

2018



# Agrolot

WHITEPAPER

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# Introduction

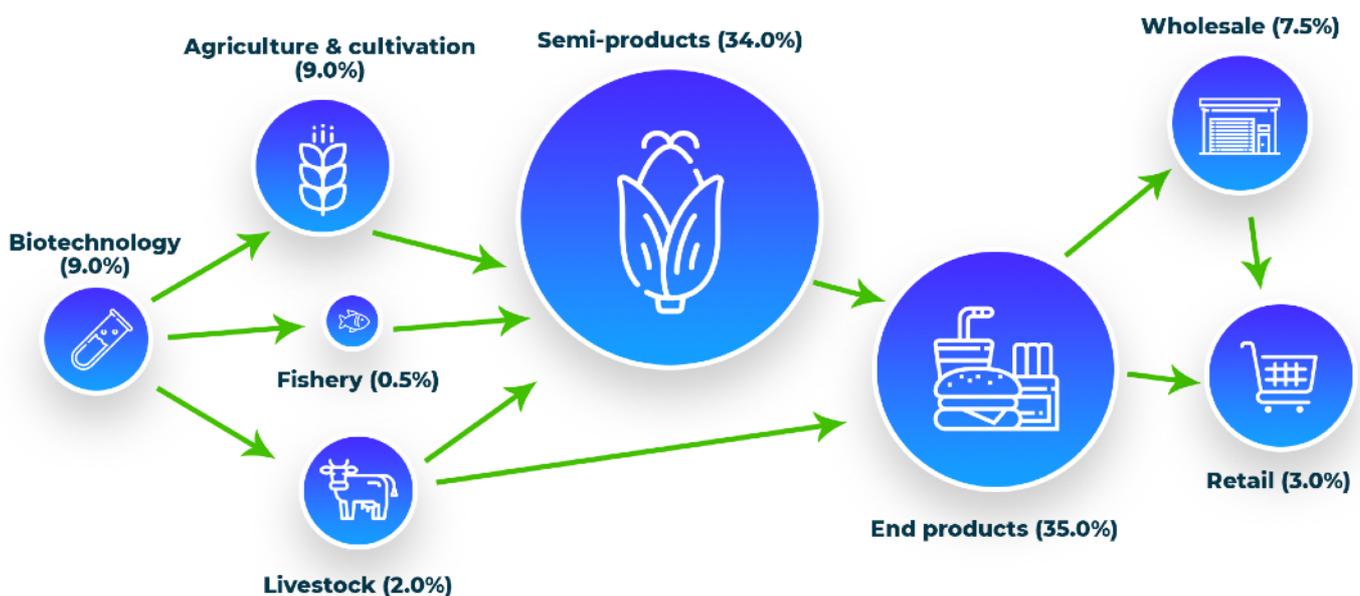
According to the experts, the agricultural industry accounts for approximately 25% of the global GDP, with the tendency to top that number in the near future. Judging by the output value and the volume of the investments it attracts, the agricultural industry ranks the first among the wide variety of macro-economic fields in the developed world.

The capacity of the trade in the world today is expected to grow intensely in the next 10 years. Therefore, the trade impact would result in an increased level of food security.

Globalization did not leave the agrarian industry untouched. The market is very wide that it allows diverse levels of traders. As a result attracting customers from all corners of the world; however there is an overwhelming risk of losing finances.

## Big data market research

Global overview AgriFood chains, 1000+ employees

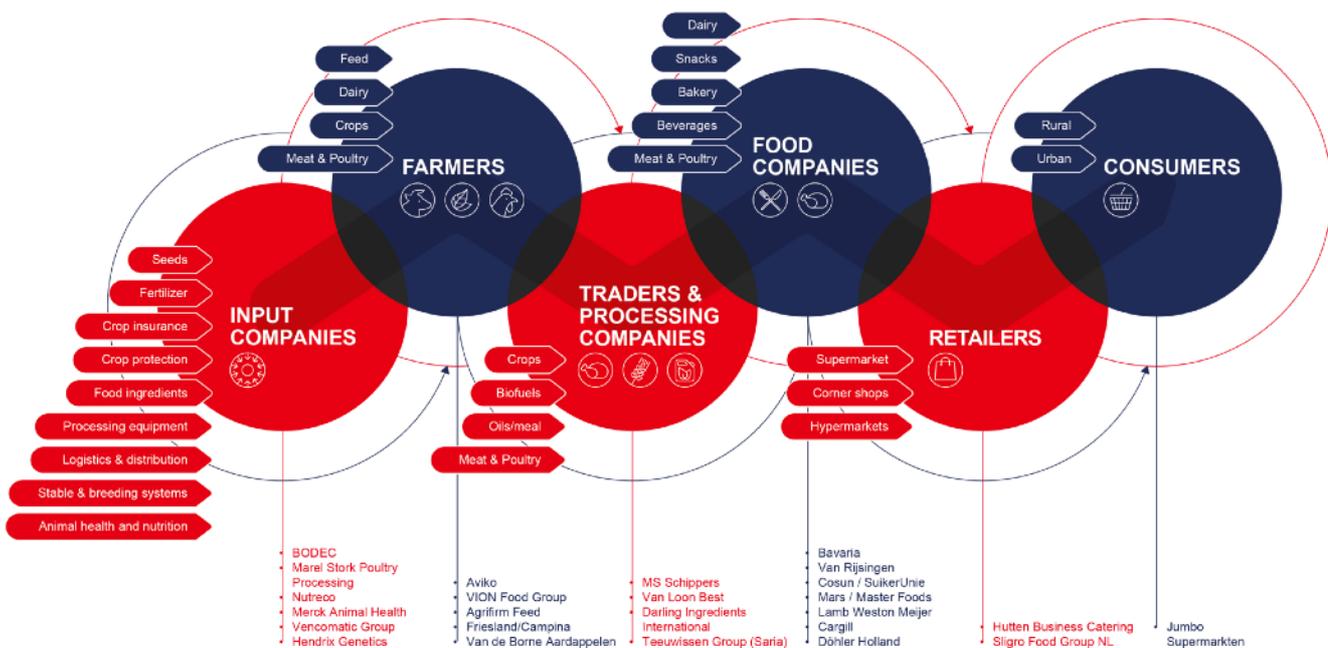


# Introduction

It is possible to achieve direct trade. However, small and medium sized businessmen are faced with various challenges:

- Observance of the International Law on trade;
- Experienced personnel should take part including; international economists and attorneys;
- Intermediaries with high buying prices;
- The capacity to produce is low that would pave way for high levels of producing and supplying to foreign markets;
- Bureaucracy does not pave way for quick sales.

The buying price at the global level depends highly on a number of factors. It includes; the farmers, food companies and finally consumers.



# Introduction

We have made a decision to assist producers to connect with buyers independently from other a variety of countries; thus enabling them to avoid unsuitable conditions of cooperating with a vast number of intermediaries; international traders and brokers.

***We made AGROLOT!***

## About AGROLOT

**AGROLOT** is an international B2B trading platform in agriculture and food production

Registered sellers and consumers can conclude glueesome contracts, exchange transactions, share information and track the difference in food prices globally.

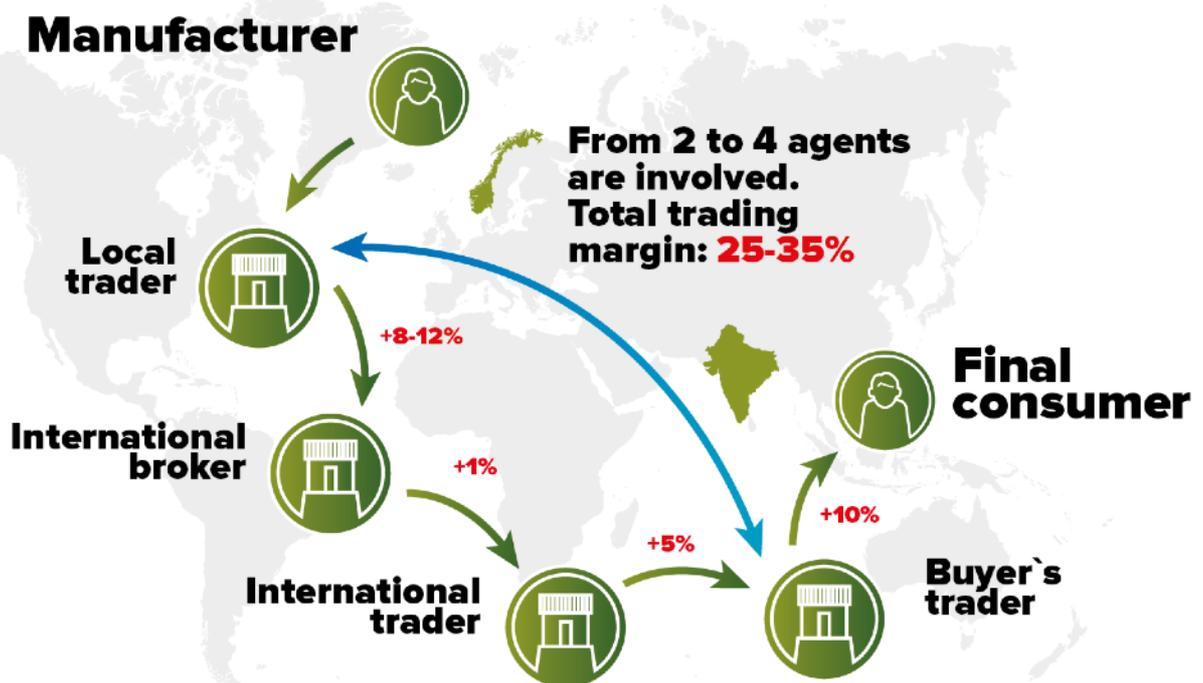
The internal cryptocurrency of the platform — **OFIR** (Operative Food International Registration) backs up the smart contract technology. The coin will be the means of settlement among subscribers. Every product will be placed under a category within the register and evaluated in OFIR.

# About AGROLOT

The OFIR coin will be in connection with the USD 1 OFIR equivalent to 10 US dollars.

The OFIR will be sold only internally. It will be exchanged in exchange of points. The coins may purchase for cryptocurrencies or fiat money.<sup>1</sup> It was our decision not to sell the OFIR coins externally that would avoid manipulation of prices. Other oncoming projects may use the coin.

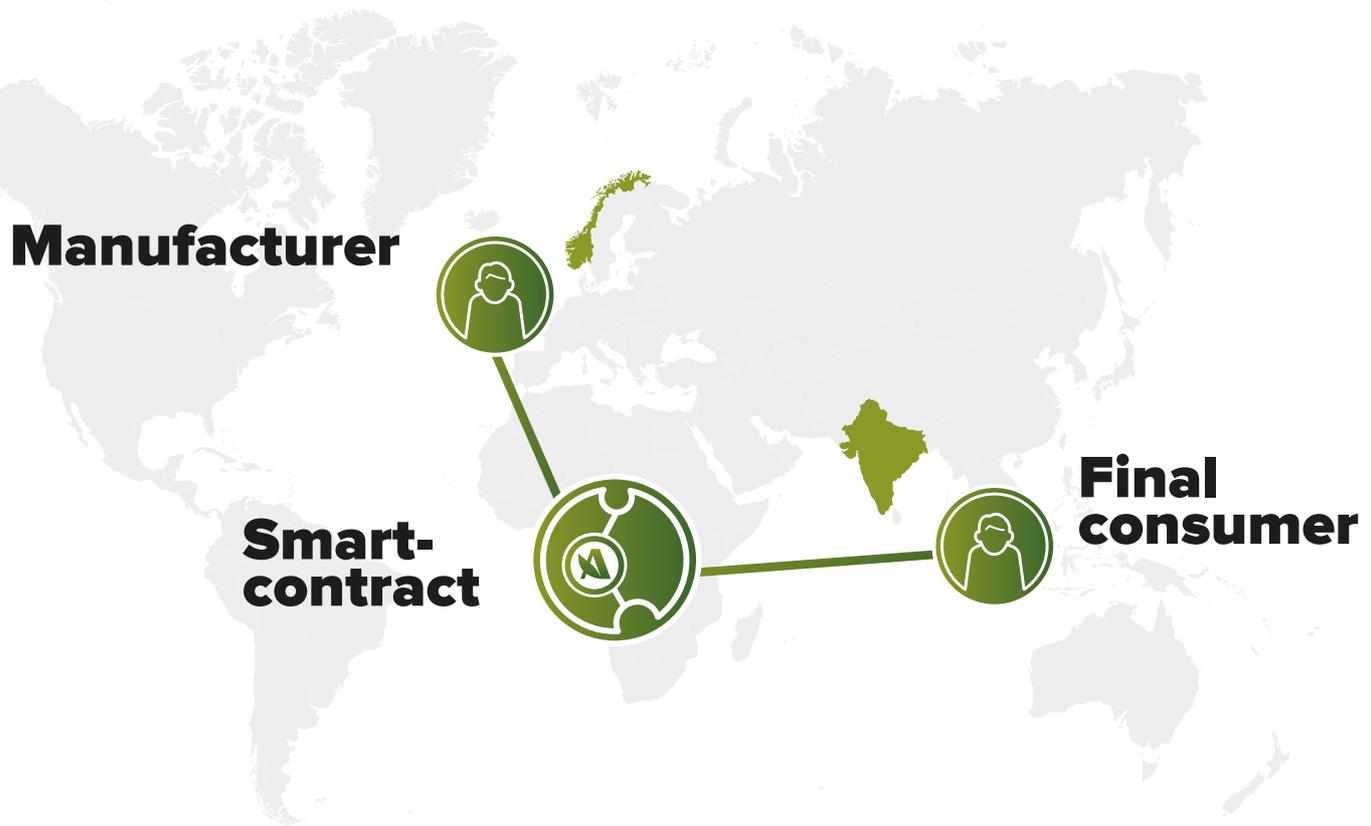
## The traditional scheme of selling agricultural products:



<sup>1</sup> The list of exchange points and currency pairs will be published on the website after the launch of the project.

# About AGROLOT

Sales using AGROLOT:



Our team has deeply thought through a variety of business processes all through finance, storage, logistics, insurance, quality and quantity product monitoring. Blockchain technology is important for efficiency and promotion of the platform.

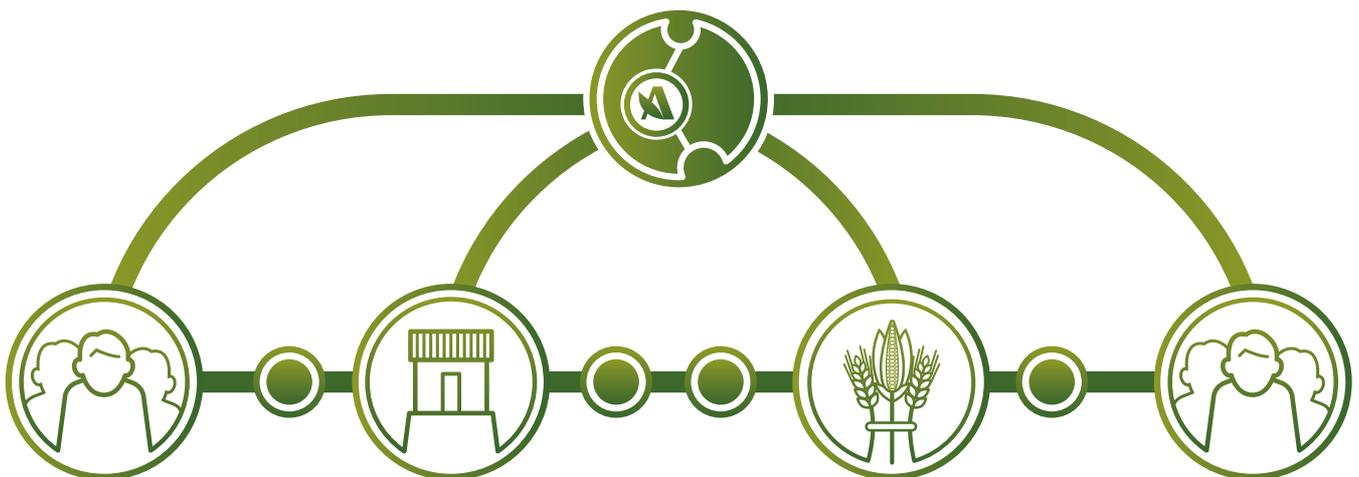
After testing all the present similar platforms, our conclusion is that they will provide local services. In addition they are not designed for real trading and achieving proper results; but informative.

***We provide a lasting solution for international trade.***

# About AGROLOT

AGROLOT intends to support large and small scale sellers and buyers to achieve mutually beneficial deals from any destination in the world. In addition to that, we ensure security of payments by use of smart contracts and safety and delivery of goods to their respective destination in appreciation to the reliable partners.

The main objective of our team is to link producers and consumers directly thus avoiding the long chain of intermediaries.



***AGROLOT — the logistics and financial guarantor of the transaction!***

# About AGROLOT

Any user irrespective of place and time will manage to buy and sell products within the sphere of foreign markets by the use of a smart phone. Fortunately, it is without worry concerning logistics issues, safety of cargo and financial losses.

## **Innovation nature of our project:**

1. Simplicity of creating deals by using the smart contract and the guarantee of their execution
2. Efficiency and economic benefits for all participants
3. Security and transparency of all transaction on the basis of blockchain.

Producers have the opportunity to sell their products at any place and within any time in most possible profitable way.

Buyers may buy goods directly of the required quality and quantity.

The platform is the automatic guarantor of a successful transaction between the two by use of smart contracts.

We give necessary logistics services, control of quality and security of finances through the transaction; giving the consumer and manufacturer a variety of options during the foreign economic activity.

## How the platform works?

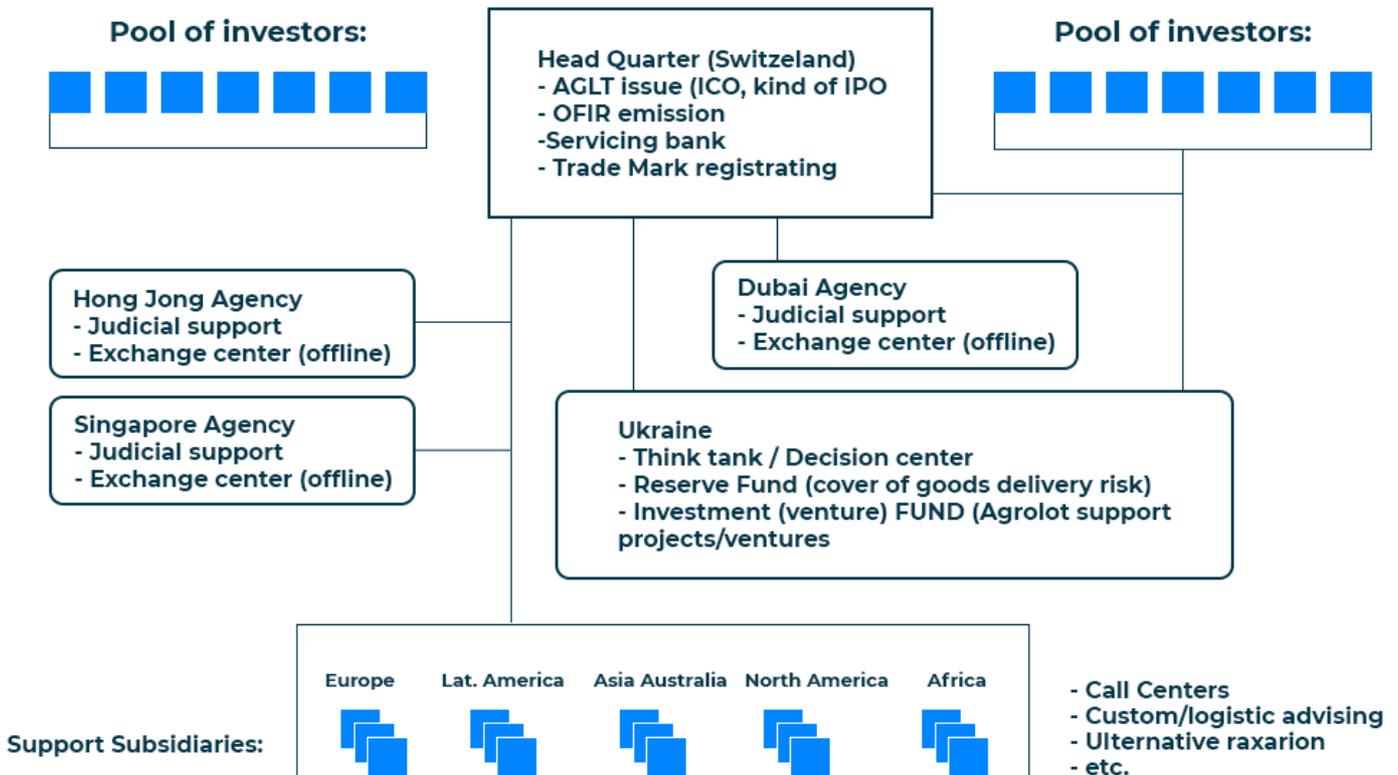
1. The user will register at Agrolot.com. Here they get access to the registry of both producers and buyers of food products.
2. The buyer will buy the OFIR through the platform official exchanger. While finding the conducive quality and offer; he signs a smart contract for the purchase of products by the seller.
3. AGROLOT.com begins processing the transaction by communicating to the logistics partners that would guarantee the transaction and arrange delivery of goods.
4. The cryptocurrency remains frozen until the buyer receives the goods.
5. The cryptocurrency is then unfrozen as soon as the seller withdraws the money earned as a result of online exchange point or the official Agrolot.com exchange services.

Each buyer and seller will have their own electronic digital signature (EDS) that will be used for signing the smart contracts after conclusion.

We have conducted a study on the financial and PEST risks<sup>2</sup>. Through this the finance structure was created and all expenses calculated. We also had specific emphasis on the reliability of the structure and capital safety for investors.

<sup>2</sup> PEST analysis is a marketing tool designed to identify political, economic, social and technological aspects of the external environment.

# How the platform works?



## Guarantees and safety

The experience we have allows us to carefully consider the guarantee for users and their safety.

The AGROLOT platform will be reliably under protection by modern tools of security.

Prior to launching the system the whole structure of security will undergo a thorough security check up that will be conducted by an independent audit company.

Every financial transaction are secured with real goods, such as food stuffs. In such a case our internal OFIR cryptocurrency becomes a payment instrument of the AGROLOT platform.

## **Guarantees and safety**

The data provided by our users and the entire system will be stored on reliable Amazon EC2 and S3 servers. It will ensure the greater level of protection against DDOs attacks and diverse risks. The servers at various parts of the world such as (Singapore, USA, Germany, Switzerland and Holland) will ensure the blockchain operation.

It is our responsibility to deliver goods and we will work only with the world's most reliable international logistics companies.

We created the AGROLOT platform ([www.agrolot.com](http://www.agrolot.com)) for our own funds and started our work.

We will make an agroholding with a land bank a total of 50,000 hectares of land with the intention to cultivation, storage and processing of most crops in the market. They include: sunflower, maize, and wheat. These will a guarantee of large quantities and complete deliveries.

The planned area is at the South of Ukraine: Zaporozhye, Kirovograd, Odessa, Kherson and Mykolaiv Oblasts. The price of the land on average is around USD 2500 per hectare

***We will create a vertically integrated agroholding.***

In this case we will redeem the property rights of the agricultural enterprises in existence along with their infrastructure, equipment and leased land for independent cultivation of agricultural products and consequently sale through the AGROLOT platform.

## Guarantees and safety

The process of buying out of an agricultural enterprise:

- Searching for a facility,
- Audit of the facility,
- Review and discussion with investors (token holders),
- Sale of the number of tokens required for the repurchase of the facility on the internal exchange, and
- Repurchasing and commissioning of the facility.

Agricultural holding vertically integrated will be created for improvement of the volume of trades on our platform. Additionally it will enhance additional income for the company and investors

***We plan to complete the holding by 2020.***

## Why Ukraine?

Agriculture is one of the biggest industries in economy of Ukraine because of its favourable climatic and geological conditions. **The world's third largest exporter of corn is Ukraine and fifth in wheat.**

42 million hectares of land are used for agricultural activities. Close to 80% of land involved in cultivation is arable land, two-thirds being fertile chernozem.

Ukraine has the lowest agricultural investments in Europe but consequently has the great potential. It is so by observing the great fertility of soils and undiscovered agroecological potential of the lands.

## Why Ukraine?

The country has among the lowest agricultural optimal investments in the world with \$400-800 in every hectare as compared to \$4000 in the USA and \$12000 on the Western Europe level.

Ukraine is the owner of  $\frac{1}{4}$  of world's chernozem.

Treating the chernozem properly provides great harvest and is known to be the best agricultural land.

Another good reason is that Ukraine contains semi-skilled educated and cheap labor.

As per the Institute of Agrarian Economics of Ukraine; in 2016 the Ukrainian agribusiness obtained direct investments of \$ 2.47 billion.

Elevators, transshipment terminals, whole logistics complexes are regions that international traders entering the Ukrainian market actively work.

In the past years, Bunge (\$180 million), Cofco (\$75million), Risoil S.A (\$70 million) and Allseeds (\$200 million) terminals have been created in the ports of Ukraine.

Loius Dreyfus Ukraine in the largest foreign exporter of grain in conjunction with "Brooklyn-Kiev" is implementing a project worth \$100 to build a grain terminal.

## Why Ukraine?

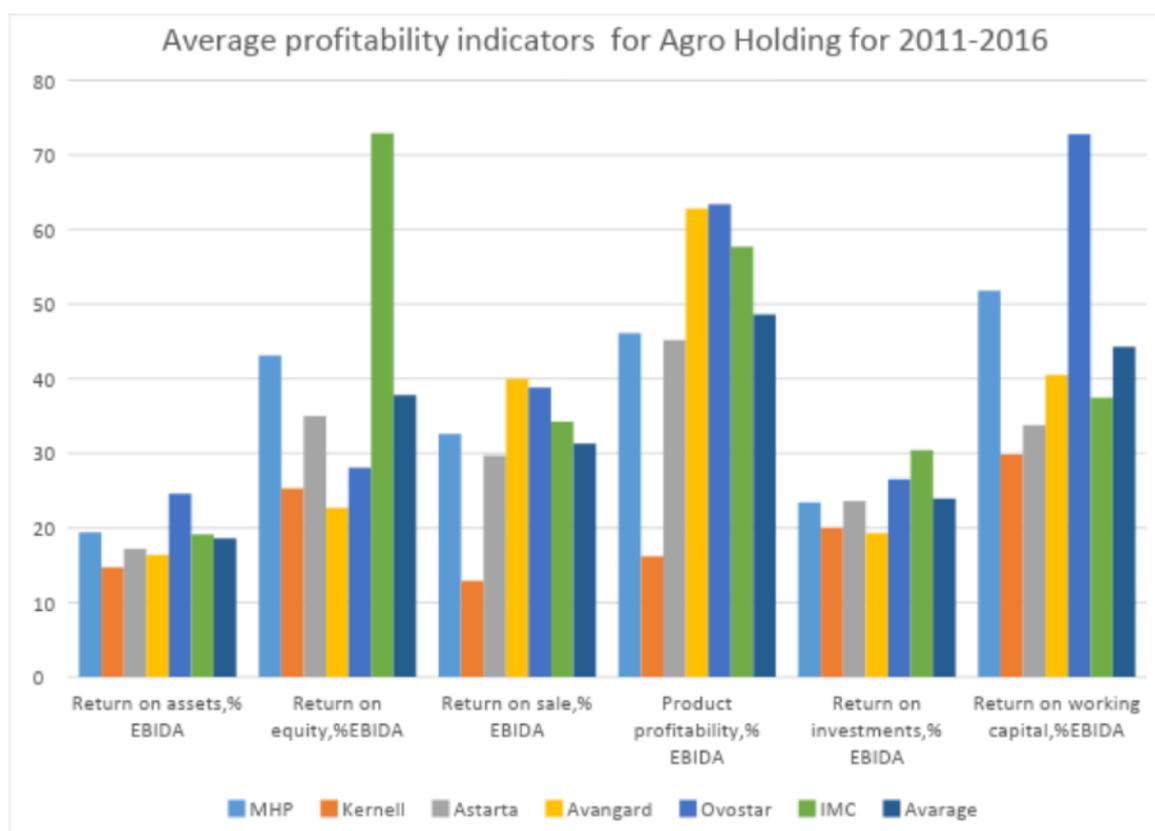
In the year 2016, the Cargill Corporation introduced a project that would build a great terminal in the Yuzhniy port of Odessa Oblast. The project would amount to \$150 million.

In addition the NCH agricultural holding company operates in Ukraine in 2015 a total \$36 million, the seed plant of the American Dupont Pioneers operates successfully a 2013 investment worth \$51 million.

Foreign investors and international financial institutions are concentrating on the prospects present in the sector of agriculture. A good example is the ERBD plans for the year 2018 that would invest 150-200 million euros in the Ukrainian agro-industrial complex. The same figures are used by representatives of the International Finance Corporation

## AGRO-EFFICIENCY

The economic capability of the agroholdings in Ukraine is growing continuously:



# ICO (Initial Coin Offering)

**AGROLOT** (AGLT) is a token based on the Ethereum ERC20 standard.

**We will issue 100 million AGLT tokens.**

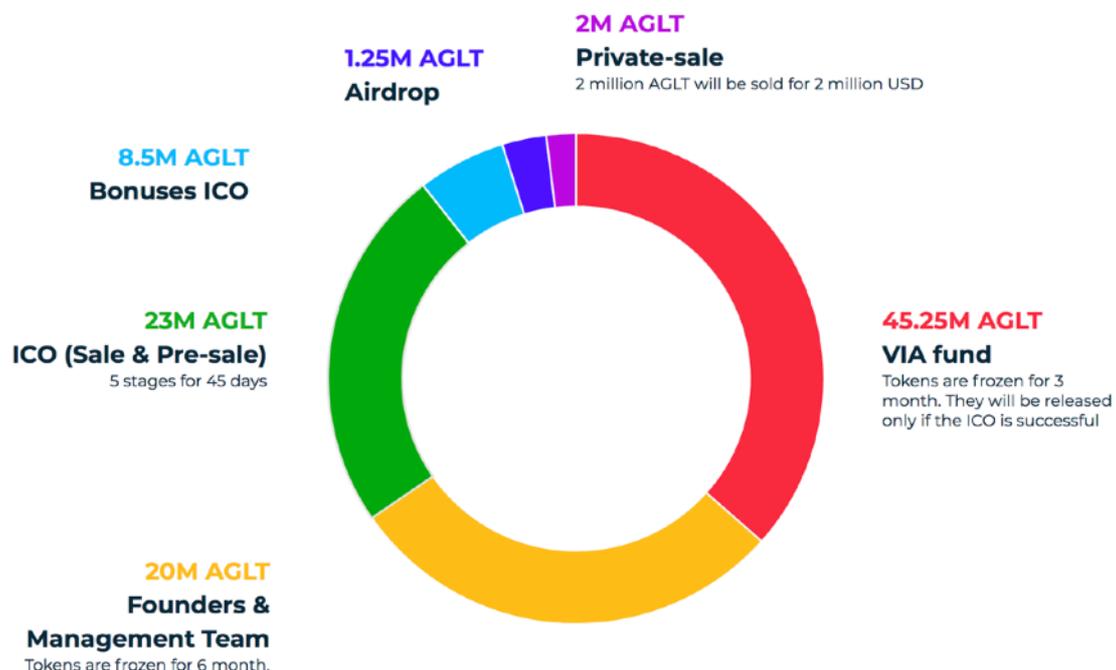
34,75 million tokens will participate in the ICO:

- 2 million will be sold during the Private sale;
- 3 million will be sold during the Pre sale;
- 20 million will be sold in 4 periods of ICO sales.
- 9,75 million will be distributed as bonuses and airdrop.

The remaining 65.25 million tokens will be frozen in the following ways; 45.25 million for 3 months from the ICO start for the VIA fund (vertically integrated agroholding fund), and 20 million tokens - for the Agrolot founders for 6 months.

The AGLT tokens will be sold on the internal exchange to ensure control over large fluctuations in exchange rates.

In order to continue developing the project, we intend to begin a crowdfunding campaign; that would issue AGLT tokens; that operate on the Ethereum ERC20 standard, and in fact will be the company's shares.



# ICO (Initial Coin Offering)

ICO will be held in 4 stages:

## The first stage

Private sale

1 AGLT = 1\$

2 million AGLT will be sold **+bonus 100%**

Period - from June 15 to June 19, 2018

## The second stage

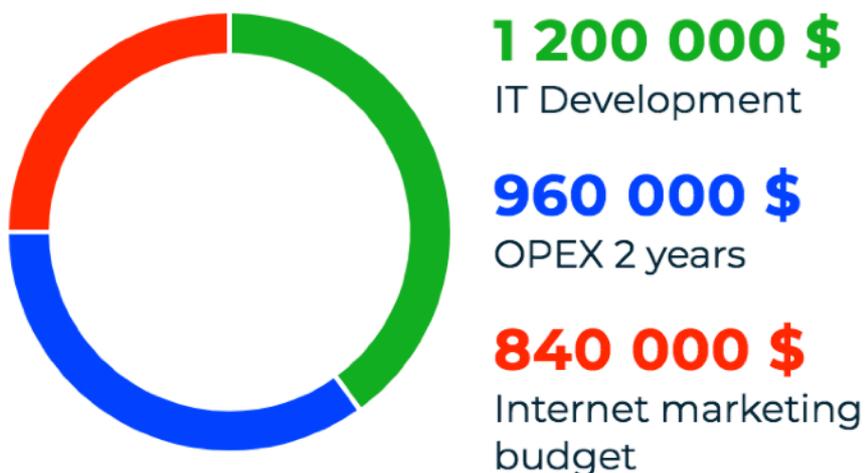
Pre sale

1 AGLT = \$1

3 million AGLT will be sold **+ bonus 50%**

Period: from June 20 to June 29, 2018

## Pre-Sale 30% from development budget



# ICO (Initial Coin Offering)

## The third stage

ICO sale

1 AGLT = \$1

20 million AGLT will be sold Period:  
from July 01 to September 28, 2018



## The fourth stage

The fourth stage represents the phased formation of a vertically integrated agroholding through the sale of tokens at the exchange as the facilities of agricultural purpose are found and purchased.

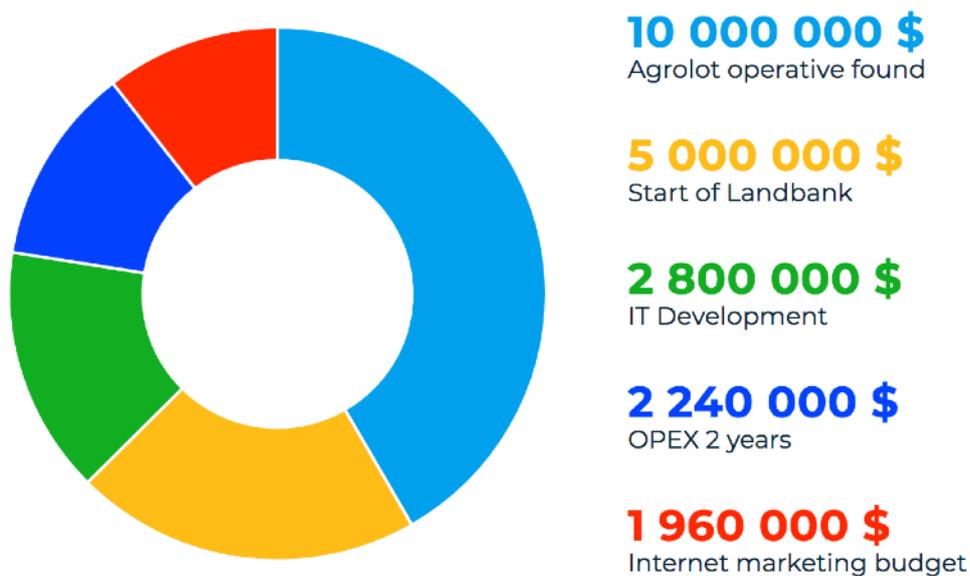
The raised funds will be distributed as follows:

# Financial Indicators

We have calculated the amount of investments needed in the 2-year period for the project launch and development.

We in turn plan to receive from the sale of the tokens. The calculation is as follows:

$$22\ 000\ 000\ \text{AGLT} \times 1\$ = 22\ 000\ 000\ \$$$



Software development and purchase of the necessary IT equipment- \$4,000,000;

Advertising budget - \$2,800,000;

Start-up costs and operating expenses before the payback:

- 1st year - \$1,600,000;
- 2nd year - \$1,600,000.

Operational fund to cover the cash gap on mutual settlements under smart contracts - \$10,000,000

# Financial Indicators

The required investments to create a vertically integrated agrarian holding - \$125,000,000. This figure takes into account the factors of agriculture, namely, seasonality, productivity, the necessary investment costs by the Ukraine regions.

Total required amount of investments is \$145,000,000.

We have defined 2 directions of generating profit for dividend payment.

## **1. The financial result from the operation of the agrolot.com platform:**

The revenue part of this direction will be formed from the fees of the platform, operations on the exchange, as well as additional operations planned to be implemented with the development of this direction.

The operating expenses include employee salaries and taxes on wages, office rent and office costs, IT development, legal costs.

We plan to implement the following organizational structure to start the project and serve the AGROLOT platform in the future:

# Financial Indicators

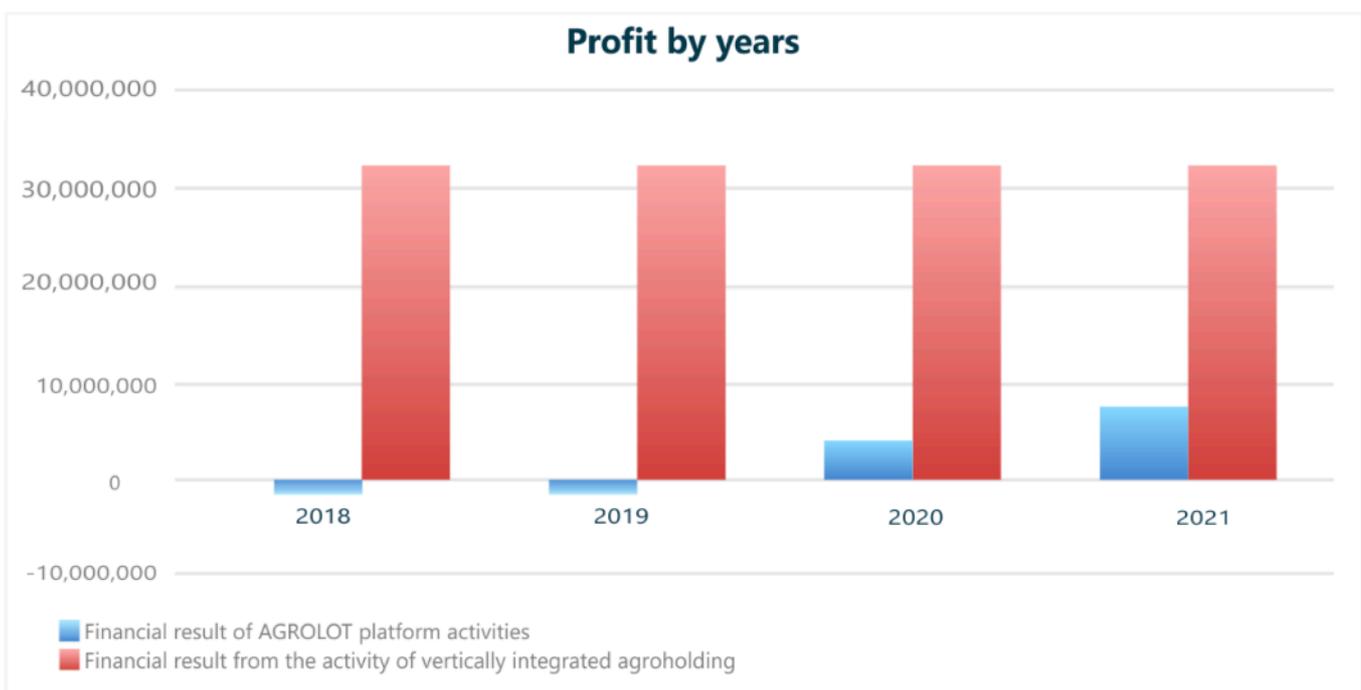


# Financial Indicators

## 2. The financial result from the functioning of vertically integrated agroholding

When calculating the profit from the management of a vertically integrated company with a land bank of 50,000 hectares, we used the average net profit on Ukrainian agroholdings for 2016/2017 marketing year of \$500 per 1 ha. Proceeding from this, the net profit per year was \$32.5 million.

From the evaluation of the financial results of the project, it follows that the breakeven point will be reached by the 3rd year of the Agrolot project operation.



## Incentives for token holders

The AGLT Token will be used to pay commission on the agrolot.com trading platform. If the commission is paid in tokens, then the price of services on the platform is reduced by 25%. Commissions can also be paid via internal means of payment. In that case 25% of commissions will be transferred to a special account with quarterly buyout from the market performed by the platform and subsequent burning of those tokens.

Additionally 15% of commissions from the daily trading fees for the services of the agrolot.com platform will be used for the buyout.

The annual turnover of the market of agricultural products and food products is \$ 8 trillion per annum. We plan to attract at least 2% of the market during 2-3 years which equals approximately \$ 1.5-2 billion annual turnover. The platform commission ranges from 2 to 4 percent for one executed smart contract and depends on the type of service provided by the platform and the delivery volume.

Example: 2% of \$ 1.5 billion = \$ 30 million annual platform revenue, 15% of this amount (\$ 4.5 million) will be used to acquire tokens from the market.

# Registration and airdrop

Airdrop is the advertising system of our project.

We will allocate about 1 million tokens to encourage the registration of users in our system. We give them to the members who will subscribe to our social networks and YouTube channels, write reviews about us, advertise us on their channels.

The first 5,000 users who will register on [agrolot.io](https://agrolot.io) will receive 10 tokens each, and the next 5,000 will receive 5 tokens each.

We will give tokens as presents for certain actions in social networks. The full list of actions and incentives within Airdrop will be available on [agrolot.io](https://agrolot.io).

For the review of our project on YouTube channels with 5,000 + subscribers, we will give 200 AGROLOT tokens.

# Roadmap

## 2015 - 2018 Q1:

1. Launching the agrolot.com/agrolot.ua trading platform;
2. Opening offices in Odessa and Kiev;
3. Opening a representative office in Hong Kong for the development of the Asian market;
4. Forming the advertising budget for the promotion of AGROLOT.IO and the project as a whole;
5. Forming the project team.

## 2018 Q2

1. Creating the agrolot.io website;
2. Writing ICO Agrolot Whitepaper;
3. Launching the ICO site, creating the social profiles;
4. Issuing the AGLT token, and posting the source code on github.com, registering the project at bitcointalk.org;
5. ICO launch;
6. Launching airdrop and ranking referral program.

## 2018 Q3

1. ICO finish
2. Starting the program of a vertical integrated agroholding.
3. Start of developing the OFIR coin based on the own algorithm with EDS, development of the EDS issuance tool;
4. Launch of the internal exchange for AGLT token exchange.
5. Introducing new features at agrolot.com

# Roadmap



## 2018 Q4

1. Launching the blockchain of the OFIR network;
2. Start of developing OFIR Wallet for Windows, Mac, Linux, web wallet;
3. Adding the OFIR coin at bitcointalk.org;
4. The full-fledged launch of the agrolot.com exchange platform together with the OFIR coin;
5. Crediting OFIR coins to the AGLT token holders;
6. Listing AGLT token on external exchanges.
7. Adding the token on coinmarketcap.com



## 2019 Q1 - Q2

1. Creating the online office for exchanging OFIR for many other currencies;
2. Creating an internal exchange for the owners of online exchange offices;
3. Connecting third-party online exchangers for OFIR coin;
4. Accruing the dividends from the vertically integrated agroholding program to holders of the AGLT tokens;
5. Issuing electronic certificates of ownership of a part of a vertically integrated agroholding, as a percentage of the AGLT on deposit.



## 2019 Q3-Q4

1. Continuing the development of the vertically integrated agroholding program;
2. Distributing the dividends from the profit of the agrolot.com trading platform and the vertically integrated agroholding;
3. Forming the platform and the company development strategy for 2020-2021.

## Team and Partners

**International trade:** GFK is a group of companies specializing in trade in agricultural products. Our team works in the food industry in the markets of the CIS countries, Europe and Asia. [gfkcompany.com](http://gfkcompany.com)

**IT and Media:** OFIR MEDIA includes experienced specialists who have developed numerous projects for major international customers and run several large-scale marketing campaigns. [ofir.media](http://ofir.media)

**Legal support** for the project is provided by LAGARD CONSULTING, LLC [lagard.com.ua](http://lagard.com.ua)

**Logistics support** will be provided by the world's largest companies such as Kinay Group [www.kinaygroup.com](http://www.kinaygroup.com)

**Cargo insurance** will be provided by DLC CC “MEGAPOLIS” and LLC “ASK BROKER” [megapolis-insurance.com.ua](http://megapolis-insurance.com.ua)

**Quality and quantity of the products** will be controlled by SGS and BUREAU VERITAS GROUP [sgs.com](http://sgs.com) [bureauveritas.com](http://bureauveritas.com)

**Consulting support** in finance, economics and accounting will be provided by **LLC "TOP KLAS»** [topclass.org.ua](http://topclass.org.ua)

# Contacts

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**Facebook:** <https://www.facebook.com/agrolot.io>

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