Syncordia Technologies and Healthcare Solutions, Corp. Reports Second Quarter Fiscal 2016 Results

- Sequential growth of Revenue and Adjusted EBITDA of 15% and 10%, respectively

Toronto, Ontario. November 24, 2015 – Syncordia Technologies and Healthcare Solutions, Corp. (TSXV: SYN) ("Syncordia" or the "Company") today reported financial results for the three and six months ended September 30, 2015.

Reported results reflect six months of operations of Health Services Integration Inc. ("HSI"), which was acquired effective October 31, 2014, and 159 days of operations of Paragon Billing LLC, ("Paragon") which was acquired April 24, 2015. Syncordia had no Revenue Cycle Management ("RCM") segment operational activities for the period ended September 30, 2014. All results are reported in thousands of US dollars and are prepared in accordance with International Financial Reporting Standards ("IFRS").

Q2 FY 2016 Financial Highlights

- Revenue from the RCM segment grew 15% to $3,899 from $3,393 in Q1 FY 2016, reflecting both organic growth at HSI and Paragon, as well as reporting Paragon for a full three month period in Q2 FY 2016.
- Adjusted EBITDA before Corporate and Syncordia Cloud segment costs grew 10% to $1,713 from $1,562 in Q1 FY 2016.
- Adjusted EBITDA grew 4% to $676 from $651 in Q1 FY 2016.
- As at September 30, 2015 the Company had Cash and cash equivalents of $10,044 compared to $10,286 as at June 30, 2015.

Year-to-Date FY 2016 Financial Highlights

- Revenue from the RCM segment was $7,292.
- Adjusted EBITDA before Corporate and Syncordia Cloud segment costs was $3,275.
- Adjusted EBITDA was $1,327.

Q2 FY 2016 Business Highlights

- Established ground billing operations in Maryland targeting a significantly lower cost structure.
- Secured a three year contract with Air Medical for air ambulance RCM billing services.
- Commenced a number of lean initiatives to improve HSI's operating efficiencies.

Management Commentary

Mike Franks, Chief Executive Officer of Syncordia, said "We are very pleased with the organic growth and better customer accountability and focus at both HSI and Paragon since our acquisition of both companies. Paragon has experienced growth in the number of customers as we continue to sign up behavioral health providers to our ONC certified software solution. In April 2015, at the time of Syncordia's acquisition, Paragon had 552 active providers and has grown that to 571 active providers as of September 30, 2015."

Franks says "HSI had an Adjusted EBITDA of $3.2 million for the twelve months ended December 31, 2014. For the six months ended September 30, 2015, it had an Adjusted EBITDA of $2.9 million, although this number includes revenue from the REACH contract, which will be terminated on November 30, 2015. HSI now has a far better focus on task ownership and execution, and customers have benefited greatly from our restructuring efforts and the company-wide lean management project focused on enhancing all aspects of the business for the benefit of our valued customers. Along with the internal focus to improve customer service and performance, we have formalized our Referral Program, introduced an enhanced Request for Proposal process and initiated the Syncordia Advisory Group. Each of these endeavors is aimed at supporting organic growth opportunities."

Franks says "additionally, we are focused on all drivers of cost to improve operating margin. Other noteworthy items are the signing of six new customers since the acquisition of HSI, further expanding our geographical presence in the United States. We elected not to pursue three acquisition targets in our pipeline due to items discovered during due diligence, which speaks to our acquisition discipline we have spoken about so much in the past. However, we may elect to purse these acquisitions in the future if the items we identified as problematic are addressed. We maintain a relationship with the owners. We continue to pursue some other interesting organic growth opportunities, which we hope to bring to conclusion before the fiscal year end. We have focused our DevOps team on the Syncordia Billing module, which will help us disintermediate various players in the RCM market as we come to market late calendar year 2016. We look forward to the exciting impact this product will have on the market. Additionally, we remain engaged with various acquisition targets."

Q2 FY 2016 Financial Results

Revenue from the RCM segment was $3,899, segmented between air transportation client billings of $3,025, ground transportation client billings of $178, behavioural health client billings of $496 as well as other RCM related revenue streams of $200.

Gross margin was $2,819 or 72% of revenue.

Adjusted EBITDA before Syncordia Cloud and Corporate costs was $1,713 or 44% of revenue.

Syncordia Cloud costs were $394 reflecting the ramp up of our development efforts which are focused on a proprietary billing platform.

Corporate costs were $643 reflecting additional costs associated with our becoming a reporting issuer.

Adjusted EBITDA was $676, or 17% of revenue.

Key Performance Indicator

We are introducing Encounters as a key performance indicator ("KPI") to assist readers in better evaluating our performance. We have defined an Encounter as a discrete business activity for which we would submit a claim. We believe this metric provides investors with a better proxy for measuring the level of business activity than revenue as encounters measure the number of distinct services provided in the period whereas revenue reflects the amount of services recognized for accounting purposes and is typically a lagging indicator of business activity.

HSI Encounters grew 19% to 14,901 from 12,539 in Q1 FY 2016.

Paragon Encounters decreased 9% to 73,834 from 81,244 in Q1 FY 2016. This decrease in encounters reflects the seasonality in Paragon's business.

Business Outlook

We believe that favourable industry trends, along with operating improvements and competitive positioning of our RCM business will allow us to meaningfully grow our revenues. However, as a result of our wholly-owned subsidiary, HSI, receiving a notice of termination of a customer contract which will begin to impact revenue in the fourth fiscal quarter of 2016, our near term outlook is more cautious. While this loss will begin to impact revenue in calendar year 2016, we believe that a combination of new contract wins and operating efficiencies will offset the loss of this contract. However, our ability to predict the actual time at which the impact of the loss of this contract will be fully offset is not possible at this time.

We remain confident that we are taking appropriate measures at this time and with $10.0 million of cash and cash equivalents, have adequate liquidity to implement our business strategy.

Notice of Conference Call
Syncordia will hold a conference call on Wednesday, November 25, 2015, at 8:00 a.m (ET) to discuss its financial results and other corporate developments. To access the conference call by telephone, dial 647-427-7450 or 1-888-231-8191. A live audio webcast will be available through www.syncordiahealth.com or http://event.on24.com/r.htm?e=1089388&s=1&k=52305D325B9839EBF4D2B868022AAA14. An archived replay of the webcast will be available for 90 days. A presentation will accompany the conference call and will be available for download from the Investor Relations section of Syncordia's website at: http://www.syncordiahealth.com/company/investor-relations/events-presentations/.

Forward Looking Statements
Certain statements herein may be "forward looking" statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Syncordia or the industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward looking statements. These forward looking statements reflect current assumptions and expectations regarding future events and operating performance and are made as of the date hereof and we assume no obligation, except as required by law, to update any forward looking statements to reflect new events or circumstances.

Cautionary Note Regarding Non-IFRS Measures
This press release contains references to "EBITDA," "Adjusted EBITDA," "Gross margin," and "Adjusted EBITDA before Syncordia Cloud and Corporate costs."

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") are non-IFRS measures used by management to provide additional insight into our performance and financial condition. We believe that these non-IFRS measures are important as they provide an indication of the results generated by our RCM business prior to taking into consideration how those activities are financed as well as the other items listed in their respective definitions. Accordingly, we are presenting EBITDA, Adjusted EBITDA and Adjusted EBITDA before Syncordia Cloud and Corporate costs in this MD&A to enhance the usefulness of our MD&A. We have provided below a reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA before Syncordia Cloud Corporate costs to the most directly comparable IFRS figures, disclosure of the purpose of the non-IFRS measure, and how the non-IFRS measures is used in managing the business.

EBITDA, Adjusted EBITDA and Adjusted EBITDA before Syncordia Cloud and Corporate costs are not calculations based on IFRS and should not be considered an alternative to operating income or net income (loss) in measuring the our performance, nor should it be used as an exclusive measure of cash flow, because it does not consider the impact of working capital growth, capital expenditures, debt principal reductions and other sources and uses of cash which are disclosed in the consolidated statements of cash flows. Investors should carefully consider the specific items included in our computation of these measures.

Management defines EBITDA as Earnings before Interest, Taxes, Depreciation and Amortization.

Management defines Adjusted EBITDA as Earnings before Interest, Taxes, Depreciation, Amortization, Transaction Costs, Fair Value Gains/Losses, Foreign Exchange Gains/Losses, Stock Based Compensation and Cash based Share Compensation Arrangements. Transaction costs include professional fees associated with business transactions.

Management defines Adjusted EBITDA before Syncordia Cloud and Corporate costs as Earnings before Interest, Taxes, Depreciation, Amortization, Transaction Costs, Fair Value Gains/Losses, Foreign Exchange Gains/Losses, Stock Based Compensation, Cash based Share Compensation Arrangements and costs of our Syncordia Cloud and

Corporate segment. This metric is used to assess the performance of RCM and Syncordia Cloud segments.

Gross margin is a non-IFRS measure defined by management to reflect revenue less direct costs of sale, excluding amortization of intellectual property, customer lists, other amortizations and fair value gains/losses.

Syncordia Cloud and Corporate costs include sales and marketing, general and administrative and research and development, less amortization and depreciation, foreign exchange gains and losses, and stock-based compensation expense indexed to our share price.

About Syncordia Technologies and Healthcare Solutions, Corp.
We are a technology enhanced revenue cycle management ("RCM") company focused on underserved niche segments of the healthcare industry. We are building a diversified software and services business by consolidating healthcare billing providers. Our growth strategy is to acquire RCM businesses with and without software and, improve their profitability by increasing revenues and operating efficiencies using our software, and in time, commercializing the Syncordia Cloud, our cloud-based software offering, to provide customer demanded turn-key solutions from a single provider and to address compelling RCM market opportunities.

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

For further information:

Michael Franks
Chief Executive Officer
(647) 949-2663
mike.franks@syncordiahealth.com

Lawrence Davis
Chief Financial Officer
(647) 350-7962
lawrence.davis@syncordiahealth.com

Nicholas Badder
Director of Corporate Development and Investor Relations
(647) 308-1201
nicholas.badder@syncordiahealth.com

The following is a reconciliation of EBITDA with net loss and comprehensive loss:
(in thousands of US Dollars)

	Three Months ended		Three Months ended		Six Months ended	
	Sep 30 2015	**Jun 30 2015**	**Sep 30 2015**	**Sep 30 2014**	**Sep 30 2015**	**Sep 30 2014**
Net loss and comprehensive loss	(138)	(1,190)	(138)	(478)	(1,328)	(580)
Amortization of operating and other assets	772	729	772	1	1,501	1
Interest expense	476	444	476	-	920	-
EBITDA	1,110	(17)	1,110	(17)	1,093	(579)

The following is a reconciliation of Adjusted EBITDA and Adjusted EBITDA before Corporate costs with Net loss and comprehensive loss:
(in thousands of US Dollars)

	Three Months ended		Three Months ended		Six Months ended	
	Sep 30 2015	**Jun 30 2015**	**Sep 30 2015**	**Sep 30 2014**	**Sep 30 2015**	**Sep 30 2014**
Net loss and comprehensive loss	(138)	(1,190)	(138)	(478)	(1,328)	(580)
Amortization of operating and other assets	772	729	772	1	1,501	1
Interest expense	476	444	476	-	920	-
Transaction costs	47	1,722	47	250	1,769	273
Foreign exchange (gains) and losses	106	28	106	-	134	-
Unrealized (gains) and losses on derivative financial liability	(608)	-	(608)	-	(608)	-
Realized gain on contingent consideration	-	(1,111)	-	-	(1,111)	-
Stock based compensation	21	29	21	6	50	6
Adjusted EBITDA (i)	676	651	676	(221)	1,327	(300)
Syncordia Cloud costs (i)	394	300	394	-	694	-
Corporate costs (i)	643	611	643	221	1,254	300
Adjusted EBITDA before Syncordia Cloud and Corporate costs (i)	1,713	1,562	1,713	-	3,275	-

Notes:

(i) *Non-IFRS measure, Syncordia Cloud and Corporate costs exclude stock based compensation, transaction costs, foreign exchange gains and loss, and amortization.*

Syncordia Technologies and Healthcare Solutions, Corp.

Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2015 and March 31, 2015

(expressed in US dollars)	**September 30 2015**	**March 31 2015**
Assets		
Current assets		
Cash and cash equivalents	10,044,639	2,842,413
Accounts receivable	2,123,026	1,931,076
Other assets	265,633	145,304
	12,433,298	4,918,793
Property and equipment	260,234	168,418
Intangible assets	17,990,997	16,134,626
Goodwill	6,370,291	5,836,719
	37,054,820	27,058,556
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,382,392	1,135,379
Holdback payable	250,000	-
Contingent consideration payable	-	2,320,000
	1,632,392	3,455,379
Notes payable	12,104,182	10,483,989
Derivative financial liability	1,026	-
Other non-current liabilities	83,838	-
	13,821,438	13,939,368
Shareholders' Equity		
Share capital	25,517,330	14,387,095
Contributed surplus	1,938,244	1,626,593
Deficit	(4,222,192)	(2,894,500)
	23,233,382	13,119,188
	37,054,820	27,058,556

Syncordia Technologies and Healthcare Solutions, Corp.

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss

For the three and six months ended September 30, 2015 and 2014

(expressed in US dollars)	Three months ended September 30 2015	Three months ended September 30 2014	Six months Ended September 30 2015	Six months Ended September 30 2014
Revenue	3,898,903	-	7,291,698	-
Gain on settlement of contingent consideration	-	-	1,111,342	-
	3,898,903	-	8,403,040	-
Cost of sales	1,079,434	-	2,092,166	-
Amortization of operating assets	704,652	-	1,368,983	-
Gross profit	2,114,817	-	4,941,891	-
Operating expenses	2,270,264	226,765	4,056,187	305,760
Transaction costs	47,378	250,057	1,769,428	273,057
Other amortization	66,986	697	132,286	697
Loss before financing expenses	(269,811)	(477,519)	(1,016,010)	(579,514)
Interest expense	475,757	-	919,643	-
Unrealized non-cash gain on fair value of derivative financial liability	(607,961)	-	(607,961)	-
Net loss and comprehensive loss for the period	(137,607)	(477,519)	(1,327,692)	(579,514)
Net loss per share				
Basic and diluted earnings per share	(0.01)	(0.08)	(0.08)	(0.11)
Weighted average number of shares outstanding				
Basic	19,643,635	6,304,620	17,610,993	5,190,055
Diluted	19,799,804	6,304,620	17,767,162	5,190,055

Syncordia Technologies and Healthcare Solutions, Corp.

Condensed Interim Consolidated Statement of Cash Flows

For the three and six month periods ended September 30, 2015 and 2014

	Three months ended September 30		Six months ended September 30	
	2015	**2014**	**2015**	**2014**
Cash provided by (used in)				
Operating activities				
Net loss for the period	(137,607)	(477,519)	(1,327,692)	(579,514)
Items not affecting cash				
Gain on settlement of contingent consideration	-	-	(1,111,342)	-
Reverse Takeover transaction costs	-	-	1,068,920	-
(Gain)/loss on derivative liability	(607,961)	-	(607,961)	-
Amortization	771,638	697	1,501,269	697
Non-cash interest on notes payable	171,129	-	328,888	-
Share-based compensation and awards	20,924	67,041	50,008	67,041
Changes in non-cash working capital items				
Accounts receivable	224,954	702,617	83,564	-
Other assets	12,343	(23,775)	(72,062)	(23,775)
Accounts payable and accrued liabilities	(434,854)	96,250	(64,021)	232,777
Other non-current liabilities	43,590	-	83,839	-
	64,156	365,311	(66,590)	(302,774)
Investing activities				
Purchase of property, equipment and intangible assets	(54,856)	(18,040)	(123,530)	(18,040)
Acquisition of Paragon	-	-	(3,479,929)	-
Settlement of Paragon holdback	(250,000)	-	(250,000)	-
Settlement of contingent consideration	-	-	(1,208,658)	-
	(304,856)	(18,040)	(5,062,117)	(18,040)
Financing activities				
Issuance of Class A preferred shares	-	1,725,000	-	3,500,000
Issuance of Class B Series 2 preferred shares	-	-	3,405,000	-
Issuance of private placement	-	-	8,052,460	-
Cash consideration from issuance of Reverse Takeover shares	-	-	402,605	-
Share issuance costs	(920)	(62,339)	(831,560)	(99,339)
Proceeds from long-term notes	-	-	1,332,388	-
Deferred financing costs	-	-	(29,960)	-
	(920)	1,662,661	12,330,933	3,400,661
Increase/(decrease) in cash and cash equivalents during the period	(241,620)	2,009,932	7,202,226	3,079,847
Cash and cash equivalents - Beginning of period	10,286,259	1,069,918	2,842,413	3
Cash and cash equivalents - End of period	10,044,639	3,079,850	10,044,639	3,079,850
Cash interest paid	306,073	-	592,200	-