



**FDCTECH, INC.**

**A Fully Custom-Branded  
Trading Technology Infrastructure  
for the Largest Market in the World**

**SEPTEMBER 2020**





# Disclaimer

This presentation is prepared exclusively for the benefit and internal use of ACCREDITED INVESTOR(S) as defined under the Securities Act of 1933 to whom it is directly addressed and delivered. This presentation is for discussion purposes only and is incomplete without reference to, and viewed solely in conjunction with, the oral briefing provided by FDCTech, Inc. Neither this presentation nor any of its contents may be used for any other purpose without the prior written consent of the Company. This presentation contains “forward-looking statements” as that term is defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements in this presentation that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future. All forecasts are provided by management in this presentation and are based on information available to us at this time and management expects that internal projections and expectations may change over time. Also, the forecasts are entirely on management’s best estimate of our future financial performance given our current contracts, current growth opportunities and conversations with new and existing customers about our FX solutions.



# Confidential Information

All information contained in or disclosed in this document, hereinafter called ‘Confidential Information,’ is proprietary to us. By accepting the material, the recipient agrees that this Confidential Information will be held in confidence and will not be reproduced or transferred, either in whole or in part, without our prior written permission. The recipient agrees that it will not disclose to any third party or use any Confidential Information disclosed to it by us except when expressly permitted in writing by us. The recipient also agrees that it understands that the information contained herein may not be retained, reproduced or distributed, in whole or in part, without the prior written consent of the Company and that it will take all reasonable measures to maintain the confidentiality of all Confidential Information in its possession or control. This overview is delivered solely as reference material to our Company. This document shall not constitute an offer to sell or the solicitation of an offer to buy securities in our Company in any jurisdiction. The information herein is based on data obtained from sources believed to be reliable. Although we believe that the sources are reliable, we have not independently verified the statistical data. The trademarks included herein are the property of the owners thereof and are used for reference purposes only.



## WHY WE EXIST?

## The Market

---

FDC's retail FX trading market is ~\$400 billion <sup>(1)</sup> in daily trading volume. Over 3 million active traders access the FX market daily through over 2,000 FX Brokers worldwide.

The development of a proprietary multi-asset trading platform is complicated & expensive <sup>(2)</sup>. ~ 20 large FX brokers have proprietary trading platforms.

Medium to small FX Brokers have a limited budget for dedicated IT and software teams. They manage several third-party technology vendors.

Most FX Brokers access the inter-bank FX market through FX Prime and FX Prime of Prime (FX PoP) Brokerages via third-party technology providers.

<sup>(1)</sup> 2019 BIS, 6% of 6.6 trillion per day.

<sup>(2)</sup> [craft.co/robinhood/funding-rounds](https://craft.co/robinhood/funding-rounds), \$176M.

## Challenges

---

FX retail traders prefer more than one trading platform. However, most FX Brokers (>1,231) use one standard third-party FX technology, such as MT4/5 <sup>(3)</sup>.

Most FX Brokers offer almost identical trading experiences (off-the-shelf platform) in a market that has ever increased costs.

Most FX Brokers use different third-party technology vendors, thus increasing the potential for human and configuration errors.

FX PoP pay <sup>(4)</sup> up to 40% of trading revenue to technology providers to connect, access, and manage trading risk. Most FX PoP uses the agency model.

<sup>(3)</sup> \$75K to \$300K licensing, \$5,000 monthly.

<sup>(4)</sup> \$30 to \$40 per million traded.

## FDC Momentum

FDC offers Condor FX Pro <sup>(5)</sup> – a fully customizable multi-asset trading platform, back-office, CRM, and FX business solutions to FX brokers.

Through the sale of FDC's basic source code, FX Brokers can customize and brand the platform as a proprietary offering.

FDC develops all components of technology infrastructure in-house and assigns a dedicated team to each FX broker.

FDC offers a full suite of FX PoP technology infrastructure and business solutions at a competitive price <sup>(6)</sup>. This allows FX PoP to use the principal model.

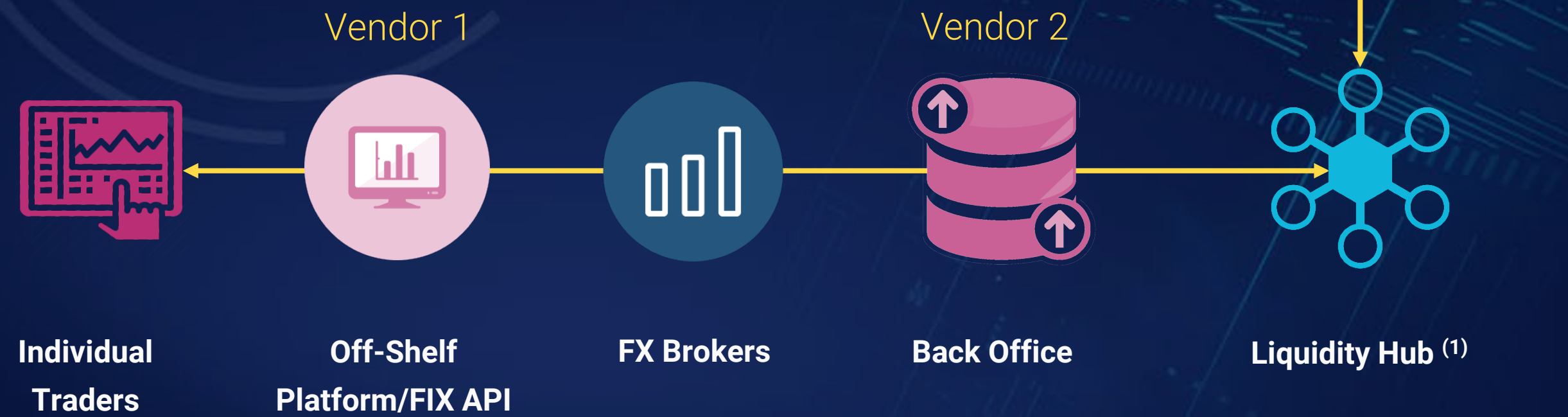
<sup>(5)</sup> \$15K licensing, \$1,500 monthly.

<sup>(6)</sup> \$10 to \$15 per million traded.

INDUSTRY PROBLEMS

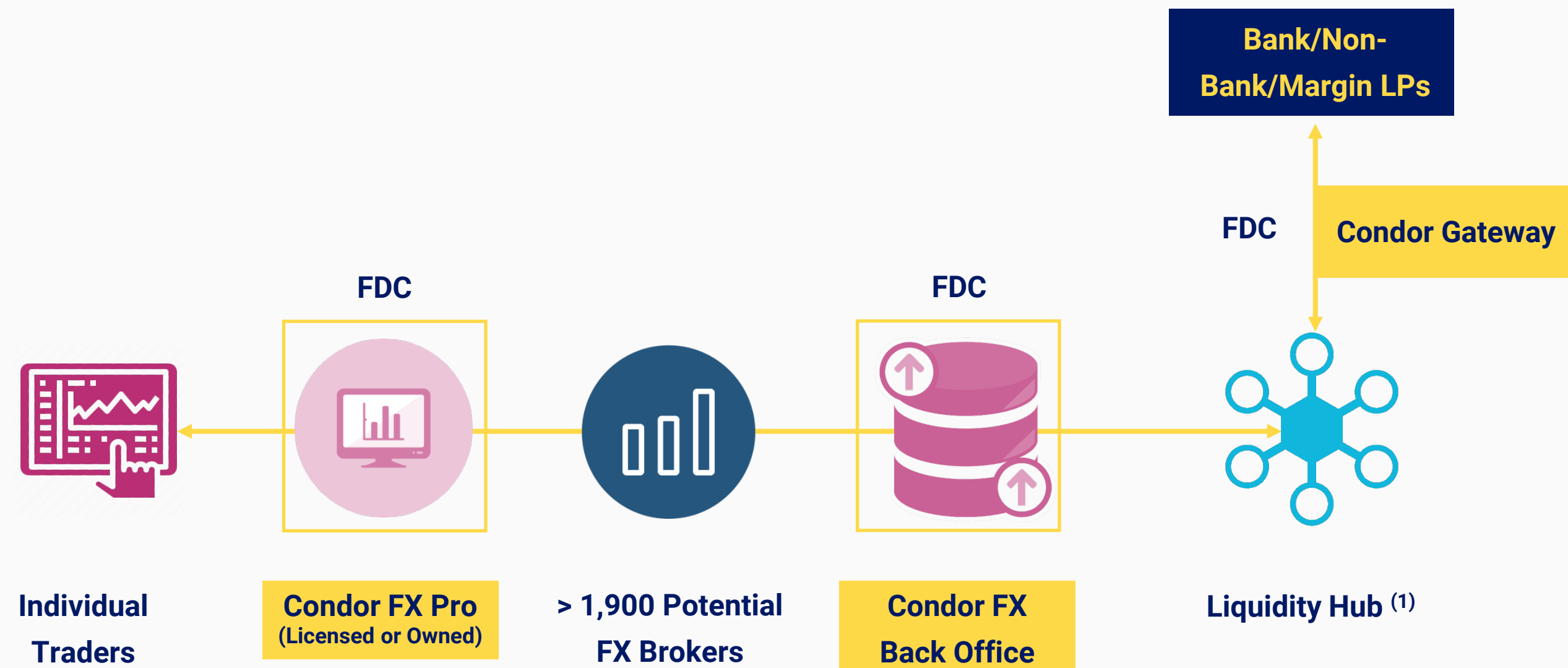
**OUR ADVANTAGE**

**FX Broker Without FDC**



Solution	Third-Party Platform	Condor FX Pro 5.0
Licensing Fees	\$75,000 to \$300,000	\$15,000
Maintenance	\$15,000	Volume Based
Source Code Purchase	No	\$250,000
Back Office	Third Party Back Office	Condor Back Office
Customization	No	Yes
Software Development	No	Yes
Start-Your-Own-Brokerage	No	Yes
Dedicated IT	No	Yes
White/Grey Label	Strict	Flexible/Friendly

**With FDC.**



<sup>(1)</sup> Condor FX Platform is seamlessly tested and connected via Condor Gateway to two major liquidity hubs (>200 LPs). The liquidity hub ecosystem includes but is not limited to Admin GUI, Admin API, pricing engine, aggregator, risk management, trade database, analytics, post-trade & regulatory reporting, and much more.

FDC provides options to FX brokers to purchase the source code (non-exclusive) of the trading platform. After the purchase of the source code, the FX brokers can then customize it to fit respective business and regulatory needs allowing brokers to build their intellectual property (IP).

Post sale of source code, FDC is involved in the development of the platform and to provide technical support services.



**OUR ADVANTAGE**

**Prime of Prime (FX PoP)**

**Without FDC**

(1) Large banks offer FX prime broker services with >15 Billion traded per day. Including ECN/Dealing Desk Brokers. Institutional clients.

**Tier 1  
Banks/Prime  
Brokers (1)**



JP Morgan, UBS, Deutsche Bank, CitiGroup, HSBC

**Tier 2  
Prime Brokers (2)**



(2) Includes prime brokers and institutional arm of large retail brokers with 5 to 15 Billion traded per day.

Gain Capital, XM Group, Saxo, IC Markets, Hot Forex, & Pepperstone.

**Tier 3  
FX Prime of Prime (3)**



(3) FX Prime of Prime brokers with 1 to 5 Billion traded per day. Including STP/ECN/Dealing Desk Brokers. Retail and Institutional clients.

Gain Capital, XM Group, Saxo, IC Markets, Hot Forex, & Pepperstone.

**Tier 4  
Retail FX Brokers (4)**



(4) Small to Large FX Brokers/White Label/Grey Label Brokers - Including STP/ECN/Dealing Desk Brokers. Retail clients.

Plus 500, CMC, Oanda, Interactive Brokers, FXDD, FX Pro.

**Tier 5**



(5) Retail clients deposit funds with the FX brokers to trade margin accounts.

Individual traders, HFT, Social traders, HNW traders.

**Third-Party FX PoP Technology connects Tier 1 & 2 liquidity pools (maker) to Tier 4 (taker):**

Dealing Manager, Pricing Engine, Quote Maker, FIX API, Trading Terminal with market depth, Back Office, and White Label solution.

**With FDC.**

**FDC offers a full suite of FX Prime of Prime (FX PoP) technology infrastructure and business solutions.**

FDC's technology will power **FX Prime (FX PoP)**, where FX PoP will establish a credit relationship with a Prime Broker. The credit relationship will allow FX market participants (small to large retail FX brokers) will access inter-bank liquidity from multiple dealers.

FX PoP Business Solution	FX PoP Without FDC Solution	FX PoP With FDC Solution
Trading Revenue	\$100	\$100
Trading COS (2)		
Dealing cost	Up to \$30	\$0
Back Office/Reporting	Up to \$10	Up to \$5
Margin System (3)	Up to \$20	Up to \$5
Gross Margin	Up to \$40	Up to \$90

(1) FX PoP trading revenue in \$ per million traded.

(2) Cost of FX PoP at \$ per million traded paid to various vendors.

(3) Start Your Own Prime Broker and Start Your Own Brokerage.

Many FX PoP share 30% to 40% of trading revenues with the technology providers. These vendors do not share any counterparty or market risk with the FX PoP. Consequently, it forces FX PoP to adopt an agency model instead of a principal/hybrid model, thus limiting its trading revenue and profits.

FDC is led by a team, which has in-depth knowledge of building successful FX businesses – Boston Prime, Hotspot FX, and Capmar Financial.

Ticker: FDCT

CUSIP: 30259N 104

LEI: 549300F8K316GR6NEF69

## COMPANY OVERVIEW

# Overview.

## FDCTECH

01.

### About FDC (OTCQB:FDCT)

FDC was established on January 21, 2016, in the state of Delaware and became a fully reporting company effective August 6, 2018. FDC begins trading as of Q4, 2019 on OTCQB as a fully reporting company.

02.

### FX Experience

We have developed over 2.5 million codes with 15+ years of software development – back office, FX, and Crypto trading platform. Over 30+ years of business development in the FX/OTC landscape.

03.

### Market Capitalization

As of 09/08/20, the market value of FDC is \$8.23 million (68,626,332 shares @ \$0.12). Officers & Directors as a group of five = 53.54%, FRH Group 24.19%, o/s = 68,626,332.

04.

### Capital Raise

FDC has raised \$1 million and \$102,950 in convertible debt and equity capital, respectively. FDC intends to meet the listing requirements of small-cap NASDAQ Capital Markets by the end of Q4/20.



# Capital Structure.

## CAPITAL STRUCTURE

05.

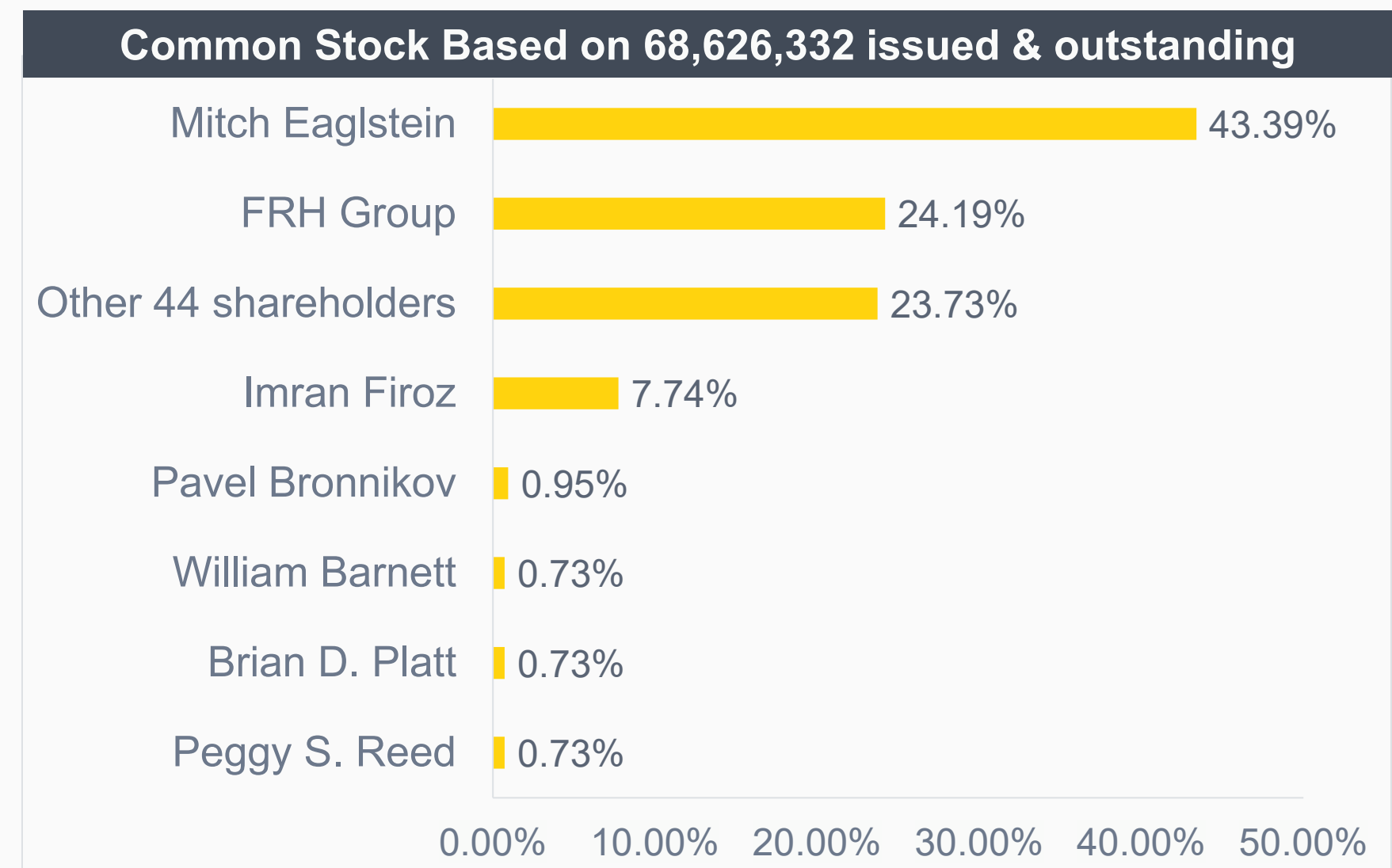
### Common and Preferred Stock

As of June 30, 2020, total common issued and outstanding = 68,626,332, float = 13,369,667, and total Series A preferred issued and outstanding = 4,000,000. Officers & Directors as a group of five and FRH Group own 53.54% and 24.19% of issued and outstanding common stock.

06.

### Voting Rights

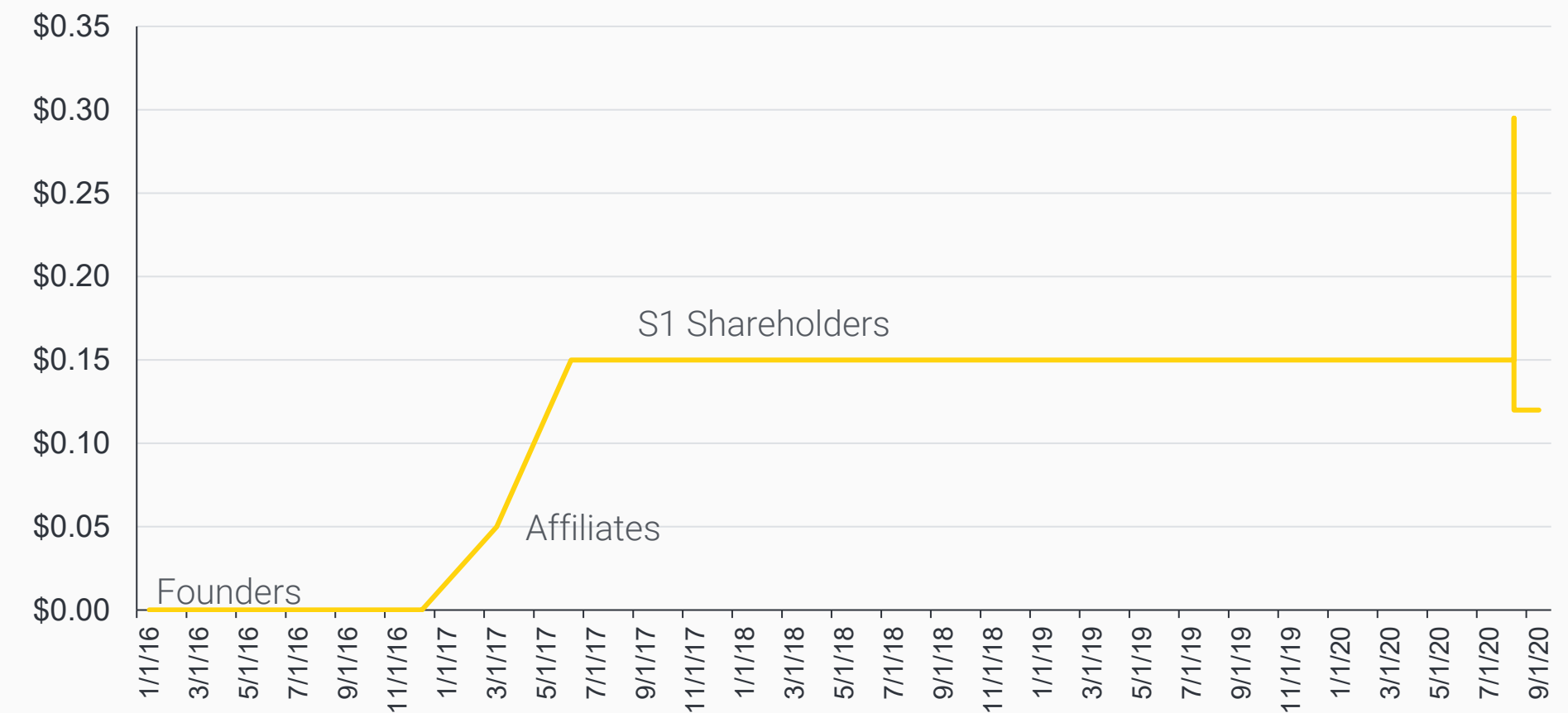
Holder of Series A Preferred are entitled to 50 non-cumulative votes per share on all matters presented to our stockholders for action. Mitch Eaglstein (CEO, Co-Founder), Felix R. Hong (Owner of FRH Group) and Imran Firoz (CFO, Co-Founder) own 65%, 25%, and 10% of Series A Preferred stock respectively.



# Key Financial.

## FINANCIAL METRICS

**Share Price**      **Current: \$0.12**      **High/Low: \$0.30 / \$0.05**



### 2020 Key Valuation Statistics (\$)

Enterprise Value	\$9,723,613	Revenue (2019)	\$415,162
Market Cap	\$8,235,160	EBITDA (2019)	-\$195,690
P/E*	na	EBITDA Margin	-47.14%
EV/EBITDA*	na	Debt / EV	10.44%
		Total Debt, (Q2, 2020)	\$1,612,977
		Cash, (Q2, 2020)	\$124,524

#### Note:

The Company has earned \$1,698,770 in revenues from January 21, 2016 (inception) to June 30, 2020.



## Licensing Technology

### Licensing Condor FX Pro Trading Platform

Includes a one-time set-up fee (\$5,000) and a monthly maintenance fee (\$1,500) - we also offer our clients liquidity solutions through large brokers such as Atlas Bank (Panama), Charter Prime (Australia), and NSFX (EU). We earn monthly volume rebates of \$5 per million traded from the trading flow introduced by us.

### Licensing Condor Back Office

FDC charges monthly licensing and maintenance fees of \$1,500 to prime brokers, retail brokers, and white label partners.

## Software Development

### Customized Software Development

The source code is available for \$250,000. FDC charges \$75 per hour for the first 100 hours, \$50 above 100 hours of customized development.

## REVENUE MODEL

## Liquidity Hub

### Volume Revenue from Liquidity Hub

The integration of Condor FX Pro 5.0 to liquidity hubs (oneZero, PrimeX, Celera) using the robust Condor Gateway will allow market participants to connect to over 200 leading providers of Forex, cryptocurrencies, and CFD at a fractional cost compared to FX brokers who use other conventional trading platforms.

FDC earns fees on volume traded if an FX Broker is connected to FDC's liquidity hub using the robust Condor Gateway.

# REVENUE MODEL

## SENIOR MANAGEMENT

Each member of FDC's senior management has dedicated over fifteen years C-level experience in the forex market.

# FDC Team.

### **Mitch Eaglstein**

**CEO, Co-Founder, Director, [mitch@fdctech.com](mailto:mitch@fdctech.com)**

Since January 2016, Mitch is responsible for developing and implementing the Company's overall corporate strategy. He has extensive executive-level experience in the management of FX brokerage and FinTech software companies. Mitch led a Dubai based FX Company from pre-revenue to \$45 million in annualized trading revenue within one year from the start-up date. Under his leadership, the Company exceeded \$50 billion in monthly trading volume within one year ranked in the top 20 forex brokers' globally by volume. He was instrumental in increasing revenue of Boston Technologies from 5 million to 20 million, thus making it the 143rd fastest-growing Company in America by Inc. 500 ranking.

### **Imran Firoz**

**CFO, Co-Founder, Director, [imran@fdctech.com](mailto:imran@fdctech.com)**

Since January 2016, Imran is responsible for financial management, internal audit and controls, and financial reporting. Imran has fifteen years of proven track record in investment banking, M&A, and managing start-up businesses. Imran received his MBA in April 2001 from Richard Ivey School of Business, University of Western Ontario, Canada and graduated in July 1993 with a Bachelor of Engineering (Chemical) from Aligarh University, India. Imran is a Certified Financial Risk Manager from the Global Association of Risk Professionals (GARP), New Jersey since January 2003.

### **Naim Abdullah**

**Director**

In November 2017, Naim was appointed to the Board of Directors. Naim has over ten years of experience in the field of equity derivatives markets, portfolio management, financial advisory, and financial planning. From May 2017 to present, Naim has been Manager, Financial Planning, and Analysis at Cetera Financial Group. Naim received his MBA in Finance in June 2011 from the Wharton School of the University of Pennsylvania and graduated in June 2004 with a Bachelor of Arts in Economics from Princeton University, New Jersey.



FDC's technology team has written over 2.5 million complex code for trading platform technology and back office software.

# FDC Team.

## **Brian D. Platt**

**CTO, [brian@fdctech.com](mailto:brian@fdctech.com)**

Since June 2016, Brian is responsible for platform technology implementation, leading customers, and technical support teams. One of the few people in the FX market who fully understands the trading platform, risk management, operations and software development. Brian is a strategic thinker and has consistently delivered to best in class solutions, from 2007 to 2010 led a dedicated team and built the back office for CMS Forex (now Capmar Financial). He was the Head of Operational Risk at Boston Technologies and then worked as a consultant for several rapidly growing financial and technology startups in the Middle East with emphasis on deployment and implementation of FX systems.

## **Pavel Bronnikov**

**Technology Advisor/Chief Architect, [pavel@fdctech.com](mailto:pavel@fdctech.com)**

Pavel is responsible for development of Condor software source code from 2016 to 2019. Since 2009, Pavel has led several project teams for developing and maintaining forex software products and services for marquee forex providers. Pavel joined FDC in 2016 and was responsible for coordinating in-house resources for the development and testing of front-end and back-end. In 2005, Pavel received his degree in Mathematics with a specialization in system and application software from Chelyabinsk State University, Russia.

## **Anton Medvedev**

**Manager, Software Development, [anton@fdctech.com](mailto:anton@fdctech.com)**

Since March 2016, Anton is responsible for managing the software engineering department. Anton has expertise in development of CRM and ERP software for large multinational companies. Anton has developed full stack applications for forex businesses including but not limited to CRM, on-boarding, KYC, accounting, notification, back-office, and webtrader. Anton is proficient in java, C# (core), delphi, python, and Php. Anton received his Masters in System Design from South Ural State University in 2005.



## SERVICE PROVIDERS

# FDC Team.

**Farber Hass Hurley LLP**

**Michel Abedian**

**Auditor**

[michel.abedian@fhhcpas.com](mailto:michel.abedian@fhhcpas.com)

**GSS Capital Group**

**Ernest Pellegrino**

**Head of Investment Banking/Corporate Finance**

[ep@gsscapiatal.com](mailto:ep@gsscapiatal.com)

**Jolie G. Kahn, Esq.**

**Legal Counsel**

[joliekahnlaw@sbcglobal.net](mailto:joliekahnlaw@sbcglobal.net)

**Globex Transfer LLC**

**Michael R. Turner Jr.**

**Transfer Agent**

[mrt@globextransfer.com](mailto:mrt@globextransfer.com)



## COMPETITIVE LANDSCAPE

# Competition.

	<\$1,000,000	10	<ul style="list-style-type: none"> <li>An offshore bank has approached FDC for a possible M&amp;A. FDC launched its Condor FX Pro Trading platform in Q4 2019. FDC is in contract negotiation with several regulated brokers for licensing its Condor FX Trading platform.</li> </ul>	<ul style="list-style-type: none"> <li>FDC was founded in January 2016 and is a fully reporting company under the Securities Exchange Act of 1934. FDC has ten employees and has a superior scalable forex platform, and back-office developed at a fractional cost compared to its competitors.</li> </ul>
	\$6,000,000 (MT5)	>70	<ul style="list-style-type: none"> <li>MetaQuotes Software specializes in the development of the MT4/5 trading platform, which is currently used by 1,231 retail FX entities. It does not offer customization and business solutions.</li> </ul>	<ul style="list-style-type: none"> <li>MetaQuotes was founded in 2000 and is a private company headquartered in Limassol, Cyprus. Most of its revenue comes from a one-time set-up fee and monthly support fee. Metaquotes has over 70 employees.</li> </ul>
	\$4,600,000	>100	<ul style="list-style-type: none"> <li>Spotware develops trading platforms for brokers and specializes in complete FX business solutions and complex custom development projects. It has empowered &lt;250 retail FX entities with an industry-standard platform (cTrader).</li> </ul>	<ul style="list-style-type: none"> <li>Spotware was founded in 2010 and is a private company headquartered in Limassol, Cyprus. Most of its revenue comes from [xxx]. It has invested over \$40 million in its infrastructure with more than 100 employees.</li> </ul>
	\$4,000,000	46	<ul style="list-style-type: none"> <li>Leverate is a SaaS-based platform that delivers automated electronic trading and back-office solutions for Forex brokers and financial institutions.</li> </ul>	<ul style="list-style-type: none"> <li>Leverate was founded in 2007 and is a private company headquartered in Bnei Brak, Tel Aviv, Israel. Most of its revenue comes from technology and FX business solutions. It has invested over \$12 million in its infrastructure with more than 40 employees.</li> </ul>
	\$16,500,000	64	<ul style="list-style-type: none"> <li>PFSOFT offers trading software for various financial markets. It provides complete customization and business solutions for banks, prime and retail brokers.</li> </ul>	<ul style="list-style-type: none"> <li>PFSOFT was founded in 2003 and is a private company headquartered in Kirkland, Washington. Most of its revenue comes from customized technology solutions. It has over 64 employees.</li> </ul>
	\$8,000,000	70	<ul style="list-style-type: none"> <li>ZuluTrade is an online FX platform that provides a social trading solution. The platform bridged the gap between valuable information in money markets and trade execution by converting the advice of some of the most professional traders globally, to a service which can rapidly execute trades.</li> </ul>	<ul style="list-style-type: none"> <li>ZuluTrade was founded in 2007 and is a private company headquartered in Piraeus, Attica, Greece. Most of its revenue comes from commissions earned from its social trading platform. It has over 70 employees.</li> </ul>



# Forex & Trading Industry Statistics & Key Industry Trends.

## INDUSTRY OVERVIEW



## INDUSTRY INFORMATION

### Industry Review

#### FX Industry Regulations

The US ('CFTC') and Japan ('FSA') have strict regulations with high entry requirements and low maximum leverage. Consequently, it has reduced competition in these important jurisdictions. American and Japanese brokers had little incentive to innovate and adapt to global trends which limited their growth in foreign markets such as Europe, Asia, South America and Africa.

The Cyprus Securities and Exchange Commission ('Cysec') has found the right balance and regulates the fastest-growing European brokers, and it is the hot spot for regulation in the European Union. The Australian Securities and Investments Commission ('ASIC') is another regulator with the low cost of conducting business has enjoyed a very good reputation especially in Africa and Asia. As a result, Australian brokers gaining a good market share in the global forex market.

#### Key Drivers of FX Growth

Leverage plays an important role in increasing the volumes of traders with less capital and it is in high demand in emerging markets like Africa and Asia. High leverage helps brokers attract more customers and allows them to lower the minimum deposit requirements.

Forex brokers with lower spreads will have lower profit margins but have an advantage in client acquisition and tend to grow their client base and daily volumes faster. They also have a better client retention rate and higher profitability among their traders.

Manual Traders and traders who use auto trading systems value the execution speed and quality. Traders, especially scalpers and high-frequency traders, prefer minimum slippage and re-quotes, and this is why they tend to look for ECN/STP trading venues.

#### Marketing & Branding

Favorable regulations allow brokers to promote their brand and provide creative incentives to traders. Successful brokers offer local offices, website and customer support in a local language, available funding methods and easy withdrawal of funds are essential to secure growth in international markets. Many brokers offer multiple features to attract new traders – social trading, PAMM, and other automated trading strategies.

# Size Matters.

## INDUSTRY INFORMATION

Forex is the only market that runs for 24 hours per day. \$6.6 trillion per are traded every day in the forex market. Forex trading daily volume is about 53 times more than the New York stock exchange. The Forex market is 12X larger than the futures market and 27X larger than the equities (stock) market. The Forex market is the most liquid in the world.

Deutsche Bank is the world's largest foreign exchange dealer with over 21% in market share. Geographic Distribution: Spot FX traded by region is dominated by Western Europe (50%), North America (21%), and Asia Pacific (25%). The rest of the world represent only 4% of the FX value traded.

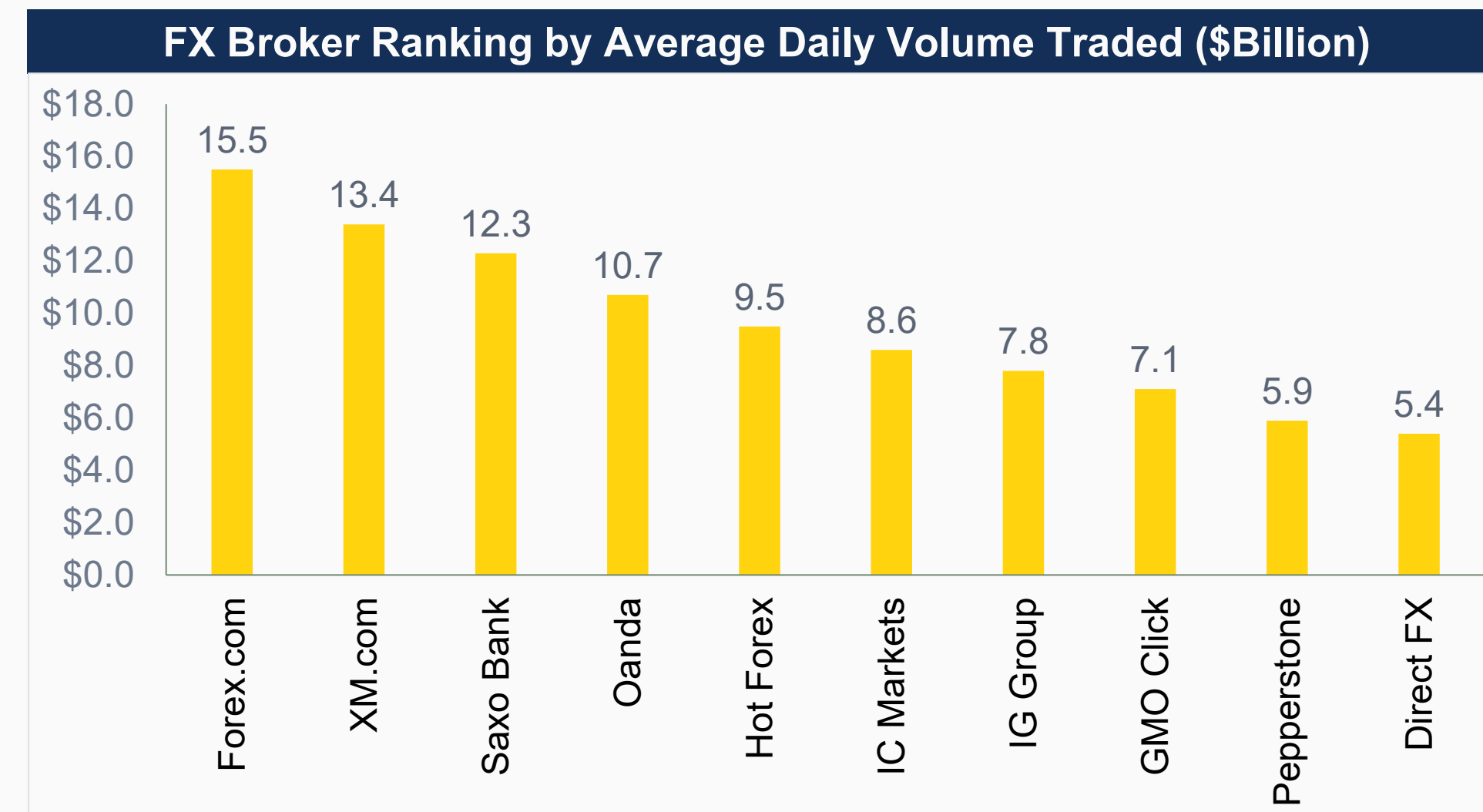
The US Dollar is the most traded currency, being part of almost 90% of global trades followed by EUR (33.4%), JPY (23.0%), GBP (11.8%), and AUD (8.6%). More than 85% of the global forex market transactions happen on only seven currency pairs known as the majors (EURUSD, USDJPY, GBPUSD, AUDUSD, NZDUSD, USDCAD, USDCHF).



Retail FX trading represented 6.0% or \$400 billion of the whole spot FX market in daily trading turnover.

# Retail FX.

## INDUSTRY INFORMATION



**By Market Cap:** The largest company in the industry is IG Index, which is listed on the London Stock Exchange with a market value of around £2.9 billion. It now has over 72,000 clients worldwide, making approximately one million transactions a month – over 90% of them online.

**MT4 Legacy:** The platform remains the industry standard offering, especially for brokers that are aiming to address the needs of algo traders. Over 50 percent of total trading volumes outside of Japan traded via MT4. The continued success of MT4 is likely due to strict ESMA changes on leverage and marketing practices as traders are shifting to brokers outside of the EU, which are more MT4-centric.

Over 35% of traders search for a broker using a mobile or tablet device. Traders prefer Android over iOS. 56.1% of traders have an Android phone, while 41.8% use iOS. Samsung is the most popular brand among traders using Android. 85% of traders use Windows Desktop. Auto trading began in the Chicago Mercantile exchange as early as the 1970's but became common with retail trading around 1999 when online retail platforms started appearing. Approximately 90% of spread betting trades are buying positions.





**Website**

Fdctech.com

**Email**

info@fdctech.com

**Office**

200 Spectrum Drive, Suite 300, Irvine, CA, 92618