

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- Can not offer equity; frame of working outdated e.g. not agile, old coding languages, lack of engineering challenge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

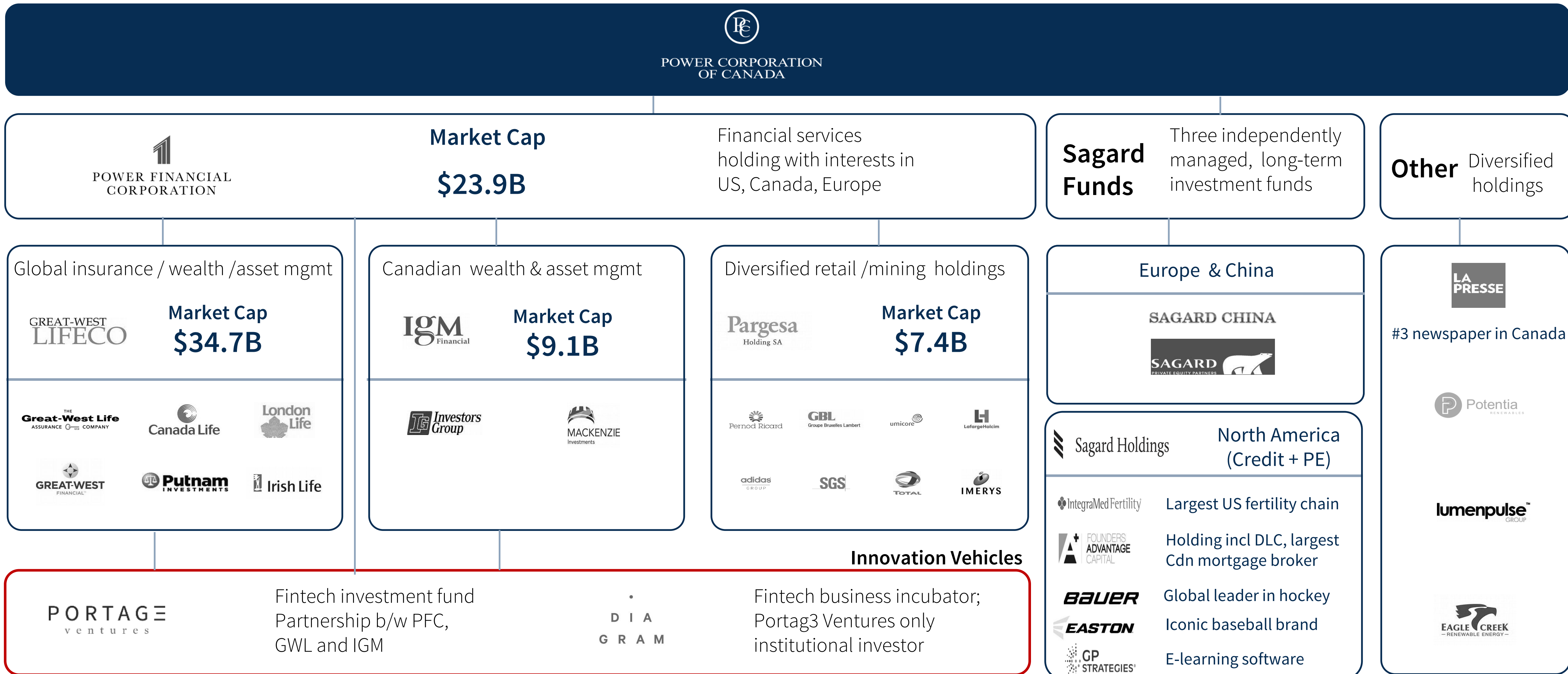
Lack of alignment between corporate strategy and innovation projects

Underestimating the importance of the culture and resistance to change

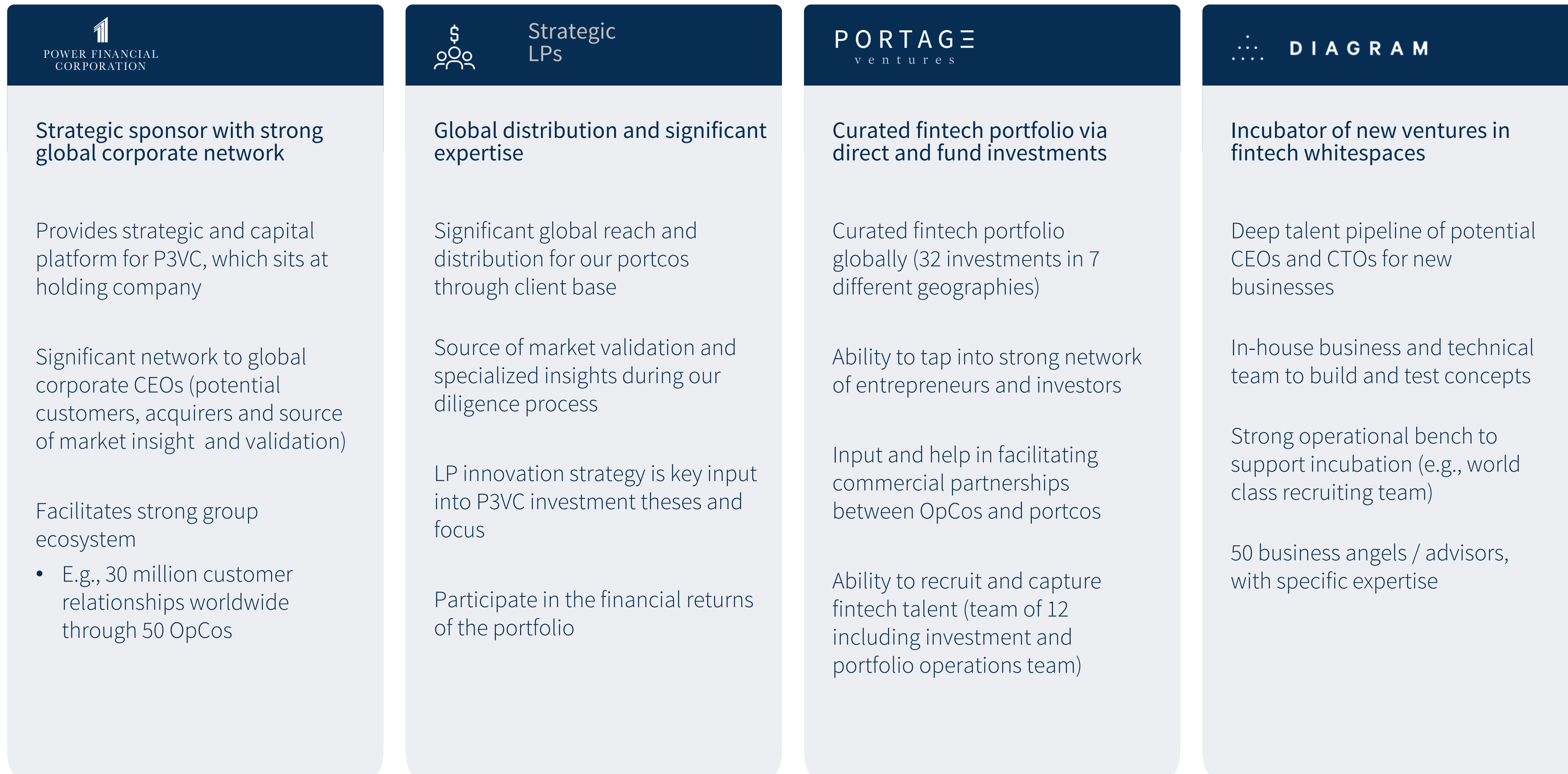
- Over focus on ideas and under focus on execution

Innovation bodies administrating innovation rather than fostering it

Organizational overview: Where P3VC sits in Power ecosystem



Our ecosystem: each organization plays different synergistic role



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


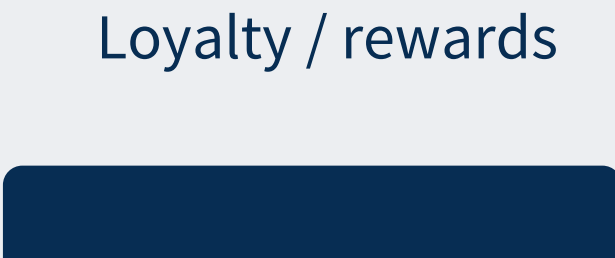

Seat-at-table in key discussions on fintech policy

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
	Leading data aggregator in the wealth management space	<ul style="list-style-type: none"> Commercial agreement between LP and Quovo; several others in discussion Learnings from Quovo important to informing several LP data strategies
	Canada's leading digital advice service offering automated investing	<ul style="list-style-type: none"> 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
	Neo-challenger "bank" offering offering chequing and budgeting	<ul style="list-style-type: none"> LP in discussions on white-label insurance product LP in discussions on white-label credit card opportunity
	Modern health benefits company for SMB clients	<ul style="list-style-type: none"> League offering LP products through League; new distribution channel
	Free credit scores and personal loans to consumers	<ul style="list-style-type: none"> LP using Borrowell as part of new lead gen play to target new customers
	AI-driven financial planning service	<ul style="list-style-type: none"> Learnings on future of financial planning extremely strategic for several LPs

Portfolio Summary: Portag3 Ventures (1/2)

<p>Wealth Management</p>	 <p>Digital wealth mgmt. platform</p>	 <p>Financial planning visualized</p>	 <p>Institutional content engagement</p>	 <p>Modern digital advice platform</p>	
<p>SME & Personal Finance</p>	 <p>Digital personal financial advice</p>	 <p>Personal loans & free credit score</p>	 <p>SMB lending</p>	 <p>Loyalty / rewards</p>	 <p>Digital banking platform</p>
	 <p>Digital Banking for 16-25 yr olds</p>	 <p>Mobile business and consumer banking</p>	 <p>Mobile banking for SMBs</p>	 <p>Financial mgmt. for SMBs</p>	
<p>AI / Enablers</p>	 <p>Context-as-a-service</p>	 <p>Data for the future of finance</p>			

Portfolio summary: Portag3 Ventures (2/2)

Insurance	 <p>alan</p>	 <p>CLARK</p>	 <p>collage</p>	 <p>dialogue</p>	 <p>HELLAS DIRECT</p>
	 <p>kin.</p>	 <p>League</p>	 <p>LimelightHealth</p>	 <p>ZENSURANCE</p>	
	First health carrier in Europe	Digital insurance broker in Germany	Automated HR and benefits platform	Canada's leading tele-medicine play	Digital P&C insurer in Greece
	Digital home insurance	Employee health management	Reimagining employee benefits	Commercial insurance for SMB	