

A leading
Australian digital
advice technology
company

Corporate Presentation
15 May 2018

d.ecimal



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In a nutshell.....

"So collectively, we need to find a solution that means that people who need advice can get it, that it's free of conflicts of interest, that it's good advice, and that it's cost-effective for the companies that are providing it to provide it,"

Brian Hartzler, Westpac CEO

AFR Apr 27 2018

"The best articulation of the Decimal sales pitch I have ever heard"

Damon Watkins, Decimal CEO

Corporate Overview

A proven business model and experienced team well positioned to capture growth

Capital Structure

Enterprise Value Calculation

52 Week VWAP¹ (AUD\$/share) \$0.034

No. Shares Outstanding (m) 316m

Market Capitalisation (AUD\$m) \$10.74

No. ITM Options² (m) 17m

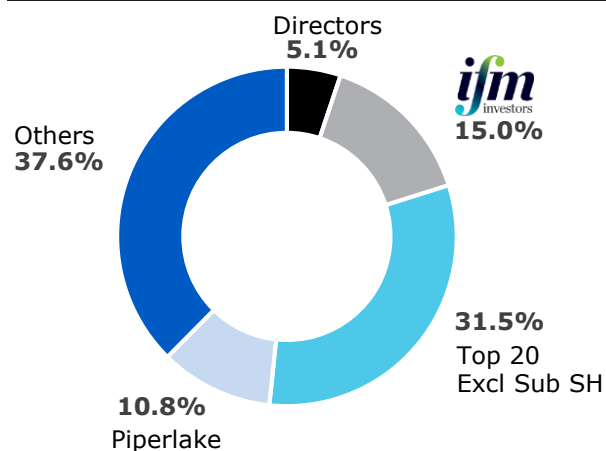
Diluted Market Capitalisation (AUD\$m) \$11.31

Cash as at 31.03.18 (AUD\$m) 1.18²

Debt as at 31.03.18 (AUD\$m) Nil

Diluted Enterprise Value (AUD\$m) \$10.13

Shareholder Spread



Company Leadership



Mark Potts
Chairman

- Highly respected enterprise software executive, with extensive experience in the banking and financial services sectors in Australia and the US
- Previous experience with HP Enterprise, Ajilon, Growth Equities Mutual and Sealcorp, as well as founding successful start-ups including Talking Blocks, acquired by HP

Hewlett Packard Enterprise

SEALCORP
A MEMBER OF THE ST. GEORGE GROUP



Damon Watkins
CEO

- 20+ years executive experience in financial services spanning asset management, advice delivery and corporate superannuation
- Leadership roles at AMP and Prudential in Australia and the UK, EVP APAC of FIS Software
- Established and ran a successful financial planning practice focused on corporate super

AMP

PRUDENTIAL

FIS SOFTWARE INC.
THE INSURANCE SOFTWARE EXPERTS



Jan Kolbusz
Founder & non-Executive Director

- 30+ years of experience specializing in enterprise technology including management and innovation in the education and healthcare sectors
- Previous experience includes leadership and strategy roles at Baxter, Ernst & Young, and Asgard

EY

Asgard



Pauline Vamos
Non-executive Director

- High profile expert in all aspects of the superannuation industry, including regulation, governance and financial advice
- Has experience on all sides of the financial services sector
- Spent 9 years as CEO of AFSA, the peak body for superannuation

Australian Government
Australian Financial Security Authority

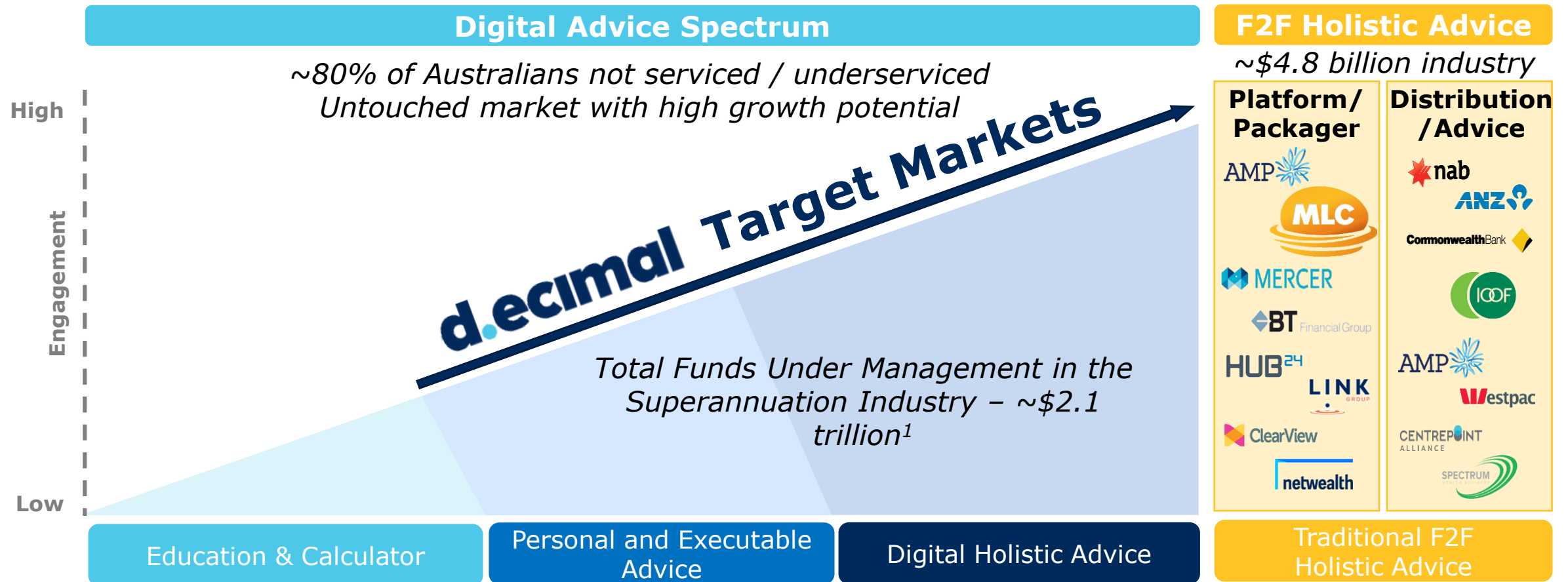
Empowering your customers' financial future, today.

(1): Bloomberg: 52 week VWAP as at 31 March 2018

(2): Includes 17m in-the-money options exercisable at \$0.03 and 22m out-of-the-money options at a 52 Week VWAP of \$0.034/sh

The Different Advice Markets in Context

Decimal's proposition is to provide higher engagement and executable advice at low cost



Empowering your customers' financial future, today.

(1): Research Report: UBS and Financial Services Council 2017. State of the Industry, 2017

Decimal Investment Proposition

Uniquely positioned with a live Digital Advice SaaS platform poised for market penetration

Digital Advice Platform Built and In Production



**c. 25m Invested In Platform
To Date**

Developing Client and Channel Partner Base

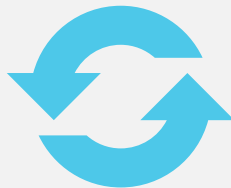


Compliant and Market Proven Platform



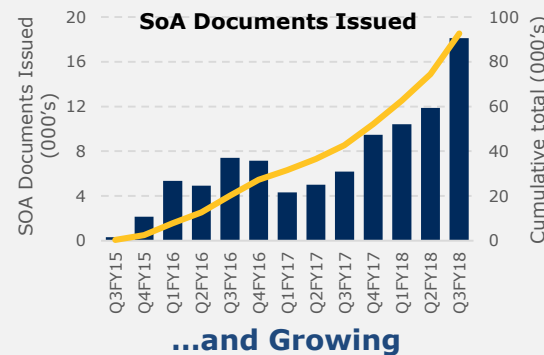
**Fully RG255 Compliant
Independent validation
100% Tracked and Auditable**

Software-as-a-Service



**Timely Software Updates
Consistent Market Relevance
Recurring Revenue Model**

Growing Penetration over Time



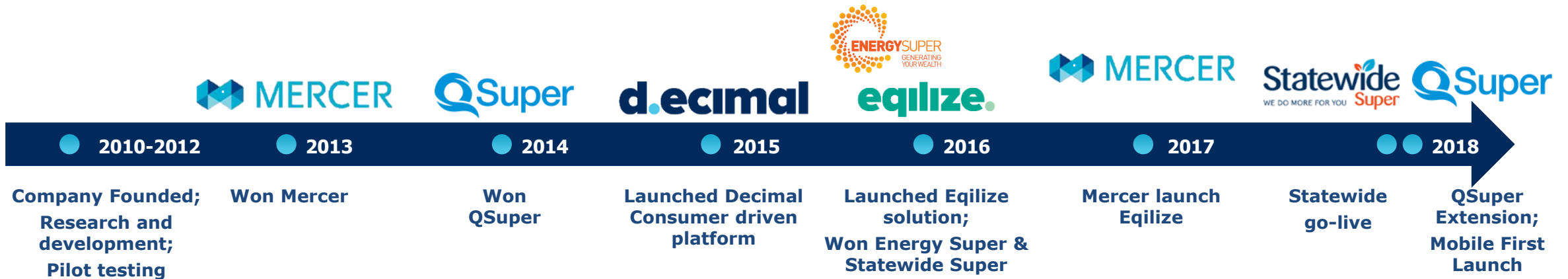
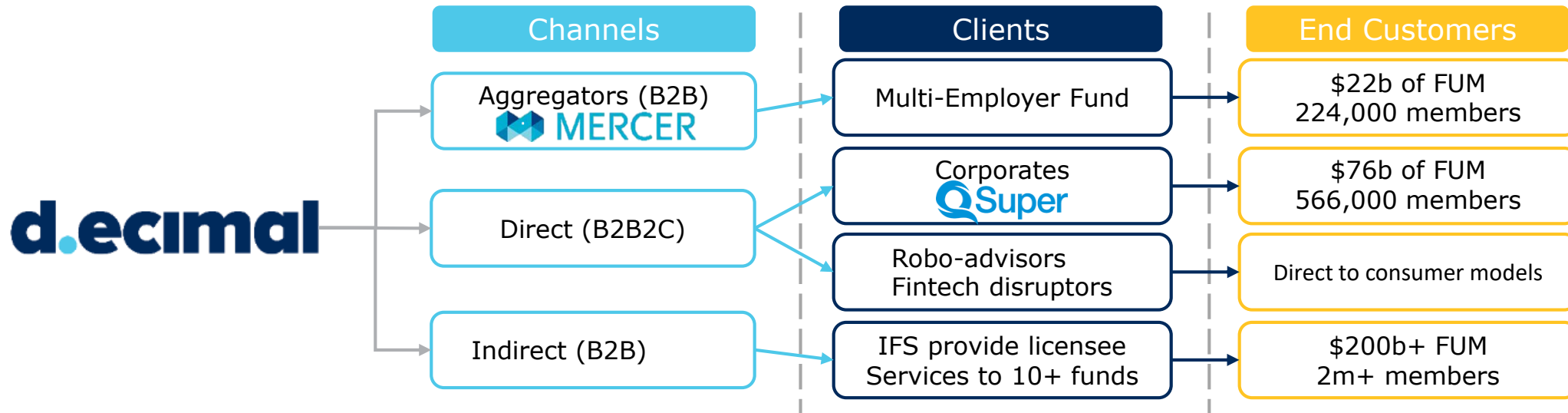
Delivering Revenue

**c. \$900k
Annual
Recurring
Revenue**

**Revenue Upside through
Growing User Engagement**

Clients and Channels

Building momentum rolling out advice solutions to new customers



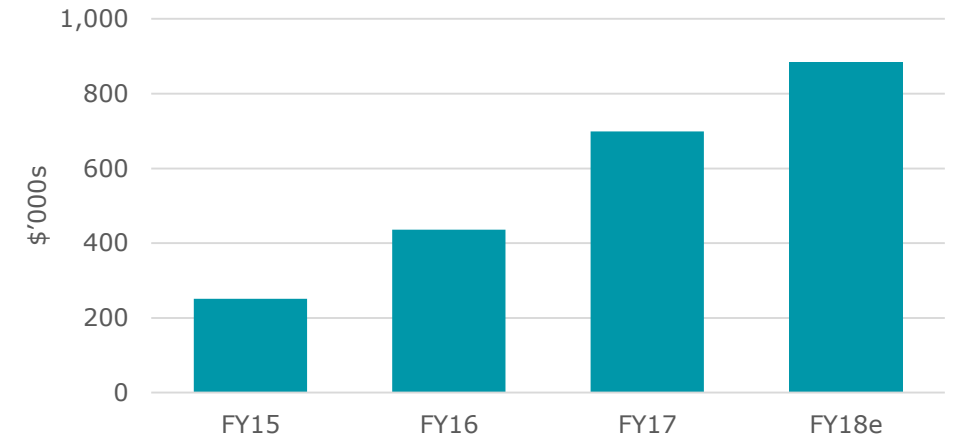
Financial Highlights

Annual recurring revenue increased by 28% from FY18 Q2

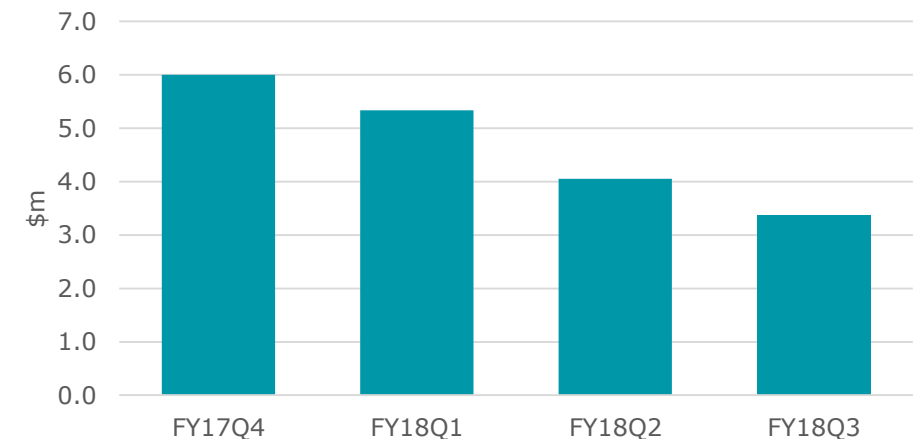
Overview

- Total revenue for FY18 Q3 increased by 42%
- Annual Recurring Revenue increased by 28% following contract extensions
- Revenue growth is driven by new licence agreements and expanded scope with existing clients
- Reduced overheads by 44% over last 4 quarters reflecting increasing platform maturity
- Statements of Advice (SoA) issued continues to trend upward as user engagement increases (contracted growth metric)

Annual Recurring Revenue⁽¹⁾ (\$'000)



Annualised Quarterly Expenditure (\$m)



(1): Annualised number.

Empowering your customers' financial future, today.

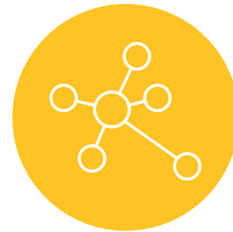
Decimal: Design Principles

Decimal's purpose is to make financial advice available to all Australians via advice delivery technology solutions

Delivering an Engaging, Consistent,
Low Cost, Fully Compliant Advice Capability

Omni-Channel

- ✓ Single engine, providing consistent, real-time triage and collaboration
- ✓ Further reach to serve more members
- ✓ Open API architecture to connect to the customer's ecosystem



Purpose Built Platform

- ✓ A scalable, white label SaaS platform completely cloud-based and zero-footprint
- ✓ Purpose built for automated, intra-fund, advice for super funds
- ✓ Configurable to customer's admin, CRM requirements and existing platform



Personalised Simplicity

- ✓ Personalised advice with a frictionless, end-to-end omni-customer experience
- ✓ An easy and simple advice process
- ✓ End-to-end automation built to enable single or ongoing advice journey options



Ready for Market

- ✓ Complete software package with all R&D costs sunk, ready for implementation
- ✓ Operating in the market, and already delivering value
- ✓ Provides low cost, time efficient solutions

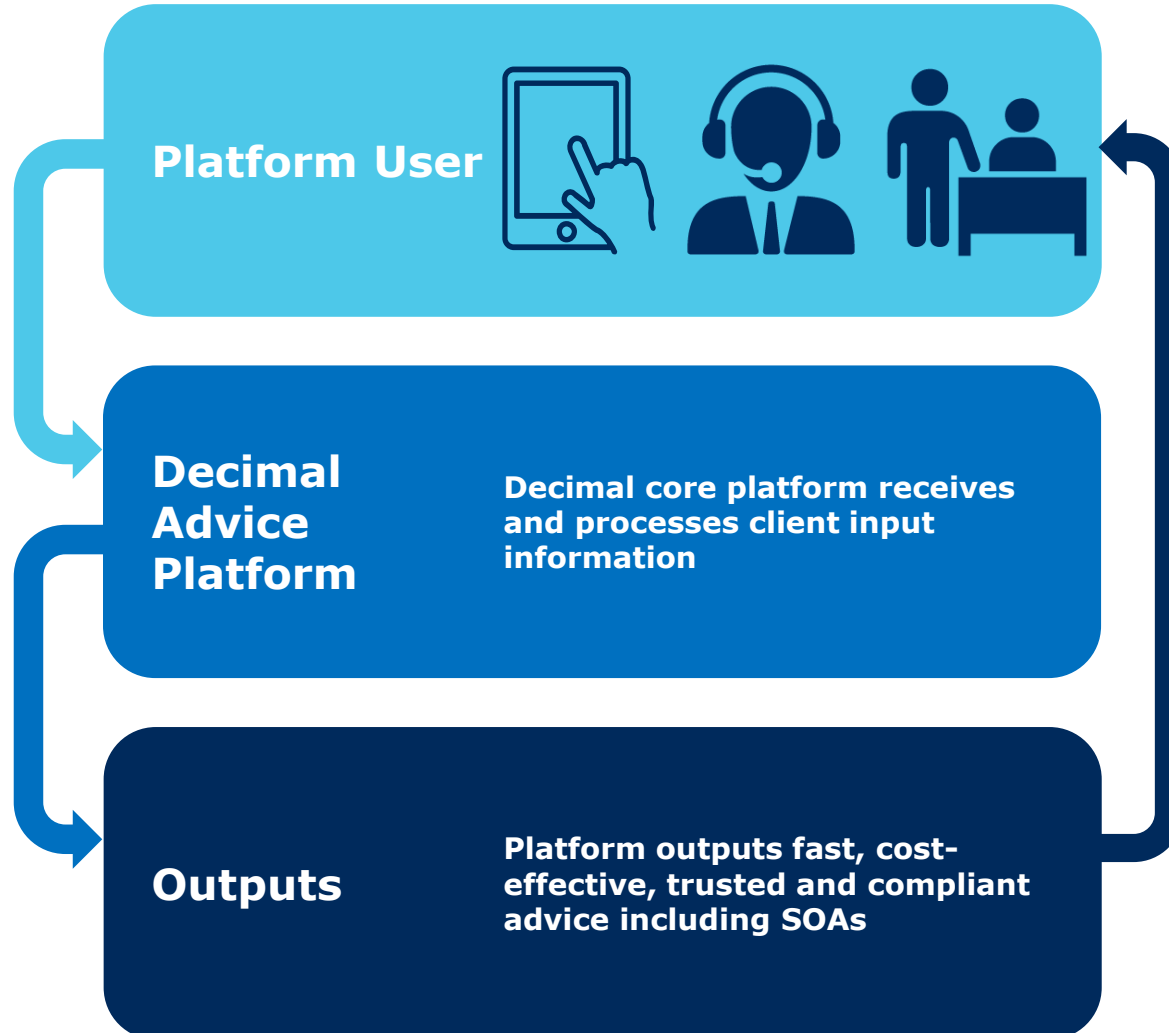


Fully Compliant

- ✓ **Fully RG255 Compliant**
- ✓ **All regulatory and rules updates are built in and managed by Decimal**
- ✓ **100% tracked and auditable**

Technology

Full configurability, enhanced user experience and real-time access to advice with compliance at the core



Platform User Experience

The Decimal Platform is designed to orchestrate a user advice journey combining the best aspects of traditional human advice models with the cost and consistency profile enabled by modern technology to deliver a true Omni-channel user experience

Decimal's Core Advice Engine

Decimal's advice engine utilises over 100 different algorithms that can be tailored to a client's specific advice proposition. Integration to back end systems pre-populates user data and the content and style of information presented to users can be configured to enable highly personalised advice journeys

Advice Output

Decimal's digital advice platform outputs compliant, real-time and cost effective advice on topics such as superannuation, investments, insurance and retirement and can enable on-line execution in the same user session

Typical Advice Journey

Bridget and Mark's journeys are typical of many under 30, in that they log in once or twice, receive advice, then action it

Bridget (30)



Super Balance:
\$103,000
Salary:
\$84,000

13:13	Logged in
13:18	Completed risk profile questionnaire: MODERATE TO MODERATELY AGGRESSIVE
13:21	SOA Issued
13:26	Logged out
Total Time: 13 minutes	

11 Jul
2017

30 Jul
2017

12:18	Logged in
12:21	Completed risk profile questionnaire: NO CHANGE TO RISK PROFILE
12:25	Used contributions calculator: SALARY SACRIFICE RECOMMENDED
12:26	Completes the insurance needs analysis calculator INCREASE IN LIFE AND TPD COVER RECOMMENDED
13:18	SOA issued
13:26	Asset allocation updated from moderate to moderately aggressive, commenced making salary sacrifice contributions of 3.5 per cent and increased life and TPD Cover
Total Time: 16 minutes	

ADVICE
IMPLEMENTED
✓

29 Sep
2017

Mark (29)



Super Balance:
\$376,000
Salary:
\$143,000

14:48	Logged in
14:49	Completed risk profile questionnaire: MODERATE TO MODERATELY AGGRESSIVE
14:53	Used contributions calculator SALARY SACRIFICE RECOMMENDED
15:05	SOA issued
15:22	Asset allocation updated from moderately aggressive to aggressive, commenced making salary sacrifice contributions of 1.5 per cent and increased life and TPD cover
Total Time: 34 minutes	

ADVICE
IMPLEMENTED
✓

Investment Summary

Decimal is poised to capitalise on future market growth by delivering increased customer reach and “step-change” cost efficiencies to clients

Significant Growth in Digital Advice Market

- ✓ ~**80% of Australians do not receive financial advice** due to current costs
- ✓ Increased regulations require **lower cost solutions** for delivering advice and engagement
- ✓ 70% of institutions **actively exploring/building** solutions
- ✓ Growing **regulatory scrutiny** will drive more **rapid adoption** of **Digital Advice**

Strategic Push on Target Market

- ✓ Successfully **captured early movers** into the digital advice space
- ✓ Expecting an **acceleration in RFP/Tender activity** over the coming 12-24 months
- ✓ Developing **Partner Channels** to **accelerate sales** and implementation capability

Mature Platform poised for Growth

- ✓ Complete software package with \$25m **R&D costs sunk, ready for implementation**
- ✓ Fifth client into production, **growing ARR** to around \$900k
- ✓ **Reduced overheads** by 44% over last 4 quarters reflecting **increasing platform maturity**
- ✓ User **Advice trending upward** as engagement increases (contracted growth metric)
- ✓ Decimal is poised to be the **market leader in the Australian digital advice** market