



ASX RELEASE

15 September 2015

Decimal Secures Funding from Strategic Investor

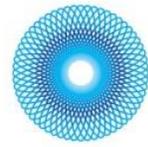
- Prominent technology investor Tony Grist leads funding facility and joins as a Strategic Adviser to the Board;
- Convertible note facility to complement and optimise existing funds to take advantage of accelerating opportunity in consumer-driven automated ('robo') financial advice that now tops \$600 million advised via the Decimal platform since initial deployment in June;
- Follows strategy and operational review to leverage early commercialisation success

Decimal Software Limited (ASX:DSX and 'the Company') today announces it has entered into a convertible note agreement with Albion Capital Partners Pty Ltd, an investment group led by prominent technology and telecommunications sector entrepreneur and executive Mr Tony Grist. The arrangement will also see Mr Grist become a strategic advisor to the Board to assess the opportunities in the Fintech sector around robo advice in which Mr Grist believes Decimal's technology has demonstrated superiority, as well as advising on capital management.

Under the convertible note agreement, subject to financial close, \$500,000 will be advanced to the Company in the form of secured convertible notes, with an option for the noteholder to advance an additional \$250,000. The convertible notes will be repayable on the earlier of the date that is 3 business days after the Company receives its FY15 R&D tax rebate and 29 January 2016 (or may be converted earlier by the noteholder as part of a future equity raising by the Company at a 15% discount to the offer price for shares offered under the equity raising).

In addition, 10 million unquoted options will be issued to Albion Capital Partners with a right to acquire one ordinary share in the Company for each option at an exercise price of \$0.05 per share and a three year option term. Refer to the schedule in this announcement for further information on the key terms of the convertible notes and options.

The convertible notes and options will be issued under the Company's existing placement capacity and will not require shareholder approval.



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The convertible note facility will extend Decimal's current and future financial capability to take advantage of its first in market on line consumer driven ('robo') financial advice technology. Initial deployment with enterprise customers has seen over \$600 million advised via the platform in less than 3 months. With further capability scheduled for roll out in 2015 funds under on line advice has potential to exceed \$1bn.

The convertible note facility will be used to provide additional financial headroom until receipt of R&D incentive rebate expected to be \$1.78 million and forecast for Q2 FY16

Tony Grist is a Principal at Albion Capital Partners, a Perth based venture capital investment and consultancy firm that was founded in 1990. The firm has been an investor in, and has arranged funding for, life sciences, technology, telecommunications, mining and mining services. Tony is co-founder and former Chair of Amcom Telecommunications and a former Director of iiNet. Following its successful \$1.2bn merger in July 2015 with Amcom, he now serves as Deputy Chairman of ASX top 200 company Vocus Communications.

In 2015, Tony was Chair of Judging for the western region of the Ernst & Young Entrepreneur of the Year program, as well as serving on the national judging panel. Tony is also a Director of the Minderoo Foundation, the umbrella organisation for the philanthropic programmes of Andrew and Nicola Forrest. He has held broader directorships in Canada, the United Kingdom and Australia in the telecommunications, healthcare, mining and energy industries and holds degrees from the University of Western Australia.

Decimal's Executive Chairman, Michael Sertorio, commented:

"We welcome the opportunity to access the strategic and corporate expertise of Tony Grist and Albion Capital and believe that this support will help Decimal refine and drive our strategy into the quickly growing market for automated financial advice solutions. This facility will provide additional financial runway for the Company to build upon early successes and reach further value building inflection points."

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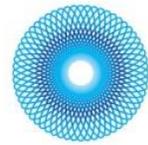
About Decimal

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-driven automated financial advice and execution to the mass consumer market with global application. Prior to now this has not been viable or technically possible, providing Decimal with a first mover advantage.

Head quartered in Sydney, Decimal 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



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Schedule - Key Terms of the Convertible Notes and Options

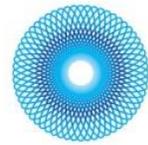
Noteholder	Albion Capital Partners Pty Ltd
Issuer	Decimal Software Limited
Loan Value	Minimum \$500,000 advance available to the Issuer from financial close. Further \$250,000 advance available at Noteholder discretion.
Conditions precedent	The loan advances are conditional upon the issue of the options to the Noteholder (as described below), the lodgment of the Company's FY15 tax return requesting its R&D rebate, the payment of transaction fees/ expenses, and standard conditions relating to compliance with warranties and no existing event of default.
Condition subsequent	The Issuer must provide a letter of attestation to the Noteholder from its tax adviser in respect of the R&D rebate within 2 weeks of the date of the agreement.
Repayment Date	The earlier of 29/1/16 and the date that is 3 business days after the Issuer receives its FY2015 R&D rebate, or such later date as agreed (unless prepaid earlier at the option of the Issuer).
Interest Rate	9% per annum
Security	Account Charge (R&D incentive rebate) and a General Security Deed
Conversion Price	The Noteholder may convert as part of a future equity raising of ordinary shares in the Issuer, at a price equal to a 15% discount to the share price offered under that raising. The Issuer is entitled to refuse to convert the notes (or exercise of the options) if to do so would result in the Issuer exceeding its existing placement capacity under Listing Rule 7.1, without prior shareholder approval.
Conversion Period	From and including date of drawdown on Loan to repayment date. Convertible notes may only be converted in tranches of \$250,000.
No voting rights	The notes and options shall not carry any voting rights for the Noteholder.
Transfer	Notes and options are only transferable to Associates of the Noteholder, with certain conditions.
Anti-dilution	Adjustments to loans and options to be made upon reconstruction of Company's capital.
Unquoted Options	10 million unquoted options will be issued to the Noteholder.

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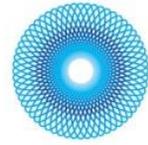
Key Options Terms	<ul style="list-style-type: none">• Each option entitles the holder to subscribe for one ordinary share in the Company at an exercise price of 5 cents per share;• Minimum number of 2.5 million options exercisable by the holder at one time;• Issue date no more than 5 business days after conditions precedent have been satisfied;• Expiry date of 3 years from date of issue;• No rights to participate in new issues of capital, but the options will be reorganized, and the options/exercise price adjusted, in accordance with the ASX Listing Rules.
Unquoted	Notes and options will not be quoted on ASX
Right of first refusal	Noteholder has the right until 30 June 2016 to negotiate in good faith with the Issuer in relation to licensing of certain application of the technology prior to any third party negotiations, and must notify and provide a 30 business day matching right to the Noteholder in respect of third party offers before it may accept such third party offer. The Issuer is not, however, legally bound to enter into any licensing arrangements with the Noteholder and may launch/operate the technology itself (and utilise third parties to assist it) without any restrictions.
Events of Default	<p>(a) (Failure to pay) the Issuer does not pay, when due, any amount payable in the manner specified under a Finance Document, and such amount is not paid by the Issuer within 2 Business Days after the earlier of the Issuer becoming aware of it and the Issuer receiving notice from the Noteholder to remedy the non-compliance;</p> <p>(b) (Failure to comply) the Issuer defaults in performing, observing and fulfilling any provision of any Finance Document other than a provision requiring the payment of money as described in clause (a), and either:</p> <ul style="list-style-type: none">(i) such non-compliance is incapable of remedy or performance even if more time is given; or(ii) if capable of remedy or performance if more time is given, the Issuer does not remedy the non-compliance within 10 Business Days after the earlier of the Issuer becoming aware

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	<p>of it and the Issuer receiving notice from the Noteholder to remedy the non-compliance;</p> <p>(c) (Untrue warranty) any representation, warranty or statement made, repeated or deemed to be made or repeated in any Finance Document proves to be untrue in any material respect when made, repeated or deemed to be made repeated or furnished (as the case may be) and either:</p> <p>(i) the circumstances giving rise to such a breach are incapable of remedy even if more time is given; or</p> <p>(ii) if the circumstances are capable of remedy if more time is given, those circumstances are not remedied within 10 Business Days after the earlier of the Issuer becoming aware of it and the Issuer receiving notice from the Noteholder to remedy those circumstances;</p> <p>(d) (Event of Insolvency) any Event of Insolvency occurs in respect of the Issuer;</p> <p>(e) (Cessation of business) the Issuer ceases, or threatens to cease, to carry on all or a substantial part of its business;</p> <p>(f) (Void or voidable) any Finance Document is or becomes or is claimed by the Issuer to be void, voidable or unenforceable in whole or in part; or</p> <p>(g) (Illegality) at any time it is unlawful for the Issuer to perform any of its obligations under any Finance Document.</p>
Transaction costs	Payable by the Issuer, up to an agreed cap of \$40,000 (including a \$10,000 establishment fee payable to the Noteholder).

- Ends -

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