

Gold



10yr T-Note



Com



Demand Derivatives

The Exchange of Ideas™



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

The Opportunity

- 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
- The CME is the largest exchange
 - 91% market share of U.S. futures volume — a near monopoly
 - \$82 billion market cap (as of 31 Dec 2021)
- However, there are big structural problems and inefficiencies lurking under the surface



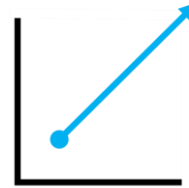
Their Problems

Our Solutions

Risk



"Best Efforts"
Stops on Trades



Absolute
Loss Limits

Speed



Overnight
Clearing



Instant
Clearing

Safety

BBB -

Clearing houses
Striving for Good
Credit Rating

AAA+

Our clearing
house is fully
collateralized
(no default risk)

Cost



Fees Keep Rising



Cost Reductions of
50% to 90%

More Problems

More Solutions

Payments

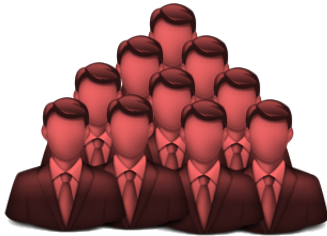


Current Exchanges
Cannot Guarantee
Payment on Winnings



A Fully Collateralized
Process Means
Winnings Always
Paid in Full.

Middlemen

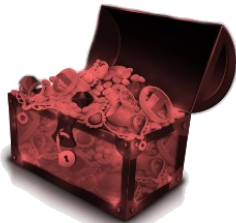


Clearing
Members
Required



No
"Middleman"
Needed

Collateral

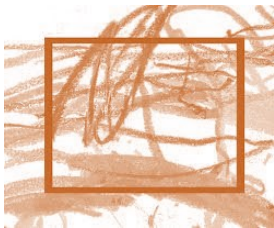


Billions of Idle
Assets in
"Guarantee Fund"



No "Rainy-Day"
Fund Required

Trades



"Close Enough"
Execution



Precise Close-to-
Close Exposure

Exchange and Clearing House

RealBOT™

RealDemand Board of Trade

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

RealClear™

RealDemand Clearing

Vertically integrated, regulated, clearing house* dedicated to RealBOT instruments, including blockchain clearing

* Upon CFTC and SEC approval

Proprietary Instrument Designs

RealVol[®]

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

RealDay[™]

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

RealGlobe[™]

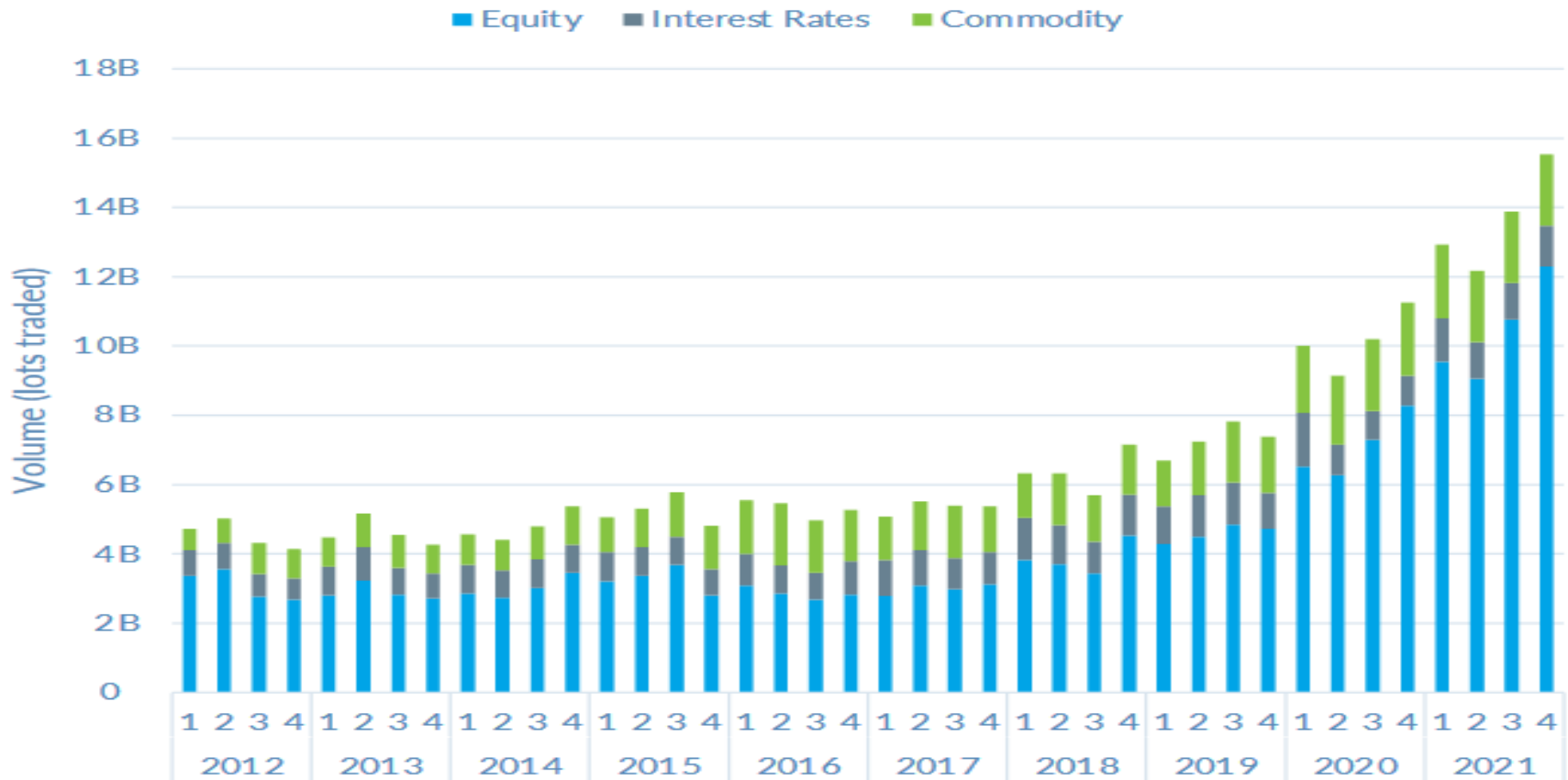
A “World Index Exchange” concept bringing country indices on a global platform with global liquidity

RealLimit[™]

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

Industry Growth

Quarterly Futures and Options Volume 2012 to 2021



Source: 

Industry Metrics

- **Statistic relevant to Demand Derivatives:**
\$15 trillion trades each day globally. The CME commands a near monopoly in the U.S. with 91% of U.S. futures trading.
- **Statistic relevant to RealVol products:**
½ million VIX[®] futures and options trade each day
- **Statistic relevant to RealDay options:**
131 million options trade each day on global exchanges
- **Statistic relevant to RealGlobe products:**
165 million equity index futures and options trade each day worldwide
- **Statistic relevant to RealLimit futures:**
115 million futures contracts trade each day at all exchanges
- **Statistic relevant to RealClear:**
The OCC has a true monopoly clearing 100% of U.S. securities-options volume.

Competition

- RealVol: to compete with Cboe's VIX[®] contract
- RealDay: to compete with options exchanges
- RealGlobe: to compete with exchanges trading equity indices
- RealLimit: to compete with the CME's top 6 assets
- RealClear: to compete with OCC clearing

In short, only one or two successful products could thrust us into the top 10 exchanges in the world. Additional successes would make us a formidable competitor with the potential to rival the largest exchange.

Potential Benefits

- Unique, in demand, risk/reward profiles
- Instant clearing
- Fully collateral-backed payments
- Loss limited to posted collateral
- Immutable record of all transactions
- Market microstructure advancements
- Perfect execution at the close
- No clearing members required
- No guarantee fund required
- No risk-modeling required
- Dramatic fee cuts

Others

RealBOT



Valuations

1x



8x



300x
\$14b Cboe
Market Cap

2,500x
\$82b CME
Market Cap

Demand Derivatives:
starting regulatory
process, \$32m valuation,
**6 major assets plus
39 country indices**

ABAXX Exchange:
Nearing regulatory
approval, \$245m valuation
(end of 2021), pre-revenue
startup, **2 proposed assets**

Cboe Exchange
(end of 2021):
1/2 trading revenue
from top **2 assets**

CME Group Exchanges
(end of 2021):
1/3 trading revenue
from top **6 assets**

The Plan

- **Pre-launch:** Secure U.S.–regulation, proliferate IP, install technology, and pre-launch marketing campaign
- **Phase I:** list our three novel instrument designs on six key assets: gold, crude, corn, 10yr T-Note, EUR/USD, and a major stock index.
- **Phase II:** list roughly 40 country indices.
- **Phase III (wish list):** Partner with two more exchanges (one in Europe and one in Asia) to offer near-24-hour regional coverage and global liquidity — similar to an airline alliance — add satellite exchanges as desired.






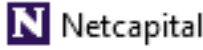


Pre-Launch

Phase I

Phase II

Phase III

Successes to Date (Mar 2022)

- Currently disseminating indices on **Bloomberg**[®] and  **Nasdaq**
- Agreement in place with  to distribute trade data
- License agreement with  to list our instruments on securities
- Signed LOI with a U.S. options exchange to clear securities options
- Launching Round A2 on crowdfunding platform 
- Exchange technology agreement in place with 
- Custodial account at 
- Retained prominent CFTC/SEC/NFA attorney for regulatory applications
- Marketing staff identified and on standby
- Patents and trademarks recently updated

Historical and Anticipated Timeline

✓	RealVol patent granted	2008	○	Pre-launch \$6m round A funding	2022
✓	Raised seed capital rounds ~\$4m	2009–2020	○	Apply for exchange and clearing licenses with CFTC and SEC	2022
✓	RealDay created	2014	○	International IP protection	2022
✓	RealGlobe created	2016	○	Exchange technology implementation	2022
✓	Demand Derivatives created	2017Q3	○	Pre-launch marketing	2022
✓	Merger completed (union of “old” companies)	2018Q1	○	Systems testing	2023
✓	RealLimit created	2018Q1	○	Exchange launch	2023
✓	Bloomberg and Nasdaq (index distribution)	2018Q1	○	List RealLimit, RealVol, and RealDay on six major assets	2023
✓	GMEX agreement (exchange technology)	2018Q2	○	Round B funding (\$20m)	2023
✓	U.S. Bank agreement (custody of collateral)	2018Q2	○	Expand to additional assets	2023
✓	Options exchange agrees in principle to clear using RealClear	2021Q3	○	List RealGlobe assets	2024

Team



- Robert Krause, CEO (founder and innovator, former CME and Morgan Stanley executive)
- Jeromee Johnson, Director (former executive at BATS and MIAX)
- Richard Heckinger, Director (former official of Federal Reserve Bank of Chicago)
- Donald Schlesinger, President (former executive at Morgan Stanley)
- Wendy Robinson, GC (CFTC and in-house counsel at large investment banks)
- 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)
- Norman Wattenberger, Head of IT (no photo) (former Citibank lead in Strategy and Architecture Area)

Products Differentiation

Issue with Current Instruments

RealVol[®]

VIX is based on implied volatility, not a very useful construct for hedging (-72% correlated to the index).

RealDay[™]

Standard daily options would need dozens of fixed strikes on thousands of assets and replicated every day — overloading current systems.

RealGlobe[™]

All country index futures are trading on local venues, generally and exclusively in the country of origin with large cost and operational complexities.

RealLimit[™]

No amount of posted collateral can cover all risks to standard futures. Enormous financial stresses were felt in 2008, 2018, 2019, 2020, and 2022.

Company Solution

RealVol is based on realized volatility, the same measure as the successful and liquid OTC volatility swap market. (~0% correlated to the index).

Existing systems can easily handle the marginal load of RealDay, which requires only two options each day (one call and one put).

The RealGlobe concept will replace those disparate, local-only-liquidity markets with one truly global marketplace — with global liquidity and very large cost savings.

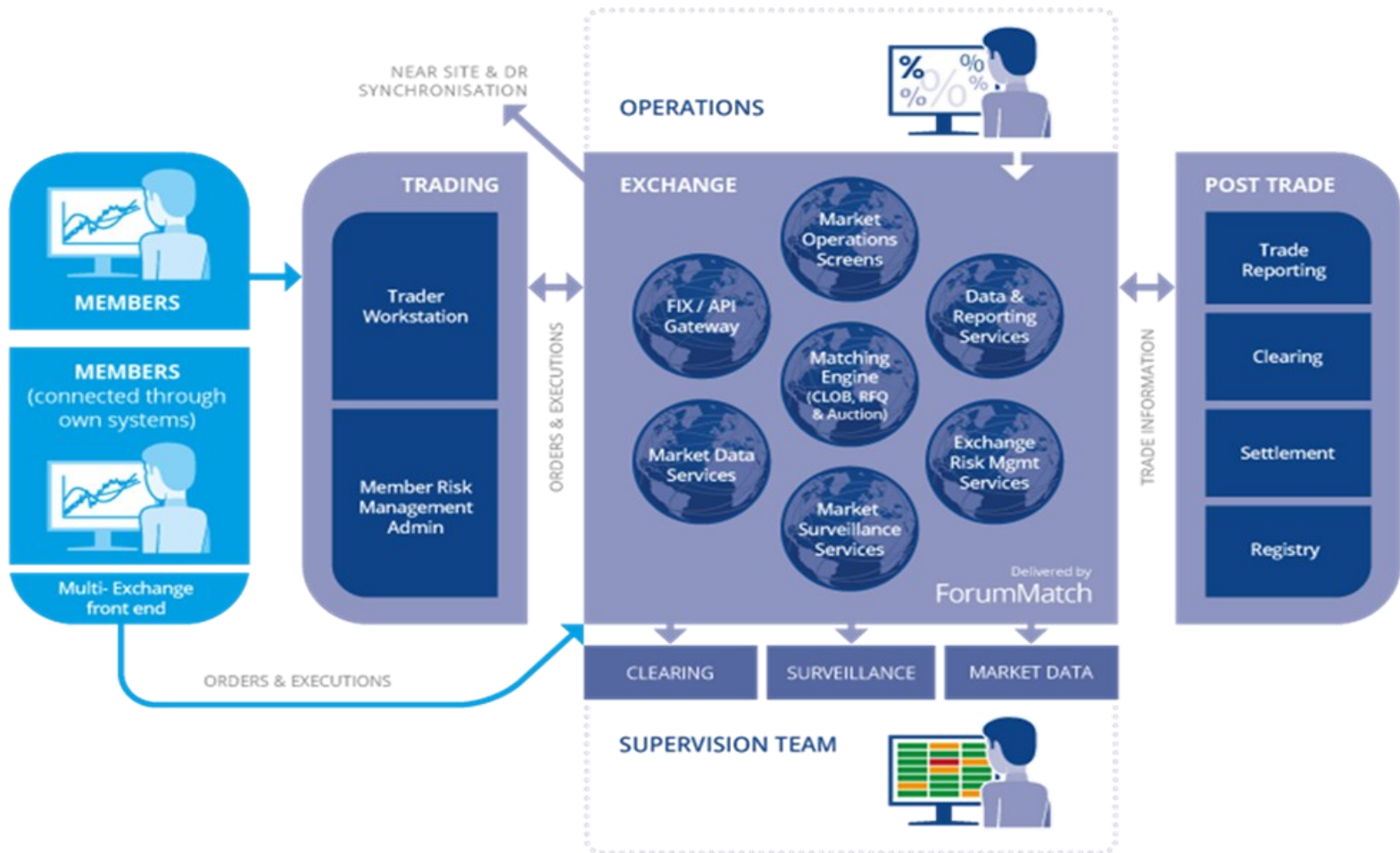
The RealLimit approach guarantees that all losses are constrained and fully collateralized — saving the system from a possible financial collapse.

Key Risks	Risk Assessment	Mitigation
-----------	-----------------	------------

Regulatory application rejected	Low	Reapply after fixes
No market quotes	Low	Sufficiently incentivize market makers
Low liquidity	High	<ul style="list-style-type: none"> • Mimic primary market contract specs to aid arbitrage • Instant clearing helping to redeploy hedges quickly • Limited loss on all products • RealRoll effectively supports “unlimited” upside potential • Eliminate fees for startup period • Ensure that quotes are widely distributed • Incentivize FCMs to steer clients to the Exchange • Incentivize top-of-book market microstructure • Intra-asset and inter-asset spreading by launching several instruments on multiple assets at once
Safety/credibility issues	Med	<ul style="list-style-type: none"> • Quarterly audit of commingled account • Trusted third-party oversight of posted collateral
Technology	Med	<ul style="list-style-type: none"> • One of the best platforms in GMEX • Main server at same exchange center (Chicago) • Built-in redundancy (New Jersey)
Capital-raising	Med	<ul style="list-style-type: none"> • Crowdfunding • Security Token Offering • Direct investment (individuals and entities) • Strategic partners • Keep burn rate low until capital comes in the door

Technology

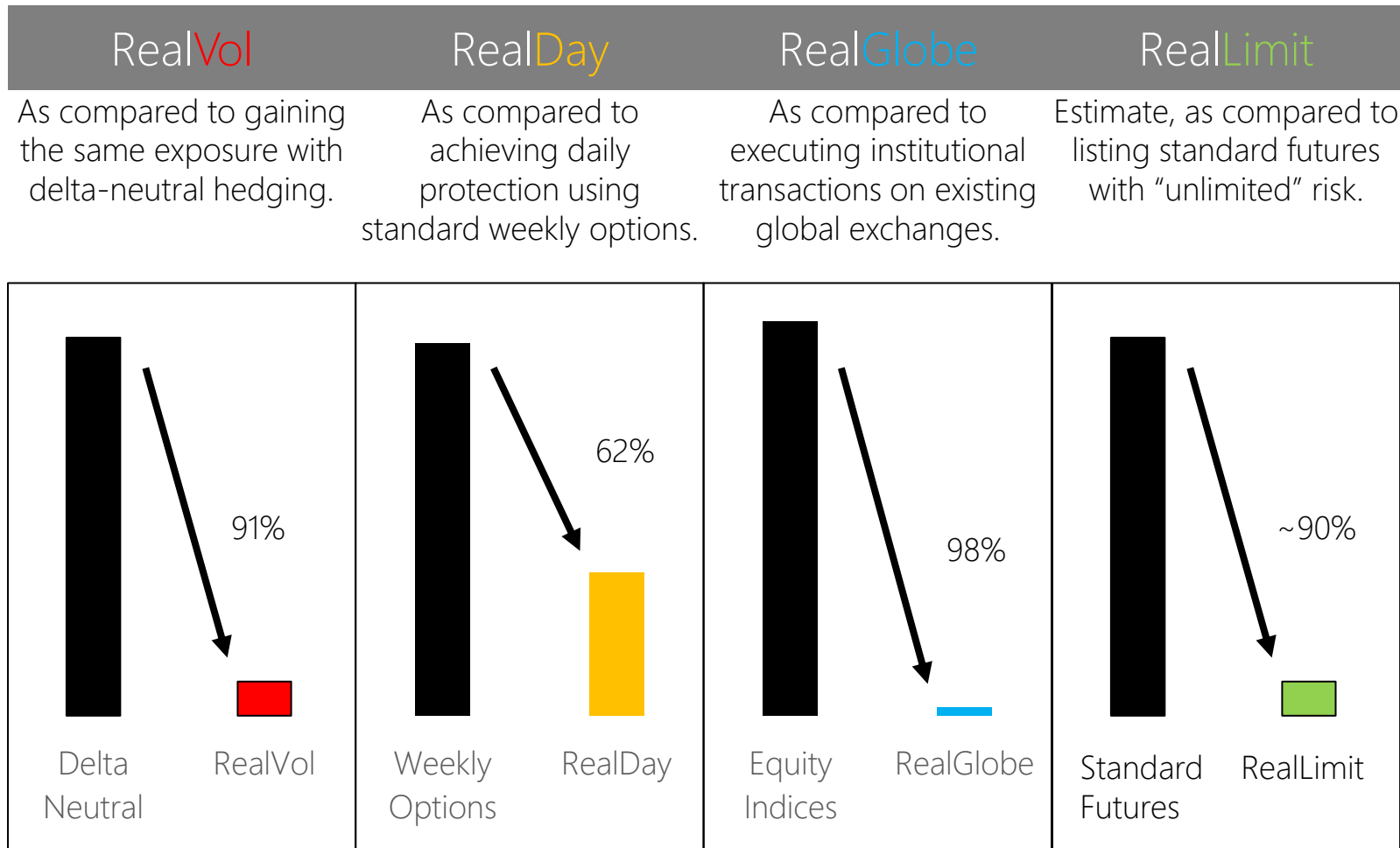
Demand Derivatives has partnered with GMEX (an “exchange in a box” solution including private blockchain clearing)



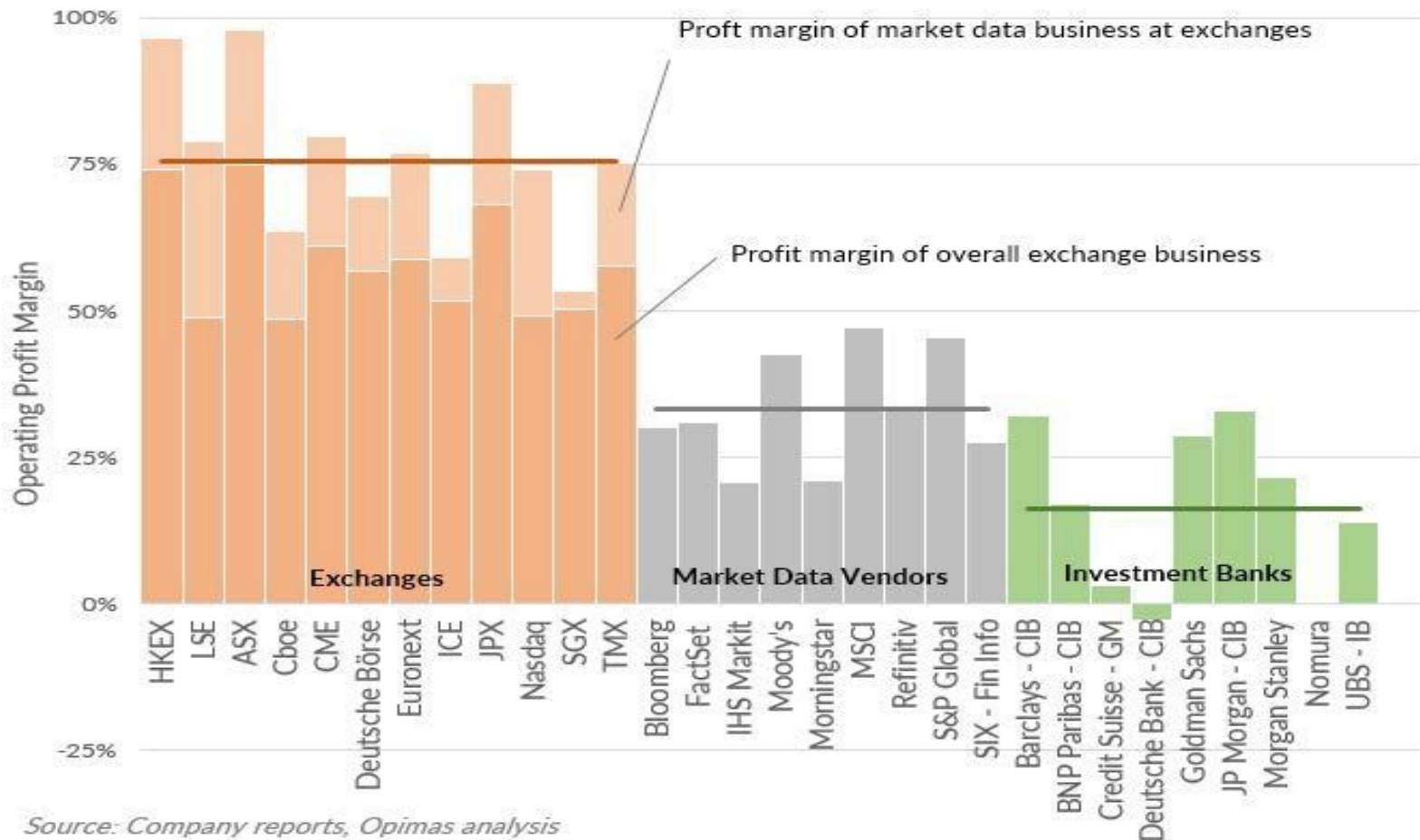
IP Protections and Approvals

	Patents and Patents Pending	Copy- rights	Trademarks	SEC Approval (instruments)	CFTC Approval (instruments)
RealVol	✓✓	1,600 Indices	RealVol®	✓	✓
RealDay	✓	N/A	RealDay™ Battle™ Reach™ Shock™ Scream™	✓	TBD
RealGlobe	✓✓	39 Indices	RealGlobe™	TBD	TBD
RealLimit	✓	N/A	RealLimit™	TBD	TBD

Cost Reduction Targets



Exchange Profit Margins



Source: Company reports, Opimas analysis

Comprehensive Marketing Campaign

Personal Visits To:
 CTAs
 Hedge Funds
 Market Makers
 Investment Banks
 Large Prop Shops



Institutional
 One-on-Ones

Magazine/
 Online Ads

Video Tutorials

Volatility Views
 Weekly
 Volatility/Options
 Radio Show

Options Alliance
 Educating Options Educators

News Releases
 for Key Events

PersonID	Address	Address	City	City	FirstName	FirstName	Last
1	1040 East Street	1040 East Street	Plateau City	Plateau City	Loretta	Loretta	Boy
2	154 Botic Walk	154 Botic Walk	Excelsior	Excelsior	Evelyn	Evelyn	Eiko
3	952 Tennessee Avenue	952 Tennessee Avenue	Embarcadero	Embarcadero	Harold	Harold	Mcc
4	780 Fourth Lane	780 Fourth Lane	Tenderlon	Tenderlon	Chad	Chad	Har
5	1079 Beach Way	1079 Beach Way	Cow Hollow	Cow Hollow	Sandra	Sandra	San
6	758 North Lane	758 North Lane	North Beach	North Beach	Kathleen	Kathleen	Rho
7	978 Eighth Walk	722 Arrow Lane	Miraloma Park	Columbus	Pamela	Pamela	Nea
8	247 Fifth Place	247 Fifth Place	Western Addition	Western Addition	Emily	Emily	Dav
9	843 States Street	843 States Street	Noe Valley	Noe Valley	Vernon	Vernon	Carl
10	749 Washington Street	749 Washington Street	Civic Center	Civic Center	vWilliam	vWilliam	Gor
11	360 Tennessee Place	360 Tennessee Place	Fisherman's Wharf	Fisherman's Wharf	Gladys	Gladys	Lav

Email List

Strong Presence at
 Industry Trade Shows

Show Types:

Futures
 Options
 Volatility
 Hedge Funds
 Equity
 Risk Management
 Pension Funds
 Insurance

Academic
 Papers

Brochures



Daily Social Media

Use of Funds*

- Round A (\$6m) expected to launch (approx. 9–12 months after funding)
- Round B (\$20m) expected to sustainability (approx. 12–18 months after launch)

Use of Funds	Pre-Launch		Post Launch	
	Amount	Percentage	Amount	Percentage
Capital Raising Expenses	\$300,000	5.0%	\$1,000,000	5.0%
Regulatory	\$250,000	4.2%	\$100,000	0.5%
Exchange Technology (initial install)	\$375,000	6.3%		
Exchange Technology (testing, redundancy)	\$350,000	5.8%		
Exchange Technology (continued operations)			\$4,000,000	20.0%
IP	\$250,000	4.2%	\$100,000	0.5%
Marketing	\$800,000	13.3%	\$4,000,000	20.0%
Accounting	\$75,000	1.3%	\$100,000	0.5%
Miscellaneous	\$100,000	1.7%	\$400,000	2.0%
Legacy Expenses	\$300,000	5.0%		
Salaries	\$1,200,000	20.0%	\$9,300,000	46.5%
CFTC Capital Reserve Requirement	\$2,000,000	33.3%		
Market Maker/Trader Incentive Program			\$1,000,000	5.0%
Total	\$6,000,000	100.0%	\$20,000,000	100.0%
	Round A		Round B	

* All amounts are approximate



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

Demand Derivatives Corp.
99 Wall Street
Suite 3901
New York, NY 10005
1-888-865-9267
dd@demandderivatives.com
demandderivatives.com

Notice

The information contained herein is subject to change and must not be relied upon. Specifics vary according to the underlying asset. Assumptions and the projections upon which they are based are purely speculative. There is no warranty or guarantee that any estimate can be achieved. This document is for informational purposes only and is not an offer to buy or sell, nor a solicitation of an offer to buy or sell, any securities in Demand Derivatives Corp. ("DDC"), or any other security or financial instrument. Investment interests in DDC, if offered, will be available only to sophisticated investors who are interested in investing in DDC on their own behalf. Any offering or solicitation will be made only to qualified prospective investors pursuant to a subscription document, which should be read in its entirety.

This material is neither advice nor a recommendation to enter into any transaction. Certain information provided herein is obtained from sources, including publicly and privately available information, that DDC considers to be reliable; however, we cannot guarantee and make no representation as to, and accept no responsibility or liability for, the accuracy or completeness of this information. None of DDC, its subsidiaries, or affiliated companies, any of their respective licensees, successors, or assigns, or their respective officers, directors, employees, agents, or representatives, will be liable for actions taken or not taken in reliance thereon. Past performance is not necessarily indicative of future results.

The information contained in this document is confidential and proprietary to DDC. This document is presented with the express understanding that it will be held in strict confidence and will not be duplicated or used for any purpose, in whole or in part, other than for the evaluation of an investment opportunity, without written consent. Disclosure of the receipt of this document and the matters described herein is limited to the recipient and any individuals to whom disclosure is necessary in order for the recipient to make an informed decision whether to pursue a business relationship with DDC; provided, however, that disclosure may be made to other individuals who have signed a nondisclosure agreement with DDC. This document is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged and confidential. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited.

© 2022, Demand Derivatives Corp. All rights reserved. No use without prior, written permission. Trademarks (words, phrases, and logos), copyrights (text, figures, and layout), patents, and patents pending are owned or controlled by Demand Derivatives Corp.

- RealBOT™, RealClear™, RealDay™, RealGlobe™, and RealLimit™ are trademarks of Demand Derivatives Corp and/or its wholly owned subsidiaries. RealVol® is a registered trademark of RealVol LLC.
- Nasdaq® is a registered trademark of The Nasdaq Stock Market, Inc.
- ICE® is a registered trademark of Intercontinental Exchange Holdings, Inc.
- Bloomberg® is a registered trademark of Bloomberg Finance One L.P. Bloomberg (GP) Finance LLC
- BOX Options Exchange is a registered trademark of BOX Market LLC
- Cboe®, The Cboe Volatility Index®, and VIX® are registered trademarks of The Chicago Board Options Exchange, Incorporated