

## Quarterly Investor Fact Sheet

### Q1 2018

Founded in 1996 by President & CEO, Maury Marks, Quorum Information Technologies Inc. is a Canadian company with over 20 years of experience providing dealer management systems (DMS) to auto dealerships.

Quorum has developed its own state-of-the-art proprietary enterprise management software for dealerships called **XSELLERATOR™**, a comprehensive solution that automates, integrates, and streamlines every department in a dealership (sales, service, parts, accounting), and includes full integration with Original Equipment Manufacturer (OEM) data (GM, Nissan, Ford, etc.)

Quorum develops, markets, sells (through a SaaS pricing model), and implements and supports **XSELLERATOR™** across a wide customer base of franchised automotive dealerships throughout North America, as well as other independent auto (pre-owned) and non-automotive dealerships.

Unique to Quorum's solution is that **XSELLERATOR™** is more than just a DMS. The tools and processes within allow dealers to not only enhance the sales process, but also provide dealerships with a platform for increasing the service and parts revenues that they generate from their own customers.

Quorum serves a diverse base of dealerships across North America. As of Q1 2018, 350 "rooftops" use **XSELLERATOR™** and these customers range from small single-point dealerships to multi-store operations with hundreds of users.

The company trades on the TSX Venture Exchange under the symbol QIS and employs 142 people based in offices in Calgary, Alberta, St. John's, Newfoundland, London, Ontario and Detroit, Michigan (USA).

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### Q1 2018 Financial Highlights (in \$CAD)

	Three Months Ended Mar. 31, 2018	Three Months Ended Mar. 31, 2017	Change
<b>Revenue</b>			
Support*	2,733,167	2,451,720	11%
Add-On*	370,159	261,594	42%
New Installations	360,226	439,605	-18%
Core Revenue Sub-Total	3,463,552	3,152,919	10%
Transitions Revenue	58,699	119,068	-51%
<b>Total Revenue</b>	<b>3,522,251</b>	<b>3,271,987</b>	<b>8%</b>
<b>Direct Costs</b>	1,682,513	1,568,101	7%
<b>Gross Margin</b>	1,839,738	1,703,886	8%
<b>Gross Margin %</b>	52%	52%	
<b>EBITDA**</b>	<b>187,730</b>	<b>369,269</b>	<b>-49%</b>
<b>Net Income</b>	<b>(245,525)</b>	<b>42,641</b>	<b>-676%</b>
<b>Weighted average number of common shares</b>			
Basic	52,627,690	52,045,594	1%
Fully Diluted	52,627,690	52,045,594	1%
<b>Net income per Common Share</b>			
Basic	\$ (0.0047)	\$ 0.0008	-669%
<b>Fully Diluted</b>	<b>\$ (0.0047)</b>	<b>\$ 0.0008</b>	<b>-669%</b>

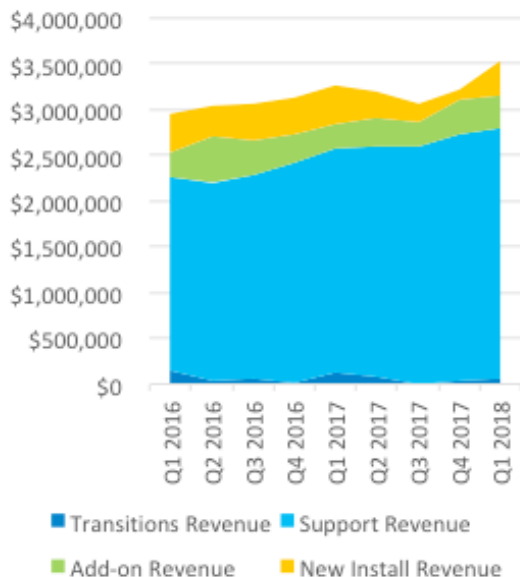
\*In previous years, Communicator revenue was included in Add-on Revenue. In 2017 Communicator revenue has been included within Support revenue as it is truly recurring revenue and comparative periods have been updated. A detailed description of the changes is included in the MD&A.

\*\*EBITDA refers to earnings before interest, taxes, depreciation, amortization, foreign exchange gains and losses and stock-based compensation.

### Market Data at May 16, 2018

- **Director control/ownership:** 36.7%
- **Dealership ownership (estimate):** 15.6%
- Symbol: QIS
- Stock Exchange: TSX Venture Exchange
- Closing price per share: \$0.51
- 52 week price range: \$0.48 - \$0.80
- Shares outstanding: 52,768,694
- Market capitalization: \$26,912,034
- Last Capital Raised: \$3,105,518 in Dec. 2015  
(8,872,909 shares at \$0.35/share)

## Quarterly Revenue Growth



\*2017, 2016 & 2015 revenue amounts by revenue category have been restated from previous calculations due to SaaS based Communicator Revenue being moved from the Add-on Revenue category to the Support Revenue category (SaaS).

## Investment Essentials

### Dealership Rooftops

The primary driver of growth for Quorum is the number and size of dealership rooftops that implement **XSELLERATOR™**. Sales to new dealership rooftops drive the New Installations revenue stream. At the end of Q1 2018, Quorum had a customer base of 350 rooftops with approximately 79% of those located in Canada and the remainder located in the USA.

### Total Addressable Market (TAM)

The main driver of dealership rooftop growth is the size of Quorum's total addressable market, or TAM. The main driver of Canadian and USA TAM expansion is integration with the various automobile manufacturers (OEMs) as any dealer management system (DMS) must provide full integration with the auto dealership's OEM (Nissan, Ford, GM, etc.). Since 2007, Quorum has integrated with a number of OEMs, expanding its Canadian TAM by 449% from 269 rooftops in 2007 to over 1476 at the end of Q1 2018. In 2017 Quorum also completed Ford USA integration development, and in February of 2018, Quorum piloted its first Ford dealership in the USA, the result being that Quorum can now market **XSELLERATOR™** in the USA, increasing its TAM in the USA by 35%. Quorum has plans to continue to integrate with additional OEMs into 2018 and beyond.

### Average Recurring Revenue per Rooftop (ARRPR)

Quorum now collects all of its recurring SaaS based revenues in its Support Revenue stream, and in 2017 it added its recurring Communicator software revenues, previously included in Add-on Revenue, to this stream. Once a dealership has installed **XSELLERATOR™**, recurring Support Revenues are earned from the SaaS (software as a service) nature of the **XSELLERATOR™** software solution. Quorum's trailing twelve month (TTM) ARRPR has grown by 14% over the past two years.

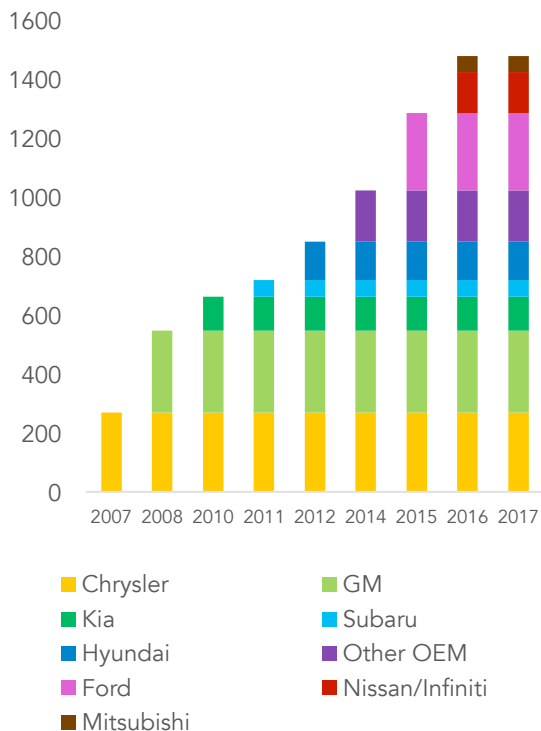
### Dealer Utilization

Unique to Quorum's solution is that **XSELLERATOR™** is more than just a DMS. The tools and processes within allow dealers to not only enhance the sales process, but also provide dealerships with a platform for increasing the service and parts revenues that they bring in from their own customers. The more a dealer utilizes all of the processes and tools within **XSELLERATOR™**, the more complete a solution it becomes for that dealer.

### Dealership Satisfaction

Dealership satisfaction is a key driver for to continued strong growth. Quorum reports on the consistently high dealership satisfaction ratings it achieves in its quarterly financial reports.

## Growth in Canadian TAM (Total Addressable Market)



For more information you can find us at:  
[www.quorumdms.com](http://www.quorumdms.com)

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