NGDB.AI

The AI-Native Operating System for Global Trade

Investment Memorandum — Version 3.0

Terms and figures as of **September 6, 2026** · Supersedes v2.0 (February 2026)

$1.2M Scale-Up Round · YC Post-Money SAFE · $15M Post-Money Valuation Cap

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1. Executive Summary

NGDB.AI replaces the Letter of Credit for sub-$10M global trades. A commercial-card pre-authorization (Visa/Mastercard) gives the exporter an irrevocable payment guarantee in roughly 30 seconds at 30–80 basis points — versus days-to-weeks and 2–4% for a traditional LC — while the buyer keeps 30–90 days of payment float. Above $10M, the platform issues a digital LC in under four hours.

This is no longer a pre-revenue plan. The platform is **live in production** (22 microservices behind a global API gateway), and the financing model is **already operating**: an affiliated India entity run by the founding team has been revenue-generating since **April 2026**, with monthly revenue compounding 5–10% month over month across five consecutive months and cash collections tracking invoicing at ~98%. Detailed operating figures (ERP dashboards, bank statements, a live operations walkthrough) are available in the data room under NDA.

The $1.2M scale-up round deploys that proven financing engine into the India→US trade corridor and funds the first US cross-border proof trades. Both founders draw $0 salary until the company reaches $50M in revenue; all technology runs at under $5K/month because the platform was built end-to-end with frontier AI.

2. The Problem and the Market

Global merchandise trade exceeds $30T annually, yet the financing instrument at its core — the Letter of Credit — has not changed materially in decades. Banks are retreating from small-ticket trade finance (Basel IV capital treatment accelerates this), leaving a documented **$2.5T unmet trade-finance gap**. Onboarding a corporate relationship costs a bank $15K–$50K, so roughly 70% of SME applications are rejected: on a $500K trade the economics never work for the bank — and that is precisely the segment we serve.

Layer	Definition	Size
TAM	Annual global trade-finance gap	$2.5T
SAM	Sub-$10M cross-border B2B trades in launch corridors (Asia-Pacific, MENA, India, LatAm)	~$800B
SOM	Financed volume, Year 5 target	~$2B

Why now: Basel IV bank retreat; card networks pushing into B2B payments; MLETR digital-trade-document laws in force in the UK, Singapore and UAE; and AI finally makes small-ticket underwriting economic.

3. Product and Platform Status (September 2026)

- **Live platform.** 22 production microservices — trade finance, B2B payments, supply-chain finance, credit decisioning — event-driven core, deployed on Google Cloud Run behind a global HTTPS load balancer.
- **Payment guarantee engine.** Card pre-authorization flow (ISO 8583) delivering an irrevocable guarantee in ~30 seconds; digital LC issuance (<4h) for larger trades; SWIFT MT7xx, ISO 20022 and NPCI rails (UPI/IMPS/RTGS) implemented.
- **AI credit decisioning.** Sub-2-second decisions with full SHAP explainability on every decision.
- **Partner stack in progress.** Persona (KYB) live in sandbox; Plaid partnership engaged (US bank-data rails); sponsor-bank and card-network conversations under way.

- **First financed cross-border trades in execution** — India/UAE/EU → US, sourced through the operating POC's supplier network.

4. Operating Proof — the Revenue-Generating POC

The founding team operates an affiliated supply-chain trading entity in India that runs the exact pay-on-delivery SCF engine this round scales. Since beginning operations in **April 2026** it has been revenue-generating from month one, with: five consecutive months of invoiced revenue compounding 5–10% month over month; over 300 repeat B2B buyers; cash collections tracking ~98% of invoicing; and financing capital rotating approximately two full cash cycles per month at pilot scale. The operation is cash-flow positive and operationally breakeven on modest capital.

Because the entity's figures are commercially sensitive, they are not published here. Named, qualified investors receive under NDA: monthly ERP dashboard exports, bank statements, and a live online session watching daily operations and the billing system in real time. Consolidation as a subsidiary of NGDB.AI, Inc. is planned post-financing.

5. Business Model and Unit Economics (corrected in v3.0)

Five revenue streams: SCF discount fees (1–3% of financed invoices); trade-finance/guarantee fees (30–80 bps); own-account niche trading margin; SaaS/white-label ($2K–10K/month, Phase 2); and data analytics. Blended take rate ≈ **4.0% in Year 1**, declining to ≈ 2.2% by Year 5 as mix shifts to guarantee volume.

Per $1M of GMV financed (Year 1 basis)	Amount
Revenue at ~4.0% blended take rate	~$40,000
Contribution margin (~65% of revenue)	~$26,000

Correction note: v2.0 stated "$16,250 contribution margin per $1M GMV" computed on a 2.5% take rate inconsistent with its own Year-1 assumption. v3.0 states the reconciled figure (~$26K on the ~4.0% Year-1 blended take).

Capital velocity of the trade book

Each financed trade cycle earns ≥5% financing income on deployed capital. The planning basis assumes a conservative one cycle per month (12 turns/year): 5% × 12 ≈ **60% annual gross return on deployed financing capital**. The pilot has operated at roughly two cycles per month; the faster velocity is treated as upside, not plan. **This is a unit economic of the trade book — it is not, and should not be read as, an investor return.** Investor economics are set solely by the SAFE terms in Section 7.

On the planning basis, ~$1M of deployed financing capital rotating monthly supports ~$12M of annual invoiced revenue run-rate (~$18M if pilot velocity held — upside, not promise).

6. Capital Plan and Use of Funds (corrected in v3.0)

Allocation	Amount	%	Purpose
India scale-up capital	$700K	58%	Deployed into the proven SCF/COGS financing engine toward a ~$12M annual reve

US trade-finance POCs	$300K	25%	2–3 secured cross-border proof trades (~$100K each); capital recycles on delivery
Legal, ops & marketing	$200K	17%	India ops team and US legal — includes ALL technology (<$5K/month, AI-built)

Correction note: v2.0 allocated a $500K seed to platform build-out (40% engineering). The platform is now live; v3.0 capital goes almost entirely to revenue-generating deployment. Founders draw $0 salary until $50M revenue.

7. Terms of the Round — dated September 6, 2026

Term	Value
Round size	$1.2M (scale-up round)
Instrument	Y Combinator Post-Money SAFE (standard, unmodified)
Valuation cap	$15M post-money
Ownership at cap	$1.2M / $15M = 8.0% (if fully subscribed)
Optional yield tranche	Secured tranche against the trade book for credit investors: 8–12% fixed annual TARGET yield (illustrati
Founder alignment	$0 founder salaries until $50M revenue; technology cost <$5K/month
Prior funding	Bootstrapped; $0 external capital raised to date

Return framework (targets, not guarantees)

Milestone	Target valuation	Multiple on $15M cap
Series A (~18 months)	$50M–$75M	3.3x–5.0x (target)
Series B (~36 months)	$500M–$1B	33x–67x (target)

Correction note: earlier public materials showed inconsistent framing ($10M cap in one place, $15M and $50M pre-money elsewhere, and return multiples computed off mixed bases). v3.0 fixes one dated set of terms: a $15M post-money cap — supported by five months of operating revenue — with all multiples computed from that cap. All multiples are targets contingent on execution and market conditions; they are illustrative and not guaranteed.

8. Milestones and Path to Series A

- Months 1–4: 2–3 financed US cross-border proof trades completed and recycled.
- Months 1–6: partner stack integrated (KYB, bank data, sponsor bank, card rails certification).
- Months 6–12: US SME banking launch; India deployment scaling toward ~$12M annual run-rate.
- Series A trigger: >$5M annualized platform run-rate — indicative $8–12M raise plus a $75–100M trade facility.

Five-year frame (illustrative): Year-1 ~$20M GMV → Year-2 ~$500M → Year-5 ~$6B financed volume; EBITDA-positive from Year 2 in the illustrative model.

9. Team

Kumar Kushal — Cofounder & CEO/CTO (Seattle). Three-time CEO with 25+ years in fintech at scale. CEO of Kanhatech Solutions (Bangalore, 2011–2017), the RIL-majority fintech that built the technology infrastructure behind JioMoney and Reliance Payments Bank (350M+ users); led the initial Reliance Jio technology team (120 engineers, $120M budget; Visa/Mastercard/Amex/FIS partnerships). Former CEO of Optiwise ($12M global SaaS revenue) and CTO of ZilMoney (banking programs with SVB and JPMorgan). Sole engineer of the NGDB.AI platform, built end-to-end with frontier AI. MS Robotics/AI (WVU); BS Aerospace (IIT Madras).

Afzal Modak — Cofounder, CFO & Board Member (New York). 35+ years as a global banking CFO: CFO & EVP of Garanti Bank ($90B assets, $2.1B net income); 25 years at GE Capital (COO European mortgage group; CFO GE South Asia; CFO GE Capital HK/Thailand); led a 4,000-person F&A; organization at Genpact. Board roles include GSF Investments, GRMI, VitalProbe and Logo Infosoft (Chairman).

Hiring with this round: founder-level CMO and COO searches are active.

10. Risk Factors and Legal Notices

An investment in NGDB.AI involves substantial risk, including total loss of capital. Material risks include: early-stage execution risk; counterparty and credit risk in financed trades; dependence on card-network and banking partners not yet fully contracted; regulatory risk across multiple jurisdictions (including US money-transmission, RBI and cross-border trade regulation); concentration risk in early corridors; reliance on two founders; and the unaudited nature of the affiliated operating entity's figures (verifiable in the data room but not yet consolidated or audited). The optional yield tranche's 8–12% figure is a target only — actual yields depend on trade-book performance and may be materially lower, including zero.

This memorandum is for information only and is directed exclusively at accredited / qualified investors. It does not constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction. Forward-looking statements — including all targets, run-rates, valuation trajectories and multiples — are estimates based on current plans and are not guarantees of future performance. Any offering will be made solely through definitive documents reviewed by counsel. Figures relating to the affiliated India operating entity are unaudited.