



## Quorum Reports Q3 2021 and YTD Financial Results

- Record Total Revenue of \$9.2 million on 14% growth rate
- \$6.6 million of Recurring SaaS Revenue
- \$2.4 million of Recurring Services Revenue
- Adjusted EBITDA<sup>1</sup> Margin of 16%

Calgary, AB, November 24<sup>th</sup>, 2021 - Quorum Information Technologies Inc. ([QIS:TSXV](#)) ([QuorumInformationSystems.com](#)), a SaaS software and services company that provides essential software that vehicle dealerships rely on for operations throughout North America, today reported Q3 2021 and year-to-date financial results for the third quarter ending on September 30, 2021. 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 happy to report record total revenue and are pleased with our overall revenue growth for this quarter, which was well balanced between adding new rooftops and cross-selling new software and services to current clients,” stated CEO Maury Marks. “With ongoing supply chain challenges, emerging online sales channel opportunities, and expanding competition, our vehicle dealership clients need our software to protect and grow their business while maximizing profits. We are encouraged by current market conditions and total addressable market available to Quorum Information Technologies solutions.”

### Consolidated Results for Q3, 2021 & Year-to-Date

	Q3 2021	% Change	Q3 2020	YTD 2021	% Change	YTD 2020
Total Revenue	\$ 9,201,600	14%	\$ 8,085,348	\$ 26,830,594	19%	\$ 22,539,580
Recurring Revenue	\$ 8,976,508	15%	\$ 7,778,853	\$ 26,079,167	21%	\$ 21,631,691
Gross Margin	\$ 4,307,880	18%	\$ 3,659,992	\$ 12,093,433	21%	\$ 9,973,961
Gross Margin %	47%		45%	45%		44%
Total Operating Expenses	\$ 4,470,561	21%	\$ 3,681,373	\$ 12,966,077	15%	\$ 11,277,639
EPS (loss)	-\$ 0.002		-\$ 0.005	-\$ 0.010		-\$ 0.019
Net loss	-\$ 143,930	60%	-\$ 358,296	-\$ 696,103	50%	-\$ 1,383,568
Adjusted EBITDA	\$ 1,451,712	-1%	\$ 1,464,650	\$ 3,846,083	13%	\$ 3,410,823
Adjusted Cash Income <sup>2</sup>	\$ 726,303	-24%	\$ 961,756	\$ 1,766,037	6%	\$ 1,661,315

### Q3 2021 Financial and Business Highlights

- Total revenue increased by 14% to \$9.2 million in Q3 2021 compared to \$8.1 million in Q3 2020.
- SaaS revenue increased by 11% to \$6.6 million in Q3 2021 compared to \$5.9 million in Q3 2020.
- Recurring services revenue (BDC) revenue increased by 30% to \$2.4 million in Q3 2021 compared to \$1.9 million in Q3 2020. Strength in this category was driven by new solution features and by a strategic partnership with AutoCanada.

<sup>1</sup> 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.

<sup>2</sup> Adjusted Cash Income (non-GAAP) – Adjusted EBITDA less capitalized salaries and overhead.

- Recurring revenue was 97% of total revenue for the quarter compared to 96% reported in Q3 last year.
- Total Annual Recurring Revenue (ARR) from SaaS of \$26.2 million as of September 30, 2021.
- Total annual recurring services revenue (BDC) of \$9.7 million as of September 30, 2021.
- Gross margin increased to \$4.3 million and 47% of total revenue in Q3 2021 compared to \$3.7 million and 45% of total revenue for Q3 2020. Gross margin increased by 18% as compared to Q3 last year, growing at a faster pace than revenue growth which is a result of scaling the business.
- Adjusted EBITDA margin was 16%, down from 18% reported in the previous Q3.
- Including cash of \$7.5 million, total net working capital as of September 30, 2021 decreased to \$7.6 million from \$9.1 million as of December 31, 2020, a decrease of \$1.5 million that is due to the \$1.5 million prepayment of principal and interest on its BDC Capital Loan facility in April 2021.
- SaaS-based operational KPIs are as follows:

	Q3 2021	Q2 2021	Q3 2020	YoY Growth	Sequential Growth
Dealer Rooftop Count - Canada	904	898	882	2%	1%
Dealer Rooftop Count - US	128	127	129	-	-
Dealer Rooftop Count - Total <sup>2</sup>	1,032	1,025	1,011	2%	1%
MRRPU	\$2,116	\$2,091	\$1,950	9%	1%

Monthly recurring revenue per unit (MRRPU) implies that, as of the end of Q3, 2021, each dealership (Dealer Rooftop) represents approximately \$25.4K of SaaS ARR.

### Conference Call Details

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Q3 2021 Quarterly Results at a conference call with concurrent audio webcast, scheduled for:

Date: Thursday, November 25, 2021  
 Time: 11:00 am MT  
 Dial-In #: Toll-Free North America: 1 (844) 967-3741  
 Webcast Link: [Q3 2021 Quarterly Results Conference Call \(Webcast\)](#)

The Q3 2021 Quarterly Results Investor Presentation, a replay of the conference call, and transcripts of the conference call will also be available at [www.QuorumInformationSystems.com](http://www.QuorumInformationSystems.com).

### About Quorum Information Systems

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

<sup>2</sup> Dealer Rooftop Count – Total for Q3 2020 has been adjusted to correct prior period Dealer Rooftop Count – Canada. Dealer Rooftop Count – Total and MRRPU were previously reported as: Q3 2020 total rooftop count of 1,045 and MRRPU of \$1,886.

- 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 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](http://www.QuorumInformationSystems.com).

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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.*

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