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Global

MARKET OPPORTUNITY 2025



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GLOBAL

PREPARING FOR THE FUTURE OF FX

I. BECOMING THE RIGHT FX SOLUTION

A. Key Facts

Top 10 Liquidity Providers

1. JP Morgan	6. XTX Markets
2. UBS	7. HSBC
3. Deutsche Bank	8. Goldman Sachs
4. Bank of America Merrill Lynch	9. State Street
5. Citi	10. BNP Paribus

* Total Market Share of All 10 Combined: 69%*

Best Foreign Exchange Trading Platforms (Financial News London)

360T	Bought by Deutsche Bank. Operates in every continent in the world and has over 200 liquidity partners
EBS BrokerTec	Reached over \$95billion in daily volume
FX Connect	State Street owned. Over 47,000 transactions processed daily
MT4 Platform	Used for 70-80% of retail forex trades. Largest platform currently licensed by IG and TD Bank
Thomson Reuters (Fxall)	One of the largest platforms with over \$100billion in daily volume.
Hotspot	Smaller than some of the others, but considered one of the most technologically advanced
JP Morgan	Leader in cryptocurrency trading. Even though it was late to market, it is one of the fastest growing trading platforms in the industry
FastMatch	Its building its reputation on speed. It is also giving users a subscription-based program that allows users to match currency faster than any other platform

Most Traded Currencies

1. US Dollar	6. Canadian Dollar
2. Euro	7. Swiss Franc
3. Japanese Yen	8. Chinese Yuan Renminbi
4. Pound Sterling	9. Swedish Krona
5. Australian Dollar	10. Mexican Peso

B. Key Concerns

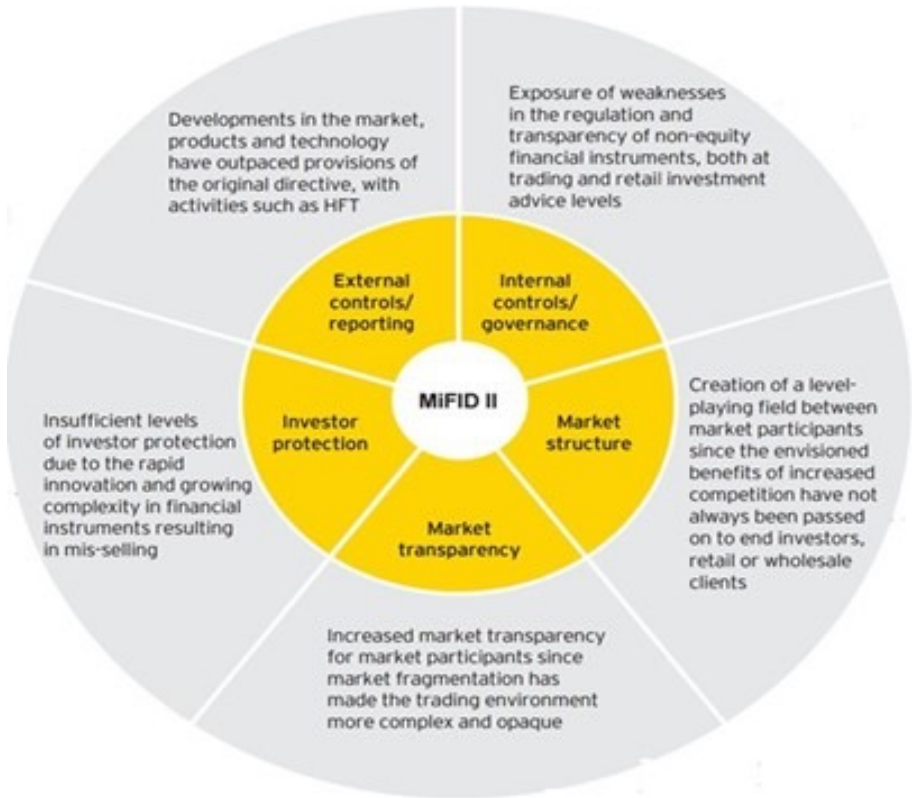
Even though there is a daily volume of over \$6trillion in the FX market, the FX market is one of the least regulated financial markets operating in the global economy. It was not until HSBC was fined for over \$175mm for “unsafe and unsound practices” in 2017 that large financial institutions started to realize a risk management and robust compliance system were needed to responsibly handle foreign exposure.

In 2015 the the Federal Reserve Bank of New York outlined key areas within the FX market that needed special attention and internal company processes:

- 1. Standards of Conduct to promote ethical behavior
- 2. General dealing practices, procedures, and conventions
- 3. Robust back office operations including netting, payment, and settlement
- 4. Risk mitigation procedures from the point of initial investment discussion through settlement

As a response to this call to action, several liquidity providers set capital aside to invest and/develop robots to better cover the daily fluctuations in currency prices, help give investment advice based on algorithms, and assist in reacting to quick changes in market conditions.

However, 5 years since the Fed Reserve’s call to action, 4 years since HSBC was fined greatly for its FX business practices, the only major FX regulatory system in the world is the European Union’s MiFID Directive which has been partially adopted by the ASIC (Australia Securities and Investments Commission).



C. Globalization's Impact

The easiest case study of every day global events and its currency impact is the US./Chinese Tariff conflict

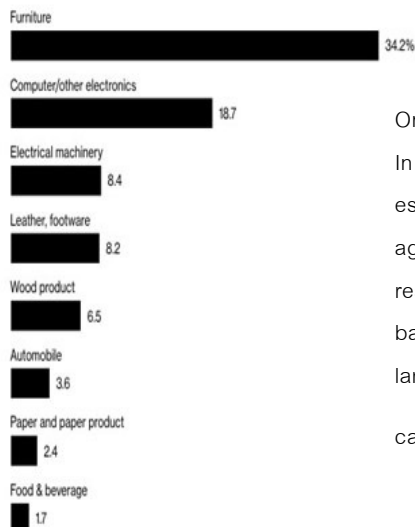


Between January of 2018 and January of 2019, the Yuan's position against the dollar fluctuated between 6.26 and 6.97. This is a fluctuation of over 10%. This 10% difference is just on the currency. The impact translates into expansive company losses when that 10% reduces demand in a specific industry of the Chinese market which then results in stock losses in all companies with exposure in that industry which then results in new risk exposure to client stock investments that need to be responsibly monitored by investment managers.

Deep Impact

Sectors most affected by last Friday's tariff increase

■ % additional tariff as of total net profits



On May 10, 2019 additional US tariffs were increased on Chinese goods. In assessing the impact of that one day, the furniture industry in China estimated a 22% increase in costs along with a 10% loss in strength against the dollar and a 2.2% increase in raw material costs. This resulted in tough stock trading in Ikea, Pottery Barn, and other U.S. based furniture distributors. The U.S., Germany, and the U.K are the largest importers of Chinese furniture in the world. Currency changes can affect a multitude of the financial market in one event.

D. Halo Global is Positioned for the Future

Halo Global is positioned for the FX market's needs of today *and* the needs of tomorrow. Halo Global can offer Private and Corporate clients, competitive FX exchange services through competitive long term pricing, access to the Wise*Risk* hedging platform, and a consolidated view of their FX needs through simple to integrate technology solution. Most importantly, one client will become a recurring client as Halo's technology solutions are designed to be set-and-forget tools.

In addition, currently the SEC requires publicly traded companies to describe their FX risk management. However, the requirements are informal and most companies are reporting ½ a page worth of information regarding FX risk on their 10-Q reports. Balance sheets show translational fluctuations, but only have to report the loss or gain as a one sentence statement.

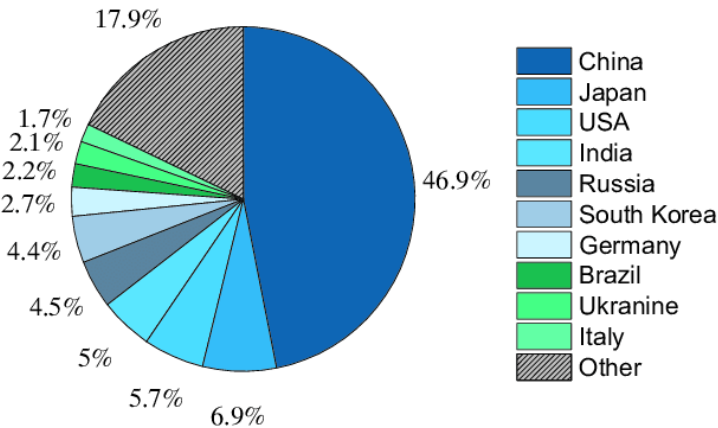
Halo Global is preparing users for a more regulated future. The regulatory reporting offered by Halo Global includes an appendix displaying the company's prudent actions in mitigating a foreseeable and obvious risk. Using Halo's pre-configured risk strategies, Halo provides users and any regulators of the users, quantifiable data showing how their actions in mitigating cash flows and balance sheet FX risk.

II. TAPPING INTO THE CONSTRUCTION INDUSTRY

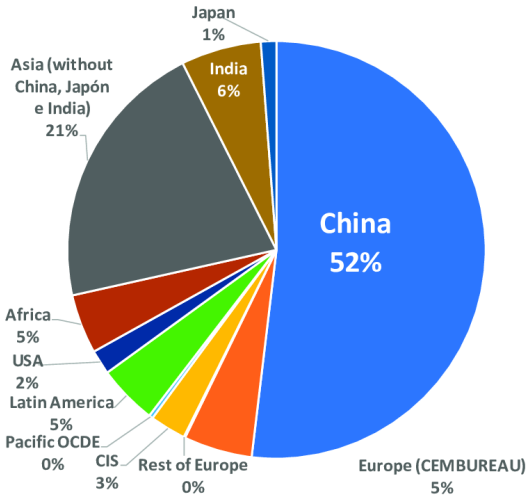
A. Buying and Selling

The construction industry has a market size of over \$14trillion. This equates to approximately 13% of the GDP in the world. The industry heavily relies on the buying and selling of raw materials to fulfill the demand to build residential, nonresidential, and public structures throughout the world. Specifically, steel, concrete, and wood alone generate annual revenues totaling over \$4trillion per year.

Like other raw material focused industries, the construction industry sources the necessary materials from almost every continent in the world. China provides 50% of the steel used in the world and produced over 1.2billion metric tons of steel in 2022 alone. India, Japan, Russia, the United States, and Germany are also some of the largest global suppliers.

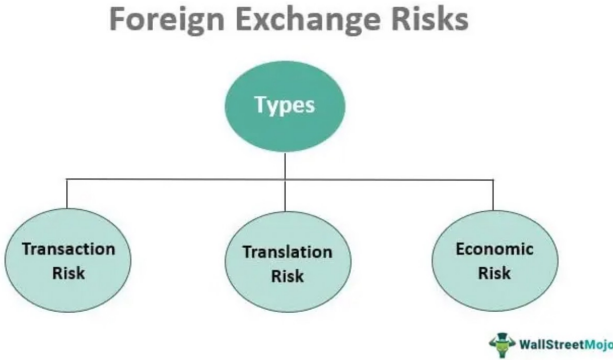


Concrete has a similar exposure to foreign markets.



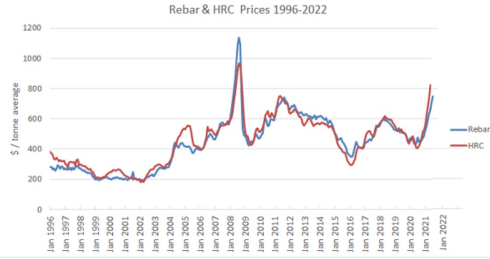
B. FX Risk

The buying and selling of raw materials from foreign countries has created a significant currency risk on suppliers, manufacturers, distributors, and buyers. Specifically internal impacts include unpredictable cash flow models and balance sheets and unexpected translational disparities. External business impacts include price fluctuations in individual transactions and economic risks from the squeezed profit margins from a project.



C. Commodities Risk

The construction industry is unfortunately more than aware of pricing risks. With commodity exchanges fluctuating daily, the largest segments of the construction industry are often under attack from various angles. In 2020 and 2021 and again expected in 2022, the #1 identified risks in the construction industry was commodity risk



III. FX RELATED MARKET TRENDS

A. Technology Based Solutions

CFOs and other c-level associates are freeing up time by finding the right software solutions to handle tedious jobs. Treasury management businesses are rapidly growing with users looking for more efficient and less time consuming ways to handle what can be multiple international cash accounts. FX is now a subset of that management and is being treated as important as tax concerns and interest rates within cash management.

Within the construction industry, project management and construction planning have started to not only accept, but incorporate technology based solutions into their day-to-day processes. These programs include the following:

1. Procore: "Procore's strength lies in its construction project management, while also offering a financial management portion if in need of something fully integrated. The construction project management application includes quality and safety, design coordination, and building information modeling (BIM). The tool lets construction companies know what needs to get done to stay on schedule, and lets you identify issues before they impact your budget or schedule."
2. InEight: "InEight construction software is a cloud-based platform that helps manage risk and keeps capital projects on schedule and under budget."
3. Iziago: "Iziago will allow the Construction industry to carry out your banking transactions easily and quickly with the banks according to the standards in force. This solution is particularly effective, especially for the payment of your employees' salaries, but also for the payment of suppliers' invoices."

* There are no major software competitors in the FX space specializing in the construction industry

B. FX Exchange Rate Pricing

The bank pricing system is fluid and fine-tuned after decades of development, but it also tends to be the most expensive option for exchange rates:

- ✓ Each liquidity provider streams through a direct feed of executable buy and sell prices to a trading platform
- ✓ The trading platform's Price Engine selects the best buy price and the best sell price, which result in the best available spread
- ✓ The trading platform becomes the counterparty to all trades that a client undertakes.

"FX Brokers" (these are different than retail brokers operating as representatives of investors), have started underwriting currency buys directly with banks and then reselling them in to the market. This has helped to stabilize pricing and has shown to reduce costs in a completed transaction.

C. FX Risk Policies and Solutions

Not surprising based on the previous sections, FX risk management policies are being developed, written, and monitored by software and tech-based solutions at this very moment. Since FX has been virtually overlooked by compliance regulators, every global business and specifically its CFOs are looking at how to monitor their currency exposure, and prepare for a future with FX compliance demands. Below is Wells Fargo's 2016 management's Enterprise Risk Management Framework. This is a far cry from the regulatory requirements from Europe's MiFID which acts like the SEC for currency risk.



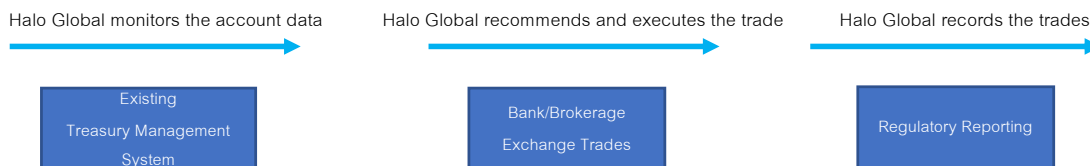
D. Halo Global Aligns with Market Trends

Halo Global is riding the coattails of the treasury management system boom and can work collaboratively with almost any treasury system (automated and manual) in the marketplace.

Halo Global can automate a major function of FX treasury management leaving CFOs/Treasurers free to focus on the business itself. This allows the company to cover the cash management and risk management sections of FX.



The WseRisk products can also integrate with almost any bank or brokerage firm allowing it to be a plug and play solution:



VI. CLIENTS/END USERS

Halo Global is taking an industry-centric approach to its launch. This includes looking at the lifecycle of goods within the industry and formulating FX solutions for each sector of the industry



A. Raw Materials

Halo Global is impactful and marketable to all size companies, but to best launch, Halo Global is focusing on small and mid-size size companies, but can service fortune 100 companies. Below are the largest raw material producers of steel in the world. This is only one of of over 50 segments of the market Halo Global can target:

Top 10 Largest Steel Producing Companies in the World



There are quite a large number of steel manufacturers in the steel industry, who become more popular by producing steel in large quantities.

Here is the list of top 10 largest steel producing companies in the world.

1. ArcelorMittal

ArcelorMittal, who operates in more than 60 countries, is headquartered in Avenue de la Liberté, Luxembourg. It was formed in 2006 by the merger of Arcelor and Mittal Steel. The company has 232, 000 employees and it produces 10% of the world's steel.

ArcelorMittal plays a major role in supplying it to the markets including household, packaging, automotive and construction. In total, Europe produces 47% of the steel, America produces 35% and other regions (Kazakhstan, Ukraine and South Africa) produces 18%.

This multinational steel manufacturing corporation announced 35 transactions worldwide at the beginning of the merge. It continued to invest , with transactions announced in Australia, France, South Africa, Canada, Brazil, Turkey, Costa Rica, Sweden, Venezuela, the US and United Arab Emirates.

2. Nippon Steel & Sumitomo Metal Corporation (NSSMC)

Nippon Steel & Sumitomo Metal Corporation (NSSMC) was manufactured in association with the Nippon Steel and Sumitomo Metal in 2012. NSSMC is the second largest steel provider across the globe. It is extended in 15 countries with nearly 83, 000 employees. This company provides the steel for areas such as construction, automobiles, civil engineering, energy, resources and railways.

3. Hebei Iron and Steel Group

Hebei Iron and Steel Group Company Limited is incorporated in the year 2008. This state owned enterprise is headquartered in Shijiazhuang, Hebei, People's Republic of China. The capacity of HBIS is 30 million tonnes of steel per annum, making the company the largest steel provider in China.

The company mainly produces wire rod, cold-rolled plate, hot-rolled steel, bar, hot rolled plate, five vanadium oxide, galvanized plate, welded pipe and more other products based on the requirements.

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4. Baosteel

Baosteel is one of the largest steel providers around the world. Founded in 1978, Baosteel Group Corporation is headquartered in Pudong, Shanghai, China. It contains 130, 401 employees and produces steel products such as special steel, stainless steel, carbon steel that would be exporting to more than 40 countries. It supplies for areas like automobile, petrochemical, transportation, nuclear power, household appliances, metalwork, energy, [manufacture of machinery](#), electronic instruments and astronautics.

B. Supplier

Below is an example of the type of revenue supplying companies generate per year

Largest Stone Mining Companies in 2020

Company	Revenue (USD millions)
CRH	33,150
Holcim	29,026
Cemex SAB de CV	13,130
Vulcan Materials Company	4,929
Martin Marietta Aggregates Inc	4,739
Tarmac	2,740*
Minerals Technologies	1,791
Carmeuse Lime & Stone Inc	1,560*
Adelaide Brighton Ltd	1,085
United States Lime & Minerals	158

C. Manufacturer

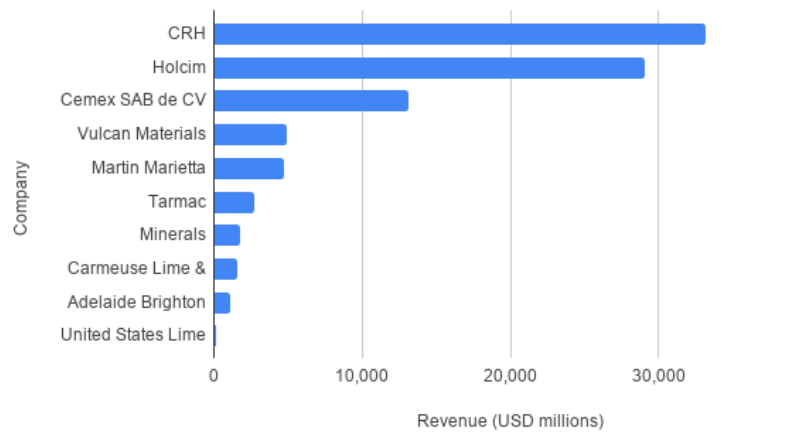
Below are the largest manufacturers in the construction industry:

Company	Head Quarter	Product Range
 CATERPILLAR	 Illinois, United States	Caterpillar Inc. is an American Fortune 100 corporation which designs, develops, engineers, manufactures, markets and sells machinery, engines, financial products.
 KOMATSU	 Tokyo, Japan	Komatsu Ltd. is a Japanese multinational corporation that manufactures construction, mining, forestry and military equipment, as well as diesel engines and industrial equipment.
 JOHN DEERE	 Illinois, United States	John Deere is the brand name of Deere & Company, an American corporation that manufactures agricultural, construction, and forestry machinery, diesel engines, drivetrains used in heavy equipment.
 XCMG	 Xuzhou, China	XCMG Group is a Chinese multinational state-owned heavy machinery manufacturing company with headquarters in Xuzhou, Jiangsu. XCMG's products include: asphalt concrete pavers, backhoe loaders, bulldozers, compactors, compact wheel loaders etc.
 SANY	 Huangdao, China	Sany Heavy Industry Co., Ltd. is a Chinese multinational heavy equipment manufacturing company headquartered in Changsha, Hunan Province. Sany has a dozen industrial parks in China plus manufacturing facilities in Australia, Belarus, Brazil, Canada, Germany, India, Indonesia, Kazakhstan, Russia, Ukraine and in the United States.
 VOLVO	 Gothenburg, Sweden	The Volvo Group is a Swedish multinational manufacturing company headquartered in Gothenburg. While its core activity is the production, distribution and sale of trucks, buses and construction equipment.
 HITACHI	 Tokyo, Japan	Hitachi, Ltd. is a Japanese multinational conglomerate company headquartered in Chiyoda, Tokyo, Japan. Hitachi operates eleven business segments, ranging from Information & Telecommunication Systems to Construction Machinery.
 LIEBHERR	 Bulle, Switzerland	The Liebherr Group is a multinational equipment manufacturer based in Switzerland. It consists of over 130 companies organized into eleven Divisions: Earthmoving, Mining, Mobile cranes, Tower cranes, Concrete technology, Maritime cranes and etc.
 DOOSAN	 Seoul, South Korea	Doosan Group is a South Korean multinational conglomerate company. Doosan's core businesses are based on ISB (Infrastructure Support Business). Doosan's Infrastructure Support Businesses are made up of five subsidiaries: Doosan Corporation, Doosan Heavy Industries & Construction, Doosan Infracore, Doosan Engineering & Construction and Doosan Engine.
 ZOOMLION	 Hunan, China	Zoomlion Heavy Industry Science and Technology Co., Ltd. is a Chinese manufacturer of construction machinery and sanitation equipment. Its headquarters are in the Zoomlion Science Park in Changsha, Hunan. The business of Zoomlion consists of five sectors: construction machinery, agricultural machinery, heavy trucks, environmental business and financial services.

D. Distributor

Below is an example of the type of revenue distribution companies generate per year

World's Largest Stone Mining and Quarrying Companies 2020



E. Retailer/Consumer

The retail and consumer construction markets behave very differently than the previous market types. Specifically, global retail and consumers tend to be less diverse in the number of currencies they regularly trade in. However, their transactional FX risk needs are high and the reporting needs are greater as many are publicly traded:

Turner



FLUOR

Kiewit

WT
WHITING-TURNER

STO BUILDING GROUP

CLARK
CONSTRUCTION

AECOM

SKANSKA

DPR
CONSTRUCTION

Conclusion

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Lastly, Halo Global is the only construction focused FX services business in the industry and is the only one to offer a FX Risk Solution.

Because the construction industry must operate with so many variables, the leaders within the industry are known to spit ball price fluctuations and live and breathe based on their accuracy. However, this leaves a great need for a simple FX management and risk solution that can work within their existing parameters and provide their hardworking CFOs/ treasurers with tools they can rely on to handle a whole segment of their work flow.

At its core Halo Global is a FX company that is using technology to make FX management easier and simpler. As more and more technology companies enter the FX market, Halo Global will remain steadfast in preserving the personal client touch while also offering the latest in technology advancements.

It will be **focused on client service** and **powered by technology**,