



Quorum Announces Q2 2024 Results

Adjusted EBITDA¹ increases by 18% over prior year, Adjusted Cash Income² up 39%

CALGARY, Alberta, August 21, 2024 - Quorum Information Technologies Inc. (TSX-V: QIS) (“Quorum”), a North American SaaS Software and Services company providing essential enterprise solutions that automotive dealerships and Original Equipment Manufacturers (“OEMs”) rely on for their operations, released its results today for the second quarter of 2024, ended June 30, 2024. Financial references are expressed in Canadian dollars unless otherwise indicated. Please refer to the MD&A and Financial Statements posted onto SEDAR related to non-IFRS measures and risk factors.

“We are pleased to report that our profitable growth strategy and better company-wide cost management has resulted in Q2 2024 Adjusted EBITDA of \$2.0 million, up 18% as compared to the prior year and Adjusted Cash Income of \$1.5 million, up 39% as compared to the prior year. Our SaaS Revenue grew by 2% as compared to Q2 2023 with total revenue maintaining steady,” stated Maury Marks, President and CEO. “The execution of our strategy delivered three consecutive quarters of Adjusted EBITDA margin of 20% and higher. Our improved profitability enabled us to pay down \$3.0 million on our BDC Capital Facility during Q3 2024, reducing the Facility balance from \$8.3 million as of June 30, 2024, to \$5.3 million.”

“I want to express my gratitude to our employees, whose dedication was key to achieving our Q2 2024 plan and strong quarterly results,” said Mr. Marks. “Their hard work is enhanced by our integrated suite of 13 essential software solutions and services. This product suite is crucial to our profitable growth strategy, as it facilitates product cross-selling and plays a vital role in driving the success of our dealerships, thereby increasing value for both Quorum and its customers.”

¹ Adjusted EBITDA – Net income (loss) before interest and financing costs, taxes, depreciation, amortization, stock-based compensation, foreign exchange gains and losses, impairment, gain on bargain purchase, one-time acquisition related expenses and restructuring expenses.

² Adjusted Cash Income (“ACI”) (non-GAAP) – Adjusted EBITDA less capitalized salaries and overhead.

Consolidated Results for Q2 2024

	Q2 2024	%Change	Q2 2023	YTD 2024	%Change	YTD 2023
Total Revenue	\$9,950,948	(1%)	\$10,035,849	\$20,013,739	0%	\$19,942,327
SaaS Revenue	\$7,235,908	2%	\$7,073,872	\$14,432,144	2%	\$14,099,652
BDC Revenue	\$2,453,293	(11%)	\$2,764,958	\$4,966,863	(10%)	\$5,529,693
Recurring Revenue	\$9,689,201	(2%)	\$9,838,830	\$19,399,007	(1%)	\$19,629,345
Gross Margin	\$4,927,762	1%	\$4,861,606	\$10,013,243	5%	\$9,499,875
Gross Margin %	50%		48%	50%		48%
Net Income per Share	\$0.005		\$0.029	\$0.021		\$0.022
Net Income ³	\$388,966	(82%)	\$2,160,909	\$1,512,887	(6%)	\$1,601,000
Adjusted Net Income (Loss) ⁴	\$388,966	2%	\$379,486	\$1,512,887	939%	\$(180,423)
Adjusted EBITDA	\$1,951,742	18%	\$1,655,963	\$4,093,437	37%	\$2,988,040
Adjusted EBITDA Margin	20%		17%	20%		15%
Adjusted Cash Income	\$1,451,415	39%	\$1,045,202	\$3,121,213	92%	\$1,622,433
Adjusted Cash Income Margin	15%		10%	16%		8%

Second Quarter Results

- Revenue remained relatively consistent at \$10.0 million in Q2 2024 compared to Q2 2023.
- SaaS revenue increased by 2% to \$7.2 million in Q2 2024 compared to \$7.1 million in Q2 2023.
- Gross margin increased by 1% to \$4.9 million in Q2 2024 compared to Q2 2023. Gross margin has been 50% or higher for two consecutive quarters.
- Adjusted EBITDA was \$2.0 million in Q2 2024 compared to \$1.7 million in Q2 2023, an increase of \$0.3 million. This represented an Adjusted EBITDA margin expansion of 3% from 17% in Q2 2023 to 20% in Q2 2024.
- Adjusted Cash Income was \$1.5 million in Q2 2024 compared to \$1.0 million in Q2 2023, an increase of \$0.4 million. This represented an Adjusted Cash Income margin expansion of 4% from 10% in Q2 2023 to 15% in Q2 2024.

SaaS-based operational Key Performance Indicators (“KPIs”) are as follows:

	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Dealer Rooftop Count - Canada	1,305	1,303	1,301	1,292	1,300
Dealer Rooftop Count - US	120	125	126	125	114
Dealer Rooftop Count - Total	1,425	1,428	1,427	1,417	1,414
MRRPU*	\$1,655	\$1,651	\$1,639	\$1,693	\$1,706

*Monthly recurring revenue per unit (“MRRPU”) implies that, as of the end of Q2 2024, each dealership (“Dealer Rooftop”) represents approximately \$20.5K of SaaS annual recurring revenue (“ARR”).

The decline in customer rooftop count for Q2 2024 is primarily due to Quorum’s profitable growth strategy which emphasizes cross-selling over new dealerships acquisitions. While total rooftop count declined in Q2 2024, MRRPU improved as compared to prior quarters.

³ Net income for both Q2 2023 and YTD 2023 includes a gain on bargain purchase of \$1.8M due to the acquisition of VINN.

⁴ Adjusted Net Income (Loss) (non-GAAP) – Net income (loss) before impairment and gain on bargain purchase.

Quorum Q2 2024 Results Conference Call Details and Investor Presentation

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Q2 2024 Results at a conference call with concurrent audio webcast, scheduled for:

Date: Thursday, August 22nd, 2024
Time: 11:00 am MT (1:00 pm ET)
Dial-In #: Toll-Free North America: 1 (888) 660-6411
Conference ID: 2512218
Webcast Link: [Quorum Q2 2024 Results Conference Call \(Webcast\)](#)

An updated Investor Presentation, replay of the results conference call, and transcripts of the conference call, will also be available at www.QuorumInformationSystems.com.

About Quorum Information Technologies Inc.

[Quorum](#) is a North American SaaS Software and Services company providing essential enterprise solutions that automotive dealerships and Original Equipment Manufacturers (“OEMs”) rely on for their operations, including:

- [Quorum’s Dealership Management System \(DMS\)](#), which 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 (“CRM”) system and set of Business Development Centre services that drives revenue into the critical sales and service departments in a dealership.
- [Autovance](#), a modern retailing platform that helps dealerships attract more business through Digital Retailing, improve in-store profits and closing rates through its desking tool and maximize their efficiency and CSI through Autovance’s F&I menu solution.
- [Accessible Accessories](#), a digital retailing platform that allows franchised dealerships to efficiently increase their vehicle accessories revenue.
- [VINN Automotive](#), a premier automotive marketplace that streamlines the vehicle research and purchase process for vehicle shoppers while helping retailers sell more efficiently.

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Forward-Looking Information

This press release may contain 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. 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.

Quorum has filed its Q2 2024 unaudited condensed interim consolidated financial statements and notes thereto as at and for the three months ended June 30, 2024, 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.QuorumInformationSystems.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.