

Apptix Reports Third Quarter and Year to date 2018 Results

Oslo, Norway – November 14, 2018 – Apptix ASA (OSE: APP), announced its unaudited financial results for the three and nine months ended September 30, 2018.

Interim Management Report

Evimeria EMR AB, which was acquired in Q2 2018, continued its strong development in growth and profitability. Demand remains strong in the Swedish market and a structured process has been initiated to launch Webdoc also for the Norwegian market during 2019.

The outcome from the Swedish election in September 2018 drives some political uncertainty which might have some effect on the market. There is also some uncertainty related to how the local regions in Sweden will act when it comes to private healthcare and the requirements for IT systems. However, we don't expect this to have any relevant impact in the foreseeable future.

We still believe a population that grows older with more healthcare needs combined with a necessity to drive greater efficiency out of public budgets have been the door opener for private healthcare. There are no guarantees that this trend will continue or not be reversed, however an accelerated adoption of new technologies in the healthcare industry may be argued to be a force that favors the multitude of healthcare services that private institutions guarantee.

Overview of Third Quarter 2018 consolidated results for Apptix ASA:

- Revenues of NOK 9,0 million as compared to no revenues during Q3-17.
- Net profit of NOK 0,0 million as compared to net profit of NOK 6,3 million during Q3-17.
- Cash balances of NOK 7,9 million at September 30, 2018.

Overview of Third Quarter results for Evimeria EMR AB:

- Revenue of SEK 9,8 million, an increase of 34,7 % as compared to same period 2017.
- EBITDA of SEK 2,4 million as compared to SEK 1,6 million during same period 2017.
- EBIT of SEK 1,7 million as compared to SEK 1,2 million during 2017.
- Signed 14 new clinics, representing approximately one new clinic per week. Ended the third quarter with 294 active clinics.
- Initiated project for a geographical expansion into Norway. Expect to launch 2H 2019.
- Continued strong demand for Evimeria services in Sweden.

Key Highlights of Third Quarter 2018

The growth for Evimeria remained strong in the Swedish market during the third quarter in 2018. The Company added more than one new clinic per week and continuously developed and delivered add-on services to existing customers. As a result, the growth in revenues exceeded 34,7 % compared to third quarter 2017. The scalability of the business and delivery model continues to increase earnings.

Even though the outcome from the Swedish election in September 2018, and the direction from the regional decisions for IT in private healthcare, has driven some political uncertainty in the market, Evimeria expects demand in the Swedish market to remain strong for a long period of time.

During the third quarter, the Company has also conducted an analysis regarding market conditions and potential in the Norwegian market. The outcome shows great potential for Webdoc and a structured process has been initiated to develop and adjust Webdoc for the Norwegian market. The Company expects to launch 2H 2019.

Financial Results – Third Quarter 2018

Revenue for the third quarter of 2018 totaled NOK 9,0 million as compared to no revenues during the third quarter 2017. All revenues are related to Evimeria EMR AB.

Operating expenses for the third quarter of 2018 totaled NOK 6,4 million as compared NOK 1,2 million during the third quarter of 2017. Operating expenses excludes cost of sales and amortizations. The operating expenses relates to three different areas.

NOK 5,6 million of the operating expenses for the third quarter 2018 relates to Evimeria EMR AB.

NOK 0,8 million consists of professional fees (legal, accounting and consulting) along with public company costs such as stock exchange registration, insurance and board remuneration fees.

Net result for the third quarter of 2018 totaled NOK 0,0 million as compared to a net profit of NOK 6,3 million during the third quarter of 2017.

The Company ended the third quarter of 2018 with NOK 7,9 million of available cash balances and outstanding debt of NOK 3,0 million.

Evimeria EMR AB Third Quarter 2018

Revenue for the third quarter of 2018 totaled SEK 9,8 million as compared to SEK 7,2 million during the same period in 2017.

Cost of sales for the third quarter of 2018 totaled SEK 1,9 million as compared SEK 1,3 million during the same period in 2017.

Operating expenses for the third quarter of 2018 totaled SEK 5,5 million as compared SEK 4,3 million during the same period in 2017.

CAPEX for the third quarter of 2018 totaled SEK 0,7 million as compared to SEK 0,6 million during the same period in 2017. Depreciation for the third quarter of 2018 totaled SEK 0,6 million as compared to SEK 0,4 million during the same period in 2017.

Net profit for the third quarter of 2018 totaled SEK 1,7 million as compared SEK 1,2 million during the same period in 2017.

Cash flow from operations for the third quarter of 2018 totaled SEK 2,2 million as compared SEK 3,1 million during the same period in 2017.

Cash flow used for investments and financing activities for the third quarter of 2018 totaled SEK 1,0 million as compared to SEK 1,8 million generated during the same period in 2017.

The Company ended the third quarter of 2018 with SEK 8,3 million of available cash balances and outstanding debt of SEK 3,7 million.

Financial Statements – Basis for Preparation

The enclosed consolidated condensed financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting Standards (IFRS).

Significant Accounting Policies

The accounting policies and methods of computation used in the preparation of the enclosed financial statements are consistent with the policies used in the annual financial statements for the year ended December 31, 2017. The enclosed consolidated condensed financial statements should be read in conjunction with the Company's 2017 annual financial statements, which include a full description of the Company's accounting policies. The enclosed consolidated condensed financial statements are unaudited. Because of rounding differences, numbers or percentages may not add up to the total.

The financial statements are attached.

Apptix ASA
Interim Consolidated Income Statement

(Amounts in NOK 1,000)	Three Months Ended	
	September 30, 2018 IFRS	September 30, 2017 IFRS
Total Operating Revenues	8 986	-
Total Cost of Sales	1 766	-
Gross Profit	7 220	-
Operating Expenses		
Employee Compensation and Benefits	4 157	245
Other Operational and Administrative Costs	1 650	1 198
Depreciation and Amortization	1 349	-
Total Operating Expenses	7 156	1 443
Operating Income	64	(1 443)
Other Expense		
Interest, net	(53)	-
Foreign Exchange Income / (Loss), net	-	-
Other Financial Income (Expense)	-	7 712
Total Other Expense	(53)	7 712
Income Before Income Taxes	11	6 269
Income Tax Expense	-	-
Net Income for the Period	11	6 269
Earnings Per Share:		
Basic	0,00	0,08
Diluted	0,00	0,08
Weighted Average Common Shares Outstanding	162 535	81 430

Apptix ASA
Interim Consolidated Income Statement

(Amounts in NOK 1,000)	Nine Months Ended	
	September 30, 2018 IFRS	September 30, 2017 IFRS
Total Operating Revenues	15 505	-
Total Cost of Sales	2 953	-
Gross Profit	12 552	-
Operating Expenses		
Employee Compensation and Benefits	7 702	689
Other Operational and Administrative Costs	8 618	4 054
Depreciation and Amortization	2 249	-
Total Operating Expenses	18 569	4 743
Operating Income	(6 017)	(4 743)
Other Expense		
Interest, net	(7)	(17)
Foreign Exchange Income / (Loss), net	-	-
Other Financial Income (Expense)	-	7 592
Total Other Expense	(7)	7 576
Income Before Income Taxes	(6 024)	2 833
Income Tax Expense	-	-
Net Income for the Period	(6 024)	2 833
Earnings Per Share:		
Basic	-0,05	0,03
Diluted	-0,05	0,03
Weighted Average Common Shares Outstanding	124 508	81 430

Aptix ASA
Interim Consolidated Statement of Financial Position

	september - 30	september - 30	december - 31
	2018	2017	2017
(Amounts in NOK 1,000)	IFRS	IFRS	IFRS
ASSETS			
Non-Current Assets			
Customer Relationships	21 438	-	-
WebDoc	13 882	-	-
Goodwill	56 550	-	-
Total Intangible Assets, net	91 870	-	-
Inventory, Tools & Installations	688	-	-
Investment Available for Sale at Cost	-	40 895	-
Total Non-Current Assets	92 558	40 895	-
Current Assets			
Customer Receivables	6 146	-	-
Other Receivables	436	-	-
Prepaid Expenses	877	195	54
Cash and Cash Equivalents	7 905	29 770	61 716
Total Current Assets	15 363	29 965	61 770
TOTAL ASSETS	107 921	70 860	61 770
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Common Stock	54 124	39 563	27 116
Paid-in Premium Reserve	35 918	405 742	13 714
Other Paid-in Capital	-	52 604	-
Current Period Retained Earnings	(5 998)	(430 314)	20 435
Total Shareholders Equity	84 044	67 595	61 265
Non-Current Liabilities			
Other Liabilities to Credit Institutions	3 042	-	-
Deferred Tax Liabilities	7 566	-	-
Total Long-Term Debt	10 608	-	-
Current Liabilities			
Trade Accounts Payable	4 853	2 111	7
Accrued Expenses and Prepaid Income	6 963	-	-
Other Current Liabilities	1 452	1 153	498
Total Current Liabilities	13 269	3 264	505
TOTAL LIABILITIES AND EQUITY	107 921	70 860	61 770

Apptix ASA
Interim Consolidated Cash Flow Statement

	Nine Months Ended September 30	
	2018	2017
(Amounts in NOK 1,000)	IFRS	IFRS
Cash Flows from Operating Activities		
Earnings Before Taxes	(6 024)	2 833
Depreciation and Amortization	2 249	-
Net Gain Receivable on Sale of Fusion Shares	-	12 286
Change in Current Assets & Liabilities	1 355	1 927
Cash Flows Provided by Operating Activities	(2 421)	17 045
Interest Received	-	-
Interest Paid	(7)	-
Income Tax Paid	-	-
Net Cash Flows Provided by Operating Activities	(2 428)	17 045
Cash Flows from Investing Activities		
Purchase of Evimeria AB, net of cash from Evimeria	(21 310)	-
Investments in intangible assets	(1 143)	-
Cash Flows Used in Investing Activities	(22 453)	-
Cash Flows from Financing Activities		
Return of Capital to Shareholders	(28 562)	-
Distribution of Paid in Capital	(369)	-
Cash Flows Used in Financing Activities	(28 931)	-
Effect of Exchange Rates on Cash and Cash Equivalents	-	1 859
Net Change in Cash and Cash Equivalents	(53 811)	18 905
Cash and Cash Equivalents at Beginning of Period	61 716	10 865
Cash and Cash Equivalents at End of Period	7 905	29 770

About Apptix

Founded in 1997, Apptix ASA was previously the parent company of Apptix, Inc. Apptix withdrew from the US market in 2017. In May 2018 Apptix acquired the Swedish company Evimeria EMR AB, a company providing cloud-based medical record services to the health care industry. The Company's strategy is to continue to develop and expand digitalization that helps customers to meet challenges in providing efficient and qualitative health care services. For more information, visit www.apptixasa.no.

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