

Applied Statement 09 16

The provision of source code escrow in our industry (i.e., non-custom software) by a vendor for its collective user base is uncommon and impractical in this current time. The complexity and size of the software code and deployment in the cloud makes it nearly impossible for an end-user to harness and utilize the code for themselves, even just for maintenance. Applied, of course, takes significant measures to protect its source code for a variety of reasons (e.g., for disaster recovery, intellectual property protection, etc.) but those measures are to ensure the delivery of services on a day-to-day basis without regard to its financial stability. With Applied's technology supporting customers in the US and Canada for over 30 years and in the UK for over 10 years, Applied has a long track record of growth and sustainability and it continues to invest in current and new markets (e.g., most recently in Ireland). Thus, Applied is well positioned to continue its path of success. That said, in the very unlikely event that Applied's financial stability comes into significant question, Applied's key financial investors have secured access to the source code so that either (a) they can assume control of business operations and ensure delivery of services to customers or (b) they can transfer the business and source code to another entity who can accomplish the same.