

Apptix Reports Second Quarter and Half Year 2018 Results

Oslo, Norway – August 14, 2018 – Apptix ASA® (OSE: APP), announced its unaudited financial results for the three and six months ended June 30, 2018.

Interim Management Report

Acquired Evimeria EMR AB, a Swedish cloud-based medical records company.

Evimeria develops and sells Webdoc and offers a full suite of medical record services that covers all of the needs for smaller and medium sized clinics in the healthcare sector.

The transaction closed on May 9th and the May and June results from Evimeria EMR AB are included in the consolidated Apptix ASA financial results for Q2-18.

Overview of Second Quarter 2018 consolidated results for Apptix ASA including the May and June Evimeria EMR AB operating results:

- Revenues of NOK 6,5 million as compared to no revenues during Q2-17.
- Net loss of NOK 3,1 million as compared to net loss of NOK 2,1 million during Q2-17. Net loss for the current period included NOK 2,5 million of expenses related to the Evimeria due diligence efforts (legal, accounting, banking, tax, etc.).
- Cash balances of NOK 8,1 million at June 30, 2018

Overview of First Half Year results for Evimeria EMR AB:

- Revenue of SEK 19,6 million, an increase of 52,9% as compared to 1H 2017
- EBITDA of SEK 4,2 million as compared to SEK 2,8 million during 1H 2017.
- EBIT of SEK 3,0 million as compared to SEK 2,0 million during 1H 2017.
- Signed 31 new clinics during the first half 2018, which is in line with previous year representing approximately one new clinic per week. Ended the second quarter with 280 active clinics.
- Launched “Vårdrummet”, a proprietary add-on service to Webdoc, which allows clinics to interact with patients through secure chat and video.
- Roadmap and initiatives started for a geographical expansion.
- Continued strong demand for Evimeria services in Sweden; in line with the digitalization trend in the health care market.

Key Highlights of Second Quarter 2018

During the second quarter Apptix ASA acquired 100% of the shares in Evimeria EMR AB, a Swedish software technology and R&D services company.

Evimeria, is based in Gothenburg with 25 employees, including a strong development team. Evimeria has developed the system called “Webdoc”, a cloud based medical record system with integrated add-on services for the private and public health care industry. In addition to revenue from license and add-on services, Evimeria also offers training and consulting services.

Evimeria offers several different services helping their customers to transform into the new digital era of the health care industry. Examples of these services are video health meetings, chats and other online channels. Evimeria has today 280 customers in Sweden.

The development in Scandinavian and European healthcare systems is a shift from inpatient to outpatient care. Hospital care is being replaced by home and outpatient care. In addition, demographics in all developed countries is rapidly changing and the cost of providing health care services is growing fast. These changes necessitate a shift towards new technology and digital solutions.

With this acquisition, Apptix has revitalized its strategy and will once again provide software and consulting services to a targeted market segment through wholly-owned subsidiaries.

With its strategy and with the acquisition of Evimeria, Apptix has a clear growth strategy, to further develop its product offering, and expand the geographic market.

The Company will pursue customer diversification by continuing to capitalize on existing customer relations and industry knowhow and strategically expand into new markets.

While the initial focus will be on organic growth, the Company will not only pursue acquisitions of other companies within the current business market, but will also consider other businesses and geographic markets.

The growth for Evimeria in the Swedish market has been strong during the first six months in 2018. Adding more than one new clinic per week and continuously developing and delivering add on services to existing customers. As a result, the growth in revenues has exceeded 50% compared to first six months in 2017. The scalability of the business- and delivery model has also significantly increased earnings for the same period.

Evimeria expects demand in the Swedish market to remain strong going forward and has also started initiatives for a geographical expansion, primarily in Scandinavia.

Financial Results – Second Quarter 2018

Revenue for the second quarter of 2018 totaled NOK 6,5 million as compared to no revenues during the second quarter 2017. All revenue is related to Evimeria EMR AB for the period of May and June 2018.

Operating expenses for the second quarter of 2018 totaled NOK 7,9 million as compared NOK 2,0 million during the second quarter of 2017. Operating expenses excludes cost of sales and amortizations. The operating expenses relates to three different areas.

NOK 4,3 million of the operating expenses for the second quarter 2018 relates to Evimeria EMR AB and the period May and June.

NOK 2,5 million of the second quarter costs relates to Evimeria due diligence and transaction related costs. In aggregate, the transaction related costs totaled 4,5 million of which NOK 2.0 million was accrued during the first quarter 2018.

NOK 1,1 million consists of professional fees (legal, accounting and consulting) along with public company costs such as stock exchange registration, insurance and board remuneration fees. Aptix expects these running costs to be approx. NOK 1 million per quarter going forward excluding amortizations.

Net loss for the second quarter of 2018 totaled NOK 3,1 million as compared to a net loss of NOK 2,0 million during the second quarter of 2017.

The net cash used by operating activities totaled NOK 2,9 million during the second quarter of 2018 as compared to cash used of NOK 0,9 million during the first quarter of 2017.

Cash flow used for investing or financing activities during the comparative periods included NOK 28,5 million for the purchase of Evimeria (excluding Evimeria cash balances acquired) and NOK 28,6 million of return of capital to shareholders.

The Company ended the second quarter of 2018 with NOK 8,1 million of available cash balances and outstanding debt of NOK 3,0 million.

Evimeria EMR AB 1H 2018

Revenue for the first half year 2018 totaled SEK 19,6 million as compared to SEK 12,8 million during the first half year 2017.

Cost of sales for the first half year of 2018 totaled SEK 3,4 million as compared SEK 2,6 million during the first half year of 2017.

Operating expenses for the first half year of 2018 totaled SEK 13,2 million as compared SEK 8,1 million during the first half year of 2017.

CAPEX for the first half year 2018 totaled SEK 2,6 million as compared to SEK 1,6 million during the first half year 2017. Depreciation for the first half year 2018 totaled SEK 1,2 million as compared to SEK 0,8 million during the first half year 2017.

Financial expenses for the first half year of 2018 totaled SEK 0,1 million as compared SEK 0,1 million during the first half year of 2017.

Net profit for the first half year of 2018 totaled SEK 3,0 million as compared SEK 1,9 million during the first half year of 2017.

Cash flow from operations for the first half year of 2018 totaled SEK 5,1 million as compared SEK 4,7 million during the first half year of 2017.

Cash flow used for investments and financing activities for the first half year of 2018 totaled SEK 3,2 million as compared SEK 1,6 million during the first half year of 2017.

The Company ended the first half year of 2018 with SEK 7,0 million of available cash balances and outstanding debt of SEK 3,3 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	
	June 30, 2018 IFRS	June 30, 2017 IFRS
Total Operating Revenues	6,519	-
Total Cost of Sales	1,186	-
Gross Profit	5,333	-
Operating Expenses		
Employee Compensation and Benefits	3,316	228
Other Operational and Administrative Costs	4,207	1,755
Depreciation and Amortization	900	-
Total Operating Expenses	8,423	1,983
Operating Income	(3,090)	(1,983)
Other Expense		
Interest, net	8	(28)
Total Other Expense	8	(28)
Income Before Income Taxes	(3,082)	(2,011)
Income Tax Expense	-	-
Net Income for the Period	(3,082)	(2,011)
Earnings Per Share:		
Basic	(0.02)	(0.02)
Diluted	(0.02)	(0.02)
Weighted Average Common Shares Outstanding	128,667	81,430

Apptix ASA
Interim Consolidated Income Statement

(Amounts in NOK 1,000)	Six Months Ended	
	June 30, 2018 IFRS	June 30, 2017 IFRS
Total Operating Revenues	6,519	-
Total Cost of Sales	1,186	-
Gross Profit	5,333	-
Operating Expenses		
Employee Compensation and Benefits	3,544	456
Other Operational and Administrative Costs	6,968	2,946
Depreciation and Amortization	900	-
Total Operating Expenses	11,412	3,402
Operating Income	(6,079)	(3,402)
Other Expense		
Interest, net	46	(21)
Total Other Expense	46	(21)
Income Before Income Taxes	(6,033)	(3,423)
Income Tax Expense	-	-
Net Income for the Period	(6,033)	(3,423)
Earnings Per Share:		
Basic	(0.06)	(0.04)
Diluted	(0.06)	(0.04)
Weighted Average Common Shares Outstanding	105,179	81,430

Apptix ASA
Interim Consolidated Statement of Financial Position

(Amounts in NOK 1,000)	June - 30	December - 31	June - 30
	2018	2017	2017
	IFRS	IFRS	IFRS
ASSETS			
Non-Current Assets			
Customer Relationships	21,997		
WebDoc	13,910		
Goodwill	56,520	-	-
Total Intangible Assets, net	<u>92,427</u>	<u>-</u>	<u>-</u>
Inventory, Tools & Installations	<u>727</u>	<u>-</u>	<u>-</u>
Investment Available for Sale at Cost	<u>-</u>	<u>-</u>	<u>36,993</u>
Total Non-Current Assets	93,154	-	36,993
Current Assets			
Customer Receivables	5,915	-	-
Other Receivables	406	-	-
Prepaid Expenses	946	54	264
Cash and Cash Equivalents	8,061	61,716	7,276
Total Current Assets	<u>15,328</u>	<u>61,770</u>	<u>7,540</u>
TOTAL ASSETS	<u><u>108,482</u></u>	<u><u>61,770</u></u>	<u><u>44,533</u></u>
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Common Stock	54,124	27,116	27,116
Paid-in Premium Reserve	35,819	13,714	19,963
Current Period Retained Earnings	(6,034)	20,435	(3,423)
Total Shareholders Equity	<u>83,909</u>	<u>61,265</u>	<u>43,656</u>
Non-Current Liabilities			
Other Liabilities to Credit Institutions	2,999	-	-
Deferred Tax Liabilities	7,553	-	-
Total Long-Term Debt	<u>10,552</u>	<u>-</u>	<u>-</u>
Current Liabilities			
Trade Accounts Payable	3,043	7	9
Accrued Expenses and Prepaid Income	9,300	-	-
Other Current Liabilities	1,678	498	868
Total Current Liabilities	<u>14,021</u>	<u>505</u>	<u>877</u>
TOTAL LIABILITIES AND EQUITY	<u><u>108,482</u></u>	<u><u>61,770</u></u>	<u><u>44,533</u></u>

Apptix ASA
Interim Consolidated Cash Flow Statement

(Amounts in NOK 1,000)	Six Months Ended June 30	
	2018 IFRS	2017 IFRS
Cash Flows from Operating Activities		
Earnings Before Taxes	(6,033)	(3,423)
Depreciation and Amortization	900	-
Change in Current Assets & Liabilities	1,350	(584)
Net Cash Flows Provided by Operating Activities	(3,783)	(4,007)
Cash Flows from Investing Activities		
Purchase of Evimeria AB, net of cash from Evimeria	(21,310)	-
Cash Flows Used in Investing Activities	(21,310)	-
Cash Flows from Financing Activities		
Return of Capital to Shareholders	(28,562)	-
Cash Flows Used in Financing Activities	(28,562)	-
Net Change in Cash and Cash Equivalents	(53,655)	(4,007)
Cash and Cash Equivalents at Beginning of Period	61,716	11,282
Cash and Cash Equivalents at End of Period	8,061	7,276

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.

For further information:

Johan Lindqvist (Chairman)
johan.lindqvist@windchange.se
+46 733 55 09 35

Risk and Uncertainty

Attracting and retaining skilled employees

Attracting and retaining employees is vital for securing and expanding the Company's revenues. Loss of key employees and/or lack of new recruitments could have a material negative effect.

Currency and exchange rate risks

The Company has revenues and costs in two different countries, with different currencies, Norwegian Krone (NOK) and Swedish Krona (SEK), and is as such exposed to currency fluctuations when translating into the main currency NOK.

Customers and customer dependency

Changes in the customer's underlying business environment, changes in the legislation or the customer's desire to change supplier, might influence existing operations and financial performance of the Company negatively.

Responsibility Statement

We confirm to the best of our knowledge that the condensed set of interim consolidated financial statements as of June 30, 2018 and for the six month period January 1, 2018 to June 30, 2018 has been prepared in accordance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the Company's assets, liabilities, financial position and the result for the period viewed in their entirety, and that the interim management report in accordance with the Norwegian Securities Trading Act section 5-6 fourth paragraph includes a fair review of any of the significant events that arose during the six-month period and their effect on the half-yearly financial report, and any significant related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

The Board of Directors and Chief Executive Officer of Aptix ASA

/s/Johan Lindqvist
Chairman of the Board

/s/ Jesper Jannerberg
CEO

/s/Terje Rogne
Board Member

/s/Ebba Fahraeus
Board Member