

## Quadrant 4 System Reports Second Quarter Financial Results

### Company Achieves Positive Net Income and 17th Consecutive Quarter of Positive EBITDA

ROLLING MEADOWS, Ill., Aug. 11, 2014 (GLOBE NEWSWIRE) -- Quadrant 4 System (OTCQB:QFOR) ("Quadrant 4" or the "Company") reports its financial results for the second quarter ended June 30, 2014.

#### Second Quarter 2014 Financial Highlights:

- Revenue increased 31% year-over-year to \$11.9 million
- Gross profit increased 28% year-over-year to \$3.1 million
- Gross margin percentage improved to 26% from 25% in the first quarter
- EBITDA for the quarter was \$1.7 million
- Net income improved year-over-year to \$23,530 from a net loss of \$1.5 million

Dhru Desai, Chairman of the Board and Chief Financial Officer, stated, "Our improving performance is a direct result of the foundation that we've worked hard to build and integrate. In the second quarter we generated year-over-year revenue growth of 31% and moved to a positive net income position. With our substantial pipeline of business across multiple key industry verticals, including healthcare, retail/logistics, and media, we believe this is just the beginning."

"We're also pleased to report the successful launch of our latest version of our industry-leading qHIX healthcare exchange," continued Desai. "This feature-rich platform, now benefiting from our recent Web Broker Entity ("WBE") agreement with the Centers for Medicare and Medicaid, is well positioned to capitalize on the substantial market opportunity, estimated at 100 million lives. We believe the award of the WBE agreement will lead to new business and accelerate the execution and implementation of the many deals in our pipeline."

Desai continued, "Another major win in the second quarter was achieved in our burgeoning media division where we secured a contract with The Enthusiast Network, a leading American media company. This contract alone represents a \$50 million revenue opportunity over the next five years. Collectively, the many successes we've achieved across all of our industry verticals provide strong validation of our robust business model, and we expect the momentum we're seeing in our financial performance to accelerate in the remainder of the fiscal year."

Revenue for the second quarter increased 31% to \$11.9 million, compared to \$9.1 million in the second quarter of 2013. The increase in revenue was primarily due to organic and inorganic growth in the Company's customer base. Revenue was comprised of service-related sales of software programming, consulting, and development services. Gross profit increased 28% to \$3.1 million in the second quarter, compared to \$2.4 million in the year ago period. Gross margin percentage improved to 26% for the quarter, up from 25% in the first quarter of 2014.

Earnings before interest, taxes, depreciation and amortization were \$1.7 million in the second

quarter, compared to \$2.9 million in 2013. The Company reported a net profit of \$23,530 for the second quarter of 2014, compared to net loss of \$1.5 million for the same period in 2013. GAAP net income (loss) per common share remained flat year-over-year at \$0.00 per share.

### **Conference Call Information:**

Quadrant 4 will hold a conference call on Thursday, August 14, 2014, at 4:15 p.m. ET to discuss its results. To participate in the call, please dial (877) 604-9673 or (719) 325-4770 for international calls, approximately 10 minutes prior to the scheduled start time. Interested parties can also listen via a live Internet webcast, which can be found via the Company's website at <http://qfor.com/Investors.php>, or alternately at <http://ViaVid.com>. Conference ID: 9581221

A replay of the call will be available for two weeks from 7:15 p.m. ET on August 14, 2014, until 11:59 p.m. ET on August 25, 2014. The number for the replay is (877)-870-5176, or (858) 384-5517 for international calls; the passcode for the replay is 9581221. In addition, a recording of the call will be available via the Company's website at <http://www.qfor.com>.

### **About Quadrant 4 System Corporation**

Quadrant 4 System is a leading Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) company. The Company develops, implements, and operates PaaS and SaaS systems, including qHIX for the health insurance markets; qBLITZ for the digital media business; and qSKU for the retailers. These platforms have a built in proprietary set of SMAC (social media, mobility, analytics and cloud computing) components and focus on providing solutions for Fortune 500 companies. Please visit [www.qfor.com](http://www.qfor.com) for further information.

### **Forward-Looking Statements**

*This release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. Any statements that are not statements of historical fact should be considered to be forward-looking statements. Certain factors could cause actual results and conditions to differ materially from those projected in such forward-looking statements. We do not undertake any obligation to release publicly revised or updated forward-looking information, and such information included in this release is based on information currently available and may not be reliable after this date.*

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