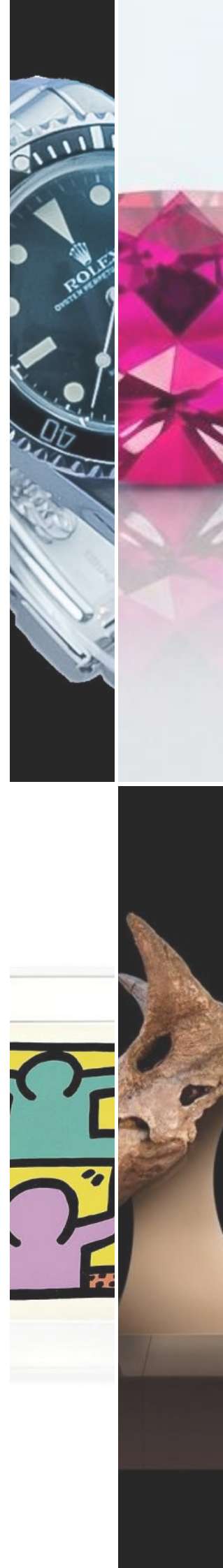


INSIGHT

How we select collectibles

A good portfolio starts with good purchases. This is how Collectible Invest finds, checks and buys the objects for its portfolio.



Why purchasing matters

Collectibles have no stock-exchange price. Every object is unique, and every price is negotiated. That is why we attach great importance to buying at a price that does not exceed the market value. For us, purchasing is one of the most important steps in the entire process.

The portfolio is managed by New Horizon GmbH on behalf of the issuer. Its team has been investing in collectibles since 2021 and knows prices not only from databases, but from its own purchases and sales.

since 2021

in the collectibles market

1,000+

collectibles handled

50+

specialist partners in our network

6

categories under the bond terms

Figures relate to our team's previous activity since 2021, not to Collectible Invst.

How we source objects

Strategic partners

Most objects come from dealers, collectors and specialist firms we work with over the long term. They contribute objects and expertise, because no one knows every category in detail, including us.

Auctions and marketplaces

We follow the leading auction houses and marketplaces in each category: upcoming auctions, new catalogues and price developments. We flag suitable objects early and bid selectively.

Direct approach

We search for specific objects, approach collectors and sellers directly and attend the trade fairs of each category. This creates contacts that later turn into offers.

Access to pieces that rarely come to market



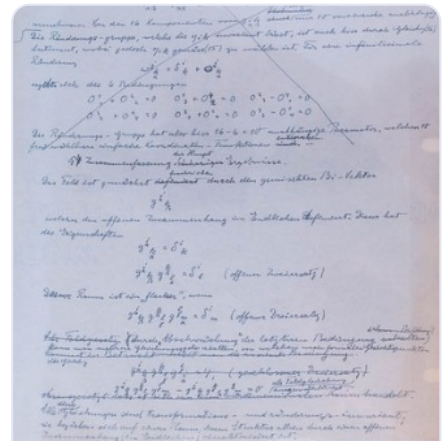
Triceratops prorsus "Russ"

Skull with a span of almost two metres and around 70% original material. Well-preserved skulls of this size rarely come to market.



Ruby from Burma

6.39 carats, certified by an independent gemmological laboratory. Rubies of this size rarely come to market.



Albert Einstein

A page of handwritten calculations, its authenticity confirmed by an independent expert opinion.

Our team has made the objects shown accessible to investors in recent years. They are not part of Collectible Invst and will not be transferred to the portfolio.

How we determine value

Collectibles have no price you can simply read off. Value has to be worked out. That is why, before every purchase, we determine a value range from more than 30 data sources. The benchmark is what the market actually pays for comparable pieces, not what sellers ask.

Three data layers

LAYER 1

Public data

Auction results, documented transactions and current offers across all categories. They show where prices are and how they move over time.

LAYER 2

Commercial data

Licensed market data and price databases that are not freely available. They fill gaps and make comparisons more complete and precise.

LAYER 3

Proprietary data

Purchases, sales and holding periods since 2021, individual valuation reports by independent experts on our objects, and demand on our platform. This data exists only with us.

Our valuation model

Hardly any object has an exact comparable. Two examples of the same model differ in age, condition or documentation, and each of these factors changes the price. To analyse this, we use our own valuation model based on machine learning, which is used for Collectible Invst. It derives from the data how strongly individual characteristics affect the price.

Example. We are offered a stainless-steel Rolex Daytona: unworn, with box and all papers. Most documented sales, however, concern pieces with signs of wear or without papers. The model estimates what premium condition and completeness actually justify in the market. This way, we pay a better price for a better piece, but no more than the market supports.

The model does not decide on its own. It is a tool on which our asset managers, the category partners and the Investment Committee base their judgement. Data and experience check each other.

A model that grows with the market. Data on collectibles is still at an early stage. For watches and art it is already broad today; in other categories it is growing. Equities went through something similar: systematic analysis only became possible once price data and company figures were captured comprehensively. With every purchase, every sale and every new data source, our data base grows broader.

How an object is checked

Before every purchase, there are three questions. How thoroughly we answer them depends on the value of the object: the more expensive the object, the deeper the review.

VALUE

Is the price in line with the market?

In a comparable analysis, we document for every object that the purchase price is below the indicative market value. The indicative market value is an estimate, not a guaranteed sale price. From 250,000 euros, an external valuation report is added.

CONDITION

What condition is it in?

The higher the value, the closer the look: from detailed photos to a specialist's assessment to an on-site inspection.

ORIGIN

Is the origin clean?

Serial numbers, registers and documents are checked for plausibility. This is how we exclude problematic goods.

What evidence we require

For every object	Purchase receipt · identification of the seller · dated photos or video as proof of existence · origin check · incoming inspection at the custodian
Up to 50,000 euros	additionally, detailed photos and condition information from the seller
50,000 to 250,000 euros	additionally, a written assessment of condition and price by a specialist in the category
From 250,000 euros	additionally, an external valuation report with on-site inspection, covering condition and value

Each tier is a minimum requirement; a more thorough review is always possible. **If any evidence is missing, we do not buy.**

No transferred holdings. The portfolio is built exclusively with newly acquired objects.

An independent view from outside

The annual financial statements of NH Collectible 1 GmbH are audited every year by Christian Farin, German public auditor (Wirtschaftsprüfer) and tax adviser, formerly with PwC and Forvis Mazars. As part of the audit, he examines in particular the existence and valuation of the collectibles held, in accordance with the applicable professional standards; the relevant internal controls are also assessed. For specialist questions, he consults independent experts specialising in the respective category as needed. The audit is no guarantee of the value of the collectibles or of future sale proceeds.

Who decides

No purchase without approval. Every purchase goes through the same five steps, and the limits for it are set out in an internal purchasing policy. These rules apply to every purchase made by Collectible Invst.



Who has which role

- **Asset managers** know the market and condition standards of their category.
- **The risk function** ensures compliance with the bond terms, the purchasing policy and the review rules.
- **Finance** checks budget and liquidity.
- Conflicts of interest are disclosed, and every decision is documented.

Which limits apply

- Purchases are made only in the six categories set out in the bond terms.
- Upper limits per object and per category in our internal purchasing policy are designed to ensure broad diversification of the portfolio. The purchasing policy is not part of the bond terms; only the bond terms are legally binding.
- Before every purchase, we check that the limits will still be met.



“Most collectibles are bought on gut feeling. We buy with discipline: with data, with partners who have known their field for many years, and with clear rules on when we say no. We don't buy a good object at the wrong price. That is what we want to be measured by.”

Malte Häusler · Managing Director of NH Collectible 1 GmbH

And after the purchase? Then the second task begins: storing and insuring the object and preserving its value. More on this in the next Insight: *How we store collectibles*.

Good to know. Careful purchasing reduces risks but does not eliminate them. The value of collectibles can fluctuate. Collectible Invst is a subordinated profit-participating bond and suits investors looking for a long-term addition to their portfolio who can bear a loss up to the total loss of their capital. Only the Key Information Document and the terms and conditions of the bond, available at <https://www.collectible-invest.com/documents>, are authoritative.