



## ASX RELEASE

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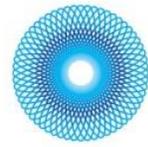
# Strategic & Operational Update and FY16 Outlook

- Launch of first in market consumer-driven, financial advice offering for enterprises achieving exceptional results - over \$600m advised via the platform in just two months
- Focused automated financial advice ('robo-advice') distribution strategy aligned to accelerating market opportunity
- Completion of product scalability to result in annualised delivery and operating cost reduction of over \$4 million, with main savings resulting from reduction in FY15 delivery and operating costs from completion of first major deployment & scalability benefits
- Key focus for FY16 is efficiently continuing Decimal's strategic path to market and leveraging scalable growth opportunities via sales pipeline of over 40 enterprise customers
- Existing customers continue to roll out the Decimal platform capability across their businesses with benefits for Decimal expected to be realised in FY16

Decimal Software Limited (ASX:DSX and 'the Company') today announces it has completed a strategic review of the business resulting in the Company focusing on consumer-driven automated ('robo') advice opportunities for enterprises and reaches major milestones of initial major deployments.

## Strategic and Operational Review

Decimal has completed a strategic and operational review to streamline its business as it completes its first major deployment and pursues repeatable and mass scale opportunities now present in the market. The Decimal platform has reached a level of maturity to enable enterprises to fully benefit from the SaaS business model in terms of low implementation and maintenance costs and high levels of configurability.



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The review has been conducted to optimise the Company's use of existing funds for commercial success. As a result, the Company will reduce annual core costs by more than 40% with initial savings from September 2015 as it moves to an enhanced and flexible delivery model.

The savings will come from all areas of the business, including corporate overhead with the bulk of the saving coming from a reduction in project costs associated with initial deployment. This investment in platform capability will now be leveraged across the market opportunity with a lower fixed cost delivery model. Furthermore, costs incurred will be better aligned to revenue growth and client numbers.

### **Strategic Priorities and Outlook**

During the past 6 months, the Company has made rapid progress in the commercialisation of the technology. Decimal has been able to capitalise on the untapped market opportunity for automated consumer-driven financial advice and seize first-mover advantage.

A number of early commercial agreements and partnerships have been executed, including:

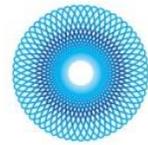
- **QSuper:** Queensland's largest superannuation fund with 530,000 members and \$54bn in retirement funds under management (FUM). Further rollout of online advice capability to support the omni-channel experience for QSuper will take place in 2015
- **Mercer:** one of the largest investment administrators and advisors in the world, with 225,000 members and \$17.5bn FUM. Decimal expects to continue to enhance capability, beyond provision of phone based advice, for its corporate fund members in 2015
- **Centrepoint Alliance (ASX:CAF):** one of Australia's largest non-institutionally owned financial services enterprises with relationships with over 1500 advisers and \$25bn under advice
- **P&N Bank:** WA's largest locally owned bank with 100,000 members and \$3bn in assets. P&N has formed an innovation partnership with Decimal for automated advice solutions

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- **A leading ASX 200-consumer brand company:** Brand with a consumer reach of some 10 million consumers. A Memorandum of Understanding (MOU) has been entered into to launch a direct to consumer online financial advice offering expected to launch early 2016.

Early customer success was achieved with QSuper having implemented Decimal's platform for their online advice channel in June 2015. Adoption rates are ahead of expectations, with over 2,000 online advice transactions achieved in the first two months post launch which account for more than \$600m in funds advised by via the Decimal platform. This early customer success provides commercial validation and is a demonstration of the growth potential Decimal provides its clients.

The Company has focused its distribution resources towards larger enterprise client opportunities who are increasingly coming to the market for consumer-driven automated advice solutions to provide to their customers. Efforts have resulted in a robust pipeline of opportunities across key target market segments with more than 40 active opportunities currently being pursued.

The Decimal pricing model is directly leveraged to the growing consumer demand for automated financial advice services. The Company estimates the addressable market for this capability in Australia at over \$300 million p.a.

**Decimal's CEO, Australia & New Zealand, Carolyn Colley, commented:**

*"Decimal is pleased to start FY16 with a clear focus on repeatable opportunities having completed the highly successful roll out of our first major client deployment. The results speak for themselves achieving 2,000 statements of advice executed within first 2 months post launch, accounting for more than \$600m in funds advised online via the Decimal platform.*

*The completion of the implementation has enabled us to scale back the expenditure required for future implementations and achieve efficiencies in our operations. This sets us up for future success in driving revenue growth and continued customer development."*

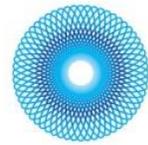
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**About Decimal**

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](http://www.decimal.com.au)