Main benefits and constrains of Digital Trading & Carbon Farming

Filipe Núncio, Co-Founder and COO
Digital Trading platform
Why Agri Marketplace

The platform came to solve a current MARKET ISSUE - connecting digitally sellers and buyers

Sellers have difficulties to access buyers worldwide, hence reduced sales or lower prices

Buyers have limited access to sellers, in an excessively intermediated supply chain, hence limited suppliers’ choice, shortages of specific supplies, and lack of traceability

As a solution for the identified problem in the agri-food sector, the Founders decided to create a B2B digital marketplace to address these two main issues, and trade food crops in an easy, fast and transparent way
In the traditional business model, when farmers and cooperatives sell to the agri-food industry, they must go through a series of steps, namely:

1. Find the buyer
2. Negotiate the contract
3. Sign an agreement
4. Send samples
5. Manage logistics
6. Quality inspection
7. Receive their payment

Several steps separate farmers and agro-industry to close a deal:

1. Find the buyer
2. Negotiate the contract
3. Sign an agreement
4. Send samples
5. Manage logistics
6. Quality inspection
7. Receive their payment
How it works - The platform

The platform provides a technology service that replaces most of these processes in a digital way.
How it works - With Agri Marketplace

A digital marketplace where fair food trade is made easy, fast and transparent
The Platform in Detail
Go-to market strategy

Stage 1  Stage 2  Stage 3  Stage 4

2017 2019 2020 2022 2023+

PT + ES  IT + FR + CA (US)  EU + CA (US) + BR  Global

Corn  Wheat  Nuts  Cereals
Barley  Rice

Why Agri MP  How it works  Partnerships  Value Preposition  Platform  Go-to-market  Business model

Carbon credit licenses (VCUs)
## Main Benefits

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<th>More value for crops: focused on special crops, the specs offer details in the platform, helps to get more value for better quality.</th>
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<td>Free access to global market: everyone can get registered and post their offers and bids for free and those will be available worldwide.</td>
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<td>Transparency: every specs and prices for each offer and bid are easily accessed as well as deals values based in real values.</td>
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<td>Safety: secure payment system and quality check, as well as blockchain technology ensures total safety in deals made.</td>
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<td>Easy &amp; Convenient: easy and quick to post offers and bids as well as buying and selling through the platform.</td>
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## Main Constrains

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<th>Buyer’s resistance: buyers typically are in a better position for negotiation using their leverage of better knowledge of the market.</th>
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<td>Seller’s lack of digital skills: farmers typically are not so digitally sophisticated to use the platform to post and frequently update their portfolio in the platform.</td>
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<td>Digital versus physical processes: despite many advantages on digitalization for trading special crops, we value and don’t disregard the sampling analysis as a process to add value and safety to transactions.</td>
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Carbon Farming
New Business Opportunity with the rise of the carbon credit market

**Political Pressure**: EU is on the path to become the first climate-neutral economy and society by 2050, which only increases the demand for carbon credits.

**Mandatory carbon market**: Is used by companies and governments that are legally mandated to offset their emissions. So far, more than 55 governments are members of the MCM.

**Voluntary Carbon Market**: By the end of 2019, the market had achieved over 608 million tones of CO2 in emission reductions or carbon removals.

**Upcoming benefits**: Companies and farmers will benefit from energy efficiency, renewable energy production, water and cost reductions.

Despite several political initiatives along the years to reduce CO2 emissions (such as: Protocol of Kyoto and the Paris Agreement) a radical decrease has not been seen yet. Consequently, it only makes the carbon credit market more attractive, as more and more companies seek to reduce their carbon footprint.

Annual Co2 emissions

Unit: Billions of Tons

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<tr>
<th>Year</th>
<th>Emissions</th>
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<tr>
<td>2013</td>
<td>35.3</td>
</tr>
<tr>
<td>2014</td>
<td>35.5</td>
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<td>2015</td>
<td>35.5</td>
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<td>2016</td>
<td>35.9</td>
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<td>2017</td>
<td>36.7</td>
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<td>2018</td>
<td>36.7</td>
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<tr>
<td>2019</td>
<td>34.8</td>
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Source: Our World in Data
New Carbon offset market (CO2)

Global industries are looking for opportunities to offset carbon emissions by using (trading) carbon credits to reduce their carbon footprint

Agri Marketplace is taking advantage of this new trend and is launching a new product on its portfolio – Carbon credit licenses (VCUs). By 2026 +10 million euros of carbon credits transacted in the platform.

The benefits of carbon credits are undeniable in today’s world, such as:

- More sustainable operations both for farmers and industry leaders
- More profitability by capturing new market segments
- Better products due to healthier soils

“(…) works towards 100% carbon neutral products and a carbon neutral supply chain by 2030”

Apple
**Main Benefits**

- **More sustainability in EU farming**: farmers move towards the most sustainable farming procedures as well as pushing for the Sustainable Development Goals that can combine with their CC.
- **Companies easy access to carbon credits**: companies that want to become neutral sooner than required by EU Paris agreement have a chance of acquiring their offset carbon credits.
- **Local (proximity) carbon credits generation**: companies moving towards the neutrality can state to their stakeholders, to have left a sustainable positive impact in the closest farming communities.
- **Accuracy & Credibility**: only usage of measurable and certified methodologies, avoiding the risk of green washing perception.
- **Easy & Convenient**: easy to post carbon credits to sell, easy access, and easy to buy.

**Main Constrains**

- **No free market access for mandatory market**: by limiting the free access of mandatory market to the CF EU market, EU is blocking the growth of sustainability in EU farming sector.
- **No rewards for the early adopters**: recognition is needed for the farmers already farming sustainably, which are excluded from carbon credit initiatives due to the principle of additionality.
- **Project activity adoption rate**: considering as eligible of CC the farmers not using common practices (<20% adoption rate), blocks the scale up and destroys the focus in farming sustainability.
- **No muti project flexibilty**: so far, the most recognized standards don’t allow CC certification based on sustainable farming with more than one project method in one area.
Value growth drivers

Drivers to position Agri Marketplace as a worldwide reference as a B2B digital marketplace

1. Consolidate / scale in the current markets (Portugal, Spain, Brazil and US)
2. Expansion to new markets: Italy, Greece and DACH Region
3. Consolidate market focus in current food specialty crops - grains, nuts, olive oil and coffee
4. Expand in new food crops - sunflower oil and wine in bulk
5. Develop new product / services offering - carbon credit licenses (VCUs)

1,5x growth year-by-year according with the tendency in 2021

Slightly decrease in 2022-2023 period of the conversion rate (TOM into GMV) reflecting the average historical normalized conversion rate

€ 90,7 m of GMV and a sustainable growth tendency of the take rate, achieving 4,0% in 2026 F
THE ORGANIZATION

**Tea m**

**Executive Team**

**TIAGO PESSOA**
Co-Founder & CEO

**FILIPE NÚNCIO**
Co-Founder & COO

**LUÍS ALBERTO SILVA**
Co-Founder & CFO

**JOSÉ EDUARDO MAGALHÃES**
Co-Founder

**Non-Executive Founders**

**CATARINA CONDEIXA ROCHA**
Marketing & Digital Growth

**FERNANDO ALONSO POMAR**
Business Developer - Spain

**MILICA SELAKOVIC**
Careon Farming Analyst

**RITA FRADE**
Business Partner - Olive Oil

**NICOLÁS MENESSES**
Business Partner - DACH

**CLÁUDIO BERTOLDO**
Technology
Awards & Achievements

The tech ecosystem has been recognizing the excellence of the platform developed by Agri Marketplace

Recent certification

- Web Summit 2016: Alpha Start-up Exhibitor
- Web Summit 2017: Beta Start-up Exhibitor
- Green Tech Challenge Lisbon 2017: 1 from 15 start-ups selected
- Agro Innovation Summit Lisbon 2017: Start-up Exhibitor
- European Food Venture Forum 2017 at Aarhus: Top 2017 Presenting Start-up | 1 from 30
- Crop Up Accelerator Program 2017/2018: Selected for roadshow in California (US)
- Smart AgriFood Summit Málaga 2019: Winners: best start-up & best innovative smart-food start-up
- Boston Global Immersion 2019: Selected Start-up by BGI

Recent membership

- Pre-round Pitch contest Start-up selected
- Final Pitch contest Start-up selected
- FLAD Agtech Program 2018: Pitch presentation
- UK Agritech Ecosystem at UK Embassy: Selected for roadshow in California (US)
- Mass Challenge EIT Food 2018 Acceleration Program: 1 from 40 start-ups selected from 1000+ applications
- Mass Challenge EIT Food 2018 Acceleration Program: 1 of the 3 Start-ups Winners of EIT Food Acceleration Program
- Fruit Logistica 2019 Berlin: Start-up Exhibitor and Pitch presentation
- THRIVE Cohort VI Program: Europe Winner with Thrive SVG Ventures