



Quorum Announces Record Q4 and FY2021 Results

Total Revenue of \$36.1 million, up 17%; Recurring Revenue up 19%

\$25.7 million of Recurring SaaS Revenue

\$9.4 million of Recurring Services Revenue

Adjusted EBITDA¹ margin of 14%

CALGARY, Alberta, April 20th, 2022 - 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 fourth quarter and fiscal 2021, ending December 31, 2021. 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 delighted to report record total revenue, strong revenue growth, and recurring revenue that represents 97% of our total revenue,” stated Maury Marks, President and CEO. “Our growth was balanced between adding new rooftops and cross-selling additional products to existing customers. Subsequent to year-end, 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 41% of Canadian franchised dealerships, Quorum has a leading position in the Canadian market with substantial 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 2021 results and their continued innovation ensures Quorum has a product suite prepared for the future of automotive.”

Consolidated Results for Q4 2021 and Fiscal Year 2021

	Q4 2021	% Change	Q4 2020	2021	% Change	2020
Total Revenue	\$ 9,220,623	11%	\$ 8,316,891	\$ 36,051,217	17%	\$ 30,856,471
Recurring Revenue	\$ 9,042,999	13%	\$ 7,990,783	\$ 35,122,166	19%	\$ 29,622,474
Gross Margin	\$ 4,315,665	17%	\$ 3,680,338	\$ 16,409,098	20%	\$ 13,654,299
Gross Margin %	47%		44%	46%		44%
EPS (Loss)	-\$ 0.028		-\$ 0.007	-\$ 0.037		-\$ 0.026
Net Loss	-\$ 2,015,162	-324%	-\$ 475,606	-\$ 2,711,265	-46%	-\$ 1,859,174
Adjusted Net Loss ²	-\$ 347,068	27%	-\$ 475,606	-\$ 1,043,171	44%	-\$ 1,859,174
Adjusted EBITDA	\$ 1,142,424	-23%	\$ 1,492,868	\$ 4,988,389	2%	\$ 4,903,691
Adjusted EBITDA Margin	12%		18%	14%		16%
Adjusted Cash Income³	\$ 583,027	-28%	\$ 815,353	\$ 2,348,928	-5%	\$ 2,476,668

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 Net Loss (non-GAAP) – Net income (loss) before impairment write down for Advantage.

³ Adjusted Cash Income (“ACI”) (non-GAAP) – Adjusted EBITDA less capitalized salaries and overhead.

Fourth Quarter Results

- Total revenue increased by 11% to \$9.2 million in Q4 2021 compared to \$8.3 million in Q4 2020.
- Recurring SaaS revenue increased by 9% to \$6.6 million in Q4 2021 compared to \$6.0 million in Q4 2020.
- Recurring services revenue (“BDC”) increased by 25% to \$2.4 million in Q4 2021 compared to \$2.0 million in Q4 2020.
- Recurring revenue was 98% of total revenue for the quarter compared to 96% reported in Q4 2020.
- Total Annual Recurring Revenue (“ARR”) from SaaS of \$26.4 million as of Q4 2021.
- Total annual recurring services revenue (“BDC”) of \$9.8 million as of Q4 2021.
- Gross margin increased to \$4.3 million and 47% of total revenue in Q4 2021 compared to \$3.7 million and 44% of total revenue for Q4 2020. Gross margin increased by 17% as compared to Q4 2020.
- Adjusted EBITDA margin was 12% for Q4 2021 as compared to 18% for Q4 2020 due to an increase in operating expenses.

Fiscal Year 2021 Results

- Total revenue increased by 17% to \$36.1 million in 2021 compared to \$30.9 million in 2020.
- Recurring SaaS revenue increased by 16% to \$25.7 million in 2021 compared to \$22.1 million in 2020.
- Recurring services revenue (“BDC”) increased by 26% to \$9.4 million in 2021 compared to \$7.5 million in 2020.
- Recurring revenue was 97% of total revenue for 2021 compared to 96% reported in 2020.
- Gross margin increased to \$16.4 million and 46% of total revenue in 2021 compared to \$13.7 million and 44% of total revenue for 2020. Gross margin increased by 20% as compared to 2020.
- Adjusted EBITDA margin was 14% for 2021 as compared to 16% for 2020.
- Including cash of \$6.5 million, total net working capital decreased to \$7.6 million from \$9.1 million as of December 31, 2020, a decrease of \$1.5 million that is due to the \$1.5 million prepayment of principal and interest on the BDC Capital Loan Facility in April 2021.

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.

SaaS-based operation KPIs are as follows:

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Proforma Q4 2021 (including Accessible)
Dealer Rooftop Count - Canada	893	882	898	904	920	1,343
Dealer Rooftop Count - US	128	128	127	128	125	125

Dealer Rooftop Count - Total	1,021	1,010	1,025	1,032	1,045	1,468
MRRPU	\$1,971	\$2,013	\$2,091	\$2,116	\$2,105	\$1,584

Monthly recurring revenue per unit (“MRRPU”) implies that, as of the end of Q4 2021, each dealership (“Dealer Rooftop”) represents approximately \$25.3K of SaaS ARR.

2021 Business Highlights

- In January 2021, Quorum announced that the company launched a Windows Virtual Desktop pilot built on Microsoft Azure which will allow Quorum to deploy its XSellerator DMS to automotive dealerships customers leveraging the Microsoft Azure cloud platform, eliminating the requirement for an on premise server or a Quorum hosted solution.
- In January 2021, Quorum announced that the company was working with Microsoft on a re-platforming and data consolidation project utilizing Microsoft Azure Synapse analytics.
- In March 2021, Quorum introduced new enhancements to its PowerLane product which includes Mobile check-in capability, and new enhancements to its MyDeal product which includes the ability for customers to complete online payments for a vehicle deposit.
- In March 2021, Quorum introduced new enhancements to its Autovance MyDeal product and Autovance retailing platform as part of its Digital Retailing strategy to allow customers to complete online payments for a vehicle deposit.
- In April 2021, Quorum entered into a partnership agreement with EDealer, Canada’s largest supplier of franchised dealership web sites, which will allow EDealer to resell Quorum’s Autovance Desk and MyDeal Products to their customers.
- In June 2021, Quorum announced that the O’Regan’s Automotive Group in Nova Scotia had selected Quorum’s XSellerator DMS and related product suite as their main DMS software provider.
- In August 2021, Quorum expanded its BDC services to include collision centres, providing valuable lead generation services that will help book more service appointments.
- In August 2021, Quorum announced that its Communicator electronic messaging platform delivers new Digital Marketing capabilities designed to help a dealership Make More Money (M3).
- In September 2021, Quorum was named a certified product under the GM Retail Excellence Program by General Motors of Canada.

Quorum 2021 Annual 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, April 21, 2022
Time: 11:00 am MT
Dial-In #: Toll-Free North America: 1 (844) 967-3741
Webcast Link: [Year End 2021 Annual Results Conference Call \(Webcast\)](#)

The Year End 2021 Annual 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 2021 audited consolidated financial statements and notes thereto as at and for the year ended December 31, 2021, 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.