



Quorum Announces Q4 and Year End 2023 Results

Adjusted EBITDA¹ up 26% to \$7.0 Million for 2023

CALGARY, Alberta, April 24, 2024 - Quorum Information Technologies Inc. (TSX-V: QIS) (OTC Pink: QITF) ("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 fourth quarter and fiscal year ended December 31, 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.

"Throughout 2023, Quorum focused on a more profitable growth strategy which emphasized cross-selling and better company-wide cost management," stated Maury Marks, President and CEO. "This resulted in Adjusted EBITDA for 2023 of \$7.0 million as compared to \$5.6 million for 2022 and Adjusted Cash Income or ACI² of \$4.5 million in 2023 as compared to \$3.1 million in 2022. As we executed our strategy, our Adjusted EBITDA margin continued to improve throughout 2023, resulting in a record 21% Adjusted EBITDA margin in Q4 2023. In Q4 2023 our SaaS revenue growth slowed, however, this was partly due to an installation backlog, and we expect SaaS revenue growth to rebound to \$7.2 million in Q1 2024."

"Our product suite, that is focussed on driving our dealership's business, is a key force behind our 2023 results. Quorum has a uniquely integrated product suite of 13 essential software solutions and services that we have built through a combination of purposeful product investment and strategic acquisitions," stated Mr. Marks. "Additionally, I would like to sincerely thank our employees; their continued innovation ensures Quorum has a product suite prepared for the future of automotive."

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 Q4 2023 and Fiscal Year 2023

	Q4 2023	%Change	Q4 2022	2023	% Change	2022
Total Revenue	\$9,920,932	1%	\$9,850,916	\$40,263,528	4%	\$38,803,539
SaaS Revenue	\$7,017,756	0%	\$7,023,005	\$28,191,238	2%	\$27,658,155
BDC Revenue	\$2,588,181	(2%)	\$2,637,001	\$10,880,534	4%	\$10,412,232
Recurring Revenue	\$9,605,937	(1%)	\$9,660,006	\$39,071,772	3%	\$38,070,387
Gross Margin	\$4,844,654	3%	\$4,681,865	\$19,262,519	3%	\$18,662,386
Gross Margin %	49%		48%	48%		48%
Net Income (Loss) per Share	\$(0.014)		\$(0.002)	\$0.003		\$(0.019)
Net Income (Loss)	\$(1,049,589)	531%	\$(166,331)	\$233,950	117%	\$(1,412,783)
Adjusted Net Income (Loss) ³	\$171,682	203%	\$(166,331)	\$(326,202)	77%	\$(1,412,783)
Adjusted EBITDA	\$2,084,217	31%	\$1,595,543	\$7,036,468	26%	\$5,601,284
Adjusted EBITDA Margin	21%		16%	17%		14%
Adjusted Cash Income	\$1,556,234	48%	\$1,049,389	\$4,455,004	46%	\$3,050,049

Fourth Quarter Results

- Adjusted EBITDA margin was 21% for Q4 2023 as compared to 16% for Q4 2022.
- Adjusted Cash Income increased by 48% to \$1.6 million, as compared to \$1.0 million Q4 2022.
- Total revenue increased by 1% to \$9.9 million in Q4 2023 compared to \$9.9 million in Q4 2022.
- Recurring SaaS revenue remained consistent at \$7.0 million in Q4 2023 as compared Q4 2022.
- Recurring BDC services revenue decreased by 2% to \$2.6 million in Q4 2023 compared to \$2.6 million in Q4 2022.
- Gross margin was \$4.8 million and 49% of total revenue in Q4 2023 compared to \$4.7 million and 48% of total revenue for Q4 2022. Gross margin increased by 3% as compared to Q4 2022.

Fiscal Year 2023 Results

- Adjusted EBITDA margin was 17% for 2023 as compared to 14% for 2022.
- Adjusted Cash Income increased by 46% to \$4.5 million, as compared to \$3.1 million 2022.
- Total revenue increased by 4% to \$40.3 million in 2023 compared to \$38.8 million in 2022.
- Recurring SaaS revenue increased by 2% to \$28.2 million in 2023 as compared \$27.7 million in 2022.
- Recurring BDC services revenue increased by 4% to \$10.9 million in 2023 compared to \$10.4 million in 2022.
- Gross margin was \$19.3 million and 48% of total revenue in 2023 compared to \$18.7 million and 48% of total revenue for 2022. Gross margin increased by 3% as compared to 2022.

³ Adjusted Net Loss – Net income (loss) before impairment and gain on bargain purchase.

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

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Dealer Rooftop Count - Canada	1,322	1,315	1,305	1,303	1,301
Dealer Rooftop Count - US	118	118	120	125	126
Dealer Rooftop Count - Total	1,440	1,433	1,425	1,428	1,427
MRRPU ^{4*}	\$1,626	\$1,634	\$1,655	\$1,651	\$1,639

*Monthly recurring revenue per unit (“MRRPU”) implies that, as of the end of Q4 2023, each dealership (“Dealer Rooftop”) represents approximately \$19.7K of SaaS annual recurring revenue (“ARR”).

2023 Business Highlights

- Quorum released its 2022 inaugural Sustainability Statement to address environmental and social topics that are, or may be, financially material to its long-term sustainability.
- Quorum released its new mobile Sales Customer Relationship (“CRM”) application. The mobile Sales CRM application allows dealership sales staff to have the full power of the DealerMine branded Sales CRM solution in their hand.
- Quorum completed the integration between General Motors (“GM”) USA’s Service Advisor Vehicle Interface System (“SAVI”) and the Quorum DMS and the PowerLane software solution. The new GM integration allows onboard vehicle diagnostics data to be delivered to Quorum’s DMS and PowerLane solutions when a customer’s vehicle is in for service.
- Quorum completed the rollout of Version 4.6 of the Nissan and Infiniti North America DMS integration. Version 4.6 provides all parties with a more reliable and complete dataset in all areas of dealership operations.
- Quorum announced that its DealerMine branded Online Service Scheduling (“OSS”) has a new user interface and an improved user experience. Additionally, DealerMine’s OSS was enhanced to allow for direct integration with select OEM maintenance menus and vehicle recall information.
- Quorum completed the acquisition of VINN Automotive Technologies Limited (“VINN”). VINN is Quorum’s fifth acquisition in six years and marks another step forward in Quorum’s strategy to be a full-service provider to automotive dealerships.
- Quorum welcomed Damien Leonard, President of Pinetree Capital to the Board of Directors.
- Quorum made a prepayment of \$1.6 million in principal and interest on its BDC Capital loan facility.

Quorum Q4 and Fiscal Year 2023 Results Conference Call Details and Investor Presentation

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Q4 and Fiscal Year 2023 Results at a conference call with concurrent audio webcast, scheduled for:

Date: Thursday, April 25th, 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 Year End 2023 Annual Results Conference Call \(Webcast\)](#)

⁴ MRRPU – Monthly recurring revenue per unit, current reported quarter SaaS revenue, divided by three and divided by the number of dealerships rooftops at the end of the quarter.

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 2023 audited consolidated financial statements and notes thereto as at and for the year ended December 31, 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.