Modernizing Global Trade Operations

Seminar on Digitization and blockchain in the agri-food chain

Rotterdam, November 2019

Agenda

1. **INITIATIVE INTRODUCTION**

2. **CURRENT STATUS**

3. **Q&A**

Context behind our initiative

- Over the past 10 years key Ag. industry leaders have been promoting the use of e-BLs and electronic documents but with very limited success

- We need industry-wide efforts to succeed on such challenges and not mono-branded initiatives

- We are investigating ways to connect and transform the agri industry by gradually moving from manual paper-based processes towards full digitalization for the benefit of all participants

- Broad participation from all parties can drive greater reliability, efficiency and transparency enable better service for customers and consumers

The founding members

Common pain-points in the agri-industry

Lack of
common **standards**

Limited visibility on
the end-to-end flow

Paper-based
Industry

Manual & repetitive
data entry and checks

Labor-intensive
Audit Trail

Long processing
& waiting **times**

We want to modernize Agri bulk execution

We are committed to work together to build a collaborative network to significantly reduce operating risks and increase market efficiency for Agri bulk international trade flows

✓ **Lower** Operational Risk / Cost

✓ **End-to-End** Real Time **Visibility**
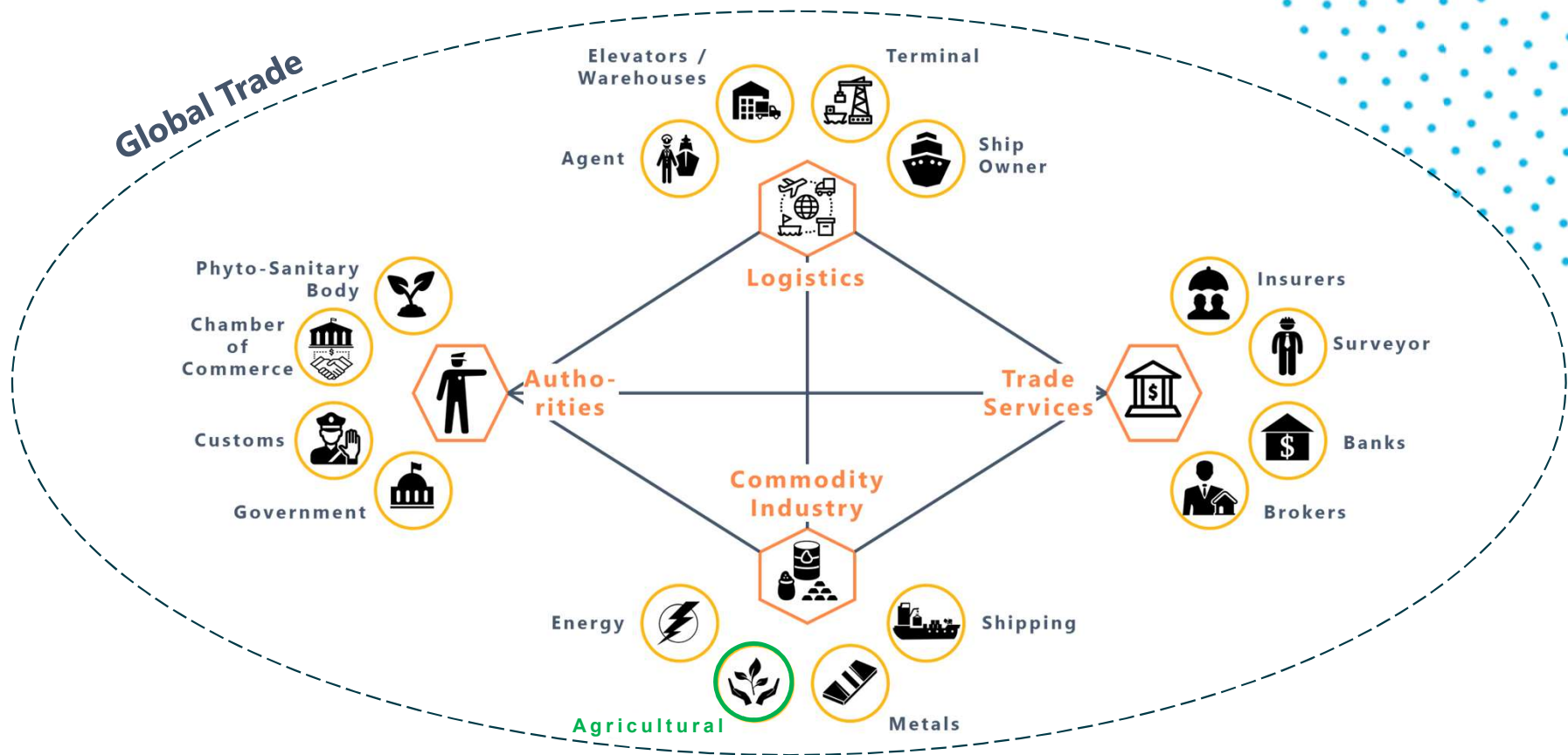
✓ **More Flexible Workforce**

✓ **Single** source of **Truth**
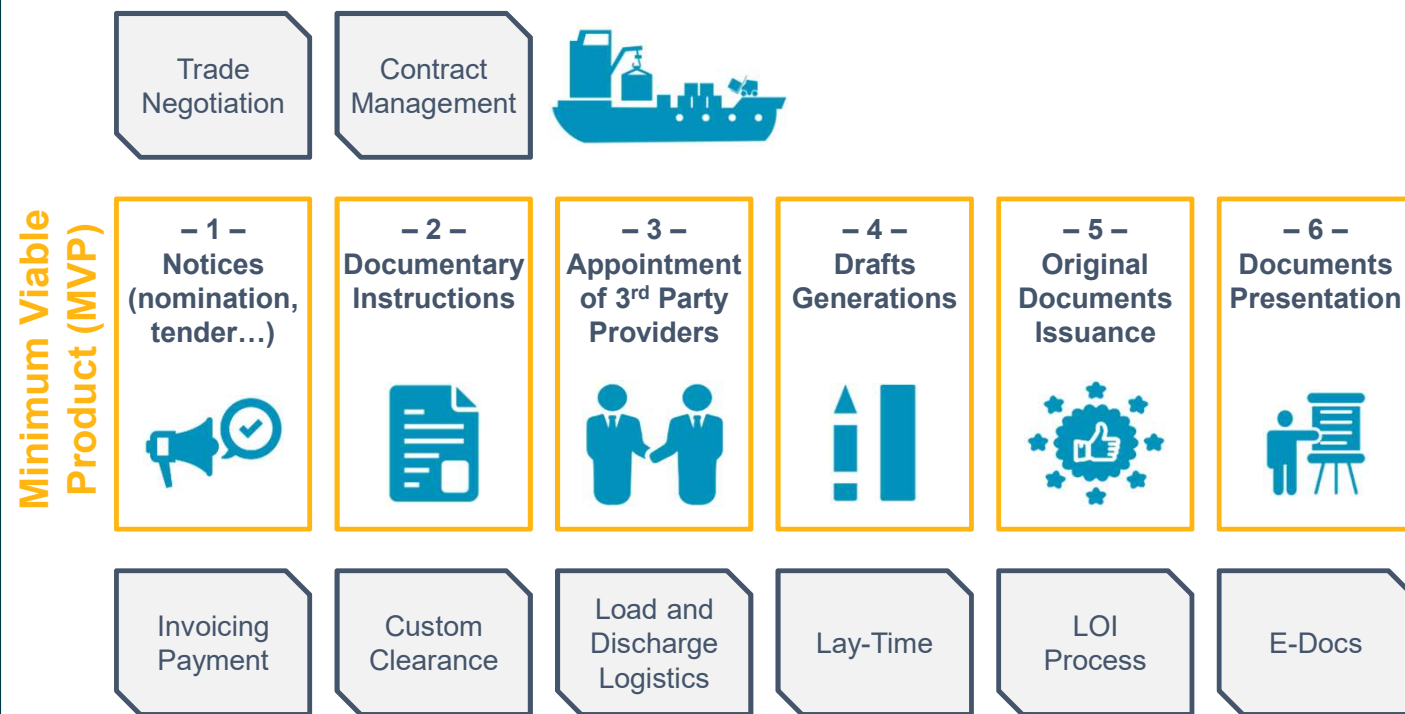
✓ **Decreased** Risk of Manual Error

✓ **Shorter** Waiting Times

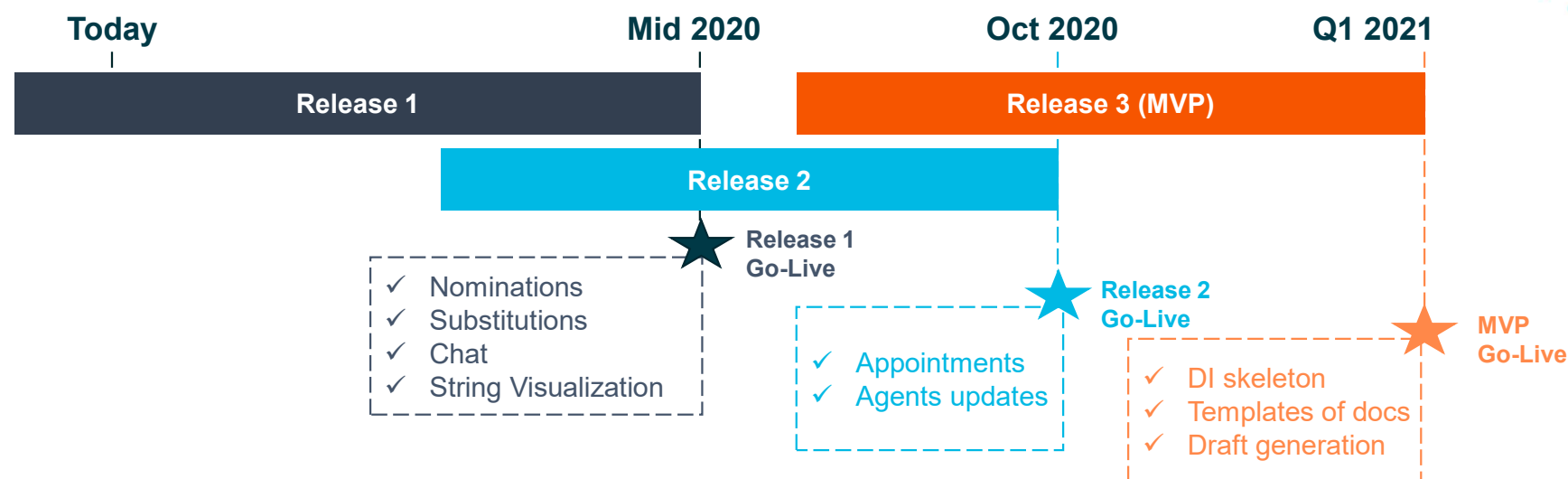# Future ecosystem of interconnected platforms

We focus on post-trade execution

Trade Negotiation	Contract Management	

Minimum Viable Product (MVP)

– 1 – **Notices (nomination, tender…)**	– 2 – **Documentary Instructions**	– 3 – **Appointment of 3rd Party Providers**	– 4 – **Drafts Generations**	– 5 – **Original Documents Issuance**	– 6 – **Documents Presentation**

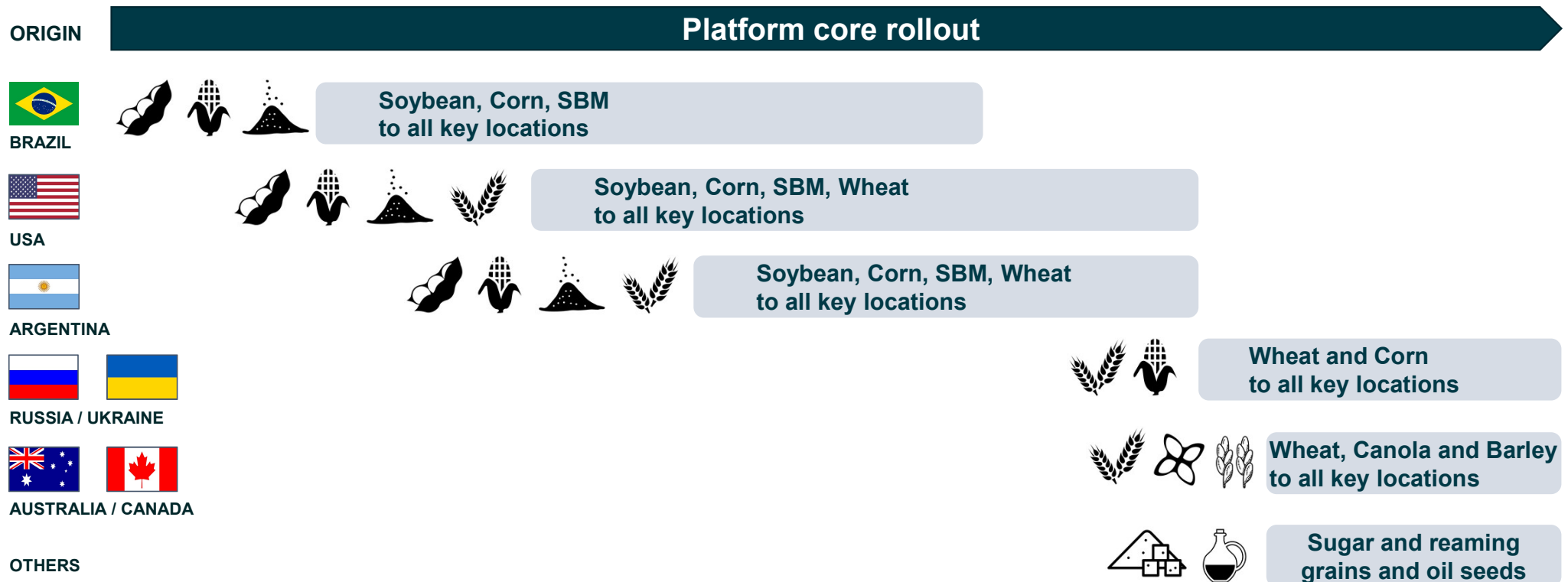| Invoicing Payment	Custom Clearance	Load and Discharge Logistics	Lay-Time	LOI Process	E-Docs

The road to MVP (subject to obtaining all regulatory approvals)

We have decided to separate the MVP in three releases as we believe it is key to bring value to the market in a smaller but faster way to ease-up change management, smoothen onboarding and accelerate market adoption

| Today | Mid 2020 | Oct 2020 | Q1 2021 |

Release 1

Release 3 (MVP)

Release 2

★ Release 1 Go-Live

- ✓ Nominations
- ✓ Substitutions
- ✓ Chat
- ✓ String Visualization

★ Release 2 Go-Live

- ✓ Appointments
- ✓ Agents updates

★ MVP Go-Live

- ✓ DI skeleton
- ✓ Templates of docs
- ✓ Draft generation

Platform core rollout

Our initial trade-flow will be Soybean from Santos to China; we are still assessing the exact rollout order both in term of geographies and commodities

ORIGIN

Platform core rollout

BRAZIL

Soybean, Corn, SBM
to all key locations

USA

Soybean, Corn, SBM, Wheat
to all key locations

ARGENTINA

Soybean, Corn, SBM, Wheat
to all key locations

RUSSIA / UKRAINE

Wheat and Corn
to all key locations

AUSTRALIA / CANADA

Wheat, Canola and Barley
to all key locations

OTHERS

Sugar and reaming
grains and oil seeds

Benefits of distributed ledger technology

Distributed ledger technologies (DLT) have an embedded "security and privacy by design" feature that is aligned with our fundamental approach to security and privacy

Data Security
No data stored on blockchain just cryptographic hashes

Data Integrity
Guaranteed through distributed consensus algorithms for validating transactions

Data Privacy
Data is visible and auditable only to permissioned parties

Encrypted Data
Cryptography helps to ensure data is protected at all times

Zero Knowledge Proof
Proving you know something without revealing what you know

Non Repudiation
You can't change a transaction, only correct it with a new one

Tamper Evident
Data can't be altered without leaving marks (time-stamped)

Distributed Network
No central database for someone to break into

What we learned from the industry

We interviewed over 100 stakeholders from across the agriculture industry and beyond. We held various rounds of 4-day workshops with users in Geneva, Brazil, USA and China

✓ Strong agreement on vision and value proposition

✓ Belief in "by the industry for the industry"

✓ Adoption is the real metric of success

✓ Users are keen to contribute and participate in the platform build

✓ Focus on user-experience and seamless connectivity

Some of our current focus areas
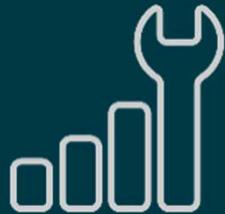
UTILITY MODEL

The core of the platform will be accessible to the entire industry at affordable prices to drive adoption and enable network effects

CHARGING MECHANISM

We are exploring different options *(subscription, volume…)* to ensure we can create a solution that will be linked to the true usage of the platform

FAIR PRICING

The price charged to use the platform will be derived from the efficiency gains that the user will obtain by using the platform

| Assessment Phase ✓	Development Phase ✓	Go to market Phase
• Align on common **pain-points** faced and identification of **potential solutions** with associated value proposition • Assess **industry reactions** to our proposal and refine **functionalities** and **models** • Identify **technology 3rd party provider** who will build the digital platform	• Conduct **deep dive workshops** with future platform **users** and integrate learnings • Start **designing and developing MVP** use-cases with technology provider • Define **12 months go-live strategy** and prepare accordingly	• *Go full-speed on design and development of* ***platform*** • *Start* ***onboarding market participants*** • *Establish* ***independent legal entity*** *to ensure full* ***security / privacy*** *of IP and data on platform* • ***Go-live*** *by Q2 2020*
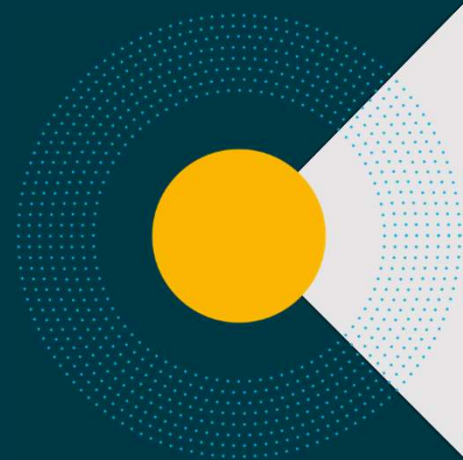
We welcome your
questions

Thank You !!!