

Apptix Reports Third Quarter and Year to Date 2017 Results

Oslo, Norway – November 15, 2017 – Apptix ASA® (OSE: APP), announced its unaudited financial results for the three and nine months ended September 30, 2017.

Interim Management Report

As of Report Date, Apptix has liquidated its entire investment in Fusion leaving the Company with:

- NOK 61.5 million in cash (or NOK 0.75 per share)
- No outstanding debt
- Deferred tax asset of NOK 197 million
- OSE listed company with broad shareholder base

Overview of Quarter and Year to Date 2017 results:

- Net income of USD 743 thousand as compared to a net loss of USD 235 thousand during Q2-17 and net income of USD 415 thousand during Q3-16. Net income for the current period included a USD 1.4 million gain on the sale of 924,655 Fusion shares during the period which was partially offset by costs to resolve the Company's previously reported speculative claim (see below).
- YTD net income of USD 341 thousand as compared to net income of USD 748 thousand for same period in 2016.
- Liquidated balance of Fusion investment in October and November 2017.

Highlights

During the third quarter of 2017, Fusion announced their definitive agreement to acquire Birch Communication's Cloud and Business Services operating business. As a result of the following significant share value increase, the Company began liquidating its holdings in Fusion on September 18, 2017. In September, the Company earned sales proceeds of USD 2.5 million. At the end of the third quarter, the Company owned 7.9% or 1.7 million shares of Fusion. The gain realized on the sale of the Fusion shares during the quarter totaled USD 1.4 million and is reflected in the third quarter operating results.

After quarter end and prior to this report date, the Company liquidated the balance of its ownership stake in Fusion resulting in additional proceeds of NOK 37 million. Since taking ownership of the Fusion shares in November 2016, the Company's investment increased 93%.

As previously reported, in August, 2017 the Company settled the outstanding speculative claim from Fusion with a cash payment of USD 150 thousand and the return of 300,000 shares of Fusion stock. As of the settlement date (August 2), the aggregate value of the returned Fusion stock was approximately USD 375 thousand. The Company incurred approximately USD 400 thousand of legal fees related to this case. In total, the gross value of the settlement costs (including legal fees) was approximately USD 925 thousand. The Company's insurance

provider reimbursed Apptix ASA approximately USD 440 thousand reducing the net settlement costs to approximately USD 485 thousand. The impact of the net settlement costs is reflected in the third quarter operating results and partially offset the aforementioned gain on sale of Fusion shares.

“We are pleased with the completion of our US-based technology investment resulting in cash balances on the higher end of our expectations. In addition to our cash balances, we have a deferred tax asset of NOK 197 million and a listed company with a broad shareholder base that can execute effectively in technology related investments in the Nordic markets,” said Johan Lindqvist, Chairman of Apptix.

Financial Results – Third Quarter and Year to Date 2017

Following the sale of Apptix, Inc. and consistent with the first half of 2017, the Company did not record any operating revenues during the third quarter of 2017 as compared to USD 6.3 million during the third quarter of 2016. As previously reported, the Company does not anticipate any operating revenues to be recorded during 2017.

Operating expenses (including depreciation and amortization) for the third quarter of 2017 totaled USD 171 thousand as compared USD 232 thousand during the second quarter of 2017 and USD 3.5 million for the same period in 2016. Operating expenses during 2017 primarily consist of board remuneration fees, professional fees (legal, accounting and consulting) along with public company costs such as stock exchange registration and insurance. Operating expenses for the nine months ended September 30, 2017 totaled USD 571 thousand as compared to USD 11.0 million for the same period in 2016.

Net income for the third quarter of 2017 totaled USD 743 thousand as compared to a net loss of USD 235 thousand during the second quarter of 2017 and net income of USD 415 thousand for the same period in 2016. Net income for the nine months ended September 30, 2017 totaled USD 341 thousand as compared to net income of USD 748 thousand during the same period in 2016.

During the third quarter of 2017, the Company sold 924,655 shares of Fusion stock on the open market in the United States. Gross proceeds from the share transactions totaled USD 2.5 million, resulting in a gain of USD 1.4 million in during the quarter. Additionally, the Company resolved its pending speculative claim with Fusion during the quarter. The Company returned 300,000 shares of its then current Fusion holdings (valued at approximately USD 375 thousand), paid USD 150 thousand in cash and incurred legal related fees of approximately USD 400 thousand. The Company's insurance provider reimbursed the Company approximately USD 440 thousand. In aggregate, the net settlement costs totaled USD 485 thousand. The financial impact of these transactions are reflected in Other Income & Expense on the Company's Income Statements.

The year over year net operating variances relate primarily to the sale of Apptix, Inc. in November 2016.

Including the impact of foreign exchange, the net cash generated by operating activities totaled USD 2.7 million during the third quarter of 2017 as compared to cash used of USD 217 thousand during the second quarter of 2017 and cash generated of USD 1.5 million during the third quarter of 2016. Year to date, net cash generated from operating activities totaled USD 2.2 million as compared to USD 1.1 million used during the same period in 2016. Again, the year over year variance is primarily related to the sale of Apptix, Inc. in November 2016.

There were no cash flows used for investing or financing activities during the third quarter of 2017 as compared to USD 39 thousand (for investing activities) and USD 761 (for financing activities) during the third quarter of 2016. Additionally, there were no cash flows expenditures for investing or financing activities during the first nine months of 2017. The Company used

USD 130 thousand (for investing activities) and USD 2.5 million (for financing activities) during the first nine months of 2016.

The Company ended the third quarter of 2017 with USD 3.5 million of available cash balances and no outstanding debt.

Financial Statements – Basis for Preparation

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

Significant Accounting Policies

The accounting policies and methods of computation used in the preparation of the enclosed financial statements are consistent with the policies used in the annual financial statements for the year ended December 31, 2016. The enclosed consolidated condensed financial statements should be read in conjunction with the Company's 2016 annual financial statements, which include a full description of the Company's accounting policies. The enclosed consolidated condensed financial statements are unaudited. As a result of rounding differences, numbers or percentages may not add up to the total.

The financial statements are attached.

Apptix ASA
Interim Consolidated Income Statement

(Amounts in USD 1,000)	Three Months Ended	
	September 30, 2017 IFRS	September 30, 2016 IFRS
Operating Revenues		
Recurring Revenues (subscription revenues)	-	6,100
Other Revenues (professional services)	-	199
Total Operating Revenues	-	6,299
Total Cost of Sales	-	2,291
Gross Profit	-	4,008
Operating Expenses		
Employee Compensation and Benefits	29	1,979
Other Operational and Administrative Costs	142	1,187
Depreciation and Amortization	-	350
Total Operating Expenses	171	3,516
Operating Income	(171)	492
Other Expense		
Interest, net	-	(168)
Foreign Exchange Income / (Loss), net	-	91
Other Financial Income & Expense	914	-
Total Other Expense	914	(77)
Income Before Income Taxes	743	415
Income Tax Expense	-	-
Net Income for the Period	743	415
Earnings Per Share:		
Basic	0.01	0.01
Diluted	0.01	0.01
Weighted Average Common Shares Outstanding	81,430	81,430

Apptix ASA
Interim Consolidated Income Statement

(Amounts in USD 1,000)	Nine Months Ended	
	September 30, 2017 IFRS	September 30, 2016 IFRS
Operating Revenues		
Recurring Revenues (subscription revenues)	-	18,537
Other Revenues (professional services)	-	731
Total Operating Revenues	-	19,268
Total Cost of Sales	-	7,089
Gross Profit	-	12,179
Operating Expenses		
Employee Compensation and Benefits	83	6,122
Other Operational and Administrative Costs	488	3,741
Depreciation and Amortization	-	1,126
Total Operating Expenses	571	10,989
Operating Income	(571)	1,190
Other Expense		
Interest, net	(2)	(593)
Foreign Exchange Income / (Loss), net	-	151
Other Financial Income & Expense	914	-
Total Other Expense	912	(442)
Income Before Income Taxes	341	748
Income Tax Expense	-	-
Net Income for the Period	341	748
Earnings Per Share:		
Basic	0.00	0.01
Diluted	0.00	0.01
Weighted Average Common Shares Outstanding	81,430	81,430

Apptix ASA
Interim Consolidated Statement of Comprehensive Income

(Amounts in USD 1,000)	Three Months Ended	
	September 30, 2017	September 30, 2016
	IFRS	IFRS
Income for the Period	743	415
Exchange Rate Differences on Translation of Foreign Operations	142	2
Reversal of Unrealized Gain	(293)	-
Change in Valuation of Investment for Sale	2,249	-
Items that may be Reclassified Subsequently to Income Statement	2,098	2
Items that will not be Reclassified to Income Statement	-	-
Total Other Comprehensive Income for the Period	2,098	2
Total Comprehensive Income (Loss) for the Period	2,841	417
Attributed to Equity Holders of Parent	2,841	417

(Amounts in USD 1,000)	Nine Months Ended	
	September 30, 2017	September 30, 2016
	IFRS	IFRS
Income for the Period	341	748
Exchange Rate Differences on Translation of Foreign Operations	151	10
Reversal of Unrealized Gain	(293)	-
Change in Valuation of Investment for Sale	2,099	-
Items that may be Reclassified Subsequently to Income Statement	1,957	10
Items that will not be Reclassified to Income Statement	-	-
Total Other Comprehensive Income / (Loss) for the Period	1,957	10
Total Comprehensive Income for the Period	2,298	758
Attributed to Equity Holders of Parent	2,298	758

Apptix ASA
Interim Consolidated Statement of Financial Position

	September - 30	December - 31	September - 30
	2017	2016	2016
(Amounts in USD 1,000)	IFRS	IFRS	IFRS
ASSETS			
Non-Current Assets			
Intangible Assets	-	-	10,184
Total Intangible Assets, net	-	-	10,184
Property, Plant and Equipment, net	-	-	4,283
Investment Available for Sale	4,823	4,497	
Total Non-Current Assets	4,823	4,497	14,467
Current Assets			
Accounts Receivable	-	-	1,710
Other Current Assets	-	-	161
Prepaid Expenses	23	10	902
Cash and Cash Equivalents	3,511	1,308	21,412
Total Current Assets	3,534	1,318	24,185
TOTAL ASSETS	8,357	5,815	38,652
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Common Stock	4,666	4,666	4,666
Paid-in Premium Reserve	47,852	47,852	73,437
Other Paid-in Capital	6,204	6,204	6,193
Retained Earnings	(50,750)	(53,048)	(65,999)
Total Shareholders Equity	7,972	5,674	18,297
Long-Term Debt			
Other Long-Term Debt	-	-	6,503
Total Long-Term Debt	-	-	6,503
Current Liabilities			
Trade Accounts Payable	249	59	1,150
Interest Bearing Short-Term Debt	-	-	3,471
Other Current Liabilities	136	82	9,231
Total Current Liabilities	385	141	13,852
TOTAL LIABILITIES AND EQUITY	8,357	5,815	38,652

Apptix ASA
Interim Consolidated Cash Flow Statement

	Nine Months Ended September 30,	
	2017	2016
(Amounts in USD 1,000)	IFRS	IFRS
Cash Flows from Operating Activities		
Earnings Before Taxes	341	748
Stock Based Compensation Expense	-	7
Depreciation and Amortization	-	1,126
Change in Accounts Receivable	-	224
Proceeds from Sale of Fusion Shares	2,501	
Gain on Sale of Fusion Shares, Net of Share Settlement	(1,022)	-
Change in Trade Accounts Payable	190	(480)
Change in Other Assets and Liabilities	42	(2,873)
Net Cash Flows Provided by Operating Activities	2,052	(1,248)
Cash Flows from Investing Activities		
Purchases of Intangibles and Property and Equipment	-	(130)
Cash Flows Used in Investing Activities	-	(130)
Cash Flows from Financing Activities		
Payments on Capital Lease and Debt Obligations, net	-	(2,529)
Cash Flows Used in Financing Activities	-	(2,529)
Effect of Exchange Rates on Cash and Cash Equivalents	151	161
Net Change in Cash and Cash Equivalents	2,203	(3,746)
Cash and Cash Equivalents at Beginning of Period	1,308	7,800
Cash and Cash Equivalents at End of Period	3,511	4,054

Apptix ASA
Interim Consolidated Statement of Changes in Equity

Attributed to Equity Holders of the Parent

(Amounts in USD 1,000)	Share Capital	Share Premium Reserve	Other Paid in Capital	Foreign Currency Translation Reserves	Fund for Unrealized Gains / (Losses)	Retained Earnings	Total Equity
Equity December 31, 2016	4,666	47,852	6,204	3,927	870	(57,845)	5,674
Net Income for the Period	-	-	-	-	-	(167)	(167)
Other Comprehensive Income	-	-	-	-	240	9	249
Total Comprehensive Income	-	-	-	-	240	(158)	82
Distribution of Paid in Capital	-	-	-	-	-	-	-
Equity Element of Expensed Options	-	-	-	-	-	-	-
Equity March 31, 2017	4,666	47,852	6,204	3,927	1,110	(58,003)	5,755
Net Income for the Period	-	-	-	-	-	(235)	(235)
Other Comprehensive Income	-	-	-	-	(390)	-	(390)
Total Comprehensive Income	-	-	-	-	(390)	(235)	(624)
Distribution of Paid in Capital	-	-	-	-	-	-	-
Equity Element of Expensed Options	-	-	-	-	-	-	-
Equity June 30, 2017	4,666	47,852	6,204	3,927	721	(58,238)	5,131
Net Income for the Period	-	-	-	-	-	743	743
Other Comprehensive Income	-	-	-	-	1,957	143	2,099
Total Comprehensive Income	-	-	-	-	1,957	886	2,842
Distribution of Paid in Capital	-	-	-	-	-	-	-
Equity Element of Expensed Options	-	-	-	-	-	-	-
Equity September 30, 2017	4,666	47,852	6,204	3,927	2,677	(57,352)	7,972

Fund for Realized Gains / (Losses) represents the difference between the historical cost and fair market value of the investment in Fusion shares.

About Apptix

Founded in 1997, Apptix ASA was previously the parent company of Apptix, Inc. (USA), a premier provider of managed and hosted business communication, collaboration, compliance & security, and infrastructure solutions to mid-market and enterprise customers and partners. At its peak, Apptix provided services to about 500,000 users around the world. Apptix's portfolio of Cloud solutions included Microsoft Office 365, Managed & Hosted Exchange email, VoIP, Microsoft SharePoint, Microsoft Lync, Servers on Demand, and Enterprise Backup. In September 2015, Apptix, Inc. sold its public cloud customer base to GoDaddy, LLC. This was followed by the sale of the remainder of Apptix, Inc. (its only operating subsidiary) to Fusion Telecommunications International, Inc. in November 2016.

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