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Decimal Software Quarterly Report

Highlights:

- Agreement to establish channel distribution partnership with major US fintech Yodlee
- Strong progress on implementation of Decimal platform for major Australian clients
- US office opened in San Francisco to pursue opportunities in the world's largest financial services market
- Client service and sales and marketing capabilities enhanced with further appointments to the senior team
- Cash at period end was \$5.2m, a decrease of \$1.1m over the quarter
- Positive outlook with advanced discussions underway for commercial agreements with enterprise clients

Decimal Software Ltd ("the Company", ASX: DSX) is pleased to report on the Company's performance for the quarter ended 31 March 2015.

Operational

During the quarter ended 31 March 2015, significant progress was made towards the implementation of the Decimal platform for QSuper, one of Australia's largest superannuation funds.

Decimal also continued the expansion of its platform with Mercer to enable real time advice systems to the Mercer Super Trust and other industry and employer sponsored superannuation funds.

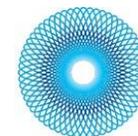
Corporate

New appointments

Decimal continued the strengthening of its executive team and building out of its leadership capabilities with the appointment of senior executives in the business critical areas of Customer Experience, Sales and Marketing.

Newly appointed Chief Customer Officer, Jacqui Lennon joined the company from Macquarie Bank, where she held the role as Head of Customer Experience for the banking and financial services division. She brings with her a wealth of experience across risk and compliance, strategy and mergers and acquisitions.

In addition, Decimal has enhanced its sales and marketing focus over the quarter with the recent appointments of Lanie Conquest as Head of Licensee Sales and Joanna McCarthy as Head of Marketing.



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Ms Conquest was previously Chief Operating Officer at Greenlight Super Services, prior to which she worked at Macquarie Adviser Services as distribution strategy manager. She has also held positions with leading technology and telecoms companies Asgard and BT Financial Group.

Ms McCarthy joined from QBE Insurance Group where she was Global Manager, Brand & Content. Prior to that McCarthy spent five years at Kimberly Clark Australia & New Zealand as Head of Corporate Communications and a member of the senior leadership team. Ms McCarthy has experience across a range of multinational and local brands and is a regular contributor to the marketing and advertising industry as an awards judge and conference speaker.

This quarter's appointments follow the addition of CEO Carolyn Colley, ex head of Personal Banking at Macquarie Bank in the previous quarter.

Expansion into the U.S

In January, 2015 Decimal announced the opening of its new office in San Francisco, in the United States of America. The newly established office supports the Company's strategy to pursue opportunities emerging in the U.S for the Company. Having a physical presence in the U.S is expected to accelerate Decimal's expansion into the U.S and facilitate scale of the business in markets outside Australia.

Cash Position

At the end of the Quarter the Company had cash at bank of \$5.2 million, a decrease of \$1.1 million over the quarter.

Outlook

The Company is confident that it can build scale and drive growth in new markets. The recent commercial partnership with major U.S fintech Yodlee to provide product distribution of the Decimal platform in the U.S not only validates the potential of the product, but is an important additional marketing channel for the business.

Commercial partnerships such as the Yodlee agreement are an important part of the Company's growth strategy and it will continue to focus on establishing further partnerships in the U.S and Australia. The Company is in advanced discussions with other potential partners in the U.S and is confident that this strategy will generate valuable opportunities.

Carolyn Colley, CEO, Decimal Software commented:

"We're pleased with the Company's progress this quarter and are confident as we go into the next quarter that we can continue to drive the business and achieve significant growth in both the Australian and U.S markets."



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The U.S is the worlds largest financial services market and is experiencing disruption across the industry. For this reason Decimal has chosen the U.S as a key market and is well positioned to take advantage of this trend and capitalise on the growing expense spent by the industry on I.T services.”

Ends

For Investor inquiries:

Michael Sertorio, Executive Chairman

Decimal Software Limited

E: ms@decimal.com.au

T: +61 412 162 152

For Media inquiries

Asher Moses, Director

Media & Capital Partners

E: asher.moses@mcpartners.com.au

T: +61 438 008 616

About Decimal

Decimal is the world’s first Financial Services platform to make it possible to provide advice to the mass market across a complete range of financial products, efficiently and compliantly.

Decimal achieves this by taking customer experience to a new level of simplicity through its patented big data analytics. The first to market model of robo-advice differs from current models through its omni-channel support, real-time compliance and in particular it’s extended product range. This includes, but is not limited to savings, mortgage, insurance, retirement savings, straight investment and post retirement products.

Decimal’s white label platform is designed for the largest enterprises down and offers full online configuration and customization to the enterprise’s look and feel. It is the only seamless end-to-end solution that helps manage every step, from finding new customers, to servicing them, through to execution and ongoing tracking.

Decimal has been architected ground up to leverage the benefits and scalability of a multi-faceted SaaS cloud platform.

For further information 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

31 MARCH 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	43	253
1.2 Payments for (a) staff and director costs	(1,578)	(4,646)
(b) advertising and marketing	(58)	(397)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(681)	(2,173)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	63	257
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – R&D refund	1,095	1,095
Net operating cash flows	(1,115)	(5,611)

+ 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 (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,115)	(5,611)
Cash flows related to investing activities		
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	4	(118)
(e) other non-current assets	-	-
(f) deposit paid	(1)	(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	-	-
	2	(195)
Net investing cash flows		
1.14 Total operating and investing cash flows	(1,113)	(5,806)
Cash flows related to financing activities		
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)	-	-
	-	-
Net financing cash flows		
Net decrease in cash held	(1,113)	(5,806)
1.21 Cash at beginning of quarter/year to date	6,317	11,009
1.22 Exchange rate adjustments to item 1.21	-	-
1.23 Cash at end of quarter	5,204	5,204

+ 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	138
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	2,119	732
4.2 Deposits at call	3,085	5,585
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	5,204	6,317

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.

A Watt

Date: 27 April 2015
 Andrew Watt
 Company secretary

+ See chapter 19 for defined terms.

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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