

Investor Fact Sheet January 2019

ABOUT QUORUM

With over 920 automotive dealership customers across North America, Quorum’s growing automotive dealership market penetration can be attributed to Quorum’s focus on customer service, advanced technology, and measured growth both organic and through acquisition.

Quorum was established in 1996 by CEO Maury Marks, who brings over 20 years of leadership and business software solution experience in the automotive dealership market to Quorum.

Headquartered in Calgary, Alberta, Quorum also has offices in St. John’s Newfoundland and Labrador; London, Ontario; Saint John, New Brunswick; Lethbridge, Alberta; and in Washington Township, Michigan.

Quorum is a North American company focused on developing, marketing, implementing and supporting its portfolio of software and service solutions for automotive dealerships.

RECENT ACQUISITION HISTORY

The following transactions have significantly increased Quorum’s scale in the automotive software market and are expected to accelerate Quorum’s strategy to be a full service software solutions provider to automotive dealerships across North America:

- January 2, 2019:** [Oasis Auto Complete Systems Limited](#)
- October 31, 2018:** [DealerMine](#)
- September 1, 2017:** [Autovance Technologies Inc.](#)

DIVISIONS

Quorum has organized its suite of automotive dealership products and services into four key divisions:

XSELLERATOR™	DEALERMINE	AUTOVANCE	ADVANTAGE
A Dealership Management System (DMS) that automates, integrates and streamlines key processes across departments in a dealership, and emphasises revenue generation and customer satisfaction.	A sales and service Customer Relationship Management system and set of Business Development Center services that drives revenue into the critical sales and service departments in a dealership.	A sales desk system that increases sales department gross margins and improves customer satisfaction for dealerships.	A full showroom system for both franchised and independent dealerships and a comprehensive operating system that includes accounting for the independent market.
QUORUM DEVELOPED DMS	ACQUIRED: October 31, 2018	ACQUIRED: September 1, 2017	ACQUIRED: January 2, 2019
TARGET MARKET: • Franchised Rooftops (Quorum OEM Integration Complete)	TARGET MARKET: • Franchised Rooftops	TARGET MARKET: • Franchised Rooftops	TARGET MARKET: • Independent Rooftops
INSTALLED CUSTOMERS: Canada: 283 USA: 76 TOTAL: 359	INSTALLED CUSTOMERS: Canada: 352 USA: 61 TOTAL: 413	INSTALLED CUSTOMERS: Canada: 209	INSTALLED CUSTOMERS: Canada: 66
CROSS-OVER CUSTOMERS: 118	CROSS-OVER CUSTOMERS: 15	CROSS-OVER CUSTOMERS: 103	CROSS-OVER CUSTOMERS: 0
TOTAL AVAILABLE MARKET (TAM): Canada: 1341 USA: 4927	TOTAL AVAILABLE MARKET (TAM): Canada: 2867 USA: 19505	TOTAL AVAILABLE MARKET (TAM): Canada: 3010	TOTAL AVAILABLE MARKET (TAM): Canada: 7800+

PRO-FORMA TRAILING TWELVE-MONTH INCOME STATEMENT (in \$CAD)

The following figures indicate pro-forma performance of Quorum had results for the trailing twelve-month period to September 2017 and September 2018 for DealerMine and Oasis been included:

	PRO-FORMA TTM Sept 2018*			PRO-FORMA TTM Sept 2017*		ACTUAL TTM Sept 2018	
	Total	Growth %	% of Rev	Total	% of Rev	Total	% Rev
Revenue							
SaaS Revenue	\$ 19,208	10%	70%	\$ 17,385	69%	\$ 11,112	79%
Services	\$ 6,034	7%	22%	\$ 5,627	22%	\$ 1,243	9%
One Time	\$ 2,274	9%	8%	\$ 2,080	8%	\$ 1,626	12%
Total Revenue	\$ 27,516	10%	100%	\$ 25,092	100%	\$ 13,981	100%
		COGS %	GM %				
COGS SaaS	\$ 8,100	42%	58%	\$ 7,387	42%	\$ 3,553	32%
COGS Services	\$ 5,409	90%	10%	\$ 5,147	91%	\$ 1,044	84%
COGS One Time	\$ 2,732	120%	-20%	\$ 2,357	113%	\$ 2,358	145%
COGS	\$ 16,241	59%		\$ 14,891	59%	\$ 6,955	50%
Gross Margin	\$ 11,275		41%	\$ 10,201	41%	\$ 7,026	50%
Operating Costs							
Sales Expenses	\$ 2,764		10%	\$ 2,540	10%	\$ 1,805	13%
G&A	\$ 5,362		19%	\$ 4,968	20%	\$ 3,045	22%
EBITDA	\$ 3,149		11%	\$ 2,693	11%	\$ 1,636	12%
Development Costs Capitalized	\$ 3,182			\$ 2,532		\$ 2,372	
Customer Metrics							
Customer Count - SaaS	929			852		465	
ARRPU - SaaS	\$ 1,723			\$ 1,700		\$ 1,991	

Q3 2018 Financial Highlights (in \$CAD)

	Three Months Ended		Change	Nine Months Ended		Change
	September 30, 2018	September 30, 2017		September 30, 2018	September 30, 2017	
Revenue						
Support	2,862,953	2,603,030	10.0%	8,406,771	7,578,395	10.9%
Add-On	215,750	265,072	-18.6%	885,843	831,718	6.5%
New Installations	316,048	201,756	56.6%	963,696	924,693	4.2%
Core Revenue Sub-Total	3,394,751	3,069,858	10.6%	10,256,310	9,334,806	9.9%
Transitions Revenue	23,750	-	-	255,171	194,741	31.0%
Total Revenue	3,418,501	3,069,858	11.4%	10,511,481	9,529,547	10.3%
Gross Margin	1,689,975	1,461,630	15.6%	5,363,897	4,847,917	10.6%
Gross Margin %	49%	48%		51%	51%	
EBITDA*	390,908	477,667	-18.2%	1,141,282	1,400,783	-18.5%
EBITDA Percentage of Revenue	11%	16%		11%	15%	
Net Income	(52,152)	99,780	-152.3%	(513,466)	408,633	-225.7%
Weighted Average Common Shares Issued and Outstanding	52,731,769	52,045,594	1.3%	52,731,769	52,045,594	1.3%
Net Income per Share	\$ (0.0010)	\$ 0.0019		\$ (0.0097)	\$ 0.0079	

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

Market Data at January 14, 2019

- Director control/ownership: **32%**
- Dealership ownership (estimate): **12%**
- Stock Exchange: TSX Venture Exchange
- Symbol: QIS
- Market capitalization: \$39,306,669
- Closing price per share: \$0.65
- Shares outstanding: 60,628,048
- 52 week price range: \$0.48 - \$0.70
- Last Eq. Capital Raised: \$3,105,518 in Dec. 2015
(8,872,909 shares at \$0.35/share)

For more information you can find us at:

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