



Quorum Announces 2019 Results and COVID-19 Response

Software as a Service (“SaaS”) revenue increased 75% to \$22 million

Total revenue doubled to \$33 million in 2019 from \$16 million in 2018

Total Adjusted EBITDA doubled to \$4.6 million as compared to \$2 million in 2018

CALGARY, Alberta, April 22, 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 2019 today.

“2019 was a landmark year for Quorum, with record SaaS revenue and Adjusted EBITDA,” stated Maury Marks, President and CEO. “We completed the Advantage (Oasis) acquisition in 2019 and continued to build on the momentum from our transformative acquisition of DealerMine in 2018 and our acquisition of Autovance in 2017. We also continued to add dealers to the XSellerator platform while significantly expanding our product offerings. While 2019 had a major focus on product integration, we are now taking our acquisitions to the next level by doing significant operational integration that will springboard us to becoming a more cohesive, efficient, and focused organization. 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.”

Fourth Quarter Results

- | SaaS revenue was \$5.8 million, an increase of 35% compared to Q4 2018.
- | BDC revenue was \$1.8 million, an increase of 118% compared to Q4 2018.
- | Total revenue was \$8.7 million, an increase of 47% compared to Q4 2018.
- | Gross margin was \$3.8 million, an increase of 35% compared to Q4 2018.
- | Adjusted EBITDA was \$1.0 million, an increase of 23% compared to Q4 2018.

Fiscal Year 2019 Results

- | SaaS revenue was \$22.3 million, an increase of 75% compared to 2018.
- | BDC revenue was \$6.8 million, an increase of 751% compared to 2018.
- | Total revenue was \$32.8 million, an increase of 100% compared to 2018.
- | Gross margin was \$15.2 million, an increase of 82% compared to 2018.
- | Adjusted EBITDA was \$4.6 million, an increase of 125% compared to 2018.
- | Cash balance was \$8.6 million as of December 31, 2019 compared to \$1.7 million as of December 31, 2018.
- | Grew our customer base to 1,022 in Q4 2019 from 876 in Q4 2018, representing 17% growth

Financial Summary

(\$000's)	Year Ended December 31, 2019	Year Ended December 31, 2018	Q4 Ended December 31, 2019	Q4 Ended December 31, 2018
SaaS revenue	\$22,303	\$12,736	\$5,832	\$4,330
BDC revenue	6,849	805	1,752	805
Services and one-time revenue	3,690	2,900	1,119	794
Total revenue	32,841	16,441	8,703	5,929
Cost of revenue	17,618	8,057	4,944	3,144
Margin after direct costs	15,223	8,384	3,759	2,785
Gross margin percentage	46%	51%	43%	47%
Adjusted EBITDA	4,568	2,032	1,035	839
Adjusted cash income	1,754	(118)	294	289
Net loss	\$(1,106)	\$(711)	\$(1,479)	\$(198)

Recent Business Highlights

- | In January 2019, the Corporation completed the acquisition of Oasis Auto Complete Systems Limited (“Oasis”) for an aggregate purchase price of \$1.1 million.
- | In January 2019, DealerMine entered into a long term strategic partnership with respect to the establishment of a dedicated BDC for AutoCanada’s Canadian dealerships.
- | In January 2019, XSellerator completed certification with Volkswagen (VW) and Audi. This certification allows XSellerator to be sold to

VW/Audi dealerships which increases XSellerator's total available market, particularly to those dealer groups which house a variety of different vehicle brands.

- l In January 2019, Autovance expanded its deskings tool, Autovance Desk, into the US market.
- l In March 2019, the Corporation closed a \$15 million debt financing facility with BDC Capital Inc. (the "BDC Capital Facility"). The \$8.125 million initial draw was used to retire the Bridge Loan used as a temporary measure to fund the purchase of DealerMine in late 2018, and pay the cash consideration of the Oasis acquisition.
- l In April 2019, the Corporation completed the testing, piloting and certification of its XSellerator DMS service inspection and quoting tools with General Motors Canada Ltd under the GM DTAP Service Lane category. XSellerator was already certified in this category in the US and was the first DMS to attain the certification in Canada.
- l In June 2019, the Corporation closed a \$1.5 million interest free, unsecured, repayable investment with the Atlantic Canada Opportunities Agency ("ACOA") to assist with its Lead Generation Data Hub project.
- l In October 2019, XSellerator launched its DMS Sales Performance Pack, a set of integrated tools designed to help dealerships maximize the performance of their vehicle sales departments.
- l In November 2019, Quorum successfully closed its oversubscribed bought deal private placement offering of common shares. Quorum issued 10,574,825 shares at a price of \$0.87 per share for aggregate gross proceeds of \$9.2 million.

Novel Coronavirus ("COVID-19")

In December 2019, a novel coronavirus disease ("COVID-19") was reported and on March 11, 2020, the World Health Organization ("WHO") characterized COVID-19 as a pandemic. 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. To counteract that, 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 2019 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. 2019 Year End Results Conference Call. Callers are asked to dial-in 5 minutes before the scheduled start time.

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 April 23, 2020 until 21:59 MT on May 7, 2020, and can be accessed by dialing:

Local:	1 (403) 451-9481
Toll-Free North America:	1 (855) 859-2056
Password#:	5892167

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 2019 Year End 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.

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 potential 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:

- 1 XSellerator™, a Dealership Management System (DMS) that automates, integrates and streamlines key processes across departments in a dealership, and emphasizes revenue generation and customer satisfaction.
- 1 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.
- 1 Autovance, a sales deskings system that increases sales department gross margins and improves customer satisfaction for dealerships.
- 1 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 2019 unaudited condensed consolidated financial statements and notes thereto as at and for the year ended December 31, 2019, 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.

Quorum Contact: Maury Marks
403-777-0036
MarksM@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.