



**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS**

**THIRD QUARTER ENDED SEPTEMBER 30, 2009**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the quarter ended September 30, 2009

### **INTRODUCTION**

This management discussion and analysis ("MD&A"), dated November 17, 2009 of QHR Technologies Inc. (the "Company" or "QHR") provides an analysis of the financial condition of the Company and the results of operations for the third quarter ended September 30, 2009. The information contained herein should also be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2008 and related notes therein.

The unaudited financial statements referred to in this MD&A have been prepared in accordance with Canadian generally accepted accounting principles and are consistent with those used in prior year-end audited financial statements. All figures herein are expressed in Canadian dollars unless otherwise noted.

Additional information regarding the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.QHRtechnologies.com](http://www.QHRtechnologies.com).

### **THE COMPANY'S OBJECTIVES AND STRATEGIES**

QHR's objectives are to:

- Establish both of its operating divisions as market leaders in the healthcare and social services segments in which they compete;
- Continue to strengthen its competitive advantages; and
- Provide superior returns to its shareholders.

The Company's strategies to achieve these objectives are to:

- Achieve strong growth through expansion into new markets and through acquisitions;
- Offer superior products and customer service; and
- Promote a culture that rewards initiative and innovation.

### **COMPANY OVERVIEW**

QHR was listed as a public company (TSX-V: QHR) on June 28, 2000 and is incorporated under the laws of the Province of British Columbia, Canada. QHR Technologies Inc. is the parent company of operating subsidiaries which include, QHR Software Inc. ("QHR Software"), Optimed Software Corporation ("Optimed"), Clinicvault Inc. ("Clinicvault") and Cloudwerx Data Solutions Inc. ("Cloudwerx").

These companies operate in two distinct markets and for internal management purposes the operations of QHR are treated as two divisions of the Company. The Enterprise Management Software ("EMS") division specializes in Workforce Management Software and Financial Management Software targeted at medium to large healthcare and social services organizations. The Electronic Medical Records ("EMR") division provides applications for use in physician's medical offices.

The Company's EMS applications are marketed under the Quadrant™ brand and comprise two product offerings. The Workforce Management Software consists of integrated, proprietary applications, including payroll administration, employee self service, staff scheduling and HR, providing human resource management solutions for complex healthcare and social services environments. The Financial Management Software provides customized financial software built on Microsoft's Dynamics GP (formerly Great Plains) platform and enables QHR to offer comprehensive enterprise management software to the healthcare and social services market.

The Company's EMR applications are marketed under the Accuro<sup>R</sup> brand and provides a suite of medical software modules designed to improve the quality of the operational work environment of family physicians, specialists and surgeons. They deliver administrative productivity gains and cost savings through computer-based medical records that conform to the stringent requirements of EMR protocols established by Federal and Provincial governments who are committed to creating Electronic Health Records for half of all Canadians by 2010 and for all by 2016. The establishment of Clinicvault and Cloudwerx enables the EMR division to provide fully integrated data hosting services to its EMR customers, whereby QHR hosts the Accuro<sup>R</sup> software for EMR customers that prefer this software delivery model.

## **BUSINESS STRATEGY**

### **Enterprise Management Software division**

The EMS division provides software to organizations in the healthcare and social services sectors, targeting medium to large organizations. This is a growing market based on the demographics of an ageing population.

Quadrant™ is differentiated from competitors' products. The Workforce Management Software has unique capabilities to meet the employee scheduling and payroll needs of complex work environments. The Financial Management Software is the only Microsoft Dynamics GP based financial software that is customized to the Canadian healthcare market. The Company is also recognized for its strong product support to customers.

The Company's strategy for this division is to:

- Leverage its leadership position in the public sector, a position that has been strengthened with the acquisition of the financial software division ("Financials Division") of Momentum Healthware, Inc., and target private healthcare and social services organizations;
- Cross-sell Workforce Management Software to the customers of the Financials Division and cross-sell Financial Management Software to QHR's customer base, and expand sales within the current customer base as the growth of these customers require further application of the Company's products; and
- Develop best of breed, stand-alone modules of its current products that can interface with other companies' products, thus broadening market reach.

### **Electronic Medical Records division**

The EMR division operates in a rapidly changing marketplace. Government funding is driving a Canada wide initiative to have 50% of all Canadians on EMR systems by 2010 and 100% by 2016. Accuro<sup>R</sup> is based on the latest technology and offers industry-leading functionality. The Company also provides strong customer support. The EMR division's goal is to be the leading provider of EMR systems in Canada. It has established a strong market position in B.C., Alberta and Saskatchewan and is expanding into Manitoba and Ontario. The Company's strategy for this division is to:

- Gain market share through organic growth and acquisitions; and
- Leverage its position in existing and expansion markets and expand into the USA.

## **BUSINESS MODEL**

### **Recurring revenue**

The Company's business model is to provide technologically advanced business software solutions to customers and build long-term relationships with them. The Company's revenue model is based, initially, on providing professional services to customers to implement business solutions. Thereafter the Company enjoys ongoing recurring revenues as long as customers continue to use the Company's products. By September 30, 2009 recurring revenues had reached \$7,000,000 on an annualized basis compared to \$4,800,000 by December 31, 2008.

### **Enterprise Management Software division**

Quadrant™ contracts are typically in the range of \$100,000 to \$1,000,000 and consist of three elements: an upfront purchase of software licenses, professional fees to implement the software at a client's site over a 3-12 month period, and annual, recurring support and maintenance fees. Once installed, customers are expected to continue using the Company's software for many years because of the high cost of changing vendors. This, added to the Company's reputation for strong customer service, has provided the EMS division with a customer retention and annual renewal rate exceeding 95%.

The software license revenues are recognized after completion of the initial support and maintenance period. Professional fees to implement the software are recognized as services are rendered. Annual maintenance and support revenue is recognized on a straight-line basis throughout the year and this revenue is due and payable in advance. The revenue received in advance is recorded as deferred revenue on the balance sheet, until earned.

### **Electronic Medical Records division**

Accuro<sup>R</sup> is sold based on a monthly license and services agreement with monthly recurring revenues dependant on the modules used by a customer. The monthly fee is a blended payment for software and monthly support. Revenue is recognized on a monthly basis. There are upfront fees to cover the cost of training and implementation and this revenue is recognized when the services are provided. Customers continue paying the monthly fee for as long as they use the software. Once installed, customers are reluctant to change systems given the large investment in training staff on the system. This, added to the Company's reputation for strong customer service, has provided the EMR division with a customer retention rate exceeding 95%.

## **BUSINESS COMBINATIONS**

### **Financial software division of Momentum Healthware, Inc.**

On January 19, 2009 QHR announced the acquisition of the Financials Division of Momentum Healthware, Inc., ("Momentum"), a privately held Manitoba based company. The acquisition was effective January 15, 2009. Management anticipates that this acquisition gives QHR the opportunity to become a market leader in providing a comprehensive enterprise management software solution to the healthcare/social services market.

The Financials Division is a market leader in providing customized financial software built on Microsoft's Dynamics GP software platform. The market for its software is medium to large healthcare facilities, the same market segment that QHR targets with its payroll, scheduling and human resource management software.

The Financials Division has been merged with QHR's former HR division to form the Enterprise Management Software ("EMS") division of QHR. It is anticipated that the merger will create greater opportunities for new sales and the potential to cross sell into both divisions' client bases in 2009 and subsequent years.

## Cloudwerx Data Solutions Inc.

On June 22, 2009, the Company announced it was entering into a joint venture agreement with SEBO Systems Inc. ("SEBO") a privately held Calgary based company, to create a new entity dedicated to providing data hosting, data storage services and solutions to the healthcare and other social services sectors. The new company, Cloudwerx Data Solutions Inc. ("Cloudwerx") was initially to be owned 51% by QHR and 49% by SEBO and headquartered in Calgary, Alberta. QHR currently provides data hosting and data storage services through its subsidiary Clinicvault Inc. ("Clinicvault") and SEBO has a division providing similar services.

During the quarter, an agreement was reached whereby effective July 1, 2009, Cloudwerx began to operate both the Clinicvault and SEBO data hosting and data storage businesses. In accordance with the terms of the agreement, the computer equipment of SEBO was acquired and incorporated into Cloudwerx. Consideration for the purchase is 700,000 shares in QHR priced at \$0.65 per share with a closing date to be mutually agreed upon but in no event be later than November 30, 2009.

## ECONOMIC OUTLOOK AND COMPANY STRATEGY

### Operations

The year ahead will continue to present many challenges to most Canadian businesses. It is not yet clear how long and deep the slowdown in economic activity will be. Nor is it yet clear how an extended downturn in the economy would affect buying decisions of potential customers.

QHR is well positioned, however, in that:

- The Healthcare sector continues to grow based on demographic changes in Canada;
- The Company's customers, being hospitals, long-term care facilities, social support agencies and physicians' offices are not usually impacted directly by the business cycle;
- The Company's products, such as accounting and payroll, are critical to the running of those enterprises; and
- Federal and Provincial Governments are accelerating investment in information technology infrastructure creating more demand for the Company's products.

QHR expects to achieve growth over the next year based on the Company's recent acquisitions and based on organic growth and expansion into new markets.

## SELECTED FINANCIAL INFORMATION

The following financial data is selected information regarding the Company's operating results for the three and nine month periods ended September 30, 2009 and 2008.

	2009 3 months	2008 3 months	2009 9 months	2008 9 months
Revenue	\$3,298,492	\$1,293,256	\$9,980,328	\$4,480,366
Earnings before other items	552,812	(150,268)	2,200,368	104,940
Amortization, interest & foreign exchange	317,207	64,775	998,300	181,963
Net earnings	235,605	(215,043)	1,202,068	(77,023)
Basic and diluted earnings per share	\$0.01	\$(0.01)	\$0.05	\$0.00
Total assets	\$10,350,599	\$4,252,421	\$10,350,599	\$4,252,421
Long term obligations	\$1,462,557	\$315,300	\$1,462,557	\$315,300
Cash dividends declared per share	None	None	None	None

## RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009

Results from operations in any given period are not necessarily indicative of results to be expected in future periods. QHR is a technology business where investment, various trends and factors in the marketplace and product enhancements must be carefully managed to achieve long-term revenue growth and profitability.

### Revenue

The Company recorded revenue of \$3,298,492 for the three months ended September 30, 2009 compared to \$1,293,256 for the corresponding period in 2008, an increase of 155%. Year-to-date revenues were \$9,980,328 compared to \$4,480,366 for the same period last year, an increase of 123%. Recurring revenues for the quarter were \$1,792,259 compared to \$1,038,123 for the corresponding quarter last year, an increase of 73%. Year-to-date recurring revenues were \$4,987,932 compared to \$2,966,512 last year, an increase of 68%. Revenues by division are shown in the following table.

Revenue	2009 3 months	2008 3 months	% increase (decrease)	2009 9 months	2008 9 months	% increase (decrease)
EMS division	\$2,390,619	\$748,358	219%	\$7,498,593	\$2,917,123	157%
EMR division	907,873	544,898	67%	2,481,735	1,563,243	59%
Total revenue	\$3,298,492	\$1,293,256	155%	\$9,980,328	\$4,480,366	123%

Recurring revenue	2009 3 months	2008 3 months	% increase (decrease)	2009 9 months	2008 9 months	% increase (decrease)
EMS division	\$1,008,520	\$529,435	90%	\$2,902,203	\$1,559,164	86%
EMR division	\$783,739	508,688	54%	2,085,729	1,407,348	48%
Total recurring revenue	\$1,792,259	\$1,038,123	73%	\$4,987,932	\$2,966,512	68%

The EMS division achieved revenue in the quarter of \$2,390,619, an increase of 219% over the previous year amount of \$748,358. Year to date revenue was \$7,498,593 compared to \$2,917,123, an increase of 157%. The increase in revenues was due to continued growth in the sale of licenses and professional services for Workforce Management Software and the additional revenues obtained from professional services and sales in 2009 for Financial Management Software.

Revenue of the EMR division in the quarter was \$907,873 compared to \$544,898 in 2008, an increase of 67%. Year to date revenue was \$2,481,735 compared to \$1,563,243, an increase of 59%. The increase in revenues was largely the result of the revenues from hosting services provided by and continued organic growth.

### Operating expenses

Operating expenses for the three months ended September 30, 2009 were \$2,745,680 compared to \$1,443,524 for the corresponding period in 2008, an increase of 90% over the same period last year. Year-to-date expenses were \$7,779,960 compared to \$4,375,426 for the same period last year, an increase of 78%. The following table shows a breakdown of operating expenses.

Operating expenses	2009 3 months	2008 3 months	% increase (decrease)	2009 9 months	2008 9 months	% increase (decrease)
Service costs	1,599,355	773,223	107%	4,307,330	2,476,606	74%
Selling & admin. expenses	1,146,325	670,301	71%	3,472,630	1,898,820	83%
Total operating expenses	2,745,680	1,443,524	90%	7,779,960	4,375,426	78%

Service costs for the third quarter were \$1,599,355 compared to \$773,223 last year, an increase of \$826,132 or 107%. Year-to-date expenses were up 74% over the same period last year, from \$4,307,330 to \$2,476,606. The major factor contributing to this increase was the inclusion this year of the operating costs of the financial software operations acquired January 15, 2009 and no corresponding costs last year.

Sales and marketing expenses for the third quarter were \$1,146,325 compared to \$670,301 for the same period last year, an increase of \$476,024 or 71%. On a year-to-date basis expenses were \$3,472,630 compared to \$1,898,820 for the same period last year, an increase of \$1,573,810 or 83%. This increase was mainly due to the inclusion of the operating costs of the financial software operations in the period with no corresponding costs for the same period last year.

#### Other expenses

Amortization of property and equipment for the three months ended September 30, 2009 was \$82,410 compared to \$27,959 for 2008. Amortization of intangible assets for the third quarter was \$185,320 compared to \$32,726 for the same period in 2008. These increases were the result of the commencement of amortization of assets acquired with the financial software operations in January of 2009. Interest expense for the third quarter was \$48,740 compared to \$3,915 for the same period last year because of the increased borrowings to finance the acquisition of the financial software operations.

#### Net earnings

Net earnings for the three months ended September 30, 2009 were \$235,605 compared to a loss of \$(215,043) for the same period last year. On a year-to-date basis earnings were \$1,202,068 compared to a net loss of \$(77,023) for the same period last year, reflecting the impact of additional client sales and the contribution from the acquisition of the financial software operations.

#### SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for its eight most recently completed quarters:

<i>Thousands of dollars</i>	Q3 09	Q2 09	Q1 09	Q4 08	Q3 08	Q2 08	Q1 08	Q4 07
Revenue								
EMS division	2,390	2,386	2,722	1,399	748	1,007	1,161	1,218
EMR division	908	849	725	643	545	508	510	554
Total revenue	3,298	3,235	3,447	2,042	1,293	1,515	1,671	1,772
Net earnings (loss)	236	213	754	331	(215)	11	127	112
Basic and diluted earnings per share	\$0.01	\$0.01	\$0.03	\$0.01	(\$0.01)	\$0.00	\$0.01	\$0.00

The Company has been profitable in twelve of the last thirteen quarters.

#### LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2009	December 31, 2008
Cash on hand	\$513,208	\$ 98,634
Working capital before deferred revenue	798,562	795,193
Working capital deficiency(see note below)	(1,742,781)	(433,184)
Shareholders' equity	4,777,838	1,839,305

### Operating activities

During the third quarter ended September 30, 2009, operations resulted in net cash out flows of \$885,788 compared to cash outflows of \$184,057 for the same quarter last year. This increase was due to an increase in net outflows of non cash operating assets and liabilities, primarily deferred revenue, which was partially offset by increased earnings. The change in deferred revenue was higher compared to 2008 because of the Company's increasing base of recurring revenue. The billing cycle for annual support and maintenance fees occurs for most EMS division Workforce customers in the first quarter of the year. These advance payments are treated as deferred revenue and recognized as revenue prorata throughout the year.

The Company had a working capital deficiency of \$1,742,781 at September 30, 2009. This deficiency included \$2,541,343 of deferred revenue that will be satisfied through the delivery of products and services in future periods. Management calculates its adjusted working capital for internal operational purposes as current assets less current liabilities before deferred revenue. At September 30, 2009, this adjusted working capital amount was \$798,562 compared to \$795,193 at December 31, 2008.

### Investing activities

The Company invested \$169,155 during the quarter ended September 30, 2009 (2008 - \$101,638). In addition to the acquisition of property plant & equipment of \$49,155, development costs of \$120,000 were capitalized for the development of a new product expected to be released in 2010.

### Financing activities

During the quarter, the Company decreased its cash reserves by \$122,514 as compared to a decrease of \$11,494 for the same period in 2008. The main reason was increased repayment of long term debt and capital leases.

The following table summarizes the Company's financial liabilities and the remaining contractual maturities.

Contractual obligations	Total	Less than 1		
		year	1 – 3 years	4 – 5 years
Long-term debt	\$1,218,062	\$241,103	\$976,960	-
Capital lease obligations	\$279,822	154,556	125,266	-
Operating leases for premises	\$859,717	237,309	622,408	-
Total contractual obligations	\$2,357,602	\$632,968	\$1,724,634	-

## TRANSACTIONS WITH RELATED PARTIES

On January 27, 2009 the Company received three-year terms loans of \$850,000 from certain directors and senior management and their immediate family. The loans bear interest at 12% per annum. The balance of these loans outstanding at September 30, 2009 was \$690,000 (December 31, 2008 - nil). For the three months ended September 30, 2009 total interest accrued on these loans was \$22,382 (September 30, 2008 - nil).

Related party transaction costs were incurred on normal commercial terms.

## FUTURE ACCOUNTING CHANGES

### Convergence with International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed the use of International Financial Reporting Standards ("IFRS") to commence in 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canadian GAAP and the changeover is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company has created a project team that is assessing the potential impacts of this change and is developing its plan for implementation.

## **Business Combinations**

In January 2009, the CICA issued Section 1582, Business Combinations, replacing Section 1581 of the same name. The new section will apply prospectively to business combinations for which the acquisition date is on or after January 1, 2011. Section 1582, which provides the Canadian equivalent to International Financial Reporting Standard 3, Business Combinations (January 2008), establishes standards for the accounting for a business combination. Section 1582 requires business acquisitions (including non-controlling interests and contingent consideration) to be measured at fair value on the acquisition date, generally requires acquisition-related costs to be expensed, requires gains from bargain purchases to be recorded in net earnings, and expands the definition of a business. As Section 1582 will apply only to future business combinations, it will not have a significant effect on the Company's consolidated financial statements prior to such acquisitions.

## **Consolidated Financial Statements and Non-controlling Interests**

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interests, which together replace the existing Section 1600, Consolidated Financial Statements, and provide the Canadian equivalent to International Accounting Standard 27, Consolidated and Separate Financial Statements (January 2008). The new sections will be applicable to the Company on January 1, 2011. Section 1601 establishes standards for the preparation of consolidated financial statements, and Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Company is assessing the impact, if any, of the adoption of these new sections on its consolidated financial statements.

## **OTHER**

### Section 5.4 of National Instrument 51-102 - Disclosure of Outstanding Share Data Authorized Share Capital:

Unlimited common shares without par value

Unlimited Class A Preference shares

Issued Common Shares	Number	Amount
Balance at September 30, 2009	26,103,259	\$8,646,745

## **INVESTOR RELATIONS**

The Company retains the services of Tangent Management Corp. to provide investor relations services at a cost of \$9,000 per month, plus expenses. This arrangement may be terminated with 30 days notice.

## **BUSINESS RISKS AND UNCERTAINTIES**

QHR is exposed to a variety of business risks, some of which are inherent to all competitive commercial enterprises and others that are specific to the software applications industry. Management endeavours to limit the affects of risk factors through its planning and management processes.

### **Government regulation and funding**

Both of the Company's divisions operate in market sectors influenced by government regulations and funding policies. In the case of the Enterprise Management Software division, it deals with large healthcare organizations and this can result in extended sales cycles for new customers. In the case of the Electronic Medical Records division, the speed of adoption of EMR technology is

dependent on the continuation of funding provided to physicians by provincial governments. In addition, provincial government regulations can significantly impact the sales of software in each province. The Company ensures that its products are compliant with government regulations and continually monitors the situation in each province.

### **Software industry and competition**

There are inherent risks in the software applications industry. The Company faces competition from companies selling similar solutions that will impact QHR's ability to grow or maintain its revenue base. Competition may also affect the software functionality that the Company must develop and the selling strategies it must adopt. New competitors may also appear as new technologies, products and services are developed. Competition could affect the Company's pricing strategies and lower revenue and net earnings. It could also affect the ability to retain existing customers and attract new ones.

### **Operating results**

QHR has ambitious plans to achieve growth in revenue and earnings. If the Company fails to successfully carry out these plans there could be a material adverse effect on the Company's results of operations. The Company has incurred losses in the past and revenue depends on signing new contracts some of which are subject to a long and complex sales cycle.

### **Acquisitions**

The Company's growth strategy includes making strategic acquisitions. There is no assurance that the Company will find suitable acquisitions or that the Company will have sufficient resources to complete any acquisition.

### **Key employees**

Future success of the Company largely depends on the continued efforts and performance of its executive team and key employees. Failure to attract and retain key employees with necessary skills could have an adverse material impact on the Company's operating results and financial condition.

### **Liquidity**

The current situation in the financial markets may impact the Company's ability to fund its growth plans.

## **OUTLOOK**

The Company continues to execute its business model based on recurring revenues. Recurring revenues had reached approximately \$7,000,000 on an annualized basis at September 30, 2009.

Management expects to achieve growth in revenues and earnings during 2009. Revenues were projected to exceed \$10,000,000 based on organic growth in both of the Company's divisions and contributions to revenue from the recent acquisition of the financial software operations of Momentum Software and this level was virtually achieved after the third quarter of 2009.

The Company has extensive experience in healthcare and social services software applications and technology development. QHR has proven to be an innovator in the design and delivery of powerful, integrated software systems for complex healthcare environments. More recently it has demonstrated its ability to create new products for the emerging Electronic Medical Records market.

In the Enterprise Management Software market many large healthcare organizations continue to use old payroll technologies. Complex union contracts strain the capabilities of many HR departments and complicated contract rules have overridden the functional power of existing systems. This provides an opportunity for the Company's products.

While the timing of new business is extremely difficult for QHR to predict, there are many healthcare facilities in Canada currently seeking to upgrade their out-dated systems. They are interested in proven, reliable and powerful state-of-the-art products. The Company's proprietary products meet the requirements of many prospective customers.

Once chosen by the customer, these new Enterprise Management systems will typically remain in use for more than a decade providing annual recurring revenue to the Company. This movement to upgrade, plus the inherent long-term revenue streams associated with software use, continues to provide growth opportunities for QHR.

QHR also has encouraging prospects in the Electronic Medical Records market. Both Federal and Provincial governments have made the creation of the electronic health record for all Canadians a strategic priority. Governments are investing over one billion dollars in order to have 50% of all Canadians on EMR systems by 2010 and 100% adoption by 2016.

EMR strategies are based on the market opportunity to service over 60,000 physicians in Canada. Market-wide this represents a revenue opportunity of over \$200 million per year for the EMR vendors that will eventually service the Canadian market. The Company believes it can become a market leader in this emerging market based on the strength of its product offering, its superior customer service and by executing its acquisition strategy to expand the customer base for its product. Management expects the EMR division to make an increased contribution to earnings in 2009.

#### **FORWARD LOOKING STATEMENTS**

This MD&A contains "forward-looking statements" within the meaning of applicable Canadian securities legislation that reflect the Company's current expectations, forecasts and assumptions. Generally, forward looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words or phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results expressed or implied by such forward looking statements. These include but are not limited to the speculative nature of the healthcare software industry which is affected by numerous factors beyond the Company's control including slow and complicated sales cycles, the existence of present and possible government regulation, competition, uncertainty of profitable revenue levels, general market circumstances and the need to continue to access capital from internal or external sources.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Readers are advised to consider such forward-looking statements in light of the risks set forth below. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.