



DOCUMENT:
WHITEPAPER

VERSION:
3.4.2

DATE:
TUESDAY, JUNE 8, 2021

ORGANIZED BY:
WATCH SKINS CORPORATION
53 PALMERAS STREET SUITE 601 SAN JUAN, PUERTO RICO 00901

CONTACT:
HELLO@WATCHSKINS.COM • WATCHSKINS.COM

CONTENTS

- EXECUTIVE SUMMARY 3**
 - THE CHALLENGE 3
 - THE SOLUTION..... 3
 - BUSINESS MODEL..... 3
- BACKGROUND 4**
- INDUSTRY..... 5**
 - COLLECTIBLES MARKET 6
 - THE “PHYGITAL” REVOLUTION..... 7
 - DEMOGRAPHICS 7
 - SMART WATCHES..... 7
 - INDUSTRY FORECAST..... 8
 - WORLDWIDE SMARTWATCH FORECAST BY OS, INCLUDING SHIPMENT VOLUMES, MARKET SHARE, AND CAGR..... 8
 - FASHION..... 9
 - WATCH SKINS BLOCKCHAIN: WHERE FASHION MEETS DIGITAL COLLECTIBLES..... 9
- WATCH SKINS APPLICATIONS..... 11**
 - A NEW CREATIVE EASEL 13
 - CRYPTO WATCHES® 14
 - CONSUMER APP..... 14
 - BRANDED WATCH FACES..... 17
 - WATCHES AS ART..... 17
 - PHYSICAL MERCHANDISE 17
 - API 18
 - MVP DEVELOPMENT 18
- ORGANIZATION..... 19**
- BUSINESS MODEL..... 20**
- MARKETING 21**
 - TARGET MARKET 21
 - GO TO MARKET STRATEGY 23
- TECHNOLOGY 24**
 - BLOCKCHAIN PROTOCOL..... 24
 - DIGITAL EXCHANGE PLATFORM AND NFT OWNERSHIP..... 25
- TEAM..... 26**
 - ADVISORS..... 27
- DISCLAIMERS 30**
- CONTACT..... 34**

EXECUTIVE SUMMARY

Digital collectibles are one of the most exciting applications on blockchain today. The ability to create certifiable limited editions of digital artwork is opening new opportunities for brands, artists, and collectors. Until now, displaying digital art has always been impractical. With Watch Skins, collectors have the ability to display their digital collectibles to the world on their smartwatch faces.

Art and fashion have always gone hand-in-hand. Watch Skins addresses people's insatiable desire for self-expression, style and fun through association with brands, fashion, and things of beauty. People's sense of significance is enhanced by originality and a sense of having rare or special attributes or possessions. By providing provable scarcity and authenticity, Watch Skins offers real value to customers in sports, fashion and luxury markets.

Watch Skins is leveraging blockchain technology to provide limited edition digital art that people can wear on their watch faces. The rapidly expanding digital smartwatch market provides a new opportunity for individuals to collect and display digital collectibles, while giving brands and artists a new outlet for offering exclusive experiences and fashion items. Leveraging blockchain technology provides brands the ability to provide certifiable originals, and allows consumers to know they are getting original collectibles rather than bootlegs.

BY CREATING WEARABLE DIGITAL ART PIECES, WATCH SKINS PROVIDES ONE OF THE MOST USEFUL AND IMPRESSIVE APPLICATIONS OF NON-FUNGIBLE TOKENS IN THE REAL WORLD.

THE CHALLENGE

In recent years, the world has witnessed the emergence of the digital collectible phenomenon. Digital collectibles are virtual items that exist in cyberspace, which are collected because of their utility, their aesthetics or other perceived value. However, digital goods are difficult for people to display, and it's not always easy to validate the authenticity of digital goods.

An emerging opportunity that bridges this gap for collectors is the use of digital watch skins. Watches have always been a symbol of status, and at first, simply having a smartwatch was a status symbol in and of itself. As technology and smartwatch adoption have grown, the lack of individuality among digital watch face offerings became obvious, and people sought ways to express themselves and customize their watch faces in different ways.

THE SOLUTION

Watch Skins is the world's first platform creating Non-Fungible Tokens used by smartwatches. Non-Fungible Tokens (NFTs) are unique blockchain authenticated artworks that can be traced from their source and can't be duplicated. By creating NFT watch faces, Watch Skins gives consumers the assurance they are getting unique, original and certified products, and gives brands the ability to license their products and eliminate counterfeiting. Watch Skins represents the opening of an entirely new market of wearable digital collectibles.

The Watch Skins solution combines the enjoyment of collectibles, the aesthetics of art, and the excitement of fashion to create watch faces that people can buy, sell, trade, and show off as unique style statements. By leveraging NFT technology, Watch Skins provides a variety of benefits to consumers, brands and artists.

BUSINESS MODEL

The Watch Skins business model is based on sales of licensed watch skins, watch bands, premium memberships, exclusive experiences, and transaction fees for utilization of the Watch Skins marketplace. Watch Skins uses a variety of online, offline and partner marketing campaigns to target the luxury and fashion markets. Working through brand licensing, worldwide app stores, and other consumer marketing channels, as described below, will give Watch Skins wide reach. To date, there is one other watch face company (Facer.io) which has earned a tremendous amount of revenue, and at one time listed as the third highest grossing app on the Google Play store. Leveraging this proven business model and improving it through the use of NFTs allows nearly unlimited brand licensing possibilities, which gives Watch Skins a competitive advantage.

BACKGROUND





Collectibles give people a sense of identity, individuality, freedom and luxury. Whether it's baseball cards, art, stamps, or superhero figurines, people simply love to express themselves through the things they collect.

In recent years, the world has witnessed the emergence of the digital collectible phenomenon. Digital collectibles are virtual items that exist in cyberspace, which are collected because of their utility, their aesthetics or other perceived value. Technology has allowed the creation and collection of an array of digital collectibles, ranging from in-game items to digital art and branded online collections. One of the major problems facing collectors of these virtual items has been the difficulty they have with displaying them to the world.

An emerging opportunity that bridges this gap for collectors is the use of digital watch skins. Watches have always been a symbol of status, and at first, simply having a smartwatch was a status symbol in and of itself. As technology and smartwatch adaptation have grown, the lack of individuality among digital watch face offerings became obvious, and people sought ways to express themselves and customize their watch faces in different ways.

INDUSTRY

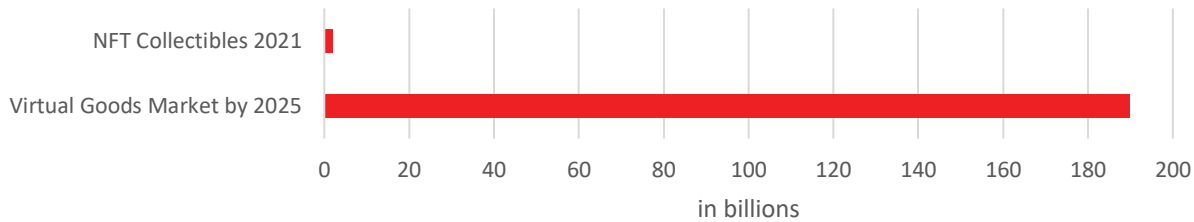
To date, Facer.io has served the market for customized smartwatch faces and has become one of the top apps on the Google Play store. They've proven that customers have an appetite for content, yet they have missed the mark in terms of scarcity and fallen short on licensed authentic brands. Watch Skins has introduced the final pieces of the puzzle by using blockchain technology to provide wearable digital art that is provably authentic and scarce. Brands and artists can now create licensed digital art that is unique and limited edition, with a variety of characteristics never before available.

COMPETITIVE ADVANTAGES	 WATCH SKINS	 FACER™	 ECOMI	 WAX
Non-Fungible Token	●	●	●	●
Use of Blockchain Smart Contracts	●	●	●	●
Wearable Crypto Collectible	●	●	●	●
Crypto Currency Payment	●	●	●	●
Retail Product Offerings	●	●	●	●
Premium Watch Face Focus	●	●	●	●
Licensed Brands	●	●	●	●
Configurator tool	●	●	●	●
Membership and Subscription Model	●	●	●	●
Ease of Use for Consumers	●	●	●	●
Debit Credit Card Payment	●	●	●	●
Android, IOs, Apps / Website	●	●	●	●
Social Feed	●	●	●	●
P2P Marketplace	●	●	●	●

GLOBAL NFT MARKET

The global NFT market spent over 2 billion in the first quarter of 2021, up 20x from the previous quarter.¹ The global virtual goods market value is estimated to reach USD 189.76 billion by 2025.²

GLOBAL NFT MARKET SIZE



Gaming and Art had a combined projected market size of over \$200 billion in 2020, and are two of the strongest areas for growth in the digital collectibles space.³

NFT: THE LATEST DIGITAL COLLECTIBLES

Digital collectibles are goods with values based on virtual properties and visual appeal. The most recent case of this phenomenon is the creation of the NFT market. NFTs are virtual artworks that allow artists and collectors to establish authenticity of virtual art in the marketplace. Collectors and artists love NFTs because emerging blockchain technologies allow for provable ownership in an increasingly digital world.

In March of 2021 there were 135,781 NFTs sold, making up almost 50% of all NFTs ever sold and totaling \$205m in sales.⁴ To date, the most expensive NFT ever sold was purchased for \$69.3 Million.

The four most important features of successful, next generation digital collectibles are **ease of acquisition, scarcity, utility, and perceived aesthetics**. Watch Skins sets the new standard for digital collectibles by affording all of these features, and has done extensive consumer research on the digital collectibles market to determine the best way to provide value in this arena.



Generated

\$511 million

in sales



Generated

\$226 million

in sales

Hashmasks.

Generated

\$48 million

in sales

¹ <https://www.thewrap.com/nft-market-surges-2100-to-2-billion-in-q1-sales/>

² <https://www.adroitmarketresearch.com/press-release/virtual-goods-market>

³ <https://www.jdsupra.com/legalnews/blockchain-games-and-collectibles-74498/>

⁴ <https://www.streetinsider.com/Globe+NewsWire/Next+Decentrum%2C+Powered+by+Cloud+Nine%2C+Releases+NFT+Guide+to+Help+Unlock+The+Global+Collectibles+Market/18175573.html>

THE “PHYGITAL” REVOLUTION

One of the most exciting features of Watch Skins is how it links physical and digital worlds. This unique quality places Watch Skins into an emerging category of products known as “phygital”. Phygital goods offer an experience that is full of “immediacy, immersion, and interaction” (Chris Sanderson, Future Laboratory⁵). Examples of recent developments of other phygital goods are:

- Stuffed animals that also have online existence, including toys in the physical world that have Bluetooth and can respond to cues from a computer, allowing children to watch a video together with a doll that reacts to what is on screen.
- Evernote and Moleskine created a physical notebook that can be uploaded virtually.
- Polaroid Instagram Camera allows physical to virtual with Instagram uploads and virtual to physical with printed photographs.
- Nivea print advertising comes with physical tracking bracelet that you attach to your child and monitor with an app.

These experiences are becoming so pervasive and normal today, it’s difficult to know exactly where this market begins and ends, but the global AR and VR market size was an estimated \$18.8B at the end of 2020, an increase of 78% from 2019.⁶

DEMOGRAPHICS

According to thephygital.com, those born after 1990 are the “phygital” market and no longer distinguish between the virtual and the actual. Comprised of the Gen Z and Millennial generations, those in the “phygital” market are predicted to make up 45% of the luxury market in 2025, and made up 85% of luxury growth in 2017⁷. They prefer experiences over goods and value a sense of community.

SMARTWATCHES

Smartwatches provide an immediate physical bridge to the digital world, and are perhaps the most relevant examples of phygital technology to date. Their growing popularity, both as health accessories and as a convenient accessory to smart phones, have caused smartwatch unit sales to skyrocket- up over 280% from 2017 through 2020. Growth is projected at 76% from 2020 to 2023. Total unit sales are projected to reach over 109 million in 2023.⁸

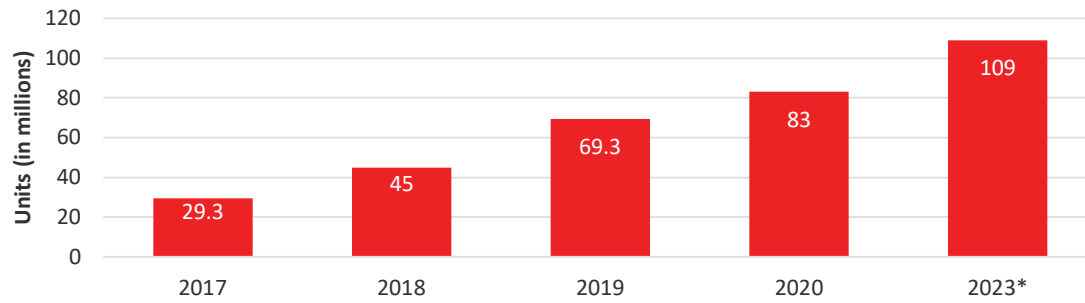
⁵ <https://econsultancy.com/think-retail-how-brands-are-targeting-the-phygital-generation/>

⁶ <https://www.process.st/phygital/>

⁷ A Highsnobiety Whitepaper by Brian Trunzo, Jian DeLeon and Emily Dreesen

⁸ <https://www.statista.com/statistics/878144/worldwide-smart-wristwear-shipments-forecast/>

Global Smartwatch Unit Sales Per Year



*Projected unit sales — Source:

INDUSTRY FORECAST

Worldwide Smartwatch forecast by OS, Including Shipment Volumes, Market Share, and CAGR
(SHIPMENTS IN MILLIONS)

COMPANY	4Q20 SHIPMENTS	4Q20 MARKET SHARE	4Q19 SHIPMENTS	4Q19 MARKET SHARE	YEAR-OVER-YEAR GROWTH
APPLE	55.6	36.2%	43.7	36.2%	27.2%
XIAOMI	13.5	8.8%	12.8	10.6%	5.0%
SAMSUNG	13.0	8.5%	10.8	9.0%	20.5%
HUAWEI	10.2	6.7%	9.5	7.9%	7.6%
BOAT	5.4	3.5%	0.9	0.8%	470.1%
OTHERS	55.8	36.4%	42.9	35.6%	30.0%

SOURCE: IDC WORLDWIDE QUARTERLY WEARABLE DEVICE TRACKER, MARCH 2021

FASHION

Watches have always been a status symbol, and both men and women use watches as a form of fashion and self-expression. Swatch created an empire by providing fashionable, low-cost watches that people can collect and wear for different occasions. Now with a smartwatch it's even easier. One watch can have a nearly endless number of faces. When it comes to digital art, smartwatches allow people to collect and display wearable art that they can change in an instant.

WATCH SKINS BLOCKCHAIN: WHERE FASHION MEETS NFT

The difference between traditional digital collectibles and NFT collectibles is that the blockchain affords the ability to create verifiable, certified originals, and to control the use and trading of those collectibles in a variety of new ways.

Within an economy or ecosystem, a “fungible token” is a unit of exchange whose value is identical to the other tokens in the system, in the same way a bank recognizes the value of a one-dollar bill as equal to any other one-dollar bill. Just as dollar bills can be exchanged for physical goods within an economy, fungible tokens can be exchanged for “Non-Fungible Tokens” in a similar manner within an ecosystem.

A Non-Fungible Token (NFT) differs from a fungible token in that it is a completely unique item within an economy or ecosystem. For example, if the NFT represents a digital baseball card, it is possible to store that card's unique information, as well as verify exactly how many copies of those cards are in circulation, or even give the card its own serial number. Just like baseball cards, non-fungible tokens are unique, and can differ in value relative to other tokens, in the same way that baseball cards have different values based on rarity or other features.

With physical baseball cards, collectors need to trust that the card manufacturer really created a limited supply. By using blockchain, when an NFT is minted, its characteristics are made public and that tokens scarcity can be proven.

The individual aesthetics of a digital collectible comprise the data stored on a non-fungible token. An example is CryptoKitties, where each cat has unique characteristics and different attributes. As with any collectible, unique CryptoKitties are traded for higher prices based on scarcity, with the highest CryptoKitty trade valued at \$117,712. The median price was \$9 and an average price of \$60⁹.

An NFT is a programmable smart contract, allowing Watch Skins to create an incredible variety of digital art. Just as with physical collectibles, the company could create thousands of copies, making the item low-cost and popular, or could limit supply so each one is unique, or even create NFTs that expire after a certain amount of time.

By offering licensed, wearable digital art, Watch Skins is **creating a new market** that allows consumers to bring their favorite brands to their smartwatches — which thereby increases licensing revenue streams for participating brands.

⁹ <https://www.digitaltrends.com/computing/dragon-cryptokitties-most-expensive-virtual-cat/>

NOTABLE DIGITAL COLLECTIBLE BLOCKCHAIN COMPANIES

Technology investors are paying close attention to the NFT market, and entering into the space. The following blockchain initiatives have successfully raised funds and released products which provided value to consumers.



DAPPER LABS
VALUED AT \$2.6B

Dapper Labs, the company behind NBA Top Shot, recently announced a \$305m funding round.¹⁰



ASSET EXCHANGE (WAX)
RAISED \$9.6MM

WAX is a generic platform for creating and trading virtual items. WAX targets the 400+ million online players who already collect, buy and sell in-game digital items.



OPENSEA
RAISED \$23MM

The NFT marketplace recently closed a \$23 million round of funding led by Andreessen Horowitz.



ECOMI
RAISED OVER \$10 MILLION

In its Initial Exchange Offering, the digital collectible platform ECOMI raised 1500 BTC in under 12 hours.¹¹

¹⁰ <https://www.usatoday.com/story/sports/nba/2021/03/30/nba-top-shot-dapper-labs-valuation-funding-round/7058307002/>

¹¹ <https://medium.com/ecomi/the-ecomi-ieo-sells-out-in-less-than-12-hours-63bace270c2e>

WATCH SKINS APPLICATIONS

Watch Skins is the world's first platform that allows for the creation of NFT skins for smartwatches. The Watch Skins marketplace provides unique, original and certified licensed products through the use of blockchain NFT technology. Brands benefit by being able to license products in a way that assures they can control supply and reduce counterfeiting. The watch design market represents a new opportunity for NFTs.

Customers who purchase Watch Skins have the pleasure of enjoying collectibles, owning original art, and showing off their fashion and brand allegiances. Users can buy, sell, trade, and show off collectible watch skins as unique style statements. By leveraging NFT technology, Watch Skins provides the certifiable originality that markets want and the security and guarantees of authenticity that serve brands and artists.

BENEFITS FOR BRANDS:

- New channels for licensing and product development.
- Creation of limited edition digital goods and experiences that increase revenues and provide added value for brands and brand partners.
- Prevent counterfeiting and prove authenticity.
- Nominal cost for development and distribution of new products.
- Ability to create a wide variety of different types of products and experiences, with varying price points and audiences.
- Collaborative creation with customers.
- Ability to gather consumer data adds value.
- Increased brand interaction.

BENEFITS FOR CONSUMERS:

- Ability to express their individuality, brand identification, and tastes through a digital collectible they can display at any time.
- Variety and fun with their watch. No more boring watch faces.
- API data adds to product experience and interaction.
- Assurance that they have certified original branded items.
- Ability to ensure scarcity of specific skins, similar to high-end fashion items.
- Ability to display their collectibles at any time without the stigma of showing off or the concern of boring others by scrolling through their collectibles on the phone.
- Ability to collect, trade or lend out items.
- As with other types of collectibles, the NFTs have the potential to rise in value.

BENEFITS FOR ARTISTS:

- New forms of expression available with NFTs.
- Creating art that expires, art that changes periodically, art that either can or can't be transferred, etc.
- Ability to sell different forms of art through an online marketplace.
- Self-expression through digital media.
- Ability to split royalties with distributors or other types of channels.
- Knowledge of how the art is used by the people who purchase it.

Using Watch Skins allows people to express their individual identities on their watch faces, and interchange the watch face on the fly according to their mood, the event they are attending, or the group they associate with. Fashion and identity are expressed in numerous ways, and people will be interested in having content that is strictly decorative, but also brand content that gives people a sense of belonging or the ability to find other fans of those same brands.

Content categories include:

- Sports and athletes
- Music
- Entertainment
- Automotive
- Celebrities and influencers
- Video games
- Digital art
- Existing watch and fashion brands

Watch Skins can provide a nearly endless number of watch face designs for major brands. Unlike other NFTs, Watch Skins are easily displayed and offer a high degree of brand interaction. The licensing of brands will allow Watch Skins to develop and release collections of designer watch faces and leverage the marketing engines of brand partners. Potential partners come from any of the categories above, and by licensing their brands to Watch Skins, these partners can expand their reach and promote an additional form of income.

A NEW CREATIVE EASEL

Watch Skins are not restricted to static or two-dimensional images; they can display video, data and games, be customized, and update themselves. The watch face illustrations presented in this document as static images do not do justice to the almost limitless watch face design possibilities that can be created using Watch Skins' patent pending technology.

Following are just some of the exciting ways artists and brands could use digital collectible Watch Skins to create unique experiences:

- Watch Skins that change from day to night faces.
- Video experiences that happen only when someone is in close proximity with a matching Watch Skin (using geolocation technology).
- Self-destructing and limited shelf-life collectibles.
- Skins that work or do not work based on a geolocation data.
- Watch Skins experiences that change with people's pulses, adapt to the environment (look different in different lighting, match the background of the room, etc.).
- Experiences that use photographs of the wearer to create original pieces of art that only belong to the person wearing them.
- Sports-themed Watch Skins that show the updated scores of the team, or home and away jersey colors.
- Celebrity themes that show the tweets from that celeb.
- Watch Skins that expire after a certain number of uses or a certain period of time, allowing for a never displayed "digital mint condition" or "New in Box" status.
- Watch faces that are also games.
- Exclusive, one-time watch faces for particular events, for example, for a celebrity to wear one time at the Grammy awards. The watch face could only work during certain hours, or disallow trading of the NFT to anyone but the original owner, for example.
- Art that can be worn once and then need to be passed on to a friend and keep a record of who wore them. The art might even change according to who and where it was worn.
- Watch Skins that have been worn by a celebrity being resold, along with the digital signature that it was worn by that celebrity, or that it was shown in a particular movie.
- Limited edition faces worn by YouTubers that can only be purchased within a specific time frame, by watching that video during a live broadcast.
- Pieces of artwork that don't show the actual time, run backwards, or do other kinds of functions that artists want to create as an expression of their art.
- Scavenger hunts that allow people to collect scarce and exclusive Watch Skins in particular locations, tourist sites, etc.
- Promotions of local businesses that offer a free or discounted Watch Skins when the person enters their store.
- The attachment of promotional coupons to a particular face. This could even require a certain amount of "wear time" to redeem a coupon.

CRYPTO WATCHES®

The Watch Skins team will be releasing the Crypto Watches brand, the first virtual watch face brand powered by blockchain. Watch Skins is teaming with a number of known brands, as well as providing initial releases of its own Crypto Watches brand limited edition watch faces. Watch Skins has trademarked the Watch Skins® and Crypto Watches® brands.

Crypto Watches will prove the concept that major brands now have a way to sell licensed, verifiable, branded and wearable products in a way that's never been done before.

Watch face drops will be released as special events, with exclusive limited editions available only for a short time, thereby creating scarcity and adding to the fun and excitement of collecting Crypto Watches. Consumers can collect items in a series, display them on their watch, and trade with others.

Limited edition Crypto Watches may increase in value, which could allow collectors and traders to resell watch faces on the secondary marketplace. If desired, Watch Skins NFT technology allows for Crypto Watches to effectively limit purchases to one per person in order to curtail hoarding and scalping- and allows the brand to decide on the limitations and expirations it wants. Smart contract technology provides the ability for an unlimited number of licensing agreements to be automatically enforced on the blockchain.

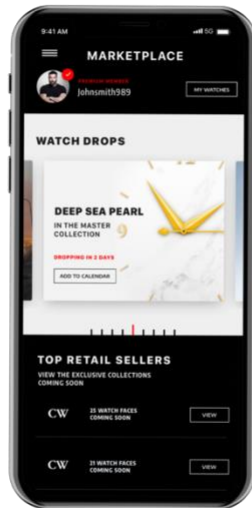
Different releases and editions of watch faces have different attributes. Some are static, some video, and some can be customized by the customers, using skins and templates and the user app described below. The Watch Skins MVP application is available for both iOS and Android watches, and currently features the Crypto Watches brand.

CONSUMER APP

The Watch Skins app will allow users to buy, collect, sell, trade, modify, view and enjoy their collections, as well as participate with other collectors.



CREATE AN ACCOUNT
OR SIGN IN



BROWSE DIGITAL
WATCH FACES



SELECT A WATCH
TO PURCHASE



OR CONFIGURE

The Watch Skins consumer app includes:

- A simple onboarding process that uses email or other web sign-on, and walks the user through setup. As the app develops it will tailor the experience to user interests and brand preferences.
- The ability to choose the existing watch face. The choice can be made directly on the watch or through the mobile app.
- Display of the owner's watch face collection, including purchase history, editions, licensor, and all other information about the watch faces owned by that user.
- Configurability and customization of faces with the Watch Skins Configurator tool.
- User Notifications for activity related to items a collector owns or is interested in.
- Search and browse retail brands and private auctions.
- Marketplace for purchasing new branded watch faces, as well as a secondary marketplace for selling and trading with other owners.
- Auction for selling or trading of pre-owned collectible watch faces.
- Ability for users to trade and sell with other users, anywhere else in the world.
- Showroom and Social Media Wall with an internal social network for viewing and discussing collections among fans, including the ability to like and comment on other people's collectibles. The Showroom also allows publishing of watch faces and creations to external social networks.
- Built-in "wallet" functions for managing all NFTs.
- Localization of the app for multiple languages, currencies and geographies.

WATCH SKINS WALLET

The Watch Skins app contains a built-in crypto wallet called the Watch Skins Wallet that provides a seamless experience when it comes to everything around management of NFTs.

The Watch Skins Wallet experience is completely transparent to the user. Rather than using a separate app, the Watch Skins Wallet holds NFTs and is simply built-in to the application. Consumers do not need to know how to use cryptocurrency or use any type of special app in order to use the built in Watch Skins Wallet, or to purchase and hold NFTs, accumulate loyalty points, etc.

CUSTOMIZATIONS: WATCH FACE CONFIGURATOR

Within the app, the watch wearers can customize their watches with the Configurator tool. Watch faces purchased or designed provide accurate time and date. The Watch Skins application contains a number of built-in modification and customization modules, with different types of premium customizations available through purchase. Similarly, brands can create specific customizations for each watch face, or sell their own customizations that can be utilized through the configurator feature of the Watch Skins consumer app.

Consumers can customize their own designs, and depending on the edition can choose from a myriad of stylistic elements including licensed logos, teams, images and characters, digital and analog styles, layers, gears, colors, bezels, hand shapes, numbers and fonts, metals, finishes, simulated gems, high definition video, 2D and 3D animations, monograms, limited edition serialization and more.

Potential customizations can include:

- Changing face color and pattern, watch hands or number styles.
- Customizing background images and “stickers.”
- Creation of different watch faces to indicate calendar reminders or other notifications.
- Conversion of other types of virtual goods and digital arts to watch faces.
- Template customization for different types of Watch Skins, for example, different custom templates that come with a collection.
- 3D animation.
- Interaction customization, for example “match with friends” in the vicinity.
- Open networking and chat with other Watch Skins users or within brand collections.
- Match-the-environment.
- Virtual goods and licensed content customization.



ENVIRONMENTAL INTERACTIONS

Watch Skins can be programmed to have “real world” interactions by detecting other devices or the geolocation of the wearer. For example, a branded Watch Skin for a restaurant chain could interact to provide a free drink or discount in the restaurant. A branded Watch Skin for a music performer could display differently at the concert of the performer or interact with other Watch Skins of concert-goers.

All types of experiences could be possible, such as adapting the skin to the color of the carpet when the phone is aimed at the carpet, giving menu recommendations based on the person’s preferences—anything is possible within the imagination of the brands and real-world locations can create a wide variety of Environmental Interactions.

BRANDED WATCH FACES

Watch Skins will license brand labels to create watch faces based on popular brands. Watch Skins will release and publish a variety of branded watch faces through the app. Branded watch faces will include fashion, games, entertainment, sports, and other leisure categories that people want to display as collectibles.

Initially, Watch Skins Corporation will work hand-in-hand with the brand licensees to create unique and exclusive artwork, as well as basic consumer branded watch faces. Watch Skins will release the collections to consumers in ways that will create excitement and scarcity around the release dates and collections. Over time, Watch Skins may offer its creation portal for the brands themselves to create, release, manage and get reports on the Watch Skins collections.

The Watch Skins Creator will include features for Watch Skins designers to:

- Upload and edit art for watch faces.
- Set up the supply of watch skins, either using a built-in set of 5 types of supply release levels, or using a precise customizer that can tweak the specific supply parameters of watches.
- Configure parameters such as the amount of time a Watch Skin is valid, trading policies, royalties and licensing payouts, etc.
- Establish configurable parameters for the consumer, such as allowing the end user to add a personal photo, change the background color, and adjust the look of different elements of the watch.
- Set up special features, such as video, interactions, API data fields (i.e. showing game scores for sports faces), or other experiences for the watch faces.
- Set pricing policies for Watch Skins.
- Create, send and manage promotions, for example, the ability to send out notifications to users of a particular Watch Skin that a new item in the series will be released.
- View reports and usage of the skins, analyze usage, etc.

Watch Skins virtual watch faces are released in limited edition batches. The platform will initially offer set levels of product scarcity. As the system gathers data, levels of scarcity will be available based on proven analytics. Future versions will allow precise adjustment of the issuance quantities to different demographics, geographies, time limitations, etc. Watch Skins will continue to improve its product in order to achieve maximum value while supplying exciting digital collectibles that consumers love.

WATCHES AS ART

Select independent artists will be invited to create new watch faces through the Watch Skins Creator, or by uploading them through the client app. While this is not the initial target market, artists will find that having exclusive, provable, signed copies of digital collectibles can add to their audience. The fact that the art can be worn on people's wrists is another way that artists can expand their reach. The possibilities for art and other digital content such as video and 3D animation are endless. As Watch Skins adds more features for artists to make their own watches, they are likely to take advantage of those features to create unique experiences for a wide variety of uses that it's impossible for any one person to imagine.

PHYSICAL MERCHANDISE

Watch Skins will also offer physical merchandise to consumers. Initially, the Watch Skins app will be able to suggest watch bands that match the Watch Faces. Based on demand, in the future it will be possible to offer a wide variety of branded accessory items.

API

In the future, Watch Skins can develop APIs to allow other integrated features to the Watch Skins platform. The Watch Skins APIs will develop as needed by the market, expanding the Watch Skins revenue streams through different types of business models. The APIs could potentially be used by brands themselves, by artists, as part of Environmental Interactions, etc.

MVP DEVELOPMENT

The first version of the Watch Skins App is complete and works on Android, iOS, Samsung and web applications.

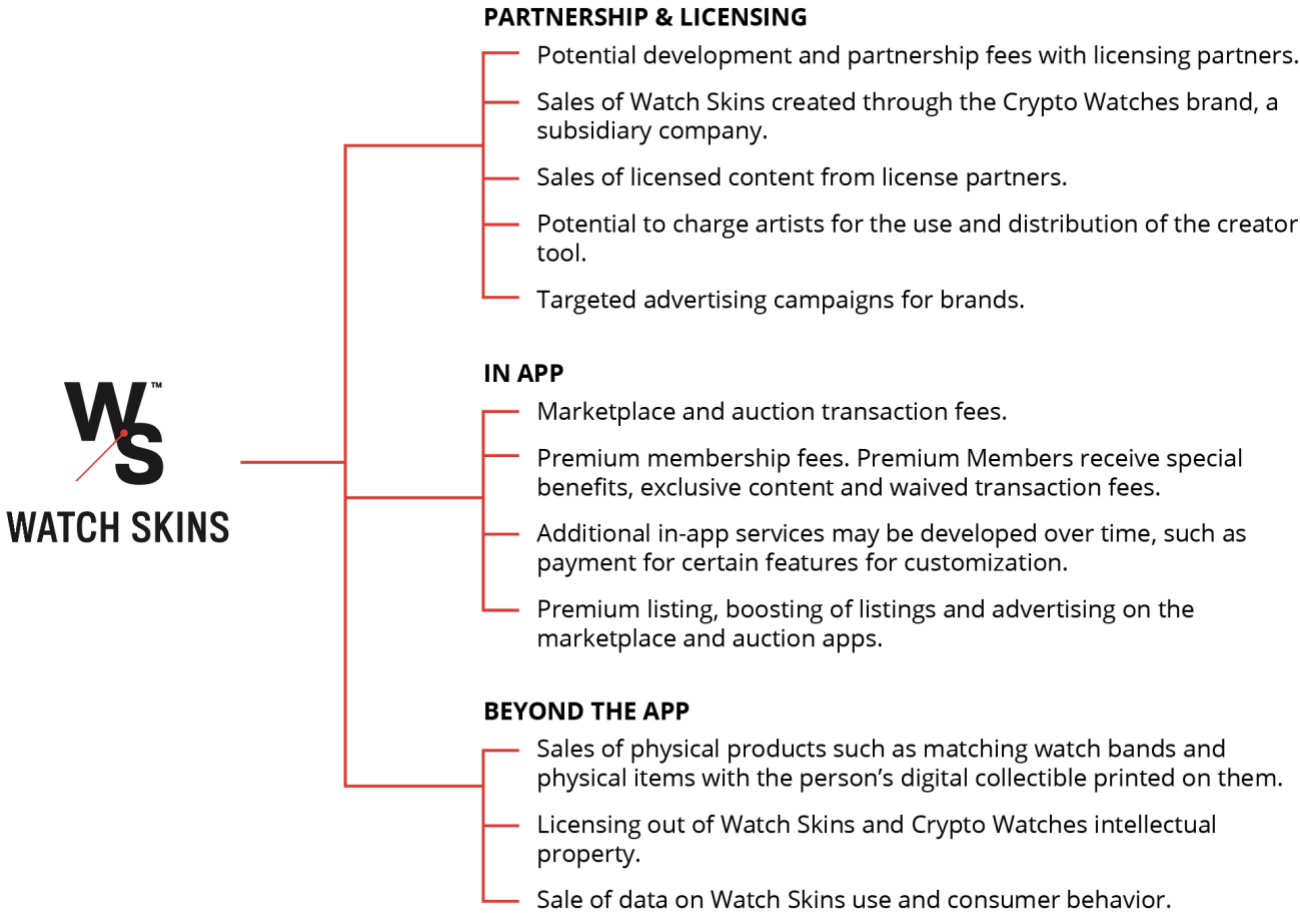
ORGANIZATION

Watch Skins Corporation (“Watch Skins”, or the “Company”), began preliminary business operations in December 2018 with the purpose of creating the world’s first platform for licensed blockchain watch faces that are compatible with nearly every smartwatch on the market.

Watch Skins Corporation is a Puerto Rican Corporation with its headquarters in San Juan, Puerto Rico.

BUSINESS MODEL

Watch Skins business model is based on:



PRICING

Prices of watch faces in the Watch Skins app will be displayed in two ways: ETH and fiat. ETH tokens allow early adopters and crypto savvy collectors to purchase Watch Skins immediately. Using fiat allows for gradual easy adoption within the mass market.

MARKETING

Watch Skins uses a variety of online, offline and partner marketing strategies to target the various luxury, fashion and entertainment verticals. Working through brand licensing, the app store and other consumer marketing channels, as described below, will give Watch Skins wide reach. Watch Skins is building on a growing market and its unique technology is providing true value beyond what the competition has offered.

Watch Skins aims to employ a variety of strategies to control supply and increase demand for premium Watch Skins. The relationship between supply and demand will be closely monitored by third party tracking and analytics software, in order to optimize the circulating supply of digital watch faces. The company will ensure the marketplace is never flooded with excess watches by delisting unsold watches older than 1 week old.

TARGET MARKET

Watch Skins has conducted extensive market research, establishing that younger customers, particularly millennials and Generation Z, are looking for unique and scarce experiences. Users of smart watches already tend to be younger, trendy and early adopters.

Millennials, in their pursuit of purpose, are seeking individuality. The shedding of catchall labels in favor of individuality will continue to fragment a market that refuses to be defined by brands but rather by the consumer. 63% of luxury consumers agree that the definition of luxury has changed in the past five years.

The “New Luxury” market has redefined and added a complex layer to the definition of luxury, which previously was based on status, price, and craftsmanship. The “New Luxury” is a movement: a global amalgamation of young luxury consumers consisting of early adopters and fashion-conscious individuals. With a mindset of buying in rather than selling out, they value knowledge and a convergence of creativity and commerce.

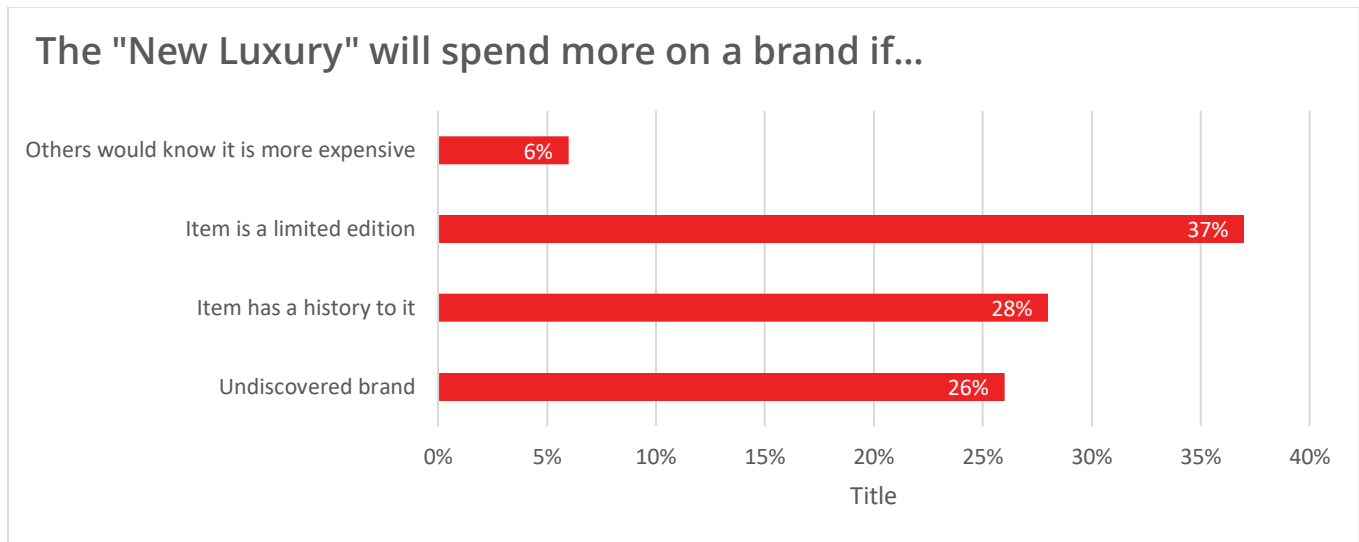
Primarily consisting of the community-oriented millennial generation, the “new luxury” is based on inclusivity and democracy rather than the old luxury that was eternally defined by exclusivity. New luxury consumers are not simply buying a product; they are buying into a lifestyle and community. Luxury purchases are used to convey a shared value system with like-minded individuals.

KEY DEMOGRAPHICS OF THE “NEW LUXURY” MARKET

- 16-34 Years Old
- 58% \$100K+ HHI
- 73% Male
- In 2017 Gen Z and millennials made up 85% of all luxury growth
- In 2020 50% of all global luxury consumers will be younger than 30 years old
- By 2025 45% of the luxury market will consist of Gen Z and Millennial Purchase Behavior
- 1/3 have spent more than \$500 on an item of apparel/footwear in the last 12 months
- 4.8 times more likely than the average young consumer to spend on luxury apparel/footwear
- Only 6% state that they purchase products as a direct expression of wealth
- 87% report they are willing to spend more on a brand that supports causes in which they believe
- 65% have been influenced by their friends to buy brands that speak to their shared values
- 53% have abandoned brands they believe support causes or operate in a way that contradicts their own personal value

Watch Skins is appropriate for all consumers and all wearers of digital watches. Watch Skins will be progressively expanding across these four main customer segments, in the following order:

- Trendsetters and New Luxury customer segment. This segment is made up of users who are seeking the upcoming trends and exclusive technology and experiences and is described in detail in this whitepaper. Watch Skins has done extensive consumer research on this target market, as it is the first target. Similarly, as the company enters each market, thorough research will be conducted to improve the adoption rates when marketing to each segment.
- Collector and Hobbyist customer segment. The collectibles market is undergoing major changes as today's collectors differ significantly from those of previous generations.¹² As collectors move from physical to digital collectibles, Watch Skins offer a variety of new and exciting collectibles, and as Crypto Watches become more popular, the range of collectibles will increase. This segment represents the largest anticipated per-customer annual spend, that is highly motivated to buy rare and limited-edition products. The Membership program and other types of subscription programs will appeal directly to this segment, offering the ability to create complete collections and acquire exclusive items as they are released.
- Mass Market customer segment. As digital watches become increasingly mainstream, the mass market segment will adopt Watch Skins as an intrinsic part of having a digital watch.
- Business Direct customer segment. Watch Skins management believes there will be appetite from other businesses, to purchase Watch Skins products and offer them to their customers as incentives, in the form of site memberships, downloads and physical goods. Business direct customers could be companies in the fields of retail, licensing, publishing, movies and stores where watches are sold. The company intends to engage retailers such as electronics stores and cell phone providers in order to make them aware of Watch Skins product offerings.



¹² <https://www.investmentnews.com/article/20170922/FREE/170929969/collectibles-market-not-what-it-used-to-be>

GO TO MARKET STRATEGY

Watch Skins go-to-market includes:

- Watch Skins launch at CES in Las Vegas, January 2020
- Leveraging partnerships with brands and licensors to market to their audiences.
- Channel marketing through partnerships.
- Partnerships with Influencers in a wide variety of media spaces. Influencer partners to help raise awareness and educate customers about the Watch Skins brand on social media such as Instagram, Facebook and YouTube.
- Social media, influencer marketing and web portal marketing.
- Event marketing to consumers through sponsorships at events such as CES, Comic-Con, E3 Expo, Licensing Expo, SXSW, Wearables Expo, etc.
- Pop-up stores in key locations, high profile venues, and brand culture related events. Initial marketing plans are aimed at the US and North American and Asian markets with later expansion into other geographies with high penetration of smartwatches.

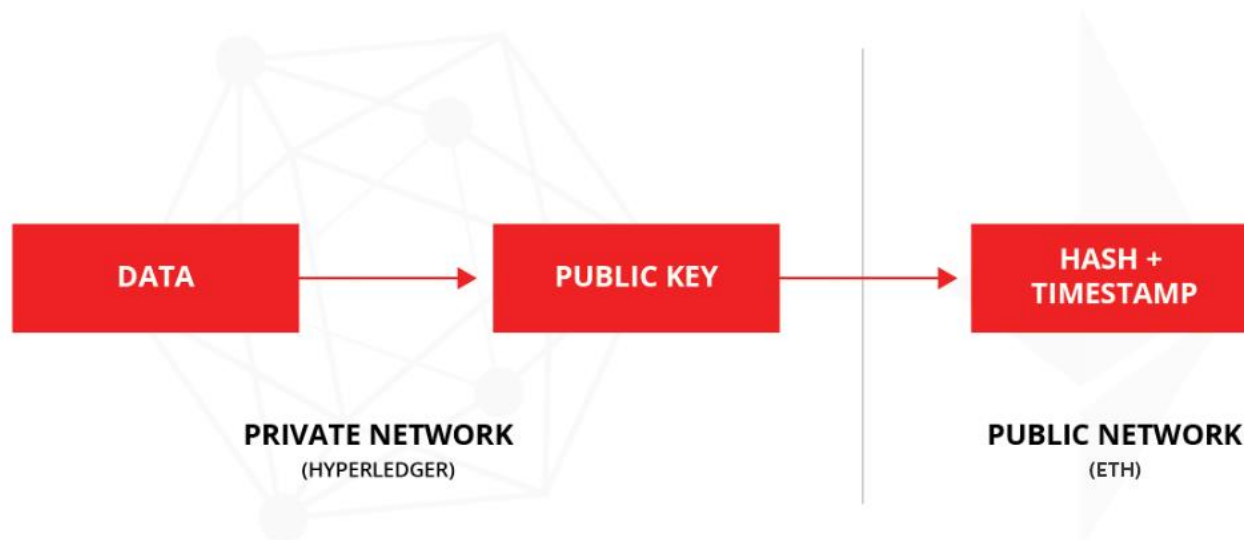
BRANDING

Watch Skins intends to acquire brand licenses in a wide range of categories, including:

- **Sports:** Sports branding is one of the most valuable sources of incomes for players, teams and sports associations.
- **Entertainment:** Entertainment companies leverage their movies, video content, and video games to produce a variety of physical items, fashion and physical collectibles. Watch Skins are a natural extension of what these brands have always done.
- **Music and celebrities:** Celebrities and fans are always looking for ways to create deeper connections. Watch Skins provides a variety of interactive ways that people can show their fan status, and where celebrities and music artists can provide unique experiences to their fan bases.
- **Influencers:** YouTubers, Podcasters and other online influencers can use Watch Skins as an additional source of income. Watch Skins is a natural extension of people who derive their influence through photography and memes on social media.
- **Automotive and major consumer brands:** Over the last decades, manufacturers of consumer goods have discovered the value in licensing their brands, not just their products. People purchase shirts, hats, bags, keychains, and all types of branded items with consumer brands on them. The brands can benefit from offering free Watch Skins as a promotional advertising device, as well as selling branded watch faces where people can show off their favorite luxury brand in style.
- **Fashion:** Fashion brands can now expand into a realm where there is close to no production cost. Accessories such as watches have always been a part of fashion, and now fashion brands can create all types of fashion designs to match with their physical lines.
- **Watch Brands:** While some watch brands will always insist on having physical supplies of watches, most watch brands will need to evolve with the market. The opportunity to create a wide range of Watch Skins is a new distribution method that has potential to completely disrupt the market. Watch brands that are looking toward the future will recognize this as an opportunity they must leverage if they are to maintain viability.

TECHNOLOGY

The Watch Skins application can be used for delivering and storing digital watch faces on multiple platforms, including mobile, desktop, and web. Regardless of platform, users can access the complete functionality of the marketplace to buy, swap, sell, and store digital assets in the form of digital watch face NFTs. Distributed Ledger Technology is used to manage the authenticity, scarcity, and ownership of the digital watch faces. The Hyperledger platform will be used to manage a database record of images of all watch faces produced as a verifiable record of the unique skin and the rights associated with it, such that it is provable through the Watch Skins company database.



BLOCKCHAIN PROTOCOL: ETHEREUM

Watch Skins' token and digital watch face NFT contracts will be deployed via the Ethereum network, which has been proven in the digital collectables market. Ethereum is well geared to the consumer market, and is the primary foundation for the majority of blockchain applications such as games, collectibles and the apps that interact with these types of unique digital creations.

DIGITAL EXCHANGE PLATFORM AND NFT OWNERSHIP

Once an NFT has been minted, Watch Skins transfers ownership to a user's internally managed Ethereum wallet address in order to secure the NFT in the owner's account on the Watch Skins platform. Commonly used on digital exchange platforms, this practice allows users to buy, sell, and trade NFTs peer to peer and allows to Watch Skins to track transactions and curate records within the ecosystem.

Signing authorization is required of all transactions within the Watch Skins system and can be completed through the app or their virtual Watch Box, providing a hybrid, streamlined experience that fully leverages Distributed Ledger Technology for Watch Skins digital watch faces.

COUNTERFEIT PROTECTION

Blockchain technology offers a unique advantage when it comes to counterfeit protection, because the sheer amount of computing power required to manipulate the system makes it nearly impossible.

The authenticity and scarcity of digital watch faces is assured using Distributed Ledger Technology (DLT) which provides:

- Proof of Ownership: Distributed Ledger Technology (DLT) is used to manage all of Watch Skins' digital ownership and assets.
- Counterfeit Protection: Distributed Ledger is the preferred method of counterfeit protection, because the sheer amount of computing power required to manipulate the system makes it nearly impossible.
- Scarcity: Watch Skins will generate digital watch faces in limited numbers and ensure scarcities by using Distributed Ledger Technology. Scarcity will range between Common, Uncommon, Rare, Ultra Rare and Secret Rare.
- Peer to Peer Transfer: Using DLT allows Watch Skins digital assets to be securely transferred between users within the ecosystem.

MINTING AND GENERATION

New digital watch faces are created by minting a new NFT within the blockchain contract. An associated URI is assigned to each NFT, connecting it to a metadata set that includes the watch face name, licensor, brand, and series.

TEAM



COLLIN KNOCK, CEO

Collin started his first company in 2003 and grew it to a national presence with over 75 employees. Within 18 months of founding Reverse Mortgage Lending in 2016, he built it to one of the top 100 reverse mortgage brokerages in America. Collin has bootstrapped three companies that have earned millions of dollars in revenue. He has founded nine startups and brings direction, creative vision, and the ability to execute large scale projects relentlessly.



SETH CHESHIRE, CREATIVE DIRECTOR

Seth Cheshire is a Portland-based creative director, graphic designer and design educator. Currently Seth heads Portland based creative agency HelloCheshire as Creative Director, where his clients include Facebook, Instagram and Zillow. Over the past twelve years Seth has led creative and strategic teams working in physical and digital mediums across multiple markets including lifestyle, entertainment and technology



JUSTIN KNOCK, DIRECTOR OF DEVELOPMENT

Justin brings over 20 years of experience in strategic planning, innovation and creative problem solving. As Co-Founder of Reverse Mortgage Lending, he's been a guiding force as Director of Business Development, where he designed and oversaw the build of the company's mortgage sales software, and was responsible for its implementation. He has been accountable for project management, content creation, product design, processes and procedure creation, as well as development of sales tools and software for multimillion-dollar organizations.

ADVISORS



RICHARD NACHT, ESQ., FOUNDED ADVISOR / LEGAL COUNSEL

Richard brings a thorough understanding of the intersection of law and business to any endeavor. He has founded six startups and has served as an advisor to another fifty. Richard holds a J.D., an MBA, and has a strong background in business modeling, strategy and tactics. Richard has extensive experience in blockchain law, having acted as counsel or advisor to more than thirty industry participants. He also created the first social network ever used by the recruiting industry, where his clients included Microsoft, Wachovia, and Toyota.



JEREMY SANDERS, CFO / FOUNDED ADVISOR

Jeremy has over 10 years of international CFO experience, ranging from startups to multinational turnarounds, and oversight of budgets up to \$130 million. From 2008 to 2012, he turned around the North American distribution of CITIZEN® brand calculators from a \$1.5 million loss to a \$500,000 profit. In 2013, he created the financial model that led to the IPO for American Brewing Company. Jeremy co-founded Ideator, the innovation network platform used by UCSD, UCLA, USC, Yale, Salesforce, and several other organizations. He holds a master of accounting degree, a bachelor of finance degree and has also earned the credentials of Certified Fraud Examiner and Registered Investment Advisor Representative.



JASON WITBECK, FOUNDED ADVISOR

Jason is a highly motivated and decorated US Navy SEAL bringing over 10 years of military leadership service. His team building expertise spans more than a decade in the Seal Teams as a respected operator, an instructor for close quarters combat and Basic Underwater Demolition Seal training, and a team mentor. After graduating from USC's veterans MBA program, Jason developed extensive networks and skill sets in entrepreneurship and elite finance, and has occupied various positions in Venture Capital and Private Equity funds throughout Southern California.



HAN KO, BOARD MEMBER

Han Ko has 3 decades of experience in international technology investing and business scaling. Utilizing his engineering background in software development, blockchain and system integration, Han has successfully launched and operated multiple ventures in the U.S. and Asia. His experience includes various venture capital investments in technology and commercial real estate, such as WIF AX (a \$50M+ Morgan Stanley managed investment Fund) and Capital Innovators. Han has held various leadership and advisory roles in multiple for-profit organizations, serving as an investor, board member, advisor, and mentor for multiple startups and mid-size companies in the U.S. and Asia. In addition, he serves on multiple boards of not-for-profits, including the AACC Chamber of Commerce, and is an official member of Presidential Advisor of South Korea (NUAC). Han has recently been featured in the 2020 edition of "The Top 100 People in Finance" magazine for his achievements.



PERRY CURAC-DAHL, STRATEGIC ADVISOR

Perry started his career in the enterprise software arena, gaining a strong understanding of the operations and complexities inherent in multinational business operations before moving to the world of startups and mobile apps. He brings invaluable experience gained within a Y Combinator startup backed by Kleiner Perkins, Bain Capital and Spark. With a passion for working directly with clients on emerging technologies, Perry brings valuable strategic insight to all of his projects.



STEVEN W. HELLER, ESQ. GLOBAL LICENSING ADVISOR

With degrees in both law and accounting, and 25 years in licensing and business development, Steven has combined his vision, experience and strong industry contacts to build The Brand Liaison into one of the licensing industry's leading boutique agencies. Throughout his career, Steven has been active in all aspects of intellectual property, including the worldwide licensing and enforcement of various world-famous properties, representing licensors and licensees in deals with brands such as Gloria Vanderbilt, Bill Blass, Nautica, FUBU, Converse, Puma, as well as properties owned by Disney, MGM, Warner Brothers, the NFL, NBA, NCAA, and FIFA. In addition to his strong negotiation skills and ability to craft business deals advantageous to all parties, Steven is able to utilize his creative and entrepreneurial skills to provide guidance in brand development and product development.



CORY WAISNER, GLOBAL LICENSING ADVISOR

Cory Waisner brings over 25 years of licensing industry expertise in multiple channels including marketing, licensing, and sales of licensed products. His experience has taught him the complexities of both character and brand licensing, and has earned him the coveted Disney Licensee of the Year Award. His licensing activities focus on fashion, characters and entertainment properties, and include work with brands such as Disney, Warner Bros., Vans, Billabong, Old Navy, Dry Bar, Skechers, and Ironman Worldwide Competitions, across multiple product categories. His experience also includes licensed and private label product development, as well as sourcing new products, designs and unique fabrications.



GRACE RACHMANY, STRATEGIC ADVISOR

Grace Rachmany is a serial entrepreneur, founder of DAO Leadership, ICO Consult, and Gangly Sister. Grace is an expert in the blockchain space, specifically in the areas of DAO, distributed governance, leadership, and operations of distributed organizations. She has worked with over 100 ICOs and dozens of additional projects in the blockchain space and served as advisor to regen.network, dnn.media, letz.do and other AI and crypto projects. With over 30 years of technology experience, she has held numerous management positions and served as CEO of IwritelCOwhitepapers.com, Tech Tav and Marketecht. Grace works extensively with startups, having been Entrepreneur-in-Residence at Swisscontact, and mentor at Microsoft Ventures and Google Startup. She holds an MBA from Kellogg Northwestern and is a graduate of Anthony Robbins' Business Mastery and Landmark's Team Management and Leadership Program.

PROVEN PARTNERS

GLOBAL LICENSE & BRAND ACQUISITION

THE BRAND LIAISON

OPENING DOORS. CLOSING DEALS.

The Brand Liaison is a top-tier licensing and brand management agency focused on creating new revenue streams for clients through licensing, strategic partnerships and other brand extension opportunities.

Their collective experience includes activities with brands including Bill Blass, Gloria Vanderbilt, Laura Ashley, Liz Claiborne, Geoffrey Beene, JEEP, FUBU, Puma, Converse, Disney, Warner Bros., the NFL, NBA, NCAA, FIFA World Cup, and many more.

MARKETING & VISUAL DIRECTION

Hello Cheshire

HelloCheshire makes connections with creative stories, and makes clients look really good while they're doing it. They create brand identity systems and campaigns that speak to today's consumer.

The agency's products, platforms and campaigns move products as well as culture.

Their clients include Nike, Facebook, Instagram, Google and LinkedIn.

MARKET RESEARCH & ANALYTICS



The NPD Group offers data, industry expertise, and prescriptive analytics to help grow businesses in a changing world. With offices in 27 cities across the Americas, Europe, and Asia-Pacific, they help clients measure, predict, and improve performance across all channels.

More than 2,000 companies worldwide rely on NPD to help them measure, predict, and improve performance across all channels, regarding pricing, product management, product innovation, assortment, and customer segmentation.

DISCLAIMERS

PLEASE READ THIS PART "DISCLAIMERS" CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S).

This whitepaper may be amended or replaced at any time, without notification of any changes or access to any additional information.

By accessing the information set forth in this document or any part hereof, you represent and warrant to Watch Skins Corporation ("Watch Skins") that you unconditionally and irrevocably accept and agree with the following:

THIS DOCUMENT IS NOT A PROSPECTUS

This document does not constitute nor imply a prospectus of any sort. No wording contained herein should be construed as a solicitation for investment. Accordingly, this whitepaper does not pertain in any way to an offering of securities in any jurisdiction worldwide whatsoever. Rather, this whitepaper constitutes a technical description of the functionality of the Watch Skins initiative and the creation, development and deployment of the Watch Skins brand. No regulatory authority has examined or approved of any of the information set out in this whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this whitepaper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

RESTRICTED TERRITORIES AND DISTRIBUTION

It may not be lawful in certain jurisdictions for individuals, or certain categories of individuals in other jurisdictions, to view this document. An individual who wishes to view this document must first satisfy himself or herself that he or she is not subject to any local requirements that prohibits or restricts him or her from doing so. In particular, unless otherwise determined by Watch Skins and permitted by applicable law and regulations, it is not intended that any information contained in this document should be sent, directly or indirectly, in or into, countries where participating in Non Fungible Tokens ("NFT") sales, purchases or other methods of distribution are banned due to legal restrictions, including without limitation, countries sanctioned by the United States in accordance with the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Sanctioned Countries, the U.S. Department of Commerce Sanctioned Destinations, or countries considered as high risk and monitored by the Financial Action Task Force ("FATF") (each a "Restricted Territory") and nor should it be accessed by any individual who is a national citizen or resident of a Restricted Territory, including corporations, partnerships, or other entities created or organized in any such jurisdiction, unless they are exempted from the prohibition against participating in NFT offerings. Watch Skins shall not be responsible for individuals who access this document from territories whose laws prohibit such access or where any part of the document may be illegal. Such individuals do so at their own risk.

The publication, distribution or dissemination of this whitepaper does not imply that the applicable laws, regulatory requirements or rules have been complied with. This whitepaper is not an advertisement, nor is it intended to be used for an offer on behalf of Watch Skins. Persons to whom a copy of this whitepaper has been distributed or disseminated, provided access to or who otherwise have the whitepaper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute this whitepaper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur. This whitepaper, any part thereof and any copy thereof must not be taken or transmitted to any country where distribution or dissemination of this whitepaper is prohibited or restricted. No part of this whitepaper is to be reproduced, distributed or disseminated without including this Disclaimers section.

NO AGREEMENT

No person is bound to enter into any contract or binding legal commitment concerning the sale and purchase of the Watch Skins NFT and no cryptocurrency, or other form of payment is to be accepted on the basis of this whitepaper. Any agreement in relation to any sale and purchase of Watch Skins NFT (as referred to in this whitepaper) is to be governed only by a separate document entering into such an agreement setting out the Terms and Conditions located at this URL www.watchskins.com/terms (the "Terms and Conditions") of such agreement. In the event of any inconsistencies between the Terms and Conditions and this whitepaper, the Terms and Conditions shall prevail.

NO ADVICE

This whitepaper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by Watch Skins to acquire any Watch Skins NFT nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision. You must conduct your own due diligence and ensure you comply with all local laws regarding cryptocurrency, taxation, securities and other regulations in your jurisdiction. We encourage you to consult with the relevant legal, taxation, accounting and finance professional advisors independently.

DISCLAIMER OF LIABILITY

In no event shall either Watch Skins, or any of its respective current or former employees, officers, directors, partners, trustees, representatives, agents, licensees, licensors, advisors, contractors, or volunteers (collectively with Watch Skins, the "Watch Skins Parties") be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with:

- (i) any acceptance of or reliance on this whitepaper or any part thereof by you;
- (ii) any failure by the Watch Skins Parties to deliver or realize all or any part of the project described in or envisaged in this whitepaper;
- (iii) any information contained in or omitted, or errors from this whitepaper;
- (iv) any expectation, promise, representation or warranty arising (or purportedly arising) from this whitepaper;
- (v) the purchase, use, sale, resale, redemption, or otherwise of the Watch Skins NFT based on any information in this whitepaper.

NO REPRESENTATIONS AND WARRANTIES

All information is provided herein is provided without any warranties of any kind and Watch Skins and the Watch Skins Parties do not make or purport to make, and hereby disclaim, any express or implied representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this whitepaper. This whitepaper and the Watch Skins NFT are provided on an "as is" basis and without any warranties of any kind, either expressed or implied. The Watch Skins Parties assume no responsibility or liability to you or any third party for the consequence of reliance on such information, errors or omissions in such information or any action resulting therefrom. You assume all responsibility and risk with respect to your use of the whitepaper and purchasing of any amount of Watch Skins NFT and their use.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this whitepaper, statements made in press releases or in any place accessible by the public and oral statements that may be made by Watch Skins, that are not statements of historical fact, constitute "forward looking statements". Some of these statements can be identified by forward-looking terms such as "aim", "anticipate", "believe", "could", "estimate", "expect", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "target", "will" or "would", or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements.

All statements regarding Watch Skins' business strategies, financial position, plans and prospects and the future prospects of the industry which Watch Skins is in are forward-looking statements. These forward-looking statements, including without limitation to statements as to Watch Skins' revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in this whitepaper regarding Watch Skins are matters that are not historical facts, but only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results, performance or achievements of Watch Skins to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

These factors include, but are not limited to:

- (a) the risk that Watch Skins may be unable or execute or implement their respective business strategies and future plans;
- (b) risks and uncertainties associated with Watch Skins and its businesses and operations, the Watch Skins NFT, the Watch Skins Initial NFT Sale, and the Watch Skins Wallet (each as referred to in the whitepaper).
- (c) changes in the future capital needs of Watch Skins and the availability of financing and capital to fund such needs;
- (d) changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which Watch Skins conducts its respective businesses and operations;
- (e) changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;
- (f) changes in the anticipated growth strategies and expected internal growth of Watch Skins and/or their respective affiliates;
- (g) changes in the availability and fees payable to Watch Skins in connection with their respective businesses and operations;
- (h) changes in the availability and salaries of employees who are required by Watch Skins to operate its respective businesses and operations;
- (i) changes in preferences of customers of Watch Skins;
- (j) changes in competitive conditions under which Watch Skins operate, and the ability of Watch Skins to compete under such conditions; and
- (k) war or acts of international or domestic terrorism, occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of Watch Skins, and other factors beyond the control of Watch Skins.

All forward-looking statements made by or attributable to Watch Skins or persons acting on behalf of Watch Skins are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this whitepaper, and nothing contained in this whitepaper is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of Watch Skins, or in relation to the truth, accuracy and completeness of any of the information set out in this paper. The actual results, performance or achievements of Watch Skins may differ materially from those anticipated in these forward-looking statements. While Watch Skins intends to fulfil all the goals set out in this document, in case of unforeseen circumstances, the goals may change or may not be achieved without any notice to you.

Neither Watch Skins or any other person represents, warrants and/or undertakes that the actual future results, performance or achievements of Watch Skins will be as discussed in those forward-looking statements. Further, Watch Skins disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future, except to the extent required by law.

THIRD PARTY INFORMATION AND NO CONSENT OF OTHER PERSONS

This whitepaper includes information obtained from various third party sources ("Third Party Information"). None of the publishers of Third Party Information has consented to the inclusion of Third Party Information in this whitepaper and is therefore not liable for Third Party Information. While Watch Skins has taken reasonable actions to ensure that the information is extracted accurately and in its proper context, Watch Skins has not conducted any independent review of Third Party Information extracted from third party sources, verified the accuracy, timeliness or completeness of such Third Party Information or ascertained the underlying economic assumptions relied upon therein.

Consequently, neither Watch Skins nor Watch Skins Parties make any representation or warranty as to the accuracy or completeness of such Third Party Information and shall not be obliged to provide any updates on the same.

NO FURTHER INFORMATION OR UPDATE

No person has been or is authorized to give any information or representation not contained in this whitepaper in connection with Watch Skins and its respective businesses and operations, the Watch Skins NFT and the Watch Skins Wallet (each as referred to in the whitepaper) and, if given, such information or representation must not be relied upon as having been authorized by or on behalf of Watch Skins.

RISKS AND UNCERTAINTIES

Prospective purchasers of Watch Skins NFT should carefully consider and evaluate all risks and uncertainties associated with Watch Skins, and their respective businesses and operations, the Watch Skins NFT and the Watch Skins Wallet, including all information set out in this whitepaper prior to any purchase of Watch Skins NFT. If any of such risks and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of Watch Skins could be materially and adversely affected. In such cases, you may lose all or part of the value of the Watch Skins NFT.

The regulatory status of cryptographic tokens, including any digital currency, digital assets and blockchain applications is unclear or unsettled in many jurisdictions. The publication and dissemination of this document do not imply that any relevant laws, regulations and rules have been complied with. No regulatory authority has examined or approved this document. Where any relevant governmental authority makes changes to existing laws, regulations and/or rules, or where financial institutions make certain commercial decisions, it may have a material adverse effect and/or impair the ability of any relevant entity referred to in the document to function as intended, or at all. There are risks involved in the technologies relating to the Ethereum blockchain, and the Watch Skins NFT, such as unforeseen bugs, security issues or disruptions. By way of the above and other factors not within our control, the entire sum used to purchase the Watch Skins NFT may be lost.

Watch Skins may contract with third parties to develop and license their products and/or technology for use within the Watch Skins Ecosystem. While Watch Skins will take all commercially reasonable steps to secure the necessary rights and licenses, there are risks and uncertainties associated with the business and operations of such third party contractors that are beyond Watch Skins' control and they may not deliver on the products and/or technology. There is also a risk that Watch Skins does not succeed in obtaining and/or renewing the necessary rights and licenses to such third party products and/or technology mentioned in this whitepaper. Such events may have a material adverse effect on the function, deployment and use of the Watch Skins Ecosystem as intended.

This whitepaper does not identify, or claim to identify, all the risk factors connected with Watch Skins and its businesses and operations, the Watch Skins NFT, and the Watch Skins Wallet (each as referred to in the whitepaper). The disclaimers set out above are not exhaustive. To the fullest extent possible, Watch Skins shall not be liable for any responsibility, liability, claims, demands and/or damages (actual and consequential) of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to any acceptance or reliance on the information set forth in this document by you.

If any provision or part of any provision in this Disclaimers section is or becomes invalid, illegal or unenforceable, this Disclaimer section shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part of any provision under this Disclaimer section shall not affect the validity and enforceability of the rest of this Disclaimer section.

TERMS USED

To facilitate a better understanding of the Watch Skins NFT being offered for purchase by Watch Skins, and the businesses and operations of Watch Skins, certain technical terms and abbreviations, as well as, in certain instances, their descriptions, have been used in this whitepaper. These descriptions and assigned meanings should not be treated as being definitive of their meanings and may not correspond to standard industry meanings or usage.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

CONTACT

ORGANIZED BY:

WATCH SKINS CORPORATION

53 PALMERAS STREET SUITE 601 SAN JUAN, PUERTO RICO 00901

CONTACT:

HELLO@WATCHSKINS.COM • WATCHSKINS.COM