

Apptix Reports Third Quarter and Year to Date 2015 Results

Herndon, VA and Oslo, Norway – October 20, 2015 – Apptix® (OSE: APP), the premier provider of managed and hosted solutions, today announced its unaudited financial results for the three and nine months ended September 30, 2015.

Interim Management Report

Sale of Public Cloud Customers:

- Sold majority of public cloud customer base to GoDaddy, LLC for USD 22.5 million cash (excluding fees and expenses) paid at closing
- Cash to be used for shareholder dividend and to fund MSP growth strategy (organic and inorganic)
- Customers will be migrated to Microsoft's Office 365 service offering via GoDaddy

Results of Continuing Operations:

- Continuing revenues totaled USD 6.3 million during Q3-15; up 5% quarter over quarter and 12% year over year
 - Professional services revenue of USD 237 thousand as compared to USD 473 thousand in second quarter 2015 and USD 196 thousand in third quarter 2014
- Year to date continuing revenues totaled USD 18.1 million; up 9% over same period in 2014
 - Professional services revenue of USD 1.2 million as compared to USD 561 thousand during same period in 2014
- Quarterly Recurring Revenue ("QRR") bookings of USD 147 thousand
- Professional services bookings of USD 199 thousand

Consolidated Financial Results:

- Total revenues of USD 8.5 million; down 13% quarter over quarter and down 12% year over year
- Year to date revenues of USD 28.0 million; compared to USD 29.6 million prior year
- Sale of public cloud customers main driver for lower comparative revenues for both periods
- Q3-15 net income totaled USD 6.7 million compared to net income of USD 340 thousand in Q2-15 and net income of USD 154 thousand in Q3-14
- Year to date net income totaled USD 7.2 million compared to net income of USD 256 thousand 2014
- Included in Q3-15 and Year to Date 2015 results are the following one-time items:
 - Sale of public cloud customer base resulted in a gain of USD 19.9 million
 - Company incurred one-time charges of USD 12.5 million related to:
 - Goodwill impairment – USD 6 million
 - Obsolete assets – USD 4 million
 - Restructuring charge – USD 2.5 million

Other Key Updates:

- Launched new services during the first nine months of 2015:
 - Kaseya IT Management Framework
 - Disaster Recovery and Business Continuity
 - Enterprise File Data Storage
 - Virtual Servers and Virtual Desktops (Desktop as a Service)
 - Microsoft Office 365 for mid-market and enterprise organizations
- FY14 restructuring initiatives (datacenter consolidation and FL office closure) completed during Q3-15
- Restructured the Company's bank credit facilities
- The Board has decided to propose a dividend of NOK 1 per share for final resolution by an extra ordinary general meeting to take place in November 2015

Highlights

Sale of Public Cloud Customers

As previously reported, on September 8, 2015, Aptix (the "Company") signed and closed an Asset Purchase Agreement with GoDaddy, LLC for the sale of a majority of its direct public cloud customers. The Company was paid USD 22.5 million in cash at closing including approximately USD 1.4 million of customer subscription refunds to be paid during the remainder of 2015, resulting in net cash proceeds of approximately USD 21.1 million (before any transaction related expenses). Subject to reaching certain user migration milestones, the Company may earn additional consideration to be paid between December 31, 2015 and June 30, 2016 ("Milestone Consideration"). The maximum Milestone Consideration achievable is USD 16.0 million assuming 100% of the purchased mailboxes are migrated to GoDaddy. Based on the progress of the initiative through early October 2015, the Company estimates any additional consideration will not exceed 25% of the maximum Milestone Consideration available. Additionally, there is no assurance any Milestone Consideration will be earned by Aptix. The closing payment and the Milestone Consideration are subject to Company's indemnification obligations to GoDaddy.

The customers subject to the sale are primarily Hosted Exchange ("HEX") and Microsoft Office 365 users and are being migrated to Microsoft's Office 365 service offering via GoDaddy, one of Microsoft's largest Office 365 resellers. The Company will be closing down its public cloud HEX environment during 2016. The Company also entered into a Transition Services Agreement to assist GoDaddy with customer care and migrations through February 2016. The Company's larger enterprise level public cloud customers, private cloud customers and channel partners were not impacted by this transaction.

The sale of the public cloud customers allows the Company to focus its efforts and expand upon the existing managed service business that the Company already provides today and from new opportunities that exist in the market place. The capital from this transaction provides the Company with the resources necessary to support both its organic and inorganic growth initiatives including sales, marketing and product expansion. The expanded managed services approach centers on a broad range of solutions centered on a proactive management approach of

a customer's entire network infrastructure, technologies, and applications. These services will include the deployment and management of infrastructure and network monitoring tools, virtual workstations, servers, firewalls, mobile devices, enterprise backup, disaster recovery, email, VoIP, mobile device management and others. As a managed service provider integrating "best of breed" cloud solutions, the Company aims to become a comprehensive technology partner for its customers.

Results of Continuing Operations

The Company spent the majority of the third quarter focused on activating the revenues from the second quarter 2015 bookings, continuing to build the Company's pipeline and supporting the GoDaddy transaction. As a result, QRR bookings during the third quarter of 2015 were USD 147 thousand as compared to USD 802 thousand in the second quarter 2015. The second quarter of 2015 was a record bookings quarter for the Company. The Company will also be directing the majority of its corporate resources to support the GoDaddy migrations during the fourth quarter of 2015. This includes the Company's sales and account management related resources to contact and coordinate the public cloud customer migrations to Office 365 via GoDaddy. These activities will impact the Company's fourth quarter bookings and pipeline development efforts.

The Company segmented its revenues into (a) continuing operations and (b) non-continuing operations. The Company's continuing operations include revenues from the private cloud customers, enterprise level Hosted Exchange customers, channel partners, managed cloud services and non-recurring professional services. Revenues from non-continuing operations include all revenues related to the Company's public cloud Hosted Exchange customer base which were identified and sold to GoDaddy. For more information regarding the Company's revenue segmentation, please see the accompanying financial statements.

Continuing revenues totaled USD 6.3 million during the third quarter of 2015 representing a 5% quarter over quarter increase and a 12% year over year increase. The strong second quarter 2015 bookings that were converted into current period revenues were the main drivers for both increases. On a year to date basis, continuing revenues totaled USD 18.1 million, an increase of 9% over 2014 levels. Strong professional services bookings throughout 2015 along with the record second quarter 2015 recurring bookings drove the revenue gains year to date.

Consolidated Financial Results

The consolidated financial results for the three months and nine months ended September 30, 2015 include both continuing and non-continuing revenues generated by the Company. The non-continuing revenues are primarily the services provided by Apptix to the public cloud customer base sold to GoDaddy on September 8, 2015. As such, the Company's consolidated revenues only include revenues generated by these customers through September 8, 2015.

During the quarter, the Company recorded USD 8.5 million in total revenues as compared to USD 9.9 million during the second quarter of 2015 and USD 9.7 million during the third quarter of 2014. Year to date revenues totaled USD 28.0 million as compared to USD 29.6 million during the same period in 2014. The decreases for all comparable periods was due to the

exclusion of 22 business days of revenues related to the customers sold to GoDaddy in September 2015.

With the sale of a significant portion of the Company's current revenue stream, the Company announced the realignment of its existing business model. The Company is reducing its workforce by approximately 35% by December 31, 2015. As a result, the Company incurred a one-time charge of approximately USD 1.5 million related to severance, outplacement and other employment related costs. The disbursement of these funds will take place during the fourth quarter 2015 and early 2016.

The Company also recorded a one-time, non-cash Goodwill charge of USD 6 million as the current Goodwill reserves are primarily related to public cloud customer base and the cash generated by such customer base. Additionally, once these customers are migrated off the Company's public cloud environment, the Company will decommission the underlying computer related equipment. The asset impairment resulted in an obsolete fixed asset charge of approximately USD 4 million during the third quarter of 2015.

Lastly during the remainder of 2015, the Company will also be discontinuing a number of its current operating expenditures and agreements as the business continues to target EBITDA levels in the 15-20% range of total revenues. The Company expects it will cost approximately USD 1 million to terminate these agreements in advance of their contractual end dates. As such, the Company reserved USD 1 million to account for these contractual terminations. The outlay of such disbursements is expected during late fourth quarter of 2015 and first quarter of 2016.

Net income for the third quarter 2015 totaled USD 6.7 million as compared to USD 340 thousand in the second quarter of 2015 and USD 154 thousand in in the third quarter 2015. For the nine months ended September 30, 2015 the net income totaled USD 7.2 million as compared to 256 thousand for the same period in 2014. Impacting the Company's third quarter and year to date 2015 results is a gain on the sale of the public cloud customer base of USD 19.9 million along with the aforementioned one-time charges totaling USD 12.5 million.

"A year ago, we embarked on a strategy to become a leading provider of managed public, private and hybrid cloud-based services for mid-market and enterprise organizations. The sale of the Company's public cloud customers to GoDaddy is both a transforming event for Apptix and the next logical step for us. While the remainder of 2015 will be primarily focused on assisting our customers and GoDaddy with the upcoming public cloud migrations, we are also focused on the top line development of our continuing operations. Year to date, we have seen 10% revenue growth from this segment. With available growth capital, we are excited about 2016 and beyond," said Johan Lindqvist, Chairman of Apptix.

Financial Results – Third Quarter and Year to Date 2015

During the third quarter of 2015, the Company incurred approximately USD 12.5 million of one-time, non-recurring charges along with a gain of USD 19.9 million on the sale of its public cloud customer base. The table below shows the impact of the one-time items:

(Amounts in USD 1 000)	Three Months Ended					Nine Months Ended			
	Q3 2015		Q2 2015	Q3 2014		September 30, 2015		September 30, 2014	
	Including one time adjustments	One time adjustments	Excluding one time adjustments	As Reported	As Reported	Including one time adjustments	One time adjustments	Excluding one time adjustments	As Reported
OPERATING REVENUE									
Recurring Revenue									
Continuing	6,061	-	6,061	5,544	5,439	16,907	-	16,907	16,047
Non Continuing	2,238		2,238	3,842	4,079	9,964		9,964	12,985
Total Recurring Revenues	8,298	-	8,298	9,385	9,518	26,871	-	26,871	29,032
Professional Services									
Continuing	238	-	238	473	195	1,154	-	1,154	561
Non Continuing	0		0	0	1	1		1	8
Total Professional Services Revenues	238	-	238	473	196	1,155	-	1,155	569
Operating Revenue	8,536	-	8,536	9,859	9,714	28,026	-	28,026	29,601
Cost of Sales	2,812	-	2,812	2,911	2,958	8,284	-	8,284	9,084
Gross Margin	5,724	-	5,724	6,948	6,756	19,742	-	19,742	20,517
Operating Expenses and Administrative Costs	7,931	2,500	5,431	5,601	5,247	19,255	2,500	16,755	16,121
Goodwill Impairment	6,000	6,000	-	-	-	6,000	6,000	-	-
Asset Impairment	4,000	4,000	-	-	-	4,000	4,000	-	-
Depreciation and Amortization	740	-	740	731	1,006	2,323	-	2,323	3,185
Total Operating Expenses	18,671	12,500	6,171	6,332	6,253	31,578	12,500	19,078	19,306
Operating Income	(12,947)	(12,500)	(447)	616	503	(11,836)	(12,500)	664	1,211
FINANCIAL INCOME AND EXPENSES									
Interest Expense & Other	(257)	-	(257)	(276)	(348)	(823)	-	(823)	(954)
Other Income & Expense	19,878	19,878	-	-	(1)	19,878	19,878	-	(1)
Net Financial Expenses	19,621	19,878	(257)	(276)	(349)	19,055	19,878	(823)	(955)
Income Before Taxes	6,674	7,378	(704)	340	154	7,219	7,378	(159)	256
Income Tax Expense	-	-	-	-	-	-	-	-	-
Net Income for the Period	6,674	27,256	(704)	340	154	7,219	27,256	(159)	256
EBITDA for the Period	(2,207)	(2,500)	293	1,347	1,509	487	(2,500)	2,987	4,396

The following commentary is based on the Company's financial statements "excluding" the one-time items reflected above. For more information related to the one-time items, please see the attached Explanatory Footnotes.

Comparative Financial Results

Revenue Analysis

The following table summarizes the Company's Continuing versus Non Continuing revenue streams. The sale of the majority of the Company's public cloud Hosted Exchange customer base to GoDaddy impacted both the current period and year to date revenues by approximately USD 1.4 million.

(Amounts in USD 1,000)	Period Ended September 30, 2015		Period Ended September 30, 2014		Variance		
	Three Months	Nine Months	Three Months	Nine Months	Q/Q	Y/Y	YTD
Continuing revenues	6,061	16,906	5,438	16,047	9%	11%	5%
Continuing professional services	237	1,154	196	561	-50%	21%	106%
Total Continuing	6,297	18,060	5,634	16,608	5%	12%	9%
Non continuing revenues	2,238	9,964	4,079	12,985	-42%	-45%	-23%
Non continuing professional services	0	1	1	8	47%	-55%	-85%
Total Non Continuing	2,238	9,965	4,080	12,993	-42%	-45%	-23%
Total recurring revenues	8,298	26,870	9,517	29,032	-12%	-13%	-7%
Total non recurring revenues	237	1,155	197	569	-50%	20%	103%
Total Revenues	8,535	28,025	9,714	29,601	-13%	-12%	-5%

Revenues totaled USD 8.5 million for the three months ended September 30, 2015, representing a 13% decrease from second quarter 2015 levels and a 12% decrease with the third quarter of 2014. Revenues for the nine months ended September 30, 2015 totaled USD 28.0 million down 5.0% from the same period in 2014. The declines for all periods presented are the direct result of the sale of the Company's public cloud customer base.

Continuing Revenues include license and subscription revenues associated with the Company's private cloud customers, larger Hosted Exchange customers, resellers & partners along with VoIP, SharePoint, managed cloud services and non-recurring professional services. For the third quarter 2015, Continuing Revenues grew 5% (quarter over quarter) and 12% (year over year). On a year to date basis, Continuing Revenues improved by 9% as compared to the same period in 2014. Strong bookings during the second quarter of 2015 which included multi-year agreements for security services including email phishing and malicious file attachment; enterprise level Hosted Exchange; along with desktop-as-a-service, virtual servers and VoIP communication services all contributed to the improved top line results.

Non Continuing Revenues include the license and subscription revenues related to the certain public cloud customers that were sold to GoDaddy in September 2015. As a direct result of the asset sale, revenues for all comparable periods show a decline. Excluding the impact and timing of the asset sale, Non Continuing Revenues would have decreased 4% quarter over quarter, 10% year over year and 12% on a comparable year to date basis. The consistent revenue decline (excluding the asset sale) from this customer base was a primary driver for the Company evaluating the transactional options for this customer base. Based on current market dynamics, the Company anticipated this negative revenue trend would continue.

Operating Analysis

Operating expenses (including depreciation and amortization) totaled USD 6.2 million during the third quarter of 2015, down 2.5% quarter over quarter and down 1.0% year over year. The

quarter over quarter decrease was primarily due to lower operating overheads including marketing, travel, maintenance and computer expense while the year over year decrease was mainly due to lower depreciation expense. Total operating expenses for the nine months ended September 30, 2015 were USD 19.1 million, down 1.2% from the same period in 2014.

Loss before interest and taxes for the third quarter 2015 was USD 447 thousand, compared to a positive EBIT of USD 616 thousand in the second quarter of 2015 and USD 503 thousand during the third quarter of 2014. EBIT for the nine months ended September 30, 2015 was USD 663 thousand compared to USD 1.2 million during the same period in 2014. The quarter over quarter, year over year and year to date 2015 variances are mostly due to the revenue impact of the sale of the Company's public cloud customer base which lowered revenues by approximately USD 1.4 million and margins by approximately USD 1.1 million.

Net loss totaled USD 704 thousand for the third quarter of 2015 as compared to net income of USD 340 thousand in the second quarter of 2015 and USD 154 thousand in the third quarter 2014. For the nine months ended September 30, 2015, the Company recorded a net loss of USD 159 thousand as compared to USD 256 thousand during the same period in 2014. The changes to net income follow the EBIT variances noted above.

Cash Flow Analysis

Cash used by operating activities, including the impact of changes in currency rates, totaled USD 1.6 million during the third quarter of 2015 compared to cash generated of USD 1.0 thousand during the second quarter of 2015 and cash generated of USD 1.0 million during the third quarter of 2014. For the nine months ended September 30, 2015 cash used by operating activities, including the impact of changes in currency rates, totaled USD 681 thousand, down from USD 2.0 million of cash generated by the Company during the same period of 2014. Both the third quarter and year to date 2015 cash flow from operating activities were impacted by the payments of approximately USD 1.9 million related to the GoDaddy transaction.

Equipment purchases, net of financings under equipment leases, during the third quarter of 2015 were USD 90 thousand compared to USD 173 thousand in the second quarter of 2015 and USD 70 thousand in the third quarter of 2014. Equipment purchases, net of financings under equipment leases, during the nine months ended September 30, 2015 were USD 338 thousand compared to USD 133 thousand during the same period of 2014. The primary driver for the increased capital purchases was the Company's data center consolidation efforts.

Net cash used to satisfy debt and capital lease obligations was USD 941 thousand in the third quarter of 2015, as compared to USD 932 thousand in the second quarter of 2015 and USD 811 thousand in the third quarter 2014. Net cash used to satisfy debt and capital lease obligations totaled USD 2.7 million during the nine months ended September 30, 2015 consistent with the same period in 2014.

The Company received USD 22.5 million in cash proceeds from the sale of the majority of the Company's public cloud customer base. The Company incurred 2.6 million in fees and expenses directly related to the transaction. As noted above, approximately USD 1.9 million has been paid

through September 30, 2015. The Company anticipates the balance of the transaction related expenses to be disbursed by December 31, 2015. For additional information related to the calculation of the gain on sale, please see the accompanying footnotes.

The Company closed the third quarter of 2015 with USD 21.4 million in cash and no amounts outstanding on its working capital facility. On April 10, 2015, the Company entered into a new credit facility agreement with its financial institution to replace its expiring working capital facility which previously had an outstanding balance of USD 4.7 million. The new facility provides for a USD 2 million revolving line of credit and a USD 4.7 million term note payable.

Financial Statements – Basis for Preparation

The enclosed consolidated condensed financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting Standards (IFRS).

Significant Accounting Policies

The accounting policies and methods of computation used in the preparation of the enclosed financial statements are consistent with the policies used in the annual financial statements for the year ended December 31, 2014. The enclosed consolidated condensed financial statements should be read in conjunction with the Company's 2014 annual financial statements, which include a full description of the Company's accounting policies. The enclosed consolidated condensed financial statements are unaudited. As a result of rounding differences, numbers or percentages may not add up to the total.

The financial statements are attached.

Aptix ASA
Interim Consolidated Income Statement

(Amounts in USD 1,000)	Three Months Ended	
	September 30, 2015	September 30, 2014
	IFRS	IFRS
Operating Revenues		
Recurring Revenues	8,298	9,518
Other Revenues	238	196
Total Operating Revenues	8,536	9,714
Total Cost of Sales	2,812	2,958
Gross Profit	5,724	6,756
Operating Expenses		
Employee Compensation and Benefits	4,962	3,373
Other Operational and Administrative Costs	2,969	1,874
Goodwill Impairment Charge	6,000	-
Fixed Asset Impairment Charge	4,000	-
Depreciation and Amortization	740	1,006
Total Operating Expenses	18,671	6,253
Operating Income	(12,947)	503
Other Expense		
Interest, net	(257)	(348)
Other Income and Expense	19,878	(1)
Total Other Expense	19,621	(349)
Income Before Income Taxes	6,674	154
Income Tax Expense	-	-
Net Income for the Period	6,674	154
Earnings Per Share:		
Basic	0.08	0.00
Diluted	0.08	0.00
Weighted Average Common Shares Outstanding	81,430	81,555

Apptix ASA
Interim Consolidated Income Statement

(Amounts in USD 1,000)	Nine Months Ended	
	September 30, 2015 IFRS	September 30, 2014 IFRS
Operating Revenues		
Recurring Revenues	26,871	29,032
Other Revenues	1,155	569
Total Operating Revenues	28,026	29,601
Total Cost of Sales	8,284	9,084
Gross Profit	19,742	20,517
Operating Expenses		
Employee Compensation and Benefits	11,993	10,182
Other Operational and Administrative Costs	7,262	5,939
Goodwill Impairment Charge	6,000	-
Fixed Asset Impairment Charge	4,000	-
Depreciation and Amortization	2,323	3,185
Total Operating Expenses	31,578	19,306
Operating Income	(11,836)	1,211
Other Expense		
Interest, net	(823)	(954)
Other Income and Expense	19,878	(1)
Total Other Expense	19,055	(955)
Income Before Income Taxes	7,219	256
Income Tax Expense	-	-
Net Income for the Period	7,219	256
Earnings Per Share:		
Basic	0.09	0.00
Diluted	0.09	0.00
Weighted Average Common Shares Outstanding	81,430	82,060

Apptix ASA
Interim Consolidated Statement of Comprehensive Income

(Amounts in USD 1,000)	Three Months Ended	
	September 30, 2015 IFRS	September 30, 2014 IFRS
Income for the Period	6,674	154
Exchange Rate Differences on Translation of Foreign Operations	14	18
Items that may be Reclassified Subsequently to Income Statement	14	18
Items that will not be Reclassified to Income Statement	-	-
Total Other Comprehensive Income for the Period	14	18
Total Comprehensive Income (Loss) for the Period	6,688	172
Attributed to Equity Holders of Parent	6,688	172

(Amounts in USD 1,000)	Nine Months Ended	
	September 30, 2015 IFRS	September 30, 2014 IFRS
Income for the Period	7,219	256
Exchange Rate Differences on Translation of Foreign Operations	43	10
Items that may be Reclassified Subsequently to Income Statement	43	10
Items that will not be Reclassified to Income Statement	-	-
Total Other Comprehensive Income / (Loss) for the Period	43	10
Total Comprehensive Income for the Period	7,262	266
Attributed to Equity Holders of Parent	7,262	266

Apptix ASA
Interim Consolidated Statement of Financial Position

	September - 30	December - 31	September - 30
	2015	2014	2014
(Amounts in USD 1,000)	IFRS	IFRS	IFRS
ASSETS			
Non-Current Assets			
Intangible Assets	10,184	16,215	22,066
Total Intangible Assets, net	10,184	16,215	22,066
Property, Plant and Equipment, net	4,283	9,327	9,998
Total Non-Current Assets	14,467	25,542	32,064
Current Assets			
Accounts Receivable	1,710	1,988	2,004
Other Current Assets	161	156	161
Prepaid Expenses	902	400	692
Cash and Cash Equivalents	21,412	2,608	2,304
Total Current Assets	24,185	5,152	5,161
TOTAL ASSETS	38,652	30,694	37,225
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Common Stock	4,666	4,666	4,666
Paid-in Premium Reserve	73,437	73,437	73,437
Other Paid-in Capital	6,193	6,175	6,163
Retained Earnings	(65,999)	(73,262)	(62,438)
Total Shareholders Equity	18,297	11,016	21,828
Long-Term Debt			
Other Long-Term Debt	6,503	3,072	3,630
Total Long-Term Debt	6,503	3,072	3,630
Current Liabilities			
Trade Accounts Payable	1,150	1,526	1,494
Interest Bearing Short-Term Debt	3,471	8,670	8,294
Other Current Liabilities	9,231	6,410	1,979
Total Current Liabilities	13,852	16,606	11,767
TOTAL LIABILITIES AND EQUITY	38,652	30,694	37,225

Apptix ASA
Interim Consolidated Cash Flow Statement

(Amounts in USD 1,000)	Nine Months Ended September 30,	
	2015	2014
	IFRS	IFRS
Cash Flows from Operating Activities		
Earnings Before Interest and Taxes	8,043	1,211
Stock Based Compensation Expense	18	56
Depreciation and Amortization	2,323	3,185
Goodwill Impairment	6,000	-
Fixed Asset Impairment	4,000	(1)
Gain on Sale of Assets	(19,878)	-
Change in Accounts Receivable	278	(200)
Change in Trade Accounts Payable	(376)	349
Change in Other Assets and Liabilities	(308)	(1,594)
Cash Flows Provided by Operating Activities	100	3,006
Interest Paid	(824)	(954)
Income Tax Paid	-	(10)
Net Cash Flows Provided / (Used) by Operating Activities	(724)	2,042
Cash Flows from Investing Activities		
Purchases of Intangibles and Property and Equipment	(338)	(133)
Sale of Customer Base	22,500	-
Cash Flows Provided / (Used) in Investing Activities	22,162	(133)
Cash Flows from Financing Activities		
Payments on Capital Lease and Debt Obligations	(2,677)	(2,734)
Cash Flows Used in Financing Activities	(2,677)	(2,734)
Effect of Exchange Rates on Cash and Cash Equivalents	43	5
Net Change in Cash and Cash Equivalents	18,804	(820)
Cash and Cash Equivalents at Beginning of Period	2,608	3,124
Cash and Cash Equivalents at End of Period	21,412	2,304

Apptix ASA
Interim Consolidated Statement of Changes in Equity

Attributed to Equity Holders of the Parent

(Amounts in USD 1,000)	Share Capital	Share Premium Reserve	Other Paid in Capital	Foreign Currency Translation Reserves	Retained Earnings	Total Equity
Equity December 31, 2013	4,666	73,437	6,107	3,927	(66,631)	21,506
Net Income for the Period	-	-	-	-	(10,590)	(10,590)
Other Comprehensive Income	-	-	-	-	32	32
Total Comprehensive Income	-	-	-	-	(10,558)	(10,558)
Equity Element of Expensed Options	-	-	68	-	-	68
Equity December 31, 2014	4,666	73,437	6,175	3,927	(77,189)	11,016
Net Income for the Period	-	-	-	-	205	205
Other Comprehensive Income	-	-	-	-	31	31
Total Comprehensive Income	-	-	-	-	236	236
Equity Element of Expensed Options	-	-	7	-	-	7
Equity March 31, 2015	4,666	73,437	6,182	3,927	(76,953)	11,259
Net Income for the Period	-	-	-	-	340	340
Other Comprehensive Income	-	-	-	-	(2)	(2)
Total Comprehensive Income	-	-	-	-	338	338
Equity Element of Expensed Options	-	-	6	-	-	6
Equity June 30, 2015	4,666	73,437	6,188	3,927	(76,615)	11,603
Net Income for the Period	-	-	-	-	6,674	6,674
Other Comprehensive Income	-	-	-	-	14	14
Total Comprehensive Income	-	-	-	-	6,688	6,688
Equity Element of Expensed Options	-	-	5	-	-	5
Equity September 30, 2015	4,666	73,437	6,193	3,927	(69,927)	18,297

About Apptix

Apptix (OSE: APP) is the premier provider of managed and hosted business communication, collaboration, compliance & security, and infrastructure solutions to mid-market and enterprise customers and blue chip channel partners. Apptix is a Cloud services pioneer with almost 400,000 users under contract around the world. Apptix's comprehensive portfolio of Cloud solutions includes Microsoft Office 365, Microsoft Exchange email, VoIP, Microsoft SharePoint, Microsoft Lync, Servers on Demand, Enterprise Backup, Disaster Recovery, File Synch & Share, and Virtual Desktops. Apptix services are delivered over a highly reliable network leveraging best-in-class technology, housed in SSAE 16-compliant datacenters, and backed by U.S.-based 24/7 support. For more information, visit www.apptix.com.

For further information:

Johan Lindqvist (Chairman)
johan.lindqvist@windchange.se
+46 733 55 09 35

Christopher E. Mack (President & COO)
chris.mack@apptix.com
+1 703 890 2800

Selected Explanatory Footnotes to Aptix ASA Interim Condensed Financial Statements

(All Amounts in USD 1,000)

Gain on the Sale of Public Cloud Customer Base

As a result of the sale of its public cloud customer base to GoDaddy, the Company recorded a Gain on Sale of USD 19.9 million. The net gain from the transaction is shown separately under “*Other Income and Expense*”. The calculation of the gain is as follows:

Calculation of gain:	
Proceeds from sale of public cloud customer base	22,500
Less - Transaction sales costs	(2,122)
Less - Estimated taxes	(500)
Net gain on transaction	19,878

Post transaction, the Company may benefit from up to a maximum of USD 16.0 million of additional proceeds (“Milestone Consideration”) assuming 100% of the purchased users are migrated to GoDaddy. Based on the progress of the initiative through early October 2015, the Company estimates any additional consideration will not exceed 25% of the maximum Milestone Consideration available. Additionally, there is no assurance any Milestone Consideration will be earned by Aptix. Any Milestone Consideration earned by the Company would result in additional “Gain on Sale” less any applicable fees. The closing payment and the Milestone Consideration are subject to Company’s indemnification obligations to the buyer.

Goodwill and Asset Impairment Charge

During the third quarter of 2015, the Company completed a review of its goodwill and other intangible assets to determine if an impairment existed. 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 with. 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.

The Company has historically evaluated its goodwill 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 or forecasts 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. The Company’s analysis of its intangible asset carry value resulted in an impairment of approximately USD 10.0 million. The Company first allocated the impairment to goodwill which totaled approximately USD 6 million and then allocated the residual balance to fixed assets which totaled approximately USD 4 million. As noted in the Company’s September 9, 2015 disclosure, the initial assessment estimated a potential impairment of approximately USD

16 million. However, based on subsequent analysis, the recoverable amount related to the residual cash generating unit supported the USD 10 million threshold.

As a result of the sale of the public cloud users and once these customers are migrated off the Company's public cloud environment, the Company will decommission the underlying computer related equipment.

One Time Charges and Restructuring Expenses

The immediate monetization of a portion of the Company's current revenue stream requires the Company to realign its existing business model. Currently, the Company employs approximately 95 individuals. As the Company completes the Transition Services Agreement with GoDaddy in late 2015 and early 2016, the Company will be reducing its workforce by approximately 35%. In September 2015, the Company notified the impacted staff of the pending change in their work status. Since the impacted staff will not be remaining with the business in 2016, the Company recorded a one-time compensation related charge totaling USD 1.5 million. The charge included the monthly carrying cost of the employees through December 2015, severance payments to be made to the impacted staff, outplacement assistance and other residual employee termination costs. The Company anticipates these cash disbursements will take place during the fourth quarter of 2015 and January 2016.

In addition to the realignment of staffing, the Company is in the process of discontinuing a number of its current operating expenditures and agreements. The operating agreements and expenditures include such items as rents, licenses, maintenance, professional fees, and other costs that will no longer be required by the Company due to the sale of its public cloud customer base. In order to terminate these agreements in advance of their contractual end date, the Company has estimated it will incur approximately USD 1.0 million as it finalizes this initiative and completes the negotiations with the various parties. The outlay of such disbursements would be expected during the fourth quarter of 2015 and first quarter of 2016.

The above realignment charges are based on Company estimates and are subject to change. The Company expects to incur these charges during the fourth quarter of 2015 as the realignment program is implemented.

Working Capital Facility

On April 10, 2015, the Company entered into a definitive agreement with its financial institution to replace its expiring working capital facility. The new facilities provide for a USD 2 million revolving line of credit and a USD 4.7 million term note payable. Amounts available pursuant to the revolving line of credit will be based on 80% of eligible accounts receivable subject to certain limitations such as foreign accounts receivable, accounts receivable older than 90 days and individual customer account balances in excess of 25% of total accounts receivable. The revolving line of credit will carry a floating interest rate of prime plus 1.75% with a minimum prime rate of 3.25%.

The USD 4.7 million term note payable matures on March 31, 2020 and carries a floating interest rate of prime plus 2.25% with a minimum prime rate of 3.25%. Through December 2015, there

are no scheduled principal repayments with interest only payments applying during this period of time. The principal repayment schedule of the term note payable is as follows:

Period	Amount	Number of Payments	Total Principal Payments - USD
April 2015 through December 2015	-	-	-
January 2016 through September 2016	39,167	9	352,503
October 2016 through September 2017	58,750	12	705,000
October 2017 through September 2018	58,750	12	705,000
October 2018 through September 2019	78,333	12	939,996
October 2019 through March 2020	78,333	6	470,000
Payment at Maturity - March 2020	1,527,501	1	1,527,501
Total			4,700,000

Both the revolving line of credit and term note facility will be subject to a Minimum Fixed Charge Covenant Ratio and a Maximum Debt Leverage Ratio Covenant.

On September 4, 2015 the Company entered into a loan amendment agreement with its financial institution to modify the financial covenants related to its current credit facility. As a result of the September 2015 amendment, the Company's sole financial covenant is a minimum cash balance requirement. No other material changes were made to the Company's existing credit facilities.