



NAgriCoin

Natural Agricultural Technologies

NagriCoin

White Paper

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Project Summary

The Nagri project provides an opportunity to invest in Nagricoin's tokens, (a crypto currency), issued to finance the development of a global market agricultural sector project (Initial Token Offering). Nagricoin investors will be able to buy tokens at a significant discount, (see ITO section), which will enable them to fix the spread as soon as the tokens sale is initiated.

The key advantage of Nagricoin is that it is one of the few ITOs in the agricultural product sector of the economy with a unique valuation and token support model (see Proof of Assets and Token Buyback Procedure). The basic asset of this token is the Nagri product, which has been in development for more than 7 years. Nagri is the newest organic composite formulation of microelements and antioxidants that stimulates plant growth. One can find it's broadest application in the agricultural sector and plant cultivation around the world to increase yields and improve the quality of virtually all crops.

Nagri can be attributed to both the sector of organic fertilizers and the sector of micro element fertilizers, which currently finds itself in a rapid growth phase of 8.2% per annum.

During the past seven years, 5 million USD was spent on active research and field tests to gauge Nagri's effectiveness. Tests were conducted in more than 10 countries, including Brazil, Uruguay, Pakistan, Turkey, Jordan, Italy, Ukraine and the Russian Federation. The research involved large private agricultural holdings, as well as state research centres and laboratories of various countries.

The results of testing showed that Nagri increases the yield of different crops from 10% to 30%, depending on the geographical area of cultivation and on weather conditions. At the same time, an increase in yield was also observed with the addition of Nagri to almost all known combinations of fertilizers and plant protection products.

Along with the increase in yield, applying Nagri significantly improves the quality of virtually all crops. Namely, it reduces the amounts of harmful substances while increasing the content of nutrients in them. For example, when using Nagri, it is possible to reduce the level of nitrates in tomatoes, cabbage and other vegetables by more than 50%. Nagri was also able to increase the gluten content in wheat by 30%, which improves the wheat variety and consequently, its sale price.

After achieving consistent positive field testing results in different geographical areas, management moved to the stage of active promotion of Nagri in markets. To date, certificates of compliance have been obtained in several strategically important markets for Nagri, including Brazil and the European Union, which enables marketing of Nagri in these countries. Agreements have also been reached with experienced local partners and distributors, to actively promote Nagri among farming companies in these countries.

The Nagri project is currently managed by highly qualified specialists with experience ranging from 15 to 30 years in agriculture, international sales, management consulting, investment banking and blockchain technologies. Representatives in a few countries, including Brazil, Italy, the Russian Federation and Ukraine, coordinate their work with partners to promote the product to consumers in local markets. Local market teams include specialists with more than 20 years of experience who have developed networks of personal contacts in the industry.

Initial target countries to market Nagri product are those with advanced farming technologies and those leading in the production of agricultural products as they tend to have high utilization of fertilizers and plant protection products used.

As the first stage of the project, high-volume production of Nagri and its active promotion are going to be implemented in the markets of South America and the European Union. Strategically, these regions rank in the top five of Nagri's priority markets and have achieved the best results of the Company's business development to date.

Project Summary

According to preliminary estimates, the estimated sales volume of Nagri by the end of the first stage should reach approximately 10 million litres in Brazil and 5 million litres in the EU. Thus, Nagri sales volume at the expected average selling price of 15 USD per litre will amount to approximately 225 million USD. That said, the Nagri team is fully prepared for faster growth, should there be higher demand, and expansion into Ukraine, Mexico, the Russian Federation, China, and others.

To ensure the required production volume during the first project stage, Nagri has committed to two filling lines in Brazil and two lines in the EU as well as the equipment for production of antioxidant components. The total investment in the acquisition and installation of equipment, as well as personnel training at the first stage, is approximately 6 million USD.

The operating costs for the purchase of raw materials, wage payments to workers, engineers and management personnel, as well as commission payments to partners and marketing costs will account for approximately 60% of sales. In 2018, Nagri will be offered to all potential customers for a free field test.

Project financing requires an investment of 17 million USD in early 2018 and an additional 8 million USD at the beginning of 2019.

By the end of 2019, net operating cash flow is expected to be 15 million USD and the project will move into the self-financing phase.

The consolidated net cash flow by the end of 2022 should be approximately 140 million USD, which will enable both the financing of expansion of the project in Brazil and the EU, as well as access to other markets.

To finance the project, NagriTech plans to place a public offering of tokens (ITO) for a sum of 20 million USD at a nominal price of 3 USD per token. Investors will be offered a flexible pricing system that allows purchasing of tokens at a discounted price. To finance token registration costs at the exchange and ITO marketing campaign costs, a pre-ITO will be organized, which is expected to raise between 500,000 and 2 million USD. More detailed information on the scope and rules of the ITO is given in the ITO section part of this document.



Team

Vitaliy Smirnov

- 🕒 Project role: Head of research and development department of the company
- 🕒 Doctor of Biological Sciences, area of expertise — genetics.
- 🕒 Engaged in scientific activities for more than 30 years in the field of development and introduction of new intensive innovative technologies of cultivation and processing of agricultural products.
- 🕒 Engaged in the selection and cultivation of new varieties of wheat, headed the laboratory researching biotechnology and genetics of plant somatic cells.
- 🕒 Professional publications: 3 monographs (multi-authored) and more than 100 publications covering the problems of biotechnology, development of innovative technologies for cultivation of agricultural plants, development of methods for intensification of the creation process of new strains and varieties of agricultural plants.
- 🕒 10 patents for inventions in the Russian Federation, Europe, the United States, and other countries.

Valentina Smirnova

- 🕒 Project role: research and development
- 🕒 PhD candidate in biological sciences, area of expertise — the genetics of agricultural plants.
- 🕒 More than 30 years of experience as a research assistant, senior researcher and head of the laboratory.
- 🕒 Areas: examination and approval of normative and technical documentation for agricultural raw materials and products; production and processing of agricultural raw materials; biotechnology and genetics of plant somatic cells; selection and cultivation of new varieties of wheat.
- 🕒 2 monographs (multi-authored) and more than 80 publications covering the problems of biotechnology, development of innovative technologies for cultivation of agricultural plants, development of methods for intensification of the creation process of new strains and varieties of agricultural plants.
- 🕒 10 patents for inventions in the Russian Federation, Europe, the United States, and other countries.

Yevgeniy Kozarenko

- 🕒 Project role: CEO
- 🕒 Qualified project manager with ten years of experience in agriculture.
- 🕒 Credited for launching automated production of oyster mushroom cultivation.
- 🕒 Yevgeniy has been promoting and conducting field tests for Nagri for 5 years in Ukraine, as well as presenting the product at seminars and large farming companies.

Team

- 🕒 In unison with the designers of a large Ukrainian enterprise, he developed and commissioned into production the hydroponics equipment for growing greenery and green hydroponic fodder.

 **Andrey Samoletov**

- 🕒 Project role: Co-founder
- 🕒 More than 10 years of experience in business development, marketing strategies, project management.

 **Andre del Giudice Santos**

- 🕒 Brazilian Partner
- 🕒 Graduated in economics and political sciences, speaks Italian, Spanish, Russian, English and Portuguese fluently.
- 🕒 An agricultural business professional with international expertise.
- 🕒 Since 2008, CEO of Sagros Group, a group of companies dedicated to agribusiness and trading in South America, especially Brazil. Sagros works in crop protection and fertilizer supplies and has invested in at least 3 different technology start-ups in the agricultural business.
- 🕒 Sagros has plants in Brazil and China and offices in Europe, Russia, China and Brazil.

 **Tigran Arakelian**

- 🕒 Project role: advisor for company's financial planning and strategy
- 🕒 KYIV NATIONAL ECONOMIC UNIVERSITY.
M.Sc. Accounting and economics faculty. Accounting and Audit
M.Sc. Institute of Law. Jurisprudence
- 🕒 KYIV BUSINESS SCHOOL
EMBA. Executive MBA.
- 🕒 BIRMA WOOD LTD, Co-owner
Organized imports of exotic wood from southeast Asia to Ukraine. Launched HORECA goods production in Ukraine.
- 🕒 VRTK HOLD LTD, Owner/General manager
Under my management, the company became a leader in the market for the maintenance and repair of railcars
In 2013, under the company's supervision 3000 wagons were renovated
Attracted 5 key customers, who are in the top 20 companies of railcar owners
Established a department for the construction of railways
- 🕒 UNIVERSAL ADVERTISING GROUP LTD, Director/Owner
Startup, which for 2 years reached a turnover of 2 million dollars
Purchase of \$200,000 in assets.

Team

Event organization in Ukraine has been launched.
 Interior design and graphic design departments were created
 Established production of jewelry.

Maksim Urakin

- 🕒 Project role: advisor for PR, Marketing and Advertising
- 🕒 State Institute of Foreign Languages
- 🕒 KYIV NATIONAL ECONOMIC UNIVERSITY
Master of Business Administration – MBA
Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine
- 🕒 Dun and Bradstreet (D & B) - project director in Ukraine, project management, marketing, PR-issues of the company.
- 🕒 INTERFAX-UKRAINE - Sales and Marketing Director / Commercial Director, Business Development Director, Direct Sales, Marketing, PR-issues of the company. Supervising the development of the company, carrying out tasks on strategic and operational management of the business, developing information products of the agency. Analysis and development of sales strategy.
- 🕒 INFORMATION AGENCY UKRAINSKY NOVINI - Director of Sales and Marketing

Stefano Marzocchi

- 🕒 EU partner
- 🕒 High school degree at “ Augusto Righi ” in Rome
Ph.D in Mechanical Engineering at “La Sapienza University ” in Rome
Register of Engineers of the province of Grosseto
- 🕒 Main Projects participated as Project Engineer , Designer , Project Director and Promoter:
 - ✓ Revamping of Oil Cracking Column in Saras Oil Refinery – Cagliari,Italy
 - ✓ Flare Stack Oil Refinery in Porto Torres Sir e Marghera Montedison, Italy
 - ✓ Hajj Terminal – Jeddah International Airport – Saudi Arabia
 - ✓ Royal Terminal – Riyadh International Airport – Saudi Arabia
 - ✓ Zuluf Gas Gathering Offshore Platform – Aramco Saudi Arabia
 - ✓ Revamping and Maintenance works in the Oil Refinery Petrola,Yambu, Saudi Arabia
 - ✓ Bouri field Oil and Gas Offshore platform National Oil Company, Lybia
 - ✓ King Khaled Military City in Dammam U.S. Corp of Engineers – Saudi Arabia
 - ✓ Power Plant 300 MW – Ansaldo Energia - Lybia
 - ✓ SubSea Oil and Gas Wellhead – Breda - Petrobras – Brasil

Team

- ✓ Minsk Meat Agroindustrial Plant – Minsk , Republic of Belarus
- ✓ Steel Mill Production Line – Demag in Jubail – Saudi Arabia
- ✓ Water Ultra Filtration Plants at 1414 sites CDWA Project Govt. Of Pakistan Province of Punjab , Sindh and Balochistan
- ✓ Football Stadium in Riyadh – Saudi Arabia
- ✓ Promoter and Managing Partner of the AdvancedGenetics Project in Europe , Africa, Middle East and Russia
- ✓ Promoter and Managing Partner of the WorldGrow International Project in Europe, Africa and Middle East
- ✓ Representative of Bulgargeomin Ltd. Group in Italy and Albania

History and current stage of project's development

A brief history of the Nagri project's development and plans for further development are presented below.

- 🕒 2010
Initiation of Nagri scientific development by Vitaliy Smirnov, Professor of Biology (Moscow, Russia).
- 🕒 2010~2016
Field testing in different countries and product improvement, as well as market research and business strategy development. About 5 million USD was invested in development and field testing. Field tests were conducted in different climate zones in various countries.
- 🕒 2016~2017
Obtaining certificates and permits from government agencies to be able to sell Nagri to farming companies in Brazil, Italy.
- 🕒 2017~2018
Establishment of production in Brazil (10 million litres of Nagri per year). Establishment of production in Europe (Bulgaria) (5 million litres of Nagri per year). Distribution of trial batches of Nagri to potential customers for field testing. Testing by farming companies — potential customers in Europe.
- 🕒 2019
Beginning of active sales in Brazil and Europe. Start of expansion into other key markets.
- 🕒 2020
Project reaches operational self-sufficiency.



Key features of Nagri and its competitive advantages

Nagri is an environmentally friendly composite fertilizer introduced by seed pelleting, root system watering and plant spray. It increases the growth rate and the yield, as well as improving the appearance and nutritional properties of all types of crops.

🕒 Key competitive advantages of Nagri

- ✓ Stimulates plant growth rate and increases yield by 10-30%.
- ✓ Increases absorption of all necessary minerals and trace elements by plants.
- ✓ Increases content of vitamins, sucrose and other nutrients in fruits and vegetables.
- ✓ Intensifies metabolic processes in plant cells and reduces the amount of nitrates by 50%.
- ✓ Enables the development of a powerful root system.
- ✓ Strengthens the immune system, helps to fight diseases and increases the shelf life of the crop.
- ✓ Improves plant's drought endurance.
- ✓ Reduces acidity.
- ✓ Improves soil structure and stimulates development of microorganisms, that contributes effectively to the humus rejuvenation process.
- ✓ Prevents absorption of technological pollution products by plants (mercury, lead, pesticides, etc.).
- ✓ Can be used at all stages of growth — from seed treatment to spraying along with the already applied combination of fertilizers and plant protection products.
- ✓ Not a competitor to large players on the market or a substitute for any other products made by large companies but rather used in addition to these products.
- ✓ Does not require farming companies to invest in equipment, as it can be applied by machinery already used to apply common fertilizers and plant protection products.
- ✓ Produced from known components readily available on the market, while having significant copy protection due to the proprietary formula for producing a composite. Although, it is theoretically possible to find the components to produce a copy of Nagri, it would require many years of research and testing to recreate the composite.
- ✓ Can be produced locally in all markets, while the deployment of production can be organized in a very short space of time and will require relatively small capital expenditure.
- ✓ Has a low cost, which makes it possible to achieve high economic benefits.
- ✓ Has a low operating cost for use, including logistics and storage costs, since it can be transported and stored as a highly concentrated substance that is diluted with water before use.
- ✓ The finished product has a long shelf life and can be prepared in the required amount for sowing, etc.
- ✓ Absolutely non-toxic and safe for humans and animals.

Key features of Nagri and its competitive advantages

Table: Yield increase of different crops

Culture	Yield (dt/ha) without treatment	Yield (dt/ha) after treatment	Increase (dt/ha)	Increase
Wheat (Warwick)	40	50	10	25%
Wheat (Moskovskaia 39)	22.3	25.9	3.6	16%
Wheat (Omskaia 36)	10.7	13	2.3	21%
Barley	15.6	19.9	4.3	28%
Sunflower	16.8	20.1	3.3	20%
Corn	65.8	84.3	18.5	28%
Rapeseed	25	32.2	7.2	29%
Sugar beet	132	171	39	30%
Potato (Impala variety)	320	400	80	25%
Potatoes	124	163	39	31%
Tomato	284	330.2	46.2	16%
Cabbage	760	952.7	192.7	25%
Cucumber	166.6	187.8	21.2	13%

Nagricase studies

Field tests in Brazil

Over several years, field tests were conducted in Brazil on soybeans, maize, banana, melons, orange groves, and various vegetables. Tests were conducted directly by the State Laboratory of Brazil Emparn (State Government of Rio Grande do Norte), the results and conclusions were published in <http://www.emparn.rn.gov.br/>.

The use of the product on maize seeds, yielded significant positive results: increase in plant length by 15 cm and increase in total yield by 43%, compared to control grown under the same conditions.

Official conclusion on the field tests in Brazil

* The test results are presented for Greenamax and Agronomax products, which are Nagri predecessors.

Field tests in Italy

Similar to Brazil, field tests have also been conducted in Italy for several years.

Official results of field tests in Italy

Tests in other countries

Similar field and other tests were conducted in a number of other countries, including Ukraine, the Russian Federation, Pakistan and Turkey. The most promising results of these tests are given below.

🕒 Treatment of trees

Nagri performed well in the treatment and rescuing of larger plants. That included a historically significant 700-year-old Zaporizhzhia oak, a symbol of the Khortytsia Island.

At the request of Zaporizhzhia regional council, we were asked to revive this historic tree. There have been many previous attempts to save and give a new life to this tree. Only Nagri helped. The Zaporizhzhia oak let out new shoots from its roots as well as on a single live branch. Another positive shift was that the partially dead wood began to revive thanks to droppers with a special solution, which we installed on the mighty giant.

Komsomolskaya Pravda article

🕒 Ripening

The test was conducted in the largest farm in the south of the Voronezh Oblast, the Russian Federation, during an abnormally dry year. During the active ripening season, (April-July), only 61.5 mm of precipitation occurred - 33% of the average rate. Our product, was used to relieve plant stress during the drought. In this test, Nagri performed very well — the gain exceeded 50% compared to the control group of crops. The control yield was 15 decitonnes per hectare versus 22 decitonnes per hectare for plants treated with our product.

Nagricase studies

ⓘ Treatment of sugar beet crop (Ukraine)

One of the largest agro-holdings of Ukraine spanning over 300,000 hectares, encountered problems with germination and yield when growing sugar beet. These problems stemmed from the use of a weed-protection product. Another issue was prolonged drought. Our company used Nagri to treat the problem plots. The result was stunning: the yield was 2-3 times higher than that of the control plots. This company still has problems with these planting plots and no other experimental products have shown results anywhere close to those produced by Nagri.

ⓘ Application of Nagri in white cabbage cultivation

After treating the Aggressor cabbage variety, we not only received a 25% increase in yield, but also reduced nitrate levels by two thirds compared to the control group of crops. This shows that our product not only helps to reduce the content of harmful substances but it improves the taste of food crops treated with Nagri; further, it proved to be environmentally safe.

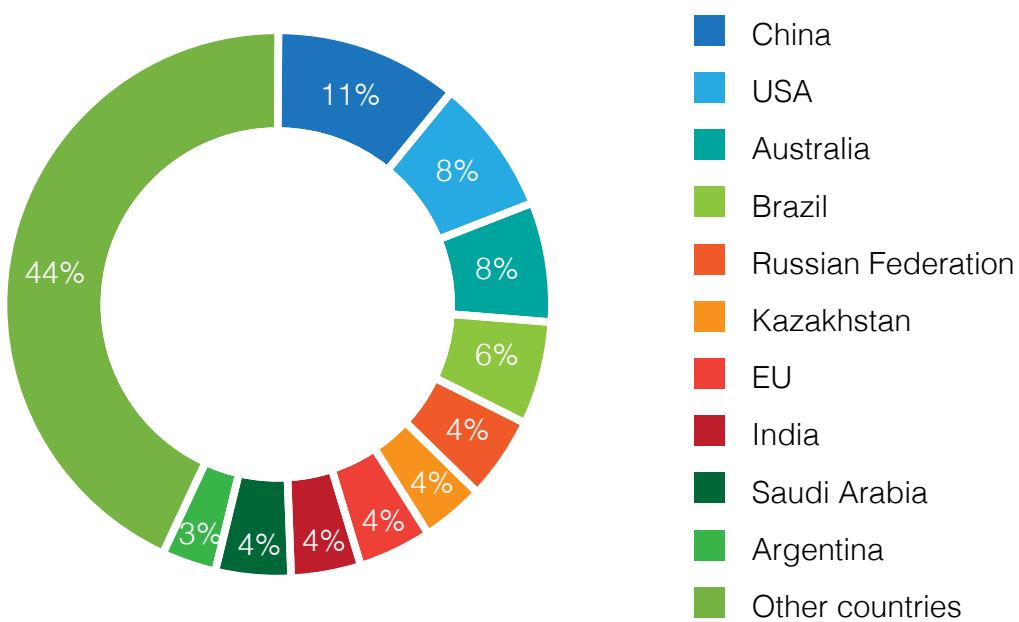
Market Overview

Geography

Based on the results of statistical research and expert opinions, Brazil and the European Union were chosen for the first stage of the project. They are among the world's ten largest markets by agricultural land area, agricultural production and fertilizer consumption.

At the same time, according to forecasts, Brazil has the largest potential in the world in terms of adding new cultivated agricultural land.

Agricultural leaders in 2014



Source: World Bank, 2014

Market trends

According to research provided in professional and scientific articles, supported by expert opinions in various countries, the following conclusions were drawn about trends in the fertilizer and plant protection products market.

- 🕒 Stimulants of plant growth are becoming increasingly popular, as they improve the yield and quality of agricultural products.
- 🕒 The size of the world market of organic fertilizers in 2016 was 17 million tonnes, or 5.7 billion USD, and the cumulative annual increase is expected to be approximately 7% till 2025.
- 🕒 According to forecasts, by the end of 2017 the microfertilizers market will reach 5.83 billion USD, and — 8.81 billion USD by 2022, with average annual growth of 8.6%. According to estimates, the market capacity will reach 1,681,100 tonnes by 2022. This is mentioned in the study provided by the MarketsandMarkets agency, according to agropages.com data.

Market overview

The world's microfertilizers market will reach 8.81 billion USD by 2022

View full report: <https://www.marketresearchfuture.com/reports/liquid-fertilizers-market-4026>

The global liquid fertilizers market is segmented on a product type basis, such as nitrogen, phosphorus, potassium and microelements. Among these are micronutrients.

The fertilizer market can be also segmented by the type of crops: oil plants, legumes, cereals, fruits and vegetables, and others. The fruits and vegetables segment demonstrates high demand in the liquid fertilizers market due to technological advances and the rising need for food supply.

Based on the fertilizer's chemical structure, the market is also segmented into organic and synthetic. It is expected that the organic liquid fertilizers segment will grow faster than the synthetic liquid fertilizers segment.



International sales strategy

During field tests in various countries, the Nagri team also explored the possibilities of practical implementation and prospects for product sales in various markets. While assessing the prospects of markets, various factors were taken into account, including market size, potential interest of farming companies in the Nagri product, willingness to quickly start using the product, barriers to market entry, etc.

During several years of field tests and negotiations with market participants in a number of countries, significant interest in Nagri was noted from market participants. It was also possible to find local partners with valuable experience in agriculture, an extensive network of contacts with farming companies. In addition, Nagri was certified by the appropriate governmental agencies

As a result of this work, the decision was made to begin the first stage of Nagri's release onto the markets of Brazil and EU countries.

Project development plan in Brazil

Nagri's local partner in Brazil is Sargas, a company with a long-standing relationship with the world's top fertilizers and plant protection products distributors. Sargas, on behalf of Nagri, negotiated agreements with those distributors to resell (deliver) Nagri product to their customers. The client base for direct offers includes more than 4,000 farms in Brazil, some of them have already begun negotiations on receiving Nagri, while others have started using Nagri product.

Another Brazilian partner of NagriTech, Fersol, has received a license for the production and distribution of Nagri and now works with distributors that have marketing channels for farmers. Cooperation with this partner will also be carried out within the framework of developing the capacities and production of Nagri.

As part of the project's implementation in Brazil in 2018, two filling lines and one line for the production of antioxidants will be built. Nagri will be actively offered to farming companies on a free basis for «trial» application in the fields during the first season. Based on the results of experimental use, contracts for regular deliveries are expected.

Project development plan in the EU

In the European Union, a market release plan similar to the one in Brazil will be implemented. The production will be located in Bulgaria to ensure the greatest operational efficiency and cost reduction. Furthermore, Bulgaria is one of the most advantageous locations in terms of logistics.

As of today, we already have an affiliate company in the EU that promotes Nagri using a similar strategy to the one in Brazil.

Market penetration in other countries

During the first stage of the project, the company is planning to carry out research and preparation before release to other markets, including primarily the markets of the Russian Federation, Ukraine and a number of other countries where field tests have been conducted for many years and the network of business contacts has been developed.

Continuation of scientific developments

Vitaliy Smirnov, Doctor of Biology, and Valentina Smirnova, PhD candidate of Biological Sciences, will continue to lead the company's research department and plan to develop new technologies to solve various soil science issues.

Soil quality continues to deteriorate around the world, reducing the volume and quality of crops. This complicates forecasting. It is quite natural that, at the same time, there is a constant increase in the use of various chemicals. Dr. Elaine Ingham a soil issues researcher, compares the use of chemical fertilizers with excessive use of antibiotics by people. She explains that chemicals can produce results for several years, but after a relatively short period of time, the effectiveness of chemicals is significantly reduced. The use of synthetic fertilizers instead of humic substances, such as humic acid, (critical for soil fertility), is one of the major factors of soil quality deterioration.

NagriTech research department will continue to work in the biotechnology field to achieve the following objectives:

- ✓ improvement in ecological compatibility, recoverability, looseness and fertility of soils;
- ✓ increase of microbial diversity;
- ✓ reduction in plant stress from environmental conditions;
- ✓ increase in disease redundancy and plant endurance.

Business plan and financial forecast

According to the Nagri business target development scenario, in order to implement the first stage of the project in 2018, it is planned to purchase and install two filling lines with a capacity of 8-12 million litres per year, as well as an antioxidants production line in Brazil. The same equipment will be installed in Bulgaria. The total investment in equipment, its launch and commissioning, as well as staff training in two countries, will come to approximately 5.7 million USD.

The operating costs for raw materials, personnel salaries, marketing and promotion of the product and a number of other transaction costs, are estimated at 14 million USD.

Operational revenues for 2018 are not expected, as during this year only marketing events will be held with product batches distributed to potential customers free of charge for field testing.

Fully-fledged commercial implementation of Nagri is planned to take place in 2019. The sales volume in 2019 is expected to be approximately 28 million USD, with a net cash flow of approx. 9 million USD, which will allow the project to achieve operational self-sufficiency.

The consolidated net cash flow should be approximately 140 million USD by the end of 2022, and operational profitability would be approx. 50%, which will allow financing of both the expansion of the project in Brazil and the EU and access to other geographical markets.

Thus, for full implementation of the first phase of the project in Brazil and the EU, a 20 million USD investment is needed by the beginning of 2018.

Consolidated financial forecast — basic scenario (2017–2019)

Business plan and financial forecast

	2018			2019		
	Brazil (USD)	EU (USD)	Total (USD)	Brazil (USD)	EU (USD)	Total (USD)
Income						
Nagri sales volume, (thousand litres)				850	1000	1,850
Price (USD per litre)				15	15	15
Income				12,750	15,000	27,750
Capital expenses (CAPEX)	Brazil (thousand USD)	EU (thousand USD)	Total (thousand USD)	Brazil (thousand USD)	EU (thousand USD)	Total (thousand USD)
1. Filling lines (8-12 million litres/year):						
- line cost	500	500	1,000			
- installation, personnel training, operating costs	500	655	1,155			
2. Antioxidant production lines	900	900	1,800			
3. Buildings, transport, software, office equipment, tools, etc.	750	983	1,733			
	2,650	3,038	5,688			
Operating expenses (OPEX), thousand USD						
1. Administrative staff salaries	190	249	439	95	124	219
2. Rent	230	301	531	115	151	266
3. Marketing, advertising, customer service	1,072	1,401	2,473	536	700	1,236
4. Administrative expenses	124	145	269	62	73	135
5. Legal support, design, permits, licenses	750	983	1733	375	491	866
	2,366	3,078	5,445	1,183	1,539	2,722
Variable costs						
1. Raw materials	2,346	2,981	5,327	2,346	2,981	5,327
2. Wages	150	197	347	75	98	173
3. Operating costs	127	145	273	64	73	136
	2,623	3,323	5,946	2,485	3,152	5,636
Total costs	7,640	9,438	17,078	3,668	4,691	8,359
Income before commission and taxes			-17,078			19,391

Business plan and financial forecast

Alternative Business Scenarios

The manufacture of Nagri is relatively easy to scale, which enables business development to start even if less money is received after placing tokens via an ITO.

Table — Alternative business development plans

Amount received from ITO, thousand USD	2,000	5,000	7,500	11,000	13,500	17,000	27,000
Marketing, Brazil	X	X	X	X	X	X	X
Marketing, EU		X	X	X	X	X	X
Purchase of 1 line, Brazil			X	X	X	X	X
Purchase of 1 line, the EU				X	X	X	X
Purchase of 2 line, Brazil					X	X	X
Purchase of 2 line, the EU						X	X
Product production, Brazil (1 growing season)	X	X	X	X	X	X	X
Product production, Brazil (2 growing seasons)					X	X	
Product production, the UE (1 growing season)		X	X	X	X	X	X
Product filling abroad, Brazil	X	X					
Product filling abroad, EU		X	X				

ITO and Pre-ITO

NagriTech International Distributors LLP, which is based in Ireland, plans to raise between 500,000 and 2,000,000 USD in a pre-ITO round of funding, and 20,000,000 USD during the ITO round.

A total of 11,788,617 ERC20 service crypto tokens will be issued at a price of 3 USD per token.

✓ Pre-ITO

The pre-ITO will start at 16:15 GMT on April 2 and last until May 24, 2018, or until the upper limit of the pre-ITO is reached. The first part, up to 1,333,333 NGR tokens, will be allocated at a 50% discount.

The funds raised from the pre-ITO will go to:

1. ITO registration on an exchange or multiple exchanges
2. ITO marketing and advertising campaign

✓ ITO

The ITO will start at 16:15 GMT on May 28, 2018 and last until June 30, 2018 or until it reaches 20,000,000 USD, which is 8,333,334 NGR tokens. The initial exchange rate for 1 NGR token will be 3 USD or equivalent in bitcoins or bank transfer. After the end of the ITO, new tokens will not be issued.

Discount:

- ✓ From 0 to 15 million USD — 6,666,667 NGR Tokens — 25%
- ✓ From 15 million to 20 million USD — 1,666,667 NGR Tokens — 0%

Proof of Assets and Token Buyback Procedure

Proof of Assets Model

Proof of Assets is a concept that relies on company revenue to generate token value and to prove the worth of the underlying digital asset through real world product distribution. As NagriTech increases the distribution of its products the proof of valuation through revenue is an exciting prospect to achieve great support for our token community.

NagriTech does not plan to issue any further NGR tokens after ITO. The tokens will derive value through their relationship of the assets backed by NagriTech sales. There is direct correlation to the token value and the verifiable revenue stream NagriTech reports.

The next phase of the Proof of Assets model that will be a buyback issued after NagriTech reaches profitability. It is explained below.

Token Buyback and Exchange Procedure

Twenty percent (20%) of Nagri sales (gross revenue) will be placed in a special escrow account and sent to reacquire tokens on exchanges for the current market price at the time of purchase. The token buyback procedure is an effort to reduce the circulating supply of the token promoting greater scarcity and theoretical value. It is part of the Proof of Assets model as it will help the token community to prove value of the asset through NagriTech repurchase. NagriTech promises to set aside 20% of gross revenue and purchase tokens with that amount of capital. This will prove the sales of the company as it reaches profitability and also support token value.

During the second year, the company plans to reacquire (buyback) tokens on sales proceeds, which are forecast to be worth 8,800,000 USD. During the third year, the company plans to reacquire tokens worth 17,600,000 USD. During the fourth year of the Nagri company's activity, it is planned to buy back tokens worth 35,000,000 USD. The total estimated sum for buying back tokens for 2019, 2020, 2021 is approximately 60,000,000USD. This estimate is tied directly to our financial projections for the next 5 years.

The company plans to continue to buy tokens until the last token is repurchased from the market. After the buyback requirement, the tokens will be burned. The company does not plan to issue new tokens. The burning of the tokens places great emphasis on reducing a circulating supply to improve token value for investors holding the asset long term.

The main conditions for issuing NGR tokens

The company will provide an opportunity for all distributors to purchase its product at a discount of 10% if payment is made in tokens. Invoices will be provided for legal entities. Tokens can be bought from the investor's dashboard at nagricoin.io or from a crypto-exchange. Nagri will provide support for legal entities and individuals when purchasing NGR tokens from the exchange or using the investor's dashboard. These actions are aimed at increasing the investment attractiveness of NGR tokens.

USD pre-ITO maximum amount, USD	2,000,000.00
Pre-ITO token price, USD	1.5
Pre-ITO tokens issue, quantity	1,333,333.00
ERC20 issue of NGR tokens	8,333,334.00
Maximum amount at ITO, USD	20,000,000.00
Token price during ITO, USD	3.00

The allocation of NGR is given in the table below:

% of total issue	Beneficiary	Special terms
12%	Nagri Team	Rewards to key members of Nagri team
2%	Bounty	Rewards for participating in marketing
2%	Advisers	Used to reward advisors
2%	Partners	Used to reward partners
82%	Sale of tokens at ITO	Discounts and bounty system

Contacts

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White Paper

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