



## **AMERI100 REPORTS SECOND CONSECUTIVE QUARTER OF YEAR-OVER-YEAR ADJUSTED EBITDA PROFITABILITY**

*- Third Consecutive Quarter of Sequential Gross Margin Improvement -*

ATLANTA, GA., November 14, 2018 -- AMERI Holdings, Inc. (NASDAQ: AMRH) (“Ameri100” or the “Company”), a specialized SAP® cloud, digital and enterprise services company, today reported its unaudited financial results for the three months and nine months ended September 30, 2018.

### **Third Quarter 2018 vs. Third Quarter 2017**

- Revenue of \$10.6 million compared to \$12.5 million;
- Gross profit of \$2.3 million compared to \$2.6 million;
- Gross margin of 22.2% compared to 20.5%;
- GAAP net income (loss) of \$3.9 million compared to \$(4.6) million. GAAP net income includes a one-time non-cash gain of \$7.3 million as a result of the Company’s change in estimate of its consideration payable related to a prior acquisition;
- Diluted earnings (loss) per share of \$0.16 compared to \$(0.31). Earnings per share for the third quarter of 2018 includes the issuance of 2.6 million shares of common stock related to the Company’s previously disclosed private placement; and
- Adjusted EBITDA of \$5,403 compared to Adjusted EBITDA loss of \$(426,092).

### **First Nine Months of 2018 vs. First Nine Months of 2017**

- Revenue of \$32.7 million compared to \$37.1 million;
- Gross profit of \$7.1 million compared to \$8.2 million;
- Gross margin of 21.6% compared to 22.1%;
- GAAP net income (loss) of \$0.4 million compared to \$(9.6) million. GAAP net income includes a one-time non-cash gain of \$7.3 million in the third quarter of 2018;
- Diluted earnings (loss) per share of \$0.02 compared to \$(0.66). Earnings per share for the first nine months of 2018 includes the issuance of additional shares of common stock related to the Company’s previously disclosed private placement; and
- Adjusted EBITDA was \$35,626 compared to Adjusted EBITDA loss of \$(194,699).

“Our 2018 third quarter results attest to a purposeful focus on both quality of revenue and Adjusted EBITDA profitability. Continued execution of our high margin solutions sales strategy yielded a 172-basis point improvement in gross margin and a second consecutive quarter of year-over-year positive Adjusted EBITDA. We are winning digital transformation projects because of our deep SAP domain expertise, broadened solutions offerings and an elevated profile within the SAP ecosystem following recent marquee wins and deployments. During the quarter we added to our client base, including our first healthcare market project and a leading golf lifestyle apparel brand. We also closed on a private placement that gives us the financial flexibility to pursue our organic growth strategy,” stated Brent Kelton, Chief Executive Officer at Ameri100.

“Ameri100 is differentiated in the market as the only SAP solutions-focused, publicly-traded IT services company. We are building a deep partner network around our unique market position that is generating new solutions sales opportunities to supplement our sales efforts and is driving an expanding deal pipeline,” continued Mr. Kelton. “With cloud computing central to SAP’s strategy, we are in the advanced stages of formalizing a partnership with a Top-3 cloud vendor that contributed a new client win for us with a Fortune 500 insurance company subsequent to the close of the quarter. Our machine learning partnership is driving both existing and prospective clients to inquire about this capability. SAP is also playing an increasing role in our business development efforts. Since the start of 2018 we have seen a substantial increase in our deal pipeline.”

Concluded, Mr. Kelton, “Looking ahead, favorable market trends support our revenue trajectory, and as we leverage our cost-efficient infrastructure and continue to shift revenue mix towards high-margin solutions sales, we expect to increase profitability. Our improving operating results, clean balance sheet, highly motivated salesforce and engaged partner base put us on a path to sustained growth.”

### **Updated Fiscal 2018 Financial Outlook**

Based on its third quarter and nine months 2018 financial results and assuming a continued mix shift in favor of higher-margin solution sales, as well as an expected fewer number of billable days in its fourth quarter, the Company now expects revenue to be in the range of \$40.0 million to \$42.0 million for fiscal 2018. The Company also reaffirmed its prior guidance for adjusted EBITDA profitability for the current fiscal year.

### **Private Placement**

During the third quarter of 2018, Ameri100 entered into securities purchase agreements with certain institutional and accredited investors for the sale of its common stock and warrants for total consideration of approximately \$6,600,000. Pursuant to the private placement, the Company issued an aggregate of 3,250,000 shares of common stock to these investors at the closing of the private placement, along with pre-funded Series B warrants for the purchase of 19,508,621 shares of common stock and Series A warrants for the purchase of 22,544,139 shares of common stock. The Series A warrants have an exercise price of \$0.3123 per share. As of November 14, 2018, the private placement investors have exercised the Series B warrants for the issuance of 16,661,552 shares of common stock.

### **Conference Call**

Management will host a conference call on Thursday, November 15, 2018, at 8:30 a.m. ET (New York time) to discuss the Company’s results as well as recent corporate developments. After opening remarks, there will be a question and answer period. Interested parties may participate in the call by dialing 1-833-366-1126 or 1-412-902-6772. Please call in 10 minutes before the conference call is scheduled to begin. The conference call will also be broadcast live over the Internet. To listen to the live webcast of the call, please go to the [Events](#) section of the [Ameri100 corporate website](#). If you are unable to listen live, the call will be archived and can be accessed for a period of one year through the ‘Events’ link provided above.

### **About Ameri100**

Ameri100 is a specialized SAP® cloud, digital and enterprise services company which provides

SAP® services to customers worldwide. Headquartered in Atlanta, Georgia, Ameri100 has offices in the U.S. and Canada. The Company also has global delivery centers in India. With its bespoke engagement model, the Company delivers transformational value to its clients across industry verticals. For further information, visit [www.ameri100.com](http://www.ameri100.com).

### **Forward-Looking Statements**

This press release includes forward-looking statements that relate to the business and expected future events or future performance of Ameri100 and involve known and unknown risks, uncertainties and other factors that may cause its actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could," and similar expressions or phrases identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about Ameri100's financial and growth projections as well as statements concerning our plans, predictions, estimates, strategies, intentions, beliefs and other information concerning our business and the markets in which we operate. The future performance of Ameri100 may be adversely affected by the following risks and uncertainties: the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions around the world, and other risks not specifically mentioned herein but those that are common to industry. For a more detailed discussion of these factors and risks, investors should review Ameri100's reports on Form 10-K and other reports filed with the Securities and Exchange Commission (the "SEC"), which can be accessed through the SEC's website. Forward-looking statements in this press release are based on management's beliefs and opinions at the time the statements are made. All forward-looking statements are qualified in their entirety by this cautionary statement, and Ameri100 undertakes no duty to update this information to reflect future events, information or circumstances.

### **Use of Non-GAAP Financial Measures**

In addition to financial results calculated in accordance with U.S. generally accepted accounting principles ("GAAP"), information containing non-GAAP financial measures for the Company are disclosed in this press release. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations to those financial statements should be carefully evaluated. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Management encourages readers to rely upon the GAAP numbers, but includes the non-GAAP financial measures as supplemental metrics to assist readers.

In this press release, the Company presents the non-GAAP financial measure "Adjusted EBITDA." Company management uses this non-GAAP financial measures to evaluate the Company's performance. As the Company's core business is providing information technology services and products, Company management finds it useful to use "Adjusted EBITDA", which does not include interest, taxes, depreciation, amortization, preferred stock dividends, stock-based compensation expenses, acquisition related expenses, restructuring expenses and changes in estimates related to acquisitions. While we may have these types of items and charges in the future, Company

management believes that they are not reflective of the day- to-day offering of its products and services and relate more to strategic, multi-year corporate actions, without predictable trends, and that may obscure the trends and financial performance of the Company's core business. Company management believes the exclusion of the items described above from "Adjusted EBITDA" is a very common measure utilized in the investment community and it helps Company management benchmark its operations and results with the industry.

The limitation associated with using these non-GAAP financial measures is that these measures exclude items that impact the Company's current period operating results. This limitation is best addressed by using these non-GAAP financial measures in combination with "net income (loss)", and "net income (loss) per diluted share" (the most comparable GAAP measures) because these non-GAAP financial measures do not reflect items that impact current period operating results and may be higher or lower than the most comparable GAAP measure.

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– Financial Tables Follow –

**AMERI HOLDINGS, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

<b>Assets</b>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,063,690	\$ 4,882,084
Accounts receivable	7,828,791	8,838,453
Other current assets	701,059	924,266
<b>Total current assets</b>	<b>10,593,540</b>	<b>14,644,803</b>
<b>Other assets:</b>		
Intangible assets, net	7,249,490	9,469,703
Goodwill	21,898,323	21,898,323
Other assets	6,158,086	6,183,799
<b>Total other assets</b>	<b>35,305,899</b>	<b>37,551,825</b>
<b>Total assets</b>	<b>\$ 45,899,439</b>	<b>\$ 52,196,628</b>
<b>Current liabilities:</b>		
Line of credit	\$ 3,601,134	\$ 4,053,318
Accounts payable and accrued expenses	5,976,672	7,907,533
Bank term loan	5,994	749,551
Dividend payable	104,657	-
Consideration payable – cash	2,571,000	5,509,427
Consideration payable – equity	605,223	12,148,053
<b>Total current liabilities</b>	<b>12,864,680</b>	<b>30,367,882</b>
<b>Long-term Liabilities:</b>		
Convertible notes	1,250,000	1,250,000
Bank term loan	1,698	1,130,563
Warrant liability	1,689,899	-
<b>Total long-term liabilities</b>	<b>2,941,597</b>	<b>2,380,563</b>
<b>Total liabilities</b>	<b>\$ 15,806,277</b>	<b>\$ 32,748,445</b>
<b>Stockholders' equity:</b>		
Stockholders' equity	30,093,162	19,448,183
<b>Total liabilities and stockholders' equity</b>	<b>\$ 45,899,439</b>	<b>\$ 52,196,628</b>

**AMERI HOLDINGS, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Revenue	\$ 10,576,254	\$ 12,529,928	\$ 32,715,104	\$ 37,139,114
Cost of revenue	<u>8,230,456</u>	<u>9,966,490</u>	<u>25,637,422</u>	<u>28,941,535</u>
<b>Gross profit</b>	<b>2,345,798</b>	<b>2,563,438</b>	<b>7,077,682</b>	<b>8,197,579</b>
<b>Operating expenses</b>				
Selling, general and administration	2,655,902	5,685,905	8,059,432	13,559,632
Depreciation and amortization	636,495	817,284	2,266,513	2,332,041
Acquisition related expenses	227,952	5,694	237,952	390,174
Changes in estimate for consideration payable	<u>(7,274,929)</u>	<u>-</u>	<u>(7,140,310)</u>	<u>(400,000)</u>
<b>Operating expenses</b>	<b><u>(3,754,580)</u></b>	<b><u>6,508,883</u></b>	<b><u>3,423,587</u></b>	<b><u>15,881,847</u></b>
<b>Operating income (loss)</b>	<b>6,100,378</b>	<b>(3,945,445)</b>	<b>3,654,095</b>	<b>(7,684,268)</b>
Interest expenses	(190,394)	(132,973)	(584,074)	(388,122)
Changes in fair value of warrant liability	(261,330)	-	(261,330)	-
Others, net	<u>75,747</u>	<u>17,446</u>	<u>83,736</u>	<u>21,921</u>
<b>Income (loss) before income taxes</b>	<b>5,724,401</b>	<b>(4,060,972)</b>	<b>2,892,427</b>	<b>(8,050,469)</b>
Income tax benefit	<u>(24,934)</u>	<u>-</u>	<u>(24,934)</u>	<u>-</u>
<b>Income (loss) after income taxes</b>	<b>5,699,467</b>	<b>(4,060,972)</b>	<b>2,867,493</b>	<b>(8,050,469)</b>
Net income attributable to non-controlling interest	<u>-</u>	<u>(6,632)</u>	<u>-</u>	<u>(18,504)</u>
<b>Net income (loss) attributable to the Company</b>	<b>5,699,467</b>	<b>(4,067,604)</b>	<b>2,867,493</b>	<b>(8,068,973)</b>
Dividend on preferred stock	<u>(1,816,452)</u>	<u>(541,864)</u>	<u>(2,478,005)</u>	<u>(1,546,655)</u>
<b>Net income (loss) attributable to common stock holders</b>	<b>\$ 3,883,015</b>	<b>\$ (4,609,468)</b>	<b>\$ 389,488</b>	<b>\$ (9,615,628)</b>
Basic (loss) per share	\$ 0.18	\$ (0.31)	\$ 0.02	\$ (0.66)
Diluted (loss) per share	\$ 0.16	\$ (0.31)	\$ 0.02	\$ (0.66)
Basic weighted average number of common shares outstanding	21,657,181	14,715,947	19,683,610	14,472,322
Diluted weighted average number of common shares outstanding	24,184,264	14,715,947	20,630,142	14,472,322

**AMERI HOLDINGS, INC.**  
**UNAUDITED RECONCILIATION OF NET (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS TO**  
**EBITDA & ADJUSTED EBITDA**

**EBITDA and Adjusted EBITDA Calculation**

	Three Months Ended September 30, 2018	Three Months Ended September 30 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
<b>Net income (loss) attributable to the Company's common stockholders :</b>	\$ 3,883,015	\$ (4,609,468)	\$ 389,488	\$ (9,615,628)
Dividend on preferred shares	1,816,452	541,864	2,478,005	1,546,655
Interest expense and other, net	114,647	115,527	500,338	366,201
Changes in fair value of warrants	261,330	-	261,330	-
Taxes	24,934	-	24,934	-
Depreciation and amortization	636,495	817,284	2,266,513	2,332,041
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>\$ 6,736,873</b>	<b>\$ (3,134,793)</b>	<b>\$ 5,920,608</b>	<b>\$ (5,370,731)</b>
Stock based compensation expense	315,507	2,696,375	890,276	5,167,354
Acquisition related expenses	227,952	5,694	237,952	390,174
Changes in estimates for consideration payable	(7,274,929)	-	(7,140,310)	(400,000)
Restructuring expenses	-	-	127,100	-
Non-controlling interest	-	6,632	-	18,504
<b>Adjusted EBITDA</b>	<b>\$ 5,403</b>	<b>\$ (426,092)</b>	<b>\$ 35,626</b>	<b>\$ (194,699)</b>

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