



decimal

*"Everything Real Time"*

**DECIMAL SOFTWARE LIMITED**

**ACN 009 235 956**

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## **PROSPECTUS**

**For the offer of up to 100 Shares at an issue price of \$0.33**

**THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF THE CONSIDERATION SHARES**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

## IMPORTANT INFORMATION

This Prospectus is dated 15 April 2014 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the office of the Company at Suite 1, 174 Hampden Road, Nedlands, Perth, Western Australia during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.3).

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for Shares will only be accepted on an Application Form which is attached to, or provided by the Company, with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer. This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

## CORPORATE DIRECTORY

### **Directors**

Michael Sertorio – Executive Chairman  
Rob Kirtlan – Non-Executive Director  
Jan Kolbusz – Executive Director

### **Company Secretary**

Stef Weber

### **Registered Office**

BGC Centre, Level 9  
28 The Esplanade  
Perth WA 6000

### **Corporate Office**

Suite 1, 174 Hampden Road  
Nedlands WA 6009  
Telephone: +61 1300 220 799  
Fax: +618 6389 1977

### **Stock Exchange Listing**

Australian Securities Exchange  
ASX Code: AVA  
Proposed ASX Code: DSX

### **Share Registry**

Computershare Investor Services Pty Ltd  
Level 2, Reserve Bank Building  
45 St Georges Terrace  
Perth WA 6000  
Telephone: +61 1300 787 272

### **Solicitors**

Hardy Bowen Lawyers  
Level 1, 28 Ord Street  
West Perth WA 6005

## PROPOSED TIMETABLE

<b>Lodgement of Prospectus with ASIC</b>	<b>15 April 2014</b>
<b>Opening Date</b>	<b>15 April 2014</b>
<b>Closing Date</b>	<b>30 April 2014</b>

The above timetable is indicative only and subject to change. Subject to compliance with all applicable laws, the Directors reserve the right to vary these dates, including the Closing Date for the Offer, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Shares.

## RISK FACTORS

There are a number of risks associated with investing in the share market generally and in the Company specifically. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety and, in particular, consider the risk factors detailed in Section 3, which include (but are not limited to):

Risk	Summary	Reference
<b>Limited operating history</b>	The Company has a limited operating history and the potential of its business model is unproven. No assurances can be given that Decimal will achieve commercial viability through the successful implementation of its business plans.	Section 3.1(a)
<b>New market entrants</b>	The emergence of new market entrants or technological developments could reduce the Company's margins and revenue.	Section 3.1(b)
<b>Retention of key employees</b>	The departure of certain key employees could hamper the Company's ability to achieve its strategic growth objectives and financial performance goals.	Section 3.1(g)
<b>Protection of intellectual property</b>	There is no guarantee that the Company's intellectual property will not be challenged by third parties or that its unauthorised use or copying by others will be prevented.	Section 3.1(m)
<b>Government policies and legislation</b>	The nature of future legislative changes in the financial services industry is uncertain and could impact the Company's products as well as increase compliance and development costs.	Section 3.1(n)
<b>Reliance on third party IT service provision</b>	Significant or extended disruption of the Company's cloud platform caused by supplied equipment, software or service failure may negatively impact the Company.	Section 3.1(i)
<b>Reliance on core IT systems</b>	The Company is dependent upon its IT and communication systems. These systems may be adversely affected by a number of internal and external factors.	Section 3.1(j)
<b>Shortage of funding</b>	There is no certainty regarding the ability of the Company to raise sufficient funds to meet the needs of the Company in the future.	Section 3.1(l)

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## 1. Details of the Offer

### 1.1 The Offer

The Company is offering, pursuant to this Prospectus, 100 Shares each at an issue price of \$0.33 (**Offer**).

Refer to Section 4.1 for a summary of the rights attaching to the Shares.

### 1.2 Purpose of the Offer

On 11 April 2014 the Company issued 112,500,000 Shares (**Consideration Shares**) to the Decimal's shareholders (**Vendors**) as consideration for the Company's acquisition of the entire issued share capital of Decimal Group Pty Ltd (**Decimal**) (**Acquisition**). On completion of the Acquisition, the Company changed its name from Aviva Corporation Limited to Decimal Software Limited. The Company has also applied to change its ASX Code from AVA to DSX.

Refer to the Company's ASX announcement of 11 March 2014 for details of the Acquisition.

This Prospectus has been issued to facilitate secondary trading of the Consideration Shares, as they were issued without disclosure under Part 6D.2 of the Corporations Act. A prospectus is required under the Corporations Act to enable the Vendors to on-sell those Consideration Shares within 12 months of their issue. The Company did not issue the Consideration Shares with the purpose of the Vendors selling or transferring the Consideration Shares, or granting, issuing or transferring interests in the Consideration Shares within 12 months of the issue, however this Prospectus provides them with the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) ensure that the on-sale of the Consideration Shares does not breach section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in section 708A(11) of the Corporations Act.

### 1.3 Opening and Closing Dates

The Company will accept Application Forms until 5.00pm (AWST) on 30 April 2014 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

### 1.4 No minimum subscription

There is no minimum amount sought to be raised under the Offer.

### 1.5 Effect on control

The Offer will have no impact on the control of the Company as no person as a result of the Offer will increase their voting power in the Company:

- (a) from 20% or below to more than 20% of issued capital of the Company; or

- (b) from a starting point that is above 20% and below 90% of issued capital of the Company.

## **1.6 Application Form**

The Company will send this Prospectus, together with an Application Form, to selected persons whom the Directors determine are eligible to participate in the Offer.

To subscribe for Shares under the Offers an Applicant is required to complete and return the Application Form in accordance with the instructions in the Application Form.

Completed Application Forms must be received by the Company prior to 5.00pm on the Closing Date. Application Forms should be delivered or mailed to Decimal Software Limited, Suite 1, 174 Hampden Road, Nedlands, Western Australia, 6009 or sent by facsimile to (08) 6389 1977.

If you are in doubt as to the course of action, you should consult your professional advisor.

The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

## **1.7 Issue and dispatch**

The Company intends to issue the Shares under the Offer as soon as reasonably practicable following the Closing Date. Security holder statements will be dispatched as soon as possible after issue of the Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

## **1.8 Application Monies held on trust**

All Application Monies received for the Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

## **1.9 ASX quotation**

Application will be made to ASX no later than 7 days after the date of this Prospectus for the official quotation of the Shares. If permission is not granted by ASX for the official quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

## **1.10 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Computershare Investor Services Pty Ltd and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

## **1.11 Residents outside Australia**

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## **1.12 Risk factors**

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 3.

## **1.13 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

## **1.14 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

### **1.15 Major activities and financial information**

A summary of the activities and financial information relating to the Company for the:

- (a) half-year ended 31 December 2013 is in the Interim Financial Report which was lodged with ASX on 13 February 2014;
- (b) quarter ended 31 December 2013 is in the Quarterly Report which was lodged with ASX on 31 January 2014; and
- (c) financial year ended 30 June 2013 is in the Annual Report which was lodged with ASX on 9 October 2013.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of the Annual Report are listed in Section 4.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

### **1.16 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on 1300 220 799 .

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## 2. Effect of the Offer

### 2.1 Capital Structure on completion of the Offer

	Shares	Options
Balance at the date of this Prospectus	179,498,524 <sup>1</sup>	6,833,345 <sup>2</sup>
To be issued under the Offer	100	-
<b>Balance after the Offer</b>	<b>179,498,624</b>	<b>6,833,345</b>

**Notes:**

(1) Includes:

- (a) 112,500,000 Consideration Shares issued to the Vendors on 11 April 2014; and
- (b) 3,000,000 Shares issued to the Adviser and Facilitator on 11 April 2014.

Of the total Shares on issue, 71,447,737 Shares are subject to ASX escrow agreements, leaving a balance of 108,050,787 Shares quoted on ASX. Refer to the Company's Appendix 3B of 11 April 2014 for further details.

(2) Comprised of:

- (a) 83,334 Options with an exercise price of \$0.57, exercisable on or before 1 July 2014;
- (b) 83,334 Options with an exercise price of \$0.87, exercisable on or before 1 July 2014;
- (c) 3,333,343 Options with an exercise price of \$0.345, exercisable on or before 15 July 2017;
- (d) 166,667 Options with an exercise price of \$0.42, exercisable on or before 30 June 2015;
- (e) 166,667 Options with an exercise price of \$0.72, exercisable on or before 30 June 2015; and
- (f) 3,000,000 Options with an exercise price of \$0.345, exercisable on or before 15 July 2017.

### 2.2 Effect of the Offer on the Company

After paying for the expenses of the Offer of approximately \$15,000, there will be no proceeds from the Offer. The expenses of the Offer exceeding \$33 (being the amount raised if the Offer is fully subscribed) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$33 less costs of preparing the Prospectus.

### 2.3 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were (on a pre-Reduction of Capital and pre-Consolidation basis):

Highest:	\$0.26 per Share on 20 January 2014
Lowest:	\$0.15 per Share on 11 February 2014

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.17 per Share on 13 March 2014 (on a pre-Reduction of Capital and pre-Consolidation basis). Shareholders should note that Shares have been suspended from trading from 14 March 2014 pending the Company's re-compliance with Chapters 1 and 2 of the Listing Rules.

## **2.4 Dividend policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

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### 3. Risk factors

The proposed future activities of the Company are subject to a number of risks and other factors which may impact the financial performance of the Company and the value of the Company's Securities. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company and cannot be mitigated.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Potential investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

#### 3.1 Risks relating to Decimal

(a) **Decimal has a limited operating history**

Decimal has a limited operating history and the potential of its business model is unproven. No assurances can be given that Decimal will achieve commercial viability through the successful implementation of its business plans. Targeted customers may not be prepared to incur the costs for their business (and if required, material changes to existing internal processes) implicit in the adoption of a new technology such as Decimal's cloud-based platform or to abandon their investments in existing technologies. Accordingly, there is no guarantee that Decimal's marketing and pricing strategies will be successful to achieve a sizeable take up rate of its products from financial institutions, dealers and/or IFAs.

In addition, there is the risk that Decimal's cloud-based platform may not function as intended, including with respect to its stated scalability and ability to cope with increasing numbers of users or client numbers. This may lead to Decimal's reputation suffering amongst customers as well as potential claims for redress.

(b) **New market entrants providing cloud-based solutions to the financial services industry**

A number of global IT companies have recently entered the Australian cloud services market in order to service business' cloud services needs. As yet, the Company is not aware of another company offering comparable products as Decimal's to the financial services industry, and the provision of a cloud platform as offered by Decimal requires considerable skill and process. However, notwithstanding these barriers to entry, the emergence of new competitors in the market, or any technological developments providing an alternative to Decimal's product offerings, could impact the market share Decimal is able to acquire and cause downward price pressure on cloud platforms in the financial services industry, thus reducing Decimal's margins and revenue. Existing providers of server-based platforms to the financial services industry may also respond aggressively to Decimal's market entry to retain or regain market share, which could also impact Decimal's margins and revenue.

(c) **Failure to deal with growth**

Decimal's business has the potential to grow rapidly. If that occurs and Decimal fails to properly manage that growth, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the Decimal business, including

demand for Decimal's products/services, revenue collection, customer satisfaction and public perception.

**(d) Risks associated with overseas expansion**

Decimal's cloud platform has been constructed so as to be capable of being utilised in, and marketed to, multiple overseas jurisdictions, including the UK and the US. Should Decimal seek to expand into overseas markets, it may require a physical presence in those countries and an associated increase in overheads and development and marketing costs. There is the risk that any overseas expansion will be unsuccessful, or that even if there is demand for Decimal's products in that market, that the costs of doing business in that market, including the costs of establishing a new base in-country, overseas regulatory compliance and the potential duplication of running costs for the business, are such that Decimal's profitability and available working capital will be adversely impacted.

**(e) Business model to initially focus on growing market share**

As with other cloud platform developers (e.g. Xero and Salesforce), Decimal's business model is initially focused on maximising sales and market share, rather than profitability. This is likely to require expenditure on marketing and business development and significant expenditure on personnel (refer to the Company's ASX announcement of 11 March 2014 for further details). Only once Decimal has incurred such additional expenditure will it be in a position to seek to achieve its targeted revenue growth and market penetration objectives. Accordingly, Decimal may not achieve significant profitability in the short term or may suffer losses and, to the extent such circumstances continue, may suffer a shortage of working capital.

**(f) Customer concentration risk**

Over-reliance upon key customers may, in the event of termination or non-renewal of such arrangements, create revenue volatility. Decimal is conscious of customer concentration risk and the need to diversify its customer base. However, large contract wins could skew the concentration of revenues, increasing the risk that non-renewal will have a larger impact on future earnings.

**(g) Attraction and retention of key employees**

Decimal's ability to effectively execute its growth strategy depends upon the performance and expertise of key employees, including those with valuable technological skills and specialist knowledge of Decimal's underlying product market. The departure of certain key employees, including Mr Jan Kolbusz or Mr Michael Sertorio, and any delay in their replacement, could hamper Decimal's ability to achieve its strategic growth objectives and financial performance goals. In addition, Decimal is still in the process of making key appointments to finalise its executive team and will also need to establish a technical sales support team. There is no guarantee that Decimal will be able to attract and retain appropriately qualified personnel in these areas.

**(h) Availability of IT staff in the market**

Decimal is reliant upon employees with specialist IT skills in order to develop and maintain its products. Any shortage of availability of these skills in the IT employment market could impair the development of the Company's products and business and the rate of such development. Such shortage could also cause wage inflation, which may impact on Decimal's profitability.

**(i) Reliance on third party IT service provision**

Decimal utilises equipment, software and services provided by third parties to deliver its financial services cloud platform. Significant or extended disruption of Decimal's cloud platform caused by supplied equipment, software or service failure may reduce Decimal's ability to generate revenue, impact consumer service levels and damage the Decimal brand. This could adversely affect Decimal's ability to generate new business and cause it to suffer financial loss. Any mitigation of this loss via redress from third party suppliers may not be immediately available, if at all.

**(j) Reliance on core information technology and other systems**

The availability of Decimal's cloud platform is dependent upon the performance, reliability and availability of its IT and communication systems. This includes its core technologies such as computer servers and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war, a breakdown in utilities such as electricity and fibre optic cabling and even pandemics. Events of that nature may cause one or more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or contractors or other technical issues. Decimal's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover loss or damage that Decimal suffers as a result of a system failure.

Any damage to, or failure of, Decimal's key systems can result in disruptions in Decimal's ability to operate its cloud platform. Such disruptions have the potential to reduce Decimal's ability to generate revenue, impact consumer service levels and damage the Decimal brand. This could adversely affect Decimal's ability to generate new business and cause it to suffer financial loss.

**(k) Security breaches**

A malicious attack on Decimal's systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and the business systems used to run Decimal at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation and brand damage resulting in reduced or falling revenues. Decimal follows best practice in relation to security policies, procedures, automated and manual protections, encryption systems and staff screening to minimise this risk.

**(l) Shortage of funding**

The Company holds approximately \$13 million in cash, which will be used to accelerate the Company's business, marketing and growth plans. However, if the Company incurs unexpected costs or is unable to generate sufficient operating income further funding may be required. Any additional funding through share issues is dependent upon market conditions at the time. Debt financing may not be available to support the scope and extent of proposed developments and, even if available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

**(m) Protection of intellectual property**

Decimal has developed specialised technology and matching algorithms for its business. In particular, Decimal has developed an advanced financial modelling technology engine which instantly generates personalised financial strategy and product plans. Decimal has sought and received protection of its intellectual property, including by way of trade marks, and patents which have been granted in Australia and Singapore (refer to the Company's

ASX announcement of 11 March 2014 for a report on Decimal's title to its intellectual property). Decimal has also applied for patents in respect of its technology in the United States and Canada.

The laws relating to intellectual property assist to protect Decimal's proprietary rights. However, patent registration, although an indicator of valid intellectual property ownership, is not indefeasible as any errors in the registration process can lead to registration being challenged or revoked. Accordingly, Decimal cannot be certain that the validity, ownership or authorised use of intellectual property relevant to Decimal's business will not be successfully challenged by third parties. In addition, there can be no guarantee that unauthorised use or copying of Decimal's software, data, specialised technology or algorithms will be prevented.

**(n) Government policies and legislation**

The financial services industry is highly regulated, and also subject to significant legislative change. The nature of future legislative changes in the financial services industry is uncertain and could impact Decimal's products as well as increase compliance and development costs. Tight coupling to the compliance requirements of the Australian financial services industry by Decimal might limit Decimal's available market opportunities overseas.

Decimal's businesses and performance are also affected generally by the fiscal or other policies (including taxation) that are adopted by the Australian government. Any change in regulation or policy may adversely affect the performance or financial position of Decimal, either on a short-term or long-term basis. Decimal may also be adversely affected by the pace or extent of such change.

**(o) Vendors may sell their Consideration Shares**

Some Vendors may elect to sell those Consideration Shares which are not subject to escrow restrictions by ASX immediately following the resumption of trading of the Shares. If one or more Vendors elect to sell a sufficiently large number of Shares following the resumption of trading of the Shares, then this may negatively impact the price of Shares and decrease the realisable value of existing Shareholders' investment in the Company.

**(p) Research & Development Tax Incentive**

Decimal's development of its cloud-based technologies has previously enabled it to apply for the R&D Tax Incentive. Decimal's continued development of its technology should mean that it will have further eligible expenditure in the 2014 and 2015 and future financial years (refer to the Company's ASX announcement of 11 March 2014 for more information).

There can be no assurance that Decimal's activities and the related expenditure will continue to satisfy the eligibility and other criteria required to successfully qualify for the R&D Tax Incentive in the future. Also, there can be no assurance that the tax legislation on which the R&D Tax Incentive is based will not change in the future resulting in Decimal not being able to claim the R&D Tax Incentive.

## **3.2 General risks**

**(a) Price of Shares**

The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the price the Shares traded at prior to the Acquisition. There is no assurance that the price of the

Shares will increase following the Company's re-quotation on ASX, even if the Company's revenues and/or earnings increase.

Some of the factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which Decimal operates and general operational and business risks.

**(b) Decimal is exposed to general economic conditions in Australia**

Decimal's business is affected by general economic conditions in Australia and broader financial services market sentiment. A deterioration in economic conditions could lead to reductions in business spending and other potential revenues which could be expected to have a corresponding adverse impact on Decimal's operating and financial performance.

**(c) Contractual claims under sale agreements**

The Company has entered into a number of sale agreements with respect to the disposal of its previous projects. A number of these agreements contain warranties, representations and indemnities. To the extent that the limitation period for bringing claims against the Company under these agreements has not expired, there remains the possibility for such claims to be brought against the Company.

**(d) Risk of Shareholder dilution**

In the future, the Company may elect to issue shares to engage in fundraisings and also to fund, or raise proceeds, for acquisitions the Company may decide to make. While the Company will be subject to the constraints of the Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of shares and fundraisings.

**(e) Insurance**

The Company does, and following the Acquisition will continue to, wherever practicable and economically advisable utilise insurance to mitigate business risks. Such insurance may not always be available or incidents affecting the Company may fall outside the scope of the insurances' cover. In addition, there remains the risk that an insurer defaults in the payment of a legitimate claim by the Company.

**(f) Litigation**

Litigation brought by third parties including but not limited to customers, partners, suppliers, business partners or employees could negatively impact the Company's business, particularly in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance.

**(g) Force majeure events**

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of Decimal and the price of the Shares. Such events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for Decimal's services and its ability to conduct business. The Company will have only a limited ability to insure against some of these risks.

### **3.3 Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

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## **4. Additional information**

### **4.1 Rights attaching to Shares**

A summary of the rights attaching to Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### **1. Shares**

The issue of Shares by the Company is under the control of the Directors, subject to the Corporations Act, Listing Rules and any rights attached to any class of shares.

#### **2. Voting**

Resolutions of shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll each eligible shareholder has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

#### **3. Dividends**

Subject to any rights attaching to Shares which may in the future be issued with special or preferred rights, the Directors may fix the amount, the time for payment and method of payment of a dividend. Subject to any special rights attaching to the Shares, dividends will be paid in proportion to the Shares held by the shareholders irrespective of the amounts paid or credited as paid on the Shares.

#### **4. Winding up**

Subject to any rights attaching to Shares which may be in the future issued with special or preferred rights, if the Company is wound up, shareholders will participate in any surplus assets of the Company in proportion to the amount paid up on the Shares held by them.

#### **5. Transfer of Shares**

The Company may participate in any clearing and settlement facility provided under the Corporations Act, the Listing Rules and the ASX Settlement & Transfer Corporation Pty Ltd (**ASTC**) Operating Rules. Transfers through ASTC are affected electronically in ASTC's Clearing House Electronic Sub register System (**CHESS**). For the purposes of the Company's participation in the CHESS, the Company may issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares in the circumstances permitted or required under the Corporations Act and Listing Rules.

#### **6. Further Increases in Capital**

Subject to any rights and restrictions attached to a class of Shares, the Company may allot and issue unissued Shares and grant options over unissued Shares, on any terms, at any time and for any consideration, as the Directors resolve.

## **7. Variation of Rights**

Subject to the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class or convert Shares from one class to another, by a special resolution of the Company and by either a special resolution passed at a meeting of the Members holding shares in that class or by the written consent of Members who are entitled to at least 75% of the votes that may be cast in respect of Shares in that class.

## **8. General Meetings**

Subject to any rights or restrictions at the time being attached to any Shares or class of Shares of the Company each shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to shareholders under the Constitution or the Corporations Act.

### **4.2 Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

### **4.3 Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report, being in respect of the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus, being as follows:

<b>Date Lodged</b>	<b>Subject of Announcement</b>
14/04/14	Final Directors' Interest Notice x 3
14/04/14	Initial Director's Interest Notice x 2
14/04/14	Completion of Acquisition and Re-Admission Update
11/04/14	Appendix 3B
03/04/14	Change of Director's Interest Notice x 4
03/04/14	Aviva Completes Reduction and Consolidation of Capital
14/03/14	Results of Meeting
11/03/14	Information Memorandum

<b>Date Lodged</b>	<b>Subject of Announcement</b>
18/02/14	Request to Provide Tax File Number
17/02/14	Appendix 3B and Section 708A Notice
13/02/14	Half Year Accounts
11/02/14	Notice of General Meeting and Proxy Form
31/01/14	December 2013 Quarterly Report and Appendix 5B
21/01/14	Appendix 3B and Section 708 A Notice
21/01/14	Investor Presentation Acquisition of Decimal
20/01/14	Acquisition of First Mover Financial Services Cloud Platform
16/01/14	Trading Halt
03/01/14	Change of Director's Interest Notice-Appendix 3Y
03/01/14	Expiry of Options
20/12/13	Securities Trading Policy
20/11/13	Results of Annual General Meeting and Constitution
22/10/13	September 2013 Quarterly Report and Appendix 5B

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the office of the Company at Suite 1, 174 Hampden Road, Nedlands, Perth, Western Australia:

- (i) this Prospectus;
- (ii) the Constitution; and
- (iii) the consents referred to in Section 4.11 and the consents provided by the Directors to the issue of this Prospectus.

#### **4.4 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

#### **4.5 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

#### **4.6 Directors' interests**

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or

- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

#### 4.7 Directors' interests in Securities

Set out in the table are details of the Directors' relevant interests in the Securities at the date of this Prospectus:

Director	No. of Shares <sup>1</sup>	No. of Options
Rob Kirtlan	1,160,534	Nil
Jan Kolbusz	11,871,032	Nil
Michael Sertorio	31,937,190	Nil

**Notes:**

1. Number of Shares on a post-Consolidation basis.

#### 4.8 Directors remuneration

The Constitution provides that the Non-Executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Non-Executive Directors as the Directors shall determine, and in default of agreement then in equal shares. The last determination approved by Shareholders was prior to June 2002 and provided that non-executive Directors may collectively be paid the aggregate maximum of \$200,000 per annum.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors received the following remuneration for the preceding two financial years:

Director <sup>1</sup>	Financial Year	Total Remuneration <sup>2</sup>
Lindsay Reed <sup>3</sup>	2012	\$304,714
	2013	\$505,266
Geoffrey Loftus-Hills <sup>4</sup>	2012	\$99,778
	2013	\$101,885
Pieter Britz <sup>5</sup>	2012	\$23,902
	2013	\$34,317
Robert Kirtlan	2012	\$51,779
	2013	\$82,885

**Notes:**

1. Mr Mark Pearce and Mr Ian Middlemas were appointed as Directors of the Company on 16 July 2013 and resigned as Directors on 11 April 2014.
2. Includes non-monetary remuneration.
3. Mr Reed resigned as a Director on 11 April 2014. Mr Reed was an Executive Director of the Company in the 2012 and 2013 financial years.
4. Mr Loftus-Hills resigned as a Director on 26 July 2013.
5. Mr Britz resigned as a Director on 30 May 2013.

The remuneration currently received by Directors of the Company is as follows:

Director	Annual Remuneration
Robert Kirtlan	\$24,000
Michael Sertorio	\$300,000 <sup>1</sup>
Jan Kolbusz	\$300,000 <sup>1</sup>
<b>Total</b>	<b>\$624,000</b>

**Notes:**

1. Exclusive of superannuation. Mr Sertorio was appointed as Chairman and Mr Kolbusz were appointed as a Director on 11 April 2014.

#### **4.9 Interests of Named Persons**

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

The Company's legal advisors will be paid fees of approximately \$15,000 (plus GST) in relation to the preparation of this Prospectus.

#### 4.10 Expenses of the Offer

The estimated expenses of the Offer are as follows:

	<b>\$</b>
ASIC lodgement fee	2,225
Legal expenses	15,000
Printing, mailing and other expenses	Nil
<b>Total</b>	<u><u>17,225</u></u>

#### 4.11 Consents

Hardy Bowen has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian solicitors to the Company. Hardy Bowen has not authorised or caused the issue of this Prospectus or the making of the Offer. Hardy Bowen makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

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## 5. Authorisation

This Prospectus is authorised by each of the Directors. This Prospectus is signed for and on behalf of the Company by:



**Michael Sertorio**  
Executive Chairman

Dated: 15 April 2014

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## 6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**Acceptance** means a valid application for Shares made pursuant to this Prospectus on an Application Form.

**Adviser** means Blackswan Group Ltd ACN 138 067 446.

**Annual Report** means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2013 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2013, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2013.

**Applicant** means a person who submits an Application Form.

**Application Form** means the application form provided by the Company with a copy of this Prospectus.

**Application Monies** means application monies for Shares received by the Company from an Applicant.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**AWST** means Australian Western Standard Time.

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**Chairman** means chairman of the Board.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Closing Date** means 5.00pm (AWST) on 30 April 2014 or such later date as the Directors may determine.

**Consideration Shares** has the meaning in Section 1.2.

**Consolidation** means the consolidation of capital undertaken by the Company on 3 April 2014 pursuant to which each of the Company's Securities was consolidated on a 1:3 basis (on a post-Reduction of Capital basis).

**Company** means Decimal Software Limited ACN 009 235 956.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means Corporations Act (Cth) 2001.

**Decimal** means Decimal Group Pty Ltd.

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Facilitator** means Correze Pty Ltd ACN 167 851 274.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Listing Rules** means the Listing Rules of ASX.

**Notice of Meeting** means the notice of meeting prepared by the Company in respect of the general meeting of the Company held on 14 March 2014 and announced on the ASX platform on 11 February 2014.

**Offer** means as defined in Section 1.1.

**Option** means the right to acquire one Share in the capital of the Company.

**Prospectus** means this prospectus dated 15 April 2014.

**Reduction of Capital** means the reduction of capital undertaken by The Company on 31 March 2014 by way of a pro rata distribution to Shareholders of \$0.06 per Share (on a pre-Consolidation basis).

**Section** means a section of this Prospectus.

**Securities** mean any securities, including Shares or Options, issued or granted by the Company.

**Shareholder** means a holder of Shares.

**Share** means a fully paid ordinary share in the capital of the Company.

**Vendors** means the various separate shareholders of Decimal as detailed in Schedule 2 of the Notice of Meeting.

**\$** means Australian dollars unless otherwise specified.