

# DIVERSA

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GROUP

2 September 2016

## ASX MARKET RELEASE

### SUPPLEMENTARY SCHEME BOOKLET

Diversa Limited (ASX:DVA)(Diversa) is pleased to announce that the Federal Court of Australia has today approved the form of a supplementary booklet to be sent to Diversa shareholders in relation to a proposal from OneVue Holdings Limited (ASX:OVH)(OneVue) to acquire all of the ordinary shares in Diversa by way of a scheme of arrangement (Scheme) (Supplementary Booklet).

The Australian Securities and Investments Commission (ASIC) has also today registered the Supplementary Booklet. Diversa intends to dispatch the Supplementary Booklet to shareholders on 7 September 2016.

The Directors of Diversa continue to unanimously recommend to Diversa shareholders that the Scheme is in the best interests of Diversa and its shareholders, and that shareholders should vote in favour of the resolution to be proposed at the Scheme meeting in the absence of a superior proposal.

In addition, the Independent Expert, Grant Thornton Corporate Finance Pty Ltd, has also reviewed the additional information contained in the Supplementary Booklet and confirmed that its opinion that the Scheme is in the best interests of Diversa shareholders has not changed.

The Scheme meeting remains scheduled to be held at 10.00am on Tuesday 20 September 2016, at McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane QLD 4000.

All shareholders are encouraged to vote by attending the Scheme meeting or by lodging a proxy vote by 10am on Sunday 18 September 2016. Details of how to lodge a proxy vote are included in the Scheme Booklet dated 12 August 2016.

#### Shareholder Information

Shareholders who have questions about the Scheme can call the Diversa Shareholder Information Line on 1300 784 494 (within Australia) or +61 1300 784 494 (outside Australia) Monday to Friday between 9.00am and 5.00pm.

Diversa has been advised by McCullough Robertson Lawyers and Pottinger.

#### **About Diversa:**

*Diversa Ltd (ASX: DVA) is an ASX-listed superannuation and investment company. Diversa provides superannuation trustee, administration, promotion and investment services to wholesale clients such as super fund trustees and super fund promoters, including financial advisers and corporates; and also uses those services to provide superannuation and insurance products directly to its retail clients.*

**Diversa Limited** ABN 60 079 201 835

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# SUPPLEMENTARY SCHEME BOOKLET

## DIVERSA

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GROUP

**Diversa Limited**  
ACN 079 201 835

For the acquisition of all your shares in  
Diversa Limited ACN 079 201 835 by

**OneVue Holdings Limited**  
ACN 108 221 870

by way of scheme of arrangement

Your Directors unanimously recommend that you  
VOTE IN FAVOUR of the Scheme in the absence of a  
superior proposal and the Directors intend to do so  
for the Diversa Shares they hold or control.

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This is an important document and requires your immediate attention.  
It should be read in its entirety before you decide whether or not to vote in  
favour of the Scheme. If you are not sure what to do, you should consult  
your investment or other professional adviser.



# Important notices

This Supplementary Scheme Booklet supplements the booklet dated 12 August 2016 (**Scheme Booklet**) in connection with the proposed scheme of arrangement between Diversa Limited (**Diversa**) and Diversa Shareholders pursuant to which OneVue Holdings Limited (**OneVue**) will acquire all of the issued shares in Diversa. It is intended that this Supplementary Scheme Booklet be read together with the Scheme Booklet.

The purpose of this Supplementary Scheme Booklet is to provide Diversa Shareholders with updated information concerning:

- the pro forma financial information for the Combined Group;
- the deferred payments under the share sale agreement for the acquisition of shares in Tranzact Financial Services; and
- an extension of the maturity date of Diversa's loan facility with Macquarie Bank.

None of the matters referred to in this Supplementary Scheme Booklet change the Diversa Directors' recommendations in relation to the Scheme. **The Diversa Directors unanimously recommend that Diversa Shareholders vote in favour of the Scheme** at the Diversa Scheme Meeting. The meeting is scheduled to be held on Tuesday, 20 September 2016 at 10.00am (AEST), at McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland.

You should read this Supplementary Scheme Booklet and the Scheme Booklet in their entirety before deciding on whether to vote in favour of the Scheme or not. If you are not sure what to do, you should consult your investment or other professional adviser.

If you have any questions in relation to the Scheme or the Scheme Meeting, please contact the shareholder information line on 1300 784 494 (within Australia) or +61 1300 784 494 (outside Australia). The shareholder information line is open Monday to Friday from 9.00am to 5.00pm (AEST). Alternatively, you can contact the Company's registered office by calling +617 3212 9250, or attending in person at Level 9, Waterfront Place, 1 Eagle Street, Brisbane, QLD, 4000.

Unless otherwise defined in this document or the context otherwise requires, terms defined in the Scheme Booklet have the same meaning when used in this document.

# 1 Updated financial information for the Combined Group

## Basis of preparation

This section 1 presents updated Combined Group pro forma historical financial information following the release of Diversa and OneVue's FY2016 results. It has been prepared to provide Diversa Shareholders with an indication of the historical consolidated income statement and historical consolidated statement of financial position of the Combined Group and to illustrate the financial effect on the Combined Group if the Scheme is implemented. It is not intended to present the financial information that would have actually resulted and would have been contained in the OneVue financial statements had the Scheme actually been implemented in the past.

This section updates the previous disclosure about the Combined Group's pro forma historical financial information, contained in section 5.5 of the Scheme Booklet. The update takes into account the FY 2016 financial statements for each of Diversa and OneVue, which were released to the ASX on 29 August 2016. The updated pro forma information in this Supplementary Scheme Booklet should be referred to instead of the Combined Group pro forma historical financial information set out in section 5.5 of the Scheme Booklet. Shareholders are also encouraged to review the financial statements of Diversa and OneVue.

The Combined Group pro forma historical information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards, other than it includes adjustments which have been prepared in a manner consistent with Australian Accounting Standards that reflect:

- (a) the exclusion of certain transactions that occurred in the financial year ended 30 June 2016; and
- (b) the impact of certain events or transactions as if they occurred on or before 30 June 2016.

The preliminary comparison of the OneVue and Diversa accounting policies has not identified any material differences.

The Combined Group pro forma historical financial information has been derived from the:

- (a) Diversa historical consolidated income statement for the year ended 30 June 2016;
- (b) Diversa historical statement of financial position as at 30 June 2016;
- (c) OneVue historical consolidated income statement for the year ended 30 June 2016; and
- (d) OneVue historical statement of financial position as at 30 June 2016.

## Assumptions regarding capital structure

The Combined Group pro forma historical financial information has been prepared on the basis that OneVue will own 100% of Diversa following the implementation of the Scheme. The table below shows the calculation of the number of New OneVue Shares to be issued and the total value of the Scheme Consideration assuming all Diversa Shareholders make an Election to receive one type of Scheme Consideration:

	Maximum Share Consideration	Maximum Cash Consideration
Diversa Shares currently on issue	59,768,607	59,768,607
Diversa Shares to be issued under performance rights	217,456	217,456
Projected number of Diversa Shares on issue prior to implementation of the Scheme	59,986,063	59,986,063
Exchange ratio	1.2375	1.073
New OneVue Shares to be issued	74,232,753	64,365,046
Total number of OneVue Shares on issue following implementation	267,390,753	257,523,046
OneVue share price (as at 10 June 2016) <sup>1</sup>	\$0.665	\$0.665
Cash Consideration per Diversa Share	nil	\$0.10
Scheme Consideration	\$49,364,780	\$48,801,362

For the purposes of preparing the pro forma historical financial information for the Combined Group, OneVue has assumed that all Diversa Shareholders make an Election to receive the Maximum Share Consideration.

<sup>1</sup> Being the closing price of OneVue Shares on the last trading day before the Scheme was announced. This share price has been used for the purposes of presenting the Combined Group pro forma historical information.

Combined Group pro forma historical consolidated income statement as at 30 June 2016

\$000's	OneVue historical FY16	Notes	Pro forma adjustments	OneVue pro forma historical H1 FY16	Diversa historical FY16	Notes	Pro forma adjustments	Combined Group pro forma historical FY16
Revenue	26,636	i	1,216	27,852	13,936		–	41,788
Expenses	(27,853)	i	(982)	(28,835)	(10,887)		–	(39,722)
<b>Underlying EBITDA</b>	<b>(1,217)</b>		<b>234</b>	<b>(983)</b>	<b>3,049</b>		<b>–</b>	<b>2,066</b>
Depreciation and amortisation	(2,868)	i, ii	(237)	(3,105)	(1,085)	iv	(195)	(4,385)
Finance income/ (expense)	68	i, iii	40	108	(1,709)		–	(1,601)
<b>Underlying profit (loss) before income tax</b>	<b>(4,017)</b>		<b>37</b>	<b>(3,980)</b>	<b>255</b>		<b>(195)</b>	<b>(3,920)</b>
Income tax expense	624		–	624	(146)		–	478
<b>Underlying net profit (loss) after tax</b>	<b>(3,393)</b>		<b>37</b>	<b>(3,356)</b>	<b>109</b>		<b>(195)</b>	<b>(3,442)</b>

*Reconciliation: Underlying EBITDA to Statutory NPAT*

<b>Underlying EBITDA</b>	<b>(1,217)</b>		<b>234</b>	<b>(983)</b>	<b>3,049</b>		<b>–</b>	<b>2,066</b>
Acquisition and restructure costs	(614)	i	(42)	(656)	–		–	(656)
Other gains and losses including fair value adjustments	–		(43)	(43)	–		–	(43)
<b>Statutory EBITDA</b>	<b>(1,831)</b>	<b>i</b>	<b>149</b>	<b>(1,682)</b>	<b>3,049</b>		<b>–</b>	<b>1,367</b>
Depreciation and amortisation	(2,868)		(237)	(3,105)	(1,085)	iv	(195)	(4,385)
Finance income/ (expense)	68	i,ii	40	108	(1,709)		–	(1,601)
<b>Net profit (loss) before tax</b>	<b>(4,631)</b>		<b>(48)</b>	<b>(4,679)</b>	<b>255</b>		<b>(195)</b>	<b>(4,619)</b>
Income tax expense	624		–	624	(146)		–	478
<b>Net profit (loss) after tax</b>	<b>(4,007)</b>		<b>(48)</b>	<b>(4,055)</b>	<b>109</b>		<b>(195)</b>	<b>(4,141)</b>

EBITDA is a financial measure not prescribed by Australian Accounting Standards and represents earnings before financing costs, income tax expense and amortisation expense as detailed in the table above. Underlying profit is a financial measure which is not prescribed by Australian Accounting Standards and represents profit before acquisition and restructuring costs and other non-recurring items.

## Pro forma adjustments

The following pro forma adjustments have been included in the Combined Group pro forma historical consolidated income statement for the year ended 30 June 2016 as if the Scheme had occurred on 1 July 2015:

- i. the inclusion of the financial contributions based on the underlying results of Super Managers Australia Pty Ltd as if the acquisition was effective on 1 July 2015;
- ii. amortisation of intangible assets identified in the acquisition of Super Managers Australia Pty Ltd as if the acquisition was effective on 1 July 2015. This is based on a preliminary assessment of the acquisition value of intangibles and may vary once finalised within 12 months of the acquisition;
- iii. the inclusion of incremental interest income reflecting the deposit of funds generated from the share placement as if this had been undertaken on 1 July 2015; and
- iv. incremental amortisation expense of \$194,700 arising from the purchase price accounting for the OneVue acquisition of Diversa, specifically the recognition of Diversa customer intangibles at their fair market values based on a provisional assessment of preliminary information.

The Combined Group pro forma historical consolidated income statement for the year ended 30 June 2016 does not include:

- transaction costs expected to be incurred by Diversa of \$1,558,000, which will be treated as pre-acquisition expenses;
- transaction costs of \$450,000 expected to be incurred by OneVue which will be expensed;
- synergy benefits which are expected to occur following the implementation of the Scheme (therefore, integration costs and costs of achieving synergies have not been included); and
- any adjustment for income tax expense (following implementation of the Scheme, Diversa and its subsidiaries that are 100% owned will join the OneVue consolidated income tax group. As a result of entering the tax group, the existing tax cost bases of Diversa assets will be reset. Although this is not anticipated to have an impact on income tax expense, a detailed assessment will need to be undertaken and no adjustment or recognition of the potential tax benefits from carry forward losses has been included in the Combined Group pro forma historical consolidated income statement).

Combined Group pro forma historical consolidated statement of financial position as at 30 June 2016

\$000's	OneVue historical FY16	Notes	Pro forma adjustments	OneVue pro forma historical FY16	Diversa historical FY16	Notes	Pro forma adjustments	Combined Group pro forma historical FY16
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and cash equivalents	13,851			13,851	12,220		–	26,072
Deposits	4,822			4,822	–		–	4,822
Trade and other receivables	3,855			3,855	1,596		–	5,451
Financial assets	269			269	–		–	269
Other assets	525			525	–		–	525
<b>Total current assets</b>	<b>23,322</b>			<b>23,322</b>	<b>13,817</b>			<b>37,139</b>
<b>Non-current assets</b>								
Trade and other receivables	–			–	158		–	158
Property, plant and equipment	537			537	239		–	776
Intangible assets	21,469	i	(195)	21,274	11,275	ii, iii	38,642	71,191
Investment in associate	22		–	22	–		–	22
<b>Total non-current assets</b>	<b>22,028</b>	<b>i</b>	<b>(195)</b>	<b>21,833</b>	<b>11,672</b>		<b>38,642</b>	<b>72,147</b>
<b>Total assets</b>	<b>45,350</b>	<b>i</b>	<b>(195)</b>	<b>45,155</b>	<b>25,489</b>		<b>38,642</b>	<b>109,286</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Trade and other payables	5,925			5,925	3,003	ii	1,696	10,625
Borrowings	–			–	7,742		–	7,742
Current tax liability	–			–	–		–	–
Employee benefits	1,804			1,804	551		–	2,354
<b>Total current liabilities</b>	<b>7,729</b>			<b>7,729</b>	<b>11,296</b>		<b>1,696</b>	<b>20,721</b>
<b>Non-current liabilities</b>								
Borrowings	–			–	–		–	–
Employee benefits	362			362	140		–	502
Other payables	381			381	2,159		–	2,540
<b>Total non-current liabilities</b>	<b>743</b>			<b>743</b>	<b>2,299</b>		<b>–</b>	<b>3,042</b>
<b>Total liabilities</b>	<b>8,472</b>			<b>8,472</b>	<b>13,595</b>		<b>1,696</b>	<b>23,763</b>
<b>Net assets</b>	<b>36,878</b>		<b>(195)</b>	<b>36,683</b>	<b>11,894</b>		<b>36,946</b>	<b>85,523</b>
<b>EQUITY</b>								
Contributed equity	62,568			62,568	128,390	iv	(79,025)	111,933
Reserves	391			391	394	v	(394)	391
Accumulated Losses	(26,081)	i	(195)	(26,276)	(116,889)	ii, vi	116,364	(26,801)
Non-controlling interest	–			–	–		–	–
<b>Total equity</b>	<b>36,878</b>		<b>(195)</b>	<b>36,683</b>	<b>11,894</b>		<b>36,946</b>	<b>85,523</b>



The following pro forma adjustments have been made for the purposes of illustrating the merged group pro forma historical consolidated statement of financial position as if the Scheme had occurred on 30 June 2016:

- i. Provisional accounting for the acquisition of Super Managers Australia Pty Ltd recognises amortisation of \$195,100 for intangible assets as if the acquisition had taken place on 1 July 2015. This is based on a preliminary assessment of the acquisition value of intangibles and may vary once finalised within 12 months of the acquisition.
- ii. transaction costs of \$1,696,000 have been included as an increase in trade and other payables and accounted for as follows:
  - a. \$330,000 of transaction costs expected to be incurred by OneVue will be expensed and are therefore included in accumulated losses; and
  - b. \$1,366,000 of transaction costs expected to be incurred by Diversa will be a pre-acquisition expense and will reduce Diversa net assets and are presented as an increase in goodwill upon acquisition;
- iii. the acquisition accounting for the acquisition of Diversa by OneVue is determined on a provisional basis and a provisional fair value assessment of the carrying values of Diversa net assets has been undertaken with the resulting adjustments summarised below, being:
  - a. recognition of \$36,704,000 of goodwill arising from the implementation of the Scheme;
  - b. increase in the fair value of customer contracts by \$1,938,000 to \$6,053,000;
- iv. elimination of Diversa contributed equity of \$128,390,000 offset by an increase in contributed equity being the issue of 74,232,752 New OneVue Shares as Scheme Consideration of \$49,364,780. The Scheme Consideration is calculated using a OneVue share price of \$0.665, an exchange ratio of 1.2375 New OneVue Shares for each Diversa Share and assuming all Diversa Shareholders receive the Maximum Share Consideration.
- v. elimination of Diversa reserves of \$394,000 as at 30 June 2016; and
- vi. elimination of \$116,889,000 Diversa accumulated losses as at 30 June 2016, offset by additional client relationship amortisation of \$194,700 and an increase in accumulated losses of \$330,000 in relation to OneVue transaction costs expensed.

## 2 Tranzact Financial Services

Further to the disclosure in section 3.5 of the Scheme Booklet, Diversa advises that it has reached agreement with the counterparty to the Tranzact Financial Services' share sale agreement to vary the payment obligations under the agreement so that each of the deferred payments (to be made in August 2016 and August 2017 respectively) will be settled entirely in cash (previously, the agreement had provided for a component of each deferred payment to be settled in the form of new Diversa shares with a value up to \$250,000 for each payment).

## 3 Finance facility extension

As disclosed in the Scheme Booklet (in sections 2, 3.6, 6.2, 6.3 and the section titled 'Reasons to vote in favour of the Scheme'), Diversa currently has a \$5,000,000 loan facility with Macquarie Bank, which was due to mature on 30 September 2016.

Since the release of the Scheme Booklet, this facility has been extended to mature on 30 November 2016.

## 4 OneVue director appointment

Stephen Knight was appointed to the OneVue Board on 26 August 2016 as an independent non-executive director.

Stephen has more than 30 years of senior executive experience in the financial services industry with a particular focus on the investment management, capital markets and government sectors. Before transitioning to a career as a non-executive director, Stephen served as CEO of NSW Treasury Corporation (NSW TCorp) for a decade.

Stephen is also a Director of the Sydney Financial Forum, the Primary Ethics Future Trust (PEFT) and Advisory Board member of the Australian Office of Financial Management (AOFM).

Stephen has a Bachelor of Finance and Mathematics from the University of Sydney, has attended the General Manager Program at Harvard University and is a Fellow of the Australian Institute of Company Directors.

## 5 Additional information

### 5.1 Independent Expert's opinion

The Independent Expert, Grant Thornton Corporate Finance Pty Ltd, has also reviewed the additional information in this Supplementary Scheme Booklet and confirmed that its opinion, namely that the Scheme is in the best interests of Diversa Shareholders, has not changed.

### 5.2 Consents

- (a) Grant Thornton consents:
  - (i) to be named in the Supplementary Scheme Booklet in the form and context in which it is named; and
  - (ii) to the inclusion of the statements attributed to Grant Thornton in section 5.1 of the Supplementary Scheme Booklet in the form and context in which they are included.
- (b) OneVue consents to the inclusion of the OneVue Information contained in this Supplementary Scheme Booklet.
- (c) Each of Grant Thornton and OneVue:
  - (i) has not authorised or caused the issue of this Supplementary Scheme Booklet;
  - (ii) does not make, or purport to make, any statement in this Supplementary Scheme Booklet or any statement on which a statement in this Supplementary Scheme Booklet is based other than as specified in this section 5.2; and
  - (iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Supplementary Scheme Booklet, other than a reference to its name and a statement included in this Supplementary Scheme Booklet with the consent of that party as specified in this section 5.2.

### 5.3 Role of ASIC and ASX

A copy of this Supplementary Scheme Booklet has been lodged with, and registered for the purposes of section 412(6) of the Corporations Act, by ASIC. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Scheme Booklet.

A copy of this Supplementary Scheme Booklet will be lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Supplementary Scheme Booklet.

### 5.4 Voting at the Scheme Meeting

If you have already submitted a valid proxy for the Scheme Meeting and you want to change the way in which you have voted, then you should contact Diversa's share registry by calling +61 1300 554 474 and request a new proxy form (or, where you have lodged your proxy online, register a new proxy in accordance with the instructions on the Link website ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au))). Any subsequent proxy form that you lodge will revoke any earlier proxy form that you have lodged with Diversa. All proxy forms are required to be received by 10am on Sunday, 18 September 2016.

### 5.5 Date of this Supplementary Scheme Booklet

This Supplementary Scheme Booklet is dated 2 September 2016.

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