

# CERTIFIED TRANSLATION

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Ministry of Science, Technological  
Development and Innovation

**kat\_pult**

REPUBLIC OF SERBIA  
INNOVATION  
FUND



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# TREASURY WHITEPAPER 2

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MINI, MATCHING AND COLLABORATIVE  
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# 1. Introduction

The agri-food market is a vital part of the global economy, encompassing the production, processing, distribution, and consumption of agricultural and food products; it plays a crucial role in ensuring food security and meeting the nutritional needs of growing populations worldwide. With an increasing focus on sustainability and technology-driven innovation, the agri-food sector is undergoing significant transformations. These changes span from precision agriculture and organic farming to cutting-edge food processing techniques and modern distribution systems. As consumer needs and habits evolve, the agri-food market faces the dual challenge of meeting rising food demands while also addressing environmental concerns and ensuring food safety.

As the global population hits 8 billion and is projected to reach 10 billion by 2050, the demand for agricultural products is surely on the rise. From the current US\$13.4 trillion, it is expected to grow to US\$19 trillion by 2027 at a rate of 9.1% per year<sup>1</sup>. Since food is a fundamental human need, investments in the agri-food sector tend to be among the least impacted by global risks, such as the COVID-19 pandemic and geopolitical turbulence, making them an excellent choice for investors. Additionally, with the rapid advancement of smart technologies, many climate-related risks can be significantly mitigated and brought under control.

Hazelnuts stand out as a highly sought-after commodity, used in a variety of food products such as chocolate, confectionery, and energy/protein bars. Its use as a protein substitute for meat and milk is becoming increasingly common and popular in nutrition. The global hazelnut market was valued at approximately US\$17.69 billion in 2023, and with an expected growth rate of 8.8% during the forecast period, it is projected to reach USD 41.12 billion by 2033<sup>2</sup>. Serbia's strong competitive edge in this field lies in its highly favorable climate and excellent soil quality, which, combined with the expertise of our agronomists, achieves high yield. Our team successfully combines decades of experience gained in practice in the hazelnut industry in the country and abroad, and research trials with regard to the further development of a proprietary hazelnut production methodology with the application of modern technologies including sensors, robots, satellites, and artificial intelligence, which, with the support of strong demand and insufficient supply of quality hazelnuts, ensures secure placement and high profitability of production. The decades-long direct presence of Ferrero in Serbia, as the world's largest purchaser of hazelnuts, combined with its strategic partnership with the Ministry of Agriculture of the Republic of Serbia, provides a strategic advantage for all Serbian market participants in terms of sustainable demand and future purchasing.<sup>3</sup>

The Treasury team was founded with the vision of leveraging deep expertise in agriculture, business, and information technology to sustainably increase food production through innovative financial support for agricultural enterprises. We firmly believe that blockchain, artificial intelligence, as well as technology that can be applied in agricultural production (satellites, sensors, and robots) are powerful tools capable of driving significant and urgently needed change in agriculture.

Our team operates under Treasury d.o.o., a Belgrade-based company, where our leaders are experienced professionals, each bringing expertise in critical areas essential to the success of our project. These areas include agriculture, artificial intelligence, agricultural engineering, marketing, software engineering, blockchain technology, business, and finance. Our team leaders include an experienced professional who has overseen the planting of over 10,000 hectares of hazelnuts,

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<sup>1</sup> <https://www.thebusinessresearchcompany.com/report/agriculture-global-market-report>

<sup>2</sup> <https://www.futuremarketinsights.com/reports/hazelnut-market>

<sup>3</sup> <https://www.youtube.com/watch?v=bzvbuUkOcY8> (Strategic partnership of Ferrero and the Ministry of Agriculture)

successful entrepreneurs with global company management experience, an executive director with a track record of increasing revenue fivefold at major multinational companies such as General Electric, another executive director with international experience in managing highly complex operations in the aviation industry and logistics, as well as in sales within the software and FMCG sectors, a skilled software architect specializing in blockchain and DevOps, whose solutions have generated over EUR 50 million of revenue, a globally recognized agriculture expert, and a doctoral specialist in AgTech with awards in the Syngenta Crop Challenge and CGIAR Inspire Challenge, as well as participation in more than ten European Horizon program scientific projects and Serbia's sole project with NASA.

After years of preparation, planning, and technology development, our vision has in recent months received concrete validation through the successful execution of the first public offering of digital tokens with the characteristics of a financial instrument - a green bond - the Treasury Token<sup>4</sup>. By the Decision on the Approval of the White Paper, issued on September 6, 2024, by the Securities Commission of the Republic of Serbia under number 9/2-101-1900/13-24 (hereinafter: Decision<sup>5</sup>), the public offering of the Treasury Token was approved. Over the past year, we have built an investor community of more than 2,500 members, and more than 120 investors from three continents have participated in the creation of the first smart and sustainable Treasury hazelnut orchard. Despite complex geopolitical conditions, during the initial offering we issued Treasury Tokens in the total amount of €1.5 million equivalent in Serbian dinars. The collected funds were invested in the development of a modern hazelnut orchard established on 53 hectares of land. With this milestone, we have confirmed the sustainability and functionality of our business model and demonstrated that the vision we are building is fully achievable. We are now ready to scale production and provide an opportunity for everyone who missed the initial phase to become part of the next stage of the Treasury project's growth.

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<sup>4</sup> <https://www.tanjug.rs/ekonomija/srbija/118719/projekat-treasury-finansiranje-poljoprivrede-tokenima-i-povezivnaje-sa-investitorima/vest> (opening of a public offering);  
<https://www.youtube.com/watch?v=U8Azl-4oDAQ> (RTS and RTV Dnevnik – opening of a public offering);  
<https://forbes.n1info.rs/inovacije/kompanija-treasury-ostvarila-cilj-projekat-uspesan-sledi-sadnja-lesnika/>  
<https://online.fliphtml5.com/yoihz/jwxq/#p=21> (Jovan Paunovic, interview in Profit magazine);

<sup>5</sup>

<https://www.sec.gov.rs/index.php/sr/%D0%B4%D0%BE%D0%BA%D1%83%D0%BC%D0%B5%D0%BD%D1%82%D0%B8/9257-treasury-d-o-o-beograd/viewdocument>

The Securities Commission of the Republic of Serbia has approved the addition to the White Paper:

<https://www.sec.gov.rs/index.php/sr/%D0%B4%D0%BE%D0%BA%D1%83%D0%BC%D0%B5%D0%BD%D1%82%D0%B8/9555-treasury-d-o-o-beograd/viewdocument>

## 1.1. Treasury team

### 1.1.1. Jovan Paunović, CEO



Jovan Paunović is a serial entrepreneur and executive director, with management experience in the world's largest multinational companies and international teams.

Jovan also works as an independent consultant for the New York-based Gerson Lehrman Group (GLG) and London-based AlphaSights, advising global clients in the health industry, with a particular focus on the medical technologies niche, as well as in the strategic implementation of modern technologies and innovations to drive sustainable growth across various industries such as agriculture, banking and financial services, energy, and

logistics.

He previously served as the CEO of GE Holdings (a General Electric subsidiary) and GE Healthcare for the Western Balkans; during his tenure, he participated in the company's reorganization, the sale of several subsidiaries, and the spin-off of GE Healthcare from the parent company. He was an active participant in the largest reconstruction projects of state health systems in the Western Balkans, as well as private greenfield and brownfield investment projects throughout the EMEA region. Under his leadership, GE Healthcare achieved remarkable results - a 500% revenue growth and a 7-fold increase in market share. He was appointed by the company as a mentor for startups in Health Venture Lab (Hungary) and Edison Accelerator (UK), programs organized by GE Healthcare in collaboration with EIT and Wayra.

Prior to his role at General Electric, Jovan Paunović founded and led VisMedic, a startup that developed Eastern Europe's first telemedicine platform, earning numerous international awards and accolades. He founded JP ICG, a consulting company specializing in mergers and acquisitions, digital business transformation, and supporting startups in developing disruptive business models and securing investments. In this capacity, he was engaged as a mentor in several international projects to support startup companies. He was a partner in a private equity closed-end investment fund that invested more than US\$50 million in agriculture.

Jovan Paunović supports innovation as an angel investor and mentor in various international startup support programs, and is also actively involved in organizations like AmCham, the European Business Angel Network (EBAN), the Serbian Private Equity Association (SPEA), among others.

He is an alumnus of Luigi Bocconi University and the United World College of the Adriatic, and completed a program in technology entrepreneurship at Stanford University.

### 1.1.2. Aleksandar Petrović, Chief Agricultural Officer



Aleksandar Petrović (Chief Agricultural Officer) is an expert in the field of agriculture, specializing in nut cultivation. He developed a sustainable and profitable model for hazelnut plantations, which has since become a benchmark for best practices in the cultivation of this crop. In 1999, Aleksandar established a pilot hazelnut orchard on an area of 1 hectare, where he planted 9 varieties of hazelnut, 4 of which are top Italian varieties. The experiment aimed to assess the soil and climate suitability for hazelnut cultivation. Through a successful experiment, Aleksandar demonstrated that top Italian hazelnut varieties, which are also among the most sought-after globally, thrive and yield excellent produce in Serbian

soil. With the backing of professor Čedo Oparnica, PhD, and a US partner, Aleksandar leveraged his extensive knowledge and experience to establish the Balkans' first modern hazelnut plantation in 2004, covering a total of 50 hectares (expanded by an additional 15 hectares in 2006), and also set up a nursery to produce high-quality planting material, which facilitated the planting of over 500 hectares of hazelnut plantations across Serbia in the years that followed.

In order to educate farmers and others interested in hazelnut production, he regularly organizes the Hazelnut Days event, which has attracted over 4,000 attendees from Serbia and neighboring countries. With the cultivation methodology developed on the basis of practical experience and the application of modern technologies, the average fertility of hazelnut in Serbia has increased by approximately 30%. At Aleksandar's invitation and initiative, Ferrero, the global leader in confectionery and the world's largest consumer and producer of hazelnuts, began its operations in Serbia. This move was crucial in speeding up awareness about the benefits of hazelnut production, advancing the hazelnut sector, and securing competitive prices for Serbian hazelnuts on the global market. Under Aleksandar's leadership, Ferrero established cooperative hazelnut production across more than 4,000 hectares and developed its own plantation covering 600 hectares in Serbia over an 8-year period. Aside from the direct economic benefits of the project for the Republic of Serbia, Ferrero's entry and investment served as a clear signal to numerous other companies from Italy and the EU to invest in Serbia.

To this day, Aleksandar, along with his team of carefully selected agronomists, has been involved in establishing over 10,000 hectares of hazelnuts, both domestically and internationally. Simultaneously, Aleksandar has initiated and participated in numerous scientific and research activities aimed at improving hazelnut health, enhancing soil quality and characteristics, protecting hazelnuts from pests and pathogens, and increasing yield. He has established extensive collaborations with the Faculty of Agriculture at the University of Belgrade, the Faculty of Agriculture in Novi Sad, the Fruit Research Institute in Čačak, the BioSense Institute, the Institute of Soil Science in Belgrade, the Institute of Field and Vegetable Crops, and numerous other institutions both domestically and internationally. Alongside his work in developing the hazelnut production sector, Aleksandar spent 11 years building Connections, a company specializing in high-end furniture manufacturing. The quality and design of the manufactured furniture have also been recognized by international hotel chains, notably Aman Resort (winner of the World's Leading Luxury Resort Brand 2011 award) with which Aleksandar has established a successful, long-term collaboration for fully furnishing their accommodation units. In addition, Connections has furnished luxury villas and apartments in Italy, France, India, Russia, as well as in Serbia and neighboring countries. Aleksandar's keen interest in modern IT technologies is evident from his 14-year partnership in the software company Last Bajt, which offers solutions both in Serbia and abroad.

### 1.1.3. Oskar Marko, PhD, Chief Innovation Officer



Oskar Marko, PhD, a scientist at the BioSense Institute and an expert in information technology applied to agriculture, is responsible for innovation and sustainable development at Treesury. His expertise lies in artificial intelligence models for monitoring and optimization of agricultural production. He earned his PhD in this field from the Faculty of Technical Sciences at the University of Novi Sad, and spent a year at City University in London, where he completed his bachelor's thesis in signal processing. Since then, he has developed numerous advanced machine learning algorithms for variety and hybrid selection, yield prediction, and multi-criteria optimization, enabling farmers to simultaneously increase yield and

profit, reduce risk, and achieve environmental sustainability in production.

Oskar led BioSense's team that developed algorithms for smart selection and distribution of varieties and hybrids, earning first place in the prestigious Syngenta Crop Challenge, as well as support from CGIAR and the Bill & Melinda Gates Foundation to apply these algorithms in Africa. To date, he has secured European Union funding for his research through competitive Horizon calls, including projects like Antares (€30M), Cybele (€14M), Flexigrobots (€8M), and others. Additionally, he has spearheaded economic projects with the World Bank, MK, Frikom, and various domestic and international firms in agriculture and finance, and also led a project with NASA to analyze the impact of climate change on agriculture in the European continental climate zone.

He received the award for Best Telecommunications Student in Serbia in 2013 and was named one of the "30 under 30" most successful individuals in Serbia by Bizlife magazine in 2018. At the Faculty of Sciences, University of Novi Sad, he teaches courses in artificial intelligence, machine learning, and image processing; he has also participated in numerous conferences and summits focused on AgTech, FoodTech, and applied artificial intelligence. He successfully applies his expertise at Treesury to ensure high yields, top-quality fruit, and a positive environmental impact.

### 1.1.4. Vladimir Cvejić, CTO



Vladimir Cvejić, a technology expert with extensive experience, is recognized as an authority in software development and blockchain technologies. As CTO, Vladimir has demonstrated exceptional understanding and application of scrum methodology, Agile principles, and DevOps practices, achieving efficiency in developing high-quality IT solutions.

With a decade of experience working with international and interdisciplinary teams in the United States, Vladimir Cvejić has successfully managed projects as both a project manager and leader of various teams. He oversaw the development team at ATAK Interactive INC, a Los Angeles-based company, creating solutions for data delivery, LMS, and CRM that generated over €50 million in revenue. His leadership, coordination, and organization of teams composed of experts from various disciplines have been key to his success in developing innovative solutions.

As a technology architect at Smart Vision d.o.o., Vladimir gained deep insight into technological challenges, setting high standards in software development strategy. Simultaneously, as the founder and CEO of Atak Development Beograd and later Proattitude Solutions d.o.o. Beograd, Vladimir successfully implemented DevOps, blockchain, and Web3 technologies, delivering high-quality solutions aimed at enhancing both internal and external business processes. He also served as a

technology advisor at Amsterdam Projekt d.o.o., where he contributed to implementing technological solutions that significantly improved the company's operations.

In addition to being recognized as a technology expert and leader, Vladimir is also acknowledged as an IT manager with a broad range of knowledge, skills, and expertise. Key skills and expertise contributing to his successful career include project management, software development, project budgeting, cost analysis, employee and user training, as well as the ability to analyze and evaluate work for continuous improvement and enhanced business processes and stakeholder satisfaction. His strategic thinking, commitment to innovation, and drive for finding cutting-edge technological solutions establish him as a significant expert in the field of information technology.

### 1.1.5. Vanessa Sammut, Chief Growth Officer



Vanessa Sammut, Chief Growth Officer at Treesury, is a prominent figure in marketing, recognized not only in Australia, where she resides and works, but also on an international scale. Her focus lies in financial technology and software services (SaaS). With over 15 years of experience, Vanessa has become an expert in business development, utilizing value exchange marketing techniques and design thinking in order to guide product development and transform services, processes, and strategies.

Vanessa received her higher education at renowned institutions. In 2004, she earned a Bachelor of Commerce degree with a focus on management and public policy from the University of Malta; in 2020, she completed her Master of Business Administration (MBA) at Torrens University in Australia. Her passion for expanding ideas through sustainable growth has guided her in developing growth marketing strategies across various companies, and her responsibilities have included public relations, social media, and promotion through both digital and traditional channels.

She began her career at PA Consulting in the UK, working on enhancing competitive capacity through innovation. Her drive for continued growth and interest in marketing has guided her through a series of roles in IT, innovation, and transformation companies. She began her growth marketing career in the financial sector with Australian company Zai, eventually progressing to the role of Head of Growth Marketing at Canopy. At Canopy, her focus was on public relations, designing and implementing social media campaigns, product branding, market analysis, and promotional data analytics. As Growth Marketing Director at mx51, she was responsible for strategic team leadership, creative direction, and stakeholder management. Operationally, she has overseen content creation, website development, public relations, and company branding. Since 2019, as an entrepreneur, she has been leading the marketing agency AlwaysOnMarketing in Australia.

Vanessa is not only a corporate expert but also actively supports women entrepreneurs through the She Mentors organization. Through mentorship, sharing knowledge, and experience, she contributes to the development and realization of other women's full professional potential in the business world.

At Treesury, Vanessa is responsible for positioning the company as a recognizable brand in the market, as well as for entering new markets and segments within them. Her work in this area is crucial for scaling the company's business model and attracting investors from various sectors and regions.

### 1.1.6. Puniša Zdravković, Chief Sales and Operating Officer



Puniša Zdravković is an experienced executive and business strategist with more than two decades of international leadership experience across sectors such as SaaS, airline services, pharmaceutical distribution, logistics, and software solutions. His career includes continuous enhancement of business processes, market expansion and growth across international territories, as well as strategic implementation of digital transformation initiatives throughout Europe, the Middle East, and North America.

In his most recent role as Global Sales Director at the U.S.-based company Proctorio Inc., Puniša played a key role in the company's global expansion and revenue growth during the challenging environment created by the COVID-19 pandemic. He developed scalable sales structures and client-development strategies for higher education, corporate, and public-sector customers. He led sales and customer support teams across the Americas, Europe, the Middle East, and the Asia-Pacific (APAC) region, delivering strong results in highly complex, multicultural environments.

As General Manager of Air Serbia Catering, a member of the Etihad Airways Group, Puniša successfully led a major organizational transformation. He restructured production, operations, and logistics, opened the first business lounge at Nikola Tesla Airport, and managed the project of launching the first intercontinental flight to the United States after more than 25 years. He introduced new commercial services and transformed the traditional inflight catering model into a profitable business unit based on modern retail and ancillary revenue principles. Under his leadership, the company generated revenue for the first time by serving third-party clients and entered the private aviation servicing market.

Prior to that, he headed the Pharmaceutical Division at NELT-CO, managing a portfolio of over 60 globally recognized manufacturers with a total value exceeding €40 million. He led multifunctional teams responsible for product registration, sales, procurement, supply planning, warehousing, and financial control - establishing a foundation for sustainable growth and high operational standards.

He began his management career as Operational Development Director at Delta Sport, where he introduced Lean and Six Sigma methodologies across the markets of the former Yugoslavia and Ukraine. He established an internal continuous improvement department and delivered numerous initiatives with exceptional return-on-investment results.

As a Project Director at IMPAC (Dublin, IR), he led teams on operational improvement and cost-optimization projects for clients in the industrial, energy, and service sectors across Eastern Europe and CIS countries.

Puniša is a certified Six Sigma Black Belt and has completed numerous international programs in digital marketing, change management, operational risk assessment, as well as aviation strategy and business models. He holds a degree in Economics from the University of Belgrade.



## 1.2. Conclusion

Based on professional experience and the expertise of the team involved in this project, as well as regular analyses, we have determined that there is a substantial need for investment in agricultural production and that certain regions in Serbia are ideal for hazelnut cultivation. On the other hand, according to official data from the National Bank of Serbia, private deposits in the Republic of Serbia totaled over €22.39 billion at the end of June 2025<sup>6</sup>. Given that interest rates on deposited funds are negligible, especially when compared to inflation rates, it is evident that uninvested money loses value and that there is a growing need for investors to deploy their capital and protect it against inflation. Given that the Law on Digital Assets (Official Gazette No. 153/2020, hereinafter referred to as: Law on Digital Assets or Law) allows for the issuance of digital tokens to finance specific projects and offers investors appropriate returns on their investment, we have decided to proceed with an initial digital token offering under the name Treasury Token 2.

Jovan Paunović, CEO

A handwritten signature in blue ink, appearing to read "Jovan Paunović".

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<sup>6</sup> [https://www.nbs.rs/export/sites/NBS\\_site/documents/statistika/monetarni\\_sektor/SBMS41.xlsx](https://www.nbs.rs/export/sites/NBS_site/documents/statistika/monetarni_sektor/SBMS41.xlsx)

## 2. Definitions

- **White Paper** - a document prepared in accordance with the Law on Digital Assets and its bylaws, created by the Issuer, containing all necessary information about the issuer of the digital assets, the digital assets themselves, and the associated risks, thus enabling investors to assess the risks related to investing in digital assets and make informed investment decisions independently.
- **Blockchain** - a distributed database: a) supported by a network of distributed computers; b) that stores transaction data in the database indefinitely; c) where recorded transactions cannot be deleted or altered; d) where each subsequent transaction must be confirmed by the majority; and e) where cryptography is used to confirm transactions.
- **Blockchain wallet** - a software solution used by digital asset users to access the blockchain and the digital asset address, enabling users to acquire, store, and transfer their digital assets; transactions are facilitated through a combination of a public key (address) and a private key.
- **Bonus** - Investor's right to an additional amount of free Treasury Tokens that the investor can acquire in accordance with this White Paper.
- **Digital token** - a type of digital asset that represents any intangible property right in digital form, encompassing one or more other property rights; this may also include the right of the digital token user to receive certain services.
- **Expropriation** - legal institute which, due to the existence of public interest, allows the forced transfer of real estate from private to public ownership or the establishment of tenure or lease on real estate, for a fee.
- **Initial Digital Token Offering** - procedure for issuing Treasury digital tokens in the Republic of Serbia, in accordance with the White Paper and the Law on Digital Assets.
- **Issuer** - Treasury d.o.o. Beograd, with registered office in Belgrade - Zvezdara, at Veljka Dugoševića 54, company registration number 21900796, TIN 113616843.
- **Holder or Investor** - an individual who purchased a digital token during the Initial Digital Asset Offering, or who legally acquired it from a rightful holder, in accordance with this White Paper and the regulations in effect at the time of acquisition of the digital token.
- **KYC/KYB** - know your customer/know your business; a series of measures undertaken by the issuer of this White Paper in order to identify the Investor.
- **OTC digital asset market** - a market for trading digital assets in which transactions are executed directly between the seller and the buyer of digital assets, without the mandatory involvement of a digital asset service provider and outside of digital asset trading platforms.
- **Smart contract** - a computer program or protocol, based on distributed database technology or similar technologies, that automatically executes, controls, or documents legally significant events and actions, either fully or partially, in accordance with a pre-existing contract for the purchase of digital tokens, whereby this sales contract can be finalized electronically through the program or protocol; in the case of Treasury Tokens, the protocol is based on the ERC3643 standard.

- **Mining** - acquisition of digital assets by participating in the process of computational verification of transactions within information systems related to specific digital assets.
- **Treasury platform** - a technological platform that enables independent issuance of Treasury Tokens that have the characteristics of a financial instrument.
- **Interested parties** - domestic and foreign individuals, legal entities, and entrepreneurs who are interested in purchasing digital tokens.

# 3. Project - Reasons for the initial offer and planned use of the collected funds

## 3.1. Investment in agricultural production

The United Nations Food and Agriculture Organization (FAO) estimates that by 2050, global food production will need to increase by 70% to meet the demands of a growing world population<sup>7</sup>. The problem is further accentuated by high birth rates in the Global South, changes in diet and consumer behavior, while production costs have risen dramatically (Figure 1) due to inflation and supply chain problems linked to the pandemic and the wars in Ukraine and the Middle East. Global fertilizer prices have surged by nearly 30% since the beginning of 2022, following an 80% increase in 2021<sup>8</sup>. The same trend is observed with pesticides and fuel, other key inputs essential for professional agricultural production. Markets demand high investments and high yields, making it difficult for small farmers to survive without subsidies, while barriers to entry in this industry continue to rise.

In the U.S., the inflation rate surged to a record 9.1% in June 2022, while in the EU, it peaked at 10.6% in the same year<sup>9</sup>. As money loses value and bank deposit interest rates remain well below inflation, both ordinary and sophisticated investors are seeking new, balanced investment opportunities. The COVID-19 pandemic exposed the volatility of numerous economy and business sectors, with a few exceptions, including agriculture, which recorded an annual growth rate of 9.9%<sup>10</sup>. Agriculture and food production are recognized as sectors with high returns and low risks, yet investors, as emphasized by the European Commission, McKinsey, and Bain, often hesitate or lack the means to enter due to the high barriers - securing the vast necessary capital for financing globally competitive production, acquiring essential agronomic expertise, and integrating into supply chains, operational complexity, insufficient transparency, and the limited liquidity of such investments.<sup>11</sup> As a result of these circumstances, only 3% of investors have access to agricultural investment opportunities.<sup>12</sup> Treasury is democratizing access to investments in agricultural production by removing these barriers, making it possible for everyone to invest in agriculture, a sector previously reserved for large investors. Our team has the knowledge and experience needed to produce high-quality hazelnuts, has built decades-long partnerships with major multinational companies ensuring a reliable market for our products, and, through the use of digital token technology, is making agricultural investments

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<sup>7</sup> [https://www.fao.org/fileadmin/templates/wsfs/docs/Issues\\_papers/HLEF2050\\_Global\\_Agriculture.pdf](https://www.fao.org/fileadmin/templates/wsfs/docs/Issues_papers/HLEF2050_Global_Agriculture.pdf)

<sup>8</sup> <https://blogs.worldbank.org/opendata/fertilizer-prices-expected-remain-higher-longer>

<sup>9</sup> <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>

<sup>10</sup> <https://www.researchandmarkets.com/report/crop-growing>

<sup>11</sup> <https://www.mckinsey.com/industries/agriculture/how-we-help-clients/mckinsey-center-for-agricultural-transformation/private-sector-engagement>

<https://www.bain.com/insights/building-the-ecosystem>

[https://agriculture.ec.europa.eu/system/files/2020-09/survey-financial-needs-and\\_access-to-finance-eu-agri-enterprises\\_en\\_0.pdf](https://agriculture.ec.europa.eu/system/files/2020-09/survey-financial-needs-and_access-to-finance-eu-agri-enterprises_en_0.pdf)

<https://acumen.org/blog/experts-weigh-in-on-the-agriculture-capital-continuum/>

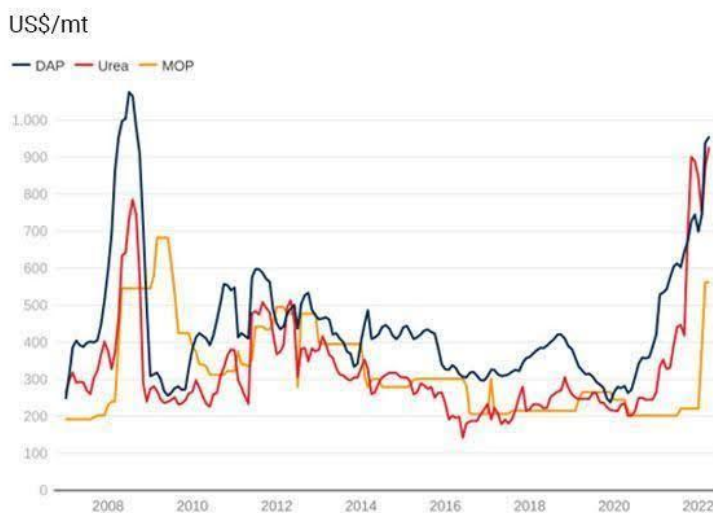
<https://www.emerald.com/jadee/article/doi/10.1108/JADEE-06-2024-0185/1251618/Agri-entrepreneurship-in-developing-countries-a>

<https://thefarmersjournal.com/challenges-to-private-sector-engagement-in-african-agriculture-markets-capacity-and-capital/>

<sup>12</sup> <https://www.commonfund.org/cf-private-equity/not-your-grandfathers-farm-emerging-opportunities-in-an-often-overlooked-sector>

accessible to a broader range of investors. A common issue in production and supply chains is the lack of transparency, while investments often face liquidity challenges due to the absence or insufficient organization and inefficiency of a secondary market. Crowdfunding portals have seen moderate success in specific cases, but this approach operates on a campaign model and is not designed for long-term ventures. Moreover, it does not facilitate quick and easy asset trading, which further exacerbates the liquidity problem for investments. Our project is based on innovative digital token technology that overcomes these challenges. Blockchain technology ensures transparency and transaction efficiency, automates payouts, and facilitates the sale of tokens on a regulated secondary market, simplifying buying, selling, and payments, and making investments more liquid.

## FERTILIZER PRICES



Note: DAP = diammonium phosphate. MOP = muriate of potash.  
 Last observation is April 2022.  
 Source: Bloomberg; World Bank.

**Figure 1 Increase in fertilizer prices.**

## 3.2. Why hazelnuts in Serbia?

Hazelnuts have been chosen as the crop we plan to cultivate using funds raised through the initial digital token offering, given that demand consistently exceeds supply each year, particularly for the highest quality hazelnuts intended for industrial production. This demand is expected to drive market growth at an annual rate of 8.8% through the forecast period, up to 2033. Global food trends and shifts in consumer preferences towards healthier, protein-rich foods will contribute to a sustainable increase in hazelnut prices, while the stability of hazelnut prices throughout the year, compared to other agricultural products with volatile prices, further enhances their appeal. These factors make hazelnut production a lucrative and well-balanced investment, as evidenced by the growing number of investments in new hazelnut orchards and the positive experiences of farmers worldwide, from Serbia, through Italy and Georgia, to Argentina, Chile, and the US<sup>13</sup>.

<sup>13</sup> [https://agrosmart.net/2021/02/18/28984/;](https://agrosmart.net/2021/02/18/28984/)  
<https://agronotizie.imaginenetwork.com/agronomia/2022/05/12/nocciole-il-made-in-italy-e-una-grande->

Hazelnuts are highly resistant to adverse weather conditions, pests, and diseases, and are independent of bees for pollination as they are wind-pollinated. The long planting window provides flexibility for extended investment periods. Additionally, shelled hazelnuts can be stored for up to two years, and transportation losses are minimal, reducing the risk of stock spoilage. The high degree of mechanization and automation in hazelnut cultivation decreases labor requirements and inputs, which are 10 to 15 times lower compared to apples and blueberries. Given the labor shortages in agriculture, reduced labor demands are a significant advantage. Finally, hazelnuts require fewer chemical treatments compared to other crops. For comparison, apples need up to five times, and blueberries up to twice, the agrochemical applications. Nut trees generally provide significant environmental benefits. Replacing arable land with nut orchards serves as carbon reservoirs, absorbing and storing carbon dioxide as they grow. This not only mitigates greenhouse gas emissions but also reduces the need for frequent soil disruption and replanting, further enhancing carbon storage and soil biodiversity. This transformation increases soil fertility, while agroforestry plantations stimulate biodiversity, prevent wind erosion, regulate the micro-climate, ensure the quality of water resources, and contribute to overall ecosystem stability. Additional benefits for the local community include improved environmental quality - through cleaner air, reduced noise, and enhanced visual and aesthetic value - as well as education and employment opportunities for young people and stimulation of new economic activities such as logistics, advanced processing of raw materials, and confectionery production. All of these factors, viewed through the lens of relevant certification frameworks, contribute to the recognition of the Treasury project as a high-integrity initiative with strong co-benefits. This is directly reflected in its economic value through higher market pricing of carbon credits, as well as the potential to generate additional revenue from biodiversity-related credits.<sup>14</sup>

Growing conditions in Serbia are exceptionally well-suited for hazelnut cultivation. The moderate climate and seasonal variations, with distinct cold and warm periods, support the necessary alternating stages of dormancy and growth for hazelnut trees, while spring rains typically provide sufficient water to support fruit development and ripening. Different types of soil in Serbia offer suitable options for hazelnut cultivation. Many areas in Serbia, particularly those near the Danube, in the sandy steppes in the north, and in the hills of central Serbia, have high-quality, well-drained soils with an ideal mineral composition for hazelnuts. Ferrero's decades-long direct presence in Serbia, as the world's largest purchaser of hazelnuts, together with its strategic partnership with the Ministry of Agriculture of the Republic of Serbia, represents a strategic advantage for all market participants in Serbia and provides a guarantee of sustainable demand and long-term offtake in the future.<sup>15</sup> Combined with Serbia's favorable geographic location in southeastern Europe and access to European markets, this makes Serbia our top choice.

The positive aspects of investing in hazelnuts, along with challenges such as the high capital required to start production and the relatively long period before seeing a return on investment, make

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[opportunita/74967;](https://www.gatewaytosouthamerica-newsblog.com/hazelnut-production-in-chile/)

<https://www.gatewaytosouthamerica-newsblog.com/hazelnut-production-in-chile/>

<https://smallfarms.cornell.edu/2016/10/hazelnut-trees-are-easy/>

<sup>14</sup> <https://www.forest-trends.org/pressroom/report-voluntary-carbon-markets-demand-in-2023-is-concentrating-around-pricier-high-integrity-credits/>

<https://bezerocarbon.com/insights/bezero-finds-that-better-quality-nature-based-credits-are-commanding-a-20-percent-price-premium>

<https://www.green.earth/press-releases/dgb-group-publishes-2025-voluntary-carbon-market-outlook>

<sup>15</sup> Radio televizija Vojvodine: <https://www.youtube.com/watch?v=bzvbuUkOcY8>

[https://www.rtv.rs/sr\\_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa\\_1548013.html](https://www.rtv.rs/sr_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa_1548013.html)

hazelnuts an ideal candidate for tokenization. A simplified financial overview of hazelnut production on a professionally managed orchard with **average** yields is provided in Table 1.

The average yield is calculated based on internal records from over a hundred orchards across Serbia, which include various climatic conditions and chemical and mechanical soil characteristics, from 2000 to the present. A representative sample orchard: 15-24 years old, approximately 4 hectares in size, cadastral lot numbers 41799/5, 41797/2, 41797/1, 41798/3, 41798/4, 41798/2, 41799/3, 41799/7, 41799/8, 41799/1, 41795, 41796, 41799/9, 41799/10, cadastral municipality Donji Grad Subotica, has an average yield of 3,253 kg per hectare over the past 5 years.

Thanks to the expertise and practices employed by the Treasury team in hazelnut cultivation, they achieve yields significantly higher than the average reported, as detailed in section 3.3.1 of this White Paper.

Table 1

		SIMPLIFIED FINANCIAL OVERVIEW OF HAZELNUT PRODUCTION ON A PROFESSIONALLY MANAGED FARM WITH AVERAGE YIELD															
		1. YEAR	2. YEAR	3. YEAR	4. YEAR	5. YEAR	6. YEAR	7. YEAR	8. YEAR	9. YEAR	10. YEAR	11. YEAR	12. YEAR	13. YEAR	14. YEAR	40. YEAR	
<b>Revenues</b>	Farm area	100	0.0	0.0	0.0	266.7	533.3	1,333.3	2,133.3	2,933.3	3,200.0	3,200.0	3,200.0	3,200.0	3,200.0	3,200.0	
	Average Yield	0.0	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
	% of 1st class nuts	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
	Selling price	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	
	Second class nuts - selling price % of first class	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
	<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>130,333</b>	<b>260,667</b>	<b>651,667</b>	<b>1,042,667</b>	<b>1,433,667</b>	<b>1,564,000</b>	<b>1,564,000</b>	<b>1,564,000</b>	<b>1,564,000</b>	<b>1,564,000</b>	<b>1,564,000</b>	<b>1,564,000</b>	<b>1,564,000</b>
	<b>Costs &amp; outflows</b>	Infrastructure and Equipment	-1,155,668	-6,578	-56,569	-62,709	-278,461	-57,446	-2,193	-2,193	-2,193	-2,193	-180,476	-2,193	-52,184	-62,709	-2,193
		Planting	-377,619	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Orchard Management	-221,997	-221,997	-221,997	-221,997	-268,705	-268,705	-268,705	-296,201	-296,201	-296,201	-296,201	-296,201	-296,201	-296,201	-296,201
		Harvesting	0	0	0	-43,381	-58,120	-51,006	-51,006	-51,006	-51,006	-51,006	-51,006	-51,006	-51,006	-51,006	-51,006
Drying		0	0	0	-7,953	-15,905	-39,763	-63,621	-87,479	-95,431	-95,431	-95,431	-95,431	-95,431	-95,431	-95,431	
Labor		-22,169	-24,212	-30,635	-30,635	-30,635	-30,635	-30,635	-30,635	-30,635	-30,635	-30,635	-30,635	-30,635	-30,635	-30,635	
Land Rent		-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	-111,560	
Insurance		-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	-6,578	
Precision Agriculture		-43,887	-43,887	-43,887	-43,887	-44,585	-43,887	-43,887	-43,887	-43,887	-43,887	-43,887	-43,887	-43,887	-43,887	-43,887	
Other costs		-62,358	-62,358	-62,358	-62,358	-66,305	-66,305	-66,305	-66,305	-66,305	-66,305	-66,305	-66,305	-66,305	-66,305	-66,305	
Stock	-13,879	0	0	-9,008	0	-4,851	0	0	0	0	0	0	0	0	0		
<b>Total costs and outflows</b>	<b>-2,015,715</b>	<b>-477,169</b>	<b>-527,161</b>	<b>-646,773</b>	<b>-880,854</b>	<b>-675,885</b>	<b>-676,835</b>	<b>-695,842</b>	<b>-703,795</b>	<b>-704,492</b>	<b>-882,078</b>	<b>-703,795</b>	<b>-753,786</b>	<b>-764,311</b>	<b>-704,492</b>		
<b>Cash Flow</b>	<b>-2,015,715</b>	<b>-477,169</b>	<b>-527,161</b>	<b>-516,439</b>	<b>-620,187</b>	<b>-24,218</b>	<b>365,832</b>	<b>737,824</b>	<b>860,205</b>	<b>859,508</b>	<b>681,922</b>	<b>860,205</b>	<b>810,214</b>	<b>799,689</b>	<b>859,508</b>		
<b>Cumulative Cash Flow</b>	<b>-2,015,715</b>	<b>-2,492,884</b>	<b>-3,020,045</b>	<b>-3,536,484</b>	<b>-4,156,671</b>	<b>-4,180,889</b>	<b>-3,815,058</b>	<b>-3,077,233</b>	<b>-2,217,028</b>	<b>-1,357,520</b>	<b>-675,599</b>	<b>184,607</b>	<b>994,820</b>	<b>1,794,509</b>	<b>22,566,344</b>		
		<div style="display: flex; justify-content: space-between;"> <span>Establishing the Farm</span> <span>Plant Development Period</span> <span>Investment Payback Period</span> <span>Profitable Years</span> </div>															

NOTE: COST OF SALES FOR THE PRODUCE AS WELL AS BUSINESS MANAGEMENT COSTS ARE NOT INCLUDED IN THE CALCULATION

### 3.3. Our capabilities and knowledge

The Treasury team has assembled experts in agriculture, economics, and technology who conducted a thorough and long-term analysis based on three key elements: experience in establishing and cultivating hazelnut orchards; expertise in modern technology use in agriculture; and an understanding of the market demand for hazelnuts; this analysis has led to the following results:

#### 3.3.1. Complete management of smart orchards by experienced and professional management with proven results

Our team members have experience in hazelnut cultivation through both partnerships with orchard owners in Serbia (over 50 orchards) and experimental orchards (6 orchards) where we participated in the establishment and invested our own resources to test and refine our hazelnut cultivation methodology, which we plan to protect as intellectual property to the extent permitted by law.

The team includes 12 agronomists led by Aleksandar Petrović, who has dedicated 25 years of his professional career to hazelnut production, focusing on orchard establishment, supervision, and maintenance. All our agronomists can be considered senior professionals in the field, with an average of over 10 years of experience, having collectively managed the planting and cultivation of more than 10,000 hectares of hazelnuts.

Our team oversees experimental orchards covering a total area of 152 hectares:

- 50 hectares with orchards 6-8 years old, cadastral lot numbers: 1936/1, 1936/3, 1942, 1935, cadastral municipality Ilinči, Šid;
- 50 hectares with orchards 4 years old, cadastral lot numbers: 2372, 2477, 2374/1, 2479/1, cadastral municipality Šurjan, Sečanj;
- 8 hectares with orchards 7 years old, cadastral lot numbers: 2235/2, 2377, 2386, 2387, 2389, 2390, 2391, 2392, cadastral municipality Paljuvi, Ub;
- 5 hectares with orchards 7 years old, cadastral lot numbers: 106/17, 132, 133, 135, cadastral municipality Paljuvi, Ub;
- 9 hectares with orchards 3 years old, cadastral lot numbers: 1949/1, 1949/2, 1949/3, 1949/4, 1949/5, 1949/6, 1949/7, 1949/8, 1949/9, 1949/13, 1950, 1951, cadastral municipality Paljuvi, Ub;
- 30 hectares with orchards 4-8 years old, cadastral lot numbers: 1/1, 2/1, 84, 100, cadastral municipality Petkovica, and 2109, 2110, 2421, 2422, 2423, 1842, 1774, 1907, 2072, 2082, 2110, 2112, 2114, 2123, cadastral municipality Ribari, Šabac.

On our experimental orchards, we implement various measures and introduce innovative technologies to enhance hazelnut cultivation, so we:

- test different types of fertilizers and application methodologies, with a particular focus on organic fertilizers;
- conduct experiments with various irrigation methods;
- test the efficiency of agricultural robots and new tools and automation processes;
- use sensors to measure and automate the storage of data on climatic conditions, precipitation, light levels, soil and atmospheric moisture, pressure, water flow through the trees, and other factors affecting plant development;
- perform automated soil analyses;
- conduct imaging with various multispectral cameras;
- use satellite imagery;
- evaluate new technologies and solutions for precision agriculture;
- in cooperation with reputable agricultural advisory services and research institutes, we conduct detailed analyses of plant health, both on our orchards and on third-party orchards across Serbia. The objective of these activities is to create a comprehensive database and generate new insights supported by artificial intelligence.

We conduct research activities in collaboration with the Fruit Research Institute in Čačak and Professor Čedo Oparnica, PhD, from the Department of Fruit Science at the Faculty of Agriculture, University of Belgrade. The data we collect is stored and used to train artificial intelligence algorithms to continuously improve and enable optimal decision-making regarding protection timing and quantity, irrigation timing and quantity, and fertilizer application. Using artificial intelligence, we predict yields based on parameters from the above mentioned activities. In partnership with other hazelnut growers both domestically and internationally, we gather standardized data for training our AI algorithms. In addition to increasing yields and improving their quality, our goal is to preserve the natural resources essential for hazelnut cultivation. Based on our innovative approach and the knowledge and experience we've gained, our results include:

- approximately 10% lower production costs and a reduced carbon footprint due to decreased water and fertilizer usage; and
- significantly higher yields: the average yield is over 4 tons per hectare, with some orchards producing up to 5.5 tons per hectare. By way of illustration, on the orchard in Ub (5 hectares, 7-year-old trees, cadastral lot numbers: 106/17, 132, 133, 135, cadastral municipality Paljuvi, Ub), we achieved the following yields per hectare in recent years: Year 4 – 700 kg, Year 5 – 1,300 kg, Year 6 – 2,400 kg; these figures indicate that our yields are significantly higher than the average shown in Table 1.

Given that hazelnut cultivation is still relatively unexplored and underdeveloped globally, we believe that further research and development can optimize production and increase yields. A good example is apples, where yields per hectare have significantly increased over the past

20-30 years<sup>16</sup>. With the implementation of precision agriculture, we believe that the potential for improvements is significantly higher.

To date, in our work and research, we have analyzed over 22,000 hectares of agricultural land in Serbia. From this total area, we have mapped approximately 6,4000 hectares as suitable and available for establishing hazelnut orchards.

Based on the knowledge and experience gained from cultivating hazelnuts on the mentioned orchards, we have decided to prepare this White Paper and raise funds through tokenization for establishing a new orchard, which would be developed according to proven agronomic practices and the application of technology. To this end, we have signed a long-term lease agreement for approximately 106 hectares of agricultural land in the municipality of Čoka, located 198 kilometers from downtown Belgrade. The cadastral lot numbers for the leased land are: 1039, 1048, Maca Humka division, cadastral municipality Čoka. The lease is set for a period of 40 years, and as agreed with the lessors, negotiations are ongoing for the purchase of an additional 47 hectares of border lots to secure extra land for expanding the orchards.

We have confirmed that the land is suitable for hazelnut cultivation through the following analyses:

1. Analysis of the elemental chemical composition of the soil, including macroelements: Ca, Mg, K, Na, Fe, microelements: Cu, Zn, Mn, Co, Mo, B, heavy metals: Pb, Cd, Ni, Cr, As, Hg, and soil pH.
2. Analysis of physical and mechanical properties, which indicated that the soil is suitable for hazelnut cultivation and production.
3. Big data analytics, including processing of satellite, land, climatic, and field data, conducted by Cropt.

The lot is located on a Class 105 IIA road and is near the international Class A1-IA road, just 32 kilometers away; this proximity ensures easy access for transporting both the necessary raw materials and equipment for hazelnut cultivation, as well as for the transport of the hazelnut harvest.

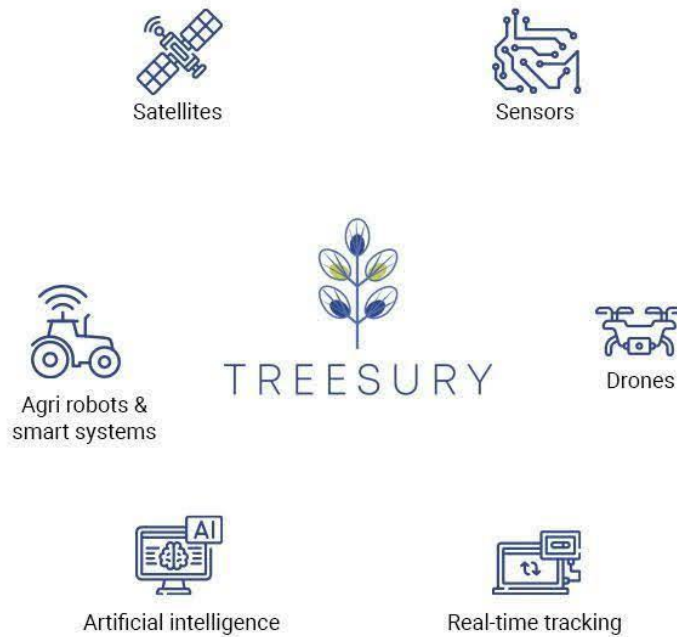
### 3.3.2. Agriculture 4.0

Our hazelnut production technology model has been developed in collaboration with the BioSense Institute<sup>17</sup> in Novi Sad, the European Center of Excellence for the application of information technology in agriculture, and the University of Applied Sciences in Dronten, Netherlands, specializing in agribusiness, food industry, horticulture, and animal husbandry.

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<sup>16</sup> Biljni lekar - 2022, vol. 50, No. 6, pp. 411-426 - Proizvodnja i sortiment jabuke u Srbiji - Magazin Nenad, Milić Biserka, Keserović Zoran: <https://scindeks-clanci.ceon.rs/data/pdf/0354-6160/2022/0354-61602206411M.pdf>

<sup>17</sup> <https://biosens.rs/>



**Figure 2 Agriculture 4.0**

To enhance productivity and efficiency, and ensure transparency in production, we monitor the cultivation process using a range of digital technologies, which include weather stations, soil moisture sensors, plant growth sensors, photosynthetic activity sensors, Sentinel-2 satellite imagery (multispectral images and vegetation indices), and drone imagery. Additionally, soil laboratory analyses and electromagnetic scanning will be conducted. The data will be made available to agronomists as soon as it is generated (in real-time or near real-time) and will provide valuable information for optimizing field decisions according to precision agriculture principles. Among the technologies used in the field are next-generation crop monitoring devices and systems developed by the BioSense Institute, such as the Plant-O-Meter<sup>18</sup> (Figure 3) and the AgroSense platform<sup>19</sup> (Figure 4).

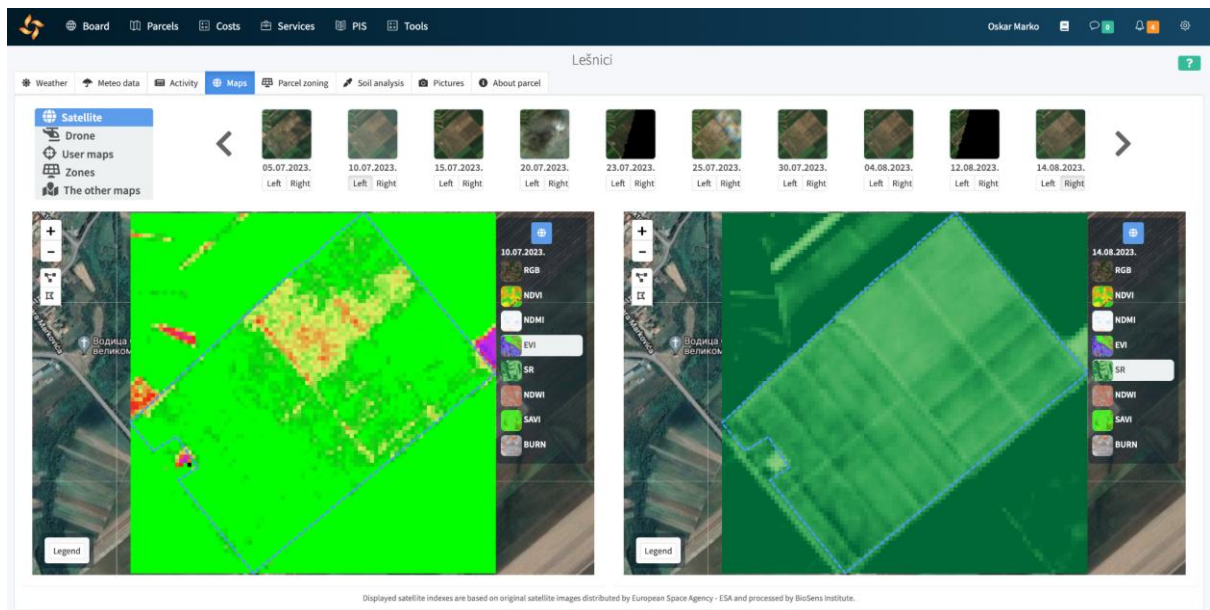
<sup>18</sup> <https://www.plant-o-meter.com/>

<sup>19</sup> <https://agrosens.rs/#/app-h/welcome>



**Figure 3 Plant-O-Meter - a crop monitoring device developed by the BioSense Institute.**

While most data are highly specialized and intended for experts (production managers), key information about crop growth will be shared with investors to keep them informed about the overall condition of the plants in the orchard.



**Figure 4 Agricultural production monitoring via satellite through the AgroSense platform.**

Precipitation in Serbia generally meets the needs of hazelnuts; however, the distribution of rainfall often does not align with the physiological needs of hazelnuts; therefore, we plan to equip our orchards with smart, automated drip irrigation systems to protect them against drought. With constant monitoring through sensors, drones, and satellites, the orchards will also be regularly visited by agronomists. In production, we will adhere to the principles of precision agriculture, ensuring that each plant receives exactly the amount of water and nutrients it needs. Decisions will be made at the zone management level (similar to those shown in Figure 5), based on the detected conditions in the field, thereby increasing efficiency and reducing production costs.



**Figure 5 Management zones detected through satellite vegetation indices - indicators of the intensity of photosynthesis, availability of water and nutrients, and the general condition of plants.**

This comprehensive approach helps us swiftly identify pest outbreaks, diseases, and weather-related stress, allowing us to quickly address any issues that may arise in agricultural production.

Lastly, it's important to note that our orchards will be insured, providing an additional layer of security for investors. Coverage will include protection against weather events, fire, theft, third-party damage, and yield insurance (average production). While insurance can only be finalized after the establishment of the orchards and building the necessary infrastructure, we have already communicated with and explored insurance options with major agricultural insurance companies.

Modern agriculture employs various machines to automate field activities. Hazelnuts are not harvested from the trees but collected from the ground using tractor-mounted collectors. This fast, coarse, and mechanized "harvest", along with the possibility of partially mechanized pruning, represents a significant advantage. As a result, hazelnuts, compared to other crops, have a lower fruit sensitivity, reduced labor needs, and fewer opportunities for human error. Automation and precise irrigation and fertilization, along with other precision agriculture methods, also play a crucial role in reducing production costs, lowering greenhouse gas emissions, and increasing yields.

One of the most important pieces of equipment for hazelnut cultivation is the tractor-mounted nut collector, which significantly lowers production costs. Since such equipment is not yet available for many other types of fruit, like blueberries and apples, the labor costs in hazelnut production are significantly lower. Due to its natural resistance to adverse weather, pests, and pathogens, hazelnuts require far fewer protection cycles; however, smart and precise irrigation and fertilization, based on large amounts of data collected from sensors, multispectral cameras, and satellites, and processed by artificial intelligence algorithms, further reduce the number of required protection cycles. (Figure 6)

To illustrate the benefits of precision agriculture, we present a study from India, analyzed by the London School of Economics and Political Science (LSE)<sup>20</sup>. The potential of precision agriculture can be clearly seen in this example, with details of the study available at: <https://agritech.tnau.ac.in/tnpfp-ENG/ep.html>.

In the southernmost region of India lies Tamil Nadu, a state that has become a prime example of how precision agriculture can turn challenges faced by farmers into significant opportunities; this transformation is detailed in a study by Tamil Nadu Agricultural University and a report by LSE.

The following highlights the real impact of this innovative approach.

#### Savings in labor hours and water usage:

Farmers adopting precision agriculture technologies have reported a remarkable reduction in labor hours and water usage by at least 50%. This not only conserves critical resources but also helps lower overall production costs.

PARAMETERS	HAZELNUT	APPLE	BLUEBERRY
HAIL PROTECTION NET REQUIRED	No	Yes	Yes
FIRST YIELD (YEARS)	4-5	2	2
FULL YIELD (YEARS)	9	5	5
FARM LIFESPAN (YEARS)	40	20	30
NUMBER OF STANDARD CHEMICAL TREATMENTS	5-7	20-30	6-10
HARVESTING METHOD	Mechanical	Manual	Manual
LABOR: NO. OF HOURS PER YEAR/HA (WITHOUT HARVEST)	78-86	500-800	200-400
HARVESTING: NO. OF HOURS PER YEAR/HA	28-35	400-600	1200-1500

**Figure 6 Comparison of production of hazelnuts, blueberries and apples.**

<sup>20</sup> <https://agritech.tnau.ac.in/tnpfp-ENG/pdf/01.%20London%20School%20of%20Economics%20Evaluation.pdf>

### Yield improvements:

Crop yields for tomatoes, eggplants, and bananas have increased by 3 to 12 times the national average. This productivity boost means more food per hectare, addressing the critical issue of food availability in relation to the growing global population.

### Increased farmer income:

The financial impact on farmers has been equally impressive. Average gross income per hectare for various crops has significantly risen, enhancing the economic well-being of the agricultural community, whereby the report notes that “the impact of technologies on farm yields and income was considerably greater than anticipated.”

Perhaps most importantly, the case study from India demonstrates that “it is actually possible to recoup nearly the entire investment in precision farming conversion in just one agricultural season.” This exceptional economic sustainability highlights the potential of precision agriculture not only as a short-term solution but also as a viable, long-term practice.

This case study is a testament to the potential of precision agriculture in creating a more sustainable and prosperous agricultural sector, benefiting both farmers and consumers.

Based on this and similar studies on the application of precision agriculture, as well as our practical experience, collaboration with the BioSense Institute, and research on experimental orchards, we firmly believe that we will be able to achieve even greater results in the near future and provide investors with higher returns than projected.

### 3.3.3. Sequestration of CO<sub>2</sub> (carbon dioxide)

The project has the potential to revolutionize carbon dioxide sequestration and advance global efforts in this critical area. Current carbon dioxide offset practices effectively contribute to achieving climate neutrality. However, these setups often lack profitability, which frequently drives companies to adopt green practices only if mandated by regulations, for public relations purposes, or due to market pressure. In contrast to these motives, our approach allows companies to engage in carbon dioxide sequestration that is not only environmentally beneficial but also financially profitable.

For example, airlines currently offer customers the option to pay an additional fee to plant trees and offset their travel emissions. However, this method does not generate profit for the company and instead passes the costs onto the end-user. By participating in our innovative business model, the Issuer may sequester CO<sub>2</sub> while simultaneously generating profit through agricultural products.

Currently, the challenge for companies is their lack of agronomic expertise and sales channels for agricultural products, and their reluctance to divert focus from their core business activities. With tokenized saplings, achieving both climate neutrality and profitability becomes straightforward. This aligns with the new Common Agricultural Policy (CAP) and the Green Deal of the European Union, which emphasize environmental aspects of production and increasingly compel companies to adopt green practices.

## AVERAGE SEQUESTRATION OF CARBON DIOXIDE (CO<sub>2</sub>)



**(CO<sub>2</sub>) PER TREE PER YEAR AMOUNTS TO 158KG**



**53 CARBON CREDITS PER HECTARE PER YEAR**

Data on carbon dioxide sequestration in hazelnuts is derived from influential scientific literature, specifically peer-reviewed articles by Granata<sup>21</sup> and Pacchiarelli<sup>22</sup>, who quantified the amount of sequestered carbon dioxide in hazelnuts and its storage in plants and soil each year. The average annual carbon dioxide (CO<sub>2</sub>) sequestration per tree over its lifetime is 158 kg. When this figure is converted into carbon credits, it equates to 53 carbon credits per hectare annually.



**CARBON CREDIT PRICE COULD REACH \$238 BY THE YEAR 2050.**

As of the publication of this White Paper, the price of carbon credits from natural sources/solutions generally ranges between US\$13 and US\$30<sup>23</sup>, with certain projects reaching significantly higher amount - up to US\$65 to US\$75<sup>24</sup>. In 2024, average credit prices on the voluntary market recorded a significant decline (approximately 20%), but projects based on natural climate solutions, such as Treasury, demonstrated stronger resilience, maintaining price stability or even experiencing modest price increases.<sup>25</sup> There is also a clear trend showing that high-integrity and co-benefit projects are valued significantly higher in the market. Premiums often range from approximately 20% and even up to 400%, depending on the quality rating, applied standards, and specific benefits such as biodiversity enhancement or local community engagement.<sup>26</sup>

<sup>21</sup> Granata, M. U., Bracco, F., & Catoni, R. (2020). Carbon dioxide sequestration capability of hazelnut orchards: daily and seasonal trends. *Energy, Ecology and Environment*, 5(3), 153-160

<sup>22</sup> Pacchiarelli, A., Priori, S., Chiti, T., Silvestri, C., & Cristofori, V. (2022). Carbon sequestration of hazelnut orchards in central Italy. *Agriculture, Ecosystems & Environment*, 333, 107955

<sup>23</sup> <https://www.environmental-finance.com/content/market-insight/the-emergence-of-european-nature-based-carbon-credit-markets.html>; <https://www.goldstandard.org/news/what-is-a-carbon-credit-worth>

<sup>24</sup> <https://carboncredits.com/is-it-the-end-of-nature-based-carbon-offsets-ngo-price/>

<sup>25</sup> <https://climatefocus.com/publications/vcm-review-2024/>

<sup>26</sup> <https://www.forest-trends.org/pressroom/report-voluntary-carbon-markets-demand-in-2023-is-concentrating-around-pricier-high-integrity-credits/>

Treesury is a project aligned with the United Nations Sustainable Development Goals (UN SDGs) and directly contributes to 7 out of the 17 global goals. The North Banat district - where the municipality of Čoka, the project location, is situated - has only 1.2% forest coverage<sup>27</sup>, the lowest level in Serbia. The average forest coverage in the EU is 39%<sup>28</sup>, in Vojvodina 7%<sup>29</sup>, while the European recommendation is approximately 30%. The planned Treesury orchards will increase the municipality's green infrastructure by nearly 7%, significantly moving toward European standards. By planting hazelnut agroforests, the risks of desertification and wind-induced soil erosion are reduced, biodiversity is increased, and new habitats for wildlife species are created. This transformation of arable land into agroforestry systems will enhance soil fertility, regulate the micro-climate, improve conditions for crop growth, and strengthen overall ecosystem stability. Upon completion, the hazelnut agroforest will become part of the European Network of Living Labs - open-air laboratories designed for testing and implementing innovations together with the local community. This approach ensures broader acceptance of new knowledge and technologies within the community and secures long-term positive impacts of the project activities, as well as future planning of Nature-Based Solutions (NBS) at the regional level. Due to its proximity to Mokrin - host of the first "Digital Village" in Serbia, a joint project of BioSense, Mokrin House, Delta and other partners, our plantations will be integrated into this pilot program for rural digitalization in Serbia. They will benefit from additional expertise and infrastructure and serve as a model for scaling to other Digital Villages planned in the future. Overall, the transformation of arable land into agroforestry systems through sustainable practices brings multiple benefits to the local community, supporting environmental sustainability, economic development, and improved living conditions for all residents. We are currently undergoing certification in accordance with the most advanced international standards, ensuring that Treesury is recognized as a high-integrity project with strong co-benefits - capable of delivering significant environmental, economic, and social value to the local community.

## SUSTAINABLE DEVELOPMENT GOALS



<https://bezercarbon.com/insights/bezero-finds-that-better-quality-nature-based-credits-are-commanding-a-20-percent-price-premium>

<https://www.green.earth/press-releases/dgb-group-publishes-2025-voluntary-carbon-market-outlook>

<sup>27</sup> <https://zrenjaninski.com/srednji-banat/u-tri-srednjobanatske-opstine-stepen-posumljenosti-ispod-jedan-odsto/>

<sup>28</sup> <https://www.europarl.europa.eu/factsheets/en/sheet/105/unia-europejska-i-obszary-lesne>

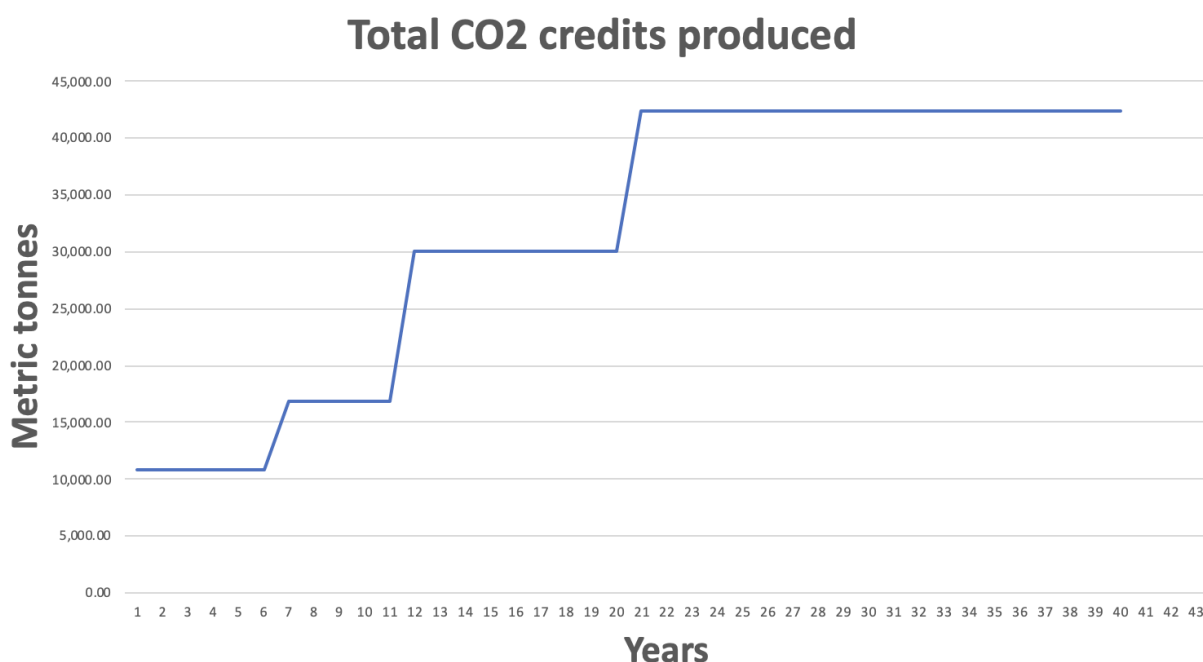
<sup>29</sup> <https://www.rts.rs/lat/vesti/drustvo/5192927/posumljavanje-vojvodine-nacionalni-projekat-nedostaje-170000-hektara-suma.html>

According to BloombergNEF projections, the price of such carbon credits could reach US\$238 by 2050<sup>30</sup>. These optimistic projections are supported by both increasing demand and historical data - for instance, the price of carbon credits from natural sources in voluntary emission reduction schemes increased by 173% in 2021 alone<sup>31</sup>.



**NATURE-BASED CARBON CREDIT PRICES  
HAVE INCREASED BY 173% IN 2021 ALONE.**

The project is expected to sequester a substantial amount of CO2 in the coming years (Figure 7). Nuts are generally regarded as one of the few food products with a negative carbon footprint throughout the entire supply chain (Figure 8). The primary reason for this is that trees replace arable land, thereby enhancing the carbon sequestration capacity of the ecosystem.



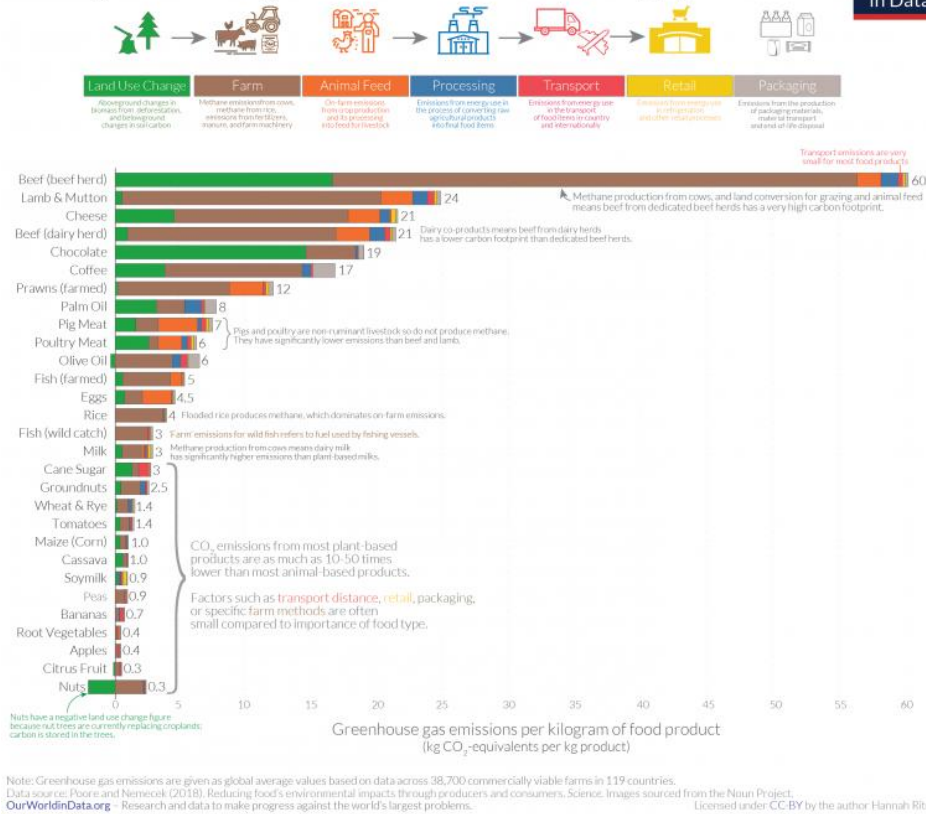
**Figure 7 Total production of carbon credits in the coming years.**

<sup>30</sup> <https://about.bnef.com/blog/carbon-credits-face-biggest-test-yet-could-reach-238-ton-in-2050-according-to-bloombergnef-report/>

<sup>31</sup> <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/energy-transition/111121-cop26-voluntary-carbon-market-value-tops-1-bil-in-2021-ecosystem-marketplace>

## Food: greenhouse gas emissions across the supply chain

Our World  
in Data



**Figure 8 Greenhouse gas emissions along the supply chain for various food products<sup>32</sup>. The original high-res chart in English is available on our website<sup>33</sup>.**

### 3.3.4. Hazelnut market dynamics

Historically, the demand for hazelnuts has outstripped supply, and with constant growth in demand, market prices are expected to continue rising. This positive trend is primarily driven by increasing demand from the confectionery and bakery industries for raw materials, as well as a global rise in food demand and changing consumer behavior - specifically, a greater demand for alternative protein sources and healthier diets<sup>34</sup>. Furthermore, unlike other products, hazelnut prices do not experience significant fluctuations throughout the year relative to the price set during the harvest period (September - October). Price drops generally occur from March to April, when lower-quality hazelnuts remain in stock, as the industry prioritizes raw materials of the highest quality and completes procurement by that time. Our team of agronomists includes experts managing orchards that supply major industrial buyers in the supply chain, such as Ferrero and Nestlé.

Over the past two decades, from 2002 to 2025 (Figure 9)<sup>35</sup>, the hazelnut market has exhibited noticeable price fluctuations but with a clear positive trend. Recorded prices exhibit a diverse

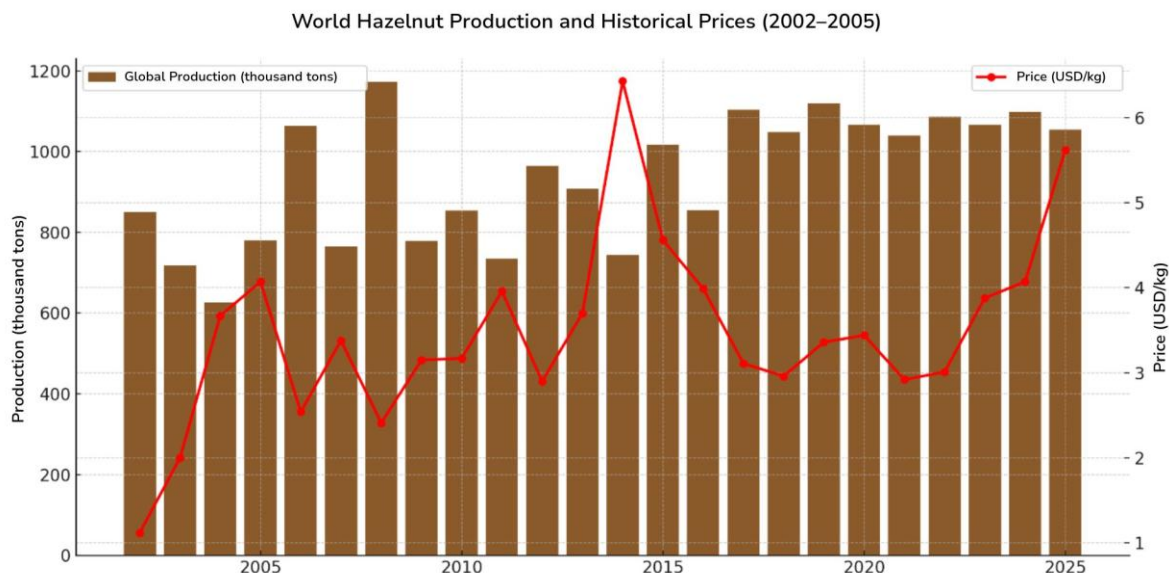
<sup>32</sup> <https://ourworldindata.org/food-choice-vs-eating-local>

<sup>33</sup> [https://www.treesury.com/materials/Environmental-impact-of-food-by-life-cycle-stage\\_2933.webp](https://www.treesury.com/materials/Environmental-impact-of-food-by-life-cycle-stage_2933.webp)

<sup>34</sup> <https://fooddrinkinnovations.com/plant-based/hazelnut-industry-attracts-major-investments-from-food-giants/>

<sup>35</sup> Source of information: ISMEA (Istituto di Servizi per il Mercato Agricolo), FAO, and Treesury archives

range of values, with peaks and troughs reflecting the dynamics of supply and demand in the industry. A significant peak was observed in 2014, attributed to exceptionally unfavorable weather conditions in Turkey, the world's largest hazelnut producer. This resulted in a poor yield, leading to a shortage of hazelnuts, a dramatic decline in quality, and consequently, a sharp increase in prices.



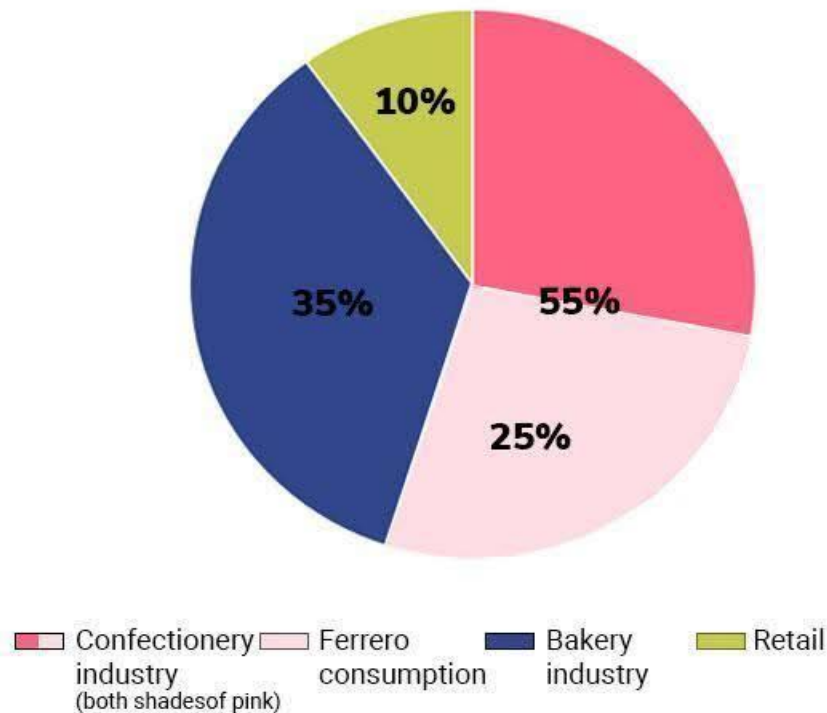
**Figure 9 Global production and average prices.**

Although a price correction was expected following the peak, the hazelnut market experienced a further decline in 2020. This drop can be attributed to the COVID-19 pandemic and subsequent social distancing measures, which had a severe impact on the hospitality and wedding industries. These sectors are major consumers of hazelnuts, particularly through the bakery and pastry sectors. Additionally, favorable weather conditions in Turkey, the world’s largest hazelnut producer, where hazelnuts are grown extensively, contributed to exceptional yields and helped stabilize prices. Despite these challenges, the price drop during this period was relatively modest. Moreover, prices recovered in the following years, indicating the resilience of the hazelnut market and a particularly promising positive trend in prices and sales.

The hazelnut market primarily serves the production sector, with approximately 55% of the supply directed toward the confectionery industry, 35% toward the bakery and pastry industry, and the remaining 10% for direct consumption (Figure 10)<sup>36</sup>. In addition to quantitative deficits, the confectionery industry often faces a shortage of high-quality hazelnuts, as only the best quality nuts are used in confectionery products.

<sup>36</sup> Source: Mordor Intelligence - <https://www.mordorintelligence.com/industry-reports/global-hazelnut-market>

## HAZELNUT MARKET



**Figure 10 Hazelnut market.**

Turkey holds a dominant position in the global hazelnut market as the largest producer and processor of hazelnuts. However, only a small percentage of hazelnut producers in Turkey (approx. 2%) employ intensive cultivation methods with irrigation systems. This reliance on natural conditions makes Turkish hazelnut production highly susceptible to climate variations, increasing market volatility. Additionally, due to its vulnerability to climate change, hazelnut production in Turkey also varies significantly in quality.

Besides Turkey, other major hazelnut-producing countries include Italy, Chile, the United States, Azerbaijan, China, France, and Serbia. Nevertheless, Turkey's share of the global hazelnut supply ranges from 60% to 70% of total world production, highlighting its significant impact on the industry. It is also worth noting that a significant portion (approximately 25%)<sup>37</sup> of the global hazelnut supply is consumed by Ferrero, the large confectionery corporation known for producing Nutella, making it the largest hazelnut buyer in the world. Ferrero also plays a major role in the global aggregation and trade of hazelnuts.

Due to the excessive dependence on Turkey - which causes significant volatility in the market - the world's largest producers, such as Ferrero, Nestlé and Mondelez, have for years been intensively investing in the development of hazelnut production in other regions. Ferrero is at the forefront of this effort, with significant investments in Chile, Serbia, Argentina, and

<sup>37</sup> <https://www.mordorintelligence.com/industry-reports/global-hazelnut-market>

Georgia.<sup>38</sup> Serbia is recognized by the company as a priority market, where it has a decades-long direct presence and a strategic partnership with the Ministry of Agriculture of the Republic of Serbia. These circumstances represent a strategic advantage for all industry participants in Serbia and provide a strong guarantee of sustainable demand and long-term offtake.<sup>39</sup>

Ferrero, as well as other major buyers, prioritizes larger and well-organized suppliers when sourcing hazelnuts, as they ensure stable volumes, consistent quality, full traceability, and compliance with complex procedures. Moreover, larger producers enable simpler supply-chain management and greater sustainability, contributing to lower costs, higher efficiency, and improved supply reliability.<sup>40</sup>

The hazelnut market has experienced price fluctuations due to factors such as climatic conditions, supply chain disruptions caused by the pandemic, and shifts in demand from key industries. While Turkey dominates hazelnut production, other countries also contribute to global supply. Understanding the dynamics of the hazelnut market is crucial for industry players, enabling them to navigate price volatility and seize opportunities in this important agricultural sector.

The hazelnut market is projected to grow significantly, with a global value of US\$17.69 billion in 2023. Forecasts indicate a robust annual growth rate of 8.8% during the analyzed period, reaching US\$41.12 billion by 2033.

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<sup>38</sup> <https://fooddrinkinnovations.com/plant-based/hazelnut-industry-attracts-major-investments-from-food-giants/>  
<https://www.dailysabah.com/economy/2017/11/03/ferrero-seeks-to-diversify-hazelnut-suppliers-to-find-alternatives-for-turkey>  
[https://www.rtv.rs/sr\\_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa\\_1548013.html](https://www.rtv.rs/sr_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa_1548013.html)  
<https://www.supplychaindive.com/news/ferrero-us-hazelnut-production-willamette-valley-oregon-new-jersey/733607/>  
<https://blog.investchile.gob.cl/ferrero-chilean-hazelnuts-investment>  
<https://www.9colonne.it/39638/the-ferrero-group-brings-to-georgia-its-experience>  
<https://www.ferreronorthamerica.com/news/ferrero-invests-in-us-hazelnut-farming-with-research-grants-to-rutgers-university-and-oregon-state>

<sup>39</sup> Radio televizija Vojvodine: <https://www.youtube.com/watch?v=bzvbuUkOcy8>  
[https://www.rtv.rs/sr\\_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa\\_1548013.html](https://www.rtv.rs/sr_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa_1548013.html)

<sup>40</sup> <https://store.hbr.org/product/ferrero-group-securing-supply-for-hazelnuts/IMB565>  
<https://www.ferrero.com/int/en/about-us/quality-at-heart/our-commitment-to-sourcing-hazelnuts-sustainably>  
<https://www.supplychaindive.com/news/ferrero-us-hazelnut-production-willamette-valley-oregon-new-jersey/733607/>

## 4. Information on the Issuer of the Treasury Token digital token

### 4.1. Registered information

The Issuer of the Treasury Token digital token is the company Treasury d.o.o. Beograd, company registration number 113616843, with registered office in Belgrade - Zvezdara, at Veljka Dugoševića 54, TIN 113616843, activity code 6201 - Computer programming activities (hereinafter referred to as: Treasury or Issuer). The Issuer was founded on April 03, 2023, and registered in the Register of Companies maintained by the Business Registers Agency.

The founders of Treasury d.o.o. are:

- Jovan Paunović, personal ID number: 2303982710340;
- Aleksandar Petrović, personal ID number: 1109977710117;
- Vladimir Cvejić, personal ID number: 3101987781027;

as the Issuer's related parties.

### 4.2. Treasury platform

With the extensive experience of the Treasury team in agricultural production, we recognized early on the importance of technology and began leveraging it to achieve optimal results, as modern agriculture cannot progress without technological advancements. Additionally, we understood the broader societal changes, including shifts in investment practices, which have been addressed by legislators through regulations governing digital assets.

After founding Treasury d.o.o., we utilized our resources and expertise in agriculture and technology to develop a technological platform that enables the independent issuance of Treasury Tokens; these tokens possess characteristics of financial instruments and meet the technological and regulatory standards of financial markets, allowing them to be listed on regulated secondary markets based on blockchain technology.

Our Treasury platform project has been recognized as a valuable innovation and supported by the Innovation Fund through EU pre-accession funds and the budget of the Republic of Serbia, specifically from the Ministry of Science, Technological Development, and Innovation<sup>41</sup>; the Katapult Accelerator funded by the World Bank and the European Union<sup>42</sup>; the yard[hub] Web3 Growth Camp<sup>43</sup>

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<sup>41</sup> <http://www.inovacionifond.rs/lat/program/program-ranog-razvoja/finansirani/prr-svi-projekti>

<sup>42</sup> <https://katapult-akcelerator.rs/%d0%bf%d0%be%d1%80%d1%82%d1%84%d0%be%d0%bb%d0%b8%d0%be/>

<sup>43</sup> <https://web3growth.camp/portfolio>

in cooperation with the Haven1 blockchain<sup>44</sup>; it has also received support from GIST<sup>45</sup> (an initiative by the US State Department and Arizona State University), the Science and Technology Park Belgrade<sup>46</sup>, and the European Bank for Reconstruction and Development (EBRD)<sup>47</sup>.

By the ERC-3643 Association - the organization behind the most advanced international standard for security tokens, ERC-3643, in accordance with which the first Treasury Token was developed and issued based on the Decision on the Approval of the White Paper adopted on September 6, 2024 by the Securities Commission of the Republic of Serbia under number 9/2-101-1900/13-24 - the Treasury smart hazelnut plantation tokenization project has been presented as a best-practice case for tokenization in agriculture and tokenization of real-world assets (RWA).<sup>48</sup> The Regional Cooperation Council (RCC), an organization that promotes political, economic, and social cooperation across the Western Balkans and Southeast Europe with a strong focus on investment and digitalization, has also recognized the Treasury platform, its underlying technology, and business model as a potential solution for improving SME access to finance in the Western Balkans. This recognition was further highlighted at the latest "Butterfly Innovation Forum," where Treasury's CEO, Jovan Paunović, presented the project.<sup>49</sup> Eurofruit - Europe's leading professional magazine for the fruit industry - together with its digital edition Fruitnet, has likewise recognized Treasury as an important innovation and a major development opportunity for agriculture, providing Treasury with confirmation at the European level through coverage in their publication.<sup>50</sup>

We will use the Treasury platform as a technological solution for the creation, issuance, and management of Treasury Tokens, and it is important to note that the Treasury platform is solely a technological solution and does not provide any services typically offered by digital asset service providers under the Law on Digital Assets and therefore it should be distinguished from platforms that facilitate trading in digital assets.



REPUBLIC OF SERBIA  
MINISTRY OF FINANCE  
Department for Contracting  
and Financing of EU Funded Programmes  
MINISTRY OF SCIENCE, TECHNOLOGICAL  
DEVELOPMENT AND INNOVATION

MINI, MATCHING AND COLLABORATIVE  
GRANT SCHEME PROGRAMME

INNOVATION  
FUND



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<sup>44</sup> Haven1 is the most secure EVM-compatible Layer 1 blockchain, designed to prevent hacks, fraud, and on-chain "rug pull" events by connecting trusted Web3 users and development teams, with the objective of fostering trust and liquidity for decentralized applications and tokenized real-world assets (RWA):

<https://haven1.org/>

<sup>45</sup> <https://www.gistnetwork.org/building-future-innovation-balkans>

<sup>46</sup> <https://ntpark.rs/zajednica/>

<sup>47</sup> <https://www.ebrd.com/starventure/start-ups>

<sup>48</sup> <https://www.erc3643.org/erc3643-use-cases/treasury-tokenizes-hazelnut-orchards-with-erc3643>

<sup>49</sup> [https://www.linkedin.com/posts/regionalcooperationcouncil\\_butterflyinnovationforum2025-activity-7397300712558329856-PU3k/?utm\\_source=share&utm\\_medium=member\\_desktop&rcm=ACoAABNu8XkBzqGV4QKL-pf5zUaEWIQapdMnK-4](https://www.linkedin.com/posts/regionalcooperationcouncil_butterflyinnovationforum2025-activity-7397300712558329856-PU3k/?utm_source=share&utm_medium=member_desktop&rcm=ACoAABNu8XkBzqGV4QKL-pf5zUaEWIQapdMnK-4)

<sup>50</sup> <https://www.fruitnet.com/eurofruit/treasury-sees-tokenisation-as-solution-for-financing-production/269673.article>

### 4.3. Previous Successful Public Offering of Treasury Tokens

By the Decision of the Securities Commission of the Republic of Serbia dated September 6, 2024, number 9/2-101-1900/13-24 (hereinafter: *Decision*), the first public offering of Treasury Tokens was approved. During the offering period, we built a community of more than 2,500 members, while over 120 investors from three continents placed their trust in our pilot project for establishing the first smart and sustainable hazelnut orchard in Serbia.<sup>51</sup>

Despite highly challenging geopolitical circumstances - both globally and locally - we successfully issued Treasury Tokens in the total amount of €1.5 million equivalent in Serbian dinars during the initial offering. The funds raised were invested into the development of a modern hazelnut orchard covering 53 hectares in the municipality of Čoka, thereby confirming the sustainability and functionality of our business model and demonstrating that the vision we are building is fully achievable.<sup>52</sup>



**Figure 11. Soil probing in cooperation with the BioSense Institute**

<sup>51</sup> <https://forbes.n1info.rs/inovacije/kompanija-treasury-ostvarila-cilj-projekat-uspesan-sledi-sadnja-lesnika/>; <https://bif.rs/2025/03/kompanija-treasury-ostvarila-cilj-projekat-uspesan-sledi-sadnja-leski/>

<sup>52</sup> <https://www.instore.rs/sr/article/102584/investicije-pocene-da-rastu-kompanija-treasury-zasadila-leske-u-coki>  
<https://biznis.kurir.rs/moj-biznis/9694204/poznata-kompanija-zasadila-lesnike-u-coki>  
<https://online.fliphtml5.com/yoihz/jwxq/#p=22>;  
<https://www.agrofin.rs/vesti/novi-poslovn-model-pocao-da-funkcionise-kompanija-treasury-zasadila-leske-u-coki/>  
<https://agrosmart.net/2025/06/11/investicije-pocene-da-rastu-kompanija-treasury-zasadila-leske-u-coki/>



**Figure 12. Analysis of soil probing results with the BioSense team**



**Figure 13. Unloading of planting material**



**Figure 14. Planting of hazelnut saplings**



**Figure 15. Planted orchard, drone footage**

A particularly important aspect of this success is the fact that, with the support of our partner marketing agency Smart Vision, we created a campaign that achieved remarkable results - starting from a completely unknown brand introducing multiple innovations to the market. This success was recognized and awarded by the International Public Relations Association (IPRA), headquartered in London. The Treasury project received the prestigious IPRA Golden World Award for Excellence in the Financial Services and Investor Relations category.<sup>53</sup> Treasury also achieved significant regional success, winning the silver “the! award”, a recognition of excellence by the Croatian Public Relations Association.<sup>54</sup> Notable results were achieved on the domestic scene as well: at the anniversary edition of the “Campaigns with Purpose 2025” festival, Treasury won the Grand Prix - ECO for the “The Power of Green and Innovative Investments” campaign.<sup>55</sup>

Building on our proven model and demonstrated results, we are ready to move into the next phase of growth - the expansion of our orchard. With this White Paper, we present a new token issuance through which we aim to raise the capital required to achieve this goal and further strengthen the Treasury ecosystem.

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<sup>53</sup> <https://www.ipra.org/golden-world-awards/winners/>  
<https://www.advertiser-serbia.com/istaknuti-komunikacijski-projekti-smart-vision-integrisana-komunikaciona-kampanja-za-treasury-moc-zelenih-inovativnih-ulaganja/>  
<https://www.smartvision.rs/blog/zlato-za-izvrnost-u-pr-u-kako-smo-jos-jednom-osvojili-ipra-gwa/>

<sup>54</sup> <https://www.huoj.hr/magazin/vijesti/regija-dobila-nove-nositelje-award-za-iznimnu-izvrnost/>

<sup>55</sup> <https://www.advertiser-serbia.com/proglasene-jubilarne-kampanje-sa-svrhom-2025/>

## 5. Issuer's Project for which funds from digital tokens will be invested

The funds raised through the initial offering, as outlined in this White Paper, will be used by the Issuer of Treasury Tokens for investment purposes - specifically, for establishing a hazelnut orchard, as described in Section 3 of this White Paper, while the collected funds will be allocated for the following purposes:

- **Payment for the lease of agricultural land in the municipality of Čoka.** The lessor is the holder of the lease for land with a total area of approximately 106 ha, located within the cadastral municipality of Čoka, and the lease agreement has been concluded for a period of 40 years. In line with the knowledge and experience of our agrotechnical team, this land has been analyzed and, considering its composition, terrain configuration, soil type, location, number of sunny days, and other parameters, it meets the conditions for establishing a hazelnut orchard. On an area of approximately 53 ha, a hazelnut orchard has been planted using funds raised through the issuance of Treasury Tokens based on the White Paper approved by the Decision.;
- **Land preparation for planting**, which includes, but is not limited to, the following activities: land surveying, creating a planting plan in DWG format, soil analysis (chemical and mechanical properties), shredding plant residues, subsoiling to a depth of 70-90 cm, applying pelletized organic fertilizer, applying mineral fertilizer (based on detailed soil analysis), plowing to a depth of 40-50 cm, harrowing, seedbed preparation, fencing the land, and more;
- **Construction of infrastructure** such as wells, irrigation systems, fencing, access roads, windbreaks, and similar facilities;
- **Purchase of 2- and 3-year-old hazelnut saplings** of the *Corylus avellana* species, specifically the following varieties: Tonda di Giffoni, Tonda Gentile Romana, Nocchione, Tonda Gentile delle Langhe. We chose these varieties because they are among the most sought-after on the global market, and industrial buyers, with whom the Treasury team has collaborated for decades, specifically purchase these varieties due to their ability to meet the highest quality standards (both organoleptic and nutritional). Additionally, these varieties can be successfully cultivated in Serbia and the surrounding region, where they have proven to deliver maximum quality and yield. The Issuer also cultivates these varieties both on the orchard planted pursuant to the White Paper approved by the Decision, and on experimental orchards. The Issuer will determine the specific quantity of each hazelnut variety to be planted in the orchard. The age of the saplings will be determined depending on the planting season and the availability of high-quality certified saplings on the market. During the period from October 2025 to the end of May 2026, planting of two-year-old saplings is planned. Should planting not be completed on the entire planned area during that season, the remaining surfaces will be planted with three-year-old saplings in the following season, from October 2026 to the end of May 2027.
- **The agronomy team and qualified labor** will be engaged for the establishment and maintenance of the orchard;

- **Leasing and purchasing equipment** necessary for land cultivation and crop harvesting (to be bought or leased as needed, depending on the age of the orchard and the specific agrotechnical requirements);
- **Orchard establishment activities**, which include, but are not limited to: mechanical planting according to the coordinates specified in the planting plan, watering after planting, hoeing and mounding soil around the saplings, pruning the top branches of the saplings, and more;
- **Regular orchard maintenance activities**, which include, but are not limited to: mechanical and chemical weed control, irrigation according to the needs of the hazelnut trees, regular treatment (using atomizers) with protective agents to prevent the occurrence of pathogens and the impact of insects on the health of the plants and fruit, regular fertilization both foliar and through the root system, winter and summer pruning as needed, as well as other agrotechnical measures aimed at maintaining the hazelnut orchard in optimal health and achieving maximum yields.

# Project Realization Plan

Select a period to highlight or right-click legend describing the coloring below:



Figure 16 Gantt chart provided to illustrate the timeline of planned activities for establishing the orchard

Our intention is to use the proceeds from the sale of one Treasury Token to plant one hazelnut sapling. The total number of saplings planned for one hectare is 333. For investors entitled to receive principal and interest as outlined in Section 7.2 of this White Paper, the corresponding amount will be calculated based on the revenue generated from all orchards established using funds raised through this public offering of Treasury Tokens, in proportion to the number of tokens each Investor holds, including Treasury Tokens acquired by the Issuer through its own investments as per this White Paper. Therefore, the source of income for paying principal and interest to Investors is not tied to a specific tree; instead, any risks identified in this White Paper will be mitigated by distributing the burden of such risks among all Investors.

According to the proven hazelnut cultivation methodology that will be applied for establishing orchards with proceeds from the sale of Treasury Tokens, the Issuer will initially plant 667 hazelnut trees per hectare; over time (up to the seventh year from planting), the number of saplings will be reduced to 333 per hectare. This agrotechnical method is applied in the process of establishing hazelnut orchards to improve yields, achieve quicker commercial production, and secure more favorable financial outcomes. When the hazelnut orchards reach between six and eight years of age, depending on the level of their development, the number of trees per hectare will be reduced, as decided by the Issuer. This measure is essential to ensure the full and optimal development of the remaining saplings. Regardless of the number of trees at the time of earnings calculation, the Investor/Holder will always receive the yield corresponding to the actual number of trees across all orchards established with funds generated from the sale of Treasury Tokens as outlined in this White Paper, including Treasury Tokens issued based on the Issuer's own investments in accordance with this White Paper.

In addition to the saplings that will be planted with funds raised through the public offering based on this White Paper, the Issuer will also plant and cultivate a portion of the saplings using its own funds, for which it will acquire Treasury Tokens, provided that such saplings are planted no later than the end of the planting season. The planting season financed from the funds raised under this White Paper will last from October 2025 until the end of May 2027 (Planting Season). The Planting Season may be carried out in two phases: the first phase from October 2025 until the end of May 2026, and the second phase from October 2026 until the end of May 2027. During the first phase, two-year-old saplings will be planted, while three-year-old saplings will be planted during the second phase.. Revenue from part of these saplings will be allocated for the distribution of income to all Treasury Token Holders (including the Issuer). The Issuer may:

- Sell the acquired Treasury Tokens to interested parties,
- Transfer them to Investors as Bonus Treasury Tokens as outlined in section 8.5 of this White Paper, or
- Transfer them freely to third parties as specified in this White Paper.

The Investor has the right to establish additional plantings on land that has not been planted with saplings funded by this White Paper or with funds from which the Issuer acquired Treasury Tokens; these additional plantings will not be subject to tokenization, and the revenue from such saplings will not be shared with Treasury Token Holders, but will contribute to the growth of the business and the increase of Treasury's assets, which will positively impact the stability of the investment.

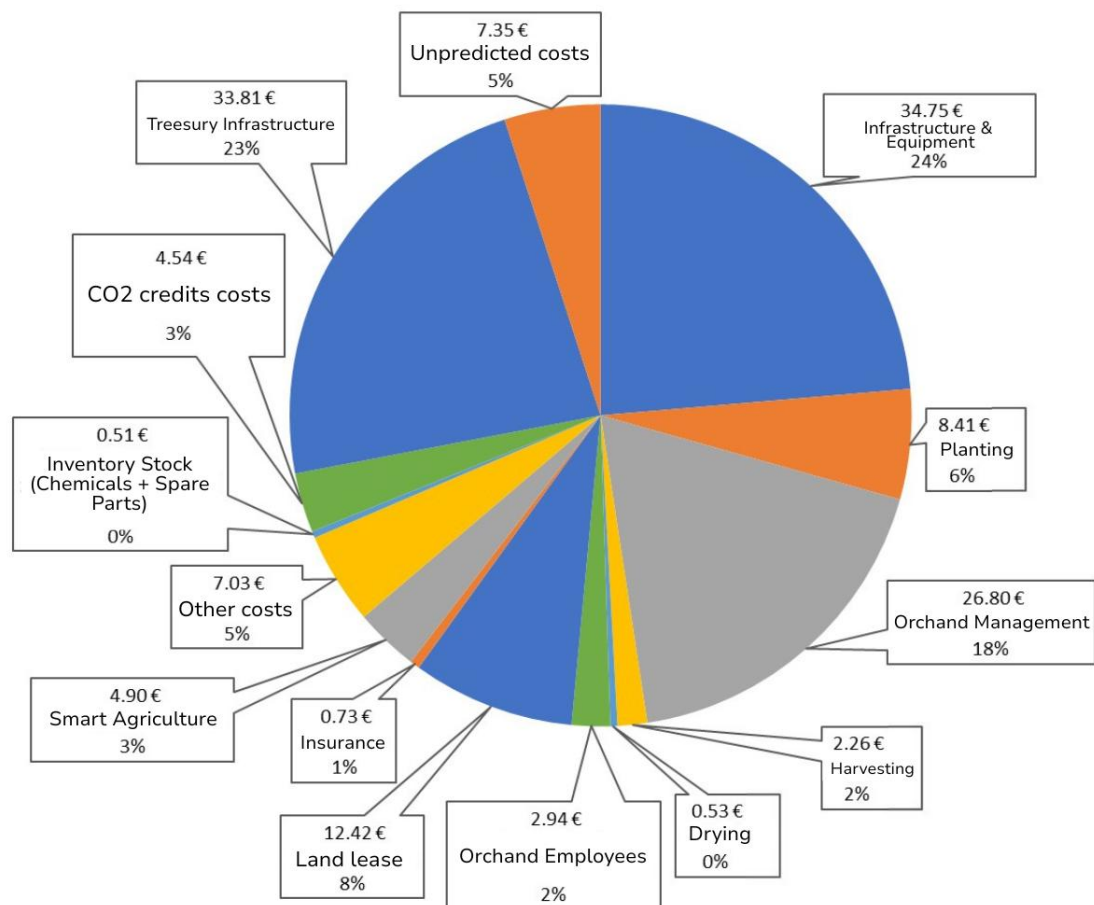
The planting period runs from October to the end of May, and Treasury is equipped to provide all necessary conditions for planting hazelnuts corresponding to the total value of the initial digital token offering.

Hazelnut harvesting is conducted in the years when crops are produced, taking place in October. After harvesting, the hazelnuts are dried and prepared for sale.

In line with the payment schedule for the sold hazelnuts, Investor payouts will be made in March of each year, starting from March 2033, in accordance with this White Paper.

The structure of the expected costs for establishing the intended hazelnut orchard is provided in Figure 12. The price Investors pay for Treasury Tokens covers all expected costs, from planting (the planting period runs from October 2025 to May 2026) to the point when the orchard becomes profitable (which is anticipated after the plants reach six years of age, following the harvest and sale of the 2032 crop; this process, including harvesting, drying, and selling, is expected to take place from September to the end of December). According to our calculations and projections, the earnings generated from the orchard in 2032 will be sufficient to cover all maintenance costs, while the remaining funds will be used to repay the principal to investors, starting in March 2033. Treasury Token Holders are not required to invest any additional funds for the maintenance or establishment of the orchards beyond the funds they invest in purchasing Treasury Tokens, which will be used to establish the orchards in accordance with this White Paper.

## TOKEN COST STRUCTURE



**Figure 17** Overview of the expected cost structure per Treasury Token until the token becomes self-sustaining, *i.e.*, until revenue exceeds expenses, which is expected in the sixth year after planting, rounded to whole percentages for clarity. Calculation based on the example of the Treasury Token price in the early offering: €102 (in the dinar counter value at the middle exchange rate of the NBS on the day of the Treasury Token sale).

## 6. Expected revenue from orchards and types of revenue

The Issuer intends to generate revenue from the orchards established with funds raised through the sale of Treasury Tokens from two sources: 1) the sale of hazelnuts and 2) the sale of carbon credits.

### 6.1. Sale of hazelnuts

If the initial offering of Treasury Tokens is successful, the Issuer will enter into sales contracts for orchard yields with major industrial buyers such as Ferrero, Nestlé, and Loacker, ensuring long-term market certainty. The Treasury team has a two-decade history of collaboration with industrial buyers, and all mentioned experimental orchards where the Issuer conducts experimental activities already have contracts in place with Ferrero, the world's largest buyer and trader of hazelnuts. This company has been present in the Serbian market for 10 years and is heavily investing in developing a network of cooperatives<sup>56</sup>. We do not finalize contracts in advance to avoid immediate obligations to buyers. Based on the experience of our agronomy team, both on experimental orchards and those managed by the team, along with all previous analyses of the location where we plan to establish the orchard, as detailed in section 3.3.1 of this White Paper, and by applying our proven methods and innovations in hazelnut cultivation, we anticipate an average yield as outlined in Table 2. The annual hazelnut yield per token is also presented graphically in Figure 13.

Year	1	2	3	4	5	6	7	8	9+
Yield per token (kg)	-	-	-	1.00	2.00	5.00	8.00	11.00	12.00
Yield per hectare (kg)	-	-	-	333.50	667.00	1,667.50	2,668.00	3,668.50	4,002.00

Table 2 Hazelnut yield by year

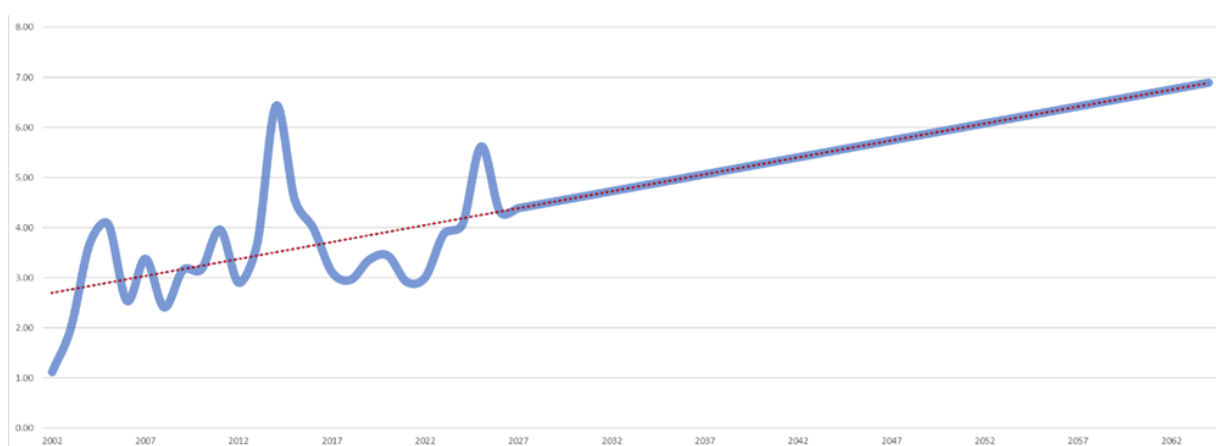


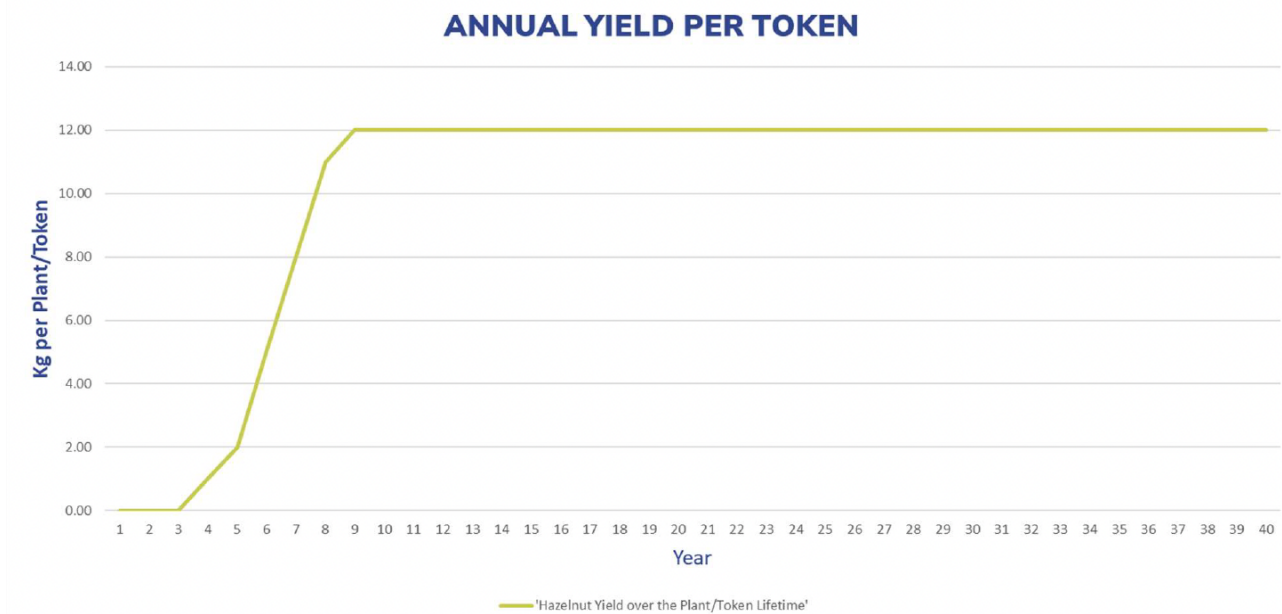
Figure 18. Trends in average hazelnut prices from 2002 to 2025 with a linear forecast for a 40-year period

<sup>56</sup> Radio televizija Vojvodine: <https://www.youtube.com/watch?v=bzvbuUkOcY8>  
[https://www.rtv.rs/sr\\_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa\\_1548013.html](https://www.rtv.rs/sr_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa_1548013.html)

Year	Price		Year	Price	
2002	1.12	actual	2034	4.86	forecast
2003	2.00	actual	2035	4.93	forecast
2004	3.67	actual	2036	5.00	forecast
2005	4.07	actual	2037	5.07	forecast
2006	2.54	actual	2038	5.13	forecast
2007	3.38	actual	2039	5.20	forecast
2008	2.41	actual	2040	5.27	forecast
2009	3.15	actual	2041	5.34	forecast
2010	3.17	actual	2042	5.40	forecast
2011	3.96	actual	2043	5.47	forecast
2012	2.90	actual	2044	5.54	forecast
2013	3.70	actual	2045	5.61	forecast
2014	6.43	actual	2046	5.67	forecast
2015	4.56	actual	2047	5.74	forecast
2016	3.99	actual	2048	5.81	forecast
2017	3.11	actual	2049	5.88	forecast
2018	2.96	actual	2050	5.95	forecast
2019	3.36	actual	2051	6.01	forecast
2020	3.44	actual	2052	6.08	forecast
2021	2.92	actual	2053	6.15	forecast
2022	3.01	actual	2054	6.22	forecast
2023	3.88	actual	2055	6.28	forecast
2024	4.07	actual	2056	6.35	forecast
2025	5.62	actual	2057	6.42	forecast
2026	4.32	forecast	2058	6.49	forecast
2027	4.39	forecast	2059	6.55	forecast
2028	4.46	forecast	2060	6.62	forecast
2029	4.52	forecast	2061	6.69	forecast
2030	4.59	forecast	2062	6.76	forecast
2031	4.66	forecast	2063	6.82	forecast
2032	4.73	forecast	2064	6.89	forecast
2033	4.80	forecast	2065	6.96	forecast

**Table 3. Trends in average hazelnut prices from 2002 to 2025 with a linear forecast for a 40-year period**

Based on the analysis of market trends over the projected period, we expect the average price to be US\$3.64-5.00 per kilogram, which is 11% lower than the current purchase price at the time of preparing this White Paper.. As a precaution, we have projected an average yield of 4 tons per hectare, although our team of agronomists is already achieving yields between 4.5 and 5.5 tons per hectare across four experimental orchards in different locations in Serbia. With further advancements in precision agriculture and technology, we expect these yields to increase over time.



**Figure 19. Hazelnut yield per token by year**

## 6.2. Sale of carbon credits

The carbon credit market is a crucial component of global efforts to combat climate change. It operates by incentivizing the reduction of carbon emissions and promoting environmental sustainability. Organizations and individuals can generate carbon credits by implementing projects that reduce greenhouse gas emissions, such as transitioning to renewable energy sources, reforestation initiatives, or improving energy efficiency. These credits can be bought and sold on the market, thus creating a financial incentive for emission reductions. The carbon credit market plays a vital role in helping countries and businesses meet emission reduction targets under international climate agreements like the Paris Agreement. Not only does it encourage environmental responsibility, but it also supports the transition to a sustainable, low-carbon global economy. We believe this project can implement the sequestration process detailed in section 3.3.3 of this White Paper.

Therefore, the carbon credit market also represents a potentially lucrative revenue stream, enabling individuals, businesses, and governments to offset their emissions and combat climate change. Carbon credits are typically measured in metric tons of CO<sub>2</sub> equivalent and are traded on various exchanges and markets. The global carbon credit market is currently valued at US\$402 billion and is expected to grow at an impressive annual rate of 30.72% during the forecast period from 2023 to 2031. The value of the voluntary carbon credit market exceeded US\$2 billion in 2021<sup>57</sup> and is projected to reach between US\$10 billion and US\$40 billion, depending on carbon credit price scenarios. Prices for carbon credits based on natural solutions, on the other hand, surged by 173% in 2021 alone, reaching US\$12.70 per metric ton<sup>58</sup>, paving the way for increased investments in projects focused on reforestation, renewable energy, and sustainable agriculture.

The Issuer has identified the sale of carbon credits through designated exchanges and voluntary schemes for reducing carbon footprints as a revenue stream from agricultural production. A

<sup>57</sup> <https://climatetrade.com/voluntary-carbon-market-value-tops-us2b/>

<sup>58</sup> <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/energy-transition/111121-cop26-voluntary-carbon-market-value-tops-1-bil-in-2021-ecosystem-marketplace>

prerequisite for selling such credits on designated exchanges is the certification of the orchard as a “producer” of carbon credits, based on its CO<sub>2</sub> sequestration capability. This prerequisite does not apply to voluntary schemes. The Issuer plans to complete the certification immediately after establishing the orchard, with the expected timeframe for this process, based on information gathered just before or during the preparation of this White Paper, estimated at around 12-15 months. In the certification process and measurement of carbon sequestration, we have secured expert support from the BioSense Institute and the Fruit Research Institute in Čačak. Certification will be conducted by one of the leading certification bodies, such as Verra or The Gold Standard. The Issuer retains the discretion to choose the certification body, with the decision based on parameters such as the institution's reputation, the number of supported markets for certified credits, certification costs, opportunities for strategic and long-term partnerships, and other factors. Following certification, the Issuer intends to establish sales channels for carbon credits by listing on designated exchanges like Carbon Trade Exchange (CTX) and Xpansiv. The expected timeframe for this process is approximately 2 months, based on information gathered just before or during the preparation of this White Paper. The Issuer retains the discretion to select the exchanges on which to trade the produced carbon credits. In addition to planned listings on dedicated exchanges, the Issuer has already established a partnership with a broker and advisor in the carbon-credit industry in the United States and intends to form additional partnerships with other stakeholders in this market, as well as to open direct sales channels to corporate clients, with a focus on long-term partnerships within the hazelnut value chain.

BloombergNEF estimates that the price of carbon credits could reach up to US\$238 per metric ton by 2050<sup>59</sup>, while S&P Global reports that the current price has already increased by 173% in 2021 alone. As of the publication of this White Paper, the price of carbon credits from natural sources/solutions generally ranges between US\$13 and US\$30<sup>60</sup>, with specific projects reaching significantly higher amount - up to US\$65 to US\$75<sup>61</sup>. Due to climate change, tightening regulations, and the introduction of mandatory ESG reporting standards, the demand for high-quality, certified natural solutions for removing greenhouse gas emissions already exceeds supply<sup>62</sup>, a trend expected to continue in the future<sup>63</sup>; carbon credits produced in Europe, in particular, are anticipated to have strong prospects<sup>64</sup>. Based on previous data and analyses, the price used for calculations in this White Paper is US\$12.70, with a projected annual growth rate of 4.97%, reaching up to US\$84.08.

Based on expert literature, studies, and methodologies outlined in section 3.3.3 of this White Paper, as well as consultations with experts from the BioSense Institute, we estimate that each hectare of Treasury's orchard, including windbreaks and cover crops, will generate 68 carbon credits once the hazelnuts reach full maturity. The sequestration calculation, or the generation of carbon credits from planting to full maturity, is based on the same sources and methodologies. This estimate does not account for the fact that the Issuer achieves significantly higher yields per hectare than the average, and that sequestration capacity is directly correlated with the amount of biomass in the orchard - more biomass leads to higher sequestration capacity.

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<sup>59</sup> <https://about.bnef.com/blog/carbon-credits-face-biggest-test-yet-could-reach-238-ton-in-2050-according-to-bloombergnef-report/>

<sup>60</sup> <https://www.environmental-finance.com/content/market-insight/the-emergence-of-european-nature-based-carbon-credit-markets.html>; <https://www.goldstandard.org/news/what-is-a-carbon-credit-worth>

<sup>61</sup> <https://carboncredits.com/is-it-the-end-of-nature-based-carbon-offsets-ngeo-price/>

<sup>62</sup> <https://www.senken.io/academy/pricing-of-carbon-credits>; [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_au/noindex/ey-creating-a-nature-positive-advantage-report-final-20231121.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_au/noindex/ey-creating-a-nature-positive-advantage-report-final-20231121.pdf)

<sup>63</sup> <https://climatetrade.com/top-10-predictions-for-climate-and-carbon-markets-in-2024/>

<sup>64</sup> <https://www.environmental-finance.com/content/market-insight/the-emergence-of-european-nature-based-carbon-credit-markets.html>

Amounts expressed in US dollars are maintained as original, official data, which applies to projections where the currency of the assessed goods is the US dollar; however, the relationship between the Issuer and Treasury Token holders will use the dinar counter value of the EUR at the middle exchange rate determined by the National Bank of Serbia.

## 7. Information on Treasury Token digital tokens

Treasury Token is a digital token with characteristics of a financial instrument, specifically a dematerialized bond.

The Issuer is conducting an Initial Offering for a total of 20,408 Treasury Tokens as outlined in this White Paper.

The nominal value of one Treasury Token is €147 in dinar counter value at the middle exchange rate set by the National Bank of Serbia on the day of the Treasury Token sale (the sale day is defined as the day payment is made for the Treasury Token or the day the Treasury Token is acquired by other means in accordance with this White Paper, hereinafter referred to as: [Treasury Token Sale Day](#)).

The total value of the offered Treasury Tokens is €2,999,976, in dinar counter value at the middle exchange rate set by the National Bank of Serbia on the Treasury Token Sale Day.

Treasury Tokens can be purchased with money or acquired through the methods described in this White Paper. Treasury Tokens are not exchangeable for other digital assets. Treasury Tokens do not have the characteristics of shares or stakes and cannot be exchanged for shares or stakes.

Considering that the total value of digital assets, specifically the total value of Treasury Tokens issued over a 12-month period, does not exceed €3,000,000 in dinar counter value at the official middle exchange rate of the dinar against the euro set by the National Bank of Serbia on the date of issuance or during the primary sale, the issuance of Treasury Tokens is governed by the Law on Digital Assets.

### 7.1. Entities eligible to buy Treasury Tokens and other methods of acquiring Treasury Tokens

The right to purchase Treasury Tokens is available to domestic and foreign adults, individuals and legal entities, as well as entrepreneurs, who complete identification in accordance with section 13 of this White Paper.

Entities affiliated with the Issuer, as defined by the Law on Companies, are eligible to buy Treasury Tokens under the same conditions as other entities.

The Issuer can acquire Treasury Tokens:

a) through investment in the establishment and planting of hazelnuts using its own funds, receiving 1 Treasury Token for each investment made in the planting and cultivation of 1 hazelnut tree (in accordance with the planting and cultivation methodology described in section 3.3.1 of this White Paper). In this case, the Issuer must complete the investment by May 31, 2027, and the total number of issued Treasury Tokens on any grounds cannot exceed the total number of Treasury Tokens issued under this White Paper.

b) by purchasing from Token holders, after the initial offering has been declared successful.

Entities which purchase Treasury Tokens during the early phase of the Initial Offering are entitled to a discount on the digital tokens, subject to the conditions outlined in section 8.4 of this White Paper.

Bonus Treasury Tokens may be obtained by entities meeting the criteria for earning bonus Treasury Tokens, as specified in sections 8.5.1 and 8.5.2 of this White Paper.

There is also an option to acquire Treasury Tokens through gifting, if the Investor wishes to gift Treasury Tokens to a third party. This option was considered and chosen in light of the tradition of planting a tree in honor of a child's birth, with no restrictions on who may receive such gifted Treasury Tokens, provided the conditions for acquiring Treasury Tokens applicable to all Investors are met. The process for acquiring Treasury Tokens through gifting is detailed in section 8.5.3 of this White Paper.

## 7.2. Description of rights and obligations of Treasury Token holders

Entities that purchase Treasury Tokens or acquire them in any way provided by this White Paper and/or law ([Investor](#) and/or [Holder](#)) have the following rights towards the Issuer:

- a) right to payment of principal and right to interest;
- b) the principal amount, in its nominal value, matures partially each year, starting from March 2033 until full repayment. The principal is repaid gradually, once a year in March, proportionate to the earnings achieved in the calendar year preceding the year of payment. Earnings are defined in section 7.3 of this White Paper;
- c) the right to interest accrues after the full repayment of the principal's nominal value. Interest is due annually, starting from March of the year following the complete repayment of the principal, and continues up to the 41st year after the year in which the initial Treasury Token offering is declared successful;
- d) the interest rate is variable (adjusted throughout the life of the issued Treasury Token, starting after principal repayment and ending in the 40th year after the year of the successful initial Treasury Token offering), in accordance with the parameters outlined in section 7.3 of this White Paper;
- e) Investors/Holder have the right to sell their Treasury Token to another Investor identified by the Treasury Token Issuer, with respect to the pre-emptive rights held by the Issuer.

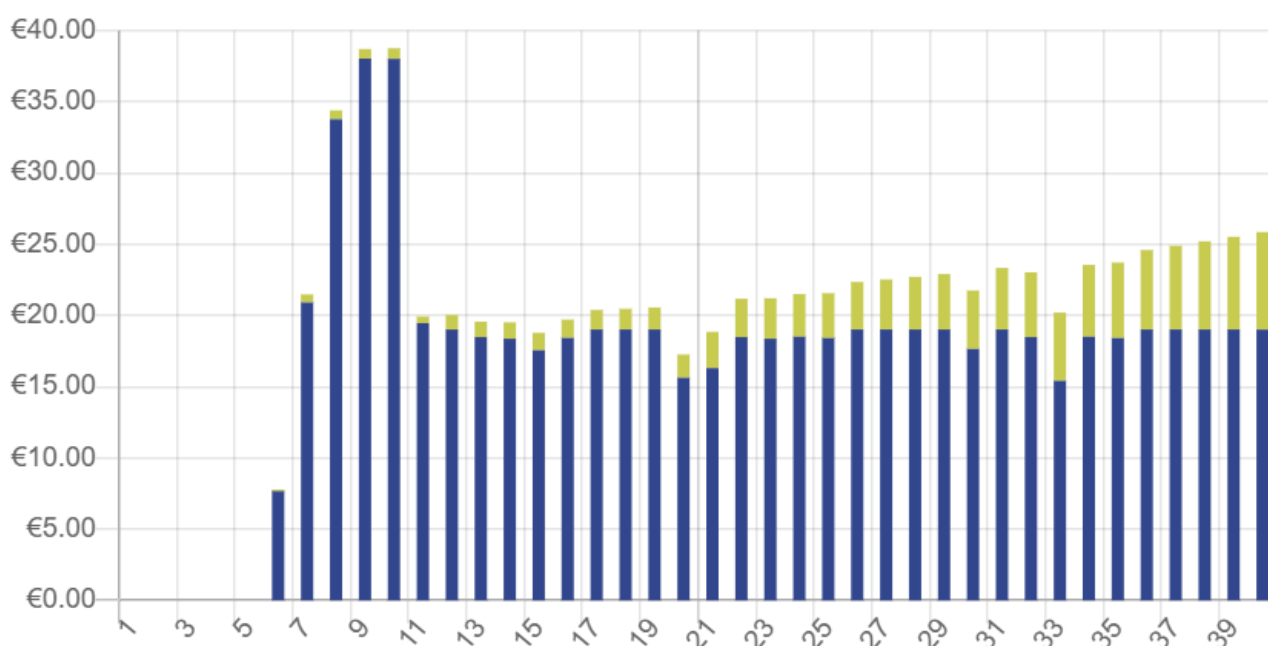
The Treasury Token Issuer places the rights of Investors as a top priority; therefore, the earnings generated from the project funded by the proceeds of the Treasury Token sales are utilized as follows:

- a) the entire amount of the annual Earnings, as defined in section 7.3.1., is allocated for the repayment of the principal to Investors/Holder (the calculation method for earnings is described in section 7.3.1. of this White Paper).
- b) after paying the principal in full, the annual Earnings are used as follows:

1. 50% of the Earnings is used for the calculation and payment of variable interest to Investors/ Holders (hereinafter referred to as the Variable Interest Payment Amount),
2. 50% of the Earnings goes to the Issuer.

Earnings from the hazelnut crop is determined by the biology of the hazelnut tree. During the first 4 years, the trees devote all their energy to plant growth. The first commercial yield is collected in the 5th year, and its sale covers a portion of the orchard's maintenance costs, which significantly exceed the revenue generated during that year. From the moment the orchard becomes profitable (expected after the plants reach six years of age, starting with the harvest and sale of the 2032 crop), until the full repayment of the principal to Investors/ Holders, all earnings from the sale of hazelnuts (and carbon credits when conditions allow) will be used to repay the principal to Investors/ Holders. After this, the earnings will be used as described in the previous section (Figure 20). The expected average annual return accrued over 40 years is between 11% and 15% of the invested principal<sup>65</sup>. Earnings will be accrued after the sale of hazelnuts and carbon credits (when conditions permit revenue from carbon credits for that year), and payments will be made in March of the following year, after the Issuer collects the proceeds from the sale of the crop and the revenue from carbon credits.

In line with the payment schedule for the sold hazelnuts, Investor/ Holder payouts will be made in March of each year, starting from March 2033, in accordance with this White Paper.



**Figure 20 Structure of accrued return from hazelnuts and carbon credits over the Treasury Token lifespan.**

It is important to note that any circumstance that could affect the revenue from hazelnut yields (this may include natural conditions or third-party actions, such as non-payment or delayed payment by buyers to whom the Issuer has sold hazelnuts, as well as other circumstances beyond the Issuer's

<sup>65</sup> Reinvestment of the repaid principal and paid interest is not included in the calculation, which is based on discounts available to those who purchase digital tokens during the early issuance phase.

control) may impact the Issuer's ability to pay the principal or interest to Token Holders, to the extent that, in certain years, such circumstances could result in no earnings being available for principal repayment, or the variable interest rate being reduced to 0%. In such cases, the Issuer's obligations to Treasury Token Holders will resume once the circumstances preventing repayment and their consequences are resolved; after these circumstances cease, the Issuer will continue to fulfill its obligations according to the parameters outlined in this White Paper, but within the 40-year period from the year in which the initial Treasury Token offering is declared successful. If an event occurs that results in an insurance payout, the rules stipulated in section 7.3.6 of this White Paper will apply.

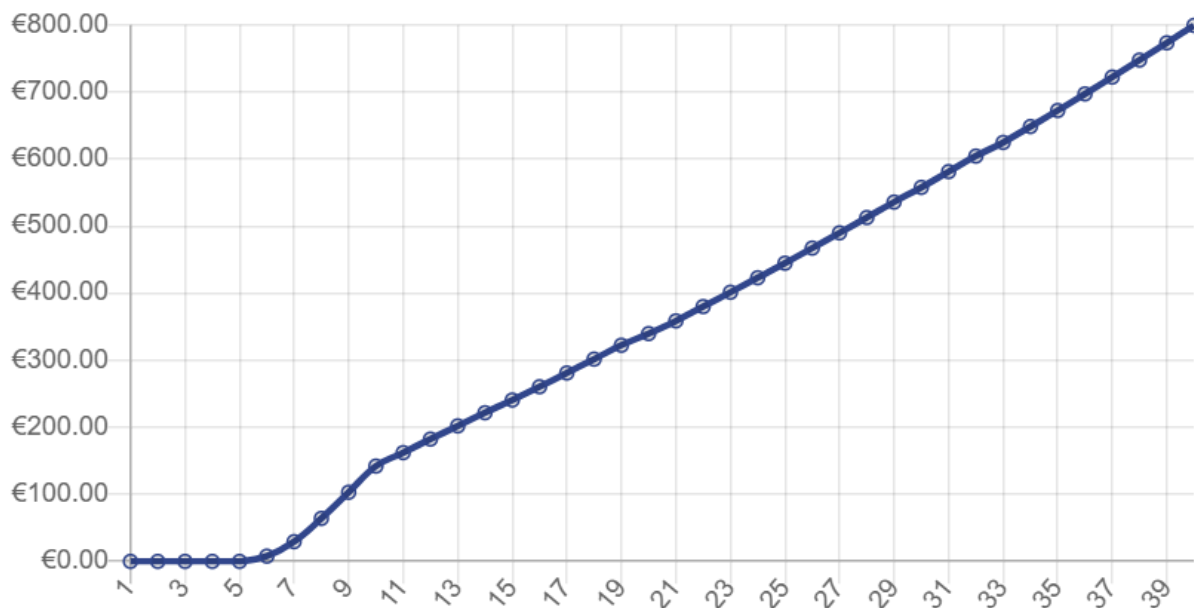
Treasury Tokens issued as gifts, in accordance with section 8.5.3, will accrue earnings like all other Treasury Tokens during the period before they are claimed by the intended recipient; however, payment will be made only once the conditions for payment are met and the recipient is identified as a Treasury Token Holder, in accordance with section 13 of this White Paper.

Additionally, to streamline the costs associated with banking transfers, payment services, and similar money transfer services, the payment of accrued principal and interest to Investors will be made when the Investor's claim - whether for principal or interest - reaches a minimum of €300 in the dinar counter value at the NBS middle exchange rate on the day of accrual, given that the Investor may request payment of their claim, even if it is below this amount, at their own expense; in such cases, the Token Issuer will deduct the cost of the transfer from the amount paid to the Investor.

It should be noted that international money transfer costs are never borne by Treasury, regardless of the amount, and such costs are always the responsibility of Token Holders and will be deducted from the amount the Issuer pays the Treasury Token Holder, whether for principal or interest. If the transfer fee exceeds the amount the Issuer owes the Treasury Token Holder, the Issuer is not obligated to execute the transfer.

The principal value of the Treasury Token, once purchased by the Investor, will be automatically adjusted according to a currency clause, in such a way that the nominal value of the Treasury Token will be adjusted to the official middle exchange rate of the dinar against the euro throughout the lifespan of the Treasury Token.

The duration of the Treasury Token is determined by the commercial lifespan of the tree, which is 40 years. The calculation of the cumulative return on investment is the sum of all annual accruals paid to the Investor/Holder over the 40-year period, as illustrated in Figure 15.



**Figure 21** Calculation of the cumulative return on investment during the Treasury Token lifespan.

## 7.3. Expected investment earnings and distribution model

As previously described, the Treasury Token Issuer allocates the Earnings as follows:

- a) the entire amount of the annual Earnings, as defined in section 7.3.1., is allocated for the repayment of the principal to Investors/Holders in the manner described in this section 7.3 of the White Paper, until the full principal amount is repaid.
- b) after paying the principal in full, the annual Earnings are used as follows:
  1. 50% of the annual Earnings is used for the calculation and payment of variable interest to Investors/Holders,
  2. 50% of the annual Earnings goes to the Issuer.

Earnings per Investor/Holder are calculated proportionally to the number of Treasury Tokens each Investor/Holder has acquired.

### 7.3.1. Calculation of annual Earnings

**Annual Earnings: Earnings from yield + Earnings from carbon credits**

In the initial years, before the plants have developed sufficiently to produce a substantial yield (commercial yield), the annual Earnings are negative, meaning a loss is incurred; this loss is financed by the funds raised through the sale of Treasury Tokens and by the Issuer's own funds, acquired through its investments in establishing the hazelnut orchard, as outlined in section 7.1, paragraph three, point a, of this White Paper.

The annual Earnings depend directly on agricultural production and the amount of carbon credits generated, rather than the business performance of the Treasury company.

#### 7.3.1.1. Earnings from yield

##### Orchard income - Orchard expenses

**Orchard income:** total yield of hazelnuts from the orchard x achieved sales price of the in-shell hazelnuts from the orchard.

**Orchard expenses:** basic costs include the cost of leasing land designated for tokenized saplings and the necessary infrastructure and equipment for their maintenance, the cost of building and maintaining infrastructure, the cost of purchasing and/or leasing and maintaining equipment, software solution costs, labor costs, irrigation, fertilizers, harvesting, drying, insurance, storage, transportation, and any other costs incurred during the production and sale of hazelnuts. The cost of customer/investor care is also included in the basic costs and encompasses labor and resource costs to provide investors with adequate support and satisfaction with the services or products received, as well as the costs of issuance, administration, and management of the Treasury Tokens.. Support includes answering questions and providing information, assisting with navigating the Issuer's website and performing transactions, providing information regarding payment instructions, transaction confirmations, support in resolving technological and administrative issues, informing users about events of interest, organizing visits to the orchards, and other standard customer service activities that ensure investor satisfaction with the services provided. It is important to note that certain costs are one-off and related to the initial investment in establishing the orchard (e.g., infrastructure construction costs, sapling costs, etc.), while other costs are long-term and recur annually (e.g., labor costs, fertilizers, etc.). To avoid any confusion, any potential costs related to the Issuer's non-tokenized orchard, which was established independently of the tokenization project, will be fully borne by the Issuer.

#### 7.3.1.2. Earnings from carbon credits

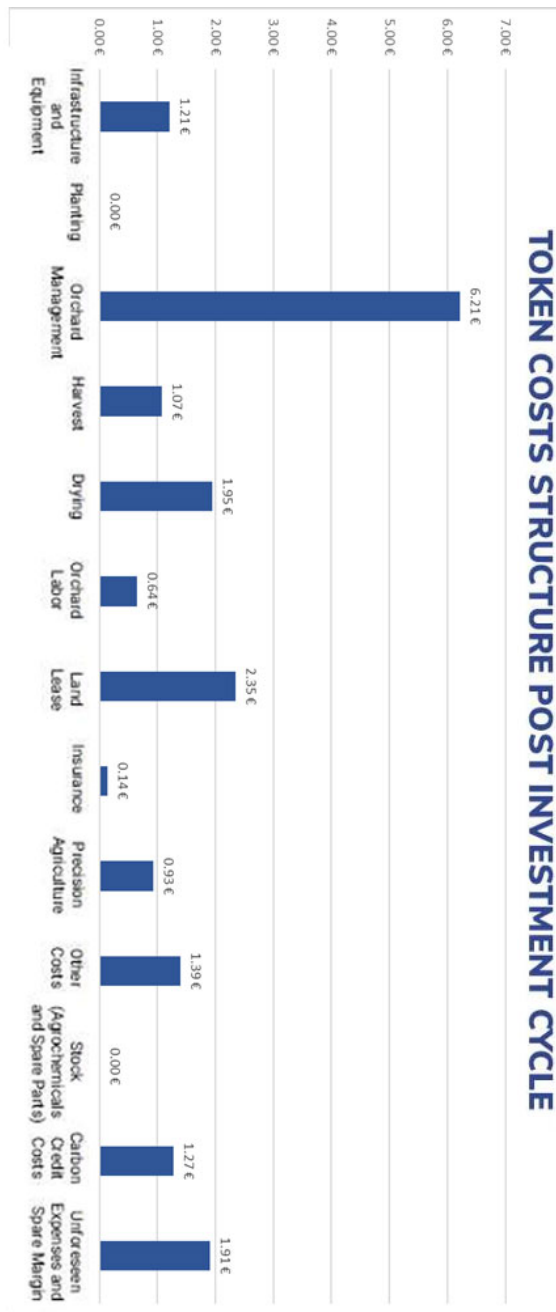
##### Carbon credits income - Carbon credits expenses

**Carbon credits income:** number of carbon credits generated on the orchard (total amount of CO<sub>2</sub> sequestered on the orchard, rounded down to the nearest whole metric ton of sequestered CO<sub>2</sub>) x achieved sales price per carbon credit.

**Carbon credit:** 1 metric ton of sequestered CO<sub>2</sub>.

**Carbon credit expenses:** basic costs include certification procedures with certification bodies such as Verra and The Gold Standard, accreditation for the type of project (e.g., agricultural category), membership fees in relevant green economy industry organizations, fees and taxes to relevant authorities and regulators, listing fees for carbon credits on exchanges, exchange commissions, intermediary/broker fees, software solution costs for carbon credit trading, and fees to relevant government bodies related to generating income from carbon credits. The costs of administering and selling carbon credits and customer/investor care are also included in the basic costs. Customer care costs include labor and resource costs to

provide investors, carbon credit buyers, intermediaries, and partner organizations involved in the sale of carbon credits with adequate support and satisfaction with the services or products received. Support includes answering questions and providing information, assisting with navigating the Issuer's website and performing transactions, providing information regarding payment instructions, transaction confirmations, support in resolving technological and administrative issues, informing users about events of interest, and other standard customer service activities that ensure investor satisfaction with the services provided.



**Figure 22** Presentation of the structure of costs per Treasury Token for one average year after the end of the investment cycle lasting until the 6th year after planting, *i.e.*, 2031.<sup>66</sup>

<sup>66</sup> The cost estimates are based on market prices for raw materials, goods, and services at the time of the White Paper's preparation, therefore it is important to note that the amounts stated are subject to change based on market conditions. These costs are to be covered by the earnings generated in the respective year.

### 7.3.2. Calculation of variable interest rate

The annual variable interest rate is 0% until the principal is fully repaid.

Once the principal is fully repaid, the annual variable interest rate is calculated as follows:

Variable interest payment amount / Total amount raised from the sale of Treasury Tokens

The variable interest payment amount is defined in section 7.3.b). It should be noted that in the year the principal is fully repaid, the amount of annual Earnings allocated for the variable interest payment is reduced by the amount of the principal repaid in that year, and the remaining amount is then used as the variable interest payment amount, in accordance with section 7.3.b).

#### 7.3.2.1. Calculation of variable interest rate per Investor

The variable interest rate per Investor is calculated as follows:

$$V = A \times (T : N) : B$$

V - Variable interest rate per Investor/Holder

A - Variable interest payment amount

T - Total number of Treasury Tokens acquired by the Investor based on their investment, including bonus tokens

N - Total number of issued Treasury Tokens per issuance

B - Total investment paid by the Investor for all Treasury Tokens acquired, including any bonus tokens acquired

Example of calculating the variable interest rate per Investor/Holder in Year 12, 23, and 34, for a total investment in 1 Treasury Token, based on a planted area of 61.3 hectares:

$$\text{Year 12: } V = \text{€}412,462 \times (1 : 20,081) : \text{€}147 \quad V = 13.75\%$$

$$\text{Year 23: } V = \text{€}436,645 \times (1 : 20,081) : \text{€}147 \quad V = 15.62\%$$

$$\text{Year 34: } V = \text{€}484,847 \times (1 : 20,081) : \text{€}147 \quad V = 17.63\%$$

The total investment for 1 Treasury Token is €147 (in the dinar counter value at the NBS middle exchange rate on the Treasury Token Sale Day), and the average variable interest rate, accrued over a 40-year period, is 11.12%<sup>67</sup>. An example of the principal and interest calculation of this investment is shown in Table 3.

Example of calculating the variable interest rate per Investor/Holder in Year 12, 23, and 34, for a total investment in 7,000 Treasury Tokens, based on a planted area of 61.3 hectares. Due to the investment amount, the Investor is entitled to a 25% bonus, and acquired a total of 8,750 Treasury Tokens:

$$\text{Year 12: } V = \text{€}412,462 \times (8,750 : 28,301) : \text{€}147 \quad V = 16.58\%$$

$$\text{Year 23: } V = \text{€}436,645 \times (8,750 : 28,301) : \text{€}147 \quad V = 18.75\%$$

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All amounts are presented in euros and calculated according to the average exchange rate of the National Bank of Serbia on the date the supplier's or service provider's offer was received.

<sup>67</sup> Reinvestment of the repaid principal and paid interest is not included in the calculation.

$$\text{Year 34: } V = \text{€}484,847 \times (8,750: 28,301): \text{€}47 \quad V = 21.16\%20.20$$

The total investment for 7.000 Treasury Tokens is €1. 029,000 (in the dinar counter value at the NBS middle exchange rate on the Treasury Token Sale Day), and the average variable interest rate, accrued over a 40-year period, is 14.52%<sup>68</sup>. An example of the principal and interest calculation of this investment is shown in Table 3.

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<sup>68</sup> Reinvestment of the repaid principal and paid interest is not included in the calculation,.

**Table 4 Calculation of variable interest rate, principal, and interest for investments in 1 Treasury Token and 7,000 Treasury Tokens**

		1. year	2. year	3. year	4. year	5. year	6. year	7. year	8. year	9. year	10. year
<b>Hazelnut Orchard Income</b>	EUR	0	0	0	90,918	181,835	454,588	727,340	1,000,093	1,091,010	1,091,010
<b>Hazelnut Orchard Expenses</b>	EUR	-885,871	-209,707	-231,678	-284,245	-387,119	-297,039	-297,457	-305,810	-309,305	-309,612
<b>Hazelnut Orchard Earnings</b>	EUR	-885,871	-209,707	-231,678	-193,327	-205,284	157,548	429,883	694,282	781,705	781,398
<b>Income from Carbon Credits</b>	EUR	12,663	13,292	13,952	14,645	15,372	16,136	26,204	27,505	28,871	30,304
<b>Carbon Credit Expenses</b>	EUR	-31,345	-11,687	-11,753	-11,823	-11,895	-11,972	-13,006	-13,136	-13,273	-13,416
<b>Earnings from Carbon Credits</b>	EUR	-18,681	1,605	2,199	2,822	3,477	4,164	13,198	14,369	15,598	16,888
<b>Annual Earnings</b>	EUR	0	0	0	0	0	161,712	443,081	708,651	797,303	798,287
<b>Annual Earnings for Distribution to Token Investors</b>	EUR	0	0	0	0	0	161,712	443,081	708,651	797,303	798,287
<b>Amount for Distribution of Principal</b>	EUR	0	0	0	0	0	161,712	443,081	708,651	797,303	798,287
<b>Amount for Interest Distribution</b>	EUR	0	0	0	0	0	0	0	0	0	0
<b>Annual Variable Interest Rate</b>	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Average Annual Yield</b>	%										
<b>Annual Earnings per Token</b>	EUR/token	0.00	0.00	0.00	0.00	0.00	7.92	21.71	34.72	39.07	39.12
<b>Annual Earnings for Distribution to Token Investors per Token</b>	EUR/token	0.00	0.00	0.00	0.00	0.00	7.92	21.71	34.72	39.07	39.12
<b>Amount for Distribution of Principal per Token</b>	EUR/token	0.00	0.00	0.00	0.00	0.00	7.92	21.71	34.72	39.07	39.12
<b>Amount for Interest Distribution per Token</b>	EUR/token	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Annual Variable Interest Rate for the Investment in 11 token</b>	%										
<b>Average Annual Yield</b>	%										
<b>Annual Earnings to be Paid out to a Token Investor for an</b>											
<b>The Principal Repayment Amount for an Investment in 7000 Tokens</b>		0.00	0	0	0	0	69,335	189,972	303,837	341,846	342,268
<b>Interest Repayment Amount for an Investment in 7000 Tokens</b>		0	0	0	0	0	0	0	0	0	0
<b>Annual Interest Rate for an Investment in 7000 Tokens</b>		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Average Annual Yield for an Investment in 7000 Tokens</b>											
<b>Number of Paid Tokens</b>	#	7,000									
<b>Bonus Percentage for Investment Volume</b>	%	25%									
<b>Total Number of Tokens Acquired for an Investment in 7000 Tokens</b>		8,750									
<b>Total Investment Amount for an Investment in 7000 Tokens</b>	EUR	1,029,000									
<b>Token Price</b>	EUR	147.0									
<b>Investors' share in profits after principal repayment</b>	%	50%									
<b>Number of Tokens in the Issuance</b>	#	20,408									
<b>Total Amount Raised</b>	EUR	2,999,976									
<b>Nominal Token Value</b>	EUR	147.0									
<b>Regulatory Limit According to the Number of Tokens in the Issuance and the</b>	EUR	2,999,976									
<b>Nominal Token Value</b>	EUR	2,999,976									

	11. Year	12. Year	13. Year	14. Year	15. Year	16. Year	17. Year	18. Year	19. Year	20. Year	21. Year	22. Year	23. Year	24. Year	25. Year
	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010
	-387,658	-309,305	-331,276	-335,901	-368,970	-333,588	-309,305	-309,305	-309,305	-448,372	-420,748	-331,276	-335,901	-330,119	-333,895
<b>703,353</b>	<b>781,705</b>	<b>781,705</b>	<b>759,735</b>	<b>755,109</b>	<b>722,040</b>	<b>757,422</b>	<b>781,705</b>	<b>781,705</b>	<b>781,705</b>	<b>642,638</b>	<b>670,262</b>	<b>759,735</b>	<b>755,109</b>	<b>760,891</b>	<b>757,115</b>
	31,809	59,627	62,588	65,696	68,959	72,383	75,978	79,750	83,711	87,868	129,773	136,217	142,981	150,081	157,534
	-13,566	-16,409	-16,705	-17,016	-17,342	-17,684	-18,044	-18,421	-18,817	-19,233	-23,479	-24,124	-24,800	-25,510	-26,256
<b>18,243</b>	<b>43,219</b>	<b>45,883</b>	<b>48,681</b>	<b>48,681</b>	<b>51,617</b>	<b>54,699</b>	<b>57,934</b>	<b>61,329</b>	<b>64,894</b>	<b>68,635</b>	<b>106,293</b>	<b>112,093</b>	<b>118,181</b>	<b>124,571</b>	<b>131,279</b>
	721,595	824,923	805,618	803,790	773,657	812,121	839,639	843,034	846,598	711,273	776,555	871,828	873,290	885,462	888,394
<b>406,268</b>	<b>412,462</b>	<b>402,809</b>	<b>401,895</b>	<b>386,828</b>	<b>406,060</b>	<b>419,819</b>	<b>421,517</b>	<b>423,299</b>	<b>423,299</b>	<b>355,637</b>	<b>388,278</b>	<b>435,914</b>	<b>436,645</b>	<b>442,731</b>	<b>444,197</b>
	90,942	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	315,327	412,462	402,809	401,895	386,828	406,060	419,819	421,517	423,299	355,637	388,278	435,914	436,645	442,731	444,197
	10.51%	13.75%	13.43%	13.40%	12.89%	13.54%	13.99%	14.05%	14.11%	11.85%	12.94%	14.53%	14.55%	14.76%	14.81%
	35.36	40.42	39.48	39.39	37.91	39.79	41.14	41.31	41.48	34.85	38.05	42.72	42.79	43.39	43.53
	<b>19.91</b>	<b>20.21</b>	<b>19.74</b>	<b>19.69</b>	<b>18.95</b>	<b>19.90</b>	<b>20.57</b>	<b>20.65</b>	<b>20.74</b>	<b>17.43</b>	<b>19.03</b>	<b>21.36</b>	<b>21.40</b>	<b>21.69</b>	<b>21.77</b>
	4.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	15.45	20.21	19.74	19.69	18.95	19.90	20.57	20.65	20.74	17.43	19.03	21.36	21.40	21.69	21.77
	10.51%	13.75%	13.43%	13.40%	12.89%	13.54%	13.99%	14.05%	14.11%	11.85%	12.94%	14.53%	14.55%	14.76%	14.81%
<b>174,188,99</b>	<b>176,944</b>	<b>172,706</b>	<b>172,314</b>	<b>165,854</b>	<b>174,100</b>	<b>179,999</b>	<b>180,727</b>	<b>181,491</b>	<b>152,480</b>	<b>166,475</b>	<b>186,900</b>	<b>187,213</b>	<b>189,822</b>	<b>190,451</b>	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
174,189	176,844	172,706	172,314	165,854	174,100	179,999	180,727	181,491	152,480	166,475	186,900	187,213	189,822	190,451	0
16.93%	17.19%	16.78%	16.75%	16.12%	16.92%	17.49%	17.56%	17.64%	14.82%	16.18%	18.16%	18.19%	18.45%	18.51%	0

26. year	27. year	28. year	29. year	30. year	31. year	32. year	33. year	34. year	35. year	36. year	37. year	38. year	39. year	40. year
1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010	1,091,010
-309,305	-309,305	-309,305	-309,305	-365,501	-309,305	-331,276	-457,316	-330,119	-333,895	-309,305	-309,305	-309,305	-309,305	-309,612
781,705	781,705	781,705	781,705	725,509	781,705	759,735	633,694	760,891	757,115	781,705	781,705	781,705	781,705	781,398
165,357	173,569	182,188	191,235	200,731	210,699	221,162	232,145	243,672	255,773	268,474	281,806	295,800	310,489	325,907
-27,038	-27,859	-28,721	-29,626	-30,575	-31,572	-32,618	-33,717	-34,869	-36,079	-37,350	-38,683	-40,082	-41,551	-43,093
138,319	145,709	153,467	161,609	170,156	179,127	188,544	198,428	208,803	219,693	231,124	243,123	255,718	268,938	282,814
920,024	927,414	935,172	943,314	895,665	960,832	948,278	832,122	969,694	976,809	1,012,829	1,024,828	1,037,423	1,050,643	1,064,213
460,012	463,707	467,586	471,657	447,832	480,416	474,139	416,061	484,847	488,404	506,415	512,414	518,711	525,321	532,106
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
460,012	463,707	467,586	471,657	447,832	480,416	474,139	416,061	484,847	488,404	506,415	512,414	518,711	525,321	532,106
15.33%	15.46%	15.59%	15.72%	14.93%	16.01%	15.80%	13.87%	16.16%	16.28%	16.88%	17.08%	17.29%	17.51%	17.74%
45.08	45.44	45.82	46.22	43.89	47.08	46.47	40.77	47.52	47.86	49.63	50.22	50.83	51.48	52.15
22.54	22.72	22.91	23.11	21.94	23.54	23.23	20.39	23.76	23.93	24.81	25.11	25.42	25.74	26.07
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22.54	22.72	22.91	23.11	21.94	23.54	23.23	20.39	23.76	23.93	24.81	25.11	25.42	25.74	26.07
15.33%	15.46%	15.59%	15.72%	14.93%	16.01%	15.80%	13.87%	16.16%	16.28%	16.88%	17.08%	17.29%	17.51%	17.74%
197,232	198,816	200,479	202,225	192,010	205,980	203,289	178,388	207,880	209,405	217,127	219,699	222,399	225,233	228,142
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
197,232	198,816	200,479	202,225	192,010	205,980	203,289	178,388	207,880	209,405	217,127	219,699	222,399	225,233	228,142
19.17%	19.32%	19.48%	19.65%	18.66%	20.02%	19.76%	17.34%	20.20%	20.35%	21.10%	21.35%	21.61%	21.89%	22.17%

The official middle exchange rate of the NBS is applied on the day of calculation of the amount that the Issuer is obliged to pay on behalf of the investment.

ASSET CLASS	 TREESURY	 BONDS	 STOCKS	 GOLD	 COMMERCIAL	 CDs
GREEN *	✓	✓	✓	✗	✗	✗
INFLATION HEDGE	✓	✗	✗	✓	✓	✗
EQUITY BUILD UP	✓	✗	✓	✗	✓	✗
NO LEVERAGE	✓	✓	✗	✓	✗	✓
ATTRACTIVE YIELD	✓	✓	–	✗	✓	✗
HARD ASSET **	✓	✗	✗	✓	✓	✗
LOW VOLATILITY	✓	✓	✗	✗	✗	✓
AVERAGE ANNUAL RETURN ***	<b>14.5%</b>	<b>6.4%</b>	<b>12.0%</b>	<b>6.5%</b>	<b>8.0%</b>	<b>2.6%</b>

**Figure 23** Tabular comparison of average annual returns of Treasury Tokens versus returns of major traditional asset classes<sup>69</sup>

### 7.3.3. Secondary trading and listing on digital token trading platforms

The use of Treasury Tokens is permitted on the OTC digital asset market, provided that the acquirer meets the conditions applicable to all acquirers under this White Paper and subject to the restrictions set out in Section 7.3.4 of the White Paper.

In addition to the methods of use of Treasury Tokens defined in section 7.3.4, the Issuer intends to list its tokens over time on several regulated exchanges both in the Republic of Serbia and abroad, so that Treasury Tokens may be transferred in this manner; however, this is contingent upon the costs of such market inclusion not compromising the rights of

<sup>69</sup> \* Only green bonds offer opportunities for green investments, and only a limited number of stocks can be classified as green.

\*\* Treasury Tokens are “security” tokens (with characteristics of a financial instrument) backed by tangible assets.

\*\*\* Sources of information: Bloomberg, Federal Reserve Bank of St. Louis, NCREIF and NYU Stern School of Business. Government Bonds - US Treasury bonds with a 10-year term; Stocks - Standard & Poor’s 500 Index; Gold - Investment-grade gold; Commercial Property - NCREIF Property Index; CDs - Bankrate historical CD interest rates with a 1-year term.

Historical performance does not guarantee future results, and there is no assurance that this trend will continue. Treasury’s internal analysis covers the period from 1991 to 2022. For all yield rates, except for Treasury asset class, it is estimated and assumed that dividends are reinvested. The information provided about the index is for illustrative purposes only and does not represent the results of actual investments. Additionally, the stated returns do not include any management fees, transaction costs, or other expenses. Volatility is measured using the monthly total returns of each index or asset class, with historical performance provided for illustrative purposes to show past market trends. It is important to note that the risk/reward profile for each asset class varies significantly, and this information should not be considered a recommendation for any specific security. Furthermore, it is important to remember that it is not possible to invest directly in an index.

Investors and the Issuer of digital tokens. The decision on this matter rests solely with the Issuer.

Recently, a company in Serbia obtained regulatory approval to provide the service of operating a digital asset trading platform. Although this platform is not yet operational at the time of drafting this White Paper, it is expected to commence activities by the end of the year. The Issuer has already been in negotiations for some time regarding the listing of its tokens on this platform.

Following the completion of the IPO, trading in Treasury Tokens has been enabled through the ACX+ regulated digital asset trading platform, which operates in accordance with applicable regulations in Bosnia and Herzegovina.

Furthermore, as of the date of publication of this document, the Issuer has secured the technical and regulatory prerequisites for trading on several regulated secondary markets and/or licensed digital asset trading platforms abroad, including: Archax (United Kingdom), Assetera (Austria), ADDX (Singapore), SDAX (Singapore), SBI DM (Singapore), SDX (Switzerland), ODX (Japan), INX (USA), Securize Markets (USA), tZERO (USA), Prometheus ATS (USA), and Oasis Pro Markets (USA). Activation of trading on each individual market or platform will be carried out exclusively at the discretion of the Issuer, based on the assessment of economic justification, regulatory requirements, and the interests of the Holders and the Issuer of Treasury Tokens.

### 7.3.4. Possibility of using Treasury Tokens, basis for use, and restrictions

#### 7.3.4.1. Holder's right to sell Treasury Tokens

Holders are entitled to sell Treasury Tokens. The Issuer of Treasury Tokens has the pre-emptive right to purchase Treasury Tokens from Holders, provided that the pre-emptive right specified in the smart contract code has been activated by the Issuer. The pre-emptive right applies to all Treasury Tokens, including bonus tokens.

If a Holder intends to sell Treasury Tokens and selects the sale option, the smart contract code will:

- a) transfer the Treasury Tokens to a third party (if the third party meets the conditions outlined in this White Paper and can be identified as an investor) if the pre-emptive right has not been activated, or
- b) notify the Issuer of the intended sale, in which case the Issuer may, but is not obligated to, exercise its pre-emptive right within a maximum of 2 business days; the purchase price will be the amount specified by the Holder when selecting the sale option.

Upon confirmation that the Issuer wishes to buy the Treasury Tokens, the Holder must transfer the tokens to the Issuer's blockchain wallet specified on the Issuer's platform, after which the Issuer will make the payment of the purchase price within 5 business days.

If the Issuer exercises its pre-emptive right, it must deposit the purchase price into the account provided by the Holder during the KYC/KYB procedure.

If the Issuer decides not to exercise the pre-emptive right within the specified 2-business-day period, the Holder of Treasury Tokens may transfer them to a third party, who must meet all the conditions outlined in Sections 9 and 13 of this White Paper, which describe the Know Your Customer (KYC) / Know Your Business (KYB) process for identifying investors. Trading will be conducted directly between two Investors, according to the rules set forth in the smart contract, without the involvement of the Issuer; the transfer will be made from the Holder's blockchain wallet to the new Holder's blockchain wallet. If the new Holder is not identified according to Section 13 of this White Paper, the smart contract will automatically refuse to process the transfer.

If the Issuer of Treasury Tokens does not exercise its pre-emptive right during any Treasury Token transfer or if the right is not activated, the Issuer will not lose this right, and the same will apply to all future holders of Treasury Tokens.

The Issuer will retain the pre-emptive right even after Treasury Tokens are listed on the secondary market. This pre-emptive right will be executed via the smart contract, with the functionality recorded in the Treasury Token smart contract code, operating under the same principles as in the OTC market.

The Issuer has the right to transfer Treasury Tokens acquired from Holders, as well as those obtained based on its own investments in establishing the hazelnut orchard as per section 7.1, paragraph three, point a, of this White Paper, to a third party under terms agreed upon with that third party, who must meet all the conditions outlined in Sections 9 and 13 of this White Paper, which describe the Know Your Customer (KYC) / Know Your Business (KYB) process for identifying investors.

#### 7.3.4.2. Use of tokens based on law and court or other decisions

##### **7.3.4.2.1. Transfer in case of legal succession**

Treasury Tokens may be transferred in cases of legal succession, in accordance with applicable regulations.

Legal succession for individuals refers to the process of inheritance, while for legal entities, it includes status changes, liquidation procedures, or similar processes where the successor assumes the rights and obligations of the predecessor.

Legal successors of both individuals and entities are required to promptly notify the Issuer and complete the identification process as outlined in section 13 of this White Paper, upon the finalization and enforceability of the legal document granting ownership of the Treasury Tokens.

##### **7.3.4.2.2. Transfer in the procedure of enforcement of court, arbitration, and other decisions of courts or competent authorities**

Treasury Tokens may be transferred in accordance with regulations governing enforcement procedures. The Issuer is required to act in accordance with the decision on the enforcement process for the Holder's Treasury Tokens.

The Issuer is not liable for any damage or consequences that may arise from the enforcement on the Treasury Token Holder, provided that the Issuer follows the decision of the competent authority regarding the enforcement process.

The transferee of Treasury Tokens, under this section of the White Paper, is required to complete the identification process as outlined in section 13 of this White Paper.

### 7.3.5. Sale of orchard (including the sale of land and/or assignment of land lease agreements)

The Treasury Token Issuer has the right to decide to sell the orchard, provided that such a decision must be confirmed by Treasury Token Holders who collectively own at least 67% of the total Treasury Tokens. This quorum includes Treasury Tokens held by the Issuer.

If the orchard is located on a cadastral lot that also contains other orchards established by the Issuer independently or through another public offering of digital tokens, the quorum for making the decision will consist of the Treasury Token Holders and the owners of the orchard who, either directly through ownership of the orchard or indirectly through ownership of Treasury Tokens, hold 67% of the orchard. For the purpose of calculating the number of votes, the number of trees and the number of Treasury Tokens shall be used, whereby ownership of each tree grants 1 vote, and ownership of each Treasury Token grants 1 vote, provided that a Treasury Token Holder who is simultaneously the owner of the orchard (which is tokenized through such Treasury Token) may exercise the vote only on one basis..

By way of illustration, if 30% of the orchard on a cadastral lot were established with funds raised from the public offering of Treasury Tokens, and 70% were established with funds invested by the Issuer (whether through direct investment in the orchard or through the acquisition of Treasury Tokens), the Issuer will hold 70% of the voting rights for making this decision.

If, based on the authority in this section of the White Paper, the Issuer has sufficient majority to independently make the decision to sell the orchard, the amount the Issuer is required to pay to the Treasury Token Holders will be determined so that the portion of the achieved sale price of the orchard corresponding to the percentage participation of the Treasury Token Holders in the orchard is paid to the Treasury Token Holders, whereby the principal amount will be settled first, in whole or in part, and the remaining amount shall be split into two equal parts, with one half belonging to the Treasury Token Holders as interest, and the other half belonging to the Issuer. .

Before putting the decision to a vote, the Issuer must provide the Treasury Token Holders via the e-mail address registered by them with the Issuer, with all relevant information and conditions regarding the sale, including a calculation of the amount that will be allocated to the Holders, specifically the exact amount payable per Treasury Token, all information and terms of the proposed sale that is being voted upon, as well as a calculation of the amount that will accrue to the Treasury Token Holders - *i.e.*, the exact amount payable per Treasury Token - together with information on the time period during which the Treasury Token Holders may cast their votes electronically. The Treasury Token Holders shall vote electronically, whereby each identified Holder shall have the right to declare their vote by selecting one of the following options: "Vote For Sale" or "Vote Against Sale". The Treasury

Token Holders who do not vote within the prescribed deadline shall have no right to objection or challenge of the adopted decision and shall be deemed to have voted in favor of the sale. The votes of the Holders of Treasury Tokens who could not be identified (e.g., Tokens gifted in accordance with Section 7.1) shall also be counted as votes in favor of the sale..

The decision will be voted on electronically, with all identified Holders having the option to choose: "Vote For Sale" or "Vote Against Sale".

Voting results will be sent to all Treasury Token Holders, along with an excerpt from the voting minutes, which the Issuer must prepare within 2 days of the voting deadline.

### 7.3.6. Insurance payout

The Issuer will, as soon as reasonably possible, secure the orchards and crops with an insurance company. The Issuer will obtain insurance for all risks accepted by the insurance company, including but not limited to: natural disasters (drought, fire, flood, earthquake), theft or damage by third parties, damage from infectious diseases or pests, and other risks.

When an insured risk occurs, the Issuer will, at its discretion and in accordance with its expertise, experience, and the highest professional standards, decide how the compensation from the insurance company will be used.

In this case, the Issuer may choose one of the following three options:

1. Use the insurance proceeds to restore the orchard. This option will be chosen if the Issuer believes that the orchard can be sufficiently restored to meet the interests and expectations of Treasury Token Holders and fulfill their rights as outlined in this White Paper; or
2. Use the proceeds for payment to Treasury Token Holders as described in section 7.3.7 of this White Paper. In this case, after the payment is made, the Treasury Tokens will be canceled, and the Holders will have no further claims against the Issuer. The Issuer of Treasury Tokens cannot choose this option if the proceeds paid out by the insurance could be used to restore the orchard; or
3. Use the proceeds to restore the orchard if the insurance company pays the total amount needed for the complete establishment/restoration of the orchard, regardless of the orchard's age. In this case, new tokens will be issued to Treasury Token Holders, replacing the existing tokens outlined in this White Paper, and granting the same rights and obligations as the original Treasury Tokens; however, the lifespan of the newly issued tokens will be: 40 years minus the number of years from the purchase of the Treasury Token to the occurrence of damage, plus 5 years. Example: If damage occurred in the 10th year after purchasing the Treasury Token, the newly issued token will have a lifespan of 35 years (40-10+5).

### 7.3.7. Expropriation payout

In the event that the orchard is expropriated according to law, the compensation paid to the Token Issuer for the expropriation will be used as follows:

- a) To repay the principal to Treasury Token Holders. If the funds obtained through the expropriation process are insufficient to cover the full amount of the principal, the Treasury Token Holders will receive only partial compensation (the compensation for each Treasury Token will be equal), and the Issuer is not obligated to cover the remaining amount from its own funds, nor do the Holders have the right to claim any additional amount from the Issuer,
- b) In the case of full repayment of the principal, half of the remaining amount will be distributed and paid to all Treasury Token Holders (including the Issuer and its related parties), proportionate to the number of tokens held by each Holder,
- c) The remaining amount after the payments described in points a) and b) belongs to the Issuer of this White Paper.

In this case, after the payment is made, the Treasury Tokens will be canceled, and the Holders will have no further claims against the Issuer.

### 7.3.8. Informing the Investors

Treasury Token Holders will receive periodic reports from the Issuer via the Treasury platform and/or e-mail detailing income, expenses, and any significant events or facts related to their investment and the funds raised through the sale of Treasury Tokens by the Issuer.

Treasury Token Holders will have the opportunity to physically visit and tour the orchard, provided they notify the Token Issuer at least 2 weeks prior to the planned visit.

Before any new public offering of digital tokens, the Issuer will inform the Treasury Token Holders about the conditions of the upcoming offer and any potential benefits they might receive concerning the new digital tokens being issued. The Issuer is not obligated to offer any benefits to the Treasury Token Holders concerning new digital asset offerings.

# 8. Terms of initial offering and detailed procedure description

## 8.1. Subscription and payment timeline

The initial offering of Treasury Tokens will commence no later than 30 days after the Issuer receives approval from the Securities Commission to publish this White Paper.

The subscription and payment period for the initial Treasury Token offering will last for 30 days, starting from the announcement of the Initial Offering on the website [www.treasury.com](http://www.treasury.com); the offering will begin at 8:00 AM on the first day and conclude at midnight on the final day of the Initial Offering. The Initial Offering shall be deemed successful if at least 1 Treasury Token is sold to Investors, as defined in Section 8.10 of this White Paper.

Following the successful completion of the Initial Offering, and after the expiry of the Initial Offering validity period, the Issuer will be able to sell Treasury Tokens to interested investors by May 31, 2027; the Issuer may acquire Treasury Tokens through its investments in hazelnut orchard development, as outlined in section 7.1, paragraph three, point a of this White Paper.

## 8.2. Minimum and maximum investment amounts for acquiring issued digital tokens

The minimum investment amount per Investor during the Initial Offering is the value of one Treasury Token, and the maximum amount an Investor can purchase during the Initial Offering is the total number of Treasury Tokens available under the Initial Offer from this White Paper.

This low minimum investment threshold is intentionally set to allow small investors to participate in professional and globally competitive agricultural production - an opportunity that was previously accessible only to large and professional investors.

Treasury Tokens are sold on a first-come, first-served basis.

## 8.3. Payment methods

Payments for Treasury Tokens are accepted exclusively in cash, and can be made using one of the following methods:

- a) Bank transfer, *i.e.*, payment through payment institutions;
- b) Payment cards, if such a payment method is available on the Treasury platform;
- c) PayPal, if such a payment method is available on the Treasury platform; provided that this payment method is available only to non-residents, while residents may make

payments exclusively from a current account held at a commercial bank within the Republic of Serbia (via bank transfer and payment cards).

According to the opinion issued by the National Bank of Serbia on February 06, 2024, digital tokens with the characteristics of financial instruments, as defined by the Law on Digital Assets, may include a currency clause; however, there are restrictions on payment and collection under such agreements.

### 8.3.1. Payment and collection in the Republic of Serbia

Pursuant to Article 34 of the Law on Foreign Exchange Operations (Official Gazette of the Republic of Serbia, Nos. 62/2006, 31/2011, 119/2012, 139/2014, and 30/2018), payments, collections, and transfers between residents, as well as between residents and non-residents in the Republic of Serbia, must be conducted in dinars.

The Decision on Execution of Payments in Foreign Currency Related to Digital Asset Transactions (Official Gazette of the Republic of Serbia, No. 49/2021) stipulates that:

- payments within the Republic refer to transactions where both the payer's and the recipient's payment service providers are based in Serbia, regardless of whether the payment is between residents, between a resident and a non-resident, or between non-residents.

According to the aforementioned provisions and Articles 3 and 4 of the Decision, payments in Serbia related to transactions involving Treasury Tokens during the initial offering or issuance in Serbia - whether between residents, between a resident and a non-resident, or between non-residents - must be made exclusively in dinars. Furthermore, payments in Serbia related to transactions with Treasury Tokens on the secondary market within Serbia (once it is established and provided that applicable regulations do not dictate otherwise at that time), including the OTC digital asset market, must also be made exclusively in dinars, regardless of whether they involve residents, a resident and a non-resident, or non-residents.

### 8.3.2. International payments and collection

As regards international payments, the Decision on Execution of Payments in Foreign Currency Related to Digital Asset Transactions (Official Gazette of the Republic of Serbia, No. 49/2021) stipulates that:

- international payments refer to transactions between a non-resident, on the one hand, and a resident or another non-resident, on the other, where either the payer's or the recipient's payment service provider is not based in the Republic of Serbia, and where such payments are conducted in accordance with the foreign exchange regulations governing international payment operations.

The Decision on Execution of Payments in Foreign Currency Related to Digital Asset Transactions (Official Gazette of the Republic of Serbia, No. 49/2021) specifies that international payments related to transactions with Treasury Tokens during the initial offering or issuance in Serbia - whether between a resident and a non-resident or between non-residents - as well as payments related to transactions on the secondary market in Serbia (once it is established and provided that applicable regulations do not dictate otherwise at that time), can be made in dinars and foreign currencies (with foreign currency payments allowed only if the publication of this White Paper has been approved).

Article 9 of the Decision on Execution of Payments in Foreign Currency Related to Digital Asset Transactions stipulates that if a digital asset possesses all the characteristics of a financial instrument, regardless of whether the provisions of the law governing the capital market or the Law on Digital Assets apply, the payment restrictions outlined in the foreign exchange regulations - relating to payments, collections, and transfers of securities and other financial instruments - will also apply (e.g., restrictions stipulated by the Law on Foreign Exchange Operations, applicable to short-term debt securities will apply to digital assets with similar characteristics).

Article 14 of the Law on Foreign Exchange Operations states that non-residents may conduct payments and collections for the purchase and sale of long-term debt and equity securities in the Republic of Serbia, in accordance with the law governing the capital market. Furthermore, Article 15 of the Law on Foreign Exchange Operations allows non-residents who are based or reside in European Union member states to conduct payments and collections for the purchase and sale of short-term securities in the Republic, in accordance with the law governing the capital market.

Given that the Treasury Token is characterized as a long-term bond rather than a short-term security as defined in Articles 2 and 15 of the Law on Foreign Exchange Operations, there are no restrictions regarding the residence or location of the non-resident who can purchase Treasury Tokens under this White Paper.

Treasury Tokens cannot be acquired through mining.

## **8.4. Special terms for early investors in digital tokens**

During the first 20 days from the start of subscription and payment for digital assets, as outlined in point 8.1 of this White Paper, and until a total of 2,000 Treasury Tokens are sold, investors who purchase Treasury Tokens will receive a discount - they will pay €135 in the dinar counter value at the middle exchange rate determined by the National Bank of Serbia on the Treasury Token Sale Day, instead of the regular price of €147 in the dinar counter value at the middle exchange rate determined by the National Bank of Serbia on the Treasury Token Sale Day.

Once 20 days have passed from the start of subscription and payment for digital assets, or once a total of 2,000 Treasury Tokens have been sold - whichever occurs first - the right to the discount described in the previous paragraph of this section will no longer be available.

## **8.5. Bonus tokens**

If the Initial Offering is declared successful under point 8.10 of this White Paper, and if the obligations outlined in points 8.5.1 and 8.5.2 of this White Paper arise, the Issuer will plant a certain quantity of hazelnut trees, at its own expense, with characteristics identical to those of the orchard funded by the proceeds of this White Paper; the Issuer will then issue bonus Treasury Tokens and transfer them free of charge to the recipients mentioned in this section. The Issuer will bear all costs related to the planting and maintenance of the saplings associated with the free Treasury Tokens under points 8.5.1, 8.5.2, and 8.5.4 until the saplings become self-sustaining, which is expected to occur in the sixth year after planting when the income per sapling exceeds the expenses. This arrangement ensures that the allocation of free Treasury Tokens does not adversely impact the value of other Treasury Tokens, thereby preventing any dilution of the investment.

The total amount of digital bonus Treasury Tokens issued will be included in the overall number of Treasury Tokens offered to Investors under this White Paper, as stated in point 7.

Should the conditions for the allocation of bonus Treasury Tokens not be met, the Issuer is authorized to sell any remaining quantity of Treasury Tokens up to the total number specified in point 7 of this White Paper to interested parties.

### 8.5.1. Special terms for investors in a specific quantity of tokens

Investors who choose to purchase a larger number of tokens at once, with the minimum quantity specified in the table following this text (Table 5 - Bonus packages), are entitled to receive an additional quantity of Treasury Tokens as a bonus on top of the total number of tokens purchased. These bonus Treasury Tokens grant their holders all the rights outlined in this White Paper.

**Table 5**  
**Bonus packages**

Bonus Package	Number of tokens purchased	Number of bonus tokens	Applicable bonus percentage for the bonus package	Investment amount	Bonus amount
<b>Bronze</b>	20	2	10.00%	€2,940.00	€294
<b>Silver</b>	100	12	12.00%	€14,700.00	€1,764.00
<b>Gold</b>	500	70	14.00%	€73,500.00	€10,290.00
<b>Platinum</b>	3,500	700	20.00%	€514,500.00	€102,900.00
<b>Diamond</b>	7,000	1,750	25.00%	€1,029,000.00	€257,250.00

**The displayed amounts are calculated in dinar counter value at the middle exchange rate of the NBS on the Treasury Token Sale Day**

### 8.5.2. Free Treasury Token assignment

The Issuer may, at its sole discretion, assign a specified quantity of Treasury Tokens free of charge to certain categories of individuals, including: its employees and their children, advisors and collaborators who assisted in the project, business partners for promotional purposes, as well as humanitarian and educational organizations to support their mission and objectives. These Treasury Tokens grant their holders all the rights outlined in this White Paper.

### 8.5.3. Treasury Token gifts

- Any individual meeting the criteria to be an Investor according to this White Paper has the option to purchase a gift Treasury Token in the form of a QR code, intended for a third party. In this case, the Investor - gift giver - is required to provide its information for identification purposes in accordance with section 13 of the White Paper; instead of receiving Treasury Tokens, the Investor is issued a QR code that serves as a gift to the third party if the Investor chooses to purchase a gift token. Using the QR code, the third party can be identified in accordance

with section 13 of this White Paper, after which the Issuer is obligated to transfer Treasury Tokens to the specified blockchain wallet of the third party. The procedure for acquiring digital tokens in this manner involves the following steps:

- The Investor - gift giver - completes its identification process in accordance with section 13 of the White Paper and specifies the number of gift Treasury Tokens it wishes to purchase;
- The Investor - gift giver - makes payment for the selected number of Treasury Tokens as per this White Paper;
- The Investor - gift giver - receives an electronic QR code for the paid number of tokens;
- The person (gift recipient) uses the QR code submitted by the Investor and identifies him/herself in accordance with section 13. This identification must be completed no later than 19 years from when the Investor received the electronic QR code;
- After the recipient's identification, the Treasury Tokens are transferred to the blockchain wallet of the recipient - Treasury Token Holder;
- Once used, the QR code becomes invalid.

If no individual completes their identification and legitimizes themselves as the owner of the Treasury Tokens within the specified period of up to 19 years, the Issuer will cancel those Treasury Tokens. Before canceling the Treasury Tokens, the Issuer may, but is not obligated to, notify the Investor about the expiration of the QR code.

#### **8.5.4. Special terms for entities recommending purchases of Treasury Tokens**

The Issuer reserves the right to introduce various programs that may offer benefits to individuals who bring in new investors interested in purchasing Treasury Tokens. Benefits may include monetary rewards, allocation of Treasury Tokens, or discounts on acquiring tokens in future initial offerings, if any. The Issuer will periodically publish the terms of such opportunities, if available, on its website.

All rights and obligations outlined in this White Paper for Token Holders will also apply to individuals who receive Treasury Tokens as benefits, with the caveat that a special tax regime may apply to them.

## 8.6. Treasury Token reservation

Investors will have the option to reserve a certain number of Treasury Tokens to be paid for at a later date; however, these reserved tokens will not count toward the minimum number of tokens required for the initial offering to be considered successful.

During the purchase of Treasury Tokens, Investors will have the option to reserve a quantity of tokens designated by the issuer (whereby the Issuer may set or change the quantity and payment deadline for these reserved tokens, and this information will be available to interested parties during the purchase process) in order to purchase them no later than the payment date specified by the Issuer. If the initial offering is unsuccessful, the reservation will expire on the last day of the Digital Token Initial Offering period. If the Initial Offering is successful, the Issuer reserves the right to extend the reservation period and will notify those who have made reservations.

Investors have full flexibility regarding the payment deadlines for reserved tokens; upon payment, they will receive the number of tokens purchased.

Investors will also be eligible for a bonus on the purchased tokens in accordance with section 8.5 of this White Paper. Investors will earn a bonus based on the quantity of tokens purchased, and the number of bonus tokens will be calculated and transferred to the investor:

- a) once the conditions for acquiring a specified quantity of bonus tokens are met, or
- b) after the complete purchase of reserved tokens,

in both cases, provided that the Initial Offering of digital tokens is deemed successful.

Regarding reserved Treasury Tokens, the Issuer reserves the right to sell them to a third party after notifying the Investor, which has the option to pay for the reserved tokens in full and acquire ownership. If the Investor does not purchase the reserved tokens within 2 days of receiving the Issuer's notification to its registered e-mail address, and the Issuer sells them to a third party, the Investor will have no right to claim any compensation for a potentially unearned bonus or any other claims, given that the Issuer's priority is to facilitate the uninterrupted establishment of the orchard.

## 8.7. Revocation/suspension and withdrawal of the offering

The Initial Offering cannot be revoked, suspended, or withdrawn; it will be considered completed either upon expiration of the offering period or upon the sale of all offered tokens, whichever occurs first.

## 8.8. Withdrawal of offering acceptance

Investors may withdraw their acceptance of the offer up until the payment of Treasury Tokens is made. Once the payment for Treasury Tokens is completed, Investors cannot withdraw their acceptance of the token purchase offering, but they may sell the Treasury Tokens in accordance with section 7.3.4.1 of this White Paper.

## **8.9. Method and timing of publication of initial offering results and deadline in which digital tokens will be transferred to rightful holders**

The results of the Initial Offering will be published on the Issuer's website, [www.treesury.com](http://www.treesury.com), within 3 business days from the date on which the Initial Offering is deemed successful, in accordance with Section 8.10 of this White Paper.

The Treesury Tokens will be transferred to the Investors' blockchain wallets no later than 3 business days from the moment the Initial Offering is declared successful. Treesury Tokens purchased after the Initial Offering is declared successful will be transferred to the Investors' blockchain wallets within 3 business days from the date on which the Issuer receives the purchase price for the Treesury Tokens..

## **8.10. Success threshold for Treesury Token issuance**

The Initial Offering will be considered successful if at least 10 Treesury Tokens are sold to Investors (Success Threshold). The result of the Offering will be published on the Issuer's website, [www.treesury.com](http://www.treesury.com), within 3 business days of the expiration date of the Initial Offering or the date on which all Treesury Tokens are sold, whichever occurs first.

## **8.11. Method and deadline for refund of overpaid amounts or refund of paid amounts in cases of unsuccessful Initial Offering**

If the Initial Offering is unsuccessful, the Issuer will refund investors within two business days from the announcement of the Initial Offering's failure. Refunds will be issued to the account from which the Investor made the payment.

Throughout the offering period, the funds paid by the Investors for the purchase of Treesury Tokens will remain in the Issuer's account at a commercial bank in Serbia. Upon the expiration of the Initial Offering, and provided that it is declared successful, the Issuer shall have the right to dispose of the funds collected from the sale of Treesury Tokens for the purposes set out in this White Paper.

If an Investor pays more than the total price for the selected number of Treesury Tokens and the excess amount is insufficient to cover the cost of an entire Treesury Token, the Issuer will refund the excess within 5 business days of receipt, unless the Investor chooses to make up the difference to fully cover the cost of the entire Treesury Token. If the excess amount is sufficient for the Investor to acquire at least one entire Treesury Token, it will be considered that the Investor has opted to purchase the number of Treesury Tokens corresponding to the amount paid, provided that the Issuer has additional Treesury Tokens available for sale. If the Issuer does not have Treesury Tokens available for sale, any excess payment will be refunded to the Investor within 5 business days of

receipt. Investors are not entitled to interest on the excess amount, and Treasury reserves the right to charge a bank fee for processing the refund to the Investor.

If an investor makes a payment that is less than the total price for the selected number of Treasury Tokens, the Investor will receive a number of fully paid Treasury Tokens (rounded to the nearest whole number), and any excess amount will be refunded within 5 business days of the payment date, unless the Investor completes the payment to cover the full price of the selected Treasury Tokens within that timeframe.

# 9. Procedures

## 9.1. Procedure for purchasing digital tokens

All entities who pass the identification process detailed in section 13 of this White Paper will be eligible to participate in the Initial Offering.

The purchase of Treasury Tokens is conducted through the Treasury platform integrated into the Issuer's website, via the following successive phases:

1. The Investor visits [www.treasury.com](http://www.treasury.com) and chooses to invest in one of the available investment opportunities. Currently, the only option is hazelnuts. By clicking the INVEST button (subject to change), the Investor accesses the investment section of the website for purchasing Treasury Tokens.
2. The Investor either registers a new account or logs into an existing account using their credentials.  
  
During registration, the Investor undergoes the Know Your Customer (KYC) or Know Your Business (KYB) process, conducted directly on the Treasury platform via an integrated service at <https://sumsub.com>.
3. The Issuer collects the Investor's details as outlined in section 13.2.1 of this White Paper.
4. The Investor connects its blockchain wallet to the Treasury website.
5. The Investor specifies the number of Treasury Tokens it wishes to purchase. The platform automatically calculates the purchase price for the selected number of Treasury Tokens. The minimum purchase quantity is one Treasury Token, and only whole Treasury Tokens can be bought.
6. Investors can choose any of the following payment method, which may vary depending on their country or nationality:
  - a. Bank transfer, *i.e.*, payment through payment institutions;
  - b. Payment cards, if such a payment method is available on the Treasury platform;
  - c. PayPal, if such a payment method is available on the Treasury platform; provided that this payment method is available only to non-residents, while residents may make payments exclusively from a current account held at a commercial bank within the Republic of Serbia (via bank transfer and payment cards).
7. The Investor receives payment instructions.
8. Treasury processes the payment and approves the Investor's transaction; purchased Treasury Tokens, along with any Bonus Tokens, are transferred to the Investor's blockchain wallet within 3 business days from the receipt of the funds paid by the Investor for the purchase of Treasury Tokens, if the Investor purchases the Tokens after the Initial Offering has been declared successful.
9. Once the Treasury Tokens are transferred, the Investor receives a notification, and its personal account will display the number of purchased Treasury Tokens along with other relevant information provided by the Treasury platform.

Holders cannot cancel their purchase once the payment for digital tokens has been completed.

## 9.2. Procedure for issuing digital tokens

Treasury Tokens will be implemented on the Polygon network. The token implementation will utilize the advanced ERC3643 security token standard, which complies with international financial market regulations and standards. The smart contract address for the token will be published on the Issuer's website, <https://www.treasury.com>, before the commencement of the Initial Offering.

In order to minimize technological risks and ensure business continuity, the Issuer has developed a business continuity plan under which the Treasury Token has been designed to be compatible with the Ethereum Virtual Machine (EVM) environment. This enables its straightforward migration to other EVM-compatible networks, such as Ethereum mainnet, Binance Smart Chain, Avalanche, and many others. The reasons for a potential change of network include, but are not limited to: network discontinuation for any reason, network instability, compromised network security or security vulnerabilities, regulatory compliance requirements, inadequate capacity and transaction speed, high transaction processing costs, or significant carbon footprint, as well as network development strategy and the Issuer's strategic objectives. Should a change in the chosen chain or network become necessary, the Issuer will promptly notify all Investors via the website or e-mail. The Issuer retains the discretion to determine the necessity of any such change at any time.

By entering the desired parameters for the Treasury Token, in accordance with this White Paper, the Treasury platform generates a Smart Contract that specifies:

- a) The type of token, identified by a unique identification number and a maximum allowable quantity,
- b) The issuance conditions for the token, including minting price and the maximum quantity of tokens that the contract can issue to a single user,
- c) The current balance of tokens for each user,
- d) The address of the blockchain wallet for the smart contract owner,
- e) Administrative functions.

Process for issuing Treasury Tokens upon Investor payment:

- a) The Investor makes a payment for the specified number of Treasury Tokens to the Issuer's special-purpose bank accounts, stipulated in section 9.3 of this White Paper.
- b) If the Investor does not already have a blockchain wallet, it must create one. Once the wallet is created, or if the Investor already has an existing wallet, it must be linked on our website. This is done either by entering the unique identification number of the wallet or through the integrated wallet connection process on our website.
- c) Treasury does not have access to the blockchain wallets of its Investors.
- d) Using its platform, Treasury delivers the Treasury Tokens to the blockchain wallet address provided by the owner, at Treasury's expense (via Airdrop).
- e) The user then becomes the owner of the acquired Treasury Tokens, with all associated rights and obligations as outlined in this White Paper.

### **9.3. Procedure for preserving funds during the process of purchasing digital tokens**

Funds are paid from the Investor's account to the Issuer's special-purpose accounts held with Raiffeisen Bank in Serbia, namely:

- RSD account number 265174031000330820, and
- FX account number RS35265100000120976511.

The Issuer may use said funds for the purposes stated in this White Paper only after the Initial Offering has been completed, provided that it has been declared successful.

# 10. Risks

## 10.1. Issuer-related risk factors

### 10.1.1. Limited history of Treasury's existence

Founded on April 04, 2023, as a young innovator, Treasury is a new company with no extensive operational history. While our agricultural team boasts twenty-five years of experience in hazelnut cultivation and has supported the planting of approximately 10,000 hectares of hazelnut orchards in the country and abroad, which have reached maturity and proven to be profitable, the majority of these orchards were not planted within our company. However, following the successful completion of the first initial public offering of Treasury Tokens, the company secured funding and established its first smart orchard.<sup>70</sup> Nevertheless, due to the relatively short operational history, Investors still have limited data for long-term assessments of business performance and the company's projections in the field of agricultural production.

*Risk mitigation factor: The Issuer's team possesses extensive interdisciplinary experience and knowledge covering all critical aspects for the successful execution of the project (agriculture - hazelnut cultivation and trade, implementation of modern agricultural technologies, finance and alternative investments, software development and blockchain-based projects, marketing and operational management in highly complex industries such as aviation and logistics) as outlined in this White Paper. In addition, the successful execution of the pioneering initial public offering, which earned the trust of investors from three continents, as well as the swift and efficient establishment of the first smart hazelnut orchard within the company, provide strong evidence of the team's capabilities and the sustainability of the business model. The professional ethics of the team members are demonstrated through their previous engagements with major international corporations that uphold the most stringent standards in this regard. We believe these factors significantly mitigate this risk, thus categorizing it as low-level.*

### 10.1.2. Relatively low level of founding capital

The relatively low level of the Issuer's founding capital, as well as the fact that a significant portion of assets is not included in the regular annual financial statements for 2024, presents a potential risk for Investors.

All investments - both into the development of the Treasury platform and into the creation and enhancement of the Issuer's know-how - required significant financial resources, which in previous years were recorded as expenses. These investments have generated intangible assets - the Treasury platform - for which an application for registration has been submitted to the Intellectual Property Office on September 4, 2025, under filing number A-481/2025.<sup>71</sup> As the intangible assets are not yet reflected in the financial statements, and the Treasury platform remains under

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<sup>70</sup> <https://www.tanjug.rs/ekonomija/srbija/118719/projekat-treasury-finansiranje-poljoprivrede-tokenima-i-povezivnaje-sa-investitorima/vest> (otvaranje javne ponude)  
<https://www.youtube.com/watch?v=U8Azl-4oDAQ> (RTS i RTV Dnevnik – otvaranje javne ponude);  
<https://forbes.n1info.rs/inovacije/kompanija-treasury-ostvarila-cilj-projekat-uspesan-sledi-sadnja-lesnika/>  
<https://online.fliphtml5.com/yoihz/jwxq/#p=21> (Jovan Paunovic, intervju u magazinu Profit);

<sup>71</sup> A search of deposited works at the Intellectual Property Office can be performed via the following link:  
[https://e-reg.zis.gov.rs/ords/r/zis\\_apex/autorsko/deponovano](https://e-reg.zis.gov.rs/ords/r/zis_apex/autorsko/deponovano)

development with ongoing investment, the Issuer has not yet performed an independent valuation of the technological solution nor an official valuation of its proprietary know-how relating to the hazelnut cultivation and production methodology developed over the past 25 years.

As a result of the above, the funds that may be recoverable from the Issuer for any reason may be limited.

*Risk mitigation factor: The funds raised through the issuance of digital assets under the Decision in the previous initial public offering were invested in the establishment of modern hazelnut orchards, the value of which will be reflected in the 2025 financial statements and which, due to the creation of additional value, significantly exceeds the mere sum of invested funds. Additionally, the funds raised through the issuance of digital assets in accordance with this White Paper will likewise be used for the establishment of a new orchard - long-term land lease, investment in infrastructure and equipment necessary for setting up and maintaining hazelnut orchards, as well as for the procurement and planting of saplings - thereby creating additional value from which the Investors may be compensated.*

*Treasury is also in ongoing negotiations regarding recapitalization with strategic investors, and in the current investment round has already secured RSD 36 million through a non-refundable co-investing grant from the Katapult accelerator, which will be added to the Issuer's capital upon completion of the transaction with the strategic investor.<sup>72</sup>*

*Furthermore, the Issuer will act fully in compliance with the applicable regulations in order to avoid any circumstances that could result in its liability or an obligation to pay damages. Considering the above, this risk is assessed as a low-level risk.*

## **10.2. Risk factors related to the planned use of the collected funds, that is, the project for which the funds are collected**

### **10.2.1. Risk of adverse weather, disease, and pests**

The ability to establish orchards and plant hazelnuts depends on weather conditions. Once the orchards are established, there is a risk that they may be affected by wildfires, insect infestations or pests, diseases, prolonged drought, floods, extreme weather conditions, and other natural disasters, all of which could have a significant adverse impact on the growth and survival of the trees.

Changes in global climate conditions, especially considering the planned 40-year lifecycle of the Treasury Token, could introduce risks that are currently unforeseeable.

*Risk mitigation factor: Hazelnut trees are naturally resilient to adverse weather conditions, pests, and pathogens. This resilience is further enhanced by our use of a proven cultivation methodology, aligned with precision agriculture practices, as well as the implementation of advanced technology, modern agrotechnical measures, and infrastructure aimed at creating optimal growing conditions and monitoring plant development. Through these measures, we can prevent and mitigate the impact of this risk, thus categorizing it as low-level. Additionally, an extra layer of security is provided by our tree replacement insurance - the Issuer guarantees a free replacement for any tree that fails to take root or is damaged within the first two years after planting. Any subsequent replacements are considered direct maintenance costs of the*

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<sup>72</sup> [https://www.inovacionifond.rs/cms/files//program-katapult/Katapult\\_Program\\_manual\\_v.2.5\\_SRB.pdf](https://www.inovacionifond.rs/cms/files//program-katapult/Katapult_Program_manual_v.2.5_SRB.pdf)

orchard. We achieve additional risk mitigation by insuring the entire orchard in the form of insurance of biological assets and insurance of the projected average yield. The Issuer will obtain insurance for all risks accepted by the insurance company, including but not limited to: natural disasters (drought, fire, flood, earthquake), theft or damage by third parties, damage from infectious diseases or pests, and other risks.

### **10.2.2. Availability of seasonal workers**

The ability to find and hire seasonal workers could adversely affect the timely and efficient harvest of hazelnuts.

*Risk mitigation factor: The labor demand for hazelnut cultivation is significantly lower compared to other crops (Figure 5). The use of technology and precision machinery further reduces the need for labor, and we believe that advancements in technology and techniques in the coming years will continue to mitigate this risk. Additionally, the Serbian labor market already includes workers from Asian and African countries, who are qualified for these tasks, while the process of obtaining residency and work permits for their employment is quick and straightforward, and members of the Treasury team have experience in this area.*

### **10.2.3. Availability of agricultural land and saplings for planting**

Agricultural land is a limited resource, and not all of it is suitable for hazelnut cultivation.

Treasury intends to plant only high-quality, certified saplings.

*Risk mitigation factor: The Treasury team has signed a long-term lease agreement for approximately 106 hectares of land and planted an orchard on half of the land. The remaining land area will be used for establishing the orchard financed from the funds raised under this White Paper. Considering that the remaining land is not sufficient for planting 61.3 ha of hazelnut trees - the area planned to be developed using the maximum funds that can be raised under this White Paper (€3 million equivalent in Serbian dinars) - Treasury has secured (reached a verbal agreement with landowners - long-standing business partners) additional land surfaces (a total of 1,950 ha), more than 100 ha of which directly borders the land we already hold, while approximately 600 ha is located in the immediate vicinity. In any case, should unforeseen circumstances prevent us from securing additional land, planting will be carried out solely on the land currently under our control, which may potentially result in the need to temporarily suspend the sale of Treasury Tokens until adequate land is secured. The fact that we have already examined the land in which we are interested, in accordance with the Treasury methodology (analysis of historical yield data, laboratory soil composition tests, analysis of location, infrastructure, and terrain configuration, etc.), and confirmed that it meets our standards for establishing hazelnut orchards, reduces this risk by providing multiple options to secure suitable land.*

*Namely, during the project preparation phase, Treasury analyzed more than 22,000 ha of agricultural land and mapped approximately 6,000 ha suitable for establishing new orchards, which provides us with alternatives for securing additional land suitable for planting.*

*Treesury also maintains long-standing partnerships with international nurseries that produce certified saplings and can communicate/order the necessary quantities in time and in alignment with sales dynamics.*

*Given that we have secured suitable land and do not anticipate any obstacles in obtaining saplings, we consider this risk as low-level.*

## 10.3. Risk factors relating to the initial offering of digital tokens

These can be divided into several categories:

### 10.3.1. Investment depending on agricultural production results

Investors in digital tokens do not participate in the overall profits or losses of the company, but their principal and interest are paid out from the yields generated by the specific orchard funded by the initial offering, in which they invested by purchasing Treesury Tokens.

Investors are entitled only to a portion of the earnings (calculated according to section 7.3 of this White Paper), if any, from a particular orchard over a 40-year period. Various factors can adversely impact the crops, and there is no guarantee that any tree will survive to maturity or, if it does, that it will produce marketable products. If the trees do not reach maturity or fail to yield competitive products, Investors may lose part or all of their investment in Treesury Tokens.

Should the orchard fail to produce the expected yield or be completely destroyed for any reason, Investors may lose part or all of their investment, regardless of the overall condition and profitability of the company as a whole.

*Risk mitigation factors: The agricultural team of the Issuer boasts twenty-five years of experience in hazelnut cultivation, having supported the planting of approximately 10,000 hectares of hazelnut orchards in the country and abroad. During this time, the team has developed its own cultivation methodology, which has been proven to yield significantly higher and better results than industry standards.*

*The Issuer does not earn any profit until the Investors' principal is fully repaid, and its future earnings are entirely dependent on the success of agricultural production and the sale of the hazelnuts produced. Therefore, the Issuer's interests are fully aligned with those of the Investors in achieving optimal production outcomes.*

*Securing long-term hazelnut purchase contracts is likely, as the Issuer has a two-decade history of collaboration with industrial buyers, and all mentioned experimental orchards where the Issuer conducts experimental activities already have contracts in place with Ferrero, the world's largest buyer and trader of hazelnuts. This company has been present in the Serbian market for 10 years and is heavily investing in developing a network of cooperatives.<sup>73</sup>*

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<sup>73</sup> Radio televizija Vojvodine: <https://www.youtube.com/watch?v=bzvbuUkOcY8>  
[https://www.rtv.rs/sr\\_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa\\_1548013.html](https://www.rtv.rs/sr_lat/ekonomija/aktuelno/srbija-ima-potencijala-da-za-deset-godina-postane-proizvodjac-lesnika-svetskog-nivoa_1548013.html)

*We achieve additional risk mitigation by insuring the entire orchard in the form of insurance of biological assets and insurance of the projected average yield. The Issuer will obtain insurance for all risks accepted by the insurance company, including but not limited to: natural disasters (drought, fire, flood, earthquake), theft or damage by third parties, damage from infectious diseases or pests, and other risks.*

### 10.3.2. Orchard maintenance costs

In preparing this White Paper, current price data at the time of its drafting was used, and the estimate for the required investments in establishing and maintaining the hazelnut orchard was based on extensive experience in planting and managing over 10,000 hectares of hazelnut orchards in Serbia and abroad. It is important to note that changes in prices or any other parameters and agrotechnical measures could affect Treasury's ability to pay investors or the amount of expected profit. Treasury will strive to keep costs as low as possible to maintain maximum production efficiency, in line with responsible business practices.

*Risk mitigation factor: Based on the results achieved in the experimental orchards described in section 3.3.1 of this White Paper, we have a well-founded belief that the cost savings already realized in production can be further increased through the implementation and advanced use of modern technologies and innovative agrotechnical measures. Additional cost savings may be achieved through the development of strategic partnerships with a group of suppliers capable of supporting the company's rapid growth.*

### 10.3.3. Market risk

Revenue from trees directly depends on the market price of the products and the Issuer's ability to complete the harvesting and sales processes. Therefore, if the Issuer is unable to harvest during an extended period or if significant damage occurs to a substantial portion of the trees, Investors could lose part or all of their investment. The same applies if the Issuer is unable to fulfill sales contracts with its partners/buyers for any reason.

*Risk mitigation factor: Given the expertise of the team, the capacities of the Issuer, the likelihood of securing long-term sales contracts, and favorable market conditions, it can be concluded that such a situation would realistically occur only as a result of an extreme event covered by insurance or as a consequence of force majeure.*

### 10.3.4. Inflation rate risk and liquidity risk of the Issuer

Treasury, like all business entities, is exposed to rising market prices, so the inflation rate could impact all costs involved in establishing and maintaining the orchards.

Liquidity risk may arise if the Issuer, as a legal entity, is unable to meet its due obligations; if liquidity risk persists, it could lead to insolvency and, ultimately, the bankruptcy of the Issuer.

*Risk mitigation factor: Before issuing this White Paper, the Issuer conducted a detailed analysis of the necessary investments, which are proportionally highest during the acquisition and preparation of the land, as well as the establishment of the orchard. We believe that the funds raised through the initial offering will enable us to secure the necessary infrastructure for maintaining and properly cultivating the hazelnut orchard, making future investments*

*potentially lower than the initial outlay. Aside from the initial investment, Investors will not incur any additional costs for maintaining the orchard, and according to the analyses on which this White Paper's estimates are based, the funds raised during the initial offering should be sufficient to maintain the orchard until it becomes profitable. Furthermore, the hazelnut purchase contracts include pricing mechanisms that account for inflation risk.*

## **10.4. Risk factors related to technology used in issuing digital tokens**

### **10.4.1. Loss of private key**

A fundamental characteristic and rule of blockchain technology is the digital asset owner's responsibility for safeguarding the private key that grants access to their blockchain wallet. The Treasury Token Holder is fully responsible for the safekeeping and protection of the private cryptographic key that enables access to their digital wallet. In the event of loss, compromise, or unauthorized use of the private key, the Issuer bears no responsibility and has no obligation to provide reimbursement, refund, or any other form of compensation.

*Risk mitigation factor: In accordance with the ERC-3643 standard, Treasury Tokens are linked to the identity of the Holder, and not solely to the address of the digital wallet. Accordingly, the Issuer may, but is not obligated to, provided that the required technical and legal conditions are met, conduct a procedure of burning the lost Tokens and re-issuing new Tokens to a new digital wallet address provided by the Holder following successful identification through a KYC/AML process.*

*This possibility does not create any legal obligation of the Issuer and represents a discretionary right that may be applied exclusively in accordance with the applicable regulations and the Issuer's internal procedures..*

### **10.4.2. Irregularity in Smart Contract code**

A smart contract, by its technological nature, is a protocol or code that enforces the rules established during its creation. If an irregularity occurs during the creation of the smart contract, it could lead to unintended consequences when the contract is executed, and there is no way to correct such an irregularity once it occurs.

*Risk mitigation factor: The Issuer mitigates this risk by entrusting the creation of smart contracts to top professionals in the field and by conducting automatic testing of each line of code before deploying the contract on the blockchain network, adhering to all industry standards. Treasury has enhanced security by utilizing the latest security token standard, namely the smart contract standard (ERC3643). The smart contract was audited by Hacken, a leading cybersecurity company with a focus on blockchain and Web3, and the audit resulted in a perfect security score of 10 out of 10, with the comment that the code contains no issues.*

### 10.4.3. Hacker attack

Should there be any irregularities in the code, they could expose the system to vulnerabilities, allowing hackers to attempt to control the smart contract for unlawful gain.

*Risk mitigation factor: Given that KYC is a requirement for acquiring and handling Treasury Tokens, this risk can be mitigated by ensuring that the Issuer does not cash out tokens (i.e., does not pay the principal and accrued interest) to any entity not identified by the Issuer. Additionally, transactions on the blockchain wallet that have not undergone KYC/KYB procedures will not be accepted by the Issuer.*

*Given the possibility provided under Section 10.4.1, which enables the burning of lost Tokens and their re-issuance to a new digital wallet address following successful KYC/KYB identification, this risk is effectively eliminated. This procedure is regulated by the Issuer's internal policies.*

### 10.4.4. Issues in the functioning of the selected blockchain network

Given the long-term nature of the project, there are numerous factors that may affect the normal functioning of the blockchain network on which the Treasury Tokens were initially issued. Such situations include, but are not limited to: hindered or temporarily disabled token trading, increased transaction costs, insufficient transaction capacity and processing speed, network instability, compromised security and security vulnerabilities, regulatory restrictions, increased carbon footprint of the network, changes in the network development strategy or the Issuer's strategy, etc.

*Risk mitigation factor: The Issuer has developed a business continuity plan under which the Treasury Token has been designed to be fully compatible with the EVM (Ethereum Virtual Machine) environment. This ensures the Token's simple migration to other EVM-compatible networks (e.g., Ethereum mainnet, Binance Smart Chain, Avalanche), thereby providing stability, security and long-term sustainability of the project. In the event that changing the network becomes necessary, the Issuer will duly notify all Investors through the official website and/or email.*

## 10.5. Description of risks that could impact the exercise of rights contained in digital tokens

### 10.5.1. Land expropriation

Expropriation of the orchard or part thereof could result in the loss of some or all of the land on which the Issuer cultivates hazelnuts.

*Risk mitigation factor: Expropriation, as a risk, cannot be eliminated, as it is a legally prescribed procedure. However, the impact of expropriation can be mitigated, and thus the associated risk to the investment reduced, by the fact that compensation is legally mandated in cases of expropriation. Compensation for expropriated agricultural land is determined in monetary*

assets according to the market price of such land unless otherwise prescribed by law. Additionally, if an orchard - specifically a fruit-bearing orchard - is expropriated, there is a legal obligation to compensate for non-amortized investments made in establishing and maintaining the orchard, as well as the net yield that the orchard would have produced, considering its age and productivity, for the number of years required to establish and bring a new orchard to full production.

### 10.5.2. Issuer's decision to sell the orchard

In accordance with section 7.3.5 of this White Paper, the Issuer is authorized to sell the orchard under the specified conditions if it secures the consent of Investors holding at least 67% of the Treasury Tokens issued under this White Paper, or who own at least 67% of the orchard on the cadastral lot.

*Risk mitigation factor: In the event of a sale, the Issuer is obligated to pay the Treasury Token Holders an amount in accordance with section 7.3 of this White Paper.*

## 10.6. Risk factors related to information sources

The Issuer relies on certain data and information obtained from various third-party sources, including industry information from government publications and publicly available third-party publications. The Issuer has not independently verified most of the data and information contained in third-party publications and reports, nor has it engaged independent entities to collect or verify third-party reports referenced or cited in this document. The data and information contained in third-party publications and reports may have been gathered using third-party data collection methodologies different from those the Issuer would use. Additionally, these third-party sources generally claim that the information in their reports is believed to be reliable, but they do not guarantee the accuracy or completeness of any information. If this data and information prove to be inaccurate, the value of Treasury Tokens and the overall return on investment may suffer to the extent that Treasury relied on such data and information.

*Risk mitigation factor: Our approach involves relying on reputable sources and frequently cross-referencing information with other reliable sources. We draw on extensive industry experience for benchmarking and are committed to ongoing research efforts to keep our insights current.*

## 10.7. Other risks

### 10.7.1. COVID-19

In March 2020, the World Health Organization declared the emergence of a new strain of coronavirus (COVID-19) a global pandemic. In response, governments worldwide declared states of emergency and implemented preventive measures to curb and mitigate the spread of the virus. These measures, including stay-at-home orders and similar mandates for individuals, as well as closures, caused significant economic disruptions and uncertainty, along with instability in global markets.

Similar epidemics that may arise in the future could impact Treasury's business operations, financial results, cash flows, and financial position, as well as Treasury's ability to plant, cultivate, and harvest hazelnuts, and could also affect capital allocation priorities, including the timing and amount of payments to investors.

*Risk mitigation factor: Treasury significantly reduces dependence on external shocks such as pandemics through the use of advanced technologies, mechanization, and process automation. Thanks to digital orchard management and a high level of operational autonomy, less physical intervention and labor are required, which reduces the risk of production interruptions in emergency circumstances. With continued development of autonomous robotics and greater digitalization, further reductions in operational dependencies and costs are expected.*

*For investors, Treasury enables fully digital investment management - requiring only an internet connection and access via mobile phone, tablet, or computer - ensuring continuity and ease of investing regardless of physical limitations or mobility restrictions.*

*Additionally, the COVID-19 pandemic demonstrated that in times of crisis there is an increase in demand for confectionery products, particularly chocolate and biscuits, where hazelnuts are a key raw material.<sup>74</sup> Consumers also tended to choose higher-quality chocolates and branded sweets as an alternative to more expensive social activities and travel. These market shifts resulted in rising demand, supply chain challenges, and strategic investments by the world's leading confectionery companies (Ferrero, Mars Wrigley, Hershey) in the expansion of production capacities - further confirming the resilience of this industry and the long-term attractiveness of the market.<sup>75</sup>*

### 10.7.2. Effects of armed conflicts - global energy and chemical crisis, ongoing economic disruptions and uncertainty

Geopolitical unrest in recent years has led to severe global supply disruptions, a drastic increase in energy and agrochemical product prices, as well as delays in the anticipated transition to renewable energy sources. These factors introduce a new dimension of uncertainty to the global economy and have had a particularly strong impact on the agricultural and food sector.

Observed trends in such circumstances include:

- a) Restructuring of global supply chains – companies are shifting toward diversification and regionalization to reduce dependence on distant and geopolitically risky markets;
- b) Nearshoring and friend-shoring – a growing need to relocate production and procurement closer to consumers or within stable partner countries;
- c) Self-sufficiency in food production – countries and companies are increasingly investing in local production of essential agricultural crops to reduce vulnerability;

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<sup>74</sup> <https://www.daedal-research.com/food-and-beverage/global-chocolate-confectionery-market-size-and-trends-with-impact-of-covid-19-and-forecast-up-to-2029>

<sup>75</sup> <https://www.confectioneryproduction.com/blog/48873/global-confectionery-sector-seeks-a-kick-start-after-ongoing-supply-challenges-dent-some-international-markets/>

d) Accelerated adoption of technological innovations and efficient resource utilization – due to high prices of energy and chemicals, interest is rising in technologies that reduce input consumption and increase productivity;

e) Increasing importance of strategic raw materials – essential food and industrial inputs, such as hazelnuts in the confectionery industry, are gaining additional value due to stable and growing demand.

*Risk mitigation factor: Treasury has strategically positioned its hazelnut production in Serbia to naturally align with these trends, significantly mitigating this risk category:*

*a) Local and European production – Serbia is geographically close to the main consumption hubs in the EU, i.e., to the production capacities of major buyers, enabling more secure and shorter supply chains compared to competitors from more distant regions (Chile, Turkey, Georgia, Azerbaijan). The orchards are strategically located in the North Banat district, in immediate proximity to Romania and Hungary, facilitating easier production internationalization, while Ferrero is already present in the Romanian market;*

*b) Self-sufficiency and stability – diversification away from the dominant global producer (Turkey) improves the security of supply for the confectionery industry, while Serbia currently produces only 10% of its domestic hazelnut consumption<sup>76</sup>;*

*c) Efficient and digitalized production – by applying mechanization, precision-agriculture tools, and regenerative farming methodologies – the core of the Treasury business model – we reduce dependence on costly inputs and scarce labor while optimizing resource use;*

*d) Attractiveness for global buyers – major confectionery companies actively seeking stable and diversified sources of high-quality hazelnuts (Ferrero, Nestlé, Mars, Hershey) recognize the value of reliable European supply.*

### 10.7.3. Secondary market availability

Trading of Treasury Tokens, in the event that the Initial Offering is successful, will be carried out in accordance with Section 7.3.3 of this White Paper. Given that the digital asset market is still developing, we believe that the current limitations regarding the disposal of Treasury Tokens will decrease over time as this field evolves, both in regulatory and market terms..

*Risk mitigation factor: One of the Issuer's primary goals and priorities is to have the digital token listed on digital asset trading platforms once conditions permit, provided that the costs of listing do not compromise the rights of Investors and the Issuer of the digital tokens. The decision to list on a digital asset trading platform is solely at the discretion of the Issuer. The tentative timeline for the Issuer to attempt to list Treasury Tokens on a digital asset trading platform is one year from the successful completion of the initial offering.*

*For the Tokens issued under the previous Decision, the Issuer has already signed an agreement on secondary trading with the ACX+ platform, which is registered in Bosnia and Herzegovina, and the start of trading is expected in the fourth quarter of 2025. By the end of the year, we expect to sign an agreement with this platform also for the secondary trading of Tokens that will be issued in accordance with this White Paper.*

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<sup>76</sup> <https://epravozato.mondo.rs/ekonomija/poljoprivreda/a1166/Ulaganja-u-posao-sa-lesnikom-su-jednom-za-svagda-a-prinosi-ogromni.html>

*In addition, the Issuer has already completed technological integration with approximately twenty regulated foreign exchanges, such as: Archax (United Kingdom), Assetera (Austria), ADDX (Singapore), SDAX (Singapore), SBI DM (Singapore), SDX (Switzerland), ODX (Japan), INX (USA), Securize Markets (USA), tZERO (USA), Prometheus ATS (USA), and Oasis Pro Markets (USA).*

*Use of Treasury Tokens is also permitted on the OTC digital asset market, provided that the acquirer meets the conditions applicable to all acquirers under this White Paper and subject to the restrictions set forth in Section 7.3.4 of the White Paper.*

*Considering that the digital asset market is rapidly evolving - both in Serbia and globally - with increasing adoption by institutional investors and traditional financial market participants, tokenization is rapidly positioning itself as part of the mainstream financial system. Illustrative examples of global trends include BlackRock, which has announced its plan to tokenize all of its ETF funds<sup>77</sup> and other traditional assets<sup>78</sup>, has already made strategic investments in Securitize<sup>79</sup>, a leader in tokenization, and now identifies the development of its own tokenization technology as a key corporate priority<sup>80</sup>; Nasdaq, which has submitted an application to enable trading in tokenized instruments<sup>81</sup>; the London Stock Exchange Group (LSEG), which has introduced a digital asset infrastructure platform intended for private funds, designed to cover the full lifecycle of digital assets - from issuance and tokenization, through distribution, to post-trade settlement and servicing - across multiple asset classes<sup>82</sup>; and Apex Group, which has strengthened its positioning in this field through the acquisition of Tokeny, a global leader in tokenization technology<sup>83</sup>.*

*From a local perspective, a company in Serbia has recently obtained regulatory approvals to provide the service of organizing a platform for trading digital assets. Although this platform is not yet operational at the time of drafting this White Paper, its launch is expected by the end of the year. The Issuer has already been engaged in negotiations regarding the listing of its Tokens on this platform.*

*Based on these trends, we believe that the limitations relating to the availability of secondary markets and the disposal of Treasury Tokens will rapidly diminish - driven by further regulatory development and improvements in market infrastructure - with global and local developments clearly indicating that the entry of tokenized financial instruments into mainstream capital markets is inevitable.*

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<sup>77</sup> <https://www.bloomberg.com/news/articles/2025-09-11/blackrock-seeks-to-tokenize-etfs-after-bitcoin-fund-breakthrough>

<sup>78</sup> <https://www.coindesk.com/business/2025/10/14/blackrock-ceo-larry-fink-eyes-bigger-role-in-tokenization>

<sup>79</sup> <https://www.forbes.com/sites/digital-assets/2025/05/08/blackrock-backed-securitize-raises-strategic-funding-from-jump-crypto/>

<sup>80</sup> <https://finance.yahoo.com/news/blackrocks-ceo-says-crypto-grow-213120122.html>

<sup>81</sup> <https://www.nasdaq.com/newsroom/qa-nasdaqs-new-proposal-tokenized-securities>

<sup>82</sup> <https://www.lseg.com/en/media-centre/press-releases/2025/lseg-launches-digital-markets-infrastructure-platform-for-private-funds-and-facilitates-first-transaction>

<sup>83</sup> <https://www.apexgroup.com/insights/apex-group-acquires-majority-stake-in-tokeny-to-catalyse-widespread-industry-tokenisation-adoption/>

## 10.8. Overall risk assessment by the issuer of digital tokens

The agriculture sector is generally regarded as a low-risk investment due to the fundamental nature of food production. Agricultural products such as crops and livestock are always in demand, especially considering the rapid growth of the global population, providing a stable income stream for farmers and investors. Additionally, the sector is relatively resilient to economic crises and pandemics, as demand remains consistent regardless of economic conditions. While risks are inherent in any type of investment, the agriculture sector tends to be more stable and predictable compared to other sectors like tourism, real estate, and retail. This topic is thoroughly covered in business and academic publications, with a broad consensus that agriculture is a strong option for inflation protection.

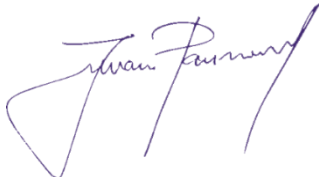
**Warning: Investments in digital tokens are not subject to regulations governing deposit insurance or investor protection, nor are they covered by regulations concerning the protection of financial service users.**

The supervisory authority is not responsible for the accuracy or completeness of the information provided in any part of the white paper whose publication has been approved. The Republic of Serbia, the Securities Commission, the National Bank of Serbia, and other relevant authorities and public bodies do not bear responsibility for any potential damage or losses incurred by investors and/or third parties in connection with investments in the issued digital tokens.

# 11. Responsible person statements

Having taken all necessary measures, we declare that, to the best of our knowledge, the information in this White Paper is accurate and that no facts have been omitted that could affect the truthfulness and completeness of the information provided herein. We declare that the information contained in this White Paper is both accurate and complete.

Jovan Paunović, CEO personal ID number 2303982710340

A handwritten signature in blue ink, appearing to read 'Jovan Paunović', with a large, stylized flourish at the end.

Vladimir Cvejić, CTO personal ID number 3101987781027

A handwritten signature in black ink, appearing to read 'Vladimir Cvejić', with a large, stylized flourish at the end.

Aleksandar Petrović, co-founder personal ID number 1109977710117

A handwritten signature in blue ink, appearing to read 'Aleksandar Petrović', with a large, stylized flourish at the end.

## 12. Tax treatment

The tax analysis provided in this White Paper is based on the regulations in effect at the time of its preparation. Due to potential changes in regulations or the stance of relevant authorities, which may occur in the future, as well as specific facts related to individual Investors, the tax regime may differ from the interpretations given in this White Paper; therefore, it is crucial for each Investor to independently verify the applicable tax regime.

### 12.1. Tax treatment of primary token issuance

The issue of primary issuance of digital tokens is not specifically regulated by tax legislation, nor has it been addressed by the Ministry of Finance in its official opinions to date. However, in its 2021 Explanation, the Ministry of Finance specified that the accounting treatment of digital token issuance (which, in turn, affects its tax treatment) will depend on the promises associated with the digital token as outlined in the White Paper<sup>84</sup>. Therefore, if tokens generated through a primary issuance are essentially akin to equity or debt instruments, their value is recorded on the balance sheet rather than the income statement. In other words, the issuance of Treasury Tokens, as described in this specific case, will not generate income for the Issuer, and therefore, there will be no tax liability for the Issuer on this basis. Conversely, acquiring Treasury Tokens that are essentially akin to equity or debt instruments through a primary issuance does not result in a tax liability for the Investor - Holder of Treasury Tokens.

Simultaneously, primary issuance of tokens that are essentially akin to equity or debt instruments is not subject to VAT, as it does not constitute a supply of goods/services for consideration under the Law on Value Added Tax<sup>85</sup>.

### 12.2. Tax treatment of bonus tokens for existing investors

The issuance of Bonus Treasury Tokens to existing Investors, who already hold a certain number of Treasury Tokens, essentially constitutes a quantity discount; as such, it is subject to the same tax treatment as other issued Treasury Tokens: no tax implications for either the Issuer or the Investors.

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<sup>84</sup> Ministry of Finance of the Republic of Serbia, Explanation on Accounting Recognition, Valuation, and Recording of Digital Assets in Ledgers of Obligors, No. 401-00-509/2021-16 dated February 01, 2021.

<sup>85</sup> See also the judgment of the EU Court of Justice in the Kretztechnik case, C-465/03, para. 24-27.

## 12.3. Tax treatment of token returns

Principal repayments are not subject to taxation. Therefore, during the 9-10 year period after planting, allocated for principal repayment, there will be no tax liability for either the Issuer of the tokens or the Investor on these grounds.

Returns from Treasury Tokens are taxable. Since Treasury Tokens entitle the Investor to receive both principal and interest, which are features akin to debt securities for tax purposes, the income received by the Investor will be classified as interest.

### 12.3.1. Token income recipient - individual

According to Article 61, Paragraph 1 of the Law on Personal Income Tax, capital income includes, among other things, interest from loans, savings, and other deposits, as well as from debt and similar securities. As such, any interest payments during the investment period would be taxed at a rate of 15% on capital income. It is important to note that while the Investor, as the income recipient, is the taxpayer for this tax, the Issuer of the tokens, as the income payer, is responsible for calculating and remitting this withholding tax on behalf of the Investor at the time of payment. In other words, the Issuer will pay the Investor the net amount of interest. Income from Treasury Tokens does not count towards the annual personal income tax base, meaning that the tax withheld is the final tax liability for the individual recipient.

If the Investor is a resident of a country with which the Republic of Serbia has a double taxation agreement (DTA) and the conditions for applying the agreement are met, the withholding tax rate on interest is generally limited to 10%, 8%, or 0%<sup>86</sup>. Non-resident Investors must prove residency in a country with which the Republic of Serbia has a DTA by submitting a residency certificate to the income payer (Issuer), validated by the relevant authority of that country, on the form prescribed by the Ministry of Finance (POR 2 Form).

From the perspective of the token Issuer, the paid interest is considered an operating expense, which is recognized as a cost under Article 19, Paragraph 1 of the Law on Corporate Income Tax and is not subject to corporate income tax.

### 12.3.2. Income recipient - legal entity

If the recipient of interest is a resident legal entity, such income will be included in the taxable profit of the Investor and taxed at a rate of 15%. From the perspective of the token Issuer, the paid interest is considered an operating expense, which is recognized as a cost under Article 19, Paragraph 1 of the Law on Corporate Income Tax and is not subject to corporate income tax.

If the Investor is a legal entity that is not a resident of a country with which the Republic of Serbia has a DTA, Article 40 of the Law on Corporate Income Tax will apply; this Article stipulates that interest payments made to a non-resident legal entity by a resident legal entity are subject to withholding tax at a rate of 20%. In this case, although a non-resident legal

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<sup>86</sup> Exceptions include DTAs with Belgium and Egypt, where the rate is 15%.

entity is the taxpayer, the income payer (Issuer) is required to calculate and remit this tax on behalf of the income recipient at the time of payment.

If the Investor is a legal entity resident in a country with which the Republic of Serbia has a DTA, the withholding tax rate on interest is generally limited to 10%, 8%, or 0%.

## 12.4. Tax treatment of token disposal

Under the Law on Personal Income Tax and the Law on Corporate Income Tax, the disposal of digital assets, including tokens with characteristics of financial instruments, may result in taxable capital gains under certain conditions.

### 12.4.1. Disposal of tokens by resident individuals or entrepreneurs

For Investors who are individuals or entrepreneurs, according to Article 72, Paragraph 1, Item 6 of the Law on Personal Income Tax, capital gains may be realized from the disposal of tokens if the sale price exceeds the purchase price.

Article 72a, Paragraph 1, Item 5 of the Law on Personal Income Tax provides an exception to this rule, if the Investor disposes of the token after a period of 10 years from its acquisition. In this case, capital gains do not arise, and the Disposer - Investor is not obligated to pay capital gains tax.

The purchase price of Treasury Tokens is the amount documented by the Treasury Token Disposer - Investor as actually paid; in this case, it would be the investment amount made in exchange for the specific Treasury Token during the primary issuance. The sale price is the agreed price, and if the agreed price is lower than the market price, the sale price is determined by the relevant tax authority. Therefore, selling Treasury Tokens at any time before the end of the 40-year investment cycle (and within 10 years from the acquisition) would trigger a capital gains tax liability, provided that the agreed or market price of the Treasury Token is higher than the amount the Investor can document as actually paid. The capital gains tax rate is 15%<sup>87</sup>.

According to Article 78 of the Law on Personal Income Tax, Investors can offset realized capital gains with previously incurred capital losses. If the capital loss exceeds the capital gain, the difference can be carried forward for up to five years and offset against future capital gains.

Investors who dispose of Treasury Tokens and realize a capital gain may, under Article 79a of the Law on Personal Income Tax, be eligible for a 50% tax exemption on capital gains if they reinvest the proceeds within 90 days of the token disposal into (a) the core capital of a Serbian-resident company, or (b) the capital of an investment fund established under domestic regulations, provided that the center of business and investment activities of the entity is located in Serbia. The company into which the investment is made must also not reduce its capital during the year of the investment or in the subsequent two years. Failure

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<sup>87</sup> When determining capital gains from bonus tokens, the purchase price of the tokens from which the bonus tokens were obtained should be proportionally allocated.

to meet these conditions will result in the loss of the previously granted exemption, and the Investor - Disposer must inform the relevant tax authority. Alternatively, if the investment is made after the 90-day period following the sale of the digital asset but before 12 months from the sale, the Investor will not receive an exemption but will be entitled to a 50% refund of the paid capital gains tax.

### 12.4.2. Disposal of tokens by resident legal entities

According to Article 27, Paragraph 1, Item 5 of the Law on Corporate Income Tax, if a token is disposed of by an Investor who is a legal entity, capital gains are realized only if the entity is not licensed to provide services related to digital assets and did not acquire the digital asset for the purpose of resale in connection with digital asset services. Therefore, if the disposal is not an *ad hoc* transaction, it will not be considered a capital gain but rather a transfer conducted within the framework of providing digital asset services.

In the case of an *ad hoc* transfer, a capital gain occurs if the difference between the sale price of the Treasury Token and its purchase price is positive. Under the Law on Corporate Income Tax, the purchase price is defined as the price documented by the seller - Investor - as actually paid. The sale price is considered the agreed price. If the sale is made to a related party, the sale price is deemed to be the market price if the agreed price is lower than the market price. The determined capital gain is included in taxable income and is subject to corporate income tax at a rate of 15%.

For investors who are legal entities, the Law on Corporate Income Tax provides a tax incentive, whereby capital gains realized from the transfer of digital assets, such as Treasury Tokens, are exempt from taxation if the proceeds from the sale of such assets are invested in the same calendar year into the capital of a resident taxpayer or an investment fund established under domestic regulations. In order for the Treasury Token seller - Investor - to qualify for this tax incentive, the center of business or investment activities of the entity receiving the investment must be located within the Republic of Serbia.

Investors may offset capital gains with previously realized capital losses, so tax liability exists only on the net gain remaining after offsetting (if the capital gain exceeds the capital loss). However, taxpayers will not be eligible for this offset if they have utilized the previously described tax incentive.

### 12.4.3. Disposal of tokens by non-resident individuals or non-resident legal entities

If the Investor is an individual and a resident of a country with which the Republic of Serbia does not have a DTA, the tax treatment is the same as for resident individuals (see section 4.1).

If the Investor is a legal entity that is a resident of a jurisdiction with which the Republic of Serbia does not have a DTA, Article 40, Paragraph 7 of the Law on Corporate Income Tax will apply; in this case, capital gains generated within the Republic of Serbia are subject to a withholding tax at a rate of 20%. Non-resident legal entities must appoint a tax representative to file a tax return with the competent tax authority within 30 days of realizing the capital gain.

For investors (both individuals and legal entities) who are residents of a country with which the Republic of Serbia has a DTA, the tax liabilities related to capital gains will depend on the specific provisions of that DTA.

Many DTAs that the Republic of Serbia applies allow it to tax capital gains realized by a resident of another contracting state from the disposal of shares or comparable interests of any kind if, at any time during the 365 days preceding the disposal, more than 50% of the value of such shares or comparable interests directly or indirectly derived from real estate (as defined in the specific DTA) located in the Republic of Serbia. Given the nature of Treasury Tokens in this context - specifically, that the income from Treasury Tokens is dependent on real estate (nut orchard yields) and that the value of Treasury Tokens is derived from real estate located in Serbia - there is a risk that Serbian tax authorities may apply the aforementioned provision in this case.

The Issuer sought to clarify how Serbian tax authorities interpret the above issue, and to this end, requested an opinion from the Ministry of Finance on the following question: For the purpose of applying the DTA provision related to the taxation of capital gains from the disposal of shares or comparable interests of any kind, when more than 50% of the value of such shares or comparable interests, at any time during the 365 days preceding the disposal, directly or indirectly derived from real estate located in the source state, can tokens described in this case be considered comparable interests whose value is derived from real estate located in the Republic of Serbia? Upon receiving a response, the Issuer will make it available through its website.

However, a smaller number of DTAs applied by Serbia do not include this provision, meaning that the exclusive right to tax capital gains in this specific case would rest with the country of residence of the disposer of the Treasury Tokens - the Investor.

#### 12.4.4. VAT treatment of token disposal

Regarding the VAT treatment of token transfers, Opinion No. 011-00-29/2022-04 from the Ministry of Finance, dated January 31, 2022, is crucial. In this Opinion, the Ministry distinguishes the VAT treatment of tokens based on the rights they confer to their holders. For the transfer of tokens that grant certain rights to the holder in relation to the issuer, the Ministry aligns their VAT treatment with that of the transfer of stakes and securities. Therefore, the transfer of tokens that are akin to financial instruments is exempt from VAT without the right to withhold previous tax, in accordance with Article 25, Paragraph 2, Item 5 of the Law on VAT.

#### 12.4.5. Tax on transfer of absolute rights

The transfer of Treasury Tokens for compensation is not subject to the tax on the transfer of absolute rights. Current regulations governing the tax on the transfer of absolute rights have not been amended to include digital assets, nor has the Ministry of Finance addressed this issue in its opinions. Nevertheless, even if one assumes that tax authorities might apply the "substance over form" doctrine as outlined in Article 9 of the Law on Tax Procedure and Tax Administration, its application would involve considering the economic nature of the specific Treasury Token and thereby would align the transfer of investment tokens with the transfer of shares, stakes, and other securities, which is not subject to the tax on the transfer of absolute rights.

## 12.5. Tax treatment of tokens awarded for referring new buyers

The transfer of Treasury Tokens to individuals who refer new buyers of Treasury Tokens constitutes compensation for services rendered and is taxable as other (miscellaneous) income. Namely, according to Article 85, Paragraph 1, Item 11 of the Law on Personal Income Tax, rewards and similar payments to individuals not employed by the payer, arising from work or other contributions to the payer's activities, amounting to more than RSD 16,666 annually from a single payer, are taxed at a rate of 20%. For legal entities that refer new buyers of Treasury Tokens and receive rewards in the form of Bonus Treasury Tokens, such compensation is treated as income and is included in the corporate income tax base and taxed at a rate of 15%.

If the recipient of Bonus Treasury Tokens is an individual or legal entity resident in a jurisdiction with which the Republic of Serbia has a DTA in place, the relevant DTA provisions on other income apply. Most Serbian DTAs grant taxation rights exclusively to the country of residence of the income recipient. Therefore, there would be no tax liability for the reward in Serbia. Certain DTAs grant the taxation right to the country where the income originates, which, in this case, is Serbia. This means that the Republic of Serbia could tax income from rewards in the manner described at the beginning of this section if the recipients are residents of the following countries: Azerbaijan, Armenia, Canada, Qatar, Kazakhstan, China, Morocco, Norway, Singapore, and Vietnam.

For VAT purposes, the transfer of Bonus Treasury Tokens is considered compensation for intermediary services in the trading of tokens that are akin to financial instruments. According to Article 25, Paragraph 1, Item 2 of the Law on VAT, transactions involving intermediary services for securities, including shares, stakes, bonds, and other securities, are exempt with no right to withhold the previous tax for providing business services. On the other hand, the Law on VAT does not explicitly address intermediary services for one-off transfers of securities, *i.e.*, transfer by entities not engaged in dealing with stakes and securities, which would apply to the transfer of Bonus Treasury Tokens to entities who refer new investors. Nonetheless, in its Opinion No. 413-00-31/2011-04 dated January 14, 2011, the Ministry of Finance does not distinguish between regular and one-off transfers of stakes and securities, applying the same VAT treatment - exemption with no right to withhold previous tax. Given the discrepancy between the legal text and the Ministry's opinion, the issuer has sought a new opinion from the Ministry to confirm the validity of this interpretation in the specific case. Upon receiving a response, the Issuer will make it available through its website.

## 12.6. Tax treatment of free assignment of digital tokens to specific persons

The tax treatment of assigning Treasury Tokens for free will depend on the legal basis, that is, whether the tokens are awarded as compensation for contributions to company operations, the success of token issuance, *etc.*, or if they are assigned as an act of goodwill. Assignment of digital tokens to employees and their children. Under Serbian law, assigning digital tokens to employees and their children is not considered an act of goodwill; such assignment is primarily regarded as earnings, and thus, subject to taxation as earnings - given that the assignment is directly or indirectly connected to employment. As a result, any assignment of Treasury Tokens to employees would be

treated as part of the employee's net earnings; the value of the awarded tokens would constitute net earnings, increased by income tax and mandatory social security contributions.

When it comes to distributing tokens to employees' children, there is a possibility that certain forms of such assignments may be exempt from tax. For example, it is possible to assign digital tokens worth up to RSD 13,497 per child (for children under 15 years of age) as a New Year's or Christmas gift (one gift per year).<sup>88</sup> Tokens may also be assigned to collaborators and advisors who have supported the project, to business partners for promotional purposes, or to humanitarian organizations and educational institutions to support the achievement of their goals. When Treasury Tokens are donated to humanitarian organizations and educational institutions, there is a gift tax exemption on donations valued up to RSD 100,000 per year, while for amounts exceeding this limit, a gift tax of 2.5% will apply to the monetary value of the gift (except for foundations and endowments, which are exempt from this tax).

Distributions to collaborators and advisors who have supported the project and business partners for promotional purposes, the economic essence would be such that they are considered as compensation (or part thereof), net in the amount of the market value of the assigned tokens. Such assignments of digital tokens would be characterized as taxable income for the recipients, whereby the form of taxation would depend on their relationship with the Issuer (e.g., other income for company executives collaborating with the Issuer, income from independent activity for advisers registered as entrepreneurs, taxable income for corporate tax purposes if the recipient is a legal entity, etc.). The above is in accordance with the Opinion of the Ministry of Finance, which states that when an individual receives any form of compensation (whether in cash, in-kind, or otherwise) in exchange for any work or counter-service or counter-action performed for the benefit of the payer (with whom they are not employed), this compensation is considered personal income and is subject to personal income tax.<sup>89</sup>

## 12.7. Tax treatment of orchard sales leading to token “burning”

The sale of orchards that leads to the “burning” of tokens can result in tax consequences in two scenarios.

First, if the proceeds from the sale or expropriation of the orchard are insufficient to repay the full principal amount owed to Investors, the shortfall will be considered a debt relief representing the difference between the total principal and the amount repaid. For the debtor - Issuer, this relief will result in income and included in taxable profit, subject to a 15% tax rate. On the other hand, creditors - Investors - will not be entitled to recognize an expense for the debt relief. For Investors who are non-residents of Serbia, the tax treatment of debt relief will depend on the national legislation of their country of residence.

If an Investor receives more than the total principal amount, the excess above the total principal will be treated as interest income and taxed accordingly, as described in section 3 above.

In the case of orchard disposal, pursuant to Article 23, Paragraph 1, Item 1) of the Law on Property Tax, the disposer is obliged to pay a tax on the transfer of absolute rights, which is levied at a rate of 2.5% on the agreed price. If the tax authority determines that the agreed price is below the market

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<sup>88</sup> See Article 18, Paragraph 1, Item 8 of the Law on Personal Income Tax.

<sup>89</sup> Opinion of the Ministry of Finance No. 413-00-408/2011-04, dated October 28, 2011, Opinion of the Ministry of Finance No. 413-00-115/2017-04, dated October 06, 2017.

value of the real estate, it has the right to assess the tax base at the market value. According to Article 42 of the Law on Property Tax, the transferee of the property right on the real estate is secondarily liable for the payment of the tax on the transfer of absolute rights; if the transferor and the transferee agree that the transferee will cover this liability, the transferee becomes jointly and severally liable with the transferor for the payment of such tax.

Additionally, if the sale price of the orchard exceeds the purchase price, the disposer will realize a capital gain, which will be included in the income tax base and taxed at a rate of 15%.

# 13. KYC and personal data protection

When issuing Treasury Tokens and conducting transactions involving them, Treasury will collect personal data in full compliance with the Law on Personal Data Protection, relevant bylaws, adopted standards, and international regulations applicable to Treasury's operations. Through this section of the White Paper, Treasury informs Investors about the purposes of processing personal data, the legal grounds for such processing, the rights of data subjects, and other matters related to personal data protection.

## 13.1. Controller

In the process of issuing Treasury Tokens and conducting related transactions, Treasury will act as a personal data controller, while engaging various processors to manage specific aspects of personal data processing.

As a data controller, Treasury processes personal data in compliance with all principles outlined by applicable regulations, as well as specific obligations directed at data controllers. During the issuance of Treasury Tokens and related transactions, personal data is collected solely for clearly defined and specific purposes, with only the personal data necessary to achieve those purposes being processed. Additionally, the collected data is retained only for as long as needed to fulfill the intended purpose of processing, after which it is deleted or anonymized in accordance with relevant regulations. Treasury ensures the accuracy of the personal data it collects and upholds the right to correct or delete inaccurate data. Treasury also prioritizes the security of personal data by implementing measures to protect it from loss, destruction, damage, unauthorized access, or illegal processing; this is achieved through necessary technical, organizational, and staffing measures, while adhering to legal obligations and established standards in the field of data protection.

## 13.2. Purpose of processing and legal basis for personal data processing

Treasury processes personal data to respond to inquiries from entities interested in Treasury Tokens, to carry out actions prior to entering into contracts with potential investors, and to fulfill obligations under signed contracts and applicable laws. In addition, Treasury processes personal data for marketing activities, to comply with legal obligations, and to prevent fraud, money laundering, and the financing of terrorism.

### 13.2.1. Processing of personal data for contractual purposes

When potential investors express interest in Treasury Tokens, they visit the [www.treasury.com](http://www.treasury.com) website and decide to invest in one of the available investment opportunities. To proceed with the investment, the Investor must register on the

www.treasury.com platform and confirm its registration according to the procedure provided on the platform, in order to create a user account.

When registering on the Treasury platform, potential investors are required to provide the following personal data:

- a) For individuals: full name, address: city, country, postal code, e-mail address, contact phone number, digital wallet address, foreign currency account number for non-residents or the current account number for residents, identification number, document type (passport/ID card), and nationality as indicated in the passport.
- b) For legal entities: business information including company name, company type, address, city, country, postal code, company registration number, tax identification number (TIN), as well as personal data of the representative - full name, e-mail address, contact phone number, digital wallet address, foreign currency account number for non-residents or the current account number for residents, identification number, document type (passport/ID card), and nationality as indicated in the passport.

During user account creation, the potential investor will also create a unique password for account access, which is another piece of personal data processed by Treasury. After registering, the Investor accesses the platform each time using its credentials (username/e-mail address and password) created during the registration process.

By purchasing Treasury Tokens, the Investor enters into a contractual relationship with Treasury, and the personal data provided during registration and account creation are necessary for the identification of the Investor in order to finalize such a contract. If the Investor fails to provide such data, Treasury would be unable to enter into the contract for the purchase of Treasury Tokens or fulfill its obligations arising from such a contractual relationship.

The collection of personal data related to identification documents is essential at this stage of Investor identification, enabling Treasury to fulfill its legal obligation to exclude or prohibit the sale of Treasury Tokens to individuals with certain nationalities in cases of sanctions or the application of extraterritorial laws regulating token trading, as well as to determine the eligibility of offering tokens to citizens of specific countries.

### 13.2.2. Processing of personal data to comply with controller's anti-money laundering obligations

Treasury has specific legal obligations to fulfill in order to operate in compliance with applicable regulations. To meet these obligations, Treasury processes personal data to ensure consistent adherence to laws and regulations that govern the prevention of money laundering and the financing of terrorism.

During registration, as referred to in section 13.2.1 of this White Paper, the Investor undergoes the Know Your Customer (KYC) or Know Your Business (KYB) process, conducted directly on the Treasury platform via an integrated service at <https://sumsub.com>. The Sumsub service processes personal data as Treasury's data processor, based on a data processing agreement established in accordance with Article 45 of the Law on Personal Data

Protection and Article 28 of the EU General Data Protection Regulation (GDPR); this agreement is publicly available at: <https://sumsub.com/terms-and-conditions/>.

For the purposes of conducting KYC/KYB procedures, Treasury collects the following personal data from Investors: identification document details (number, expiration and issuance dates, issuing country and authority) and a photograph of the document, as well as a photograph of the Investor's face captured using cameras within the Sumsb service.

Additionally, Treasury may obtain data on already identified Investors from the blockchain, for example, from secondary market participants. Furthermore, if tokens are traded on an exchange in the future, KYC/KYB procedures might be conducted through the exchange's own service.

In any case, the identity verification process for Investors is always conducted in compliance with applicable regulations in the field of preventing money laundering and the financing of terrorism, and only the personal data required by relevant laws is collected.

### 13.2.3. Processing of personal data for Treasury Token purchase transactions

In order to complete a Treasury Token purchase transaction, Investors must connect their blockchain wallets to the Treasury platform. Supported blockchain wallet options are available for Investors. In addition, Treasury also uses Web3Auth by MetaMask solutions, which enable Investors to create and use their own digital wallet directly on the Treasury platform. In this way, Investors can choose whether they prefer a wallet created through the globally recognized MetaMask ecosystem via Web3Auth. This solution provides secure access to Treasury Tokens and supports simple authentication through a Single Sign-On (SSO) system, including Google, Facebook (Meta) and similar accounts. Thus, Investors are provided with an intuitive, secure, and easy investment experience, regardless of the option they select.

For the transaction itself, Investors enter the investment amount or the number of Treasury Tokens they wish to purchase. The platform automatically calculates the counter value (investment amount = number of tokens) and displays it to the Investor. The smallest unit, to which amounts are always rounded, is one whole Treasury Token. Following this, the Investor any of the following payment method, which may vary depending on its country or nationality:

- Bank transfer;
- Payment cards;
- PayPal transfer - as planned in the second phase, with processing through PayPal service directly on the Treasury platform, if such a payment method is available on the Treasury platform; provided that this payment method is available only to non-residents, while residents may make payments exclusively from a current account held at a commercial bank within the Republic of Serbia (via bank transfer and payment cards).

Depending on the chosen payment method, the Investor will receive payment instructions and be required to provide additional personal data or grant Treasury access thereto. In all cases, the data collected is relevant to the selected payment method.

When payments are made through third-party services, those services handle the transactions in compliance with relevant financial regulations, acting as either data controllers or processors depending on the specific payment method, based on appropriate data processing agreements. As the payment recipient, Treasury, in its role as data controller, receives information about the payment amount and possibly other necessary details depending on the payment method (e.g., the account number from which the Investor made the bank transfer).

Treasury processes the payment, approves the transaction, and transfers the purchased Treasury Tokens, along with any bonus tokens, to the Investor's blockchain wallet. The Investor receives a notification and can view the completed investments in its personal account. With this, the investment process is complete. Treasury has access to all Investor transactions on the Treasury platform.

These data are processed and stored by Treasury in accordance with its obligations under relevant regulations, including financial and digital asset regulations.

#### 13.2.4. Personal data processing for marketing purposes

From time to time, Treasury aims to inform individuals and legal entities about its products, new services, and other updates through various communication channels such as e-mail, phone, or text messages, and to achieve this, Treasury processes personal data such as names, e-mail addresses, and phone numbers. Additionally, Treasury may process data related to the user habits of those visiting the platform for marketing purposes. In order to achieve this purpose, Treasury processes personal data only and exclusively based on the consent of the data subject. Consent can be withdrawn at any time by sending an e-mail to [info@treasury.com](mailto:info@treasury.com). Any changes resulting from the withdrawal of consent will be implemented within a maximum of 3 working days from the date of the request, due to the technical requirements necessary to process the change.

#### 13.2.5. Processing of personal data based on legitimate interest of Treasury or a third party

Treasury processes personal data when necessary to pursue its legitimate interests or those of a third party, but only when such legitimate interests outweigh the interests, rights, and freedoms of the data subjects. Personal data is processed based on Treasury's or a third party's legitimate interest when it is required for:

- Improving business processes and developing new or existing services,
- business protection,
- fraud prevention,
- ensuring data security,
- responding to inquiries via the contact form or chat tool on the Treasury platform,
- fulfilling requirements in proceedings before competent authorities.

### **13.3. Personal data recipients**

In its operations, Treasury shares personal data with various recipients and processors to fulfill processing purposes and meet its contractual and legal obligations.

Personal data processors and recipients may include:

- entities providing various services within the Treasury platform, such as KYC/KYB procedures, payment services, user behavior tracking services, and others;
- entities providing accounting services;
- auditors, lawyers, professional consultants, including those providing Treasury with fraud prevention analysis services;
- state authorities and organizations in accordance with applicable regulations.

Treasury ensures that the transfer or access to personal data by data recipients is conducted under prescribed organizational and technical measures and procedures, whereas the recipients are bound by confidentiality and data protection agreements unless such confidentiality obligations arise from applicable laws and regulations.

### **13.4. Transfer of personal data outside the Republic of Serbia**

Treasury transfers personal data that it processes to countries that have been determined to provide an adequate level of protection in accordance with the regulations of the Republic of Serbia and the decisions of competent authorities, or to other countries with the application of appropriate protection measures (such as standard contractual clauses and binding business rules).

### **13.5. Retention period of collected personal data**

Treasury stores personal data as long as there is a purpose for which that data is processed. In general, personal data is retained by Treasury for the duration of the business relationship with the specific entity whose data is stored. Treasury retains certain personal data even after the conclusion of the contractual relationship to fulfill its legal obligations in accordance with applicable regulations, including financial regulations and digital asset regulations, or until the expiration of the relevant statute of limitations for the contractual parties' rights.

Personal data processed solely based on consent is handled by Treasury in accordance with the purpose for which it was collected, and is retained until the consent of the data subject is withdrawn.

## 13.6. Data subjects' rights

Treasury has established internal rules to ensure that Investors can exercise their rights concerning the processing of their personal data, as regulated by the provisions of the Law on Personal Data Protection (right to information, access and copies, correction, deletion, restriction of processing, data portability, objection, withdrawal of consent, notification in case of a breach, and the right to file a complaint with the relevant authority) in order to respond to such requests within the legally prescribed timeframes.

## 13.7. Controller's contact details

For exercising their rights under the Law on Personal Data Protection or for obtaining additional information about the processing of their data, data subjects can contact Treasury in writing to Veljka Dugoševića 54, Belgrade, or via the designated e-mail address [info@treasury.com](mailto:info@treasury.com).

# 14. Other information

## 14.1. Contributors to the White Paper

The following individuals participated in the development of the project presented in this White Paper:

- Jovan Paunović, personal ID number: 2303982710340, in charge of project management and business model design;
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- Virtus Partners doo Beograd, company registration number 21163937, in charge of financial analysis.

## 14.2. Governing law and court jurisdiction

Governing law shall be the law of the Republic of Serbia. In the event of changes to mandatory regulations applicable to this White Paper or the introduction of new binding regulations that were not in effect at the time of its drafting, such regulations will apply and may affect the rights and obligations of the Issuer or Treasury Token Holders.

All disputes shall be resolved amicably; however, if a resolution cannot be achieved, the competent court in Belgrade shall have jurisdiction.

### 14.3. Information on White Paper Issuer

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Department for Contracting  
and Financing of EU Funded Programmes  
MINISTRY OF SCIENCE, TECHNOLOGICAL  
DEVELOPMENT AND INNOVATION

MINI, MATCHING AND COLLABORATIVE  
GRANT SCHEME PROGRAMME

INNOVATION  
FUND



*I hereby certify that this translation is in full conformity with the original in the Serbian language.*

Reg. No.: 197-12/25

In Novi Sad, on December 2025

**COURT TRANSLATOR FOR  
THE ENGLISH LANGUAGE**

*Appointed by the Decree of the Provincial Secretariat  
for Regulations, Administration and National Minorities  
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(Mr. Igor Ivkov)