Apptix
Annual Report
2012

Apptix Annual Report 2012 will only be issued in English.
The report is available on www.apptix.com/investor and on www.oslobors.no/app

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Apptix
Shareholder's Letter 2012

Apptix ends 2012 as, once again, the premier provider of Cloud-based business communication and collaborations solutions, experiencing growth in subscriber base, revenue, and net income. Both customers and channel partners rely on Apptix to provide a competitive edge and premium value through our expanding portfolio of best-in-class hosted solutions, advanced network infrastructure, and outstanding customer support. Our success depends on delivering productivity gains and cost savings, and our results show that we have found the right recipe to achieve that success both now and in the future.

Why Apptix?

Customers and channel partners choose Apptix because we deliver the solutions they need, and we support them fully.

Apptix understands the evolution of today's business communication and collaboration needs, and is committed to providing the Cloud-based solutions that are increasingly in demand. Over the past two years, Apptix has made a strategic effort to develop our portfolio beyond our core Hosted Exchange offering, adding new services such as Microsoft Lync™ for Secure IM and Web Conferencing, Desktop and Server Backup solutions, and revamped Email Archiving solutions. The results speak for themselves: Non-Exchange services accounted for over 30% of our 2012 bookings. Apptix is a comprehensive solutions provider, with particularly strong growth in our Dedicated SharePoint offering and our Security and Compliance segment. The expanded portfolio has enhanced Apptix's competiveness in the market and eases the impact of pricing pressure on its Hosted Exchange service.

Constant access to business services allows Apptix users to have freedom in when and how they do business – enhancing their productivity. That freedom and productivity are the key attractions of Cloud solutions in general, and a focus for Apptix in particular. In 2012 we continued to invest in our reliable network infrastructure, housed in Tier IV, SSAE 16-certified data centers for the highest level of security.

The move to cloud services can be daunting to some customers. And larger customers have an elongated implementation cycle due to complexity and competing demands on the IT organizations. So over the past year we have re-defined our options for migration to the Apptix platform to fit every organization's needs. From our no-cost self-service options to our Enterprise-level full-service migration options, we let organizations choose the migration path that makes the most sense for their needs and their budget. Our extensive experience allows us to make the process seamless, no matter how many users or how much data an organization is moving into our care. Once an account is established, our intuitive Control Panel gives account administrators the freedom to add or delete services and users from the account easily – Apptix solutions always scale to fit a business's actual needs.

Our Customer Support personnel are available 24/7/365 to support both customers and channel partners. We enhanced support for our largest customers through an evolved VIP Program that provides VIP customers dedicated account representatives and prioritized helpdesk support for personalized attention to any issue. Apptix is so confident in the quality of our solutions and service that we continue to offer our 100% uptime SLA, backed by financial guarantees.

As a result, Apptix is able to boast a nearly 15% increase in subscribers in the past year and reduced churn to less than 10% annually. Customers and partners know that they can trust Apptix solutions to be available and secure whenever their business needs require it - anytime, anywhere.

Poised for Continued Growth

With the Apptix commitment to service, the freedom and flexibility we provide, and the breadth of our portfolio, it is clear that Apptix has the organizational and operational foundation in place to embrace the growth of the Cloud market. Apptix is poised to capture this growth through our expanding Channel Partner program, through our relationships with our mid-market customer base, and through our renewed emphasis on the healthcare industry.

Growing our Channel Partner program was a top priority for Apptix in 2012, with strong results: channel sales accounted for 30% of orders booked in 2012. Our blue chip channel partners include Insight Enterprises, Inc., MegaPath Corp., Cincinnati Bell, Inc., Web.com, Fujitsu America and Sprint Nextel Corporation. Comprising best practices, marketing support, technical and marketing documentation, sales incentives, and extensive training, our Channel Enablement system helps partners start to generate revenue quickly. Partnering with Apptix gives organizations a guided path to expand into the growing Cloud market without investing in new solutions, and opens additional avenues for growth that might not otherwise be available to Apptix.

In addition to the new customers acquired through the Channel, Apptix also experienced consistent growth and adoption of new services from within our existing customer base. Apptix achieved this outcome through targeted efforts to cultivate relationships and more proactively address needs, with our seasoned Account Management team taking the lead. Our success in this area demonstrates that our customers trust us to provide the best-in-breed solutions that give them an advantage in their markets.

Our strategic shift into mid-market and the enterprise continues to deliver results. 63% of new bookings in 2012 were from businesses with over 100 employees. These customers continue to demonstrate the need for our additional services and exhibit a higher level of loyalty.

Apptix is specifically focused on demonstrating the benefits of Cloud-based solutions within the Healthcare market as we move into 2013. Healthcare is the fastest-growing segment of the US economy, employing over 18 million workers. The need for these workers to communicate efficiently, share and store data securely, and control costs effectively makes the Healthcare space a perfect fit for the very solutions that Apptix offers. With approximately a third of our total subscribers already representing Healthcare organizations, Apptix has developed solutions that stand up to the stringent privacy, security, and reliability requirements that stem from HIPAA and other Healthcare-related regulations, while still bringing the cost-savings and convenience that are the hallmark of the Cloud.

Competition remains strong, impacting sales and pricing. However, we remain confident in our vision and strategy. From diversifying our service portfolio, evolving our sales and implementation process, and continually re-investing in our platform architecture, we have proven our ability to quickly adjust tactically in response to market changes and needs.

Cloud-based business solutions from Apptix increase productivity, streamline communications, promote mobility, and ensure security. Instead of being tied to a single vendor for applications, we are able to source and deliver best-in-class solutions that really work. Our well-defined Channel Enablement processes have enabled our partners to accelerate their move to the Cloud and have given them tools to promote their success. We have provided industry-recognized customer support, a broad offering of best-in-breed solutions, and flexible options for migration and account management. We look forward to further growth and success in 2013 and beyond as a result of the groundwork we have laid this year.

Johan Lindqvist
Chairman of the Board

David E. Ehrhardt
President & Chief Executive Officer

Oslo, Norway/Herndon, Virginia, USA
19 March, 2013

Apptix ASA
Directors' Report 2012

Following a four-pronged strategic plan in 2012, Apptix navigated to continued year-over-year profitable growth. This couples with an expanded service portfolio, enhanced customer support, and a stronger and larger user base to pave the road to ongoing success in 2013 and beyond.

Apptix's integrated 2012 plan called for:

- Continued expansion into mid-market and enterprise sectors
- Broad market growth through blue chip channel partners
- Expansion of our service portfolio to diversify revenue streams
- Ongoing improvements to enhance customer loyalty

Aligning resources and executing on these priorities, Apptix continued to grow its annual revenue and dramatically increased net income by 80% over 2011. The Company experienced its eighth straight quarter of positive net income. The user base grew to 381,000, a 14% year-over-year increase.

Driving much of this growth was the Company's ability to win larger, more complex deals as mid-market and enterprise customers accounted for 63% of new bookings for the year. Apptix channel initiatives continue to build, accounting for 30% of 2012 bookings in its first year as it moves towards sustained quarter-over-quarter momentum.

Competition remains strong, however, with pricing pressure impacting revenue from the Company's Hosted Exchange service. In addition, mid-market and enterprise targets have extended sales and implementation cycles causing a delay in revenue recognition.

Apptix has adjusted tactically to address these hurdles. An expanding service portfolio enhanced Apptix's market competitiveness and diversified its revenue stream with healthy adoption of SharePoint, archiving, and encryption services. Apptix continues to evolve sales and implementation processes to close and accelerate on-boarding of larger deals to capture revenue sooner. The Company augmented its customer service capabilities to support blue chip channel partners and larger customers, reducing churn to less than 10% annually.

Apptix (OSE: APP) is the premier provider of hosted business communication, collaboration, compliance, and IT solutions to business of all sizes – from SOHO to Fortune 500 – and blue chip channel partners including Fujitsu America, Insight Enterprises, Inc., MegaPath Corp., Cincinnati Bell, Inc., Web.com, and Sprint Nextel Corporation. A pioneer in the hosted services space, Apptix currently serves nearly 400,000 users around the world.

Operational and Financial Review

2012 Apptix Group Financial Summary

Revenues totaled USD 42,9 million in 2012, up 6% from USD 40,7 million in 2011. The year over year revenue growth was driven by increases in active user counts, primarily from user gains in the mid-market and enterprise accounts.

EBIT for the year totaled USD 2,4 million, an increase of 14% over 2011. This improvement was driven primarily by revenue gains in the mid-market which have higher relative margin contributions. The total net income for 2012 and 2011 was USD 1,3 million and USD 703 thousand, respectively, representing an increase of 80%.

Cash generated by operating activities, including the impact of changes in currency rates, totaled USD 5,8 million, up from prior year levels of USD 3,7 million. The Company finished the year with USD 2,4 million in cash.

As of December 31, 2012 and 2011, the Company had USD 4,7 million outstanding on its working capital facility and USD 1,3 million of borrowing capacity (pursuant to the expiring facility terms). Borrowings under the working capital facility are subject to the bank's prime interest rates plus 2.25%. 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.

As of December 31, 2012 the Company's interest-bearing short term debt totaled USD 3,3 million which consisted of equipment financed via capital leases.

In January 2013, the Company entered into a Sixth Loan Modification Agreement related to its working capital revolving credit facility with its financial institution to increase the overall working capital facility threshold to USD 7 million. However, the amounts available under the working capital facility are subjected to a borrowing base formula of 200% of the Company's Monthly Recurring Revenue. The term of the new working capital facility is extended for two years.

Throughout the year, on average, Apptix continued to meet or exceed its average Service Level objectives. As of December 31, 2012, the Company had in excess of 380 000 users as compared to 335 000 users as of December 31, 2011.

At the end of 2012, 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.

2012 Apptix ASA Financial Summary

Apptix ASA revenues totaled NOK 130 thousand in 2012, down 43% from NOK 228 thousand in 2011. The decline in revenues was due to a decrease in royalties received by Apptix ASA as customers migrated off legacy platforms. Operating expenses decreased from NOK 2 674 thousand in 2011 to NOK 2 531 thousand, or 5%, as a result of lower professional fees incurred. The net loss (including intercompany interest and goodwill amortization) for 2012 was reduced to NOK 10 178 thousand, down from NOK 12 124 thousand, as a result of the increased earnings from subsidiary.

Market conditions

As it completes its transition into the emerging mid-market and enterprise target segments and ramps up its newest channel partners, Apptix remains well positioned within a growing, although competitive, market.

Apptix's key mid-market and enterprise targets face the dual challenges of IT resource restraints and the need to invest in IT productivity solutions to remain competitive. These larger companies are recognizing the cost efficiencies, accelerated time to deployment of solutions, and increased business agility that cloud services provide. Businesses are generally acquiring cloud services to replace legacy applications or for new capabilities as opposed to augmenting existing applications.[1]

Within the Software as a Service (SaaS) segment, global businesses are budgeting highest for web conferencing, with business intelligence, email, and collaboration solutions with the second-highest budgets.[2] Gartner predicts that "50% of [mid-market] Exchange deployments will be in the cloud" by 2020[3] – Apptix anticipates winning a sizeable portion of this projected growth. Cloud-based Security, Backup and Recovery, Mobility, and Unified Communications solutions – services Apptix already offers – are also projected as growth areas. Cloud business email adoption remains in single figures, estimated to be at only 6% of businesses in 2012, but projected to grow to 65% by the end of the decade.[4]

Competition from Microsoft Office 365, Google Apps, and other established Hosted Exchange vendors and resulting pricing pressure will continue in 2013. However, with its ability to rapidly launch best of breed solutions backed by an advanced network and leading customer support, Apptix has demonstrated the nimbleness to continually adjust and evolve to maintain its leadership position in the rapidly growing cloud services space as companies of all sizes attempt to reduce costs and improve efficiency.

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.

Mr. Rogne was appointed as a Director of Apptix in 2007. He is currently Chairman of the Board for Nokas AS and Vice Chairman of the Board for Nordic Semiconductor ASA and Dolphin Interconnect ASA and a Director of Unified Messaging Systems AS. 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.

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[1] Gartner, Survey Analysis: Buyers Tell Us About SaaS and Cloud Adoption Through 2014, October 2012
[2] Gartner, Forecast Analysis: Enterprise Application Software, Worldwide, 2011-2016, 4Q12 Update, January 2013
[3] Gartner, Predicts 2013: Now Is the Turning Point for Midsize Enterprises, November 2012
[4] Gartner, The Gartner Position of Cloud Email, June 2012

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 Chairman of Genovis AB, Acousort and Good Old; Director of Borgestad Industrier; 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 2012. There were no significant absenses due to illness in 2012 or 2011. Employment decisions at Apptix are based on merit, qualifications, and abilities. Apptix is an equal opportunity employer, and does not 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, 2012, 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 and is currently generating positive cash flow. 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 will continue to leverage the strong operational foundation that has been established and focus on the key components of its strategic plan which include the expansion into mid-market, broad market growth through blue chip channel partners, and expansion of services to diversify revenue streams. As a result, the Company expects to continue to drive double digit user base growth on an annual basis. However, as sales and implementation cycles continue to grow as a result of the Company's expanding focus on mid-market and enterprise accounts, and it continues to face pricing pressure in the broader marketplace, we anticipate revenue growth to be somewhat dampened relative to user growth, given how bookings growth translates into revenue growth under a monthly recurring revenue business model. Accordingly, the Company believes revenue growth will be in the high single digits in 2013 and then build into annual double digit growth thereafter. Further, the Board believes the Company's continuing success in driving customer satisfaction, and operational efficiency and efficacy will drive further improvements to net profit margins during 2013 and beyond. 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 2013 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 10,2 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, 2012 / 19 March, 2013

Apptix ASA
Report on Corporate Governance 2012

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 23, 2012, 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, 2012, Apptix had a cash reserve of USD 2, 4 million, USD 1, 3 million available and unused pursuant to its working capital facility and an equity ratio of 54.0%. 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, 2012 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, 2013. 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 and consists of three members. Two of the members were elected at the ordinary Shareholder meeting on May 4, 2011 and one member was elected for a two year term at the ordinary Shareholder meeting on May 9, 2012. 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 at least 21 days prior to the relevant Shareholder meeting.

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, 2012.

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, 2012, the Executive Management team of the Company consisted of six 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
19 March, 2013

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 generally 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 twelve 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 2012, the Company provided an employer match of 25% of employee contributions up to 6% of the employee's salary.

Board of Directors
Apptix ASA
19 March, 2013

CONSOLIDATED INCOME STATEMENTS

	Note	Apptix Group (Amounts in USD 1 000) Year Ended December 31, 2012	2011
OPERATING REVENUE			
Recurring Revenue		41 941	39 682
Non Recurring Revenue		939	992
Operating Revenue		**42 880**	**40 674**
OPERATING EXPENSES			
Cost of Sales	**4**	11 788	11 694
Employee Compensation and Benefits	**5**	14 730	14 232
Other Operational and Administrative Costs	**6**	10 141	9 203
Depreciation and Amortization	**9,11**	3 776	3 391
Total Operating Expenses		**40 435**	**38 520**
Operating Income		2 445	2 154
FINANCIAL INCOME AND EXPENSES			
Interest, Net	**7**	(997)	(1 319)
Net Financial Expenses		**(997)**	**(1 319)**
Income Before Taxes		**1 448**	**835**
TAXES			
Income Tax Expense	**19**	(183)	(132)
Net Incomefor the Period	**8**	**1 265**	**703**
Attributable to:			
Equity Holders of Parent		1 265	703
Earnings per share:	**8**		
* Basic, profit for the year attributable to ordinary equity holders of the parent		0,02	0,01
* Diluted, profit for the year attributable to ordinary equity holders of the parent		0,02	0,01
Weighted Average Common Shares Outstanding	**8**	**81 780**	**81 430**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Apptix Group (Amounts in USD 1 000) Year Ended December 31,	
	2012	**2011**
Income for the Period	**1 265**	**703**
Other Comprehensive Income:		
Exchange rate differences on translation of foreign operations	(29)	1
Total Other Comprehensive Income for the Period	1 236	704
Total Comprehensive Income for the Period	**1 236**	**704**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Apptix Group (Amounts in USD 1 000) Year Ended December 31, 2012	2011
ASSETS			
Non-current Assets			
Intangible Assets			
Goodwill	9,10	21 648	21 648
Software and Licenses	9	962	1 283
Total Intangible Assets		**22 610**	**22 931**
Property and Equipment			
Computer Equipment	11,16,17	10 035	6 402
Furniture and Fixtures	11	234	292
Leasehold Improvements	11	42	59
Total Property and Equipment		**10 311**	**6 753**
Total Non-Current Assets		**32 921**	**29 684**
Current Assets			
Accounts Receivable	13	1 645	1 640
Other Current Assets	14	267	451
Prepaid Expenses		886	992
Cash and Cash Equivalents	15	2 358	768
Total Current Assets		**5 156**	**3 851**
TOTAL ASSETS		**38 077**	**33 535**
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	5 978	5 749
Translation Reserve	21,22	3 927	3 927
Retained Earnings	21,22	(67 438)	(68 674)
Total Equity		**20 570**	**19 105**
Long Term Debt			
Interest-Bearing Long Term Debt	16,17,25	8 803	5 798
Total Long Term Debt		**8 803**	**5 798**
Current Liabilities			
Trade Accounts Payable	25	1 306	1 425
Interest-Bearing Short Term Debt	16,17	3 313	3 497
Other Current Liabilities	18	4 085	3 710
Total Current Liabilities		**8 704**	**8 632**
TOTAL EQUITY AND LIABILITIES		**38 077**	**33 535**

Johan Lindqvist
Chairman of the Board

Ebba Åsly Fåhraeus
Director

Terje Rogne
Director

David E. Ehrhardt
President & Chief Executive Officer

31 December, 2012 / 19 March, 2013

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Apptix Group (Amounts in USD 1 000) Year Ended December 31,	
	Note	2012	2011
Cash flows from Operating Activities			
Income before tax from continuing operations		1 447	835
Share-based Employee Compensation Expense	**20,21**	229	270
Depreciation and Amortization	**9,11**	3 776	3 391
Change in Accounts Receivable		(5)	(82)
Change in Trade Accounts Payable		(119)	(843)
Change in Other Assets and Liabilities		1 612	1 549
Cash Flows Provided by Operating Activities		**6 940**	**5 120**
Interest received		1	1
Interest paid		(998)	(1 320)
Income tax paid		(160)	(88)
Net Cash Flows Provided by Operating Activities		**5 783**	**3 713**
Cash Flows from Investing Activities			
Purchases of Property and Equipment, net	**11**	(512)	(516)
Net Cash Flows Used in Investing Activities		**(512)**	**(516)**
Cash Flows from Financing Activities			
Payments on Interest-Bearing Debt	**16,17**	(3 683)	(3 743)
Proceeds from Interest-Bearing Debt	**16,17**	-	350
Net Cash flows Used in Financing Activities		**(3 683)**	**(3 393)**
Effect of Exchange Rates on Cash and Cash Equivalents		2	(2)
Net Increase/(Decrease) in Cash		1 590	(198)
Cash at Beginning of Period	**15**	768	966
Cash at End of Period		**2 358**	**768**

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, 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**
Net Income for the Period		-	-	-	-	1 265	1 265
Other Comprehensive Income		-	-	-	-	(29)	(29)
Total Comprehensive Income		**-**	**-**	**-**	**-**	**1 236**	**1 236**
Equity Element of Expensed Options	**20**	-	-	229	-	-	229
Equity December 31, 2012		**4 666**	**73 437**	**5 978**	**3 927**	**(67 438)**	**20 570**

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 381,000 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 SSAE 16 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 19 March, 2013.

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 2012 year-end

The accounting principles used in 2012 are the same as in 2011. 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.

IFRS 7 – New disclosures for derecognition of financial 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, 2012 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 2012 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 2012.

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 1 Amendment – Severe hyperinflation and removal of fixed dates for first time adopters

IFRS 7 Amendment – New disclosure requirements – Offsetting of Financial Assets and Financial Liabilities

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

IAS 1 Amendment – Presentation of Items of Other Comprehensive Income

IAS 12 Amendment – Deferred tax – Recovery of underlying assets

IAS 19 Amendment – Employee Benefits

IAS 27 Revised – Separate Financial Statements

IAS 28 Revised – Investments in Associates and Joint Ventures

IAS 32 Amendment – Offsetting Financial Assets and Financial Liabilities

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)	**2012**	**2011**
License Fees	8 170	7 723
Communications	18	18
Data Center Facilities	2 855	3 071
Commissions and Referrals	526	558
Total Cost of Sales - Recurring Revenues	11 569	11 370
Hardware & Software	219	324
Total Cost of Sales - Other	219	324
Total Cost of Sales	**11 788**	**11 694**

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)	**2012**	**2011**
Salaries	11 441	11 490
Share-based Compensation	229	271
Social Security Tax	901	893
Pension expense	123	111
Other Compensation	2 036	1 467
Total Employee Compensation and Benefits	**14 730**	**14 232**
Average Number of Employees	**133**	**138**

The tables below set forth the compensation summary for the Executive Team and Board of Directors for the years ended December 31, 2012 and 2011.

(Amounts in USD 1 000)	**2012 Compensation**					
Executive Team and Board Members	**Salary**	**Bonus**	**Other**	**Board Fees**	**Value of Options**	**Total Remuneration**
David Ehrhardt (CEO)	330	56	4	-	42	432
Chris Mack (CFO)	240	41	4	-	58	343
Joy Nemitz (CMO)	210	29	2	-	27	268
Donnie Hughes (SVP Customer Management)	178	25	2	-	16	221
Shane Smith (SVP Technology)	196	27	-	-	16	239
Aubrey Smoot (SVP Business Development)	200	20	3	-	22	245
Johan Lindqvist (Chairman)	-	-	-	69	-	69
Ebba Asly Fahraeus (Board Member)	-	-	-	34	-	34
Terje Rogne (Board Member)	-	-	-	34	-	34
Total	**1 354**	**198**	**15**	**137**	**181**	**1 885**

(Amounts in USD 1 000) Executive Team and Board Members	2011 Compensation 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**

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.

The value of options included in the above tables represents the cost amortized during 2012 and 2011, respectively. Other compensation consists of matching 401(k) contributions made by the Company during 2012 and 2011.

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, 2012. Mr. Lindqvist is also entitled to a fee of NOK 400 thousand for consulting services as approved by the shareholders in May 2012, of which NOK 100 thousand was outstanding as of December 31, 2012. 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, 2012. All outstanding board fees were paid in February 2013.

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 twelve 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, 2012 and 2011. See Note 20 in connection with valuation.

Executive Team	Options - Dec. 31, 2011	Options Granted 2012	Options Exercised in 2012	Options Expired/ Forfeited in 2012	Options - Dec. 31, 2012	Avg Exercise Price	Maturity Period
David Ehrhardt (CEO)	1 715 000	-	-	-	1 715 000	2,70	2,35
Chris Mack (CFO)	900 000	-	-	-	900 000	2,80	3,21
Joy Nemitz (CMO)	275 000	-	-	-	275 000	3,18	3,53
Donnie Hughes (SVP Customer Management)	225 000	-	-	-	225 000	2,81	3,21
Shane Smith (SVP Technology)	225 000	-	-	-	225 000	2,70	3,11
Aubrey Smoot (SVP Business Development)	350 000	-	-	-	350 000	2,82	3,21
John Kersse (Former CTO)	225 000	-	-	(225 000)	-	-	-
Total	**3 915 000**	**-**	**-**	**(225 000)**	**3 690 000**	**2,78**	**2,60**

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**	**2,78**	**3,60**

There were no options exercised during 2012 or 2011.

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)	**2012**	**2011**
Audit Services	98	90
Other Attestation Services	1	1
Tax Services	2	1
Other Non-audit services	10	20
Total Audit Fees	**111**	**112**

The audit related fees for 2012 were less than those incurred in 2011, however due to exchange rate differences, they appear equivalent to 2011 in USD.

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)	**2012**	**2011**
Marketing	1 377	1 950
Travel & Entertainment	577	404
Rent	826	823
Professional Fees	1 094	1 178
Communications	635	724
Maintenance and Support	1 595	1 112
Utilities and Maintenance Costs	516	503
Computer Equipment and Software	2 206	1 145
Other SG&A	1 315	1 364
Total Other Operating Expenses	**10 141**	**9 203**

Note 7 - Financial Income and Expenses

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

(Amounts in USD 1 000)	Year Ended December 31, 2012	2011
Interest on Bank Deposits	1	1
Interest Expense	(998)	(1 320)
Interest, Net	**(997)**	**(1 319)**

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 1 265 thousand is divided by the weighted average number of ordinary shares outstanding of 81 780 000 resulting in earnings per share of USD 0,02.

The following table presents the earnings per share:

(Amounts in USD 1 000 Except for Share Data)	Year Ended December 31, 2012	2011
Income for the Year	1 265	703
Total Income for the Year to Holders of Ordinary Shares	**1 265**	**703**
Weighted average number of ordinary shares for basic earnings per share	81 430	81 430
Effect of dilution:		
Share options	350	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**81 780**	**81 430**
Basic and Diluted Earnings Per Share From Continuing Operations	0,02	0,01
Basic and Diluted Earnings Per Share for the Year	**0,02**	**0,01**

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, 2010	**29 648**	**5 998**	**1 144**	**7 142**
Additions	-	877	-	877
Cost December 31, 2011	**29 648**	**6 875**	**1 144**	**8 019**
Additions	-	608	-	608
Cost December 31, 2012	**29 648**	**7 483**	**1 144**	**8 627**
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**
Depreciation Charges	-	926	3	929
Accumulated Depreciation/ Impairment - December 31, 2012	**8 000**	**6 521**	**1 144**	**7 665**
Net Book Value:				
Balance December 31, 2011	**21 648**	**1 280**	**3**	**1 283**
Balance December 31, 2012	**21 648**	**962**	**-**	**962**

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, 2012 and December 31, 2011

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 5% 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, 2012	Year Ended December 31, 2011
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, 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**
Additions	6 402	5	-	6 407
Disposals	(1 670)	-	-	(1 670)
Cost December 31, 2012	**24 236**	**440**	**157**	**24 833**
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**
Depreciation Charges For The Year	2 767	63	17	2 847
Disposals	(1 668)	-	-	(1 668)
Accumulated Depreciation - December 31, 2012	**14 201**	**206**	**115**	**14 522**
Net Book Value:				
Balance December 31, 2011	**6 402**	**292**	**59**	**6 753**
Balance December 31, 2012	**10 035**	**234**	**42**	**10 311**

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 6 503 thousand and USD 3 031 thousand of the property, equipment and intangible assets acquired in 2012 and 2011, 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 9 923 thousand and USD 6 526 thousand at December 31, 2012 and 2011, 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, 2012 and 2011:

(Amounts in USD 1 000)	Total	Neither Past Nor Impaired	Past Due, Not Impaired 30-60 Days	60-90 Days	>90 Days
2012	1 645	1 327	292	26	-
2011	1 640	1 204	404	20	12

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 2011 and 2012:

December 31, 2010	**20**
Charge for the Period	240
Increase in Reserve	180
Amounts Utilized	(349)
December 31, 2011	**91**
Charge for the Period	290
Increase in Reserve	160
Amounts Utilized	(528)
December 31, 2012	**13**

Included in the Company's income statement are losses on trade receivables totaling USD 290 thousand and USD 240 thousand, respectively. Additionally, the Company reduced current year revenues by USD 160 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)	**2012**	**2011**
Security Deposit	262	445
VAT Receivable/Other	5	6
Total Other Current Assets	**267**	**451**

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)	**2012**	**2011**
Cash at the Bank	2 334	751
Restricted Cash	24	17
Total Cash and Cash Equivalents	**2 358**	**768**

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**	**2012**	**2011**
Obligations Under Finance Leases	16.40%	2013	3 313	3 497
Total Current Obligations			**3 313**	**3 497**
Long Term				
Obligations Under Finance Leases	11.60%	2014-2015	4 103	1 098
Revolving Line of Credit	5.81%	2015	4 700	4 700
Total Long Term Obligations			**8 803**	**5 798**

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 7 million, as amended from the previous limit of USD 6 million. The term of the working capital facility was due to expire on January 31, 2013, however it has been extended to January 31, 2015. Amounts available under the amended working capital facility are subject to a borrowing base formula equal to 200% monthly recurring revenue. This was modified from the previous borrowing base formula of 75% of the Company's trailing two and one half months cash collections. The current interest rate to which borrowings under the facility are subject is the bank's prime interest rate plus up to two and one quarter additional percentage points, with a minimum rate of five and one half percent. The previous rate was the bank's prime interest rate plus up to two additional percentage points. 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.

At December 31, 2012 and 2011, the Company had outstanding USD 4 700 thousand under the WCLC. During 2012 and 2011, 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, 2012:

(Amounts in USD 1 000) **Operating Leases**	**Year Ended December 31, 2012**
Payable in 2013	808
Payable in 2014	807
Payable in 2015	784
Payable in 2016	804
Payable in 2017	39
Thereafter	-
Total Minimum Lease Payments	**3 242**
Cost recognized in 2012	**826**

The Company's current lease agreement for its Herndon, Virginia office space expires in December 2016. The Company's lease agreement for its Davie, Florida location expires in February 2017.

17.2 Finance Leases

The Company has finance leases that 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:

	Year Ended December 31,			
(Amounts in USD 1 000)	**2012**		**2011**	
Finance Leases	**Minimum Payments**	**Present Value**	**Minimum Payments**	**Present Value**
Payable Within One Year	4 047	3 313	4 110	3 497
Payable After One Year, But Not More Than Five Years	4 739	4 103	1 265	1 098
Total Minimum Lease Payments	8 786	7 416	5 375	4 595
Less Amounts Representing Finance Charges	(1 370)	-	(780)	-
Present Value of Minimum Lease Payments	**7 416**	**7 416**	**4 595**	**4 595**

Note 18 - Other Current Liabilities

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

	Year Ended December 31,	
(Amounts in USD 1 000)	**2012**	**2011**
Accrued Expenses	3 055	2 650
Deferred Revenue	1 030	1 060
Total Other Current Liabilities	**4 085**	**3 710**

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	**2012**	**2011**
Tax payable	183	132
Changes in deferred tax	-	-
Income tax expense	**183**	**132**

Reconciliation of tax expense	**2 012**	**2 011**
Profit/(loss) before tax	1 448	835
Tax assessed	423	208
Permanent differences	847	1 133
Change of unrecognized deferred tax asset	(1 209)	(1 154)
Translation adjustment	(244)	(320)
Income tax expense	**(183)**	**(132)**

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	**2012**	**2011**
Deferred tax assets		
Non-current assets	(1 363)	(970)
Current assets	4 266	4 937
Loss carry forward	54 150	53 741
Tax advantage - gross	57 053	57 708
Deferred tax liabilities		
Non-current assets	-	-
Current assets	-	-
Other	-	-
Deferred tax liabilities - gross	-	-
	-	
Net deferred tax asset/(liabilities)	57 053	57 708
Net deferred tax asset/(liabilities) continued operations	**57 053**	**57 708**
Net recognized deferred tax asset/(liabilities)	**-**	**-**

In the US, there is approximately USD 121 million of federal loss carry forwards at December 31, 2012, 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. There were not options granted in 2012. A volatility percentage of between 78% and 98% was used for the options granted in 2011. For the Company's 2011 stock option grants, the Company used a risk-free interest rate of between 1.85% and 3.0%. The Company also assumed an estimated life of 365 days once the option becomes vested. In 2012, the Company recognized a total of USD 229 thousand in stock option expense and USD 270 thousand in stock option expense for 2011.

The share options granted could lead to a dilutive effect on the Company shareholders. As of December 31, 2012, the effects of the share options were dilutive. As of December 31, 2011, the effects were anti-dilutive due to the share price of the Company's stock at that time.

A summary of the Company's stock option activity, and related information for the year ended December 31, 2012 and 2011 follows:

	2012		2011	
	Shares	Weighted Avg Exercise Price	Shares	Weighted Avg Exercise Price
Outstanding at Beginning of Period	4 311 582	2,84	4 055 347	2,83
Granted	-	-	1 125 000	2,98
Exercised	-	-	-	
Forfeited	(270 943)	(2,83)	(862 644)	(2,75)
Canceled	-	-	-	
Expired	(5 639)	(22,40)	(6 121)	(38,96)
Outstanding at End of Period	**4 035 000**	**2,81**	**4 311 582**	**2,84**
Exercisable at End of Period	**2 252 500**	**2,80**	**1 400 082**	**2,90**

The following table summarizes the Company's stock options at December 31, 2012:

	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 - 5	4 015 000	2,69	2,77	2 232 500	2,73
NOK 6 - 10	20 000	0,46	10,00	20 000	10,00
Total	**4 035 000**	**2,68**	**2,81**	**2 252 500**	**2,80**

Note 21 - Consolidated Shareholders Equity

There were no share issuances during 2012 and 2011. There were also no options exercised during 2012 and 2011.

Note 22 - Shareholder Structure

At December 31, 2012, 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, 2012 were 81 430 178.

Shareholder	Number of Shares Owned	Percentage of Shares Owned
BNP PARIBAS SECS SERVICES PARIS	26 418 717	32.4%
WINDCHANGE AS	9 120 000	11.2%
UBS AG ZURICK	8 332 228	10.2%
SPENCER TRADING INC	3 619 896	4.4%
HAADEM INVEST AS	2 929 815	3.6%
CLINTO AS	2 812 977	3.5%
TTC INVEST AS	2 200 000	2.7%
ENGER AS FRANS	1 963 383	2.4%
ADMANIHA AS	1 942 694	2.4%
CLEARSTREAM BANKING	1 733 013	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%
SØGNE SHIPPING AS	882 701	1.1%
LOLIGO AS	878 567	1.1%
UNNEBERG D0DSBO J0RN	780 167	1.0%
NORDNET BANK AB	752 806	0.9%
AVANZA BANK AB MEGLERKONTO	600 817	0.7%
SVEEN KJERSTI	513 477	0.6%
LAIKA INVEST AS	458 562	0.6%
Total Largest 20 Shareholders	**69 159 300**	**84.9%**
Other Shareholders	**12 270 878**	**15.1%**
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 Terje Rogne, one of the Company's directors.

Shares owned (both directly and indirectly) by the Board of Directors and the CEO at December 31, 2012:

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, 2012, 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 2012.

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 2012 for professional legal services. The Company believes the remuneration paid to Mr. Schultz's legal firm during 2012 was equivalent to prevailing market rates.

Mr. Schultz along with shareholders Richard Urbanski and Fredrik Stenmo are members of the Company's nominating committee. In 2012, the members received no compensation for their services. In 2011, the nominating committee members were eligible for NOK 15 000 for committee services. Mr. Urbanski represents TCT Invest 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, 2012, the Company's maximum credit risk is the carrying value of its trade accounts receivable of 1 645. 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
2012	3%	(141)
	-3%	141
2011	3%	(112)
	-3%	112

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, 2012 and 2011 based on contractual undiscounted payments:

(Amounts in USD 1 000) Year Ended December 31, 2012	**Due within 12 Months**	**Due within 1 to 5 Years**	**Total**
Trade Accounts Payable	1 306	-	1 306
Other Current Liabilities	7 398	-	7 398
Other Long Term Debt	-	8 803	8 803
Total	**8 704**	**8 803**	**17 507**

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**

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)	**2012**	**2011**	**2012**	**2011**
Cash and Cash Equivalents	2 358	768	2 358	768
Accounts Receivable	1 645	1 640	1 645	1 640
Interest-bearing loans and borrowings:				
Bank Equipment Loans & Line of Credit Facility	4 700	4 700	4 700	4 700
Obligations under Finance Lease	7 416	4 595	7 416	4 595

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, 2015 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, 2012, 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 2012 and 2011:

(Amounts in USD 1 000)	**EBITDA**
2012	6 213
2011	5 545

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 7 000 thousand (as amended in January 2013). At December 31, 2012, the Company had USD 4 700 thousand outstanding under the WCLC. For additional information, refer to Note 16.

APPTIX ASA

2012 Financial Statements

APPTIX ASA INCOME STATEMENTS

(Amounts in NOK 1 000)	Note	Year Ended December 31, 2012	2011
OPERATING REVENUE			
Other Revenue	**9**	130	228
Operating Revenue		**130**	**228**
OPERATING EXPENSES			
Employee Benefits	**4**	913	947
Other Operational and Administrative Costs		1 619	1 727
Total Operating Expenses		**2 532**	**2 674**
Operating Loss		**(2 402)**	**(2 446)**
FINANCIAL INCOME AND EXPENSES			
Income/(Loss) From Investment in Subsidiaries	**5**	(16 165)	(19 701)
Interest, Net	**9**	8 389	10 022
Net Financial Expenses		**(7 776)**	**(9 679)**
Loss Before Taxes		**(10 178)**	**(12 125)**
TAXES			
Income Tax Expenses	**6**	-	-
Net Loss		**(10 178)**	**(12 125)**
Allocated as follows			
Transferred to share premium		10 178	12 125
Total allocations		**10 178**	**12 125**
Loss Per Share:			
Basic and Diluted Loss Per Share		**(0,12)**	**(0,15)**
Common Shares Outstanding		81 430	81 430

APPTIX ASA BALANCE SHEETS

(Amounts in NOK 1 000)		Year Ended December 31,	
	Note	2012	2011
ASSETS			
Financial Non-current Assets			
Investment in Subsidiaries	**5**	40 221	53 508
Total Financial Non-current Assets		40 221	53 508
Total Non-current Assets		40 221	53 508
Current Assets			
Other Current Assets		86	106
Cash and Cash Equivalents	**3**	318	179
Total Current Assets		404	285
TOTAL ASSETS		**40 625**	**53 793**
EQUITY AND LIABILITIES			
Equity			
Share Capital	**8**	27 116	27 116
Share Premium	**8**	11 115	24 260
Other Paid-in Capital	**8**	-	-
Total Equity		38 231	51 376
Total Long Term Debt		-	-
Current Liabilities			
Trade Accounts Payable		7	40
Other Current Liabilities		2 387	2 377
Total Current Liabilities		2 394	2 417
TOTAL EQUITY AND LIABILITIES		**40 625**	**53 793**

Johan Lindqvist
Chairman of the Board

Ebba Åsly Fåhraeus
Director

Terje Rogne
Director

David E. Ehrhardt
President & Chief Executive Officer

31 December, 2012 / 19 March, 2013

APPTIX ASA STATEMENT OF CASH FLOWS

(Amounts in NOK 1 000)		Year Ended December 31,	
	Note	2012	2011
Cash Flows From Operating Activities			
Loss Before Tax		(10 178)	(12 125)
Loss From Investment in Subsidiaries	**5**	16 165	19 701
Change in Trade Accounts Payable		(33)	2
Change in Other Assets and Liabilities		30	(94)
Cash Flows Provided by Operating Activities		**5 984**	**7 484**
Cash Flows From Investing Activities			
Intercompany Receivables		(5 845)	(7 562)
Cash Flows Used in Investing Activities		**(5 845)**	**(7 562)**
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		139	(78)
Cash and Cash Equivalents at Beginning of Period		179	257
Cash and Cash Equivalents at End of Period		**318**	**179**

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,**	
	2012	**2011**
Cash at the Bank	135	78
Restricted Cash	183	101
Total Cash and Cash Equivalents	**318**	**179**

Note 4 – Compensation and Employee Benefits

The following table summarizes the Compensation and Employee Benefits:

(Amounts in NOK 1 000)	Year Ended December 31,	
	2012	2011
Board of Director Fees	800	830
Social Security Tax	113	117
Total Employee Benefits	**913**	**947**
Average Number of Employees	**-**	**-**

As of December 31, 2012 and 2011, 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)	2012	2011
Audit Services	100	167
Other Attestation Services	-	2
Tax Sevices	10	9
Other Non-audit Services	36	27
Total Audit Fees	**146**	**205**

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, 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**
Net Loss for 2012 from Investments in Subsidiaries	(16 165)
Increase/(Decrease) of Net Equity and Intercompany in Subsidiaries	5 845
Translation Adjustment	(2 967)
Investment in Subsidiaries at December 31, 2012	**40 221**

Note 6 - Income tax

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

(Amounts in NOK 1 000)

Income tax expense	**2012**	**2011**
Tax payable	-	-
Changes in deferred tax	-	-
Income tax expense	**-**	**-**

The basis for tax payable	**2012**	**2011**
Loss before tax	(10 178)	(12 124)
Permanent differences	-	-
Net Loss from investing in subsidiary	16 165	19 701
Change in deferred tax asset	(879)	(1 262)
Loss carry forward used	(5 108)	(6 315)
Total basis for tax payable	**-**	**-**

Deferred tax asset	**2012**	**2011**
Loss carry forward	227 727	229 835
Fixed assets	1 990	2 869
Tax advantage - gross	**229 717**	**232 704**
Net deferred tax asset	64 321	65 157
Net recognized deferred tax asset	-	-
Unrecognized tax asset	**64 321**	**65 157**

Note 7 - Equity

There were no options exercised or share issuances during 2012 and 2011.

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, 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**
Net Loss 2012	-	(10 178)	-	(10 178)
Translation Adjustment	-	(2 967)	-	(2 967)
Shareholders' Equity December 31, 2012	**27 116**	**11 115**	**-**	**38 231**

Note 8 - Shareholder Structure

At December 31, 2012, 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, 2012 were 81 430 178.

Shareholder	Number of Shares Owned	Percentage of Shares Owned
BNP PARIBAS SECS SERVICES PARIS	26 418 717	32.4%
WINDCHANGE AS	9 120 000	11.2%
UBS AG ZURICK	8 332 228	10.2%
SPENCER TRADING INC	3 619 896	4.4%
HAADEM INVEST AS	2 929 815	3.6%
CLINTO AS	2 812 977	3.5%
TTC INVEST AS	2 200 000	2.7%
ENGER AS FRANS	1 963 383	2.4%
ADMANIHA AS	1 942 694	2.4%
CLEARSTREAM BANKING	1 733 013	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%
SØGNE SHIPPING AS	882 701	1.1%
LOLIGO AS	878 567	1.1%
UNNEBERG D0DSBO J0RN	780 167	1.0%
NORDNET BANK AB	752 806	0.9%
AVANZA BANK AB MEGLERKONTO	600 817	0.7%
SVEEN KJERSTI	513 477	0.6%
LAIKA INVEST AS	458 562	0.6%
Total Largest 20 Shareholders	**69 159 300**	**84.9%**
Other Shareholders	**12 270 878**	**15.1%**
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 Terje Rogne, one of the Company's directors.

Shares owned (both directly and indirectly) by the Board of Directors and the CEO at December 31, 2012:

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**

Note 9 – Transactions with Related Parties

The revenue generated and interest earned by Apptix ASA is related to it's wholly owned subsidiary, Apptix, Inc. The table below summarizes the Company's revenue and interest income:

(Amounts in NOK 1 000)	Year Ended December 31,	
	2012	2011
Other Revenue	130	228
Intercompany Interest	8 386	10 019

Responsibility Statement

We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2012 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

19 March, 2013

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

31 December, 2012 / 19 March, 2013

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 2012, 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 2012, the statements of 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 financial statements of 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.

ERNST & YOUNG

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.

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 at 31 December 2012 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 at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards 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, 25. March 2013
ERNST & YOUNG AS

Atle Terum

Atle Terum
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 Communications Officer and Director of Business Development, Aqilles Invest AB
Chariman of the Board, Genovis AB, Acousort, Good Old
Director, Borgestad Industrier

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

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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