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QHR Reports Growth of 20% in Revenue and 25% in EBITDA

KELOWNA, BC, August 20, 2014 – (TSX-V: QHR) QHR Corporation (“QHR” or the “Company”), a leader in Healthcare Information Technology and Solutions, announced financial results for its quarter ended June 30, 2014.

During Q2, QHR delivered a record number of replacements from other competitive EMR product offerings to Accuro EMR, for new customers. This has complemented QHR’s successful conversion to Accuro of a significant amount of customers that came from the acquired Healthscreen and Clinicare businesses. As the majority of these acquired EMR clients have now converted to Accuro, we are pleased to report our renewed focus on competitive EMR takeaways has resulted in strong revenue performance and has surpassed our expectations. We also note our competitive positioning has led to continued success with new customers adopting EMR for the first time. We believe the strong acceptance in the marketplace of our best-in-class Accuro EMR platform, is also a positive endorsement of its value to the end users.

QHR believes we now have the most Canadian physicians on a single EMR platform, with its significant presence in six provinces from British Columbia to Nova Scotia.

The success of our customer acquisition strategy has resulted in the Company recording year over year revenue growth of 20% to \$6.8 million for Q2 2014 compared to \$5.7 million in Q2 2013. The Company also reported EBITDA⁽¹⁾ of \$0.6 million for Q2 2014 compared to \$0.5 million for Q2 2013.

Second Quarter 2014 Highlights:

- The Company reported consolidated Q2 2014 revenues of \$6.8 million, a 20% increase over revenues of \$5.7 million during Q2 2013.
- The RCM division made positive progress and achieved a new quarterly record revenue of \$782,528, which is 20% higher than the five previous quarterly average of \$659,415, since the addition of the RCM division.
- EBITDA⁽¹⁾ on a consolidated basis for Q2 2014 was \$0.6 million or 9.3% of revenue compared to \$0.5 million or 8.9% of revenue for Q2 2013.
- The Company completed the quarter with a recurring revenue run rate of \$21.5 million or 80% of total revenue, up from 78% at the end of Q2 2013.
- The Company reported increased net earnings, achieving a level of \$287,687 for the most recent quarter compared to \$104,580 for Q2 2013.
- The Company’s balance sheet remains very strong, with \$18.1 million (\$0.37 per share) of cash and receivables.
- The Company appointed a General Manager for the EMR division, as well as a General Manager for the RCM division, to streamline operations, more closely align our customer facing activities, and to gain additional operational efficiencies.
- During Q2, the Company’s investments made to build out of its Eastern Canada data center, including additional testing and validation of our EMR products and hosting capabilities, have largely been completed. With this new available capacity, QHR is now ready to add new hosted physician clients in Nova Scotia and Ontario.

“We are pleased with the progress we showed in Q2 in our overall business,” said Al Hildebrandt, President and CEO of QHR Corporation. “We continue to add new clients organically, further strengthening our market leadership position.” Mr. Hildebrandt further commented “The management changes made late in the second quarter are proving to be a positive for the organization, with now an individual General Manager for each of the EMR and for the RCM divisions. The positive financial impacts of these changes will be seen in future quarters.”

Jerry Diener, CFO stated “I’m particularly pleased with the Company’s ability to improve cash flows generated from operations, and the strength of our balance sheet which are enabling investments in product development and improvements in our operating leverage, as we further develop our strategic growth plans.”

Revenue

Revenue of \$6.8 million from continuing operations for Q2 2014 was driven by organic growth in both the Electronic Medical Records (EMR) and Revenue Cycle Management (RCM) divisions. Consolidated revenue increased by \$1.1 million or 20% from \$5.7 million during Q2 2013. EMR contributed \$6,053,357 of the total and RCM contributed \$782,528.

EBITDA⁽¹⁾

EBITDA for the quarter was \$636,863. This continues to be a positive accomplishment and is net of expense reduction activities totaling approximately \$200,000, as the Company continues to lay the groundwork for increased scalability in delivering future growth.

Net Earnings

The net earnings for the quarter ended June 30, 2014 were \$287,687 compared to net earnings of \$104,580 for the quarter ended June 30, 2013.

Cash Flow

For the year to date June 30, 2014, operating activities resulted in a net cash increase (prior to operating activities from discontinued operations) of \$1,356,348, compared to a net cash increase of \$729,914 for the same period in 2013. The cash inflow for Q2 in 2014 was driven primarily by continuing operations.

At June 30, 2014, the Company had cash in the amount of \$14.2 million and trade and other receivables of \$3.9 million for a total of \$18.1 million in cash and accounts receivable. The Company is not using any of its operating line and has no bank debt.

EMS Divesture

The June 30, 2014 quarter end is the second full quarter of the EMR and RCM divisions being known as the continuing operations, post the EMS divesture. All financial figures in the 2013 year end financials, 2012 quarterly and annual comparatives and the 2014 quarterly information to date, include only EMR and RCM financial information. Discontinued operations disclosed in the financial statements relates to the former EMS division, which was sold for \$20 million on December 18, 2013.

As previously announced, the terms of the EMS divesture contained a required holdback of \$1,500,000, and the calculation of working capital adjustments as part of the transaction. As of August 19, 2014, all financial sale considerations included in the transaction have now been fully received and recognized.

Detailed financial statements, together with Management’s Discussion and Analysis are available on SEDAR.

Conference Call - The Company executives will host a conference call at 11:00 AM EDT (8:00 AM PDT) Wednesday, August 20, 2014, to discuss the Company’s Q2 2014 financial results. To join the conference call, please dial Toll Free 1-888-390-0546, Conference ID# 33468385

On behalf of the Board of Directors

Al Hildebrandt

⁽¹⁾EBITDA (earnings before interest, taxes, depreciation, amortization, stock-based compensation and foreign exchange) is a non-IFRS measure. Management believes that, in addition to net earnings, EBITDA is a useful complementary measure of pre-tax profitability and is commonly used by the financial and investment community for valuation purposes. However, EBITDA does not have a standardized meaning prescribed by IFRS. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of performance or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. QHR’s method of calculating EBITDA may differ from the methods used by other entities and, accordingly, our EBITDA may not be comparable to similarly titled measures used by other entities

About QHR Corporation

QHR is a leader in healthcare solutions, providing software and services in the following markets:

In the EMR market, QHR offers a suite of medical software modules that provide computer-based medical records for family physicians, medical specialists, and surgeons, as well as administrative modules for billing and patient scheduling, that is a key component in the move throughout Canada to provide electronic healthcare records for all Canadians. QHR also provides on-site and off-site (ASP) hosting capabilities for the EMR market.

In the RCM market, QHR provides best in class clearinghouse services through its SoftCare brand, supporting payers and assisting healthcare providers to exchange claim information accurately for health claim reimbursement. SoftCare provides a progressive medical billing service that outsources coding, payer reconciliation and revenue reporting. SoftCare provides a suite of healthcare interoperability solutions (EDI and Clearinghouse) and professional services. These solutions and services help clients navigate and simplify the complex transaction integration processes required for health plan enrollment, health insurance eligibility, and health insurance claims through to payment remittance with their trading partners. The RCM division markets SoftCare services primarily in the US.

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This news release may contain "forward looking statements" within the meaning of applicable Canadian securities legislation. These statements are subject to risks that may cause the actual results to be materially different in future periods from those expressed or implied by such forward looking statement. Risks that may prevent or delay the forward looking statements from coming to fruition include that we may not offer products that are acceptable to industry regulators or customers; competitors may offer better or cheaper products; we may not be able to raise sufficient capital to improve products to remain competitive; changing regulatory requirements may prevent our products from being sold as expected; we may not be able to attract or retain key personnel; our technology may become obsolete; orders could be cancelled or delayed and market factors may increase our costs more than expected. QHR is a technology business development enterprise where investment and product enhancements must be carefully managed to achieve long-term revenue growth and profitability. It is our policy not to update forward looking statements except to the extent required under applicable securities laws. Further information on the Company is available at www.sedar.com or at the Company's website, www.QHRtechnologies.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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