



FIDES EXCHANGE

THE AMAZON OF EXCHANGES

Executive Summary

Prisca Fides facto, sed fama perennis

www.fides-ex.com

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SUMMARY

Fides Exchange, as the name implies, will be in the business of and being a cryptocurrency exchange. As of 11/12/2020, there are 88 cryptocurrency coins/tokens with 6 base markets (BTC, ETC, LTC, DOGE, LYNX, FBC, GRT). In aggregate, there are 171 trading pairs available. Current user based consists of 789 active users with an average growth rate of 63 users per month.

The exchange will not now or anytime in the immediate future, offer any services that would designate the exchange as operating in the capacity of a money services business (MSB). That includes allowing the acceptance, distribution or any means of conversion (exchange) of a digital currency into a fiat currency or from any fiat currency to any digital currency. Fides Exchange operates as a money transmission service (MT) though the requirements, specific to state regulatory oversight, are not specific.

MISSION

Many exchanges start with the best of intentions; an organically grown environment to sell/trade various cryptocurrencies. As time, usage and demand increases, support and corporate structure are weighed down and ultimately broken. Service suffers and ultimately the exchange fails usually preceded by a security breach (hack).

The consistent failure of small and medium sized exchanges has real and lasting effects in the crypto universe. Acceptance of digital assets will be an unachievable goal so long as intermediate services like exchanges are not provided within the framework of corporate governance and best practices.

The centralization of decisions and policy must be decentralized like cryptocurrencies. Unlike many companies dominating the existing cryptocurrency markets, exchanges are usually managed by a few founders. As a result, the ultimate success or failure is directly caused by a select few individuals.

Fides Exchange will represent a consensus driven exchange: the company will be run by a board of directors that are equals in voting capacity. Operational decisions, policy initiatives and changes and many of the corporate responsibilities will be shared by all the board members.

The aim of the exchange is transparency and honesty. The exchange relies on traders which drive markets. Without reliable and honest markets, miners, traders and crypto enthusiasts, people involved will continue losing their assets. As a direct result, the number of exchanges will decrease, and therefore, more exchange and services failures will further erode trust in digital assets.

HISTORY

After the unexpected collapse of a mid-level exchange in New Zealand, a group of shareholders and forum mods got together to see how the events unfolded within that exchange and if they could be avoided. As a result, it became clear that a new model of business concentrating on corporate governance and general practices, mutually exclusive of the technology and platform, would have to be employed.

The company was started in June 2019 and operations of the exchange began on October 10, 2019. There were originally 6 board members/founders when operations began and currently 3 of the original founders remain. It is not the intention of the exchange to reduce the overall number of directors, but to increase those numbers as the exchange expands.

With the exit of small to mid-sized exchanges, what remains are very large and well-established exchanges that do not fully represent the entirety of the cryptocurrency universe. As with exchanges, some assets (coins/tokens) will no longer be viable for lack of markets and access. It is believed that some of these assets will remain viable and even grow given the opportunities with a mid-sized exchange like Fides Exchange.

The legal form of Fides Exchange is Limited Liability Corporation, registered in Delaware and located in Medford, New Jersey.

OBJECTIVES

Revenue projected for fiscal year 2020 without external funding is expected to be less than \$10,000. Annual growth is projected to be 6.78% per year through 2020. Our objective, at this time, is to propel the company into a prominent market position.

The critical period of acceptance for any exchange is anywhere from 18-24 months of operation. There is a general opinion pervasive in the crypto communities that most un reputable exchanges only remain active for 12 months. Our primary objective is to breach the 18 months timeframe where growth expectations, based on many documented exchanges, will be anywhere from 150% - 700%.

Another aspect of the exchange is that key market components (booked orders and trades) are not artificially maintained in any way. It is a common practice within the crypto community where exchanges directly and indirectly act as market makers. Acting in the capacity created asset vulnerability in three critical areas:

- Market Integrity
- Market Supply
- Liquidity

Another unforeseen consequence is the ability to accurately portray true market conditions for any given asset leading to traditional and typical cycles of pump and dump.

CAPITAL REQUIREMENTS

We have developed a comprehensive plan to intensify and accelerate our marketing and sales activities, product development, services expansion, engineering, distribution and customer service. To implement our plans, we require investments totaling \$575,000 or more for the following purposes:

- Increase markets for assets (coins/tokens) not represented in existing markets.
- Continue direct marketing in the crypto community.
- Continue provided superior customer support.
- Establish more presence with information providers (CoinMarketCapital, CoinGecko)
- On-board new assets that provide unique market opportunities.
- Perform an operation and fiscal audit by the end of 2021.
- Create unique offerings like index trading.

CUSTOMER PROFILE

Fides Exchange target market includes cryptocurrencies (coins, tokens) that are not considered ICO or are backed monetarily. The typical customer of our services is someone who is an enthusiast within cryptocurrencies, but recent changes in digital currency acceptance as a form of payments offers unique opportunities for individuals not already fluent with digital currencies. This change in the marketplace provides intermediate services like exchanges the opportunity to provide conduits for those assets not accepted as payment.

RISK

The biggest risk currently is not meeting the operating expenses. Failure would be based only on the inability to meet those capital requirements. Additional investment capital would provide the time needed to establish the exchange as a trusted, reliable and lasting exchange.

Secondary to financial solvency, the next existential risk is the exchange's ability to provide agency within cryptocurrencies. The exchange most continually adopts markets where assets provide utility. The exchange must also provide services outside of standard exchanges like index trading.

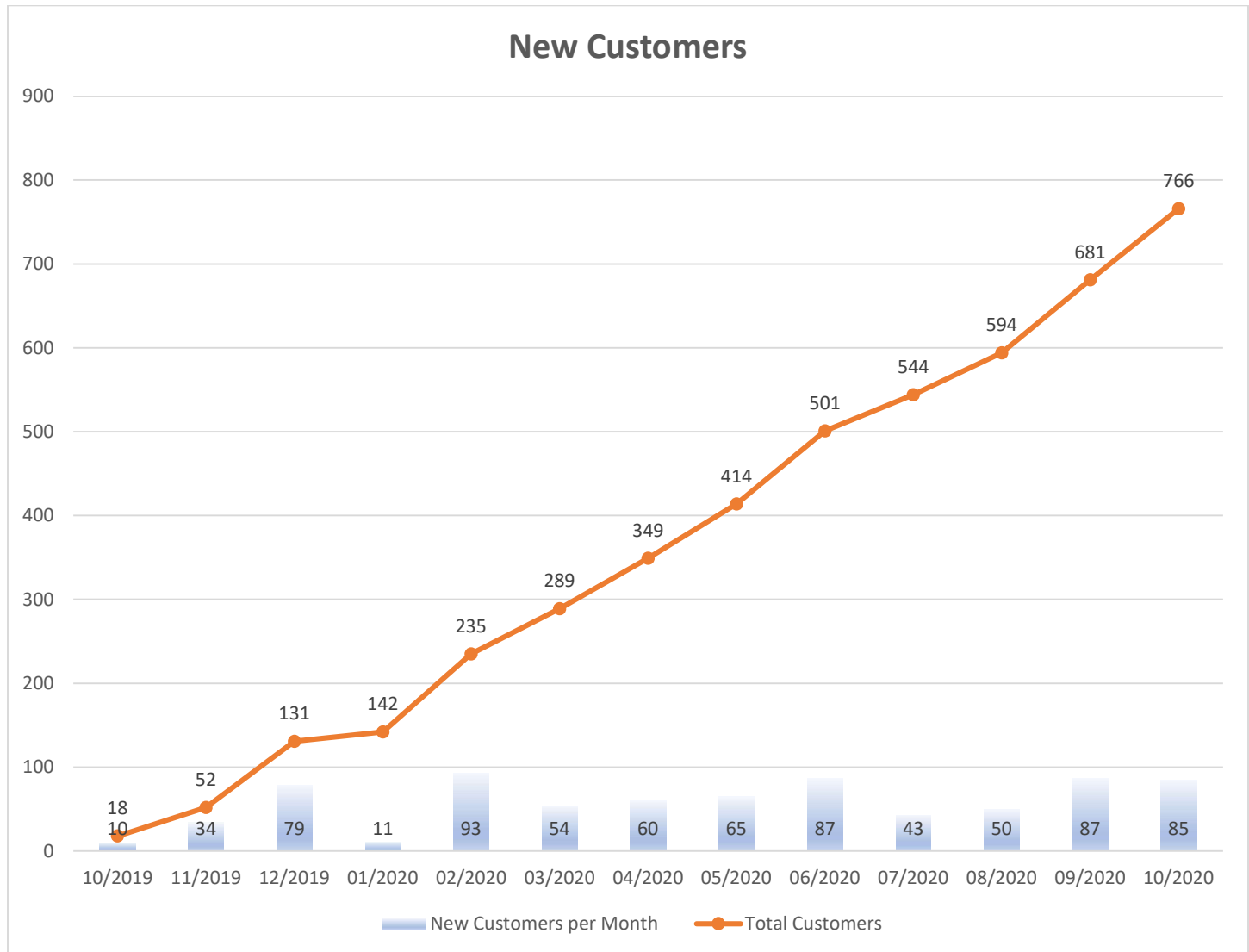
Lastly, the exchange must build greater presence in the crypto community and accelerate adoption and usage. All existing projections of trading revenue provide a linear growth which may not reflect market conditions.

CONCLUSION

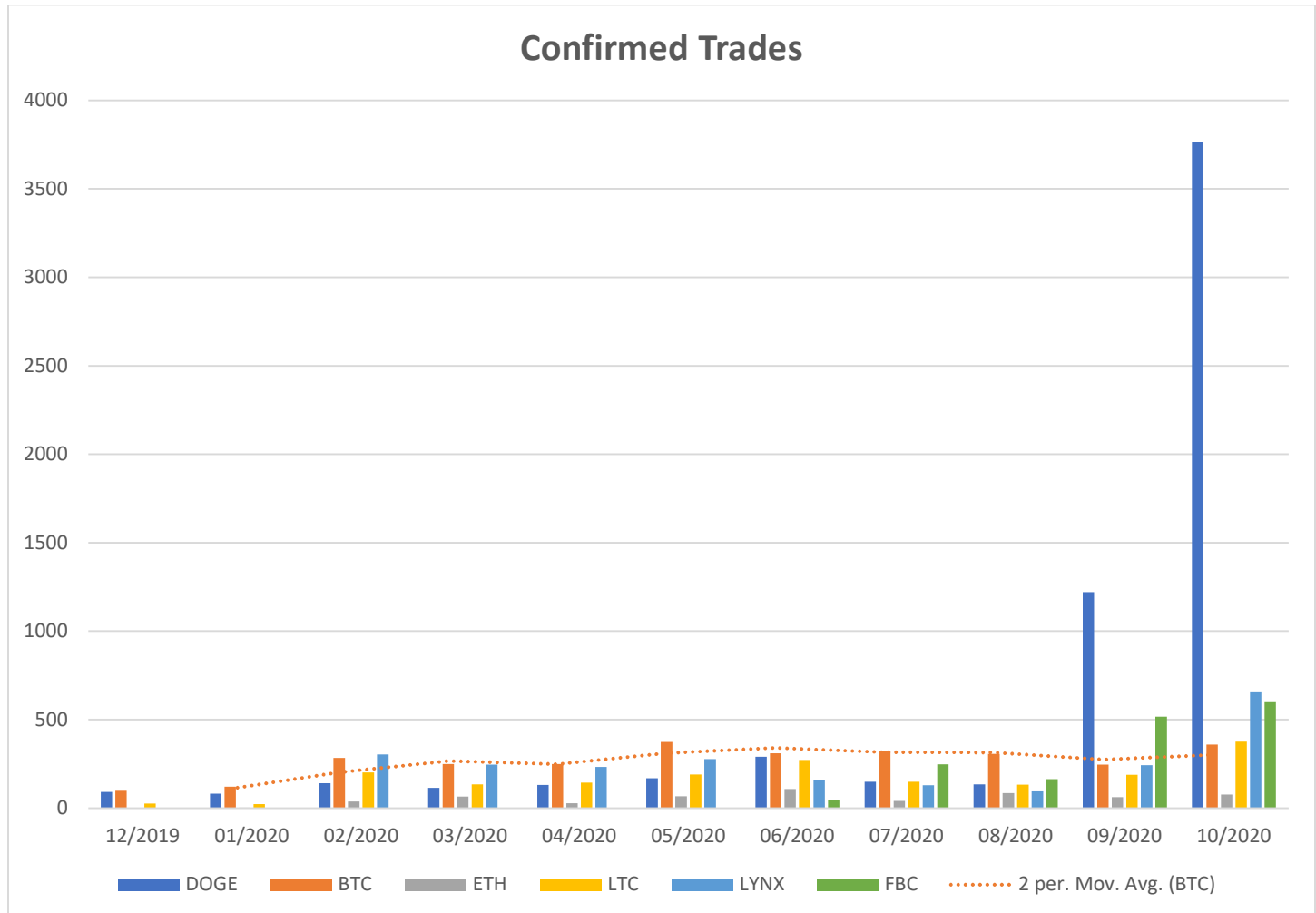
Fides Exchange enjoys an established track-record of excellent support and continued user growth. At the time the exchange started, there are more business entering into the acceptance of digital currencies as a means of payment for products and services. The exchange stands in a unique position where adoption and usage of the exchange can only benefit from such high-profile acceptance outside of standard financial practices.

COMPANY PERFORMANCE

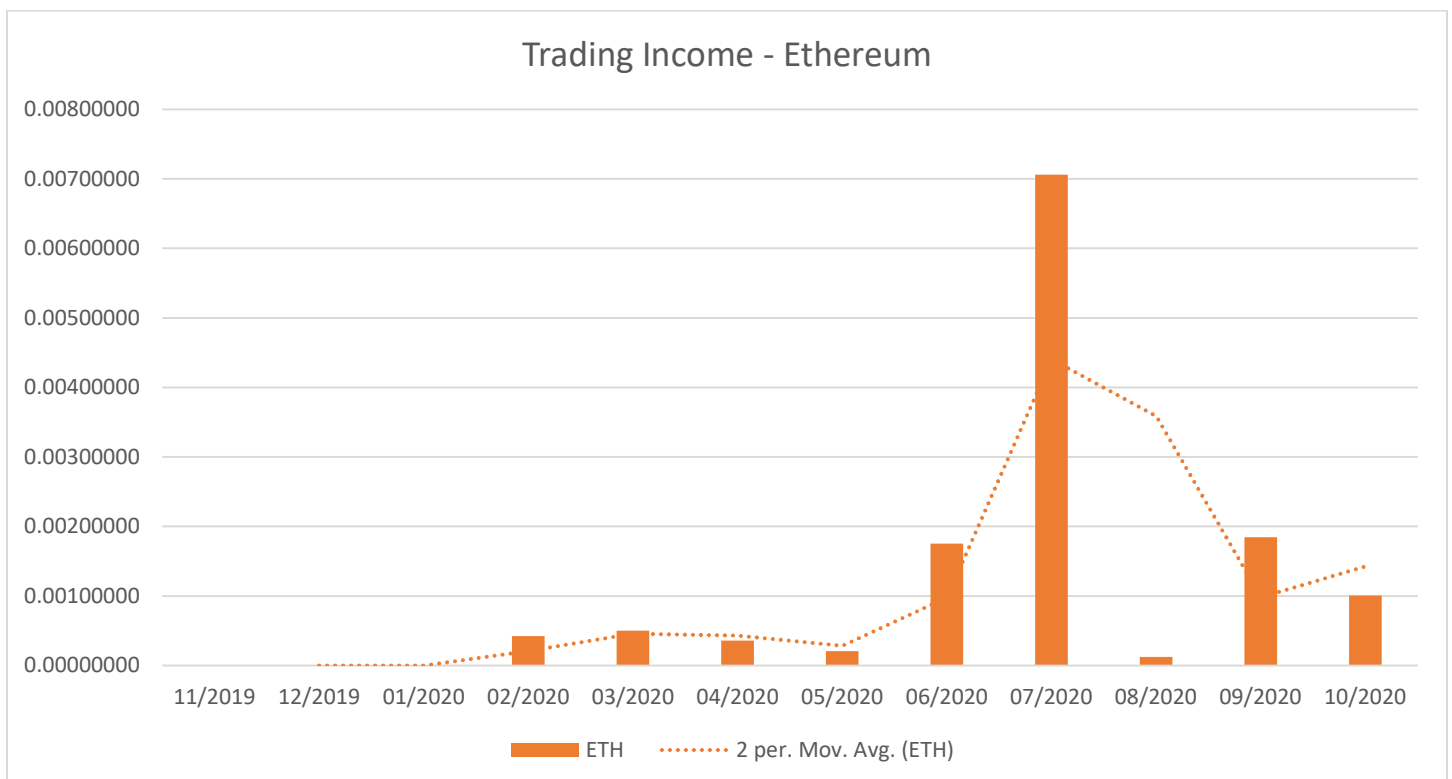
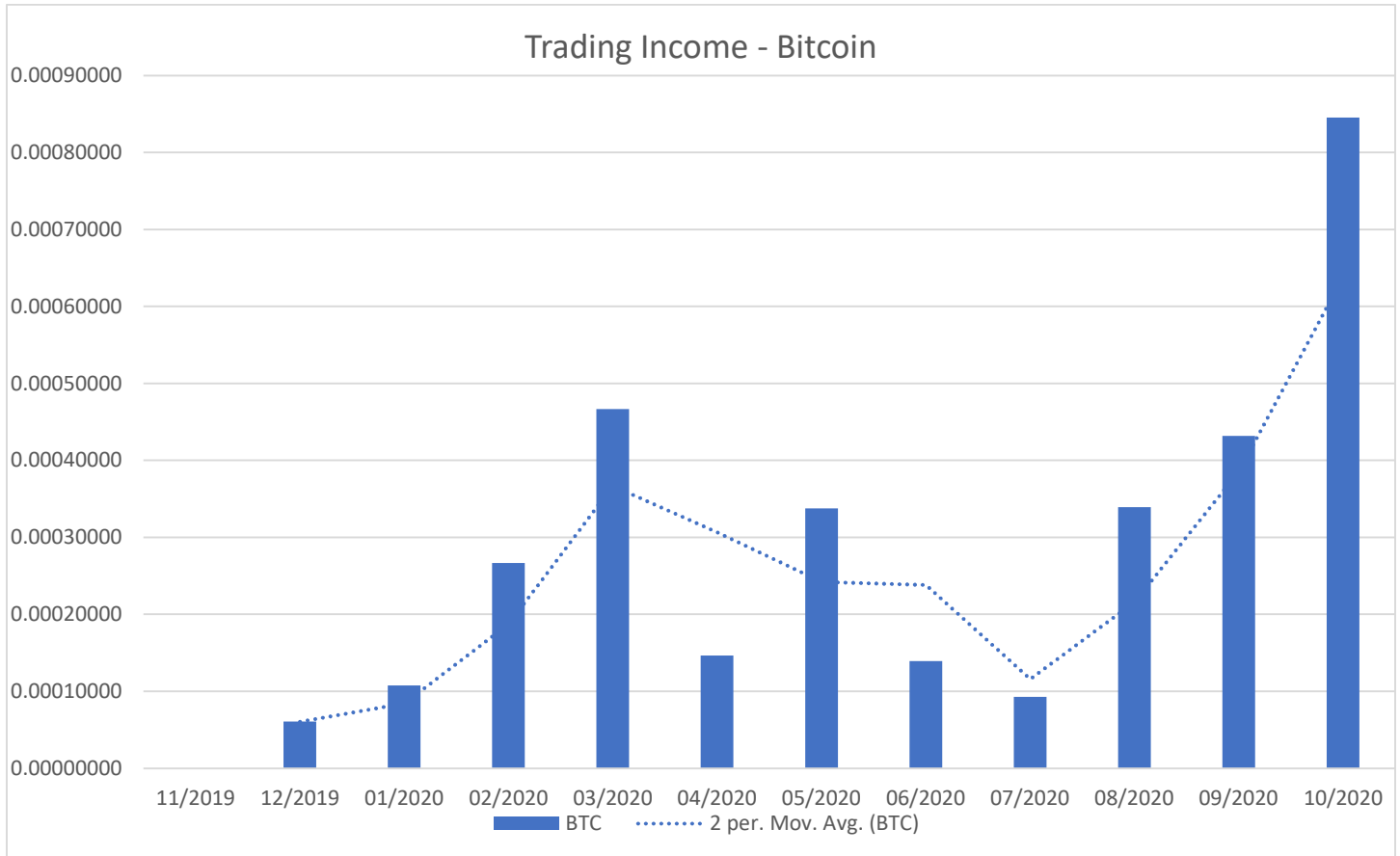
Representation of new customers by month and aggregate, inception to date.



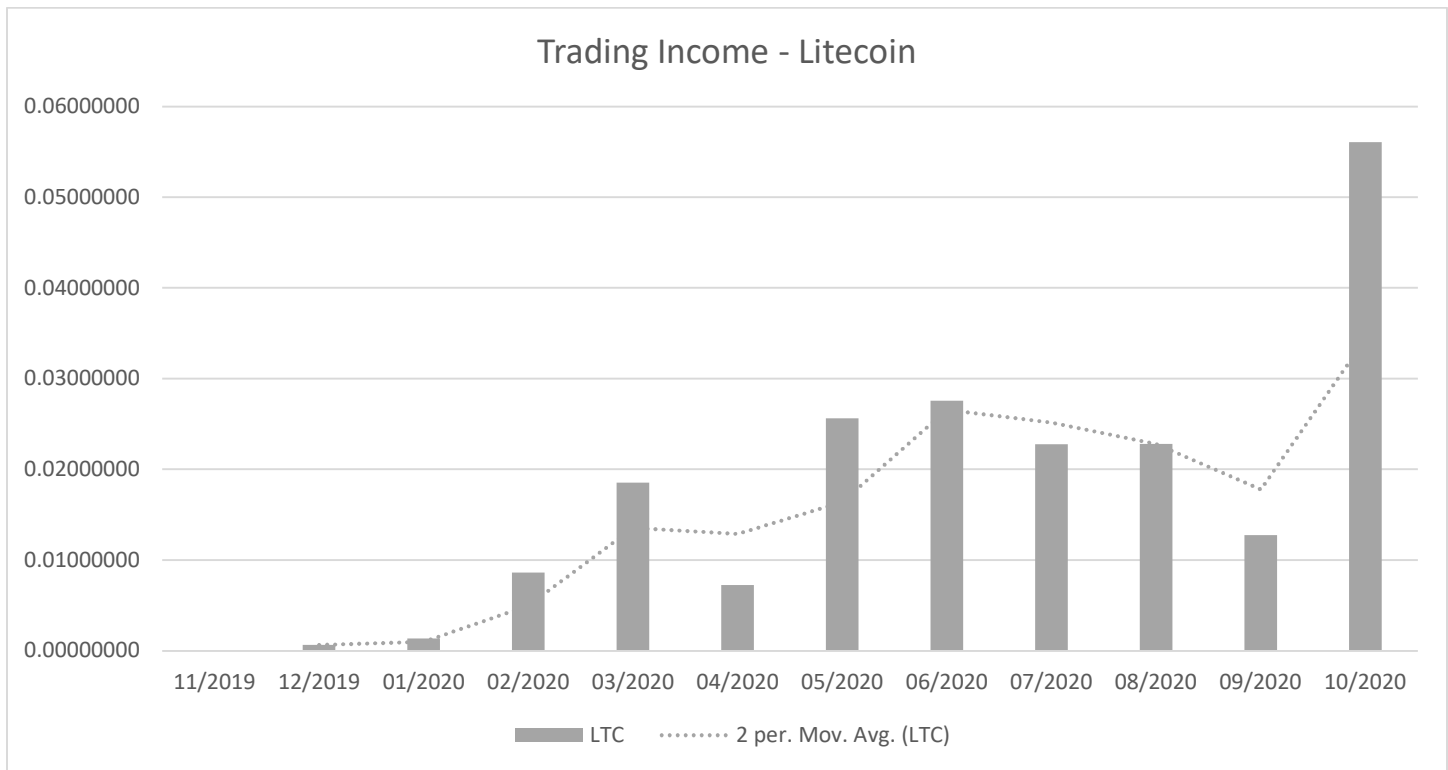
Confirmed Trades (representing both buy and sell) by base market from inception to date.



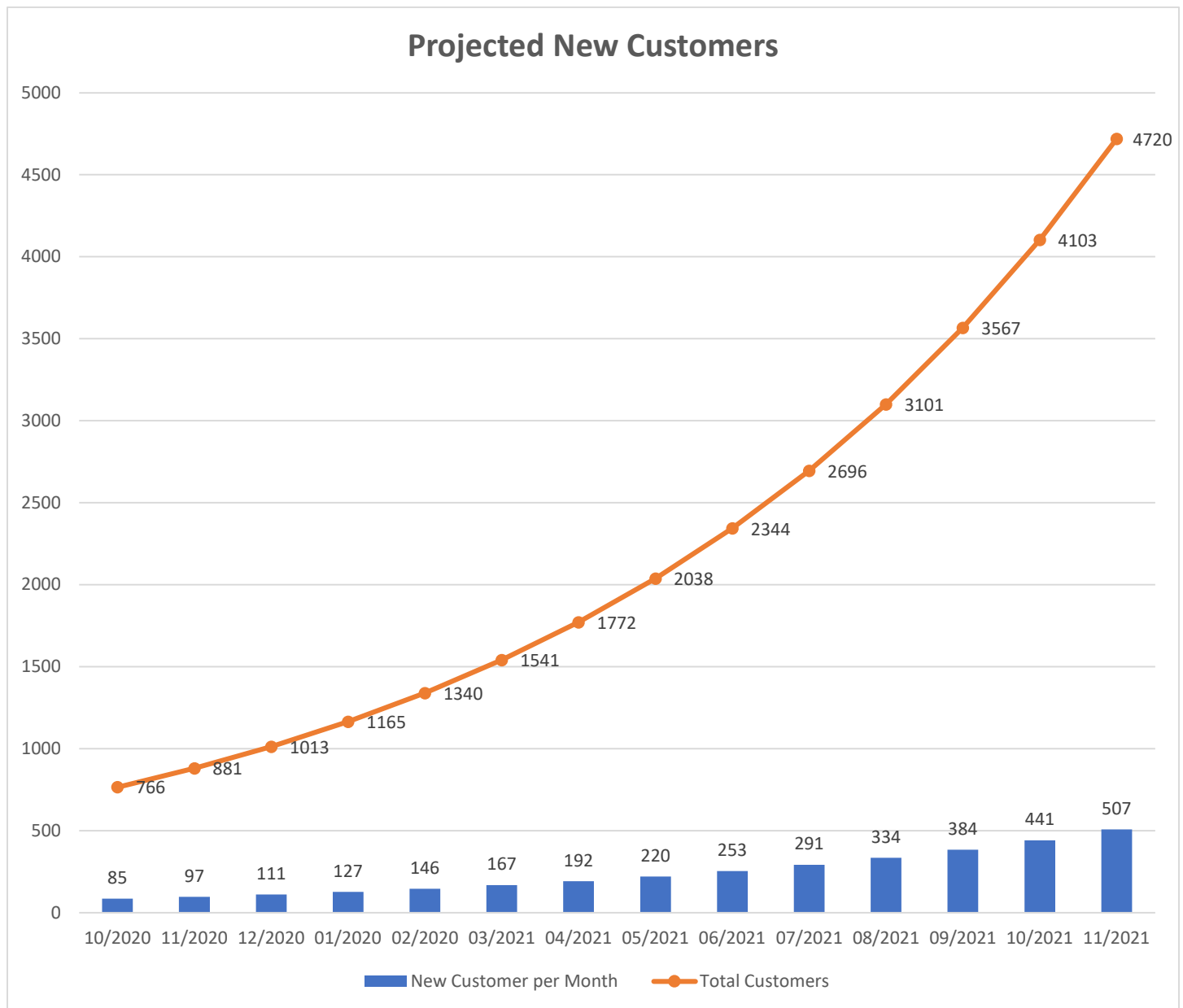
TRADING INCOME



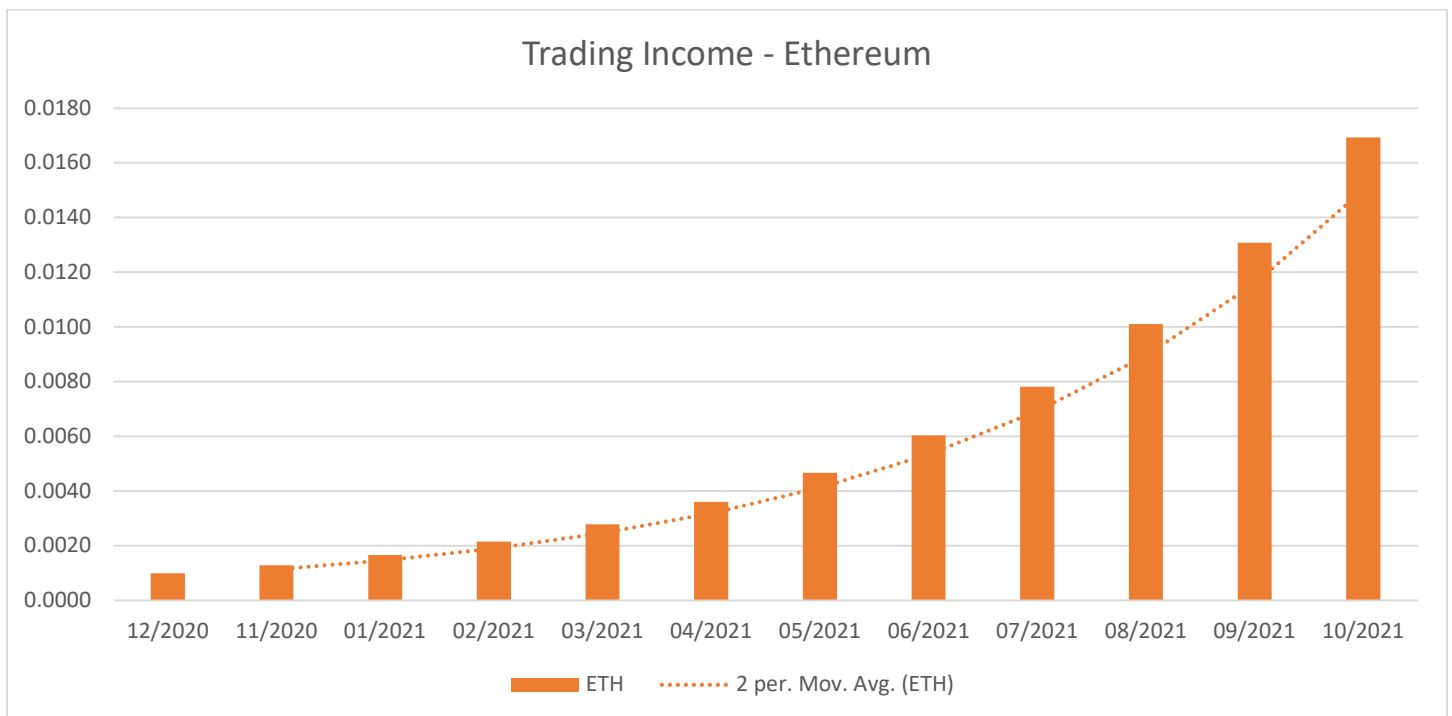
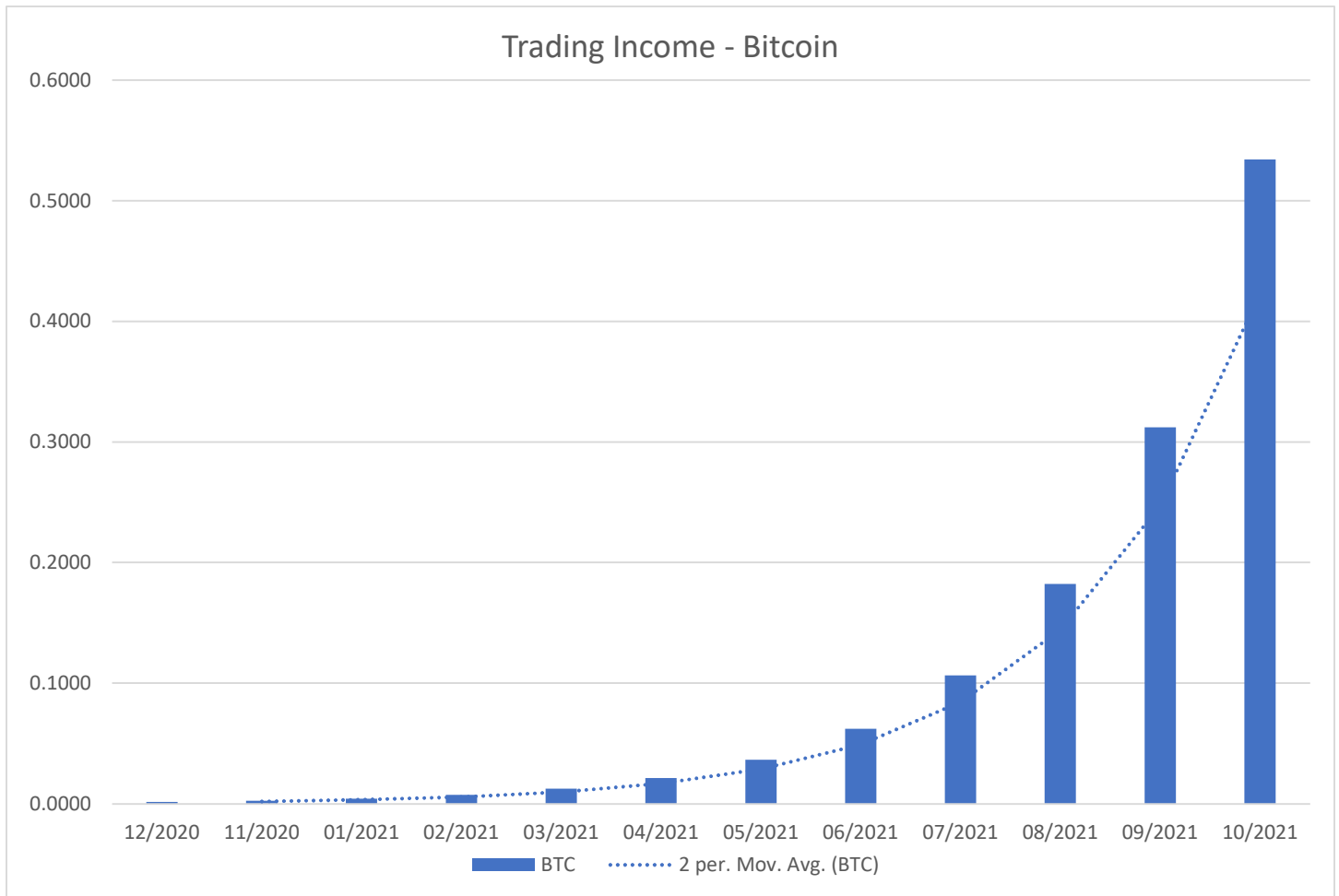
TRADING INCOME - CONTINUED



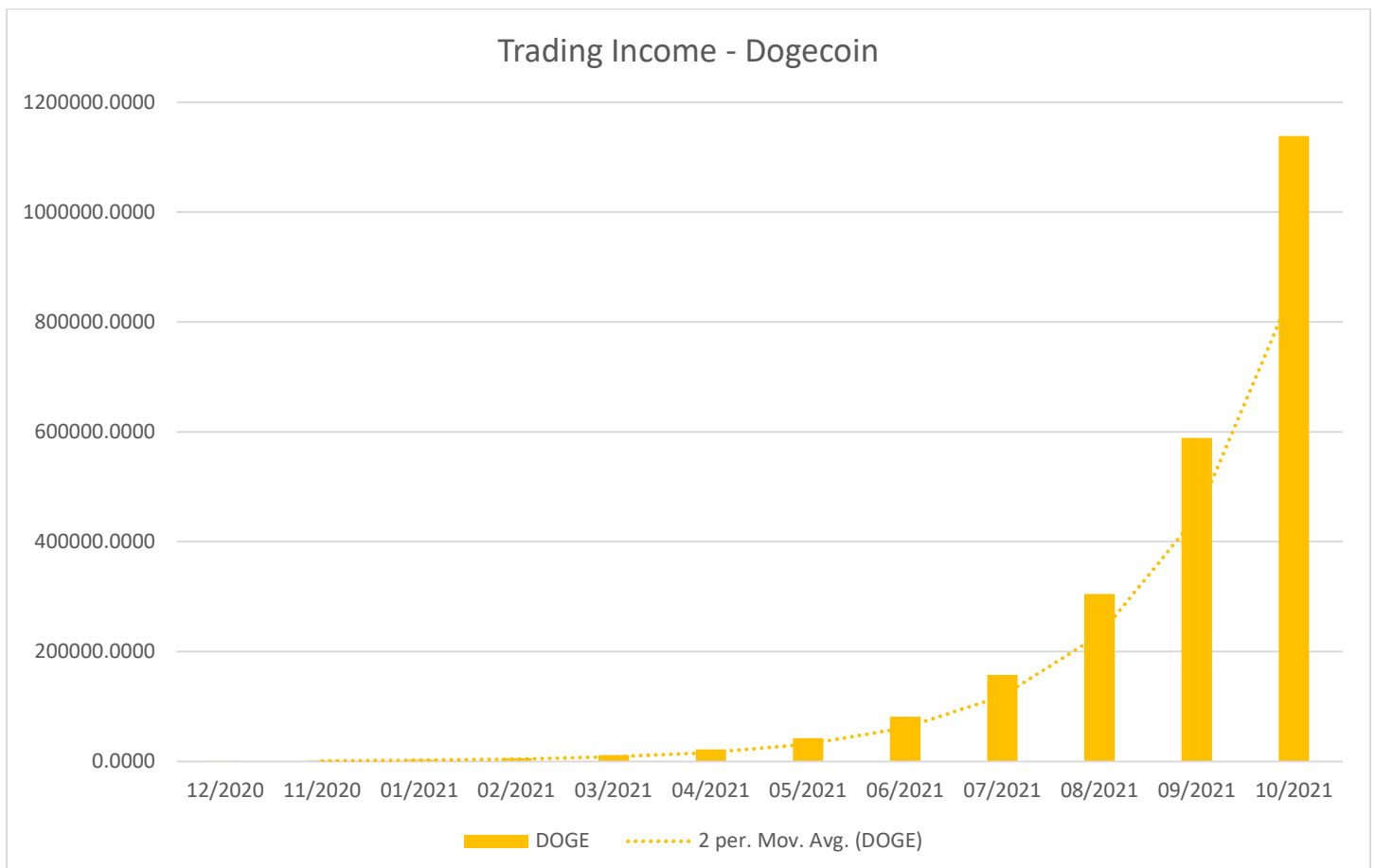
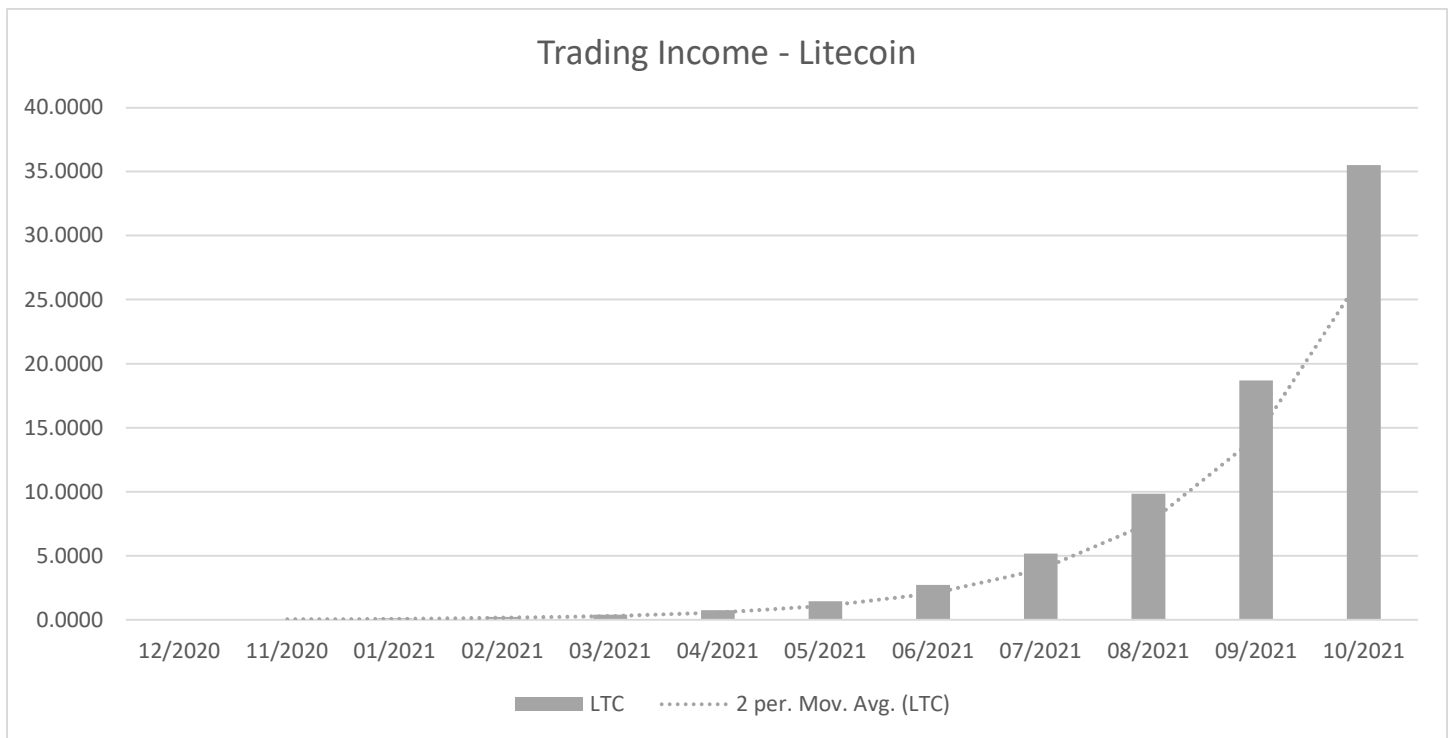
COMPANY PERFORMANCE - PROJECTIONS



TRADING INCOME - PROJECTIONS



TRADING INCOME – PROJECTIONS CONTINUED



INVESTOR OFFERING

Fides Exchange offers a fixed % ownership of the exchange. Unlike share offerings, the percentage ownership cannot be changed and investors will be added to the LLC charter as registered, limited owners. Investors are required to vote on major initiatives concerning the exchange; operational decisions are made solely with the existing directors of the exchange unless it involves capital improvements, service level changes or any other decisions involving the overall capacity of the exchange (ex. A change in a hosting company would involve investor approval whereas an addition of resources at the hosting company to add additional markets would not require investors voting).

Investors Offer Schedule:

Investment	% Exchange
50,000	1.63%
75,000	2.45%
100,000	3.27%
150,000	4.90%
200,000	6.53%
250,000	8.16%
300,000	9.80%
350,000	11.43%
375,000	12.25%
400,000	13.07%
450,000	14.70%
500,000	16.33%

DIRECTORS

Existing Board of Directors

Mark Van Doren – Permanent Governing Board Member, CFO

Pablo Carlassare – Permanent Governing Board Member, Chief Sales & Marketing

Scott Barker

Previous Directors

Jeffrey Aartsen Removed as CEO and a director from the exchange on 10/8/2019

Brenndon Bennetzen Removed as director on 03/17/2020

Tim Armstrong Removed as a director on 06/23/2020