



Quorum Announces Q1 2024 Results

Adjusted EBITDA¹ increases by 61% over prior year

CALGARY, Alberta, May 29, 2024 - 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 2024, ended March 31, 2024. 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 pleased to report that our profitable growth strategy and better company-wide cost management has resulted in record Adjusted EBITDA of \$2.1 million, up 61% as compared to the prior year and Adjusted Cash Income or ACI² of \$1.7 million, up 189% as compared to the prior year,” stated Maury Marks, President and CEO. “The execution of our strategy delivered Adjusted EBITDA and ACI Margins of 21% and 17% respectively. SaaS revenue also rebounded to \$7.2 million in Q1 2024 due to a combination of backlog installation, more comprehensive price increases and new customer revenue.”

“I would like to sincerely thank our employees whose efforts were instrumental in delivering our Q1 2024 plan and strong quarterly results,” stated Mr. Marks. “Their efforts are complemented by our integrated product suite of 13 essential software solutions and services. The product suite is critical to our profitable growth strategy by enabling product cross-selling and plays a pivotal role in driving our dealerships’ businesses which increases value for both Quorum and its customers.”

Consolidated Results for Q1 2024

	Q1 2024	%Change	Q1 2023
Total Revenue	\$10,062,791	2%	\$9,906,478
SaaS Revenue	\$7,196,236	2%	\$7,025,780
BDC Revenue	\$2,513,570	(9%)	\$2,764,735
Recurring Revenue	\$9,709,806	(1%)	\$9,790,515
Gross Margin	\$5,085,481	10%	\$4,638,269
Gross Margin %	51%		47%
Net Income (Loss) per Share	\$0.015		\$(0.008)
Net Income (Loss)	\$1,123,921	301%	\$(559,909)
Adjusted EBITDA	\$2,141,695	61%	\$1,332,077
Adjusted EBITDA Margin	21%		13%
Adjusted Cash Income	\$1,669,798	189%	\$577,231
Adjusted Cash Income Margin	17%		6%

¹ Adjusted EBITDA – Net income (loss) before interest and financing costs, taxes, depreciation, amortization, stock-based compensation, foreign exchange gains and losses, impairment, gain on bargain purchase, one-time acquisition related expenses and restructuring expenses.

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

First Quarter Results

- Revenue increased by 2% to \$10.1 million in Q1 2024 compared to \$9.9 million in Q1 2023.
- SaaS revenue increased by 2% to \$7.2 million in Q1 2024 compared to \$7.0 million in Q1 2023.
- Gross margin increased by 10% to \$5.1 million in Q1 2024 compared to \$4.6 million in Q1 2023.
- Adjusted EBITDA of \$2.1 million in Q1 2024 compared to \$1.3 million in Q1 2023, an increase of \$0.8 million. This represented an Adjusted EBITDA margin expansion of 8% from 13% in Q1 2023 to 21% in Q1 2024.
- Adjusted Cash Income of \$1.7 million in Q1 2024 compared to \$0.6 million in Q1 2023, an increase of \$1.1 million. This represented an Adjusted Cash Income margin expansion of 11% from 6% in Q1 2023 to 17% in Q1 2024.
- In February 2024, the Corporation made a prepayment of \$0.9 million in principal and interest on its BDC Capital loan facility, reducing total debt to \$9.6 million.

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

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Dealer Rooftop Count - Canada	1,315	1,305	1,303	1,301	1,292
Dealer Rooftop Count - US	118	120	125	126	125
Dealer Rooftop Count - Total	1,433	1,425	1,428	1,427	1,417
MRRPU	\$1,634	\$1,655	\$1,651	\$1,639	\$1,693

*Monthly recurring revenue per unit (“MRRPU”) implies that, as of the end of Q1 2024, each dealership (“Dealer Rooftop”) represents approximately \$20.3K of SaaS annual recurring revenue (“ARR”).

The decline in customer rooftop count for Q1 2024 is primarily due to Quorum’s profitable growth strategy which emphasizes cross-selling over new dealerships acquisitions. While total rooftop count declined in Q1 2024, MRRPU improved as compared to prior quarters.

Quorum Q1 2024 Results Conference Call Details and Investor Presentation

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Q1 2024 Results at a conference call with concurrent audio webcast, scheduled for:

Date: Thursday, May 30th, 2024
Time: 11:00 am MT (1:00 pm ET)
Dial-In #: Toll-Free North America: 1 (888) 660-6411
Conference ID: 2512218
Webcast Link: [Quorum Q1 2024 Results Conference Call \(Webcast\)](#)

An updated Investor Presentation, replay of the results conference call, and transcripts 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 \(DMS\)](#), 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 deskings 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.
- [VINN Automotive](#), a premier automotive marketplace that streamlines the vehicle research and purchase process for vehicle shoppers while helping retailers sell more efficiently.

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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 2024 unaudited condensed interim consolidated financial statements and notes thereto as at and for the three months ended March 31, 2024, 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.