



## Quorum Announces Q1 2023 Results

### Revenue up 7%, Adjusted Cash Income<sup>1</sup> increases by 277% over prior year

**CALGARY, Alberta, May 24, 2023** - 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 first quarter of 2023, ended March 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.

"We continued our disciplined approach to profitable growth in Q1, with Adjusted EBITDA<sup>2</sup> up 51% to \$1.3 million and Adjusted Cash Income ("ACI") up 277% to \$0.6 million. The ACI results includes \$0.3 million of spend associated with the once a year North American Dealers Association ("NADA") tradeshow, and when factoring this in, our ACI momentum continued sequentially as well," stated Maury Marks, President and CEO. "This increase in profitability, combined with solid growth in a dynamic macro environment, is due to the successful execution of several initiatives, including a more efficient sales strategy prioritizing cross selling and a \$2.0 million annual cost reduction plan to drive Free Cash Flow<sup>3</sup> ("FCF").

"Through a combination of purposeful product investment and four strategic acquisitions in the last five years Quorum now has a uniquely integrated product suite of 12 essential software solutions and services that we can sell to dealers to drive their business," continued Mr. Marks. "We will remain focussed on executing our profitable growth strategy in 2023, despite the macro-economic environment. I would also like to sincerely thank our employees who are the driving force behind our positive Q1 2023 results; their continued innovation ensures Quorum has a product suite prepared for the future of automotive."

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<sup>1</sup> Adjusted Cash Income ("ACI") (non-GAAP) – Adjusted EBITDA less capitalized salaries and overhead.

<sup>2</sup> 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.

<sup>3</sup> Free Cash Flow – Adjusted Cash Income less interest on long term debt and bank charges and IFRS 16 lease cash expense not included in Adjusted EBITDA.

## Consolidated Results for Q1 2023

	Q1 2023	% Change	Q1 2022
<b>Total Revenue</b>	<b>\$ 9,906,478</b>	<b>7%</b>	<b>\$ 9,286,058</b>
SaaS Revenue	\$ 7,025,780	6%	\$ 6,620,704
BDC Revenue	\$ 2,764,735	11%	\$ 2,496,257
Recurring Revenue	\$ 9,790,515	7%	\$ 9,116,961
Gross Margin	\$ 4,638,269	5%	\$ 4,400,199
Gross Margin %	47%		47%
EPS (Loss)	-\$ 0.008		-\$ 0.008
Net Loss	-\$ 559,909	6%	-\$ 597,617
<b>Adjusted EBITDA</b>	<b>\$ 1,332,077</b>	<b>51%</b>	<b>\$ 882,000</b>
<b>Adjusted EBITDA Margin</b>	<b>13%</b>		<b>9%</b>
<b>Adjusted Cash Income</b>	<b>\$ 577,231</b>	<b>277%</b>	<b>\$ 153,182</b>

## First Quarter Results

- Adjusted EBITDA margin was 13% for Q1 2023 as compared to 9% for Q1 2022.
- Adjusted Cash Income increased by \$0.4 million to \$0.6 million as compared to \$0.2 million Q1 2022.
- Total revenue increased by 7% to \$9.9 million in Q1 2023 compared to \$9.3 million in Q1 2022.
- Recurring SaaS revenue increased by 6% to \$7.0 million in Q1 2023 compared to \$6.6 million in Q1 2022.
- Recurring BDC services revenue increased by 11% to \$2.8 million in Q1 2023 compared to \$2.5 million in Q1 2022.
- Gross margin increased to \$4.6 million and 47% of total revenue in Q1 2023 compared to \$4.4 million and 47% of total revenue for Q1 2022. Gross margin increased by 5% as compared to Q1 2022.

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

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Dealer Rooftop Count - Canada	923	1,343	1,350	1,322	1,315
Dealer Rooftop Count - US	116	116	114	118	118
Dealer Rooftop Count - Total	1,039	1,459	1,464	1,440	1,433
MRRPU	\$2,124	\$1,600	\$1,597	\$1,626	\$1,634

Monthly recurring revenue per unit (“MRRPU”) implies that, as of the end of Q1 2023, each dealership (“Dealer Rooftop”) represents approximately \$19.6K of SaaS annual recurring revenue (“ARR”).

Q1 2023 MRRPU decreased as compared to Q1 2022 due to the addition of rooftops as a result of the Accessible Accessories acquisition. The reduction in rooftops, as compared to Q4 2022, was primarily due to a reduction in Accessible Accessories brand’s rooftops. Growth in the number of Accessible Accessories rooftops is anticipated as Accessible Accessories and Autovance integration is introduced.

## Q1 2023 Business Highlights

- In January 2023, 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.
- In January 2023, 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.
- In January 2023, 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.
- In January 2023, 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.
- In January 2023, 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 Q1 2023 Annual Results Conference Call Details and Investor Presentation

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Q1 2023 Results at a conference call with concurrent audio webcast, scheduled for:

Date:	Thursday, May 25 <sup>th</sup> , 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:	<a href="#">Quorum Q1 2023 Results Conference Call (Webcast)</a>

An updated Investor Presentation, replay of the results conference call, and transcripts of the conference call, will also be available at [www.QuorumInformationSystems.com](http://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.

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](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.*

Quorum has filed its Q1 2023 unaudited consolidated financial statements and notes thereto as at and for the three months ended March 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](http://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.*