



Finnomatics PLC: A Quantum Leap in Finance

Tradebot Ware:
Reliable Trading Signals Through Superior
Quantitative Analysis



Investment Opportunity

- Finnomatics PLC is looking for **3 million € of private equity** for company expansion.
- This is a rare opportunity to invest in a company which starts to earn an income immediately after capitalization and is **profitable from the 1st year** onwards.
- Finnomatics is a **trading and service company**.
- There are **virtually no business risks** associated with this start-up, it thus is a **unique selling proposition** for equity investors.





Vision

Finnomatics overcomes the current boundaries of *quantitative finance*

- Based on a break-through mathematical innovation producing fair market valuations in a revolutionary different way
- Predicting the future of capital market behaviour with outstanding results and consistently high hit rates never achieved before and which are close to the conceivable optimum
- Maximizing profit without increasing risk
- Way ahead of its peer group

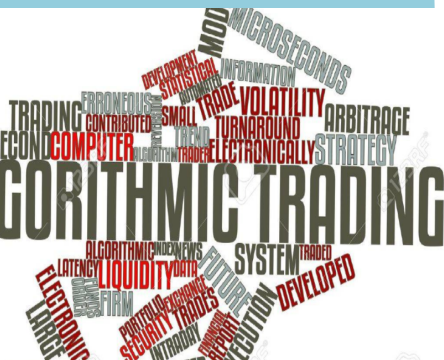
This start-up is well positioned to earn a cumulative net profit (EBT) of more than 5 million € within the first 5 years.





- Mathematical-statistical approach
- Real time signals
- Long-term competitive advantage
- Unrivalled performance
- Suited for hedge funds, HNIs, etc.
- Trading strategy can be customized
- Adaptable to all financial markets which are sufficiently liquid
- Globally marketable

The chart displays two data series: QanSYSTEMS (green line) and DAX (orange line). The left Y-axis represents DAX-Points (0 to 600,000), and the right Y-axis represents DAX (4,000 to 29,000). The X-axis represents time, with a blue arrow labeled 'in sample' and a green arrow labeled 'out of sample'. QanSYSTEMS shows a steady upward trend, while DAX shows more volatility. A shaded green region highlights the 'out of sample' period.





Business Potentials

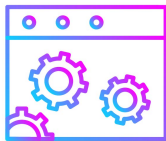
Proprietary Trading

- It is independent of the rampant regulation, requirements and restrictions which strangle international banking, investment and finance.
- During the past few decades quantitative methods achieved the highest returns for investors (e.g. Jim Simons, Medallion Fund).

Sale of Trading Signals (to institutional & private investors)

- It is envisaged that a range of trading strategies will be offered for a fee via a specially developed platform.
- Private investors constitute an enormous, ever-growing market, as more and more people prefer to work (trade) from home and live at a location of their choice.





Unique Selling Proposition

QanSYSTEMS was developed by a team of renowned and industry-specific experts with several decades of relevant experience

Our philosophy can be summarized as follows:

"We let the data *speak for themselves*, analyse the market and extract signals without imposing behavioural assumptions. To generate viable forecasts, one has to look at the structure of the financial market as a whole, instead of modelling the effects of marginal changes. We identify hidden patterns and trends as well as other market characteristics that are usually not recognized by other (model-driven) approaches."



A coin-toss will in the long run produce a result of 50%.

50%

So-called advanced prediction systems are only slightly ahead, with up to 52% forecast accuracy.

52%

64%

QanSYSTEM results are outstanding and truly unique, leading to the best performing market prediction possible, with in excess of 64% of successful trades.



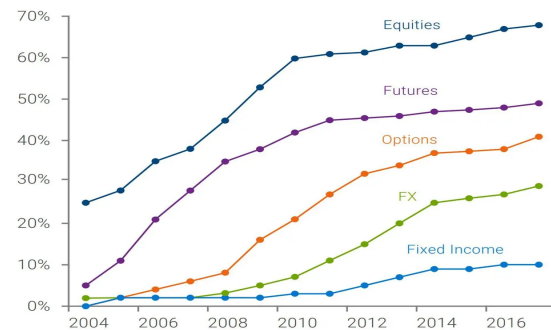


Market

Worldwide the potential for QanSYSTEMS is enormous

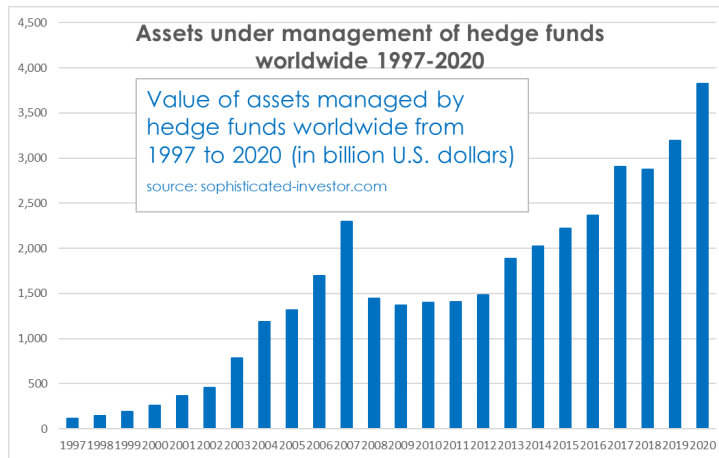
- The market growth for tradebots and the future prevalence of big data supported financial decisions is prominent.
- Especially quantitative methods are increasingly in demand.
- Global financial markets are booming but the pursuit for optimal investments by hedge funds and other actors is intensifying.

Market Share of Algorithmic Trading by Asset Class



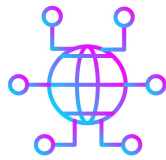
As of 2017
Source: Goldman Sachs, Aite Group

Assets under management of hedge funds worldwide 1997-2020



Value of assets managed by hedge funds worldwide from 1997 to 2020 (in billion U.S. dollars)
source: sophisticated-investor.com



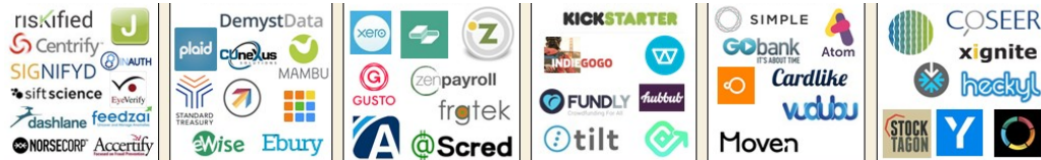


Competition

There is currently no competitor product on the market which delivers comparable results.

- A market analysis revealed that there are just a few more than 20 companies with similar tradebot technology applied in finance.
- However, none of them reached a performance anywhere near that what QanSYSTEMS achieved for the DAX.
- It cannot be ruled out that eventually a big player decides to buy QanSYSTEMS, thereby creating a profitable exit opportunity for the equity investor.

Finnomatics is well positioned to guard its mathematical, technological and competitive advantage.





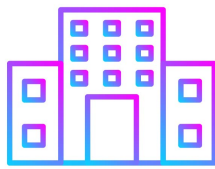
Target Group

There is a broad group of potential QanSYSTEMS users across almost all areas in finance

- Asset Management Companies
- Pension Funds
- Insurance Companies
- Private Investment Trusts
- Family Offices, including high net worth individuals (HNIs)
- Investment Banking (Front Office, Trading & Sales)
- Corporate Banking
- Treasury Departments of International Corporations

Services like Risk Management, Options Trading Desk (based on alternative option prices) as well as Options, FX and Risk Overlay can also be offered.

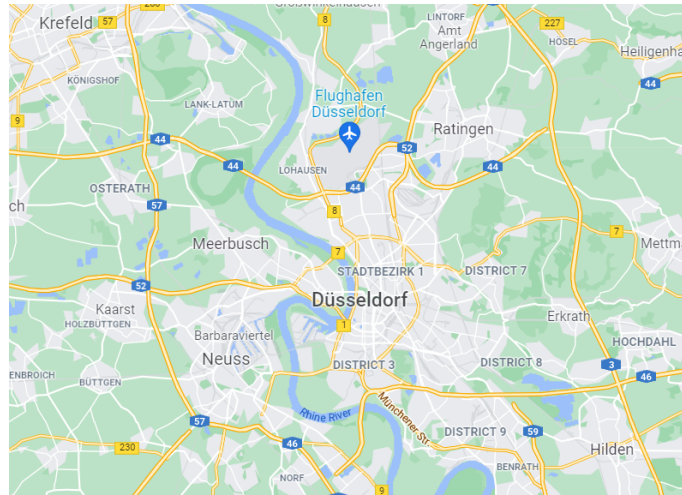




Location

Finnomatics is located in Wigan (near Manchester) and Meerbusch (near Düsseldorf) which provides the company with excellent growth opportunities.

- Optimal infrastructure with local networking potential
- High quality of life, good office spaces and recruiting potential





Marketing

Proprietary Trading: For this main business line **marketing & sales activities are not required** which amounts to a huge operative advantage and makes company results more predictable.

Sale of signals: Therefore, **the main focus of marketing activities concerns this area and lies on internet marketing**

- Influencer engagements / social media platforms
- Targeted email campaigns
- All marketing activities and efforts are outsourced and delegated to appropriate marketing agencies.
- Website has been set up (finnomatics.com).
- A corporate identity has been developed.



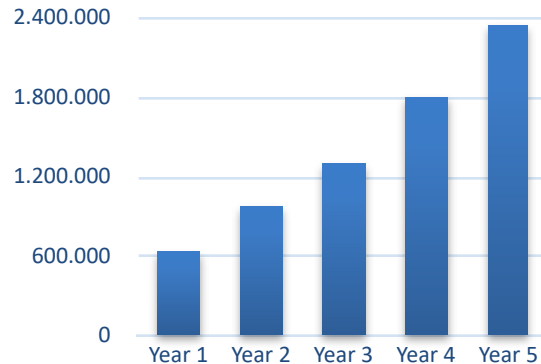


Financial Plan

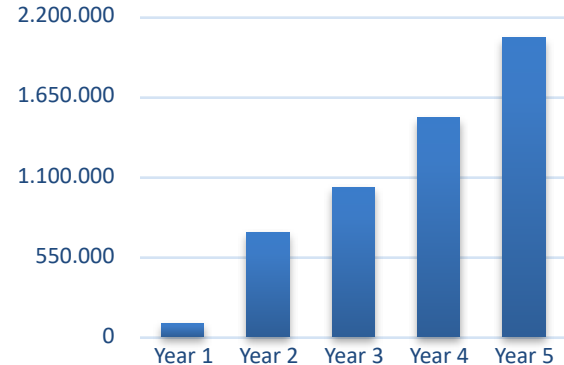
The company generates profits from the 1st year onwards

- A 2-digit ROI is targeted for a possible private equity exit after year 5.
- It is envisaged that already in 2024 the company generates profits (EBT) in excess of 1 million €.

Revenues (1st-5th year)



Earnings before taxes/ dividends





Team



Prof. Dr. Jens Breckling

- Developer of the original "Value-at-Risk" (VaR) concept
- Founder of the theory of directional time series
- Developer of complex financial models
- Extensive mathematical, IT and finance experience
- University, Banking and Entrepreneurial career



Andreas Orlovius

- M.Sc. Engineering & Certified Portfolio Advisor
- Founder of quantitative analysis company
- Independent investment advisor for over 16 years
- 25 years of trading experience





Risks / SWOT

Given that QanSYSTEMS is a well developed and tested product and that the main business focus of Finnomatics is on proprietary trading, there are virtually no risks associated with this company start-up which makes it a rare opportunity and thus a unique selling proposition for equity investors.

STRENGTHS

- Non-parametric stochastic process to forecast market developments
- Distributional forecasts, with minimal assumptions, making bimodal forecast distributions possible
- Explicit and possibly intricate forecast trajectories
- Outstanding forecast performance
- Potential of options arbitrage

OPPORTUNITIES

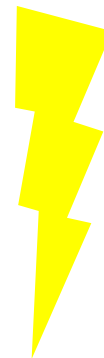
- Enormous and growing hedge fund market
- Unsatisfied demand for sophisticated procedures
- With QanSYSTEM Finnomatics is well positioned in this market
- An even bigger market for QanSYSTEM based services such as signal dissemination, risk management, FX overlay and options overlay

WEAKNESSES

- Potentially limited trading activity due to weak forecast confidence levels
- Self-learning algorithm may be out of tune with sudden market changes
- Non-parametric procedures require large amounts of data
- Computationally intensive and therefore possibly not suited for super-short term trading (milliseconds)

THREATS

- Risk of product replication by a competitor is small and unlikely to surface in the short to medium term
- If business development takes longer, then partnership with an established financial market company possible
- Decentralized company structure
- If there are no customers, Finnomatics becomes a trading house





Financing

Finnomatics has best chances of becoming very profitable very quickly, provided that there is a sufficient capitalization.

Finnomatics PLC is looking for 3 million € in private equity for company expansion and offers:

=> Acquisition of shares in Finnomatics PLC with a planned dividend of 7% p.a. from the first year and the chance of an exit after 5 years (trade sale or IPO).





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