



Suite 300 – 1620 Dickson Avenue  
Kelowna, BC, Canada V1Y 9Y2  
**Telephone: (250) 448-7095**  
Website: [www.QHRtechnologies.com](http://www.QHRtechnologies.com)

## QHR Reports Q3 2014 Recurring Revenue Growth of 23%

**KELOWNA, BC, November 19, 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 September 30, 2014.

During Q3 2014, QHR continued to add new customers leading to a record quarterly revenue for its Electronic Medical Records (“EMR”) division. Competitive positioning and a solid product offering led to customers switching to Canada’s largest and industry leading EMR platform; Accuro@EMR. The growth in new customers was driven both from clients on competitive platforms choosing to change to Accuro and by healthcare providers choosing EMR for the very first time. QHR continues to have the most Canadian physicians on a single EMR platform, with its significant presence in six provinces from British Columbia to Nova Scotia.

The Company’s positive momentum resulted in year over year consolidated revenue growth of 16% to a record \$6.9 million for Q3 2014 compared to \$6.0 million in Q3 2013. The Company also reported year over year EBITDA<sup>(1)</sup> growth of 38% to \$0.8 million for Q3 2014 compared to \$0.6 million for Q3 2013.

### **Third Quarter 2014 Financial Highlights**

- The Company reported record consolidated Q3 2014 revenues of \$6.9 million, a 16% increase over revenues of \$6.0 million during Q3 2013. This is a new record for the continuing business operations.
- The EMR division achieved record quarterly revenue of \$6,163,298 which is 16% higher than the revenue of \$5,335,063, during Q3 2013.
- The Revenue Cycle Management (“RCM”) division achieved quarterly revenue of \$767,392, which is 17% higher than the revenue of \$658,025, during Q3 2013.
- The Company reported increased net earnings from continuing operations, achieving a level of \$60,635 for Q3 2014 compared to a loss of \$258,798 for Q3 2013, an improvement of \$319,433.
- EBITDA<sup>(1)</sup> on a consolidated basis for Q3 2014 was \$0.8 million or 12% of revenue compared to \$0.6 million or 10% of revenue for Q3 2013.
- For the three quarters ended September 30 2014, QHR achieved record revenues of \$20.5 million, up \$3 million or 16.9% over the same period last year.
- The Company completed the quarter with an annualized “Recurring Revenue run rate” of \$23.0 million at the end of Q3 2014. This is a 23% increase from an annualized “Recurring Revenue run rate” of \$18.7 million at the end of Q3 2013. For the quarter, recurring revenue is 82% of total revenue, up from 76% at the end of Q3 2013.
- The Company’s balance sheet remains very strong, with \$18.6 million of cash and receivables.

In addition to the financial results above, the company had the following notable achievements during Q3 2014:

The Company’s Accuro@EMR ASP (Application Service Provider) was officially approved on September 25, 2014 as a funding eligible EMR ASP solution in Ontario under the OntarioMD EMR Adoption Program, delivering more innovation and new choices to Ontario physicians.

The Company announced an agreement between QHR and Bell on September 25, 2014. QHR worked closely with Bell’s EMR team during the ASP funding eligibility process with the intention of being the replacement to Bell EMR for existing Bell subscribers.

<sup>(1)</sup>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

At the Annual General Meeting on September 16, 2014, the Company outlined its strategic direction, presenting five strategic themes:

- Evolution from a Healthcare IT company to a Healthcare IT and Solutions company
- Continued focus on strengthening its core and expanding its leading physician platform
- Deliver patient engagement solutions that connect healthcare providers and patients through technology
- Three-pronged approach to strategic growth: organic, partnerships & alliances, and M&A
- Continually foster a culture for clients and employees that is passionate, innovative and agile

“We are pleased with our progress in Q3 and the key milestone events that occurred during the quarter,” said Al Hildebrandt, President and CEO of QHR Corporation. “At our Annual General Meeting in September, we outlined our future direction and we are committed to driving the business forward with these themes as our guide. We continued to attract and add new clients in the quarter both organically, and through competitive takeaways, further strengthening our market leadership position.” Mr. Hildebrandt further commented “Becoming ASP funding eligible in Ontario opens up new opportunities for QHR and for Ontario physicians. We look forward to utilizing our Eastern Canada data center to host clients in Ontario and Nova Scotia.”

On the agreement between QHR and Bell, Mr. Hildebrandt commented “We are seeing great traction from our transition partnership with Bell with over 100 physicians already transferred, or in the process of transferring to Accuro. We are encouraged with this progress and expect many more transitions to Accuro over the next year.”

Jerry Diener, CFO stated “I’m pleased with the Company’s continued ability to improve cash flows generated from operations and the strength of our balance sheet enabling investments in product development, ongoing organic growth and consideration of acquisitions that fit with our strategic growth plans. Our growing base of recurring revenue continues to provide a solid base to grow our Company”.

### Revenue

Revenue of \$6.9 million from continuing operations for Q3 2014 was driven by organic growth in both the EMR and RCM divisions. Consolidated revenue increased by \$0.9 million or 16% from \$6.0 million during Q3 2013. EMR contributed \$6,163,298 of the total and RCM contributed \$767,392. On a 2014 year-to-date basis, consolidated revenues were \$20.5 million, as compared to \$17.5 million in 2013 year-to-date.

### Net Earnings

The net earnings from continuing operations for the quarter ended September 30, 2014 were \$60,635 compared to a net loss of \$258,798 for the quarter ended September 30, 2013, an improvement of \$319,433. For the nine months ended September 30 2014, the net earnings from continuing operations were \$222,755 compared to a net loss for the same period last year of \$325,366. This represents an improvement of \$551,121 year to date.

### EBITDA<sup>(1)</sup>

EBITDA for the quarter was \$821,694 an increase of 38% compared to the same quarter last year. The Company continues to work towards efficiency gains and improved scalability.

### Cash Flow

For the year to date September 30, 2014, operating activities resulted in a net cash inflows (prior to operating activities from discontinued operations) of \$2,667,618, compared to a net cash increase of \$1,720,327 for the same period in 2013.

At September 30, 2014, the Company had cash in the amount of \$15.3 million (\$0.31 per share) and trade receivables of \$3.3 million for a total of \$18.6 million in cash and accounts receivable. The Company is not using any of its operating line and has no bank debt.

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

On behalf of the Board of Directors

Al Hildebrandt

**Conference Call - The Company executives will host a conference call at 11:00 AM EST (8:00 AM PST) Wednesday, November 19, 2014, to discuss the Company's Q3 2014 financial results. To join the conference call, please dial Toll Free 1-888-390-0546, Conference ID# 56741657**

### **About QHR Corporation**

QHR is a leading healthcare IT and solutions company in the following markets:

QHR's Accuro<sup>®</sup>EMR is a connected platform that provides electronic medical records, billing and scheduling for family physicians, medical specialists, and surgeons, that is a key component in the move throughout Canada to provide electronic healthcare records for all Canadians. QHR provides on-site and off-site (ASP) hosting capabilities for the EMR market. QHR has more healthcare providers on its Accuro platform than any other vendor in Canada.

QHR also 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 suite of healthcare interoperability solutions (EDI and Clearinghouse), medical billing and professional services. These 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. SoftCare is marketed primarily in the US.

“Enabling Healthcare Providers to be the Centre of Connected Patient Care”

- ### -

### Legal Notice Regarding Forward Looking Statements

*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](http://www.sedar.com) or at the Company's website, [www.QHRtechnologies.com](http://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.**

### **For further information, please contact:**

Al Hildebrandt, President & CEO	250-979-1701
Jerry Diener, VP Finance & CFO	250-979-1722
Jim Wilson, VP Marketing	416-220-7484

<a href="mailto:al.hildebrandt@QHRtechnologies.com">al.hildebrandt@QHRtechnologies.com</a>
<a href="mailto:jerry.diener@QHRtechnologies.com">jerry.diener@QHRtechnologies.com</a>
<a href="mailto:jim.wilson@QHRtechnologies.com">jim.wilson@QHRtechnologies.com</a>