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If you sell or otherwise transfer, or have sold or otherwise transferred, all of your Ordinary Shares, you should send this Circular (but not the personalised Form of Proxy) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. This Circular should not be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction. If you receive this Circular as a purchaser or transferee, please contact the Registrar for a personalised Form of Proxy.

This Circular has been prepared for the purposes of complying with English law and the Listing Rules and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of other jurisdictions outside the United Kingdom.

The distribution of this Circular together with the accompanying Form of Proxy in or into certain jurisdictions other than the United Kingdom may be restricted by law. No action has been or will be taken to permit the possession or distribution of this Circular or the accompanying documents in any jurisdiction, other than the United Kingdom, where action for that purpose may be required. Accordingly, neither this Circular nor any accompanying documents may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Circular and any accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction.

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## **Aptitude Software Group plc**

*(Incorporated and registered in England and Wales with registered number 01602662)*

### **Proposed Disposal of Microgen Financial Systems and Notice of General Meeting**

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This document is not a prospectus but a shareholder circular. This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, or subscribe for, sell, otherwise dispose of or issue any securities or a solicitation of any offer or invitation to purchase, otherwise acquire, or subscribe for, sell, otherwise dispose of or issue any securities.

**This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of Aptitude Software Group plc which is set out in Part I (*Letter from the Chairman of Aptitude Software Group plc*) of this Circular in which the Board unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting referred to below and sets out certain information relating to the Disposal.**

**Your attention is also drawn to Part II (*Risk Factors*) of this Circular, which sets out and describes certain risks that Shareholders should carefully consider when deciding whether or not to vote in favour of the Resolution to be proposed at the General Meeting.**

**Capitalised terms used in this Circular have the meanings ascribed to them in Part VII (*Definitions*) of this Circular.**

Notice of the General Meeting of the Company to be held at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ at 9.30 am on 24 June 2019 is set out at the end of this Circular. The Form of Proxy to be used in connection with the Resolution to be proposed at the General Meeting is enclosed.

**A summary of the action to be taken by Shareholders in relation to the General Meeting is set out in paragraph 10 of the letter from the Chairman of the Company set out in Part I (Letter from the Chairman of Aptitude Software Group plc) of this Circular and in the accompanying Notice of General Meeting.** Whether or not you intend to attend the General Meeting in person, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by the Company's Registrar, Link Asset Services, PXS1 The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible but in any event to be received by the Registrar by no later than 9.30 am on 20 June 2019 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction (in accordance with the procedures set out in the CREST Manual) to the Registrar, under CREST participant ID number RA10. Alternatively, you may give proxy instructions by logging onto [www.euroclear.com](http://www.euroclear.com) and following the instructions. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by no later than 9.30 am on 20 June 2019 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Completion and return of a Form of Proxy, the giving of a CREST Proxy Instruction or the completion of a proxy form online will not preclude Shareholders from attending and voting in person at the General Meeting, or any adjournment thereof, (in each case, in substitution for their proxy vote) if they wish to do so and are so entitled.

This document is a circular relating to the Disposal which has been prepared in accordance with the Listing Rules. This Circular has been approved by the FCA.

Investec Bank plc, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority, is acting as sponsor, corporate broker and financial adviser exclusively for the Company in connection with the Disposal and/or other matters set out in this document and for no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of Investec nor for providing any advice in relation to the Disposal or the contents of this Circular or any transaction, arrangement or matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, neither Investec nor any of its affiliates (or any of their respective associates, directors, officers, employees or advisers) accept any responsibility whatsoever and makes no representation or warranty, express or implied, for or in respect of the contents of this Circular, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, and nothing in this Circular is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or future. Investec and its affiliates accordingly disclaims, to the fullest extent permitted by law, all and any responsibility and liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Circular or any such statement.

**THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS, HER OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL FINANCIAL OR TAX ADVICE.**

Any reproduction or distribution of this Circular, in whole or in part, and any disclosure of its contents or use of any information contained in this Circular for any purpose other than considering the Disposal is prohibited.

The delivery of this Circular shall not imply that there has been no change in the Company's affairs or that the information set forth in this Circular is correct as at any date subsequent to the date hereof.

To the extent that any document or information incorporated by reference or attached to this Circular itself incorporates any document or information by reference, either expressly or impliedly, such document or information will not form part of this Circular, except where such document or

information is stated within this Circular as specifically being incorporated by reference or where this Circular is specifically defined as including such document or information. Without prejudice to the documents or information incorporated by reference into this Circular, the contents of the website of the Company, and any website directly or indirectly linked to that website, do not form part of this Circular and should not be relied upon.

**This Circular is dated 5 June 2019**

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## GENERAL INFORMATION

### 1. Introduction

The contents of this document should not be construed as legal, business or tax advice. This document is for information only and nothing in this document is intended to endorse or recommend a particular course of action. Each Shareholder should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

### 2. Financial Information

Unless otherwise stated:

- a) financial information relating to Aptitude has been extracted without material adjustment from the audited consolidated financial statements of the Company; and
- b) financial information relating to Microgen Financial Systems, unless otherwise stated, has been extracted without material adjustment from Part III (*Historical Financial Information Relating to Microgen Financial Systems*).

Unless otherwise indicated, financial information in this document has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations issued by the International Financial Reporting Interpretations Committee published by the International Accounting Standards Board as adopted by the European Union, and in pounds sterling.

In this document, any reference to ‘*pro forma*’ financial information is to information which has been extracted without material adjustment from the unaudited *pro forma* financial information contained in Part IV (*Unaudited Pro Forma Financial Information*) of this document.

The unaudited *pro forma* financial information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation. It does not, therefore, represent Aptitude Group’s actual financial position.

### 3. Information on Risk Factors

The risk factors set out in Part II (*Risk Factors*) of this document are those material risk factors of which the Directors are aware. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties relating to the Disposal. Additional risks and uncertainties that are not at present known to the Directors, or that the Directors currently deem immaterial, may also have a material and adverse effect on the Group’s business, financial condition, results of operations and prospects.

### 4. No Profit Forecast

Unless stated otherwise, no statement in this document or incorporated by reference into this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or less than those for the preceding or any other financial period.

### 5. Forward-Looking Statements

This Circular (including the information incorporated by reference into this Circular) includes statements (including those in Part II (*Risk Factors*)) that are, or may be deemed to be, “forward-looking statements”. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “predicts”, “projects”, “anticipates”, “targets”, “risk”, “aims”, “assumes”, “positioned”, “continues”, “expects”, “intends”, “hopes”, “may”, “will”, “shall”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology that are predictions of or indicate future events and/or future trends or identify forward-looking statements.

These forward-looking statements include all matters that are not current or historical facts. They appear in a number of places throughout this Circular and include, but are not limited to, statements regarding the Directors’, the Group’s and/or the Company’s intentions, beliefs or current expectations concerning, amongst other things, the Group’s operational results, financial condition, prospects, growth, dividend policy, strategies and the industries in which the Group operates, and the financial effect of the proposed Disposal of Microgen Financial Systems on the Group.

Shareholders should not place undue reliance on forward-looking statements (which speak only as of the date of this Circular) because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the control of the Group. By their nature, forward-looking statements involve risk and uncertainty because such statements relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not indicative of future performance; the actual results of operations and financial condition of the Group, and the development of the industries in which the Group operates, may differ materially from those described in or suggested by the forward-looking statements contained in this Circular. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: conditions in the markets; the market position of the Group; earnings, financial position, cash flows, return on capital and operating margins of the Group; anticipated investments and capital expenditures of the Group; industry trends; changing business or other market conditions; competition and changes in business strategy; and general economic and business conditions. These and other factors (including those described in Part II (*Risk Factors*) of this Circular) could adversely affect the outcome and financial effects of the plans and events described herein.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that the Company, or persons acting on its behalf, may issue.

Forward-looking statements contained in this Circular based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future and no forward-looking statement contained in this Circular is intended to provide any representation, assurance or guarantee as to future events or results.

The Company will comply with its obligations to publish updated information as acquired by the FSMA, the Listing Rules and/or the Disclosure Guidance and Transparency Rules or otherwise by law and/or by any regulatory authority, but assumes no further obligation to publish additional information. Subject to any requirement under the Listing Rules, the Disclosure Guidance and Transparency Rules or other applicable legislation or regulation, the Company will not (and expressly disclaims any undertaking or obligation to) publicly release any revisions it may make to any forward-looking statements or other information that may occur due to any change in its expectations or to reflect events or circumstances after the date of this Circular.

Shareholders should note that this section is not intended to qualify the statement as to working capital set out in paragraph 12 of Part VI (*Additional Information*) of this Circular.

## **6. Market data**

Where information contained in this document has been sourced from a third party, Aptitude and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **7. Rounding**

Certain figures included in this document and in the information incorporated by reference into this document have been subject to rounding adjustments. Accordingly, discrepancies in tables between the totals and the sums of the relevant amounts is due to rounding. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

## **8. Time**

All references in this document to time are to time in the United Kingdom unless stated.

## **9. Definitions**

Capitalised terms used in this document have the meanings ascribed to them in Part VII (*Definitions*) of this document.

**10. No incorporation of website**

Neither the contents of the Company's website nor of any website accessible via hyperlinks from the Company's website are incorporated into, or form part of, this document and Shareholders and prospective investors should not rely on them.

## COMPANY DETAILS AND ADVISERS

Directors	Ivan Martin ( <i>Non-Executive Chair</i> ) Tom Crawford ( <i>Chief Executive Officer, Aptitude Software</i> ) Philip Basil Wood ( <i>Chief Financial Officer &amp; Acting Chief Executive Officer, Microgen Financial Systems</i> ) Peter Frederick Whiting ( <i>Non-Executive Director</i> ) Barbara Jane Moorhouse ( <i>Non-Executive Director</i> )
Company Secretary	Georgina Holly Sharley
Registered office	Old Change House 128 Queen Victoria Street London EC4V 4BJ
Financial Adviser, Corporate Broker and Sponsor	Investec Bank plc 30 Gresham Street London EC2V 7QP
Legal Advisers to the Company	DLA Piper UK LLP 160 Aldersgate Street London EC1A 4HT
Legal Advisers to the Sponsor	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF
Auditors and Reporting Accountant	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Registrar	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU



## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<u>Event</u>	<u>Date</u>
Announcement of the Disposal	30 May 2019
Publication of this Circular	5 June 2019
Latest time and date for receipt of Forms of Proxy or transmission of an electronic proxy or CREST proxy instruction	9.30 am on 20 June 2019
General Meeting	9.30 am on 24 June 2019
Expected date for Completion of the Disposal (subject to shareholder approval)	28 June 2019
Long-Stop Date	31 July 2019

Note: Each of the times and dates in the above timetable is based on current expectations and may be subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to the FCA and to Shareholders through a Regulatory Information Service (as defined in the Listing Rules) and will be available on Aptitude's website at [www.aptitudesoftwaregroup.com](http://www.aptitudesoftwaregroup.com).

**If you have any queries please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Disposal nor give any financial, legal or tax advice.**

## PART I

### LETTER FROM THE CHAIRMAN OF APTITUDE SOFTWARE GROUP PLC

*(Incorporated and registered in England and Wales with registered number 01602662)*

*Registered office:*  
Old Change House  
128 Queen Victoria Street  
London  
EC4V 4BJ

5 June 2019

*Directors and Officers:*

Ivan Martin	(Non-Executive Chair)
Tom Crawford	(Chief Executive Officer, Aptitude Software)
Philip Basil Wood	(Chief Financial Officer & Acting Chief Executive Officer, Microgen Financial Systems)
Peter Frederick Whiting	(Senior Independent Non-Executive Director)
Barbara Jane Moorhouse	(Non-Executive Director)

Dear Shareholder,

### **Proposed Disposal of Microgen Financial Systems**

#### **1. Introduction**

On 30 May 2019, Aptitude announced that it had entered into an agreement to sell the entire issued share capital of its wholly owned subsidiary, Microgen Financial Systems, to Moscow Bidco Limited, a newly incorporated private limited company controlled by funds advised by Silverfleet Capital Partners LLP (“Silverfleet”) (the “Disposal Agreement”) for an aggregate cash consideration of £51.0 million plus the Daily Amount (the “Disposal”).

Due to its size, the Disposal constitutes a “Class 1” transaction for Aptitude under the Listing Rules and therefore is conditional upon the approval of Shareholders. A General Meeting is to be held at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ at 9.30 am on 24 June 2019 for the purpose of seeking such approval. A notice convening the General Meeting, at which the Resolution will be proposed, is set out at the end of this Circular. The Resolution, being an ordinary resolution, must be passed by a simple majority of votes cast by Shareholders who vote at the General Meeting, either in person or by proxy. The Disposal cannot proceed if the Resolution is not approved.

The purpose of this Circular is to (i) give you further details of the Disposal, including the background to and reasons for it; (ii) explain why the Board considers the Disposal to be in the best interests of the Company and the Shareholders as a whole; (iii) explain the Resolution to be put to Shareholders and convene the General Meeting to obtain Shareholder approval for the Disposal to be held at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ on 24 June 2019; and (iv) recommend that Shareholders vote in favour of the Resolution.

If the Resolution is passed at the General Meeting, Completion of the Disposal is expected to take place on 28 June 2019.

**Shareholders should read the whole of this Circular and not only rely on the information set out in this letter.**

#### **2. Background to and reasons for the Disposal**

Aptitude is a leading provider of business-critical software and services in a number of sectors including banking, insurance, telecommunications, and wealth management.

Aptitude has continued to develop the Group’s activities as two separate business units:

- the Aptitude Software business with its suite of specialised applications which enable finance functions to comply with complex regulations and/or provide financial insight and control to their organisations; and
- the Microgen Financial Systems business, which provides software and services primarily focused across the financial services industry:
  - Microgen 5Series, its key product in the Trust & Fund Administration (“T&FA”) sector, addresses the core operational and regulatory requirements of a number of organisations including trust administrators, fiduciary companies, corporate services providers and fund administrators; and
  - Application Management, covering a range of MFS Group-owned and third party systems principally focused on the financial services industry.

Historically both businesses benefitted from the combined financial and organisational scale of the Group. The Aptitude Software business leveraged the more established corporate credentials of the wider Group when securing new business contracts with prospects for whom the corporate strength of a key supplier is a material consideration. With the growth experienced by Aptitude Software in recent years this benefit has reduced materially as demonstrated by Aptitude Software’s 2018 revenue of £52.3 million being significantly ahead of the Group’s total revenue in earlier years (for example, in 2013 the Group’s revenue was £29.8 million of which Aptitude Software represented £14.7 million). The second key historical benefit from the combined financial and organisational scale of the Group were the operational synergies focused principally on back office administration.

In recent years these synergies have largely been reduced as the finance, legal and human resources functions have been embedded into each business unit separately, to provide greater and more tailored support for their growth.

The Disposal is a major milestone in the Group’s long term strategy of creating two independent software businesses which benefit from recurring revenues, and the start of a new era which sees the Aptitude Software business become the total focus of the Group.

Aptitude announced on 25 March 2019 that it had concluded that a demerger of the Microgen Financial Systems business on to AIM will enhance the Group’s ability to allocate capital and management attention on the higher growth Aptitude Software business, whilst also providing the Microgen Financial Systems business with the ownership environment for it to successfully pursue its own independent growth strategy focusing on its specialist target market and servicing its international customer base. The Aptitude Board considers that the benefits to Aptitude of a demerger also apply to Aptitude in the case of the Disposal.

Following the announcement on 25 March 2019, discussions have been held with Silverfleet in respect of the potential acquisition of Microgen Financial Systems and on 30 May 2019 Aptitude announced that it had entered into an agreement to sell the entire issued share capital of Microgen Financial Systems to the Purchaser for an aggregate cash consideration of £51.0 million plus the Daily Amount. The Board believes that this is a fair value for the business, which recognises Microgen Financial Systems’ market position, track record of organic growth and positive cash characteristics.

Furthermore, the Board of Aptitude believes that the Disposal provides certainty over the crystallisation of the value of Microgen Financial Systems without the longer timeframe and risk associated with the previously announced demerger process.

### **3. Key terms of the Disposal**

The Company has agreed to dispose of Microgen Financial Systems to the Purchaser for total consideration of £51.0 million plus the Daily Amount, the entirety of which will be paid in cash at Completion. The final consideration is subject to the adjustments and provisions described below in respect of the locked box.

The Disposal Agreement between Aptitude and the Purchaser was entered into on 29 May 2019. A summary of the principal terms of the Disposal is set out in Part V (*Principal Terms of the Disposal*) of this Circular.

The Disposal Agreement also contains customary locked box provisions which apply for the period between 31 December 2018 and the date of Completion to prevent unapproved value being

transferred from the MFS Group to the Aptitude Group in that period and to appropriately allocate the costs and expenses which are incurred or paid by the Aptitude Group but are recharged to the MFS Group in the conduct of its business.

The Disposal is conditional upon the passing of the Resolution by Shareholders at the General Meeting. The Disposal will not proceed unless the Resolution is passed.

**Information on Microgen Financial Systems**

Microgen Financial Systems’ key product in the T&FA sector is Microgen 5Series, which addresses the core operational and regulatory requirements of a number of organisations including trust administrators, fiduciary companies, corporate services providers and fund administrators. In addition to Microgen Financial Systems’ T&FA operations, revenue is generated from the Application Management business covering a range of MFS Group-owned and third party systems principally focused on the financial services industry.

Revenues are generated through a combination of software licence fees (primarily annual recurring licences), software maintenance/support fees and professional services.

In the financial year ended 31 December 2018, Microgen Financial Systems generated revenues of £18.0 million (or, adjusting for the disposal of the Payments business, £17.3 million) and Adjusted Operating Profit of £7.0 million (or, adjusting for the disposal of the Payments business, £6.5 million) and statutory profit before taxation of £9.1 million (benefitting from a £3.2 million gain on the disposal of the Payments business). As at 31 December 2018, Microgen Financial Systems had gross assets of £41.1 million.

Part III (*Historical Financial Information Relating to Microgen Financial Systems*) of this Circular provides further financial information relating to Microgen Financial Systems.

**Information on the Aptitude Group**

Following Completion, the Aptitude Group will consist of the Aptitude Software business with its suite of specialised applications which enable finance functions to comply with complex regulations and/or provide financial insight and control to their organisations.

Key products include:

<b>Product</b>	<b>Description</b>
Aptitude Insurance Calculation Engine (“AICE”)	AICE allows insurers to address the requirements of IFRS 17, an accounting standard focused on insurance contracts effective for accounting periods commencing on or after 1 January 2022.
Aptitude Lease Accounting Engine (“ALAE”)	ALAE addresses the requirements of IFRS 16 / ASC 842, the leasing accounting standards effective for accounting periods commencing on or after 1 January 2019.
Aptitude Revenue Recognition Engine (“ARRE”)	ARRE addresses the requirements of IFRS 15 / ASC 606 the revenue accounting standards first effective for accounting periods commencing on or after 1 January 2018.
Aptitude RevStream	Aptitude RevStream is a cloud-enabled application that provides broad revenue management capability including regulatory compliance.
Aptitude Accounting Hub (“AAH”)	AAH is a high volume operational accounting platform and sub-ledger that centralises control, improves reporting and generates a rich foundation of contract level finance and accounting data.

The business generates revenue from its software through a combination of licence fees (primarily annual recurring licences), software maintenance/support, software subscriptions for its cloud-based offerings and implementation and other support services.

Development continues to be performed principally at the Aptitude Technology Centre in Poland with sales, support and implementation services provided from Aptitude Software’s London headquarters in addition to the North American and Singaporean offices.

Aptitude's strategy is, and following the Disposal will be, to continue to drive growth in revenues from its specialised financial management software applications and associated services. Aptitude's particular focus for 2019 is the continuing opportunity for the Aptitude Insurance Calculation Engine.

Following Completion of the Disposal, Philip Wood (currently Chief Financial Officer of Aptitude and Acting Chief Executive Officer of Microgen Financial Systems) will remain with the Aptitude Group and his role will revert to that of Chief Financial Officer. The Board of Directors of Aptitude will be unchanged following the Disposal.

#### **4. Use of Proceeds and Financial effects of the Disposal on the Aptitude Group**

##### *Use of Proceeds*

The Net Cash Proceeds arising from the Disposal are expected to be approximately £48.4 million (assuming a 28 June 2019 Completion and the deduction of fees associated with the Disposal and the demerger process (which has been run in parallel with the Disposal in order to fulfil Aptitude's commitment to the demerger)).

The Board intends that the Company will return a significant majority of the Net Cash Proceeds to Shareholders, unless more value creating opportunities arise and subject to prevailing market conditions.

In determining the optimal route to return a significant majority of the Net Cash Proceeds and the timescale to do so, the Board will consider a number of factors, including the scale of the proceeds to be returned and the balance of Shareholder preference.

Discussions with the Company's relevant stakeholders will be conducted and it is envisaged that, shortly following Completion, full details of the proposed return of proceeds will be made available to Shareholders and, if necessary, a general meeting will be convened to seek Shareholder approval for the return of proceeds.

##### *Financial effects of the Disposal on the Aptitude Group*

In the financial year ended 31 December 2018, Microgen Financial Systems contributed revenue of £18.0 million to the Group's revenue of £70.3 million and Adjusted Operating Profit of £7.0 million to the Group's Adjusted Operating Profit of £15.7 million, a contribution which will be lost following Completion of the Disposal. Furthermore, cash held within MFS Group at 30 April 2019, after adjustment for expected transfers within the current Group prior to Completion, was £2.6 million.

In addition, in the financial year ended 31 December 2018, Aptitude incurred £1.6 million of 'group costs' (before non-underlying items), these costs are separately disclosed within Aptitude's audited consolidated financial information and not allocated to either Aptitude Software or Microgen Financial Systems ("Group Costs"). Group Costs include expenditure in relation to a number of the Directors and other costs associated with a publicly listed group of companies. Following the Completion of the Disposal, Group Costs will be solely borne by the Aptitude Group with minimal cost savings. Furthermore, following the Completion of the Disposal it is anticipated that there will be a non-material increase in the operating costs of Aptitude Software following the loss of synergies currently benefitting the Aptitude Group, principally in relation to the provision of information technology.

The Board expects a substantial shareholding exemption to be applicable to the Disposal which would mean a de-grouping charge under the Taxation of Chargeable Gains Act 1992 would not arise, and the Disposal therefore would not have a tax impact on the Aptitude Group.

The financial information in this paragraph 4 has been extracted without material adjustment from the financial information contained in Part III (*Historical Financial Information Relating to Microgen Financial Systems*) of this Circular or the consolidated financial statements of the Aptitude Group. The effects of the Disposal upon the net assets of Aptitude are set out in Part IV (*Unaudited Pro Forma Financial Information*) of this Circular.

#### **5. Current trading, financial position and future prospects of the Group**

On 21 May 2019, the date of its annual general meeting, the Company announced the following update to its current trading and prospects:

*“The Board is pleased to confirm that the Group, with its two software businesses (Aptitude Software and Microgen Financial Systems), has made good progress since the start of the year.*

*Aptitude Software continues to enjoy new business success with its suite of specialised applications which enable finance functions to comply with complex regulations and/or provide financial insight and control to their organisations. Highlights in the first half of the year include further sales of the Aptitude Insurance Calculation Engine, the largest Aptitude RevStream subscription to date and further progress with the Aptitude Lease Accounting Engine. Particularly pleasing are the new business successes with the Aptitude Accounting Hub (‘AAH’) since the start of 2019. AAH is frequently sold in conjunction with one of Aptitude Software’s regulatory focused applications, however, there is a growing opportunity for this application on a standalone basis to provide centralised and granular control generating detailed insights as large enterprises undertake a transformation of their finance organisation to a more agile and forward-looking function (often referred to as ‘Digital Finance’).*

*Microgen Financial Systems is well progressed with a number of material opportunities for Microgen 5Series, an application focused on the Trust & Fund Administration sector. Investment in the organisation continues as planned in order to accelerate Microgen Financial Systems’ growth.”*

## **6. Dividend policy**

The absolute value of the 2019 interim and final dividend is expected to be reduced consistent with the reduction in the profits of the Aptitude Group as a result of the Disposal. Thereafter a progressive dividend policy will be followed by Aptitude.

## **7. Employee share schemes and pensions**

Participants in the Aptitude Share Plans who are employed within the MFS Group will, as a result of the Disposal, have the opportunity to exercise their options. For options granted under the savings related schemes, the extent to which they can be exercised will be restricted to reflect the level of savings accrued to the date of exercise.

Aptitude does not operate any defined benefit pension schemes and only make defined contributions to pension schemes. Those employees who currently benefit from defined contributions and who will be employed within the MFS Group after the Disposal will receive contributions from Microgen Financial Systems going forward.

## **8. Risk factors**

Shareholders should consider fully the risk factors set out in Part II (*Risk Factors*) of this Circular.

## **9. General Meeting**

A notice convening a general meeting of the Company to be held at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ on 24 June 2019 at 9.30 am is set out at the end of this Circular. A Form of Proxy to be used in connection with the General Meeting is enclosed. The purpose of the General Meeting is to seek Shareholders’ approval for the Disposal. The Resolution proposes that the Disposal be approved and that the Directors be authorised to take all steps and enter into all agreements and arrangements necessary or desirable to implement the Disposal. The Disposal will not proceed unless the Resolution is passed.

## **10. Action to be taken**

You will find enclosed with this Circular a Form of Proxy to be used in connection with the General Meeting. It is important to us that our shareholders have the opportunity to vote even if they are unable to come to the General Meeting. If you are unable to come to the General Meeting you can use the enclosed Form of Proxy to nominate someone else to come to the meeting and vote for you (this person is called a proxy). You can, if you wish, nominate me to vote on your behalf in accordance with your instructions. To appoint a proxy you need to send back the Form of Proxy enclosed with this Circular to the Registrar as soon as possible and in any event so as to arrive no later than 9.30 am on 20 June 2019, being 48 hours before the time appointed for holding the General Meeting.

If you hold your Ordinary Shares in uncertificated form (i.e. in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Registrar by no later than 9.30 am on 20 June 2019.

Unless the Form of Proxy or CREST Proxy Instruction is received by the date and time specified above, it will be invalid.

Completing and posting of the Form of Proxy or completing and transmitting a CREST Proxy Instruction will not preclude you from attending and voting in person at the General Meeting if you wish to do so.

#### **11. Additional information**

Your attention is drawn to the additional information contained in Part VI (*Additional Information*) of this Circular.

#### **12. Recommendation**

The Board considers the terms of the proposed Disposal to be in the best interests of Shareholders taken as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings, amounting in aggregate to 798,666 Ordinary Shares, which represent approximately 1.29 per cent. of the total voting rights in the Company.

Yours faithfully,

**Ivan Martin**  
*Chairman*

## PART II

### RISK FACTORS

The following risk factors, which the Directors believe include all known material risks in relation to the Disposal, should be carefully considered by Shareholders, together with all information included or incorporated by reference into this Circular, when deciding what action to take in relation to the Disposal. If any, or a combination, of the following risks actually occurs, the business, financial condition, results of operations or prospects of the Group could be materially and adversely affected.

These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. The risks described below are based on information known at the date of this Circular, but may not be the only risks to which the Group is or might be exposed in connection with the Disposal. Additional risks and uncertainties, that are currently unknown to the Company or that the Company does not currently consider to be material, may materially affect the business of the Group and could have material adverse effects on the business, financial condition, results of operations and prospects of the Group. In such event, the market price of the Ordinary Shares could decline and Shareholders could lose all or part of their investment in such Ordinary Shares.

The order in which the following risk factors are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effect on the Group's, business, financial condition, results, operations, future prospects or the market price of the Company.

Shareholders should read this Circular as a whole and not rely solely on the information set out in this section.

#### **1. MATERIAL RISKS RELATED TO THE DISPOSAL**

##### ***The Disposal may not proceed to Completion***

Completion of the Disposal is conditional upon approval of the Disposal by Shareholders through the passing of the Resolution by the Long-Stop Date. If the Resolution is approved prior to the Long-Stop Date (or such later time as the Company and the Purchaser may agree), the Company will be contractually obliged to proceed to Completion unless the Disposal Agreement is otherwise terminated in accordance with its terms.

In the event that the Resolution is not approved at the General Meeting by the Long-Stop Date (or such later time as the Company and the Purchaser may agree), the Disposal Agreement will automatically terminate. If the Disposal does not complete, the Company will not receive the cash proceeds from the Disposal, and will forgo the other benefits of the Disposal, including enabling the Group to focus solely on the Aptitude Software business. In addition, in the event that the Disposal Agreement terminates the Company will be obliged to pay to the Purchaser up to £0.75 million by way of break fees. If the Disposal does not complete, this may adversely affect the price at which the Company's Ordinary Shares are traded and may affect the Company's ability to deliver shareholder value.

##### ***Exposure to liabilities under the Disposal Agreement***

The Disposal Agreement contains certain warranties and indemnities from the Company in favour of the Purchaser. If the Company should incur liabilities under any of these warranties and/or indemnities, the costs of such liabilities could have an adverse effect on its business, financial condition, results of operations and prospects. The Company's liability under the warranties and indemnities in the Disposal Agreement is subject to financial caps and time limitations. The Disposal Agreement contains customary warranties (subject to customary limitations) along with a smaller number of specific indemnities. Further details of the Disposal Agreement, including the warranties and indemnities and the limitations on the Company's liability in respect thereof, are set out in paragraph 1 of Part V (*Principal Terms of the Disposal*) of this Circular.



***The Company may not realise the cash proceeds from the Disposal if Completion is not achieved***

If the Disposal does not complete the Company will not receive the cash proceeds from the Disposal and consequently the costs incurred by the Company in connection with the Disposal would not be offset by such cash proceeds and the Company will forgo the other benefits of the Disposal including enabling the Group to focus solely on the Aptitude Software business. Costs have been incurred by the Company which will be payable even if Completion does not occur. In addition, the market's perception of a failed disposal could result in a negative impact on the Company's Ordinary Share price.

***Potential inability to realise shareholder value if Completion is not achieved***

The Directors are of the opinion that the Disposal is in the best interests of the Shareholders as a whole and currently provides the best opportunity for the Company to realise an attractive and certain value for Microgen Financial Systems. If the Disposal does not complete, the Group's ability to realise equivalent or additional tangible Shareholder value from Microgen Financial Systems may be delayed or prejudiced, there is no assurance that the Company would be able to dispose of Microgen Financial Systems at a later date, in favourable or equivalent market circumstances, or to dispose of Microgen Financial Systems at all and the Company will forgo the other benefits of the Disposal including enabling the Group to focus solely on the Aptitude Software business.

***Disruption to business if Completion is not achieved***

If the Disposal does not proceed, Microgen Financial Systems' management and employees may be affected by perceived uncertainty as regards the future ownership of Microgen Financial Systems, and key management and/or other employees may choose to leave Microgen Financial Systems. Customer and supplier sentiment may also be negatively affected, which could have a negative impact on the performance of Microgen Financial Systems under the Company's ownership. The Company may be required to allocate additional time and resources to the on-going supervision and development of Microgen Financial Systems. This may limit the management and financial resources available to the rest of the Group which could have an adverse affect on the Group's business, financial condition and results of operations.

***Unexpected costs of business separation***

The process of separating the MFS Business from the Group will involve the separation of a number of business systems. On or prior to Completion, the Company and Microgen Financial Systems will enter into a Transitional Services Agreement, in respect of services including tax services, financial reporting services, IT transition project services, company secretarial services, access to software and use of office space, further details of which are set out in section 2 of Part V (*Principal Terms of the Disposal*) of this document.

The Aptitude Group could incur unexpected additional costs and/or adverse impacts on the functioning of its business as a result of the separation process and/or fulfilment of its obligations under the Transitional Services Agreement, which could adversely affect its financial condition and results of operations. The liability of each party under the Transitional Services Agreement is limited in aggregate to £250,000, with limited exceptions in relation to certain provisions on intellectual property, employee transfer, confidentiality and matters which require third party consent (in addition to customary exclusion such as personal injury) as further described in section 2(f) of Part V (*Principal Terms of the Disposal*) of this Circular. Any claims against Aptitude under the terms of the Transitional Services Agreement could adversely affect its financial condition and results of operations. Aptitude's management may be required to allocate additional time and resources to the separation and to ensuring that the Aptitude Group's obligations under the Transitional Services Agreement are fulfilled. This may limit the management and the financial resources available to the Aptitude Group, potentially to the detriment of the Aptitude Group's overall operational and financial performance.

## **2. RISKS RELATING TO THE APTITUDE GROUP**

***The Aptitude Group could experience exposure to operational issues under the Transitional Service Agreement***

In connection with the Disposal, Aptitude and Microgen Financial Systems will enter into the Transitional Services Agreement which will provide for the performance of certain services or

obligations for the benefit of each other for a transitional period following the Disposal. The durations of such transitional periods vary depending on the service concerned with initial service terms for the various separate services from the Aptitude Group to Microgen Financial Systems of either up to 31 December 2019, 30 June 2020 or the one year anniversary of signature of the Transitional Services Agreement. If a service is extended beyond its initial service term the parties will agree the appropriate charges. The services from the Microgen Financial Systems to the Aptitude Group have an initial term of up to 30 June 2020. If any party is unable to satisfy its obligations under such agreements in a timely manner or at all, or if such agreements fail to provide for or cover certain essential services needed by any party during the transitional period, the Aptitude Group or the MFS Group could experience operational difficulties or losses that could have a material adverse effect on its business, financial performance, results of operations and prospects.

***Aptitude Group's operations will be dependent on its retained business and will have a reduced income stream***

Following the Disposal, the Aptitude Group will no longer own the companies and assets that comprise the MFS Group and will no longer receive the contribution that Microgen Financial Systems currently makes to the consolidated trading profit of the Group. Accordingly, the Aptitude Group will be smaller and less diversified than it is currently. As a result of the reduction in the Aptitude Group's size, should any part of its business underperform, this may have a larger relative impact on the Aptitude Group than it would have done prior to the Disposal. Cash flows from the Microgen Financial Systems business have assisted the Company in respect of raising capital for capital investments/expenditure and following Completion, the Aptitude Group will no longer have the benefit of that cash flow which may mean, consistent with its smaller size, the overall amount of any future debt or equity financing which the Aptitude Group may obtain may be less, and the terms less favourable, or make it more difficult to obtain than if the Disposal had not occurred. In addition, this reduced income stream could impact the Company's ability to fund other operations or to pay a dividend to Shareholders. Microgen Financial Systems currently generates revenues and profits from a market distinct from those in which the Aptitude Group operates. Following Completion, the Company will have a less diversified business and will be more exposed to any risks associated with such business. Any deterioration in the Aptitude Group's markets would have a more pronounced negative effect on the Aptitude Group's business, financial condition, results of operations and prospects than before Completion and the resulting loss of diversification of the business.

***The sentiments of the stock market regarding the Disposal may cause volatility in the share price of the Company***

The value of an investment in the Company may go down as well as up and can be highly volatile. The price at which the Ordinary Shares may be quoted and the price at which investors may realise their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and some which may affect the industries in which the Group operates as a whole, other comparable companies or publicly traded companies as a whole. The sentiments of the stock market regarding the Disposal will be one such factor and this, together with other factors, including the actual or anticipated fluctuations in the financial performance of the Group and its competitors, market fluctuations, and legislative or regulatory changes in the industries in which the Group operates, could lead to the market price of the Ordinary Shares going up or down.

## PART III

### HISTORICAL FINANCIAL INFORMATION RELATING TO MICROGEN FINANCIAL SYSTEMS

The following historical financial information relating to Microgen Financial Systems has been extracted without material adjustment from Microgen Financial Systems' audited consolidated financial statements for the three years ended 31 December 2018 subject to the notes referred to within the tables.

The financial information in this Part III (*Historical Financial Information Relating to Microgen Financial Systems*) for the three years ended 31 December 2018 has been prepared using IFRS accounting principles used to prepare the consolidated financial statements of Microgen Financial Systems for the year ended 31 December 2018 subject to the notes referred to within the tables.

The financial information contained in this Part III (*Historical Financial Information Relating to Microgen Financial Systems*) of this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and has not been audited. The auditor's reports on Microgen Financial Systems' consolidated financial statements in respect of the three years ended 31 December 2018 were unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

Shareholders should read the whole of this document and not rely solely on the summarised financial information in this Part III (*Historical Financial Information Relating to Microgen Financial Systems*).

## Consolidated Income Statement

	Financial year-ended 31 Dec 2018 £000	Financial year-ended 31 Dec 2017 Restated* £000	Financial year-ended 31 Dec 2017 £000	Financial year-ended 31 Dec 2016 £000
Revenue.....	18,012	18,300	18,300	16,624
Operating costs .....	(11,048)	(10,765)	(10,798)	(9,409)
<b>Operating profit before non- underlying items .....</b>	<b>6,964</b>	<b>7,535</b>	<b>7,502</b>	<b>7,215</b>
Non-underlying items .....	(1,092)	(1,398)	(1,398)	(914)
Gain on disposal of subsidiary .....	3,237	—	—	—
<b>Operating profit .....</b>	<b>9,109</b>	<b>6,137</b>	<b>6,104</b>	<b>6,301</b>
Net finance costs.....	(30)	(203)	(171)	(345)
<b>Profit before tax .....</b>	<b>9,079</b>	<b>5,934</b>	<b>5,933</b>	<b>5,956</b>
Taxation.....	(702)	(388)	(388)	(1,328)
<b>Profit for the year .....</b>	<b>8,377</b>	<b>5,546</b>	<b>5,545</b>	<b>4,628</b>

\* On 1 January 2018, the Group adopted IFRS 9, IFRS 15 and IFRS 16 on a retrospective basis. The financial information for the year ended 31 December 2017 has been restated in the audited consolidated financial statements for the year ended 31 December 2018 for comparative purposes. This restated information is included in this column.

## Consolidated Balance Sheet

31 Dec 2018  
£000

### ASSETS

#### Non-current assets

Property, plant and equipment	1,308
Goodwill	29,006
Intangible assets	6,853
Other long-term assets	258
Deferred tax assets	333
	<hr/>
	37,758

#### Current assets

Trade and other receivables	2,565
Current tax asset	17
Cash and cash equivalents	772
	<hr/>
	3,354

#### Total assets

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41,112

### LIABILITIES

#### Current liabilities

Trade and other payables	(10,929)
Current income tax liabilities	(1,312)
Capital lease obligations	(245)
	<hr/>
	(12,486)

#### Non-current liabilities

Provisions	(132)
Capital lease obligations	(681)
Deferred tax liabilities	(1,437)
	<hr/>
	(2,250)

#### NET ASSETS

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26,376

### SHAREHOLDERS' EQUITY

Share capital	9,500
Retained earnings	16,876
	<hr/>
<b>TOTAL EQUITY</b>	<b>26,376</b>

## PART IV

### UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

The unaudited *pro forma* statement of net assets at 31 December 2018 and the related notes thereto set out in Section A of this Part IV (*Unaudited Pro Forma Financial Information*) have been prepared on the basis of the notes set out below to illustrate the effect of the Disposal on the net assets of the Aptitude Group.

PricewaterhouseCoopers LLP's report on the unaudited *pro forma* statement of net assets is set out in Section B of this Part IV (*Unaudited Pro Forma Financial Information*).

#### **Section A: *Unaudited Pro Forma Statement of Net Assets of the Aptitude Group***

The unaudited *pro forma* statement of net assets set out below has been prepared on the basis set out in the notes below to illustrate the effect of the Disposal on the consolidated net assets of the Aptitude Group had the Disposal occurred on the dates stated below. It has been prepared for illustrative purposes only. Because of its nature, the unaudited *pro forma* statement of net assets addresses a hypothetical situation and, therefore, does not represent Aptitude's actual financial position. It is based on the audited consolidated balance sheet of the Group for the year ended 31 December 2018 contained in the Annual Report 2018 and the audited consolidated balance sheet of Microgen Financial Systems contained in Part III (*Historical Financial Information Relating to Microgen Financial Systems Limited*) of this document and presented in accordance with Aptitude's accounting policies for the year ended 31 December 2018.

The unaudited *pro forma* statement of net assets has been prepared in accordance with Annex II of the Prospectus Directive Regulation and item 13.3.3R of the Listing Rules. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part IV (*Unaudited Pro Forma Financial Information*).

The unaudited *pro forma* statement of net assets at 31 December 2018 gives effect to the Disposal as if it had occurred on 31 December 2018.

All unaudited *pro forma* financial adjustments are directly attributable to the Disposal.

As at 31 December 2018	Adjustments				Pro Forma Note 5 £000
	Aptitude Software Group plc Note 1 £000	Microgen Financial Systems Note 2 £000	Consolidation Adjustments Note 3 £000	Disposal Adjustments Note 4 £000	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment .....	5,417	(1,308)	—	—	4,109
Goodwill .....	48,793	(29,006)	4,000	—	23,787
Intangible assets .....	14,186	(6,853)	—	—	7,333
Other long-term assets .....	1,581	(258)	—	—	1,323
Deferred tax assets .....	1,137	(333)	—	—	804
	<u>71,114</u>	<u>(37,758)</u>	<u>4,000</u>	<u>—</u>	<u>37,356</u>
<b>Current assets</b>					
Trade and other receivables .....	14,675	(2,565)	9	—	12,119
Financial assets – derivative instruments .....	114	—	—	—	114
Current tax asset .....	1,535	(17)	—	—	1,518
Cash and cash equivalents .....	29,186	(772)	—	40,196	68,610
	<u>45,510</u>	<u>(3,354)</u>	<u>9</u>	<u>40,196</u>	<u>82,361</u>
<b>Total assets .....</b>	<b>116,624</b>	<b>(41,112)</b>	<b>4,009</b>	<b>40,196</b>	<b>119,717</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Financial liabilities					
– borrowings .....	2,040	—	—	(2,040)	—
– derivative instruments .....	12	—	—	—	12
Trade and other payables .....	35,484	(10,929)	1,833	796	27,184
Current income tax liabilities .....	489	(1,312)	1,079	—	256
Capital lease obligations .....	1,109	(245)	—	—	864
	<u>39,134</u>	<u>(12,486)</u>	<u>2,912</u>	<u>(1,244)</u>	<u>28,316</u>
<b>Non-current liabilities</b>					
Financial liabilities – borrowing .....	5,818	—	—	(5,818)	—
Provisions .....	424	(132)	—	—	292
Capital lease obligations .....	2,846	(681)	—	—	2,165
Deferred tax liabilities .....	3,582	(1,437)	—	—	2,145
	<u>12,670</u>	<u>(2,250)</u>	<u>—</u>	<u>(5,818)</u>	<u>4,602</u>
<b>NET ASSETS .....</b>	<b>64,820</b>	<b>(26,376)</b>	<b>1,097</b>	<b>47,258</b>	<b>86,799</b>

#### Notes

- The financial information of the Group has been extracted, without material adjustment, from the Annual Report 2018.
- The financial information of Microgen Financial Systems has been extracted, without material adjustment, from the Microgen Financial Systems financial information set out in Part III (*Historical Financial Information Relating to Microgen Financial Systems*).
- Consolidation adjustments arising from the removal of the net assets of Microgen Financial Systems from those of the Group are set out below:
  - On 30 June 2017, Microgen Financial Systems acquired employee contracts from Aptitude Software Services Limited (formerly Microgen Management Services Limited), a fellow member of the Group, for £4.0 million. Goodwill of £4.0 million arose on the acquisition of these employee contracts and is recognised within the net assets of Microgen Financial Systems. This goodwill is eliminated upon consolidation and is therefore not reflected in the net assets of the Group. An adjustment is therefore required to add this goodwill back.
  - Recognised within the net assets of Microgen Financial Systems were trade and other receivables from other members of the Aptitude Group of £9,000 and trade and other payables to other members of the Aptitude Group of £1.833 million. These amounts were eliminated against the corresponding intragroup payables and receivables upon consolidation so were not reflected in the net assets of the Company. An adjustment is therefore required to add these amounts back.
  - By way of a group payment arrangement, the Company makes quarterly corporation tax payments on behalf of all UK entities, including the UK entities of Microgen Financial Systems. At 31 December 2018, certain payments made by the Company on behalf of Microgen Financial Systems had not been allocated against the current income tax liabilities of Microgen Financial Systems because the allocation of these payments across subsidiaries of the Group had not been formally submitted to HM Revenue & Customs. An adjustment has therefore been made to allocate the payments made by the Company on behalf of Microgen Financial Systems of £1.079 million against the current income tax liabilities of Microgen Financial Systems.

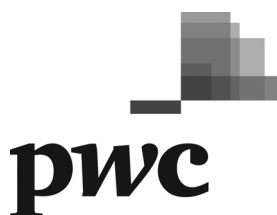
4. The adjustments arising from the Disposal are set out below:
- i. Based on an anticipated Completion date of 28 June 2019, the Company expects to receive approximately £51.4 million of cash proceeds from the Disposal, being the sum of the aggregate cash consideration and the Daily Amount.
  - ii. The Company expects, as of 31 December 2018, to incur remaining transaction fees in connection with the Disposal of £3.0 million.
  - iii. In January 2019, a cash advance of £2.0 million was made by the Company into Microgen Financial Systems to allow for the cancellation of the Group's cash sweeping arrangement.
  - iv. In May 2019, Microgen Financial Systems paid a cash dividend to the Company of £1.0 million in connection with the Disposal.
  - v. In May 2019, Microgen Financial Systems made a cash advance to the Company of £0.796 million in order to settle its financial year 2018 corporation tax liability which is due when the Company submits its group payment arrangement allocation in early 2020.
  - vi. Under the terms of the loan facility agreement with the Governor and Company of the Bank of Ireland dated 21 July 2017, the Company has access to a term loan facility of £10.0 million and a revolving loan facility of £10.0 million. At 31 December 2018, the Company had drawn £8.0 million of the term loan facility and £nil of the revolving loan facility. The term loan facility was secured on the assets of the Group, which included Microgen Financial Systems. The Group repaid the term loan facility in full on 10 May 2019 so that the Disposal can proceed. The carrying value of the loan in Aptitude Software Group plc at 31 December 2018 is shown net of £0.142 million of unamortised prepaid facility agreement fees. On settlement, these fees were recognised in full through the income statement.
  - vii. The net cash inflow/(outflow) from disposal adjustments comprises:

	<b>£000</b>
i. Cash proceeds expected from the Disposal	51,400
ii. Transaction and related costs incurred in connection with the disposal	(3,000)
	48,400
<b><i>Net cash proceeds from Disposal</i></b>	<b><i>48,400</i></b>
iii. January 2019 cash advance made by the Company into Microgen Financial Systems	(2,000)
iv. May 2019 dividend payment from Microgen Financial Systems to Company	1,000
v. May 2019 cash advance from Microgen Financial Systems to Company	796
	48,196
<b><i>Net cash proceeds from Disposal including intragroup adjustments</i></b>	<b><i>48,196</i></b>
vi. Repayment of the term loan facility	(8,000)
	40,196
<b><i>Net cash inflow from disposal adjustments</i></b>	<b><i>40,196</i></b>

5. In preparing the Unaudited *Pro Forma* Statement of Net Assets, no account has been taken of the trading or transactions of the Company or of Microgen Financial Systems.
6. The Board intends that the Company will return a significant majority of the Net Cash Proceeds to Shareholders, unless more value creating opportunities arise and subject to prevailing market conditions. In determining the optimal route to return a significant majority of the Net Cash Proceeds and the timescale to do so, the Board will consider a number of factors, including the scale of the proceeds to be returned and the balance of Shareholder preference.



## Section B: Accountant's opinion on unaudited pro forma financial information



The Directors  
Aptitude Software Group plc  
Old Change House  
128 Queen Victoria Street  
London  
EC4V 4BJ

Investec Bank plc  
30 Gresham Street  
London  
EC2V 7QP

5 June 2019

Dear Sirs

### **Aptitude Software Group plc (the “Company”)**

We report on the unaudited *pro forma* financial information (the “Unaudited *Pro Forma* Financial Information”) set out in section A of Part IV of the Company’s circular dated 5 June 2019 (the “Circular”) which has been prepared on the basis described in the notes to the Unaudited *Pro Forma* Financial Information, for illustrative purposes only, to provide information about how the proposed disposal of Microgen Financial Systems Limited by the Company might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2018. This report is required by item 13.3.3R of the Listing Rules of the UK Listing Authority (the “Listing Rules”) and is given for the purpose of complying with that Listing Rule and for no other purpose.

### **Responsibilities**

It is the responsibility of the directors of the Company to prepare the Unaudited *Pro Forma* Financial Information in accordance with item 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 13.3.3R of the Listing Rules as to the proper compilation of the Unaudited *Pro Forma* Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Unaudited *Pro Forma* Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

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PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited *Pro Forma* Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Unaudited *Pro Forma* Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

### **Opinion**

In our opinion:

- (a) the Unaudited *Pro Forma* Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

PricewaterhouseCoopers LLP  
Chartered Accountants

## PART V

### PRINCIPAL TERMS OF THE DISPOSAL

The following is a summary of the principal terms of the agreements entered or to be entered into in connection with the Disposal:

#### 1. Disposal Agreement

The Company and the Purchaser entered into a Disposal Agreement dated 29 May 2019 governing the terms and conditions of the Disposal which is conditional on Shareholder approval. The Disposal has been structured as an acquisition by the Purchaser of 100 per cent. of the issued share capital of Microgen Financial Systems. The Disposal Agreement provides that, subject to the approval of the Disposal by the Company's Shareholders, the Purchaser will acquire the entire issued share capital of Microgen Financial Systems for a headline value of £51.0 million on a locked box basis plus the Daily Amount.

##### a. Sale and purchase

The Purchaser is under an obligation to purchase, and the Company is under an obligation to sell, 100 per cent. of the issued share capital of Microgen Financial Systems subject to satisfaction of the condition referred to at paragraph c below.

##### b. Cash consideration

The total proceeds to be received by the Company for the Disposal will be £51.0 million, plus an agreed additional profit ticker amount to compensate the Company for the profits of Microgen Financial Systems generated between the date of the Disposal Agreement and Completion ("Daily Amount"), the entirety of which will be paid in cash at Completion.

As is customary for transactions of this nature valued on a locked box basis, the Company will be required to compensate the Purchaser for any unauthorised leakage of value from the MFS Group which has taken place during the period between the date of the locked box accounts, being 31 December 2018 ("Locked Box Date") and the date of Completion.

##### c. Conditions precedent and Completion

Completion of the Disposal is conditional upon approval of the Disposal by the Company's Shareholders through the passing of the Resolution by the Long-Stop Date (or such later date as the Company and the Purchaser may agree) ("Condition").

If the Resolution is approved prior to the Long-Stop Date (or such later time as the Company and the Purchaser may agree), the Company will be contractually obliged to proceed to Completion unless the Disposal Agreement is otherwise terminated in accordance with its terms. Upon Completion, the Company will cease to hold any interest in Microgen Financial Systems.

In the event that the Resolution is not approved at a general meeting of the Company by the Long-Stop Date (or such later time as the Company and the Purchaser may agree), the Disposal Agreement will automatically terminate. If the Disposal does not complete, the Company will not receive the cash proceeds from the Disposal, will forgo the other benefits of the Disposal as detailed in Part I (*Letter from the Chairman of Aptitude Software Group plc*) of this Circular and will become liable to pay the break fee of up to £0.75m detailed in paragraph 1(e).

##### d. Conduct of business

In respect of the period between and including the date of signing of the Disposal Agreement and the earlier of: (i) Completion; or (ii) termination of the Agreement, the Company has provided customary undertakings to the Purchaser in relation to the conduct of Microgen Financial Systems, including restrictions on:

- i. acting outside the ordinary course of business;
- ii. making any material changes to the nature of Microgen Financial Systems' business; and
- iii. undertaking certain actions as specified in the Disposal Agreement.

#### **e. Termination rights**

The Disposal Agreement provides for a Long-Stop Date of 31 July 2019 (which may be extended by agreement of both parties) and will be automatically terminated if Completion has not occurred by that date.

In addition, the Disposal Agreement may be terminated before Completion, subject to certain conditions, by:

- i. the Company, in the event that:
  - a. prior to the Long-Stop Date, satisfaction of the Condition becomes impossible;
  - b. at any time before Completion, there is a breach of the warranties given by the Purchaser relating to the Purchaser's power and ability to enter into and perform the Disposal Agreement;
- ii. the Purchaser, in the event that, at any time before Completion, there is a breach of certain warranties given by the Company relating to the Company's ownership of its shares in Microgen Financial Systems and its power and ability to enter into and perform the Disposal Agreement; or
- iii. either party, in the event that the other fails to comply with its obligations on Completion as set out in the Disposal Agreement.

In the event that the Disposal Agreement terminates due to the Condition not being satisfied by the Long-Stop Date or becoming incapable of being satisfied before then, the Company agrees to pay the Purchaser an amount equal to its costs and expenses incurred in connection with the Disposal up to a maximum sum of £0.75 million (excluding VAT).

#### **f. Protective covenant**

The Disposal Agreement contains certain customary restrictions (subject to certain exceptions) on the Aptitude Group, for a period of 18 calendar months from the date of Completion, which restrict it from:

- i. being engaged, concerned or interested in carrying on any business (in any location in which Microgen Financial Systems carries on business at Completion) which for the time being competes with Microgen Financial Systems ("Competing Business");
- ii. canvassing, soliciting or accepting the custom of any key customer of Microgen Financial Systems for the benefit of any Competing Business;
- iii. contracting or engaging with any key supplier of Microgen Financial Systems for the benefit of any Competing Business and to the detriment of Microgen Financial Systems or seeking to interfere with continued supplies by any key supplier of Microgen Financial Systems; or
- iv. soliciting, employing or engaging or attempting to solicit, employ or engage any senior employee of any MFS Group company.

In addition, the Disposal Agreement contains customary restrictions on the Aptitude Group, which restrict it from using the name 'Microgen' following Completion.

#### **g. Warranties and indemnities**

The Disposal Agreement contains customary warranties (subject to customary limitations) granted by the Company that are normal for this type of transaction (including those based on the outcome of the due diligence exercise undertaken by the Purchaser) in relation to, amongst other things:

- i. its power and ability to enter into and perform the Disposal Agreement;
- ii. the corporate status and financial position of the MFS Group;
- iii. the accuracy of the financial statements of Microgen Financial Systems and the period between the Locked Box Date and the date upon which the Disposal Agreement was entered into; and

- iv. the assets, liabilities and commercial operations of the MFS Group, including in relation to employment and pensions matters, insurance, litigation and compliance with laws, intellectual property, data protection, IT systems, indebtedness and funding, products and licences, and customer and supplier contracts.

In addition, the Disposal Agreement contains customary warranties granted by the Purchaser that are normal for this type of transaction in relation to, amongst other things, its power and ability to enter into and perform the Disposal Agreement.

The Disposal Agreement also contains a small number of specific indemnities which have been agreed between the Purchaser and the Company which are outside of the £1.00 cap as noted at paragraph i. These relate to (i) liabilities incurred in relation to the disposal by the Company of the entire issued share capital of Microgen Banking Systems Limited (which in respect of matters under the sale and purchase agreement relating to the sale of Microgen Banking Systems Limited and the agreed form documents entered into in connection with it ("MBSL SPA") which are capped at the consideration under the MBSL SPA, are capped at £6.9 million and in respect of matters which are uncapped in the MBSL SPA, are capped at the consideration received by the Company pursuant to the Disposal Agreement), (ii) tax in relation to the exercise of share options pursuant to the Aptitude Share Plans by employees of Microgen Financial Systems, and (iii) secondary tax liabilities, each of which are capped at the consideration received by the Company pursuant to the Disposal Agreement.

#### **h. Tax covenant**

The Company has given a tax covenant under which it agrees, subject to certain customary exceptions, to pay to the Purchaser an amount equal to tax which arises in respect of events occurring or income, profits or gains earned, accrued or received on or before Completion.

The tax covenant also includes other customary provisions relating to, amongst other things, conduct in relation to assessments, secondary liabilities and conduct of tax affairs.

#### **i. Liability limitations**

Any warranty claims to be brought under the Disposal Agreement are subject to customary limitations, including a *de minimis* threshold of £52,000, an aggregate claims threshold of £0.52 million, an overall financial liability cap of the consideration received by the Company pursuant to the Disposal Agreement and time limits for bringing a claim. The time limits for bringing claims under the Disposal Agreement are (i) 24 months from Completion in respect of general warranty claims, (ii) the seventh anniversary of Completion in respect of claims in respect of title warranties, (iii) 15 business days after receipt of notice of a claim under the MBSL SPA in respect of indemnity claims relating to the MBSL SPA, (iv) in respect of any other non-tax claims (save for a leakage claim in respect of the locked box) is the first anniversary of the Disposal Agreement, and (v) in respect of claims under the tax warranties and tax covenant is the seventh anniversary of Completion. The aggregate liability of the Company for warranty claims, tax covenant claims and indemnity claims is, subject to certain limited exceptions noted in paragraph g above, capped at £1.00. The specific indemnities noted above are capped as detailed at paragraph g above.

#### **j. Governing law**

The Disposal Agreement is governed by English law.

## **2. Transitional Services Agreement**

### **a. Scope of services**

Aptitude and Microgen Financial Systems have agreed the scope of services that will be provided following Completion by (i) Aptitude Group to Microgen Financial Systems (the "TSA Services") and (ii) Microgen Financial Systems to the Aptitude Group (the "RTSA Services"). The TSA Services shall include tax services, financial reporting services, IT transition project services, company secretarial services, continued access to certain software of the Aptitude Group which contains historic information in respect of the MFS Group and use of London office space by a certain number of Microgen Financial Systems' employees. The RTSA Services include co-operation regarding withholding of tax and payment of proceeds to employees following exercise of share options in Aptitude Group and access to accounts for the purpose of preparation of the audit for

the year ending 31 December 2019. Aptitude has a reasonable endeavours obligation to transfer, assign or separate as soon as practicable those third party contracts relating to IT infrastructure which sit with Aptitude but are for the benefit of the MFS Group.

**b. Service levels / volumes**

The respective provider of services under the Transitional Services Agreement shall perform its services to a standard which is at least as high as the standard to which it provided those services (if relevant) to the service recipient during the twelve month period immediately before the date on which the Transitional Services Agreement is validly executed by the parties to it. The service provider is required to have a disaster recovery plan in place for 3 months post-completion to cover the service recipients IT systems and business infrastructure. In addition, the provider of services shall perform its obligations under the Transitional Services Agreement in accordance with the service recipient's reasonable instructions.

**c. Charges**

The Transitional Services Agreement charges are specified in each of the services schedules contained in the Transitional Services Agreement. At the end of each applicable calendar month, the provider of services shall invoice the agreed charges applicable for the services supplied under the Transitional Services Agreement in that preceding calendar month.

**d. Service terms**

The TSA Services have different pre-determined initial service terms for the various separate services of either up to 31 December 2019, 30 June 2020 or the one year anniversary of signature of the Transitional Services Agreement. If a TSA Service is extended beyond its initial service term the parties will agree the appropriate charges. The RTSA Services have an initial term of up to 30 June 2020.

**e. Third party agreements / consents**

The relevant service provider under the Transitional Services Agreement shall request from any third party any licences, consents, permits, authorisations or other permissions that are required to provide the relevant service. The service provider will be responsible for all fees payable in relation to, and all costs of obtaining such licences, permits, approvals and consents.

**f. Liability caps**

The liability of each party in contract, tort (including negligence or breach of statutory duty) misrepresentation or otherwise under or in connection with the Transitional Services Agreement, is, subject to certain limited exceptions, limited in aggregate to £0.25 million. The limited exceptions which include breach by the parties of intellectual property, employee transfer and confidentiality provisions, or in relation to matters requiring third party consent when such consent is not obtained or complied with, are not included in the £0.25 million cap in addition to certain customary exclusions such as death and personal injury, and are therefore uncapped.

**g. Termination rights**

The Transitional Services Agreement shall terminate automatically on expiry of the last service term for a particular service. The services supplied under the Transitional Services Agreement are to be provided to differing end dates, the latest such end date being the later of 30 June 2020 and the one year anniversary of signature of the Transitional Services Agreement unless otherwise agreed between the parties to the Transitional Services Agreement. The services have differing notice periods as specified in each of the services schedules contained in the Transitional Services Agreement.

In addition, a party may terminate the Transitional Services Agreement with immediate effect by written notice to the other party on the occurrence of one or more of the following events:

- i. the other party commits a material breach of the Transitional Services Agreement which is incapable of, or is capable of remedy but has not been remedied within 30 days of receipt of a written notice;

- ii. in the event of certain insolvency events occurring in respect of a party; or
- iii. due to regulatory requirements.

In addition, the service recipient may, without liability, terminate for convenience any category of services it is receiving by providing at least 90 days' prior written notice to the service provider.

## PART VI

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company and the Directors, whose names are set out in paragraph 3 of this Part VI (*Additional Information*), accept responsibility for the information contained in this Circular. to the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Aptitude details

Aptitude was incorporated and registered in England and Wales on 8 December 1981, with registered number 01602662, as a company limited by shares under the Companies Act 1948 and with the name Highcircle Limited. The Company's name was subsequently changed to Microgen Holdings Limited on 23 December 1982. Aptitude was re-registered as a public limited company, named Microgen Holdings plc, on 7 January 1983. The Company's name was subsequently changed to Microgen plc on 21 May 1999 and changed to Aptitude Software Group plc on 1 April 2019.

Aptitude is domiciled in the United Kingdom and its registered and head office is at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ. The Company's main telephone number is 0203 880 7100.

The principal legislation under which Aptitude operates is the Companies Act 2006.

#### 3. Directors

The Directors of the Company and their positions as at the date of this Circular are as follows:

<i>Name of Director</i>	<i>Position</i>
Ivan Martin	Non-Executive Chair
Tom Crawford	Chief Executive Officer, Aptitude Software
Philip Basil Wood	Chief Financial Officer & Acting Chief Executive Officer, Microgen Financial Systems
Peter Frederick Whiting	Senior Independent Non-Executive Director
Barbara Jane Moorhouse	Non-Executive Director

#### 4. Members of the Board Interests

The direct or indirect interests of Directors, and their respective closely associated persons, in the ordinary share capital of the Company as at 4 June 2019 (being the latest practicable date prior to the date of this Circular), as identified by them pursuant to the Disclosure and Transparency Rules are as follows:

<b>Name of Director</b>	<b>Ordinary Shares Number</b>	<b>Percentage of issued share capital</b>
Ivan Martin	200,000	0.32
Tom Crawford	380,000	0.62
Philip Basil Wood	200,000	0.32
Peter Frederick Whiting	18,666	0.03
Barbara Jane Moorhouse	0	0



Certain members of the Board also have interests in Ordinary Shares as a result of having been granted awards under the Aptitude Share Plans. As at 4 June 2019 (being the latest practicable date prior to the date of this Circular), the following awards have been granted to Directors pursuant to the Aptitude Share Plans:

<b>Name of Director</b>	<b>Description</b>	<b>Awards outstanding</b>	<b>Status</b>
Tom Crawford	2013 conditional Ordinary Shares	172,419	Vested
	2015 conditional Ordinary Shares	150,000	Vested
	2016 conditional Ordinary Shares	217,617	Unvested, subject to performance conditions
	2017 conditional Ordinary Shares	53,287	Unvested, subject to performance conditions
	2018 conditional Ordinary Shares	57,087	Unvested, subject to performance conditions
Philip Basil Wood	2013 conditional Ordinary Shares	172,419	Vested
	2015 conditional Ordinary Shares	150,000	Vested
	2016 conditional Ordinary Shares	191,710	Unvested, subject to performance conditions
	2017 conditional Ordinary Shares	46,485	Unvested, subject to performance conditions
	2018 conditional Ordinary Shares	49,799	Unvested, subject to performance conditions

Other than as disclosed in this paragraph 4 of this Part VI (*Additional Information*) of this Circular and pursuant to the Aptitude Share Plans, there are no other persons to whom any capital of any member of the Group is under option or agreed conditionally or unconditionally to be put under option.

No Director has or has had any interest in any transactions which are or were: (i) unusual in their nature or conditions; or (ii) significant to the business of the Group (or any member of the Group), and which were effected by the Group (or any member thereof) during either: (i) the current or immediately preceding financial year; or (ii) an earlier financial year, and which remain in any respect outstanding or unperformed.

There are no outstanding loans or guarantees granted or provided by any member of the Group to or for the benefit of any Director.

## 5. Major Shareholders

The following table sets out the name of those persons or groups of persons who are directly or indirectly interested in voting rights representing 3 per cent. or more of the total voting rights in respect of the Company's issued ordinary share capital as at 4 June (being the latest practicable date prior to the date of this Circular), insofar as it is known to the Company by virtue of notifications made to it pursuant to Chapter 5 of the Disclosure and Transparency Rules:

Name of Shareholder	Number of Ordinary Shares	Percentage of issued share capital
Merian Global Investors (Previously Old Mutual Plc)	8,438,360	13.67%
Schroders Plc	8,417,087	13.64%
Cannacord Genuity Group Inc	5,881,692	9.53%
Mrs C Barbour, Mr B Barbour & Bank of New York Mellon (Brussels (Pooled))	4,409,689	7.14%
SFM UK Management LLP	3,236,937	5.24%
Invesco Limited	3,104,058	5.03%
BlackRock Investment Mgt	3,074,940	4.98%
Mr LG Crisp and Mrs H Crisp	2,726,602	4.42%
Herald Investment Mgt	1,963,889	3.18%

So far as the Company is aware, the Company is not directly or indirectly owned or controlled by another corporation, any foreign government or any other natural or legal person, severally or jointly.

None of the major Shareholders referred to above have different voting rights from other Shareholders.

## 6. Directors' service agreements and letters of appointment

### a. Executive Directors

Details of the Executive Directors' service agreements are set out below, in relation to the last completed financial year ended 31 December 2018:

Name of Director	Position	Basic Salary	Date of service agreement	Commencement of appointment	Expiry date of service agreement
Tom Crawford	(Chief Executive Officer, Aptitude Software)	£242,050	6 April 2014*	1 January 2016	N/A
Philip Basil Wood	(Chief Financial Officer & Acting Chief Executive Officer, Microgen Financial Systems)	£215,358**	21 October 2006	2 January 2007	N/A

\* Tom Crawford joined the Group in 2003 before joining the Board on 1 January 2016.

\*\* With effect from 29 October 2018 Philip Wood has received a salary supplement of £2,000 per month in respect of his interim appointment as Acting Chief Executive Officer of Microgen Financial Systems which is included in "Basic Salary" above.

In addition to the base salaries referred to in the table above, the Executive Directors are entitled to participate in the Aptitude Share Plans (as detailed in paragraph 4 above) and a management bonus scheme. Note that the base salaries have increased for the current financial year as set out in the annual report for the financial year ended 31 December 2018.

Each of the Executive Directors' appointments are terminable by the Company on six months' notice and with earlier termination for cause. In the event of early termination by the Company, other than for cause, the relevant Executive Director may, subject to a duty to mitigate their loss, be entitled to a payment in lieu of salary of all or any unexpired part of the notice period.

Each Executive Director may terminate their respective appointment upon the giving of not less than 6 months' notice.

Each Executive Director has acknowledged that, due to the nature of their role and particular responsibilities arising as a result of such duties, they have access to confidential information and agree to certain restrictive covenants after termination in order to protect this confidential information.

The Company provides the Executive Directors with access to the Company's pension scheme (or, in Tom Crawford's case, payment of an equivalent pension allowance), life assurance scheme and permanent health insurance plan. Each Executive Director is also entitled to participate in the Company's private medical insurance cover.

#### b. Non-Executive Directors

Details of the Non-Executive Directors's appointments are set out below, in relation to the last completed financial year ended 31 December 2018:

<b>Name of Director</b>	<b>Basic fee</b>	<b>Committee chairperson fee</b>	<b>Senior Independent Director fee</b>	<b>Total</b>	<b>Date of appointment</b>
Ivan Martin	£134,000	—	—	£134,000	1 January 2016
Peter Frederick Whiting	£43,300	£6,700	£5,200	£55,200	2 February 2012
Barbara Jane Moorhouse	£43,300	£7,700	—	£51,000	1 April 2017

The annual fee of each Non-Executive Director is subject to annual review. Peter Whiting receives an additional payment of £6,700 per annum for chairing a Board committee and a further additional payment of £5,200 per annum in respect of his position as senior independent director. Barbara Moorhouse receives an additional payment of £7,700 per annum for chairing a Board committee.

Note that the annual fees have increased for the current financial year as set out in the annual report for the financial year ended 31 December 2018.

Each Non-Executive Director is entitled to all reasonable expenses incurred in the performance of their duties. Non-Executive Directors are not entitled to participate in the Aptitude Share Plans.

Each Non-Executive Director is:

- appointed pursuant to a letter of appointment, the terms of which recognise that their appointment is subject to the Company's articles of association and their service is at the discretion of the Shareholders; and
- appointed for an initial term of three years (subject to re-election at the Company's annual general meeting) and thereafter their appointment is terminable on three months' written notice by either the Company or the relevant Non-Executive Director.

#### 7. Details of key individuals

The following individuals are deemed key to the operation of Microgen Financial Systems:

<b>Name of key individual</b>	<b>Position</b>
Robert Browning	Chief Operating Officer, Microgen Financial Systems
Eileen Jackson	Finance Director, Microgen Financial Systems
Joe Sefton-Jenkins	Chief Technology Officer, Microgen Financial Systems

#### 8. Related party transactions

Save as disclosed on page 125 of the Annual Report 2018, page 115 of the Annual Report 2017 and page 107 of the Annual Report 2016 respectively, each of which is incorporated by reference into this Circular, there are no related party transactions by Aptitude or members of the Group that were entered into during the financial years ended 31 December 2016, 2017 and 2018. There have been no additional related party transactions by any of Aptitude or members of the Group that were entered into during the period between 1 January 2019 and 4 June 2019 (being the latest practicable date prior to the date of this Circular) other than the continuation of the related party transactions disclosed in the Annual Report 2018.

## 9. Material contracts

### a. Material contracts of the Aptitude Group

The following are all of the contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and/or members of the Aptitude Group within the two years immediately preceding the date of this Circular and are, or may be, material to the Company or the Aptitude Group and which contain any provisions under which the Company or any member of the Aptitude Group has any obligations or entitlements which are, or may be, material to the Aptitude Group as at 4 June 2019 (being the latest practicable date prior to the date of this Circular):

#### i. Disposal Agreement

Aptitude and the Purchaser entered into the Disposal Agreement dated 30 May 2019 to effect the Disposal. Please refer to paragraph 1 of Part V (*Principal Terms of the Disposal*) of this Circular for an overview of the key provisions of the Disposal Agreement.

#### ii. Transitional Services Agreement

Aptitude and Microgen Financial Systems shall on or before Completion enter into the Transitional Services Agreement pursuant to which for a transitional period certain transitional services will be provided. Please refer to paragraph 2 of Part V (Principal Terms of the Disposal) of this Circular for an overview of the key provisions of the Transitional Services Agreement.

#### iii. Sponsor Agreement

The Company has engaged Investec as its sponsor in connection with the Disposal pursuant to a sponsor agreement dated 5 June 2019. Pursuant to the Sponsor Agreement:

- Aptitude appoints Investec as sponsor in connection with the Circular, and Investec accepts such appointment;
- Investec has been granted all powers, authorities and discretions which are necessary for or incidental to the performance of its responsibilities under the Listing Rules;
- Aptitude has agreed to deliver certain documents to Investec relating to the Circular and Investec's responsibilities under the Listing Rules;
- Aptitude has given customary representations, warranties, undertakings and indemnities to Investec;
- Investec has the right to terminate the Sponsor Agreement in certain circumstances prior to Admission. These circumstances include: (i) the Circular has become or is discovered to be untrue, inaccurate or misleading in a manner which is material in the context of the Disposal; and (ii) the breach by Aptitude of any of the warranties or undertakings contained in the Sponsor Agreement, where the effect of such breach, in the opinion of Investec (acting in good faith) is material in the context of the Disposal; and
- Aptitude agrees to comply with the Listing Rules and to pay a fee to Investec on terms agreed between Investec and the Company.

#### iv. RevStream Inc merger agreement

Each of Aptitude Software Inc., Aptitude North America, Inc., and Revstream, Inc. entered into an agreement and plan of merger on 31 August 2017 pursuant to which Aptitude North America, Inc. and Revstream, Inc. merged, with Revstream, Inc. surviving as a wholly owned subsidiary of the Company.

The consideration paid to the shareholders of RevStream, Inc. for the entire issued and to be issued shares of RevStream was £9.7 million, comprising £7.7 million paid in cash of which approximately 70% was paid on completion with the remaining 30% payable across the following two-year period. and 421,582 ordinary shares in the Company

(valued at £2.0 million as at 30 August 2017) which will be issued in August 2019. In addition, at completion RevStream had debt and debt-like items of £2.5 million which the Company settled under its ownership.

**b. Material contracts of MFS Group**

The following are all of the contracts (not being contracts entered into in the ordinary course of business) which have been entered into by MFS Group within the two years immediately preceding the date of this Circular and are, or may be, material to MFS Group and which contain any provisions under which the MFS Group has any obligations or entitlements which are, or may be, material to the MFS Group as at 4 June 2019 (being the latest practicable date prior to the date of this Circular):

i. Transitional Services Agreement

Aptitude and Microgen Financial Systems shall on or before Completion enter into the Transitional Services Agreement. Please refer to paragraph 2 of Part V (*Principal Terms of the Disposal*) of this Circular for an overview of the key provisions of the Transitional Services Agreement.

ii. Microgen Banking Systems Limited sale and purchase agreement

Microgen Financial Systems (as seller) and CJJ Investments Limited (as buyer) ("CJJ") entered into a sale and purchase agreement ("Microgen Banking Systems SPA") on 2 July 2018 relating to the disposal of the entire issued share capital of Microgen Banking Systems Limited ("Microgen Banking Systems"). The Microgen Banking Systems SPA is governed by the laws of England and Wales.

Pursuant to the terms of the Microgen Banking Systems SPA, Microgen Financial Systems disposed of 100 per cent. of the entire issued share capital of Microgen Banking Systems for consideration of £6.9 million.

Microgen Financial Systems gave legal, title and commercial warranties to CJJ of a type customary for a transaction of this nature, including in respect of the business of Microgen Banking Systems, accounting and financial matters and assets and property. Microgen Financial Systems International Limited also gave covenants to CJJ not to, for a period of three years from the date of the disposal, engage in certain activities which could be considered to reduce the value or damage the goodwill of Microgen Banking Systems.

In connection with the disposal of Microgen Banking Systems, Microgen Financial Systems and Microgen Banking Systems entered into a transitional services agreement on 2 July 2018 under which Microgen Financial Systems agreed to provide certain services (relating to personnel matters, support management, IT, fiscal and accounting matters and other, ad hoc matters) to Microgen Banking Systems for a term of six months.

**10. Litigation**

**a. Aptitude Group litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Circular which may have, or have had, significant effects on the financial position or profitability of the Company or the Aptitude Group.

**b. MFS Group litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months preceding the date of this Circular which may have, or have had, significant effects on the financial position or profitability of the MFS Group.

## 11. No significant change in the financial or trading position

### a. The Aptitude Group

There has been no significant change in the financial or trading position of the Aptitude Group since 31 December 2018, the date to which the Aptitude Group's last audited consolidated financial information was prepared.

### b. The MFS Group

There has been no significant change in the financial or trading position of the MFS Group since 31 December 2018, the date to which the unaudited financial information on Microgen Financial Systems presented in Part III (*Historical Financial Information Relating to Microgen Financial Systems*) of this Circular was prepared.

## 12. Working capital

The Company is of the opinion that the working capital available to the Aptitude Group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this Circular.

## 13. Consents

Investec Bank plc has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and references to it in the form and context in which they appear.

PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the inclusion in Part IV (*Unaudited Pro Forma Financial Information*) of its report on the unaudited *pro forma* financial information on the Aptitude Group included in Part IV of this Circular in the form and context in which it is included.

## 14. Information incorporated by reference

This document should be read and construed in conjunction with the following documents which have been previously published and filed with the FCA and which shall be deemed to be incorporated into, and form part of, this document. To the extent that any document or information incorporated by reference or attached to this document itself incorporates any document or information by reference, either expressly or impliedly, such document or information will not form part of this document for the purposes of the Listing Rules, except where such document or information is stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such document or information.

Any statement contained in a document which is deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained in this document (or in a later document which is incorporated by reference into this document) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The table below lists the various sections of certain documents which are incorporated by reference into this document in compliance with Listing Rule 13.1.3. The parts of these documents that are not incorporated by reference are either not relevant for investors or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

<b>Reference Document</b>	<b>Information incorporated by reference</b>	<b>Page number(s) in reference document</b>
Annual Report 2016	Note 29 to the audited consolidated financial statements, titled "Related party transactions"	107
Annual Report 2017	Note 28 to the audited consolidated financial statements, titled "Related party transactions"	115
Annual Report 2018	Note 32 to the audited consolidated financial statements, titled "Related party transactions"	125

## **15. Documents available for inspection**

Copies of the following documents may be physically inspected at the Company's registered office, during usual business hours on any weekday (public holidays excepted), from the date of this Circular up to and including the date of the General Meeting, and will also be available for inspection at the General Meeting for at least 15 minutes before the General Meeting and until the General Meeting ends:

- (a) the articles of association of the Company;
- (b) Annual Report 2016, Annual Report 2017 and Annual Report 2018;
- (c) the written consents referred to in paragraph 13 of this Part VI (*Additional Information*);
- (d) the report from PricewaterhouseCoopers LLP set out in Part IV (*Unaudited Pro Forma Financial Information*) of this Circular;
- (e) this Circular and the Form of Proxy; and
- (f) the Disposal Agreement.

**5 June 2019**

## PART VII

### DEFINITIONS

The following definitions apply throughout this Circular unless the context requires otherwise:

Adjusted Operating Profit	statutory operating profit excluding non-underlying operating items
AIM	the Alternative Investment Market, a market operated by the London Stock Exchange plc
Annual Report 2016	the annual report and accounts prepared by the Group for the financial year ended 31 December 2016
Annual Report 2017	the annual report and accounts prepared by the Group for the financial year ended 31 December 2017
Annual Report 2018	the annual report and accounts prepared by the Group for the financial year ended 31 December 2018
Application Management or Application Management business	the part of the Microgen Financial Systems business which provides software and services to a range of Microgen Financial Systems-owned and third party systems principally focused on the financial services industry.
Aptitude or the Company	Aptitude Software Group plc, a public limited company incorporated under the laws of England and Wales with registered number 01602662
Aptitude Technology Centre	the principal development centre for Aptitude Software located in Wroclaw, Poland
Aptitude Group	Aptitude and its subsidiaries and subsidiary undertakings excluding those companies which form part of the MFS Group
Aptitude RevStream	has the meaning given to it in paragraph 3 of the Letter from the Chairman of Aptitude as set out in Part I ( <i>Letter from the Chairman of Aptitude Software Group plc</i> ) of this Circular
Aptitude Share Plans	the Company's 2006 Performance Share Plan, 2016 Performance Share Plan and various share option plans under which the Remuneration Committee can grant options over Ordinary Shares to employees of the Group including the 2016 UK SAYE Scheme and 2016 International SAYE Scheme
Aptitude Software	the division of Aptitude which will be part of the Aptitude Group following Completion of the Disposal
ARRE	has the meaning given to it in paragraph 3 of the Letter from the Chairman of Aptitude as set out in Part I ( <i>Letter from the Chairman of Aptitude Software Group plc</i> ) of this Circular
Board or Directors	the directors of the Company whose names are set out in paragraph 3 of Part VI ( <i>Additional Information</i> ) of this Circular
Chairman	Ivan Martin, the Chairman of the Company
Circular or this document	the document dated 5 June 2019, comprising a circular relating to the Disposal (together with any supplements or amendments)
CJJ	has the meaning given to it in paragraph 9.b.iii of Part VI ( <i>Additional Information</i> ) of this Circular
Competing Business	has the meaning given to it in paragraph 1(f)(i) of Part V ( <i>Principal Terms of the Disposal</i> )
Completion	completion of the Disposal on the terms of the Disposal Agreement



Condition	has the meaning given to it in paragraph 1(c) of Part V ( <i>Principal Terms of the Disposal</i> ) of this Circular
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure, CREST Glossary of Terms and CREST Terms and Conditions (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since)
CREST Proxy Instruction	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of an Shareholder at the General Meeting and containing the information required to be contained in the CREST Manual
CREST	the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear is the operator
Daily Amount	has the meaning given to it in paragraph 1(b) of Part V ( <i>Principal Terms of the Disposal</i> ) of this Circular
Disclosure Guidance and Transparency Rules	the Disclosure Guidance and Transparency Rules made by the FCA under section 73A of FSMA 2000, as amended from time to time
Disposal	has the meaning given to it in paragraph 1 of the letter from the Chairman of Aptitude Software Group plc as set out in Part I ( <i>Letter from the Chairman of Aptitude Software Group plc</i> ) of this Circular
Disposal Agreement	has the meaning given to it in paragraph 1 of the letter from the Chairman of Aptitude Software Goup plc as set out in Part I ( <i>Letter from the Chairman of Aptitude Software Group plc</i> ) of this Circular
Executive Directors	the executive directors of the Company as at the date of this Circular
FCA	the Financial Conduct Authority
Form of Proxy	the form of proxy relating to the General Meeting being sent to Shareholders with this Circular
FSMA	the Financial Services and Markets Act 2000, as amended from time to time
General Meeting	the General Meeting of Shareholders of the Company to be held at 9.30 am on 24 June 2019 at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ (and any adjournment thereof) for the purposes of considering and, if thought fit, approving the Resolution
Group	in respect of any time prior to the Disposal, the Aptitude Group and the MFS Group and in respect of any time following Completion of the Disposal, the Aptitude Group
Group Costs	has the meaning given to it in paragraph 4 of the letter from the Chairman of Aptitude as set out in Part I ( <i>Letter from the Chairman of Aptitude Software Group plc</i> ) of this Circular
HMRC	HM Revenue and Customs
IFRS	has the meaning given to it in paragraph 2 of the General Information section of this Circular

Investec	Investec Bank plc, a public limited company incorporated under the laws of England and Wales with registered number 00489604
Listing Rules	the listing rules made by the FCA under section 73A of FSMA 2000
Loan Agreement	has the meaning given to it in paragraph 9.a.v of Part VIII ( <i>Additional Information</i> ) of this Circular
Locked Box Date	has the meaning given to it in paragraph 1(b) of Part V ( <i>Principal Terms of the Disposal</i> )
Long-Stop Date	31 July 2019
MFS Group	the companies operating the MFS Business from time to time which includes Microgen Financial Systems and its subsidiaries and subsidiary undertakings
MFS Business	the business of providing software and services primarily focused across the financial services industry which is currently carried on within the Group by Microgen Financial Systems Limited and its subsidiaries and subsidiary undertakings and which is proposed to be sold in accordance with the Disposal Agreement with effect from Completion
Microgen 5Series	the principal product of Microgen Financial Systems
Microgen Banking Systems	has the meaning given to it in paragraph 9.b.ii of Part VI ( <i>Additional Information</i> ) of this Circular
Microgen Banking Systems SPA	has the meaning given to it in paragraph 9.b.ii of Part VI ( <i>Additional Information</i> ) of this Circular
Microgen Financial Systems	Microgen Financial Systems Limited, a private limited company incorporated under the laws of England and Wales with registered number 03188002
Net Cash Proceeds	the estimated aggregate cash consideration due to the Company under the Disposal Agreement assuming Completion on 28 June 2019 less estimated fees associated with the Disposal and the previously announced demerger process
Non-Executive Directors	the non-executive directors of the Company as at the date of this Circular
Notice of General Meeting	the notice of the General Meeting contained in this Circular
Ordinary Shares	ordinary shares of six and three sevenths ( $6\frac{3}{7}$ ) pence each in the capital of the Company
Payments business	the business sold by Microgen Financial Systems on 2 July 2018
Purchaser	Moscow Bidco Limited, a private limited company incorporated under the laws of England and Wales with registered number 12003494
Registrar	the Company's Registrar, Link Asset Services of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
Remuneration Committee	the remuneration committee of the Company from time to time
Resolution	the resolution required to give effect to the Disposal to be proposed at the General Meeting and set out in the Notice of General Meeting
Shareholder	a holder of Ordinary Shares

Silverfleet	has the meaning given to it in paragraph 1 of the letter from the Chairman of Aptitude Software Group plc as set out in Part I ( <i>Letter from the Chairman of Aptitude Software Group plc</i> ) of this Circular
Sponsor Agreement	the agreement dated 5 June 2019 entered into between Investec and the Company, as further described in paragraph 9.a.iii of Part VI ( <i>Additional Information</i> ) of this Circular
T&FA	has the meaning given to it in paragraph 2 of the Letter from the Chairman of Aptitude Software Group plc as set out in Part I ( <i>Letter from the Chairman of Aptitude Software Group plc</i> ) of this Circular
Transitional Services Agreement	the transitional services agreement to be entered into between the Company and Microgen Financial Systems as further described in paragraph 2 of Part V ( <i>Principal Terms of the Disposal</i> ) of this Circular
UK	the United Kingdom
Unaudited <i>Pro Forma</i> Financial Information	has the meaning given to it in the Letter from Pricewaterhouse Coopers LLP in section B of Part IV ( <i>Unaudited Pro Forma Financial Information</i> ) of this Circular
£, sterling or pence	the lawful currency of the United Kingdom

For the purposes of this Circular, “subsidiary”, “subsidiary undertaking” and “undertaking” have the meanings given by the Companies Act 2006.

All references to legislation in this Circular are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

**APTITUDE SOFTWARE GROUP PLC**  
**NOTICE OF GENERAL MEETING**

**Notice is given** that a general meeting of Aptitude Software Group plc (“**Company**”) will be held at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ on 24 June 2019 at 9.30 am for the following purposes:

**to consider and, if thought fit, to pass the following resolution as an ordinary resolution:**

**1. Resolution**

**THAT:**

- (i) the disposal by the Company of the entire issued share capital of Microgen Financial Systems Limited to Moscow Bidco Limited (the “**Disposal**”) substantially on the terms and subject to the conditions of the disposal agreement dated 29 May 2019 (the “**Disposal Agreement**”), and entry into the transitional services agreement between the Company and Microgen Financial Systems Limited (the “**Transitional Services Agreement**”) (as described in the circular to shareholders of the Company dated 5 June 2019 (the “**Circular**”) and all other agreements and ancillary documents contemplated by the Disposal Agreement and the Transitional Services Agreement, be and are hereby approved for the purposes of Chapter 10 of the Listing Rules of the Financial Conduct Authority made under section 73A(1) of the Financial Services and Markets Act 2000 of the United Kingdom, as amended, and generally with any changes as are permitted in accordance with paragraph (ii) below; and
- (ii) each and any of the directors of the Company (the “**Directors**”) (or any duly constituted committee thereof) be and hereby are authorised to take all such actions and do all such things on behalf of the Company as may be necessary or desirable in connection with, and to implement and give effect to the Disposal and associated matters, with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments which are material in nature) as the Directors (or any duly constituted committee thereof) may, in their absolute discretion, deem necessary, expedient or appropriate.

By order of the Board

.....  
Secretary

5 June 2019

**Registered office**

Old Change House, 128 Queen Victoria Street, London EC4V 4BJ

**Registered in England and Wales No. 01602662**

## Notes

1. A Shareholder is entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a Shareholder of the Company. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first name being the most senior). A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice of General Meeting. In order to be valid an appointment of proxy must be returned by post, by courier or by hand to the Company's Registrar, Link Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, and must be received by 9.30 am on 20 June 2019, or if the General Meeting is adjourned, 48 hours prior to the adjourned meeting. A proxy may also be appointed electronically and further details are set out at Note 2 and Note 8 below. Appointment of a proxy does not preclude a Shareholder from attending the General Meeting and voting in person. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's Registrar, Link Asset Services. Shareholders should telephone Link Asset Services between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday on **0871 664 0321** from within the UK or **+44 20 8639 3399** if calling from outside the UK. Calls to the **0871 664 0321** number will be charged at the standard geographic rate and will vary by provider. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones which may be considerably more. Calls may be recorded and randomly monitored for security and training purposes.
2. If you are a member of CREST, you may use the CREST electronic appointment service, details of which are set out at Note 7. Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
3. As an alternative to completing the hard copy proxy form, a shareholder may appoint a proxy or proxies electronically by contacting the website of Link Asset Services at [www.signalshares.com](http://www.signalshares.com) where full details of the procedures are given. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 9.30 am on 20 June 2019 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). Any electronic communication sent by a shareholder to Link Asset Services which is found to contain a virus will not be accepted by the Company.
4. The statement of the rights of Shareholders in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. Such rights can only be exercised by Shareholders of the Company.
5. A Shareholder has a right to put to the Directors any questions relating to the business to be dealt with at the General Meeting and subject to the exemptions under section 319A of the Act the Company must answer any such questions.
6. The Company, pursuant to the Uncertificated Securities Regulations 2001, specifies that only those Shareholders on the register of members as at close of business on 20 June 2019 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their names at that time (or, in the event of any adjournment, at close of business (United Kingdom time) on the day which is two days before the day of the adjourned meeting). Changes to entries on the ordinary register after close of business on 20 June 2019 shall be disregarded in determining the right of any person to attend or vote at the General Meeting (unless the General Meeting is adjourned in which case the previous provisions of this Note 5 apply).
7. As at 4 June 2019 (being the last practicable date before the publication of this notice), the Company's issued share capital consists of 61,727,640 ordinary shares of 6<sup>3</sup>/<sub>7</sub> pence each, carrying one vote each. The Company does not hold any ordinary shares in treasury. Therefore, the total voting rights in the Company as at 4 June 2019 are 61,727,640.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear United Kingdom & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by no later than 9.30 am on 20 June 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear United Kingdom & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. If all shares have been sold or transferred by the addressee, this Notice and any other relevant documents should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.
11. A copy of this Circular including the Notice of General Meeting can be found on the Company's website, [www.apititudesoftwaregroup.com](http://www.apititudesoftwaregroup.com), free of charge.
12. Copies of the following documents will be available for inspection at the registered office of the Company (being the location of the General Meeting) during usual business hours (Saturdays, Sundays and English public holidays excepted) from the date of this Notice until the conclusion of the General Meeting and at the General Meeting itself for at least 15 minutes prior to the General Meeting:
  - a. the articles of association of the Company;

- b. the consolidated audited financial statements of the Group for each of the financial years ended 31 December 2018, 2017 and 2016;
  - c. the consent letters from Investec Bank plc and PricewaterhouseCoopers LLC referred to at paragraph 13 of Part VI (*Additional Information*) of the Circular;
  - d. the report from PricewaterhouseCoopers LLP set out in Part IV (*Unaudited Pro Forma Financial Information*) of the Circular;
  - e. the Circular and the Form of Proxy; and
  - f. the Disposal Agreement (as defined in the Circular).
13. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
14. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrar, Link Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Link Asset Services by no later than 9.30 am on 20 June 2019, or if the General Meeting is adjourned, 48 hours prior to the adjourned meeting.
15. You may not use any electronic address provided in either this Notice of General Meeting or any related document including the Form of Proxy to communicate with the Company for any purpose other than those expressly stated.
16. In accordance with section 311A of the Act, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website.



