



For Immediate Release

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Quorum Announces 2016 Results
2016 revenues increased 13% over 2015

Calgary, AB, April 20, 2017 – Quorum Information Technologies Inc., a leading provider of dealership and customer management software and value-added services to the automotive industry, today released its 2016 fourth quarter and year end results.

Maury Marks, Quorum’s President and CEO provided the following comments on the Company’s 2016 year end operational and financial results:

Revenue Type	2016	2015	Growth
Support revenue	\$8,808,171	\$7,881,742	12%
Add-on revenue	1,574,880	1,114,527	41%
New installations revenue	1,544,205	854,435	81%
Core revenue subtotal	11,927,256	9,850,704	21%
Transitions revenue	251,194	893,774	-72%
Integration revenue	0	0	0%
Gross revenue	\$12,178,450	\$10,744,478	13%

FY2016 Quorum completed 27 new rooftop installations and had five rooftop losses (for an annual churn of 1.5%) and ended the year with a total of 325 active installed dealership rooftops. The result is that FY2016 new installations revenue increased by 81% over FY2015 and support revenue for FY2016 increased by 12% over FY2015. Recurring SaaS support revenue represented 72% of total revenue for FY2016.

- Sales Backlog – not all dealership rooftops sold in FY2016 were able to be installed during that year and Quorum has 20 sold dealership rooftops that plan to be installed in FY2017 compared to 13 at the end of FY2015 that were installed in FY2016. The profile of newly acquired dealerships has continued to trend towards larger and multi-point operations.
- Total Addressable Market (TAM) – in order to increase our TAM, Quorum must complete multi-month projects with vehicle manufacturers (OEMs) to integrate to their systems. In January of FY2016 we piloted our first Ford dealership in Canada and in December of FY2016 we piloted our first Nissan dealership in Canada with integration to both Ford and Nissan’s systems. The result is

that Quorum can now sell our software to Ford and Nissan dealerships which increases our TAM in Canada by 40%. We plan to continue adding manufacture integration in Canada and the US in 2017 and beyond.

- Dealership Utilization - Quorum continues to enhance Communicator, VIP and Sales CRM and we track key dealership utilization metrics related to these areas in a Dealership Success Scorecard below. Getting our dealerships to utilize these areas has the following benefits to Quorum:
 - o Drives in training revenue – training visits are up 85% for FY2016 compared to FY2015. Training revenue now represents 78% of Quorum’s total Add-on revenue and Add-on revenue is up 41% in FY2016 over FY2015.
 - o Increased customer satisfaction and reference-ability of our customers.
- Core Revenue – Core revenue is comprised of Support, Add-on and New installations revenue. Transitions revenue pertains to conversion of dealerships to new server hardware and/or the latest version of Microsoft operating system and database software. Core revenue increased by 21% in FY2016 vs FY2015.

Dealership Success Scorecard¹

<ul style="list-style-type: none"> - <u>Communicator</u> – Dealerships utilizing Communicator: 221 <ul style="list-style-type: none"> - Messages in FY2016: 4,132,671 - Year over year message growth: 27% - <u>M3 (VIP only)</u> – Dealerships utilizing VIP: 124 - Total FY2016 incremental Customer Pay revenue: \$68,398,154 <ul style="list-style-type: none"> - Year over year revenue growth: 34% - <u>Sales CRM</u> – Dealerships trained: 63 <ul style="list-style-type: none"> - Average Q4 FY2016 utilization of Sales CRM 64% - Total # of dealerships that have moved away from 3rd party CRM systems: 18

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:
 - o Each year we conduct two Customer Satisfaction Index (“CSI”) surveys. The combined yearly results are:
 - 2016 reported 87% of dealer principals as “satisfied” or “very satisfied” and 86% of end users as “satisfied” or “very satisfied” overall.

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

- 2015 reported 82% of dealer principals as “satisfied” or “very satisfied” and 89% of end users as “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 FY2016 are as follows:

- Gross margin increased to \$6,368K in FY2016, from \$5,571K in FY2015, a 14% increase. Gross margin as a percentage of gross revenue remained consistent at 52% in FY2016 compared to FY2015.
- Earnings before interest, taxes, depreciation, amortization, stock-based compensation and foreign exchange (EBITDA) increased to \$1,917K in FY2016 from \$1,716K in FY2015. EBITDA as a percent of gross revenue remained consistent at 16% in FY2016 compared to FY2015. Increased gross margin was offset by:
 - Higher salaries and benefits expense due to increased staffing levels.
 - Increased general and administrative costs due to higher office rental expense and an increase in consulting services. During FY2016, the Corporation expanded both the Calgary, Alberta and St. John’s, Newfoundland offices.
- Income before deferred income tax expense increased to \$664K for FY2016 compared to \$594K in FY2015.
- Net working capital at December 31, 2016 was \$5,622K with a current ratio of 5.42, compared to \$5,129K at December 31, 2015, with a current ratio of 5.05, an increase of \$493K. The increase in working capital is due to the increase in cash and accounts receivable during FY2016, offset by an increase in accounts payable and accrued liabilities.

Quorum has seen thirteen consecutive quarters of significant revenue growth (over the prior year quarters) and we continue to increase our staffing levels in anticipation of future growth. Our strategy to focus on product innovations, improving product utilization and superior levels of customer service has increased the market demand for our product and services.

Quorum has filed its 2016 consolidated financial statements and notes thereto as at and for the period ended December 31, 2016 and accompanying management’s discussion and analysis in accordance with National Instrument 51-102 - Continuous Disclosure Obligations adopted by the Canadian securities regulatory

authorities. Additional information about Quorum will be available on Quorum's SEDAR profile at www.sedar.com and Quorum's website at www.QuorumDMS.com.

Financial Highlights

	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
Gross revenue	\$ 12,178,450	\$ 10,744,478	\$ 9,215,768
Direct costs	5,810,362	5,173,396	4,197,747
Gross margin	6,368,088	5,571,082	5,018,021
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1,916,765	1,716,184	1,476,110
Income before deferred income tax	663,709	593,586	502,087
Net income	493,059	451,714	192,516
Comprehensive income	448,886	709,727	308,761
Basic net income per share	\$ 0.0096	\$ 0.0107	\$ 0.0046
Fully diluted net income per share	\$ 0.0096	\$ 0.0107	\$ 0.0046
Weighted average number of common shares			
Basic	51,485,200	42,318,803	41,529,838
Diluted	51,485,200	42,318,803	41,818,297

About Quorum

Quorum is a North American company focused on developing, marketing, implementing and supporting its automotive dealership and customer management system, XSELLERATOR. Quorum offers the system to franchised, independent and some non-automotive dealerships in Canada and the United States. XSELLERATOR automates, integrates and streamlines every process across departments in a dealership. The system includes tools designed to maximize revenue opportunities for dealerships such as Customer Relationship Management and service inspection and quoting processes. Quorum is a Microsoft partner and XSELLERATOR is developed with modern mobile-enabled technology. Quorum Information Technologies Inc. is traded on the Toronto Venture Exchange (TSX-V) under the symbol QIS and in 2016 was selected to the TSX Venture 50[®], an annual ranking of the strongest performing companies on the TSX Venture Exchange. For additional information please go to www.QuorumDMS.com.

Forward-Looking Information

This press release contains certain forward-looking statements and forward-looking information ("forward-looking information") within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should" or similar words suggesting future outcomes. In particular, this press release includes forward-

looking information relating to results of operations, plans and objectives, projected costs and business strategy. Quorum believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties some of which are described herein. Such forward-looking information necessarily involves known and unknown risks and uncertainties, which may cause Quorum's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking information. These risks and uncertainties include but are not limited to the risks identified in Quorum's Management's Discussion and Analysis for the period ended December 31, 2016. Any forward-looking information is made as of the date hereof and, except as required by law, Quorum assumes no obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) has reviewed this release and neither accepts responsibility for the adequacy or accuracy of this release.

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