PORTAGE ventures

P3VC: A view on corporate innovation

April 2018

Context: Financial services is changing quickly and corporate innovation faces many challenges

Financial services landscape changing quickly

Regulators increasingly thinking about treating customers fairly, transparency, security, access to personal data and competition

- New regulation being rolled out globally -- PSD2, GDPR, MIFD II, CRM2, modernization of payments in Canada
- Open banking review announced in recent Canadian federal budget
- Open banking framework recently roll-out in Australia

Consumerization of financial services is occurring, with Apple, Google and Amazon entering financial services, with significant balance sheet

- Consumers expect seamless digital experiences
- Tech giants have already entered payments & lending -- Amazon recently announced interest in offering a primary account

AI and blockchain technology have the potential to disrupt existing value chains and reduce costs significantly

Consumers increasingly want to control their own data

• Incumbent data advantage is eroding – and organizations must be proactive

Significant capital being deployed in fintech industry

• 5k+ fintechs, 30+ unicorns, \$17B invested globally in 2017

Incumbents are constrained, despite will to innovate

Systematic underinvestment in technology

- Dated legacy systems remain and require substantial time and capital to replace
- Digital transformation projects are in 3 to 5 year scale

Difficult for incumbents to justify cannibalization of existing profit pools

Incumbents struggle to hire top tech talent

• Can not offer equity; frame of working outdated e.g. not agile, old coding languages, lack of engineering challenge

Low risk appetite to try new business models and tech

- Bias to build internally
- Incumbents unwilling to share economics

Lack of alignment between corporate strategy and innovation projects

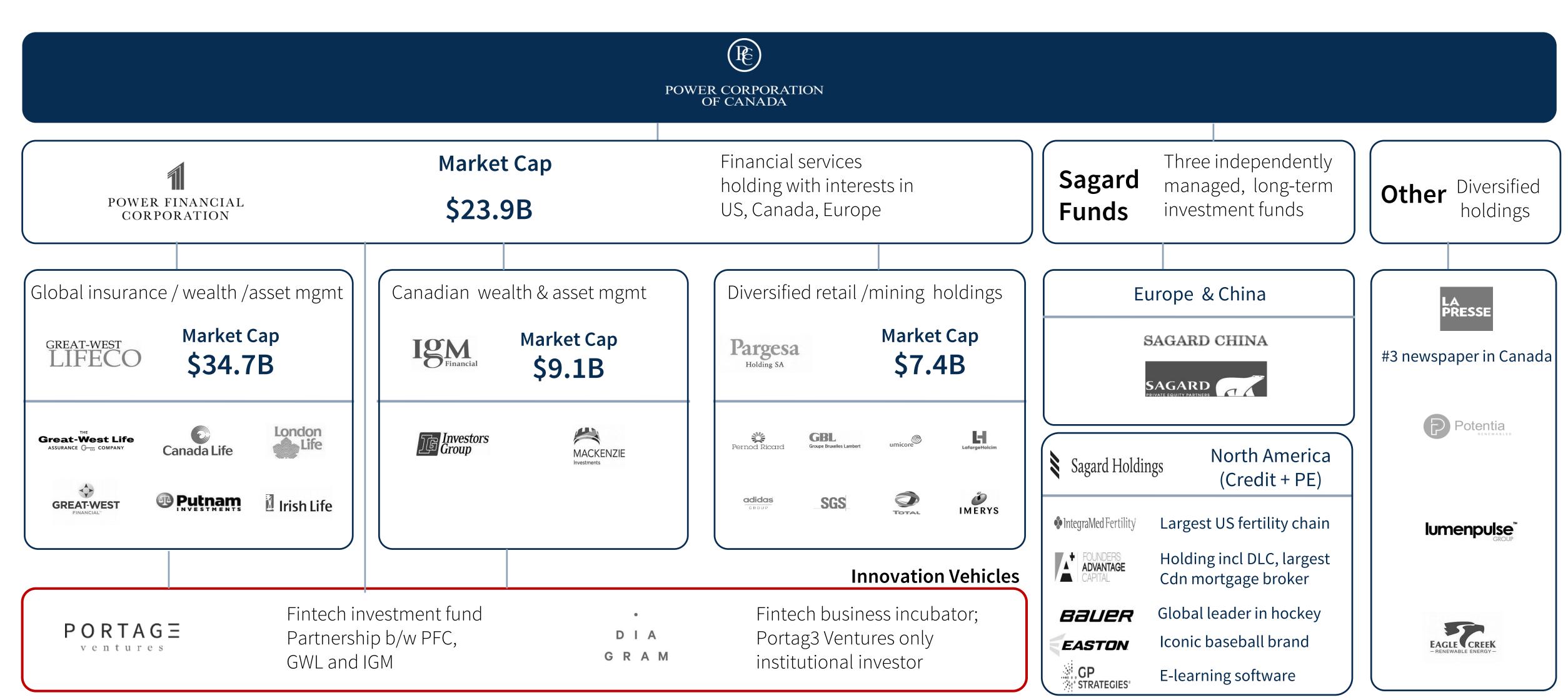
Underestimating the importance of the culture and resistance to change

Over focus on ideas and under focus on execution

Innovation bodies administrating innovation rather than fostering it



Organizational overview: Where P3VC sits in Power ecosystem





Our ecosystem: each organization plays different synergistic role



Strategic sponsor with strong global corporate network

Provides strategic and capital platform for P3VC, which sits at holding company

Significant network to global corporate CEOs (potential customers, acquirers and source of market insight and validation)

Facilitates strong group ecosystem

• E.g., 30 million customer relationships worldwide through 50 OpCos



Strategic LPs

Global distribution and significant expertise

Significant global reach and distribution for our portcos through client base

Source of market validation and specialized insights during our diligence process

LP innovation strategy is key input into P3VC investment theses and focus

Participate in the financial returns of the portfolio



Curated fintech portfolio via direct and fund investments

Curated fintech portfolio globally (32 investments in 7 different geographies)

Ability to tap into strong network of entrepreneurs and investors

Input and help in facilitating commercial partnerships between OpCos and portcos

Ability to recruit and capture fintech talent (team of 12 including investment and portfolio operations team)



Incubator of new ventures in fintech whitespaces

Deep talent pipeline of potential CEOs and CTOs for new businesses

In-house business and technical team to build and test concepts

Strong operational bench to support incubation (e.g., world class recruiting team)

50 business angels / advisors, with specific expertise

How P3VC/Diagram provide value to our operating companies (LPs)

Access to global fintech portfolio and lens on disruption

Highlight disruptive global business models, technologies and trends

Potential co-investment opportunities

Collaboration opportunities to industry leading digital platforms (i.e., with aim to reach new audiences)

Curated portfolio of fintech opportunities with strong IRR / financial returns

Input into innovation strategy and learnings to accelerate digital transformation

Help LPs evaluate potential tech on roadmap (e.g., data strategy)

Ability to identify fintech that can accelerate innovation strategy

Facilitation of successful partnerships between corporates and fintechs

Portag3 participation in LP-led innovation forums and other input into innovation strategy

Portag3 LPs have opportunity to collaborate and potentially invest directly in Diagram companies

Ability to participate in Diagram ideation process, contribute ideas and potentially co-create companies

Potential to collaborate with Diagram companies through meaningful partnerships

Access and learnings from unique Diagram centres of expertise (e.g., tech recruiting, blockchain)

Invest indirectly through the fund and potentially directly into relevant portfolio companies once they mature

Seat-at-table in key discussions on fintech policy

Portag3 is an active participant in policy and regulatory forums, and can help LPs understand implications of changes



Fintech portfolio offers LP opportunity to supercharge digital transformation journeys and reach new audiences

	Portfolio company	Current collaboration with LPs
Quovo	Leading data aggregator in the wealth management space	 Commercial agreement between LP and Quovo; several others in discussion Learnings from Quovo important to informing several LP data strategies
Wealthsimple	Canada's leading digital advice service offering automated investing	 Discussions on using white-label solution to serve specific LP client segments Discussions to include LP ETFs, as part of access to new distribution network
ОКОНО	Neo-challenger "bank" offering offering chequing and budgeting	 LP in discussions on white-label insurance product LP in discussions on white-label credit card opportunity
League	Modern health benefits company for SMB clients	• League offering LP products through League; new distribution channel
Borrowell	Free credit scores and personal loans to consumers	 LP using Borrowell as part of new lead gen play to target new customers
multiply	AI-driven financial planning service	• Learnings on future of financial planning extremely strategic for several LPs



Portfolio Summary: Portag3 Ventures (1/2)

STREET CONTXT multiply digit Wealthsimple Wealth Management Digital wealth Financial planning Institutional content Modern digital advice platform mgmt. platform visualized engagement Albert 9100 CLEARBANC **Borrowell** ∞ Personal loans & Digital personal Digital banking Loyalty / rewards SMB lending **SME & Personal** financial advice free credit score **Finance OWOVE** neat Seed Digital Banking Mobile business and Mobile banking Financial mgmt. for for 16-25 yr olds consumer banking for SMBs SMBs

AI / Enablers



Context-as-a-service



Data for the future of finance **(**) КОНО

platform



Portfolio summary: Portag3 Ventures (2/2)

alan dialogue ocollage of CLARK HELLAS DIRECT First health carrier in Digital insurance Automated HR and Canada's leading Digital P&C insurer in Insurance broker in Germany benefits platform tele-medicine play Europe Greece ÷ W kin. **Limelight**Health ZENSURANCE League Digital home Employee health Reimagining Commercial employee benefits insurance for SMB insurance management