Apptix
Annual Report
2014

Apptix Annual Report 2014 will only be issued in English.
The report is available on www.apptix.com/investor and on www.oslobors.no/app

Table of Contents

Apptix
Shareholder's Letter 2014

In 2015, Apptix will go-to-market as a provider of managed public, private, and hybrid cloud services addressing the complex needs of mid-market and enterprise organizations – retiring our email-centric, Channel First strategy.

The Channel First strategy, leveraging partners' sales and marketing resources for bulk but lower-margin sales, was a key contributor in recent years to Apptix's rapid growth from 200 000 to approximately 500 000 users over a five year period, including driving record bookings in 2013. However, topline revenue remained stagnant over this same period due to pricing pressure from Microsoft and Google's direct entry into the market. While, profitability was achieved and maintained through various cost efficiency initiatives, the Company recognized valuation creation is established through a consistent, growing combination of the two. It became obvious by the middle of 2014 as sales stalled that our mail-centric, Channel First strategy was an unsustainable approach in response to the blistering pace of the cloud market's evolution and Microsoft Office 365's seemingly unstoppable dominance of the cloud email space.

Instead of continuing to pursue a multi-segment plan that included competing directly against Microsoft based on price for standardized low cost sales, we have decided to move Apptix beyond being an email vendor and are refocusing our resources on our growing and more profitable managed and professional service offerings to larger businesses. These organizations, particularly those interested in our private or hybrid cloud solutions, have unique customization and support needs that brand name technology vendors are unable to address with standardized offerings. These customers have demonstrated a willingness to pay a premium for this value.

A Realignment Year

While not a sea change for Apptix – currently 30% of our revenue is generated from managed service solution offerings and the team has a proven track record of selling to and supporting mid-market and enterprise customers – the shift from an email-centric organization into a full-fledged managed services provider will take time.

This progression includes significant structural and operational retooling, the reconstitution of direct sales and marketing efforts, right sizing of staff levels as well as the injection of experienced managed services professionals, and thoughtful expansion of our portfolio of public, private, and hybrid cloud solutions. Most importantly, will be the establishment of a new mindset and culture as well as building awareness and credibility for Apptix's expanded capabilities in the market place.

Fortunately, Apptix has significant assets already in place upon which to build and compete in the managed services space. This includes a proven cloud heritage, highly skilled technical engineering and migration staff, a strong and profitable customer base, advanced infrastructure, and strong technology partnerships.

Moving Quickly

We have already taken significant steps and put important building blocks in place to accelerate our transition. In August, the Board began the process with executive leadership changes. Our Chairman, Johan Lindqvist, has assumed the role of Executive Chairman to lead strategy efforts. Christopher Mack, our Chief Financial Officer, was appointed President & Chief Operating Officer with responsibility for day-to-day corporate operations. Mr. Mack was also appointed Chief Executive Officer of Apptix ASA.

Tom Tighe, a managed service veteran and proven sales leader, joined the executive team to lead the Product, Marketing, Sales, and Business Development teams to drive growth and market share. We have begun to re-establish a direct sales team skilled in consultative, technical sales.

This shift does not mean we are abandoning our channel program. Key partners continue to grow and their contributions offset revenue churn. We will continue to work with productive partners to drive value and revenue from the channel while we refocus Apptix's internal resources.

We also established new Product leadership to expand our service offerings. We've already begun aggregating additional public cloud services while developing critical customizable managed private and hybrid cloud solutions, to meet the array of custom needs. The team has launched Office 365 targeted at larger organizations; by incorporating Office 365 within its service portfolio, Apptix will not directly compete with Microsoft. We will continue to engage with Microsoft and establish Apptix once again as one of their premier partners.

We are confident that our existing highly capable technical staff will be able provide the professional services required to support our managed services strategy.

We will, however, be making significant structural changes to our Support staff – converting from a reactive call center Customer Support approach and adopting a higher touch, pro-active consultative Customer Engagement model. This will require greater integration and interaction across departments. As a result, we are closing our Florida office, a legacy of our MailStreet acquisition, which has housed our core Support staff, and consolidating the roles in our Northern Virginia headquarters along with Sales, Product, and Technical staff.

In 2014, we also completed the migration of all remaining MailStreet accounts, housed in our Florida datacenter, onto the Parallels environment. This allows us to close out the operations in the Florida datacenter while consolidating infrastructure in more affordable datacenters in Texas and Virginia, which are also closer to our Technical staff for rapid response to system issues or customer customization needs.

The closure of the Florida Support office and datacenter along with a small staff re-sizing in January 2015 has freed up approximately USD 2 million which will be reinvested in our managed services initiatives and create greater alignment across the organization. As a result, we took a USD 5,4 million one-time charges related to these consolidation and operational streamlining initiatives in 2014. We also took a USD 5,7 million charge related to Goodwill Impairment as a result of the significant change in business strategy.

The Right Strategy for Topline Growth

While pleased with the progress we've already achieved, we recognize there is still much to be done this year realigning resources, refining tactics, and instilling a managed services mindset. We, therefore, anticipate this will be a flat revenue year.

The Apptix staff has consistently demonstrated the ability to rapidly adjust to the evolving marketplace and ardently execute against corporate strategies. We are confident that we have the right strategy to meet the needs of our customers and today's market and the right leadership now in place to build upon our many assets.

Johan Lindqvist
Chairman of the Board

Christopher E. Mack
President & Chief Executive Officer

Oslo, Norway/Herndon, Virginia, USA
13 April, 2015

Apptix ASA
Directors' Report 2014

Following 2013's year of record bookings, 2014 was a very challenging year that has led to new leadership, a laser focused managed services strategy, and significant organizational changes. Much of 2015 will be spent continuing to realign Apptix's operations, resources, and culture leading to strong topline growth in 2016 that investors have been anticipating.

Despite double digit user growth from approximately 200 000 to nearly 500 000 users over the last five years, Apptix has been unable to consistently grow top-line revenue. The Company generated USD 39,3 million in total revenue for 2014, down from USD 41,8 million in 2013. The Company has, however, been able to maintain a consistent profitable business model through numerous cost efficiency initiatives. Net Income for 2014, excluding one-time charges, was USD 529 000 compared to USD 781 000 in 2013.

An over-reliance on its historical email business as Microsoft continues to dominate the market and dependency upon channel distribution, which led to the near elimination of its own direct sales and marketing teams, were the primary contributors to the Company's challenges in 2014.

The Board of Directors have shifted the corporate strategy to support a Managed Services Provider (MSP) model versus the legacy Hosted Exchange business model; adjusting Apptix's new customer acquisition model to match the more profitable segments of its existing customer base.

Significant changes have already been instituted to accelerate the realignment of resources, staff, and product related initiatives behind the new strategy. These changes include new executive, sales, and product leadership, and the expansion of staff, resources, and programs in key areas such as sales, product, marketing, and technology.

More substantially, the Company implemented an operational streamlining and restructuring initiative during the fourth quarter of 2014. This included beginning the consolidation and closure of its Florida office facility and datacenter operations and the reduction and consolidation of staff in all three Company locations. This initiative will free up approximately USD 2 million annually to be reinvested in growth related activities.

The Company incurred a one-time charge in 2014 totaling USD 5,4 million and expects to incur approximately USD 800 000 of residual, one-time costs in 2015 related to these initiatives. The Company also took a one-time goodwill impairment charge of USD 5,7 million during the fourth quarter of 2014 following an analysis of the Hosted Exchange market and the Company's strategy shift.

There is more work to be done and the Company recognizes it will take the majority of 2015 to complete the transition of strategy and business model. As such, the Company expects this shift to have a material impact on the Company's 2015 revenue model, resulting in a flat year over year revenue performance for the Company. However, the structural changes and managed services strategy are anticipated to position Apptix for strong topline revenue growth in 2016.

2014 Apptix Group Financial Summary

Revenues for the twelve months ended December 31, 2014 totaled USD 39,3 million down 5.9% from the same period in 2013. The decline in revenues year over year was due to a combination of slower than anticipated on-boarding of the Company's December 31, 2013 backlog and lower bookings levels throughout 2014. Customers and partners both remained measured and cautious throughout the year with their on-boarding schedules as they look to balance migration complexities along other initiatives within their business operations. As a result, the new revenues on-boarded in 2014 were not sufficient to offset the normal revenue churn within the Company's base business.

During 2014, the Company recorded one-time charges of USD 11,1 million including Goodwill Impairment totaling USD 5,7 million and USD 5,4 million related to an operational streamlining and restructuring initiative ("the Restructuring").

The Restructuring initiative included the consolidation of the Florida office facility and datacenter operations, the reduction and consolidation of staff in all three Company locations, and the write-down of certain non-performing assets. The one-time charges for 2014 totaled USD 5,4 million. The Company also expects to incur about USD 800 000 of residual, one-time costs related to the 2014 Restructuring during 2015. The total savings associated with the streamlining initiative is approximately USD 2 million and is expected to be fully incorporated into the Company's financial statements by the end of 2015. The 2015 cash implications related to the Restructuring initiative is approximately USD 4,4 million and will be expended over the course of 2015 and 2016.

The Company currently has datacenter operations in Texas, Virginia and Florida. With the completion of the legacy Hosted Exchange (HEX) customers now migrated off of legacy HEX environments, the Florida datacenter operation became redundant. The Company will utilize the Texas and Virginia datacenter operations for its backup, disaster recovery, and geo-redundancy efforts. As we move to a high touch, managed service customer care organization, the Company's support and technical operations teams will now be consolidated with either the Company's Virginia or Texas based operations, thus allowing for even better operating efficiency, integration, and collaboration in support of our customers. The one-time charge associated with the datacenter and office facility consolidations totaled USD 1,5 million during the fourth quarter of 2014. The Company also incurred approximately USD 637 000 of severance and relocation costs related to impacted staff in its remote locations. The savings associated with the datacenter and office consolidations (including personnel changes) will provide the Company approximately USD 2 million of annualized savings. The cash impact of the facility consolidations will be USD 1,5 million in 2015 and approximately USD 171 000 in 2016. The cash impact related to the operational streamlining (excluding facility consolidations) is approximately USD 1,1 million in 2015.

The Company made a number of personnel related changes during the latter part of 2014 including changes at the executive management level. As such, the Company incurred USD 712 000 of charges related to severance and personnel exit costs along with recruiting costs associated with new sales leadership. The cash impact of these changes will be approximately USD 359 000 in 2015.

The Company identified certain assets, including prepaid licenses and leases during the fourth quarter of 2014. After evaluating the future economic value of these assets, licenses and leases, the Company took a charge of approximately USD 1,5 million during the fourth quarter of 2014. The cash effect of these charges will impact the Company's cash flow by approximately USD 232 000 in 2015 and approximately USD 517 000 in 2016 with the balance of this one-time charge being non-cash related.

The Company also recorded approximately USD 1,0 million of prepaid assets and other items whereby the Company does not foresee future economic benefit. Of this one-time charge, USD 275 000 will impact cash in 2015 with USD 250 000 impacting cash during 2016.

Apptix has historically operated in the highly competitive and very price sensitive Hosted Exchange and public cloud market. With the aggressive expansion efforts of Microsoft, Google, and AWS, the Company's longer term growth potential was at risk. This was a major factor in the Company's shift in business strategy in 2014. With the shift in strategy, the Company also re-evaluated the relative economic value of its existing USD 21 million Goodwill value. The previous Goodwill value was the result of legacy acquisitions that took place in 2005 and 2006. As required by IAS 36, the Company analyzes the future economic benefit of its Goodwill values annually. As a result of its analysis, the Company took a one-time goodwill impairment charge of USD 5,7 million during the fourth quarter of 2014. This one-time, non-cash charge is based on the Company's financial forecasts over the next 5 years and the discounted cash flow model supporting such financial forecast.

Excluding the aforementioned one-time charges, the Company recorded a Net Income of USD 529 000 in 2014 as compared to Net Income of USD 781 000 in 2013. The lower Net Income during 2014 was primarily due to a combination of user and economic churn impacting revenues in advance of new revenues yet to be realized from the Company's current backlog.

Cash generated by operating activities, including the impact of changes in currency rates, totaled USD 3,2 million, down from prior year levels of USD 4,8 million. Equipment purchases, net of financings under equipment leases, during the calendar year of 2014 were USD 234 000 compared to USD 500 000 compared to the same period in 2013. Net cash used by financing activities totaled USD 3,6 million during 2014 relatively consistent with 2013.

The Company closed the fourth quarter of 2014 with USD 2,6 million in cash and USD 4,7 million outstanding on its working capital facility. There was no change in the amount outstanding on the Company's working capital facility during 2014.

As of December 31, 2014 the Company's interest-bearing short term debt totaled USD 8,7 million which consisted of USD 4,0 million of equipment financed via capital leases and USD 4,7 million related to its working capital facility.

On January 31, 2015 the Company entered into a 60 day extension with its financial institution while the Company and the financial institution finalize the new terms related to its working capital facility. The Company subsequently entered into an additional extension through April 30, 2015 to allow for time to complete final debt facility documentation. On April 10, 2015, the Company entered into the definitive agreement providing the Company with a USD 2 million revolving line of credit and a USD 4.7 million term note payable.

Throughout the year, on average, Apptix continued to meet or exceed its average Service Level objectives. As of December 31, 2014, the Company had in excess of 425 000 billable users as compared to 400 000 users as of December 31, 2013.

The Company did not conduct any research and development activities during 2014 and 2013.

At the end of 2014, 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.

2014 Apptix ASA Financial Summary

Apptix ASA revenues totaled NOK 121 000 in 2014, up 3.4% from NOK 117 000 in 2013. The increase in revenues was primarily due to exchange rate fluctuations during the year with the US Dollar increasing in value. Operating expenses increased from NOK 2 567 thousand in 2013 to NOK 3 082 000, or 20%, as a result of increased professional and administrative fees incurred during the year. The net loss (including intercompany interest, goodwill amortization and goodwill impairment) for 2014 was NOK 28 665 000, up from NOK 12 225 000, as a result of the lower earnings from subsidiary. The main driver for the lower subsidiary earnings was the converted NOK value of USD 11,1 million of one-time charges incurred during 2014 including USD 5,4 million of aforementioned Restructuring initiative and USD 5,7 million related to the Company's goodwill impairment charge.

Market conditions

The cloud services market continues to grow at a rapid pace. More than 60% of organizations surveyed by Gartner in 2014 had deployed some type of cloud service. Gartner estimates that spending on cloud services was USD 80 billion in 2014 and projected to grow at an 18% compound annual growth rate (CAGR) to reach USD 153 billion by 2018.[1] More than 65% of businesses surveyed by 451 Research across all segments have adopted Software-as-a-Service or Hosted Infrastructure services.[2] The need for cost savings, innovation, and agility is driving cloud adoption across all market segments. Organizations in mature markets such as North America are turning to cloud offerings to replace legacy systems.

Despite this dramatic market growth, however, according to Phil Shih of Structure Research, hosters struggle in the face of competition by the disruptive introduction of "massive scale" public cloud offerings from Amazon, Google, and Microsoft. These big brands have "scale and resources that hosters will not be able to match over the long-term."[3] While creating greater awareness and market demand, these massive vendors have caused significant price and margin erosion. Traditional IT and cloud providers are experiencing churn from their traditional markets to these hyper competitors.

Fortunately, there is still plenty of market share available for nimble providers particularly within the mid-market and small enterprise segments. Gartner identifies the mid-market as "a large and fast-growing IT segment – representing USD 580 billion in IT spending, with a compound

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[1] Gartner, Cloud Service Providers Must Understand Deployment, Adoption, and Buyer Complexity to Leverage Cloud Revenue Opportunism; January 2015
[2] 451 Research, Hosting and Cloud Study 2014, Hosting and Cloud Go Mainstream, March 2014
[3] Structure Research, Hot Topic, Competitive Landscape Update; August 2014

annual growth rate (CAGR) 50% higher than the market average." While standardized cloud offerings are "good enough" for smaller businesses, these don't meet the unique needs of mid-market firms that lack the resources or expertise to develop and manage customized solutions. Gartner further reports that mid-market firms "are actually willing to pay more for an IT solution that includes superior support services." And that "as cloud adoption continues to increase, so the complexity it is expected to create for organizations using these services also increases."[4]

Successful providers are differentiating themselves with specialized, value added services such as integration expertise and hybrid offerings, highly reliable service delivery, and top quality customer service – capabilities Amazon, Google, and Microsoft are unable to match within their mass-market business models.

Security is a top concern for CIOs and the prime barrier to cloud adoption due to frequent and sophisticated cyber-attacks. As a result, the cloud-based security market is forecasted to grow to USD 3.7 billion in 2016.[5] Providers can tap into this market while further differentiating themselves by demonstrating and delivering security expertise and offerings to address customer needs in today's volatile cyber world.

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, and Softcenter AB. 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 Nordic Semiconductor ASA, Nokas AS and Vice Chairman of the Board for 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. Mr. Rogne has an MBA from University of San Diego and a Bachelor of Business Degree from the Oslo School of Business Administration.

Mrs. Fåhraeus was appointed Director of Apptix in 2008. She is Chairman of Geccodots AB, Acousort and Connect Skåne; Director of Simris Alg, Good Old, the faculty of medicine at Lunds University and, CEO of Lunds Life Science Incubator. From 2010 through 2014 she served as 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.

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4 Gartner, Market Insight: Midsize-Business Primer, 2014; July 2014
[5] Gartner, Market Trends: Cloud-Based Security Services Market, Worldwide 2014, October 2013

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 2014. There were no significant absences due to illness in 2014 or 2013. 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, 2014, the members of the senior management team consisted of four males while the Board of Directors consisted of two males and one female. The Company's operations do not pollute the environment.

Corporate Social Responsibility

Companies are increasingly aware of their obligation to act responsibly in social matters like human rights, employee rights, environmental concerns and anti-corruption. The Board of Directors and Management of Apptix fully support these initiatives.

Apptix is committed to ensure that both basic human rights and employee rights are respected and fully complied with. In its operations, Apptix strives to ensure that all employees, consultants, contractors and customers adhere to basic human rights. Further, Apptix acknowledges and complies with employee rights and other applicable social issues in all its dealings as an employer.

Apptix is committed to protect the environment and has taken various steps to ensure that the business operation has limited negative impact on the environment. Corruption represents a potential problem for developing fair trade. Due to the nature of the Company's business and geographic presence, corruption is not regarded as a real threat to its operations.

While Corporate Social Responsibility is covered in various company internal documents, the company has not seen the need to develop a separate policy document to this effect.

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

As noted above, the Company began to implement significant changes within the Company during late 2014 in support of its decision to move to a managed service provider business model. The Company anticipates 2015 will be a year of transition as the various staffing, resource realignment, and operational consolidation initiatives are completed.

The Company will leverage its strong operational foundation and solid customer base of nearly 500 000 users under contract during this year of change. Activities such as professional service engagements with existing customers to meet their unique technology requirements, the deployment of new service offerings, and the re-establishment of a consultative, direct sales force are all components of the 2015 operating plan.

However, all predictions of future growth prospects are subject to a variety of uncertainties in the market place. These uncertainties include market-based competition, internal demands for allocation of resources within our existing customer base when considering new products and services, the timing of the various staffing, resource realignment and consolidation efforts currently underway by the Company to name a few.

The Company believes the steps being taken will provide a more solid foundation for topline revenue growth in 2016 and beyond.

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 2015 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 28, 7 million. The Board recommends that the net loss be transferred from other equity.

Johan Lindqvist	Ebba Asly Fahraeus	Terje Rogne	Christopher Mack
Chairman of the Board	Director	Director	President & Chief Executive Officer

31 December, 2014 / 13 April, 2015

Apptix ASA
Report on Corporate Governance 2014

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 30, 2014, 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 information technology-based 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, 2014, Apptix had a cash reserve of USD 2,6 million, approximately USD 1 million available and unused pursuant to its working capital facility and an equity ratio of 35.9%. 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, 2014 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, 2015. 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. The members of the current Nomination Committee were elected for a 2 year term at the ordinary Shareholder meeting on May 9, 2013. The members of the Nomination Committee are independent of the Board and the Executive Management team and endeavor to represent the shareholder's joint interests. 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.

Contact information related to the Company's Nomination Committee is provided on the Company's Investor Relations web page.

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 and the other Board members are 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, 2014.

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. During the fourth quarter of 2014, the Company's Board of Directors approved an additional consulting fee of USD 15 000 per month for the Chairman as part of the Company's changes in executive leadership. 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, 2014, the Executive Management team of the Company consisted of four 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 60% of base salary.

The statement of remuneration of Executive Management will be produced as a separate document and made available on the Company's homepage together with the calling notice to the annual shareholder meeting. The statement of remuneration will be presented to advisory vote at the annual shareholder meeting. If the remuneration includes equity-based remuneration the annual meetings will vote will be binding. The statement will, if applicable, be presented in two separate votes.

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
13 April, 2015

Apptix ASA
Report on Management Remuneration 2014

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 are 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.

Management Incentive Program

The Board of Directors proposes the following Management Incentive Program ("Incentive or Bonus") in support of shareholder value creation for the Company. Effective upon shareholder approval and for a maximum term of five years or Exit Date ("a sale or merger of the Company before the five year term ends"), participating and eligible employees can earn an Incentive based on a progressive variable compensation rate for each USD 5 million of incremental value created over USD 30 million. No Incentive or Bonus is earned for a value less than USD 30 million. The maximum variable compensation rate that can be earned for a USD 5 million increment is 20%. Once the Company's value exceeds USD 75 million, the variable compensation rate that can be earned is limited to 20% for each USD 5 million increment. If after four years from the start date but prior to the end of the five year term or an Exit Date, eligible and participating employees may elect to be paid their allocated management Incentive. The Incentive or Bonus can be paid in either cash or shares of Company stock. If paid in shares, eligible participants will be required to pay NOK 0.333 per share. Only employees of the Company or its affiliates are eligible for participation. The Management Incentive Program was approved by the shareholder meeting and will be managed by the Company's Board of Directors.

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 2014, the Company provided an employer match of 50% of employee contributions up to 6% of the employee's salary.

Board of Directors
Apptix ASA
13 April, 2015

CONSOLIDATED INCOME STATEMENTS

	Note	Apptix Group (Amounts in USD 1 000) Year Ended December 31, 2014	2013
OPERATING REVENUE			
Recurring Revenue	**3**	38 486	40 955
Non Recurring Revenue		840	840
Operating Revenue		**39 326**	**41 795**
OPERATING EXPENSES			
Cost of Sales	**4**	13 350	11 778
Employee Compensation and Benefits	**5**	13 905	14 987
Other Operational and Administrative Costs	**6**	9 386	8 575
Restructuring	**18**	1 955	-
Asset Impairment Charge	**9,10**	5 681	-
Depreciations and Amortization	**9,11**	4 365	4 393
Total Operating Expenses		**48 642**	**39 733**
Operating Income (before interest & Taxes)		(9 316)	2 062
FINANCIAL INCOME AND EXPENSES			
Interest Expense	**7**	(1 272)	(1 116)
Other Financial Expense		(2)	-
Net Financial Expenses		**(1 274)**	**(1 116)**
Income Before Taxes		**(10 590)**	**946**
TAXES			
Income Tax Expense	**19**	-	(165)
Net Incomefor the Period	**8**	**(10 590)**	**781**
Attributable to:			
Equity Holders of Parent		(10 590)	781
Earnings per share:	**8**		
* Basic, profit for the year attributable to ordinary equity holders of the parent		(0.13)	0,01
* Diluted, profit for the year attributable to ordinary equity holders of the parent		(0.13)	0,01
Weighted Average Common Shares Outstanding	**8**	**81 617**	**81 468**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Apptix Group (Amounts in USD 1 000) Year Ended December 31,	
	2014	**2013**
Income for the Period	**(10 590)**	**781**
Exchange Rate Differences on Translation of Foreign Operations	32	26
Items that may be Reclassified Subsequently to Income Statement	**32**	**26**
Items that will not be Reclassified to Income Statement	**-**	**-**
Total Other Comprehensive Income/(Loss) for the Period	32	26
Total Comprehensive Income for the Period	**(10 558)**	**807**
Attributed to Equity Holders of Parent	**(10 558)**	**807**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Apptix Group (Amounts in USD 1 000) Year Ended December 31, 2014	2013
ASSETS			
Non-current Assets			
Intangible Assets			
Goodwill	**9,10**	15 967	21 648
Software and Licenses	**9**	248	598
Total Intangible Assets		**16 215**	**22 246**
Property and Equipment			
Computer Equipment	**11,16,17**	9 200	8 335
Furniture and Fixtures	**11**	116	173
Leasehold Improvements	**11**	11	26
Total Property and Equipment		**9 327**	**8 534**
Total Non-Current Assets		**25 542**	**30 780**
Current Assets			
Accounts Receivable	**13**	1 988	1 799
Other Current Assets	**14**	156	245
Prepaid Expenses		400	937
Cash and Cash Equivalents	**15**	2 608	3 124
Total Current Assets		**5 152**	**6 105**
TOTAL ASSETS		**30 694**	**36 885**
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**	6 175	6 107
Translation Reserve	**21,22**	3 927	3 927
Retained Earnings	**21,22**	(77 189)	(66 631)
Total Equity		**11 016**	**21 506**
Long Term Debt			
Interest-Bearing Long Term Debt	**16,17,25**	3 072	7 582
Total Long Term Debt		**3 072**	**7 582**
Current Liabilities			
Trade Accounts Payable	**25**	1 526	1 145
Interest-Bearing Short Term Debt	**16,17**	8 670	2 740
Other Current Liabilities	**18**	6 410	3 912
Total Current Liabilities		**16 606**	**7 797**
TOTAL EQUITY AND LIABILITIES		**30 694**	**36 885**

Johan Lindqvist	Ebba Asly Fahraeus	Terje Rogne	Christopher Mack
Chairman of the Board	Director	Director	President & Chief Executive Officer

31 December, 2014 / 13 April, 2015

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Apptix Group (Amounts in USD 1 000) Year Ended December 31, 2014	2013
Cash flows from Operating Activities			
Earnings Before Interest and Taxes		(9 316)	2 062
Share-based Employee Compensation Expense	**20,21**	68	129
Depreciation and Amortization	**9,11**	4 365	4 388
Goodwill Impairment	**10**	5 681	
Loss on Sale of Fixed Assets		2	
Change in Accounts Receivable		(188)	(154)
Change in Trade Accounts Payable		381	(161)
Change in Other Assets and Liabilities		3 518	(202)
Cash Flows Provided by Operating Activities		**4 511**	**6 062**
Interest paid		(1 272)	(1 116)
Income tax paid		-	(165)
Net Cash Flows Provided by Operating Activities		**3 239**	**4 781**
Cash Flows from Investing Activities			
Purchases of Property and Equipment, net	**11**	(234)	(500)
Net Cash Flows Used in Investing Activities		**(234)**	**(500)**
Cash Flows from Financing Activities			
Payments on Interest-Bearing Debt	**16,17**	(3 553)	(3 544)
Net Cash flows Used in Financing Activities		**(3 553)**	**(3 544)**
Effect of Exchange Rates on Cash and Cash Equivalents		32	29
Net Increase/(Decrease) in Cash		(516)	766
Cash at Beginning of Period	**15**	3 124	2 358
Cash at End of Period		**2 608**	**3 124**

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, 2012		**4 666**	**73 437**	**5 978**	**3 927**	**(67 438)**	**20 570**
Net Income for the Period		-	-	-	-	781	781
Other Comprehensive Income		-	-	-	-	26	26
Total Comprehensive Income		**-**	**-**	**-**	**-**	**807**	**807**
Equity Element of Expensed Options	**20**	-	-	129	-	-	129
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	**20**	-	-	68	-		68
Equity December 31, 2014		**4 666**	**73 437**	**6 175**	**3 927**	**(77 189)**	**11 016**

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 managed and hosted business communication, collaboration, compliance & security, and infrastructure solutions to mid-market and enterprise customers and blue chip channel partners. A pioneer in the hosted services space, Apptix has almost 500 000 users under contract around the world; with more than one-third of users in highly regulated industries.

Apptix's comprehensive portfolio of Cloud solutions includes Microsoft® Exchange, SharePoint®, and Lync®, as well as hosted VoIP, encryption, archiving, and mobile device management. Apptix hosted services are delivered across an advanced network infrastructure and built upon best-in-class hardware and software housed in Tier IV, SSAE 16 SOC 1 Type II certified, geographically dispersed interconnected datacenters to ensure the highest level of availability and reliability. 24/7 customer service and support is provided by a fully U.S.-based, industry recognized support department.

The financial statements were approved by the Board of Directors for publication on 13 April, 2015.

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 2014 year-end

The accounting principles used in 2014 are the same as in 2013. The Group has reviewed 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

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. Non-recurring revenue represents one-time fees for specific work performed that is not included in the monthly subscription license agreement. Non-recurring revenue is recognized once the service has been performed and collection of the associated fee is probable.

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 the accounting for the business combination is incomplete by the end of the reporting period where the business combination occurs, the provisional amounts recognized at the acquisition date will be adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The period where the provisional amounts can be adjusted ends as soon as the necessary information is obtained to complete the purchase price allocation, and will in any case not exceed one year from 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 useful life and is recognized in the income statement. The useful life 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 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.

2.11 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.

2.12 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.

2.13 Financial Liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

a) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

2.14 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).

2.15 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.

2.16 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.

2.17 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.

2.18 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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, 2014 was USD 15,9 million. Additional information related to goodwill appears in Note 10. Other significant areas of judgment and estimates include determining expense associated with the issuance of stock options and the establishment of allowances for doubtful accounts.

2.19 Future Changes in Accounting Principles

In the financial statements for 2015 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 2014.

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:

IFRIC 21 Levies

IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. Changes are effective for annual periods beginning on June 17, 2014 or later. It is expected that the changes will not give any effect on the financial statements.

IFRS 15 Revenue from Contracts with Customers

The IASB and the FASB have issued their joint revenue recognition standard, IFRS 15 Revenue from Contracts with Customers. The standard replaces existing IFRS and US GAAP revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment). It is expected that the changes will not give any effect on the financial statements.

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).

The Company has two main office facilities (Florida and Virginia) and three datacenters (Florida, Virginia and Texas). As a result of the restructuring the Company will combine the Florida and Virginia offices during 2015 and all staff will either be relocated to Virginia, Texas or have their employment services terminated. The Florida datacenter will also be closed as part of the restructuring initiative.

The Company delivers services to its customers via the use of a public hosted cloud environment, a private (i.e. dedicated) or semi-dedicated cloud environment or a hybrid business model which is a combination of both public and private cloud environments.

The following table summarizes the components of the Company's recurring revenue:

	Year Ended December 31,	
(Amounts in USD 1 000)	**2014**	**2013**
Exchange	28 571	29 560
Mobility	2 300	3 281
SharePoint	2 460	2 763
VoIP	2 227	2 485
Archiving	2 123	2 121
Other Services	805	745
Total Recurring Revenue	38 486	40 955

Exchange - Microsoft Exchange based Corporate class hosted email, shared calendaring, contacts and task capabilities.

Mobility - Instant access to email, calendars, contacts, and task lists through a mobile device.

SharePoint - Microsoft SharePoint solution allowing corporate collaboration through document sharing, workflows and discussion forums.

VoIP - Enterprise class hosted business phone service replacing traditional PBX business phone systems.

Archiving - Secure indexing of all messages in a tamper-proof storage environment to meet security and regulatory requirements.

Other Services - All other recurring revenue sources provided by the company

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)	**2014**	**2013**
License Fees	8 993	7 891
Communications	18	18
Data Center Facilities	3 940	3 228
Commissions and Referrals	328	545
Total Cost of Sales - Recurring Revenues	13 279	11 682
Hardware & Software	71	96
Total Cost of Sales - Other	71	96
Total Cost of Sales	**13 350**	**11 778**

As detailed in Note 18 the Company incurred USD 1,4 million of one-time charges in 2014 related to the Company's 2014 Operational Streamlining and Restructuring Initiative of which USD 421 000 is included in License Fees and USD 1,1 million is included in Data Center Facilities.

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)	**2014**	**2013**
Salaries	10 944	11 907
Share-based Compensation	68	129
Social Security Tax	832	907
Pension expense	256	286
Other Compensation	1 805	1 758
Total Employee Compensation and Benefits	**13 905**	**14 987**
Average Number of Employees	**119**	**129**

The tables below set forth the compensation summary for the Executive Team and Board of Directors for the years ended December 31, 2014 and 2013.

	2014 Compensation					
(Amounts in USD 1 000)				**Board**	**Value of**	**Total**
Executive Team and Board Members	**Salary**	**Bonus**	**Other**	**Fees**	**Options**	**Remuneration**
Chris Mack (President & CEO)	265	23	7	-	22	317
Shane Smith (SVP Technology)	207	15	3	-	9	234
Donnie Hughes (SVP Customer Management)	183	5	4	-	8	200
Chris Damvakaris (VP Sales & Business Development)	70	-	2		-	72
David Ehrhardt (Former CEO)	211	23	134	-	9	377
Aubrey Smoot (Former SVP Business Development)	176	10	43	-	10	239
Johan Lindqvist (Chairman)	-	-	139	64	-	203
Ebba Fahraeus (Board Member)	-	-	-	32	-	32
Terje Rogne (Board Member)	-	-	-	32	-	32
Total	**1 112**	**76**	**332**	**128**	**57**	**1 705**

	2013 Compensation					
(Amounts in USD 1 000)				**Board**	**Value of**	**Total**
Executive Team and Board Members	**Salary**	**Bonus**	**Other**	**Fees**	**Options**	**Remuneration**
Chris Mack (President & CEO)	240	-	7	-	34	281
Shane Smith (SVP Technology)	200	-	3	-	13	216
Donnie Hughes (SVP Customer Management)	182	-	4	-	12	198
David Ehrhardt (Former CEO)	330	-	8	-	16	354
Aubrey Smoot (Former SVP Business Development)	224	-	6	-	15	245
Joy Nemitz (Former CMO)	169	-	3	-	18	190
Johan Lindqvist (Chairman)	-	-	69	69	-	138
Ebba Fahraeus (Board Member)	-	-	-	34	-	34
Terje Rogne (Board Member)	-	-	-	34	-	34
Total	**1 345**	**-**	**100**	**137**	**108**	**1 690**

In 2014, the Company and its former Chief Executive Officer ("Former CEO") agreed to terminate the Former CEO's employment agreement. Pursuant to the terms of the existing employment and the separation agreement, the Former CEO was entitled to receive fourteen months of severance pay, including health insurance benefits, an association membership and certain computer related equipment. The total cost incurred by the Company to terminate the Former CEO's employment agreement was approximately USD 458 000 which the Company recorded as a charge during 2014. The cash impact of the Former CEO's separation agreement will be USD 309 000 during 2015. For additional information, please see Note 18.

As a result of the aforementioned leadership change, Christopher Mack the Company's CFO assumed the additional responsibility of President and Chief Operating Officer of Apptix, Inc. Additionally, Mr. Mack assumed the Chief Executive Officer role of Apptix ASA. The Company's Chairman Johan Lindquist remains the Chairman of the Board of Directors and has assumed a more active participation and oversight role in Apptix, Inc. (a wholly owned subsidiary of Apptix ASA).

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 50% 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 2014 and 2013, respectively. Other compensation consists of matching 401(k) contributions made by the Company during 2014 and 2013 and severance amounts paid.

The Company's Chairman, Johan Lindqvist is entitled to a fee of NOK 400 000 per annum of which NOK 100 000 was outstanding as of December 31, 2014. Mr. Lindqvist is also entitled to a fee of NOK 400 000 for consulting services as approved by the shareholders in May 2012, all of which was paid as of December 31, 2014. During the fourth quarter of 2014, the Company's Board of Directors approved an additional consulting fee of USD 15 000 per month for the Chairman as part of the Company's changes in executive leadership.

Terje Rogne and Ebba Fahraeus are paid a Directors fee of NOK 200 000 per year of which NOK 50 000 was outstanding to each as of December 31, 2014. All outstanding board fees were paid in February 2015.

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 60%.

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, 2014 and 2013. See Note 20 in connection with valuation.

Executive Team	**Options - Dec. 31, 2013**	**Options Granted 2014**	**Options Exercised in 2014**	**Options Expired/ Forfeited in 2014**	**Options - Dec. 31, 2014**	**Avg Exercise Price**	**Maturity Period**
Chris Mack (President & CEO)	925 000	-	-	-	925 000	2,80	1,02
Shane Smith (SVP Technology)	250 000	25 000	-	-	275 000	2,75	1,64
Donnie Hughes (SVP Customer Management)	250 000	-	-	-	250 000	2,82	1,21
David Ehrhardt (Former CEO)	1 715 000	-	-	(1,715,000)	-	-	-
Aubrey Smoot (Former SVP Business Development)	375 000	25 000	-	(96 250)	303 750	2,81	0,94
Joy Nemitz (Former CMO)	120 000	-	-	(120 000)	-	-	-
Total	**3 635 000**	**50 000**	**-**	**(1,931,250)**	**1 753 750**	**2,80**	**1,13**

Executive Team	Options - Dec. 31, 2012	Options Granted 2013	Options Exercised in 2013	Options Expired/ Forfeited in 2013	Options - Dec. 31, 2013	Avg Exercise Price	Maturity Period
Chris Mack (President & CEO)	900 000	25 000	-	-	925 000	2,80	2,71
Shane Smith (SVP Technology)	225 000	25 000	-	-	250 000	2,72	2,81
Donnie Hughes (SVP Customer Management)	225 000	25 000	-	-	250 000	2,82	2,71
David Ehrhardt (Former CEO)	1 715 000	-	-	-	1 715 000	2,70	1,35
Aubrey Smoot (Former SVP Business Development)	350 000	25 000	-	-	375 000	2,82	2,71
Joy Nemitz (Former CMO)	275 000	25 000	-	(180 000)	120 000	3,22	0,04
Total	**3 690 000**	**125 000**	**-**	**(180 000)**	**3 635 000**	**2,76**	**1,99**

There were no options exercised during 2014 or 2013.

The Directors 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)	**2014**	**2013**
Audit Services	89	88
Other Attestation Services	-	1
Tax Services	-	5
Other Non-audit services	6	9
Total Audit Fees	**95**	**103**

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)	**2014**	**2013**
Marketing	820	859
Travel & Entertainment	393	452
Rent	914	921
Professional Fees	1 418	933
Communications	645	694
Maintenance and Support	1 221	1 482
Utilities and Maintenance Costs	769	536
Computer Equipment and Software	2 254	1 600
Other SG&A	952	1 098
Total Other Operating Expenses	**9 386**	**8 575**

Note 7 - Financial Income and Expenses

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

	Year Ended December 31,	
(Amounts in USD 1 000)	**2014**	**2013**
Interest on Bank Deposits	-	-
Interest Expense	(1 272)	(1 116)
Gain & Losses on Sale of Fixed Assets	(2)	-
Interest, Net	**(1 274)**	**(1 116)**

Note 8 - Earnings per Share

The basic and diluted earnings per share are calculated as the ratio of the net income (or net loss) for the year that is due to the ordinary shareholders. The net loss for 2014 of USD 10,6 million is divided by the weighted average number of ordinary shares outstanding of 81 617 000 resulting in a loss per share of USD 0,13. For 2013, net income of USD 781 000 is divided by the weighted average number of ordinary shares outstanding of 81 468 000 resulting in earnings per share of USD 0,01.

The following table presents the earnings per share:

(Amounts in USD 1 000 Except for Share Data)	Year Ended December 31, 2014	2013
Income for the Year	(10 590)	781
Total Income for the Year to Holders of Ordinary Shares	**(10 590)**	**781**
Weighted average number of ordinary shares for basic earnings per share	81 430	81 430
Effect of dilution:		
Share options	187	38
Weighted average number of ordinary shares adjusted for the effect of dilution	**81 617**	**81 468**
Basic and Diluted Earnings Per Share From Continuing Operations	(0.13)	0,01
Basic and Diluted Earnings Per Share for the Year	**(0.13)**	**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, 2012	**29 648**	**7 483**	**1 144**	**8 627**
Additions	-	671	-	671
Cost December 31, 2013	**29 648**	**8 154**	**1 144**	**9 298**
Additions	-	548	-	548
Cost December 31, 2014	**29 648**	**8 702**	**1 144**	**9 846**
Accumulated Depreciation/ Impairment - December 31, 2012	**8 000**	**6 521**	**1 144**	**7 665**
Depreciation Charges	-	1 035	-	1 035
Accumulated Depreciation/ Impairment - December 31, 2013	**8 000**	**7 556**	**1 144**	**8 700**
Depreciation Charges / Impairment Charge	5 681	898	-	898
Accumulated Depreciation/ Impairment - December 31, 2014	**13 681**	**8 454**	**1 144**	**9 598**
Net Book Value:				
Balance December 31, 2012	**21 648**	**1 280**	**-**	**962**
Balance December 31, 2013	**21 648**	**598**	**-**	**598**
Balance December 31, 2014	**15 967**	**248**	**-**	**248**

Software 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

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.

Apptix has historically operated in the highly competitive and price sensitive Hosted Exchange and public cloud market. With the aggressive expansion efforts of Microsoft, Google and AWS, the Company's longer term growth potential was at risk. As noted in previous annual reports, one of the primary factors impacting future carrying value of the Company's intangible assets is revenue growth. Given the limited revenue growth achieved over the past five years in comparison to projected revenues along with the Company's shift in business strategy from primarily a Hosted Exchange provider to a Managed Services Provider, the Company's analysis of its intangible asset carrying value resulted in an impairment of USD 5,7 million. This one-time, non-cash charge is based on the Company's financial forecasts over the next 5 years and the discounted cash flow model supporting such financial forecast. As a result, the Company reduced the carrying value of is Goodwill from USD 21,6 million to USD 15,9 million. The previous Goodwill value was the result of legacy acquisitions that took place in 2005 and 2006.

The Company evaluates 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 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, 2014 and December 31, 2013

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

Revenues - 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. In the goodwill impairment analysis the assumption used is an average increase in revenue of 5% for the period 2016 to 2019 and thereafter a 3% revenue growth. For fiscal year 2015, the revenue growth assumption used was 1%.

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. In the goodwill impairment analysis the Company expects a declining gross margin compared to prior years. In 2014 the Company achieved a 70% gross margin and this is also the expected gross margin in 2015. Thereafter the Company expects a decline in gross margins of approximately -1,5% per year over the next 5 years due to price pressures and competition in the market.

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. The Company expects the operating costs to follow changes in revenue. The basis used in the impairment analysis is a consistent percentage of revenue of 54% which is in line with prior years.

Capital Expenditures – The Company believes future capital expenditures will be significantly less than historical levels. The primary reason for this is the shift in business strategy from a Hosted Exchange service provider to provider of broader, technology based managed services. Some of these services will be self-hosted by the Company while other services will be deployed via a syndication model. Additionally, the cost of hardware or capital equipment continues to become more scalable due to advances in technology. The Company expects to benefit and utilize these new technologies and incorporate such offerings into its service delivery models. The Company used a capital expenditure rate of 5.5% of revenues for its goodwill impairment analysis for future periods beyond 2014.

Pre-Tax Discount Rates – To determine the present value of the future cash flows, the Company has calculated a pre-tax discount rate. The discount rate used is 12%. The Company has used a WACC model (Weighted Average Cost of Capital). The basis for the calculations is a presumption of a market premium of 6%, a beta of 1, interest free rate of 1,5% and liquidity premium of 2,5%. The Beta is based upon actual trading of the Company shares, but since there are minimal trades of the Company stock, a liquidity premium of 1,5 has been added to the calculation. To determine the cost of debt the Company has used the general market conditions on current availability of equipment lease debt. 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.

Effect of changes in key assumptions:

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, any adverse change in these key assumptions would, in isolation, have an impact on the carrying value of the Company's intangible assets in future periods.

The impairment test shows that the recoverable amount of goodwill is USD 15,9 million. The changes in the following table to assumptions used in the impairment analysis would, in isolation, lead to an (increase)/decrease to the aggregate impairment loss recognized in the year ended December 31, 2014. The table shows how recoverable amount of goodwill will be affected:

Assumption		**Change in recoverable amount**
Discount rate	+/- 1%	+/- USD 2,3 million
Revenue growth after 5 years	+/- 1%	+/- USD 2,0 million
CAPEX	+/- 1%	+/- USD 4,3 million
Gross margins	+/- 1%	+/- USD 4,1 million

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, 2012	**24 236**	**440**	**157**	**24 833**
Additions	1 581	-	-	1 581
Disposals	-	-	-	-
Cost December 31, 2013	**25 817**	**440**	**157**	**26 414**
Additions	4 261	-	-	4 261
Disposals	(2 431)	-	(27)	(2 458)
Cost December 31, 2014	**27 647**	**440**	**130**	**28 217**
Accumulated Depreciation - December 31, 2012	**14 201**	**206**	**115**	**14 522**
Depreciation Charges For The Year	3 281	61	16	3 358
Disposals	-	-	-	-
Accumulated Depreciation - December 31, 2013	**17 482**	**267**	**131**	**17 880**
Depreciation Charges For The Year	3 395	57	15	3 467
Disposals	(2 430)	-	(27)	(2 457)
Accumulated Depreciation - December 31, 2014	**18 447**	**324**	**119**	**18 890**
Net Book Value:				
Balance December 31, 2013	**8 335**	**173**	**26**	**8 534**
Balance December 31, 2014	**9 200**	**116**	**11**	**9 327**

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 4 426 thousand and USD 1 750 thousand of the property, equipment and intangible assets acquired in 2014 and 2013, 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 9 224 thousand and USD 7 573 thousand at December 31, 2014 and 2013, 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, 2014 and 2013:

(Amounts in USD 1 000)	Total	Neither Past Nor Impaired	Past Due, Not Impaired		
			30-60 Days	60-90 Days	>90 Days
2014	1 988	1 507	479	2	-
2013	1 799	1 345	428	26	-

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 2013 and 2014:

(Amounts in USD 1 000)	
December 31, 2012	**13**
Charge for the Period	215
Increase in Reserve	170
Amounts Utilized	(394)
December 31, 2013	**4**
Charge for the Period	90
Increase in Reserve	105
Amounts Utilized	(132)
December 31, 2014	**67**

Included in the Company's income statement are losses on trade receivables totaling USD 90 000 and USD 215 000, respectively. Additionally, the Company reduced current year revenues by USD 105 000 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.

(Amounts in USD 1 000)	Year Ended December 31, 2014	Year Ended December 31, 2013
Security Deposit	151	240
VAT Receivable/Other	5	5
Total Other Current Assets	**156**	**245**

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)	**2014**	**2013**
Cash at the Bank	2 554	3 102
Restricted Cash	54	22
Total Cash and Cash Equivalents	**2 608**	**3 124**

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**	**2014**	**2013**
Obligations Under Finance Leases	12.23%	2015	3 970	2 740
Revolving Line of Credit	6.50%	2015	4 700	-
Total Current Obligations			**8 670**	**2 740**
Long Term				
Obligations Under Finance Leases	14.46%	2016-2017	3 072	2 882
Revolving Line of Credit	6.40%	2015	-	4 700
Total Long Term Obligations			**3 072**	**7 582**

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

During 2014, the Company maintained a revolving credit facility with its bank with a borrowing limit of USD 7 million. The term of the working capital facility expired on January 30, 2015, however it has been extended to April 30, 2015. During 2014, amounts available under the amended working capital facility were subject to a borrowing base formula equal to 200% monthly recurring revenue. 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. 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, 2014 and 2013, the Company had outstanding USD 4,7 million under the Working Capital Line of Credit “WCLC”. During 2014 and 2013, the Company complied with all required financial covenants.

On April 10, 2015, the Company entered into a definitive agreement with its financial institution to replace its expiring working capital facility. The new facility provides 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%. For the period of April through December of 2015, there are no principal repayments. Interest only payments apply for this period of time. The principal repayment schedule of the term note is provided below:

Period	USD Payments	Number of Months	Total Principal Payments
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.

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, 2014:

(Amounts in USD 1 000) Operating Leases	Year Ended December 31, 2014
Payable in 2015	837
Payable in 2016	633
Payable in 2017	-
Thereafter	-
Total Minimum Lease Payments	**1 470**
Cost recognized in 2014	**1 068**

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 2016.

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 5 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)	2014		2013	
Finance Leases	Minimum Payments	Present Value	Minimum Payments	Present Value
Payable Within One Year	4 656	3 970	3 446	2 740
Payable After One Year, But Not More Than Five Years	3 433	3 072	3 133	2 882
Total Minimum Lease Payments	8 089	7 042	6 579	5 622
Less Amounts Representing Finance Charges	(1 047)	-	(957)	-
Present Value of Minimum Lease Payments	**7 042**	**7 042**	**5 622**	**5 622**

Note 18 - Other Current Liabilities

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

	Year Ended December 31,	
(Amounts in USD 1 000)	**2014**	**2013**
Accrued Expenses	5 639	3 036
Deferred Revenue	771	876
Total Other Current Liabilities	**6 410**	**3 912**

Deferred Revenue

Deferred revenue consists of upfront payments on a 12 month subscription. The revenue is recognized over the period the service is provided.

(Amounts in USD 1 000)	
December 31, 2012	**1 030**
Billings Deferred	1 996
Revenue Recognized	(2 150)
December 31, 2013	**876**
Billings Deferred	1 775
Revenue Recognized	(1 880)
December 31, 2014	**771**

Accrued Expenses

The Company incurred USD 5,4 million of one-time charges in 2014 related to the Company's 2014 Operational Streamlining and Restructuring Initiative. Included in the December 31, 2014 Accrued Expenses balance was the remaining provision of USD 3,1 million associated with the Operational Streamlining and Restructuring Initiative.

	Year Ended December 31,	
(Amounts in USD 1 000)	**2014**	**2013**
Cost of Sales Accrual	1 006	1 228
Employee Compensation Accrual	480	577
Other Operational Costs Accrual	877	950
Deferred Rent	204	281
Restructuring Provision	3 072	-
Total Accrued Expenses	**5 639**	**3 036**

The table below summarizes the activity related to the restructuring provision:

(Amounts in USD 1 000)

Description	Provision at December 31, 2013	Increase in Provision	Amount Utilized	Reclass to Lease Liability	Provision at December 31, 2014
Leadership Changes	-	712	(380)		332
Facility Consolidations	-	1 535	-		1 535
Restructuring	-	637	-		637
Leases & Licenses	-	1 553	(964)	(546)	43
Other Prepaids & Assets	-	1 001	(476)		525
Total	**-**	**5 438**	**(1 820)**	**(546)**	**3 072**

Leadership Changes

Provisions related to severance agreements associated with former executive management pursuant to contractual employment agreements. Anticipated cash outflows are based on terms of employment agreements.

Facility Consolidations

Provisions related to the shut down and consolidation of the Company's Florida office space and Florida datacenter. The timing of the cash flows can be reasonably estimated based on Company's defined project plans.

Restructuring

Provisions related to severance payments, outplacement assistance or relocation assistance associated with the Company's facility consolidations. The anticipated cash outflows can be reasonably estimated based on the Company's defined project plans.

Leases & Licenses

Provisions related to certain license fees and equipment leases. The timing of the anticipated cash outflows can be reasonably estimated based on vendor agreements.

Other Prepaids & Assets

Provisions related certain sales, marketing, and operational initiatives. The timing of the anticipated cash outflows can be reasonably estimated based on Company project plans.

As a result of its new managed service business strategy, the Company implemented a USD 5,4 million operational streamlining and restructuring initiative ("the Restructuring") during the fourth quarter of 2014. The Restructuring initiative included the consolidation of the Florida office facility and datacenter operations, the reduction and consolidation of staff in all three Company locations, and the write-down of certain non-performing assets. The one-time charges for 2014 totaled USD 5,4 million. The Company also expects to incur about USD 800 000 of residual, one-time costs related to the 2014 Restructuring during 2015. The total savings associated with the streamlining initiative is approximately USD 2 million and is expected to be fully incorporated into the Company's financial statements by the end of 2015. The 2015 cash implications related to the Restructuring initiative is approximately USD 4,4 million and will be expended over the course of 2015 and 2016.

Note 19 - Income Tax

The Norwegian Company is taxed at the statutory tax rate of 27%, 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	**2014**	**2013**
Tax payable	-	165
Changes in deferred tax	-	-
Income tax expense	**-**	**165**

Reconciliation of tax expense	**2 014**	**2 013**
Profit before tax	(10 590)	946
Tax assessed	5 599	829
Permanent differences	(29)	70
Change of unrecognized deferred tax asset	(5 157)	(303)
Translation adjustment	(413)	(432)
Income tax expense	**(0)**	**165**

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

(Amounts in USD 1 000)	**Balance Sheet**	**Balance Sheet**
Deferred tax and tax advantage	**2 014**	**2 013**
Deferred tax assets		
Non-current assets	600	(1 778)
Current assets	7 901	4 835
Loss carry forward	50 901	51 875
Tax advantage - gross	59 402	54 932
Deferred tax liabilities		
Non-current assets	(1 410)	-
Current assets	-	-
Other	-	-
Deferred tax liabilities - gross	(1 410)	-
		-
Net deferred tax asset	57 993	54 932
Net unrecognized deferred tax asset continued operations	**57 993**	**54 932**

In the US, there is approximately USD 121 million of federal loss carry forwards at December 31, 2014, which expire in future years starting in 2018 through 2032.

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 160 000 options granted in 2014. A volatility percentage of 79% was used for the options granted in 2014. There were 125 000 options granted in 2013. For the Company's 2014 stock option grants, the Company used a risk-free interest rate of 1.73%. The Company also assumed an estimated life of 365 days once the option becomes vested. In 2014, the Company recognized a total of USD 68 thousand in stock option expense and USD 129 thousand in stock option expense for 2013.

The share options granted could lead to a dilutive effect on the Company shareholders. As of December 31, 2014 and 2013, the effects of the share options were dilutive.

A summary of the Company's stock option activity, and related information for the year ended December 31, 2014 and 2013 follows:

	2014		**2013**	
	Shares	**Weighted Avg Exercise Price**	**Shares**	**Weighted Avg Exercise Price**
Outstanding at Beginning of Period	3 925 000	2,76	4 035 000	2,81
Granted	160 000	3,10	125 000	2,86
Exercised	-	-	-	-
Forfeited	(1 981 250)	2,74	(215 000)	3,05
Canceled	-	-	-	-
Expired	-	-	(20 000)	10,00
Outstanding at End of Period	**2 103 750**	**2,80**	**3 925 000**	**2,76**
Exercisable at End of Period	**1 694 750**	**2,77**	**3 064 000**	**2,75**

The following table summarizes the Company's stock options at December 31, 2014:

	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 - 2,99	1 796 250	0,96	2,76	1 527 250	2,74
NOK 3,00 - 3,10	307 500	2,58	3.05	167 500	3,02
Total	**2 103 750**	**1.20**	**2.80**	**1 694 750**	**2,77**

Note 21 - Consolidated Shareholders Equity

There were no share issuances during 2014 and 2013. There were also no options exercised during 2014 and 2013.

Shareholder	Number of Shares Owned	Percentage of Shares Owned
BNP PARIBAS SECS SERVICES S.C.A	25 974 540	31.9%
WINDCHANGE AS	9 120 000	11.2%
BNP PARIBAS SECS SERVICES PARIS	6 986 820	8.6%
SPENCER TRADING INC	4 934 786	6.1%
SABARO INVESTMENT LTD	4 097 780	5.0%
HAADEM INVEST AS	3 046 127	3.7%
UBS AG ZURICK	2 373 771	2.9%
TTC INVEST AS	2 200 000	2.7%
ENGER AS FRANS	1 963 383	2.4%
ADMANIHA AS	1 942 694	2.4%
SKANDINAVISKA ENSKILDA BANKEN AB	1 627 669	2.0%
AVANZA BANK AS	1 171 461	1.4%
NORDNET BANK AB	1 095 311	1.3%
HÜBERT LEIF	958 080	1.2%
SØGNE SHIPPING AS	882 701	1.1%
LOLIGO AS	878 567	1.1%
NORDGAARD	780 167	1.0%
HAADEM	757 729	0.9%
SVEEN KJERSTI	513 477	0.6%
LAIKA INVEST AS	458 562	0.6%
Total Largest 20 Shareholders	**71 763 625**	**88.1%**
Other Shareholders	**9 666 553**	**11.9%**
Total Shares Outstanding	**81 430 178**	**100.0%**

Note 22 - Shareholder Structure

At December 31, 2014, 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, 2013 were 81 430 178.

BNP PARIBAS SECS Services S.C.A 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 Company's President at December 31, 2014 is provided in the table below:

Name	Position	Shares	Options	Average Exercise Price
Chris Mack	President & CEO	38 949	925 000	2,80
Johan Lindqvist	Chairman	9 155 059	-	-
Terje Rogne	Board member	1 942 694	-	-
Ebba Fahraeus	Board member	240 053	-	-
Total		**11 376 755**	**925 000**	**2,80**

At December 31, 2014, Jon Schultz, the Company's legal counsel, owned directly and indirectly 458 562 shares of Apptix ASA.

Note 23 - Transactions with Related Parties

The Company's Chairman, Johan Lindqvist is entitled to a fee of NOK 400 000 per annum of which NOK 100 000 was outstanding as of December 31, 2014. Mr. Lindqvist is also entitled to a fee of NOK 400 000 for consulting services as approved by the shareholders in May 2012, all of which was paid as of December 31, 2014. During the fourth quarter of 2014, the Company's Board of Directors approved an additional consulting fee of USD 15 000 per month for the Chairman as part of the Company's changes in executive leadership.

The Company contracts with Jon Schultz, a former Board member, to provide legal services. The Company paid Mr. Schultz's legal firm NOK 420 000 in 2014 for professional legal services. The Company believes the remuneration paid to Mr. Schultz's legal firm during 2014 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 2014, the members received no compensation for their services. Mr. Urbanski represents TTC 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 risks 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, 2014, the Company's maximum credit risk is the carrying value of its trade accounts receivable of 1 988 thousand. 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**
2014	3%	141
	-3%	(141)
2013	3%	141
	-3%	(141)

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, 2014 and 2013 based on contractual undiscounted payments:

(Amounts in USD 1 000) Year Ended December 31, 2014	**Due within 12 Months**	**Due within 1 to 5 Years**	**Total**
Trade Accounts Payable	1 526	-	1 526
Other Current Liabilities	15 080	-	15 080
Other Long Term Debt	-	3 072	3 072
Total	**16 606**	**3 072**	**19 678**

Year Ended December 31, 2013	**Due within 12 Months**	**Due within 1 to 5 Years**	**Total**
Trade Accounts Payable	1 145	-	1 145
Other Current Liabilities	6 652	-	6 652
Other Long Term Debt	-	7 582	7 582
Total	**7 797**	**7 582**	**15 379**

The Company currently has a working capital deficit of USD 11,5 million. Included in this deficit is USD 4,7 million related to its current working capital facility (see Note 16), USD 4, 0 million of lease obligations (see Note 16), USD 800 000 of deferred revenues, USD 3,1 million related to a restructuring provision (see Note 18) and USD 2,5 million of normal course of business operating accruals in anticipation of vendor invoices.

The Company reviews and analyzes its cash flow projections on a consistent basis. While the Company currently operates in a working capital deficit, the following assumptions apply to the Company's cash flow forecasts:

- The Company's current working capital facility of USD 4,7 million has been restructured to a long term note obligation.
- The timing of the USD 4,0 million of lease payments occur over the next 12 months providing the Company sufficient time to match current EBITDA earnings against such lease obligations.
- The Company's deferred revenues are amortized into revenues and income over time. The Company does not have a history of refunding annual subscription payments once contracts have been executed.
- The Company's restructuring provision of USD 3,1 million will be paid throughout 2015, allowing the Company's current EBITDA to generate sufficient cash flow to fund the disbursements.
- The Company's operating accruals of USD 2,5 million can be sufficiently funding by current assets (primarily cash, accounts receivable and borrowings under the Company's working capital facility).

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)	**2014**	**2013**	**2014**	**2013**
Cash and Cash Equivalents	2 608	3 124	2 608	3 124
Accounts Receivable	1 988	1 799	1 988	1 799
Interest-bearing loans and borrowings:				
Bank Equipment Loans & Line of Credit Facility	4 700	4 700	4 700	4 700
Obligations under Finance Lease	7 042	5 622	7 042	5 622

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 2014 working capital facility was 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 April 30, 2015 and required the Company to maintain certain financial covenants such as liquidity ratio (as defined by the financial institution). At December 31, 2014, the Company had USD 4,7 million outstanding under its revolving line of credit agreement. As detailed in Note 16.2, the Company has entered into a definitive agreement with its financial institution replacing its expiring working capital facility with two new debt facilities.

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 2014 and 2013:

(Amounts in USD 1 000)	EBITDA
2014	730
2013	6 450

As detailed in Note 18 the Company incurred USD 5,4 million of one-time charges in 2014 related to the Company's 2014 Operational Streamlining and Restructuring Initiative. Excluding these one-time charges, the Company's 2014 EBITDA was USD 5,9 million.

Working Capital Line of Credit

In 2014, the Company maintained 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 million. At December 31, 2014, the Company had USD 4,7 million outstanding under the WCLC. For additional information, refer to Note 16.

As detailed in Note 16, the Company has entered into a new working capital facility that provides the Company working capital advances up to a maximum of USD 2 million.

APPTIX ASA

2014 Financial Statements

APPTIX ASA INCOME STATEMENTS

(Amounts in NOK 1 000)	Note	Year Ended December 31, 2014	2013
OPERATING REVENUE			
Other Revenue	9	121	117
Operating Revenue		**121**	**117**
OPERATING EXPENSES			
Employee Benefits	4	913	913
Other Operational and Administrative Costs		2 169	1 654
Total Operating Expenses		**3 082**	**2 567**
Operating Loss		**(2 961)**	**(2 450)**
FINANCIAL INCOME AND EXPENSES			
Income/(Loss) From Investment in Subsidiaries	5	(38 662)	(22 672)
Interest, Net	9	12 958	12 897
Net Financial Expenses		**(25 704)**	**(9 775)**
Loss Before Taxes		**(28 665)**	**(12 225)**
TAXES			
Income Tax Expenses	6	-	-
Net Loss		**(28 665)**	**(12 225)**
Allocated as follows			
Transferred to share premium		28 665	12 225
Total allocations		**28 665**	**12 225**
Loss Per Share:			
Basic and Diluted Loss Per Share		**(0,35)**	**(0,15)**
Common Shares Outstanding		81 430	81 430

APPTIX ASA BALANCE SHEETS

(Amounts in NOK 1 000)		Year Ended December 31,	
	Note	**2014**	**2013**
ASSETS			
Financial Non-current Assets			
Investment in Subsidiaries	**5**	0	30 763
Total Financial Non-current Assets		0	30 763
Total Non-current Assets		0	30 763
Current Assets			
Other Current Assets		101	95
Cash and Cash Equivalents	**3**	384	270
Total Current Assets		485	365
TOTAL ASSETS		**485**	**31 128**
EQUITY AND LIABILITIES			
Equity			
Share Capital	**8**	27 116	27 116
Share Premium	**8**	(27 044)	1 620
Other Paid-in Capital	**8**	-	-
Total Equity		72	28 736
Total Long Term Debt		-	-
Current Liabilities			
Trade Accounts Payable		57	5
Other Current Liabilities		356	2 387
Total Current Liabilities		413	2 392
TOTAL EQUITY AND LIABILITIES		**485**	**31 128**

Johan Lindqvist	Ebba Asly Fahraeus	Terje Rogne	Christopher Mack
Chairman of the Board	Director	Director	President & Chief Executive Officer

31 December, 2014 / 13 April, 2015

APPTIX ASA STATEMENT OF CASH FLOWS

(Amounts in NOK 1 000)	Note	Year Ended December 31, 2014	2013
Cash Flows From Operating Activities			
Loss Before Tax		(28 665)	(12 225)
Loss From Investment in Subsidiaries	**5**	38 662	22 672
Change in Trade Accounts Payable		52	(2)
Change in Other Assets and Liabilities		(6)	(9)
Cash Flows Provided by Operating Activities		**10 043**	**10 436**
Cash Flows From Investing Activities			
Intercompany Receivables		(9 929)	(10 484)
Cash Flows Used in Investing Activities		**(9 929)**	**(10 484)**
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		114	(48)
Cash and Cash Equivalents at Beginning of Period		270	318
Cash and Cash Equivalents at End of Period		**384**	**270**

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,**	
	2014	**2013**
Cash at the Bank	249	135
Restricted Cash	135	135
Total Cash and Cash Equivalents	**384**	**270**

Note 4 – Compensation and Employee Benefits

The following table summarizes the Compensation and Employee Benefits:

(Amounts in NOK 1 000)	Year Ended December 31,	
	2014	2013
Board of Director Fees	800	800
Social Security Tax	113	113
Total Employee Benefits	**913**	**913**
Average Number of Employees	**-**	**-**

As of December 31, 2014 and 2013, 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)	2014	2013
Audit Services	189	100
Other Attestation Services	-	-
Tax Sevices	-	10
Other Non-audit Services	-	57
Total Audit Fees	**189**	**167**

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. Amortization of goodwill is included in the net loss from investment in subsidiary.

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, 2012	**40 221**
Net Loss for 2013 from Investments in Subsidiaries	(22 672)
Increase/(Decrease) of Net Equity and Intercompany in Subsidiaries	10 484
Translation Adjustment	2 730
Investment in Subsidiaries at December 31, 2013	**30 763**
Net Loss for 2014 from Investments in Subsidiaries	(38 662)
Increase/(Decrease) of Net Equity and Intercompany in Subsidiaries	7 899
Translation Adjustment	0
Investment in Subsidiaries at December 31, 2014	**0**

Note 6 - Income tax

The Norwegian Company is taxed at the statutory tax rate of 27%.

(Amounts in NOK 1 000)

Income tax expense	**2014**	**2013**
Tax payable	-	-
Changes in deferred tax	-	-
Income tax expense	**-**	**-**

Reconciliation of tax expense	**2 014**	**2 013**
Loss before tax	(28 665)	(12 225)
Permanent differences		-
Net loss from investing in subsidiary	38 662	22 672
Change of unrecognized deferred tax asset	(425)	(612)
Loss carry forward used	(9 572)	(9 835)
Total basis for tax payable	**-**	**-**

Deferred tax assets	**2 014**	**2 013**
Loss carry forward	208 320	217 892
Fixed assets	953	1 378
Tax advantage - gross	**209 273**	**219 270**
Net deferred tax asset	56 504	59 203
Net recognized deferred tax asset	-	-
Unrecognized tax asset	**56 504**	**59 203**

Note 7 - Equity

There were no options exercised or share issuances during 2014 and 2013.

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, 2012	**27 116**	**11 115**	**-**	**38 231**
Net Loss 2013	-	(12 225)	-	(12 225)
Translation Adjustment	-	2 730	-	2 730
Shareholders' Equity December 31, 2013	**27 116**	**1 620**	**-**	**28 736**
Net Loss 2014	-	(28 664)	-	(28 664)
Translation Adjustment	-	0	-	0
Shareholders' Equity December 31, 2014	**27 116**	**(27 044)**	**-**	**72**

As presented in Note 5, the equity investment in Apptix, Inc. reflects a zero balance as of December 31, 2014. This is the result of Apptix ASA utilizing the equity method of accounting for its investment in Apptix, Inc. As presented in Note 7 above, this has also resulted in a low equity balance in Apptix ASA. In 2015, Apptix, Inc. will reimburse Apptix ASA part of its current obligation to Apptix ASA to ensure Apptix ASA can meet all of its on-going financial obligations.

Note 8 - Shareholder Structure

At December 31, 2014, 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, 2013 were 81 430 178.

Shareholder	Number of Shares Owned	Percentage of Shares Owned
BNP PARIBAS SECS SERVICES S.C.A	25 974 540	31.9%
WINDCHANGE AS	9 120 000	11.2%
BNP PARIBAS SECS SERVICES PARIS	6 986 820	8.6%
SPENCER TRADING INC	4 934 786	6.1%
SABARO INVESTMENT LTD	4 097 780	5.0%
HAADEM INVEST AS	3 046 127	3.7%
UBS AG ZURICK	2 373 771	2.9%
TTC INVEST AS	2 200 000	2.7%
ENGER AS FRANS	1 963 383	2.4%
ADMANIHA AS	1 942 694	2.4%
SKANDINAVISKA ENSKILDA BANKEN AB	1 627 669	2.0%
AVANZA BANK AS	1 171 461	1.4%
NORDNET BANK AB	1 095 311	1.3%
HÜBERT LEIF	958 080	1.2%
SØGNE SHIPPING AS	882 701	1.1%
LOLIGO AS	878 567	1.1%
NORDGAARD	780 167	1.0%
HAADEM	757 729	0.9%
SVEEN KJERSTI	513 477	0.6%
LAIKA INVEST AS	458 562	0.6%
Total Largest 20 Shareholders	**71 763 625**	88.1%
Other Shareholders	**9 666 553**	11.9%
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, 2014:

Name	Position	Shares	Options	Average Exercise Price
Chris Mack	President & CEO	38 949	925 000	2,80
Johan Lindqvist	Chairman	9 155 059	-	-
Terje Rogne	Board member	1 942 694	-	-
Ebba Fahraeus	Board member	240 053	-	-
Total		**11 376 755**	**925 000**	**2,80**

At December 31, 2014, Jon Schultz, the Company's legal counsel, owned directly and indirectly 458 562 shares of Apptix ASA

Note 9 – Transactions with Related Parties

The revenue generated and interest earned by Apptix ASA is related to its 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,	
	2014	2013
Other Revenue	121	117
Intercompany Interest	12 958	12 897

Responsibility Statement

We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2014 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

13 April, 2015

Johan Lindqvist	Ebba Asly Fahraeus	Terje Rogne	Christopher Mack
Chairman of the Board	Director	Director	President & Chief Executive Officer

31 December, 2014 / 13 April, 2015

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Statsautoriserte revisorer
Ernst & Young AS

Engene 22, NO-3015 Drammen
Postboks 560 Brakerøya, NO-3002 Drammen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 32 83 88 90
Fax: +47 32 83 86 25
www.ey.no
Medlemmer av den norske revisorforening

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 2014, 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 2014, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

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

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

Auditor's responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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 2014 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 2014 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 on the statements 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 in the statements 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, April 13, 2015
ERNST & YOUNG AS

Marius Nergaard

Marius Nergaard
State Authorised Public Accountant (Norway)

Apptix Corporate Information

Board of Directors

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

Ebba Fahraeus - Director
CEO of Lunds Life Sciences Incubator
Chariman of the Board, Geccodots AB, Acousort, and Connect Skane
Director, Simris Alg, Good Old, the faculty of medicine at Lunds University

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

Christopher E. Mack
President, Chief Executive Officer & Chief Financial Officer

Tom Tighe
Chief Revenue Officer

Management Team

Christopher E. Mack
President, Chief Executive Officer & Chief Financial Officer

Tom Tighe
Chief Revenue Officer

Shane Smith
Senior Vice President, Technology

Chris Damvakaris
Vice President, Sales & 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
Nordea Bank Norge ASA
Securities Services
Verdipapirseksjonen
Postboks 1166 Sentrum
0107 Oslo
Norway
Phone: +47 22 48 50 00
Fax: +47 22 48 44 44
www. nordea.com

Corporate Headquarters
13461 Sunrise Valley Drive
Suite 300
Herndon, Virginia 20171 USA
Phone: +1 703 890 2800
Fax: +1 703 890 2801
www. apptix.com

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

Independent Accountants
Ernst & Young AS
Nedre Storgt. 42
Postboks 560 Brakeroya
N-3002 Drammen
Norway
Phone: +47 32 83 88 90
Fax: +47 32 83 86 25
www. ey.no

Investor Services
To request additional information about the Company, its finances, operations and services, contact:

Johan Lindqvist
Chairman of the Board, Apptix
Sweden
Phone: +46 733 550935
Fax: +46 60 668007
johan.lindqvist @windchange.se

Christopher E. Mack
President, Chief Executive Officer & Chief Financial Officer
13461 Sunrise Valley Drive, Suite 300
Herndon, Virginia 20171 USA
Phone: +1 703 890 2800
Fax: +1 703 890 2801
chris.mack @apptix.com