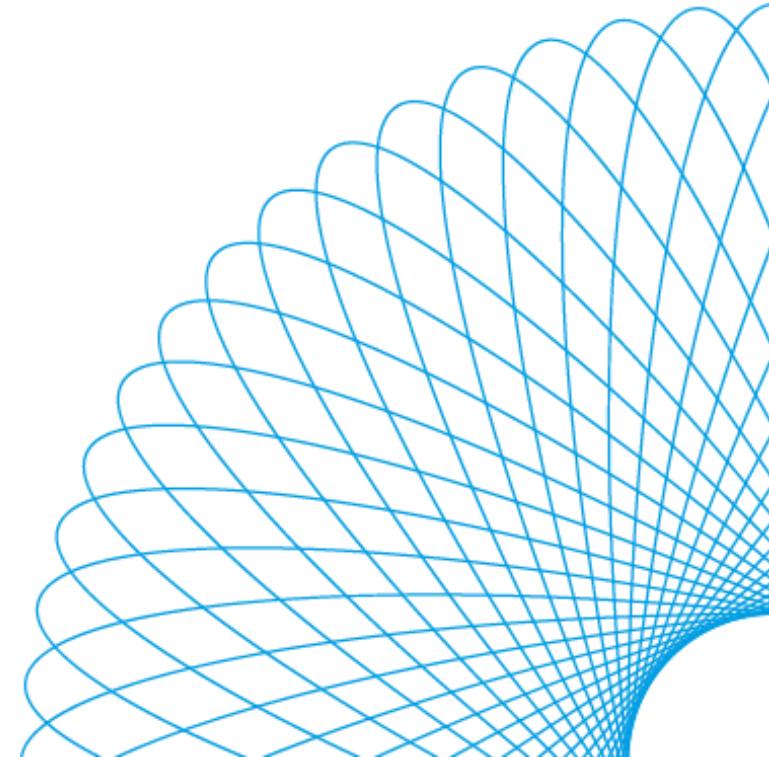


decimal

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# Decimal Company Overview

May 2015



## Powering FinTech innovation:

---

*We've built the world's first  
Financial Services advice  
platform that enables enterprises  
to deliver a seamless advice  
experience to the mass consumer  
market*

---



# Executive summary

- **Huge global market opportunity.** The majority of Australian and US households are unadvised yet consumers have significant advice needs
- **Multiple catalysts driving industry shift** driven by consumers looking for similar frictionless experiences in Financial Services that they are enjoying in other industries i.e. a platform like UBER and Amazon for financial advice
- **Decimal has a world class enterprise grade platform** – globally competitive, highly customisable, cloud based, seamlessly integrates across existing platforms, defensible and patent protected
- **Technological and commercial validation** provided by Tier 1 clients and partners - Mercer, QSuper, Yodlee - achieved within 6 months of market entry
- **Focused commercialisation strategy** targeting agreements with strategic distribution partners and enterprise clients. Significant pipeline of opportunities
- **Strong leadership team** to execute, drive growth and create shareholder value

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# The company

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



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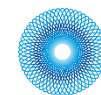
# Decimal overview

- ASX listed financial technology company (ASX:DSX) April 2014
- Founded in 2006 by FinTech innovator Jan Kolbusz
- Investment in enterprise grade infrastructure – 7 years and \$20m (fully expensed)
- Operations in Australia and US, with plans for further geographic expansion
- First-mover advantage – only enterprise end-to-end platform solution for financial advice
- Tight shareholder register
  - 25% Executive ownership
  - 9% Acorn Capital

ASX	DSX
Share price*	\$0.11
Shares on issue	179.5m
Market cap.*	\$20m
Cash at bank**	\$5.2m

\* As at 19 May 2015

\*\* As at 31 March 2015



# Strong, experienced leadership team

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**Michael Sertorio**  
Executive Chairman

Experience includes:

- **Global Construction Services** – Executive Director, Business Development, Non-Executive Director
- **Moraitis Group** – Non-Executive Director
- **Chase Manhattan Bank** – Vice President
- **Standard Chartered Bank** – Head of Human Resources



**Jan Kolbusz**  
Founder & Executive Director, Strategy & Innovation

Experience includes:

- **Asgard Wealth Solutions** - Director
- **Ernst and Young** – IT consultant
- **Baxter Healthcare** – Project Manager



**Robert Kirtlan**  
Non-Executive Director

Experience includes:

- **Credo Resources** – Director
- **RMG Ltd** - Chairman
- **MERK Consulting** - Director

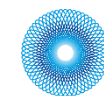


**Carolyn Colley**  
Chief Executive Officer, Australia & New Zealand

Experience includes:

- **Macquarie Group** – Head of Personal Banking
- **St George Bank** – COO Wealth Management
- **Bankers Trust** – Executive Vice President
- **BT Financial Group** – Head of BT Wrap

**Strategic and operational leadership in place to execute and deliver growth**

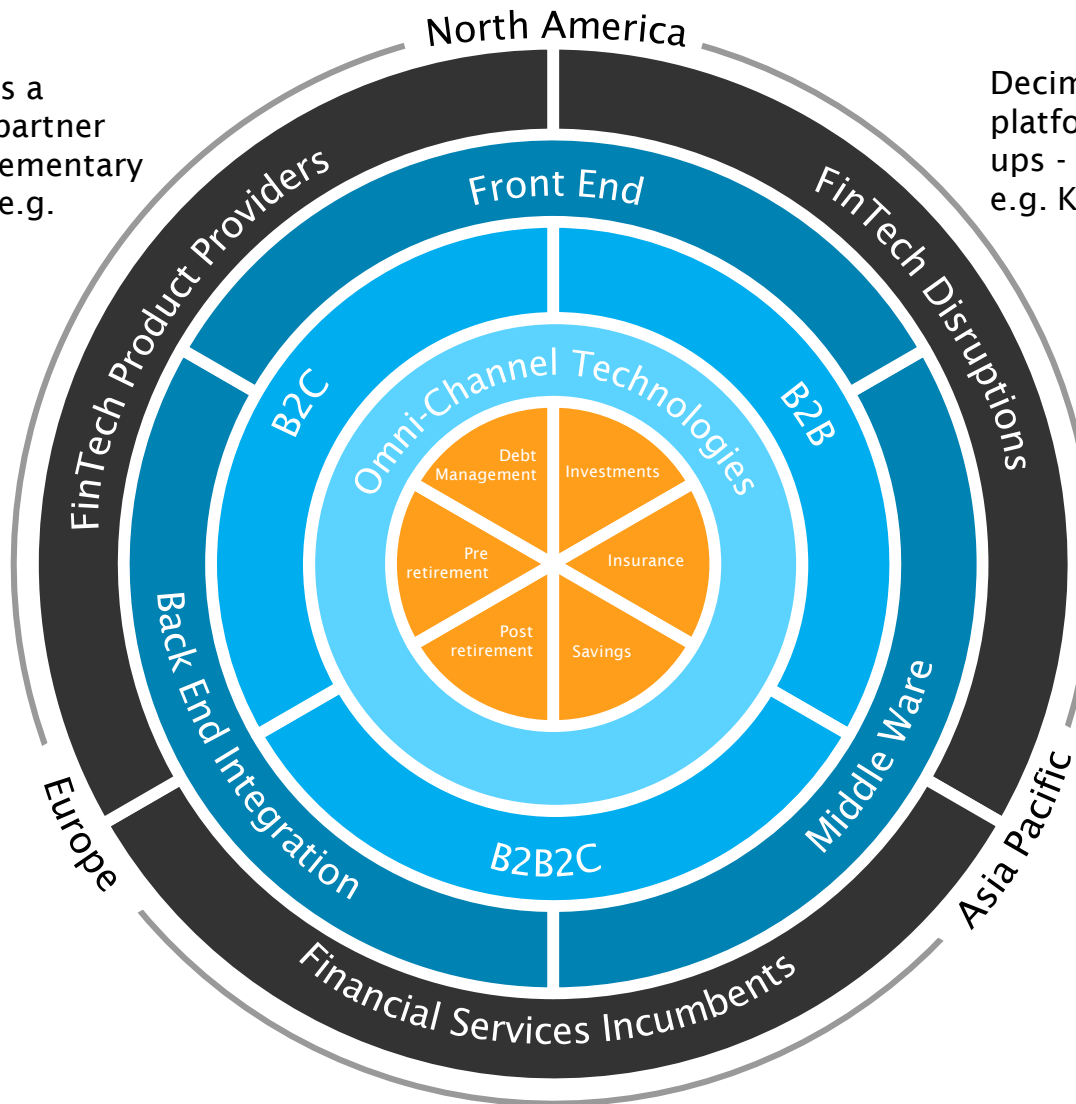


# We power FinTech innovation for financial services organisations and consumer brands

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Decimal as a platform partner for complementary offerings e.g. Yodlee

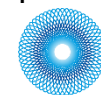
Decimal as a development platform for FinTech start ups - an "AWS for FinTech" e.g. Kivalia



Dynamic wheel of:

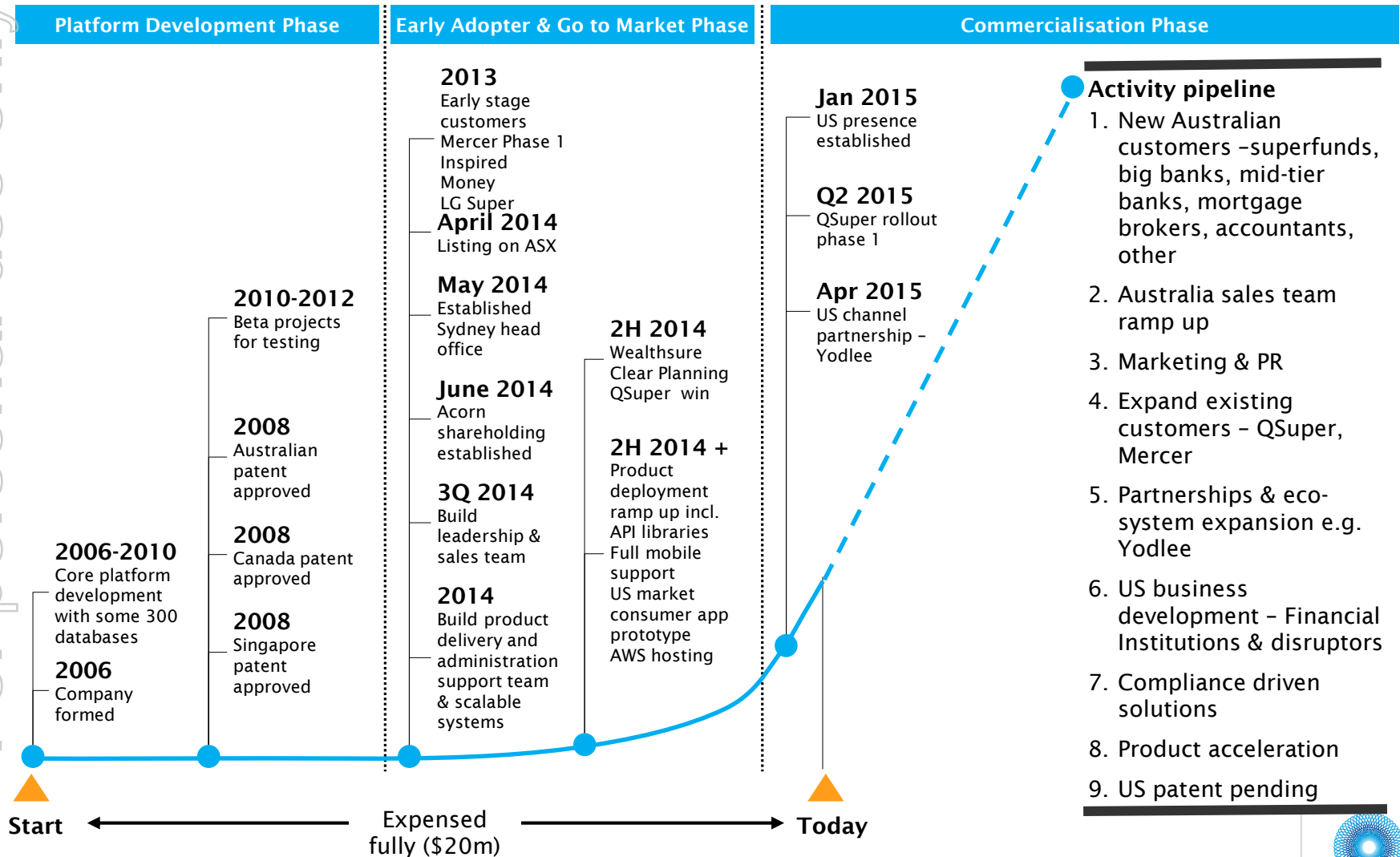
- Consumer needs
- Omni-channel
- Business Models
- Technology Stack
- Target markets

Decimal helping Financial Institutions compete & stay relevant across multiple products, services and channels e.g. Mercer, QSuper, LG Super



# Journey to date: key milestones & achievements

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# The opportunity

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# Financial advice is changing rapidly driven by:

## Digital innovation



FinTech is a booming sector

= customer experience new battle ground

## Growing market



Big market with mandated growth

## Banks under threat



Increasing competition and potential revenue leakage

## Trust erosion



Consumers exhausted with conflict & complexity

## Regulatory imperative



Reviews & Inquiries support change

## Cost base increasing



Compliance and increasing IT spend

## Demographic changes



Aging population

Millennials seeking digital solutions

## Customers expectations changed



Expect quality service 24/7

Omni-channel experiences

Mobility

## Democratisation of advice



Demand for affordable, accessible advice

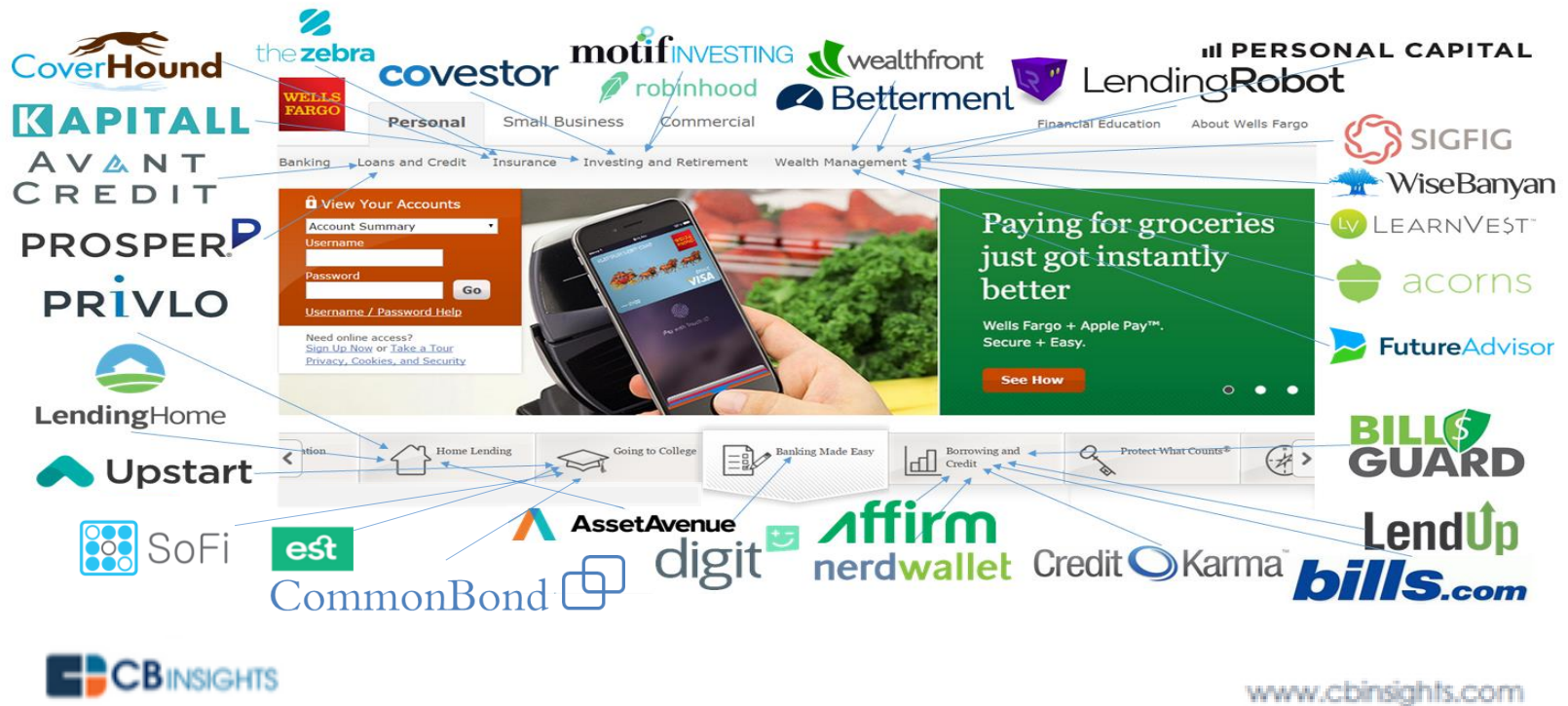
60% to 80% unadvised



# Leading to the unbundling of the Banks and driving technology innovation

New entrant FinTech start ups are disrupting incumbents via single solution offerings (hence the term “unbundling”)

## Unbundling of a Bank

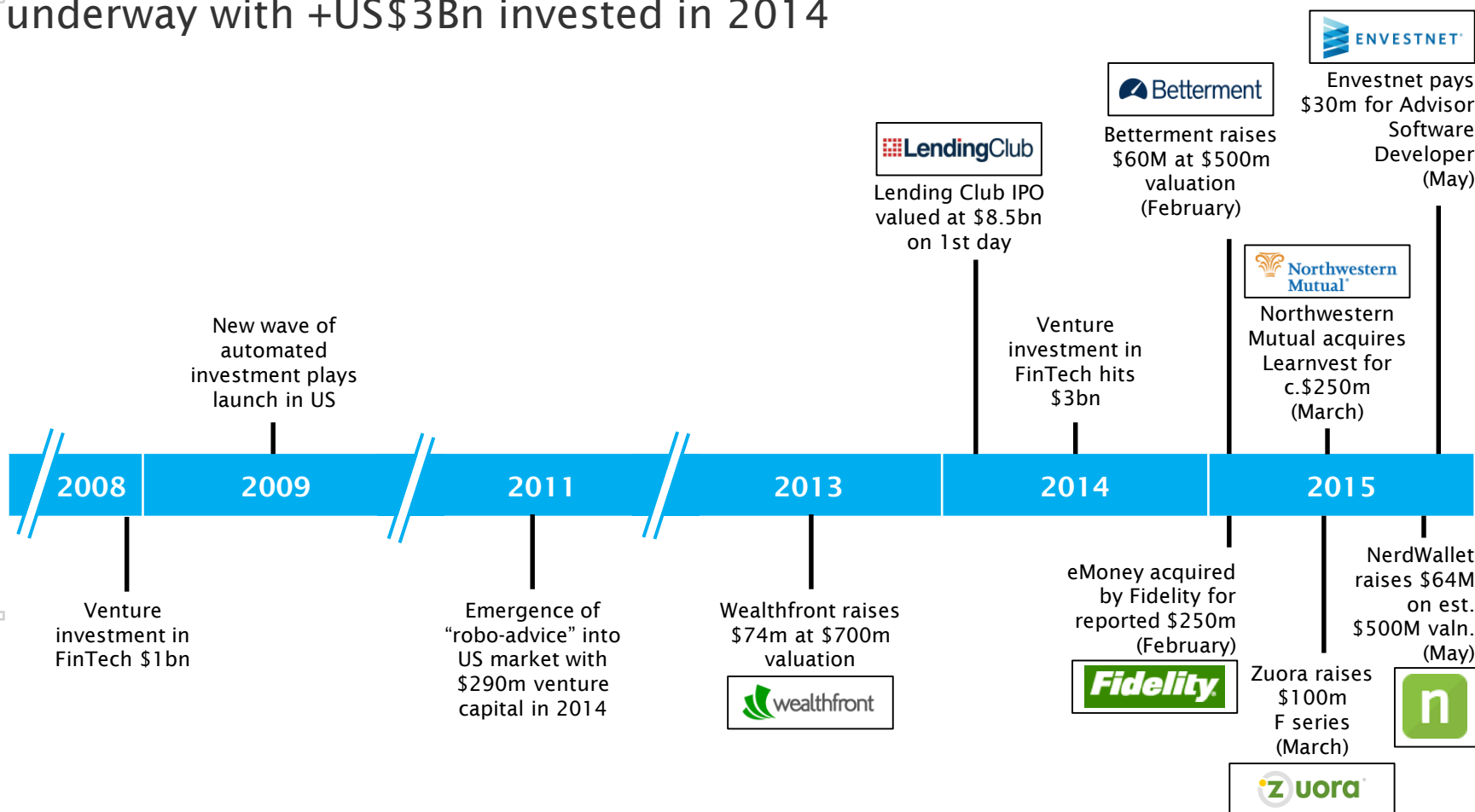


Financial Institutions are now responding as FinTech disruptors are accelerating



# Creating accelerating corporate activity

Technology driven transformation in Financial Services now well underway with +US\$3Bn invested in 2014



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# US market is a big opportunity

## Financial services is a valuable market

---

The US has over

**\$89.2 trillion**

In consumer net wealth<sup>1</sup>

---

The mean net wealth

For US households

**\$702,000**

---

The approximate value of the financial advice market<sup>2</sup>

In the US

**\$33 billion**

---

1. Wall Street Journal, March 2015
2. Statista, July 2014
3. Statista, 2014
4. Wealth Management, September 2014

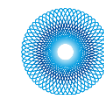
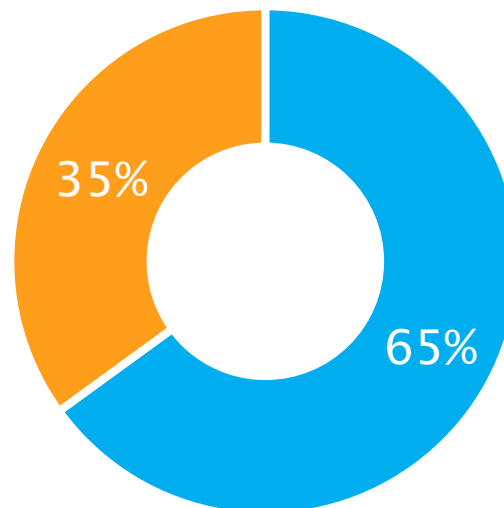
## Where there is a significant unadvised population

---

65% of the

**123 million**

Households<sup>3</sup> in US are unadvised<sup>4</sup>



# Australia – the tipping point has arrived

## Financial services is a valuable market

---

Australia has over

**\$6.3 trillion**

In consumer net wealth<sup>1</sup>

---

The mean net wealth

For Australian households

**\$728,000**

---

The approximate value of the financial advice market

In Australia

**\$5.2 billion**

---

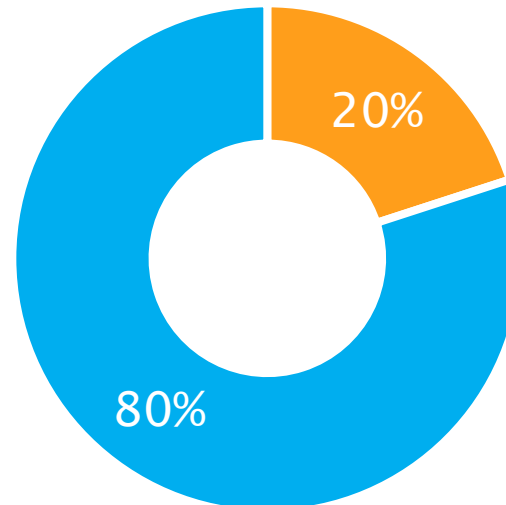
## Where there is a significant unadvised population

---

80% of the

**8.6 million**

Households in Australia are unadvised<sup>1</sup>



1. ABS 6523.0 - Household Income and Income Distribution, Australia, 2011-12



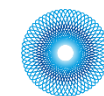
# First movers define and own the market

A number of traditional industries are now dominated by Software-as-a-Service (“SaaS”) companies, however being a “first-mover” is the most critical factor to acquiring market share and creating a sustainable business



Company	Salesforce	Carsales	RealEstate.com.au	Seek.com	Xero
Industry	Marketing	Car Sales	Real Estate	Employment	Accounting
Technology	SaaS (Cloud)	SaaS (Cloud)	SaaS (Cloud)	SaaS (Cloud)	SaaS (Cloud)
Started	1999	1997	1995	1997	2006
Market cap (US\$)	\$42.0 Billion	\$2.1 Billion	\$6.1 Billion	\$5.1 Billion	\$3.2 Billion
consumers/ads	+100,000	+1,000,000	+700,000	+150,000	+400,000
Employees	+10,000	+400	+700	+500	+600
Revenue (US\$, FY14)	\$4 Billion	\$200 million	\$350 million	\$607 million	\$64 million

**Decimal is the first global financial services platform which offers an end-to-end, easy and efficient digital solution for all personal financial needs or situations**



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# The Decimal solution

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# To compete and stay relevant, financial services incumbents require:

Enterprise grade, real time solutions across multiple products, services and channels to reach all consumers













	Incumbent Planning Software	Next Generation Platform
Time Frame	<ul style="list-style-type: none"><li>• Developed from 1990's</li></ul>	<ul style="list-style-type: none"><li>• Today</li></ul>
Software Located	<ul style="list-style-type: none"><li>• On premise, server or cloud hosted</li></ul>	<ul style="list-style-type: none"><li>• In cloud</li></ul>
Customer channels	<ul style="list-style-type: none"><li>• Single or multi channel</li><li>• High net worth</li></ul>	<ul style="list-style-type: none"><li>• Omni-channel</li><li>• Mass market</li></ul>
Configurability	<ul style="list-style-type: none"><li>• Limited or customized</li></ul>	<ul style="list-style-type: none"><li>• On line, self service</li></ul>
Compliance	<ul style="list-style-type: none"><li>• Manual, decentralized, post event</li></ul>	<ul style="list-style-type: none"><li>• Automated, instant</li></ul>
Scalability	<ul style="list-style-type: none"><li>• Capped by back office</li></ul>	<ul style="list-style-type: none"><li>• Unlimited</li></ul>

**Decimal has a multi year lead over incumbents**



# World's first enterprise grade patented, cloud based, omni channel financial advice platform

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Customer Engagement	Efficiency	Advice Process	Enterprise Grade	Compliance	Configurability
Customer understanding, big data & segmentation	Integrated modelling, workflow & CRM	Engaging and personalised communications	Industry leading security, recoverability and scalability	Embedded compliance & monitoring	Configurable platform
					
Integrated marketing with integrated calls to action	Intelligent omni-channel platform	Efficient advice delivery & leverages big data	Only patented cloud based solution	Digital tracking	Integrated ecosystem
					

Decimal is the only enterprise solution that can stand alone or integrate into existing CRM platforms and core systems



# Enterprise grade technology

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## Real-time expandability

Decimal uses the world's largest hosting service, Amazon Web Services (AWS), so we can service the largest multi-practice enterprises within minutes.



## Configurable architecture

Decimal's server-farms scale to demand, automatically increasing capacity to continually optimize processing power.



## Protected controlled privacy

All IT security is aligned to ISO 27001 – the international industry standard for information security management.



## Hot-site cutover capability

Decimal has a hot standby-site in a geographically separate centre, 50-80km away, ready to take-over in minutes should the production server suffer any form of disruption.



## Continuous security testing

Vulnerability and security assessments are performed by an independent 3rd party security firm. Weekly penetration testing ensures vulnerabilities are fixed or immediately escalated.



## Internet security

All data, including batch data, flowing through the web servers is encrypted using the safest available encryption methods (e.g. TLS 1.2).



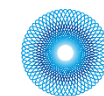
## Intrusion protection

AWS Data Centres are ISO 27001 certified annually. In addition we used Trend Micro's Deep Security to detect and prevent any unauthorised intrusion to our servers.



## Server hardening

All our servers are hardened based on the NSA CSS guide and Microsoft best practices.



# Key benefits and competitive advantage

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- 1 **Patented** cloud based Financial Services advice platform
- 2 Only seamless **enterprise grade**, end-to-end solution
- 3 **Only omni-channel** advice delivery platform enabling financial advice anywhere, anytime
- 4 World first in-built **compliance** capturing and tracking every customer and advisory activity
- 5 Patented profiling tools leveraging big data to deliver superior **customer engagement**, configurability and customisation
- 6 Industry leading **security, scalability**
- 7 **Real-time reporting**
- 8 Enables Financial Institutions to **fast track** consumer driven technology **solutions whilst minimising upfront investment and delivery risk**



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# Customer offering, validation and commercialisation

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# Customer acquisition – targeting big volumes first in Australia

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Big Banks / Non Bank Financial Institutions	Super Funds	Mid-tier Banks/ Credit Unions	Insurers	Dealer Groups and Advisors	Mortgage Brokers	Accountants	Other Advice Providers
Big 4+	108 Corporate Funds	8 Domestic Retails Banks	27 Life Insurers	160 Licensees	8 Aggregators	32,390 Accounting Practices	Supermarkets
Large Insurers	52 Industry Funds	9 Foreign Retail Banks		8,000 Practices	4 Franchisees		Medical Companies
	38 Public Sector Funs	11 Building Societies		18,000 Financial Planners	5,770 Brokers		Media Owners
	127 Retail Funds	107 Credit Unions					Telcos
	512,000 SMSFs						Yodlee

Source: APRA, Australian Trade Commission, IBISWorld

# Attractive commercial model

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## Revenue Model

### 1. SaaS subscription licensing model:

- Annual platform license fee
- Per user licensing fee
- Maintenance and support
- Professional services fees charged for bespoke development
- Upgrade/ downgrade flexibility

### 2. Transactional model:

- Per client/ plan/ transaction

Aligned to key success factors of client

All negotiated at enterprise level



## Cost Base

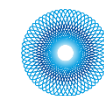
Historical platform development costs fully expensed

Scale economies now evident:

- Ongoing development and maintenance with minimal impact on fixed costs - high contribution margin for new clients
- Scalable and well developed support functions
- Low CPA delivered through targeted marketing strategy



Highly  
scalable  
business  
model



# Accelerating marketing strategy

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## Target highest volume opportunities

Strategically targeting institutions and consumer brands with high volume customer bases across multiple segments with advice needs and/or desire to enhance customer experience or open new channels

## Strategic partnerships

High profile, complementary partnerships maximising exposure and volume e.g. Yodlee

## Stakeholder engagement strategy

Engaging with stakeholders that endorse credibility and open new distribution channels e.g. ASIC, Federal and State government, Austrade, FinTech hubs e.g. Chalk & Stone

## Brand/PR exposure

Maximise opportunities to communicate thought leadership and news on key topics – compliance, innovations, future of advice – across multiple channels including digital and social media, press, conferences and relevant forums





# Strong technological and customer validation

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## Mercer

- One of the largest investment advisers in the world
- The Mercer Super Trust has:
  - \$17.5bn FUM
  - 250 participating employers
  - 225K members

## QSuper

- Queensland's largest super fund
  - \$50bn retirement FUM
  - 530K members

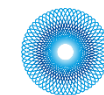


**Launched: 2013**  
with further releases  
anticipated later in 2015



**Launching: Q2 2015**  
with further releases  
anticipated later in 2015

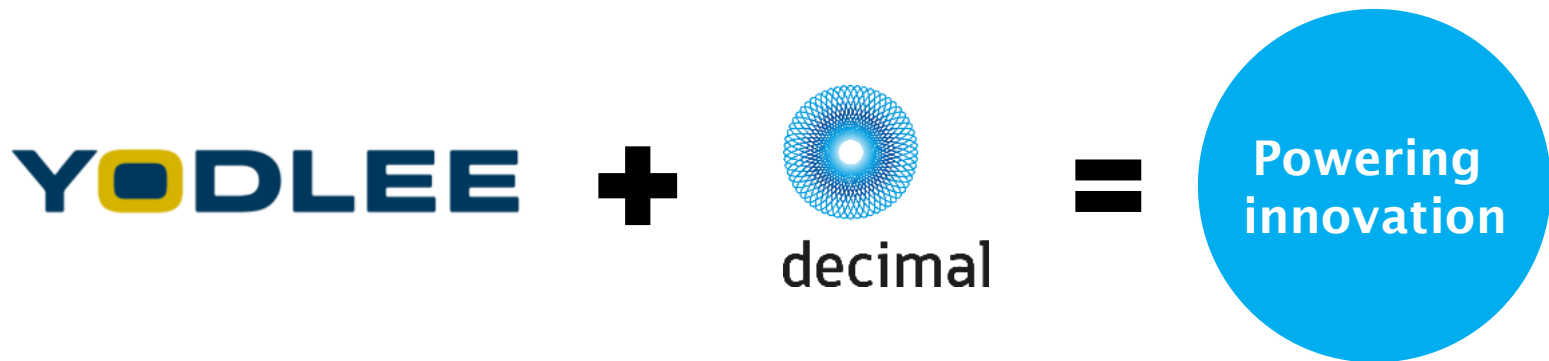
**Technical and commercial validation by major Australian financial institutions enabling accelerated roll out with future customers**



# Commercial partnerships – Yodlee and more

## Product development and distribution opportunity

- This partnership will combine the power of Yodlee's data solution with Decimal's patented platform solution to enhance each of our product offerings
- Partnership to leverage Yodlee's wide distribution network which includes 9 of the 15 largest US banks, representing 84% of the total assets of these 15 banks



Partnerships form a key part of Decimal's growth strategy

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# Activity pipeline

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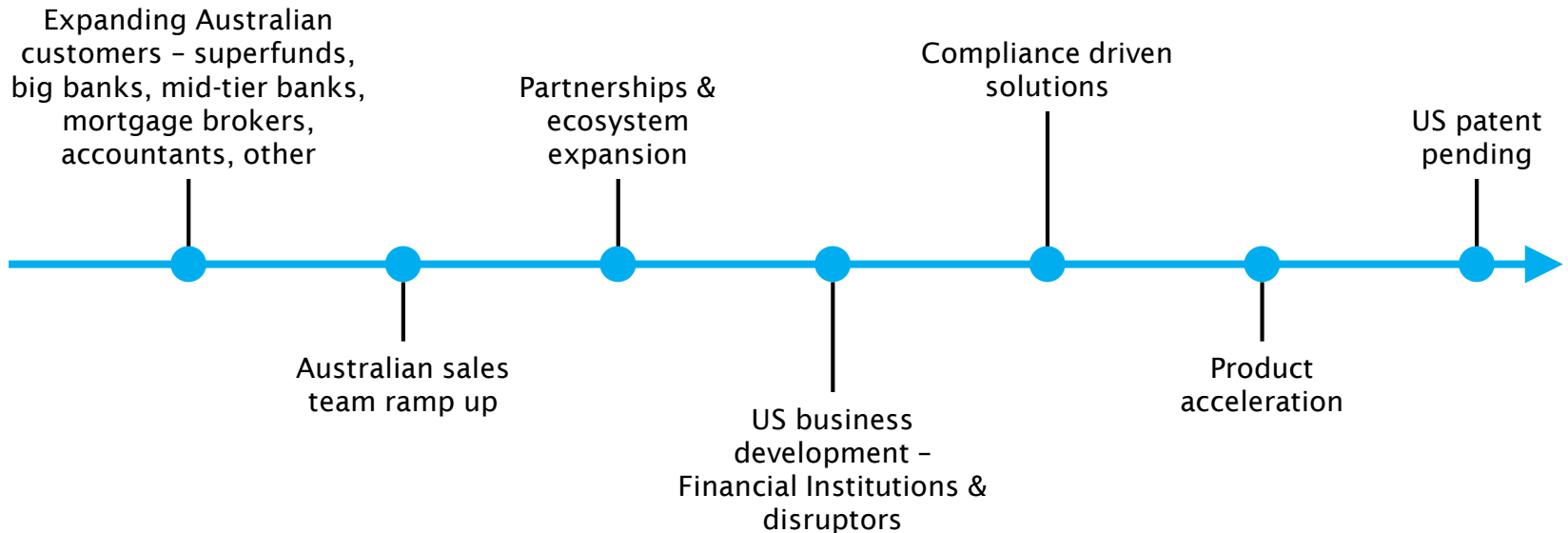


# Activity pipeline

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**Today:** defined market opportunity, identified near-term priorities, re-organised for best execution, aligned



**Outlook:** Clearly defined roadmap for growth



# Executive summary

- **Huge global market opportunity.** The majority of Australian and US households are unadvised yet consumers have significant advice needs
- **Multiple catalysts driving industry shift** driven by consumers looking for similar frictionless experiences in Financial Services that they are enjoying in other industries i.e. a platform like UBER and Amazon for financial advice
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- **Strong leadership team** to execute, drive growth and create shareholder value

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# Thank you

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# Contact

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**Phone:** 02 8047 8606

**Carolyn Colley**

Chief Executive Officer, Australia & New Zealand

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All currency amounts are in AUD\$ unless stated otherwise.

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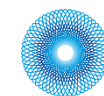
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# Appendix

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# Existing providers don't service the growing needs of customers...

Transformational pure cloud technology the first of its kind in the financial advice and service industry

## Clients: Their problem



- Losing customers
- Increasing competition
- Increasing IT costs
- Rapidly changing market

## Now: Other products



- Single solution for single customer need
- B2C only
- Click to chat adviser options
- Fragmented

## The Future: Decimal Solution

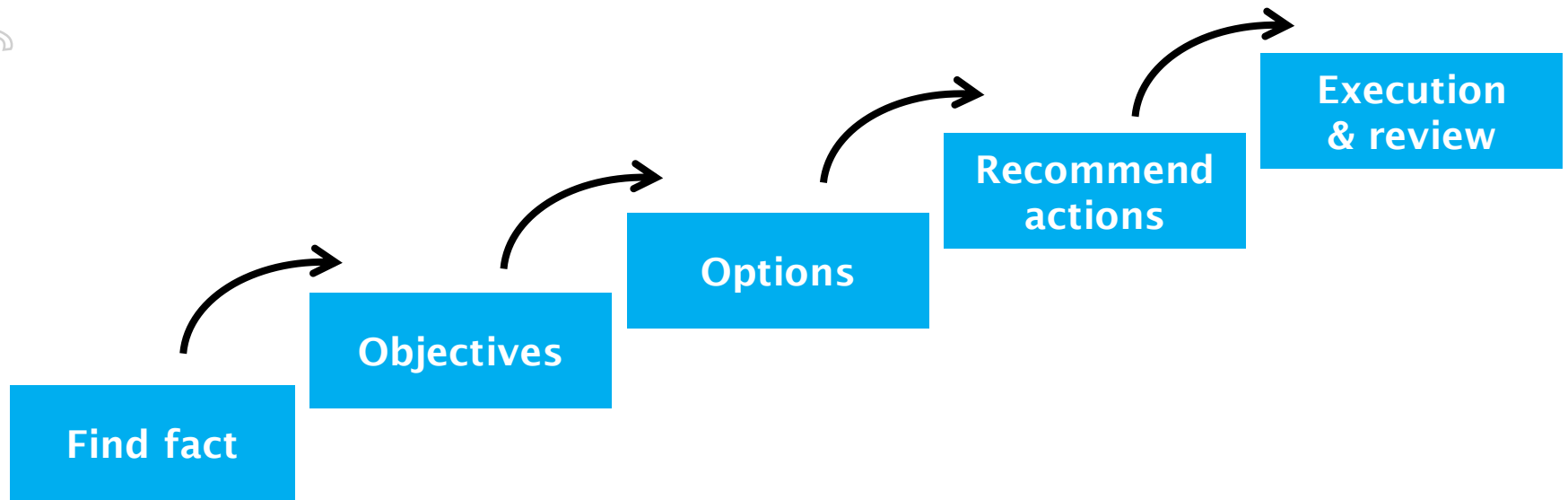


- Covers all personal financial needs
- True omni-channel
- Integrated consumer engagement and reporting
- Simple

**Decimal changes the dynamics of the ecosystem by which financial advice is distributed and consumed**



# Multi-jurisdictional patent protected technology



Existing technologies follow the rule of completing one step before moving to the next – limiting any benefits to piecemeal efficiencies only

By deploying cutting edge technology, Decimal has removed the constraints inherent in using existing technology to tap the underserved mass market

---

**Any approach which uses big data and customer profiling to drive a financial advice process would be violating Decimal's patent**



# Shift towards full service software platforms

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## Core banking



ORACLE



## Travel

amadeus



## Healthcare



## Accounting



## Recruitment



## Real Estate

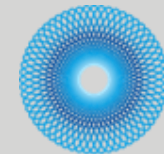


Domain

## Marketing



## Financial advice



decimal

Market ready for financial advice platform to revolutionise the industry



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# Product sample screenshots

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# Platform configuration capability

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 <p><b>Workflow</b> Manage workflow statuses, events and tasks.</p>	 <p><b>Office</b> Add/edit offices and client consoles.</p>	 <p><b>Defaults</b> Change various defaults and update names and address.</p>	 <p><b>Insurance needs analysis</b> Manage insurance need analysis questions for different insurance types.</p>	 <p><b>Email templates</b> Manage the email templates that get sent to clients.</p>	 <p><b>Email sender</b> Manage email mail servers and from email addresses.</p>
 <p><b>Referral parties</b> Manage the referral parties and referral split percentages.</p>	 <p><b>Custom fields</b> Manage Custom attributes that can be used to categorise clients.</p>	 <p><b>File note categories</b> Edit categories for client notes.</p>	 <p><b>Economic assumptions</b> Maintain economic assumption details that are used in projections.</p>	 <p><b>Growth asset splits</b> Edit the asset growth/defensive splits.</p>	 <p><b>Benchmark portfolios</b> Edit your benchmark portfolios.</p>
 <p><b>Risk profile questionnaire</b> Modify your own risk profile questions, answers and scores.</p>	 <p><b>Recommended portfolio selections</b> Manage approved portfolios for each office and overall portfolios for use by all offices.</p>	 <p><b>Recommended insurance selections</b> Manage approved insurance products for licensees and offices.</p>	 <p><b>Recommended insurance rationale</b> Manage recommended insurance rationale statements.</p>	 <p><b>Recommended cash selections</b> Manage your cash products.</p>	 <p><b>Recommended annuity selections</b> Manage your annuity products.</p>
 <p><b>Reports</b> Update your SOA, scripts or drilldown information reports.</p>	 <p><b>Client objectives menu</b> Manage dealer defaults for client objectives to be used in SOAs.</p>	 <p><b>Benefit of advice menu</b> Manage the benefit of advice (BOA).</p>	 <p><b>Advanced config</b> Advanced configuration items.</p>	 <p><b>Performance returns</b> Edit the return performance for benchmarks or asset based performance.</p>	 <p><b>Error log</b> Compliance error log items.</p>



# Online superannuation advice

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## Self Service Advice

### Dan's Dashboard

About You

#### TOPICS

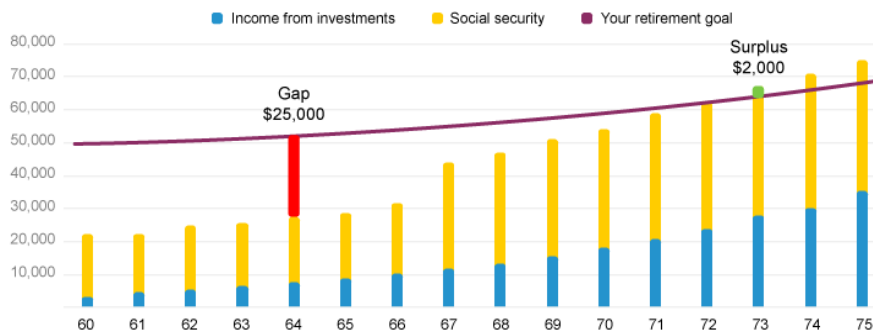
- Investment options
- Retirement adequacy
- Voluntary contribution

**Proceed to Advice**  
Get your statement of advice.

**More Information**  
Download your details.

#### Retirement Adequacy

**When will you reach your desired income in retirement?**  
Based on your answers, here is a projection of your income in retirement.



Dollars

Future

Retirement Goal

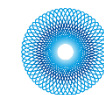
\$ 50,000

Voluntary Contribution

\$ 2,000

Frequency

Fortnightly



# Online consumer advice

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