



Quorum Announces Record Q1 2022 Results

Total Revenue of \$9.3 million, up 9%; Recurring Revenue up 10%
\$6.6 million of Recurring SaaS Revenue
\$2.5 million of Recurring Services Revenue

CALGARY, Alberta, May 25, 2022 (GLOBE NEWSWIRE) -- Quorum Information Technologies Inc. (QIS:TSXV) ("Quorum" or the "Company"), a SaaS software and services company that provides essential software that vehicle dealerships rely on for operations throughout North America, released its results today for the first quarter of 2022, ending March 31, 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 and recurring revenue and are pleased with our overall revenue growth for this quarter," stated Maury Marks, President and CEO. "It was an exciting quarter as we attended the first in person National Automobile Dealers Association ("NADA") convention in two years. Additionally, we restructured our BDC Capital debt facility to provide more flexibility for future investments or acquisitions. Finally, we completed the acquisition of Accessible Accessories, which adds a significant number of additional rooftops to Quorum's customer base. Now, with at least one Quorum product in 42% of Canadian franchised dealerships, Quorum has a leading position in the Canadian market with substantial profitable growth runway across North America. I would especially like to acknowledge our employees and customers who continue to help Quorum navigate the challenges in these unprecedented times," added Marks. "Our employees are the driving force behind our strong Q1 2022 results and their continued innovation ensures Quorum has a product suite prepared for the future of automotive."

Consolidated Results for Q1 2022

Quorum Information Technologies Inc Table for Press Release Q1 2022

	Q1 2022	% Change	Q1 2021
Total Revenue	\$ 9,286,058	9%	\$ 8,555,768
Recurring Revenue	\$ 9,116,961	10%	\$ 8,287,847
Gross Margin	\$ 4,400,199	17%	\$ 3,769,697
Gross Margin %	47%		44%
EPS (Loss)	- 0.008		- 0.004
Net Loss	\$ 597,617	-94%	\$ 308,714
Adjusted EBITDA¹	\$ 882,000	-32%	\$ 1,291,499
Adjusted EBITDA Margin	9%		15%
Adjusted Cash Income²	\$ 153,182	-74%	\$ 593,524

First Quarter Results

- ⌋ Total revenue increased by 9% to \$9.3 million in Q1 2022 compared to \$8.6 million in Q1 2021. This represents a strong improvement relative to modest 0.5% growth in Q1 2021 as compared to Q1 2020.
- ⌋ Recurring SaaS revenue increased by 9% to \$6.6 million in Q1 2022 compared to \$6.1 million in Q1 2021.
- ⌋ Recurring services revenue ("BDC") increased by 14% to \$2.5 million in Q1 2022 compared to \$2.2 million in Q1 2021.
- ⌋ Recurring revenue was 98% of total revenue for the quarter compared to 97% reported in Q1 2021.
- ⌋ Total Annual Recurring Revenue ("ARR") from SaaS of \$26.5 million as of Q1 2022.
- ⌋ Total annual recurring services revenue ("BDC") of \$10.0 million as of Q1 2022.
- ⌋ Gross margin increased to \$4.4 million and 47% of total revenue in Q1 2022 compared to \$3.8 million and 44% of total revenue for Q1 2021. Gross margin increased by 17% as compared Q1 2021.
- ⌋ Adjusted EBITDA margin was 9% for Q1 2022 as compared to 15% for Q1 2021 primarily due to attendance at the 2022 NADA convention at a cost of \$0.3 million as compared to \$nil in Q1 2021 when the convention was held virtually.

SaaS-based dealership rooftops are as follows:

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Proforma Q1 2022 (including Accessible)
Dealer Rooftop Count - Canada	882	898	904	920	923	1,346
Dealer Rooftop Count - US	128	127	128	125	116	116

Dealer Rooftop Count - Total	1,010	1,025	1,032	1,045	1,039	1,462
MRRPU	\$2,013	\$2,091	\$2,116	\$2,105	\$2,124	\$1,595

Monthly recurring revenue per unit (“MRRPU”) implies that, as of the end of Q1 2022, each dealership (“Dealer Rooftop”) represents approximately \$25.5K of SaaS ARR.

Q1 2022 Business Highlights

- In February 2022, Quorum restructured its credit facility with BDC Capital Inc. The new facilities significantly reduce interest rates and extends the maturity date from January 15, 2025 to March 15, 2027. The original loan was replaced by a Mezzanine loan and a Cash Flow loan, with the Mezzanine loan replacing the disbursed funds of the original BDC Capital loan and a new Cash Flow loan that can be utilized for acquisitions and working capital requirements.
- In March 2022, Quorum announced new OEM integrated functionality for its PowerLane product. PowerLane is a mobile Service Lane tool that provides customers with a touchless, transparent customer experience that includes media capture capabilities that allow dealership customers to review a video of any necessary repairs.

Subsequent Event

On April 1, 2022, Quorum completed the acquisition of Accessible Accessories Ltd. (“Accessible”) pursuant to a share purchase agreement (the “Agreement”) between Quorum and Accessible. Under the terms of the Agreement, the Corporation acquired all of the issued and outstanding shares of Accessible for consideration comprised of \$4,500,000 in cash with a 10% holdback to be released September 30, 2022, pursuant to the terms of an earn-out structure. The Corporation will finance the \$4,500,000 with current cash reserves and its BDC Capital facility. Accessible 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.

Quorum Q1 2022 Results Conference Call Details and Investor Presentation

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will discuss these results on a conference call with a concurrent audio webcast. Details are as follows:

Date: Thursday, May 26th, 2022
Time: 11:00 am MT
Dial-In #: Toll-Free North America: 1 (888) 660-6411
Webcast Link: [Q1 2022 Quarterly Results Conference Call \(Webcast\)](#)

The Q1 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 company focused on developing, marketing, implementing and supporting its portfolio of software and services for automotive dealerships that includes:

Quorum’s Dealership Management System (DMS) 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 (TSXV) under the symbol QIS. For additional information, please go to 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 2022 unaudited condensed consolidated financial statements and notes thereto as at and for the three months ended March 31, 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.

PDF available: