

## **Apptix Reports Third Quarter and Year to Date 2016**

**Herndon, VA and Oslo, Norway – November 16, 2016** – Apptix® (OSE: APP), the premier provider of managed and hosted solutions, today announced its unaudited financial results for the three and nine months ended September 30, 2016.

### **Interim Management Report**

#### Overview of the third quarter results:

- Revenues of USD 6.3 million; down 2.5% quarter over quarter and up 4.1% year over year (excluding public cloud revenues divested in 2015)
- Professional services revenue of USD 199 thousand compared to USD 244 thousand in Q2-16 and USD 237 thousand in Q3-15
- Net income of USD 415 thousand compared to net income of USD 207 thousand in Q2-16 and a net loss of USD 704 thousand in Q3-15 (excluding public cloud revenues divested in 2015)

#### Overview of the year to date financial results (as compared to prior year):

- Revenues of USD 19.3 million; up 8.1% from prior year (excluding public cloud revenues divested in 2015)
- Net income of USD 748 thousand compared to a net loss of USD 159 thousand in 2015 (excluding public cloud revenues divested in 2015)
- Reduced total funded debt from USD 9.1 million to USD 6.7 million

#### Subsequent Event - Sale of Apptix, Inc. to Fusion Telecommunications International Inc. ("Fusion")

- Sale of US-based subsidiary for USD 28.0 million in cash and equity at paid at closing less net debt obligations, transaction fees and expenses
- For more information, please refer to November 15 and 16, 2016 transaction announcements

### **Highlights**

Since August of 2014, a key focus for the Company has been on creating shareholder value through either organic or inorganic growth initiatives. This process included streamlining the business operations in 2014 and 2015 to free up cash flow to expand into cloud based managed service opportunities, the September 2015 sale of the Company's public cloud customer base to GoDaddy and now the sale of Apptix, Inc. to Fusion. In total, the process that began over 24 months ago is now allowing shareholders to recoup their investment in Apptix ASA.

Apptix ASA was paid USD 23.0 million in cash at closing (before any transaction related expenses). Apptix ASA also received a total of 2,997,926 shares of Fusion common stock representing 19.9% of the outstanding Fusion common stock immediately prior to closing and 16.6% immediately following the close. Based on the weighted average stock price of the Fusion shares over the past 180 days, the aggregate equity consideration was valued at USD 5.0

million. Apptix ASA will be receiving approximately USD 17.3 million in net cash proceeds or approximately NOK 1.80 per share. It is the Board of Directors' intention to distribute NOK 1.65 per share as a dividend in December 2016.

Operationally, revenues for the quarter totaled USD 6.3 million, down slightly over the previous quarter however, up 4.1% year over year (on a pro-forma basis excluding the impact of the public cloud revenues from Q3-15 results). The year over year pro-forma revenue growth was due to the key bookings recorded by the Company during the second quarter of 2015 which began contributing revenues during the third and fourth quarters of 2015.

Meanwhile, net income for the quarter totaled USD 415 thousand as compared to net income of USD 207 thousand in the second quarter of 2016 and a net loss of USD 704 thousand in the third quarter of 2015 (on a pro-forma basis excluding the impact of the public cloud revenues from Q3-15 results).

“With the numerous initiatives we have undertaken since 2014 and culminating with the Fusion transaction, we believe we have provided our shareholders with the best possible cash outcome along with an additional opportunity to participate in the future growth of Fusion with equity participation. We have great confidence in Fusion's strategy and its ability to create significant value. Importantly, the two companies share a common vision and culture which provides a great foundation for the integration of our teams,” commented Johan Lindqvist, Chairman of Apptix ASA.

## Financial Results – Third Quarter and Year to Date 2016

**The following revenue commentary is based on the Company's financial statements for the periods presented excluding the one-time charges recorded during late 2015. For more information related to the one-time charges, please see the Company's 2015 Annual Report and the table below.**

(Amounts in USD)									
	Q3-16	Q3-15			Q2-16	YTD 2016	YTD 2015		
		Incl. One-Time Adj	One-Time Adj	Excl. One-Time Adj			Incl. One-Time Adj	One-Time Adj	Excl. One-Time Adj
<b>Revenues</b>									
Subscription Services	6,100	5,816	-	5,816	6,216	18,537	16,662	-	16,662
Professional Services	199	238	-	238	244	731	1,155	-	1,155
<b>Total Continuing</b>	<b>6,299</b>	<b>6,053</b>	<b>-</b>	<b>6,053</b>	<b>6,460</b>	<b>19,268</b>	<b>17,817</b>	<b>-</b>	<b>17,817</b>
Subscription Services	-	2,483	-	2,483	-	-	10,209	-	10,209
Professional Services	-	-	-	-	-	-	-	-	-
<b>Total Non Continuing</b>	<b>-</b>	<b>2,483</b>	<b>-</b>	<b>2,483</b>	<b>-</b>	<b>-</b>	<b>10,209</b>	<b>-</b>	<b>10,209</b>
Subscription Services	6,100	8,298	-	8,298	6,216	18,537	26,871	-	26,871
Professional Services	199	238	-	238	244	731	1,155	-	1,155
<b>Total Revenues</b>	<b>6,299</b>	<b>8,536</b>	<b>-</b>	<b>8,536</b>	<b>6,460</b>	<b>19,268</b>	<b>28,026</b>	<b>-</b>	<b>28,026</b>
<b>Cost of Sales</b>	<b>2,291</b>	<b>2,812</b>	<b>-</b>	<b>2,812</b>	<b>2,347</b>	<b>7,089</b>	<b>8,284</b>	<b>-</b>	<b>8,284</b>
<b>Gross Margin</b>	<b>4,008</b>	<b>5,724</b>	<b>-</b>	<b>5,724</b>	<b>4,113</b>	<b>12,179</b>	<b>19,742</b>	<b>-</b>	<b>19,742</b>
Operating Expenses & Administrative Costs	3,166	7,931	2,500	5,431	3,329	9,863	19,255	2,500	16,755
Goodwill Impairment	-	6,000	6,000	-	-	-	6,000	6,000	-
Asset Impairment	-	4,000	4,000	-	-	-	4,000	4,000	-
Depreciation and Amortization	350	740	-	740	363	1,126	2,323	-	2,323
<b>Total Operating Expenses</b>	<b>3,516</b>	<b>18,671</b>	<b>12,500</b>	<b>6,171</b>	<b>3,692</b>	<b>10,989</b>	<b>31,578</b>	<b>12,500</b>	<b>19,078</b>
<b>Operating Income (Loss)</b>	<b>492</b>	<b>(12,947)</b>	<b>(12,500)</b>	<b>(447)</b>	<b>421</b>	<b>1,190</b>	<b>(11,836)</b>	<b>(12,500)</b>	<b>664</b>
<b>Financial Income and Expenses</b>									
Interest Expense	(168)	(257)	-	(257)	(190)	(593)	(823)	-	(823)
Foreign Exchange Gain (Loss)	91	-	-	-	(24)	151	-	-	-
Other Income and Expense	-	19,878	19,878	-	-	-	19,878	19,878	-
<b>Total Financial Income (Expenses)</b>	<b>(77)</b>	<b>19,621</b>	<b>19,878</b>	<b>(257)</b>	<b>(214)</b>	<b>(442)</b>	<b>19,055</b>	<b>19,878</b>	<b>(823)</b>
<b>Income Before Taxes</b>	<b>415</b>	<b>6,674</b>	<b>7,378</b>	<b>(704)</b>	<b>207</b>	<b>748</b>	<b>7,219</b>	<b>7,378</b>	<b>(159)</b>
Income Tax Expense	-	-	-	-	-	-	-	-	-
<b>Net Income for the Period</b>	<b>415</b>	<b>6,674</b>	<b>7,378</b>	<b>(704)</b>	<b>207</b>	<b>748</b>	<b>7,219</b>	<b>7,378</b>	<b>(159)</b>
<b>EBITDA for the Period</b>	<b>842</b>	<b>(2,207)</b>	<b>(2,500)</b>	<b>293</b>	<b>784</b>	<b>2,316</b>	<b>487</b>	<b>(2,500)</b>	<b>2,987</b>

Revenues from continuing services totaled USD 6.3 million for the three months ended September 30, 2016, down 2.5% from second quarter 2016 levels and up 4.1% increase over third quarter of 2015 revenues. In late 2015, the Company devoted considerable resources to its H2-2015 GoDaddy initiative whereby the Company redirected its sales and account management related resources to assist with the migration of public cloud customers to GoDaddy. As noted in the Company's 2015 Annual Report, these efforts in support of the GoDaddy initiative impacted the Company's new business development efforts including sales and pipeline growth.

Revenues from continuing services for the nine months ended September 30, 2016 totaled USD 19.3 million up 8.1% from the same period in 2015. The year over year growth in revenues was primarily due to transactions sold by the Company during the second quarter of 2015 and implemented in the second half of 2015.

As noted in the table above, total revenues (both continuing and non-continuing) for both third quarter 2016 and the nine months ended September 30, 2016 declined approximately 31% as compared prior year periods. This is due to the sale of the Company's public cloud customer base to GoDaddy that took place in September 2015. For more information related to this transaction, please refer to the Company's 2015 Annual Report.

Operating expenses (including depreciation and amortization) totaled USD 3.5 million during the third quarter of 2016, down 4.8% quarter over quarter and down 43% year over year. The quarter over quarter decrease was primarily due to a combination of lower employee related costs and lower depreciation and amortization. The year over year decrease was due to the realignment of the Company's operational infrastructure due to the sale of the Company's public cloud customer base in September 2015 (please refer to the Company's 2015 Annual Report). Total operating expenses for the nine months ended September 30, 2016 were USD 11.0 million, down 42% from the same period in 2015 for the reasons noted above.

EBIT for the third quarter 2016 was USD 492 thousand, compared to USD 421 thousand in the second quarter of 2016 and a loss of USD 447 thousand during the third quarter of 2015. EBIT for the nine months ended September 30, 2016 was USD 1.2 million compared to USD 664 thousand during the same period in 2015. The quarter over quarter improvement was due to lower cost of sales related to data center costs and license fees along with the lower operating expenses noted above. The year to date variance is primarily due the sale of the Company's public cloud customer base.

Net Income totaled USD 415 thousand for the third quarter of 2016 as compared to USD 207 thousand in the second quarter of 2016 and a loss of USD 704 thousand in the third quarter 2015. For the nine months ended September 30, 2016, the Company recorded Net Income of USD 748 thousand as compared to a loss of USD 159 thousand during the same period in 2015. The changes to Net Income follow the EBIT variances noted above along with decreases related to financial expenses.

Cash generated by operating activities, including the impact of changes in currency rates, totaled USD 1.5 million during the third quarter of 2016 compared to cash used of USD 1.1 million during the second quarter of 2016 and cash used of USD 1.6 million during the third quarter of 2015. For the first nine months of 2016 cash used by operating activities, including the impact of changes in currency rates, totaled USD 1.1 million, compared to USD 681 thousand of cash used during the comparable period of 2015. The favorable variances both quarter over quarter and year over year were primarily due to the improved operating results (excluding impact of sale of public cloud customer base) along with lower account receivables balances. The year to date variances were primarily impacted due to operating cash flow variances for the first nine months related to the changes in working capital accounts experienced during the first quarter of 2016 primarily related to amounts paid against the Company's fourth quarter 2015 restructuring provision. The 2016 payments against the Company's 2015 restructuring provision are in-line with the Company's expected disbursements.

Equipment purchases, net of financings under equipment leases, during the third quarter of 2016 were USD 39 thousand compared to USD 44 thousand in the second quarter of 2016 and USD 90 thousand in the third quarter of 2015. Equipment purchases, net of financings under equipment leases, during the first nine months of 2016 were USD 130 thousand compared to USD 338 thousand during the same period in 2015.

Net cash used to satisfy debt and capital lease obligations was USD 761 thousand in the third quarter of 2016, as compared to USD 676 thousand in the second quarter of 2016 and USD 941 thousand in the third quarter 2015. Net cash used to satisfy debt and capital lease obligations totaled USD 2.5 million during the first nine months of 2016 and USD 2.7 million during the same period in 2015.

The Company closed the third quarter of 2016 with USD 4.1 million in cash and no amounts outstanding on its working capital facility.

**Apptix ASA**  
**Interim Consolidated Income Statement**

(Amounts in USD 1,000)	Three Months Ended	
	September 30, 2016 IFRS	September 30, 2015 IFRS
<b>Operating Revenues</b>		
Recurring Revenues (subscription revenues)	6,100	8,298
Other Revenues (professional services)	199	238
<b>Total Operating Revenues</b>	<u>6,299</u>	<u>8,536</u>
<b>Total Cost of Sales</b>	<u>2,291</u>	<u>2,812</u>
<b>Gross Profit</b>	4,008	5,724
<b>Operating Expenses</b>		
Employee Compensation and Benefits	1,979	4,962
Other Operational and Administrative Costs	1,187	2,969
Goodwill impairment charge	-	6,000
Fixed Asset Impairment Charge	-	4,000
Depreciation and Amortization	350	740
<b>Total Operating Expenses</b>	<u>3,516</u>	<u>18,671</u>
<b>Operating Income</b>	492	(12,947)
<b>Other Expense</b>		
Interest, net	(168)	(257)
Foreign Exchange Income / (Loss), net	91	-
Other Income and Expense Financial Expense	-	19,878
<b>Total Other Expense</b>	<u>(77)</u>	<u>19,621</u>
<b>Income Before Income Taxes</b>	415	6,674
Income Tax Expense	-	-
<b>Net Income for the Period</b>	<u>415</u>	<u>6,674</u>
<b>Earnings Per Share:</b>		
Basic	<u>0.01</u>	<u>0.08</u>
Diluted	<u>0.01</u>	<u>0.08</u>
<b>Weighted Average Common Shares Outstanding</b>	<u>81,430</u>	<u>81,430</u>

**Apptix ASA**  
**Interim Consolidated Income Statement**

(Amounts in USD 1,000)	Nine Months Ended	
	September 30, 2016 IFRS	September 30, 2015 IFRS
<b>Operating Revenues</b>		
Recurring Revenues (subscription revenues)	18,537	26,871
Other Revenues (professional services)	731	1,155
<b>Total Operating Revenues</b>	19,268	28,026
<b>Total Cost of Sales</b>	7,089	8,284
<b>Gross Profit</b>	12,179	19,742
<b>Operating Expenses</b>		
Employee Compensation and Benefits	6,122	11,993
Other Operational and Administrative Costs	3,741	7,262
Goodwill Impairment Charge	-	6,000
Fixed Asset Impairment Charge	-	4,000
Depreciation and Amortization	1,126	2,323
<b>Total Operating Expenses</b>	10,989	31,578
<b>Operating Income</b>	1,190	(11,836)
<b>Other Expense</b>		
Interest, net	(593)	(823)
Foreign Exchange Income / (Loss), net	151	-
Other Financial Expense	-	19,878
<b>Total Other Expense</b>	(442)	19,055
<b>Income Before Income Taxes</b>	748	7,219
Income Tax Expense	-	-
<b>Net Income for the Period</b>	748	7,219
<b>Earnings Per Share:</b>		
Basic	0.01	0.09
Diluted	0.01	0.09
<b>Weighted Average Common Shares Outstanding</b>	81,430	81,430

**Apptix ASA**  
**Interim Consolidated Statement of Comprehensive Income**

(Amounts in USD 1,000)	<b>Three Months Ended</b>	
	<b>September 30, 2016</b>	<b>September 30, 2015</b>
	<b>IFRS</b>	<b>IFRS</b>
<b>Income for the Period</b>	<b>415</b>	<b>6,674</b>
Exchange Rate Differences on Translation of Foreign Operations	2	14
<b>Items that may be Reclassified Subsequently to Income Statement</b>	<b>2</b>	<b>14</b>
<b>Items that will not be Reclassified to Income Statement</b>	<b>-</b>	<b>-</b>
<b>Total Other Comprehensive Income for the Period</b>	<b>2</b>	<b>14</b>
<b>Total Comprehensive Income (Loss) for the Period</b>	<b>417</b>	<b>6,688</b>
<b>Attributed to Equity Holders of Parent</b>	<b>417</b>	<b>6,688</b>

(Amounts in USD 1,000)	<b>Nine Months Ended</b>	
	<b>September 30, 2016</b>	<b>September 30, 2015</b>
	<b>IFRS</b>	<b>IFRS</b>
<b>Income for the Period</b>	<b>748</b>	<b>7,219</b>
Exchange Rate Differences on Translation of Foreign Operations	10	43
<b>Items that may be Reclassified Subsequently to Income Statement</b>	<b>10</b>	<b>43</b>
<b>Items that will not be Reclassified to Income Statement</b>	<b>-</b>	<b>-</b>
<b>Total Other Comprehensive Income / (Loss) for the Period</b>	<b>10</b>	<b>43</b>
<b>Total Comprehensive Income for the Period</b>	<b>758</b>	<b>7,262</b>
<b>Attributed to Equity Holders of Parent</b>	<b>758</b>	<b>7,262</b>



**Apptix ASA**  
**Interim Consolidated Statement of Financial Position**

	September - 30	December - 31	September - 30
	2016	2015	2015
(Amounts in USD 1,000)	IFRS	IFRS	IFRS
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible Assets	10,046	10,130	10,184
<b>Total Intangible Assets, net</b>	10,046	10,130	10,184
<b>Property, Plant and Equipment, net</b>	3,214	4,038	4,283
<b>Total Non-Current Assets</b>	13,260	14,168	14,467
<b>Current Assets</b>			
Accounts Receivable	1,789	2,013	1,710
Other Current Assets	301	151	161
Prepaid Expenses	611	619	902
Cash and Cash Equivalents	4,054	7,800	21,412
<b>Total Current Assets</b>	6,755	10,583	24,185
<b>TOTAL ASSETS</b>	20,015	24,751	38,652
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>			
<b>Equity Attributed to Equity Holders of the Parent</b>			
Common Stock	4,666	4,666	4,666
Paid-in Premium Reserve	63,319	63,319	73,437
Other Paid-in Capital	6,204	6,198	6,193
Retained Earnings	(65,296)	(66,053)	(65,999)
<b>Total Shareholders Equity</b>	8,893	8,130	18,297
<b>Long-Term Debt</b>			
Other Long-Term Debt	3,940	5,852	6,503
<b>Total Long-Term Debt</b>	3,940	5,852	6,503
<b>Current Liabilities</b>			
Trade Accounts Payable	1,433	1,913	1,150
Interest Bearing Short-Term Debt	2,720	3,247	3,471
Other Current Liabilities	3,029	5,609	9,231
<b>Total Current Liabilities</b>	7,182	10,769	13,852
<b>TOTAL LIABILITIES AND EQUITY</b>	20,015	24,751	38,652

**Apptix ASA**  
**Interim Consolidated Cash Flow Statement**

	Nine Months Ended September 30,	
	2016	2015
(Amounts in USD 1,000)	IFRS	IFRS
<b>Cash Flows from Operating Activities</b>		
Earnings Before Interest and Taxes	1,190	8,043
Stock Based Compensation Expense	7	18
Depreciation and Amortization	1,126	2,323
Goodwill Impairment	-	6,000
Fixed Asset Impairment	-	4,000
Gain on Sale of Assets	-	(19,878)
Change in Accounts Receivable	224	278
Change in Trade Accounts Payable	(480)	(376)
Change in Other Assets and Liabilities	(2,722)	(308)
<b>Cash Flows Provided by Operating Activities</b>	(655)	100
Interest Paid	(593)	(824)
Income Tax Paid	-	-
<b>Net Cash Flows Provided by Operating Activities</b>	(1,248)	(724)
<b>Cash Flows from Investing Activities</b>		
Purchases of Intangibles and Property and Equipment	(130)	(338)
<b>Cash Flows Used in Investing Activities</b>	(130)	(338)
<b>Cash Flows from Financing Activities</b>		
Payments on Capital Lease and Debt Obligations	(2,529)	(2,677)
<b>Cash Flows Used in Financing Activities</b>	(2,529)	(2,677)
<b>Effect of Exchange Rates on Cash and Cash Equivalents</b>	161	43
Net Change in Cash and Cash Equivalents	(3,746)	18,804
Cash and Cash Equivalents at Beginning of Period	7,800	2,608
<b>Cash and Cash Equivalents at End of Period</b>	4,054	21,412

**Apptix ASA**  
**Interim Consolidated Statement of Changes in Equity**

	<b>Attributed to Equity Holders of the Parent</b>					
<b>Equity December 31, 2014</b>	<b>4,666</b>	<b>73,437</b>	<b>6,175</b>	<b>3,927</b>	<b>(77,190)</b>	<b>11,015</b>
Net Income for the Period	-	-	-	-	6,852	6,852
Other Comprehensive Income	-	-	-	-	358	358
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,210</b>	<b>7,210</b>
Distribution of Paid in Capital		(10,118)				(10,118)
Equity Element of Expensed Options	-	-	23	-	-	23
<b>Equity December 31, 2015</b>	<b>4,666</b>	<b>63,319</b>	<b>6,198</b>	<b>3,927</b>	<b>(69,980)</b>	<b>8,130</b>
Net Income for the Period	-	-	-	-	126	126
Other Comprehensive Income	-	-	-	-	7	7
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133</b>	<b>133</b>
Distribution of Paid in Capital		-				-
Equity Element of Expensed Options	-	-	3	-	-	3
<b>Equity March 31, 2016</b>	<b>4,666</b>	<b>63,319</b>	<b>6,201</b>	<b>3,927</b>	<b>(69,847)</b>	<b>8,266</b>
Net Income for the Period	-	-	-	-	207	207
Other Comprehensive Income	-	-	-	-	1	1
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>208</b>	<b>208</b>
Distribution of Paid in Capital	-	-	-	-		-
Equity Element of Expensed Options	-	-	2	-	-	2
<b>Equity June 30, 2016</b>	<b>4,666</b>	<b>63,319</b>	<b>6,202</b>	<b>3,927</b>	<b>(69,639)</b>	<b>8,475</b>
Net Income for the Period	-	-	-	-	415	415
Other Comprehensive Income	-	-	-	-	2	2
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>417</b>	<b>417</b>
Distribution of Paid in Capital		-	-	-	-	-
Equity Element of Expensed Options	-	-	2	-	-	2
<b>Equity September 30, 2016</b>	<b>4,666</b>	<b>63,319</b>	<b>6,204</b>	<b>3,927</b>	<b>(69,222)</b>	<b>8,893</b>

### **About Apptix:**

Immediately prior to the aforementioned transaction, Apptix ASA (OSE: APP) was the premier provider of managed and hosted business communication, collaboration, compliance & security, and infrastructure solutions to mid-market and enterprise customers and blue chip channel partners. Apptix was a cloud services pioneer and had almost 400,000 users under contract around the world. Apptix's comprehensive portfolio of cloud solutions included Microsoft Azure, Microsoft Office 365, Microsoft Exchange, Microsoft SharePoint, Microsoft Lync, VoIP, Servers on Demand, Enterprise Backup, Disaster Recovery, File Sync & Share, and Virtual Desktops. Apptix services were delivered over a highly reliable network leveraging best-in-class technology, housed in SSAE 16-compliant data centers, and backed by US-based 24/7 support. For more information, visit [www.apptix.com](http://www.apptix.com).

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## **Selected Explanatory Footnotes to Apptix ASA Interim Condensed Financial Statements**

### **Subsequent Events**

On November 14, 2016 Apptix ASA signed and closed a Stock Purchase Agreement (“SPA”) with Fusion for the sale of Apptix, Inc. (the “Company”), its only subsidiary and business operations.

Fusion is a leading provider of integrated cloud solutions to small, medium and large businesses. Fusion’s advanced, proprietary service platform enables the integration of leading edge solutions in the cloud, including cloud voice and unified communications, contact center, cloud connectivity, cloud computing and additional cloud services such as storage and security. Fusion is listed on the NASDAQ Capital Market under ticker FSNM. The Company will be a wholly-owned subsidiary of Fusion and will be a major component of Fusion’s cloud-based Business Services division.

Apptix ASA was paid USD 23.0 million in cash at closing (before any transaction related expenses). Apptix ASA also received a total of 2,997,926 shares of Fusion common stock representing 19.9% of the outstanding Fusion common stock immediately prior to closing and 16.6% immediately following the close. Based on the weighted average stock price of the Fusion shares over the past 180 days, the aggregate equity consideration was valued at USD 5.0 million. The transaction was structured as a “debt-free, cash-free” deal whereby Apptix ASA retained the cash balances of the Company at closing of approximately USD 3.7 million. Apptix ASA was also required to satisfy any of the Company’s outstanding funded debt obligations at closing which totaled approximately USD 7.1 million. Additionally, Apptix ASA incurred approximately USD 2.3 million in transaction related fees and expenses in connection with the transaction. There was no escrow adjustment pursuant to the transaction and all indemnifications along with representations & warranties expired with the closing. Apptix ASA will be receiving approximately USD 17.3 million in net cash proceeds or approximately NOK 1.80 per share. It is the Board of Directors’ intention to distribute NOK 1.65 per share as a dividend in December 2016.

Of the total equity received by Apptix ASA, 50% of the shares, or 1,498,963 shares, were transferred to Apptix ASA at closing with the remaining 50%, or 1,498,963 shares, being transferred to Apptix ASA upon the receipt of two state public utility regulatory commission approvals which are expected within the next 120 days.

The Fusion shares received by Apptix ASA will be subject to Regulation 144 of the United States Securities Act of 1934 restricting the sale of the Fusion stock for up to 12 months following the closing date. Fusion has agreed to file a registration statement with the US Securities and Exchange Commission within 12 months of closing, making the shares freely tradable on the NASDAQ exchange. During this period of time, the shares will be held and owned by Apptix ASA.

*For additional information related to this transaction, please refer to the Company's November 15 and 16, 2016 announcements.*

### **Working Capital Facility**

The Company is currently operating in a negative working capital position of USD 427 thousand. Since December 2015, the Company has repaid approximately USD 2.4 million in principal debt payments. As outlined in this report, the Company recorded net income of USD 415 thousand during the third quarter of 2016. Including the effects of exchange rate differences, the Company generated cash of USD 1.5 million during the third quarter from operating activities. With the sale of the Company's public cloud customer base, streamlined business operations, existing cash balances and unused available borrowing pursuant to its working capital facility, 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 2015 Annual Report and Director's Report.