



Quorum Announces Q3 2023 Results

Revenue at \$10.4M, Adjusted EBITDA¹ at \$2.0M

CALGARY, Alberta, November 29, 2023 - Quorum Information Technologies Inc. (TSX-V: QIS) (OTC Pink: QIFTF) (“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 third quarter of 2023, ended September 30, 2023. 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 continued to focus on profitable growth in Q3 and as a result our Adjusted EBITDA is up 15% to \$2.0 million and Adjusted Cash Income (“ACI”)² is up 13% to \$1.3 million,” stated Maury Marks, President and CEO. “Although we continue to deal with the dynamic macro environment, our more efficient sales strategy that prioritizes cross selling continues to drive growth and cost savings. That strategy, combined with our BDC gross margin expansion and a continued focus on company-wide cost savings, produced record Adjusted EBITDA and ACI margins for the quarter.”

“Through a combination of purposeful product investment and strategic acquisitions, Quorum now has a uniquely integrated product suite of 13 essential software solutions and services that we can sell to dealers to drive their business,” stated Mr. Marks. “I would also like to sincerely thank our employees who are the driving force behind our positive Q3 2023 results; their continued innovation ensures Quorum has a product suite prepared for the future of automotive.”

Consolidated Results for Q3 2023 and Year-to-Date

	Q3 2023	%Change	Q3 2022	YTD 2023	% Change	YTD 2022
Total Revenue	\$10,400,269	6%	\$9,854,062	\$30,342,596	5%	\$28,952,623
SaaS Revenue	\$7,073,830	1%	\$7,013,373	\$21,173,482	3%	\$20,635,150
BDC Revenue	\$2,762,660	6%	\$2,595,945	\$8,292,353	7%	\$7,775,231
Recurring Revenue	\$9,836,490	2%	\$9,609,318	\$29,465,835	4%	\$28,410,381
Gross Margin	\$4,917,990	1%	\$4,857,845	\$14,417,865	3%	\$13,980,521
Gross Margin %	47%		49%	48%		48%
Loss per Share	\$(0.004)		\$(0.005)	\$(0.005)		\$(0.017)
Net Loss	\$(317,461)	19%	\$(393,095)	\$(381,277)	69%	\$(1,246,452)
Adjusted EBITDA	\$1,964,211	15%	\$1,703,420	\$4,952,251	24%	\$4,005,741
Adjusted EBITDA Margin	19%		17%	16%		14%
Adjusted Cash Income	\$1,276,337	13%	\$1,129,768	\$2,898,770	45%	\$2,000,660

¹ Adjusted EBITDA – 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 expenses.

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

Third Quarter Results

- Adjusted EBITDA margin was 19% for Q3 2023 as compared to 17% for Q3 2022.
- Adjusted Cash Income increased by 13% to \$1.3 million, as compared to \$1.1 million Q3 2022.
- Total revenue increased by 6% to \$10.4 million in Q3 2023 compared to \$9.9 million in Q3 2022.
- Recurring SaaS revenue increased by 1% to \$7.1 million in Q3 2023 compared to \$7.0 million in Q3 2022.
- Recurring BDC services revenue increased by 6% to \$2.8 million in Q3 2023 compared to \$2.6 million in Q3 2022.
- Gross margin of \$4.9 million and 47% of total revenue in Q3 2023 compared to \$4.9 million and 49% of total revenue for Q3 2022. Gross margin increased by 1% as compared to Q3 2022.

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

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Dealer Rooftop Count - Canada	1,350	1,322	1,315	1,305	1,303
Dealer Rooftop Count - US	114	118	118	120	125
Dealer Rooftop Count - Total	1,464	1,440	1,433	1,425	1,428
MRRPU	\$1,597	\$1,626	\$1,634	\$1,655	\$1,651

*Monthly recurring revenue per unit (“MRRPU”) implies that, as of the end of Q3 2023, each dealership (“Dealer Rooftop”) represents approximately \$19.8K of SaaS annual recurring revenue (“ARR”).

Quorum Q3 2023 Results Conference Call Details and Investor Presentation

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Q3 2023 Results at a conference call with concurrent audio webcast, scheduled for:

Date: Thursday, November 30th, 2023
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 Q3 2023 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 deskting 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.

Quorum Information Technologies Inc. is traded on the TSX Venture Exchange (“TSX-V”) under the symbol QIS. For additional investor information, please visit 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.

Quorum has filed its Q3 2023 unaudited condensed interim consolidated financial statements and notes thereto as at and for the three and nine months ended September 30, 2023, 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.