

Growth capital for Nui Markets: Simplifying the world of commodity trading with our efficient and transparent trade platform

Executive summary

Nui Markets (New Zealand) provides a configurable, co-branded platform for B2B digital trading of agricultural products (food and bioenergy). This platform is used by 307 companies in 50 countries. Since its inception in 2016, more than \$808m NZD of GMV has been traded through the platform. With agricultural product trading increasingly turning digital and our foothold in the market growing, we have identified an opportunity to expand and consolidate the platform globally rapidly. We are now seeking \$10m USD of equity capital - enabling us to become the industry leader in B2B digital trading of agricultural products.

Use of funds:

- Expand our “platform as a service” offering in new verticals
- Become the platform operator of choice in our chosen dairy markets
- Enhance platform features to add more value to our users’ trading

Problem and opportunity


Agricultural product traders rely on personal relationships. Typical sales teams communicate directly with customers on a one-to-one basis across many channels such as Whatsapp and email. Agreeing and administering trade is thus labour-intensive and difficult to scale. COVID-19 has accelerated the uptake of digital solutions for traditional trade. However, existing solutions built on generic frameworks like Magento or Mirakl fail to cater to the complex workflow requirements of B2B export/import of agricultural products.

As a result, traders suffer from **poor price discovery, high costs of searching for trading partners, administrative inefficiencies, pressured margins, and increased counterparty risk when trading with unfamiliar partners.**


Solution

We’ve built a fit-for-purpose platform for agricultural product trading which our customers and users love. Our proprietary platform allows individual exporters to sell directly to their buyers and is used for multi-seller marketplaces. We cover the seller’s workflow from placing an offer and managing tenders right through to managing post-trade execution and documents. We also collect, anonymize, and aggregate a significant amount of trade data through our platforms. We currently provide this data on prices, volumes, and activity to our customers, and we are excited about the opportunity to further monetise this data in the future.


We have three streams of revenue: implementation fees, subscription charges, and trade commissions. The monetization of platform data has the potential to provide a new revenue stream in the future.




Increased trade efficiency



Improved price transparency



Enriched market info



Expanded market access



Details	Products	Price	Volume	Type	Ref price	ETD	From	To	Loading configuration	Splittable
Details	Cheddar Cheese - Mild	100 USD / 20kg	66 Tonne	BUY	5,000 EUR/Tonne	ETD from 31 September 2020	ETD to 12 October 2020		Loading configuration 11 5/unk 20k 20kg	Splittable NO
Details	Cheddar Cheese - Mild Coloured	80 EUR / 20kg	22 Tonne	BUY	4,300 EUR/Tonne	ETD from 31 September 2020	ETD to 12 October 2020		Loading configuration 22 5/unk 20k 20kg	Splittable YES
Details	Cheddar Cheese - Mild Coloured	86 EUR / 20kg	33 Tonne	BUY	4,000 EUR/Tonne	ETD from 31 September 2020	ETD to 12 October 2020		Loading configuration 22 5/unk 20k 20kg	Splittable YES
Details	Cheddar Cheese - Mild	67 EUR / 20kg	66 Tonne	BUY	3,350 EUR/Tonne	ETD from 31 September 2020	ETD to 12 October 2020		Loading configuration 22 5/unk 20k 20kg	Splittable YES

Traction

As of the end of March 2022, Nui had 307 companies accessing a Nui platform in 50 countries. In the 12 months to the end of March 2022, over 1,990 trades were completed with a GMV of over \$307m NZD, and revenue for FY2021 was \$1.456m NZD. In the last four years of operating the marketplace, Nui has grown exponentially – with a revenue CAGR of 53.9% and a GMV CAGR of 61.5% between FY2017 and FY2021. Revenue in FYTD (1 July 2021 to 31 March 2022) is \$1.767m NZD based on the management accounts.

Growth plan

In the past year, we focused on fine-tuning our platform to add as much value as possible to our users' trades while maximising our ability to monetise GMV traded through the platform. We now see a major opportunity to grow our footprint with a three-pillar strategy:

Expanding our "platform as a service" offering in existing and new verticals

- **Double down on dairy** – with dairy being our lighthouse vertical, we intend to stand up further single seller platforms in the US Dairy Market and build an Asian buyer base that our international dairy platforms can sell into.
- **Ethanol marketplace in Brazil** – we are in advanced negotiations in Brazil for an ethanol marketplace, leveraging existing commercial relationships.
- **Pursue new verticals** – eggs, fertiliser, animal feed and carbon.

Becoming the platform operator of choice in dairy

This is a strategic advancement for Nui. We see the opportunity to move into the role of a platform operator to consolidate international markets and maximise revenue.

DAO.EU (Dairy) – In April 2022, we concluded the acquisition of our largest customer, Dairy Auctions Online, with a significant market share in the EU.

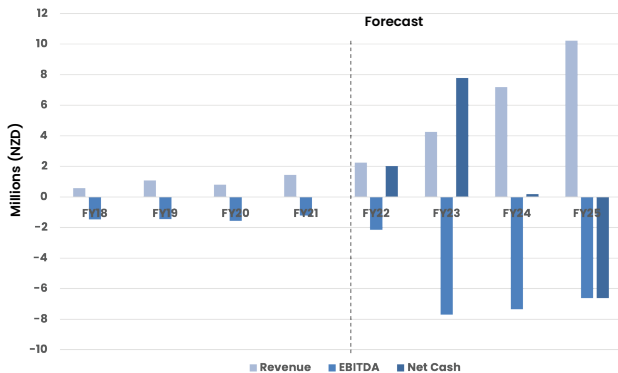
Nui Markets North America – In April 2022, we will launch Nui Markets North America. This will expand Nui's presence in the North American Dairy Market, where we already provide single seller platforms.

Enhancing platform features to drive revenue growth

- By adding further value to users' transactions, we can capture more revenue on the platform.
- Improve trading flexibility with new order formats and moving beyond spot buying.
- Increase trade efficiency by incorporating logistics, payments, and trade analytics.
- Supporting our customers' business initiatives with tracing, sustainability, and data packages.
- Boosting user engagement through providing targeted offers, smart insights for buyers and improved comms.

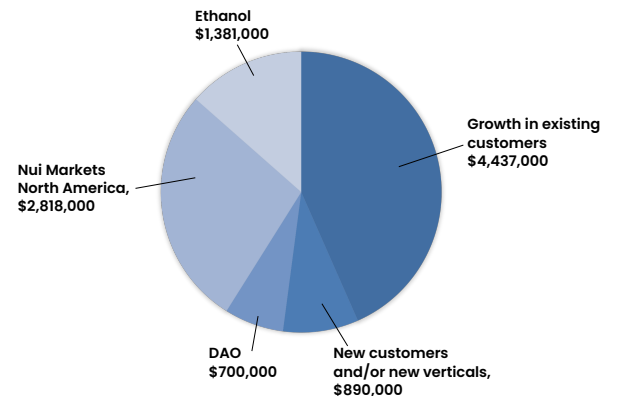
Business plan

Revenue¹, EBITDA and net cash² forecast³



Note¹: Up until FY21, Revenue is based on the Financial Statements. FY21 included the application of Accounting Revenue Recognition requirements. From FY22 onwards revenue is based on the management accounts, pure revenue which excludes the application of Accounting Revenue Recognition.
Note²: For Net Cash, assumed \$10m USD investment in August 2022. Balance of net cash as at June each year.
Note³: One-year average rate of 1 NZD : 0.7070 USD has been used.

FY2025 revenue forecast – composition

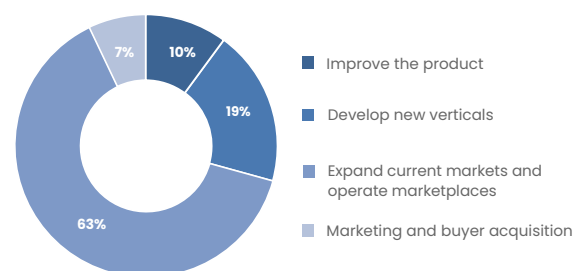


We anticipate a **seven-fold growth in revenue** from FY2021 to FY2025

Investment opportunity

We are raising \$10m USD at a pre-money valuation of \$50m USD. This will provide a 22-month runway during which we are targeting over 200% revenue growth. Our previous funding round was led by New Zealand institutional investors but in order to grow on the world stage, we need to be backed by truly global investors. We are seeking Seed/Series A tech investors with a proven record in supporting platform software companies to scale internationally.

Use of funds – \$10m USD



Support the next stage of our growth, as we become the leading commodity trading platform globally.