

ADCARE HEALTH SYSTEMS, INC
Form 424B3
March 10, 2014

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Registration Statement Nos. 333-183912
333-175541
333-171184

Prospectus Supplement No. 3
(to Prospectus dated January 8, 2014,
as supplemented by Prospectus Supplement No. 1,
dated January 24, 2014, and Prospectus Supplement
No. 2, dated February 14, 2014)

6,359,294 SHARES OF COMMON STOCK
OF
ADCARE HEALTH SYSTEMS, INC.

This prospectus supplement No. 3, dated March 7, 2014 (this “Prospectus Supplement No. 3”), supplements our prospectus, dated January 8, 2014, as amended and supplemented by Prospectus Supplement No. 1 thereto, dated January 24, 2014, and Prospectus Supplement No. 2 thereto, dated February 14, 2014 (as so amended and supplemented, the “Prospectus”). This Prospectus Supplement No. 3 is being filed to update, amend and supplement the information included or incorporated by reference into the Prospectus with the information contained in our Current Report on Form 8-K, filed with the Securities and Exchange Commission on March 7, 2014, which is attached to this Prospectus Supplement No. 3. This Prospectus Supplement No. 3 is not complete without, and may not be delivered or used except in connection with, the Prospectus, including all amendments and supplements thereto.

The Prospectus and this Prospectus Supplement No. 3 relate to the resale or other disposition from time to time of up to 6,359,294 shares of our common stock by the selling shareholders named in the Prospectus. The shares of common stock covered by the Prospectus and this Prospectus Supplement No. 3 represent shares which are currently outstanding and shares issuable upon the conversion of convertible promissory notes and the exercise of warrants which were previously issued by us in private placement transactions. We are not selling any common stock under the Prospectus and this Prospectus Supplement No. 3 and will not receive any proceeds from the sale or other disposition of shares by the selling shareholders.

This Prospectus Supplement No. 3 should be read in conjunction with the Prospectus. This Prospectus Supplement No. 3 updates, amends and supplements the information included or incorporated by reference into the Prospectus. If there is any inconsistency between the information in the Prospectus and this Prospectus Supplement No. 3, you should rely on the information in this Prospectus Supplement No. 3.

Pursuant to Rule 429 under the Securities Act of 1933, as amended, the prospectus, dated January 8, 2014, filed with the Securities and Exchange Commission on January 14, 2014, including any supplements or amendments thereto, is a combined prospectus and relates to shares registered under Registration Statement Nos. 333-183912, 333-175541 and 333-171184.

The common stock is traded on the NYSE MKT under the symbol “ADK.” On March 7, 2014, the last reported sale of the common stock on the NYSE MKT was \$4.43 per share.

Investing in our securities involves a high degree of risk. See “Risk Factors” beginning on Page 6 of the Prospectus. Neither the Securities and Exchange Commission nor any other state securities commission has approved

or disapproved of these securities or passed upon the adequacy or accuracy of the Prospectus or this Prospectus Supplement No. 3. Any representation to the contrary is a criminal offense.
The date of this Prospectus Supplement No. 3 is March 7, 2014.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

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Certain statements made in this Prospectus contain forward-looking information within the meaning of applicable securities laws (**forward-looking statements**). These forward-looking statements are presented for the purpose of assisting the Company's securityholders in understanding management's views regarding those future outcomes and may not be appropriate for other purposes. When used in this Prospectus, the words *may*, *would*, *could*, *will*, *intend*, *plan*, *anticipate*, *believe*, *seek*, *propose*, *estimate*, *expect*, and *similar* relate to the Company, are intended to identify forward-looking statements. Specific forward-looking statements in this Prospectus, including the documents incorporated by reference herein, include, but are not limited to: statements relating to business trends; the basis for any future growth and for our financial performance; the changing regulatory environment and its impact on our business; seasonality of our business; potential loss of recurring revenues; research and development and related expenditures; product and solution developments, enhancements and releases and the timing thereof; our building, development and consolidation of our network infrastructure; competition and changes in the competitive landscape; our management and protection of intellectual property and other proprietary rights; foreign sales and exchange rate fluctuations; cyclical or seasonal aspects of our business; our dividend policy; capital expenditures; potential legal proceedings; provisions of any Trust Indenture (as defined herein) or Debt Securities; and the creation and issuance of Preferred Shares.

The forward-looking statements contained herein are based on certain assumptions including the following: global shipment volumes continuing to increase at levels consistent with the average growth rates of the global economy; countries continuing to implement and enforce existing and additional customs and security regulations relating to the provision of electronic information for imports and exports; our continued operation of a secure and reliable business network; the stability of general economic and market conditions, currency exchange rates, and interest rates; equity and debt markets continuing to provide us with access to capital; our continued ability to identify and source attractive and executable business combination opportunities; and our continued compliance with third party intellectual property rights. While management believes these assumptions to have been reasonable on the date of the forward-looking statements, they may prove to be inaccurate.

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Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Some of the risks and other factors, some of which are beyond Descartes' control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this Prospectus, including the documents incorporated by reference herein, include, but are not limited to: difficulties maintaining or growing acquired businesses; failure to identify certain risks in connection with investments in acquisitions and other business initiatives; general economic conditions may affect our results of operations and financial condition; our existing customers might cancel contracts with us, fail to renew contracts on their renewal dates, and/or fail to purchase additional services and products, or consolidated contracts with acquired companies; changes in the value of the U.S. dollar, as compared to the currencies of other countries where we transact business, could harm our operating results and financial conditions; system or network failures or information security breaches in connection with our services and products could reduce our sales, impair our reputations, increase costs or result in liability claims, and seriously harm our business; failure to attract and retain key personnel would adversely affect our ability to develop and effectively manage our business; changes in government filing requirements for global trade may adversely impact our business; disruptions in the movement of freight could negatively affect our revenues; we have a substantial accumulated deficit and a history of losses and may incur losses in the future; our Common Share price has in the past been volatile and may also be volatile in the future; the fact that the market for Securities may be volatile and subject to wide fluctuations in response to numerous factors; and there is currently no trading market for any Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units that may be offered pursuant to this Prospectus.

This is not an exhaustive list of the factors that may affect any of the Company's forward-looking statements. Some of these and other factors are discussed in more detail in the section entitled "Certain Factors That May Affect Future Results" in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our 2014 Annual Report (as defined herein). Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking statements. Further information regarding these and other risk factors is included in the Company's public filings with provincial securities regulatory authorities which can be found on the System for Electronic Document Analysis and Retrieval (**SEDAR**) website www.sedar.com and with the United States Securities and Exchange Commission (the **SEC**) which can be found on the Electronic Data-Gathering, Analysis and Retrieval (**EDGAR**) website at www.sec.gov/edgar.shtml.

The forward-looking statements contained in this Prospectus represent the Company's views only as of the date such statements were made. Forward-looking statements contained in this Prospectus are based on management's plans, estimates, projections, beliefs and opinions as at the time such statements were made and the assumptions related to these plans, estimates, projections, beliefs and opinions may change. Although Descartes believes that the expectations reflected in the forward-looking statements were reasonable at the time such statements were made, there can be no assurance that such expectations will prove to be correct. Descartes cannot guarantee future results, levels of activity, performance or achievements and actual results or developments may differ materially from those contemplated by the forward-looking statements. While the Company anticipates that subsequent events and developments may cause the Company's views to change, the Company does not undertake to update any forward-looking statements, except to the extent required by applicable securities laws.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the SEC in the U.S. and with the securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the Company's annual information form dated April 6, 2014 for the year ended January 31, 2014, filed with Canadian securities regulators on April 10, 2014 and with the SEC as Exhibit 99.1 to the Company's Form 40-F on April 10, 2014;

(b) the audited consolidated financial statements of the Company as at and for the year ended January 31, 2014 and the report of the auditors thereon, filed with Canadian securities regulators on March 6, 2014;

(c) management's discussion and analysis of the Company for the year ended January 31, 2014 contained in Descartes' Annual Report to the Shareholders for the year ended January 31, 2014 (the **2014 Annual Report**), filed with Canadian securities regulators on March 6, 2014 and with the SEC as Exhibit 99.2 to the Company's Form 6-K on March 13, 2014; and

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(d) the management information circular dated April 30, 2013 with respect to the annual meeting of shareholders of the Company held on May 30, 2013, filed with Canadian securities regulators on May 2, 2013 and with the SEC as Exhibit 99.3 to the Company's Form 6-K on May 6, 2013.

All documents of the Company of the type described in Section 11.1(1) of Form 44-101F1 *Short Form Prospectus* to National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**), if filed by the Company with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus and during the term of this Prospectus, shall be deemed to be incorporated by reference into this Prospectus. In addition, to the extent that any document or information incorporated by reference into this Prospectus is included in any report on Form 6-K, Form 40-F or Form 20-F (or any respective successor form) that is filed with or furnished to the SEC after the date of this Prospectus, such document or information shall be deemed to be incorporated by reference as an exhibit to the registration statement of which this Prospectus forms a part. In addition, the Company may incorporate by reference into this Prospectus, or the registration statement of which it forms a part, other information from documents that the Company will file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, if and to the extent expressly provided therein.

Any template version of any marketing materials (as such term is defined in NI 44-101) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

A Prospectus Supplement containing the specific terms in respect of any Securities will be delivered, together with this Prospectus, to purchasers of such Securities and will be deemed to be incorporated into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement, but only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

Any statement contained herein, including any document (or part of a document) incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other currently or subsequently filed document (or part of a document) that is later dated and also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Upon a new interim financial report and related management's discussion and analysis of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous interim financial report and related management's discussion and analysis of the Company most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon new annual financial statements and related management's discussion and analysis of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual financial statements and related management's discussion and analysis of the Company and the previous interim financial report and related management's discussion and analysis of the Company most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new annual information form of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, notwithstanding anything herein to the contrary, the following documents shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder: (i) the previous annual information form; (ii) material change reports filed by the Company prior to the end of the financial year in respect of which the new annual information form is filed; (iii) business acquisition reports filed by the Company for acquisitions completed prior to the

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beginning of the financial year in respect of which the new annual information form is filed; and (iv) any information circular of the Company filed prior to the beginning of the Company's financial year in respect of which the new annual information form is filed. Upon a new management information circular prepared in connection with an annual general meeting of the Company being filed with the applicable securities regulatory authorities during

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the currency of this Prospectus, the previous management information circular prepared in connection with an annual general meeting of the Company shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

THE DESCARTES SYSTEMS GROUP INC.

Descartes was continued under the *Canada Business Corporations Act* on July 5, 2006. On July 31, 2006, Descartes was amalgamated under the *Canada Business Corporations Act* pursuant to an amalgamation between Descartes and ViaSafe Inc. (ViaSafe). On February 1, 2010, Descartes was amalgamated under the *Canada Business Corporations Act* pursuant to an amalgamation between Descartes and Scancode Systems Inc. (Scancode). On February 1, 2010, Descartes was amalgamated under the *Canada Business Corporations Act* pursuant to an amalgamation between Descartes and 7322267 Canada Inc. On February 1, 2012, Descartes was amalgamated under the *Canada Business Corporations Act* pursuant to an amalgamation between Descartes and 882976 Ontario Inc.

We beneficially own, control and/or direct 100% of all voting, share or membership interests in our material subsidiaries. Our material subsidiaries, determined as at January 31, 2014, are as follows:

- Descartes Systems (USA) LLC, a Delaware subsidiary;
- Flagship Customs Services, Inc., a Maryland subsidiary;
- Descartes Systems Group, Inc., a Delaware subsidiary;
- Descartes Systems UK Limited, a UK subsidiary;
- InterCommIT BV, a Netherlands subsidiary;
- Descartes Systems (Belgium) NV, a Belgian subsidiary; and
- KSD Software Norway AS, a Norwegian subsidiary.

The Descartes Systems Group Inc. head office and registered office is located at 120 Randall Drive, Waterloo, Ontario, N2V 1C6 and our general corporate phone number is (519) 746-8110.

SUMMARY DESCRIPTION OF THE BUSINESS

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We use technology and networks to simplify complex business processes. We are currently primarily focused on logistics and supply chain management business processes. Our solutions are predominantly cloud-based and are focused on improving the productivity, performance and security of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in a large, collaborative multi-modal logistics community. Our pricing model provides our customers with flexibility in purchasing our solutions either on a perpetual license, subscription or transactional basis. Our primary focus is on serving transportation providers (air, ocean and truck modes), logistics service providers (including third-party logistics providers, freight forwarders and customs brokers) and distribution-intensive companies where delivery is either a key or a defining part of their own product or service offering, or where there is an opportunity to reduce costs and improve service levels by optimizing the use of their assets.

DESCRIPTION OF SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of Common Shares. As of the date of this Prospectus 63,672,203 Common Shares have been issued and are outstanding.

DESCRIPTION OF COMMON SHARES

Each Common Share entitles the holder to: (i) one vote at all meetings of shareholders (except meetings at which only holders of a specified class of shares are entitled to vote), (ii) to receive, subject to the holders of another class of shares, any dividend declared by Descartes; and (iii) to receive, subject to the rights of the holders of another class of shares, the remaining property of Descartes on the liquidation, dissolution or winding up of Descartes, whether voluntary or involuntary. Any Prospectus Supplement for Common Shares will set forth the

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terms and other information with respect to the Common Shares being offered thereby, including: (i) the person offering the shares (the Company and/or the Selling Securityholder(s)); (ii) the number of Common Shares offered; (iii) the offering price (in the event that the offering is a fixed price distribution); (iv) the manner of determining the offering price(s) (in the event that the offering is not a fixed price distribution); and (v) any other material specific terms.

DESCRIPTION OF PREFERRED SHARES

As of the date of this Prospectus, the Company is not authorized to issue Preferred Shares in the capital of the Company and, as such, there are no Preferred Shares of the Company issued and outstanding. Any issuance of Preferred Shares by the Company would require an amendment to the Company's then-current constating documents, which amendment would require shareholder approval. In the event that such shareholder approval was obtained, the constating documents were amended by the Company's board of directors and the board of directors determined that the offering of Preferred Shares was in the best interests of the Company, the applicable Prospectus Supplement in connection with such offering will set forth the material attributes and characteristics of the Preferred Shares, as well as: (i) the offering price of the Preferred Shares (in the event that the offering is a fixed price distribution); (ii) the manner of determining the offering price(s) (in the event that the offering is not a fixed price distribution); (iii) the title and designation of number of shares of the series of Preferred Shares; (iv) the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to accumulate; (v) any conversion or exchange features or rights; (vi) whether the Preferred Shares will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights; (vii) any liquidation rights; (viii) any sinking fund provisions; (ix) any voting rights; (x) whether the Preferred Shares will be issued in fully registered or book-entry only form; (xi) any other rights, privileges, restrictions and conditions attaching to the Preferred Shares; (xii) any risk factors associated with the Preferred Shares; (xiii) whether the Preferred Shares will be listed on any securities exchange; and (xiv) any other material specific terms.

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered pursuant to a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement. The following description and any description of Debt Securities in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable indenture and, if applicable, collateral arrangements relating to such Debt Securities.

The Debt Securities will be direct unsecured obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the relevant Prospectus Supplement. The senior Debt Securities will rank equal in right of payment to all other unsecured and unsubordinated indebtedness of the Company. The subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of the senior Debt Securities and all other senior indebtedness of the Company.

The Debt Securities will be issued under one or more indentures between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee and one or more other trustees or co-trustees (each, a **Trustee**), as supplemented and amended from time to time (each a **Trust Indenture** and, collectively, the **Trust Indentures**). The statements made hereunder relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Any Prospectus Supplement for Debt Securities will set forth the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the percentage of the principal amount at which such Debt Securities will be issued; (iii) the date or dates on which such Debt Securities will mature; (iv) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (v) the dates on which such interest will be payable and the record dates for such payments; (vi) the Trustee under

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the Trust Indenture pursuant to which the Debt Securities are to be issued; (vii) any redemption term or terms under which such Debt Securities may be defeased; (viii) whether such Debt Securities are to be issued in registered form, book-entry only form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (ix) any exchange or conversion terms; (x) any sinking or purchase fund provisions; (xi) any risk factors associated with the Debt Securities; (xii) whether the Debt Securities will be listed on any securities exchange; and (xiii) any other material specific terms.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following sets forth certain general terms and provisions of the Subscription Receipts. The Company may issue Subscription Receipts that may be exchanged by the holders thereof for Securities or other securities upon the satisfaction of certain conditions. The particular terms and provisions of the Subscription Receipts offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Subscription Receipts, will be described in such Prospectus Supplement. The following description and any description of Subscription Receipts in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable subscription receipt agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Subscription Receipts.

The Subscription Receipts will be issued under one or more subscription receipt agreements.

Any Prospectus Supplement for Subscription Receipts will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, including: (i) the number of Subscription Receipts; (ii) the price at which the Subscription Receipts will be offered and whether the price is payable in instalments; (iii) conditions to the exchange of Subscription Receipts for Securities or other securities and the consequences of such conditions not being satisfied; (iv) the procedures for the exchange of the Subscription Receipts for Securities or other securities; (v) the number of underlying Securities or other securities that may be exchanged upon exercise of each Subscription Receipt; (vi) the dates or periods during which the Subscription Receipts may be exchanged for Securities or other securities; (vii) whether the Subscription Receipts and underlying Securities or other securities will be listed on any securities exchange; (viii) whether the Subscription Receipts and underlying Securities or other securities will be issued in fully registered or book-entry only form; (ix) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; (x) any risk factors associated with the Subscription Receipts and underlying Securities or other securities; and (xi) any other material specific terms.

DESCRIPTION OF WARRANTS

The following sets forth certain general terms and provisions of the Warrants. The particular terms and provisions of the Warrants offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Warrants, will be described in such Prospectus Supplement. The following description and any description of Warrants in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable warrant agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Warrants.

The Company may issue Warrants for the purchase of Debt Securities, Preferred Shares or Common Shares or other securities of the Company. Warrants will be issued under one or more warrant agreements between the Company and a warrant agent that the Company will name in the

applicable Prospectus Supplement.

Any Prospectus Supplement for Warrants will contain the terms and other information with respect to the Warrants being offered thereby, including: (i) the designation of the Warrants; (ii) the aggregate number of Warrants offered and the offering price; (iii) the quantity and terms of the Securities or other securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers; (iv) the exercise price of the Warrants; (v) the dates or periods during which the Warrants are exercisable; (vi) any minimum or maximum amount of Warrants that may be exercised at any one time; (vii) whether such Warrants will be listed on any securities exchange; (viii) any terms, procedures and limitations relating to the transferability or exercise of the Warrants; (ix) whether the Warrants will be issued in fully registered or book-entry only form; (x) any other rights, privileges, restrictions and conditions attaching to the Warrants; (xi) any risk factors associated with the Warrants; and (xii) any other material specific terms.

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DESCRIPTION OF UNITS

The following sets forth certain general terms and provisions of the Units. The particular terms and provisions of the Units offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Units, will be described in such Prospectus Supplement. The following description and any description of Units in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to any agreement, collateral arrangements and depositary arrangements relating to such Units.

The Company may issue Units comprised of more than one of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Any Prospectus Supplement for Units will contain the terms and other information with respect to the Units being offered thereby, including: (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately; (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of any Securities comprising the Units; (iii) whether the Units will be issued in fully registered or book-entry only form; (iv) any risk factors associated with the Units; (v) whether the units and the Securities comprising the Units will be listed on any securities exchange; and (vi) any other material specific terms.

EARNINGS COVERAGE RATIOS

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

TRADING PRICE AND VOLUME

Trading prices and volume of our Securities will be provided, as required, in each Prospectus Supplement to this Prospectus.

CAPITALIZATION

There have been no material changes in the Company's share or loan capital on a consolidated basis since January 31, 2014, being the date on which the Company's most recently completed financial year ended.

PRIOR SALES

Prior sales of our Securities will be provided as required in a Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

USE OF PROCEEDS

The use of proceeds of the sale of each issuance of Securities will be described in the Prospectus Supplement relating to the specific issuance of Securities. The Company will not receive any proceeds from any sale of Common Shares by the Selling Securityholders.

PLAN OF DISTRIBUTION

The Securities offered hereby may be sold (i) to or through underwriters or dealers purchasing as principals, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions, or (iii) through agents designated by the Company and/or the Selling Securityholders, as the case may be, from time to time. The Securities may be sold from time to time in one or more transactions at fixed prices or not at fixed prices, such as market prices prevailing at the time of sale, prices related to such prevailing market prices or prices to be negotiated with

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purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement for any of the Securities being offered thereby will identify the person offering Securities (the Company and/or, in the case of Common Shares, the Selling Securityholders) and will set forth the method of distribution and the terms of the offering of such Securities, including the type of Security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities, the proceeds to, and the portion of expenses borne by, the Company and/or the Selling Securityholders, as applicable, from such sale, any underwriting discounts and other items constituting underwriters' compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

The Securities may also be sold (i) directly by the Company and/or, in the case of Common Shares, the Selling Securityholders at such prices and upon such terms as agreed to by the Company and/or the Selling Securityholders, as applicable, and the purchaser or (ii) through agents designated by the Company and/or the Selling Securityholders from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company and/or the Selling Securityholders, as applicable, to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

The Company and/or the Selling Securityholders, as applicable, may agree to pay the underwriters a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission payable by the Company will be paid out of the general corporate funds of the Company. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company and/or the Selling Securityholders to indemnification by the Company and/or the Selling Securityholders, as applicable, against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities offered at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time.

SELLING SECURITYHOLDERS

Common Shares may be sold under this Prospectus by way of secondary offering by Selling Securityholders. The Prospectus Supplement for or including any offering of Common Shares by Selling Securityholders will include the following information, to the extent required by applicable securities laws:

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- the names of the Selling Securityholders;
- the number or amount of Common Shares owned, controlled or directed by each Selling Securityholders;
- the number or amount of Common Shares being distributed for the account of each Selling Securityholder;
- the number or amount of Common Shares to be owned by the Selling Securityholders after the distribution and the percentage that number or amount represents of the total number of our outstanding Common Shares;
- whether the Common Shares are owned by the Selling Securityholders both of record and beneficially, of record only, or beneficially only;
- the date or dates the Selling Securityholder acquired the Common Shares; and

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- if the Selling Securityholder acquired any Common Shares in the 12 months preceding the date of the applicable Prospectus Supplement, the cost thereof to the securityholder in the aggregate and on an average cost per security basis.

RISK FACTORS

Prospective investors in a particular offering of the Securities should carefully consider, in addition to information contained in the Prospectus Supplement relating to that offering and the information incorporated by reference herein for the purposes of that offering, the risk factor listed below and risks described in the documents incorporated by reference in the Prospectus as supplemented by the Prospectus Supplement relating to that offering, including the Company's then-current annual information form, as well as the Company's then-current annual management's discussion and analysis and interim management's discussion and analysis, if applicable, to the extent incorporated by reference herein for the purposes of that particular offering of Securities.

No Market for the Securities

There is currently no trading market for any Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units that may be offered. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including liquidity of these securities, prevailing interest rates and the markets for similar securities, the market price of the Company's other securities, general economic conditions and the Company's financial condition, historic financial performance and future prospects.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement will describe certain material Canadian federal income tax consequences to an investor who is a resident of Canada or who is a non-resident of Canada of the acquisition, ownership and disposition of any Securities offered thereunder, including whether the payment of dividends will be subject to Canadian non-resident withholding tax.

The applicable Prospectus Supplement will also describe certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of any Securities offered thereunder by an initial investor who is a U.S. person (within the meaning of the United States Internal Revenue Code).

LEGAL MATTERS

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Unless otherwise specified in a Prospectus Supplement, certain legal matters in connection with the Securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP with respect to matters of Canadian law and Bingham McCutchen LLP with respect to matters of U.S. law, in each case on behalf of the Company and/or the Selling Securityholders.

INTEREST OF EXPERTS

Deloitte LLP, as auditors of the Company, has advised the Company that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's external auditors are Deloitte LLP, Independent Registered Public Accounting Firm, of Toronto, Ontario located at Brookfield Place, 181 Bay Street, Suite 1400, Toronto, Ontario, M5J 2V1.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. located at its principal offices in Toronto, Ontario.

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PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In addition, original purchasers of Subscription Receipts, Warrants (unless the Warrants are reasonably regarded by the Company as incidental to the applicable offering as a whole) or convertible or exchangeable Debt Securities (or Units comprised partly thereof) will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of the Subscription Receipt, Warrant or the convertible or exchangeable Debt Security. The contractual right of rescission will be further described in any applicable Prospectus Supplement, but will, in general, entitle such original purchasers to receive the amount paid for the applicable convertible, exchangeable, or exercisable security upon surrender of the underlying securities acquired thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus.

In an offering of Subscription Receipts, Warrants or convertible or exchangeable Debt Securities (or Units comprised partly thereof), investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which Subscription Receipts, Warrants or convertible or exchangeable Debt Securities (or Units comprised partly thereof) are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon the conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

SERVICE OF PROCESS AND ENFORCEABILITY OF CIVIL LIABILITIES

We are a Canadian company. Some of our directors and executive officers live outside the United States. Some of the assets of our directors and executive officers and some of our assets are located outside the United States. As a result, it may be difficult or impossible to serve process on us or on such persons in the United States or to obtain or enforce judgments obtained in U.S. courts or Canadian courts against them or us based on the civil liability provisions of the federal securities laws of the United States. There is doubt as to whether Canadian courts would enforce the civil liability claims brought under U.S. federal securities laws in original actions and/or enforce claims for punitive damages.

WHERE TO FIND MORE INFORMATION

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We have filed with the SEC a registration statement on Form F-10 relating to the Securities. This Prospectus, which constitutes a part of the registration statement, does not contain all of the information contained in the registration statement, certain items of which are contained in the exhibits to the registration statement as permitted by the rules and regulations of the SEC. Statements included or incorporated by reference in this Prospectus about the contents of any contract, agreement or other documents referred to are not necessarily complete, and in each instance, you should refer to the exhibits for a complete description of the matter involved. Each time we sell Securities under the registration statement, we will provide a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus.

We file annual and quarterly financial information and material change reports, business acquisition reports and other material with the securities commission or similar regulatory authority in each of the provinces and

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territories of Canada and with the SEC. Under the multi-jurisdictional disclosure system adopted by the U.S., documents and other information that we file with the SEC may be prepared in accordance with the disclosure requirements of Canada, which are different from those of the U.S. You may read and download any public document that we have filed with the securities commission or similar regulatory authority in each of the provinces of Canada on SEDAR at www.sedar.com. You may read and copy any document we have filed with the SEC at the SEC's public reference room in Washington D.C. and may also obtain copies of those documents from the public reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 by paying a fee. Additionally, you may read and download some of the documents that we have filed on EDGAR at www.sec.gov/edgar.shtml.

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CERTIFICATE OF THE DESCARTES SYSTEMS GROUP INC.

Dated: April 16, 2014

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada, other than Quebec.

(Signed) Edward J. Ryan
Chief Executive Officer

(Signed) Stephanie Ratza
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Stephen Watt
Director

(Signed) Eric Demirian
Director

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DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been filed with the SEC as part of the registration statement of which this Prospectus is a part: (i) the documents referred to under "Documents Incorporated By Reference"; (ii) the consent of Deloitte LLP, Independent Registered Public Accounting Firm, and (iii) powers of attorney from directors and officers of the Registrant.

PART II

INFORMATION NOT REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS

Indemnification

Under the *Canada Business Corporations Act* (the "CBCA"), the Registrant may indemnify its current or former directors or officers or another individual who acts or acted at the Registrant's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of his or her association with the Registrant or another entity, and the individual seeking indemnity shall have a right to such indemnity if such individual was not judged by the court or other competent authority to have committed any fault or omitted to do anything that such individual ought to have done.

The CBCA also provides that the Registrant may advance monies to such an individual for the costs, charges and expenses of such a proceeding, provided that, such individual must repay the monies advanced if the individual does not fulfill the conditions in the following paragraph. The CBCA also provides that the Registrant may, with the approval of a court, indemnify such an individual or advance monies against all costs, charges and expenses reasonably incurred by the individual in connection with an action by or on behalf of the Registrant or other entity to procure a judgment in its favor, to which the individual is made a party because of the individual's association with the Registrant or other entity at the Registrant's request.

However, indemnification under any of the foregoing circumstances is prohibited under the CBCA unless the individual:

- acted honestly and in good faith with a view to the Registrant's best interests, or the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Registrant's request; and

- in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that his or her conduct was lawful.

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The Registrant's by-laws provide that the Registrant will indemnify a director or officer, a former director or officer or another individual who acts or acted at the Registrant's request as a director or officer (or an individual acting in a similar capacity) of another entity, and their heirs and legal representatives, against all costs, charges and expenses, including, without limitation, an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Registrant or other entity.

The Registrant's by-laws provide that the Registrant may advance monies to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to above. That person must repay the monies if the person does not fulfill the conditions in the following paragraph.

The Registrant's by-laws provide that the Registrant will not indemnify a person referred to above unless the person: (a) acted honestly and in good faith with a view to the best interests of the Registrant or, as the case may be, to the best interests of the other entity for which the person acted as a director or officer or in a similar capacity at the Registrant's request; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that the person's conduct was lawful.

The Registrant's by-laws provide that the Registrant also has the right to indemnify a person referred to above in such other circumstances as the CBCA or law permits or requires. The Registrant's by-laws do not limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of the Registrant's by-laws.

Subject to the CBCA, the Registrant may purchase and maintain insurance for the benefit of any individual referred to above as the board of directors of the Registrant may from time to time determine. The Registrant has purchased and maintains such an insurance policy. The Registrant has entered into standard indemnification agreements with its directors and executive officers.

Under agreements which may be entered into by the Registrant, underwriters, dealers and agents who participate in the distribution of the Securities may be entitled to indemnification by Registrant against certain liabilities, including liabilities arising out of any misrepresentation in this Registration Statement and the documents incorporated by reference herein, other than liabilities arising out of any misrepresentation made by underwriters, dealers or agents who participate in the offering of the Securities.

Insofar as indemnification for liabilities under the United States Securities Act of 1933 may be permitted to directors, officers or persons controlling the Registrant pursuant to the foregoing provisions, the Registrant has been advised that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

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Exhibits

Exhibit Number	Description
4.1*	Annual Information Form of the Registrant dated April 6, 2014 for the year ended January 31, 2014 (incorporated by reference to Exhibit 99.1 to the Registrant's Annual Report on Form 40-F for the year ended January 31, 2014, as filed with the Securities and Exchange Commission on April 10, 2014 (File No. 000-29970)).
4.2*	Audited consolidated financial statements for the year ended January 31, 2014 together with the notes thereto (incorporated by reference to the Registrant's Annual Report to Shareholders filed as Exhibit 99.2 to the Registrant's Form 40-F, as filed with the Securities and Exchange Commission on April 10, 2014 (File No. 000-29970)).
4.3*	Management's discussion and analysis of financial condition and results of operations for the year ended January 31, 2014 (incorporated by reference to the Registrant's Annual Report to Shareholders filed as Exhibit 99.2 to the Registrant's Form 40-F, as filed with the Securities and Exchange Commission on April 10, 2014 (File No. 000-29970)).
4.4*	Management Information Circular of the Registrant dated April 30, 2013 prepared in connection with the Registrant's Annual Meeting of Shareholders held on May 30, 2013 (incorporated by reference to Exhibit 99.3 to the Registrant's Form 6-K, as filed with the Securities and Exchange Commission on May 6, 2013 (File No. 000-29970)).
5.1	Consent of Deloitte LLP.
6.1*	Powers of Attorney (contained on the signature page of the original filing of this Registration Statement on Form F-10 filed with the Securities and Exchange Commission on April 10, 2014).

* Previously filed or furnished to the Commission.

PART III

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

Item 1. Undertaking

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to the securities registered pursuant to this Form F-10/A or to transactions in said securities.

Item 2. Consent to Service of Process

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At the time of the original filing of this Registration Statement on Form F-10 filed with the Securities and Exchange Commission on April 10, 2014, the Registrant filed a written irrevocable consent and power of attorney on Form F-X. Any change to the name or address of the agent for service of the Registrant shall be communicated promptly to the Commission by amendment to Form F-X referencing the file number of this Registration Statement.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-10 and has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Waterloo, Province of Ontario, Canada, on April 16, 2014.

THE DESCARTES SYSTEMS GROUP INC.

/s/ J. Scott Pagan

Name:

J. Scott Pagan

Title:

President and Chief Operating Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement has been signed below by the following persons in the capacities indicated.

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Signature	Title	Date
* Edward J. Ryan	Chief Executive Officer	April 16, 2014
* Stephanie Ratza	Chief Financial Officer	April 16, 2014
* Stephen Watt	Chairman of the Board	April 16, 2014
* David Anderson	Director	April 16, 2014
* David I. Beatson	Director	April 16, 2014
* Eric Demirian	Director	April 16, 2014
* Chris Hewat	Director	April 16, 2014
* John J. Walker	Director	April 16, 2014

*By: /s/ J. Scott Pagan
Name: J. Scott Pagan
Attorney-in-Fact

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of Section 6(a) of the Securities Act of 1933, as amended, the undersigned has signed this Amendment No. 1 to the Registration Statement, solely in the capacity of the duly authorized representative of The Descartes Systems Group Inc. in the United States, on the 16th day of April, 2014.

DESCARTES SYSTEMS (USA) LLC

By: Descartes U.S. Holdings, Inc.,
Sole Member

By: /s/ J. Scott Pagan
Name: J. Scott Pagan
Title: Secretary

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