



Re-Defining Stock Trading with **FINTECH**



“Algorithmic trading has been around for quite some time. The main reservation that most experienced investors have around them is that most failed in the credit crisis of 2008-2009 and led to very painful losses.

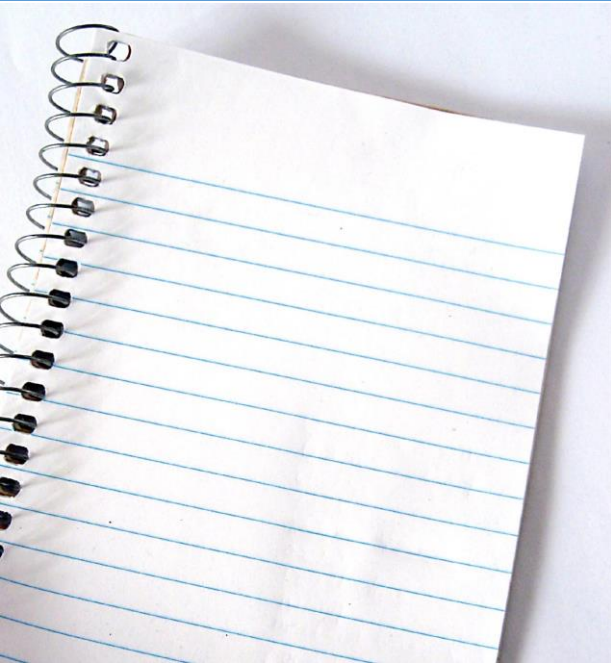
This said there is a revival in the area and many have the view that the machine could do the job better than traders - which being an ex-trader myself I definitely confirm.”

ex-trader in J.P. Morgan &
Morgan Stanley

PeadFlux is a FINTECH Innovator



1. About Us



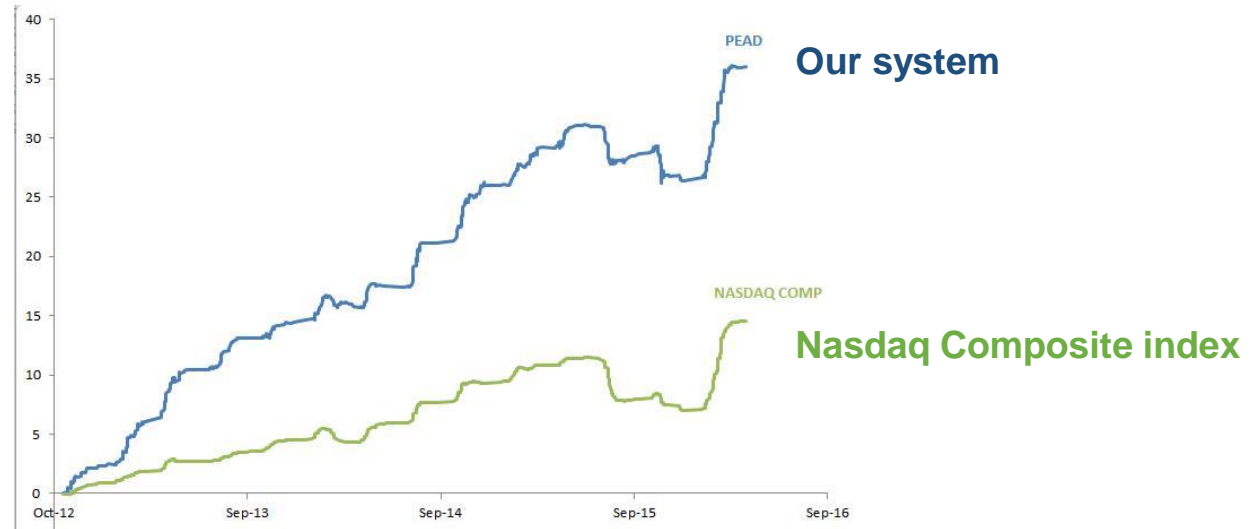
From early 1990's we have been
**Trading stocks and
Developing Software Systems**

2012 We invented a Stock Market Analysis
and Trading **System Prototype**

Since 2012 We have used the System Prototype by
ourselves for actual trading and have achieved clear
margins that beat the **Reference Index.**

2. Value Proposition

Results of our System's Trade Suggestions (~1000 trades)
between Q4/2012 - Q2/2016

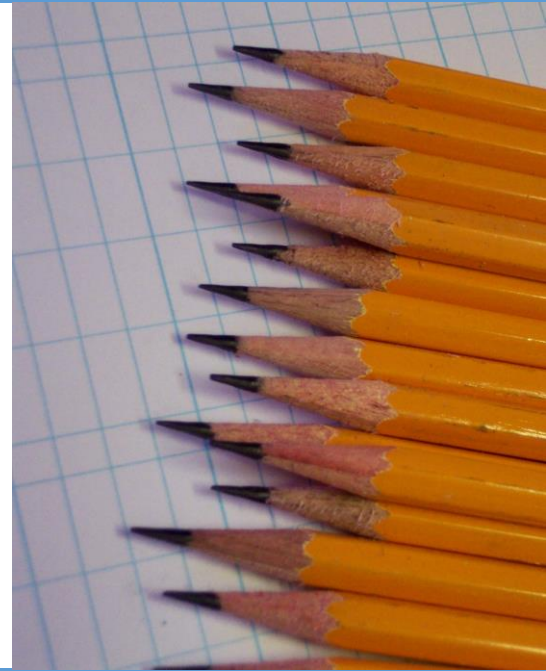


3. The Opportunity

There aren't commercially available tools for analysing mid-term phenomena, like **Post Earnings Announcement Drift (PEAD)**.

Lately, data analysts have been mostly concentrating on high frequency trading (HFT).

Long-term investing is also a well studied area and there is a lot of advice available for long-term investors.



4. The Concept

Big Data Analysis

of the **Post Earning Announcement Drift (PEAD)** phenomena, within the area of **Low/Mid Frequency Trading**

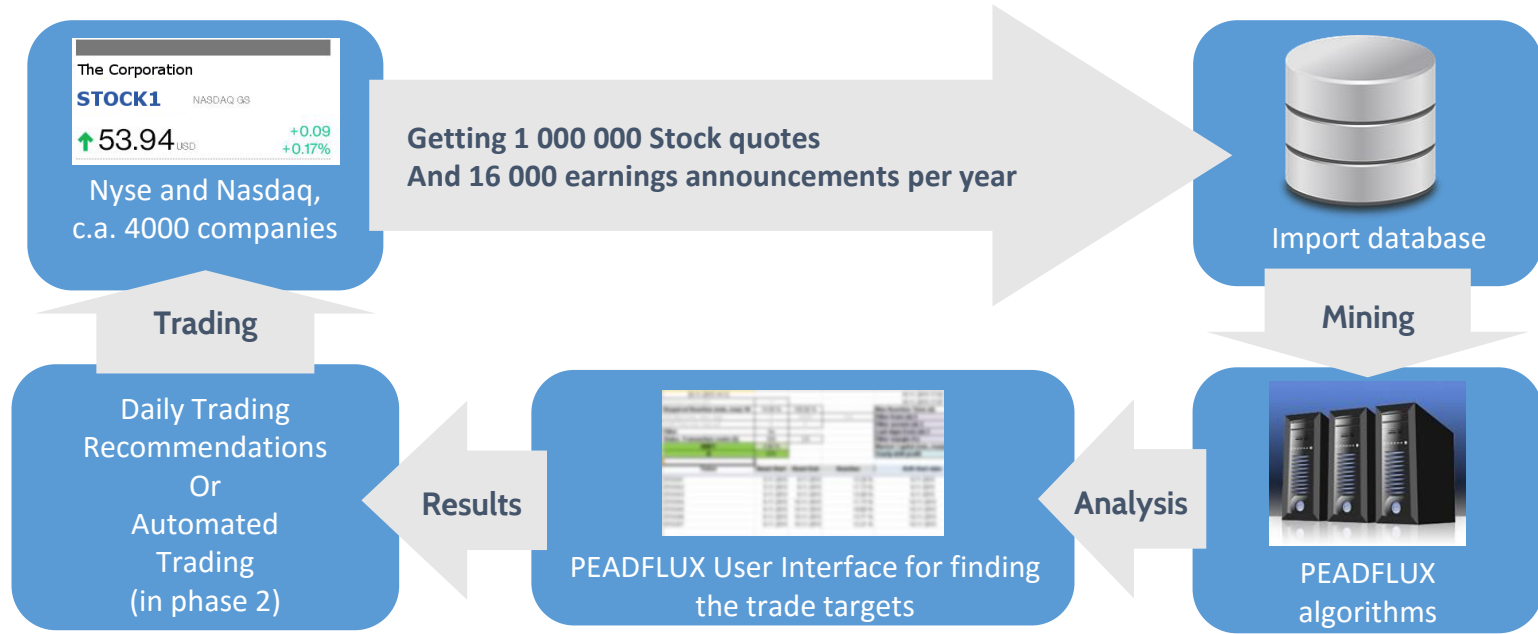
Professional Algorithms

University professionals have analysed and proven our **algorithms**.

Professional Team

we have got totally over **50 years experience** in stock markets and software development

5. Our Magic - How It Works?



6. Business Model



PHASE 1)

We will establish a Private Stock Trading Company to manage an Exchange Stock Portfolio based on **PEAD FLUX™** Software System and Investment Strategy

Our target is to beat the reference index with clear margin and make **15% net profit** per year.

We will continue developing our current software for fully automated trading.

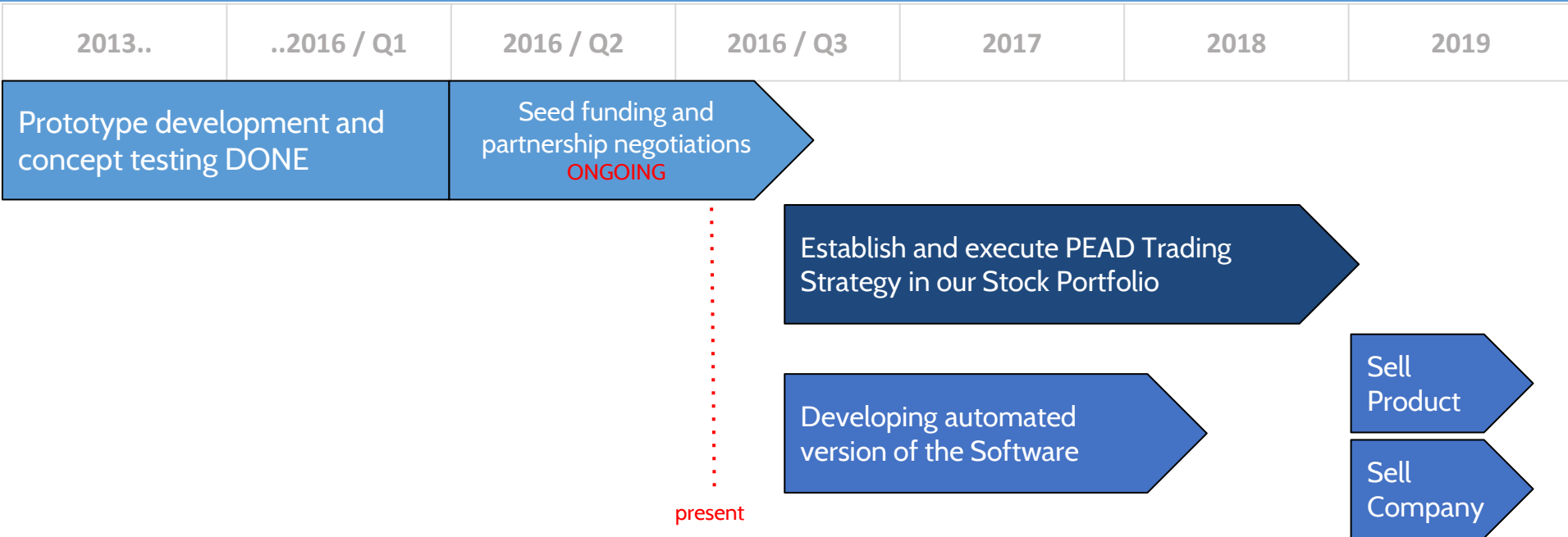
PHASE 2)

After we have collected a **valid track record** (1-2 years) of the actual trading using our strategy, we **start selling** our Software and Strategy to other **investment companies**.

or

We make **exit** by selling the whole business

7. Go-To-Market Plan



8. Competitive Analysis

LOW-LEVEL COMPETITORS

Stock Trading and Analysis software providers, such as
METASTOCK
TRADE STATION
eSIGNAL

All known are missing PEAD Analysis

MID-LEVEL COMPETITORS

Integrated web-based services offered by Banks and Broker companies.

All known are missing PEAD Analysis

HIGH-LEVEL COMPETITORS

Tools used by big investment companies internally.

Impossible to get any information about these, very and difficult to compete with these.

9. Team of Founders



Juhana Rautkorpi, CEO

M.Sc. Computer Science
20+ years experience in software development
Private investor from 90's and full time investor 2009-2015



Jukka Muhonen, CTO

M.Sc. Computer Science
M.Sc. Economics / Finance
20+ years experience in software development and investing in stock markets



Joel Hujala, CFO

M.Sc. Information Systems & Technology
15+ years work experience in ICT and investing Stock markets
10 companies founded since 1998



Anna-Kaisa Salonen, CMO

B.A. Sc. Applied Sciences
Responsibilities:
Product design, graphics and marketing

10. Financial Projections

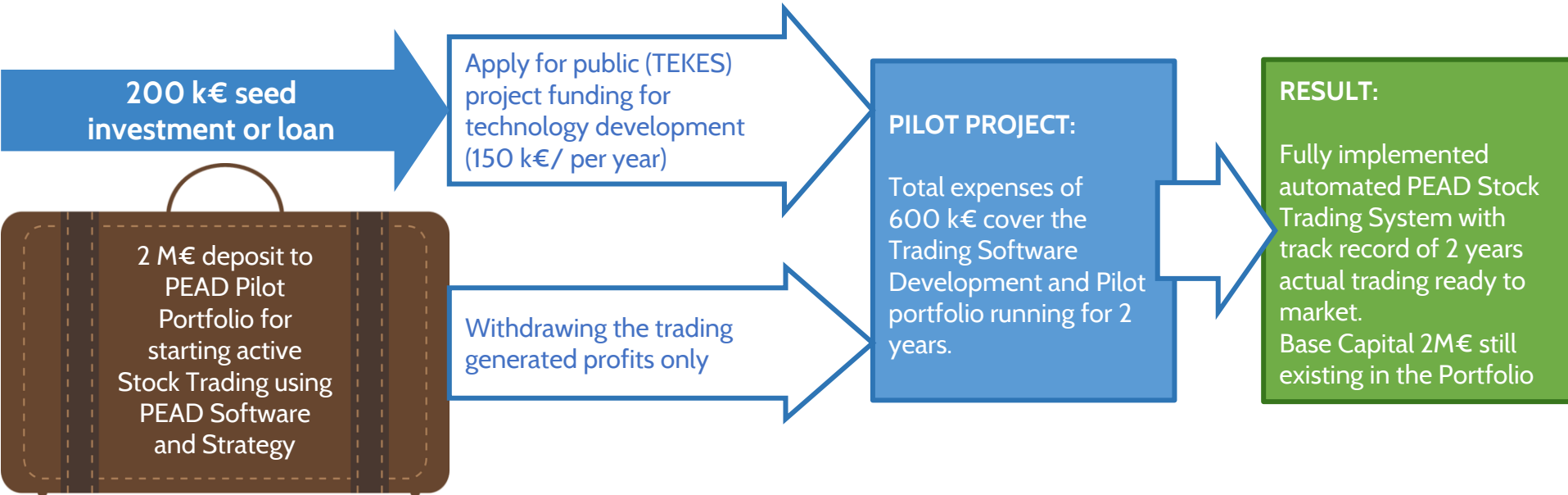
Portfolio Size / Revenues	2017	2018	2019	2020	
2 M€	300 000 €				Plan A
5 M€		750 000 €			Exit after 3 years of proven revenue 5 x y/rev + base capital
10 M€			1,5 M€		Plan B
					Start selling of product licences 100 pcs / year with 2000 € / month
					2020
					17,5 M€
					2020->
					Turnover 2,4 M€/year

11. Investment Ask and use of Funds (2 years)

Year 1	Cost item	Cost/Month	Total €
1.0	Investment Round 1 - To get the business started (Seed investment from 1-2 key Partners)		2,1 M€
1.1	Deposit to PEAD Pilot Stock Portfolio Start using our system with full process and sufficient cash to get the traction and validation of actual potential and profitability.		2,0 M€
1.2	Tekes Development Funding part 1 (applied after 1.1 confirmed)		+150 k€
1.3	Running costs (portfolio management and software development salaries)	-20 k€	-240 k€
1.4	Office Rent, Travel, Equipment, Other Expenses	-5 k€	-60 k€
1.5	PEAD Stock Portfolio trading profits (first year's estimation 10%)		+200 k€
		End of Year Balance	+50 k€

Year 2	Cost item	Cost/Month	Total €
2.0	Starting balance		+50 k€
2.1	Running costs (portfolio management and software development salaries)	-20 k€	-240 k€
2.2	Tekes Development Funding part 2		+150 k€
2.3	Office Rent, Travel, Equipment, Other Expenses	-5 k€	-60 k€
2.4	PEAD Stock Portfolio trading profits (second year's estimation 12%)		+240 k€
		End of Year Balance	+140 k€

12. The 2-Year Plan In a Nutshell



13. Risks

LOW-LEVEL RISKS

Challenges in the Software development. Unable to meet sufficient level of automation.

Solution for mitigating the risk:

Hire another industry specialist(s) outside the company

MID-LEVEL RISKS

The PEAD phenomena dilutes and strategy will not work efficient enough.

Solution for mitigating the risk:

Continuously seek and analyse new phenomena and adjust the trading strategy accordingly.

HIGH-LEVEL RISKS

Major global stock market disturbance may be affecting the trading and revenue making for long time.

Solution for mitigating the risk:

N/A