

SMART CONTAINERS

Temperature sensitive logistics. Revolutionized.

Smart Containers combines cutting-edge container technology and IoT sensors integrated into a logistics ecosystem.
All on the blockchain.

White paper

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Contents

Executive summary	3
Introduction	6
The logistics industry is ripe for disruption	6
Smart Containers Group: Technology leading high tech container provider to push logistic boundaries	10
Who are we?	15
Base Technology	18
What has been achieved so far?	20
What do we want to achieve in the next three years?	23
How will we make this ICO a long term success?	29
Deal structure for the SMARC token	35
Deal structure for the LOGI token	36
Buying procedure and minting of tokens	37

Executive summary

Who are we?

Smart Containers Group, (Swiss registry of commerce, UID: CHE-141.664.882), is a Swiss-based technology company that provides the safest temperature-controlled containers to transport sensitive pharma goods and food around the world. Our goal is to secure sensitive goods and to make sure no one ever receives a compromised product. The unique combination of cutting-edge hardware, highly efficient software and unique services, has placed Smart Containers Group as a fast-growing service provider and highly attractive investment proposition with a potential exit scenario within a few years.

The disruption we aim for

Smart Containers Group aims to substantially grow its business to meet global standards in high-value pharma and food distribution. To scale the business, the management has decided to approach the cryptocurrency community for funding of USD 36 m via the **SMARC token**, that grants 20% of future profits (dividends and potential exit gains).

The logistics revolution, however, will come from our second project. The management has detected a game-changing opportunity to create a **fully integrated, seamless logistic ecosystem**, open to all entities within the industry and based on blockchain technology. This ecosystem will be called **LOGI CHAIN**. To build and fuel this open source ecosystem, a **utility token** will be created under the name **LOGI token**. An independent foundation will be the sentinel of the LOGI token and the LOGI CHAIN economics. To fund this project, a small part of the LOGI token in the value of USD 4 m will be offered to the crypto community.

Smart Containers Group is a growing high potential company already. Why does it raise funds through an ICO rather than venture capital companies?

- Smart Containers Group has raised more than USD 25 m of investments through private investors for all its companies (Smart Containers Group, SkyCell & FoodGuardians) in traditional financing rounds.
- It is in its company structure a highly lucrative target for venture capital and private equity investors. The goal however, is to rely on a larger network of involved supporters and investors, which do not limit its entrepreneurial activities to financials, but supports it in a sustainable way.
- A fund raise through an ICO will allow Smart Containers Group to go beyond the current limitations, thus resulting in a wider reach of interested persons and an immutable audit trail of transactions on the blockchain.
- The ICO will allow Smart Containers Group to keep control of all entities and not be forced to exit in a predefined amount of years. The founders and majority shareholders prefer to scale the business in the pace that they deem healthy and sustainable. They are not in for a quick return but for the fulfillment of building a truly valuable business that helps to improve the world.



„Smart contracts will allow logistics to decentralize and become infinitely more efficient and sustainable.“

RICHARD ETTL,
CEO & CO-FOUNDER

„Our vision is to create a fully autonomous, integrated container based on blockchain technology.“

NICO ROS,
CTO & CO-FOUNDER

Why is this an interesting project for the cryptocurrency community?

- Smart Containers Group is an established company which is already operational and generating revenues. Most other ICO's only have an idea and a whitepaper.
- Smart Containers Group is a highly attractive Swiss high-tech company, financed by investments from high net worth individuals and family offices.
- SkyCell, part of Smart Containers Group already has close to 100 patents and two strategic partners, Emirates and Cargolux, giving our blockchain technology direct access to the industry.
- We will establish a powerful and profitable logistics system. We have a proven track record on the hardware side, and now we will focus on software by:
 - Invoicing through smart contract payments in cryptocurrencies
 - Tracking using blockchain technology
 - Creating the perfect autonomous shipping parcel

In brief:

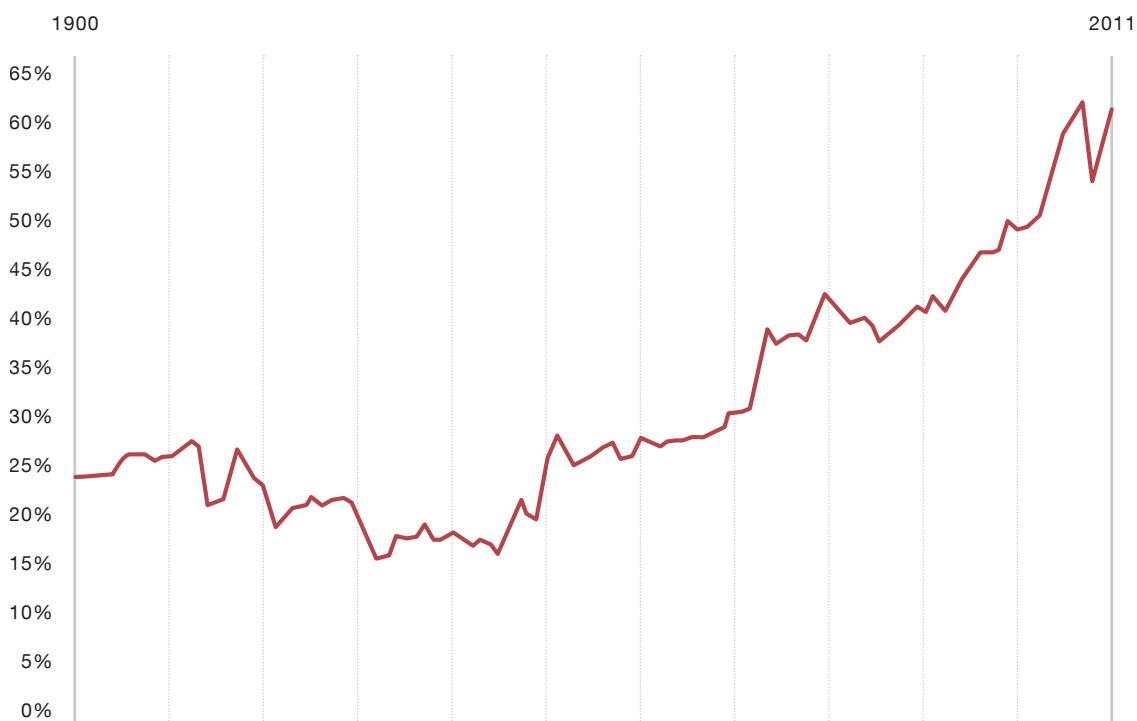
- Fully operational for over 5 years
- Base technology protected by close to 100 patents
- Key clients such as Roche, Takeda, Novartis, Kedrion, Grifols, Alagan, etc.
- Industry game changer in both hardware and software

Introduction

The logistics industry is ripe for disruption

The shipping container, the barcode, parcel tracking software: revolutions in global trade have always been determined by technology. Thanks to these milestones, we can send any goods anywhere in the world. For the past hundred years, global trade has been growing exponentially, and logistics services have grown at the same pace:

Globalization 1900 – 2011



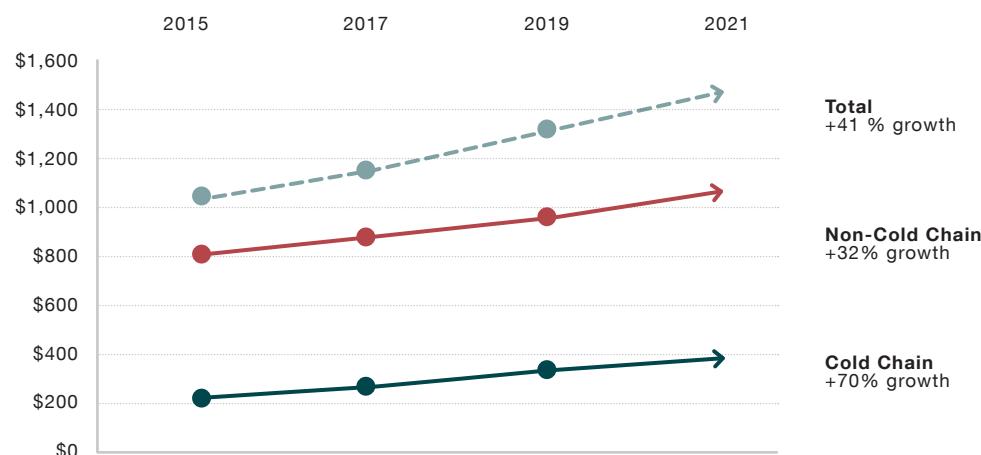
Sum of world exports and imports as a share of world GDP (%).
Source: www.worldbank.org/international-trade

As transported goods become more sensitive, the need for a trusted and reliable transportation infrastructure is increasing. This is especially important for products which require a higher level of secure transportation and handling, such as pharmaceuticals and food. Today, this challenge weighs heavily on pharma and food companies.

Pharmaceutical product distribution: An interesting growth market

The pharmaceutical industry has already seen a drastic change and pharma companies have become more and more high-tech. But the biggest transformations in pharma logistics are still ahead of us. The following numbers support this trend in the growth of pharma logistics.

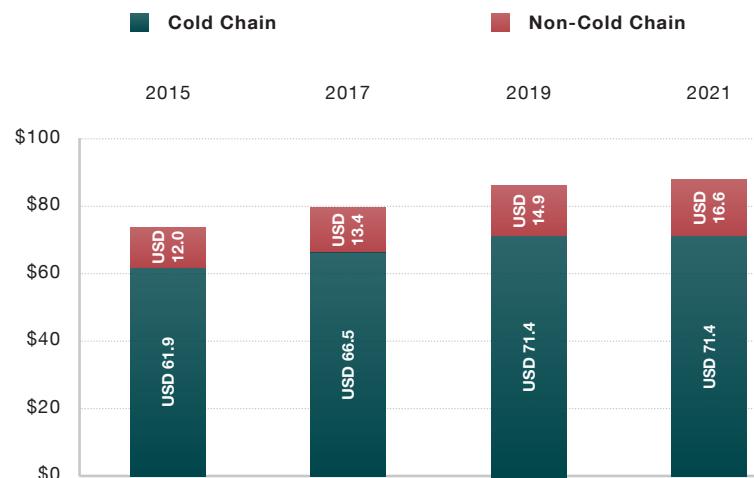
Global biopharma sales 2015-2021 (billion USD)



Sources: 2016 forecast by QuintilesIMS Institute and Evaluate Pharma; Pharma Commerce analysis

- Currently, more than USD 1.1 trillion of pharmaceutical products are shipped around the globe each year.
- Of these, over USD 283 b (26%) are cold chain related, with a forecast growth of more than 70% by 2021.
- To transport these temperature-sensitive pharma products, the pharma industry spent USD 13.4 b in 2017, which is projected to rise to USD 16.6 b (+24%) by 2021.

Global biopharma spending (billion USD)



Cold chain logistics costs represented 16.7% of overall pharma logistics spend in 2017
Source: Pharmaceutical Commerce, 2017

However, today's logistics networks and packaging solutions fall short of the requirements of those highly sensitive products. The World Health Organization estimates that 40 % of vaccines degrade, due to temperature deviation during transport reducing their effectiveness and consequently diminishing patient protection! It is estimated that pharma companies have to throw away products worth more than USD 2.5 b per year due to temperature deviation during transport.

Consequently, regulators have recognized the need for stricter transportation policy and the EU released guidelines for Good Distribution Practices (GDP), also called 'Good Supply Practices' (GSP) in certain markets, which came into effect in 2016. Almost all western countries outside the EU and most emerging markets follow this guideline because governments prevent the import and sale of spoiled medication.

GDP standards currently apply up to the pharmacy. However, it is only a matter of time until they will be extended to the entire pharma distribution chain, including the last mile to the patient.



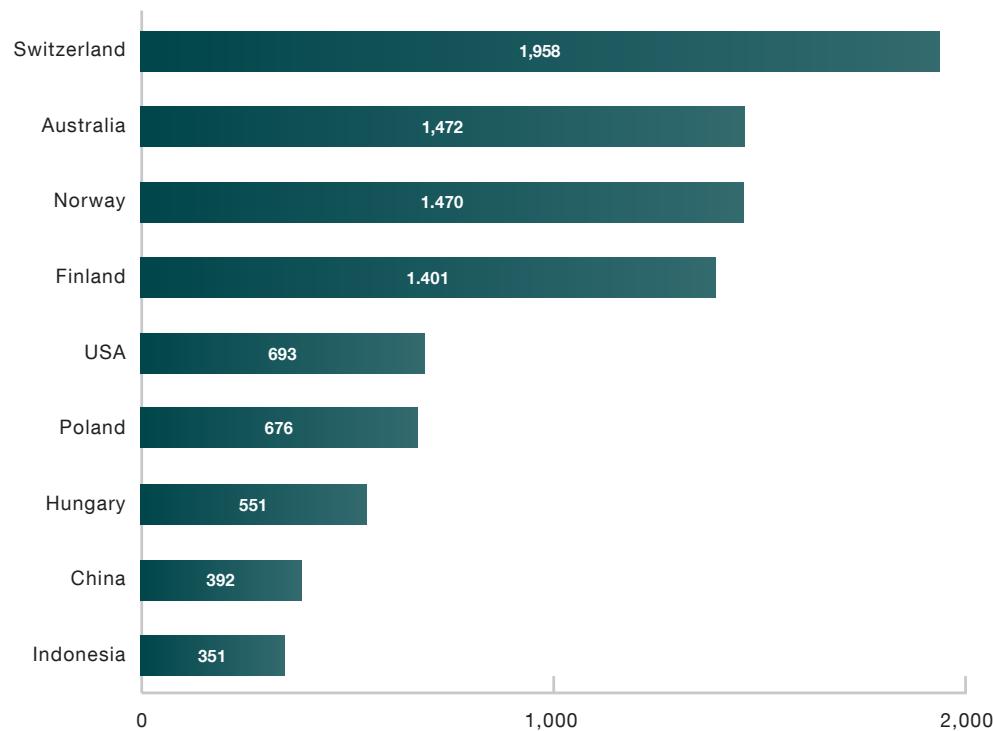
Figure 4-1 Intermediate steps and health in pharmaceutical distribution

Food distribution: Increasing food safety and consumer convenience

Food distribution is witnessing the development of similar guidelines and laws as the Good Distribution Practice for pharmaceuticals.

Due to the increasing demand for fresh food in developed countries, the perishable distribution market is steadily growing. In addition, home delivery is increasingly common, leading to new logistical challenges and opportunities for perishable products.

Developed countries spend more on fresh food



Figures per capita in USD in 2014 (Source: The Nielsen Company, United Nations, and US Dep of Agriculture)

Food safety is a key concern for supermarkets and fast food chains, as any food safety scandal can have serious consequences. Therefore, new technologies like blockchain will play a major role in the future of food distribution.

Smart Containers Group: Technology leading high tech container provider to push logistic boundaries

Scaling our existing activities

At Smart Containers Group, we began to solve these logistical problems 8 years ago, when we decided to research different technological solutions for moving goods, in collaboration with scientific labs (EMPA – Leading Swiss Institute for materials science and testing; Fraunhofer Institute – leading German Institute for materials science and testing), financed by various research grants.

Today, we have achieved considerable economic success in our primary field - pharma logistics - through our first division company SkyCell (www.skycell.ch). In less than 5 years, SkyCell has grown into the fourth largest pharma container provider with a globally available pool, a strong client base, strategic partnerships (Emirates & Cargolux) and over 80 team members around the world (35 employees and 45 subcontractors). Our company is growing fast, and we are very proud of what we have achieved so quickly.

SkyCells` container fleet today:



SkyCell 2500C

SkyCell 2500CRT

SkyCell 1500C

SkyCell 1500CRT

SkyCell 770C

SkyCell 770CRT

However, we are aware that our state-of-the-art technology has many more application fields. Thus we are entering the food logistics industry with our second division company FoodGuardians (www.foodguardians.ch). We are currently negotiating partnerships with well-established players in the industry. FoodGuardians will provide the technology to produce state-of-the-art and cost-efficient containers, while our partners will provide a fast route to market ensure the company scaling.

To scale both companies, we have decided to approach the cryptocurrency community for funding of USD 36 m via a SMARC token, granting 20% of future profits (dividends and potential exit profit) when the company generates surpluses.

Revolutionizing the logistic industry

As part of our proposition, we are conducting an additional project to disrupt and revolutionize the logistics industry. Many in the blockchain community believe the new solutions generated through this technology will disrupt two industries first: finance and logistics.

We agree with this view and see the potential. As experts with solid business relationships with the largest industry players, we have decided to tackle logistics. History has shown, that disruption will not come from large conglomerates, but from small, agile and innovative entities that know the industry and can afford to overthrow certain rules. This is us. We proved our skills by launching completely new, cutting-edge technology containers five years ago. We entered the market as a ‘nobody’, and today we are recognized as the best solution on the market with the fourth largest fleet of pharma containers worldwide.

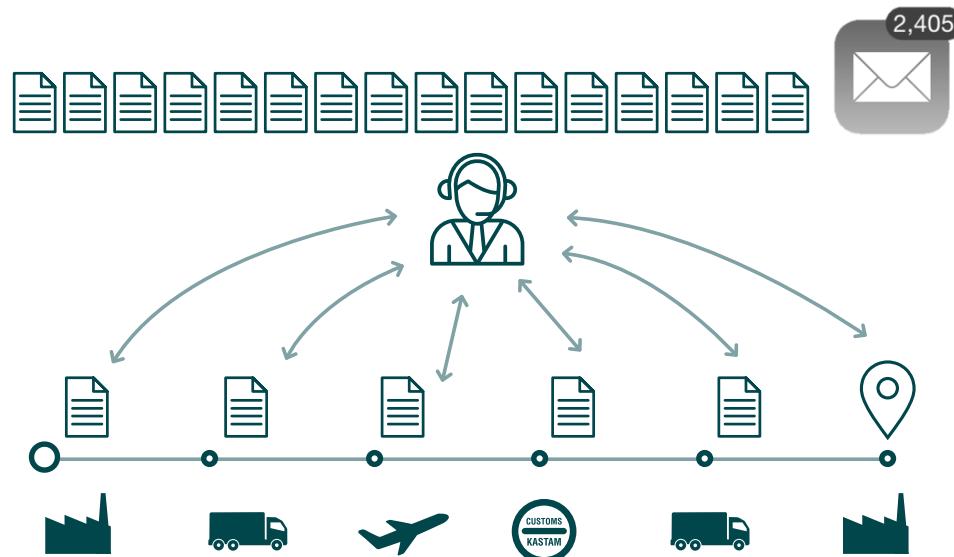
In getting here, we’ve come to realize how inefficient and complex the logistics process is. To ship a parcel between two countries, some two hundred different documents and communications (manual emails) are needed to align every party to the shipping process. It is more expensive to administer a shipment than to execute it.

Some examples of documents needed for just **one** temperature-sensitive air freight shipment include:

- Documents of origin
- Material safety sheet
- Airway bill
- Bill of lading
- Transport order
- Customs declaration documents & bills
- Invoices
- Product data sheet
- Storage conditions
- Transport conditions
- Multiple service provider billings
- Licenses

The logistics process requires large teams on all sides to tackle this email flood and generate the correct invoices. Meanwhile, huge SAP centralization projects have failed to produce desired outcomes. With so much inefficiency, it is evident that the situation is highly ripe for disruption.

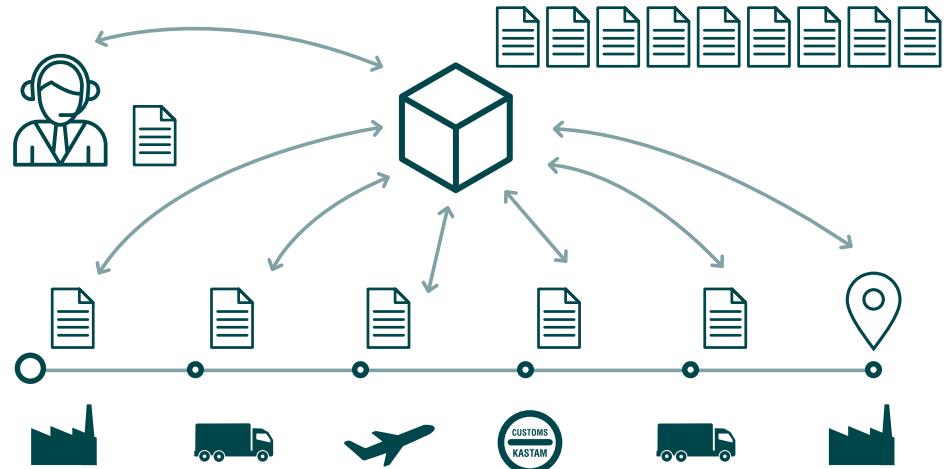
The problem: centralized processes



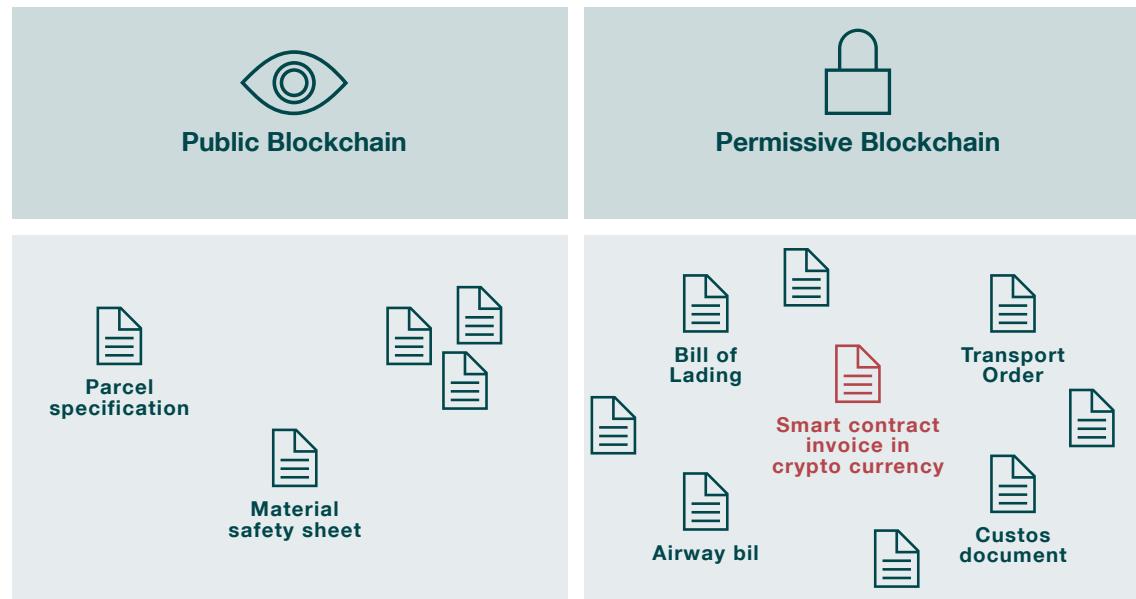
We have identified an important opportunity to create a fully integrated, seamless logistics ecosystem, open to all participants within the industry and based on blockchain technology. This ecosystem will be called LOGI CHAIN. The goal is to eliminate paper and disconnected information like email. The second step will be to automate billing of containers through smart contracts and cryptocurrencies.

Here's how the plan works: A physical logistics unit (e.g. a container, parcel, product, etc.) is mirrored as a virtual product (chip) on blockchain infrastructure. The virtual chip is available to every user at minimal cost. Various documents and attributes can be linked to the chip and made accessible to the relevant parties in the process (e.g. customs officers, freight forwarders, contractors, shippers, buyers, warehouse workers).

The solution: decentralize



Some documents will be open to the public and can be viewed by everyone on a public blockchain like Ethereum. Other more sensitive and private documents will require a permissioned blockchain infrastructure such as Fabric or Corda. Other infrastructures such as NEM, EOS or NEO are considered as well. The different parties in the shipping process will access the documents through an open source reader.



This ecosystem will generate considerable efficiencies such as reducing costs, shipping delays and CO₂ by eliminating paper and un-integrated emails. This will culminate in the creation of an autonomous shipping parcel that is invoiced automatically through smart contracts and paid for in cryptocurrencies. As this information is available in real time, the relevant parties will be able to take action quickly when a problem occurs in the supply chain.

Inspired by the Linux Foundation, the LOGI CHAIN Foundation wants to achieve the same goals in the logistics space. Therefore, the LOGI CHAIN Foundation is for every player in the market. The members will work together to solve complex problems in business and technology through open source collaboration. The LOGI CHAIN foundation will include relevant players (freight forwarders, airlines, customs, container providers, pooling companies, etc.). The free system will be defined via open source code available on GitHub. However, all code updates will be approved by a foundation board vote.

To build and fuel this open source ecosystem, a utility token will be created under the name LOGI token. All transactions made in the LOGI CHAIN will be paid in LOGI tokens. There will be a finite amount of 100 m LOGI tokens created, and only a minority of them (20%) will be released during the ICO process, funding the first two years of costs for the development of the ecosystem with USD 4 m. The independent foundation board will be the sentinel of the LOGI token and the LOGI CHAIN economics. We expect the LOGI token to appreciate over time since more and more players will enter the ecosystem and the coin supply is limited. The LOGI token will become the premier reference payment currency to process a shipment efficiently worldwide.

In the upcoming sections, we will elaborate more on the following questions:

- Who are we and what is our base technology?
- What do we plan to achieve in the next three years?
- How will we make this ICOS a long term success?
- What is the deal structure for the crypto-community?

Who are we?

Smart Containers Group is a Swiss Company Holding that has been operational for five years. During that time, we have developed cutting-edge, high-tech container technology for various industries. Smart Containers Group is a majority shareholder of SkyCell (Pharma Application) and a majority shareholder of FoodGuardians (Food Application).



Safest Pharma Containers.
Worldwide.



Fresher, qualitative food.
Glocally.

The team behind Smart Containers Group



Richard Ettl,
Chief Executive Officer & Co-Founder
Since he was a child, Richard has always wanted to know exactly how things work. This grew into a passion for engineering and management. After growing up in Vienna, Austria and studying in Stanford USA and the University of Fribourg, Switzerland, Richard began his career at Bobst Group, a global leader in producing packaging machines.

In 2009, Richard decided to launch his own business together with his university friend Nico. After broad scientific research and various proof of concepts, they founded Smart Containers Group as well as SkyCell in 2012. Since then Richard has lead the companies to commercial success, seamlessly finding the right partners and investors at crucial points, as well as convincing more and more clients of the unrivaled benefits SkyCell can offer.



Nico Ros, Chief Technology Officer & Co-Founder

Nico is the mastermind behind Smart Containers Group and its technology. Growing up in Basel, Switzerland, he discovered his passion for mathematics very early on, which spurred him to study mathematics, physics and engineering. A natural talent, he won prestigious architectural prizes during his studies and quickly became managing partner at ZPF an engineering company in Basel. Nico has constructed the most expensive buildings in Switzerland in collaboration with the famous architects Herzog & DeMeuron. Nico's key strengths are his state-of-the-art engineering expertise and his efficient team management, leading highly complex, multimillion franc projects to success.

However, engineering was not enough for Nico. With his passion for business and management, he decided to complete additional studies at the University of Fribourg, meeting Richard along the way. Everyone who meets Nico rapidly becomes aware of his sharp mind and his passion for inventing new technologies. It is therefore not surprising, that both he and Richard have ended up where they are today, together.



Andreas Ernst, Chief Financial Officer

Andreas is the company's logistic finance expert. He spent his entire career in various financial roles at logistic service providers: from Swissair (today Swiss International Airlines), to Swissport (the biggest ground service provider for airlines) where he was regional CFO for the Middle East and Africa. His last role before joining Smart Containers Group was CFO of Unitpool (now called Unilode), the largest independent air-freight container pooling company in the world.

He brings with him extensive field experience in financial leadership, corporate finance and M&A projects and knows the industry inside out. We are confident that Andy has a vigilant eye on our scaling process and the potentials it brings with it.



Thomas Taroni, Head of IT

Thomas is an IT-architecture mastermind. His first claim to fame is the creation of the largest media database, shared by all media houses in Switzerland: more than two million articles are uploaded every year, then queried and shared seamlessly and efficiently among multiple news companies. He founded his own IT company to design IT architectures focusing on process automation (eliminating paper and endless emails), and as a result won other clients (large banks, pharma companies and publicly tendered government contracts). SkyCell became his client when they needed a bespoke asset management system to track and trace their containers around the world. He joined SkyCell four years ago and has since become the head of IT for all companies in the Smart Containers Group.

Thomas has the unique ability to envision business processes rapidly in IT architectures. He has a “no bullshit” attitude and loves simplicity. This is why every system within Smart Containers Group is already built on parts of blockchain technology. As a result, we currently collect over 5 m container data points every month, and this number is increasing rapidly.



Carla Bünger, CMO & Business Development Manager
Carla is a marketing and sales expert. She derives huge satisfaction from building strong brands on solid foundations and convincing clients to buy their products. She gained her experience through managing various international consumer brands for companies such as Nestlé, Lindt and Coty. She discovered her passion for blockchain technology roughly 18 months ago and has been an active participant in Switzerland’s Crypto Valley Community ever since. The sheer endless application possibilities make her strive for more, and she draws energy and enthusiasm from developing new business schemes based on the technology.

Her “can do” attitude helped put together the high-level advisory team around our ICO. As connector and advisor to various blockchain start-ups like Lykke, she brought this project to life and will ensure its outcome.



Base Technology

Nico Ros our CTO & Co-Founder, had a vision of a new insulation technology which would provide best-in-class insulation, while being 100% recyclable. More than 50 man-years of research (about 100'000 hours of engineering) were poured into an unprecedented, highly efficient insulation material. This cutting-edge solution reflects the maximum radiation while minimizing heat conducting. It is the most patent-protected insulation technology on the market.

When designing cooling containers, insulation is half the rent. Combined with this highly efficient solution, Nico and his team invented an ingenious cooling technology that stores five times more energy than traditional methods to keep the container at a steady temperature. Consequently, all Smart Containers are automatically recharged through cold air without any manual interference.

However, we have not reached our final stage of development yet. Although we are already recognized as the best solution on the market, there is still room to improve performance five-fold or decrease the weight / volume of containers further. Our R&D team is constantly improving upon today's state of development and never rests on its laurels.

But brilliant hardware alone is not enough. It's the combination with our software that makes our business model so attractive. Today, we can track and trace the position, temperature, humidity and general condition of every container around the world with an infrastructure of sensors and gateways in all relevant logistic hubs. This high-tech solution, provides our clients with security and compliance unparalleled in the industry. No container is cleared for use unless our software indicates it is in perfect condition.



Our software is based on blockchain technology. Smart Containers Group has the largest air freight fleet of IoT containers on the market. Each container can be tracked around the world based on:



Humidity



Documentation



Temperature



History



Milestone



Specification

Combining hardware, software and services in this way has given us the lowest failure rate in the industry: a staggering 75x better than the market average.

The combination of all these elements is protected by 96 patents and forms the basis of all Smart Containers Group products.

What has been achieved so far?

First Application: SkyCell (www.skycell.ch)

- Fourth largest player in temperature-sensitive pharma logistics in just 5 years.
- Created the safest container on the market, with less than 0.1% temperature deviations in 2017 (market average 8.5%).
- Counts the largest pharma companies as clients to conduct the most difficult temperature controlled shipments
- 30% lighter containers, while carrying 50% more payload than the market leader (both generate up to 20% total cost savings and CO₂ reduction for clients).
- High level executive board of industry experts.
- Proudly partnered with two global key players: Emirates and Cargolux.
- Part of the IATA Time Temperature Task Force and strategic partner of IATA (International Air Transport Association).
- First air freight container company to accept cryptocurrencies for payments (from 2018 onwards).



Route to market and market potential

Business-to-Business: SkyCell initially focused on the palletized high-end temperature-sensitive pharma goods and is on the verge of scaling. The market size is at USD 1 b.





Business-to-Consumer: SkyCell is in the unique position to bring to market a solution to ship an individual syringe or other form of medication (auto injector, patch, pills, etc.). This system was developed over the last three years and perfected with one of our top clients. This direct-to-patient delivery is the future: studies of high level consulting companies estimate this market segment will become a USD 2.5 b market. We have no equivalent competitor in this field. Market launch is planned in June.

Financial results

SkyCell is already operational: a strong-performing company with over 80 team members (35 employees and 45 subcontractors) and solid financial figures available for analysis. However, we want to preserve our competitive advantage over our competitors, which prevents us from sharing this data publicly on the Internet.

SkyCell has already been approached by a competitor and strategic buyer twice for acquisition. Therefore, as a valuable company we must preserve this value and avoid leaking information about margins and market position.

Second Application: FoodGuardians (www.foodguardians.ch)

FoodGuardians offers the next generation of reusable containers and boxes for regional and global transport of temperature sensitive food products. The combination of patented cooling technology, cutting-edge insulation and blockchain infrastructure allows us to preserve a product's freshness and traceability.

Our vision is to allow your local butcher to order your favorite steak directly from the producing farm and send it straight to your barbecue.

This second division of Smart Containers Group

- has been founded and is up and running with initial investments secured.
- has secured feasibility approval for defined cost and technological attributes.
- is negotiating partnerships with major players in the field for a rapid route to market.
- has initial customers already in negotiation.

Route to market

- Business-to-Business (phase 1): Focus on palletized high value niche food (i.e. fish, chocolate, wine).
- Business-to-Consumer (phase 2): Regional distribution through a medium sized box that can be used for:
 - direct to home delivery for online retailers
 - supermarkets offering home delivery
 - distribution of high value temperature-sensitive products to restaurants and hotels (i.e. fish, meat, patisserie, delicacies)



What do we want to achieve in the next three years?

Blockchain integration

Today, SkyCell and future FoodGuardians containers are tracked and traced around the world by multiple gateways that send data to our centralized database built on parts of blockchain technology. Every container is equipped with a multitude of sensors that deliver the most precise data on temperature, humidity and location. This system has a proven track record and allows us to provide unparalleled services to our clients, making SkyCell containers the safest pharma containers worldwide, with temperature deviation results 75x better than the industry average.

With blockchain technology becoming more and more accessible and its increasing acceptance in the very conservative logistics field, we decided to rethink our IT infrastructure and determine whether this new technology could help improve our business model earlier than expected.

About 12 months ago, we concluded that blockchain offered a significant potential to reduce cost and scale our business. Since then we have been running tests and pilot projects to explore the technical feasibility of this idea. We will share our findings below:

1. Management of paper and email flood to ship own assets: the LOGI CHAIN

As an established company in the logistics space, we are extremely well-placed to become the global standard in the logistics industry. Today, we track and trace our containers through various sensors and gateways. This data is then stored and analyzed in a central database with a technology very close to a centralized blockchain. Even today, SkyCell already gathers 5 m data points per months.

The most inefficient part in logistics is the need for up to 200 documents and non-integrated manual email communications for each shipment. This requires a huge amount of manual intervention, which is costly and time consuming (see more details on pp. 12-14). In fact, it is more expensive to administrate a shipment than to effectively ship it.

We see an opportunity to move the paper trail of the container onto

blockchains. The publicly accessible parts of this record on a public blockchain like Ethereum, while private documents will be placed on a permissioned blockchain like Fabric from the Hyperledger Foundation. Stakeholders in a shipment will then get access to the relevant documents through an online reader and be able to process the relevant actions. We have not yet decided, which blockchain infrastructure will be the most relevant for this project. Many of them have already approached us, since we are the first logistics use case and therefore an interesting projects for all of them.

We quickly realized that this plan will only work, once a large portion of industry players have integrated the same process. This means the LOGI CHAIN needs to become an independent ecosystem, managed by a neutral foundation. Therefore, we have decided to build the LOGI CHAIN Foundation and assemble a board of credible industry experts to manage the LOGI CHAIN economics, including its payment tool, the LOGI token. Smart Containers Group will be a member of the foundation board, but will submit to the decisions of the foundation council, ensuring an impartial position is maintained.

2. Payment in cryptocurrencies to increase payment security and reduce fees

Today the container administration is done “manually”. This means one of our operation’s pool employees checks each containers position, invoicing the client on a case-by-case basis and then arranging for the asset to be recovered. This is a cost- and time-intensive process.

Example: SkyCell rents out a container for a shipment from Hyderabad, India to London in the UK. The lease fee is quoted at USD 3'000. However, the shipment is delayed and additional fees of USD 1'000 are accrued. After our operations team member changes the quote and sends an invoice, the payment arrives 6 weeks later and 5% of the amount is deducted for banking transfer fees out of India. This is costly, inefficient and needs improvement, especially as the number of our shipments increase.

Currently, our container sensors already “know” when a shipment has arrived at its destination and when its contents have been unloaded. Our vision is to integrate smart contracts in this process and automate the whole invoicing and payment process in this way. Payments will be executed instantaneously when the container is unloaded through cryptocurrency payments, reducing the fees and their transmission time to a minimum.

As of January 2018, SkyCell has announced it will accept payments for its container leasing in bitcoin and ether. We plan to accomplish the next steps in the process within 12-18 months.



The game changer: SkyCell ONE

As medicine evolves, the temperature sensitivity of the products increases. Therefore, the secure, temperature-controlled delivery, directly to the patient is key and has a disruptive market potential.

SkyCell has invested significant R&D power together with one of the world's leading pharma companies to develop a small container for this very purpose. Using this container we hope to eliminate the temperature insecurity of the last mile, from pharmacy to home.

There is also a strong case for cost reduction: pharma companies will be able to send a single syringe directly to patients by mail. Multiple layers in the pharma supply chain to reach the final consumer will be eliminated and patient convenience is greatly increased.

The product can also be co-branded by any partner, such as a pharmacy chain, that wants to rent out the SkyCell ONE to patients for home delivery, business trips and holidays.

SkyCell ONE CRT, +15° to +25°C
SkyCell ONE C, +2° to +8°C

The new direct-to-patient solution



Protects your temperature-sensitive medicine

- Superior performance – up to 72h temperature stability
- Ease-of-use – rechargeable in fridge/warehouse/truck
- Small and compact design – saving CO₂ and shipping costs

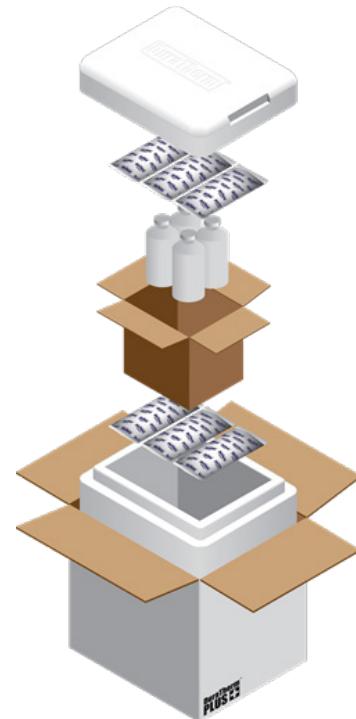
Route to market

- Phase 1: Launch with lead customer – in trials since June 2017 on an orphan drug product (extremely expensive and significantly life improving for the patient) > go live in June 2018
- Phase 2: Extend to two further customers (already in advanced testing) > Q3 2018
- Phase 3: Multiple distributors and courier companies evaluating and are interested to co-brand. Mass production of SkyCell ONE by Q4 2018.

Competitive Set

The only existing competitive solutions are Styrofoam boxes with gel packs or similar elements. However, these solutions are one-way and need to be disposed of after use. Moreover, they are only reliable under moderate climate conditions.

The beauty of our business case is that the SkyCell ONE can reduce total cost of shipping by up to 20%, even vs. existing Styrofoam boxes, since it is reusable and recyclable. Therefore, it is not only more secure and reliable, but also more cost-effective.



FoodGuardians: Extending our technology to improve food safety

Time is taste: Imagine your tomatoes tasting one day “fresher”. Our vision is to improve the freshness of food produce, reduce waste and improve consumer convenience in getting fresh produce for home delivery.

When it comes to FoodGuardians, we have the following priorities:

- Sign agreement (in final negotiation) with relevant distribution partners.
- Jointly develop different applications (e-commerce, supplying supermarket chains, fish traders).
- Finalize container design.
- Start container production.
- Extend current team with a high-level food logistics sales team.

Business Model

- Boxes are sold or rented on an annual basis and are reusable multiple times.
- Boxes can be returned to be serviced at the end of the year.
- Boxes come with IoT sensors to track performance and quality of produce.
- Fast volume growth to benefit from economies of scale.

Competitive Set

99% of the market consists of one-way Styrofoam boxes, with negative environment impact. Only 3% of Styrofoam used worldwide is recycled. The rest is burnt, creating harmful acid residues that send pollutants into the atmosphere.



FoodGuardians containers reduce total cost of shipping by up to 20% compared to existing Styrofoam boxes, since they replace heavy ice content with efficient, lighter and more reliable cooling technology. Therefore, the shipped content per box is higher, which lowers total costs. All FoodGuardians containers are reusable and recyclable, making them an ecologically sound proposition.

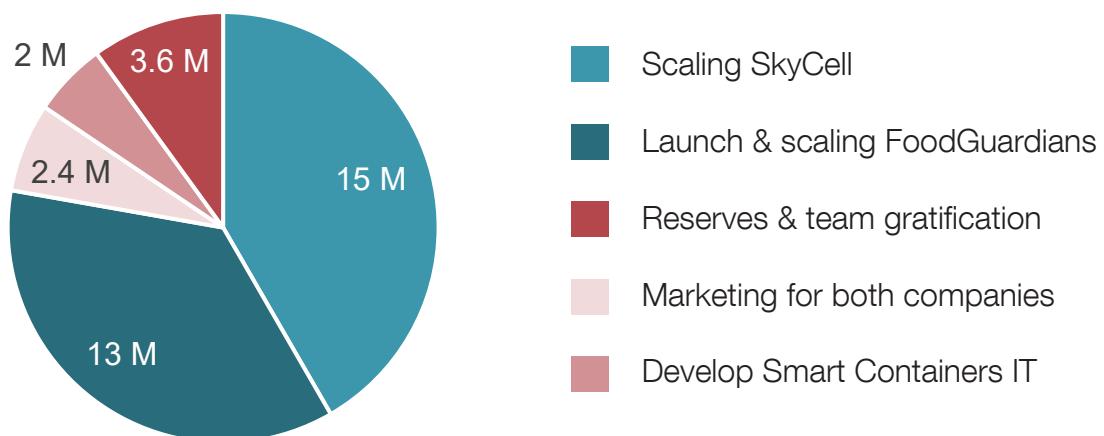
How will we make this ICO a long term success?

Since the cofounders and all token holders will have aligned interests and incentives, we are all in a positive-sum-game. We do not want to use the ICO as a speculative springboard, but as way of funding innovation and change the world. Both Richard and Nico are committed for the long-term and not interested in a quick exit. Our aim is to use the collected funds to continue pushing the following business areas:

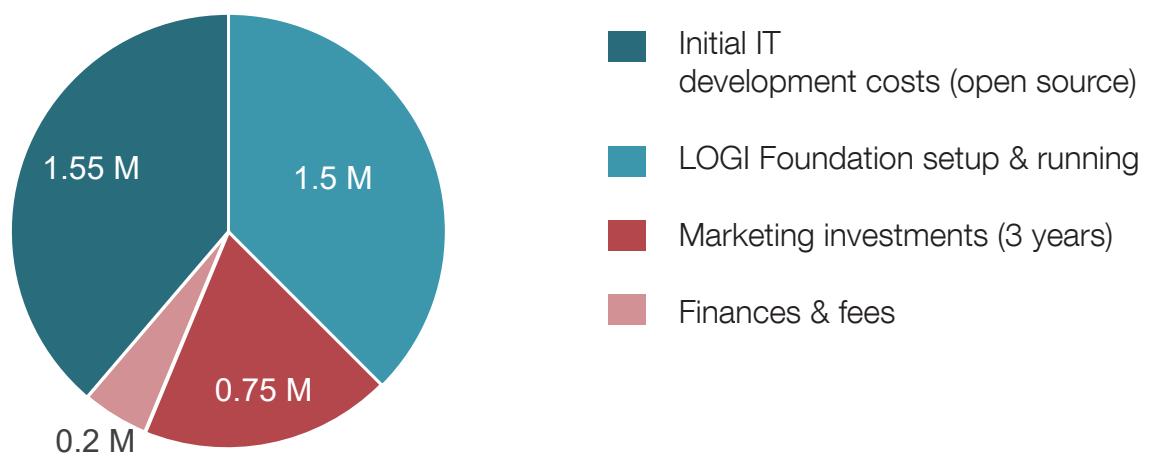
- Continue scaling of SkyCell in both B2B and B2C
- Establish FoodGuardians
- Establish the of LOGI CHAIN Foundation
- Regularly evaluate organic scaling vs. M&A
- Evaluate IPO at relevant time

Use of collected funds

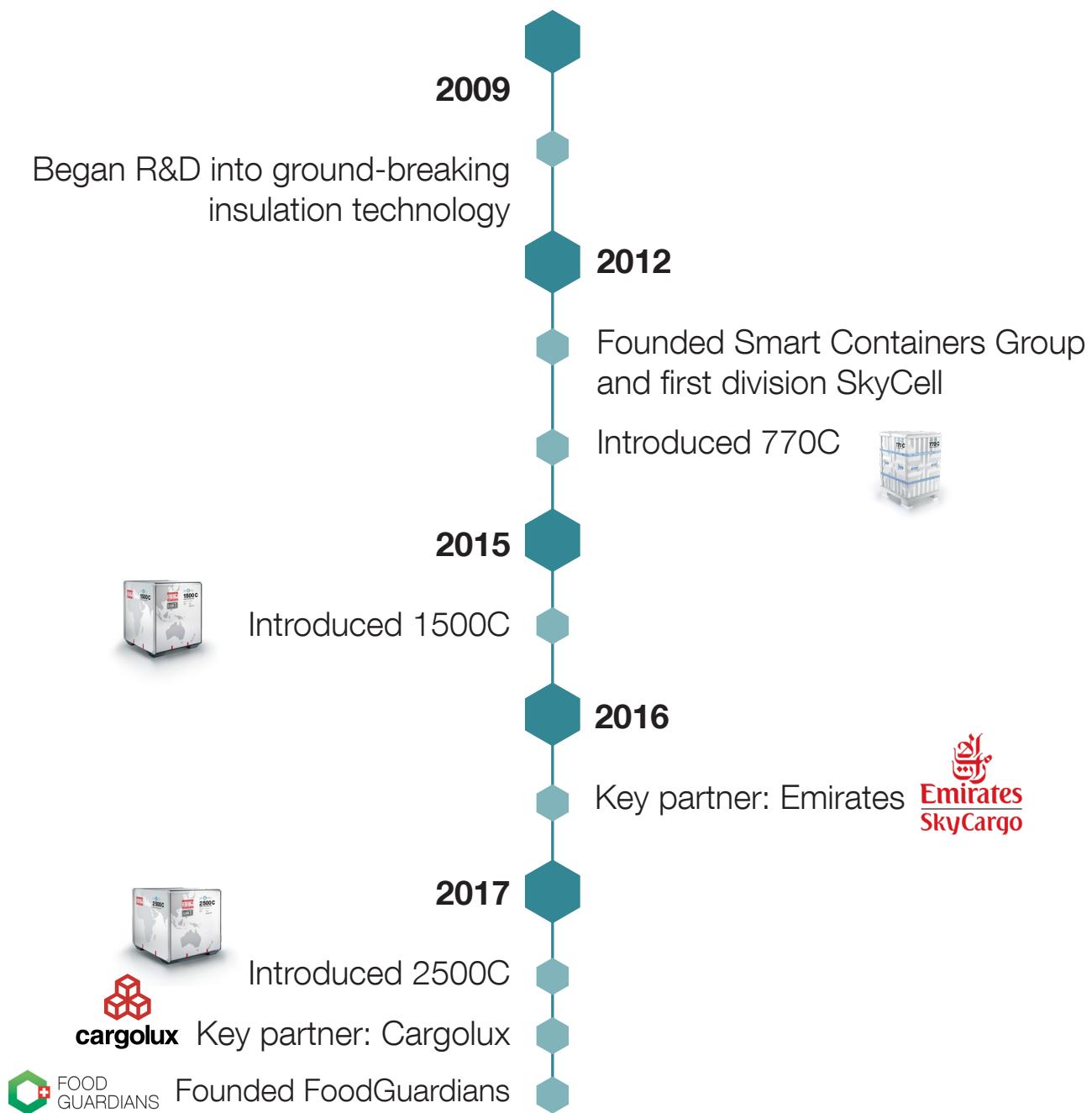
SMARC Coin (USD 36 m)



LOGI Coin (USD 4 m)

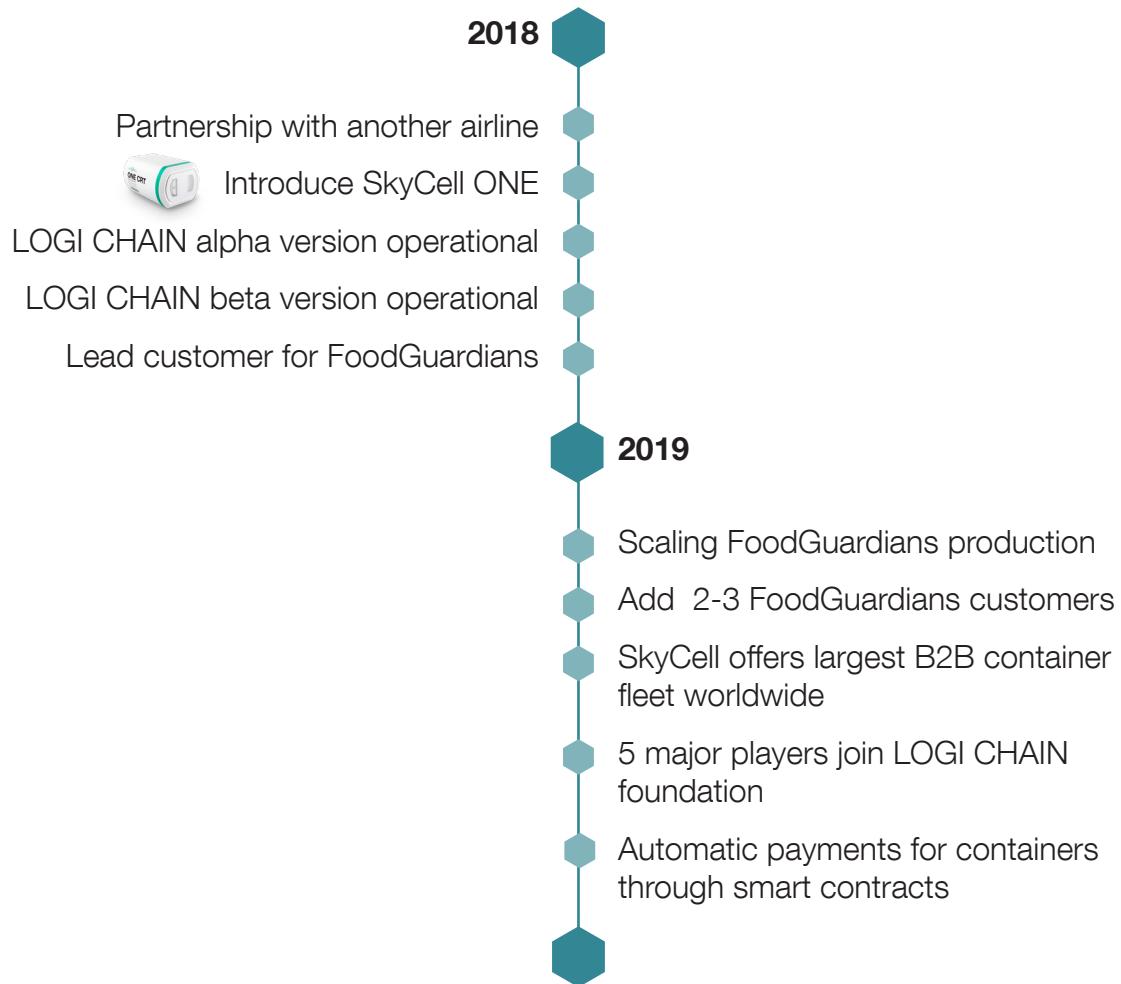


Past achievements



Future Milestones

We have high ambitions for Smart Containers and its subdivisions:



Planned listing of both tokens on secondary markets

While we cannot commit to a precise timeline, we are seeking to list both the SMARC and LOGI tokens on major exchanges within 2-3 months after our token generating event. The precise date and exchanges will be communicated to our investors in due course.

Sustainable scaling of the company

The goal of Richard Ettl and Nico Ros, Smart Containers Group's founders, is to build a global business which becomes the standard in high-value cold chain distribution. It is not unlikely that part or the entire business is sold to a strategic investor. SkyCell has already been pursued twice by a competitor and by a strategic buyer for an exit.

However, they are committed for the long-term and are not seeking a quick exit. They want to grow the company to an appropriate size before considering such steps.

Aligned interests between management team and token holders

Token holders benefit the same way as the founders do – through dividends or an exit. This creates a positive-sum-game for all participants.

Highly trustworthy advisory board

The founders have built an excellent board of directors for Smart Containers Group, SkyCell and FoodGuardians, consisting of biotech and high-tech investors as well as industry experts.

The team has also established an ICO advisory team with well-known names in the crypto world:



Strategic advisor:

Oliver Bussmann, is CEO and founder of Bussmann Advisory, former CIO of UBS and SAP and the president of the Crypto Valley Association.



Strategic advisor:

Marc Bettinger, altcoin and blockchain specialist and investor, Co-Host of Altcoin Meetup Switzerland (Bitcoin Association Switzerland)



Strategic blockchain advisor:

Dr. Fabian Schär, Managing Director, Center for Innovative Finance at the University of Basel, blockchain expert and author.



Technology partner:

Lykke Corp. our highly trustworthy expert in smart contract programming and ICO execution.



Legal advisor:

Gabriela Hauser-Spuehler was part of the team of MME, the well-known law firm in the crypto space.



Communications advisor:

David Wachsman and **Emma Walker** from Wachsman PR, the crypto community's most experienced PR agency.



Community management partner:

AmaZix has accompanied multiple successful ICO's such as Bancor. They are driving our community and bounty program.

Deal structure for the SMARC token

The SMARC token (SMARC) is a profit share token: 20% of future dividends and exit profits will be paid out to token holders. It falls to the Board of Directors of Smart Containers Group to propose how dividends will be distributed year by year. The General Assembly of Smart Containers Group approves or rejects the dividend plan. A payment equivalent to 20% of this amount will be converted to ether and sent to the SMARC token smart contract. The SMARC token smart contract will evaluate the current holdings and distribute the profits to the token holders in ether.

In the event of an exit of one of the sub-divisions, the same process as described above applies.

The maximum total supply is 150 m tokens. 120 m tokens (80%) will be offered in the initial coin offering, while the rest will be used to cover the ICO costs and align the interests of the Smart Containers management. The hard cap for the ICO is USD 36 m. The price per token is fixed at USD 0.432.

Pre-Sale

The token pre-sale will be private and will be conducted by invitation only. The pre-sale starts in April and comes with a 25% discount. The number of tokens sold at 25% discount is hard capped at 49.3 m tokens (=41%), raising USD 16 m.

Public Sale

The public token sale starts in May. 12.8 m tokens will be sold during the public sale, raising USD 5 m. The first tier will be sold with a discount of 15%. The second tier will be discounted by 10% and the third tier comes with a discount of 5%.

Oversubscriptions to a bonus tier will be allocated to the following tier. The estimated current bonus tier will be visible on our website (www.smartcontainers.ch). The displayed amount may change due to changing exchange rates and is therefore indicative. Final bonus tier and token allocation will be carried out post transaction. Oversubscriptions to the entire ICO will be returned to the investors after the closure of the sale.

Private Sale

The rest of the SMARC tokens are offered in a private sale to institutional investors.

Deal structure for the LOGI token

The LOGI token (LOGI) is a utility token that will be used to pay for transactions in the LOGI CHAIN ecosystem as soon as more logistics players enter the provided platform and start to process parcel ship-pings within the ecosystem.

The maximum total supply is 100 m tokens. Only 20 m tokens (20%) will be offered in the token sale, while 50% will be attributed to the LOGI CHAIN Foundation (to be founded) to fuel the system as more participants enter the market. 25% of LOGI tokens will be granted to Smart Containers Group to provide the foundation capital, initialize the ecosystem and rally first logistic partners around it. The rest of the tokens (5%) will be used to cover the bounty program and incentivize future board members. The hard cap for the ICO is USD 4 m.

Pre-Sale

The pre-sale is private and will be conducted by invitation only. The pre-sale starts in April and comes with a 25% discount on the price of USD 0.285 per LOGI token. The number of tokens sold at 25% discount is hard capped at USD 1.25 m, equivalent to 5.85 m tokens (29.3%).

Public Sale

The public sale starts in May. 3.9 m tokens are sold in 3 tiers with discounts cascading from 15% to 10% to 5%. This will account for an amount of USD 1 m.

Oversubscriptions to a bonus tier will be allocated to the following tier. The estimated current bonus tier will be visible on the token website (www.smartcontainers.ch). The displayed amount may change due to changing exchange rates and is therefore indicative. Final bonus tier and token allocation will be performed post transaction. Oversubscriptions to the entire token sale will be returned to the in-vestors after closure of the sale.

Private Sale

The rest of the LOGI coins will be offered in a private sale to institutio-nal investors.

Buying procedure and minting of tokens

To buy SMARC and/or LOGI coins, please register on www.smartcontainers.ch with your email and confirm the Terms of Token Sale. By confirming the Terms of Token Sale you represent and warrant, amongst others, that you are not a citizen or resident of a country whose laws and regulations conflict with the purchase of SMARC or LOGI coins and/or the participation in the token sale, and you explicitly confirm to not be a resident of the United States or resident of a country where United States embargoes and sanctions are in force, namely Iran, North Korea, Syria, Côte d'Ivoire, Burma or Cuba. For further representation and warranties made by you, please consult the Terms of Token Sale.

After confirming your email address, the wallet holding the future SMARC and LOGI coin will be created by our trusted technology partner Lykke Corp. Smart Containers will accept the following payment methods:

- Cryptocurrencies: BTC and ETH
- Fiat currencies through credit card: USD, CHF, EUR

The minimum investment amount has been fixed at USD 500. All our investors will have to pass KYC and AML verification processes in accordance with Swiss legislation.

In the next step the payback addresses for possible oversubscription payments will be added and the payment details will be communicated to you to deposit the investment amount. An email is sent upon successful confirmation of your payment. The conversion rate to USD is determined at the time of confirmation by official BTC/USD and ETH/USD exchange rates. Conversion to SMARC/LOGI coins is done post token sale. Therefore, the exact number of tokens distributed per investor will be communicated at the time of distribution of the token.

Minting of Tokens

The SMARC / LOGI tokens will be distributed at the latest 30 days after the token sale is closed. The code for creating the tokens is open source. All investments are allocated by their confirmation time to the respective bonus tiers. Oversubscriptions of a bonus tier get allocated to the following tier. The estimated current bonus tier will be visible on the token website at all times. Oversubscriptions to the entire token sale will be returned to the participants. Upon sign-off of the distribution, every investor will receive an email with their binding number of SMARC / LOGI tokens they receive and the date and time of distribution to their token sale wallet. For more information on regulatory and legal aspects, see the Token Terms of Sale Document.

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www.lykke.com



Important Information

This Whitepaper is provided by Smart Containers Group Ltd. for informational purposes only. Nothing in this Whitepaper shall be construed as an offer to sell or buy securities in any jurisdiction, or a solicitation for investment, or an investment advice. The Whitepaper does not regulate any sale and purchase of SMARC and/or LOGI tokens (as referred to in the Whitepaper). The purchase of SMARC and/or LOGI tokens is subject to the Token Sale Terms.

This Whitepaper describes the current vision for Smart Containers Group including its two subsidiaries SkyCell Ltd. and FoodGuardians Ltd. While we intend to attempt to realize this vision, please recognize that it is dependent on a number of factors and subject to risks. It is entirely possible that only a portion of our vision will be realized. We do not guarantee or warrant any of the statements in this Whitepaper, because they are based on our current beliefs, expectations and assumptions, about which there can be no assurance due to various anticipated and unanticipated events that may occur.

Blockchain, cryptocurrencies and other aspects of the technology used for this project are in their infancy and will be subject to many challenges, competition and a changing environment. We will try to update our community as things grow and change, but undertake no obligation to do so.

Due to the retrospective nature of regulatory action or guidance, we can make no guarantees regarding the legality of the Smart Containers Group token launch in any given jurisdiction. We must operate in accordance with the laws of relevant jurisdictions. As such, SMARC and/or LOGI tokens may not be immediately available in certain countries.

SMARC and LOGI tokens are non-refundable. No promises of future performance or value are or will be made. SMARC and LOGI tokens are not securities and do not generate the right of participation in the Foundation (once established) or Smart Containers Group Ltd.

This Whitepaper may be updated or altered, with the latest version of the Whitepaper prevailing over previous versions. We are not obliged to give you any notice of this fact or the content of any changes. The latest version of the Whitepaper in English is available at the website www.smartcontainers.ch. While we make every effort to ensure that all data submitted in the Whitepaper are accurate and up to date at the time each version is disseminated, the proposed Whitepaper is no alternative to consulting an independent third-party opinion.

To the fullest extent permitted by any applicable law in any jurisdiction, Smart Containers Group Ltd. and the Foundation (once established) disclaim all liability to you and everyone else in respect of the content of this Whitepaper, whether under any theory of tort, contract or otherwise and whether in respect of direct, indirect, consequential, special, punitive or similar damages. Persons who intend to purchase our cryptographic tokens (SMARC and/or LOGI), should seek the advice of independent experts before committing to any action, set out in the Whitepaper.

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