Apptix
Annual Report
2011

Apptix Annual Report 2011 will only be issued in English.
The report is available on www.apptix.com/investor and on www.oslobors.no/app

Table of Contents

Apptix
Shareholder's Letter 2011

Drive. Determination. Tenacity. These adjectives describe the past four years of intense work and strategic investments that have transformed Apptix. Today, Apptix stands strong as an established Cloud services market leader having delivered our first full year of profitability in 2011.

With a foundation of perseverance and a tested and proven go-to-market strategy, we are leading Apptix's next business evolution and driving toward a new corporate goal in 2012 – double digit topline, profitable growth.

Financial Performance

Apptix posted USD 40,7 million in topline revenue in 2011 – a five percent improvement over the previous year. Total operating expenses for the year were USD 26,8 million, a ten percent improvement from 2010 as a result of economies of scale associated with an expanded user base and platform consolidation efforts in previous years.

Apptix generated USD 2,2 million positive EBIT in 2011, compared to a loss of USD 1,4 million in 2010. The Company completed its fifteenth consecutive quarter of positive EBITDA. As a result, Apptix experienced its first ever full year of positive net income. Net income was USD 703 thousand – an increase of USD 3,8 million for the year, and is experiencing positive operating cash flow trends across the business.

Improved operating income has allowed the Company to reduce its debt load and improve its overall leverage ratios. This in turn has enabled Apptix to expand its borrowing capability, thus enhancing its liquidity position of cash balances and available borrowings. The Company is profitable, structurally sound, and well positioned financially to fuel ongoing growth initiatives.

A Proven "Channel First" Growth Strategy

With reorganizations, technology upgrades, and platform consolidations completed in previous years, Apptix was able to shift its priorities in 2011 from rebuilding to growth.

Our most important initiative was to reprioritize and re-align the Company toward our "Channel First" strategy. By leveraging channel partners' larger sales and service staff as force multipliers, we dramatically increase our reach into the marketplace. Our previous platform and technology investments have allowed us to efficiently support this expanded and diverse customer base. Intelligent partnering further enhances Apptix's ability to serve and capture customers of any size – from SOHO to Enterprise to targeted vertical markets – by aligning Apptix's capabilities with partners skilled to address the unique needs of individual market segments.

This channel strategy has delivered pivotal results. We added a series of blue-chip channel partners including Insight Enterprises, Inc., a global provider of IT products and services with nearly USD 5 billion in annual sales; Network Solutions (recently acquired by Web.com), a provider of a Web-related services to six million global customers with particular expertise supporting small businesses; MegaPath Corp., a leading provider of managed data, voice, and security services in North America; and Cincinnati Bell, Inc., a USD 1,4 billion provider of integrated communication solutions. We enter 2012 with a strong pipeline to drive further channel expansion.

Indirect sales accounted for nearly 30 percent of new user bookings in 2011, with an exponential increase anticipated as these partners ramp up activities in 2012.

Refocusing Resources

With channel partners expanding Apptix's reach and support capabilities across all business market segments, including Apptix's traditional small business audience, we have refocused our resources to better support our partners and our own direct sales efforts within the more profitable mid-market and enterprise sectors.

Over the last two years, we have experienced significant adoption of our services by these larger customers, which have delivered enhanced profitability and demonstrated greater customer loyalty. Vertical focused marketing programs have allowed us to more cost effectively target and acquire these larger customers. Today, customers with 100 employees or more generate nearly 45 percent of Apptix's revenue.

The Company continues to diversify its revenue base by offering a larger variety of services, including the more profitable Voice and SharePoint solutions. In addition, security-and compliance-related add-on services for our Hosted Exchange Email solution contribute ever greater percentages towards topline revenue.

Continuous improvements within our customer support team, including a dedicated account management team and a priority routing model to better manage and address customer requests, have reduced our churn rate to less than nine percent per year. In addition, the improvement in overall economic conditions has led to a return of reliable organic user growth from our current customers.

By establishing a leading channel program, targeting internal resources on larger customers, offering a growing portfolio of market-ready solutions, a commitment to customer service excellence, and leveraging relationships with existing users, we have created an ideal environment for Apptix to continue attracting and retaining profitable customers.

This is the culmination of multi-year strategic and tactical execution and, as a result, Apptix exits 2011 profitable and with a strong user base exceeding 335 000 users and enters 2012 primed for success.

Foundation for Continued Growth

Thanks to previous years' efforts, we have an industry-leading hardened and scalable technical infrastructure. Further infrastructure investments in 2012 will only be necessary to support partner and bookings growth. Upcoming additions to our service portfolio will further enhance our competitiveness and contribute to profitable revenue.

Under our proven monthly recurring revenue model, our large and established user base is a reliable source of financial strength and growth. Most importantly, our channel efforts in 2011 are anticipated to drive impressive market share and revenue growth in 2012.

Johan Lindqvist	**David E. Ehrhardt**
Chairman of the Board	**President & Chief Executive Officer**

Oslo, Norway/Herndon, Virginia, USA
26 March, 2012

Apptix ASA
Directors' Report 2011

Apptix is the premier provider of hosted business communication services of businesses of all sizes. Founded in 1997 as a division of Telecomputing ASA, Apptix became an independent company in 2002. Apptix is publicly traded on the Oslo Stock Exchange in Norway (OSE: APP) and is headquartered in Herndon, Virginia, with additional locations across the United States.

2011 was Apptix's most successful year to date. The Company reached and maintained profitability for the entire year. A new corporate strategy and a strong partner pipeline have positioned Apptix for double digit profitable topline growth in 2012.

Apptix resources were re-aligned behind a "Channel First" approach. The addition of blue-chip channel partners – Insight Enterprises, Inc., MegaPath Corp., Cincinnati Bell, Inc., and Network Solutions (acquired by Web.com) – have dramatically expanded the Apptix reach and ability to capitalize on the growing Cloud services market.

The Company reorganized its field organization to drive efficiency and increase sales effectiveness by targeting mid-market and enterprise sectors. Apptix further enhanced its customer management efforts to provide an additional level of focus and service for these market services. These efforts have delivered impressive churn reduction results. With an improving economic climate, Apptix is once again experiencing strong growth from its existing customer base.

Expanded uptake of Apptix's growing service portfolio – specifically the Company's Voice, SharePoint, and Archiving & Compliance solutions – is diversifying its revenue stream and contributing significantly towards overall profitable revenue growth.

Operational and Financial Review

2011 Apptix Group Financial Summary

Revenues totaled USD 40,7 million in 2011, up 5% from USD 38,6 million in 2010. The growth in revenues was primarily attributable to an increase in active user counts including the full year impact of Speedway, the healthcare client the Company signed in late 2009. The Company began on-boarding Speedway in August 2010 and completed the process in December 2010. Also impacting the active user counts during 2011 was an 11% improvement in churn. The improvement in churn was the result of the Company's enhanced customer management and priority routing model launched in July, 2011.

EBITDA totaled USD 5,5 million, up from USD 2,3 million in 2010. The growth in EBITDA was due in large part to the aforementioned increase in net users, including Speedway. In 2010, the Company recorded only a portion of the revenues associated with Speedway while incurring the full on-boarding releated expenses included staffing of personnel, support infrastructure and equipment purchases financed via capital leases.

The total net income for 2011 was USD 703 thousand, marking the first year in the Company's history with positive net results. In 2010, the Company recorded a net loss of USD 3,1 million.

During the year, the Company generated cash from operations of USD 3,7 million (including the effects of foreign currencies) as compared to USD 1,2 million in 2010. Cash flows used in investing activities totaled USD 0,52 million in 2011 as compared to USD 0,28 million in 2010. Cash flows used in financing activities totaled USD 3,4 million in 2011 as compared to USD 2,0 million in 2010.

The Company finished the year with USD 0,77 million in cash. In January 2011, the Company amended its working capital revolving credit facility with its financial institution to increase the overall working capital facility threshold to USD 6 million. However, the amounts available under the working capital facility remained subject to a borrowing base equal to 75% of the Company's trailing two months cash collections. To provide even greater borrowing flexibility, the Company futher amended its working capital revolving credit facility in November 2011. Pursuant to the terms of the November 2011 amendment, the Company's borrowing ratio was increased to 75% of trailing two and one-half months cash collections. This amendment immediately provided the Company with an additional USD 1,0 million of borrowing capacity over then existing levels. As of December 31, 2011, the Company had USD 4,7 million outstanding on its working capital facility and USD 1,3 million of borrowing capacity. As of December 31, 2010, the Company had USD 4,35 million outstanding on its working capital facility. Borrowings under the working capital facility are subject to the bank's prime interest rates plus up to two additional percentage points. Any amounts under the revolving line of credit may be repaid and re-borrowed at any time prior to the maturity date. The working capital facility is secured by a first priority position in all of the assets of the Company except for those assets financed via capital leases. The term of the current working capital facility is through January 31, 2013.

As of December 31, 2011 the Company's interest-bearing short term debt totaled USD 3,5 million which consisted of equipment financed via capital leases.

Throughout the year, on average, Apptix continued to meet or exceed its average Service Level objectives. As of December 31, 2011, the Company had in excess of 335 000 users as compared to 311 000 users as of December 31, 2010.

At the end of 2011, Apptix was comprised of two legal entities: Apptix ASA and Apptix, Inc. The Company's operational activities are performed in the United States of America.

2011 Apptix ASA Financial Summary

Apptix ASA revenues totaled NOK 228 thousand in 2011, down 39% from NOK 374 thousand in 2010. The decline in revenues was due to a decrease in royalties received by Apptix ASA as customers migrated off legacy platforms. Operating expenses increased from NOK 2 539 thousand in 2010 to NOK 2 674 thousand, or 5%, as a result of higher professional fees incurred. The net loss for 2011 was reduced to NOK 12 125 thousand, down from NOK 36 905 thousand, as a result of the reduced losses from subsidiary.

Market Conditions

As our revenue, user base and expansion of blue-chip channel partner growth demonstrated, Apptix continues to be well positioned to benefit from the major trends – recovering IT sales, growing Cloud adoption, expanding mobile workforce, and an influx of diverse mobile devices within business environments – shaping the global and U.S. technology markets.

Forrester, a leading global industry research firm, projects that the global tech market will grow 5 percent in 2012[1], while the US tech market (Apptix's primary market) will grow 6.6 percent.[2] Forrester further anticipates that "Cloud and Smart Computing solution vendors will continue to outperform their industry baseline."[3]

Within the Cloud market itself, Software-as-a-Service (SaaS) dominates adoption while Infrastructure-as-a-Service is gaining growing interest from business. Collaboration applications – including email, web conferencing, and document sharing – continue to gain the greatest acceptance.

Key factors, including the economy and the need for cost efficient IT productivity tools, continue to drive Cloud adoption across market segments. According to Forrester surveys of North American and European IT services decision-makers from enterprises with 1 000 employees or more, 45 percent of firms are reducing on-premise expenses by turning to Cloud services.[4]

Further, IT departments, which in the past dictated standardization on RIM BlackBerry® devices, are turning to Cloud email and collaboration solutions to react to the extraordinary adoption of diverse smartphones and tablet devices by a growing mobile workforce. Major IT providers from telecoms to VARs have recognized this shift within the industry and are looking to providers such as Apptix to either accelerate their entry or expand their efforts within the Cloud.

Apptix's technology platform, service offerings, and sales and marketing structure are aligned with these market forces. We actively analyze market forces, and will respond as necessary to strategically enhance our solutions portfolio or adjust our resources to gain greater market share and support our corporate objective of profitable topline growth.

Board of Directors

Mr. Lindqvist was appointed Chairman of the Board of Apptix in 2007. He is also Chairman of the Board for Serverhuset AB, Nipsoft AB, Advance AB, Softcenter AB and a Director for Itera ASA. From 2004 to 2006, Mr. Lindqvist was the CEO for TeleComputing ASA. He served as the managing director of TeleComputing Sweden AB from 2001 to 2004. Since 1996, Mr. Lindqvist held various positions in Alfaskop AB, including serving as the CEO from 1999 to 2001. He holds a degree in Civil Engineering (Industrial Economy) from the Technical University in Linkøping, Sweden.

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[1] Forrester, Global Tech Market Outlook for 2012 and 2013, January 2012
[2] Forrester, US Tech Market Outlook for 2012, December 2012
[3] Forrester, US Tech Market Outlook for 2012, December 2012
[4] Forrester, TechRadar® for SVM Professionals: Software-as-a-Service, January 2012

Mr. Rogne was appointed as a Director of Apptix in 2007. He is currently Chairman of the Board for Nokas AS. He is also a Director for Projectiondesign AS, Unified Messaging Systems AS, Nordic Semiconductor ASA and Dolphin Interconnect ASA. From 1994 to 2004, he served as the CFO for Tandberg ASA. From 2004 through 2007, he then served as the Head of Operations and Investor Relations. Prior to Tandberg, he was head of Finance with Kvaerner AS. Mr. Rogne has an MBA from University of San Diego and a Bachelor of Business Degree from the Oslo School of Business Administration.

Mrs. Åsly Fåhraeus was appointed Director of Apptix in 2008. She is also Chairman of Genovis AB, Director of EQL Pharma AB, Kornboden AB and Chief Communications Officer and Director of Business Development at the private equity company Aqilles Invest AB in Sweden. From 2001 to 2010 she served at Anoto AB, acting as Vice President of Sales and Marketing from 2006-2010. She has previously worked in various leadership positions at Raufoss ASA, Cederroth AB, SCA, Johnson & Johnson, and Kreab Group. She has a degree in Business Administration from Stockholm School of Economics.

Organization, Working Environment, and Equal Opportunities

Apptix has a stimulating and positive work environment with a highly qualified and motivated staff. No accidents have occurred during 2011. There were no significant absenses due to illness in 2011 or 2010. Employment decisions at Apptix are based on merit, qualifications, and abilities. Apptix is an equal opportunity employer, and does not unlawfully discriminate based on race, religion, color, sex, age, national origin, citizenship, marital status, disability, veteran's status, sexual orientation, or any other characteristic protected by law. This policy applies to all decisions regarding terms, conditions, and privileges of employment. As of December 31, 2011, the members of the senior management team consisted of five males and one female while the Board of Directors consisted of two males and one female. The Company's operations do not pollute the environment.

Financial Risks

The Company's goals and strategies associated with the management of financial risks include evaluating the effects of market, credit and liquidity risks related to the Company's assets, liabilities, financial position and operating results.

Market Risk: The Company's principal operating market is the United States with its functional currency being the US Dollar. The Company has limited operating expense outside of the United States. The Company has limited transactional currency exposure, which results from transactions in a currency other than its functional currency.

Credit Risk: The Company transacts with a wide variety of customers from the Global 1 000 to companies with fewer than five employees. A large percentage of small business customers pay via credit card, significantly reducing the Company's credit risk with respect to these customers. To ensure that credit risk is managed appropriately, the Company monitors its receivables balance regularly and ceases providing service when customer accounts become significantly overdue.

Liquidity Risk: The Company has an ongoing process of ensuring that it has sufficient cash resources to maintain its operations until the Company sustains positive cash flow on a consistent basis. The Board is fully committed to ensure that the Company's financial position is satisfactory.

Overall, the Company's financial risk is primarily limited to the above referenced areas. The Company's believes it is taking the steps necessary to mitigate exposure and to hedge potential areas of risk.

Future Prospects

The Company continues to leverage the strong operating foundation that has been established over the past four years. The focus now centers on the allocation of resources to grow and evolve the Company. As a result of the Company's expanding solutions catalog, we are seeing increased success diversifying our revenue base and in moving up market as demonstrated by increased sales success in the mid-market sector. We believe our channel strategy will continue to significantly expand our market reach. Accordingly, the Board foresees a year of double digit business growth and improved profitability. Additionally, the Board believes the Company's focus on top-line growth and continuing strategies designed to increase customer satisfaction, drive operational excellence and improve profitability, will further solidify Apptix's position as the premier provider of hosted business communications services. All predictions of future growth prospects are subject to a variety of uncertainties.

Going concern

According to the Norwegian Accounting Act, the Board confirms that the requirements for going concern are present, and the accounts are presented under this assumption. Financial forecasts for 2012 and the Group's equity and liquidity position provides the basis for this assessment.

Transfer of Funds

The results of the holding company, Apptix ASA, were a net loss of NOK 12,1 million. The Board recommends that the net loss be transferred from other equity. Apptix ASA has no distributable equity at year end.

Johan Lindqvist	Ebba Åsly Fåhraeus	Terje Rogne	David E. Ehrhardt
Chairman of the Board	Director	Director	President & Chief Executive Officer

31 December, 2011 / 26 March, 2012

Apptix ASA
Report on Corporate Governance 2011

1. Implementation and Reporting on Corporate Governance

Apptix Corporate Governance policy is intended to ensure appropriate division of roles and responsibilities between the shareholders, the Board of Directors, and the Executive Management. Apptix emphasizes the importance of adhering to corporate governance principles consistent with the principles set out in the Norwegian Code of Practice for Corporate Governance as amended October 2011, and include the equitable and equal treatment of all shareholders; the importance of having independent and qualified people in the Company's governing bodies; ensuring that all financial accounts are audited by qualified, independent auditors; and that information provided by the Company provides a timely and accurate representation of the underlying business activities and results.

The Corporate Governance report is included by reference in the Directors' Report as part of the Company's Annual Report.

The Company has developed ethical guidelines as well as guidelines for corporate social responsibility.

2. Business

The Company's business objective, as defined in the Articles of Association, is to market, rent, and sell hosted business communications solutions and related services to businesses of all sizes.

The Annual Report includes the Company's objectives and business strategy.

3. Equity and Dividends

On December 31, 2011, Apptix had a cash reserve of USD 0,77 million, USD 1,3 million available and unused pursuant to its working capital facility and an equity ratio of 57.0%. The Company believes it has, or will have through the use of future debt or equity facilities, sufficient capital to meet its objectives, strategy, and risk profile. The Board will aim to achieve the Company's overall objective to increase shareholder value through increased share price and, when appropriate, through dividends in accordance with a transparent dividend policy. However, as the Company has not historically earned net profits, the Board has established a policy not to pay dividends. Once profitability has consistently been achieved, the Board will re-evaluate this policy.

The registered share capital on December 31, 2011 was NOK 27 116 249 divided into 81 430 178 shares. There is only one class of shares in the Company, and all shares are freely transferable without any Company-imposed restrictions. The Company strives to provide accurate and sufficiently detailed information each quarter related to the Financial and Operational performance of the Company.

It is the Board's policy that authorizations from shareholders to increase the Company's share capital will be limited to defined purposes. If proposed increases in the Company's share capital cover multiple purposes, then each authorization will be considered separately in the shareholder meeting. Authorizations to the Board will be limited in time to no later than the next annual shareholder meeting.

The current valid authorization grants the Board the power to increase the share capital of the Company by up to NOK 350 000. The authorization is valid until June 30, 2012. The authorization shall only be used when issuing shares pursuant to option agreements.

4. Equal Treatment of Shareholders and Transactions with Close Associates

The Company has only one class of shares and each share entitles the holder to one vote at the General Meetings. All transactions in the Company's shares will be carried out through the Oslo Stock Exchange or at prevailing Stock Exchange prices.

Shareholders pre-emptive rights will only be waived when this is appropriate and considered to be in the best interest of the Company and its shareholders. The Company will in such situations explain the justification for waiving the pre-emptive rights in the stock exchange announcement in connection with the increase in share capital.

The Board is committed to treat all shareholders equally. All transactions between the Company and shareholders, members of the Board, members of the Executive Management, or close associates of any such party will only be completed if all conditions in the Public Companies Act are fulfilled. This includes a written independent valuation report and the performance of a proper investigation to ensure whether any conflict of interest could exist. Members of the Board and Executive Management are obliged to report if they have a material, direct or indirect, interest in any transaction entered into by the Company.

5. Free Negotiable Shares

The shares in the Company are freely tradable, and there are no restrictions to the shares' negotiability in the Company's Articles of Association.

6. General Meetings

The Company encourages shareholders to participate in shareholders' meetings. Calling notices with agenda, proposed resolutions, and attendance notice are sent to all shareholders no later than two weeks prior to the meeting. There is no formal deadline for the shareholders to confirm attendance to the shareholder meetings. All shareholders have the right to vote through proxies at shareholder meetings. A proxy form is distributed to all shareholders together with the Calling Notice where each agenda item is listed separately. The proxy form will include information about the procedure for shareholders to be represented through a proxy, including the named person that is available as representative for the shareholders under the proxy. To the extent possible, Board members, the Company's auditor, and members of the Nomination Committee will be present. The Board will ensure that the shareholder meetings will be chaired by an independent chairman.

All information relating to General Meetings, including proxy form, are posted on the Company's Website (www.apptix.com) as early as possible in advance of a General Meeting and no later than 21 days prior to the meeting.

Election of nominated candidates for the Board will be made separately for each candidate.

7. Nomination Committee

The Nomination Committee is described in the Company's Articles of Association, was elected at the ordinary Shareholder meeting on May 4, 2011, and serves for a term of two years. The members of the Nomination Committee are independent of the Board and the Executive Management team. None of the Nomination Committee members are members of the Board or the Executive Management team.

The Nomination Committee's tasks are to nominate candidates to the Board and to propose fees for Board members. All recommendations from the Nomination Committee will be justified in writing and associated information will be provided to shareholders.

The Company's General Meeting will stipulate guidelines for the duties of the Nomination Committee.

8. Corporate Assembly and Board of Directors; composition and independence

The Company does not have an elected corporate assembly. Given the Company's structure with all operations in a subsidiary in USA, this is not considered necessary or required.

The composition of the Board is designed to ensure that Board members represent the common interest of all shareholders, and represent required and useful expertise in various fields. The composition of the Board ensures independence from main shareholders and that the Board can operate independently of any special interests. The Chairman of the Board Johan Lindqvist is the Company's second largest shareholder through his company Windchange AS. None of the Board members are related to or dependent upon large shareholders or members of the executive management.

Neither the Chief Executive Officer nor any other executive personnel are a member of the Board of Directors.

The Chairman of the Board is elected at the General Meeting and the term of all elected Board members is two years, with possibilities for re-election. The Company's Annual Report provides information on each of the Board members, including qualifications and relevant experience.

None of the members of the Board has stock options in the Company.

Members of the Board are encouraged to hold shares in the Company.

9. The work of the Board of Directors

The Board meets regularly both in closed sessions and in face to face meetings with the CEO, CFO and other members of the Executive team present as the Board deem fits.

The Board has established Corporate Governance, Audit, and Remuneration and Compensation Committees. The Company has established clearly defined roles, responsibilities and tasks for the Board and management. Further, the Board produces an annual plan detailing its role in developing the Company's strategy as well as the specific objectives for each year. The Board evaluates its work and its competence on an annual basis.

10. Risk Management and Internal Control

The Board is responsible for ensuring that management establishes and maintains adequate internal control over financial reporting. Apptix's internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and valid as of December 31, 2011.

Apptix internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect Apptix's transactions and dispositions of assets;

(ii) provide reasonable assurance that transactions are recorded, as necessary, to permit preparation of financial statements in accordance with IFRS, and that Apptix's receipts and expenditures are being made only in accordance with authorizations of Apptix's Board and Executive Management; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Apptix's assets that could have a material effect on the financial statements.

There are inherent limitations in the effectiveness of any internal control over financial reporting, including the possibility of human error and the circumvention or overriding of controls. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. The internal reporting will also include reporting in line with the Company's ethical guidelines and the guidelines for corporate social responsibility.

Apptix's Board believes Apptix's system of internal control provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

11. Remuneration of the Board

Compensation for Board members is resolved by the shareholders in the General Meeting and reflects the responsibility, competence, time commitment, and the complexity of the Company's business. In addition, the Chairman has a consulting agreement with the Company where he receives NOK 400 000 per year for extra services above and beyond his duties as Chairman of the Board. The agreement is approved by the General shareholder meeting. Given the Company's situation, the competence and contribution of the Chairman is required at this current stage.

The Annual Report includes information on all remuneration paid to the Board members, and any remuneration in addition to the normal Director's fee is detailed.

12. Remuneration of Executive Management

As of December 31, 2011, the Executive Management team of the Company consisted of five persons. The compensation of the Company's Chief Executive Officer is set by the Compensation Committee of the Board. No member of the Compensation Committee is an employee of the Company. Additionally, the Chief Executive Officer sets the compensation of the remaining members of the Executive Management team in accordance with guidelines established by, and upon consultation with, the Compensation Committee and the Board. The Company's executive compensation policies are intended to provide competitive levels of compensation that reflect the Company's annual and long-term performance goals, reward superior corporate performance, and assist the Company in attracting and retaining qualified executives. Total compensation for each of the Executive Management team is comprised of three principal components: base salary, annual incentive compensation, and stock-based awards. Performance-related compensation is linked to value creation for the Company's shareholders. The total performance-related remuneration to each of the Executive Management team will not exceed 50% of base salary.

13. Information and Communications

The Board of Apptix has established guidelines for the Company's reporting of financial and other information to ensure that all shareholders, and the investor market as a whole, are treated equally. Further, the Company has internal guidelines covering market communication through OSE releases. In addition, all financial information is available on Apptix's Website at www.apptix.com.

14. Take Overs

In the event of a take-over bid, the Board will ensure that all shareholders are treated equally and given sufficient information and time to form a view of the offer. The Board would normally not seek to prevent, hinder, or obstruct take-over bids. Further, the Board will, in relevant situations, ensure compliance with the provisions in Chapter 14 of Corporate Governance Guidelines.

15. Auditors

The auditor participates in Board meetings that deal with annual accounts. In addition, separate meetings are arranged between the Audit Committee and the auditor when required, and at least once a year where neither the CEO nor other employees are present. The specified remuneration to the auditor is presented for resolution at the Annual meeting.

Board of Directors
Apptix ASA
26 March, 2012

Executive Management Remuneration

Total compensation for each of the Executive Officers, as well as other senior executives, is comprised of three principal components: base salary; annual incentive compensation; and stock-based awards.

The base salaries are fixed at levels which the Compensation Committee believes are comparable to those of executives of similar status in the Company's industry, and are targeted to be competitive in the marketplace. In addition to base salary, each executive officer is eligible to receive an annual bonus tied to the Company's success in achieving certain annual performance measures, as well as individual performance. The Board and the Compensation Committee also believe that longer-term incentives are appropriate to motivate and retain key personnel, and that stock ownership by management is beneficial in aligning management's and shareholders' interests in the enhancement of shareholder value. Accordingly, the Compensation Committee has a policy of considering annual grants of stock-based awards to executive officers. Historically, such grants have been in the form of stock options.

Base Salary

Each year, the Chief Executive Officer recommends to the Compensation Committee a base salary level for each of the other executive officers. In formulating such recommendations, the Chief Executive Officer considers industry, peer group and national surveys, and performance judgments as to the past and expected future contributions of the individual senior executives. The Compensation Committee then reviews the recommendations and fixes the base salaries of each of the executive officers and of the Chief Executive Officer based on both available competitive compensation data and the Compensation Committee's assessment of each officer's past performance and its expectation as to future contributions.

Annual Incentive Compensation

The Compensation Committee administers the Bonus Plan, which is designed to compensate key management personnel for extraordinary efforts reaching certain performance milestones and to aid the Company in attracting, retaining, and motivating personnel required for the Company's continued growth. The size of the pool of funds available to be paid to eligible participants under the Bonus Plan is set by the Compensation Committee, subject to approval by the Board, either as a fixed amount or as a percentage of the combined annual salaries of eligible participants. Bonuses are paid to eligible participants during the first and third quarter of each year based upon annual corporate performance measures for the second half of the previous year and first half of the current year, respectively, as well as individual performance.

Long-term Compensation through Stock-based Incentives

The Company generally makes periodic grants in the form of Stock Options. Stock Options are granted with a strike price representing at least the fair market value of the Company's common stock at the time of the grants. Stock Options vest over varying terms as determined by the Compensation Committee, at the time of grant, but generally 4 years. Individual option grants were made by the Compensation Committee based upon recommendations of the Chief

Executive Officer and the Compensation Committee's own deliberations as to the individual's contribution to the Company and overall level.

Severance Payment

The Company has agreements with each of its senior executives which provide for, among other things, the payment of severance and the continuation of medical and dental benefits for periods up to nine months in the event the senior executive is properly terminated by the Company without Cause, due to Change of Control or by the executive for Good Reasons as defined by the agreements.

Pension

The Company offers a 401(k) pension plan (a U.S. tax law based pension scheme) which allows for all employees to make voluntary contributions on a pre-tax basis. During 2011, the Company provided an employer match of 25% of employee contributions up to 6% of the employee’s salary.

Board of Directors
Apptix ASA
26 March, 2012

CONSOLIDATED INCOME STATEMENTS

	Note	Apptix Group (Amounts in USD 1 000) Year Ended December 31, 2011	2010
OPERATING REVENUE			
Recurring Revenue		39 682	37 775
Non Recurring Revenue		992	865
Operating Revenue		**40 674**	**38 640**
OPERATING EXPENSES			
Cost of Sales	**4**	11 694	10 201
Employee Compensation and Benefits	**5**	14 232	14 934
Other Operational and Administrative Costs	**6**	9 203	11 219
Depreciation and Amortization	**9,11**	3 391	3 713
Total Operating Expenses		**38 520**	**40 067**
Operating Income/(Loss)		2 154	(1 427)
FINANCIAL INCOME AND EXPENSES			
Interest, Net	**7**	(1 319)	(1 436)
Other Financial Loss, Net	**7**	-	(196)
Net Financial Expenses		**(1 319)**	**(1 632)**
Income/(Loss) Before Taxes		**835**	**(3 059)**
TAXES			
Income Tax Expense	**19**	(132)	(51)
Net Income/(Loss) for the Period	**8**	**703**	**(3 110)**
Income/(Loss) Per Share for the Period	**8**	**0,01**	**(0,04)**
Weighted Average Common Shares Outstanding	**8**	**81 430**	**81 430**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Apptix Group (Amounts in USD 1 000) Year Ended December 31,	
	2011	**2010**
Income/(Loss) for the Period	**703**	**(3 110)**
Other Comprehensive Income/(Loss):		
Exchange rate differences on translation of foreign operations	1	(5)
Total Other Comprehensive Income/(Loss) for the Period	704	(3 115)
Total Comprehensive Income/(Loss) for the Period	**704**	**(3 115)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Apptix Group (Amounts in USD 1 000) Year Ended December 31, 2011	2010
ASSETS			
Non-current Assets			
Intangible Assets			
Goodwill	9,10	21 648	21 648
Software and Licenses	9	1 283	1 395
Total Intangible Assets		**22 931**	**23 043**
Property and Equipment			
Computer Equipment	11,16,17	6 402	5 778
Furniture and Fixtures	11	292	354
Leasehold Improvements	11	59	76
Total Property and Equipment		**6 753**	**6 208**
Total Non-Current Assets		**29 684**	**29 251**
Current Assets			
Accounts Receivable	13	1 640	1 558
Other Current Assets	14	451	539
Prepaid Expenses		992	1 078
Cash and Cash Equivalents	15	768	966
Total Current Assets		**3 851**	**4 141**
TOTAL ASSETS		**33 535**	**33 392**
EQUITY AND LIABILITIES			
Equity			
Share Capital	21,22	4 666	4 666
Share Premium	21,22	73 437	73 437
Other Paid-in Capital	21,22	5 749	5 479
Translation Reserve	21,22	3 927	3 927
Retained Earnings	21,22	(68 674)	(69 378)
Total Equity		**19 105**	**18 131**
Long Term Debt			
Interest-Bearing Long Term Debt	16,17,25	5 798	6 428
Total Long Term Debt		**5 798**	**6 428**
Current Liabilities			
Trade Accounts Payable	25	1 425	2 268
Interest-Bearing Short Term Debt	16,17	3 497	3 229
Other Current Liabilities	18	3 710	3 336
Total Current Liabilities		**8 632**	**8 833**
TOTAL EQUITY AND LIABILITIES		**33 535**	**33 392**

Johan Lindqvist	Ebba Åsly Fåhraeus	Terje Rogne	David E. Ehrhardt
Chairman of the Board	Director	Director	President & Chief Executive Officer

31 December, 2011 / 26 March, 2012

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Apptix Group (Amounts in USD 1 000) Year Ended December 31,	
	Note	**2011**	**2010**
Cash flows from Operating Activities			
Income/(Loss) After Tax		703	(3 110)
Share-based Employee Compensation Expense	**20,21**	270	352
Depreciation and Amortization	**9,11**	3 391	3 713
Change in Accounts Receivable		(82)	114
Change in Trade Accounts Payable		(843)	138
Change in Other Assets and Liabilities		274	16
Cash Flows Provided by Operating Activities *		**3 713**	**1 224**
Cash Flows from Investing Activities			
Purchases of Intangible Assets, net	**9**	-	(183)
Purchases of Property and Equipment, net	**11**	(516)	(100)
Cash Flows Used in Investing Activities		**(516)**	**(283)**
Cash Flows from Financing Activities			
Payments on Interest-Bearing Debt	**16,17**	(3 743)	(3 779)
Proceeds from Interest-Bearing Debt	**16,17**	350	1 775
Cash flows Used in Financing Activities		**(3 393)**	**(2 004)**
Effect of Exchange Rates on Cash and Cash Equivalents		(2)	(2)
Net Decrease in Cash		(198)	(1 065)
Cash at Beginning of Period	**15**	966	2 031
Cash at End of Period		**768**	**966**
*** Included in Cash Flows Provided by Operating Activities:**			
Cash Outflows from Interest		**(1 320)**	**(1 438)**
Cash Inflows from Interest		**1**	**2**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Apptix Group					
(Amounts in USD 1 000)	Note	Share Capital	Share Premium Reserve	Other Paid in Capital	Foreign Currency Translation Reserves	Retained Earnings	Total Equity
Equity December 31, 2009		**4 666**	**73 437**	**5 127**	**3 927**	**(66 263)**	**20 894**
Net Loss for the Period		-	-	-	-	(3 110)	(3 110)
Other Comprehensive Income		-	-	-	-	(5)	(5)
Total Comprehensive Income		**-**	**-**	**-**	**-**	**(3 115)**	**(3 115)**
Equity Element of Expensed Options	**20**	-	-	352	-	-	352
Equity December 31, 2010		**4 666**	**73 437**	**5 479**	**3 927**	**(69 378)**	**18 131**
Net Income for the Period		-	-	-	-	703	703
Other Comprehensive Income		-	-	-	-	1	1
Total Comprehensive Income		**-**	**-**	**-**	**-**	**704**	**704**
Equity Element of Expensed Options	**20**	-	-	270	-	-	270
Equity December 31, 2011		**4 666**	**73 437**	**5 749**	**3 927**	**(68 674)**	**19 105**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Corporate Information

Apptix ASA ("Apptix", the "Company" or the "Group") is a public Company registered in Norway and traded on the Oslo Stock Exchange. The Company's head office is located at 13461 Sunrise Valley Drive, Suite 300, Herndon, Virginia (USA) and its registered business address is Nesoyveien 4, Billingstad, Norway. Apptix is the premier provider of hosted business communication, collaboration, and IT solutions to businesses of all sizes – from SOHO to Fortune 500 – with particular expertise supporting legal, financial, healthcare, and telecom firms. A pioneer in the hosted services space, Apptix currently serves over 335,000 users around the world. Apptix's comprehensive portfolio of Cloud solutions includes Microsoft Exchange email, VoIP, SharePoint, Web Conferencing, and Secure IM with Presence. Services are delivered over a highly reliable network leveraging best-in-class technology, housed in SAS 70-compliant data centers, and backed by U.S.-based 24/7 support. The financial statements were approved by the Board of Directors for publication on 26 March, 2012.

Note 2 – Summary of Significant Accounting Policies

2.1 Basis of Preparation

The consolidated financial statements of Apptix ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as adopted by the EU.

The consolidated financial statements of Apptix ASA have been prepared on a historical cost basis. The consolidated financial statements are presented in USD and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 New and amended standards and interpretations applicable to December 2011 year-end

The accounting principles used in 2011 are the same as in 2010. The Group has adopted the following new and amended IFRS and IFRIC interpretations during the year, along with the annual improvements. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group.

IAS 24 Related party disclosure (Amendment)

IAS 32 Classification of Rights Issue

IFRIC 14 Prepayments of a Minimum Funding Requirements

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

2.3 Basis of Consolidation

The consolidated financial statements are comprised of the financial statements of Apptix ASA and entities in which Apptix ASA has a controlling interest. A controlling interest is normally attained when the Company owns, either directly or indirectly, more than 50% of the shares in the entity, and is capable of exercising control over the entity. Subsidiaries are fully consolidated from the date of acquisition – the date on which the Group gains control – and continues to be consolidated to the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. Inter-Company transactions and balances, including internal profits and unrealized gains and losses are eliminated in full as part of the consolidation process. As a result of rounding differences, numbers or percentages included within may not add up to the total.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

a) Business Combinations

Business Combinations from 1 January 2010
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

Business Combinations prior to 1 January 2010
In comparison to the above mentioned requirements, the following differences are applied: Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition were considered part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

b) Classification of Assets and Liabilities

Current assets and liabilities include balances typically due within one year. All other balances are classified as non-current assets and other long-term debt.

2.4 Functional Currency and Presentation Currency

Apptix ASA has a single subsidiary whose primary economic environment is in the United States. The functional currency of this subsidiary is USD. Apptix ASA Group presents its financial statements and notes to the consolidated financial statements in USD, except where a transaction was specifically denominated in NOK. The functional currency of Apptix ASA is NOK and the Company presents its income statement, balance sheet, cash flow and notes in

NOK only. The translation principles are as follows: (a) balance sheet figures for companies with a functional currency other than the presentation currency have been translated to the presentation currency at the rate applicable at the balance sheet date (b) income statement figures for companies with a functional currency other than the presentation currency have been translated to the presentation currency at the average exchange rate for the month in which the transaction occurred and (c) exchange rate differences are recognized as part of the other comprehensive income.

2.5 Revenue Recognition

Operating revenues are recognized when persuasive evidence of an agreement exists, the service has been delivered, fees are reliably measurable, collections are probable, and when other significant obligations have been fulfilled. Recurring revenue is earned under monthly subscription license agreements. Annual subscription licenses are amortized into revenue on a monthly basis as the services are delivered. As such, revenue is recognized during the period for which the service was delivered and it has been determined that collection of the related subscription fee is probable. Consulting revenue is recognized on a time and materials basis as the service is provided. In the event that a consulting project is of a fixed price nature, revenue is recognized on a percentage of completion basis at a rate equal to the actual hours incurred to date relative to total estimated hours required to complete the project.

2.6 Income Taxes

The tax expense in the income statement includes taxes payable on the ordinary results for the period as well as the change in deferred tax. Deferred tax is calculated with a nominal tax rate on the temporary differences between the recorded values and tax values, as well as on any tax loss carry-forwards at the balance sheet date. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority. Any temporary differences, increasing or reducing taxes that will or may reverse in the same period, are netted. The net deferred tax benefit is recorded as an asset if it is regarded as probable that the Group will be able to realize the benefit through future earnings or realistic tax efficient planning.

2.7 Intangible Assets

Generally, intangible assets are recognized in the balance sheet if it is probable that there are future economic benefits that can be attributed to the asset which is owned by the Company, and the asset’s cost can be reasonably estimated. Intangible assets are recorded at cost. Intangible assets with indefinite useful lives are not amortized, but impairment losses are recognized if the recoverable amount is less than the current carrying value. The recoverable amount is calculated each year or if there are any indications of a decrease of value. Intangible assets with a finite useful life are amortized over the useful life and the need for any impairment losses to be recognized is considered quarterly. Amortization is carried out using the straight-line method over the estimated useful life. The amortization estimate and method is subject to an annual assessment based on the future economic benefits.

a) Purchased Software

Expenditures related to the purchase of software are recognized in the balance sheet as an intangible asset provided these expenditures do not form part of hardware acquisition costs. Software is amortized using the straight-line method over 3 years. Expenses incurred as a result of maintaining or upholding the future usefulness of software, are expensed as incurred unless the changes in the software increase the future economic benefits.

b) Internally Developed Software/Research and Development Costs

Research costs are expensed as incurred. An intangible asset arising from a development expenditure on an individual project is recognized only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available to the Group for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during the development. The capitalized expenses include direct remuneration costs. The asset is stated at cost less accumulated amortization. The software is amortized using the straight-line method over the estimated time of use of the asset.

c) Goodwill

Acquisitions are accounted for by eliminating the cost price of the shares in the parent Company against equity in the subsidiary at the time of acquisition. The cost of the acquisition is allocated to the assets acquired and the liabilities assumed according to their estimated fair market values at the time of acquisition. The amount allocated to goodwill represents the excess purchase price paid over the fair value of the assets acquired and the liabilities assumed. In the event that additional information related to the acquired assets and liabilities becomes known after the acquisition has taken place, the assessment of the fair value of assets and liabilities may be altered until the first anniversary of the acquisition date.

Goodwill is not amortized; however an assessment is made both quarterly, and when there is an indication the carrying amount cannot be justified by future cash flows. If there is any indication that an impairment loss needs to be recognized, an assessment will be made to determine whether or not the discounted cash flow exceeds the carrying amount of goodwill. If the discounted cash flow is less than the carrying amount, goodwill will be written down to its fair value.

2.8 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are eliminated, and any gain or loss on the sale or disposal is recognized in the income statement. Depreciation is computed for owned assets using the straight-line method over the estimated period of use and is recognized in the income statement. The estimated period of use is equal to the estimated useful economic life since the Company uses the assets until they have no remaining residual value. The depreciation period and method are assessed each year to ensure that the method and period used synchronize with the financial realities of the non-current asset. The same methodology applies to the residual value.

2.9 Leasing

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date as to whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

a) Finance Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Capitalized finance leases are expensed on a straight-line basis over the estimated period of use. The estimated period of use corresponds to the estimated useful life of the assets, since the Company uses the assets until they have no remaining value. If it is not certain that the Company will take over the asset when the lease expires, the asset is depreciated over the lease's term or the depreciation period for equivalent assets owned by the Group, whichever is the shorter. Total lease payments, less estimated interest, are recorded as long-term debt at the inception of the lease. The liability is reduced by the lease payments less the estimated interest expense.

b) Operating Leases

Leases for which substantially all the risks and benefits incidental to ownership of the leased item are not transferred to the Group are classified as operating leases. Lease payments are classified as operating costs and recognized in the income statement during the contract period.

2.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.11 Trade Receivables

Trade accounts receivable and other debtors are stated at their anticipated realizable value and reduced by an estimated bad debt allowance. The bad debt provision is made on the basis of individual evaluations of each customer account.

2.12 Cash and Cash Equivalents

Cash includes cash on hand and at the bank. Cash equivalents are short-term liquid investments that can be converted into cash within three months to a known amount, and which contain insignificant risk elements.

2.13 Impairment of Assets

a) Financial Instruments

Financial instruments are reviewed at each balance sheet date to determine if there has been any decrease in value. Financial assets, which are valued at amortized cost, are written down when it is probable that the Company will not recover the full amount of the asset. The amount of the impairment loss is recognized in the income statement. A previous impairment loss may be reversed if the circumstances warrant such a reversal. A reversal of an impairment loss is presented as income. The carrying amount is only recognized to the extent that it does not exceed what the amortized cost would have been had the impairment loss not been recognized.

The Company utilizes valuation allowance accounts where appropriate for its financial instruments. The Company will directly reduce the carrying value of a financial asset when the impairment has occurred within a current reporting period. The Company will reduce the carrying value of a financial asset by way of increasing its valuation allowance when the impairment occurred outside of the current reporting period.

b) Other Assets

An assessment of impairment losses on other assets is made when there is an indication that the recoverable amount of an asset has fallen below its carrying amount. If an asset's carrying amount is higher than the asset's recoverable amount, an impairment loss will be recognized in the income statement. With the exception of goodwill (see Note 10), impairment losses recognized in the income statements for previous periods are reversed when there is information that the impairment loss no longer exists or the carrying value of the impairment loss should be reduced. The reversal is recognized as revenue or an increase in other reserves. However, no reversal takes place if the reversal leads to the carrying amount exceeding what the carrying amount would have been if appropriate depreciation had occurred.

c) Recoverable Amount

The recoverable amount is the greater of the fair value of the asset less the net selling costs, or the discounted cash flow from continued use. "Value in use" is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. For assets that do not generate cash inflows, and which are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.14 Equity

a) Equity and Liabilities

Financial instruments are classified as liabilities or equity depending on the underlying financial circumstances. Interest, dividends, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or revenue.

b) Costs of Equity Transactions

Direct transaction costs relating to an equity offering are recognized against equity after deducting tax expenses. No other costs are directly recognized against equity.

c) Other Equity

Exchange differences arise in connection with currency differences when foreign entities are consolidated. Currency differences relating to monetary items (liabilities or receivables), which are in reality part of the Company's net investment in a foreign entity, are treated as an exchange difference. When a foreign operation is sold, the accumulated exchange differences linked to the entity are reversed and recognized in the income statement in the same period as the gain or loss on the sale is recognized.

2.15 Employee Benefits

a) Severance Pay

The Company provides severance pay in situations where employment contracts are terminated as a result of reorganization. The costs related to severance pay are provided for once management has decided on a plan that will lead to reductions in the workforce and the work of restructuring has started or the reduction in the workforce has been communicated to affected employees.

b) Share Options

The employees and management of the Company receive compensation in the form of equity-settled share-based payments. The cost of equity-settled transactions is determined by the fair value of the options at the time of the grant. The fair value is determined using an appropriate pricing model. Additional information is provided in Note 20. The expense associated with equity-settled transactions is recognized, together with a corresponding increase in equity, during the period over which the service conditions and/or performance conditions are satisfied and the employee is fully entitled to the award (vesting date).

2.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.17 Events after the Balance Sheet Date

New information on the Company's positions at the balance sheet date is taken into account in the annual financial statements. Events occurring after the balance sheet date that do not affect the Company's position at the balance sheet date, but which will affect the Company's position in the future, are stated, if significant.

2.18 Cash Flow Statement

The cash flow statement is prepared in accordance with the indirect method. Included in cash and cash equivalents are bank deposits and cash on hand. Cash and cash equivalents are presented at the market value on the balance sheet date.

2.19 Significant Accounting Judgments and Estimates

Preparation of annual financial statements in accordance with IFRS requires that management use estimates and assumptions that affect the valuation of assets, liabilities, revenues and expenses. Estimates and assumptions are based on historical experiences and other reasonable factors, considering the circumstances. These calculations form the basis for judgment of accounting values for assets and liabilities that are not evident from other sources. Actual results may deviate from these estimates. Future events may lead to these estimates being changed. Such changes will be recognized when new estimates can be determined with certainty. The most significant uncertainty in the Company's judgment relates to impairment testing of goodwill. The Company reviews whether or not goodwill has been impaired on a quarterly basis. Estimating the value in use requires the Company to estimate the expected cash flows from the cash-generating unit as well as a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at December 31, 2011 was USD 21,6 million. Additional information related to goodwill appears in Note 10. Other significant areas of judgment and estimates include the allocation of purchase price in conjunction with business combinations, determining expense associated with the issuance of stock options and the establishment of allowances for doubtful accounts.

2.20 Future Changes in Accounting Principles

In the financial statements for 2011 and beyond, the following standards, amendments and interpretations will be effective, along with annual improvements. While early adoption is permitted, the Group has chosen not to adopt these changes prior to 2011.

The Group does not expect these standards, revisions and interpretations to have a material impact on the financial position or performance of the Group.

The standards and interpretations are summarized below:

IFRS 7 – New disclosures for derecognition of financial instruments

Note 3 - 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. The Company only delivers services that are exposed to the same risk and return (business segment), and the business of the Company is not engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments (geographical segment).

Note 4 - Cost of Sales

The following table summarizes the components of the Company's Cost of Sales:

	Year Ended December 31,	
(Amounts in USD 1 000)	**2011**	**2010**
License Fees	7 723	6 671
Communications	18	44
Data Center Facilities	3 071	2 835
Commissions and Referrals	558	403
Total Cost of Sales - Recurring Revenues	11 370	9 953
Hardware & Software	324	248
Total Cost of Sales - Other	324	248
Total Cost of Sales	**11 694**	**10 201**

Note 5 – Employee Compensation and Benefits

5.1 Compensation and Benefits

The following table summarizes the components of the Company's Compensation and Benefits:

	Year Ended December 31,	
(Amounts in USD 1 000)	**2011**	**2010**
Salaries	11 490	11 801
Share-based Compensation	271	352
Social Security Tax	893	917
Other Compensation	1 578	1 864
Total Employee Compensation and Benefits	**14 232**	**14 934**
Average Number of Employees	**138**	**157**

The tables below set forth the compensation summary for the Executive Team and Board of Directors for the years ended December 31, 2011 and 2010.

(Amounts in USD 1 000)	2011 Compensation					
Executive Team and Board Members	**Salary**	**Bonus**	**Other**	**Board Fees**	**Value of Options**	**Total Remuneration**
David Ehrhardt (CEO)	297	-	4	-	86	387
Chris Mack (CFO)	226	-	3	-	39	268
Joy Nemitz (CMO)	183	-	1	-	27	211
Donnie Hughes (SVP Customer Management)	158	9	2	-	11	180
Shane Smith (SVP Technology)	175	1	-	-	8	184
Aubrey Smoot (SVP Business Development)	195	-	2	-	21	218
John Kersse (Former CTO)	243	-	3	-	31	277
Chris Damvakaris (Former VP Sales)	57	9	1	-	8	75
Johan Lindqvist (Chairman)	-	-	-	72	-	72
Ebba Asly Fahraeus (Board Member)	-	-	-	36	-	36
Terje Rogne (Board Member)	-	-	-	36	-	36
Total	**1 534**	**19**	**16**	**144**	**231**	**1 944**

(Amounts in USD 1 000)	2010 Compensation					
Executive Team and Board Members	**Salary**	**Bonus**	**Other**	**Board Fees**	**Value of Options**	**Total Remuneration**
David Ehrhardt (CEO)	290	32	4	-	136	462
Chris Mack (CFO)	222	24	3	-	34	283
Donnie Hughes (SVP Customer Management)	147	24	1	-	5	177
Aubrey Smoot (SVP Business Development)	142	6	2	-	8	158
John Kersse (Former CTO)	248	27	4	-	31	310
Chris Damvakaris (Former VP Sales)	170	37	3	-	24	234
Johan Lindqvist (Chairman)	-	-	-	66	-	66
Ebba Asly Fahraeus (Board Member)	-	-	-	33	-	33
Terje Rogne (Board Member)	-	-	-	33	-	33
Total	**1 219**	**150**	**17**	**132**	**238**	**1 756**

The Company offers a 401(k) pension plan which allows for all employees to make voluntary contributions on a pre-tax basis. The Company has an employer match of 25% of employee contributions up to 6% of the employee's salary. During 2011 and 2010, the Company recognized USD 111 thousand and USD 91 thousand of pension contribution expense, respectively.

The value of options included in the above tables represents the cost amortized during 2011 and 2010, respectively. Other compensation consists of matching 401(k) contributions made by the Company during 2011 and 2010.

The Company's Chairman, Johan Lindqvist is entitled to a fee of NOK 400 thousand per annum of which NOK 100 thousand was outstanding as of December 31, 2011. Mr. Lindqvist is also entitled to a fee of NOK 400 thousand for consulting services as approved by the shareholders in May 2011, of which zero was outstanding as of December 31, 2011. Terje Rogne and Ebba Asly

Fahraeus are paid a Directors fee of NOK 200 thousand per year of which NOK 50 thousand was outstanding to each as of December 31, 2011. All outstanding board fees were paid in February 2012.

Members of the Executive Team are eligible for annual performance bonuses, as approved by the Company's Board of Directors, based on a percentage of the respective executive's base compensation. The bonus percentages range from 30% to 50%.

The Company has agreements with each of its senior executives which provide for, among other things, the payment of severance and the continuation of medical and dental benefits for periods up to nine months in the event the senior executive is properly terminated by the Company without cause, due to change of control or by the Executive Team for good reasons.

The tables below sets forth the stock option summary for the Executive Team and Board of Directors as of December 31, 2011 and 2010.

Executive Team	Options - Dec. 31, 2010	Options Granted 2011	Options Exercised in 2011	Options Expired/ Forfeited in 2011	Options - Dec. 31, 2011	Avg Exercise Price	Maturity Period
David Ehrhardt (CEO)	1 715 000	-	-	-	1 715 000	2,70	3,35
Chris Mack (CFO)	525 000	375 000	-	-	900 000	2,80	4,21
Joy Nemitz (CMO)	-	275 000	-	-	275 000	3,18	4,53
Donnie Hughes (SVP Customer Management)	125 000	100 000	-	-	225 000	2,81	4,21
Shane Smith (SVP Technology)	100 000	125 000	-	-	225 000	2,70	4,11
Aubrey Smoot (SVP Business Development)	200 000	150 000	-	-	350 000	2,82	4,21
John Kersse (Former CTO)	525 000	75 000	-	(375 000)	225 000	2,72	0,06
Chris Damvakaris (Former VP Sales)	361 400	-	-	(361 400)	-	-	-
Total	**3 551 400**	**1 100 000**	**-**	**(736 400)**	**3 915 000**	**2,70**	**3,60**

Executive Team	Options - Dec. 31, 2009	Options Granted 2010	Options Exercised in 2010	Options Expired/ Forfeited in 2010	Options - Dec. 31, 2010	Avg Exercise Price	Maturity Period
David Ehrhardt (CEO)	250 000	1 715 000	-	(250 000)	1 715 000	2,70	4,35
Chris Mack (CFO)	150 000	525 000	-	(150 000)	525 000	2,70	4,35
Donnie Hughes (SVP Customer Management)	-	125 000	-	-	125 000	2,70	4,35
Shane Smith (SVP Technology)	-	100 000	-	-	100 000	2,70	4,35
Aubrey Smoot (SVP Business Development)	-	200 000	-	-	200 000	2,70	4,35
John Kersse (Former CTO)	90 000	525 000	-	(90 000)	525 000	2,70	4,35
Chris Damvakaris (Former VP Sales)	91 400	361 400	-	(91 400)	361 400	2,70	4,35
Total	**581 400**	**3 551 400**	**-**	**(581 400)**	**3 551 400**	**2,70**	**4,35**

There were no options exercised during 2011 or 2010.

The Director's have elected to waive any rights to stock-based compensation.

Total compensation for each of the Executive Team members as well as the other senior executives is comprised of three principal components: base salary, annual incentive compensation and stock-based awards. The base salaries are fixed at levels which the Compensation Committee believes are comparable to those of executives of similar status in the Company's industry and are targeted to be competitive in the marketplace. In addition to base salary, each Executive Team member is eligible to receive an annual bonus tied to the Company's success in achieving certain annual performance measures, as well as individual performance. The Board and the Compensation Committee also believe that longer-term incentives are appropriate to motivate and retain key personnel and that stock ownership by management is beneficial in aligning management's and stockholders' interests in the enhancement of stockholder value. Accordingly, the Compensation Committee has a policy of considering periodic grants of stock-based awards to Executive Team members. Historically, such grants have been in the form of stock options.

5.2 Audit Fees

The table below summarizes the components of the Company's audit related fees:

	Year Ended December 31,	
(Amounts in USD 1 000)	**2011**	**2010**
Audit Services	90	111
Other Attestation Services	1	1
Tax Services	1	1
Other Non-audit services	20	22
Total Audit Fees	**112**	**135**

Note 6 - Other Operational and Administrative Costs

The following table summarizes the components of the Company's Other Operational and Administrative Costs:

	Year Ended December 31,	
(Amounts in USD 1 000)	**2011**	**2010**
Marketing	1 950	2 705
Travel & Entertainment	404	421
Rent	823	833
Professional Fees	1 178	1 203
Communications	724	1 198
Maintenance and Support	1 112	1 446
Utilities and Maintenance Costs	503	384
Computer Equipment and Software	1 145	1 607
Other SG&A	1 364	1 422
Total Other Operating Expenses	**9 203**	**11 219**

Note 7 - Financial Income and Expenses

The following table summarizes the components of the Company's Financial Income and Expense:

	Year Ended December 31,	
(Amounts in USD 1 000)	**2011**	**2010**
Interest on Bank Deposits	1	2
Interest Expense	(1 320)	(1 438)
Interest, Net	**(1 319)**	**(1 436)**
Other Financial Expense	-	(196)
Other Financial Expense, Net	**-**	**(196)**

Note 8 - Earnings per Share

The basic and diluted earnings per share is calculated as the ratio of the net income for the year that is due to the ordinary shareholders. The net income of USD 703 thousand is divided by the weighted average number of ordinary shares outstanding of 81 430 000 resulting in earnings per share of USD 0,01.

The following table presents the earnings per share:

	Year Ended December 31,	
(Amounts in USD 1 000 Except for Share Data)	**2011**	**2010**
Income/(Loss) for the Year	703	(3 110)
Total Basic and Diluted Weighted Average Number of Shares Outstanding	81 430	81 430
Basic and Diluted Earnings/(Loss) Per Share for the Year	**0,01**	**(0,04)**

Note 9 - Intangible Assets

The following table summarizes the activity of the Company's Intangible Assets:

(Amounts in USD 1 000)	Goodwill	Software Licenses	Internally Developed Software	Total Software Licenses
Cost December 31, 2009	**29 648**	**5 030**	**1 144**	**6 174**
Additions	-	968	-	968
Cost December 31, 2010	**29 648**	**5 998**	**1 144**	**7 142**
Additions	-	877	-	877
Cost December 31, 2011	**29 648**	**6 875**	**1 144**	**8 019**
Accumulated Depreciation/ Impairment - December 31, 2009	**8 000**	**3 628**	**1 127**	**4 755**
Depreciation Charges	-	985	7	992
Accumulated Depreciation/ Impairment - December 31, 2010	**8 000**	**4 613**	**1 134**	**5 747**
Depreciation Charges	-	982	7	989
Accumulated Depreciation/ Impairment - December 31, 2011	**8 000**	**5 595**	**1 141**	**6 736**
Net Book Value:				
Balance December 31, 2010	**21 648**	**1 385**	**10**	**1 395**
Balance December 31, 2011	**21 648**	**1 280**	**3**	**1 283**

Software and Licenses are amortized on a straight-line basis over a three-year period. This is the Company's best estimate of the life of such assets.

Note 10 - Impairment Testing of Goodwill and Intangible Assets with Indefinite Lives

The Company evaluates its goodwill and other intangibles on a consolidated basis as a single cash generating unit. The recoverable amount for the cash generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections was 12% (pre-tax) and assumed a constant growth rate of 3% (nominal) beyond year five.

Key assumptions used in value in use calculations for the Company for December 31, 2011 and December 31, 2010

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted Revenue - The basis for determining the value assigned to budgeted revenue growth is a combination of the average percentage change in revenue in the year immediately prior to the budgeted year and management's estimates for the next five years.

Budgeted Gross Margins - The basis for determining the value assigned to budgeted gross margins is the average gross margins achieved in the year immediately prior to the budgeted year and management's estimates for the next five years.

Operating Expenses - The basis for determining the value assigned to operating expenses is the forecasted operating expenses based on the revenue projections, using historical costs adjusted for inflation.

Pre-Tax Discount Rates – Pre-tax discount rates reflect management's estimates of the risk specific to the business as a whole. This benchmark is used by management to assess operating performance and to evaluate future investment proposals.

As part of the Company's annual review process it assesses whether or not acquired goodwill or other intangible assets have been impaired. The estimate reflects the Company's assessment of the value of the cash-generating unit to which the goodwill is allocated or the intangible asset is associated. Calculating the value in use requires the Company to estimate the expected cash flows from the cash-generating unit (if available) and also to choose a suitable discount rate in order to calculate the present value of cash flow.

With regard to the assessment of value of intangible assets in use, management has evaluated the impact of potential changes in key assumptions on future carrying values of the intangible assets. Depending upon future growth rates, acceptance of the Company's product and services in the markets it serves, operating costs as well as cost of capital, a material change in any of these key assumptions could have an impact on the carrying value of the Company's intangible assets in future periods. The primary factor impacting future carrying value is the Company's future revenue growth rates. If the Company experiences an unfavorable change in revenue growth or cost assumptions by more than 5% this could result in an impact on consolidated carrying values of the intangible assets for the Company. Additionally, an increase in the Company's discount rate by more than 4% could also result in an unfavorable impact on the consolidated carrying values of the intangible assets for the Company.

Goodwill

The following table summarizes the Company's Goodwill balances:

(Amounts in USD 1 000)	Year Ended December 31, 2011	2010
ASP-One	4 907	4 907
MailStreet	7 077	7 077
Mi8	9 664	9 664
Total Goodwill	**21 648**	**21 648**

Note 11 - Property and Equipment

The following table summarizes the activity of the Company's Property and Equipment:

(Amounts in USD 1 000)	Computer Equipment	Furniture & Fixtures	Leasehold Improvements	Total
Cost December 31, 2009	**15 691**	**248**	**80**	**16 019**
Additions	3 917	382	77	4 376
Disposals	(2 911)	(195)	-	(3 106)
Cost December 31, 2010	**16 697**	**435**	**157**	**17 289**
Additions	2 947	-	-	2 947
Disposals	(140)	-	-	(140)
Cost December 31, 2011	**19 504**	**435**	**157**	**20 096**
Accumulated Depreciation - December 31, 2009	**11 252**	**131**	**69**	**11 452**
Depreciation Charges For The Year	2 672	37	12	2 721
Disposals	(3 005)	(87)	-	(3 092)
Accumulated Depreciation - December 31, 2010	**10 919**	**81**	**81**	**11 081**
Depreciation Charges For The Year	2 323	62	17	2 402
Disposals	(140)	-	-	(140)
Accumulated Depreciation - December 31, 2011	**13 102**	**143**	**98**	**13 343**
Net Book Value:				
Balance December 31, 2010	**5 778**	**354**	**76**	**6 208**
Balance December 31, 2011	**6 402**	**292**	**59**	**6 753**

Computer equipment and furniture and fixtures are depreciated on a straight-line basis over three to seven years, respectively. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvement or the remainder of the lease term, generally five years.

Finance leases accounted for USD 3 031 thousand and USD 4 966 thousand of the property, equipment and intangible assets acquired in 2011 and 2010, respectively. Assets acquired utilizing finance leases are pledged as security by the Company to the Lessor until the finance lease obligation is satisfied.

The net carrying value of property and equipment acquired via finance leases was USD 6 526 thousand and USD 5 921 thousand at December 31, 2011 and 2010, respectively.

Note 12 - Shares in Subsidiary Companies

The following table summarizes the Company's subsidiaries:

Companies	Incorporation/ Acquisition	Office Location	Ownership Interest & Voting Shares
Apptix, Inc.	1999	Virginia, USA	100%

Apptix, Inc. is 100% owned by Apptix ASA.

Note 13 - Accounts Receivable

The table below sets forth the Company's trade receivables, net of the allowance provision as of December 31, 2011 and 2010:

		Neither Past	Past Due, Not Impaired		
(Amounts in USD 1 000)	**Total**	**Nor Impaired**	**30-60 Days**	**60-90 Days**	**>90 Days**
2011	1 640	1 204	404	20	12
2010	1 558	1 094	346	40	78

The Company evaluates its provision for trade receivables on a regular basis. Key factors that are considered when determining whether a provision is required due to potential impairment include the age of the trade receivable, the amount past due and the payment history of the customer. The table below sets forth the movement in the Company's trade receivable provision for 2010 and 2011:

December 31, 2009	**138**
Charge for the Period	280
Increase in Reserve	115
Amounts Utilized	(513)
December 31, 2010	**20**
Charge for the Period	240
Increase in Reserve	180
Amounts Utilized	(349)
December 31, 2011	**91**

Included in the Company's income statement are losses on trade receivables totaling USD 240 thousand and USD 280 thousand, respectively. Additionally, the Company reduced current year revenues by USD 180 thousand related to potential future revenue disputes.

Note 14 - Other Current Assets

The following table summarizes the Company's Other Current Assets. The components contained within are non-interest bearing items.

	Year Ended December 31,	
(Amounts in USD 1 000)	**2011**	**2010**
Security Deposit	445	501
VAT Receivable/Other	6	38
Total Other Current Assets	**451**	**539**

Note 15 - Cash and Cash equivalents

The following table summarizes the Company's Cash and Cash Equivalents. Cash balances held by the Company's bank earns interest at a floating rate based on average daily balances:

	Year Ended December 31,	
(Amounts in USD 1 000)	**2011**	**2010**
Cash at the Bank	751	948
Restricted Cash	17	18
Total Cash and Cash Equivalents	**768**	**966**

Note 16 - Interest-Bearing Debt

The following table summarizes the Company's Interest-Bearing Debt:

(Amounts in USD 1 000)			Year Ended December 31,	
Current	**Effective Interest Rate**	**Maturity**	**2011**	**2010**
Obligations Under Finance Leases	17.97%	2012	3 497	3 229
Total Current Obligations			**3 497**	**3 229**
Long Term				
Obligations Under Finance Leases	16.05%	2013-15	1 098	2 078
Revolving Line of Credit	6.75%	2013	4 700	4 350
Total Long Term Obligations			**5 798**	**6 428**

16.1 Finance Leases

The Company utilizes finance leases to fund purchases of its property and equipment needs. All such finance leases have either a USD 1 buyout option or a percentage of fair market value bargain purchase option.

16.2 Line of Credit Facility

The Company maintains a revolving credit facility with its bank with a borrowing limit of USD 6 million. Amounts available under the working capital facility were previously subjected to a borrowing base formula equal to 75% of the Company's trailing two months cash collections. However, on November 16, 2011, the Company entered into a Fifth Loan Modification Agreement whereby its borrowing ratio calculation was adjusted from trailing two months cash collections to trailing two and one half months cash collections. Additionally, the interest rate to which borrowings under the facility are subjected was lowered to the bank's prime interest rate plus up to two additional percentage points (down from up to two and one half percentage points previously). No other material terms were modified. Any amounts under the revolving credit facility may be repaid and re-borrowed at any time prior to the maturity date. This facility is secured by a first priority position in all of the assets of the Company except for those assets financed via capital leases. The term of the working capital facility continues through January 31, 2013.

At December 31, 2011 and 2010, the Company had outstanding USD 4 700 thousand and USD 4 350 thousand respectively under the WCLC. During 2011 and 2010, the Company complied with all required financial covenants.

Note 17 – Lease Related Obligations

The Company has funded investments in property and equipment and office space through various lease agreements. The following information summarizes the Company's operating and finance lease obligations:

17.1 Operating Leases

The following table summarizes the Company's future operating lease commitments at December 31, 2011:

(Amounts in USD 1 000) Operating Leases	Year Ended December 31, 2011
Payable in 2012	785
Payable in 2013	808
Payable in 2014	807
Payable in 2015	784
Payable in 2016	804
Thereafter	39
Total Minimum Lease Payments	**4 027**
Cost recognized in 2011	**823**

The Company's current lease agreement for its Herndon, Virginia office space expires in December 2016. The Company entered into a new lease agreement for its Davie, Florida location which took effect September 1, 2010 and expires in February 2017.

17.2 Finance Leases

The majority of the Company's finance leases are 3-year capital leases with a USD 1 buyout. The Company has one capital lease with a term of 7 years with a USD 1 buyout option. Additionally, the Company has capital leases with terms ranging from two to four years and bargain purchase options based on a percentage of fair market value. The capitalized lease amount is included in the net property and equipment balances summarized in Note 11.

Equipment funded under finance leases are pledged as collateral in support of the amounts borrowed.

The following table summarizes the Company's Finance Lease commitments:

(Amounts in USD 1 000)	Year Ended December 31, 2011		2010	
Finance Leases	**Minimum Payments**	**Present Value**	**Minimum Payments**	**Present Value**
Payable Within One Year	4 110	3 497	4 093	3 229
Payable After One Year, But Not More Than Five Years	1 265	1 098	2 383	2 078
Total Minimum Lease Payments	5 375	4 595	6 476	5 307
Less Amounts Representing Finance Charges	(780)	-	(1 169)	-
Present Value of Minimum Lease Payments	**4 595**	**4 595**	**5 307**	**5 307**

Note 18 - Other Current Liabilities

The following table summarizes the Company's Other Current Liabilities:

(Amounts in USD 1 000)	Year Ended December 31, 2011	2010
Accrued Expenses	2 650	2 297
Deferred Revenue	1 060	1 039
Total Other Current Liabilities	**3 710**	**3 336**

Note 19 - Income Tax

The Norwegian Company is taxed at the statutory tax rate of 28%, and the U.S. Company is taxed at statutory rates of 15% to 39% applied to marginal income levels.

(Amounts in USD 1 000)

Income tax expense	**2011**	**2010**
Tax payable	132	51
Changes in deferred tax	-	-
Income tax expense	**132**	**51**

Reconciliation of tax expense	**2 011**	**2 010**
Pre-tax loss	835	(3 059)
Tax assessed	208	(1 312)
Permanent differences	1 133	437
Change of unrecognized deferred tax asset	(1 154)	914
Translation adjustment	(320)	12
Income tax expense	**(132)**	**51**

Income tax expense relates solely to certain state income tax payments made in the US.

(Amounts in USD 1 000)	**Balance Sheet**	
Deferred tax and tax advantage	**2011**	**2010**
Deferred tax assets		
Non-current assets	(970)	(973)
Current assets	4 937	4 212
Loss carry forward *	53 741	55 953
Tax advantage - gross	57 708	59 192
Deferred tax liabilities		
Non-current assets	-	-
Current assets	-	-
Other	-	-
Deferred tax liabilities - gross	-	-
	-	
Net deferred tax asset/(liabilities)	57 708	59 192
Net deferred tax asset/(liabilities) continued operations	**57 708**	**59 192**
Net recognized deferred tax asset/(liabilities)	**-**	**-**

* The Norwegian Tax Authorities decided in 2007 to reduce the Apptix loss carry forward by NOK 101 566 that originated before the demerger from Telecomputing ASA. In 2009, the loss carry forward was reduced accordingly. In 2010, the Norwegian Tax Authorities ruled in favor of

Apptix and therefore this amount has now been included in the 2010 loss carry forward. Tax losses in Norway can be carried forward indefinitely.

In the US, there is approximately USD 119 million of federal loss carry forwards at December 31, 2011, which expire in future years starting in 2018 through 2030.

Note 20 - Share-based payments

The Company has a Stock Option Plan ("Plan"), which is administered by the Company's Board of Directors. The Plan provides for the granting of options to purchase shares of Common Stock to eligible employees. Typically, option grants vest over a 4 year period and the option term does not exceed five years. The Company has adopted the Black-Scholes model for the purpose of calculating fair value of options under IFRS. A volatility percentage of between 78% and 98% was used for the options granted in 2011 and a percentage of 65% was used for options granted in 2010. For the Company's 2011 stock option grants, the Company used a risk-free interest rate of between 1.85% and 3.0% and 2.3% for 2010 stock option grants. The Company also assumed an estimated life of 365 days once the option becomes vested. In 2011, the Company recognized a total of USD 270 thousand in stock option expense and USD 352 thousand in stock option expense for 2010.

The share options granted could lead to a dilutive effect on the Company shareholders; however, the effects are anti-dilutive due to the share price of the Company's stock as of December 31, 2011 and 2010.

A summary of the Company's stock option activity, and related information for the year ended December 31, 2011 and 2010 follows:

	2011		2010	
	Shares	Weighted Avg Exercise Price	Shares	Weighted Avg Exercise Price
Outstanding at Beginning of Period	4 055 347	2,83	786 214	10,57
Granted	1 125 000	2,98	4 076 400	2,70
Exercised	-		-	-
Forfeited	(862 644)	(2,75)	(66 875)	(6,12)
Canceled	-		(738 159)	(10,02)
Expired	(6 121)	(38,96)	(2 233)	(14,42)
Outstanding at End of Period	**4 311 582**	**2,84**	**4 055 347**	**2,83**
Exercisable at End of Period	**1 400 082**	**2,90**	**750 727**	**3,33**

The following table summarizes the Company's stock options at December 31, 2011:

	Outstanding Stock Options			Exercisable Stock Options	
Exercise Price	Shares	Weighted Avg Remaining Contractual Life	Weighted Avg Exercise Price	Shares	Weighted Avg Exercise Price
NOK 0 - 10	4 308 432	3,66	2,81	1 396 932	2,82
NOK 11 - 50	3 150	0,44	39,61	3 150	39,61
Total	**4 311 582**	**3,66**	**2,84**	**1 400 082**	**2,90**

Note 21 - Consolidated Shareholders Equity

There were no share issuances during 2011 and 2010. There were also no options exercised during 2011 and 2010.

Note 22 - Shareholder Structure

At December 31, 2011, the Company had only one class of shares with a par value of NOK 0,333. Each share has one vote. There are no trade limitations on the Company's shares. The shares are registered in the Norwegian Registry of Securities. Total outstanding and issued shares at December 31, 2011 were 81 430 178.

Shareholder	Number of Shares Owned	Percentage of Shares Owned
BNP PARIBAS SECS SERVICES PARIS	33 550 174	41.2%
WINDCHANGE AS	9 120 000	11.2%
TTC INVEST AS	2 200 000	2.7%
REGNBUEN HOLDING AS	2 126 199	2.6%
SCANDINAVIAN FASHION GROUP AS	1 963 383	2.4%
ADMANIHA AS	1 942 694	2.4%
SEB ENSKILDA ASA	1 820 000	2.2%
BANK OF NEW YORK MELLON SA/NV	1 758 844	2.2%
CLEARSTREAM BANKING	1 733 265	2.1%
CARNEGIE INVESTMENT BANK AB NUF	1 261 400	1.5%
TPOT AS	1 000 000	1.2%
HÜBERT LEIF	958 080	1.2%
ENVOY TRADING COMPAN K.C. SAVERLADES & CO	922 789	1.1%
SØGNE SHIPPING AS	882 701	1.1%
LOLIGO AS	878 567	1.1%
SIX SIS AG	850 403	1.0%
UNNEBERG D0DSBO J0RN	780 167	1.0%
CLINTO AS	686 778	0.8%
DnB NOR MARKETS, AKS	650 284	0.8%
AVANZA BANK AB MEGLERKONTO	559 669	0.7%
Total Largest 20 Shareholders	**65 645 397**	**80.6%**
Other Shareholders	**15 784 781**	**19.4%**
Total Shares Outstanding	**81 430 178**	**100.0%**

BNP PARIBAS SECS Services is the nominee for the Celox SA holdings. Celox SA owns approximately 32% of the total outstanding shares of the Company.

Windchange AS is an entity 100% owned by the Company's chairman. The total ownership reflected above does not include 35 059 shares held directly by the Company's chairman. Admaniha AS is an entity 100% owned by one of the Company's directors.

Shares owned (both directly and indirectly) by the Board of Directors and the CEO at December 31, 2011:

Name	Position	Shares	Options	Average Exercise Price
David Ehrhardt	CEO	58 949	1 715 000	2,70
Johan Lindqvist	Chairman	9 155 059	-	-
Terje Rogne	Board member	1 942 694	-	-
Ebba Asly Fahraeus	Board member	240 053	-	-
Total		**11 396 755**	**1 715 000**	**2,70**

At December 31, 2011, Jon Schultz, the Company's legal counsel, owned directly and indirectly 458 670 shares of Apptix ASA.

Note 23 - Transactions with Related Parties

The Company has entered into a consulting agreement with its Chairman, Johan Lindqvist, whereby the Company pays Mr. Lindqvist NOK 400 thousand per year for consulting services as approved by the shareholders in May 2011.

The Company contracts with Jon Schultz, a former Board member, to provide legal services. The Company paid Mr. Schultz's legal firm NOK 420 thousand in 2011 for professional legal services. The Company believes the remuneration paid to Mr. Schultz's legal firm during 2011 was equivalent to prevailing market rates.

Mr. Schultz along with shareholders Bjorge Gretland and Fredrik Stenmo are members of the Company's nominating committee and each is eligible for NOK 15 000 per year for committee services in 2010 and 2011. Mr. Gretland represents Convexa Capital IV AS and Mr. Stenmo represents the Company's largest shareholder, Celox SA.

The Company does not have any other transactions with related parties except for compensation to key management and Board of Directors as summarized in Note 5 and the equity related transactions as summarized in Notes 20, 21 and 22.

Note 24- Events after the Balance Sheet Date

None.

Note 25 - Financial Risk Management Objectives and Policies

Financial Risk Management

The Company's principal financial instruments include operating leases, finance leases, and cash. The primary purpose of these financial instruments is to finance the Company's operations and strategic acquisition plans. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which are a direct result of the Company's operations.

It is the Company's policy not to engage in trading of financial instruments.

The primary risk arising from the Company's financial instruments are foreign currency risk, credit risk, interest risk and liquidity risk. The Company evaluates its risk exposure in order to determine the potential affect on its business operations by reviewing the products and services provided to the markets the Company serves and the countries in which it conducts business. The Company believes it does not have any significant single concentration of risk.

The policies are summarized below.

Foreign Currency Risk

The Company's principal operating market is the United States with its functional currency being the US Dollar. The Company has limited operating expense outside of the United States. The Company has limited transactional currency exposure, which results from transactions in a currency other than its functional currency.

Credit Risk

The Company transacts with a wide variety of customers from the Global 1 000 to companies with fewer than five employees. The majority of small business customers pay via credit card, dramatically reducing the Company's credit risk with respect to these customers. To ensure that credit risk is managed appropriately, the Company monitors its receivables balance regularly and ceases providing service when customer accounts become significantly overdue. At December 31, 2011, the Company's maximum credit risk is the carrying value of its trade accounts receivable of 1 640. The Company believes it does not have any material credit risk associated with trade accounts receivables that are neither past due nor impaired.

Interest Rate Risk

The Company's exposure to the risk of interest rate fluctuations relates primarily to the Company's need to obtain equipment financing for computer hardware and equipment and the Company's WCLC, as required to support the business. The Company's lease agreements are primarily fixed rate agreements and not subject to fluctuation while the Company's WCLC is subject to changes in its financial institution's prime interest rate. Interest rate fluctuation related to the WCLC is limited to a maximum increase of two percent above the prime interest rate.

Interest Rate Table

The following table demonstrates the sensitivity to a reasonably possible change in US interest rates (full % points), with all other variables held constant, of the Company's loss before tax. There is no impact on the Company's equity.

	Increase / Decrease In Interest Rates	Effect on Profit Before Taxes
2011	3%	(112)
	-3%	112
2010	3%	(61)
	-3%	61

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of operating leases and finance leases.

The table below summarizes the maturity profile of the Company's financial liabilities as of December 31, 2011 and 2010 based on contractual undiscounted payments:

(Amounts in USD 1 000) **Year Ended December 31, 2011**	**Due within 12 Months**	**Due within 1 to 5 Years**	**Total**
Trade Accounts Payable	1 425	-	1 425
Other Current Liabilities	7 207	-	7 207
Other Long Term Debt	-	5 798	5 798
Total	**8 632**	**5 798**	**14 430**

Year Ended December 31, 2010	**Due within 12 Months**	**Due within 1 to 5 Years**	**Total**
Trade Accounts Payable	2 268	-	2 268
Other Current Liabilities	6 565	-	6 565
Other Long Term Debt	-	6 428	6 428
Total	**8 833**	**6 428**	**15 261**

Financial Instruments

The table below sets forth the carrying amounts and fair values of the Company's financial instruments:

	Carrying Amount		**Fair Value**	
(Amounts in USD 1 000)	**2011**	**2010**	**2011**	**2010**
Cash and Cash Equivalents	768	966	768	966
Accounts Receivable	1 640	1 558	1 640	1 558
Interest-bearing loans and borrowings:				
Bank Equipment Loans & Line of Credit Facility	4 700	4 350	4 700	4 350
Obligations under Finance Lease	4 595	5 307	4 595	5 307

The market interest rates associated with the fair value of the loans and finance leases are consistent with the effective rates of the carrying amounts for such loans and finance leases. Therefore, there is not a difference in the carrying amounts and fair value for such financial liabilities.

The Company's working capital facility is secured by a first priority position in all of the assets of the Company except for those assets financed via capital leases. The term of the working capital facility has been extended through January 31, 2013 and requires the Company to maintain certain financial covenants such as tangible net worth and liquidity ratio (as defined by the financial institution). At December 31, 2011, the Company had USD 4 700 thousand outstanding under its revolving line of credit agreement.

Capital Management

The primary objective of the Company's capital management is to ensure it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company considers both equity and debt financing (i.e. subordinated or convertible debt) as part of the capital resources that it actively manages.

Given the Company's operating losses, the Company has historically relied on debt and equity financings, equipment financings and working capital loans to meet its on-going working capital needs. The Company monitors earnings before interest, taxes, depreciation and amortization (EBITDA) both in absolute currency and as a percentage of net revenues in order to determine whether or not the Company has sufficient capital resources to satisfy its contractual debt obligations and business plan for the next twelve months. When evaluating the Company's current business plan, the Company will assess the likelihood of securing the financing needed to satisfy its capital resources for the upcoming year. The Company will also assess the cost and risk associated with the various financing options and when appropriate, modify its business plan to correspond with an acceptable cost of capital.

External reporting requirements related to securing capital are likely to include EBITDA, tangible net worth and minimum cash balances. The table below sets forth the Company's EBITDA from continuing operations for 2011 and 2010:

(Amounts in USD 1 000)	**EBITDA**
2011	5 545
2010	2 286

Working Capital Line of Credit

The Company maintains a working capital facility with its financial institution. The asset-based debt facility provided for working capital advances up to a maximum of USD 6 000 thousand. At December 31, 2011, the Company had USD 4 700 thousand outstanding under the WCLC. For additional information, refer to Note 16.

APPTIX ASA

2011 Financial Statements

APPTIX ASA INCOME STATEMENTS

(Amounts in NOK 1 000)	Note	Year Ended December 31, 2011	2010
OPERATING REVENUE			
Other Revenue		228	374
Operating Revenue		**228**	**374**
OPERATING EXPENSES			
Employee Benefits	**4**	947	913
Other Operational and Administrative Costs		1 727	1 626
Total Operating Expenses		**2 674**	**2 539**
Operating Loss		**(2 446)**	**(2 165)**
FINANCIAL INCOME AND EXPENSES			
Income/(Loss) From Investment in Subsidiaries	**5**	(19 701)	(47 273)
Interest, Net		10 022	12 533
Net Financial Expenses		**(9 679)**	**(34 740)**
Loss Before Taxes		**(12 125)**	**(36 905)**
TAXES			
Income Tax Expenses	**6**	-	-
Net Loss		**(12 125)**	**(36 905)**
Allocated as follows			
Transferred to share premium		12 125	36 905
Total allocations		**12 125**	**36 905**
Loss Per Share:			
Basic and Diluted Loss Per Share		**(0,15)**	**(0,45)**
Common Shares Outstanding		81 430	81 430

APPTIX ASA BALANCE SHEETS

(Amounts in NOK 1 000)		Year Ended December 31,	
	Note	**2011**	**2010**
ASSETS			
Financial Non-current Assets			
Investment in Subsidiaries	**5**	53 508	66 026
Total Financial Non-current Assets		53 508	66 026
Total Non-current Assets		53 508	66 026
Current Assets			
Other Current Assets		106	101
Cash and Cash Equivalents	**3**	179	257
Total Current Assets		285	358
TOTAL ASSETS		**53 793**	**66 384**
EQUITY AND LIABILITIES			
Equity			
Share Capital	**8**	27 116	27 116
Share Premium	**8**	24 260	36 764
Other Paid-in Capital	**8**	-	-
Total Equity		51 376	63 880
Total Long Term Debt		-	-
Current Liabilities			
Trade Accounts Payable		40	38
Other Current Liabilities		2 377	2 466
Total Current Liabilities		2 417	2 504
TOTAL EQUITY AND LIABILITIES		**53 793**	**66 384**

Johan Lindqvist	Ebba Åsly Fåhraeus	Terje Rogne	David E. Ehrhardt
Chairman of the Board	Director	Director	President & Chief Executive Officer

31 December, 2011 / 26 March, 2012

APPTIX ASA STATEMENT OF CASH FLOWS

(Amounts in NOK 1 000)		Year Ended December 31,	
	Note	2011	2010
Cash Flows From Operating Activities			
Loss Before Tax		(12 125)	(36 905)
Loss From Investment in Subsidiaries	**5**	19 701	47 273
Change in Trade Accounts Payable		2	(412)
Change in Other Assets and Liabilities		(94)	(156)
Cash Flows Provided by Operating Activities		**7 484**	**9 800**
Cash Flows From Investing Activities			
Intercompany Receivables		(7 562)	(11 299)
Cash Flows Used in Investing Activities		**(7 562)**	**(11 299)**
Cash Flows From Financing Activities			
Payments on Convertible Debt	**7**	-	-
Proceeds From Share Offerings	**8**	-	-
Cash Flows Used in Financing Activities		-	-
Net (Decrease) Increase in Cash and Cash Equivalents		(78)	(1 499)
Cash and Cash Equivalents at Beginning of Period		257	1 756
Cash and Cash Equivalents at End of Period		**179**	**257**

NOTES TO APPTIX ASA FINANCIAL STATEMENTS

Note 1 - Corporate Information

Apptix ASA is a public Company registered in Norway. The Company's registered business address is located at Nesoyveien 4, 1396 Billingstad, Norway.

Note 2 - Summary of Significant Accounting Policies

2.1 Basis for Preparation

The financial statements of Apptix ASA are prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles.

2.2 Functional Currency and Presentation Currency

The Company's functional currency and presentation currency is NOK.

2.3 Investment in Subsidiaries

Investment in subsidiaries is accounted for in accordance with the equity method in the financial statement of the parent Company. The companies located outside of Norway use their local currency as their functional currency (primarily USD). The assets and liabilities are translated into NOK using the rate of exchange as of the balance sheet date. The income statement is translated using the average exchange rate for the month in which the transaction occurred. Translation gains and losses are charged directly to equity.

2.4 Revenue Recognition

Revenue is recognized when it is earned.

2.5 General Valuation Rules for Classification of Assets and Liabilities

Current assets and liabilities include balances typically due within one year. All other balances are classified as non-current assets and other long-term debt. Current assets are valued at the lower of cost or net realizable value. Short-term debt is stated at the historical nominal value. Fixed assets are valued at cost, but written down to realizable value if the decline in value is expected to be permanent. Long-term debt is disclosed at the historical nominal value.

2.6 Receivables

Other debtors are stated at face value, and reduced by a provision for anticipated losses. The provision is made on the basis of individual evaluations of each customer.

2.7 Monetary Items in Foreign Currencies

Monetary items denominated in foreign currencies are translated at the exchange rate applicable on the balance sheet date.

2.8 Software

Software is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives of the assets.

2.9 Income Taxes

The tax expense in the income statement includes taxes payable on the ordinary result for the period as well as the change in deferred tax. Deferred tax is calculated with a nominal tax rate on the temporary differences between the recorded values and tax values, as well as on any tax loss carry-forwards at the balance sheet date. Any temporary differences increasing or reducing taxes that will or may reverse in the same period are netted. The net deferred tax benefit is recorded as an asset if it is regarded as likely that the Company will be able to realize the benefit through future earnings or realistic tax efficient planning.

2.10 Cash Flow Statement

The cash flow statement is prepared in accordance with the indirect method. Included in cash and cash equivalents are bank deposits and cash on hand. Cash and cash equivalents are carried at the market value on the balance sheet date.

Note 3 – Restricted Cash

The following table summarizes the Company's Cash and Cash Equivalents:

(Amounts in NOK 1 000)	**Year Ended December 31,**	
	2011	**2010**
Cash at the Bank	78	154
Restricted Cash	101	103
Total Cash and Cash Equivalents	**179**	**257**

Note 4 – Compensation and Employee Benefits

The following table summarizes the Compensation and Employee Benefits:

(Amounts in NOK 1 000)	Year Ended December 31,	
	2011	2010
Board of Director Fees	830	800
Social Security Tax	117	113
Total Employee Benefits	**947**	**913**
Average Number of Employees	**-**	**-**

As of December 31, 2011 and 2010, Apptix ASA did not have any employees.

For further information regarding compensation, refer to Note 5 in the Apptix Group consolidated financial statements. For further information regarding share based compensation, refer to Note 20 in the Apptix Group consolidated financial statements. For further information regarding share ownership in Apptix ASA by the management team and members of the Board, refer to Note 22 in the Apptix Group consolidated financial statements.

The table below summarizes the components of the Company's audit related fees:

	Year Ended December 31,	
(Amounts in NOK 1 000)	2011	2010
Audit Services	167	176
Other Attestation Services	2	-
Tax Sevices	9	9
Other Non-audit Services	27	26
Total Audit Fees	**205**	**211**

All amounts are stated less Value Added Tax (VAT).

Note 5 - Shares in Subsidiary Companies

Investment in Subsidiaries

Investment in subsidiaries is accounted for in accordance with the equity method in the financial statement of the parent Company (Apptix ASA). The companies located outside of Norway use their local currency as their functional currency (primarily USD). The assets and liabilities are translated into NOK using the rate of exchange as of the balance sheet date. Translation gains and losses are charged directly to equity. Transactions in foreign currencies are translated by using the exchange rate at the transaction date.

The following table summarizes the Company's subsidiaries:

Companies	Incorporation/ Acquisition	Office Location	Ownership Interest & Voting Shares
Apptix, Inc.	1999	Virginia, USA	100%

Apptix, Inc. is 100% owned by Apptix ASA.

The table below reflects the changes in Apptix ASA's investment in Apptix, Inc.:

(Amounts in NOK 1 000)	
Investment in Subsidiaries at December 31, 2009	**99 430**
Net Loss for 2010 from Investments in Subsidiaries	(47 273)
Increase/(Decrease) of Net Equity and Intercompany in Subsidiaries	11 299
Translation Adjustment	2 570
Investment in Subsidiaries at December 31, 2010	**66 026**
Net Loss for 2011 from Investments in Subsidiaries	(19 701)
Increase/(Decrease) of Net Equity and Intercompany in Subsidiaries	7 562
Translation Adjustment	(379)
Investment in Subsidiaries at December 31, 2011	**53 508**

Note 6 - Income tax

The Norwegian Company is taxed at the statutory tax rate of 28%.

(Amounts in NOK 1 000)

Income tax expense	**2011**	**2010**
Tax payable	-	-
Changes in deferred tax	-	-
Income tax expense	**-**	**-**

The basis for tax payable	**2011**	**2010**
Loss before tax	(12 124)	(36 905)
Permanent differences	-	-
Net Loss from investing in subsidiary	19 701	47 273
Change in deferred tax asset	(1 262)	(10 368)
Loss carry forward used	(6 315)	
Total basis for tax payable	**-**	**-**

Deferred tax asset	**2011**	**2010**
Loss carry forward *	229 835	236 150
Fixed assets	2 869	4 131
Tax advantage - gross	**232 704**	**240 281**
Net deferred tax asset	65 157	67 279
Net recognized deferred tax asset	-	-
Unrecognized tax asset	**65 157**	**67 279**

* The Norwegian Tax Authorities decided in 2007 to reduce the Apptix loss carry forward by NOK 101 566 that originated before the demerger from Telecomputing ASA. In 2009, the loss carry forward was reduced accordingly. In 2010, the Norwegian Tax Authorities ruled in favor of Apptix and therefore this amount has now been included in the 2010 loss carry forward. Tax losses in Norway can be carried forward indefinitely.

Note 7 - Equity

In October 2009, the Company completed a subscription offering and raised gross proceeds of NOK 28 million through the issuance of 56 million shares at NOK 0,50 per share. The proceeds from the offering were used to redeem the Company's outstanding convertible debt.

Members of the Board of Directors and senior management purchased 5 710 003 shares or 10.2% of the total offering. The Company incurred expenses of NOK 3,1 million associated with the offering. The net proceeds to the Company were approximately NOK 25 million. Following the completion of the subscription offering, the Company's share capital was increased to NOK 27 116 249.

There were no options exercised or share issuances during 2011 and 2010.

Equity Changes for Apptix ASA

The following table summarizes the net change in the Company's shareholder equity:

(Amounts in NOK 1 000)	Common Stock	Paid in Premium Reserve	Other Paid-in-Capital	Total Equity
Shareholders' Equity December 31, 2009	**27 116**	**67 159**	**3 940**	**98 215**
Net Loss 2010	-	(32 965)	(3 940)	(36 905)
Translation Adjustment	-	2 570	-	2 570
Shareholders' Equity December 31, 2010	**27 116**	**36 764**	**-**	**63 880**
Net Loss 2011	-	(12 125)	-	(12 125)
Translation Adjustment	-	(379)	-	(379)
Shareholders' Equity December 31, 2011	**27 116**	**24 260**	**-**	**51 376**

Note 8 - Shareholder Structure

At December 31, 2011, the Company had only one class of shares with a par value of NOK 0,333. Each share has one vote. There are no trade limitations on the Company's shares. The shares are registered in the Norwegian Registry of Securities. Total outstanding and issued shares at December 31, 2011 were 81 430 178.

Shareholder	Number of Shares Owned	Percentage of Shares Owned
BNP PARIBAS SECS SERVICES PARIS	33 550 174	41.2%
WINDCHANGE AS	9 120 000	11.2%
TTC INVEST AS	2 200 000	2.7%
REGNBUEN HOLDING AS	2 126 199	2.6%
SCANDINAVIAN FASHION GROUP AS	1 963 383	2.4%
ADMANIHA AS	1 942 694	2.4%
SEB ENSKILDA ASA	1 820 000	2.2%
BANK OF NEW YORK MELLON SA/NV	1 758 844	2.2%
CLEARSTREAM BANKING	1 733 265	2.1%
CARNEGIE INVESTMENT BANK AB NUF	1 261 400	1.5%
TPOT AS	1 000 000	1.2%
HÜBERT LEIF	958 080	1.2%
ENVOY TRADING COMPAN K.C. SAVERLADES & CO	922 789	1.1%
SØGNE SHIPPING AS	882 701	1.1%
LOLIGO AS	878 567	1.1%
SIX SIS AG	850 403	1.0%
UNNEBERG D0DSBO J0RN	780 167	1.0%
CLINTO AS	686 778	0.8%
DnB NOR MARKETS, AKS	650 284	0.8%
AVANZA BANK AB MEGLERKONTO	559 669	0.7%
Total Largest 20 Shareholders	**65 645 397**	**80.6%**
Other Shareholders	**15 784 781**	**19.4%**
Total Shares Outstanding	**81 430 178**	**100.0%**

BNP PARIBAS SECS Services is the nominee for the Celox SA holdings. Celox SA owns approximately 32% of the total outstanding shares of the Company.

Windchange AS is an entity 100% owned by the Company's chairman. The total ownership reflected above does not include 35 059 shares held directly by the Company's chairman. Admaniha AS is an entity 100% owned by one of the Company's directors.

Shares owned (both directly and indirectly) by the Board of Directors and the CEO at December 31, 2011:

Name	Position	Shares	Options	Average Exercise Price
David Ehrhardt	CEO	58 949	1 715 000	2,70
Johan Lindqvist	Chairman	9 155 059	-	-
Terje Rogne	Board member	1 942 694	-	-
Ebba Asly Fahraeus	Board member	240 053	-	-
Total		**11 396 755**	**1 715 000**	**2,70**

Responsibility Statement

We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2011 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the management report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Oslo, Norway/Herndon, VA

26 March, 2012

Johan Lindqvist	Ebba Åsly Fåhraeus	Terje Rogne	David E. Ehrhardt
Chairman of the Board	Director	Director	President & Chief Executive Officer

31 December, 2011 / 26 March, 2012

State Authorised Public Accountants
Ernst & Young AS

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Member of the Norwegian Institute of Public Accountants

To the Annual Shareholders' Meeting of Apptix ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Apptix ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2011, the statement of income for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2011, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

ERNST & YOUNG

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Apptix ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as of 31 December 2011 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards on Accounting as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and the statement on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and the statement on corporate governance concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Drammen, 30. March 2012
ERNST & YOUNG AS

Marius Nergaard

Marius Nergaard
State Authorised Public Accountant (Norway)

Board of Directors

Johan Lindqvist - Chairman
Chairman of the Board, Serverhuset AB, Nipsoft AB, Advance AB and Softcenter AB
Director, Itera ASA

Ebba Asly Fahraeus - Director
Chief Communication Officer and Director of Business Development, Aqilles Invest AB
Chariman of the Board, Genovis AB
Director, EQL Pharma AB, Kornboden AB

Terje Rogne - Director
Chairman of the Board, Nokas AS
Director, Projectiondesign AS, Unified Messaging Systems AS, Nordic Semiconductor ASA and Dolphin Interconnect ASA

Corporate Officers

David E. Ehrhardt
President & Chief Executive Officer

Christopher E. Mack
Chief Financial Officer

Management Team

David E. Ehrhardt
President & Chief Executive Officer

Christopher E. Mack
Chief Financial Officer

Joy Nemitz
Chief Marketing Officer

Donnie Hughes
Senior Vice President, Customer Management

Shane Smith
Senior Vice President, Technology

Aubrey Smoot
Senior Vice President, Business Development

The Company encourages all shareholders to register for electronic delivery of documents through the VPS system. A shareholder can register for electronic delivery via your log-on page in the VPS account or by contacting your VPS bank.

Operator of the Share Register Account

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Stock Information

Stock traded on the Oslo Stock Exchange
OSE Symbol: APP
www. ose.no

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Investor Services

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