



Gold



100x T-Note



Corn



Euro FX



Major Stock Index



Crude

A Revolutionary
Futures Exchange and Clearing House
Trading the World's Major Assets in a Creative New Way*

*Subject to CFTC and SEC approval

Today's futures contracts were designed 175 years ago



Unlimited
Risks

~16 Hours
to Clear

Safety of
Capital

NOT
Guaranteed

Fees Keep
Rising



One Trader Started The Day With \$77,000 In His Account; By The End He Owed \$9 Million



by Tyler Durden

Fri, 05/08/2020 - 14:55

The April 20 historic oil price crash that sent the prompt May WTI contract plunging to the unheard of price of negative \$40 per barrel now seems like ancient history with oil back in the \$20s (at least until the June contract matures in 10 days) and stocks are delightfully levitating, but to one trader what happened on that fateful Monday will remain a permanent scar of how everything can go terribly wrong in the blink of an eye.

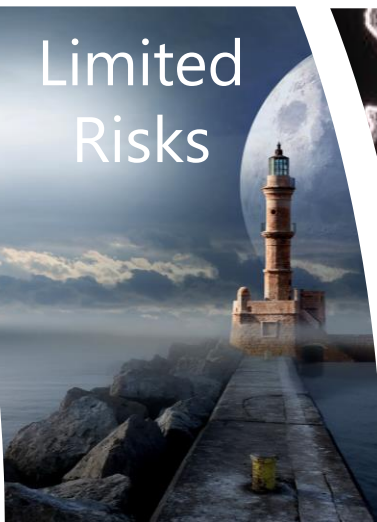
Syed Shah, a 30-year-old daytrader, would usually buy and sell stocks and currencies through his Interactive Brokers account, but on April 20 he couldn't resist trying his hand at some oil trading. Shah, working from his house in a Toronto suburb, figured he couldn't lose as he



Our modern,
proprietary
instrument
designs



Limited
Risks



Instant
Clearing



Capital
Guarantee



Large Cost
Reductions



The Exchange*

RealBOT™

Regulated futures exchange* focusing on a suite of four proprietary instruments

No other startup is targeting institutional market participants in traditional assets.

RealClear™

Vertically integrated, regulated, clearing house* primarily dedicated to RealBOT instruments

Ultra-inexpensive startup costs. A new standard clearing house could easily cost over \$1b. We have brought the costs down to an estimated \$25m.

The Instruments

RealVol™

A suite of realized volatility indices and instruments (trade risk itself)

Hundreds of millions of dollars trade vol swaps each day on OTC markets.

RealDay™

A true daily option (perfect for hedging daily events at low cost)

Because daily options are cheap and need to be replaced daily, volumes and revenues are expected to be very high.

RealGlobe™

A "World Index Exchange" concept bringing country indices on a global platform with global liquidity

Other exchanges have tried, but we have finally solved the conundrum of how to make it work.

RealLimit™

A novel redesign of a futures contract with the ability to limit risk to posted collateral

Limited-risk futures are the holy grail of derivative products. We are the first to solve the trading issues.

* Upon CFTC and SEC approval



Patents/Patents Pending



Copyrights

1,600
RealVol
Indices

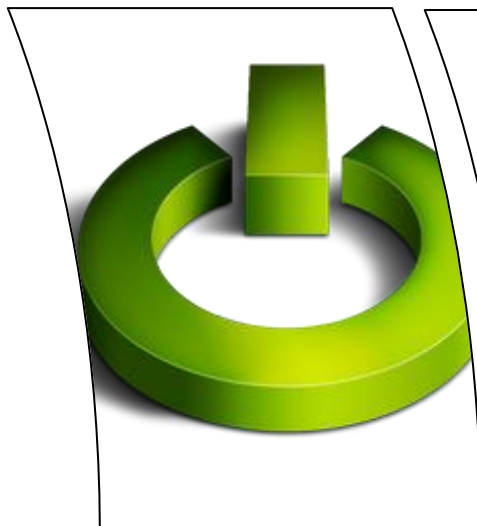
Trademarks

RealBOT
RealClear
RealVol
RealDay
RealLimit
RealRoll
RealBit
RealGlobe



Demand Derivatives

Plug and play exchange and clearing house technology finally ready for "prime time"



Regulatory framework recently in place for seamless approval process



"Unlimited" risk instruments causing "100 year" economic storms every few years, stressing the global financial system



Near monopoly in exchange space causing abnormally high fees, entrenched mindset, and lack of motivation to innovate



Monthly Data Fees

Per Terminal/Per User

**Brokerage Fees**

Per Contract/Per Side

**Exchange Fees**

Avg. Per Contract/Per Side

**Internal Costs**

Avg. Per Contract/Per Side

**Broker Rebate**

Avg. Per Contract/Per Side

**Profits**

Avg. Per Contract/Per Side

**Enterprise Value****Current U.S. Market Share****5yr Projected Market Share****10yr Projected Market Share**

CME

ICE

RealBOT

\$420

\$490

\$0.00¹

\$0.50

\$0.50

\$0.00²

\$1.52

\$1.23

\$1.50

\$0.67

\$0.50

\$0.14

\$0.00

\$0.00

\$0.50

\$0.85

\$0.73

\$0.86³

\$76,000m

\$56,000m

\$35m

91%

8%

0%

81%

8%

10%

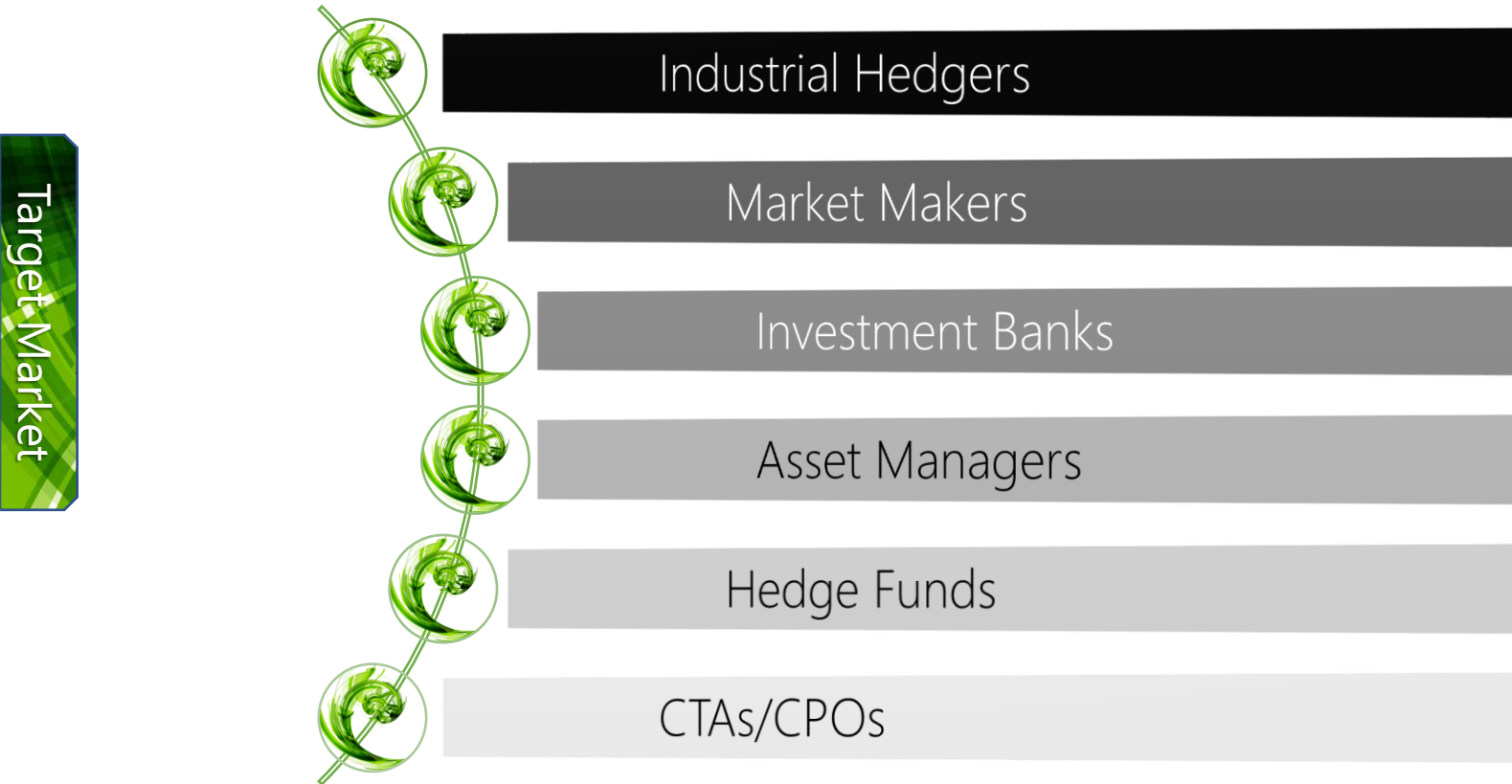
45%

8%

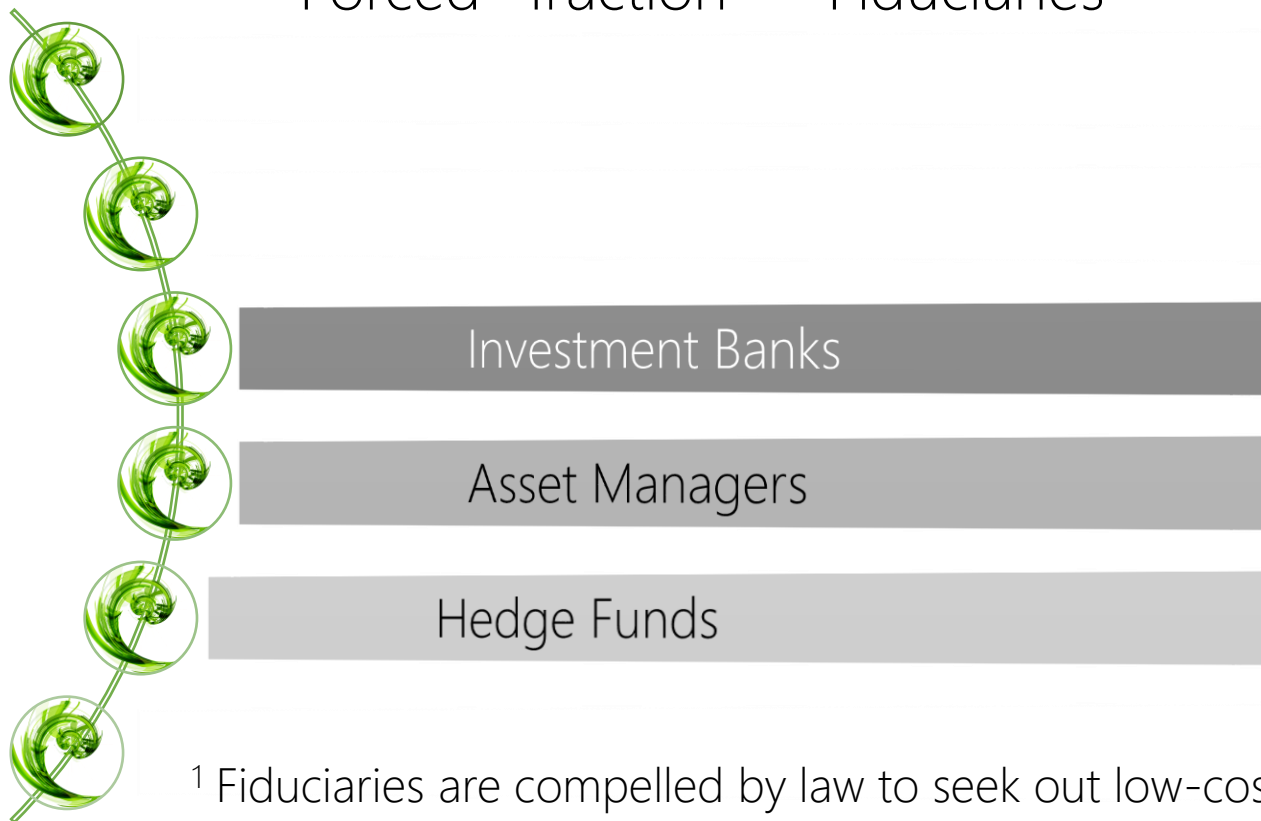
46%

¹ Utilize Facebook's fee-free revenue model (gains eyeballs)² Utilize Robinhood's fee-free revenue model (gains volume)³ Higher profits even with waived data fees and brokerage fees

Target Market → Large Institutions



"Forced" Traction — Fiduciaries¹



¹ Fiduciaries are compelled by law to seek out low-cost, low-risk providers — essentially forcing them to trade on RealBOT instead of at competitor exchanges.



US Bank

Custody Trader's Collateral

Bloomberg

Index Distribution

BOX Options
Exchange

License Agreement

Signed Agreements

Nasdaq

Index Distribution

U.S. Securities Options Exchange

(name currently under NDA)

(signed LOI)

(first large-scale customer use of RealClear)

	CME ¹	ICE ²	RealBOT ³
• Unique, in demand, risk/reward instruments	✗	✗	✓
• Constrained losses	✗	✗	✓
• Instant clearing	✗	✗	✓
• Guaranteed payments	✗	✗	✓
• Highest clearing house credit rating	✗	✗	✓
• Immutable record of all transactions	✗	✗	✓
• Market microstructure encourages liquidity	✗	✗	✓
• Perfect execution at close	✗	✗	✓
• No clearing members required	✗	✗	✓
• No default fund required	✗	✗	✓
• No risk-modeling costs	✗	✗	✓
• Fee cuts	✗	✗	✓
• Current Liquidity	✓	✓	✗

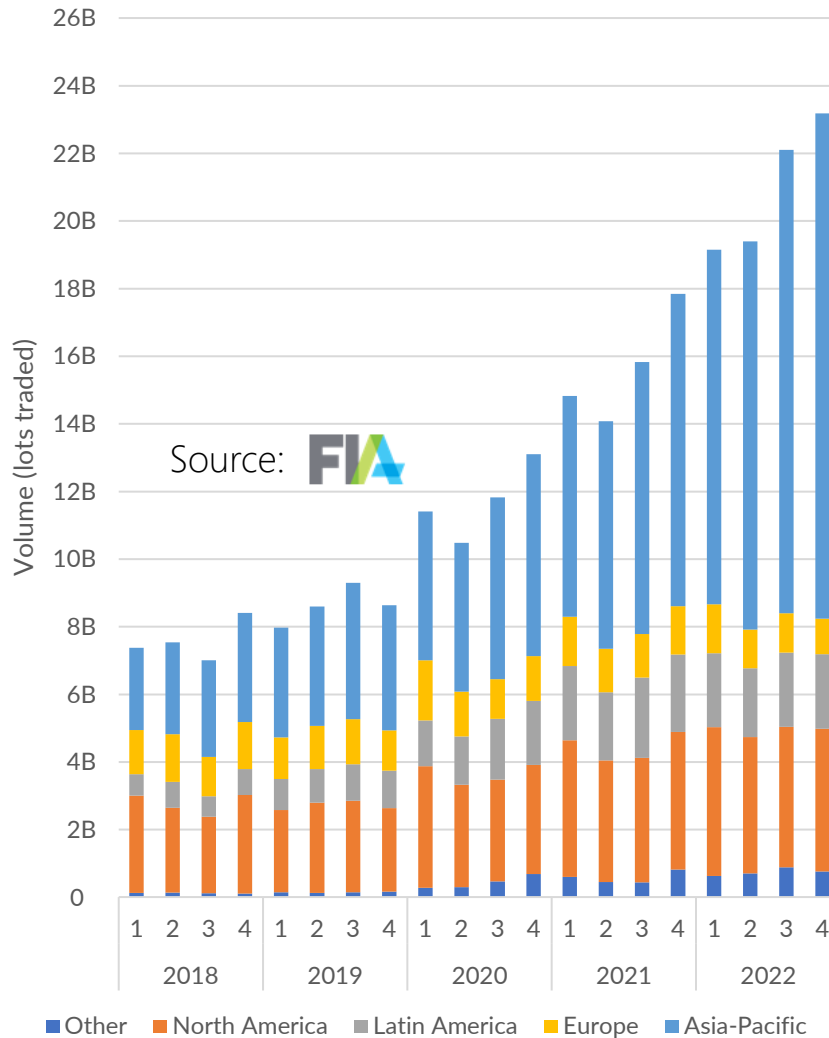


TAM: \$94b
SAM: \$23b
SOM: \$13b

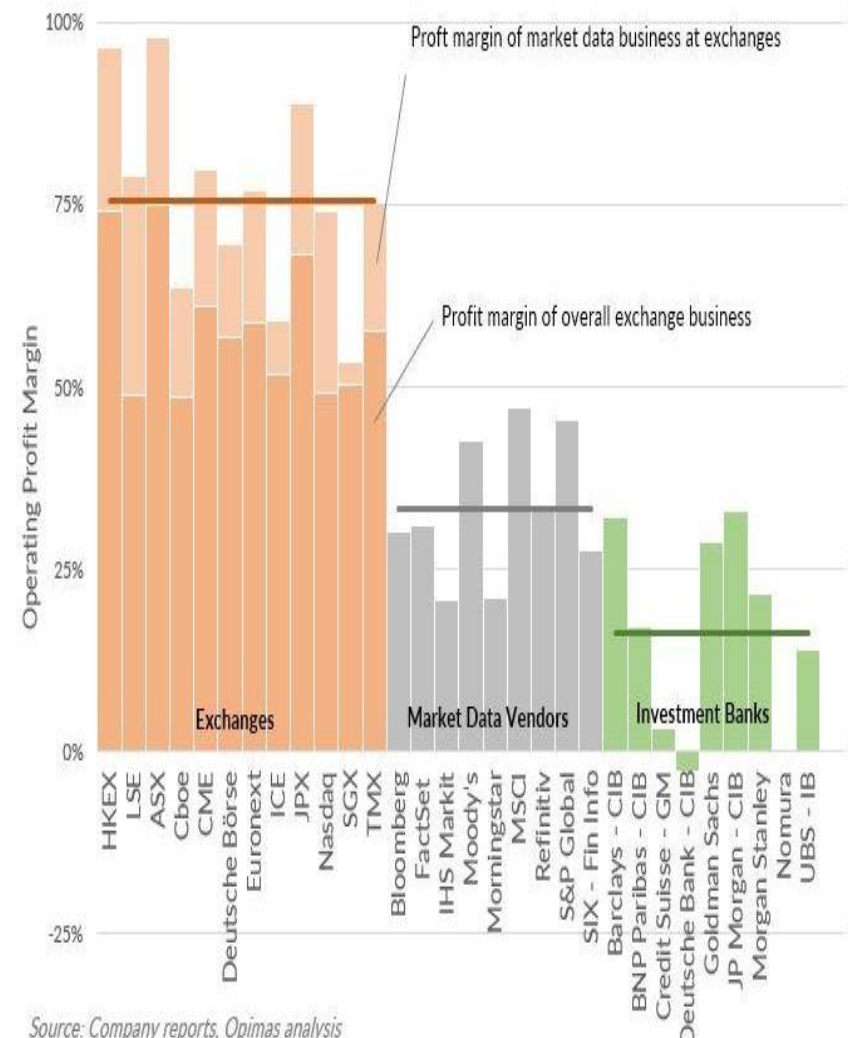
- By far, derivatives trading is the largest industry in the world
 - \$15 trillion trades each day on futures exchanges
 - \$10 billion per minute
 - 15,000 times bigger than Amazon's daily sales
- U.S. market share
 - CME — 91%
 - ICE — 8%
 - All others — 1%



Industry Growth

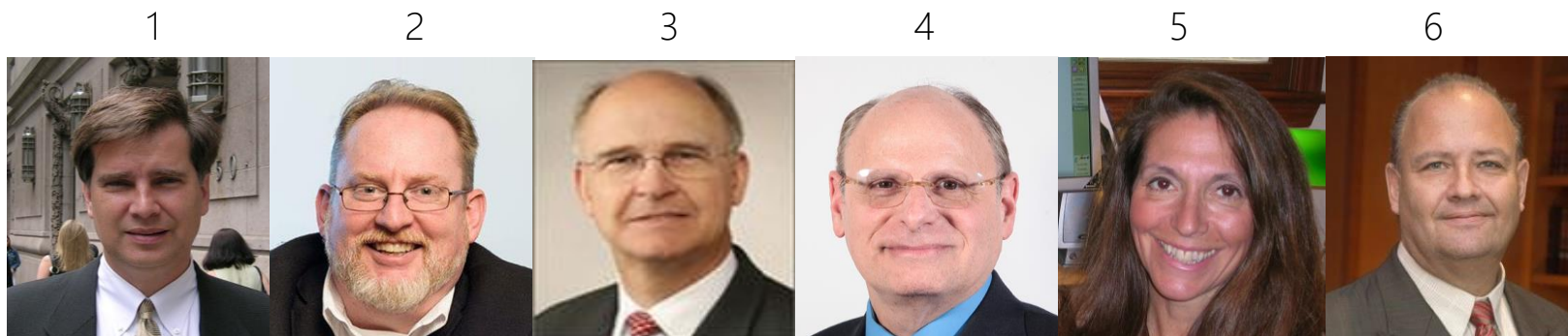


Profit Margins



Source: Company reports, Opimas analysis





1. Robert Krause, CEO (founder and innovator, former **CME** and **Morgan Stanley** executive)
2. Jerome Johnson, Director (former executive at **BATS** and **MIAX Exchanges**)
3. Richard Heckinger, Director (former official of **Federal Reserve Bank of Chicago** & CEO **HKEX**)
4. Donald Schlesinger, President (former executive at **Morgan Stanley**)
5. Wendy Robinson, GC (**CFTC** and in-house counsel at large investment banks)
6. Andrew Kumiega, **Ph.D. CQE, CQA, CSQE, CISA, CISM, CGEIT, CRISC** — Senior IT Governance and Reliability Advisor (multiple director and partner-level positions in financial services firms)
7. Norman Wattenberger, Head of IT (no photo) (former **Citibank** lead in Strategy & Architecture)

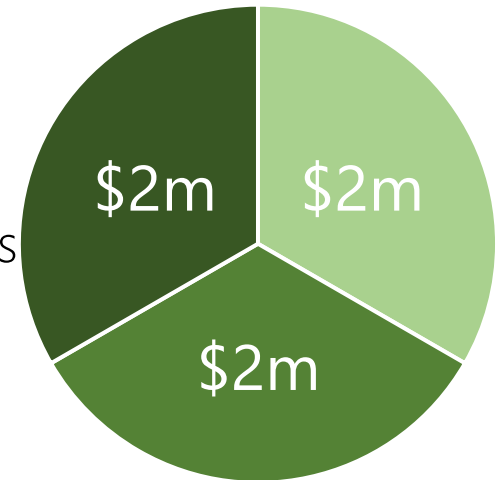


- **Round A** — \$6m required in order to reach launch (approx. 9–12 months after funding)

- **Use of Proceeds*** —

- \$2m — Open the exchange
- \$2m — Marketing to get volume to critical mass
- \$2m — CFTC reserve requirements

* All amounts are approximate



- **Round B** — \$20m expected to reach sustainability (approx. 12–18 months after launch)
- **Exit Strategy** — Typical startups travel through their explosive-growth phase in a few years. This is why early-stage investors generally look for a 3- to 5-year exit. In our case, we expect the explosive-growth phase to last a decade. Our goal is to become the largest exchange in the U.S. If successful, potential gains of 2,000X are possible. This will not happen if investors are too short-term oriented.





Robert Krause, CEO
Donald Schlesinger, President
Wendy Robinson, General Counsel

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