Smart Letter of Credit

B2B payment solution based on real time monitoring data

ALL MODALITIES

PACKAGED GOODS

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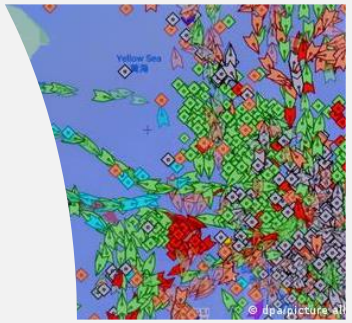
Problem Statements

Trade financing is still depending on paper documents

End2End shipment monitoring is locked up in Data Silos



Problem Statements

Bank-based Letter of Credit (L/C)

Paper-based
- Paper documents are still dispatched around the globe by mail and separate from shipment execution

Error prone
- The process is executed manually by at the advising and the issuing banks
- Even minor mistakes may lead to the loss of the bank guarantee for both trading partners

Expensive
- Depending on the country-, bank- and company, the cost of risk for both trading parties can reach up to 7% of the transaction value

Huge admin burden
- Any alteration in the contract or shipment documentation will lead to a new set of paper- based documents that will then need to be shared with all parties again

Shipment monitoring

Lack of data sharing
- Logistics stakeholders do not share shipment data effectively in a digital manner
- In logistics, collaboration and data sharing is still at a very premature stage
- Too many stakeholders obstruct efficiency

For some stakeholders intransparent execution is intentional
- Many stakeholders have no interest in forwarding freight in a transparent manner, as that would topple their business model

Many different data sources
- Each carrier and LSP has their own data sharing platform

IoT based Monitoring is at its beginning
- For Exporters and Importers there is no end2end monitoring available as yet

SmartLoC Platform Features and Benefits

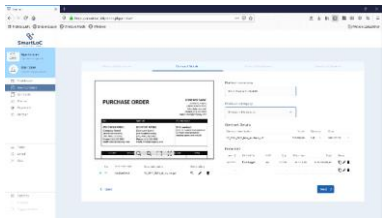
INTERMODAL COMPETENCE SGKV

IMPORTERS

EXPORTERS

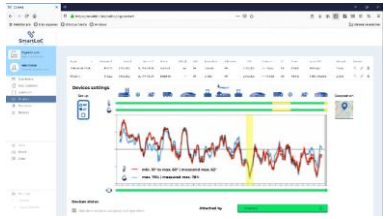
LOGISTICS

1.



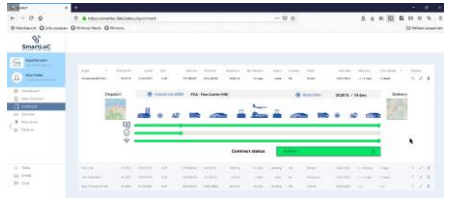
Collaborative Contracts

2.



Shipment Monitoring

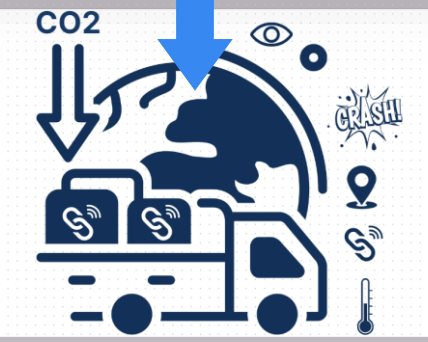
3.

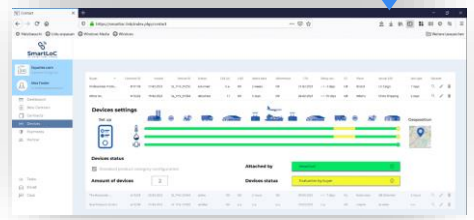


Trusted Payment

4.

Supply Chain Intelligence





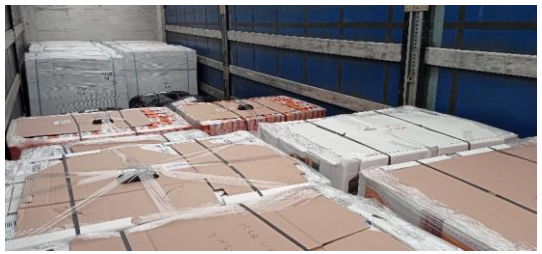
SmartLoC is the first company combining multiple services to one Suite as a game changing solution to enable importers and exporters doing their international trade the easiest possible way.

IoT devices are our enablers for End2End monitoring

Full container devices

Package devices

Pallets



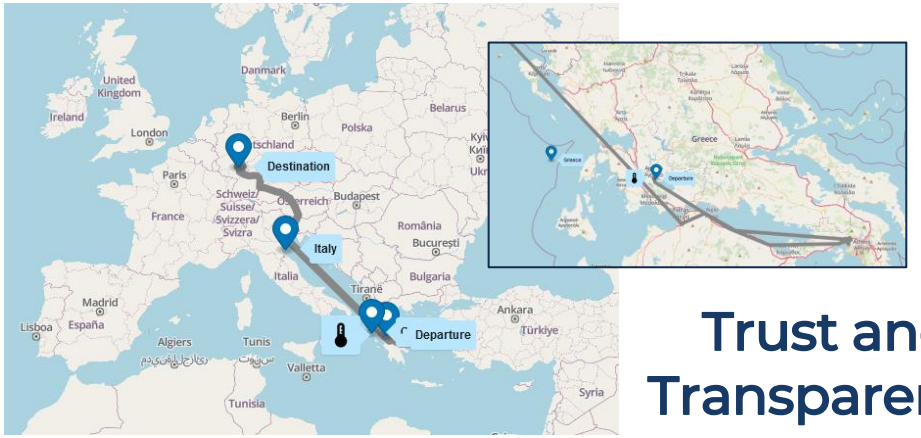
Boxes

3rd party IoT devices used by SmartLoC are:

- tested
- multi modality
- are independent from a specific carrier support:
- GPS, temperature, humidity, shock, door opening, light, etc.

Shipment Monitoring Service Example

Shipment Monitoring examples

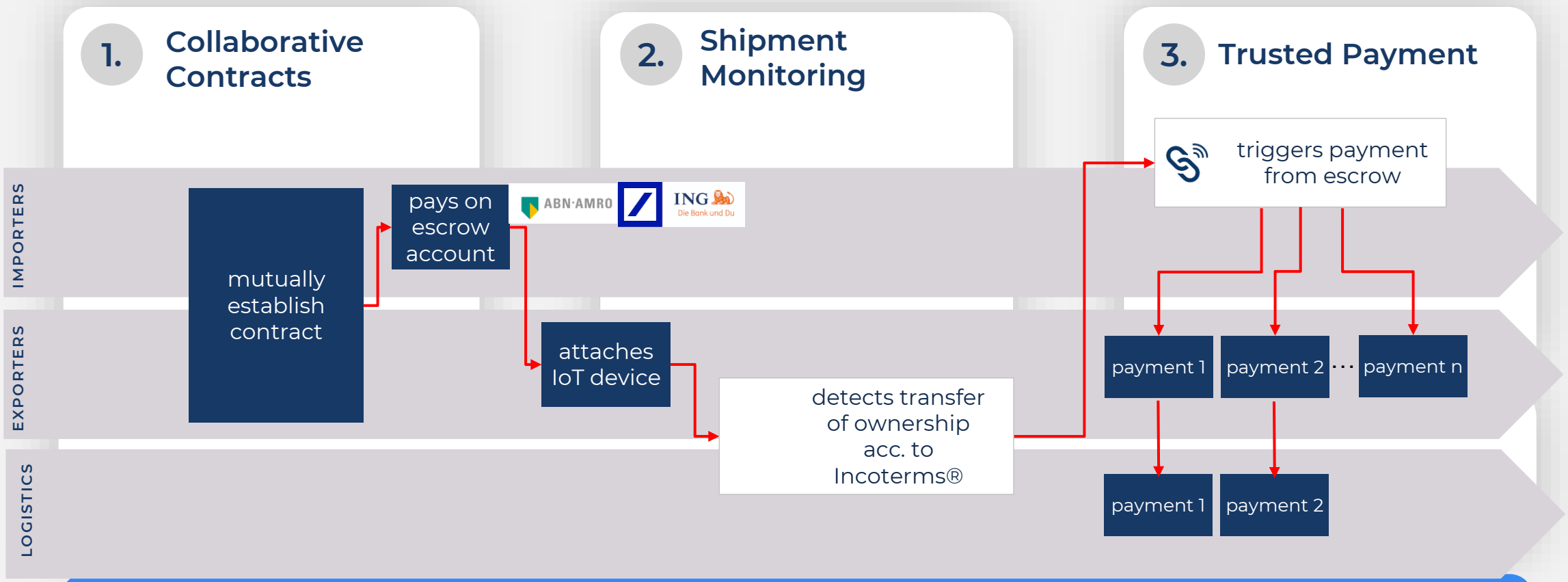


Trust and Transparency

- Detour detections
  - ➢ timely impact
  - ➢ CO2 emission
  - ➢ contract issue and negotiation
- Modality optimization (win – win)
- Load increase
- Reduction of temperature-controlled transports
- Unauthorized door opening detection
- Avoidance of insurance claim issues

One view for both trading partner

SmartLoC's L/C Substitution Service Process



- Instead of **3+% cost** on shipment value, now only interest cost for the shipment duration is charged, leading to **~40% savings** in finance cost only
- **IoT data driven staggered payment** events instead of slow/late paper document process
- Full **shipment** execution **visibility** and **transparency** on top

Benefit calculation example in comparison to an L/C

Export from Greece to India EUR 200.000 transaction value

Exporter from Greece				Savings:	
L/C cost	440 €	Shipment Monitoring & Trusted Payment Service	700 €	+300 €	Effort reduction
Confirmed L/C	~6.000 €			-5.700 €	
Customer in India / State Bank Of India		Shipment Monitoring & Trusted Payment Service	1.800 €	Savings: -600 €	
L/C cost	2.400 €				
Total cost	2.840 €	Total cost SmartLoC	2.500 €	-1.040 €	-37%
Total cost with confirmation	8.400 €	Total cost SmartLoC	2.500 €	-5.900 €	-70%

Traction and indicative pipeline

PARTNERS

NETWORK PARTNER: AHK Deutsch-Italienische Handelskammer Camera di Commercio Italo-Germanica; AHK Deutsch-Griechische Industrie- und Handelskammer Ελληνογερμανικό Εμπορικό και Βιομηχανικό Επιμελητήριο; WT.SH Wirtschaftsförderung und Technologietransfer Schleswig-Holstein GmbH

MARKETING PARTNER: Hafen Hamburg

ACCELERATOR PARTNER: GATEWAY 49 ACCELERATOR; celocamp

IOT PARTNER: arviem; TRAXENS; NEXT4; tive; DHL

PAYMENT PARTNER: ONLINE PAYMENTPLATFORM; IFX

RESELLER PARTNER:

Pilot Customer Statements / Testimonials

Thomas Brinkmann

CEO, GAEA Products S.A.

"With SmartLoC we can offer an alternative to advance payment or L/C to our new customers at cost that offer a substantial added value, also at our shipment volumes.

The shipment monitoring with IoT devices saved us 20% of our CO2 emission and 20% of our logistics cost for the shipment to our most important customer; saving potentials we became aware of, through SmartLoC's support and services."

REFER TO CASE STUDY

Axel Mattern

CEO, Hafen Hamburg Marketing e.V.

"SmartLoC is a gamechanger in international trade -, logistics - and payment management.".

Sebastian Käker

Director Int. Sales & Distribution, NORD Drivesystems

"At NORD Drivesystems we highly appreciate the easy use of the SmartLoC solutions. For our Export business we are benefitting from advantages, like reliable shipment monitoring and trusted payment solution and especially the cost savings for us and our customers. The payment solution offers additional opportunities in capturing new markets.

Monitoring helps us in certain regions and emerging markets to increase the trust level with our customers. Finally, the proactive support of the whole team makes us feel confident. So, we have started to actively roll out all SmartLoC services to our direct market customers and distributors."

Testimonial

Prof. J. Rod Franklin opinion on SmartLoC

"The need for **seamless flows of** goods, information and **financial payments** is critical to the success of the Physical Internet (PI) vision. **SmartLoC** facilitates the **automated approval**, **tracking** of goods, and **payment** of international goods shipments subject to letters of credit, a process that today blocks achieving the PI vision for all but the largest of organizations. It is an **excellent example** of the creative thinking needed **to change antiquated business processes and realize the PI vision**."

Start Up Award

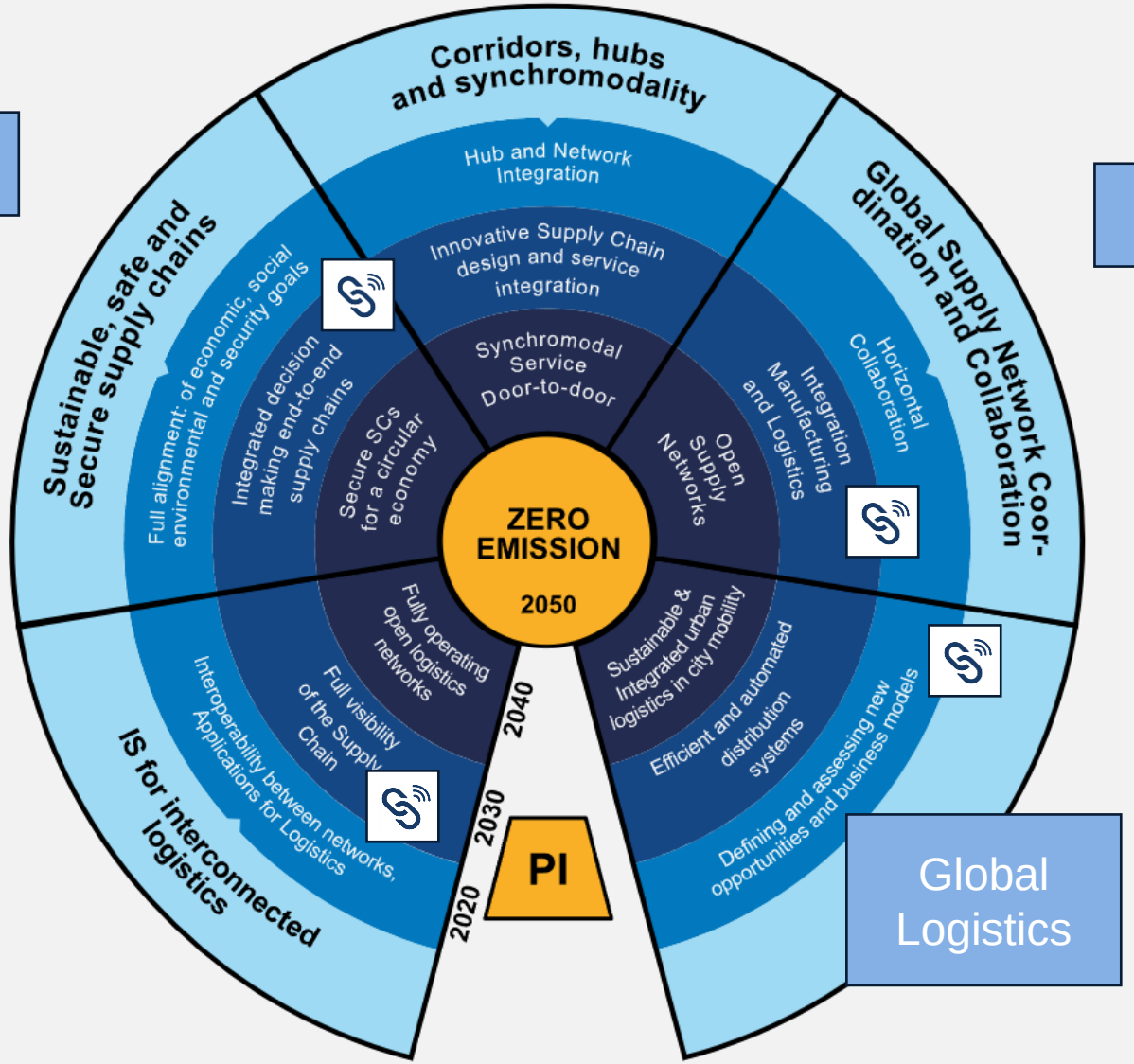
IPIC 2023

ALICE road map to the Physical Internet Π

Lieferkettengesetz

digitization

ESG conform



Zero Co2 emission

Circular process for IoT devices

Global Logistics

Start Up Award

IPIC 2023

Team – experienced, diverse and international

Britta Balden CEO

30+ years in management and digitization

Visionary – Strategy – Network

Domain Expert

- Supply Chain Collaboration
- E-invoicing founder @ Retail-Link.gr
- Leading Role in H2020 projects
- **Serial Entrepreneur with successful exit**

Thomas Kuhlke COO

30+ years in management and digitization

Product Owner – Process & Platform Design

Large-scale Projects

- Digital Leader
- Business Innovator
- Senior PM
- Certified Scrum Master & Product Owner

Alessandro Vaglini IoT- CSO

20+ years intern. Sales and engineering

IoT expert – HW Technologies

- Program Manager & certified PM
- Expert in UN/UNECE
- H2020 projects

Development Hub - Greece

65+ years in software engineering

- 3 internal, 1 external Senior Full Stack Dev
- Staffing funnel well-stocked
- Proven experience in software architecture, development, domains etc.
- Agile development approach

Industrial and Startup Experience

KPMG pwc HOCHTIEF Retail@Link SIEMENS Mercedes-Benz AIRBUS

Become a Part of the Success
Let’s make a real Impact on Global Trade

Contact us !