

XIC12

BLOCKCHAIN FOR SUPPLY CHAIN AND LOGISTICS FORUM

www.blockchainsupplychain.io

HOUSTON, TEXAS

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Blockchain-Powered Trucking: Using Irrefutable Records to Drive Cash Flow and Liquidity



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Chief Executive Officer
OpenPort

May 2018

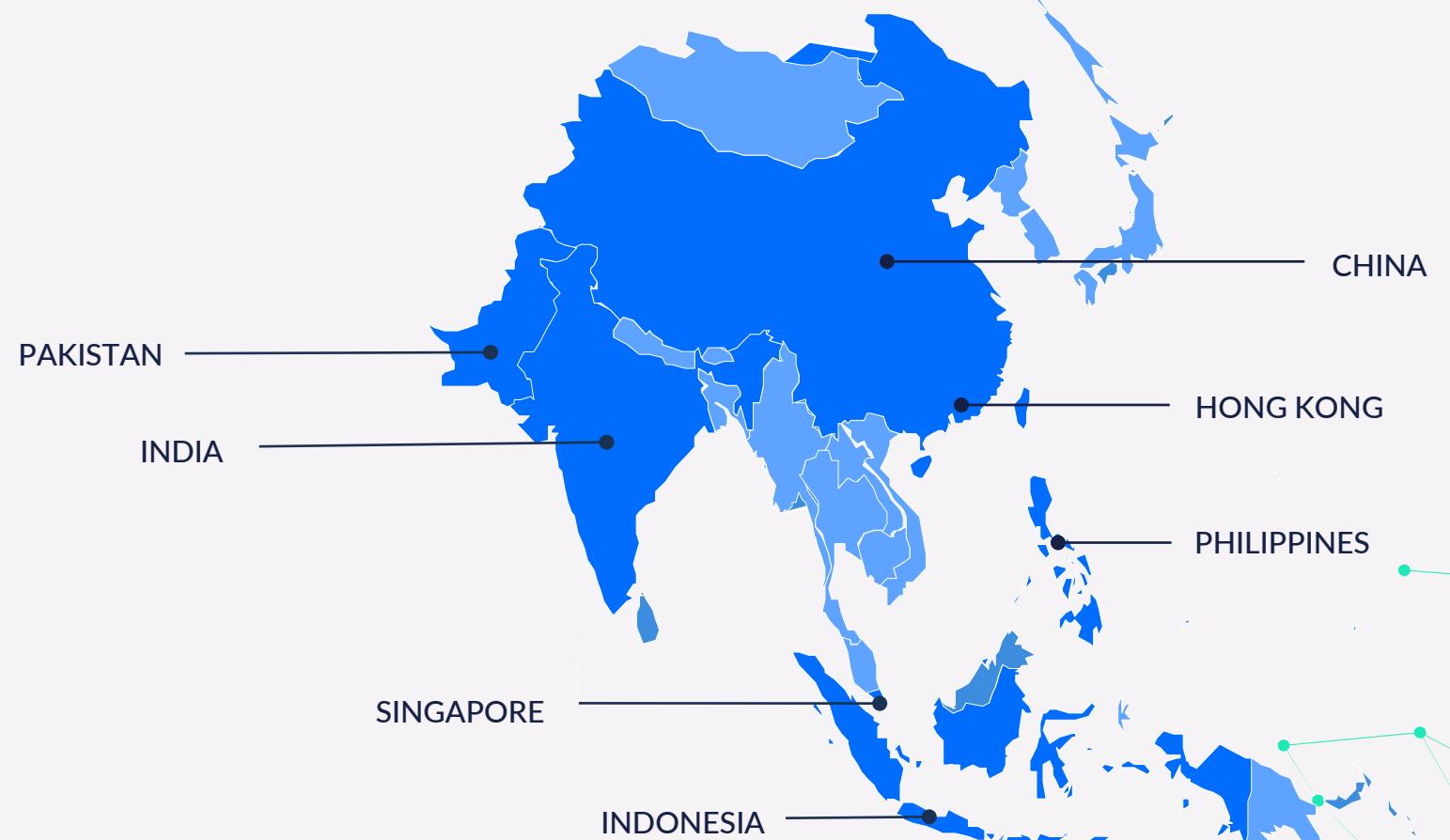


Using Blockchain to Accelerate Cash Flow in the Supply Chain

The Problem: Constraints on Cash Flow

- Payments flow only when delivery is **confirmed**
- Impacts all goods transfers especially road freight
- >10% of GDP spent in emerging markets
- Current system is paper-based and fragmented
- Delays and disputes impact all B2B pricing and transport costs

OPENPORT IN EMERGING ASIA



The Solution: Use Blockchain to Accelerate Cash Flow

Blockchain speeds up the confirmation process



Enhances trust



Allows micro-incentives for compliance



Proves exactly what was delivered, exactly when and by exactly whom



Will change B2B goods transfers and logistics in every economy

We are making this possible, starting with payments

Move to Blockchain-Powered Transport Management

Manual Paper-Based Logistics:

Email/Fax/Courier
Lost or late shipment records

After OpenPort:

Digital real-time data
from any transporter

Delayed, Disputed Payments:

- Transporters are not paid on time
 - Drivers and Laborers are not incentivized for data-sharing
- Shippers overpay for transport and underpaid for goods sold

After OpenPort:

- Next day payment
 - Micro-rewards
- Real-time irrefutable ePOD

Without Blockchain:

Doubt, Delay, and Risk

After OpenPort:

Trust with Accelerated Cash Flow

Solving the Problem Requires a Modern Structure

Centralized

To deliver shareholder value

- SaaS + Cloud
- Robust tech stack for enterprise
- Local licensed businesses and domain experts
- Optimal unit economics requires a well-adapted and controlled protocol

AND

De-Centralized

For consensus and maximum reach

- Consensus determined by network
- ‘Big Tent’ – open source and distributed globally
- Builds a global alliance
- Needs commercial users to drive adoption

Two Distinct Legal Entities for a Combined Purpose



Established February 2015

- TSX public company (expected September 2018 listing)
- For profit provides:
 - Software (Blockchain TMS)
 - Transport payment gateway
- Expanding globally with JVs
- Goal – 1 billion USD + valuation



Established February 2018

- Hong Kong non-profit Foundation, commitment to open-source
- Runs a Token Generation Event and provides the ideal protocol to OpenPort
- Contributes revenue to OpenPort (via service agreement) and tokens

Our Customers Are

Consumer Goods
Companies

(LAST MILE)



Logistics Companies and other
Shippers

(FIRST AND LAST MILE)



Target Monthly
Revenue Per
Customer

{ 100k USD }

UP TO

{ 1 million+
USD/month }

Our Primary Target: Leading MNC FMCGs* in Asia

We are just scratching the surface of a multi-billion USD market

	1	2	3	4	5	6	7	8	9	10
	 PHILIP MORRIS	 Unilever	 Nestle	 P&G	 L'ORÉAL PARIS	 pepsi	 Mondelēz International	 Reckitt Benckiser	 Colgate	 gsk
OP Customer	✓		✓ 3 Markets	✓		✓	✓		✓	✓
Emerging Asia Turnover (M USD)	28,700	23,000	19,500	14,000	7,000	6,300	4,000	3,900	2,678	2,000
Estimated Trucking Spend (M USD)	861	690	585	420	210	189	120	117	80	60
OP Revenue (M USD)			.1	SAP integration in implementation and over 100k USD/month current GR						.1

*Multi-national
Fast-moving
Consumer
Goods
Companies

We Differentiate with Our Unique Multi-Market Blockchain ePOD* for Enterprise

Blockchain ePOD for visibility, exception management, and payment facilitation

1 Improve cash flow (cut down shadow credit period), reduce disputes

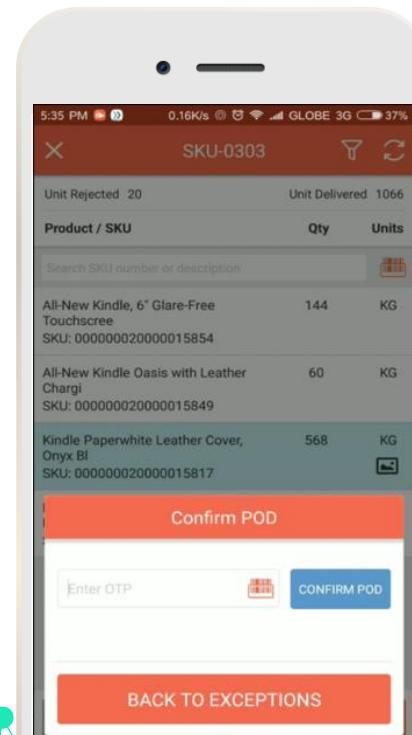
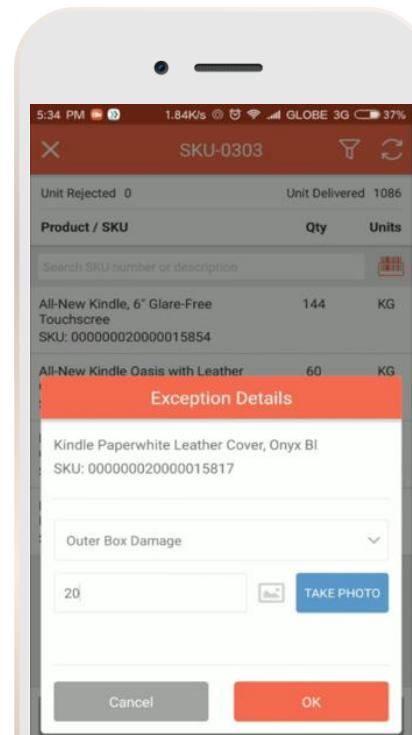
2 Irrefutable tracking and communication

3 Decrease redundancy and manual data entry



Our Unique Sales Proposition:

OpenPort is the only multi-market ERP-integrated transport platform with execution



4 Reduce admin. Cost with exception management.

5 Improve customer service

6 Localized for Asian markets including new WeChat interface for China

Providing Real-Time Supply Chain Business Intelligence

A single consolidated view of supply chain activity – from driver to OpenPort to shipper

Interactive dashboards that provide drill down to shipment & SKU level

OpenPort logistics protocol with real-time analytics of information direct from asset owners

Reconciliation reporting with approval logic from ePOD

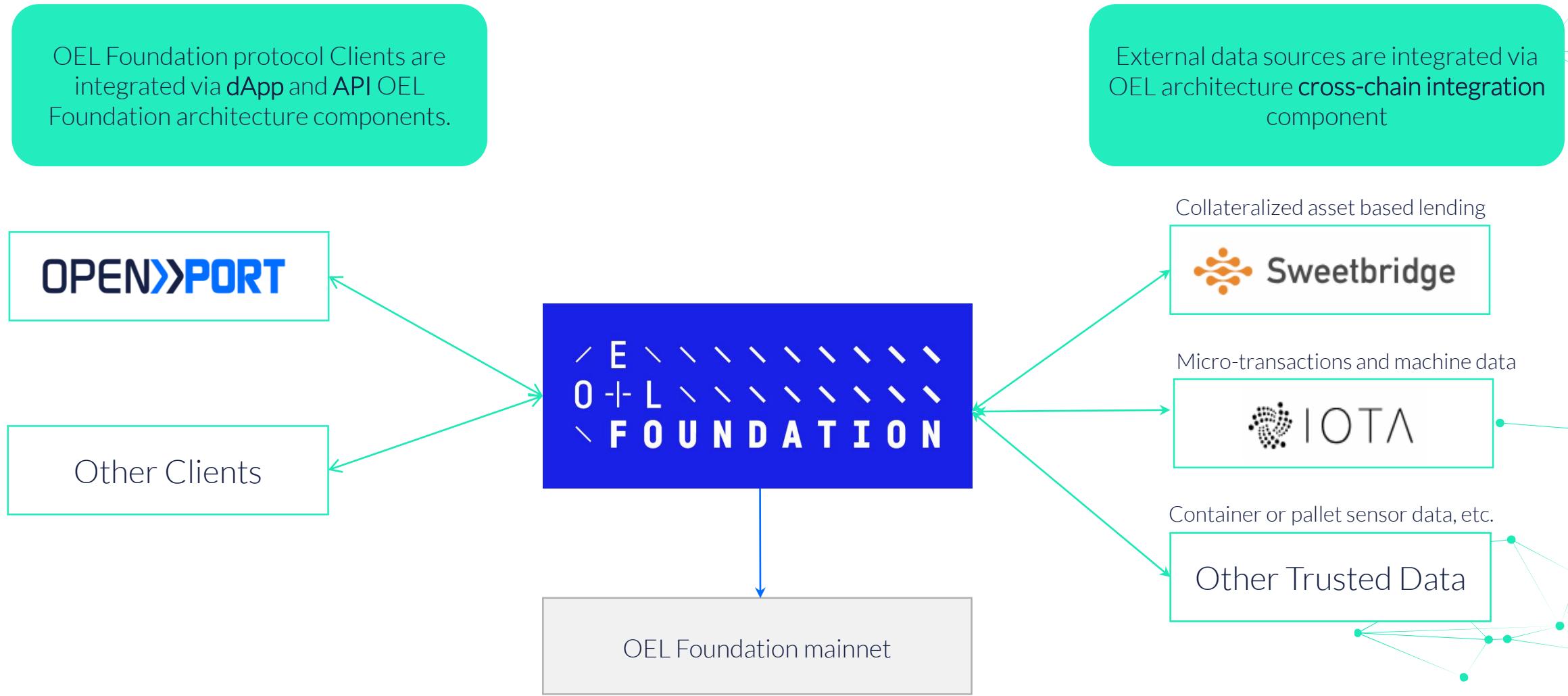
Automated rating of transporters



Cost by shipment and provider down to transported material

Predictive modelling with email and dashboard alerts

Context Diagram: Supported Uses



OEL Protocol and OPN Token

Protocol

The OEL Protocol is a smart contract platform, optimised to satisfy four key criteria for logistics applications:

- **Low costs and consistent transaction speed**
For Scalability
- **Data confidentiality**
For enterprise grade applications
- **Rewarding data sharing**
For bridging the gap between the physical supply chain and the decentralized ledger
- **Open collaborative governance**
For ensuring standards required of all participants in the supply chain

Token

The Protocol is powered by the OPN (“open”) Token. OPN is a utility token with the following roles:

- **Fuel smart contract validation**
Validation by nodes under an nPoS mechanism
- **Micro-rewards**
To incentivise and reward active and passive data-sharing by participants in the supply chain
- **Point of access**
To manage authorization, participants require a given number of tokens to push, be party to or receive information on the network
- **Proof of Stake**
nPoS is required to run nodes and confirm identity

Protocol and Token for Logistics



Power “Token with Attributes”

Utilize capabilities of new generation token
Optimized for logistics use cases (ePOD, micro-rewards, supply chain analytics, compliance)



Security and Audit

Full data privacy
Transaction control and error handling
Audit trail for compliance – make sure the financial value goes to those who are entitled



Speed and Cost

New consensus mechanism “notarized Proof-of-Stake”
Low transaction costs
Fast processing time



Scalability

Open ecosystem
Right incentive for multi-market and multi-modal adoptions across a large variety of supply chain participants



**Token allows creation of an OpenPort Ecosystem via scalable unit economics
We control the cost of consensus, smart contracts via alliance partners and optimise this long-term for our use cases**



Experienced Management Team and Advisors



Johanne M.A. Lim
VP Product



Relly Noman
VP Engineering



Sam Coyne
VP Marketing



Olga Dontsova
General Counsel



Mark Nelson
CTO



Puneet Dutta
India Manager



Pierre Carlo Curay
Philippines MD



Tiger Wang
China/HK MD



Aamir Haroon
Middle East MD



Garrett MacDonald
Blockchain Architect



Max Ward (CEO & Founder)

10 years APAC sales experience with the world's largest supply chains. Vice President of Business Development APAC at Agility Logistics, Head of Consumer Retail Asia at DHL. Silicon Valley entrepreneur with 2x start-ups. Thunderbird MBA.



Morten Damgaard (COO)

Former CEO at Agility Logistics, vast experience managing large, complex organizations in Asia. VP Strategic Accounts, SVP Sales & Marketing at Agility. Director South China & Hong Kong at Maersk, Sn. Director North Asia at Damco, Columbia University.



Nicolas Husson (CFO)

Prior to joining OpenPort, Nicolas worked for BNP Paribas APAC investment banking division focusing on cross border merger and acquisition transactions in the Energy and Natural Resources sector in Asia. A French national, Nicolas graduated from Ecole Centrale Paris and Tsinghua University .



Paul Bell (CIO)

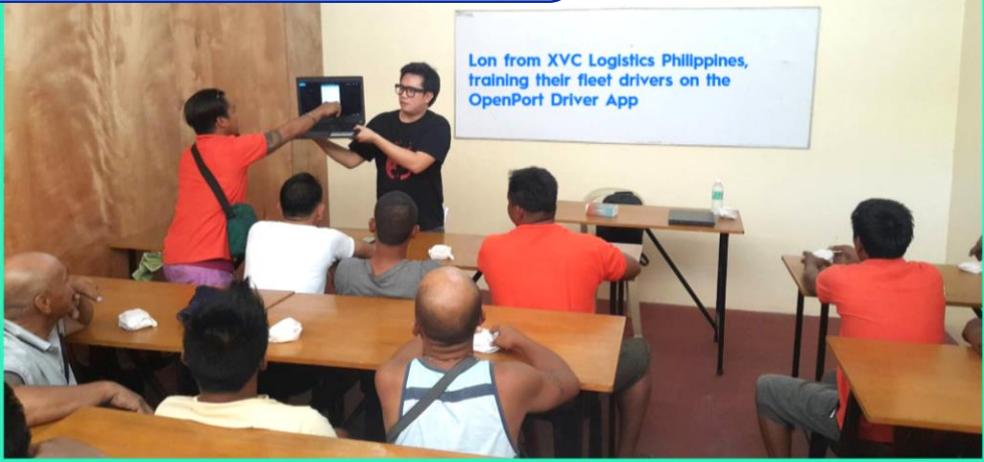
Prior to OpenPort, Paul was the Managing Director at Powlett Group, providing IT, Logistics and Supply Chain Solutions consulting to ASX listed FMCG and Transport industries. Before Powlett Group, Paul held senior solutions roles at Visy Logistics, Toll and Accenture. Paul has worked across the US, UK, Europe and SE Asia.



Hans Hickler (Management Board)

Founder & CEO of Ellipsis Advisors, providing C-Level advisory services to large-cap, mid-cap and early stage businesses. Former CEO of APAC for Agility Logistics, CEO of DHL Global Customer Solutions, CEO of DHL Express USA, and CEO of APL Logistics, serving on the global boards of both DHL and APL. Brown University.

Philippines Driver Training



Pakistan Team



Learnings

Implementation

LEAN approach on implementation with flexibility to respond to local market conditions

- Micro-incentives for drivers owner/operators
- Loans for smart phones paid with micro-incentives
- Focus on the most relevant uses for smart contracts, e.g. detention
- Paper process may still be needed – but up to 80% of the payment process can now move on digital + blockchain, eventually the paper will become redundant (pending regulatory changes)

Applicable Benefits

- Key Use case is reducing cost of capital on liquidity
- Both via new Blockchain and other tech providers as well as traditional banks
- Reduction in cycle time, discount rate, and scalability of factoring solutions
- (from one shipper to few transporter, now many shipper to many transporter)
- Next up – more countries and the goods value themselves (PO from retailers)

Speeding up cash flow is our primary use case and benefit

Summary – OpenPort



Making Blockchain Real across Asia and soon North America



Focus on application to payment use cases for large enterprise transport



Approx. 6m USD revenue run rate, already in business with some of the **largest FMCGs and 3PLs**



Seeking investment partners to accelerate growth to 12m USD revenue run rate within 2018



Setting the new benchmark on cost of capital for transport with Blockchain



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