

Apptix Reports First Quarter 2019 Results

Oslo, Norway – May 15, 2019 – Apptix ASA® (OSE: APP), announced its unaudited financial results for the three months ended March 31, 2019.

Interim Management Report

Evimeria EMR AB shows continued strong growth and profitability for the first quarter and are well in line with targets for 2019.

Overview of First Quarter 2019 results for Evimeria EMR AB (in SEK and Swedish GAAP).

- Revenue of SEK 13,5 million, an increase of 46 % as compared to Q1 2018.
- EBITDA of SEK 3,4 million as compared to SEK 2,0 million during Q1 2018.
- EBIT of SEK 2,5 million as compared to SEK 1,5 million during Q1 2018.
- Signed 21 new clinics during the First Quarter 2019, which is higher than previous year representing more than one new clinic per week. Ended the first quarter with 336 active clinics.
- Market conditions remains strong within all targeted segments, including expansion into occupational health services.

Overview of First Quarter 2019 consolidated results for Apptix ASA (in NOK and IFRS).

- Revenues of NOK 11,1 million as compared to no revenues during Q1-18.
- Net income of NOK 1,0 million as compared to net loss of NOK 3,0 million during Q1-18.
- Cash balances of NOK 7,2 million at March 31, 2019.

Key Highlights of First Quarter 2019

Market conditions in the Swedish market remained strong during the first quarter. 21 new clinics were signed and activity is high within all targeted segments. Occupational health service segment shows good traction and will be an important area for growth going forward.

As a result, the revenue growth was 46,5 % compared to first quarter 2018. The scalability of the business and delivery model continues to increase earnings well in line with targets for 2019.

Subsequent events

On April 15th Evimeria EMR AB signed a contract with doktor.se, a leading Swedish online health care provider. The contract is an important breakthrough with a wellknown provider in this fast growing market segment. The contract value is initially approx. SEK 2 million per year and doktor.se will be one of Evimeria largest customers so far.

In connection with re-branding of the Company, it is the Board's view that it make sense to change the name of the Company. It is proposed that the name of the Company is changed to Carasent ASA. The change will be launched within the next week following approval in the general meeting. New ticker will be CARA.

The company currently has 162,535,285 issued shares, par value NOK 0.333 each. The Board of Directors is of the view that a merger (reverse split) of the company's shares, implying an increase of the shares' par value, is in the company's and the shareholders' interest. The Board of Directors proposes to the general meeting to change the par value such that 4 shares is merged into 1. Following approval on the general meeting the change will be effective within the next week.

Financial Results – First Quarter 2019

Revenue for the first quarter of 2019 totaled NOK 11,1 million as compared to no revenues during the first quarter 2018. 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 first quarter of 2019 totaled NOK 7,2 million as compared NOK 3,0 million during the first quarter of 2018. Operating expenses excludes cost of sales and amortizations. The operating expenses relates to two different areas.

NOK 6,6 million of the operating expenses for the first quarter of 2019 relates to Evimeria EMR AB. NOK 0,6 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 income for the first quarter of 2019 totaled NOK 0,9 million as compared to an operating loss of NOK 3,0 million during the first quarter of 2018.

Net profit for the first quarter of 2019 totaled NOK 1,0 million as compared to a net loss of NOK 3,0 million during the first quarter of 2018.

The Company ended the first quarter of 2019 with NOK 7,2 million of available cash balances and outstanding debt of NOK 2,9 million (not including lease liability).

Financial Statements – Basis for Preparation

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

STATEMENTS OF INCOME

Apptix ASA Interim Consolidated Income Statement

(Amounts in NOK 1,000)	Three Months Ended	
	March 31, 2019 IFRS	March 31, 2018 IFRS
Total Operating Revenues	11 077	-
Total Cost of Sales	2 116	-
Gross Profit	8 960	-
Operating Expenses		
Employee Compensation and Benefits	4 529	228
Other Operational and Administrative Costs	1 724	2 761
Depreciation and Amortization	1 776	-
Total Operating Expenses	8 029	2 989
Operating Income	931	(2 989)
Other Expense		
Interest Expense	50	-
Other Financial Income	24	(38)
Total Other Expense	73	(38)
Income Before Income Taxes	858	(2 951)
Income Tax Expense	186	-
Net Income for the Period	1 044	(2 951)
Attributable to Equity Holders of Parent	1 044	(2 951)
Earnings Per Share:		
Basic	0,01	(0,04)
Diluted	0,01	(0,04)
Attributable to Equity Holders of Parent	0,01	(0,04)
Weighted Average Common Shares Outstanding	162 535	81 430

STATEMENT OF COMPREHENSIVE INCOME

Aptix Group Consolidated Comprehensive Income Statement

(Amounts in NOK 1,000)	3 Months Ended	
	March 31, 2019	March 31, 2018
	IFRS	IFRS
Income for the Period	1 044	(2 951)
Changes in translation differences	(2 560)	-
Items that may be Reclassified Subsequently to Income Statement	(2 560)	-
Items that will not be to Income Statement	-	-
Total Other Comprehensive Income/(Loss) for the Period	(2 560)	-
Total Comprehensive Income/(Loss) for the Period	(1 516)	(2 951)
Attributed to Equity Holders of Parent	(1 516)	(2 951)

STATEMENT OF FINANCIAL POSITION

Apptix Group Consolidated Statement of Financial Position

(Amounts in NOK 1,000)	Note	March-19	March-18	December-18
		2019 IFRS	2018 IFRS	2018 IFRS
ASSETS				
Non-Current Assets				
Customer Relationships		22 897		22 794
WebDoc		57 882		15 422
Goodwill		16 103		61 535
Total Intangible Assets, net		96 882	-	99 751
Tools and Equipment		774		678
Right of use Asset	3	3 280		
Total Tangible assets		4 055		678
Total Non-Current Assets		100 937	-	100 428
Current Assets				
Customer Receivables		7 638		8 630
Other Receivables		469		648
Prepaid Expenses		716	156	764
Cash and Cash Equivalents		7 175	60 793	8 773
Total Current Assets		15 998	60 949	18 815
TOTAL ASSETS		116 935	60 949	119 243
LIABILITIES AND SHAREHOLDERS EQUITY				
Equity Attributed to Equity Holders of the Parent				
Share Capital		54 124	27 116	54 124
Other Paid-in Capital		35 818	34 149	35 819
Current Period Retained Earnings		(27)	(2 951)	1 489
Total Shareholders Equity		89 915	58 314	91 431
Other Liabilities to credit institutions		1 954		2 056
Lease liability		2 815		
Deferred tax liability		6 660		7 253
Total non-current liabilities		11 429	-	9 309
Current Liabilities				
Trade Accounts Payable		2 234	407	3 343
Accrued Expenses and Prepaid Income		6 388		7 359
Contract liability		3 978		3 907
Tax Payable		212		450
Current Liabilities to credit institutions		930		1 171
Current lease liability		514		
Other Current Liabilities		1 335	2 228	2 272
Total Current Liabilities		15 591	2 635	18 502
TOTAL LIABILITIES AND EQUITY		116 935	60 949	119 243

STATEMENT OF CASH FLOWS

Apptix Group
Consolidated Cash Flow Statement

(Amounts in NOK 1,000)	Three Months Ended March 31	
	2019	2018
	IFRS	IFRS
Cash Flows from Operating Activities		
Profit Before Taxes	858	(2 951)
Depreciation and Amortization	1 776	-
Change in Accounts Receivable	992	-
Change in Accounts Payable	(1 109)	400
Change in Current Assets & Liabilities	(1 847)	1 629
Interest Received	24	-
Interest Paid	50	-
Income Tax Paid and accounting dispositions	(217)	-
Net Cash Flows Provided by Operating Activities	526	(922)
Cash Flows from Investing Activities		
Investments in intangible and tangible assets	(1 804)	-
Cash Flows Used in Investing Activities	(1 804)	-
Cash Flows from Financing Activities		
Payment Lease Liability	(160)	-
Repayment of Debt	(192)	-
Cash Flows Used in Financing Activities	(352)	-
Effect of Exchange Rates on Cash and Cash Equivalents	32	
Net Change in Cash and Cash Equivalents	(1 598)	(922)
Cash and Cash Equivalents at Beginning of Period	8 773	61 715
Cash and Cash Equivalents at End of Period	7 175	60 793

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share Premium Reserve	Other Paid in Capital	Retained Earning	Total Equity
(Amounts in NOK 1000)					
Equity December 31, 2016	27 116	404 124	50 943	(435 688)	46 495
Net Income for the Period				20 434	20 434
Other Comprehensive Income				(5 665)	(5 665)
Equity December 31, 2017	27 116	404 124	50 943	(420 919)	61 264
Net Income for the Period				(7 036)	(7 036)
Changes in translation differences				8 525	8 525
Other Comprehensive Income	-	-	-	1 489	1 489
Reallocations		(369 976)	(50 943)	420 919	-
Distribution of Paid in Capital	-	(28 501)		-	(28 501)
Equity Issuance	27 008	30 171		-	57 179
Equity December 31, 2018	54 124	35 818	-	1 489	91 431
Net Income for the Period				1 044	1 044
Other Comprehensive Income				(2 560)	(2 560)
Equity March 31, 2019	54 124	35 818	-	(27)	89 915

Note 1 – General information

Apptix ASA (“Apptix”, the “Company” or the “Group”) is a public Company registered in Norway and traded on the Oslo Stock Exchange with a registered business address at c/o Advokatsenteret Kristian Augusts gate 14, Oslo, Norway.

The condensed consolidated financial statements for the first quarter of 2019 were approved by the Board of Directors for publication on 15 May, 2019.

The condensed consolidated financial statements comprise Apptix ASA and its subsidiary Evimeria EMR AB. The interim financial statements are prepared in accordance with the International Accounting Standard (IAS) 34. The condensed consolidated financial information does not include all information and disclosure required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

The accounting policies applied by Apptix in these interim financial statements are consistent with those of the financial year 2018, except for the adoption of new standards effective 1 January 2019. The Group applies for the first time IFRS 16 Leases. See note 3 for implementation effects.

The interim financial statements are unaudited. The presentation currency is NOK (Norwegian Krone). All financial information is presented in NOK thousands, unless otherwise stated.

The entire operations of the Group during 2018 and first quarter of 2019 is related to Evimeria EMR AB. Evimeria EMR AB was acquired in May 2018 and was consolidated in Apptix from that date.

Note 2 – Revenue and Segment Information

The Company has assessed its internal organizational structure, internal reporting system and geographical business units, and concluded that it does not have any reportable segments that should be reported separately.

All revenues are related to Evimeria EMR AB, Webdoc related services to customers in Sweden. Evimeria EMR AB was acquired in May 2018 and has been consolidated in Apptix from that date. The following table summarizes the components of the Company’s revenue to customers for the period 1 January to 31 March 2019.

(Amounts in NOK 1000)	Quarter Ended	Year Ended
	March 31, 2019	December 31, 2018
Webdoc License	5 593	11 529
Addon services	5 484	12 437
Total Revenues	11 077	23 965

The Webdoc License is invoices to customers quarterly in advance, the following table summarizes the contract liability.

(Amounts in NOK 1000)	Liability
December 31, 2017	-
Acquisition of Evimeria EMR AB	2 805
Invoiced May to December 2018	12 631
Revenue recognized May to December 2018	11 529
Balance December 31, 2018	3 907
Invoiced First quarter 2019	11 148
Revenue First quarter 2019	11 077
Balance December 31, 2018	3 978

Note 3 – Right of use assets and lease liabilities

Apptix has implemented IFRS 16 Leases with effect from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees are also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group has applied the simplified transition approach and has not restated comparative amounts for the year prior to first adoption. Right-of-use assets have been measured on transition date to an amount equal to the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). Apptix has elected to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4.

The Group has elected not to recognize right of use assets and lease liabilities for short-term leases that has a lease term of 12 months or less and leases of low value assets, including IT-equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Under IAS 17, leases classified as operational leases was presented as operating expenses. Under the new IFRS 16 the capitalized right-of-use assets are depreciated over the lease term and presented as depreciation, and the interest effect from the discounted liability is presented as a financial item in the statement of income.

The lease of office space for Evimeria EMR AB in Gothenburg is identified as an IFRS 16 lease and presented as a right of use asset in the statement of financial position. The right of use asset is depreciated on a straight line basis over the remaining lease term. The Group's external borrowing rate is used in measuring the lease liability.

Below is an overview of the impact of implementation of IFRS 16 Leases.

Impact on the Statement of financial position based on contracts as at 31 December 2018:

(Amounts in NOK 1000)	Quarter Ended March 31,
Right of use assets	3 280
Lease liabilities non-current	(2 815)
Lease liabilities current	(514)
Impact on the Income Statement:	48
Other operating expenses	(188)
Depreciation and amortization	206
Finance expenses	30

Cash flow from operating expenses has increased with NOK 0,2 millions and cash flow from financing activities has decreased correspondingly, in the first quarter, as a result of implementation of IFRS 16 since repayment of the principal portion of the lease liability is classified as a finance activity.

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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