



Quorum Announces Q1 2020 Results

Software as a Service (“SaaS”) revenue increased 12% to \$5.9 million

Business Development Centre (“BDC”) revenue increased 60% to \$2.1 million

Total revenue increased 16% to \$8.5 million

CALGARY, Alberta, May 18, 2020 (GLOBE NEWSWIRE) -- Quorum Information Technologies Inc. (“Quorum” or the “Company”), a leading provider of dealership and customer management software and value-added services to the automotive industry, released its results for Q1 2020 today.

“In Q1 2020 Quorum had another strong quarter as we posted both record SaaS and BDC revenue,” stated Maury Marks, President and CEO. “We are continuing to build on the momentum of our acquisitions of Oasis in 2019, DealerMine in 2018 and Autovance in 2017 as well as adding dealers to the XSellerator platform. Quorum also significantly expanded its product offering in the quarter by releasing the new Autovance F&I Menu, XSellerator Power Lane and Q Analytics reporting tool. While a major focus has been on product integration, we are now continuing to implement our One Quorum approach to the company and are working on significant operational integration that will springboard us to becoming a more cohesive, efficient, and focused organization.

We have noted recently a trend toward re-opening the economy in both Canada and the US which should allow for increased activity for our dealerships and Quorum. While the COVID-19 pandemic will impact our 2020 results, we are extremely well capitalized and have a strong plan to emerge healthier than ever as we move through 2020, just as we did in the last recession in 2009.”

First Quarter Results

- | SaaS revenue was \$5.9 million, an increase of 12% compared to Q1 2019.
- | BDC revenue was \$2.1 million, an increase of 60%.
- | Total revenue was \$8.5 million, an increase of 16%.
- | Gross margin was \$3.9 million, an increase of 12%.
- | Adjusted EBTIDA was \$0.9 million, an increase of 16%.

Financial Summary

Three months ended

(\$'000's)	March 31, 2020	March 31, 2019
SaaS revenue	\$ 5,921	\$ 5,289
BDC revenue	2,128	1,331
Services and one-time revenue	466	728
Total revenue	8,515	7,348
Cost of revenue	4,647	3,897
Gross margin	3,868	3,451
Gross margin percentage	45%	47%
Adjusted EBITDA	883	759
Adjusted cash income	52	38
Net loss	\$ (960)	\$ (556)

Recent Business Highlights

- | In January 2020, the Corporation signed a contribution agreement with NRC-IRAP for grant proceeds of \$270K to assist Quorum in undertaking the VIP refactoring project.
- | In February 2020, Autovance released its next generation Finance and Insurance (“F&I”) Menu functionality.
- | In February 2020, XSellerator released its enhanced automotive dealerships service lane technology, Power Lane.
- | In February 2020, Quorum released its new advanced reporting and analysis tool for dealerships customers called Q Analytics. Strategically this tool integrates our complete product suite under one enterprise reporting tool for dealerships.
- | In February 2020, DealerMine was approved as a vendor partner for the General Motors Canada Dealer Data Share program.
- | In March 2020, XSellerator announced an agreement to build integration with Affinitiv XRM for Internet Lead Management for US dealerships.

Novel Coronavirus (“COVID-19”)

Due to the concerns over the COVID-19 pandemic, the Corporation transitioned all staff to work from home and all onsite training and

installation activities were put on hold by March 20, 2020.

In April 2020, dealerships' sales departments were shut down or operating on minimal staff, while service and parts departments operations have slowed down considerably. With its dealership customers facing an extremely difficult business environment, the Corporation has proactively addressed their concerns by providing a 50% discount on their monthly support invoices for April and May. Quorum is working with both the US and the Canadian governments for relief from the lost revenues in April and May and currently has not committed to any additional discounts beyond May. Strategically, this was a short-term discount to protect long-term SaaS revenue.

While there remains some uncertainty regarding the duration and depth of the disruption to our customers' businesses, we are confident that the combination of the actions we have taken to stem cash outflow, the proceeds raised from the financing in November and government support provides us with sufficient resources to regain growth momentum through the recovery. Our solutions are critical to dealership operations and should be highly valued in helping dealers recover from the COVID-19 shutdown. Furthermore, our management team guided Quorum through similar challenges in 2008-09 where we emerged from the Global Financial Crisis stronger than we entered. For more details on our COVID-19 response, please see our MD&A.

Quorum Q1 2020 Results Conference Call Details and Investor Presentation

Anyone wishing to participate in the call is asked to dial-in using the following numbers and ask for the Quorum Information Technologies Inc. Q1 2020 Quarterly Results Conference Call. Callers are asked to dial-in 5 minutes before the scheduled start time on May 19 at 11:00 MT (13:00 ET).

Details for anyone wishing to participate in the conference call are:

Local: 1 (403) 451-9838
Toll-Free North America: 1 (888) 231-8191

A replay of the conference call will be available beginning at approximately 14:00 MT on May 19, 2020 until 21:59 MT on June 2, 2020, and can be accessed by dialing:

Local: 1 (403) 451-9481
Toll-Free North America: 1 (855) 859-2056
Password#: 9555486

A replay of the conference call will also be available for at least 30 days following the call on Quorum's website, under the Investors section, at www.quorumdms.com.

Quorum's Q1 2020 Quarterly Results investor presentation will also available for download after the press release has been issued under the Investors section on the Company's website at www.quorumdms.com.

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Forward Looking Information

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 Original Equipment Manufacturer ("OEM") Integration, new dealership rooftop sales, and increasing Automotive Group Partnerships; the timing for completion and cost of OEM Integration; estimates of return on assets and EBITDA; potential merger and acquisition ("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 effect of acquisitions on the Corporation including the effect of the Autovance, DealerMine and Oasis acquisitions; the effect of the BDC Capital facility; the effect Corporation's private placement financing; the effect of the COVID-19 pandemic on industry activity and economic activity in North America as a whole; various industry activity forecasts; growth opportunities including those in the United States; anticipated requirements by OEM manufacturers relating to integrations and certifications; and 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.

About Quorum Information Technologies Inc.

Quorum is a North American company focused on developing, marketing, implementing and supporting its portfolio of software and services for automotive dealerships that includes:

- | XSelleratorTM, a Dealership Management System (DMS) that automates, integrates and streamlines key processes across departments in a dealership, and emphasizes revenue generation and customer satisfaction.
- | DealerMine CRM, a sales and service Customer Relationship Management system and set of Business Development Center services that drives revenue into the critical sales and service departments in a dealership.
- | Autovance, a sales deskings system that increases sales department gross margins and improves customer satisfaction for dealerships.
- | Advantage, a full showroom system for both franchised and independent dealerships and a comprehensive operating system that includes accounting for the independent market.

Quorum has filed its Q1 2020 unaudited condensed consolidated financial statements and notes thereto as at and for the three months ended March 31, 2020, and accompanying management and discussion and analysis in accordance with National Instrument 51-102 - *Continuous Disclosure Obligations* adopted by the Canadian securities regulatory authorities.

Quorum Information Technologies Inc. is traded on the Toronto Venture Exchange (TSX-V) under the symbol QIS. For additional information please go to www.QuorumDMS.com.

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.