

# iCoreConnect Reports Record Second Quarter 2021 Results

Revenue Growth of 106% to \$1.0 Million, Gross Margin Improvement to 71.6%, Surpassed 15,000 Active Subscriptions

Windermere, FL, Aug. 26, 2021 (GLOBE NEWSWIRE) -- via [NewMediaWire](#) -- iCoreConnect, Inc. (OTCQB: ICCT) ("we," "our," or the "Company"), a cloud-based, Software-as-a-Service (SaaS) platform for healthcare business workflow, announced the Company's financial results for the second quarter ended June 30, 2021 ("Q2 2021").

## Key Financial Highlights for Q2 2021 (compared with Q2 2020)

- Revenue increased 106% to \$1.0 million
- Gross profit increased 166% to \$0.7 million
- Gross margin increased to 71.6% from 55.5%
- Operating loss of \$0.6 million (compared with operating loss of \$0.8 million)
- Operating expenses as a percentage of revenue declined to 131% from 232%
- Net loss of \$0.3 million (compared with net loss of \$0.9 million)

## Key Business Highlights During and Subsequent to Q2 2021

- Closed highly accretive acquisition
- Launched iCoreCloud Software-as-a-Service product
- Introduced iCoreVerify for insurance benefits verification

## Management Commentary

Robert McDermott, iCoreConnect's Chief Executive Officer, stated, "We could not be more excited about our second quarter results. We are having tremendous organic growth with our SaaS solutions and our current customers are subscribing to additional offerings within our suite of products."

## Financial Results for the Three Months Ended June 30, 2021:

- **Revenue:** For the three months ended June 30, 2021, revenue was \$1.0 million, an increase of \$0.5 million, or 106%, compared with \$0.5 million for the three months ended June 30, 2020. This increase was primarily due to an increase in active subscribers and an increase in service offerings across our platform. In addition, we closed an acquisition in late April 2021.

· **Gross Profit:** For the three months ended June 30, 2021, gross profit was \$0.7 million, an increase of \$0.4 million, or 166%, compared with \$0.3 million for the three months ended June 30, 2020. The resulting gross margin was 71.6%, compared with 55.5% for the same quarter last year.

Management believes the business will continue to scale in future periods, leading to higher profit margins than historically. The Company has been able to lower marginal costs since 2020 and expects to see gross margins continue to increase in future periods.

· **Total Operating Expenses:** For the three months ended June 30, 2021, total operating expenses were \$1.3 million, an increase of \$0.2 million, or 16%, compared with \$1.1 million for the same quarter last year. Operating expenses as a percentage of revenue decreased to 131% from 232% for the quarter just ended, reflecting the Company's focus on increasing revenue, reducing expenses, and performing more efficiently. Management believes this ratio will decrease going forward as revenues continue to grow at a higher rate than operating expenses.

Of note, \$0.4 million of the Company's operating expenses for the three months ended June 30, 2021 were non-cash expenses, including depreciation, amortization and stock-based compensation.

· **Operating Loss:** For the three months ended June 30, 2021, operating loss was \$0.6 million, an improvement of \$0.2 million, compared with an operating loss of \$0.8 million for the same quarter last year.

The Company filed its [Form 10-Q](#) on August 23, 2021.

### **About iCoreConnect, Inc.**

iCoreConnect is a cloud-based, Software-as-a-Service (SaaS) platform focused on increasing profit and operational speed in high-compliance industries. iCoreConnect is most notably known for its innovation in solving healthcare business problems. The company's philosophy places a high value on customer feedback, allowing iCoreConnect to respond to the market's needs. iCoreConnect touts a platform of more than a dozen SaaS enterprise solutions and more than 50 agreements with state or regional healthcare associations. iCoreConnect is a member of the prestigious StartUp Health accelerator.

### **Forward Looking Statements**

In this news release, the use of the words "believe," "could," "expect," "may," "positioned," "project," "projected," "should," "will," "would" or similar expressions are intended to identify forward-looking statements that represent the Company's current judgment about possible future events. The Company believes these judgments are reasonable, but these statements are not guarantees of any events or financial results, and actual results may differ materially due to a variety of important factors.

### **Use of Non-GAAP Financial Measures**

This press release includes both financial measures in accordance with U.S. generally accepted accounting principles ("GAAP"), as well as non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's

performance, financial position or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should be viewed as supplemental to and should not be considered as alternatives to any other GAAP financial measures. They may not be indicative of the historical operating results of iCoreConnect nor are they intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as substitutes for performance measures calculated in accordance with GAAP.

iCoreConnect's management uses and relies on EBITDA and Adjusted EBITDA, which are non-GAAP financial measures. The Company believes that both management and shareholders benefit from referring to EBITDA and Adjusted EBITDA in planning, forecasting and analyzing future periods. The Company's management uses these non-GAAP financial measures in evaluating its financial and operational decision making and as a means to evaluate period-to-period comparison. The Company's management recognizes that EBITDA and Adjusted EBITDA, as non-GAAP financial measures, have inherent limitations because of the described excluded items.

The Company defines EBITDA as net income before income tax expense (benefit), interest expense, depreciation and amortization. Adjusted EBITDA represents EBITDA plus stock-based compensation and the fair value of options, restricted stock awards, restricted stock units, and warrants issued in exchange for services. iCoreConnect believes EBITDA and Adjusted EBITDA are important measures of iCoreConnect's operating performance because they allow management, investors and analysts to evaluate and assess iCoreConnect's core operating results from period-to-period after removing the impact of items of a non-operational nature that affect comparability.

A reconciliation of EBITDA and Adjusted EBITDA to the most comparable financial measure, net loss, calculated in accordance with GAAP is included in this press release. The Company believes that providing the non-GAAP financial measures, together with the reconciliation to GAAP, helps investors make comparisons between iCoreConnect and other companies. In making any comparisons to other companies, investors need to be aware that companies use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measure and the corresponding GAAP measure provided by each company under applicable SEC rules.

Investors:

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Source: iCoreConnect Inc.