



For Immediate Release

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Quorum Announces Q1 FY2017 Results
Revenues increase 11% over Q1 FY2016

Calgary, AB, May 23, 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 2017 first quarter results.

Maury Marks, Quorum’s President and CEO provided the following comments on the Company’s Q1 FY2017 operational and financial results:

- Customer base – growth in our customer base is a key driver to revenue growth because it increases new installations revenue and recurring Software as a Service “SaaS” support revenue. In Q1 FY2017

Revenue Type	Q1 2017	Q1 2016	Growth
Support revenue	\$ 2,407,980	\$ 2,096,356	15%
Add-on revenue	305,334	280,089	9%
New installations revenue	439,605	423,213	4%
Core revenue subtotal	3,152,919	2,799,658	13%
Transitions revenue	119,068	147,541	-19%
Gross revenue	\$ 3,271,987	\$ 2,947,199	11%

Quorum completed nine new rooftop installations and had three rooftop losses (for a quarterly churn of 0.9% and a trailing 12-month churn of 1.5%) and ended the quarter with a total of 331 active installed dealership rooftops. The result is that Q1 FY2017 new installations revenue increased by 4% over Q1 FY2016 and support revenue for Q1 FY2017 increased by 15% over Q1 FY2016. Recurring SaaS support revenue represented 74% of total revenue for Q1 FY2017.

- 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 13% in Q1 FY2017 vs Q1 FY2016.
- Sales Backlog – not all dealership rooftops sold in FY2016 and Q1 FY2017 were able to be installed by March 31, 2017 and Quorum has 17 sold dealership rooftops that plan to be installed later in FY2017.
- 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 December of

FY2016 we piloted our first Nissan dealership in Canada and in Q1 FY2017 we continue to work with Nissan to allow our system to be available to Nissan US dealerships.

- 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 increases Add-on revenue, customer satisfaction and reference-ability of our customers.

Dealership Success Scorecard¹

<p style="text-align: center;"><u>Communicator</u> – Dealerships utilizing Communicator: 230 Messages in Q1 FY2017: 1,969,536 Year over year message growth: 116%</p> <p style="text-align: center;"><u>M3 (VIP only)</u> – Dealerships utilizing VIP: 124 Total Q1 FY2017 incremental Customer Pay revenue: \$22,076,073 Year over year revenue growth: 61%</p> <p style="text-align: center;"><u>Sales CRM</u> – Dealerships trained: 74 Average Q1 FY2017 utilization of Sales CRM 68% Total # of dealerships that have moved away from 3rd party CRM systems: 20</p>

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.
- Average Recurring Revenue per Rooftop (ARRPR) – this is an annualized number that is calculated by taking the last 12 months of two core revenue streams, Support revenue and Add-on revenue, divided by the number of rooftops at the end of each quarter. For the 12 months ending March 31, 2017 the ARRPR was \$32,386, compared to \$30,213 for the 12 months ended March 31, 2016, a year over year increase of 7%.
 - Customer Satisfaction metrics are as follows:
 - o Each year we conduct two Customer Satisfaction Index (“CSI”) surveys. The Q1 2017 survey results are compared to the average 2016 results as follows:
 - Q1 2017 reported 85% of dealer principals as “satisfied” or “very satisfied” and 94% of end users as “satisfied” or “very satisfied” overall.
 - 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.

- 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 Q1 FY2017 are as follows:

- Gross margin increased to \$1,704K in Q1 FY2017 from \$1,514K in Q1 FY2016, a 13% increase. Gross margin as a percentage of gross revenue was 52%.
- Earnings before interest, taxes, depreciation, amortization, stock-based compensation and foreign exchange (EBITDA) decreased to \$369K in Q1 FY2017 from \$510K in Q1 FY2016. Increased gross margin was offset by larger salaries and benefits expense due to increased staffing levels, and increased general and administrative costs due to higher office rental expense and an increase in consulting services. During Q1 FY2017, seven new staff members were added in anticipation of a higher install rate going forward. As well, during Q4 FY2016, the Corporation expanded the St. John’s, Newfoundland office. Sales and marketing expense included expenses associated with the 2017 National Automobile Dealers Association (“NADA”) convention which was held from January 26-29, 2017. The 2016 NADA convention was held from April 1-3, 2016. The one-time cost of NADA was \$131K during Q1 FY2017 as compared to \$nil during Q1 FY2016.
- Income before deferred income tax expense was \$77K for Q1 FY2017 compared to \$251K in Q1 FY2016.
- Comprehensive income increased to \$32K in Q1 FY2017 from \$8K in Q1 FY2016.
- Net working capital at March 31, 2017 was \$5,607K with a current ratio of 5.12, compared to \$5,622K at December 31, 2016, with a current ratio of 5.42, a decrease of \$15K.

Quorum has seen fourteen 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 Q1 2017 consolidated financial statements and notes thereto as at and for the period ended March 31, 2017 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

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Gross revenue	\$ 3,271,987	\$ 2,947,199
Direct costs	1,568,101	1,433,076
Gross margin	1,703,886	1,514,123
Earnings before interest, taxes, depreciation and amortization (EBITDA)	369,269	509,794
Income before deferred income tax expense	76,793	251,093
Net income	42,641	128,695
Comprehensive income	32,187	7,822
Basic income per share	\$ 0.0008	\$ 0.0025
Fully diluted income per share	\$ 0.0008	\$ 0.0025
Weighted average number of common shares		
Basic	52,045,594	51,296,294
Diluted	52,045,594	51,296,294

A conference call has been scheduled for Wednesday, May 24, 2017 beginning at 11:00 a.m. MT (13:00 p.m. ET). Anyone wishing to participate in the call is asked to dial-in using the following numbers and ask for the Quorum Information Technologies Inc. First Quarter 2017 Results Conference Call.

Local: 1 (403) 451-9838

Toll-Free North America: 1 (888) 231-8191

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 March 31, 2017. 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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