



29 November 2018

Scheme Update

Decimal Software Limited (ASX:DSX; “Decimal” or the “Company”) provides the following update in regards to the proposed acquisition by Sargon Capital Pty Ltd (“Sargon”) of 100% of the issued shares in the Company for 1.41 cents cash per share by way of a Court approved scheme of arrangement (“Scheme”).

Scheme consideration declared final

Decimal has received confirmation from Sargon that the Scheme consideration of 1.41 cents per share represents its **last and final offer** and that the Scheme consideration **will not be increased**. A copy of the correspondence received from Sargon to that effect is attached to this announcement.

All Shareholders should have received a copy of the scheme booklet in relation to the Scheme (which is also available on Decimal’s website) which sets out amongst other things the perceived advantages and disadvantages of the proposed Scheme.

The meeting of Shareholders to consider the Scheme is scheduled to be held next Thursday, 6 December 2018 at 10am (Perth time) at Fogarty Partners, 65 Hay Street, Subiaco, Western Australia (the “Scheme Meeting”).

Recent trading in Decimal Shares

Decimal notes the recent trading in Decimal shares on ASX at prices above the proposed Scheme consideration of 1.41 cents per share.

Decimal also notes that Collins St Asset Management ATF Collins St Value Fund (**Collins St**) became a substantial shareholder of the Company on 23 November 2018 and has since notified the Company that it now holds approximately 19.9% of Decimal’s issued share capital. The substantial shareholder notices lodged by Collin St with ASX indicate that it acquired its shareholding in Decimal at prices of between 1.3 cents – 1.5 cents per share.

Collins St has indicated to Decimal that they do not agree with the Decimal Board’s assessment regarding the merits of the Scheme but have not to date provided Decimal with any alternative proposal to consider. More broadly, Decimal notes that it has not received any alternative or competing proposal to the proposed Scheme since it was first announced to ASX on 20 September 2018.

The Decimal Directors continue to believe that the Scheme is in the best interests of Decimal shareholders, and have unanimously recommended that Decimal Shareholders vote in favour of the Scheme in the absence of a superior proposal emerging. The Decimal Directors intend to vote in favour of the Scheme with respect to any Decimal Shares they hold or control in the absence of a superior proposal.

In the event that the Scheme is not approved by the requisite majority of Decimal Shareholders at the Scheme Meeting, the Decimal Directors believe that there will be significant uncertainty regarding Decimal's ability to continue as a going concern in the absence of a superior proposal emerging

In such circumstances, the Decimal Directors expect that Decimal will need to raise additional working capital immediately following the termination of the Scheme in order to be able to repay the \$600,000 that has been drawn down under the Sargon loan facilities and fund Decimal's ongoing activities. There is no certainty that the Company will be able to successfully raise such funding in time to meet its current commitments.

For these reasons, it is important that all Shareholders cast their vote on the Scheme at the Scheme Meeting regardless of how many Decimal shares they own.

If you are unable to attend the Scheme Meeting in person, please vote by completing a proxy form enclosed with the scheme booklet and returning it in accordance with the directions on that form. The latest time for the receipt of proxy forms for the Scheme Meeting is 10am (Perth time) on Tuesday, 4 December 2018.

If you are in any doubt as to what action you should take in relation to the Scheme, you should consult your legal, investment, taxation or other professional adviser.

If you have any questions regarding the Scheme, please call the Chief Executive Officer or the Company Secretary on 1300 220 799 any time between 8.00 am and 5.00 pm (Perth time) Monday to Friday.

-ENDS-

For Investor and Media enquiries:

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About Decimal

Decimal Software Limited (ASX:DSX) is an ASX listed fintech company that delivers financial advice solutions via the world's first enterprise-focused omni channel advice delivery technology, developed in-house. Decimal partners with banks, superannuation funds and fund administrators already entrusted with customers' retirement savings, to deliver advice to the community as a whole. Decimal's platform provides consistent, fully compliant financial advice to client organisations' customers across multiple platforms of digital, phone or face-to-face, across numerous topics such as savings, superannuation, insurance and retirement, as well as investments.

About Sargon

Sargon provides financial institutions and entrepreneurs with the technology and infrastructure they need to successfully build and grow investment funds and financial products. Operating across Australia, New Zealand and Hong Kong, Sargon's powerful combination of technology and industry experts navigate regulatory complexity, security and compliance to ensure our clients can focus on what matters most: building a better future.



www.sargon.com

Level 9, 287 Collins
Street, Melbourne

ACN 608 799 873

29 November 2018

The Directors
Decimal Software Limited
Level 12, 680 George Street
Sydney NSW 2000

Dear Directors,

Last and Final Offer

We refer to the scheme of arrangement between Decimal Software Limited ("**Decimal**") and the holders of shares in Decimal in relation to the proposed acquisition of Decimal by Sargon Capital Pty Ltd ("**Sargon**") for cash consideration of \$0.0141 (1.41 cents) per share ("**Scheme Consideration**") acquired pursuant to the scheme.

Sargon hereby advises Decimal that the Scheme Consideration represents its last and final offer and that the Scheme Consideration will not be increased.

Sargon consents to Decimal publicly releasing this Last and Final Offer on the ASX Announcements platform and for all other purposes.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Phillip Kingston", written over a light blue horizontal line.

Phillip Kingston
Chief Executive Officer

For and on behalf of **Sargon Capital Pty Ltd**