



Quorum Announces Q1 2021 Results

**Software as a Service (“SaaS”) revenue of \$6.1 million
Business Development Centre (“BDC”) revenue of \$2.2 million
Adjusted EBITDA¹ of \$1.3 million**

CALGARY, Alberta, May 26, 2021 (GLOBE NEWSWIRE) -- Quorum Information Technologies Inc. (TSX Venture: QIS) ("Quorum"), a leading provider of innovative and robust technology solutions and services to traditional and electric vehicle dealerships and Original Equipment Manufacturers ("OEM") across North America, released its results for Q1 2021 today.

Q1 2021 was the highest SaaS revenue quarter in the Corporation's history. Both SaaS and BDC revenue increased by 1% and 12% respectively over Q4 2020. These quarter-over-quarter increases represent annualized increases of 4% and 48% respectively.

First Quarter Results

- SaaS revenue was \$6.1 million, an increase of 3% compared to Q1 2020 and an increase of 1% compared to Q4 2020.
- BDC revenue was \$2.2 million, an increase of 3% compared to Q1 2020 and an increase of 12% compared to Q4 2020.
- Services and one-time revenue were \$0.3 million, a decrease of 42% compared to Q1 2020.
- Total revenue was \$8.6 million, an increase of 0.5% compared to Q1 2020 and an increase of 3% compared to Q4 2020.
- Gross margin was \$3.8 million, a decrease of 3% compared to Q1 2020.
- Adjusted EBITDA was \$1.3 million, an increase of 46% compared to Q1 2020.
- Net loss was \$0.3 million, a decrease of 68% compared to Q1 2020.

"While SaaS growth was partially restricted early in Q1 2021 due to COVID-19 travel restrictions, it rebounded in March and our SaaS revenue continues to grow in Q2. BDC growth was strong in Q1 2021 and we have identified a number of BDC gross margin expansion opportunities that we plan to execute on throughout 2021," stated Maury Marks, President and CEO. "Additionally, our transformative MyDeal and PowerLane solutions, which allow dealership customers to buy a vehicle online and to have a touchless service experience are experiencing stronger market adoption and increasing our 'share of wallet.'"

"I would especially like to acknowledge our employees and customers who helped Quorum navigate COVID-19 challenges," added Marks. "Our employees are the driving force behind our strong results and their continued innovation ensures Quorum has a product suite and services offering prepared for the future of automotive."

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.

Financial Summary

Three months ended (\$000's)	March 31, 2021	March 31, 2020
SaaS revenue	\$ 6,101	\$ 5,921
BDC revenue	2,187	2,128
Services and one-time revenue	268	466
Total revenue	8,556	8,515
Cost of revenue	4,786	4,647
Gross margin	3,770	3,868
Gross margin percentage	44%	45%
Adjusted EBITDA	1,291	883
Adjusted Cash Income ²	594	52
Net loss	\$ (309)	\$ (960)

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

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Q1 2021 Annual Results at a conference call with concurrent audio webcast, scheduled for:

Date:	Thursday, May 27, 2021
Time:	11:00 am MT
Dial-In #:	Toll-Free North America: 1 (844) 967-3741
Webcast Link:	Q1 2021 Quarterly Results Conference Call (Webcast)

The Q1 2021 Results Investor Presentation, a replay of the conference call and transcripts of the conference call will also be available at www.QuorumInformationSystems.com.

Forward Looking Information

This report contains certain forward-looking information and statements within the meaning of applicable securities laws. All statements in this report, other than statements of historical fact, which address events or developments concerning Quorum Information Technologies Inc. ("Quorum" or the "Corporation") that Quorum expects to occur are "forward-looking information and statements". The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "potential", "could", "scheduled", "believe", "plans", "intends", "might" and similar expressions are intended to identify forward-looking information or statements.

In particular, but without limiting the foregoing, this document may contain forward-looking information and statements pertaining to the following: business plan of Quorum including its plans for targeting new Original Equipment Manufacturer ("OEM") integration, new dealership rooftop sales, and increasing Automotive Group Partnerships; the timing for completion and cost of OEM integration; estimates of return on assets and Adjusted EBITDA¹; potential merger and acquisition ("M&A") opportunities; the timing of adoption of new accounting standards and the potential impact of new accounting standards on the Corporation's financial statements; the effect of acquisitions on the Corporation; the effect of the BDC Capital facility; the effect of the COVID-19 pandemic on industry activity and economic activity in North America as a whole; various industry activity forecasts; growth opportunities including those in the United States; anticipated requirements by OEM manufacturers relating to integrations and certifications; and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. Various assumptions were used in drawing the conclusions or making the forecasts and projections contained in the forward-looking statements throughout this report. The forward-looking information and statements contained in this report reflect several material factors, expectations and assumptions including, without limitation: (i) capital expenditures by dealers; (ii) market availability of current and future dealership rooftops; (iii) schedules and timing of certain projects and Quorum's strategy for growth; (iv) Quorum's future operating and financial results; and (v) treatment under governmental regulatory regimes and tax and other laws. The forward-looking information and statements included in this report are not guarantees of future performance and should not be unduly relied upon.

Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking information and statements. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: (i) volatility in exchange rates for the Canadian dollar relative to the US dollar; (ii) liabilities and risks inherent in the software services industry; (iii) competition for, among other things, capital and skilled personnel; (iv) changes in general economic, market and business conditions in Canada and the United States; and (v) actions by governmental or regulatory authorities including changes in income tax laws or changes in tax laws. Quorum cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking information and statements contained in this document speak only as of the date of this document, and Quorum assumes no obligation to update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws. Any financial outlook or future-oriented financial information in this document, as defined by applicable securities legislation, has been approved by management of Quorum. Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

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:

- XSellerator, a Dealership Management System (DMS) that 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.

- Advantage, a full showroom system for independent dealerships and a management system that also includes in-house leasing, inventory management, and accounting.

Quorum has filed its Q1 2021 unaudited condensed consolidated financial statements and notes thereto as at and for the three months ended March 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.

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