

The logo for Razor Risk Technologies, featuring the word "razor" in a bold, blue, sans-serif font. The letter "z" is stylized with a white diagonal slash through it.

RISK TECHNOLOGIES

2010 Annual General Meeting

Level 2, 215 Spring Street, Melbourne

Wednesday, 27 October 2010

FY10 Review

Focus

In Summary

- Provide risk management solutions to financial industry
- Establish a robust and sustainable operating structure
- Generate cash and profits
- Embed sales strategies and process with enlarged sales team
- Enhance product offering for current and prospective clients

FY10 Review

Financial Results

■ Key financial highlights

- Net profit from continuing operations \$2.2m
- Ongoing improvements in client margins
- Cash and cash equivalents exceed \$3.3m
- Continuing operational cash generation
- Balance sheet strengthened
- Tax asset recorded
- Company continues to operate without debt

FY10 Review

Operational Improvements

■ Secured new banking facilities

- Enhanced foreign currency and overdraft facilities
- Better management of short term currency exposures
- Working capital flexibility

■ Centralised development effort

- Closed development centre in Chennai, India
- Discontinued operation cost of \$0.6m
- Smooth transition of PTX support and maintenance

■ Further streamlined global delivery model

- Build capability to rapidly respond to clients' needs

FY10 Review

Meeting Clients' Needs

■ Successful implementations

- KPEI completed UAT now awaiting regulatory approval
- Execution of incremental licenses to two major clients and continuation of services and client development
- LCH further go lives at LIFFE and RepoClear

■ Brought in risk practitioners as consultants to bridge the gap between technology solutions to business managers

■ Assisted both Central Counterparty clients and financial service clients prepare for and implement regulatory changes

FY10 Review

Enhanced Product Offering

■ Ongoing product development

- Leverage enhanced processes
- Complete client specific development

■ Razor 3.0

- Real-time performance improvements
- Ongoing expansion of risk analytics
- Functional enhancements
- Enhanced product coverage

Opportunities

■ Revenue Opportunities

- Industry reports of budget allocations for risk systems for calendar year 2011
- Long list and short list successes for both Central Counterparty prospects **and** financial institutions since start of the year
- Recent regulatory developments around OTC clearing
 - US Dodd-Frank Wall Street Reform and Consumer Protection Act
- Growth in Central Counterparty markets
- Focus investment solely around risk
- Focus around sales effectiveness – closing the long sales cycle

Opportunities

■ Investment and cost discipline of cautious investment

- Maintain discipline
- Actively participating and marketing at the right industry events
- Sales strategy of more initial meetings leading to opportunities

Capitalisation of Development

■ Background

- Nothing historical on the balance sheet
- Built up global client base through credit risk, market risk and specific focus around central counterparties
- All investment has been off balance sheet and therefore reflective of accumulated losses of the Group

■ Going forward

- Enhanced management of development cycle
- Accounting rules complied with
- Aim to spend 10% to 15% of revenue on new development efforts

Thank you

■ Shareholders

■ Our people

- Without our employees' commitment and dedication, we could not have achieved this year's financial performance

■ Clients

Questions