



# **Metador Group**

A 5005 pieces asset backed collection M-DAO

# Abstract

The purpose of this document is to present formally the Metador Group. Metador Group is a Modified Decentralized Autonomous Organization (M-DAO). The goal is to form a sort of a mutual fund with the aim to benefit from the collective synergy. The NFT collectors will be able to propose investments, donations, or other key activities at the strategic level, discuss the implications, pros, and cons of the proposal, and vote on the proposal to decide whether the M-DAO will go ahead with the proposal or not. Once the decision has been made, the central team will be responsible for the implementation of approved proposals.

The project will rely on the Ethereum blockchain and the NFTs will be stored using Ethereum Smart Contracts that will be initially offered on the Metador Group website. After the initial sale, the NFTs can be traded on other platforms.

The whitepaper will further explain the concepts involved and how the operations and functions would work going ahead. This whitepaper does not constitute a commitment



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# Executive Summary

## Introduction

We aim to create the first true Metaverse Company where the majority of price paid for the NFT will be retained as capital in the business to be used for investment and further expansion of the project itself, and to form the basis for the intrinsic value for the NFTs of MetadorGroup.

## Cryptocurrencies and NFTs

Non-fungible tokens (NFTs) are cryptographic assets on a blockchain with unique identification codes and metadata that distinguishes them from each other. (SHARMA, 2021)

Basically it is a unique unit of data stored on a digital ledger. As it is unique it cannot be replaced by another NFT. This data could represent anything. It could be artwork, music, a collectible, or as in our case a share. Own an NFT and have ownership over whatever the NFT represents.

On the other hand, a cryptocurrency, as the name suggests, is a digital currency on a blockchain with the purpose of decentralizing financial transactions. All the units for a cryptocurrency are exactly the same and can be exchanged like for like.

## About The Project

Metador Group aims to be asset backed which means that all our NFTs will have value backed by tokenized assets such as real estate, investments into tech startups, other projects.

The project also aims to create a Modified Decentralized Autonomous Organization (M-DAO) as well. The key decision making will involve all NFT collectors with the voting rights distributed based on number of NFTs held and each NFT equating to a single vote. The M-DAO will be able to decide the projects the Organization should invest in, the time periods when dividends should be given, the time periods when NFT Buyback option is authorized. However, the M-DAO involves leaving the more operational and day to day task to a central team; that is where we come in and take the reins. Once a decision has been made, leave it to us to manage its implementation.

## Roadmap



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# Metador Group

## Mission Statement

To create the first true Metaverse company, an Organization free of borders, and to empower and generate value for our Investors.

## Values

**Sustainability:** Metador Group aims to have sustainability as the core value and to embed it into all its activities; not just by giving back to the community or by planting more trees, but by ensuring that any activity does not decrease the value of the organization or disables the organization's abilities for the future.

**Transparency:** Metador Group aims to have full transparency with the NFT collectors and will strive to ensure that all material information is timely disclosed in a fair manner. It will be ensured that accurate and relevant information is readily available and further information will be provided at the request of the community.

**Innovation:** Metador Group aims to explore the new possibilities NFTs, Blockchains, Cryptocurrencies, and any other tech bring forth.

**Collaboration:** Metador Group is all about creating value, not just for our direct stakeholders but also with other projects, innovators, and entrepreneurs that have amazing ideas for this new space.

## Metador Group Collection

The Metador Group Collection is made up of 5005 Unique NFTs that double as the shareholder certificates. Owning an NFT gives the owner a share in the ownership of the Metador Group and all its ventures. The collection is split into groups as further explained to allow our first investors to have an advantage as compared to those who join later. The rarity of the NFTs will not impact the intrinsic value of the NFT or have effect in any other manner except it will be of use when selling to the public in open markets as speculation plays its role.

## The Board

The Board are our founding members and will have the rarest NFTs of the project. These will be limited to a total of 5 as Metador Group was developed by a team of 5. Sale of these does not transfer the role of the founder to the new collector. However, the voting right will move to the new owner.

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### Super Rare

These will be limited to a 100 out of the 5005 and will have features rarer than others. The rarity aspect will only influence the speculative value of the NFT. The vote would remain the same as any other NFT within the project.

### General

These will be all the remaining NFTs. They will still be unique, but the attributes involved will not be so unique as compared to the others. They will have equal voting power as the Rare and The Board NFTs.

## NFT Valuation

Unlike most NFT projects, Metador Group does not intend to solely rely on clout, popularity, and speculation to set the value the project's NFTs in the market. The aim is to introduce Asset Backed NFTs that have an intrinsic value.

### Speculative Value

Most projects on the market are relying on speculation from the market to value the NFTs. The problem with that is although certain NFTs within the same collection might be selling, others may not have any value at all.

OpenSea defines a floor price for any collection on its page. The floor price is the lowest price an NFT from a particular collection is listed at on OpenSea. However, there is no guarantee that all NFTs in that collection will readily sell at the or higher than the floor price. There really does not exist a method to financially value these NFTs or the benefits that may provide as there is a lack of clarity.

For the purpose of flipping (buying low and selling high), speculation is amazing. For the purpose of arriving at a valuation of the utility an NFT offers, speculation plays no part except for distorting the image and misleading investors.

### Intrinsic Value

Intrinsic value refers to some fundamental, objective value contained in an object, asset, or financial contract. If the market price is below that value, it may be a good buy—if above a good sale. (ALVAREZ, 2022)

In the case of NFTs, the intrinsic value will be the benefit an NFT can provide quantified financially. This can be in the form of anything. For example, an NFT worth \$5000 could be providing a vacation to a getaway island that will cost approximately the same otherwise. Alternatively, it could be an investment that is promising future profits of the same value in the future. It could also be free ice-cream for a year from a certain ice-cream place.

However, if a project does not have such a utility, then it has no intrinsic value.

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## Example

An NFT is sold in the market for a \$100,000. The NFT gives access to a certain NYC party on NYE. The ticket for the same or a similar party is priced at \$1000.

In this case, the intrinsic value is \$1000, and the speculative value is \$99,000. Therefore, the collector cannot gain any more benefit unless another collector pays higher than \$100,000 for the same before the party or more than \$99,000 after the party.

Speculation only helps as long as the market is unaware that the real utility is limited to \$1000. Once the market is educated, people may not be willing to pay more than \$1000 prior to the party and may not even be willing to pay anything after the event.

## Asset Backed NFTs

The artwork that comes along with the NFTs itself may be considered to be an Asset by those that truly appreciate art. However, that may not always be the case. As perception to artwork is subjective, not all NFTs may be able to grab a generous valuation off the market.

The Metador Group aims to create intrinsic value for the NFT collection by using the sale proceeds to invest into real world assets that will generate income for the future. These assets will be held under real world entities that the NFT collectors will collectively be the owners of.

The entities will be based in countries where there is an advantage to be a real-world entity and there is an advantage to entities in the crypto, NFT, and blockchain space. The first of these will be established in Dubai, United Arab Emirates. This is because Dubai is an income tax free zone for Individuals and only implements a 9% income tax on corporations. Sales tax is the only other tax that is implemented in Dubai but will not affect us. Capital gains tax does not exist in Dubai.

Additionally, we plan to register the entity specifically in DIFC in Dubai where there are further tax exemptions and many more benefits.

## Stable Income Assets

The Metador Group aims to generate income in a sustainable manner and therefore invest original funds in low-risk investments that hold value and provide a source of stable income to be used in riskier ventures.

The best course of action to take under the circumstances and routes available, real estate that provides a high rental yield is the way forward. In the United States, the rental yield varies between 2.5% to 4%. In Australia, the rental yield can go up to 5%. In Dubai, rental yields have a low of 5% and can go as high as 10% to 12% with the average rental yield being around 7.5%.

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Therefore, the Metador Group founding members have already arranged for \$1.5 million worth of real-estate in Dubai. These assets will start generating around \$110,000 in rental income based off the current market rates once the project is in full swing.

Post sell-out of the 5005 NFTs, Metador Group aims to acquire more real-estate offering a similar return to set the total rental income earned to around \$1.1 – 1.2 million annually.

### Investment in Riskier Projects

Once the finance raised from the NFT sales has been invested in stable income assets and these assets start generating stable cash flows, the next goal would be to invest in riskier higher income potential projects. The cash generated from stable income assets amounting to around \$1.1 million would be the capital used for these projects.

The collectors would be able to propose new projects and vote on projects that have the research papers completed and published to the collector dashboard. These projects would ideally be focused on technological developments but could also involve any other field the collectors feel would generate a good return.

It could be a new and improved blockchain, a cryptocurrency, more NFT projects, a game, an AI software that improves the retail experience, an application that solves a certain problem for its users, or anything else the collectors vote in favor of.

## Governance

The Governance section will cover external governance which would be any laws that will be playing any role with respect the Metador Group's activities and then the internal governance will be covered which will outline the processes to govern decisions.

### DFSA and DIFC

Dubai Financial Services Authority (DFSA) is the financial regulatory agency of the special economic zone, the Dubai International Financial Centre (DIFC). DIFC is the economic zone where the Metador Group real world entity will be established in Dubai.

DFSA gives our Collectors a huge advantage in the sense that it formally recognizes smart contracts and will be willing to take necessary action should the group management act out of line. DFSA is actively forming policies that will regulate the blockchain space which is good news because it reduces risk of fraud. Therefore, it is very important that the Metador Group be registered in DIFC as a tech startup.

As mentioned on the DIFC website:

*"DIFC provides access to an established legal and regulatory framework, along with a wider ecosystem of technology enablers catering to technology & innovation firms interested in developing or testing new, novel or innovative products."*

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Additionally, registering as a tech startup in DIFC allows us to be exempt from the 9% corporation tax introduced recently in Dubai. There are many other benefits that DIFC offers exclusively to tech startup that the Metador Group intends to bank on.

### Modified Decentralized Autonomous Organization (M-DAO)

We introduce M-DAO not just for the metaverse, but also for real world assets. The Metador Group will have decentralized governance with a central team implementing the will of the collective.

Collectors will be able to discuss the different opportunities they are presented and vote on them. Our team will strive to provide information on a timely basis and ensure that the collectors know what they are getting into.

All strategic decisions will be subject to the approval of the DAO while the central team will overlook the operational activities.

### Voting Rights

All classes of NFTs will have equal voting rights. Each NFT will equate to 1 vote. If a collector is in possession of multiple NFTs, their votes will be equal to the total number NFTs the collector holds.

### Dashboard

The Metador Group will have an exclusive Collector's Portal. The purpose of this portal would be to engage our collectors. It will have a dashboard where our collectors can see all the updates regarding the activities of the group and more importantly see the financial position of the group. There will be an overview of the investments made and their performance.

Through the portal, the collectors will also be able to exercise their voting rights, propose any new projects, inform themselves about different projects proposed via the research papers our team will publish.

The portal will also provide access to legal documents that the members can see for themselves. These could be entity registration papers, property deeds, employees hired by the group, and any other legal documents that must be brought to the notice of the collectors.

### The Revenue and Returns

The MetadorGroup will have at least two revenue streams and will strive to make more. The first major revenue stream will be the rental income received from the real-estate the group invests in. This will be the most stable stream of income.

The next stream would be the 10% received in royalties from open market trading of Metador Group Collection NFTs. This stream will be benefiting off speculation and will only generate revenue if one of our collectors successfully divests.

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Apart from these two streams, we will be investing in multiple profit seeking startups with well-established teams within the DIFC.

## Dividends

Once finance activities are generating returns, it will be down to the collectors to decide whether there should be a dividend, or all profits should be retained.

The policy could be like that of Amazon where all income is reinvested into the business which then leads to the intrinsic value of the shares rising.

Later, there can be NFT dividend where more NFTs can be issued to existing collectors but then the per NFT intrinsic value will decrease but the total intrinsic value of the Group will remain the same. The collector can then sell the extra NFT to extract their value from the Group.

Alternatively, a percentage of profits can be fixed to be distributed in cryptocurrency as cash dividend to our collectors.

## NFT Buyback

We plan on giving our collectors the option to benefit both from the speculative and intrinsic values of their NFTs. If speculation in the market plays in their favor and they manage to sell their NFT for 20x or 100x or higher, we are happy because even the project gets more capital to meet the operational expenses. So, it adds value to the project as well.

However, should a group of collectors want to divest from the project, but the open market is not playing in their favor, they have the option to sell their NFT back to the Metador Group at the intrinsic value at that time.

This option would be available to our collectors six months after the sell out and the idea is to give collectors an easy exit. Depending on the circumstances and the liquidity available, the timing of the buyback will be decided accordingly.

The two different routes available would be as follows: firstly, depending on the number of collectors wanting to divest based on intrinsic value, the next step would be to identify the liquidity required for the buyback and whether the need can be fulfilled with the available liquidity. Should the number of collectors be high (4-5), the next step would be arranging the liquidity by selling an asset. Alternatively, as the other collectors will be informed at the start of the process, they can offer to buy the NFTs at the intrinsic value from those that want to sell.

The buyback would not impact the intrinsic value of the other individual NFTs.

## Short-term Roadmap

The short-term roadmap highlights the key activities the team is focused on in the short-run and aims to complete over the period of next 6 months.

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## Raising funds

The NFTs sold will be the main source for investment funds. The Metado

## Develop DAO systems

The tech team is working on setting the base for the way forward with respect to the DAO systems that will enable us to give our collectors the access to the dashboard and other governance related activities

## Invest into stable income assets

As sustainability is a core value, Metador Group will not make any investments, expenditures, or donations that will knowingly have the possibility of decreasing the capital available to the Organization for future use. Therefore, the plan is to invest the capital generated into real estate in Dubai, Singapore or any other region that offers a higher than 6% rental yield and then use those funds for investment into riskier projects, donations, and expenditures.

Using this method, should the riskier investments fail to materialize, the Organization loses resources generated internally rather than losing invested capital.

A founding member has already presented real estate worth up to \$1.5 million to be used to back the collection. Further Assets of up to \$15million will be acquired.

## Get an entity registered in DIFC

To have full confidence of our investors and our collectors, we will register our first entity that will accommodate the team and our collector with the necessities for the success of the project.

## Long-term Roadmap

The Metador Group aims to define what the future of organizations can look forward to; an empowered community with the ability to make informed yet independent strategic decisions that will collectively benefit all members of the organization.

You are an innovator and an entrepreneur without liquidity, propose your idea to the organization and let us handle the rest from doing the research and development to setting up an experience team and laying down the infrastructure.

You are a high-income employee and feel like you want to have early access to innovative ideas, but need someone else to take the wheel; we have got the solution for you. All you need to do is be a part of our community. We will give you access to our members proposals, give you unbiased and updated information with regards to these proposals and give you all the transparency you need to be able to

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monitor the use of your investment and feel that your investment is being utilized as effectively as possible.

You have an idea but believe that you are not sitting in the right market geographically or nationally, we are using blockchain, crypto, and NFTs to allow you to be free of geographical and international borders.



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