

6 December 2018

## **SCHEME MEETING CHAIRMAN'S ADDRESS**

Decimal Software Limited (ASX:DSX) (**Decimal**) is today holding a Scheme Meeting in Perth relating to the proposed scheme of arrangement under which Sargon Capital Pty Ltd (**Sargon**) is to acquire all of the issued fully paid ordinary shares in Decimal.

Commentary from Decimal Chairman Mark Potts is set out below:

Good morning ladies and gentlemen. I am Mark Potts, the non-executive chairman of Decimal Software Limited. The Court orders convening this meeting also state that I am to be chairman of today's meeting.

Just a couple of procedural items before we begin, I would appreciate if all mobile phones can be turned to silent for the meeting and emergency exits are located around the room. In the event of an emergency please take direction from the staff of Fogarty Partners.

I would like to begin by welcoming you to today's scheme meeting and thank you for your attendance. I would also like to acknowledge my fellow board members, the management, staff, and shareholders for their commitment to the company over the past few years, and towards today's events.

### **Open the meeting**

The purpose of this meeting is to seek the agreement, from shareholders, for the proposed scheme of arrangement, relating to the acquisition of Decimal by Sargon Capital Pty Ltd..

It is past 10.00 am, being the scheduled start time for the meeting, and I am advised that a quorum is present, and I therefore declare the scheme meeting open.

### **Introduction**

I remind everyone that this is a shareholders' meeting and only shareholders, appointed proxies, attorneys and corporate representatives have the right to speak and vote at the meeting.

As outlined in Decimal's scheme booklet dated 31<sup>st</sup> October 2018, the resolution to be voted on by shareholders at today's meeting will be decided by a poll.

## **Company representatives**

In addition to myself, the following representatives from Decimal are in attendance at today's meeting:

- Pauline Vamos, Director
- Gary Cox, Director
- Jan Kolbusz, Director
- Damon Watkins, Chief Executive Officer
- David Gardner, Company Secretary

## **Overview of the Scheme**

Before putting the resolution to the meeting, I would like to provide a brief overview of the proposed Scheme and an update as to the condition precedents to the Scheme.

As shareholders will be aware, on 20 September 2018 Decimal announced that it had entered into a scheme implementation agreement with Sargon under which, subject to the satisfaction of certain conditions contained in that agreement, Sargon would acquire all of your shares in Decimal for 1.41 cents per share in cash for every Decimal share held as at the record date.

The transaction is to be implemented by way of a scheme of arrangement in accordance with the requirements of the Corporations Act.

As noted in the Scheme Booklet, Sargon is a private Australian company that provides technology and infrastructure to financial institutions and entrepreneurs, including superannuation funds.

The announcement of the Scheme followed the completion of a strategic review conducted by Decimal to assess various commercial and financial options available to Decimal to fund the continued development of its digital advice platform.

As part of that strategic review, Decimal and its advisers engaged with a wide range of parties in a process to determine the interest in financing or acquiring Decimal and considered a range of potential opportunities. Ultimately, the directors determined that the benefits that could be realised through the Scheme with Sargon provided a superior and more certain outcome for shareholders than any of the alternative opportunities presented to us, and most importantly was the only option likely to be implemented within a timeframe that would enable Decimal to remain financially viable.

Implementation of the Scheme is conditional on, amongst other things:

- the approval by Decimal shareholders of the resolution to be considered at today's meeting by the requisite majority; and
- the Federal Court of Australia approving the Scheme at a court hearing scheduled for 10.15 am on 13 December 2018.

There are a number of other conditions to the Scheme set out in the scheme implementation agreement and the Scheme Booklet.

At this stage, and subject to Decimal shareholders approving the Scheme at today's meeting, Decimal is not aware of any reason why the conditions precedent to implementation of the Scheme cannot be satisfied.

Further details in relation to the Scheme are set out in the Scheme Booklet which was made available to shareholders.

-ENDS-

**For Investor and Media enquiries:**

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