

Apptix Reports Fourth Quarter and Full Year 2018 Results

Oslo, Norway – February 13, 2019 – Apptix ASA® (OSE: APP), announced its unaudited financial results for the three and twelve months ended December 31, 2018.

Interim Management Report

Evimeria EMR AB continued its strong development in growth and profitability during the fourth quarter 2018.

Overview of Fourth Quarter 2018 results for Evimeria EMR AB:

- Revenue of SEK 11,8 million, an increase of 45,6% as compared to Q4 2017
- EBITDA of SEK 1,5 million as compared to SEK 1,3 million during Q4 2017.
- EBIT of SEK 0,9 million as compared to SEK 0,9 million during Q4 2017.
- Signed 21 new clinics during the fourth quarter 2018, which is higher than previous year representing more than one new clinic per week. Ended the fourth quarter with 315 active clinics.
- Initiated project for a segment expansion in Sweden within occupational health service. Expect to launch 2019.
- Continued strong demand for Evimeria services in Sweden.

For the full year 2018 revenues grow 46 % to SEK 41,2 (28,1) million and EBITDA grow 41 % to 8,1 SEK million (5,7)

Overview of Fourth Quarter 2018 consolidated results for Apptix ASA:

- Revenues of NOK 11,0 million as compared to no revenues during Q4-17.
- Net loss of NOK 1,4 million as compared to net profit of NOK 18,0 million during Q4-17
 - Deviation in Compensation and Benefits compared with third quarter 2018 is mainly related to accounting for holiday allowance in Evimeria EMR AB in accordance with Swedish accounting principles.
- Cash balances of NOK 8,8 million at December 31, 2018

Key Highlights of Fourth Quarter 2018

Evimeria continued its strong growth in the Swedish market during the fourth quarter in 2018. During the quarter 21 new clinics signed up as customers and the Company continuously developed and delivered add on services to existing customers.

The Company also launched two new integrated services, Bank-ID access and Self-service terminal. The total number of integrated services now exceeds 70.

As a result, the revenue growth was 45,6 % compared to fourth quarter 2017. The scalability of the business and delivery model continues to increase earnings.

During the fourth quarter, the Company has also conducted an analysis regarding market conditions and potential in the occupational health service market in Sweden. Given the potential, a structured process has been initiated to develop and adjust services and software for this market. The Company expects to launch this later this year.

Market outlook and 2019 targets

Evimeria believes market conditions in Sweden to remain strong, driven by the general digitalization trend, continued growth within the private healthcare sector and a superior scalable service offering.

The Company will continue to pursue investments in new market geographies and segments. Evimeria expects to enter into the Norwegian private healthcare sector during 2019 and will also start to address the occupational health service market in Sweden.

During 2019, Evimeria expects to sign more than one new clinic per week, achieve revenue growth in the 50% range along with triple digit growth in EBITDA.

Financial Results – Fourth Quarter 2018

Revenue for the fourth quarter of 2018 totaled NOK 11,0 million as compared to no revenues during the fourth quarter 2017. All revenues are related to Evimeria EMR AB. Evimeria EMR AB was acquired in May 2018 and has been consolidated in Aptix from that date.

Operating expenses for the fourth quarter of 2018 totaled NOK 9,0 million as compared NOK 1,0 million during the fourth quarter of 2017. Operating expenses excludes cost of sales and amortizations. The operating expenses relates to two different areas.

NOK 8,1 million of the operating expenses for the fourth quarter of 2018 relates to Evimeria EMR AB. NOK 0,9 million consists of professional fees (legal, accounting and consulting) along with public Company costs such as stock exchange registration, insurance and board remuneration fees.

Operating loss for the fourth quarter of 2018 totaled NOK 0,8 million as compared to an operating loss of NOK 1,0 million during the fourth quarter of 2017.

Other expenses for the fourth quarter of 2018 totaled NOK 0,0 million as compared to a gain of NOK 19,0 million during the fourth quarter of 2017. Other expenses in the fourth quarter of 2017 consists mainly of gain from Fusion share transactions.

Net loss for the fourth quarter of 2018 totaled NOK 1,4 million as compared to a net profit of NOK 18,0 million during the fourth quarter of 2017.

The Company ended the fourth quarter of 2018 with NOK 8,8 million of available cash balances and outstanding debt of NOK 3,2 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. Except for the adoption of new standards effective as of 1 January 2018. The group applies, for the first time, IFRS 15 Revenue from Contracts with Customers, IFRS 9 Financial instruments and a number of other amendments and interpretations. The new standards have no impact on the interim condensed financial statements of the Company. 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.

Interim Consolidated Income Statement

(Amounts in NOK 1,000)	Three Months Ended	
	December 31, 2018 IFRS	December 31, 2017 IFRS
Total Operating Revenues	11 034	-
Total Cost of Sales	2 080	-
Gross Profit	8 955	-
Operating Expenses		
Employee Compensation and Benefits	5 777	188
Other Operational and Administrative Costs	2 673	841
Depreciation and Amortization	1 294	-
Total Operating Expenses	9 744	1 029
Operating Income	(790)	(1 029)
Other Expense		
Interest, net	(37)	(16)
Foreign Exchange Income / (Loss), net	-	-
Other Financial Income		19 032
Total Other Expense	(37)	19 016
Income Before Income Taxes	(827)	17 987
Income Tax Expense	(577)	-
Net Income for the Period	(1 404)	17 987
Earnings Per Share:		
Basic	-0,01	0,22
Diluted	-0,01	0,22
Weighted Average Common Shares Outstanding	162 535	81 430

Apptix ASA
Interim Consolidated Income Statement

(Amounts in NOK 1,000)	12 Months Ended	
	December 31, 2018 IFRS	December 31, 2017 IFRS
Total Operating Revenues	26 539	-
Total Cost of Sales	5 032	-
Gross Profit	21 507	-
Operating Expenses		
Employee Compensation and Benefits	13 480	917
Other Operational and Administrative Costs	11 291	4 883
Depreciation and Amortization	3 534	-
Total Operating Expenses	28 305	5 801
Operating Income	(6 798)	(5 801)
Other Expense		
Interest, net	(44)	-
Foreign Exchange Income / (Loss), net	-	-
Other Financial Income	-	26 235
Total Other Expense	(44)	26 235
Income Before Income Taxes	(6 842)	20 434
Income Tax Expense	(276)	-
Net Income for the Period	(7 118)	20 434
Earnings Per Share:		
Basic	-0,06	0,25
Diluted	-0,06	0,25
Weighted Average Common Shares Outstanding	124 508	81 430

Apptix ASA
Interim Consolidated Statement of Financial Position

	<u>december - 31</u>	<u>december - 31</u>
	2018	2017
(Amounts in NOK 1,000)	IFRS	IFRS
ASSETS		
Non-Current Assets		
Customer Relationships	20 044	-
WebDoc	14 749	-
Goodwill	52 657	-
Total Intangible Assets, net	87 450	-
Inventory, Tools & Installations	678	-
Investment Available for Sale at Cost	-	-
Total Non-Current Assets	88 127	-
Current Assets		
Customer Receivables	8 630	-
Other Receivables	648	-
Prepaid Expenses	765	57
Cash and Cash Equivalents	8 773	61 716
Total Current Assets	18 815	61 773
TOTAL ASSETS	106 942	61 773
LIABILITIES AND SHAREHOLDERS EQUITY		
Equity Attributed to Equity Holders of the Parent		
Common Stock	54 124	38 314
Paid-in Premium Reserve	32 239	392 926
Other Paid-in Capital	48	50 943
Current Period Retained Earnings	(6 939)	(420 919)
Total Shareholders Equity	79 472	61 264
Non-Current Liabilities		
Other Liabilities to Credit Institutions	3 227	-
Deferred Tax Liabilities	6 711	-
Total Long-Term Debt	9 938	-
Current Liabilities		
Trade Accounts Payable	5 501	8
Accrued Expenses and Prepaid Income	9 834	-
Other Current Liabilities	2 197	501
Total Current Liabilities	17 531	509
TOTAL LIABILITIES AND EQUITY	106 942	61 773

Apptix ASA
Interim Consolidated Cash Flow Statement

	Twelve Months Ended December 31	
	2018	2017
(Amounts in NOK 1,000)	IFRS	IFRS
Cash Flows from Operating Activities		
Earnings Before Taxes	(6 842)	20 434
Stock Based Compensation Expense		-
Depreciation and Amortization	3 534	-
Goodwill Impairment	-	-
Proceeds from the sale of Fusion Shares	-	57 734
Gain on Sale of Subsidiary	-	-
Change in Accounts Receivable	(4 713)	-
Change in Accounts Payable	2 789	(479)
Net Gain Receivable on Sale of Fusion Shares	-	(26 235)
Change in Current Assets & Liabilities	5 636	(645)
Cash Flows Provided by Operating Activities	404	50 809
Interest Received		-
Interest Paid	(44)	-
Income Tax Paid and accounting dispositions	-	-
Net Cash Flows Provided by Operating Activities	360	50 809
Cash Flows from Investing Activities		
Purchase of Evimeria AB, net of cash from Evimeria	(21 310)	-
Investments in intangible assets	(2 695)	-
Cash Flows Used in Investing Activities	(24 005)	-
Cash Flows from Financing Activities		
Return of Capital to Shareholders	(28 562)	-
Distribution of Paid in Capital	(737)	-
Cash Flows Used in Financing Activities	(29 299)	-
Effect of Exchange Rates on Cash and Cash Equivalents	-	99
Net Change in Cash and Cash Equivalents	(52 944)	50 908
Cash and Cash Equivalents at Beginning of Period	61 716	10 808
Cash and Cash Equivalents at End of Period	8 773	61 716

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 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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