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## Decimal Software Quarterly Report & Update

### Highlights

- Two new enterprise agreements signed: Centrepont Alliance and P&N Bank
- Growth of existing partnerships with QSuper and Mercer, including deployment of first to market online advice offering for QSuper with strong early results
- Cash at period end was \$2.9m, with forecast \$1.5m R&D tax refund due Q2FY16
- Reduced expense forecast for FY16 as core technology build is completed
- Acceleration of commercialisation phase with solid sales pipeline of enterprise customers

Decimal Software Ltd ('the Company', ASX: DSX, Decimal) is pleased to report on the Company's performance for the quarter ended 30 June 2015.

### Operational Update

Two new agreements signed. A commercial services contract was signed to provide advice and compliance solutions to Centrepont Alliance (ASX:CAF), one of Australia's largest non-institutionally owned financial services organisations, and the country's leading independent financial planning and SME insurance premium funding company. The company has relationships with 1,500 advisers who provide financial planning and accounting services and collectively advise on an estimated \$25bn of assets.

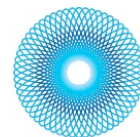
Furthermore the Company entered into an agreement with WA's largest locally owned and managed bank, P&N Bank ('P&N'), as part of the bank's strategy to explore new digitally driven customer propositions in financial advice. The P&N agreement is Decimal's first step into the mutual banking market. The WA-based bank serves more than 100,000 members with \$3 billion in assets, and operates under a customer-owned mutual banking model.

These agreements, coupled with existing partnerships including QSuper one of Australia's largest superannuation funds and Mercer, serve to accelerate Decimal's expansion and reach within the financial services industry. These agreements provide further validation from major Australian industry players of the technological capabilities and commercial potential of the Decimal Platform.

Significantly, QSuper went live with self-service, online advice powered by the Decimal platform with strong early results. The first of its kind in market, this comes at a time when the market's interest in automated (or robo) advice, delivery efficiency and compliance solutions, both in Australia and throughout the world, is rising rapidly, establishing Decimal's first mover advantage.

Mercer continued to roll out the Decimal capability across the Mercer Super Trust and other corporate funds.

While Decimal's focus remains firmly on Australia, the Company continues to see opportunities globally, with ongoing discussions with major companies in the U.S and New Zealand, including its partnership with Yodlee. No significant investment is required to pursue these opportunities as they leverage existing capability and any further commitment will only be in the context of a commercial agreement.



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### **Cash Position & Outlook**

At the end of the quarter the Company had cash in the bank of \$2.9m, a decrease of \$2.3m over the quarter. The cash decrease was in line with previous quarters in FY15 with the exception of last quarter (quarter to 31 March 2015) which was impacted by a receipt of an R&D rebate received in relation to FY14. The Company is also forecasting a positive cash impact of approximately \$1.5m from its FY15 R&D rebate, expected early Q2FY16.

Having finalised the set up and development costs associated with initial major deployments, the Company will now be able to realise product scale benefits in future development and client implementations. This will result in a reducing cost base with a greater emphasis on sales and marketing and variable costs aligned closer to revenue generation.

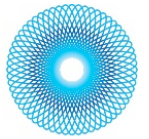
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## **About Decimal**

Decimal is an Australian based company, which has developed the world's first omni-channel, cloud based automated (robo) advice platform. The platform, which includes embedded compliance features, enables enterprises to provide consumer drive financial advice and execution to the mass consumer market with global application. Prior to now this has not been viable or technically possible, providing DSX with a first mover advantage.

Head quartered in Sydney, DSX partners with Financial Institutions of all sizes including banks, superfunds, credit unions, insurers, mortgage brokers, dealer groups and advisors to enable the execution of Financial Service advice via a seamless omni-channel solution.

The Company was founded in 2006 by leading financial technology executive Jan Kolbusz. Investment in enterprise grade infrastructure and build of the only end-to-end advice platform solution has taken 7 years and \$20m capital (fully expensed) with the go-to-market and commercialisation commencing in late 2014.

For further information [www.decimal.com.au](http://www.decimal.com.au)



# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

DECIMAL SOFTWARE LIMITED

ABN

31 009 235 956

Quarter ended

30 JUNE 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	191	444
1.2 Payments for (a) staff and director costs	(1,581)	(6,227)
(b) advertising and marketing	(51)	(448)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(860)	(3,032)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	45	302
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – R&D refund	-	1,095
<b>Net operating cash flows</b>	<b>(2,256)</b>	<b>(7,866)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,256)	(7,866)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses(see note in section 5.3)	-	-
(b) bank guarantees	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(69)	(187)
(e) other non-current assets	-	-
(f) deposit paid	-	(3)
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	(1)	(75)
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
	(70)	(265)
<b>Net investing cash flows</b>		
1.14 <b>Total operating and investing cash flows</b>	(2,326)	(8,131)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Reduction of capital payment	-	-
1.19 Dividends paid	-	-
1.20 Other (share issue cost)	-	-
<b>Net financing cash flows</b>	-	-
<b>Net decrease in cash held</b>	(2,326)	(8,131)
1.21 Cash at beginning of quarter/year to date	5,204	11,009
1.22 Exchange rate adjustments to item 1.21	-	-
1.23 <b>Cash at end of quarter</b>	2,878	2,878

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	140
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not applicable

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,541	2,119
4.2 Deposits at call	1,337	3,085
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>2,878</b>	<b>5,204</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Not applicable	Not applicable
5.2 Place of incorporation or registration	Not applicable	Not applicable
5.3 Consideration for acquisition or disposal	Not applicable	Not applicable
5.4 Total net assets	Not applicable	Not applicable
5.5 Nature of business	Not applicable	Not applicable

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

*Dan Potts*

Date: 31 July 2015  
 Dan Potts  
 Company secretary

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## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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