

APPTIX ASA


October 15, 2015

Interim Balance Sheet

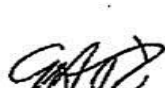
APPTIX ASA INTERIM BALANCE SHEET

(Amounts in NOK 1 000)

	Note	As of October 15, 2015
ASSETS		
Financial Non-current Assets		
Intercompany Receivable	6	69,660
Investment in Subsidiaries	5	0
Total Financial Non-current Assets		69 660
Total Non-current Assets		69 660
Current Assets		
Other Current Assets		194
Cash and Cash Equivalents		81 616
Total Current Assets		81 810
TOTAL ASSETS		151 470
EQUITY AND LIABILITIES		
Equity		
Share Capital	7	27 116
Share Premium	7	42 314
Other Paid-in Capital	7	0
Total Equity		69 430
Current Liabilities		
Trade Accounts Payable		21
Dividend payable		81 430
Other Current Liabilities		589
Total Current Liabilities		82 040
TOTAL EQUITY AND LIABILITIES		151 470



Johan Lindqvist



Ebba Asly Fahraeus



Terje Rogne



Christopher Mack

Chairman of the Board

Director

Director

President and COO

NOTES TO APPTIX ASA INTERIM BALANCE SHEET

Note 1 – General Information

This interim balance sheet is prepared in accordance with ASAL § 8-2a to assist the Board of Directors and the General Meeting of Apptix for the decision to distribute a dividend to its shareholders.

The interim balance was approved by the Board of Directors for publication on 4 November 2015.

Note 2 – Basis for Preparation

This interim balance sheet is prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles.

Note 3 - Change in Accounting Policies

The accounting policies and methods of computation used in the preparation of the enclosed interim balance sheet is consistent with the policies used in the preparation of the annual financial statements for the year ended December 31, 2014, except for the change in accounting principle related to the accounting for subsidiary and intercompany receivable.

The effect of the change in accounting policy is described in Footnotes 5, 6 and 7.

Note 4 - Summary of Significant Accounting Policies

4.1 Functional Currency and Presentation Currency

The Company's functional currency and presentation currency is NOK. Monetary items denominated in foreign currencies are translated at the exchange rate applicable on the balance sheet date.

4.2 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.

4.3 Investment in Subsidiaries

Investments in Subsidiaries are valued using the cost method in the Company accounts. The investment is valued as the cost of acquiring shares in the subsidiary, providing a write down is not required. A write down to fair value will be made if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause for the initial write down is no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the excess amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

4.4 Receivables

Intercompany receivables are valued at the lower of cost or net realizable value. 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.

4.5 Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the interim balance sheet and the disclosure on the balance sheet date. Actual results can differ from these estimates.

Note 5 – 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.

Historically investment in subsidiaries has been accounted for in accordance with the equity method. The intercompany receivable has been accounted for together with the cost of shares as a part of the entity's net investment since settlement was neither planned nor likely to occur in the foreseeable future. During 2015 a transaction occurred that changed the likelihood that the subsidiary would be able to pay down its debt. Management reviewed the accounting principle and determined that the equity method of accounting was no longer the best accounting principle for Apptix ASA, and decided to change the accounting principle to the cost method.

Using the cost method, the subsidiary and the intercompany balances are valued separately in the financial statement.

Management reviewed its budgets and forecast and determined that the fair value of the shares was impaired, and an impairment charge has been made. The write down will be reversed when the causes of the initial write down are no longer present.

To calculate the impairment charge the Company has used a Value in Use (VIU) calculation. The accounting standards require the valuation to be done in "hindsight" meaning the valuation is based upon the information available at each point in time. The Company has used its historical goodwill impairment assessment which is based upon Board approved budgets and forecasts. The cash flow is then discounted based upon historical discount rates. The table below summarizes the Apptix shares in subsidiary.

(Amounts in NOK 1 000)

Shares in Apptix Inc. At cost	131,071
Impairment charge	(131,071)
Net amount capitalized as of October 15, 2015	-

Note 6 - Intercompany Receivable

As described in Footnote 5, the intercompany receivable has historically been combined with the shares in subsidiary in accordance with the equity method of accounting. By changing to the cost method of accounting, the subsidiary and intercompany balances are valued separately in the financial statements.

On September 8, 2015, the subsidiary signed and closed an Asset Purchase Agreement with GoDaddy, LLC for the sale of a majority of Apptix, Inc.'s direct public cloud customers. The subsidiary was paid USD 22.5 million in cash at closing, and has used USD 10 million to pay down on its debt to the parent. The management believes it is reasonable to assume that Apptix, Inc. may be able to provide additional distributions to Apptix ASA in the future.

Management reviewed its budgets and forecast and determined the fair value of the receivable was impaired, and an impairment charge has been made. The write down will be reversed when the causes of the initial write down are no longer present.

To calculate the impairment charge the Company has used the VIU calculation. The accounting standards require the valuation to be done in "*hindsight*" meaning the valuation is based upon the information available at each point in time. The Company has used its historical goodwill impairment assessment which is based upon Board approved budgets and forecasts. The cash flow is then discounted based upon historical discount rates.

Based upon this assumption, Apptix ASA has performed a valuation analysis of the intercompany balances resulting in the capitalization of NOK 69, 7 million.

The table below reflects the changes in Apptix ASA's Capitalized Intercompany Receivable from Apptix, Inc.:

(Amounts in NOK 1 000)

Net Capitalized Intercompany Receivable at December 31, 2013	328,050
Interest	12,958
Payment received	(3,029)
Net Intercompany Balance at December 31, 2014	337,979
Impairment	(255,359)
Net Capitalized Intercompany Receivable at December 31, 2014	82,620
Interest	11,834
Payment received	(83,385)
Reversal of impairment	58,591
Net Capitalized Intercompany Receivable at October 15, 2015	69,660

Note 7 - Equity

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, 2013 as previously stated	27,116	1,620	-	28,736
Change in accounting principle *)	-	297,287		297,287
Shareholders' Equity December 31, 2013	27,116	298,907	-	326,023
Net Loss 2014 **)	-	(245,362)		(245,362)
Reversing of guarantee fee directly to equity		2,031		2,031
Shareholders' Equity December 31, 2014	27,116	55,575	-	82,691
Net Income through October 15, 2015	-	68,169		68,169
Proposed dividend		(81,430)		(81,430)
Shareholders' Equity October 15, 2015	27,116	42,314	-	69,430

The change in accounting principle has been applied retrospectively as if the new accounting policy had always been applied.

The following table summarizes the net change due to change in accounting principle:

*) Change in accounting Principle

Investment in subsidiary in accordance with the equity method of accounting	30,763
Capitalized value of the shares in accordance with the cost method of accounting	-
Capitalized value of the intercompany receivable in accordance with the cost method of accounting	328,050
Net change in accounting principle charged directly to equity	297,287

***) Reconcile profit for 2014

Net Loss 2014 as previously reported	(28,665)
Reverse the net loss from investment in subsidiary (equity method)	38,662
Profit before impairment of intercompany receivable	9,997
Impairment of intercompany receivable	(255,359)
Adjusted net loss for the twelve months of 2014	(245,362)