

CLOCKCHAIN[®]

THE GLOBAL LUXURY WATCH REGISTRY

VERIFY PROVENANCE, COST
AND OWNERSHIP.



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INTRODUCTION

Luxury watches are specialty consumer products that enjoy popularity all over the world. Prestigious watch empires literally crafted their unique brand identities over the course of decades.

Hence, watch enthusiasts have different brand preferences and love exclusivity when it comes to their desired watches. The individuality and passion for detail of each model is nowhere else as strong as in the luxury watch market. Many models massively grow in value over time once they are accepted as timeless, prestigious classics.

BUYING A LUXURY WATCH – THE CRUCIAL QUESTIONS

- > **Who is the rightful owner?**
- > **Is there an official certificate?**
- > **Where has the watch been produced?**
- > **Which materials are manufactured?**
- > **Which characteristics does it have?**
- > **Is this watch a fake?**



GLOBAL LUXURY WATCH MARKET

Even though many prestigious watch companies have been acquired by holding companies such as Richemont or The Swatch Group, they do still operate out of Switzerland. Swiss made is almost a prerequisite.

Switzerland dominates the global watch market from many perspectives. While it produces only 30 million timepieces per year (2,5% of global output) it accounts for more than 50% in terms of revenue.

France and Germany are also home to well known established brands, such as Glashuette Original, A. Lange & Söhne or Cartier.

In the 21st century the market of luxury watches boomed thanks to globalisation and a rapidly growing demand in asian countries, specifically China.

Today the global luxury watch market exceeds \$ 20 USD billion on an annual basis. Asia, Europe and especially the UAE represent the largest target groups.

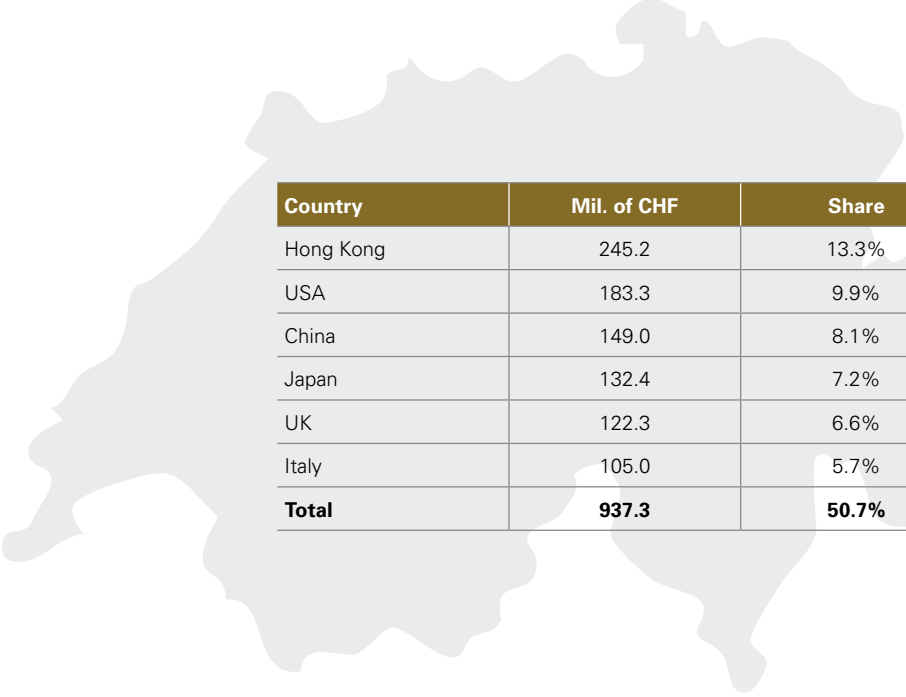


EXPORT COUNTRIES FOR SWISS-MADE WATCHES

Export values grew to \$5 billion in Q2 2017 as opposed to 4.8\$ in Q2 2016 after 20 months of negative development. At the same time export of Low-End watches (<200 CHF) fell by 11%.

Overall the demand for luxury watches from the 6 biggest export countries grew by **+7.6%**.

Even though many voices expected a decreasing demand for mechanical watches due to smart watches the market did not only remain stable but grew positively in past years.



Country	Mil. of CHF	Share	Change
Hong Kong	245.2	13.3%	+15.8%
USA	183.3	9.9%	-7.3%
China	149.0	8.1%	+18.2%
Japan	132.4	7.2%	+21.7%
UK	122.3	6.6%	+1.2%
Italy	105.0	5.7%	-0.7%
Total	937.3	50.7%	+7.6%

PLAGIARISM IN THE LUXURY WATCH MARKET

In recent years “manufacturers” of luxury fake watches became so professional that it’s extremely hard to tell whether a watch is an original or not.

Fakes lead to a loss of image for many brands, the industry in general and thereby costs them billions. Furthermore, it’s extremely hard to trace back to producers of fake watches.

The swiss watch federation FH (Fédération de l’industrie horlogère suisse) reports that roughly 40 million fakes are produced, as opposed to only 30 million original luxury watches.



Global Damage through Plagiarism

Customers of newly bought luxury watches receive paper certificates and each watch has a unique serial number. It is neither hard to fake certificates nor to copy serial numbers. Furthermore, paper certificates are easily lost which leads to market inefficiencies and uncertainties when buying a watch second hand.

Despite that, theft and black market sales is prominent problem as well. As watches can be marked as stolen, **CLOCKCHAIN®** is a security layer which can help uncover theft and prevent illegal second market sales.

INEFFICIENCIES AND MISSING TRANSPARENCY

As each watch is uniquely manufactured, watch enthusiasts highly appreciate a well documented life cycle including reparations, substitution of parts and changes of ownership.

In the current state, there is no single source of truth that facilitates a transparent documentation. Manufacturers, dealerships and stores each have their own databases which fragment the history of a luxury watch and leave room for fraud.

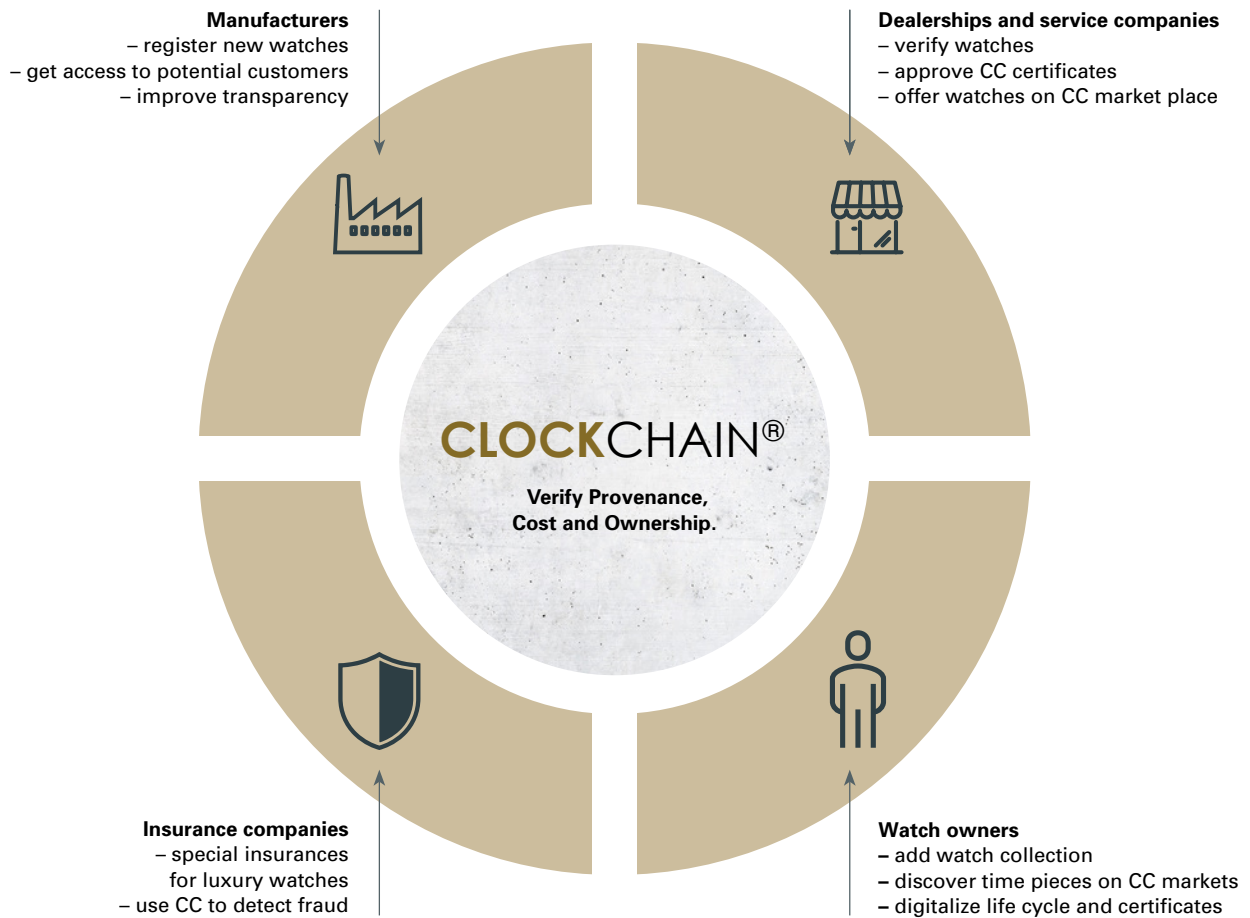
Without a unified database, it is easy to hide changes and swap original parts with cheap substitutes. Furthermore, re-issuing physical certificates is time consuming, inefficient and expensive.

Due to these facts buyers can never be sure whether they buy what they are being sold in a secondary market sale.



THE CLOCKCHAIN® ECO SYSTEM

CLOCKCHAIN® will digitize this process and build a global registry with Blockchain technology which keeps track of the life cycle of luxury watches and brings trust and transparency to a fragmented ecosystem.



WHO WILL USE **CLOCKCHAIN**[®]?

CLOCKCHAIN[®] offers a unified platform for manufacturers, dealerships, watch owners and service companies.

CLOCKCHAIN[®] is the substrate for a new ecosystem that enables the issuance of digital certificates, allows watch enthusiasts to explore precious time pieces and eliminates existing market inefficiencies. An open API will enable all parties to seamlessly join this ecosystem.



Manufacturers

- > Luxury watch manufacturers have always had a problem with secondary market sales below prices recommended by manufacturers. Especially startups such as Chronext make use of that gap and buy and resell luxury watches from the market under recommended prices by manufacturers.
- > With **CLOCKCHAIN**[®], manufacturers will also be able to benefit from secondary market sales.
- > Manufacturers will get useful market insights and can target watch enthusiasts with new time pieces that match their profile.



Watch Owners

CLOCKCHAIN[®] enables watch owners to buy and sell luxury watches in a transparent and trusted ecosystem without intermediaries. The life cycle of a watch is documented and immutably stored in a Blockchain database. There is a high incentive to register a watch as early as possible, as it increases the worth in potential secondary market sales at a later point in time. Especially watch enthusiasts have the possibility to search for prestigious time pieces and make offers to the owner.

- > Privacy is 100% controlled by each party that is part of the ecosystem.
- > As part of insurance deals or automatic reminders, watch owners will get notifications when maintenance is due. Service companies that are close to the current location of a watch owner will be recommended.



Dealerships and Service Companies

- > Offer CC services to existing customers.
- > Gain new customers via **CLOCKCHAIN®** (verification of watches, secondary market sales).
- > Offer watches on **CLOCKCHAIN®** market place (access to online market).
- > On top of issuing traditional certificates they can offer the service to register and thereby manifest the life cycle of a watch.
- > As part of insurance contracts, service companies can offer special maintenance services and specifically target customers, when maintenance is due.

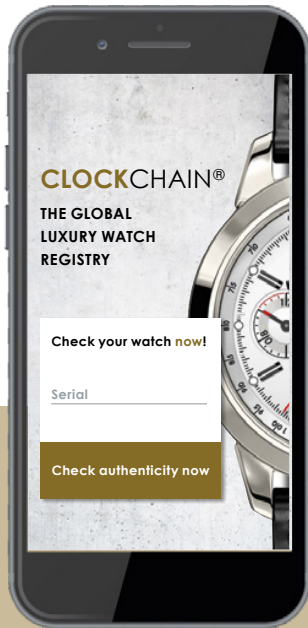
The usage of CLOCKCHAIN® in general is an additional selling point.



Insurance Companies

- > Insurance companies can actively offer their services on the **CLOCKCHAIN®** platform and benefit from its unique properties.
- > Once a watch is stolen the owner can mark it accordingly.
- > When a thief tries to resell a stolen watch, the second hand buyer can check the watch by its serial number and detect theft.

CORE FEATURES OVERVIEW



The **CLOCKCHAIN®** ecosystem will be converged around the web portal. The portal is the unified point of access to all features of the platform.

Mobile applications have been developed to conveniently access all data from portable devices. The fully functional platform, which provides basic functionality, has been deployed and available to use.

High Security mobile Client
(available for iOS and Android):



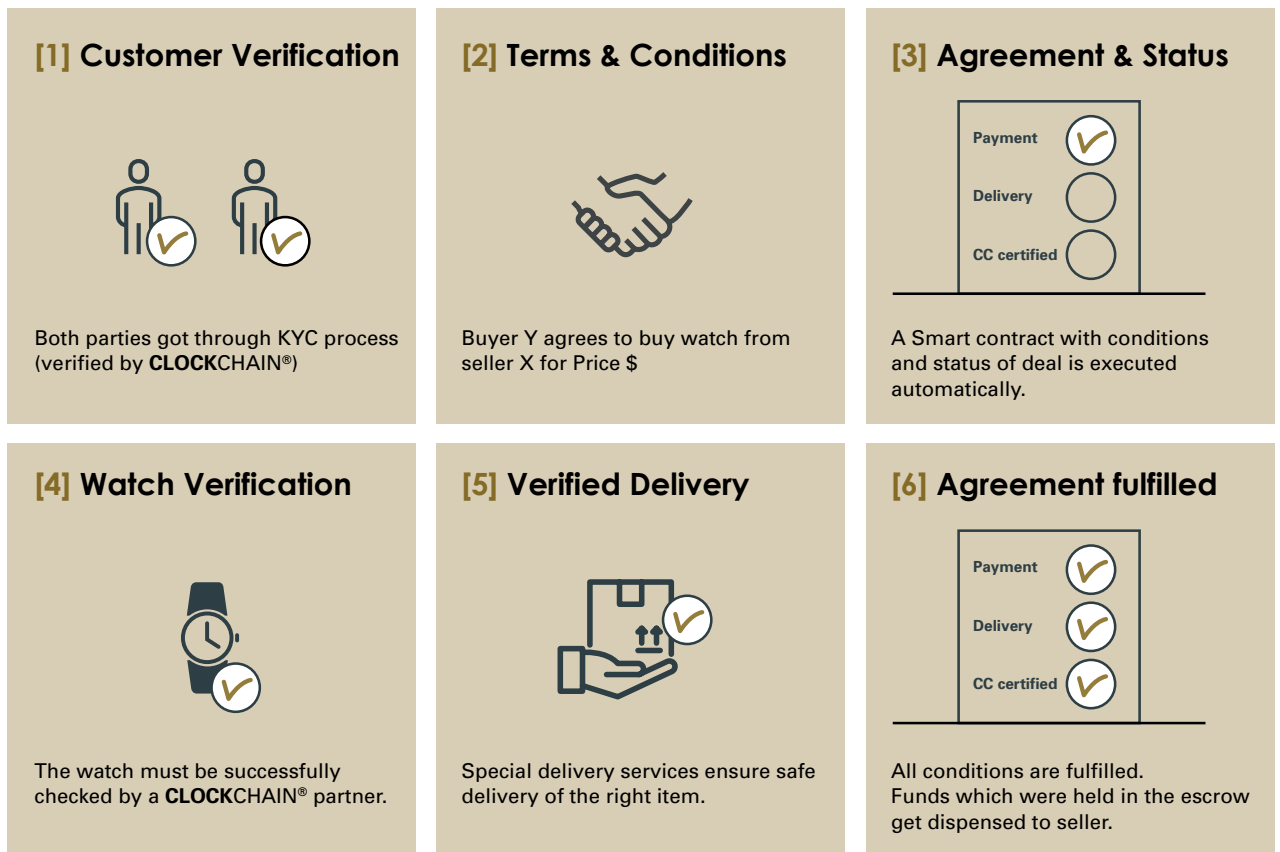
Users can access the following features:

Registration and History of Watches

- > Immutably stored in the **CLOCKCHAIN®** database.
- > Register new watches; unique characteristics
- > Manifest the life cycle; reparations; ownership transfers
- > Issue and re-issue digital certificates
- > Report loss or theft
- > Build your digital collection

Secondary Market

- > A permissionless, fast growing market place ecosystem for luxury watches.
- > Trust and transparency
- > Marketplace logic; payment solutions
- > Facilitate an ever-growing database for luxury watches



P2P secondary Market Sales

Additional Services

- > Cooperation with insurance companies
- > Advertise new models to target customers
- > This data is mirrored in the Stellar blockchain, which guarantees its integrity and capacity to pass any type of auditing. The database is public and universally accessible, with an enhanced level of data confidentiality, which safeguards an owner's identity.