



For Immediate Release

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Quorum Announces 2020 Results

Software as a Service (“SaaS”) revenue of \$22.1 million

Business Development Centre (“BDC”) revenue of \$7.5 million

Adjusted EBITDA¹ of \$4.9 million

Calgary, AB, April 21, 2021 – Quorum Information Technologies Inc. (TSX Venture: QIS) (“Quorum”), a leading provider of innovative and robust technology solutions and services to traditional and electric vehicle dealerships and Original Equipment Manufacturers (“OEM”) across North America, released its results for 2020 today.

“COVID-19 presented a number of challenges in 2020 for the automotive industry. Despite the challenges, Quorum had a strong year posting a record Adjusted EBITDA¹,” stated Maury Marks, President and CEO. “One-time, COVID-19 related Q2 customer discounts of \$1.5 and \$0.2 million for SaaS and BDC respectively resulted in a SaaS revenue decrease of 1% and BDC revenue increase of only 9% in 2020 compared to 2019. In Q4, Quorum reported a record SaaS revenue quarter as both SaaS and BDC revenue increased in Q4 over Q3 by 2% and 5% respectively, which equates to 8% and 20% when annualized.”

“With the Q3 addition of MyDeal and PowerLane solutions to our product suite, Quorum continues to be a leader in transforming automotive digital operations,” continued Marks. “These new solutions allow dealership consumers to buy a vehicle online and to have a touchless service experience. We expect these solutions to help increase our ‘share of wallet’ going forward.”

“I would especially like to acknowledge our employees and customers who helped Quorum to navigate the challenges in these unprecedented times,” added Marks. “Our employees are the driving force behind our strong 2020 results and their continued innovation ensures Quorum has a product suite prepared for the future of automotive.”

Fourth Quarter Results

- SaaS revenue was \$6.0 million, an increase of 4% compared to Q4 2019 and an increase of 2% compared to Q3 2020.

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

- BDC revenue was \$1.9 million, an increase of 11% compared to Q4 2019 and an increase of 5% compared to Q3 2020.
- Services and one-time revenue were \$0.3 million, a decrease of 71% compared to Q4 2019.
- Total revenue was \$8.3 million, a decrease of 4% compared to Q4 2019.
- Gross margin was \$3.7 million, a decrease of 2% compared to Q4 2019.
- Adjusted EBITDA¹ was \$1.5 million, an increase of 44% compared to Q4 2019.
- Net loss was \$0.5 million, a decrease of 68% compared to Q4 2019.

Fiscal Year 2020 Results

- SaaS revenue was \$22.1 million, a decrease of 1% compared to 2019.
- BDC revenue was \$7.5 million, an increase of 9% compared to 2019.
- Services and one-time revenue were \$1.2 million, a decrease of 67% compared to 2019.
- Total revenue was \$30.9 million, a decrease of 6% compared to 2019.
- Gross margin was \$13.7 million, a decrease of 10% compared to 2019.
- Adjusted EBITDA¹ was \$4.9 million, an increase of 7% compared to 2019.
- Net loss was \$1.9 million, an increase of 68% compared to 2019.
- Cash balance was \$9.3 million as of December 31, 2020 compared to \$8.6 million as of December 31, 2019.

Financial Summary

<i>(\$000's)</i>	Year Ended December 31, 2020	Year Ended December 31, 2019	Q4 Ended December 31, 2020	Q4 Ended December 31, 2019
SaaS revenue	\$22,136	\$22,303	\$6,038	\$5,832
BDC revenue	7,487	6,849	1,953	1,752
Services and one-time revenue	1,234	3,690	326	1,119
Total revenue	30,856	32,841	8,317	8,703
Cost of revenue	17,202	17,618	4,637	4,944
Margin after direct costs	13,654	15,223	3,680	3,759
Gross margin percentage	44%	46%	44%	43%
Adjusted EBITDA ¹	4,904	4,568	1,493	1,035
Adjusted cash income ²	2,477	1,754	815	294
Net loss	\$(1,859)	\$(1,106)	\$(476)	\$(1,479)

2020 Business Highlights

- In February 2020, Autovance released its next generation Finance and Insurance (“F&I”) Menu functionality.

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

- In February 2020, XSellerator released its enhanced automotive dealerships service lane technology, PowerLane.
- In February 2020, Quorum released its new advanced reporting and analysis tool for dealership customers called Q Analytics. Strategically this tool integrates the complete product suite under one enterprise reporting tool for dealerships.
- In April 2020, Autovance announced its MyDeal Digital Retailing System to allow dealers and customers to interact online for vehicle sales.
- In September 2020, Mr. Mike Herenberg joined the Corporation as Chief Operating Officer.
- In September 2020, DealerMine expanded its BDC to a second location utilizing Quorum's existing leased space in St. John's, NL to allow for accelerated growth and improved customer satisfaction.
- In Q3 2020, Quorum launched the process of providing remote installation and training services for most of the Corporation's products to both new and existing dealership customers.
- In October 2020, DealerMine expanded its strategic partnerships with AutoCanada to provide expanded electronic messaging handling through a separate BDC team.

Quorum 2020 Results Conference Call Details and Investor Presentation

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Year End 2020 Annual Results at a conference call with concurrent audio webcast, scheduled for:

Date: Thursday, April 22, 2021

Time: 9:00 am MST

Dial-In #: Toll-Free North America: 1 (844) 967-3741

Webcast Link: [2020 Year End Results Webcast](#)

The Year End 2020 Results Investor Presentation, a replay of the conference call and transcripts of the conference call will also be available under the Investors section at www.QuorumInformationSystems.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 Adjusted EBITDA¹; 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 statements; 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 of the 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 new 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:

- 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.
- 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 deskings tool and maximize their efficiency and CSI through Autovance’s F&I menu solution.

- Advantage, a full showroom system for independent dealerships and a management system that also includes in-house leasing, inventory management, and accounting.

Quorum has filed its 2020 audited consolidated financial statements and notes thereto as at and for the year ended December 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.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.

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