Kalshi

Trade on event outcomes.



Kalshi Inc.

Kalshi Confidential

Imagine trading directly on event outcomes.

We have developed a new asset class, “event contracts,” and will be the **first CFTC-regulated marketplace** where you can trade on the outcome of future events.



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Event contracts are the natural next step for financial markets.



A century ago: Supreme Court approved **grain futures**

Decades later: broader **commodity futures**

Turn of the millenium: **interest rate swaps**

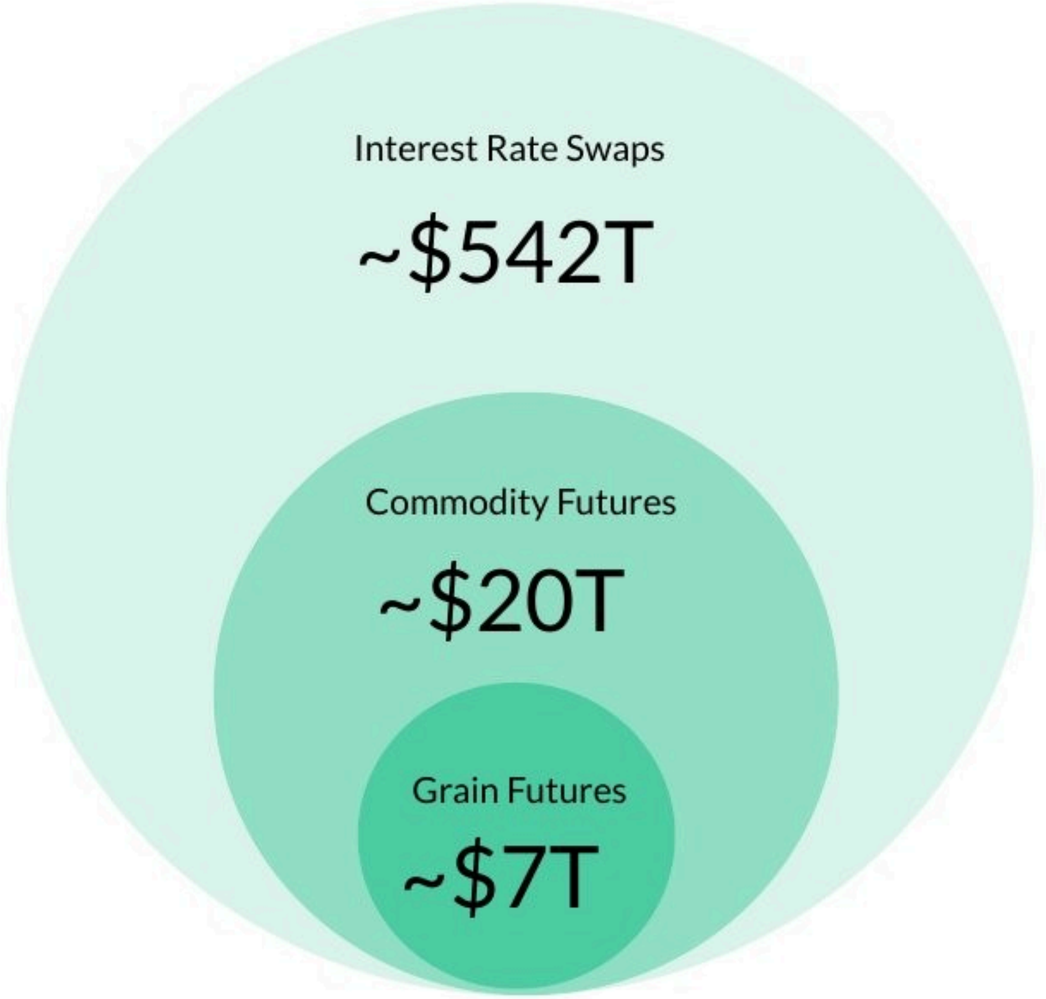
Next month: event contracts

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Each past step unlocked trillions.

Exchanges that took advantage of these markets became essential to the economy:

CME	$5.0T - $24T*
ICE	$2.2T - $11.2T
CBOE	$1.9T - $9.5T



* Estimated yearly notional value traded.

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Kalshi is on the verge of unlocking event trading.

We created a **proprietary & exclusionary** contract-vetting framework with the CFTC, which gives us access to a vast contract space.

Market Categories:

- Economics and financials
- International affairs and geopolitics
- Weather and climate
- Culture and media
- Science, technology and health

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The road to get here wasn't easy.

We fought a **2-year long** regulatory battle and succeeded where many have failed.

- **February - December 2019:** Strategic engagement with the CFTC
- **July 2019:** Clearinghouse negotiations start
- **October 2019:** Kalshi policy memorandum on event contracts
- **December 2019:** Kalshi DCM application submitted and deemed materially complete
- **May 2020:** Kalshi technology demo to CFTC
- **May 2020:** Clearing agreement signed with LedgerX (DCO)
- **June 2020:** CFTC sign off on Kalshi systems and operations
- **September 2020:** Order of amendment allowing LedgerX to clear Kalshi contracts
- **October 2020:** Division of Market Oversight submits memorandum recommending Kalshi
- **November 2020:** Designation (anticipated)

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This is a new market, and it's ours.

Barriers to competition start strong, and get stronger with time.

A required cost to play.

The process for designation takes 1-2 years on average.

+

Clearinghouse.

The only clearinghouse with the setup for event contracts is our partner.

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Liquidity Effects.

Once we build liquidity, we're impossible to dethrone.

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We will serve the market participants that drive liquidity.

Direct Retail
Traders can trade directly on the exchange

Brokers
Traders can submit trades through a broker



Market Makers
Firms post buy/sell spreads and are held to a minimum volume to supply liquidity

Kalshi Market Maker
Kalshi affiliate that seeds liquidity on the exchange

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Liquidity begets liquidity: we'll build critical mass and become a full-fledged financial market.

01

Retail & Liquidity Providers

Start with bottled up demand in the exploding retail investing market

02

Institutional Traders

Attract institutional traders looking to more precisely invest in or hedge risk against events in their portfolios

03

Natural Hedgers

Attract individuals, businesses, and institutions looking to hedge event risk they face in their day-to-day

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We have a multi-pronged approach to reaching the latent demand.

PR & Thought Leaders

Crafted PR strategy for financial/mainstream outlets

Thought leaders/influencers to build credibility

Earned media through market forecasts

Event Driven Marketing

Contract-specific ads matched to news articles

Kalshi Debates for contract launches

Contract-specific ads matched to questions on forums (Quora, Reddit)

Platform Marketing

Out of home campaigns

Social media user targeting

Ads on podcasts with large trader audiences

Incentivized referral program

Community ambassador programs

Partnerships

Broker partnerships

Affiliate relationships with news publishers

Contract data licensing agreements

Financial advisor relationships

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Our content-driven flywheel will drive trader acquisition and activity.

Farm new event contracts
by gauging public sentiment from data sources and trader suggestions.

Score and launch contracts
with proprietary framework to ensure compliance & high trader demand.



Retain traders and expand volume
through contract recommendation system and notifications.

Convert new traders
through targeted placements matching news events to the corresponding event contracts.

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Kalshi has already built the equivalent of 4 companies, from scratch.

Financial Exchange

Distributed **cloud exchange infrastructure**

State-of-the-art **matching and trade execution engine** for event contracts

Integration with a **CFTC regulated clearinghouse (DCO)** for custody and settlement

DTC Platform

Direct Exchange Access via a **web interface** and **mobile app**

Direct Exchange Access via **API.**

Market operations and systematic contract farming

Integrated **education hub** for event contracts and trading strategies

Trade Surveillance

Proprietary **trade surveillance systems** (KTSS) to detect market abuses

Self-governing compliance stack

Prop Trading

Affiliate market maker for seeding liquidity

Automated pricing models and algorithms for our markets

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Kalshi has the exec team to get it done.

Exec Team



Tarek Mansour
CEO
Ex MIT, Citadel, Goldman Sachs, Palantir



Luana Lopes Lara
COO
Ex MIT, Citadel, Bridgewater, AB InBeV

[redacted]

Exchange Directors

[redacted]

Regulatory Strategy

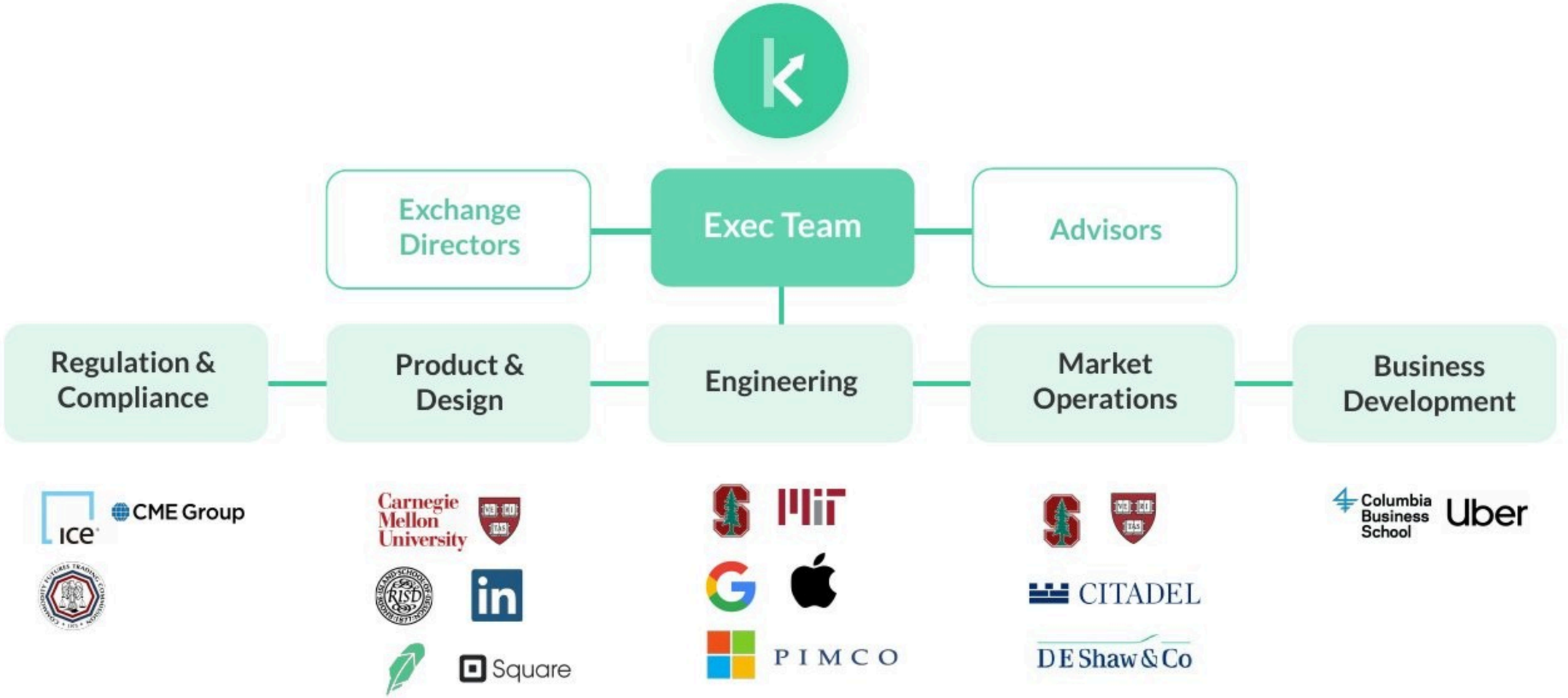
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Advisors

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Kalshi is already a 20-person team.

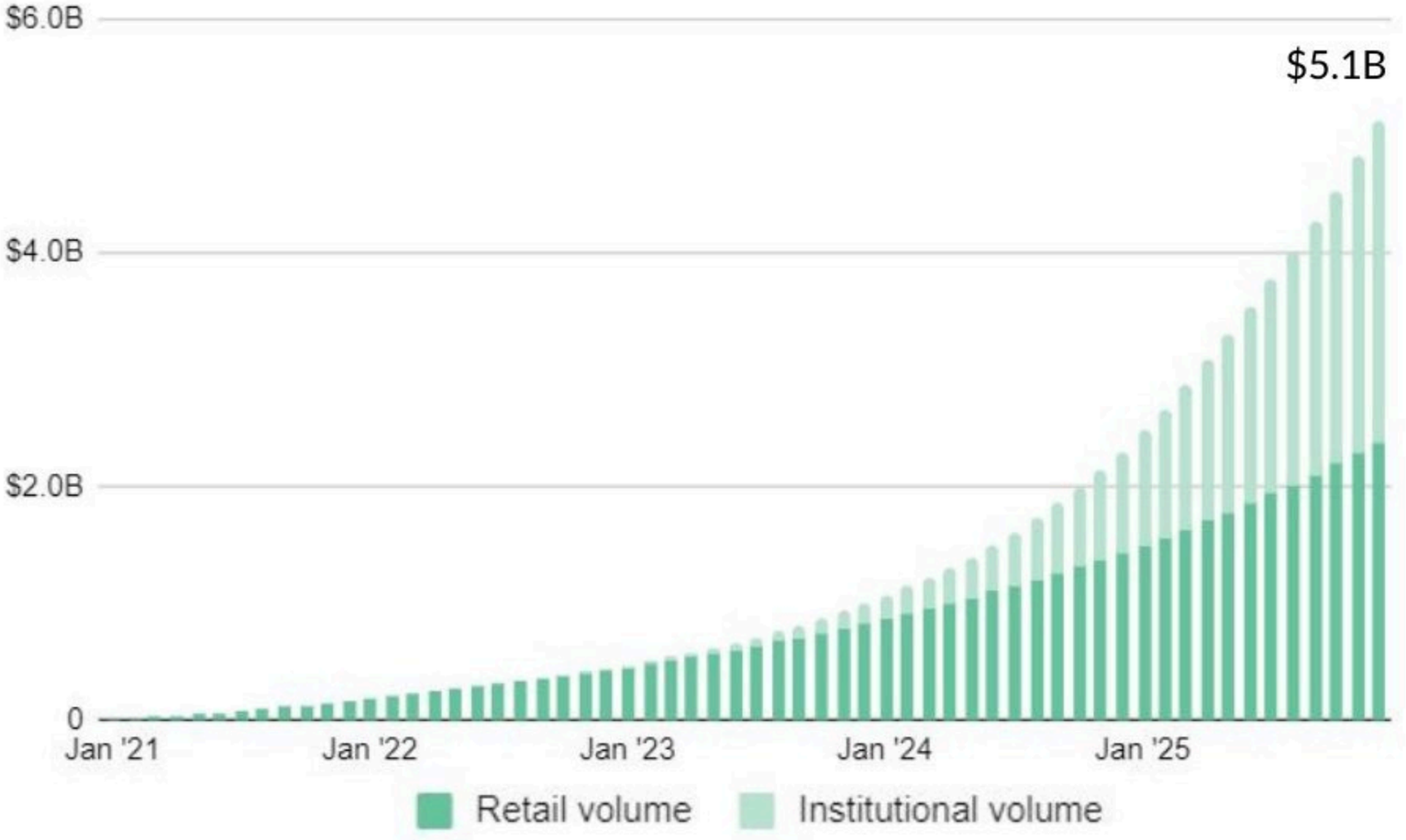


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We’re aiming for over $5 billion in monthly volume within 5 years.

At **escape velocity**, growth will be uncapped.





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We’re aiming for over $350 million annualized revenue within 5 years.

Immediate

Trading Fees

0 - 2.5% fee per trade based on the price of the contract

Longer Term

Data Selling

Sell market sentiment data



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Event contracts will become core to the U.S. financial system.

Since 1900, every innovation in futures & derivatives created a multi-trillion-$ market.

In 2020, the world is more connected and more exposed to events than ever, and is becoming more volatile each year.

Imagine a world...



where all event risks can be hedged.



where all opinions can be capitalized on.



where every person and organization can shield themselves from the world's volatility.

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Q&A.

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