



Demand Derivatives

Corporate Info

Founded: Aug 2017
Industry: Financial Technology
Sub-Industry: Markets
Structure: C-Corp.

Funding Required

Stage: Series A
Amount: \$6m+
Goal of Funds: Launch Exchange
Use of Funds: Regulatory, IP, Tech, and Marketing
Prior Rounds: \$4m
Valuation: \$35m Pre-Money
Projected ROI: 5_{yr}→150x, 10_{yr}→1,700x

Market Size (exchange revenues)

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

Directors

Richard Heckinger — Former FED Official and CEO of Hong Kong Exchange

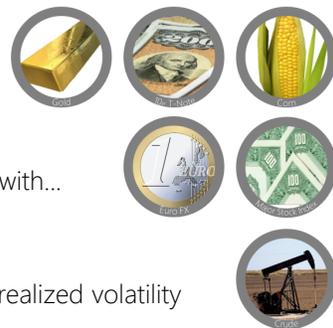
Jeromee Johnson — Former executive at BATS and MIAX exchanges

Adviser

Andrew Kumiega — Professor and consultant for many hedge funds, market makers, and clearing organizations

Description

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



Problems

Current exchanges using 175-year-old instrument designs with...

- Unlimited risk
- Slow (overnight) clearing
- No global equity index solutions; no daily options; no realized volatility

Solutions

Proprietary, IP-protected designs...

- **RealLimit™** — Limited risk on all exchange positions (but with large potential upside)
- **RealClear™** — Instant clearing (eliminates overnight clearing risks)
- **RealGlobe™** — World index exchange (unifying country equity index derivatives)
- **RealDay™** — Delayed strike daily options (perfect for event risk and vol positions)
- **RealVol™** — Realized volatility products (indices, futures, and options)

Competitors

- CME Group — They have no limited risk futures (we plan to)
- OCC — They are a pure monopoly (we plan to be their sole competitor)
- Cboe — They have only implied volatility products (we plan to list realized vol)
- Global options exchanges — They have no delayed strike options (we plan to)
- Global exchanges — They mostly list a single country equity index per exchange (we plan to list them all together with massive cost savings and better execution)

Our Advantages

- 97% less costly to build a world-class exchange (\$1b est. → \$25m est.)
- 80% less costly to operate (\$0.67/contract CME actual → \$0.14 internal estimate)
- Much less risky for traders (no default risk)
- Much less risky for the exchange (no credit extended)
- Eliminates systemic risks in the global financial system (when caused by derivatives)
- Embraces the FCM model (whereas exchanges are now exploring direct to customer)
- High leverage (as much as double the leverage of existing exchange products)

Early Traction

- Partnered with GMEX Group for exchange and clearing house systems
- LOI with options exchange for clearing (our first large-scale customer)
- Agreements in place with Bloomberg and Nasdaq for index distribution
- Licensing agreement with BOX Options Exchange for **RealVol** and **RealDay**
- Custodial account with US Bank housing traders' collateral

Forced Traction

- Fiduciaries, such as asset managers, hedge funds, and pension funds (with trillions AUM) are required by law to seek out our low-risk, low-cost solutions.

Team

All team members have over 25 years' experience in derivatives and markets



Robert Krause, CEO — CME, Morgan Stanley, Event Capital



Donald Schlesinger, President — Morgan Stanley



Wendy Robinson, General Counsel — CFTC, NASD, EF Hutton, PaineWebber

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*Upon CFTC and SEC approval

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