

WHITE PAPER*

DynAgro

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A **white paper is a guide that informs readers concisely about a complex issue. It is meant to help readers understand an issue, solve a problem, or make a decision.*



Relying on the information and the parameters as set out by **DynAgro** s.r.o., DIVÉI PRIME is confident that the project of **DynAgro** will be feasible and the investment in the

DynAgro Benefit Token (DAQ)

may be considered as

CONSERVATIVE

An investment considered **conservative** is most suitable for investors willing to take a **low to moderate risk**. A conservative investing strategy prioritizes the preservation of capital over market returns and seeks to protect an investment portfolio's value by investing in lower-risk assets.

Preamble

How could an established, traditional farm business consider digital token investments?

It all began when one family member, the older son Daniel, started to work for a blockchain-based startup. The elder generation, which is operating the Kukburg group of family companies and is active in project development for two decades, had a very careful stance towards these “digital tokens” at first.

But life goes on, opinions evolve, and by mid-2020, two generations started to work on the creation of a tokenization platform. Born was an institution designed to facilitate a new way of financing projects and companies while also giving room to more conservative investors, allowing them to get comfort with respect to digital token investments. In other words, to unite the best of two worlds.

DIVÉI PRIME coinage a.s. was established by a group of trusted specialists consisting of both young and more experienced adults, all of them experts in their areas of specialization. The project won one of the BIG FOUR auditing firms' support, giving additional notoriety and reliability to all undertakings. Then there was the need for a pilot project to materialize the reality of this new investment path.

***DynAgro**, a very conservative type of investment, was chosen for various reasons. The project allows for handing over the grain production part of the ecological operation of Kukburg to the younger son of the family, Benjamin. He had already directed the company for several years and challenged the tokenization process by implementing all of its features.*

*The **DynAgro Benefit Token** DAQ represents participation in future cash flow of a classical and conservative grain production activity: at the beginning on some 100 ha of the best agricultural land which may be found in the close vicinity of Prague in direction of the well-known golf course Albatross. To secure sustainability, half of the agricultural land shall be purchased, whereas the other half shall be leased - all pre-negotiated.*

Also, since the proceeds from the token sales will be used to buy the land, the investment will be collateralized by these plots of land – an entirely secure investment in times like these. At the same time, we are looking at “old world” types of returns of some 5% per year in addition to the value gain expectation of the token itself.

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1. Introduction

For years now, demand towards “Bio,” “Ecological,” or “Sustainable” products has been growing, generating an ever-increasing pressure on the farming industry. Though the farming industry has been evolving to adapt to modern society's needs, ecological farming has become more and more challenging to sustain. Primarily, environmental sustainability is of key importance to ensure consistency in providing a highly qualitative food supply. By protecting soil and water without the use of chemicals or genetic engineering, ecological farming promotes biodiversity and healthy cultivation [1]. “Ecological” is thus a term that is used to describe goods that have been produced with care for nature, meaning its organisms, biodiversity, complexity, and long-term health. This is what **DynAgro** stands for - providing top-notch quality while demonstrating the utmost care for the environment.

This being said, the difficulty of sustaining such traditional farming methods comes from the financial gaps connected to the ecological approach. Therefore, it is wise for such businesses to diversify their portfolios and seek stability through various physical assets such as land, property, or commodities to guarantee further growth. **DynAgro** is no different in that it expands its ecosystem and thus financial capacity by periodically acquiring more fertile and arable land. However, **DynAgro** is different in the sense that it will use digital tools, and therefore, an attractive method to secure the next batch of land - by sharing annular profit resulting from the increase in crop production and the appreciation of land with its investors.

2. Current Economic Situation

With the still unknown effects of COVID-19 on the world economy, the financial markets have become fairly unpredictable. World powers find themselves overwhelmed with the current situation - something which can be seen in the exponentially increasing global debt, with a debt-to-GDP ratio that starts to become out of hand [2]. Therefore, it is natural that a lot of individuals began to seek refuge in alternative stores of value, as, for instance, accumulating one's wealth through traditional saving plans just does not seem rewarding or safe enough anymore. On the other hand, it is not an easy task to find alternative options suitable to take the place of traditional investment methods, which is why many investors struggle to take further action.



This is completely normal since the current market lacks secure investment methods that can guarantee regular and reasonable interest with a low risk of obsolescence. Therefore, through combining both the benefits of ecological crop production and the safe haven of viable land which may be sold as buildable land at a later stage, **DynAgro** is proposing a solution to investors seeking stable wealth accumulation by supporting a worthy cause.

3. About DynAgro

3.1. Overview

DynAgro is a spin-off company of a group of Czech companies active in agriculture, energy, and water. The story starts with the Kukburg Farm, which was founded in 2008 with the aim to develop a financially viable and environmentally sustainable farming operation for both plant and animal growth. This includes conceptualizing, building infrastructure, and operating a high-end animal and crop production using the latest technological farming innovations. The Kukburg Farm acts ecologically by employing only natural means (without industrial chemicals) while integrating them vertically (from birth/seeding to sales).

The Kukburg Farm had been co-directed for several years by Mr. Benjamin Sittler, a biologist and agricultural engineer. He presents the necessary skills to conduct professional farming operations. In addition to the hands-on experience gained from the Kukburg Farm, Benjamin offers theoretical knowledge gained from the prestigious French Grande École of Agro Paris Tech, which he uses to lead this initiative to guarantee a successful outcome.

3.2. Mission and Vision

DynAgro was re-enacted and repurposed to become an independent entity investing in fields for the purpose of agricultural exploitation and real estate investment. Through the synergy of revenues connected to fertile land, ecological farming, and property appreciation, **DynAgro** proposes a new form of saving opportunity to investors - all while continuing to provide high-quality products.

DynAgro will, in one first step, operate on ~100 Ha of fields in the close vicinity of Prague, of which about half shall be purchased, and about half shall be leased. It will produce crops like wheat and oats and sell them after the harvest. Once this first expansion has been successful,



DynAgro will seek a second expansion plan of similar magnitude and under similar conditions, planned to take place within the following 5 years.

Another aspect of **DynAgro's** farming activity is the future valuation of the fields being worked on. Due to their close location to Prague as well as their vicinity to spacious and prestigious development areas around one of the best-known golf resorts, Albatross, the conversion to buildable land is highly probable within the next 10 years.

3.3. Revenue Model

To ensure long-term sustainability, **DynAgro** is developing a financially viable farming operation with a well-defined revenue model based on years of hands-on experience.

Through utilizing a vast infrastructure, from grain silos with crop drying technology to a complete set of high-quality soil treatment machinery, **DynAgro's** goal is to optimize cost and efficiency to yield higher profits without compromising the environmental impact and its sustainability. Some of the fields to be acquired have been enriched with natural fertilizers for the last 5 years and, thus, will contribute substantially to the yield.

The majority of **DynAgro's** regular income results from crop production by selling the harvested grains (wheat & naked oats) right after the harvest or after strategic storing. Per Ha of seeded fields, **DynAgro** predicts yields of around 5,5 to 6,5t of wheat and 3 to 4t of naked oats in a base case scenario.

State-sponsored subsidies will represent around 10 to 15% of **DynAgro's** yearly income. New offerings with potentially higher payouts are to be announced next year.

Periodical profits (i.e. from time to time) are to be expected from selling reconverted fields to buildable land in the near future. The growth potential of these real-world assets' growth potential will yield valuations of more than 50-fold per m², and these profits will also be distributed amongst the investors.

All the characteristics of the project and the distribution of benefits is done digitally utilizing the blockchain and token technology. In the next part, we will dive into the concept of digital tokens and introduce the DAQ token, its utility, as well as the benefit structures from which token holders (investors) will profit.



4. The DAQ Token

4.1. Token Concept

A token, in the general sense, is a unit representing the value and/or ownership of a specific good (e.g. concert tickets, membership cards, vouchers, etc.). In the context of **DynAgro**, we are specifically speaking of a digital token built on top of the blockchain, also known as a cryptographic token. By definition, the blockchain is a digital database containing information that can be simultaneously used and shared within a large and publicly accessible network” [3]. Thus, these tokens benefit from the advantages of the blockchain technology, which allows for verification of ownership without having to depend on any third-party, also known as peer-to-peer (P2P) exchange. In addition, the blockchain guarantees that these tokens operate on a transparent and trustworthy network and, therefore, cannot be subject to manipulation or fraud.

4.2. DAQ: The Benefit Token

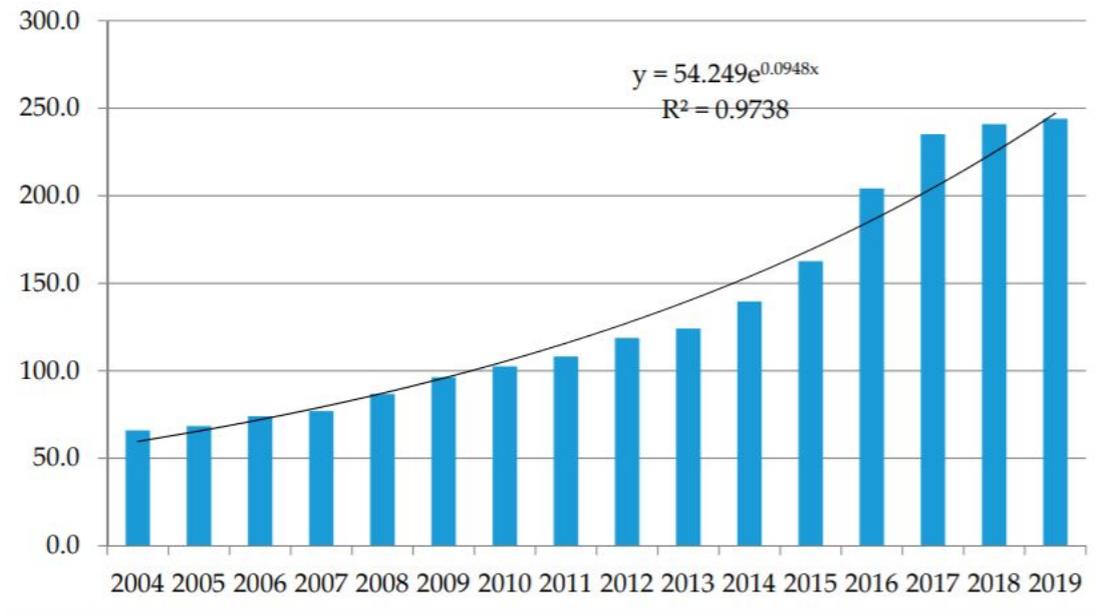
There are several types of digital tokens on the market today, which distinctly differ from each other based on their use cases and functions. The **DynAgro** token (DAQ) is a Benefit Token backed by assets. In short, a Benefit Token derives its value by being tied to a certain cash flow. This can be the cash flow of any given revenue model. In this case, the cash flow derives from the usability as well as the appreciation of land/property. This means that DAQ is tied to a real-world asset while enjoying the freedom of blockchain technology - a major advantage to almost all existing tokens on the modern blockchain market.

4.3. Source of Value

The intrinsic value of the DAQ token is fundamentally secured by the asset backing on the one hand, but also by interest payment and profit sharing on the other hand. The **DynAgro** token can be seen as a fiat-based investment tool powered by blockchain implementation. As the token is backed by tangible assets that are used as collateral, DAQ represents a secure store of value with regular benefit payouts.

In the past decade, farmland in the Czech Republic has experienced significant growth of value, as observed in the below graph.

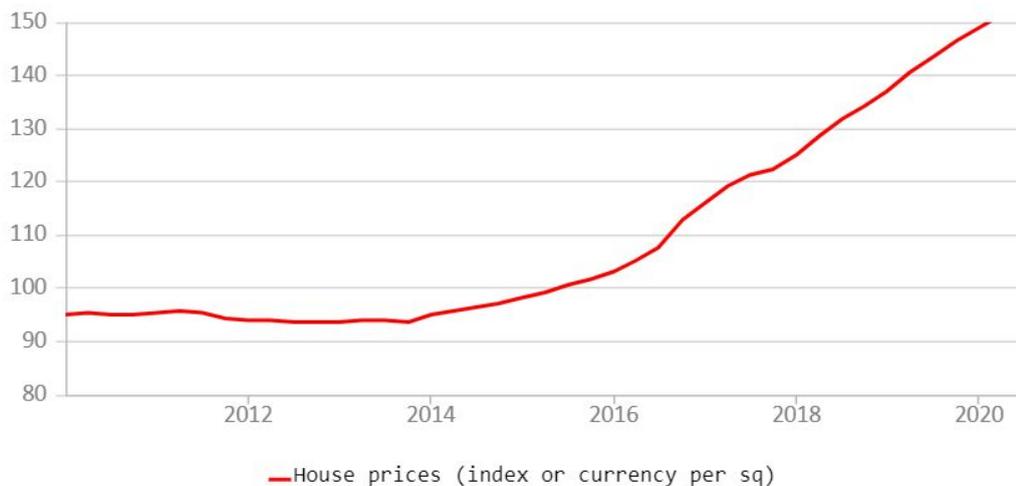




The market price of farmland in thousand CZK per hectare

Source: <http://farmy.cz/>

Besides, these fields are expected to be converted to buildable land, which will increase its value by some 50-fold. Profit generated through the selling of such land will then be shared with all token holders (individuals who own DAQ tokens). The below graph shows a steep increase in real estate appreciation in Prague, Czech Republic, even during COVID-19.

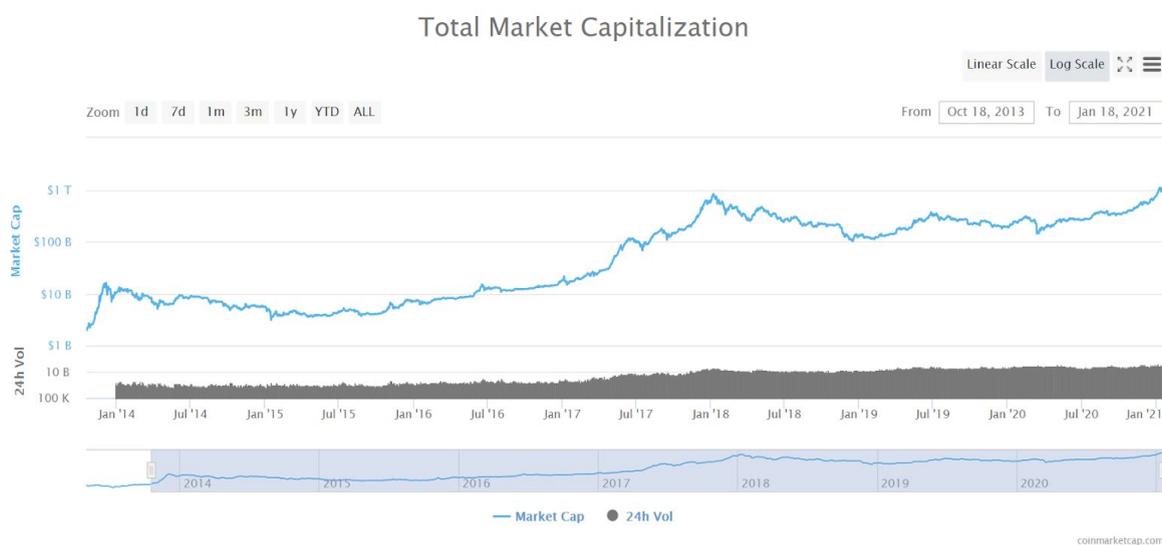


Source: <https://www.globalpropertyguide.com/Europe/Czech-Republic/Home-Price-Trends>

The progressive shift of wealth into digital assets like DAQ will be reflected by a substantial increase in these assets' value. A capped amount of 76 000 tokens further reinforces the value of DAQ, thus being a hedge against inflation.



Finally, keeping the current economic outlook of the blockchain markets in mind, the token is likely to increase its market value over the next decade significantly. This highly fluctuating environment (with considerable amplitudes) gives quality tokens a solid basis for market price increases measured in multiples of tens and more. It is currently experiencing massive interest from institutional investors, such as MicroStrategy, a leading business intelligence firm that has invested well over \$1,5 billion into the market [4].



As shown on the above graph, the crypto market, consisting of blockchain solutions, has shown a huge increase in market capitalization (+ 100 000% over the last 7 years). This is no surprise, considering that renowned wealth and hedge fund managers such as Mike Novogratz and Andy Edstrom predict a market capitalization of \$8 trillion by 2030, which would be equal to the current gold market [5].

It is important to note that while DAQ will benefit from such a growing environment, it is still not subject to uncontrollable volatility, as seen in the usual crypto markets. Instead, it presents stable growth potential due to its deflationary nature and the appreciation of buildable land. To fully understand the structure behind the DAQ token, refer to the [Benefit Token Prospectus](#).

4.4. Parameters

DAQ is an ERC20 token based on the Ethereum network. To explain, Ethereum is a self-contained economy for transactional computation and related data, thus making it possible to issue tokens on top of its network [6].



Total Supply	Divisibility	Nominal Value	Lifespan
76 000 DAQ	2	1000 CZK	min. 20 years

The DAQ Token was created on September 27, 2020, and will be redeemed at the nominal value at the end of its lifespan. The DAQ smart contract is available on the official [Ethereum blockchain explorer](#).

4.5. Token Distribution

From the total supply of 76 000 DAQ Benefit Tokens, the expansions will both be of similar size. For each expansion, an Initial Coin Offering (ICO) will be launched where 33% of the total token supply will be distributed to investors. The remaining 34% will be kept to ensure the annular distribution of benefits amongst the token holders, as well as a further reserve.

DAQ Distribution	DAQ Benefit Tokens	% of total supply
Expansion 1	25 080	33
Expansion 2	25 080	33
Premium payout & Reserve	25 840	34
Total	76 000	100

4.6. Token Sales

Both expansions will be leveraged to acquire roughly the same amount (~100 Ha) of land for agricultural purposes. The tokens allocated to the first expansion will be sold in three rounds, limited by amount, as follows:

Expansion I	DAQ Benefit Tokens	% of total supply	Price CZK per DAQ
Early Birds	8040	10,58	930
Nominal	9000	11,84	1000
with Agio	8040	10,58	1100
Total	25 080	33	



The Early Birds round had been kicked off during an introduction event on September 30, 2020. Once the targeted amount of DAQ tokens per round is sold, the next one starts. The minimum investment amount per investor is 75 DAQ tokens.

The tokens will be available for purchase on the **DynAgro** website (token.dynagro.cz). Subsequently, they will be distributed to the investor once the funds have been received and the confirmed wallet address has been provided.

5. Value proposition

DAQ token holders will be entitled to receive different benefits every year, such as:

- A guaranteed fixed interest rate
- A harvest premium
- A share in profit after tax of **DynAgro**
- All while being backed by collateral
- With the option to redeem

5.1. Fixed Interest

A guaranteed fixed interest rate of 2,5%, calculated on a nominal value of 1000 CZK per token, will be paid out every year on November 30 after the grains have been successfully sold - this is to ensure that token holders receive benefits before the Christmas period. This fixed interest is similar to a classical interest paid out by a bank in the fiat world.

5.2. Harvest Premium

The Harvest Premium is a yearly success bonus paid out at the end of the agricultural year. This premium will be handed out in DAQ tokens and will be defined as 1% of the DAQ held by the individual. For instance, a token holder with 1000 DAQ will receive 10 DAQ tokens after the first year.

In case of a bad harvest, meaning if the targeted revenue of 2 Million CZK is not reached, the harvest premium will be lowered to 0,5%. In this way, the investor actively participates in the success of the company.

A snapshot of the token balance of the token holder will be taken each year on November 15, and the tokens will be sent on November 30 together with the fixed interest payout.



5.3. Profit Sharing

The token holders shall receive a share of 25% of **DynAgro's** profits after tax, which shall be split equally between all holders of tokens for each year commencing on January 1 and ending on December 31. The first year will begin on January 1st, 2021, and payments shall always be due by November 30 of the following year, together with the fixed interest and Harvest Premium.

Therefore, the first profit sharing shall be applicable for 2021 and paid out by November 30th, 2022. The investors' returns on profit sharing will be significantly increased by the periodical sales of buildable land as highlighted below in the Financial Projections, Section 6..

5.4. Collateral

The proceeds of the Token sales will be used to purchase agricultural land to secure sustainability, on which **DynAgro** will operate. The land purchased following both expansions will serve as collateral for the tokens. In fact, these plots of land will be sold on the market in case of a default by the company and the proceeds will be distributed among the Token holders. In other words, the investors' stakes will always be guaranteed as they are backed by collateral, which, in its own, is set to yield a higher than 100% return on investment.

5.5. Redemption

Finally, despite the Token's perpetual nature, **DynAgro** may redeem all Tokens at the nominal value of 1000 CZK after 20 years of their life span. In other words, the investor is fully protected until the very end of the project, which makes this investment highly attractive to anyone seeking a stable return on investment.

6. Financial Projections

The overall return on investment of the first year is expected to reach ~4,5% and is projected to grow continuously over the token's lifespan. In addition, the token itself is detached from the fiat economy and, thus, its appreciation will be solely driven by demand. Keeping in mind the above demonstrated charts, it is no exaggeration to assume that DAQ might experience a market price increase measured in multiples of tens and more.

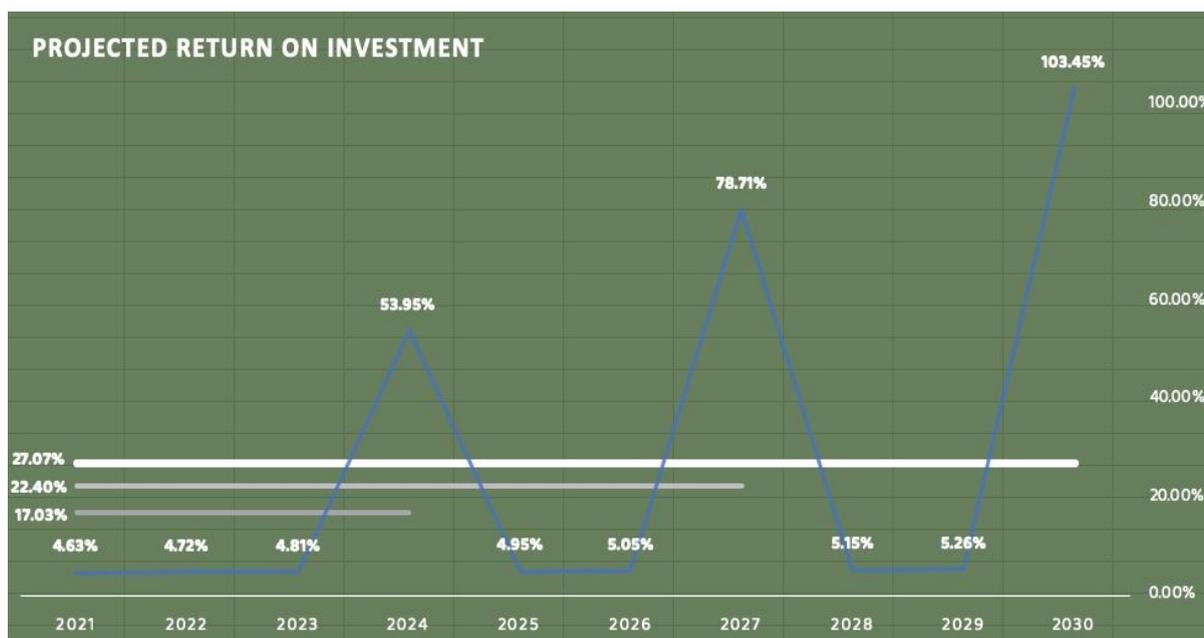


We may expect the following yearly returns on an investment at the nominal price:

Benefit	Year 1	Year 4	Year 7	Year 10
Fixed interest	2,5%	2,5%	2,5%	2,5%
Harvest premium	1%	1%	1%	1%
Average from profit sharing	~ 1%	>13,5%	>18,5%	>23,5%
Overall ROI average	~ 4,5%	> 17%	> 22%	> 27%

based on a linear evolution, excluding the second expansion

In the above projection, the first year's profit sharing is represented at 1% of the initial amount invested. At the same time, the conversion of agricultural plots into buildable land and the sale of such land will generate additional profits after tax, which represents a high multiple of the yearly revenues from the agricultural activity and boosts profit sharing to more than 50% in the respective year (see below graph). Besides, these assumptions do not include increases related to capital gains, which may well exceed 100%.



7. Final Statement

In today's world and financial tumults, the **DynAgro** project comes at the best of times. Offering a stable and guaranteed passive income both in the fiat and crypto world, **DynAgro** presents a perfect solution to investors looking for stable accumulation of wealth based on a sound cash flow model. As the whole project is backed by real-world assets, the risk of investment loss is nearly negligible. At the same time, the token holder may receive a share in huge gains related to both potential sales of buildable land and the crypto market. For a thorough analysis of its unquestionable potential, refer to the [Benefit Token Prospectus](#).

Following the fast-growing trend of digital currencies and hard assets, **DynAgro** offers a unique product built on a serious note and a financially sound business model - it is with sheer humility and due diligence that **DynAgro** is set for the successful realization of this project.

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