BLUE   PAPER

AIRPOD
RELAX. WORK. ENJOY.

B L U E   P A P E R

AIRPOD
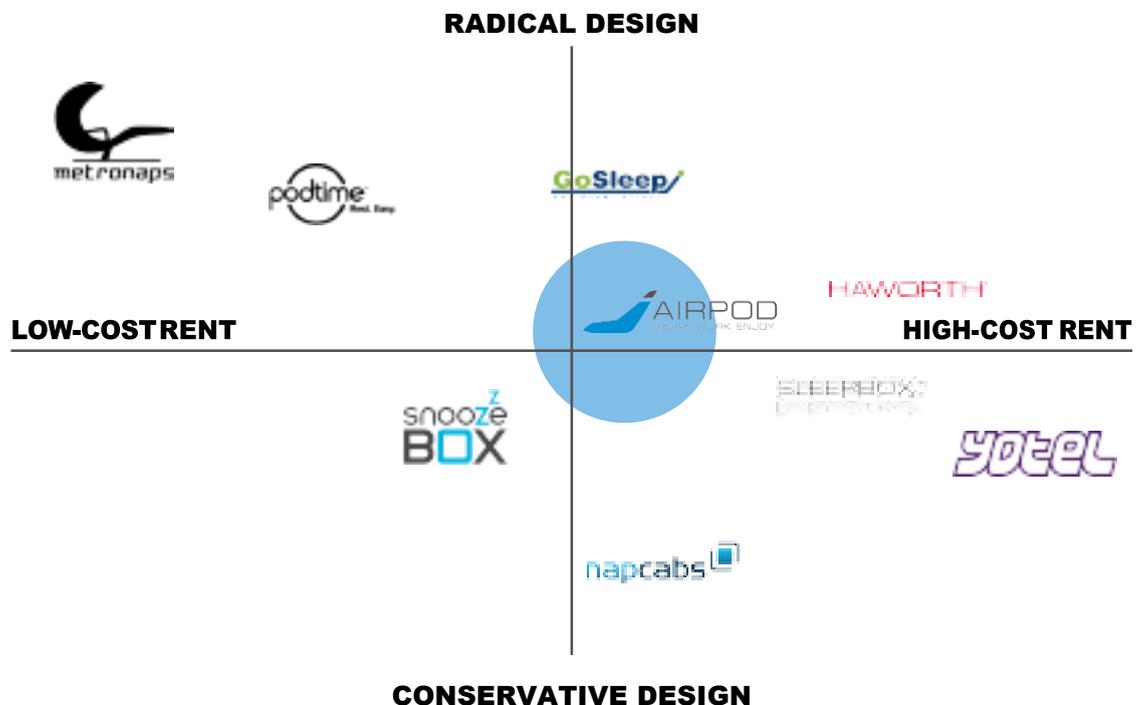RELAX. WORK. ENJOY.

Ljubljana, 2018

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Introduction

> " Opportunities don't happen.
> You create them. "
>
> **Chris Grosser, Owner Advisor at Tesla**

Our vision is to see AirPods implemented in every major airport across the globe before moving onto the smaller airports. The current competitors are only in major transport hubs, and only offer a single solution - a sleeping area.

AirPod is so much more, offering users the ability to have a confined, secure, and relaxing area where they can do work, take calls, watch movies, play games, or sleep. The aim is to offer relaxation, regeneration, and rest to those who are passing through transit hubs across the globe.

RADICAL DESIGN

metronaps

podtime

GoSleep/

HAWORTH

AIRPOD

LOW-COST RENT   **HIGH-COST RENT**

SLEEPBOX

snooze BOX

yotel

napcabs

CONSERVATIVE DESIGN

The AirPod Capsule

> " If you can imagine it, you can achieve it. If you can dream it, you can become it. "
>
> **William Arthur Ward**

[PICTURE: AirPod outer look]

KEY ADVANTAGES:

- Innovative Design offering convenience, comfort, privacy, security and superior facilities
- Space efficiency - relatively small space for installation (4,80 m2)
- Comprehensive integrated high technology enhancements focused on the business traveler
- External noise reduction
- Affordable and value added product for the global traveler
- Highly mobile - can be positioned anywhere within the airport

KEY FEATURES:

- User friendly
- Free access to Amazon Fire TV
- Free High-speed Wi-Fi for all users
- Sound, visual and scent relaxing / anti-stress programs
- Booking via internet, IOS and Android mobile application on the spot or in advance
- Easy to use - single control operating panel
- Power sockets (USB/electricity)
- Working desk
- Luggage and personal belongings storage
- Air Condition & HEPA filter (fresh air and constant temperature)
- Alarm clock
- Flight status information
- High quality seat that can be transformed into a bed
- Self-disinfection LED system

Competitive products offer a similar solution for transit passengers at airports, but none do so as comprehensively as the AirPod. The technology and range of services available in an AirPod fills a gap in the market for luxury services at affordable prices and offers a very similar alternative to the various already existing VIP lounges at airports.

The AirPod offers all of the features provided by the competition, but with several distinctive advantages in terms of entertainment (Amazon Fire TV and vibration plate integrated into seat), design, quality, privacy (soundproof), comfort and anti-stress / relaxation methods (smell, vision and hearing).

The product will become the ultimate unit for rest, relaxation, and privacy within Airports (and later other locations). This will be achieved by combining the latest technologies of special awareness, ergonomics, light, sensory, and vision. Since stress is a major factor that our users have in common, we have integrated anti-stress technology that Relaxes & Revitalizes.

According to scientific studies, various scents, sounds and colors stimulate cognitive recognition in the brain. That is why AirPod has integrated technology, which targets our three most important senses – smell, vision and hearing. During a 15-minute treatment, all three senses are being monitored by the Biofeedback device (before and after effect).

GREEN THERAPEUTIC LIGHT

RELAXING SOUND

DIFFERENT RELAXING SCENT

BEFORE / AFTER MONITORING

Colour	Sound	Scent	Monitoring
In therapeutic terms, colours are increasingly used in the treatment of allergies, inflammation, rheumatic diseases, migraines, hormonal disorders and psychological problems, such as stress, anxiety, fatigue, depression, insomnia and fears. Colours can stimulate, normalize or have a calming effect.	Given that the human body is composed mostly of water, the possibility of generating effects within the body using sound patterns sounds provocative.	Aroma mixed from natural oils that decreases stress levels.	The innovative device measures heart rate variability (HRV), which expresses the vital connection between the heart and brain.

Software

Web, mobile and distributed applications will be developed to simplify interaction between AirPod users and the AirPod platform. Users will be able to:

- Find the nearest AirPod/-s on certain location such as the airport;
- Rent and use the AirPod;
- Create a reservation of the AirPod;
- Create a Sponsorship Program agreement for a single AirPod;
- Observe the statistics and economic profile of a single AirPod;
- Participate in a bidding process;
- Propose and bid for a new location of the AirPod;

Web and mobile applications will share similar functionalities, most of them will support discovering, renting and usage of the AirPod and the reservation process. Simple application design, dedicated to support easy handling of APOD Token and interactive renting process, will be connected to corresponding blockchain and server solutions. End users will be able to browse locations for available AirPods and reserve them in advance or rent them on the spot.

DApps (Decentralized Applications) will be dedicated to advanced business users, who will want to analyze the performance of each AirPod and create a Sponsorship Program agreements. These applications will be deployed as Smart Contracts on the Ethereum blockchain along with efficiency and price performance data of each AirPod. Users will be able to evaluate each location or each AirPod and enter the bidding process to a certain percentage Sponsorship program.

" We believe that the economy works best when it works for everyone, and this new platform is an engine of inclusion. "

Don and Alex Tapscott

Renting the AirPod Capsule

Rent calculation

AirPod hubs will be available for renting at prices, expressed in a local fiat currency of the country, where the hub will be stationed. Prices for each AirPod hub will vary between different locations due to different airport commissions, management and cleaning service costs, internet connection costs etc. Prices can be modified once per month and will be expressed as a price per renting hour. A minimum renting period is one hour, while a smallest time step of half an hour. The amount of Tokens needed for renting a hub depends on the renting period (number of hours), price of renting in a local currency and a current market price of Token on online exchange.

- $N(APOD) = t(h) * P(LC) * ER$
- $N(APOD)$ - number of APOD Tokens, needed for renting an AirPod hub
- $t(h)$ - renting period in hours
- $P(LC)$ - price for renting (per hour), expressed in the local currency
- ER - exchange ratio between the local currency and APOD Token on the online exchange. In case this ratio does not exist on the online exchange, a substitute exchange ratio with USD ($) is used and pre-calculated according to USD/local currency ratio.

Renting on-site

The customer will be able to check availability of each AirPod hub, stationed on the airport. After choosing an available hub, a customer will be able to start the renting process. The chosen unit will be kept in reservation state during the whole renting process.
When a customer chooses APOD Token for renting, ATM unit will provide the customer with the following information:

- Number of APOD Tokens required for renting the AirPod unit for the designated time period.
- Ethereum address to which customer have to transfer APOD Tokens to conclude the renting process
- Timer showing the time period of customer's reservation. The Tokens should be deposited on the given Ethereum address in this time period in order for a renting to be valid. After this period, the reservation is cancelled.
- PIN code that the customer will use to enter the AirPod unit. The PIN will be activated after conclusion of the renting process.

Renting on reservation

The customer will be able to remotely reserve a unit via online and mobile application. Applications will operate as a remote ATM with same functionalities as a stationed unit.

Developing AirPod Capsule

Developing and manufacturing process involves over 15 different suppliers, more than 10 partner companies, 2 engineers, 4 industrial designers and 5 software developers. Over 30 people are actively developing the product. Major AirPod components are custom developed, made by the AirPod team and partnering companies. Once finished, the components will be transported to our warehouse in Ljubljana. AirPod is going to be put together with a team of assembly workers.

The key components of the AirPod are as follows:

- AirPod shelf - made out of fiberglass
- Darken glass windows
- 180-degree view and 360-degree view with outside camera
- Internal parts made out of high quality wood
- Electrical installations (cables, etc.)
- Electric devices (iPad, LCD TV, AC, LED lights, HEPA filter etc.)
- LED lights technology for disinfection
- Seat that also transforms into bed
- Other accessories
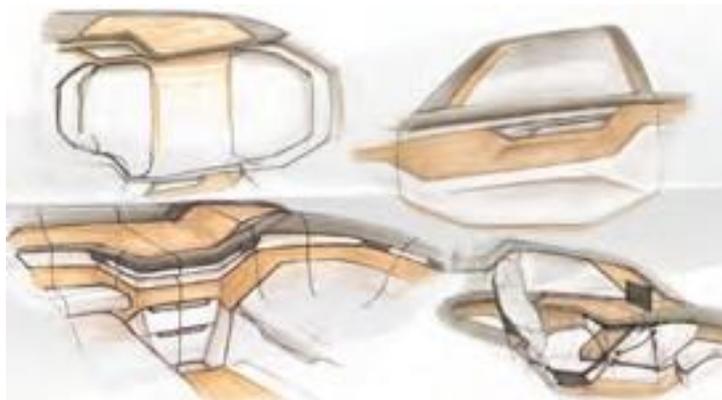
> **"** Elegance is when the inside is
> as beautiful as the outside. **"**
>
> <div align="right">Coco Chanel</div>

Anti-Stress Technology introduced for the first time

Beside its basic functionality our AirPod can also be used as Human Recovery Unit. The Anti-Stress Technology in each AirPod is therapeutic and revitalizing for the human mental and psychical recovery, specially designed for tired people. It also includes maximum relaxation encouraging our three most important senses (smell, vision and hearing).

Mold production

Molds are the essential part of the AirPod frames production. Company ROTO (http://roto-group.eu/) is able to produce several molds in 1 month. Additional molds will lead to a higher number of AirPod frames produced per day / month / year.

Production of the AirPod frame

Once the mold is produced we can make up to 2 AirPod frames per day. That means building 4 molds and producing up to 8 AirPod frames per day, resulting in 176 AirPod frames per 22 working days. Production of 1,000 AirPod frames would then take 125 working days (less than 6 months).

Glass (left, right, on top)

Croatian company Lipik Glass is responsible to produce AirPod glass. Their current clients are Bentley Motors, Aston Martin, McLaren, Lamborghini, Ferrari, Alfa Romeo and many others. Further details about Lipik Glass can be found here (http://www.lipikglas.com). The glass quality brings noise reduction. While fully stained on the outside, the AirPod provides unimpaired visibility from inside out thus user is still aware and connected with the surroundings at all times. The production and delivery time for a few hundred glass panels can take up to 2 months. Since we are ordering this element in advance we see no problem for any potential delays or being a critical point when assembling the AirPod.

AirPod Interior padding and noise insulation

Boxmark (www.boxmark.com) is one of the world's leading manufacturers of high-class upholstery leathers and is going to provide the material for the interior padding and noise insulation. Our team of assembly workers is going to finish the padding inside the AirPod.

The AirPod seat

The seat used in AirPod is another distinguishing feature, with four companies involved in its manufacture. The level of manufacturing expertise invested in the AirPod set is what sets it apart from all the other sleeping pods currently available on the market. In terms of comfort, relaxation and entertainment functions, it represents a significant development. Partly created by Boxmark, the seat used in the AirPod also transforms into a bed. Set to revolutionize the way we listen music and watch movies, the integrated vibrating plate enhances the sound so that the user can actually feel it physically. Boxmark is one of the world's leading manufacturers of the high-class upholstery leathers. Their clients include AMG, Audi, Bentley, BMW, Bugatti, Ford, Jaguar, Lamborghini, MAN, McLaren, Mercedes-Benz, Opel, Porsche, Recaro, Seat, Skoda, Smart and VW, among others. Further details about Boxmark can be found www.boxmark.com.

Mechanism

The Slovenian company Iskra Mehanizmi will produce the AirPod seat mechanism. Further details about the company can be found here (http://www.iskra-mehanizmi.si/en/products/industrial). Current clients include Philips, Continental and Baumer Sensors, among others. The production and delivery time for the AirPod mechanism is short (a few days) due to the off the shelf product.

Foam

The Slovenian company Studio Moderna will provide the AirPod seat. Further details about the Octaspring technology used in the foam can be found here (http://www.octaspringtechnology.com/). Current clients in the aviation industry include Airbus, Stelia and Boxmark, among others. The production, delivery and implementation time for up to 300 pieces is one month.

Metal structure

The Slovenian TPV Group will provide the AirPod seat metal structure. Established over 60 years ago, this leading provider of seat components, body and chassis assemblies has an outstanding track record in the automotive industry. Further details about TPV Group can be found here (http://www.tpv.si/en/tpv-group/customers/). The production and delivery time for a few hundred pieces (or up to 1,000) is very short (2 weeks), since the used base is only slightly customized and the company already produces a similar product for the automotive industry.

Vibrating plate

Set to revolutionize the way we listen music and watch movies, the product's integrated vibrating plate enhances the sound so that user can actually feel it physically. The product itself is the invention of a Slovenian company Ollo whose client base comprises almost exclusively of musicians. We have decided to implement this technology in the AirPod after testing the product

and recognizing it's potential. The production and delivery time is confirmed between six to eight weeks.

Other parts:

- Air conditioning: bought from the market; delivery can take up to seven business days.
- HEPA filter: bought from the market; delivery can take up to seven business days.
- Wire installation and other electrical parts: bought from the market; delivery can take up to seven business days.
- LCD with cam: bought from the market; delivery can take up to seven business days.
- LED lights for disinfection: bought from the market; delivery can take up to 2 weeks. More information about the technology is available here: (https://vitalvio.com/products/vld/)
- Wooden parts: It is made by a local company; delivery is fast, up to ten business days, as it is produced with a CNC machine;
- High quality LED lights: bought from the market; delivery can take up to five days.

AIRPOD Assembly

Considering end customers, whichever more demanding, markets are becoming more customized and product life cycles are getting shorter. These are just a few of the reasons why LEAN approach will be the main guideline for establishing one-piece flow state of the art production process. As demands of our processes are considered to increase, evolve and adapt accordingly to the market that often results in inefficient and wasteful processes. Lean will challenge all this and provide a clear competitive advantage.

Correct implementation of the Lean principles will bring substantial benefits:
- Better productivity
- Better throughput
- Better quality
- Optimized cycle times
- Smooth operation
- Minimal operating costs

Five guiding Lean principles will be followed rigorously:
- Specify Value: Know the important process points of the customer.
- Identify and Eliminate Potential Waste: Contracting it from the process.
- Smooth Flow: Allow process of work to pass freely.
- Pull Value: Control flow by allowing work to be pulled through the process.
- Pursue Perfection: Make improvement a habit.

The deployment level will have the strategic task of making the doing level happen. Both will be about creating and nurturing the Lean capability within the workforce, providing the right approach with the tools and techniques to deliver improvement. This will involve identifying and prioritizing opportunities, training the workforce and creating the culture for improvement.

People, process and tools are critical to Lean, but there is one final and vital ingredient:
The infrastructure that enables and supports everything: surroundings, equipment, conditions and factors that influence the actions and teams' behavior.

The conditions and factors can be social, cultural, personal, physical, organizational or functional. But they must be the right one. Organizations often try to repair it with poor accommodation, barely serviceable equipment, and bureaucracy. This attitude is not a Lean attitude.

Our know-how will assure to establish an organization with Lean infrastructure.

A specialized team will be assembled to bring the production environment to life, by using 5 phases through the timeline, making sure that milestones are achieved:

Initiating

This is the most important stage because it sets the term of reference for future planning. If this is not done well, the project will have a high probability of failure. The initiation stage is where the business case is declared, scope of the project decided and stakeholder expectations being set. Time spent on planning, refining the business case and communicating the expected benefits will help improve the probability of success. Even though is tempting to start work quickly, a poor initiation stage often leads to problems and even failure. That is why our team studied all the key factors, considering key details for overall success.

Planning

The key to success is planning. Creating a perfect plan is the first task we have done, considering the operational perspective of producing the AirPod. Often, planning is ignored in favor of getting on with the process. However, many people fail to realize the value of planning to save time and money and to avoid many other problems. Proper planning will help us hit the milestones on time, making sure that the price of the product will keep us being one step ahead of the competition.

Executing

Executing is where product delivery, service or planned result is carried out in order to be on track. Most of the project work is realized at this stage and needs complete attention of the Operational Excellence leader. While the project team is working on creating the deliverables, the Operational Excellence leader coordinates the resources. Since the project team is so important for successful execution, one must assume that developing the team is important to that cause. It is in Executing that most of the budget will be spent in order to produce deliverables of the project. In this phase, also potential requests for changes and risks will be discovered.
The execution could go on for days, weeks or even months. Meanwhile it is important to stay on track.

Monitoring and controlling

While other process groups occur sequentially, monitoring and controlling will hover over the whole process. With monitoring the processes, we will track, review, regulate and make sure that issues or challenges will identify any areas in which changes are required. Currently it's hard for us to assume that we will always stay on track. Though this will be made easier by comparing the plan to the actual, measure variance and take corrective actions.

One way to think about monitoring and controlling is to imagine that you were driving across the country according to your plan or a roadmap. To name a few examples of areas that we will control: scope, cost and schedule. Which tools and techniques we will use to control them vary but what each of these have in common are baselines defined in planning phase. Since we're tracking our progress against these baselines, we will not make changes to them lightly. If any change needs to be made it has to be validated and approved beforehand by the Operational excellence team.
Only constant vigilance, tracking and reporting will keep the project focused towards meeting its objectives and keeping customers and token investors satisfied.

Closing

Often neglected, it is important to make sure the project is closed properly. Many projects do not have a clear end-point, because there is no formal sign-off. It is important to get the customers' agreement about the project ending and no more work to be carried out. Once closed, the project will be reviewed in order to repeat successful and avoid failure points. The closing part will be

especially beneficial, when developing new products or updating the existing ones.

Once infrastructure is in place and parts are available to assemble, the workflow is simple and relatively fast.
By simulating our assembly process, we manage to calculate the cycle time for the product:

- Estimated time to produce one AirPod frame: 1 day (one mold: 2 AirPods per day / two molds: 4 AirPods per day, etc.)
- Estimated time for Transport: 1 day

All other parts (produced and bought from the market) are going to be initially ordered in a few hundred pieces and delivered to our warehouse for assembling. The seat parts produced by several manufacturers and further unfinished products (up to 300 seats) can be ready within 3 months after blueprints are finalized. All suppliers for the seat production have higher production capacities compared to our needs. Therefore, ordering a few hundred or even thousand pieces is a small part of their total production capacity.

Labour Scalability

A business should never stand still and so nor should the development of the staff - the key asset in driving the business forward. Regular staff training will be essential in helping continuous skill development. This often concerns business managers, due to its ongoing cost to the business. However, there are many important reasons why ongoing staff training is beneficial to the business and why it is going to be a priority for us. With the quality-training plan in place, we will also see our return on investment within our balance sheet.

By establishing continuous skills development process, we will always be a step ahead of our competitors, keep up with industry changes, be in touch with all the latest technology developments, be able to recognize weaknesses and skill gaps, maintain knowledge and skill development, increase job satisfaction levels, provide internal promotion opportunities and finally, attract new talent, making sure that we have the right people by our side.

To assemble one AirPod in three days seven people are needed. With a team of seven people we can produce up to 100 AirPods per year once all the components are available for assembly and considering the seat production waiting time (3 to 4 months). However, if we increase the number of assembly workers to 14, 21 or 28 the number of AirPods produced per year can be doubled, tripled, etc. The production scalability increases exponentially once the delivery process for materials and components has commenced.

AirPod product development

- Designing the first AirPod model: DONE – Various designs made by our supporting partner Kreatif Design
- Mockup: DONE - Based on drawings we built 1:1 mockup to test basic environment for the user
- Redesign: DONE - Adjustments after testing the Mockup
- Partnering with Magnet Design – introducing new AirPod concept
- Pre-production Prototype: IN PROCESS - Delivered before ICO Crowdsale
- Final product: TO BE DELIVERED - Commercial trial on the EU airports

AIRPOD design by MAGNET DESIGN

AIRPOD

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