



Quorum Announces Record Q2 2022 and YTD Results

Total Revenue of \$9.8 million, up 8%; Recurring Revenue up 10%

\$7.0 million of Recurring SaaS Revenue

\$2.7 million of Recurring Services Revenue

CALGARY, Alberta, August 24th 2022 - Quorum Information Technologies Inc. (QIS:TSXV) (“Quorum” or the “Company”), 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 2022, ending June 30, 2022. 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 recurring revenue and improved profitability for the second quarter of 2022,” stated Maury Marks, President and CEO. “Initiatives to lower costs and the addition of our latest acquisition, Accessible Accessories, has resulted in both gross margin and adjusted EBITDA¹ margin expansion. We are delighted that we were able to grow year over year gross margin and adjusted EBITDA by 18% and 29% respectively. I would especially like to acknowledge our employees and customers who are the driving force behind both our continued growth and driving us to innovate to ensure Quorum has a product suite prepared for the future of automotive.”

Consolidated Results for Q2 2022 and Year-to-Date

	Q2 2022	% Change	Q2 2021	2022	% Change	2021
Total Revenue	\$ 9,812,503	8%	\$ 9,073,226	\$ 19,098,561	8%	\$ 17,628,994
Recurring Revenue	\$ 9,684,102	10%	\$ 8,814,812	\$ 18,801,063	10%	\$ 17,102,659
Gross Margin	\$ 4,722,477	18%	\$ 4,015,856	\$ 9,122,676	17%	\$ 7,785,553
Gross Margin %	48%		44%	48%		44%
EPS (Loss)	-\$ 0.004		-\$ 0.003	-\$ 0.001		-\$ 0.008
Net Loss	-\$ 255,740	-5%	-\$ 243,459	-\$ 853,357	-55%	-\$ 552,173
Adjusted EBITDA	\$ 1,420,321	29%	\$ 1,102,874	\$ 2,302,321	-4%	\$ 2,394,371
Adjusted EBITDA Margin	14%		12%	12%		14%
Adjusted Cash Income²	\$ 717,711	61%	\$ 446,212	\$ 870,893	-16%	\$ 1,039,734

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.

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

Second Quarter Results

- Total revenue increased by 8% to \$9.8 million in Q2 2022 compared to \$9.1 million in Q2 2021.
- Recurring SaaS revenue increased by 9% to \$7.0 million in Q2 2022 compared to \$6.4 million in Q2 2021.
- Recurring services revenue (“BDC”) increased by 12% to \$2.7 million in Q2 2022 compared to \$2.4 million in Q2 2021.
- Recurring revenue was 98% of total revenue for the quarter compared to 97% reported in Q2 2021.
- Total Annual Recurring Revenue (“ARR”) from SaaS of \$28.0 million as of Q2 2022.
- Total ARR from BDC services of \$10.7 million as of Q2 2022.
- Gross margin increased by 18% to \$4.8 million and 48% of total revenue in Q2 2022 compared to \$4.2 million and 44% of total revenue for Q2 2021.
- Adjusted EBITDA increased by 29% to \$1.4 million in Q2 2022 as compared to \$1.1 million for Q2 2021.
- Adjusted EBITDA margin was 14% for Q2 2022 as compared to 12% for Q2 2021.

SaaS-based dealership rooftops are as follows:

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Dealer Rooftop Count - Canada	898	904	920	923	1,343
Dealer Rooftop Count - US	127	128	125	116	116
Dealer Rooftop Count - Total	1,025	1,032	1,045	1,039	1,459
MRRPU	\$2,091	\$2,116	\$2,105	\$2,124	\$1,600

Monthly recurring revenue per unit (“MRRPU”) implies that, as of the end of Q2 2022, each dealership (“Dealer Rooftop”) represents approximately \$19.2K of SaaS ARR. Q2 2022 MRRPU decreased due to the addition of rooftops as a result of the Accessible Accessories acquisition. Post acquisition, Quorum now has a \$55 million annual SaaS revenue cross selling opportunity across its existing customer base.

Q2 2022 Business Highlights

- In April 2022, Quorum completed the acquisition of Accessible Accessories Ltd. (“Accessible Accessories”). Accessible Accessories develops, implements, and supports its web-based platform that allows franchised dealership to sell accessories more effectively. Accessible Accessories is Quorum’s fourth acquisition since 2017 and marks another step forward in Quorum’s strategy to be a full-service provider to automotive dealerships.
- In May 2022, Quorum announced the retention of Red Cloud Securities Inc. to provide market making services for the purposes of maintaining an orderly market.
- In June 2022, Quorum announced the appointment of Bruce Atkinson as Vice President Operations.

Quorum Q2 2022 Results Conference Call Details and Investor Presentation

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Q2 2022 results at a conference call with concurrent audio webcast, scheduled for:

Date: Thursday, August 25th, 2022

Time: 11:00 am MT
Dial-In #: Toll-Free North America: 1 (888) 660-6411
Webcast Link: [Q2 2022 Quarterly Results Conference Call \(Webcast\)](#)

The Q2 2022 Results Investor Presentation, a replay of the conference call and a transcript 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 \(DMS\)](#) called XSellerator, 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.

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 Q2 2022 unaudited condensed consolidated financial statements and notes thereto as at and for the six months ended June 30, 2022, 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.