PROBLEM SOLVED:

Managing FX, interest rate and commodity price (FICC) risks is becoming more and more cumbersome due to ever-increasing complexity (e.g. unforeseeable geopolitical or other events like the coronavirus disrupting global supply chains or Brexit and their impact on FICC markets), regulation (e.g. EMIR, MiFID II,…), and finally treasury costs, having reached an average of 2.87 USD per 100 USD in revenues as per a recent KPMG study.

OUR SOLUTION:

RiskPool: The very first true, ERP-integrated and fully automated (mutual) insurance for FX, interest rate and commodity price (FICC) risks based on a cross-customer netting approach.

You could also call this "matchmaking for financial risks" wrapped into an insurance contract.

Plus, as a side effect, we achieve the missions of the International Monetary Fund (IMF) and World Bank with a much higher degree of efficiency and efficacy. This said we effectively help to stabilize financial markets, reduce global poverty, foster international trade and sustainable economics.

SLIGHTLY SIMPLIFIED EXAMPLE ON HOW IT WORKS ON THE FX-SIDE:

Let's assume that a Californian company sells 100 million USD worth of goods in Europe each year.

The current FX rate is 0.9 USD / EUR.

Now assume that the FX rate rises over the next year to 1.1 USD / EUR and hence they will only receive 81.82 million USD instead of the planned 100M USD for the exported goods due to the changed fx rate. Thus, a potential 18.18 million USD currency-effect loss.

Therefore, the Californian company usually would buy derivatives (futures, forwards or swaps) to protect its 100 million USD revenue stream from such fx risks. Buying derivatives to hedge the fx risk currently costs companies on average 2.87%.

Thus, the downside protection comes at a 2.87 million USD annual cost.

Plus, derivatives are not only costly but have a lot of other disadvantages as well *(e.g. complex and obscure markets, high uncertainty especially in times with unexpected events like a virus shaking everything up or political moves like Brexit causing financial woes, counterparty risk [can the derivatives counterparty really pay even in adverse markets?], special hedge accounting needs, regulatory reporting requirements like MIFD2 or EMIR, etc.)* and hence customers clearly prefer a simple and automated insurance policy over a risky and complex financial market transaction.

And that's what RiskPool is: The world's first true and fully automated mutual insurance for fx risk.

So, in the above case, RiskPool would match the risk position of the Californian company with a contrary one from a European company.

This said a European company importing goods worth 120 million USD per year from the US faces the exact opposite risk of the Californian exporter and hence would now save around 22 million USD based on the fx rate change.

However, since this market change isn't sure *(i.e. uncertain gains which have nothing to do with the customer's core business -> also bear in mind that most company bylaws forbid financial speculating and companies usually are better off focusing on their core business without any distractions)* they would hedge their potential fx downside risk with derivatives as well just in case that the currency rate changes in the other direction. These hedging activities currently costs the European company 3.44 million USD (= 120M x 2.87%).

RiskPool, however, assumes the risks of both companies now and therefore can offset the contrary risk positions.

Thus, we assume our customers' financial risks, guarantee both companies the current fx rate of 0.9 and offset the 120 million against the 100 million cash flow at risk and hence only need to hedge the remaining 20 million ourselves.

Hedging the 20 million USD costs us 0.574 million USD (20M x 2.87%).

Currently, we charge both customers on average 1.94% when assuming their fx risk. Thus, the Californian company pays us 1.94 million USD (1.94% x 100M) and in return no longer has any currency risk whereas the European company pays us 2.33 million USD (1.94% x 120M) and is then also on the save side.

Hence the Californian company now saves 0.93 million USD (2.87% for derivatives-based hedging vs. RiskPool costs of 1.94%) annually for sure and the European customer 1.12 million USD while we make an initial gross profit of 2 million (1.94M in premiums from the Californian customer + 2.33M in premiums from the European – 0.574M in own hedging costs + 0.64M insurance asset management gains – insurance taxes 0.81M – regulatory reserve costs 0.43M – default risk contracts and some overhedging to protect us against black swan risks 1.1M).

But it gets even better for the customers since we operate in a mutual insurance like manner and hence cap our Gross Margin II at currently 15% *(further margin cap reductions can be earned by the customer with successful referrals)* a significant portion of these initial 2 million gross profits (i.e. the Gross Margin I) get paid back to our customers based on defined allocation and pay-out metrics (such as uncertain fx gains foregone, different risk classes involved, volume transferred, etc.) after first deducting some additional cost items like insurance asset management fees, processing fees, sales commissions or partner incentives.

In conclusion, the customers no longer have to worry about currency risks, have saved a lot of costs (and time) for sure compared to trying to hedge risks with complex and comparably unsafe financial markets *transactions (see aforementioned risks)*, still benefit to a certain degree from potential market upsides thanks to the reallocation process at year-end, and we make a good amount of money as well.

Thus, it is a win-win-win-situation.

RiskPool works the same way for interest rate and commodity price risks *(also accounting for overlay effects in this case)* and hence it is a comprehensive and cool product to manage financial market risks affecting globally active companies.

Plus, it works with both fiat and digital currencies used by companies to conduct international business.

HOW RISKPOOL WORKS ON A MORE GENERAL AND ABSTRACT LEVEL:

1. Real-time tracking of all postings and thus exposures via ERP system plugins

2. Immediate transfer of identified exposures from the customers' balance sheet to our own one (-> thus we are assuming our customers' financial risks rather than selling them derivatives = true [mutual] insurance)

3. Maximizing total utility: Automatic rate, duration and volume setting (hence price optimization considering real costs – incl. point 4 previous months results – and aggregate customer benefits) and global netting process ("cross-customer" -> natural hedge / economic zero-sum game in FICC markets)

4. Hedging of residual risks (incl. minimal overhedging to account for potential defaults, or protect us against black-swan events) and market making as appropriate

5. Calculation of premiums depending on applicable risk classes, insurance asset management contribution, exposure transferred and mentioned real costs

6. Annual redistribution of excess premiums paid less our own margin (difference to the initial revenue-based monthly invoice of on average 2.25%; after this process customers currently only pay around 1.94% and the price will decline further with increasing size / network effects).

CUSTOMER ADVANTAGES OF RISKPOOL:

1. EBITDA boost for customers

Significant network and scale effects coming from our cross-customer hedging and netting approach (thus the matchmaking process for financial risks) paired with the insurance asset management contribution can increase our customers' EBITDA by up to 12% p.a. (i.e. our risk pooling process resulting in strong network effects) which again is equal to an increase of 16% in sales. Now add to this selected commodity upsides, e.g. various sorts of steel or rare earths which thanks to RiskPool become hedgeable for the very first time, by creating synthetic positions, and you might see up to an 80% annual net profit increase in total. Hence with RiskPool the customers' EBITDA and net profit will go up sharply.

As an example, Tesla alone can increase its EBITDA by more than 200 Million USD annually as they currently spend around 600 million USD per year on treasury management whereas our solution, in this case, is only a 400 million USD charge per year.

For larger companies, the numbers become even bigger due to our revenue-based pricing as described below. For example, Microsoft is currently spending 3.2 billion USD on financial risk management while our solution RiskPool would decrease this annual bill to 2.1 billion USD and hence result in savings in excess of 1bn USD each year.

Other analyses have shown the following savings: Amazon 2,14bn USD, KKR 1.36bn, Tencent 0.74bn USD, Samsung 0.52 USD, LVMH 0.56bn USD, Volkswagen Group 1.71bn USD, Airbus 0.53bn USD, Nestle 0.85bn USD, Glencore 2.02bn USD, Atlas Copco 0.42bn USD, McDonalds 0.25bn USD, Exxon Mobile 2.18bn USD, Morgan Stanley 1.62bn USD, Alibaba 1.65bn USD, Tiffany's & Co 0.1bn USD, IBM 0.59bn USD, BCG 0.25bn USD, Ralph Lauren 0.06bn USD, Siemens 2.4bn USD, Johnson & Johnson 2.84bn USD, AT&T 0.31bn USD. Hence if you note that these number are just the savings and thus equal to an average 0.92 percentage points (the difference between an average 2.86% today and our pricing of 1.94%) you can easily see what our average 1.94% invoice means in terms of gross premiums / revenues and finally potential net income (at our current 15% gross margin rate).

2. Simple and clean insurance solution

RiskPool reduces compliance burdens tremendously. Just think of MiFID II, EMIR, and the likes, which for an insurance policy are no longer applicable from a customer's perspective. At the same time, customers are also getting rid of all potential legal litigations over contract details (e.g. derivatives pricing) as they relate to hedging transactions.

3. Works with all leading ERP systems

Our close collaboration with major ERP system providers ensures a seamless integration and stable processes. For now, RiskPool and our other products – such as the complementary fincato marketplace - work with the following systems: SAP R/3, SAP S/4 HANA, Oracle ERP Cloud, MS Dynamics 365, Odoo, Datev, Netsuite, J.D. Edwards, Sage, Intacct, Quickbooks

4. Seamless integration with complementary products

RiskPool is seamlessly integrated with other products including our fincato marketplace where third parties can offer their solutions in other areas of finance such as Corporate Finance, Cash Management, Payments, Trade Finance and Insurance since this way we can achieve the maximum utility for our customers. This said, cross-border transactions and financings or other international finance solutions won't be a complex or challenging issue anymore thanks to the clever combination and integration of RiskPool and fincato. At the same time, finacto allows us to grow much faster worldwide with strategic partnerships based on attractive barter deals (i.e. we take over financial risk management *[many banks try to get out of / reduce this business anyway]* and they get better access to [new] customers via fincato and/or parts of the insurance asset management business).

For more details regarding our strategic coopetition approach please refer to our partner site (https://www.mountwish.org/partners.html.) or take a look at our investor guidance.

5. No treasury department needed anymore

Customers now enjoy an increased focus on their core business with automation taking all the financial risk management hassles (e.g. now being able to go global without worrying about FX rates) and potential human errors out. Additionally, the use of artificial intelligence and the business model inherent insurance asset management contributions are improving results further.

6. Counterparty risk and overlay effect optimized

Our approach is holistic since the algorithms account for FICC and other non-FICC-related overlay effects reducing costs further and effectively mitigate counterparty risk since all risks are pooled (broader base in terms of counterparties compared to single-party derivative transactions) and hence as outlined before only the post-netting residual risk needs to be hedged with derivatives which has another advantage namely a significant reduction in financial institution counterparty risks which is an important aspect considering recent market conditions.

7. No forecast dependency

It's especially tough to manage financial risks when markets are in turmoil since most customers will find it hard to predict their revenues and other KPIs in these times and hence struggle even more to buy the right amount of derivatives to hedge financial risks. Additionally, derivatives usually become more expensive in these times as uncertainty drives their prices and hence the challenge to mitigate financial risks becomes even more severe.

RiskPool on the other side changes all that since it is entirely ERP-integrated, and revenue-based with a reliable pricing scheme where excess premiums paid are given back at year-end to customers (so even if our own costs to manage the residual risk might increase and potential shifts in the ALM structure might be a thing for us, the initial pricing definitely holds for customers and only the reimbursement of excess premiums paid might differ a bit yet that still means more reliability, efficiency and safety for our customers while saving a lot of costs compared to derivatives-based hedging).

SOCIAL IMPACT ANALYSIS:

1. Financial markets stability:

With increasing international scale, we can offset a growing volume of contrary risk positions and hence we can set more and more long-term FX and interest rates as well as commodity prices on the RiskPool platform which again stabilizes financial markets. The latter goes so far as to enable us to help central banks and governments to entirely mitigate financial crises by spotting, assuming and netting falling and surging risk positions across various asset classes, countries, industries and company stages and as a result to give our customers the aforementioned long-term and reliable rates in exchange for a small percentage *(currently 1.94% and declining over time with our own growth due to the mentioned network effects and setup as mutual insurance)* of their revenues which is still a lot cheaper than they could hedge these market risk on their own (2.87%).
This said we can also help central banks to keep fiat currencies attractive and competitive in a time with a growing number of crypto projects.

Plus, with increasing size, we are also put in a position to drive socially accepted change from old to new industries since we become the institution bearing the spread and making the market between the two different required rates. Higher rates will drive creative destruction and hence benefit younger, innovative companies while low interest rates drive asset prices and keep a lot of "zombie" companies alive. It is also a chance to end Quantitative Easing (QE) and thus bring things back to normality where central banks can take more effective actions again.

2. Fostering international trade and counteracting unhealthy politics

Since customers using RiskPool do no longer have to worry about FX rates they can expand and trade more easily across borders which again will foster the global exchange of goods and services and hence lead to sustained growth for all. It might over time even be possible to approach real free trade with fair rates targeting hegemonistic actions since free trade increases prosperity for the citizens of all participating nations by allowing consumers to buy more, better-quality products at lower costs. It also drives economic growth, enhanced efficiency, increased innovation, and greater fairness that accompanies a rules-based system. These benefits increase as overall trade—exports and imports—increases. Thus, Mount Wish will as mentioned strive to counteract hegemonistic policies, currency manipulation and unhealthy subsidies in close collaboration with international institutions such as the IMF, World Bank Organization , WTO and/or ICC.

3. Sustainable economics and mitigating financial crises

The longer-term we can set the FX and interest rates as well as commodity prices by assuming the risks from all parties the more sustainable the entire economy becomes as market risks become quasi-extinct or at least very limited. Beyond this, we can act with increasing size like an independent global central bank and thus set terms on our platform which benefit society as a whole and drive sustainable growth as we bear and offset all financial risks. And as said previously it will also allow us to drive socially accepted change from older to newer, more progressive industries.

4. Ending poverty and hunger

Poverty alleviation and fair market access happens via two aspects: First RiskPool is allowing entrepreneurs in developing and emerging markets to tap into abroad funding more easily since they do no longer have to spend insane amounts on hedging FX rates which again leads to the effect that their national interest rates adjusts to and stabilize at a more global level as well and hence their overall economy will grow. Plus, it also helps local banks in developing countries to refinance themselves more easily and at better terms and hence gets them in a better shape to help their own customers again.
Secondly, it happens via our complementary yet seamlessly integrated marketplace for cash management, corporate finance, trade finance, payments and many other financial products (fincato) allowing them to interact

more easily with banking, insurance and finance partners around the world and hence really receive the best solution for their needs. Thus, banks in established countries benefit indirectly as well.
Beyond this, we can and will use our increasing power (this includes both comprehensive in-kind giving and significant use of internal capital resources) to impact FICC prices in a way that its benefits society as a whole (fair exchange and interest rates as well as reasonable commodity price levels).

5. Global peacekeeping, innovation and prosperity

By assuming all financial risks and netting them across customers, regions and industries and providing open and transparent financial services marketplaces we deliver an important part of peacekeeping since global inequality and hence migration and war is (often) a result of current financial policies and limitations acting in a hegemonistic, counter-innovative and old-industry-focused manner. Thus, low interest rates are neither in the interest of creative destruction nor international trade where countries exchange goods based on their specific strengths and consequently grow their economies. Instead current politics have led to an asset bubble.

Hence RiskPool in combination with its complementary marketplaces (fincato) can help to drive global trade and innovation while also hedging current terms for its mature industry customers *[thus buy them some time]* and where necessary make a market between the needs of these very different stakeholders. This said our solution will lead to economic growth in critical regions and hence help to solve migration crises and distribution wars since it will benefit younger, innovative industries in established countries as increased global trade tends to compromise older industries which are consequently moving to these emerging markets. Over the long run we will then see that conditions and industrial bases harmonize globally and hence the key differentiator will be innovation only. At the same time, it buys industrialized countries enough time to adapt *(forcing them into the required change)* without hurting the growth of developing countries. Beyond this, long-term global harmonization will be a driver to sustainable and modern social policies as they are required with increasing automation. Thus, we will provide the way into an innovation-driven world with socially fair and inclusive conditions for all.

This said, our solution and thus contribution to global peacekeeping and fighting extremism will be even more important in the expected, upcoming financial crisis as this crisis otherwise might have the potential to give rise to global security and social issues by worsening general conditions for large parts of the global population. With regards to all customers (no matter where they are or what they do) our solution will also help them to get better through the next financial crisis as major risks are born by us and netted on a macro-level which means that they do not have to worry about volatility or plummeting markets. The macro-level risk pooling and netting will also help to keep financial markets a lot more stable in general and thus make it more unlikely to see extreme financial crises in the future. Hence, we can achieve the mission of the IMF and World Bank with a far higher degree of efficiency and efficacy.

Beyond this, our unique access to data at large scale paired with world-class analytics capabilities enables us to work with security and intelligence agencies to detect and fight white collar crimes.

6. Our 5%-Initiative:

Since January 2019 all customers are now per contract required to give at least 5% of the cost savings achieved with our products to social causes or impact investors.

Speaking of the previously mentioned Tesla example the savings of 200m USD per year would mean that Tesla must donate (tax-deductible) 10m USD to social causes and thus still would save 190 million USD every year.

The above Microsoft example respectively would mean 50+ million USD going to charity.

Hence, we drive a lot of capital into social projects and impact investments.

MARKET SIZE AND SALES

Market size:

16 trillion USD (including Financial Services customers) since we replace derivative-based hedging almost entirely. Thus, we are creating an entirely new market and truly disrupt the financial risk management industry.

4.7 trillion USD excluding financial services customers.

Sales channels:

- Distribution and sales partners: The sales/distribution agreements usually involve attractive barter deals such as access to the fincato marketplace and hence new regions and customers as, access to our data insights and research, or insurance asset management on our behalf. *(For more information please visit: https//www.mountwish.org/partners.html)*

- Direct sales: Pitching CFOs, Comptrollers and Treasurers of large, international enterprises directly based on their published quarterly results and figures *(so this sales channel is likely most comparable to what you would see in investment banking)*

- Referral program *(word of mouth is currently our strongest sales driver)*

AWARDS & RECOGNITION:

2019:

- Reuters Events: Insurance Nexus Awards 2019 in Chicago ("New Product of the Year" finalist)

- Singapore FinTech Festival Awards 2019 powered by PwC and the Monetary Authority of Singapore (we were short-listed as only one of 10 finalists vying for the Global Award)

2018:

- TechCrunch Disrupt San Francisco 2018 Top Pick in the fintech category

- 2nd place in the Benzinga Global FinTech Awards 2018 in NYC

- Money 20/20 USA Startup Academy 2018

- Top 5 FinTech in the Neumacher Awards 2018 by German trade magazine WirtschaftsWoche

- Singapore Embassy Startup Pitch Winner Berlin

2017:

- Startup Grind

- KPMG Smart Start Award Top 10 fintech in 2017

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