



AMERI100 ANNOUNCES FOURTH QUARTER AND FULL YEAR 2018 FINANCIAL RESULTS

ATLANTA, GA., March 26, 2019 -- AMERI Holdings, Inc. (NASDAQ: AMRH) (“Ameri100” or the “Company”), a specialized SAP® cloud, digital and enterprise services company, today reported its fourth-quarter and full-year 2018 financial results.

Full Year 2018 vs. Full Year 2017

- Revenue of \$43.0 million compared to \$48.6 million;
- Gross profit of \$9.0 million compared to \$10.2 million;
- Gross margin of 20.9% compared to 21.1%;
- Operating loss of \$(7.1) million compared to an operating loss of \$(10.9) million. Included in the 2018 operating loss is a \$9.0 million impairment on goodwill with respect to certain reporting units and intangible asset with respect to certain customer lists and a one-time non-cash gain of \$6.9 million as a result of the Company’s change in estimate of its consideration payable related to a prior acquisition;
- GAAP net loss of \$(19.4) million compared to \$(11.1) million. Included in the 2018 net loss is a negative \$2.8 million in changes in fair value of warrants issued in connection with a previously disclosed placement transaction;
- Loss per share of \$(0.82) compared to \$(0.75). Loss per share for 2018 includes the issuance of 22.6 million shares of common stock and exercise of warrants related to the private placement;
- Adjusted EBITDA loss of \$(432,729) compared to \$(801,078); and
- Cash and cash equivalents were \$1.4 million at December 31, 2018.

Fourth Quarter 2018 vs. Fourth Quarter 2017

- Revenue of \$10.3 million compared to \$11.5 million;
- Gross profit of \$1.9 million compared to \$2.0 million;
- Gross margin of 18.5% compared to 17.8%;
- Operating loss of \$(10.8) million compared to an operating loss of \$(3.2) million. Included is a \$9.0 million impairment on goodwill with respect to certain reporting units and intangible assets with respect to certain customer lists;
- GAAP net loss of \$(19.8) million compared to \$(1.5) million. Included in the fourth quarter 2018 net loss is a negative \$2.5 million in changes in fair value of warrants issued in connection with a previously disclosed placement transaction;
- Loss per share of \$(0.55) compared to \$(0.09). Loss per share for the fourth quarter of 2018 includes the issuance 19.3 million additional shares by exercise of warrants related to the private placement; and
- Adjusted EBITDA loss was \$(468,355) compared to \$(692,751).

Note: As part of and pursuant to its private placement, the Company issued 22,544,139 Series ‘A’ warrants for the purchase of an equal number of shares of common stock and 19,508,621 pre-funded Series ‘B’ warrants for the purchase of an equal number of shares of common stock.

Subsequent to the end of fiscal 2018 to March 26, 2019, Ameri100 has received gross proceeds of

\$1.5 million from the exercise of 4,699,312 Series 'A' warrants. All pre-funded Series 'B' warrants were exercised during 2018. Series 'A' warrants have an exercise price of \$0.3123 per share.

Update on Google Cloud Premier Partner Certification

As previously disclosed, Ameri100 is upgrading its status to Premier Partner in Google's Cloud Partner Program to support the migration of mutual clients' SAP computing environments to the cloud. As of today, the Company has completed the requirements for sales accreditation and partially completed the requirements for technical accreditation for Premier Partner status. The Company now expects to join the Premier level of the Program by the end of May 2019 as the only pure-play SAP service provider in the Program.

Conference Call

The Company will not host a conference call to discuss its fourth-quarter and full-year 2018 financial results.

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.

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, changes in estimates related to acquisitions and impairment charge on goodwill and intangible assets. 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

Assets	December 31, 2018	December 31, 2017
Current assets:		
Cash and cash equivalents	\$ 1,371,331	\$ 4,882,084
Accounts receivable	7,871,422	8,838,453
Other current assets	<u>818,600</u>	<u>924,266</u>
Total current assets	10,061,353	14,644,803
Other assets:		
Intangible assets, net	5,778,036	9,469,703
Goodwill	13,729,770	21,898,323
Other assets	<u>68,291</u>	<u>6,183,799</u>
Total other assets	19,576,097	37,551,825
Total assets	\$ 29,637,450	\$ 52,196,628
 Current liabilities:		
Line of credit	\$ 3,950,681	\$ 4,053,318
Accounts payable & accrued expenses	6,075,430	7,907,533
Bank term loan	6,450	749,551
Dividend payable	105,181	-
Convertible notes	1,250,000	-
Consideration payable – cash	2,696,000	5,509,427
Consideration payable – equity	<u>605,223</u>	<u>12,148,053</u>
Total current liabilities	14,688,965	30,367,882
Long-term Liabilities:		
Convertible notes	-	1,250,000
Bank term loan	-	1,130,563
Warrant liability	<u>4,189,388</u>	<u>-</u>
Total long-term liabilities	4,189,388	2,380,563
Total liabilities	\$ 18,878,353	\$ 32,748,445
 Stockholders' equity:		
Stockholders' equity	<u>10,759,097</u>	<u>19,448,183</u>
Total liabilities and stockholders' equity	\$ 29,637,450	\$ 52,196,628

AMERI HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2017
Revenue	\$ 10,283,176	\$ 11,454,598	\$ 42,998,280	\$ 48,593,712
Cost of revenue	<u>8,377,354</u>	<u>9,414,432</u>	<u>34,017,776</u>	<u>38,355,967</u>
Gross profit	<u>1,905,822</u>	<u>2,040,166</u>	<u>8,983,504</u>	<u>10,237,745</u>
Operating expenses				
Selling, general and administration	2,735,390	4,950,488	10,794,822	18,510,120
Depreciation and amortization	637,149	885,150	2,903,662	3,217,191
Impairment on goodwill	9,038,553	-	9,038,553	-
Acquisition related expenses	95,285	90,949	333,237	481,123
Changes in estimates	<u>200,000</u>	<u>(674,158)</u>	<u>(6,940,310)</u>	<u>(1,074,158)</u>
Operating expenses	<u>12,706,377</u>	<u>5,252,429</u>	<u>16,129,964</u>	<u>21,134,276</u>
Operating income (loss)	<u>(10,800,555)</u>	<u>(3,212,263)</u>	<u>(7,146,460)</u>	<u>(10,896,531)</u>
Interest expenses	(145,822)	(186,917)	(729,896)	(575,039)
Changes in fair value of warrant liability	(2,499,489)	-	(2,760,819)	-
Others, net	<u>4,425</u>	<u>(16,926)</u>	<u>88,161</u>	<u>4,995</u>
Income (loss) before income taxes	<u>(13,441,441)</u>	<u>(3,416,106)</u>	<u>(10,549,014)</u>	<u>(11,466,575)</u>
Income tax benefit	<u>(6,323,568)</u>	<u>2,391,762</u>	<u>(6,348,502)</u>	<u>2,391,762</u>
Income (loss) after income taxes	<u>(19,765,009)</u>	<u>(1,024,344)</u>	<u>(16,897,516)</u>	<u>(9,074,813)</u>
Net income attributable to non-controlling interest	<u>-</u>	<u>18,504</u>	<u>-</u>	<u>-</u>
Net income (loss) attributable to the Company	<u>(19,765,009)</u>	<u>(1,005,840)</u>	<u>(16,897,516)</u>	<u>(9,074,813)</u>
Dividend on preferred stock	<u>(105,180)</u>	<u>(542,496)</u>	<u>(2,583,185)</u>	<u>(2,089,151)</u>
Net income (loss) attributable to common stock holders	\$ <u>(19,870,189)</u>	\$ <u>(1,548,336)</u>	\$ <u>(19,480,701)</u>	\$ <u>(11,163,964)</u>
Other comprehensive income (loss), net of tax				
Foreign exchange translation	50,922	55,385	50,122	44,301
Total comprehensive income (loss)	\$ <u>(19,819,267)</u>	\$ <u>(1,492,951)</u>	\$ <u>(19,430,579)</u>	\$ <u>(11,119,663)</u>
Basic loss per share	\$ (0.55)	\$ (0.09)	\$ (0.82)	\$ (0.75)
Diluted loss per share	\$ (0.55)	\$ (0.09)	\$ (0.82)	\$ (0.75)
Basic weighted average number of common shares outstanding	35,975,386	16,339,856	23,790,030	14,982,791
Diluted weighted average number of common shares outstanding	35,975,386	16,339,856	23,790,030	14,982,791

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

EBITDA and Adjusted EBITDA Calculation

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 2017
Net income (loss) attributable to the Company's common stockholders :	\$ (19,870,189)	\$ (1,548,336)	\$ (19,480,701)	\$ (11,163,964)
Dividend on preferred shares	105,180	542,496	2,583,185	2,089,151
Interest expense and other, net	141,397	203,843	641,735	570,044
Taxes	6,323,568	(2,391,762)	6,348,502	(2,391,762)
Changes in fair value of warrants	2,499,489	-	2,760,819	-
Depreciation and amortization	637,149	-	2,903,662	-
Impairment on goodwill and intangible assets	9,038,553	-	9,038,553	-
Earnings before interest, tax, depreciation and amortization (EBITDA)	\$ (1,124,853)	\$ (2,308,609)	\$ 4,795,755	\$ 3,217,191
Stock-based compensation expense	361,213	1,910,876	1,251,489	(7,679,340)
Acquisition related expenses	95,285	90,949	333,237	7,078,230
Changes in estimates	200,000	(674,158)	(6,940,310)	481,123
Restructuring expenses	-	306,695	127,100	(1,074,158)
Non-controlling interest	-	(18,504)	-	393,067
Adjusted EBITDA	\$ (468,355)	\$ (692,751)	\$ (432,729)	\$ (801,078)