

# **Quadrant 4 Reports Third Quarter Financial Results and Record Net Income**

## **Company Achieves 2nd Consecutive Quarter of Positive Net Income and 18th Consecutive Quarter of Positive EBITDA**

ROLLING MEADOWS, Ill., Nov. 12, 2014 (GLOBE NEWSWIRE) -- Quadrant 4 System Corp. (OTCQB:QFOR) ("Quadrant 4" or the "Company") reports its financial results for the third quarter ended September 30, 2014.

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

- Revenue increased 45% year-over-year to \$13.2 million
- Gross profit increased 33% year-over-year to \$3.5 million
- Gross margin percentage for the quarter was 26%
- EBITDA increased 89% year-over-year to \$1.9 million
- Net income improved year-over-year to \$172,100 from a net loss of \$836,309
- Debt service decreased 40% year-over-year to \$314,447

Dhru Desai, Chairman of the Board and Chief Financial Officer, stated, "The investments we made in building a strong foundation for growth continue to bear fruit. During the third quarter, revenue growth continued to accelerate, and we achieved our second consecutive quarter of positive net income.

"Our many accomplishments in the third quarter should lead to growing sales momentum moving forward," continued Desai. "We successfully expanded our private healthcare exchange offering, adding a benefits administration platform that widens the potential market for our industry leading technology, and we secured the coveted Web Broker Entity status with the Centers for Medicare and Medicaid Services. Subsequent to the quarter end, we also entered into a partnership with LifeLock, whose brand-recognition further strengthens our exchange offering, which we believe will set the stage for even higher adoption rates of our technology."

Dr. Nandu Thondavadi, President and Chief Executive Officer, stated, "Looking beyond our impressive top- and bottom-line performance in the third quarter, which builds on our previous successes, we've also taken important steps toward strengthening our financial position. Most recently, we refinanced our debt with two new credit facilities that effectively reduce our cost of capital by approximately \$500,000 per year based on our current levels of debt financing. We believe the net result of our efforts positions Quadrant 4 for ongoing sales momentum acceleration across all of our platform segments and look forward to sharing these successes with our shareholders in the months and quarters ahead."

Revenue for the third quarter increased 45% to \$13.2 million, compared to \$9.1 million in the third quarter of 2013. The increase in revenue was primarily due to organic growth in the Company's customer base, including the signing of a large media client. Revenue was comprised of service-

related sales of managed services, subscription fees, and software development services. Gross profit increased 33% to \$3.5 million in the third quarter, compared to \$2.6 million in the year ago period. Gross margin percentage for the quarter was a healthy 26%.

Earnings before interest, taxes, depreciation and amortization were \$1.9 million in the third quarter, compared to \$1.6 million in 2013. The Company reported a net profit of \$172,100 for the third quarter of 2014, compared to net loss of \$836,309 for the same period in 2013.

### **Conference Call Information:**

Quadrant 4 will hold a conference call on Monday, November 17, 2014, at 11:00 a.m. ET to discuss its results. To participate in the call, please dial (888) 218-8170 or (913) 312-0669 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://public.viavid.com/index.php?id=111953>. The Conference ID is 7332957.

A replay of the call will be available for two weeks from 2:00 p.m. ET on November 17, 2014, until 11:59 p.m. ET on December 1, 2014. The number for the replay is (877) 870-5176, or (858) 384-5517 for international calls; the passcode for the replay is 7332957. 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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