



Real Estate Crowdfunding | Toronto, ON | Founded: 2014 | Employees: 4 | <http://www.nexuscrowd.com/>

PHONE: 1 877-487-6506

TWITTER: <https://twitter.com/NexusCrowd>

CRUNCHBASE: <https://www.crunchbase.com/organization/nexuscrowd#section-funding-rounds>

LINKEDIN: <https://www.linkedin.com/company/nexuscrowd-inc/>

COMPANY OVERVIEW

NexusCrowd is the first Canadian investment platform to democratize private real estate investment, providing accredited investors the opportunity to co-invest alongside established institutions through crowdfunding. NexusCrowd partners with established institutions and requires them to contribute at least 50% of the total required capital. These institutions source, vet, structure, report and manage these investments allowing accredited investors to benefit from management expertise. In 2015, NexusCrowd was granted an exempt market dealer license from the Ontario Securities Commission, and is the first investment platform to do so.

SENIOR MANAGEMENT

Hitesh Rathod: Founder, CEO (2013-Present). Previously: FinTech Advisory Committee Member, Ontario Securities Commission (2018-Present); Vice President, Corporate Development, Broadacre Agriculture Inc. (2011-2013); Associate, Investment Banking, Mackie Research Capital (2009-2011); Senior Analyst, Canaccord Genuity Inc. (2006-2008). Education: BA Finance and Economics (2000-2004), Western University; Master of Financial Economics (2005), Rotman School of Management; CFA.

Larry Krauss: Chairman. Previously: CEO, Terracap Management Inc. (1999-Present); Over 25 years of Real Estate Finance and Development experience, Principal, Lawyer and Consultant. Education: B.Sc. Chemistry, University of Toronto; LLM and LLB, York University, Osgoode Hall Law School.

HISTORY

After leaving a private farming company where he raised over \$30 million in debt and equity capital, Hitesh Rathod founded NexusCrowd in 2013. NexusCrowd's purpose was to democratize access to quality private investment opportunities by enabling accredited investors to invest alongside established institutions.¹ NexusCrowd obtained an exempt market dealer license from the Ontario Securities Commission in August 2015, enabling it to become the first Canadian real estate crowdfunding website.^{2,3} In October 2015, NexusCrowd investors were provided their first opportunity to invest, a retail centre, alongside Terracap Investments through an equity investment.⁴

FUNDING

NexusCrowd raised \$16 million over two rounds on June 6th and 7th, 2016. The first round consisted of debt financing totaling \$540K, followed by a venture round raising \$15.5 million.⁵

KEY CORPORATE DEVELOPMENTS

Press releases: <https://www.versabank.com/investor-relations/news/>

Feb 7, 2018: [NexusCrowd CEO Appointed to OSC FinTech Advisory Committee](#)

Jan 2, 2016: [NexusCrowd Joins MaRS' Financial Technology Cluster](#)

Aug 13, 2015: [NexusCrowd: First Investment Platform to Receive License from OSC](#)

BUSINESS HIGHLIGHTS

STRATEGY

NexusCrowd leverages its business model, technology, and partner relationships to provide value to its users:

- **Platform** – NexusCrowd's platform-based model allows the company to maintain a lean operation, reducing traditional operating expenses. Using the crowdfunding model and its exempt market dealer license,

¹ <http://www.nexuscrowd.com/team.html>

² <https://www.linkedin.com/pulse/nexuscrowd-first-investment-platform-receive-license-from-hitesh/>

³ <https://www.bnnbloomberg.ca/related/tag?Tag=NexusCrowd>

⁴ <http://www.nexuscrowd.com/blog/galleria-centre-update-demolition-complete>

⁵ <https://www.crunchbase.com/organization/nexuscrowd#section-funding-rounds>

NexusCrowd is able to provide access to debt and equity real estate investment opportunities to accredited investors. These opportunities were previously exclusive to institutions and high net-worth individuals; however, NexusCrowd's platform has enabled investors to co-invest alongside these parties at the same terms, providing access to higher returns at a much lower minimum investment of \$10,000.⁶

- **Partners** – NexusCrowd partners with established institutions to provide investment opportunity for its users. Partners benefit from pooled funding sourced from the crowd providing greater ease of access to capital, while users benefit from access to investment opportunity. Partners are able to unlock value for users with their established management expertise, professional due diligence and execution experience. Given users' dependence on partners to provide value, NexusCrowd requires partners commit at least 50% of the capital for each investment to demonstrate their commitment to the investment.⁷

PRODUCTS / PRICING

- **Real Estate Investment Crowdfunding:** NexusCrowd provides a platform to connect investors with vetted real estate opportunities, allowing these individuals the opportunity to co-invest alongside venture capital and private equity partners on the same terms.⁸ Partners manage the investments on the investors behalf, reporting results to the investor through the platform on a quarterly basis. As of October 2018, the minimum investment amount was \$10,000.⁹ At this time, NexusCrowd did not disclose any fees related to investing through the platform.

TECHNOLOGY

NexusCrowd's platform uses between 9 and 23 different technologies and proprietary algorithms to provide a comprehensive solution to its users.^{10,11} This technology enables investors to connect with partners and provide access to these exclusive investments. The different technologies are utilized to support the various functions provided to investors on the crowdfunding platform, from onboarding to reporting. Examples of these technologies include Google Analytics, G Suite, Apache Web Server and SSL by default.

DISTRIBUTION / LOGISTICS

NexusCrowd serves its customers solely through its online website. The use of a completely online operating model allows NexusCrowd to connect investors and partners by providing the most effective medium for a crowdfunding business model. This, in turn, allows the company to benefit from network effects. Operations are entirely facilitated through the online platform which spans onboarding, funding and liquidation.

MARKETING

NexusCrowd's marketing efforts include the use of various social media platforms, such as Twitter, LinkedIn, and its own blog. Additionally, NexusCrowd's senior management is active within the media, featuring in various articles and interviews, further boosting the exposure of the business. Furthermore, NexusCrowd can benefit from their investment partners as they are responsible for the partner-investor relationship, reducing NexusCrowd's ongoing marketing costs.

COMPETITORS

Few platforms exist in the North American market that connect private real estate investments to individual investors:

1. [R2](#) – (Toronto, ON) Although not a crowdfunder, R2 is an online private equity marketplace for real estate investing and raising capital. The platform offers solutions for both equity and debt deals, utilizing technology to scale efficiently and democratize real estate investing.
2. [RealtyMogul.com](#) – (Los Angeles, CA) RealtyMogul is an online real estate crowdfunding marketplace that provides crowdfunded investment opportunity in real estate that was previously inaccessible to the average investor.

⁶ <https://www.ivey.uwo.ca/cmsmedia/3776585/nexuscrowd-profile.pdf>

⁷ <http://www.nexuscrowd.com/how-we-are-different.html>

⁸ <https://www.crunchbase.com/organization/nexuscrowd#section-funding-rounds>

⁹ <http://www.nexuscrowd.com/>

¹⁰ <https://www.crunchbase.com/organization/nexuscrowd#section-company-tech-stack-by-sifterly>

¹¹ <https://www.ivey.uwo.ca/cmsmedia/3776585/nexuscrowd-profile.pdf>