

## Investor Fact Sheet

### Q1 2019

#### ABOUT QUORUM

With 971 unique automotive dealership customers across North America at March 31, 2019, Quorum's growing automotive dealership market penetration can be attributed to Quorum's focus on customer service, advanced technology, and measured growth both organically and through acquisition.

Quorum was established in 1996 by CEO Maury Marks, who brings over 20 years of leadership and business software solution experience in the automotive dealership market to Quorum.

Headquartered in Calgary, Alberta, Quorum also has offices in St. John's Newfoundland and Labrador; London, Ontario; Saint John, New Brunswick; Lethbridge, Alberta; and in Washington Township, Michigan.

**Quorum is a North American company focused on developing, marketing, implementing and supporting its portfolio of software and service solutions for automotive dealerships.**

#### RECENT ACQUISITION HISTORY

The following transactions have significantly increased Quorum's scale in the automotive software market and are expected to accelerate Quorum's strategy to be a full service software solutions provider to automotive dealerships across North America:

- January 2, 2019:** [Oasis Auto Complete Systems Limited](#)
- October 31, 2018:** [DealerMine Inc.](#)
- September 1, 2017:** [Autovance Technologies Inc.](#)

### Key Investment Metrics



SaaS-based Recurring Revenue Model - SaaS revenue for Q1 2019 was \$5,284K, or a yearly run rate of \$21.1 Million.

**72%**

Higher margin, predictable SaaS revenue stream was 72% of Q1 2019 revenue.



SaaS revenue gross margin before labour was 75% in Q1 2019 - with a number of go forward opportunities for overall Gross Margin and EBITDA expansion.



Continued OEM integration and Total Addressable Market (TAM) Expansion in USA and Canada.

**x2**

Doubled unique customer base in 2018 and 2019 through strategic acquisition from 449 at end of Q1 2018 to 971 at end of Q1 2019.

**Q1 2019 SaaS ARRPU \$1,814**

SaaS ARRPU Growth from Division Cross-Selling and New Product introduction.

**\$2.9 million**

Technology leadership with a \$2.9 million product development investment in 2019.



Plan is to continue to evaluate possible future acquisition opportunities.

**50%**

Strong ownership dynamic - 50%+ of company is owned by customers (dealers), management, and board members.

### Quorum Divisions



**XSELLERATOR**

For Franchised Rooftops (Quorum OEM Integration Complete)

A Dealership Management System (DMS) that automates, integrates and streamlines key processes across departments in a dealership, and emphasises revenue generation and customer satisfaction.

**DEALERMINE | CRM**

For Franchised Rooftops

A sales and service Customer Relationship Management (CRM) system and set of Business Development Centre (BDC) services that drives revenue into the critical sales and service departments in a dealership.

**Autovance**

For Franchised Rooftops

A sales desking system that increases sales department gross margins and improves customer satisfaction for dealerships.

**ADVANTAGE OASIS**

Independent Rooftops

A full showroom system for both franchised and independent dealerships and a comprehensive operating system that includes accounting for the independent market.

## Q1 2019 Financial Highlights (in \$CAD)

In 000s CAD\$ (except per share amounts)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Change
<b>Revenue</b>			
SaaS*	5,284	2,733	93%
Services**	1,688	370	356%
One-time***	375	419	-11%
<b>Total Revenue</b>	<b>7,348</b>	<b>3,522</b>	<b>109%</b>
<b>Gross Margin</b>	3,282	1,840	78%
<b>Gross Margin %</b>	45%	52%	
<b>EBITDA****</b>	<b>757</b>	<b>188</b>	<b>303%</b>
EBITDA Percentage of Revenue	10%	5%	
<b>Adjusted Cash Income/(Loss)*****</b>	<b>38</b>	<b>(405)</b>	
<b>Net Income/(Loss)</b>	<b>(556)</b>	<b>(246)</b>	
<b>Weighted Average Common Shares Issued and Outstanding</b>	60,831,830	52,627,690	16%
<b>Net Income/(Loss) per Share</b>	\$ (0.0091)	\$ (0.0047)	

\* SaaS revenue was previously referred to as Support revenue.

\*\* Services revenue was previously referred to as Add-on revenue.

\*\*\* One-time revenue includes new installations revenue and transitions revenue. New installations revenue and transitions revenue for 2017 have been combined for comparative purposes.

\*\*\*\* EBITDA refers to earnings before interest, taxes, depreciation, amortization, and foreign exchange gains and losses.

\*\*\*\*\* Adjusted Cash Income/(Loss) is calculated using EBITDA and deducting capitalized salaries and overhead, and adding back one-time financing, acquisition transaction and restructuring costs.

## Market Data at May 27, 2019

- Board and management control/ownership: 41%
- Dealership ownership (estimate): 12%
- Stock Exchange: TSX Venture Exchange
- Symbol: QIS
- Market capitalization: \$48,167,049
- Closing price per share: \$0.79
- Shares outstanding: 60,970,948
- 52 week price range: \$0.54 - \$0.82
- Last Eq. Capital Raised: \$3,105,518 in Dec. 2015  
(8,872,909 shares at \$0.35/share)
- Analyst Coverage: Beacon Securities - Gabriel Leung  
PI Financial - David Kwan



For more information you can find us at:

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## Quorum Dealer Services for Franchised Auto Dealerships

Quorum's vision is to build a single, integrated, end-to-end business process solution for North American automotive dealerships that covers all of their business-critical processes.

