

Apptix Reports First Quarter 2018 Results

Oslo, Norway – May 9, 2018 – Apptix ASA® (OSE: APP), announced its unaudited financial results for the three ended March 31, 2018.

Interim Management Report

On April 17, 2018 Apptix entered into an agreement to acquire Evimeria EMR AB

Profile of Evimeria:

- Cloud-based medical record company
- Revenues of SEK 28 million in 2017
- EBIT of SEK 4 million in 2017
- Approximately 250 customers
- Based in Gothenburg, Sweden
- Total assets of SEK 19.6 million including SEK 7.5 million of intangibles
- Cash of SEK 5 million

Profile of the transaction:

- Stock purchase agreement whereby Apptix acquires 100% of Evimeria shares
- Aggregate purchase price of NOK 75 million consisting of:
 - 81,105,107 shares of Apptix stock
 - NOK 28.5 million in cash
- Post transaction – Evimeria selling shareholders will own 49.9% of issued shares in Apptix
- Subject to Apptix shareholder approval and issuance of new equity offering
- Targeted close date of May 9, 2018

Overview of First Quarter 2018 results:

- Net loss of NOK 3.0 million as compared to net loss of NOK 1.3 million during Q1-17. Net loss for the current period included NOK 2.0 million of expenses related to the Evimeria due diligence efforts (legal, accounting, banking, tax, etc.).
- Board of Directors will propose a dividend of NOK 0.35 per share at the Company's AGM
- Cash balances of NOK 60.8 million at March 31, 2018
- No outstanding debt
- Accumulated tax loss carryforwards of approximately NOK 200 million

Key Highlights of Q1-2018

Following the liquidation of the Fusion shares during the fourth quarter of 2017, the Company turned its focus to longer term business strategy for Apptix to once again provide software and consulting related services to a defined, target market through a wholly-owned subsidiary. As a

result, the Company entered into a stock purchase agreement to acquire 100% of the outstanding stock of Evimeria EMR AB, a cloud-based medical record company located in Gothenburg, Sweden. This long-term growth initiative consumed most of the Company's efforts during the first quarter.

The transaction is valued at NOK 75 million and will consist of cash consideration of NOK 28.5 million and the issuance of 81,105,107 shares of Apptix to the selling shareholders of Evimeria. The cash consideration of NOK 28.5 million will be covered by the new issuance of shares. Following the transaction, the Evimeria selling shareholders will own 49.9% of the outstanding shares of Apptix. The transaction is expected to close on or about May 9, 2018 and is subject to Apptix shareholder approval. Due to the size of this transaction, Apptix will be publishing an Information Document pursuant to section 3.5 of the "Continuing obligations of stock exchange listed companies". This Information Document is expected to be published no later than June 4, 2018. The Company's Chairman, Johan Lindqvist is a major shareholder in Evimeria and is a selling shareholder. Mr. Lindqvist did not participate in decisions made on behalf of Apptix related to this transaction.

Additionally, the Company is proposing a dividend payment of NOK 0.35 per share which is subject to shareholder approval.

As of March 31, 2018, the Company had cash balances of NOK 60.8 million, no outstanding institutional debt and net tax loss carryforwards of approximately NOK 200 million. Net working capital as of March 31, 2018 totaled NOK 58.3 million

"We are very pleased with the revitalization of our long-term growth strategy of Apptix. The 2016 sale of our previously owned US-operations and subsequent monetization of our Fusion shares has allowed us to move into the growing and expanding healthcare market. The digital transformation of the healthcare industry presents a sizable opportunity for our new consolidated business" said Terje Rogne, Director of Apptix.

Financial Results – First Quarter 2018

Operating expenses for the first quarter of 2018 totaled NOK 3.0 million as compared NOK 1.3 million during the first quarter of 2017. Operating expenses during 2018 and 2017 primarily consists of board remuneration fees, professional fees (legal, accounting and consulting) along with public company costs such as stock exchange registration and insurance. During the first quarter of 2018, the Company incurred approximately NOK 2.0 million of Evimeria due diligence and transaction related costs. These costs have been accrued as part of the Company's operating results with payment expected during the second quarter of 2018.

Net loss for the first quarter of 2018 totaled NOK 3.0 million as compared to a net loss of NOK 1.3 million during the first quarter of 2017.

The net cash used by operating activities totaled NOK 922 thousand during the first quarter of 2018 as compared to cash used of NOK 2.1 million during the first quarter of 2017.

There were no cash flows used for investing or financing activities during the comparative periods

The Company ended the first quarter of 2018 with NOK 60.8 million of available cash balances and no outstanding debt.

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.

Aptix ASA
Interim Consolidated Income Statement

(Amounts in NOK 1,000)	Three Months Ended	
	March 31, 2018 IFRS	March 31, 2017 IFRS
Operating Revenues		
Recurring Revenues (subscription revenues)	-	-
Other Revenues (professional services)	-	-
Total Operating Revenues	-	-
Total Cost of Sales	-	-
Gross Profit	-	-
Operating Expenses		
Employee Compensation and Benefits	228	228
Other Operational and Administrative Costs	2,761	1,033
Total Operating Expenses	2,989	1,261
Operating Income	(2,989)	(1,261)
Other Expense		
Interest, net	38	7
Total Other Expense	38	7
Income Before Income Taxes	(2,951)	(1,254)
Income Tax Expense	-	-
Net Income for the Period	(2,951)	(1,254)
Earnings Per Share:		
Basic	(0.04)	(0.02)
Diluted	(0.04)	(0.02)
Weighted Average Common Shares Outstanding	81,430	81,430

Apptix ASA
Interim Consolidated Statement of Financial Position

	<u>March - 31</u>	<u>December - 31</u>	<u>March - 31</u>
(Amounts in NOK 1,000)	<u>2018</u>	<u>2017</u>	<u>2017</u>
	<u>IFRS</u>	<u>IFRS</u>	<u>IFRS</u>
ASSETS			
Investment Available for Sale at Cost	-	-	30,679
Total Non-Current Assets	-	-	30,679
Current Assets			
Prepaid Expenses	156	54	144
Cash and Cash Equivalents	60,793	61,716	9,191
Total Current Assets	60,949	61,770	9,335
TOTAL ASSETS	<u>60,949</u>	<u>61,770</u>	<u>40,014</u>
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Common Stock	27,116	27,116	27,116
Paid-in Premium Reserve	34,149	13,714	13,714
Current Period Retained Earnings	(2,951)	20,435	(1,412)
Total Shareholders Equity	58,314	61,265	39,418
Current Liabilities			
Trade Accounts Payable	407	7	35
Other Current Liabilities	2,228	498	561
Total Current Liabilities	2,635	505	596
TOTAL LIABILITIES AND EQUITY	<u>60,949</u>	<u>61,770</u>	<u>40,014</u>

Aptix ASA
Interim Consolidated Cash Flow Statement

(Amounts in NOK 1,000)	Three Months Ended March 31	
	2018	2017
	IFRS	IFRS
Cash Flows from Operating Activities		
Earnings Before Taxes	(2,951)	(1,254)
Change in Trade Accounts Payable	400	(472)
Change in Other Assets and Liabilities	1,629	(366)
Net Cash Flows Provided by Operating Activities	(922)	(2,092)
Cash Flows from Investing Activities		
Purchases of Intangibles and Property and Equipment	-	-
Cash Flows Used in Investing Activities	-	-
Cash Flows from Financing Activities		
Payments on Capital Lease and Debt Obligations, net	-	-
Cash Flows Used in Financing Activities	-	-
Effect of Exchange Rates on Cash and Cash Equivalents	-	-
Net Change in Cash and Cash Equivalents	(922)	(2,092)
Cash and Cash Equivalents at Beginning of Period	61,716	11,282
Cash and Cash Equivalents at End of Period	60,794	9,190

Apptix ASA

Interim Consolidated Statement of Changes in Equity

(Amounts in NOK 1,000)	Common Stock	Paid in Premium Reserve	Total Equity
Shareholders' Equity December 31, 2016	27,116	13,714	40,830
Net Profit 2017	-	20,434	20,434
Shareholders' Equity December 31, 2017	27,116	34,149	61,265
Net Loss 2018	-	(2,951)	(2,951)
Shareholders' Equity December 31, 2017	27,116	31,198	58,314

About Apptix

Founded in 1997, Apptix ASA was previously the parent company of Apptix, Inc. (USA), a premier provider of managed and hosted business communication, collaboration, compliance & security, and infrastructure solutions to mid-market and enterprise customers and partners. At its peak, Apptix provided services to about 500,000 users around the world. Apptix's portfolio of Cloud solutions included Microsoft Office 365, Managed & Hosted Exchange email, VoIP, Microsoft SharePoint, Microsoft Lync, Servers on Demand, and Enterprise Backup. In September 2015, Apptix, Inc. sold its public cloud customer base to GoDaddy, LLC. This was followed by the sale of the remainder of Apptix, Inc. (its only operating subsidiary) to Fusion Telecommunications International, Inc. in November 2016.

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