

Apptix Reports Third Quarter and Year to Date 2013 Results

Herndon, VA and Oslo, Norway – November 7, 2013 – Apptix® (OSE: APP), the premier provider of hosted business communication, collaboration, and IT solutions, today announced its unaudited financial results for the three and nine months ended September 30, 2013.

Interim Management Report

Overview of the third quarter and year to date results:

- 502,000 users under contract, a 31% year over year increase
- USD 591 thousand of QRR booked in the third quarter, a 29% quarter over quarter and year over year increase
- USD 6.1 million in annualized year to date bookings, a 23% year over year increase
- Channel continues to drive growth, accounting for 54% of third quarter bookings
- Revenue of USD 10.43 million in Q3-13, with a backlog of nearly USD 900 thousand QRR
- Net income of USD 182 thousand in Q3-13

Highlights

Apptix continued to drive solid bookings in the third quarter piercing the half a million users under contract threshold. The Company booked USD 591 thousand of quarterly recurring revenue (QRR) in the third quarter; a 29% quarter over quarter and year over year increase. Year to date, Apptix has booked USD 6.1 million of annualized revenue; a 23% year over year increase. Users under contract have grown to 502,000 – a 31% year over year increase.

Apptix's Channel program was the primary driver of this growth, accounting for 54% of all bookings in the third quarter. While existing partners are beginning to show the ability to add new users and services, new partners with existing Hosted Exchange user bases continued as the key contributors during the quarter. Additionally the Apptix Account Management program upselling to the Company's existing mid-market and enterprise customers contributed 34% of total quarterly bookings. The Company's security and compliance services continue to drive add-on sales.

Revenue for the quarter was USD 10.43 million, essentially flat quarter over quarter and down 5% year over year. A backlog of 97,000 users awaiting implementation is valued at USD 894 thousand of contracted but unrecognized QRR potential. Sound financial stewardship has ensured that Apptix continued to deliver positive net income and cash flow results. Net income was USD 182 thousand for the quarter, flat quarter over quarter but down 57% year over year primarily due to lower revenues over the comparable periods.

Throughout the year, revenue has trailed bookings for a variety of reasons. Despite maintaining an industry low rate of 10% annually, churn creates a USD 250 to 300 thousand QRR impact and while Apptix has developed an increasing trend in quarterly bookings, the Company's quarterly bookings rate has only exceeded this level for the past three quarters. Additionally, while Apptix has driven significant user growth over the last several years, the Hosted Exchange market experienced a roughly 60% decline in retail pricing from 2010 to 2012 alone. Finally, partners bringing existing customer bases and new enterprise customers often require one to two quarters to plan, prepare and complete the onboarding process due to their significant size and complexities as well as competition for required customers' internal IT resources. Fortunately, as a result of growing bookings during 2013, Apptix has developed a large implementation backlog and pipeline that should help overcome these issues heading into 2014.

“Our strategic priorities, particularly our emphasis on channel first, have delivered strong bookings, held churn in check and are diversifying our revenue streams throughout the year. And while implementation cycles have lengthened, our bookings are more consistently exceeding our quarterly churn levels, which should allow us to cross back into top line growth. While there is more work to do to ensure the Company effectively translates its growing backlog into billable revenue and drive more consistent run rate production from our existing channel partners, we believe the downward trending in our topline experienced this year has reached or is near its trough, as we head into 2014” stated David Ehrhardt, President & CEO of Apptix.

Financial Results – Third Quarter and Year to Date 2013

Revenues totaled USD 10.4 million for the three months ended September 30, 2013, flat quarter over quarter and down 5% year over year. The lower current period revenues were primarily the result of the slower ramping of current year bookings. As of September 30, 2013 the Company currently had USD 894 thousand of QRR backlog awaiting implementation. As a result, the new revenues were not able to offset the revenue churn within the Company’s base business. Revenues for the nine months ended September 30, 2013 totaled USD 31.6 million down 1% from the same period in 2012.

ARPU was USD 8.66 down 6% quarter over quarter and 14% year over year primarily due to a combination of price concessions related to conversions to longer term contracts along with a shift to a wholesale channel model which typically carries lower revenue per user fees.

Operating expenses (including depreciation and amortization) were USD 6.7 million during the third quarter of 2013, down 6% quarter over quarter and 8% year over year. The quarter over quarter variance was due to lower marketing, professional fees and travel expenses while the year over year variance also included savings from computer equipment and maintenance expense. Total operating expenses for the nine months ended September 30, 2013 were USD 21.0 million, a decrease of 2% from the same period in 2012.

EBIT for the third quarter 2013 was USD 495 thousand, essentially flat quarter over quarter and down USD 202 thousand year over year. EBIT for the nine months ended September 30, 2013 was USD 1.7 million, down USD 42 thousand from the same period in 2012. Net Income for the third quarter of 2013 was USD 182 thousand compared to USD 175 thousand in the second quarter of 2013 and USD 423 thousand in the third quarter of 2012. Total Net Income was USD 723 thousand for the nine months ended September 30, 2013, compared to USD 827 thousand during the comparable period in 2012, a 13% decline. Fluctuations in EBIT and Net Income during the third quarter were primarily driven by lower revenues resulting from normal user churn that is ahead of revenue yet to be on-boarded from the Company’s 2013 bookings. The Company’s current year bookings have longer implementation cycles and when combined with a weaker fourth quarter 2012 bookings level have slowed down 2013 revenue growth. The Company’s user churn of approximately 10% annually remains below industry averages, however user churn tends to take place ratably throughout the year while the implementation of the 2013 bookings will take place predominantly during the latter part of 2013 and early 2014. Despite these timing challenges, the Company continues to manage to positive net income and operating cash flow.

Cash generated by operating activities, including the impact of changes in currency rates, totaled USD 829 thousand during the third quarter of 2013 compared to USD 897 thousand during the second quarter of 2013 and USD 1.4 million during the third quarter of 2012. For the nine months ended September 30, 2013, cash generated by operating activities, including the impact of changes in currency rates, totaled

USD 2.9 million, down from prior year levels of USD 4.0 million. Cash flow fluctuations follow the EBIT and Net Income fluctuations discussed above along with changes in working capital accounts.

Equipment purchases, net of financings under equipment leases, during the third quarter of 2013 were USD 283 thousand compared to USD 34 thousand in the second quarter of 2013 and USD 136 thousand in the third quarter of 2012. As of September 30, 2013, year to date equipment purchases, net of financings under equipment leases, were USD 368 thousand compared to USD 393 thousand during the same period of 2012.

Net cash used to satisfy debt and capital lease obligations (including proceeds from the Company's working capital facility) was USD 933 thousand in the third quarter of 2013, up from second quarter 2013 levels of USD 877 thousand and third quarter 2012 USD 860 thousand. Net cash used by financing activities totaled USD 2.7 million during the first nine months of both 2013 and 2012.

The Company closed the third quarter of 2013 with USD 2.2 million in cash and USD 4.7 million outstanding on its working capital facility. There has been no change in the amount outstanding on the Company's working capital facility during 2013. As of September 30, 2013, the Company had approximately USD 3.6 million of combined cash and available borrowing capacity under its working capital facility.

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, 2012. The enclosed consolidated condensed financial statements should be read in conjunction with the Company's 2012 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, 2013 IFRS | September 30, 2012 IFRS |
| Operating Revenues | | |
| Recurring Revenues | 10,218 | 10,710 |
| Other Revenues | 210 | 272 |
| Total Operating Revenues | 10,428 | 10,982 |
| Total Cost of Sales | 3,205 | 2,933 |
| Gross Profit | 7,223 | 8,049 |
| Operating Expenses | | |
| Employee Compensation and Benefits | 3,568 | 3,683 |
| Other Operational and Administrative Costs | 1,964 | 2,732 |
| Depreciation and Amortization | 1,196 | 937 |
| Total Operating Expenses | 6,728 | 7,352 |
| Operating Income | 495 | 697 |
| Other Expense | | |
| Interest, net | (272) | (233) |
| Total Other Expense | (272) | (233) |
| Income Before Income Taxes | 223 | 464 |
| Income Tax Expense | (41) | (41) |
| Net Income for the Period | 182 | 423 |
| Earnings Per Share: | | |
| Basic | 0.00 | 0.01 |
| Diluted | 0.00 | 0.00 |
| Weighted Average Common Shares Outstanding | 81,430 | 82,487 |

Aptix ASA
Interim Consolidated Income Statement

| (Amounts in USD 1,000) | Nine Months Ended | |
|---|----------------------------|----------------------------|
| | September 30, 2013 IFRS | September 30, 2012 IFRS |
| Operating Revenues | | |
| Recurring Revenues | 30,920 | 31,265 |
| Other Revenues | 723 | 712 |
| Total Operating Revenues | 31,643 | 31,977 |
| Total Cost of Sales | 8,901 | 8,751 |
| Gross Profit | 22,742 | 23,226 |
| Operating Expenses | | |
| Employee Compensation and Benefits | 11,231 | 10,969 |
| Other Operational and Administrative Costs | 6,698 | 7,736 |
| Depreciation and Amortization | 3,102 | 2,768 |
| Total Operating Expenses | 21,031 | 21,473 |
| Operating Income | 1,711 | 1,753 |
| Other Expense | | |
| Interest, net | (864) | (785) |
| Total Other Expense | (864) | (785) |
| Income Before Income Taxes | 847 | 968 |
| Income Tax Expense | (124) | (141) |
| Net Income for the Period | 723 | 827 |
| Earnings Per Share: | | |
| Basic | 0.01 | 0.01 |
| Diluted | 0.01 | 0.01 |
| Weighted Average Common Shares Outstanding | 81,492 | 82,184 |

| (Amounts in USD 1,000) | Three Months Ended | |
|--|------------------------------------|------------------------------------|
| | September 30, 2013 IFRS | September 30, 2012 IFRS |
| Income for the Period | 182 | 423 |
| Exchange Rate Differences on Translation of Foreign Operations | (3) | 23 |
| Items that may be Reclassified Subsequently to Income Statement | (3) | 23 |
| Items that will not be Reclassified to Income Statement | - | - |
| Total Other Comprehensive Income / (Loss) for the Period | (3) | 23 |
| Total Comprehensive Income for the Period | 179 | 446 |
| Attributed to Equity Holders of Parent | 179 | 446 |

| (Amounts in USD 1,000) | Nine Months Ended | |
|--|------------------------------------|------------------------------------|
| | September 30, 2013 IFRS | September 30, 2012 IFRS |
| Income for the Period | 723 | 827 |
| Exchange Rate Differences on Translation of Foreign Operations | 21 | (22) |
| Items that may be Reclassified Subsequently to Income Statement | 21 | (22) |
| Items that will not be Reclassified to Income Statement | - | - |
| Total Other Comprehensive Income / (Loss) for the Period | 21 | (22) |
| Total Comprehensive Income for the Period | 744 | 805 |
| Attributed to Equity Holders of Parent | 744 | 805 |

Apptix ASA
Interim Consolidated Statement of Financial Position

| | September - 30 | December - 31 | September - 30 |
|--|----------------|---------------|----------------|
| | 2013 | 2012 | 2012 |
| (Amounts in USD 1,000) | IFRS | IFRS | IFRS |
| ASSETS | | | |
| Non-Current Assets | | | |
| Intangible Assets | 22,453 | 22,610 | 22,744 |
| Total Intangible Assets, net | 22,453 | 22,610 | 22,744 |
| Property, Plant and Equipment, net | 8,902 | 10,311 | 6,162 |
| Total Non-Current Assets | 31,355 | 32,921 | 28,906 |
| Current Assets | | | |
| Accounts Receivable | 1,985 | 1,645 | 1,613 |
| Other Current Assets | 232 | 267 | 362 |
| Prepaid Expenses | 1,263 | 886 | 1,192 |
| Cash and Cash Equivalents | 2,182 | 2,358 | 1,719 |
| Total Current Assets | 5,662 | 5,156 | 4,886 |
| TOTAL ASSETS | 37,017 | 38,077 | 33,792 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| Equity Attributed to Equity Holders of the Parent | | | |
| Common Stock | 4,666 | 4,666 | 4,666 |
| Paid-in Premium Reserve | 73,437 | 73,437 | 73,437 |
| Other Paid-in Capital | 6,084 | 5,978 | 5,933 |
| Retained Earnings | (62,768) | (63,511) | (63,941) |
| Total Shareholders Equity | 21,419 | 20,570 | 20,095 |
| Long-Term Debt | | | |
| Other Long-Term Debt | 7,625 | 8,803 | 1,050 |
| Total Long-Term Debt | 7,625 | 8,803 | 1,050 |
| Current Liabilities | | | |
| Trade Accounts Payable | 1,259 | 1,307 | 1,130 |
| Interest Bearing Short-Term Debt | 2,846 | 3,313 | 7,172 |
| Other Current Liabilities | 3,868 | 4,084 | 4,345 |
| Total Current Liabilities | 7,973 | 8,704 | 12,647 |
| TOTAL LIABILITIES AND EQUITY | 37,017 | 38,077 | 33,792 |

Aptix ASA
Interim Consolidated Cash Flow Statement

| (Amounts in USD 1,000) | Nine Months Ended September 30, | |
|--|--|----------------|
| | 2013 | 2012 |
| | IFRS | IFRS |
| Cash Flows from Operating Activities | | |
| Net Income for the Period | 723 | 827 |
| Stock Based Compensation Expense | 106 | 184 |
| Depreciation and Amortization | 3,102 | 2,768 |
| Change in Accounts Receivable | (340) | 27 |
| Change in Trade Accounts Payable | (47) | (295) |
| Change in Other Assets and Liabilities | (628) | 516 |
| Cash Flows From Operating Activities | 2,916 | 4,027 |
| Cash Flows from Investing Activities | | |
| Purchases of Intangibles and Property and Equipment | (368) | (393) |
| Cash Flows Used in Investing Activities | (368) | (393) |
| Cash Flows from Financing Activities | | |
| Payments on Capital Lease and Debt Obligations | (2,725) | (2,680) |
| Cash Flows Used in Financing Activities | (2,725) | (2,680) |
| Effect of Exchange Rates on Cash and Cash Equivalents | 1 | (3) |
| Net Change in Cash and Cash Equivalents | (176) | 951 |
| Cash and Cash Equivalents at Beginning of Period | 2,358 | 768 |
| Cash and Cash Equivalents at End of Period | 2,182 | 1,719 |

Apptix ASA
Interim Consolidated Statement of Changes in Equity

Attributed to Equity Holders of the Parent

| (Amounts in USD 1,000) | Share Capital | Share Premium Reserve | Other Paid in Capital | Foreign Currency Translation Reserves | Retained Earnings | Total Equity |
|------------------------------------|----------------------|------------------------------|------------------------------|--|--------------------------|---------------------|
| Equity December 31, 2011 | 4,666 | 73,437 | 5,749 | 3,927 | (68,674) | 19,105 |
| Net Income for the Period | - | - | - | - | 1,265 | 1,265 |
| Other Comprehensive Loss | - | - | - | - | (30) | (30) |
| Total Comprehensive Income | - | - | - | - | 1,235 | 1,235 |
| Equity Element of Expensed Options | - | - | 229 | - | - | 229 |
| Equity December 31, 2012 | 4,666 | 73,437 | 5,978 | 3,927 | (67,439) | 20,570 |
| Net Income for the Period | - | - | - | - | 366 | 366 |
| Other Comprehensive Income | - | - | - | - | 17 | 17 |
| Total Comprehensive Income | - | - | - | - | 383 | 383 |
| Equity Element of Expensed Options | - | - | 36 | - | - | 36 |
| Equity March 31, 2013 | 4,666 | 73,437 | 6,014 | 3,927 | (67,056) | 20,988 |
| Net Income for the Period | - | - | - | - | 175 | 175 |
| Other Comprehensive Income | - | - | - | - | 7 | 7 |
| Total Comprehensive Income | - | - | - | - | 182 | 182 |
| Equity Element of Expensed Options | - | - | 41 | - | - | 41 |
| Equity June 30, 2013 | 4,666 | 73,437 | 6,055 | 3,927 | (66,874) | 21,211 |
| Net Income for the Period | - | - | - | - | 182 | 182 |
| Other Comprehensive Income | - | - | - | - | (3) | (3) |
| Total Comprehensive Income | - | - | - | - | 179 | 179 |
| Equity Element of Expensed Options | - | - | 29 | - | - | 29 |
| Equity September 30, 2013 | 4,666 | 73,437 | 6,084 | 3,927 | (66,695) | 21,419 |

About Apptix

Apptix (OSE: APP) is the premier provider of hosted business communication, collaboration, and IT solutions to business of all sizes – from SOHO to Fortune 500 – and blue chip channel partners. Apptix is a Cloud services pioneer with over 500,000 users under contract around the world. Apptix's comprehensive portfolio of Cloud solutions includes Microsoft Exchange email, VoIP, Microsoft SharePoint, Microsoft Lync, Servers on Demand, and Enterprise Backup. Services are delivered over a highly reliable network leveraging best-in-class technology, housed in SSAE 16-compliant datacenters, and backed by U.S.-based 24/7 support. For more information, visit www.apptix.com.

For further information:

Johan Lindqvist (Chairman)

johan.lindqvist@windchange.se

+46 733 55 09 35

David Ehrhardt (CEO)

david.ehrhardt@apptix.com

+ 1 703 890 2800

Chris Mack (CFO)

chris.mack@apptix.com

+ 1 703 890 2800

Selected Explanatory Notes to Aptix ASA Interim Condensed Financial Statements

Working Capital Facility

Effective January 31, 2013, the Company entered into a Sixth Loan Modification Agreement with its bank to increase the borrowing limit of the Company's revolving credit facility to USD 7 million. The amounts available under the working capital facility are subject to a borrowing base formula up to 200% of the Company's Monthly Recurring Revenue. The interest charged on the borrowings is subject to the bank's prime interest rate plus two and one-quarter additional percentage points with a minimum rate of five and one-half percent. The term of the working capital facility expires on January 31, 2015.

Working Capital

The Company is currently operating in a negative working capital position. The negative working capital position is primarily the result of the current obligations related to equipment finance lease agreements, and deferred revenues related to annual subscription contracts.

As outlined in this report, the Company recorded a net profit of USD 182 thousand during the third quarter of 2013 marking the eleventh consecutive quarter of positive net income. Additionally, the Company generated cash of USD 2.9 million during the nine months ended September 30, 2013 from operating activities, amounts sufficient to satisfy the Company's debt and capital lease obligations. The Company believes this positive trend in net income and cash flow from operating activities will continue for the foreseeable future. Accordingly, with the Company's working capital facility (as noted above) along with current cash reserves, the Company believes it has sufficient liquidity to meet its current and future obligations.

For more information related to this subject, refer to the Company's 2012 Annual Report and Director's Report.