



Quorum Announces Q2 2023 Results

Revenue at \$10.0M, Adjusted Cash Income¹ increases by 46% over prior year

CALGARY, Alberta, August 23, 2023 - Quorum Information Technologies Inc. (TSX-V: QIS) (OTC Pink: QIFTF) ("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 second quarter of 2023, ended June 30, 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 are happy to report record total revenue of \$10.0 million, a first for Quorum, and improved profitability for the second quarter of 2023. Throughout Q2 2023, we continued our disciplined approach to profitable growth, with Adjusted EBITDA² up 17% to \$1.7 million and Adjusted Cash Income ("ACI") up 46% to \$1.0 million," stated Maury Marks, President and CEO.

"Q2 2023 was also a very exciting quarter as it marked our fifth acquisition in six years, VINN Automotive Technologies Limited ("VINN"). VINN offers an automotive marketplace that will complement Quorum's dealership vehicle sales solution as we continue to build our product suite capability beyond the DMS solution," continued Mr. Marks.

"Through a combination of purposeful product investment and strategic acquisitions, Quorum now has a uniquely integrated product suite of 13 essential software solutions and services that we can sell to dealers to drive their business," stated Mr. Marks. "We will remain focussed on executing our profitable growth strategy throughout the remainder of 2023. I would also like to sincerely thank our employees who are the driving force behind our positive Q2 2023 results; their continued innovation ensures Quorum has a product suite prepared for the future of automotive."

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

² 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.

Consolidated Results for Q2 2023 and Year-to-Date

	Q2 2023	%Change	Q2 2022	YTD 2023	% Change	YTD 2022
Total Revenue	\$10,035,849	2%	\$9,812,503	\$19,942,327	4%	\$19,058,561
SaaS Revenue	\$7,073,872	1%	\$7,001,073	\$14,099,652	4%	\$13,621,777
BDC Revenue	\$2,764,958	3%	\$2,683,029	\$5,529,693	7%	\$5,179,286
Recurring Revenue	\$9,838,830	2%	\$9,684,102	\$19,629,345	4%	\$18,801,063
Gross Margin	\$4,861,606	3%	\$4,722,477	\$9,499,875	4%	\$9,122,676
Gross Margin %	48%		48%	48%		48%
EPS (loss)	\$0.007		\$(0.004)	\$(0.001)		\$(0.012)
Net Income (Loss)	\$496,093	294%	\$(255,740)	\$(63,816)	93%	\$(853,357)
Adjusted EBITDA	\$1,655,963	17%	\$1,420,321	\$2,988,040	30%	\$2,302,321
Adjusted EBITDA Margin	17%		14%	15%		12%
Adjusted Cash Income	\$1,045,202	46%	\$717,711	\$1,622,433	86%	\$870,893

Second Quarter Results

- Adjusted EBITDA margin was 17% for Q2 2023 as compared to 14% for Q2 2022.
- Adjusted Cash Income increased by 46% or \$0.3 million to \$1.0 million, as compared to \$0.7 million Q2 2022.
- Total revenue increased by 2% to \$10.0 million in Q2 2023 compared to \$9.8 million in Q2 2022.
- Recurring SaaS revenue increased by 1% to \$7.1 million in Q2 2023 compared to \$7.0 million in Q2 2022.
- Recurring BDC services revenue increased by 3% to \$2.8 million in Q2 2023 compared to \$2.7 million in Q2 2022.
- Gross margin increased to \$4.9 million and 48% of total revenue in Q2 2023 compared to \$4.7 million and 48% of total revenue for Q2 2022. Gross margin increased by 3% as compared to Q2 2022.

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

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023 ³
Dealer Rooftop Count - Canada	1,343	1,350	1,322	1,315	1,305
Dealer Rooftop Count - US	116	114	118	118	120
Dealer Rooftop Count - Total	1,459	1,464	1,440	1,433	1,425
MRRPU*	\$1,600	\$1,597	\$1,626	\$1,634	\$1,655

*Monthly recurring revenue per unit (“MRRPU”) implies that, as of the end of Q2 2023, each dealership (“Dealer Rooftop”) represents approximately \$19.9K of SaaS annual recurring revenue (“ARR”).

The reduction in rooftops, as compared to Q1 2023, was primarily due to a reduction in DealerMine brand’s rooftops as an increasing number of dealerships want a unified CRM provider. To meet the market demand and to compliment our best-in-class Service CRM solution, DealerMine now has a more compelling Sales CRM solution with the recent launch of the Sales CRM Mobile App.

³ Rooftop count does not include VINN rooftops due to acquisition occurring on June 23, 2027. Revenue associated with VINN is not material for Q2 2023

Q2 2023 Business Highlights

- In June 2023, Quorum welcomed Damien Leonard, President of Pinetree Capital to the Board of Directors.

Quorum Q2 2023 Results Conference Call Details and Investor Presentation

Maury Marks, President and Chief Executive Officer and Marilyn Bown, Chief Financial Officer will present the Q2 2023 Results at a conference call with concurrent audio webcast, scheduled for:

Date: Thursday, August 24th, 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: [Quorum Q2 2023 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 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.
- [VINN Automotive](#), a premier automotive marketplace that streamlines the vehicle research and purchase process for vehicle shoppers while helping retailers sell more efficiently.

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.

Contacts:

Maury Marks
President and Chief Executive Officer
403-777-0036

Maury.Marks@QuorumInfoTech.com

Marilyn Bown
Chief Financial Officer
403-777-0036
Marilyn.Bown@QuorumInfoTech.com

Daniela Trnka
Investor Relations
403-777-0036
Daniela.Trnka@QuorumInfoTech.com

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 Q2 2023 unaudited condensed interim consolidated financial statements and notes thereto as at and for the three months ended June 30, 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.

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.