QUORUM
INFORMATION TECHNOLOGIES INC.

3rd Quarter Report
2018

Our Vision

Quorum is a recognized leader in DMS technology for North American automotive dealerships, focused on providing innovation that helps them increase their customer satisfaction, operational efficiency and revenue.

Our Mission

- Be the very best at building and supporting the most advanced automotive dealership systems in the North American marketplace
- Enable dealerships to streamline their operations, enhance their business and better serve their customers - to realize a true return on their technology investment by maximizing utilization of the XSELLERATOR DMS
- Extend the product and services capability throughout Quorum to grow within the larger multi-rooftop dealer groups market initially in Canada and with a longer term focus on the US
- Provide outstanding and personal customer support
- Be an exceptional place to work that is engaging and rewarding to employees
- Maximize shareholder value through annual double-digit growth

Our Values

Integrity
We are realistic, honest and fair in our commitments.
And, above all, we follow through.

Respect
Our customers and our people are our greatest strengths;
we encourage, listen to, and value their contributions.

Excellence
We set high standards, strive for continuous improvement
in everything we do, and we exceed expectations.

Knowledge
Understanding our customers' business processes,
and the technology that supports them, is our focus.

Empowerment
We have an open, collaborative culture, empowering our people
to promote innovation and fresh thinking.

Teamwork
Our success is the result of teamwork. We operate with the highest level
of cooperation and trust, and will share objectives between departments.

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President's Message

Quorum is a leader in technology for automotive dealerships, and is focused on providing innovation that helps dealerships increase their customer satisfaction and revenue. The Company is driven to provide exceptional customer support and assist dealerships to realize a true return on their technology investment by maximizing utilization of the Quorum DMS, XSELLERATOR™, the Autovance Desk system and, as of October 31st, 2018, the DealerMine CRM software. The Autovance and DealerMine acquisitions are part of our full-service strategy to provide technology that enables integrated, end-to-end business processes for dealerships. Quorum delivers its software products and services to franchised, independent and some non-automotive dealerships in Canada and the United States.

Acquisition of DealerMine Inc.

On October 31st, 2018, Quorum completed the transformative acquisition of DealerMine Inc. The deal significantly accelerates Quorum's strategy to be a full service provider to automotive dealerships by adding DealerMine's complementary product set and Business Development Center ("BDC") or call center services. The deal also significantly increases Quorum's scale and the combined company now has over 860 dealership rooftop customers and the combined revenues for Q3 FY2018 of both Quorum and DealerMine would have been $6.7 million.

DealerMine (Subsequent Event Transaction)	Q3 2018	Q3 2017	Growth	% Q3 2018 Revenue
Recurring software revenue	**$ 1,859,185**	$1,561,670	19%	57%
Business Development Centre	**1,232,643**	1,162,446	6%	38%
New installations revenue	**163,909**	144,047	14%	5%
Gross Revenue	**$ 3,255,737**	$2,868,163	14%	100%

The DealerMine revenue results in the adjacent table show comparative results only. These results are not included in Quorum's Q3 FY2018 results as the transaction was completed subsequent to the end of Q3 FY2018.

We are delighted to welcome the DealerMine team, under Robert Quirion's leadership, to the Quorum family. DealerMine has a proven track record of developing exceptional Customer Relationship Management ("CRM") products and providing critical BDC services to their 413 successful customers in North America. With only 15 Quorum DMS customers currently utilizing the DealerMine Service CRM product and BDC services we have a significant growth opportunity for DealerMine within Quorum's existing customer base. Quorum expects the recurring Software as a Service ("SaaS") software revenue, BDC revenue, EBITDA and cash flow from the DealerMine acquisition to be immediately accretive.

Quorum Q3 FY2018 Results

Our most significant sales and operational results for the Quorum DMS and Autovance for Q3 FY2018 are as follows:

Quorum and Autovance Revenue	Q3 2018	Q3 2017	Growth	% Q3 2018 Revenue
Support revenue	**$2,862,953**	$ 2,603,030	10%	84%
Add-on revenue	**215,750**	265,072	-19%	6%
New installations revenue	**316,048**	201,756	57%	9%
Transitions revenue	**23,750**	0		1%
Gross Revenue	**$3,418,501**	$ 3,069,858	11%	100%

- Recurring SaaS support revenue for Q3 FY2018 increased by $259,923 over Q3 FY2017, which represents a 10% increase. New customer installations, as well as sales of added Quorum-developed and strategic 3rd party products to our existing customer base, contributed to this growth.
- Quorum's annual SaaS support revenue run rate is now $11,529,336 based on September 2018 support revenue of $960,778.
- Support revenue represents 84% of total revenue for Q3 FY2018 compared to 85% for Q3 FY2017.
- Support revenue growth drivers include:

- Sales to existing customers of Quorum-developed products, strategic 3rd party products, XSELLERATOR user licenses and annual support increases represent 79% of the Q3 FY2018 support revenue growth. Included in this growth is Autovance's support revenue. The run rate as of September 30, 2018 of revenue associated with Autovance's annual SaaS support revenue is $860,844 based on September support revenue of $71,737. In addition to Autovance's 98 Quorum customers, Autovance also has 110 unique non-Quorum customers.
- The remaining 21% of the Q3 FY2018 support revenue growth comes from increases in our customer base. In Q3 FY2018, Quorum completed nine new XSELLERATOR rooftop installations and had two rooftop losses (for a quarterly churn of 0.6%) and ended the quarter with 359 active installed dealership rooftops. The primary reason for any rooftop losses (or churn) is that our dealership customers can be acquired by dealer groups and the group may already be using a competitor's system.

- Future installs - not all dealership rooftops sold to the end of Q3 FY2018 were able to be installed. Quorum plans to install seven rooftops in Q4 FY2018 and has six other sold rooftops that will be installed in future quarters.

- Gross Margin and EBITDA – in Q3 FY2018, our gross margin was 49%, as compared to 48% for Q3 FY2017. The gross margin for our SaaS-based support revenue was 83% before labour and 68% including labour for Q3 FY2018. The EBITDA as a percentage of revenue for Q3 FY2018 was 11% as compared to 16% for Q3 FY2017. In FY2018, Quorum invested significantly to grow in the US market. The investment required to grow in the US market put downward pressure on Quorum's FY2018 gross margins and EBITDA. The investment in FY2018 include the following:
  - Larger booth for the National Automobile Dealers Association (NADA) show;
  - Increased sales staff levels, which included a dedicated US-specific Account Manager;
  - Increased sales and marketing efforts with an emphasis on digital marketing as well as a new redesigned website and implementation of new sales support technology;
  - Increased installation, support and development staffing levels;
  - OEM integration with the addition of Ford US in Q1 FY2018 and the anticipated certification of two more OEM's in early FY2019; and
  - Work by the Autovance team to allow their Desking product to be available for the US market.

  We have made significant investments in growing our DMS and we are now beginning to see positive results. Our qualified DMS sales pipeline has grown recently and 25 of the dealerships on it are in the US from these investments. Further, our new US salesperson has sold three dealerships in the past two months. It is important to realize that the investments required to grow in the US market will have a long-term benefit to Quorum; but additional time will be required to fully realize that benefit.

  Add-on revenue and Dealership Utilization - Quorum continues to enhance three high value components of our software - Communicator, VIP and Sales CRM. We track key dealership utilization metrics related to these areas in a Dealership Success Scorecard (shown below). Getting our dealerships to utilize these areas has the following benefits to Quorum:
  - Drives training revenue – training visits were down 55% for Q3 FY2018 compared to Q3 FY2017. Training revenue represents 52% of Quorum's total add-on revenue and add-on revenue decreased 19% in Q3 FY2018 over Q3 FY2017. A primary reason for fewer training visits, as compared to the prior year, is an increase in new installations during Q3 FY2018 (which reduces the availability of training staff for onsite training for existing customers). There were nine new installations during Q3 FY2018 as compared to three during Q3 FY2017.

- Increased customer satisfaction and reference-ability of our customers.

Dealership Success Scorecard[1]

- Communicator – Dealerships utilizing Communicator: 275
- Messages in Q3 FY2018: 4,677,395
- Year over year message growth: 78%

- M3 (VIP only) – Dealerships utilizing VIP: 175
- Total Q3 FY2018 incremental Customer Pay revenue: $33,157,671
- Year over year revenue growth: 21%

- Sales CRM – Dealerships trained: 140
- Average Q3 FY2018 utilization of Sales CRM 71%
- Total # of dealerships that have moved away from 3rd party CRM systems: 23

- Areas of the Dealer Scorecard
  - *Communicator* features text, email and instant message functionality that is integrated into the XSELLERATOR workflow.
  - *Make More Money ("M3")* is an initiative which focuses on ten XSELLERATOR processes that drive incremental revenue into our dealership customers' operations. Aggregate data from the Vehicle Inspection Process ("VIP"), which is just one of the ten M3 processes, is shown above.
  - *Sales CRM* - Quorum continues to make significant enhancements to sales Customer Relationship Management (CRM) features within XSELLERATOR.

- Customer Satisfaction metrics are as follows:
  - Each year we conduct Customer Satisfaction Index ("CSI") surveys. The results of our most recent survey conducted in Q3 FY2018 compared to our Q3 FY2017 survey showed strong customer satisfaction as follows:
    - Q3 FY2018 reported 92% of dealer principals as "somewhat satisfied", "satisfied" or "very satisfied" and 97% of end users as "somewhat satisfied", "satisfied" or "very satisfied" overall.
    - Q3 FY2017 reported 95% of dealer principals as "somewhat satisfied", "satisfied" or "very satisfied" and 96% of end users as "somewhat satisfied", "satisfied" or "very satisfied" overall.
  - Our monthly Support Center CSI survey continues to report approximately 95% "very satisfied" with the service received from our support team.
- Employees – none of the Company's accomplishments are possible without highly motivated, engaged people. Our sincere thanks to the people that drive Quorum. Every year we measure our staff engagement and we actively work towards improving our job satisfaction and engagement throughout the Company.

Other key financial results highlights for Q3 FY2018 are as follows:

- Gross revenue increased by 11% to $3,418K in Q3 FY2018 from $3,070K in Q3 FY2017.
- Gross margin increased to $1,690K in Q3 FY2018 from $1,462K in Q3 FY2017, a 16% increase.
- Earnings before interest, taxes, depreciation, amortization, stock-based compensation and foreign exchange (EBITDA) was $391K in Q3 FY2018 as compared to $478K in Q3 FY2017. Increased gross margin was offset by:
  - an increase in general and administrative costs due to an office move in Q1 FY2018 and higher office rental expense;

[1] The numbers and dollar figures included in the Dealership Success Scorecard are based on dealership results.

  - one-time legal and related due diligence costs for the DealerMine transaction; and
  - an increase in sales and marketing expense due to increased sales and marketing staffing levels.
- Quorum continues to have a very strong balance sheet with total net working capital at September 30, 2018 of $4,418K, including cash of $3,478K, and a current ratio of 4.10.

Conclusion

As we move forward into 2019, Quorum has never had a more exciting set of growth opportunities. These opportunities include growing the core DMS business, cross-selling products and services to our DMS customers, growing acquired assets, and continuing to assess other selective acquisitions. Both DealerMine and Autovance are high-growth, cloud-based SaaS businesses that can show immediate leverage in that they do not require OEM integration and require significantly less training and support to transition dealerships to their solutions. At the same time, building the XSELLERATOR base is the foundation on which the company can offer solutions from our recent acquisitions and 3rd party reseller arrangements, and also demands significant attention.

In Q3 FY2018, we started the process of optimizing our DMS business and through some staffing changes and cost savings identified $420K of annualized savings (irrespective of DealerMine cost synergies), which will be realized in future quarters. We believe this will result in a balanced approach to growth and profitability and, combined with the accretive DealerMine acquisition, will result in expanding EBITDA margins and cash flow conversion in 2019.

My sincere appreciation is extended to Quorum's Board of Directors and to our employees and consultants who have been diligent and dedicated in their support of the Corporation's goals and objectives. We welcome the DealerMine employees to the Quorum team and look forward to building our future together. My thanks also extend to our investors for their long-term and continued support of Quorum

Maury Marks
President & Chief Executive Officer

Financial Highlights

	Nine Months Ended Sept 30, 2018	Nine Months Ended Sept 30, 2017	Q3 Ended Sept 30, 2018	Q3 Ended Sept 30, 2017	Q2 Ended June 30, 2018	Q2 Ended June 30, 2017	Q1 Ended March 31, 2018	Q1 Ended March 31, 2017
Gross revenue	**$10,511,481**	$9,529,547	**$3,418,501**	$3,069,858	**$3,570,729**	$3,187,702	**$3,522,251**	$3,271,987
Direct costs	**5,147,584**	4,681,630	**1,728,526**	1,608,228	**1,736,545**	1,505,301	**1,682,513**	1,568,101
Gross margin	**5,363,897**	4,847,917	**1,689,975**	1,461,630	**1,834,184**	1,682,401	**1,839,738**	1,703,886
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**1,141,282**	1,400,783	**390,908**	477,667	**562,644**	553,847	**187,730**	369,269
Income (loss) before deferred income tax expense	**(407,622)**	510,690	**(55,991)**	175,068	**46,258**	258,829	**(397,889)**	76,793
Net income (loss)	**(513,466)**	408,633	**(52,152)**	99,780	**(215,789)**	266,212	**(245,525)**	42,641
Comprehensive income (loss)	**(469,690)**	302,636	**(91,326)**	52,768	**(189,283)**	217,681	**(189,081)**	32,187
Basic income (loss) per share	**$ (0.0097)**	$ 0.0079	**$ (0.0010)**	$ 0.0019	**$ (0.0041)**	$ 0.0051	**$ (0.0047)**	$ 0.0008
Fully diluted income (loss) per share	**$ (0.0097)**	$ 0.0079	**$ (0.0010)**	$ 0.0019	**$ (0.0041)**	$ 0.0051	**$ (0.0047)**	$ 0.0008
Weighted average number of common shares								
Basic	**52,731,769**	52,045,594	**52,731,769**	52,045,594	**52,698,581**	52,045,594	**52,627,690**	52,045,594
Diluted	**52,731,769**	52,045,594	**52,731,769**	52,045,594	**52,698,581**	52,045,594	**52,627,690**	52,045,594

Management's Discussion and Analysis of Financial Condition and Results of Operations

November 15, 2018

The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of the Corporation's interim consolidated results of operations and financial condition. This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2018 and the audited annual consolidated financial statements of the Corporation for the year ended December 31, 2017 and the notes thereto. Comparisons made to prior periods are to the corresponding period in the preceding year unless otherwise indicated.

Background and Description of Business

Quorum Information Technologies Inc. ("Quorum" or the "Corporation") is an information technology company that focuses on the automotive retail business, and is incorporated under the Business Corporations Act of Alberta.

Quorum develops, markets, implements and supports its three software products, XSELLERATOR™, a Dealership Management System ("DMS"), Autovance Desk, an automotive sales Desking system and DealerMine, a Customer Relationship Management ("CRM") system. The products are delivered to franchised, independent and some non-automotive dealerships in Canada and the United States. The Corporation is a Dealer Technical Assistance Program ("DTAP") strategic partner with GM and a silver-certified partner with Microsoft. Quorum has a large opportunity with an available market of approximately 12,400 dealerships across North America and to capitalize on this market, Quorum has invested significant funds and resources.

Non-IFRS Measures

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain supplementary information and measures not recognized under IFRS are also provided in this MD&A where management believes they assist the reader in understanding Quorum's results. These measures are calculated by Quorum on a consistent basis unless otherwise specifically explained. These measures are further explained as follows:

EBITDA – net earnings before interest, taxes, depreciation, amortization, foreign exchange gains and losses and stock-based compensation. EBITDA is a metric used to assess the financial performance of an entity. Management believes that this metric assists in determining the ability of the Corporation to generate cash from operations.

Gross margin – revenue less direct costs, which includes third party costs and salaries and benefits of employees directly related to the activities from which the Corporation generates revenue. Management believes this metric provides a good measure of the operating performance of the Corporation.

Current ratio – current assets divided by current liabilities. Current ratio is a liquidity ratio that measures an entity's ability to pay short-term and long-term obligations. Management believes this metric provides a good measure of the Corporation's liquidity.

Software as a Service (SaaS) revenue - SaaS revenue includes all recurring subscription and support fees from dealership customers.

Recurring support revenue – support fees from dealership customers. Each month every active dealership rooftop that utilizes the Quorum software receives an invoice that covers charges for support services. Recurring support revenue includes Communicator revenue, Quorum's integrated two-way texting and emailing service. In prior periods, Communicator revenue was included with add-on revenue. Recurring support revenue is also referred to as SaaS revenue. Recurring support revenue also includes Autovance Desk revenue.

Add–on revenue – a combination of services that active dealership rooftops purchase from Quorum including, but not limited to, on-site training services, remote training services, new XSELLERATOR user licenses, and financial and insurance forms development.

New installations revenue – fees charged for the initial installation services for new dealership customer to get them initially setup and using XSELLERATOR. These fees also include, but are not limited to, training services, configuration charges, project management, data conversion services, hardware and 3rd party software.

Transitions revenue – revenue from replacing aging customer servers, and related hardware and software.

Cash flow from operating activities – cash flow from operations after changes in non-cash operating working capital.

Subsequent Event

On October 31st, 2018, Quorum completed the transformative acquisition of DealerMine Inc. The deal significantly accelerates Quorum's strategy to be a full service provider to automotive dealerships by adding DealerMine's complementary product set and Business Development Center ("BDC") or call center services. The deal also significantly increases Quorum's scale and the combined company now has over 860 dealership rooftop customers and the combined revenues for Q3 FY2018 of both Quorum and DealerMine would have been $6.7 million. DealerMine's Q3 FY2018 results are not included in Quorum's Q3 FY2018 results as the transaction was completed subsequent to the end of Q3 FY2018.

The aggregate purchase price was $14M consisting of $9.625M in cash and $4.375M in Quorum shares valued at $0.58 per share based on a 30-day volume weighted average price, which equates to 7,543,103 Quorum shares. Quorum has financed the $9.625M with $2.125M from current cash reserves and the balance of $7.5M is financed with a one-year Bridge Loan from Covington Capital, which Quorum plans to replace with a longer-term financing solution. Under the initial Bridge Loan, Quorum will pay only interest payments, with the interest rate at 0% for the first two months and 12% for the remaining ten months. In conjunction with the DealerMine acquisition, the Corporation recorded $52K in transaction costs to general and administrative expenses during the nine months ended September 30, 2018. DealerMine will expand the Corporation's position and market-share of the available dealerships in North America.

We are delighted to welcome the DealerMine team, under Robert Quirion's leadership, to the Quorum family. DealerMine has a proven track record of developing exceptional Customer Relationship Management ("CRM") products and providing critical BDC services to their 413 successful customers in North America. With only 15 Quorum DMS customers currently utilizing the DealerMine Service CRM product and BDC services, we have a significant growth opportunity for DealerMine within Quorum's existing customer base. Quorum expects the recurring Software as a Service ("SaaS") software revenue, BDC revenue, EBITDA and cash flow from the DealerMine acquisition to be immediately accretive.

DealerMine 413 dealership rooftop customers are 85% Canadian dealerships and 15% U.S. dealerships. For the 12 months ended September 30, 2018, the revenue and EBITDA was:

- SaaS Service CRM and Sales CRM: $7.0M

- BDC revenue: $4.8M
- Other revenue: $0.6M
- Total revenue: $12.4M
- EBITDA: $ 0.8M

For the 12 months ended September 30, 2017, the revenue and EBITDA was:

- SaaS Service CRM and Sales CRM: $5.8 million
- BDC revenue: $4.5M
- Other revenue: $0.5M
- Total revenue: $10.8M
- EBITDA : $ 0.2M

Q3 2018 Overview

Our most significant sales and operational results for the Quorum DMS and Autovance for Q3 FY2018 are as follows:

Gross revenue increased by 11% to $3,418K in Q3 FY2018 from $3,070K in Q3 FY2017. The increase in revenue is due to:

- An increase of $260K in recurring support revenue as a result of having more active dealership rooftops at the end of Q3 FY2018 compared to the end of Q3 FY2017;
- A decrease of $49K in add-on revenue to existing customers due to a decrease in training revenue;
- An increase of $114K in new installations revenue due to completing nine installations during Q3 FY2018 as compared to three during Q3 FY2017; and
- An increase of $24K in transitions revenue.

Gross margin increased to $1,690K in Q3 FY2018 from $1,462K in Q3 FY2017, a 16% increase. Gross margin as a percentage of gross revenue increased to 49% from 48%.

Earnings before interest, taxes, depreciation, amortization, stock-based compensation and foreign exchange (EBITDA) was $391K in Q3 FY2018 as compared to $478K in Q3 FY2017. Increased gross margin was offset by:

- an increase in general and administrative costs due to an office move in Q1 FY2018 and higher office rental expense;
- one-time legal and related due diligence costs for the DealerMine transaction; and
- an increase in sales and marketing expense due to increased sales and marketing staffing levels.

Loss before deferred income tax expense was $56K in Q3 FY2018 compared to income before deferred income tax expense of $175K in Q3 FY2017. The increase in loss before deferred income tax expense is due to decreased EBITDA, as well as an increase in non-cash expenses:

- An increase of $52K in stock-based compensation; and
- An increase of $94K in amortization of intangible assets expense.

Comprehensive loss was $91K in Q3 FY2018 compared to comprehensive income of $53K in Q3 FY2017.

Quorum continues to have a very strong balance sheet with total net working capital at September 30, 2018 of $4,418K, including cash of $3,478K, and a current ratio of 4.10, compared to $5,154K at December 31, 2017, with a current ratio of 4.86, a decrease of $736K. The decrease in net working capital from December 31, 2017 is mainly due to a decrease in cash and prepaid expenses and an increase in accounts payable, offset by an increase in accounts receivable during Q3 FY2018.

The Corporation continues to invest significantly in the further development of its proprietary software product, XSELLERATOR. XSELLERATOR represents the "next generation" of Dealership Management Systems for the automotive market. New investment is now more focused on development that will grow market share, improve customer satisfaction, reduce support calls (and our cost of support), other Original Equipment Manufacturing ("OEM") integration work and third party company integration.

Q3 FY2018 Financial Highlights

- **11% increase in gross revenue.**
- **16% increase in gross margin.**
- **10% increase in recurring support revenue.**
- **19% decrease in add-on revenue from existing customers.**
- **57% increase in new installations revenue.**
- **$24K increase in transitions revenue.**
- **39th quarter in a row of positive EBITDA in Q3 FY2018 of $391K versus $478K in Q3 FY2017.**
- **Loss before deferred income tax expense of $56K in Q3 FY2018 compared to income before deferred income tax expense of $175K in Q3 FY2017.**
- **Net loss of $52K in Q3 FY2018 compared to a net income of $100K in Q3 FY2017.**
- **41st quarter in a row of positive cash flow from operating activities of $41K in Q3 FY2018 versus $220K in Q3 FY2017.**

Results of Operations

($000's except per share amounts)

	Nine Months Ended Sept 30, 2018	**Nine Months Ended Sept 30, 2017**	**Q3 Ended Sept 30, 2018**	**Q3 Ended Sept 30, 2017**	**Q2 Ended June 30, 2018**	**Q2 Ended June 30, 2017**	**Q1 Ended March 31, 2018**	**Q1 Ended March 31, 2017**
Gross revenue	**$ 10,511**	$ 9,530	**$ 3,418**	$ 3,070	**$ 3,571**	$ 3,188	**$ 3,522**	$ 3,272
Gross margin	**5,364**	4,848	**1,690**	1,462	**1,834**	1,682	**1,840**	1,704
Gross margin percentage	**51%**	51%	**49%**	48%	**51%**	53%	**52%**	52%
EBITDA expenses	**4,223**	3,447	**1,299**	984	**1,272**	1,128	**1,652**	1,335
Operating income before interest, taxes, depreciation and amortization (EBITDA)	**1,141**	1,401	**391**	478	**562**	554	**188**	369
EBITDA percentage of revenue	**11%**	15%	**11%**	16%	**16%**	17%	**5%**	11%
Income (loss) before deferred income tax expense	**(408)**	511	**(56)**	175	**46**	259	**(398)**	77
Net income (loss)	**(513)**	409	**(52)**	100	**(215)**	266	**(246)**	43
Other comprehensive income (loss)	**44**	(106)	**(39)**	(47)	**27**	(48)	**56**	(11)
Comprehensive income (loss)	**(470)**	303	**(91)**	53	**(189)**	218	**(189)**	32
Net income (loss) per share	**(0.0097)**	0.0079	**(0.0010)**	0.0019	**(0.0041)**	0.0051	**(0.0047)**	0.0008
Cash flow from operating activities	**$ 710**	$ 1,097	**$ 41**	$ 220	**$ 468**	$ 327	**$ 201**	$ 550

Detailed Discussion on Operating Results for the Periods Ended September 30, 2018 and September 30, 2017

Revenue and Gross Margin Analysis

	Nine Months Ended Sept 30, 2018	Nine Months Ended Sept 30, 2017	Q3 Ended Sept 30, 2018	Q3 Ended Sept 30, 2017	Q2 Ended June 30, 2018	Q2 Ended June 30, 2017	Q1 Ended March 31, 2018	Q1 Ended March 31, 2017
Gross revenue	**$10,511,481**	$9,529,547	**$3,418,501**	$3,069,858	**$3,570,729**	$3,187,702	**$3,522,251**	$3,271,987
Third party costs (direct)	**2,475,070**	2,007,812	**825,542**	612,142	**869,697**	646,727	**779,831**	748,943
Salaries and benefits (direct)	**2,672,514**	2,673,818	**902,984**	996,086	**866,848**	858,574	**902,682**	819,158
Gross margin	**$5,363,897**	$4,847,917	**$1,689,975**	$1,461,630	**1,834,184**	1,682,401	**$1,839,738**	$1,703,886
Gross margin %	**51%**	51%	**49%**	48%	**51%**	53%	**52%**	52%
Support revenue[2]	**$8,406,771**	$7,578,395	**$2,862,953**	$2,603,030	**$2,810,651**	$2,523,645	**$2,733,167**	$2,451,720
Add-on revenue	**885,843**	831,718	**215,750**	265,072	**299,934**	305,052	**370,159**	261,594
New installations revenue	**963,696**	924,693	**316,048**	201,756	**287,422**	283,332	**360,226**	439,605
Transitions	**255,171**	194,741	**23,750**	-	**172,722**	75,673	**58,699**	119,068
Gross revenue	**$10,511,481**	$9,529,547	**$3,418,501**	$3,069,858	**$3,570,729**	$3,187,702	**$3,522,251**	$3,271,987

Revenue

Revenues from operations were $3,418,501 in Q3 FY2018 compared to $3,069,858 in Q3 FY2017, an increase of $348,643 or 11%. The Corporation adopted IFRS 15 "Revenue from contracts with customers" ("IFRS 15") effective January 1, 2018 utilizing the cumulative effect method. Under the cumulative effect method, comparative periods have not been restated. However, the quantitative differences between reported results under IFRS 15 and those that would have been reported under IAS 11 and IAS 18 ("prior IFRS") have been disclosed. For the quarter ended September 30, 2018, total revenue was $23,597 lower than it would have been under prior IFRS. Quorum revenue results were as follows:

Recurring support revenue increased to $2,862,953 in Q3 FY2018, compared to $2,603,030 in Q3 FY2017, an increase of $259,923 or 10%. The Corporation completed nine new installations during Q3 FY2018 and ended the quarter with 359 active installed dealership rooftops with each now paying recurring monthly support and services fees. As our customer base grows, support revenue should continue to grow proportionately. Sales to existing customers of Quorum-developed products, strategic 3rd party products, XSELLERATOR user licenses and annual support increases, represents 79% of the Q3 FY2018 support revenue growth. The remaining 21% of the Q3 FY2018 support revenue growth comes from increases in our customer base.

Add-on revenue to existing customers was $215,750 in Q3 FY2018, compared to $265,072 in Q3 FY2017, a decrease of $49,322 or 19%. The decrease is mainly due to a decrease in training revenue. The decrease in training revenue was mainly due to an increase in new installations revenue during Q3 FY2018. When new installations increase, the number of staff available for onsite training for existing customers is reduced.

New installations revenue was $316,048 in Q3 FY2018 compared to $201,756 in Q3 FY2017, an increase of $114,292 or 57%. The Corporation completed nine new installations during Q3 FY2018 as compared

[2] Communicator revenue was included in add-on revenue in prior periods. Communicator revenue is recurring and has been included in support revenue since Q4 FY2017. Q1 FY2017, Q2 FY2017 and Q3 FY2017 have been restated for comparative purposes.

to three during Q3 FY2017. Under IFRS 15, total new installation revenue was $23,597 lower in Q3 FY2018 than it would have been under prior IFRS.

Q3 FY2018 transitions revenue was $23,750 compared to $nil in Q3 FY2017.

Direct Costs and Gross Margin

During Q3 FY2018, gross margin increased to $1,689,975 or 49% compared to $1,461,630 or 48% for Q3 FY2017.

Direct costs include all costs related to installations and support including third party costs and all the implementation, transitions and support staff. Direct costs for Q3 FY2018 were $1,728,526 compared to $1,608,228 in Q3 FY2017, an increase of $120,298 or 7%. The increase in direct costs is mainly due to an increase in third party costs associated with new installations and transitions. New installations revenue and transitions revenue increased in Q3 FY2018 and these revenue streams have a higher cost of goods sold and lower margin compared to recurring support revenue. During Q3 FY2018, integration payments to third party providers increased. The increase in third party costs is also due to an increase in the foreign exchange rate. Many of the licenses required for support, transitions and new installations are purchased in US dollars and this has had a substantial impact on third party costs.

During Q3 FY2018, Quorum received $78,898 from various government sources as a reduction of salaries and benefits. $39,141 ($35,742-Q3 FY2017) was received from the National Research Council of Canada ("NRC") and was applied as a reduction of salaries and benefits (direct). As well, during Q3 FY2018, $57,313 ($nil-Q3 FY2017) from the Newfoundland and Labrador Innovation Council ("NLIC") was received and applied as a reduction of salaries and benefits (direct). Also during Q3 FY2018, $26,438 ($nil-Q3 FY2017) from Alberta Innovates Technology Futures ("AITF") was received and applied as a reduction of salaries and benefits (direct).

During Q3 FY2018, the Corporation began the process of calculating gross margin by revenue type. Comparative period information is not available at this time.

	Q3 2018 Gross Revenue	Q3 2018 Third Party Costs (Direct)	Q3 2018 Gross Margin before Labour	Q3 2018 Gross Margin % before Labour	Q3 2018 Labour	Q3 2018 Gross Margin	Q3 2018 Gross Margin %
Support revenue	**$2,862,953**	**$ 476,622**	**$2,386,331**	**83%**	**$ 451,499**	**$1,934,832**	**68%**
Add-on revenue	**215,750**	**131,210**	**84,540**	**39%**	**49,489**	**35,051**	**16%**
New installations revenue	**316,048**	**204,563**	**111,485**	**35%**	**396,828**	**(285,343)**	**(90%)**
Transitions revenue	**23,750**	**13,147**	**10,603**	**45%**	**5,168**	**5,435**	**23%**
Total	**$3,418,501**	**$ 825,542**	**$2,592,959**	**76%**	**$ 902,984**	**$1,689,975**	**49%**

Expenses

	Nine Months Ended Sept 30, 2018	Nine Months Ended Sept 30, 2017	Q3 Ended Sept 30, 2018	Q3 Ended Sept 30, 2017	Q2 Ended June 30, 2018	Q2 Ended June 30, 2017	Q1 Ended March 31, 2018	Q1 Ended March 31, 2017
Salaries and benefits[3] [4]	**$1,738,109**	$1,447,282	**$ 498,027**	$ 372,602	**$ 575,302**	$ 530,697	**$ 664,780**	$ 543,983
Stock-based compensation	**305,908**	-	**52,200**	-	**59,840**	-	**193,868**	-
General and administrative	**991,042**	779,262	**369,550**	289,702	**323,698**	237,433	**297,794**	252,127
Sales and marketing[8]	**1,493,464**	1,220,590	**431,490**	321,659	**372,540**	360,424	**689,434**	538,507
Total expenses	**$4,528,523**	$3,447,134	**$1,351,267**	$ 983,963	**$ 1,331,380**	$ 1,128,554	**$ 1,845,876**	$ 1,334,617

Total expenses before interest, taxes, depreciation, amortization and foreign exchange for Q3 FY2018 were $1,351,267 or 40% of sales as compared to $983,963 or 32% of sales for Q3 FY2017.

Salaries and benefits expenses for Q3 FY2018 were $498,027 compared to $372,602 in Q3 FY2017 for an increase of $125,425 or 34%. The increase in Q3 FY2018 is due to the addition of employees required for future growth, as well as the inclusion of Autovance employees for the full three months of Q3 FY2018 (Autovance was acquired on September 1, 2017). During Q3 FY2018, $74,935 ($nil – Q3 FY2017) from the NL Government Innovation Attraction Fund ("IAF") grant was accrued and applied as a reduction of salaries and benefits expense. As well, during Q3 FY2018, $3,963 ($nil – Q3 FY2017) from the NRC grant was received and applied as a reduction of salaries and benefits expense. Sales and marketing salaries and benefits expense of $287,673 was reallocated from salaries and benefits to sales and marketing for Q3 FY2017 for comparative purposes.

Stock-based compensation expense for Q3 FY2018 was $52,200 compared to $nil for Q3 FY2017. During Q3 FY2018, 270,000 Restricted Stock Units (RSU's) were granted pursuant to the achievement of certain milestones by Autovance post-closing as prescribed by the Share Purchase Agreement. The stock-based compensation expense is a non-cash expense.

General and administrative expenses for Q3 FY2018 were $369,550 compared to $289,702 in Q3 FY2017 for an increase of $79,848 or 28%. The increase from Q3 FY2017 is mainly due to an increase in rental expense and the one-time transaction expense associated with the DealerMine acquisition.

Sales and marketing expenses for Q3 FY2018 were $431,490 or 13% of sales compared to $321,659 for Q3 FY2017 or 10% of sales, an increase of $109,831 or 34%. The increase is due to the addition of sales and marketing employees required for future growth.

Foreign Exchange

The Corporation has a low exposure risk to realized foreign exchange gains and losses since a majority of its U.S. operations are performed through Quorum Information Technologies (US) Inc, Quorum's wholly-owned U.S. subsidiary. All transactions for this entity are performed in U.S. dollars. The Corporation does incur unrealized gains and losses on the conversion of the U.S. entity's net assets during consolidation for financial reporting. During the quarter, the Canadian/US exchange rate increased from 1.2545 at December 31, 2017 to 1.2894 at March 31, 2018 to 1.3168 at June 30, 2018 and decreased to 1.2945 at September 30, 2018. This decrease had a direct impact on the Canadian dollar value of net assets held by Quorum in the U.S. The unrealized loss on the assets held was $40,017 during Q3 FY2018 compared to a $49,959

[3] Net of Government assistance.
[4] Salaries and benefits expense for Sales and Marketing associates are now included in sales and marketing expense. Q1 FY2017, Q2 FY2017 and Q3 FY2017 have been restated for comparative purposes.

unrealized loss during Q3 FY2017. There was a realized foreign exchange gain of $843 during Q3 FY2018 compared to a realized foreign exchange gain of $2,947 during Q3 FY2017.

Capitalization & Amortization

During Q3 FY2018, the Corporation continued to invest significantly in the further development of its proprietary software product, XSELLERATOR. XSELLERATOR is considered one of the most advanced, fully integrated products in the marketplace.

Summary of software development costs capitalized during the quarter and related amortization for XSELLERATOR:

	Nine Months Ended Sept 30, 2018	Nine Months Ended Sept 30, 2017	Q3 Ended Sept 30, 2018	Q3 Ended Sept 30, 2017
Total software development costs capitalized	**$1,473,598**	$1,197,188	**$ 501,910**	$ 401,403
Amortization of software development costs	**$ 997,965**	$ 805,907	**$ 331,858**	$ 269,166

All research and development costs are expensed as incurred unless they satisfy the IFRS criteria for deferral and subsequent amortization. As noted above, the Corporation continues to conduct ongoing research and development towards the improvement of XSELLERATOR and has capitalized payroll costs of $451,967, net of funding from ACOA of $28,841, and direct overheads of $49,943, for a total of $501,910 in Q3 FY2018, compared to capitalized payroll costs of $373,140, net of funding from ACOA of $48,591, and direct overheads of $28,263, for a total of $401,403 in Q3 FY2017.

XSELLERATOR is a leading-edge product in the automotive DMS field and the Corporation intends to maintain this lead through continued investment in the product. The Corporation has continued its development efforts as it prepares to roll out additional features and functionality, as well as more and improved integration points with existing and new manufacturers.

Amortization of XSELLERATOR software development costs for Q3 FY2018 increased to $331,858 as compared to $269,166 for Q3 FY2017, a $62,692 or 23% increase. The amortization policy of the Corporation is ten-year straight line.

The Corporation invested $57,203 in computer hardware and software, office furniture and equipment, and other capital assets during Q3 FY2018, compared to $68,507 in Q3 FY2017.

Depreciation on the capital assets was $27,058 in Q3 FY2018, compared to $31,852 in Q3 FY2017.

Net Income, EBITDA and Net Income per Share

	FY 2018 Sept 30 Q3	FY 2017 Sept 30 Q3
EBITDA	**$ 390,908**	$ 477,667
Net income (loss)	**$ (52,152)**	$ 99,780
Net income (loss) per share		
- Basic	**$ (0.0010)**	$ 0.0019
- Diluted	**$ (0.0010)**	$ 0.0019
Weighted average number of common shares		
- Basic	**52,731,769**	52,045,594
- Diluted	**52,731,769**	52,045,594

EBITDA for Q3 FY2018 was $390,908 or $0.007 per share compared to $477,667 or $0.009 per share for Q3 FY2017. This is a decrease of $86,759 from Q3 FY2017.

Net loss for Q3 FY2018 was $52,152 or $0.0010 per share, compared to net income of $99,780 or $0.0019 per share for Q3 FY2017. This is a $151,932 decrease from Q3 FY2017.

LIQUIDITY AND FINANCIAL RESOURCES

	September 30, 2018	December 31, 2017
Current assets		
Cash	**$ 3,477,543**	$ 4,595,145
Accounts receivable	**2,019,113**	1,454,001
Loan receivable	**61,313**	102,949
Inventory	**11,039**	16,372
Prepaid expenses	**272,810**	321,775
	5,841,818	6,490,242
Current liabilities		
Accounts payable and accrued liabilities	**1,047,814**	947,503
Deferred revenue	**266,446**	297,454
Current portion of long-term debt	**76,677**	91,498
Current portion of finance lease liability	**33,210**	-
	1,424,147	1,336,455
Net working capital	**$ 4,417,671**	$ 5,153,787

Quorum continues to maintain a strong balance sheet and a positive cash position.

Net working capital at September 30, 2018 was $4,417,671 compared to $5,153,787 at December 31, 2017, a decrease of $736,116. The current ratio at September 30, 2018 was 4.10 compared to 4.86 at December 31, 2017. The decrease in net working capital from the prior year is mainly due to the decrease in cash and prepaid expenses and an increase in accounts payable, offset by an increase in accounts receivable during Q3 FY2018.

At the time of the release of this MD&A, excluding obligations under the Bridge Loan with Covington Capital ("Bridge Loan"), management is satisfied that Quorum has sufficient liquidity and capital resources to meet the long-term payment obligations of its outstanding loans. Quorum assesses its requirements for capital on an ongoing basis and Quorum will have to obtain additional capital to finance the expansion plans of the business. In particular, Quorum will have to seek additional financing to pay back the Bridge Loan and is actively pursuing several options. Quorum expects to put this additional financing in place by the end of Q1 FY2019.. Quorum continues to place emphasis on evaluating credit capacity, credit counterparties, and liquidity to ensure its ability to meet its ongoing commitments and obligations.

Subsequent to quarter end, on October 18, 2018, the Corporation entered into a demand operating line of $750,000 with HSBC Bank. As of November 15, 2018, the operating line remained fully available and was undrawn.

Cash Flows

The Corporation's cash balance decreased by $582,685 in Q3 FY2018 compared to a decrease of $1,106,415 in Q3 FY2017.

Cash flows from operating activities were $41,198 in Q3 FY2018 compared to $220,179 in Q3 FY2017, a decrease of $178,981 or 81%. This decrease is mainly due to an increase in accounts receivable and a decrease in accounts payable and accrued liabilities. In prior periods, cash flows from operating activities were reported using the direct method. Effective Q1 FY2018, and for comparative periods, the indirect method will be used. Under the direct method, cash flow from operating activities was reported as $163,383 in Q3 FY2017. The difference under the indirect method is due to inclusion of the loan receivable in cash flows from financing activities and the effect of foreign currency on cash.

Cash flows related to financing activities were $176,245 in Q3 FY2018 compared to $95,054 in Q3 FY2017. During Q3 FY2018, $29,384 of loan repayments were made pursuant to the 2012 ACOA loan compared to $18,612 during Q3 FY2017. During Q3 FY2018, $6,736 of loan proceeds were received pursuant to the 2018 ACOA loan as compared to $nil in Q3 FY2017. As well, during Q3 FY2018, $160,334 of loan proceeds were received pursuant to the 2016 ACOA loan as compared to $83,409 during Q3 FY2017. During Q3 FY2018, loan receivables decreased by $100,137, offset by loan proceeds of $167,070, as compared to an increase of $28,650 for Q3 FY2017. In previous periods, under the direct method, changes to the loan receivable were included in cash flows from operating activities. During Q3 FY2018, SR&ED proceeds were $117,005 as compared to $58,907 in Q3 FY2017. As well, during Q3 FY2018, payments of $11,513 were made pursuant to a finance lease for furniture and equipment as compared to $nil in Q3 FY2017.

The Corporation has a strong commitment to continually enhance and improve XSELLERATOR and Autovance Desk and invested $685,553 in product development in Q3 FY2018. The Corporation invested a further $57,203 for computer software, computer hardware, office furniture and equipment, and other capital assets, for net outflow of cash related to investing activities of $742,756.

Current Liabilities

Accounts payable and accrued liabilities were $1,047,814 at September 30, 2018 compared to $947,503 at December 31, 2017, and $988,056 at September 30, 2017. The increase is mainly due to the cost of hardware and software associated with the increase in transitions and new installations revenue.

Deferred revenue at September 30, 2018 was $266,446, compared to $297,454 at December 31, 2017. Under the GM DTAP contract, the Corporation's support billings are billed in advance. As of September 30, 2018, $231,694 of support fees were billed that relate to October 1-19th, 2018. The balance of $34,752 is for training services for new customers to be delivered during the remainder of FY2018.

Long-term Liabilities

On January 25, 2018, the Corporation signed a new rental contract for office space at 240 Waterford Bridge Road, St. John's, Newfoundland and Labrador. This agreement has a non-cancellable term of 7.5 years. Included as an inducement to the lease was furniture and equipment with an estimated value of $325,000. Under IFRS, at the inception of the lease, the fair value of the furniture and equipment and the corresponding finance lease liability is $185,408 computed using an interest rate of 15%. As of September 30, 2018, the fair value of the furniture and equipment is $162,381

On March 26, 2018, the Corporation entered into a $175,000 loan agreement with Atlantic Canada Opportunities Agency ("ACOA") to finance the St. John's, NL Office Expansion project. The loan, which is unsecured and interest-free, matures on June 30, 2024. Monthly repayments will commence on July 1, 2019. As of November 15, 2018, $52,422 has been claimed. Under IFRS, the fair value of the loan at September 30, 2018 is $28,568 of which $3,526 is current principal due within the next 12 months. The difference between the fair value of the loan and the cash receivable has been accounted for as government assistance.

On July 5, 2016, the Corporation entered into a $1,076,067 loan agreement (the "Agreement) with ACOA to finance the XSELLERATOR refactoring project which will allow the Corporation to provide a more robust mobile offering, deliver a low cost hosted solution, retain customers and attract new customers with a modern, attractive and intuitive interface. As of November 15, 2018, $1,024,489 was received. The fair value of the loan is $474,351, which has been computed using a 15% rate of interest over 5 years. The difference between the fair value of the loan and the cash received and receivable has been accounted for as government grant. The loan is unsecured and interest-free and is repayable in annual installments calculated as 1.5% of gross revenues for the fiscal year immediately preceding the due date of the respective payment. The first payment is due on September 1, 2019.

On September 21, 2012, the Corporation entered into a $500,000 loan agreement with ACOA to finance the transition project which includes an upgrade to Windows 2008 R2, SQL Server 2012 and Office 2010, deployment of Lync and Exchange server and upgrade to PB12.Net and ASP model. The loan, which is unsecured and interest-free, matures on December 31, 2018. Monthly repayments commenced on January 2, 2014. As of October 23, 2013, the full $500,000 was received. Under IFRS, the fair value of the loan at September 30, 2018 is $23,077 of which $23,077 is current principal due within the next 12 months. The difference between the fair value of the loan and the cash received has been accounted for as government assistance. On a cash basis, $25,009 is remaining on the loan at September 30, 2018 and is required to be repaid within the next 12 months.

Share Capital

Note 9 of the September 30, 2018 unaudited condensed consolidated financial statements of the Corporation provides further details on share capital.

During Q3 FY2018, the share price ranged from a high of $0.69 and a low of $0.55. The average share price over the period was $0.62. As of September 30, 2018, there were no dilutive shares outstanding as all options have been exercised and/or expired.

Effective June 27, 2014, the Corporation implemented the Restricted Stock Unit (RSU) Plan which provides incentives to eligible employees, officers and directors of the Corporation through the issuance of Restricted Stock Units. The RSU's generally vest as follows, subject to the absolute discretion of the Board of Directors: one-third on the date of grant, and one-third on each of the one and two-year anniversaries from the date of grant. As of September 30, 2018, a total of 3,671,400 RSU's have been granted and 2,675,200 RSU's at an average price of $0.50 were vested.

Material Contracts & Commitments

On June 15, 2018, the Corporation signed an agreement with the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP), to provide funding, up to a maximum of $225,063, to develop load balance cloud services for dealerships and their customers. As of November 15, 2018, $66,807 has been received. The contribution from NRC-IRAP is non-repayable.

On May 15, 2018, the Corporation and the Government of Newfoundland and Labrador, Department of Tourism, Culture, Industry and Innovation (TCII), under the Investment Attraction Fund (IAF) announced that TCII will provide funding, up to a maximum of $500,000 which is tied to the achievement of specific employment targets. As of November 15, 2018, $264,574 has been received. The contribution from TCII is non-repayable as long as the Corporation is successful in achieving employment targets.

On March 28, 2018, the Corporation signed an agreement with The Newfoundland and Labrador Innovation Council (NLIC) to provide funding, up to a maximum of $249,329, for the Customer Direct Vehicle Sales project. As of November 15, 2018 $140,453 has been received. The contribution from NLIC is non-repayable.

On March 26, 2018, the Corporation entered into a $175,000 loan agreement with ACOA to finance the St. John's, NL Office Expansion project. The loan, which is unsecured and interest-free, matures on June 30, 2024. Monthly repayments will commence on July 1, 2019. As of November 15, 2018, $52,422 has been received.

On July 5, 2016, the Corporation completed an agreement with ACOA to provide a $1,076,067 interest-free, unsecured loan to provide funding to refactor several key functional areas within its DMS. Repayment of the loan will commence on September 1, 2019. As of November 15, 2018, $1,076,067 has been claimed and $1,024,489 has been received.

On September 21, 2012, the Corporation completed an agreement with ACOA to provide $500,000 of funding to finance the transition project which includes an upgrade to Windows 2008 R2, SQL Server 2012 and Office 2010, deployment of Lync and Exchange server and upgrade to PB12.Net and ASP model. As of October 23, 2013, the loan was received in full. Repayment of the loan commenced on January 2, 2014. This interest-free and unsecured loan matures on December 31, 2018. On a cash basis, $25,009 is remaining on the loan at September 30, 2018 and will be repaid within the next 12 months.

Off Balance Sheet Arrangements

Other than the lease commitments noted in Note 11 of the September 30, 2018 unaudited condensed consolidated financial statements, the Corporation has not entered into any off balance sheet arrangements.

New standards and interpretations adopted

IFRS 9 Financial Instruments

IFRS 9 replaces the guidance in IAS 39 Financial Instruments: Recognition and Measurement, on the classification and measurement of financial assets. IFRS 9 eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivable.

Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or
- financial assets measured at fair value.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except for an investment in an equity instrument which is not held-for-trading. IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income ("OCI"). The election is available on an individual investment-by-investment basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date. IFRS 9 also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an expected credit loss ("ECL") model. The new impairment model applies to financial assets at amortized cost, contract assets and debt investments at FVOCI.

The Corporation adopted this standard on January 1, 2018 and it had a nominal impact on the Corporation's disclosures.

IFRS 15 Revenue from Contracts with Customers

The Corporation has adopted IFRS 15 Revenue from Contracts with Customers with an initial adoption date of January 1, 2018. The Corporation utilized the cumulative effect method to adopt the new standard and therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. See Note 13 of the September 30, 2018 unaudited condensed consolidated financial statements for further details.

Recent Accounting Pronouncements

Refer to the Corporation's December 31, 2017 annual report for the recent accounting pronouncements for which the Corporation is continuing to evaluate the impact of adopting these standards.

Estimates and Judgments

As a routine element of the financial statement preparation process, management is required to make estimates and assumptions based on information available as at the financial statement date. These estimates and assumptions affect the reported amounts of assets and liabilities, the possible disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses for the period.

Although estimates and assumptions must be made during the financial statement preparation process, it is management's opinion that none of the estimates or assumptions were highly uncertain at the time they were made. The most significant estimates in Quorum's consolidated financial statements are the impairment of intangible assets, depreciation of property and equipment, amortization of intangible assets, deferred income taxes and stock-based compensation.

Outlook

As we move forward into 2019, Quorum has never had a more exciting set of growth opportunities. These opportunities include growing the core DMS business, cross-selling products and services to our DMS customers, growing acquired assets, and potentially adding other selective acquisitions. Both DealerMine and Autovance are high-growth, cloud-based SaaS businesses that can show immediate leverage in that they do not require OEM integration and require significantly less training and support to transition dealerships to their solutions. At the same time, building the XSELLERATOR base is the foundation on which the company can offer solutions from our recent acquisitions and 3rd party reseller arrangements, and also demands significant attention.

Forward-Looking Statements

This report contains certain forward-looking information and statements within the meaning of applicable securities laws. All statements in this report, other than statements of historical fact, which address events or developments concerning Quorum Information Technologies Inc. ("Quorum" or the "Corporation") that Quorum expects to occur are "forward-looking information and statements". The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "potential", "could", "scheduled", "believe", "plans", "intends", "might" and similar expressions are intended to identify forward-looking information or statements.

In particular, but without limiting the foregoing, this document may contain forward-looking information and statements pertaining to the following business plan of Quorum including its plans for targeting new OEM Integration, new dealership roof top sales, and increasing Automotive Group Partnerships; the timing for completion and cost of OEM Integration; estimates of return on assets and EBITDA; potential M&A opportunities; the timing of adoption of new accounting standards and the potential impact of new accounting standards on the Corporation's financial statement; the timing of adoption of new accounting standards and the potential impact of new accounting standards on Quorum's' financial statement; the effect of acquisitions on the Corporation including the effect of the Autovance and DealerMine acquisitions; the effect of the Bridge Loan and the replacement of the Bridge Loan; various industry activity forecasts; and (v) other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. Various assumptions were used in drawing the conclusions or making the forecasts and projections contained in the forward-looking statements throughout this report. The forward-looking information and statements contained in this report reflect several material factors, expectations and assumptions including, without limitation: (i) capital expenditures by dealers; (ii) market availability of current and future dealership rooftops; (iii) schedules and timing of certain projects and Quorum's strategy for growth; (iv) Quorum's future operating and financial results; and (v) treatment under governmental regulatory regimes and tax and other laws. The forward-looking information and statements included in this report are not guarantees of future performance and should not be unduly relied upon.

Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking information and statements. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: (i) volatility in exchange rates for the Canadian dollar relative to the US dollar; (ii) liabilities and risks inherent in the software services industry; (iii) competition for, among other things, capital and skilled personnel; (iv) changes in general economic, market and business conditions in Canada and the United States; and (v) actions by governmental or regulatory authorities including changes in income tax laws or changes in tax laws. Quorum cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking information and statements contained in this document speak only as of the date of this document, and Quorum assumes no obligation to update or revise them to reflect news events or circumstances, except as may be required pursuant to applicable laws. Any financial outlook or future oriented financial information in this document, as defined by applicable securities legislation, has been approved by management of Quorum. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

Business Risks

The Corporation faces key risks, including adequacy of capital and/or cash flow to pursue its business plan objectives, reliance on relatively few key suppliers and customers, and the emergence of superior competing technologies. This list is not intended to be exhaustive, but merely to communicate to shareholders certain key risks faced by the Corporation in its business.

Liquidity Risk

The Corporation has achieved nine consecutive years of positive cash flow from operating activities. On October 18, 2018, the Corporation entered into a demand operating line of $750,000 with HSBC Bank. As of November 15, 2018, the operating line has not been drawn upon.

On October 31, 2018, the Corporation entered into a Bridge Loan with Covington Capital for the purchase of DealerMine Inc. Under the terms of the bridge loan, Quorum will pay only interest payments, with interest at a rate of 0%, for the first two months and 12% for the remaining ten months. Quorum is actively pursuing several options to replace the Bridge Loan and expects to have the additional financing in place by the end of Q1 FY2019.

Server Reliability Risk

Quorum's products operate in a Cloud environment or on a server that is installed at each dealership. In either environment, server up-time, data backup, virus protection and disaster recovery are critical to our customers and Quorum.

Server downtime and lost data cost our customers in terms of lost productivity and results in a financial impact to our customers. Although Quorum cannot guarantee continuity of service, we have taken numerous steps to help protect our customers.

Technology Changes

Some of the markets for Quorum's software products are characterized by periodic technological advances, and the Corporation must improve its software products to remain competitive. Periodic technological change and associated new product introductions and enhancements characterize the software industry in general. Quorum's current and potential customers increasingly require greater levels of functionality and more sophisticated product offerings. Accordingly, the Corporation believes that future success depends upon its ability to enhance current software products and to develop and to introduce new products offering enhanced performance and functionality at competitive prices in a timely manner, and on the ability to enable the software products to work in conjunction with other products from manufacturers and other third party suppliers that its customers may utilize. Quorum's failure to develop and to introduce or to enhance products in a timely manner free of critical errors, bugs or issues with limited downtime or performance issues could have a material adverse effect on the business, results of operations, and financial condition.

Quorum may be unable to respond on a timely basis to the changing needs of its customer base and the new applications it designs for customers may prove to be ineffective. The Corporation's ability to compete successfully will depend in large measure on its ability to bring to market effective new products or services, to maintain a technically competent research and development staff, and to adapt to technological changes and advances in the industry. Quorum's software products must remain compatible with evolving computer hardware and software platforms and operating environments. Quorum cannot provide assurance that it will be successful in these efforts. In addition, competitive or technological developments and new regulatory requirements may require the Corporation to make substantial, unanticipated investments in new products and technologies, and the Corporation may not have sufficient resources to make these investments. If the Corporation were required to expend substantial resources to respond to specific technological or product changes, the operating results would be adversely affected.

Quorum attempts to mitigate these risks through various strategic and operating mechanisms such as ongoing research and development to maintain our position as one of the most advanced products in the automotive field, fair and equitable compensation and workplace policies, flexibility in operational decision making, review and discussion of competitors' policies to maintain market advantage, and ongoing interaction with both debt and capital markets. Management believes these strategies reduce the Corporation's business risk to an acceptable level, which will allow the Corporation to continue to grow and maximize shareholder value.

Despite the Corporation's attempts to mitigate key risks, shareholders should be aware that the information technology industry is subject to rapid technological change, and the products and services provided by the Corporation are also expected to be subject to rapid technological changes. To remain competitive, the Corporation must be able to keep pace with the technological developments in this industry and change its product and service lines to meet new demands. The Corporation will depend on research and development for improvements and enhancements to our products, and the introduction of new products and services that have not been commercially tested to accelerate its future growth. The Corporation has a proven track record of success in innovative product design and enhancements, and has the expertise and the capital backing in place to continue it.

Information Security and Disaster Recovery

The efficient operation of the Corporation's business is dependent on computer hardware and software systems. Information systems are vulnerable to security breaches by computer hackers and cyberterrorists. In addition, an unforeseen natural or manmade disaster could result in key information technology systems being compromised, damaged or destroyed.

Quorum has implemented security measures to maintain confidential and proprietary information stored on the Corporation's information systems. However, these measures and technology may not be adequate due to the increasing volume and sophistication of these cyber attacks. The Corporation has also implemented backup and redundancy measures with respect to certain information technology systems. However, there is a risk that these measures may not adequately prevent data loss as a result of a security breach or disaster. This could result in business disruption, decreased performance, or increased costs, and could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Reliance on Key Personnel

The successful operation of the Corporation's business depends upon the relationships, experience, abilities, expertise, judgment, discretion, integrity and good faith of the Corporation's executive officers, managers, employees and consultants. In addition, the ability of the Corporation to expand its services and product offerings will depend upon the ability to attract qualified personnel as needed. The demand for skilled employees in the technology space is high, and the supply is limited. The inability to retain or recruit skilled personnel could have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

Failure to Achieve Benefits of Acquisitions

The full benefits of any acquisitions completed by the Corporation will require the retention of key personnel; the integration of management, administration and finance functions; and the implementation of appropriate operations, financial and management systems and controls in order to capture the benefits and efficiencies that were anticipated to result from these acquisitions. This will require substantial attention from management. The diversion of management's attention, as well as any other difficulties that may be encountered in the transition and integration processes, could have an adverse impact on the Corporation's revenues, operating results and cash flows. The Corporation could experience difficulties in effectively integrating the businesses and assets of any acquisitions. If any such difficulties resulted in the Corporation failing to achieve the anticipated benefits resulting from the acquisitions, the Corporation could face higher costs and lower than expected revenue and miss other market opportunities. There can be no assurance that the businesses of any acquisitions will be successfully integrated.

Unpredictability and Volatility of Share Price

The prices at which the Corporation's common shares trade cannot be predicted. The market price of Quorum's common shares could be subject to significant fluctuations in response to variations in quarterly financial and operating results and other factors. In addition, the securities markets have experienced significant market wide and sectoral price and volume fluctuations from time to time that often have been unrelated or disproportionate to the operating performance of particular issuers. Such fluctuations may adversely affect the market price of Quorum's common shares.

2018 3rd Quarter
Condensed Consolidated Financial Statements (unaudited)

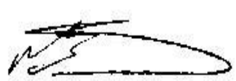
Quorum Information Technologies Inc.
Condensed Consolidated Statements of Financial Position (unaudited)

(stated in Canadian dollars)

As at		September 30, 2018	December 31, 2017*
ASSETS			
Current:			
Cash		**$ 3,477,543**	$ 4,595,145
Accounts receivable		**2,019,113**	1,454,001
Loan receivable	Note 6	**61,313**	102,949
Inventory		**11,039**	16,372
Prepaid expenses		**272,810**	321,775
		5,841,818	6,490,242
Property and equipment	Note 4	**523,410**	320,277
Intangible assets	Note 5	**8,181,596**	7,708,380
Goodwill	Note 5	**485,765**	485,765
Deferred income tax asset		**2,347,503**	2,405,793
Investment tax credits		**3,519,267**	3,421,061
		20,899,359	20,831,518
LIABILITIES			
Current:			
Accounts payable and accrued liabilities		**1,047,814**	947,503
Deferred revenue		**266,446**	297,454
Current portion of long-term debt	Note 6	**76,677**	91,498
Current portion of finance lease liability	Note 8	**33,210**	-
		1,424,147	1,336,455
Long-term debt	Note 6	**453,004**	380,901
Finance lease liability	Note 8	**129,171**	-
Deferred income tax liability		**210,396**	204,379
		2,216,718	1,921,735
SHAREHOLDERS' EQUITY			
Share capital	Note 9	**16,837,051**	16,531,143
Contributed surplus		**2,307,213**	2,307,213
Retained earnings (deficit)		**(461,623)**	71,427
		18,682,641	18,909,783
		$ 20,899,359	$ 20,831,518

See accompanying notes to interim consolidated financial statements.
* The Corporation initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See note 13.

Approved on behalf of the Board:



________________________ **Director**
Maury Marks
President & CEO

________________________ **Director**
Michael Podovilnikoff
Chairman of the Board of Directors

Quorum Information Technologies Inc.

Condensed Consolidated Statements of Comprehensive Income (unaudited)

(stated in Canadian dollars)

		Three months ended September 30, 2018	Three months ended September 30, 2017*	Nine months ended September 30, 2018	Nine months ended September 30, 2017*
Gross revenue		**$ 3,418,501**	$ 3,069,858	**$ 10,511,481**	$ 9,529,547
Direct costs					
Third party costs		**825,542**	612,142	**2,475,070**	2,007,812
Salaries and benefits		**1,025,876**	1,031,828	**3,000,644**	2,814,117
Government assistance		**(122,892)**	(35,742)	**(328,130)**	(140,299)
Gross margin		**1,689,975**	1,461,630	**5,363,897**	4,847,917
Expenses					
Salaries and benefits	Note 2	**576,925**	372,602	**1,976,122**	1,447,282
Government assistance		**(78,898)**	(14,485)	**(238,013)**	(29,328)
General and administrative		**369,550**	304,187	**991,042**	808,590
Sales and marketing	Note 2	**431,490**	321,659	**1,493,464**	1,220,590
Stock-based compensation	Note 10	**52,200**	-	**305,908**	-
Interest expense on long-term debt		**4,714**	6,387	**15,782**	19,161
Bank charges and other interest expense		**2,193**	3,991	**10,297**	12,586
Amortization of intangible assets		**366,211**	271,809	**1,088,049**	808,836
Depreciation of property and equipment		**27,058**	31,852	**85,519**	83,338
Loss on disposal of capital assets		**-**	-	**64,171**	-
Total expenses		**1,751,443**	1,298,002	**5,792,341**	4,371,055
Interest income		**5,477**	11,440	**20,822**	33,828
Income (loss) before deferred income tax expense		**(55,991)**	175,068	**(407,622)**	510,690
Deferred income tax expense (recovery)		**(3,839)**	75,288	**105,844**	102,057
Net income (loss)		**(52,152)**	99,780	**(513,466)**	408,633
Other comprehensive income (loss)					
Foreign exchange gain (loss)		**(39,174)**	(47,012)	**43,776**	(105,997)
Comprehensive income (loss)		**$ (91,326)**	$ 52,768	**$ (469,690)**	$ 302,636
Net income (loss) per share	Note 9				
- Basic		**$ (0.0010)**	$ 0.0019	**$ (0.0097)**	$ 0.0079
- Diluted		**$ (0.0010)**	$ 0.0019	**$ (0.0097)**	$ 0.0079

See accompanying notes to interim consolidated financial statements.
* The Corporation initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See note 13.

Quorum Information Technologies Inc.

Condensed Consolidated Statements of Changes in Equity (unaudited)

(stated in Canadian dollars)

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017*	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017*
Common shares				
Balance, beginning of period	**$ 16,784,851**	$ 16,427,543	**$16,531,143**	$ 16,427,543
Issued	**52,200**	-	**305,908**	-
Balance, end of period	**16,837,051**	16,427,543	**16,837,051**	16,427,543
Contributed surplus				
Balance, beginning of period	**2,307,213**	1,940,013	**2,307,213**	1,940,013
Contingent acquisition consideration	**-**	367,200	**-**	367,200
Balance, end of period	**2,307,213**	2,307,213	**2,307,213**	2,307,213
Deficit				
Balance, beginning of period	**(370,297)**	(61,230)	**71,427**	(311,098)
Impact of adoption of IFRS 15	**-**	-	**(63,360)**	-
Net income (loss) for the period	**(52,152)**	99,780	**(513,466)**	408,633
Other comprehensive income (loss) for the period	**(39,174)**	(47,012)	**43,776**	(105,997)
Balance, end of period	**(461,623)**	(8,462)	**(461,623)**	(8,462)
Total shareholders' equity	**$ 18,682,641**	$ 18,726,294	**$ 18,682,641**	$ 18,726,294

See accompanying notes to interim consolidated financial statements.

* The Corporation initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See note 13.

Quorum Information Technologies Inc.

Condensed Consolidated Statements of Cash Flows (unaudited)

(stated in Canadian dollars)

		Three Months Ended September 30, 2018	Three Months Ended September 30, 2017*	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017*
Cash provided by (used in):					
Operating activities					
Net income (loss) for the period		**$ (52,152)**	$ 99,780	**$ (513,466)**	$ 408,633
Adjustments for:					
Amortization of intangible assets		**366,211**	271,809	**1,088,049**	808,836
Depreciation of property and equipment		**27,058**	31,852	**85,519**	83,338
Stock-based compensation		**52,200**	-	**305,908**	-
Deferred income tax expense (recovery)		**(3,839)**	75,288	**105,844**	102,057
Loss on disposal of capital assets		**-**	-	**64,171**	-
Interest		**12,368**	(1,063)	**15,782**	(2,081)
Change in non-cash operating working capital:					
Increase in accounts receivable		**(214,661)**	(132,889)	**(565,112)**	(256,009)
(Increase) decrease in inventory		**(497)**	5,698	**5,333**	13,261
(Increase) decrease in prepaid expenses		**(34,432)**	(134,623)	**48,965**	(103,868)
Increase (decrease) in accounts payable and accrued liabilities		**(111,082)**	(1,467)	**100,311**	54,083
Increase (decrease) in deferred revenue		**24**	5,794	**(31,008)**	(12,227)
	Note 2	**41,198**	220,179	**710,296**	1,096,023
Financing activities					
Proceeds from long-term debt		**167,070**	83,409	**305,969**	270,693
Proceeds from long-term SR&ED		**117,005**	58,907	**161,330**	58,907
Repayment of long-term debt		**(29,384)**	(18,612)	**(74,997)**	(55,836)
Increase in loan receivable		**(66,933)**	(28,650)	**(125,434)**	(42,027)
Repayment of finance lease		**(11,513)**	-	**(23,027)**	-
	Note 2	**176,245**	95,054	**243,841**	231,737
Investing activities					
Purchase of property and equipment		**(57,203)**	(68,507)	**(190,752)**	(126,291)
Software development costs		**(685,553)**	(449,995)	**(1,958,747)**	(1,327,354)
Business Combination		**-**	(875,000)	**-**	(875,000)
		(742,756)	(1,393,502)	**(2,149,499)**	(2,328,645)
Effect of foreign currency on cash		**(57,372)**	(28,146)	**77,760**	33,448
Increase (decrease) in cash		**(582,685)**	(1,106,415)	**(1,117,602)**	(967,437)
Cash, beginning of period		**4,060,228**	5,374,075	**4,595,145**	5,235,097
Cash, end of period		**$ 3,477,543**	$ 4,267,660	**$ 3,477,543**	$ 4,267,660

See accompanying notes to interim consolidated financial statements.

* The Corporation initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. See note 13

1. Nature of Operations

Quorum Information Technologies Inc. ("Quorum" or the "Corporation") is an information technology company that focuses on the automotive retail business in Canada and the U.S. and is incorporated under the Business Corporations Act of Alberta. The address of Quorum's registered office is Suite 200, 7500 MacLeod Trail, Calgary AB, Canada. Quorum develops, markets, implements and supports its own software product, XSELLERATOR™, a Dealership Management System for the automotive market, and the Autovance Desk System.

2. Basis of Presentation

a) Statement of compliance
These unaudited condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed consolidated financial statements include all necessary disclosures required for interim financial statements but do not include all disclosures required for annual financial statements. Therefore, these condensed consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2017. These unaudited condensed consolidated financial statements were authorized for issue by the Board of Directors on November 15, 2018.

b) Basis of measurement
The consolidated financial statements have been prepared on a going concern basis using the historical cost convention except financial instruments at fair value through profit or loss are measured at fair value.

c) Significant accounting judgments and estimates
The preparation of these unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes will differ from these estimates. The critical accounting estimates and judgments have been set out in Note 3 to the Corporation's consolidated financial statements for the year ended December 31, 2017.

d) Reclassification of prior year presentation
Certain prior year amounts have been reclassified to conform with the current year's presentation. These reclassifications had no effect on the Corporation's reported results of operations:

- In Q4 of 2017, the Corporation concluded that it was appropriate to reclassify the salaries and benefits of its sales and marketing employees from "salaries and benefits" to "sales and marketing" expense. For the three and nine month periods ended September 30, 2017, $287,673 and $976,200, respectively, of such salaries and benefits previously classified as "salaries and benefits" expense are now included in "sales and marketing" expense.
- Effective January 1, 2018, the Corporation changed the presentation of its statement of cash flows from the direct to the indirect method. For the three and nine month periods ended September 30, 2017, this new format resulted in minor presentation changes to cash provided by (used in) operating activities and financing activities.

2. Basis of Presentation *(continued)*

e) Recent accounting pronouncements

There were no new or amended accounting standards or interpretations issued during the nine months ended September 30, 2018 that are applicable to the Corporation in future periods. A description of accounting standards and interpretations that will be adopted by the Corporation in future periods can be found in Note 3 to the annual consolidated financial statements for the year ended December 31, 2017.

3. Significant Accounting Policies

Except for the adoption of IFRS 15, "Revenue from Contracts with Customers" and IFRS 9, "Financial Instruments", the significant accounting policies used in preparing these condensed consolidated interim financial statements are unchanged from those disclosed in Note 3 of the Corporation's 2017 annual consolidated financial statements and have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

Revenue recognition

The Corporation has adopted IFRS 15, "Revenue from Contracts with Customers", with an initial adoption date of January 1, 2018. The Company utilized the cumulative effect method to adopt the new standard and therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. See note 13 for further details.

Revenue represents the amount the Corporation expects to receive for products and services in its contracts with customers, net of discounts and sales taxes. The Corporation reports revenue under four revenue categories being, recurring support SaaS revenue, add-on revenue, new installations revenue and transitions revenue.

Contracts with multiple products or services

Typically, the Corporation enters into contracts that contain multiple products and services such as software licenses, maintenance, training services, and hardware. The Corporation evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and Quorum's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation. Where a contract consists of more than one performance obligation, revenue is allocated to each based on their estimated standalone selling price ("SSP").

Nature of products and services

The Corporation sells on-premise software licenses on a month-to-month basis. Revenue from the license of distinct software is recognized at the time that both the right-to-use the software has commenced and the software has been made available to the customer.

A portion of the Corporation's revenues, categorized as add-on revenue, are accounted for as product revenue. Product revenue is recognized when control of the product has transferred under the terms of an enforceable contract. Training revenue is also included as add-on revenue and is recognized when training has been completed.

3. Significant Accounting Policies *(continued)*

Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes, to a lesser extent, recurring fees derived from software licenses that are not distinct from maintenance, transaction revenues, managed services, and hosted products.

New installations revenue including installation, implementation, and training of software and is recognized by the stage of completion of the performance obligation determined using the percentage of completion method or as such services are performed as appropriate in the circumstances. The revenue and profit of fixed price contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably, which is typically once the customer's Dealership Test Drive (DTD) phase is complete. When the outcome of the contract cannot be estimated reliably but the Corporation expects to recover its costs, the amount of expected costs is treated as variable consideration and the transaction price is updated as more information becomes known.

Significant judgments and estimates
The Corporation uses judgment to assess whether multiple products and services sold in a contract are considered distinct and should be accounted as separate performance obligations or together. Estimates are required to determine the SSP for each distinct performance obligation in order to allocate revenue where multiple performance obligations exist in a contract. Management exercises judgment in determining whether a contract's outcome can be estimated reliably. Management also applies estimates in the calculation of future contract costs and related profitability as it relates to labour hours and other considerations, which are used in determining the value of amounts recoverable on contracts and timing of revenue recognition. Estimates are continually and routinely revised based on changes in the facts relating to each contract. Judgment is also needed in assessing the ability to collect the corresponding receivables.

Financial Instruments
The Corporation has adopted IFRS 9, "Financial Instruments" with an initial adoption date of January 1, 2018. IFRS 9 replaces the guidance in IAS 39, "Financial Instruments: Recognition and Measurement", on the classification and measurement of financial assets. IFRS 9 eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivable.

Financial assets are classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or
- financial assets measured at fair value.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Gains and losses on remeasurement of financial assets measured at fair value are recognized in profit or loss, except for an investment in an equity instrument, which is not held-for-trading. IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income ("OCI"). The election is available on an individual investment-by-investment basis. Amounts presented in OCI are not reclassified to profit or loss at a later date. IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an expected credit loss ("ECL") model. The new impairment model applies to financial assets at amortized cost. The Corporation adopted this standard on January 1, 2018 and it had a nominal impact on the Corporation's disclosures.

(stated in Canadian dollars)

4. Property and Equipment

The Corporation's property and equipment comprise computer hardware and software, office equipment and leasehold improvements. The carrying amount can be analyzed as follows:

	Computer Hardware	Computer Software	Office Equipment	Leasehold Improvements	Total
Gross Carrying Amount					
Balance at January 1, 2018	$1,086,441	$ 648,371	$ 372,841	$ 47,898	$2,155,551
Additions	43,020	71,021	232,427	29,692	376,160
Disposals	-	-	(136,276)	(40,848)	(177,124)
ACOA loan proceeds	(9,318)	(1,609)	(4,867)	(6,812)	(22,606)
Balance at September 30, 2018	1,120,143	717,783	464,125	29,930	2,331,981
Depreciation and Impairment					
Balance at January 1, 2018	934,127	634,269	238,250	28,628	1,835,274
Disposals	-	-	(86,278)	(26,675)	(112,953)
Net exchange differences	731	-	-	-	731
Depreciation	36,065	23,072	22,942	3,440	85,519
Balance at September 30, 2018	970,923	657,341	174,914	5,393	1,808,571
Carrying amount September 30, 2018	$ 149,220	$ 60,442	$ 289,211	$ 24,537	$ 523,410

	Computer Hardware	Computer Software	Office Equipment	Leasehold Improvements	Total
Gross Carrying Amount					
Balance at January 1, 2017	$1,029,409	$ 620,161	$ 306,664	$ 47,898	$2,004,132
Additions	45,673	40,017	59,053	-	144,743
Additions through business combinations	14,924	-	7,124	-	22,048
ACOA loan proceeds	(3,565)	(11,807)	-	-	(15,372)
Balance at December 31, 2017	1,086,441	648,371	372,841	47,898	2,155,551
Depreciation and Impairment					
Balance at January 1, 2017	882,816	596,779	214,032	21,786	1,715,413
Net exchange differences	577	-	-	-	577
Depreciation	50,734	37,490	24,218	6,842	119,284
Balance at December 31, 2017	934,127	634,269	238,250	28,628	1,835,274
Carrying amount December 31, 2017	$ 152,314	$ 14,102	$ 134,591	$ 19,270	$ 320,277

(stated in Canadian dollars)

5. Intangible Assets and Goodwill

The Corporation's intangible assets comprise internally generated software development costs and vendor distribution rights. The carrying amounts for the reporting periods under review can be analyzed as follows:

	Software Development Costs	Vendor Distribution Rights	Total Intangible Assets	Goodwill
Gross Carrying Amount				
Balance at January 1, 2018	$19,803,155	$ 42,646	$19,845,801	$ 485,765
ACOA loan proceeds	(116,827)	-	(116,827)	-
Additions	1,678,092	-	1,678,092	-
Balance at September 30, 2018	21,364,420	42,646	21,407,066	485,765
Amortization and impairment				
Balance at January 1, 2018	12,104,352	33,069	12,137,421	-
Amortization	1,087,651	398	1,088,049	-
Balance at September 30, 2018	13,192,003	33,467	13,225,470	-
Carrying amount September 30, 2018	$ 8,172,417	$ 9,179	$ 8,181,596	$ 485,765

	Software Development Costs	Vendor Distribution Rights	Total Intangible Assets	Goodwill
Gross Carrying Amount				
Balance at January 1, 2017	$16,490,188	$ 42,646	$16,532,834	$ -
Additions through business combinations	916,711	-	916,711	485,765
Impairment reversal	937,273	-	937,273	-
ACOA loan proceeds	(177,408)	-	(177,408)	-
Additions	1,636,391	-	1,636,391	-
Balance at December 31, 2017	19,803,155	42,646	19,845,801	485,765
Amortization and impairment				
Balance at January 1, 2017	10,995,842	32,499	11,028,341	-
Amortization	1,108,510	570	1,109,080	-
Balance at December 31, 2017	12,104,352	33,069	12,137,421	-
Carrying amount December 31, 2017	$ 7,698,803	$ 9,577	$ 7,708,380	$ 485,765

(stated in Canadian dollars)

6. Long-term Debt

Long-term debt includes the following financial liabilities:

	September 30, 2018	December 31, 2017
ACOA financing 2012	**$ 23,077**	$ 91,498
ACOA financing 2016	**474,351**	380,901
ACOA financing 2018	**32,253**	-
	529,681	472,399
Installments due within one year	**76,677**	91,498
Total long-term debt	**$ 453,004**	$ 380,901

On September 21, 2012, the Corporation entered into a $500,000 loan agreement with Atlantic Canada Opportunities Agency ("ACOA") to finance the transition project which includes an upgrade to Windows 2008 R2, SQL Server 2012 and Office 2010, deployment of Lync and Exchange server and upgrade to PB12.Net and ASP model. The loan, which is unsecured and interest-free, matures on December 31, 2018. Monthly repayments commenced on January 2, 2014. As of October 23, 2013, the loan has been received in full and recorded at a fair value of $207,681, based on a 20% rate of interest over 5 years. The difference between the fair value of the loan and the cash received has been accounted for as a government grant (refer to Note 7). On a cash basis, $25,009 is outstanding on the loan at September 30, 2018 and $25,019 is required to be repaid within the next 12 months.

On July 5, 2016, the Corporation entered into a new loan agreement with ACOA to finance the XSELLERATOR refactoring project which will allow the Corporation to provide a more robust mobile offering, deliver a low cost hosted solution, retain customers and attract new customers with a modern, attractive and intuitive interface. The maximum amount of loan is $1,076,067 and the amount will be released by ACOA when the Corporation incurs the costs eligible for reimbursement under the Agreement. As of September 30, 2018, the Corporation has incurred certain costs eligible under the Agreement and is entitled to an amount of $1,076,067. The fair value of the loan is $474,351, which has been computed using a 15% rate of interest over 5 years. The difference between the fair value of the loan, the cash received of $1,024,489 and the receivable amount of $51,578 has been accounted for as government grant (refer to Note 7). The loan is unsecured and interest-free and is repayable in annual installments calculated as 1.5% of gross revenues for the fiscal year immediately preceding the due date of the respective payment. The first payment is due on September 1, 2019. The maturity date of the loan is estimated to be September 1, 2023 as the loan provisionally repayable.

On March 26, 2018, the Corporation entered into a new loan agreement with ACOA to finance the St. John's, NL Office Expansion project, which includes new furniture, hardware and leasehold improvements required for the new office in St. John's, NL. The maximum amount of loan is $175,000 and the amount will be released by ACOA when the Corporation incurs the costs eligible for reimbursement under the Agreement. As of September 30, 2018, the Corporation has incurred certain costs eligible under the Agreement and is entitled to an amount of $52,422. The fair value of the loan is $32,253, which has been computed using a 15% rate of interest over 5 years. The difference between the fair value of the loan, the cash received of $42,686 and the receivable amount of $9,735 has been accounted for as government grant (refer to Note 7). The loan, which is unsecured and interest-free, matures on June 30, 2024 and is repayable in annual installments calculated as 1.5% of gross revenues for the fiscal year immediately preceding the due date of the respective payment. The first payment is due on July 1, 2019.

(stated in Canadian dollars)

6. Long-term Debt *(continued)*

Scheduled principal repayments at September 30, 2018 are as follows:

2018 – 3 months	$ 23,077
2019	64,315
2020	79,328
2021	108,411
2022	143,136
2023	111,414
Total	$ 529,681

7. Government Grants and Assistance

On September 21, 2012, the Corporation entered into a $500,000 loan agreement with ACOA to finance the transition project which includes an upgrade to Windows 2008 R2, SQL Server 2012 and Office 2010, deployment of Lync and Exchange server and upgrade to PB12.Net and ASP model. The loan, which is unsecured and interest-free, matures on December 31, 2018. Monthly repayments commenced on January 2, 2014. The $292,319 difference between the fair value of the loan and the cash received has been accounted for as a government grant, as prescribed by IAS 20 under IFRS. The amount relates to expenses and capital expenditures to be incurred over the term of the project. Any amounts allocated to capital expenditures have been deducted from the specific fixed assets with depreciation calculated on the net amount over the life of the asset.

On July 5, 2016, the Corporation entered into a $1,076,067 loan agreement with ACOA to finance the XSELLERATOR refactoring project which will allow the Corporation to provide a more robust mobile offering, deliver a low cost hosted solution, retain customers and attract new customers with a modern, attractive and intuitive interface. The loan, which is unsecured and interest-free, is repayable in annual installments calculated as 1.5% of gross revenues for the fiscal year immediately preceding the due date of the respective payment. Annual repayments will commence on September 1, 2019. The amount relates to expenses and capital expenditures to be incurred over the term of the project. Any amounts allocated to capital expenditures have been deducted from the specific fixed assets with depreciation calculated on the net amount over the life of the asset.

On May 2, 2016, the Corporation signed an agreement with the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP) to provide funding, up to a maximum of $272,801, to develop an improved communication system for dealerships and their customers. The contribution from NRC-IRAP is non-repayable. As of May 17, 2018, full grant proceeds of $272,801 have been received.

On March 26, 2018, the Corporation entered into a $175,000 new loan agreement with ACOA to finance the St. John's, NL Office Expansion project, which includes new furniture, hardware, and leasehold improvements required for the new office in St. John's, NL. The loan, which is unsecured and interest-free, matures on June 30, 2024. Monthly repayments will commence on July 1, 2019. The $20,169 difference between the fair value of the loan and the loan receivable has been accounted for as a government grant, as prescribed by IAS 20 under IFRS. The amount relates to expenses and capital expenditures to be incurred over the term of the project. Any amounts allocated to capital expenditures

(stated in Canadian dollars)

7. Government Grants and Assistance *(continued)*

have been deducted from the specific fixed assets with depreciation calculated on the net amount over the life of the asset.

On March 28, 2018, the Corporation signed an agreement with the Newfoundland and Labrador Innovation Council (NLIC) to provide funding, up to a maximum of $249,329, to develop a Customer Direct Vehicle Sales tool for dealerships and their customers. The contribution from NLIC is non-repayable. As of November 15, 2018, $140,453 has been received.

On May 15, 2018, the Corporation and the Government of Newfoundland and Labrador, Department of Tourism, Culture, Industry and Innovation (TCII), under the Investment Attraction Fund (IAF) announced that TCII will provide funding, up to a maximum of $500,000 which is tied to the achievement of specific employment targets. As of November 15, 2018, $264,574 has been received. The contribution from TCII is non-repayable as long as the Corporation is successful in achieving employment targets.

On June 15, 2018, the Corporation signed an agreement with the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP), to provide funding, up to a maximum of $225,063, to develop load balance cloud services for dealerships and their customers. As of November 15, 2018, $66,807 has been received. The contribution from NRC-IRAP is non-repayable.

8. Finance Lease Liability

The Corporation leases furniture and equipment under a finance lease agreement for which the underlying leased assets secure the lease obligation. The lease term is February 1, 2018 to July 31, 2025. The carrying value of the lease as of September 30, 2018 is $162,381 (September 30, 2017 - $nil), which has been computed using an interest rate of 15%. Depreciation expense relating to assets under finance lease for the nine month period ending September 30, 2018 is $9,270 (September 30, 2017 - $nil). Finance lease liability includes the following:

	September 30, 2018	**December 31, 2017**
Furniture, St. John's, NL	**$ 162,381**	$ -
Installments due within one year	**33,210**	-
Total finance lease liability	**$ 129,171**	$ -

Future minimum lease payments outstanding under the Corporation's finance lease obligations as of September 30, 2018 are as follows:

2018 – 3 months	$ 11,514
2019	32,766
2020	28,492
2021	24,776
2022	21,544
2023	18,734
2024	16,291
2025	8,264
Total	**$ 162,381**

(stated in Canadian dollars)

9. Share Capital

(a) Authorized

The Corporation is authorized to issue an unlimited number of Common shares and Preferred shares issuable in series.

(b) Issued and Outstanding

A summary of the changes to shareholders' equity for the period is presented below:

	Nine Months Ended September 30, 2018		Year Ended December 31, 2017	
	Number of Shares	**Amount**	**Number of Shares**	**Amount**
Common Shares				
Balance, beginning of period	**52,395,594**	**$16,531,143**	52,045,594	$16,427,543
Issued pursuant to stock-based compensation	**463,100**	**305,908**	350,000	103,600
Balance, end of period	**52,858,694**	**$16,837,051**	52,395,594	$16,531,143

(c) Net income per share

In calculating the basic and diluted net income per share for the nine months ended September 30, 2018 and 2017, the weighted average number of shares used in the calculation is shown in the table below. The diluted shares are based on an average stock price of $0.62 for the third quarter of 2018 and $0.66 for the third quarter of 2017. As of September 30, 2018, all stock options have expired and there are no dilutive shares.

	Nine Months Ended September 30,	
	2018	**2017**
Net Income (loss)	**$ (513,466)**	$ 408,633
Weighted average number of shares outstanding	**52,731,769**	52,045,594
Diluted shares outstanding	**52,731,769**	52,045,594
Net income (loss) per share – basic	**$ (0.0097)**	$ 0.0079
Net income (loss) per share – diluted	**$ (0.0097)**	$ 0.0079

(stated in Canadian dollars)

10. Stock-Based Compensation

As at September 30, 2018, a total of 5,285,869 common shares were reserved for issuance under the Corporation's Stock Option Plan and Restricted Stock Unit Plan of which 4,289,669 common shares remain available for grant. Pursuant to the Corporation's stock-based compensation plans, options and restricted share units may be granted up to a maximum of 10% of common shares currently issued and outstanding.

(a) Stock Option Plan

Quorum provides incentives to employees, officers and directors of the Corporation by issuing options to acquire common shares. The exercise price of the options is determined by the Board of Directors in accordance with the policies of the TSX Venture Exchange ("TSXV"). The options have a maximum term of five years with a hold period of four months from the date of the initial grant, and no more than 1/3 of the stock options granted to any one individual shall vest in any twelve-month period.

As of September 30, 2018, there were no stock options outstanding.

(b) Restricted Stock Unit Plan

Effective June 27, 2014, the Corporation implemented the Restricted Stock Unit (RSU) Plan which provides incentives to eligible employees, officers and directors of the Corporation through the issuance of RSU's. The RSU's generally vest as follows, subject to the absolute discretion of the Board of Directors: one-third on the date of grant, and one-third on each of the one and two-year anniversaries from the date of grant. As of September 30, 2018, a total of 2,675,200 Restricted Stock Units at an average price of $0.50 since plan inception, have vested.

For the nine month period ended September 30, 2018, stock-based compensation expense of $305,908 (September 30, 2017 - $nil) was recorded related to the Corporation's incentive award plan. Restricted Stock Units for the respective periods and the number of RSU's outstanding are summarized as follows:

	As at September 30, 2018		**As at December 31, 2017**	
	Number of RSU's	**Average Price**	**Number of RSU's**	**Average Price**
Balance, beginning of period	**70,000**	**$ 0.56**	420,000	$ 0.35
Granted during the period	**1,389,300**	**$ 0.66**	-	-
Vested during the period	**(463,100)**	**$ 0.64**	(350,000)	$ 0.68
Forfeited during the period	**-**	**-**	-	-
Balance, end of period	**996,200**	**$ 0.66**	70,000	$ 0.56

(stated in Canadian dollars)

11. Operating Leases

The Corporation's future minimum operating lease payments are as follows:

2018 – 3 months	$ 166,534
2019	667,643
2020	673,995
2021	589,650
2022	537,086
2023	506,584
2024	506,196
2025	295,281
Total	**$ 3,942,969**

Lease payments recognized as an expense during the nine-month period ending September 30, 2018 amount to $455,331 (2017: $239,709). This amount consists of minimum lease payments.

The rental contract for the office rented since September 1, 2014 at 7500 Macleod Trail, Calgary, Alberta had an initial non-cancellable term of five years. This rental contract was amended on November 5, 2015 to include extra space required by the Corporation and now has a non-cancellable term, which ends on December 31, 2020.

The rental contract for the office rented since May 1, 2013 at 136 Crosbie Road, St. John’s, Newfoundland and Labrador had a non-cancellable term of five years.

On January 25, 2018, the Corporation signed a rental contract for an office space at 240 Waterford Bridge Road, St. John’s, Newfoundland and Labrador. This agreement has a non-cancellable term of 7.5 years.

On April 30, 2018, the Corporation signed a rental contact for parking spaces located adjacent to the new St. John’s office at 240 Waterford Bridge Road, St. John’s, Newfoundland and Labrador. This agreement has a non-cancellable term of four years.

On August 29, 2014, the Corporation signed a rental contract for an office space at 6303 26 Mile, Washington Township, Michigan. This agreement has a non-cancellable term of three years. The contract was amended on June 21, 2017 to extend the lease term through to and including August 31, 2020.

On June 22, 2017, the Corporation signed a rental contract for an office space at 630 Colborne Street, London, Ontario. This agreement has a non-cancellable term of five years and commenced on September 1, 2017.

The Corporation's operating lease agreements do not contain any contingent rent clauses. None of the operating lease agreements contain renewal or purchase options or escalation clauses or any restrictions regarding dividends, further leasing or additional debt.

(stated in Canadian dollars)

12. Segmented Information

The Corporation operates in one segment, the computer network and business software industry.

In 2004 the Corporation commenced selling into the United States marketplace. Gross revenue and long-term assets by geographic area are summarized as follows:

Revenue	**Three months ended September 30, 2018**	**Three months ended September 30, 2017**	**Nine months ended September 30, 2018**	**Nine months ended September 30, 2017**
Canada	**$ 2,668,131**	$ 2,429,967	**$ 8,326,455**	$ 7,496,221
United States	**750,370**	639,891	**2,185,026**	2,033,326
Total	**$ 3,418,501**	$ 3,069,858	**$ 10,511,481**	$ 9,529,547

Long-Term Assets[5]

	September 30, 2018	December 31, 2017
Canada	**$ 9,180,639**	$ 8,504,265
United States	**10,132**	10,156
Total long-term assets	**$ 9,190,771**	$ 8,514,421

[5] Includes: Property and equipment, intangible assets and goodwill

(stated in Canadian dollars)

13. Explanation of Transition to IFRS 15

The following table details the impact on the opening balance sheet as a result of adopting the new standard.

	January 1, 2018 prior to adoption of IFRS 15	Adjustments	January 1, 2018 after adoption of IFRS 15
Assets			
Current:			
Accounts receivable	$ 1,454,001	$ (15,936)	$ 1,438,065
Deferred income tax asset	2,405,793	25,256	2,431,049
Total assets	$ 20,831,518	$ 9,320	$ 20,840,838
Liabilities & Shareholders' Equity			
Liabilities			
Current:			
Accounts payable and accrued liabilities	$ 947,503	$ (43,486)	$ 904,017
Deferred revenue	297,454	116,166	413,620
Total liabilities	1,921,735	72,680	1,994,415
Shareholders' equity:			
Retained earnings	71,427	(63,360)	8,067
Total liabilities and shareholder's equity	$ 20,831,518	$ 9,320	$ 20,840,838

(stated in Canadian dollars)

13. Explanation of Transition to IFRS 15 *(continued)*

The following table summarizes the impacts of adopting IFRS 15 on the Corporation's consolidated financial statements for the nine months ended September 30, 2018.

	September 30, 2018 as reported	Adjustments	September 30, 2018 without adoption of IFRS 15
Assets			
Current:			
Accounts receivable	$ 1,974,716	$ -	$ 1,974,716
Deferred income tax asset	2,347,503	(849)	2,346,654
Total assets	$ 20,899,359	$ (849)	$ 20,898,510
Liabilities			
Current:			
Accounts payable and accrued liabilities	$ 1,047,814	$ (6,949)	$ 1,040,865
Deferred revenue	266,446	8,229	274,675
Total liabilities	2,216,718	1,280	2,217,998
Shareholders' equity			
Deficit	(461,623)	(2,129)	(463,752)
Total liabilities and shareholder's equity	$ 20,899,359	$ (849)	$ 20,898,510

(stated in Canadian dollars)

13. Explanation of Transition to IFRS 15 *(continued)*

The following tables summarizes the impacts of adopting IFRS 15 on the Corporation's consolidated financial statements for the three and nine months ended September 30, 2018.

	Three Months Ended September 30, 2018 as reported	Adjustments	Three Months Ended September 30, 2018 without adoption of IFRS 15
Gross revenue	$ 3,418,501	$ 23,597	$ 3,442,098
Third party costs	825,542	16,518	842,060
Gross margin	1,689,975	7,079	1,697,054
Loss before deferred income tax expense	(55,991)	7,079	(48,912)
Deferred income tax recovery	(3,839)	2,018	(1,821)
Net loss	(52,152)	5,062	(47,090)
Net loss per share	$ (0.0010)	$ 0.0001	$ (0.0009)

	Nine Months Ended September 30, 2018 as reported	Adjustments	Nine Months Ended September 30, 2018 without adoption of IFRS 15
Gross revenue	$ 10,511,481	$ (9,927)	$ 10,501,554
Third party costs	2,475,070	(6,949)	2,468,121
Gross margin	5,363,897	(2,978)	5,360,919
Loss before deferred income tax expense	(407,622)	(2,978)	(410,600)
Deferred income tax expense	105,844	(849)	104,995
Net loss	(513,466)	(2,129)	(515,595)
Net loss per share	$ (0.0097)	$ 0.0000	$ (0.0098)

The adoption of IFRS 15 had no impact to cash from or used in operating, financing or investing activities on the Corporation's condensed consolidated statement of cash flows.

14. Subsequent Events

On October 18, 2018, the Corporation entered into a demand operating line of $750,000 with HSBC Bank. Interest is calculated at the Bank's Prime Rate plus 1.25% per annum on the outstanding principal balance of the operating loan facility. As of November 15, 2018, the operating line has not been drawn upon.

On October 31, 2018, the Corporation completed the arm's-length acquisition of DealerMine Inc., DealerMine USA Holdings Inc., and DealerMine USA Inc. (collectively, "DealerMine") pursuant to a share purchase agreement (the "Agreement") between Quorum and Powerband Global Inc. ("Powerband").

Under the terms of the Agreement, the Corporation will acquire from Powerband all of the issued and outstanding shares of DealerMine for consideration comprised of a combination of $9,625,000 in cash and $4,375,000 in Quorum common shares valued at $0.58 per share based on a 30-day volume weighted average price, which equates to 7,543,103 Quorum shares. The Corporation will finance the $9,625,000 with $2,125,000 from current cash reserves and the balance of $7,500,000 will be financed with a one-year bridge debt facility from Covington Capital, which the Corporation plans to replace with a longer-term financing solution. Under the initial Covington facility, the Corporation will pay only interest payments, with the interest rate at 0% for the first two months and 12% for the remaining ten months.

Corporate Information

Board of Directors

Maury Marks
Director
President & Chief Executive Officer
Quorum Information Technologies Inc.

Michael Podovilnikoff
Chairman of Board of Directors
Business Consultant

John Carmichael
Director
Chief Executive Officer
Ontario's Vehicle Sales Regulator

Scot Eisenfelder
Director
CEO & Executive Chairman
Affinitiv Inc.

Craig Nieboer
Director

Joe Campbell
Director
President & Chief Executive Officer
Tricor Automotive Group Inc.

Jon Hook
Director
Senior Analyst
Voss Capital, LLC

Officers

Michael Podovilnikoff
Chairman of Board of Directors

Maury Marks
President & Chief Executive Officer

Marilyn Bown
Chief Financial Officer

Corporate Counsel
Nerland Lindsey LLP
Calgary, Alberta

Bankers
HSBC Bank Canada
Calgary, Alberta

Auditors
Calvista LLP
Professional Accountants
Calgary, Alberta

Stock Exchange Listing
TSX Venture Exchange
Trading Symbol: QIS

Registrar and Transfer Agent
Computershare Trust Company of Canada
Calgary, Alberta

QUORUM INFORMATION TECHNOLOGIES
Head Office
Suite 200, 7500 Macleod Trail SE, Calgary, AB T2H 0L9
Phone: 403.777.0036
E-mail: Investors@QuorumDMS.com
Web Site: www.QuorumDMS.com

QUORUM INFORMATION TECHNOLOGIES
7500 Macleod Trail SE, Suite 200
Calgary, AB T2H 0L9

Phone: 403.777.0036 Fax: 403-777-0039
E-mail: Investors@QuorumDMS.com
www.QuorumDMS.com

Stock Symbol – TSXV: QIS