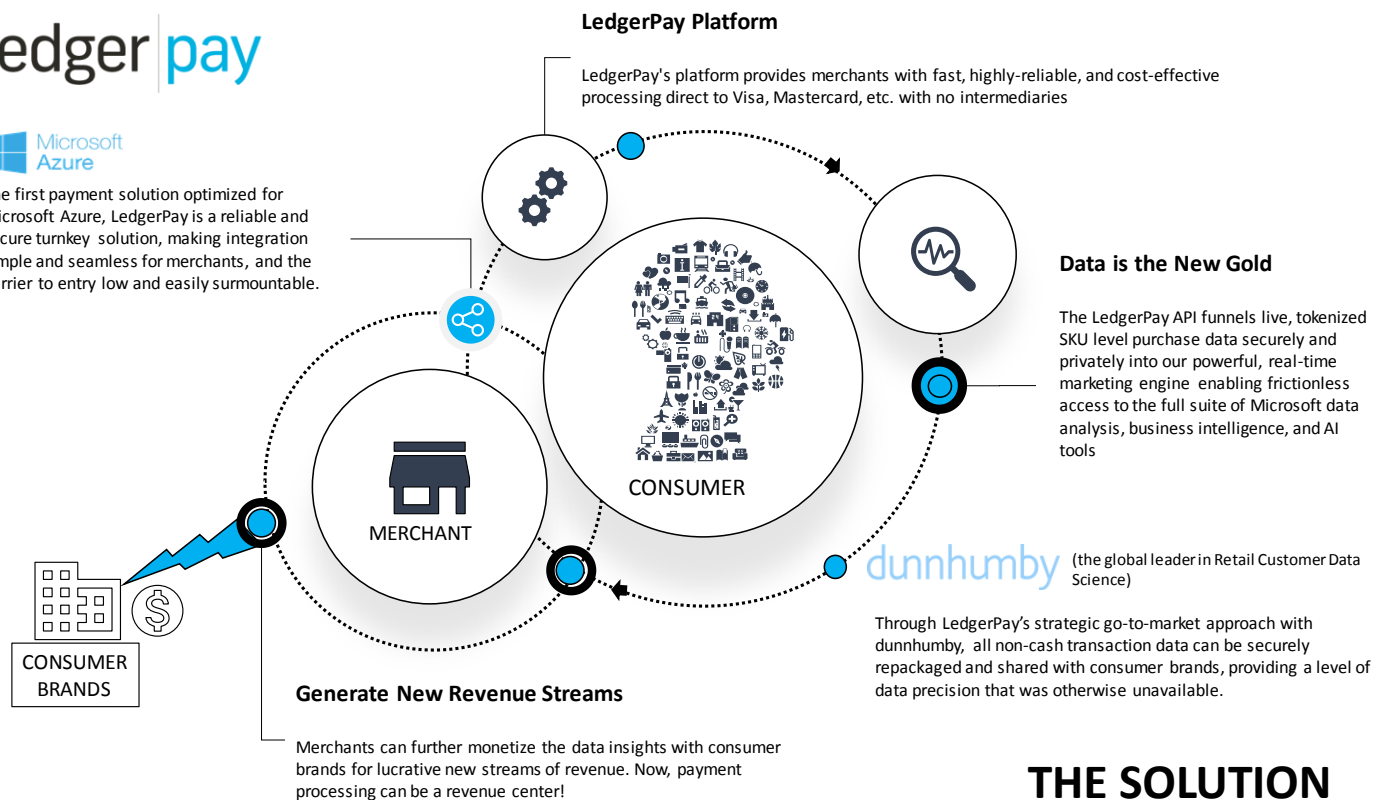
LedgerPay also announced a strategic go-to-market relationship with dunnhumby - offering a first-of-its-kind service for brick-and-mortar merchants such as QSRs, grocers, and other retailers. The strategy will be to co-sell with dunnhumby to introduce their payment tokenization solution to their portfolio customers. Once tokenization is in place at a given retailer, expand into payment processing, replacing legacy incumbents with LedgerPay's superior offering as contracts expire. With Microsoft's support, this leads to developing Azure-native, minimal-coding-required integrations for any size merchant.

Exhibit 4 – LedgerPay Platform Brings Together Microsoft Azure and dunnhumby

ledger pay



The first payment solution optimized for Microsoft Azure, LedgerPay is a reliable and secure turnkey solution, making integration simple and seamless for merchants, and the barrier to entry low and easily surmountable.



THE SOLUTION

Source: Company Documents

Competition







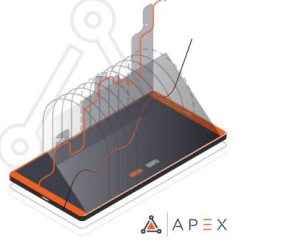
The "Big 4" processors (Fiserv/First Data, Chase Paymentech, Global Payments/TSYS and Vantiv/Worldpay) have legacy architecture that are static and expensive. To keep margins high, massive consolidation is underway to stave off disruption and avoid the inevitable race to the bottom. Fiserv acquired First Data for \$38.5B; Global Payments acquired TSYS for \$25.9B; and Vantiv acquired Worldpay for \$11.2B. We note that the legacy incumbent leaders don't have access to the data LedgerPay offers. This will become more problematic to them if LedgerPay partners with a bank sponsor to launch a merchant model - **a scale direct processor to compete directly with the "Big 4" as the default payment platform for any Microsoft Azure cloud customer.**

REV19 FIRST OUT OF THE GATE

Rev19 is an established, rapidly growing merchant services and financial technology company based in Southlake, TX, whose mission is to transform the payments industry into a transparent, service-centric space that intuitively advances the growth of individual businesses. Rev19 is an independent sales organization (ISO) with over 4,000 merchants and in excess of \$1B in transactions volume. Rev19 is licensing LedgerPay’s payment processing and payment tokenization platform, leveraging the latest technology to provide added value and insights to its merchant base. The capabilities provided by LedgerPay’s product suite empower Rev19’s merchants to enjoy best-in-class performance with better control of their financial cost structure due to its cloud-enabled architecture. LedgerPay empowers Rev19 to connect their merchants with consumer insights previously unavailable, offering merchants the ability to provide customers with improved experiences in stores and restaurants.

Exhibit 5 – Rev19 Payment Solutions



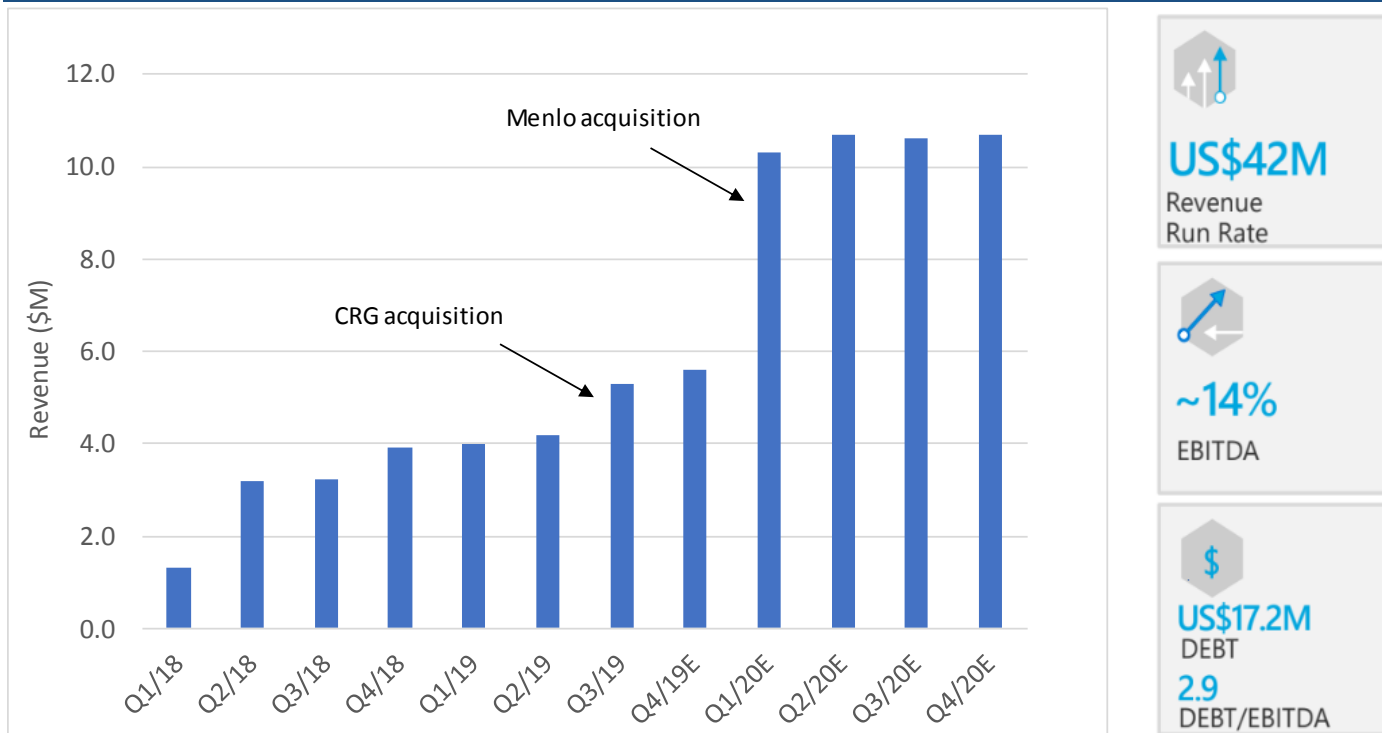
 ONLINE PAYMENTS	 IN-STORE PAYMENTS	 SECURITY	 REPORTING
 <p>APEX</p>	 <p>APEX</p>	 <p>APEX</p>	 <p>APEX</p>
<p>Accept secure, seamless payments online with our all in-one platform, built to help you grow your business.</p>	<p>Start accepting all major credit cards at checkout in your store through industry-leading point-of-sale software and equipment.</p>	<p>Ensure the safety of your business and your customers with point-to-point encryption (P2PE), tokenization, and hosted iframes that are PCI compliant.</p>	<p>Review transaction and sales data at the click of a button and adjust your store’s strategies to increase revenues.</p>

Source: Company Documents

FINANCIALS

The combined company heading into 2020, will have 300+ employees, with a rev/EBITDA run rate of US\$42M/US\$5.9M (without any revenue synergies or LedgerPay). Post the Menlo deal, QUIS will have ~US\$17.2M in debt, for a Debt/EBITDA ratio of 2.9x – which is manageable in our view, and leaves room for further acquisitions in the second half of the year.

Exhibit 6 – Revenue Estimates Show CRG and Menlo Impact (Without Revenue Synergies or LedgerPay)



Source: FactSet, Consensus estimates

Exhibit 7 – Capital Structure

Share Price (C\$)	\$ 0.40	Warrants Outstanding	2.5M @ C\$0.35 expiry (Mar 2022)
Shares Outstanding(M)	111.8		19.5M @ C\$0.35 expiry (Dec 2022)
- Insider/Officers	36%		
Warrants Outstanding (M)	22.0	Stock Options Outstanding	0.7M @ C\$0.35 expiry (April 2023)
Stock Options/RSU's (M)	8.3		0.3M @ C\$0.15 expiry (Aug 2024)
Shares Convertible	2.1		1.2M @ C\$0.20 expiry (Dec 2024)
Debt (C\$, M)	\$ 22.9	Restricted Stock Units (RSU's)	6.1M
Convertible Debt *	\$ 13.0		
Market Cap (C\$, M)	\$ 44.7		
Enterprise Value (C\$, M)	\$ 80.6		

* Convertible Notes C\$6.5M @ C\$0.20 and C\$6.5M note with 19.5M detachable Warrants @ C\$0.35

Source: Company Documents, FactSet

VALUATION

On 2021E consensus estimates, QUIS is trading at an EV/Sales and EV/EBITDA of 1.0x/7.0x versus its North American IT Services and Global Payment Technology comparables trading at 1.3x/10.0x and 4.9x/12.7x, respectively. We believe QUIS's consulting business should trade in-line with IT Services companies at 1-1.5x EV/Sales, and 10-12x EV/EBITDA, and LedgerPay should trade in-line with Fin Tech companies at 5-6x EV/Sales, and 13-15x EV/EBITDA. Using a sum-of-the-parts calculation on 2021E estimates for QUIS yields a valuation in the \$0.69-1.41 range.

Exhibit 8 – Sum of the Parts (SOTP) Valuation

	2020E			2021E		
	Consulting	LedgerPay	SOTP	Consulting	LedgerPay	SOTP
Revenue	\$40-45M	\$5-10M		\$50-55M	\$10-20M	
Multiple	1-1.5x	5-6x		1-1.5x	5-6x	
Valuation	\$40-68M	\$25-60M	\$65-128M \$0.45-\$0.89/share	\$50-83M	\$50-120M	\$100-203M \$0.69-\$1.41/share
EBITDA	\$5-7M	\$2-3M		\$6-8M	\$3-5M	
Multiple	10-12x	13-15x		10-12x	13-15x	
Valuation	\$50-84M	\$26-45M	\$76-129M \$0.53-\$0.89/share	\$60-96M	\$39-75M	\$99-171M \$0.69-\$1.19/share

Source: FMG, FactSet

Exhibit 9 – North American IT Services Comparables

	Ticker	Price (Local)	Mkt Cap. (US\$, M)	LTM Rev (US\$, M)	EV/Sales			EV/EBITDA			P/E		
					2019	2020	2021	2019	2020	2021	2019	2020	2021
Accenture Plc Class A	ACN	164.12	104,549	44,656	2.4	2.4	2.2	14.6	13.1	12.7	22.3	21.6	20.3
CGI Inc. Class A	GIB.A-CA	79.40	15,262	9,196	2.0	2.0	1.9	11.0	10.1	9.7	16.9	15.9	14.7
DXC Technology Co.	DXC	13.91	3,529	20,042	0.6	0.6	0.7	3.4	3.7	4.2	2.6	2.6	2.4
Leidos Holdings, Inc.	LDOS	92.60	13,135	11,094	1.5	1.3	1.1	13.9	12.6	11.1	17.9	16.8	14.4
EPAM Systems, Inc.	EPAM	184.98	10,222	2,294	4.4	3.6	3.0	23.4	19.0	15.9	34.1	29.6	24.2
Booz Allen Hamilton	BAH	71.38	10,009	7,274	1.6	1.5	1.4	15.7	14.5	13.3	22.7	20.4	18.1
CACI International Inc Class A	CACI	219.90	5,513	5,398	1.5	1.3	1.2	16.2	13.1	11.8	21.0	17.9	15.7
Science Applications International Corp.	SAIC	71.56	4,131	6,379	1.0	0.8	0.8	11.5	9.6	8.7	12.6	11.5	9.8
MAXIMUS, Inc.	MMS	59.17	3,784	3,040	1.3	1.3	1.3	9.5	8.9	9.2	15.9	15.8	15.7
ManTech International Corporation Class A	MANT	73.57	2,956	2,223	1.4	1.3	1.2	15.9	14.9	13.7	26.0	26.2	23.5
Conduent, Inc.	CNDT	2.20	466	4,467	0.4	0.5	0.5	3.9	4.3	4.4	3.5	4.3	4.3
ExlService Holdings, Inc.	EXLS	50.67	1,741	991	1.8	1.7	1.6	13.0	10.8	9.8	16.4	14.6	13.4
Perficient, Inc.	PRFT	28.80	947	566	1.8	1.7	1.6	10.7	10.1	9.0	13.9	13.5	12.0
Calian Group Ltd.	CGY-CA	40.00	385	362	1.0	0.9	0.8	13.0	10.2	8.8	15.7	17.9	16.1
Alithya Group inc Class A	ALYA	1.74	89	210	0.6	0.6	0.6	12.3	8.4	7.2	NM	NM	NM
Averages:					1.6	1.4	1.3	12.5	10.9	10.0	17.3	16.3	14.6
Quisitive Technology Solutions, Inc.	QUIS-CA	0.40	32	19	NM	1.2	1.0	NM	NM	7.0	NM	NM	NM
							With Convert:	1.3	8.9				
							Fully diluted:	1.5	10.3				

Source: FactSet, Consensus estimates

Exhibit 10 – Global Payments Technology Comparables

	Ticker	Price	Mkt Cap.	LTM Rev	EV/Sales			EV/EBITDA			P/E		
		(Local)	(US\$, M)	(US\$, M)	2019	2020	2021	2019	2020	2021	2019	2020	2021
PayPal Holdings Inc	PYPL	100.28	117,624	17,534	6.4	5.5	4.7	23.3	20.4	17.0	32.3	29.8	24.5
Fidelity National Information Services, Inc.	FIS	120.14	74,045	10,332	7.1	5.5	5.1	17.6	12.6	11.1	21.4	19.6	16.6
Fiserv, Inc.	FISV	94.62	63,995	10,187	5.1	4.9	4.6	16.2	12.4	11.2	23.7	19.6	16.5
Automatic Data Processing, Inc.	ADP	136.96	59,133	14,511	4.3	4.1	3.9	18.1	15.8	14.7	25.1	22.6	20.8
Global Payments Inc.	GPN	141.07	42,339	4,912	8.0	5.1	4.6	18.4	11.8	10.1	22.7	20.7	16.8
Adyen NV	ADYF	816.00	24,965	2,974	NM	8.8	NM	NM	NM	NM	NM	NM	NM
Square, Inc. Class A	SQ	50.31	21,897	4,714	10.1	8.9	6.9	NM	NM	NM	NM	NM	NM
FleetCor Technologies, Inc.	FLT	210.36	17,971	2,649	8.5	8.1	7.3	14.9	14.0	12.4	17.8	16.9	14.5
Wirecard AG	WDI-DE	110.10	13,605	2,513	4.1	3.4	2.6	14.8	11.3	8.6	25.2	19.4	14.6
Jack Henry & Associates, Inc.	JKHY	167.18	12,826	1,631	8.3	7.6	7.1	25.3	23.6	21.5	47.5	45.4	40.4
Temenos AG	TEMN-CH	114.35	8,420	966	9.8	8.6	7.7	24.0	20.8	18.3	33.7	30.3	26.3
WEX Inc.	WEX	104.93	4,548	1,724	3.9	3.9	3.6	9.7	9.2	8.3	11.4	12.1	10.1
ACI Worldwide, Inc.	ACIW	24.15	2,805	1,258	3.3	2.8	2.7	13.6	9.7	9.1	42.4	17.8	16.7
EVERTEC, Inc.	EVTC	23.08	1,662	487	4.4	4.3	4.1	9.6	9.7	8.8	11.8	12.6	10.9
Bottomline Technologies (de), Inc.	EPAY	35.11	1,545	435	3.6	3.4	3.1	15.1	15.2	13.6	26.0	26.7	23.4
Averages:					6.2	5.7	4.9	17.0	14.4	12.7	26.2	22.6	19.4

Source: FactSet, Consensus estimates

SUMMARY

We believe QUIS will continue to build the Microsoft Partner of the Future – both organically and through acquisitions. The combined company heading into 2020, will have 300+ employees, with a rev/EBITDA run rate of US\$42M/US\$5.9M (excluding LedgerPay revenue). The QUIS management team is uniquely comprised of former and current Microsoft leaders and technologists who share a deep understanding of market needs and the appropriate application of Microsoft cloud technology.

QUIS is executing a targeted Microsoft partner consolidation strategy to fuel the build of the premier Microsoft partner in North America for business solutions and cloud innovation. QUIS is the 2019 Microsoft U.S. Partner of the Year – earning this top honor among a global field of top Microsoft partners for demonstrating excellence in innovation and implementation of customer solutions based on Microsoft technology.

Microsoft and dunnhumby announced a global strategic partnership, in a move that could transform the \$5.9 trillion retail sector. Under the partnership, dunnhumby will move its customer insights products to Microsoft Azure, giving retailers and suppliers instant and secure access to dunnhumby's data science tools. **LedgerPay also announced a strategic go-to-market relationship with dunnhumby** - offering a first-of-its-kind service (powered by Microsoft Azure) for brick-and-mortar merchants such as QSRs, grocers, and other retailers who want to encourage repeat and more valuable sales by capitalizing on past purchases at the point of sale (POS).

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