Splint

Omega Watch

Seamaster 007 Edition

"No Time to Die"

Inhalt

1 Introduction

We are pleased to invite you to participate in our new Omega Watch campaign. This opportunity features a special edition Omega Seamaster watch released along with the new James Bond movie - “No Time To Die” and marks 25 years of collaboration.

Collecting watches is a very long-standing practice pursued by a multitude of investors trying to combine a pastime with generating an additional income or as a store of wealth.

However, such an endeavour requires more than just being able to afford a watch. It takes a substantial amount of knowledge and experience to make the right selections and avoid all the major pitfalls. The customers of Splint Invest can benefit from this investment opportunity starting from as little as 50 EUR and without having to worry about insurance and storage.

2 Factsheet

Brand	Omega
Model	Seamaster Diver 300m Co-Axial Master Chronometer 42mm
Edition	007 Edition “No Time To Die” on the occasion of 25 years of collaboration
Material	Titanium
Case diameter	42mm
Water resistance	30 bar (300 metres, 1000 feet)
Price	€9,000
Price per Splint	€50
Number of Splints	180
Number of Splints	3 – 5 years

3 Investment Decision

An Omega watch of this type is a very stable investment. It scores highly in all three main criteria applied by us which are Return, Stability and Track Record. At the same time, it makes for a very interesting addition to the portfolio. On average, luxury watches increase by 5-7% per annum, but many models have consistently delivered much higher returns.

In this case, we are offering a very special edition of a model coming from one of the most legendary watchmakers on the planet. Additionally, the fact that it appears on James Bond's hand in his latest movie gives it a lot of visibility to potential buyers looking to add to their watch collection.

OMEGA

4 Rating

6/10

Return
We have rated the upside potential of this investment opportunity as medium. Luxury watch prices increase by approximately 5-7% per annum. In this case, it is fair to say that we expect a higher return due to the fact that we are dealing with a special edition of a highly collectible product coming from a very popular brand.

9/10

Stability
We have rated the stability of this investment opportunity as high. Omega watches have a strong tendency of increasing in value. Omega increase their recommended retail prices on a regular basis which reduces our downside risk significantly.

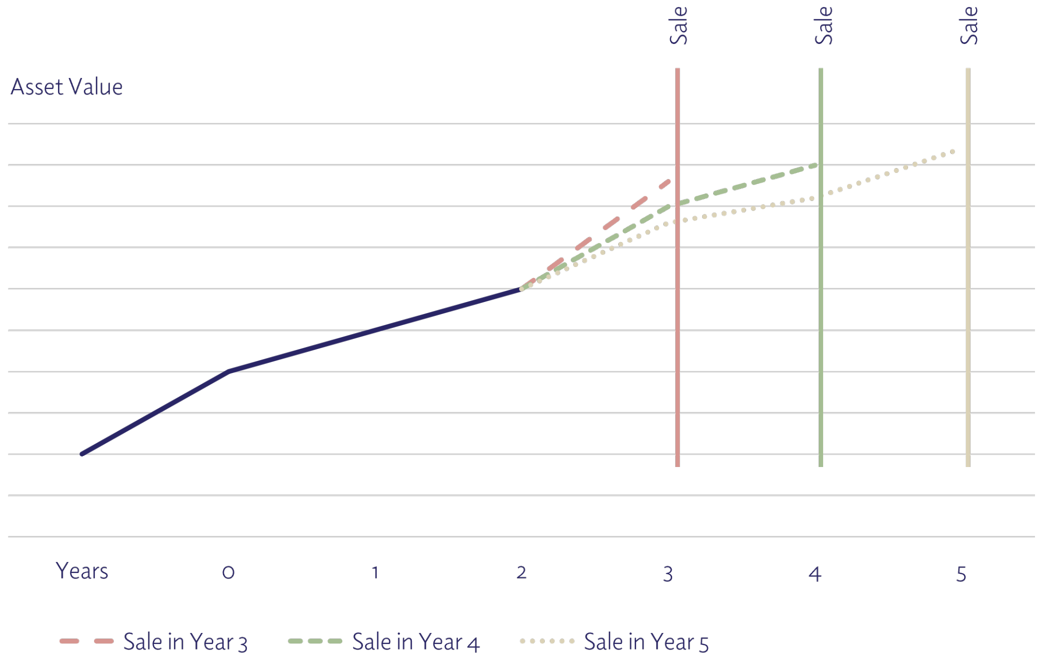
9/10

Track Record
We have rated the track record of this investment opportunity as high. Omega have been making luxury watches since 1848 and James Bond has worn them since 1995. Historically, these watches proved to be wise investments and the brand itself is considered iconic.

5 Investment Process

Purchase	We purchase the watch from the supplier and manage all documentation.
Asset Listing	After the watch is delivered, the investment opportunity is published on our platform. Investors can participate by buying splints starting at €50.
Storage & Insurance	The watch is appropriately insured and stored for 3 to 5 years in a safe.
Sale	After the holding period of 3 to 5 years, we sell the watch. The proceeds from the sale will be distributed to the Splint Holders in proportion to their shares.
Payout / Reinvestment	The Splint Holders are now faced with the decision to cash out, reinvest in another watch or in a completely different investment listed on the platform.

6 Investment Horizon



Value appreciation due to collectible attributes

Normally watches should be kept for a longer amount of time, but in this case we are dealing with a special edition that forms a part of the James Bond Collection. As a result, we anticipate enough interest to generate a profit after a shorter period of time. We will start considering potential buyers after 3 years and we are aiming to sell the watch in approximately 4 years. This is because selling is a game of patience and trying to sell at a very specific point in time often equates to accepting a lower price.

7 Cost Analysis

Asset Value	8,550	€
Service Costs	450	€
Price	**9,000**	**€**
Number of Splints	180	
Price per Splint	**50**	**€**

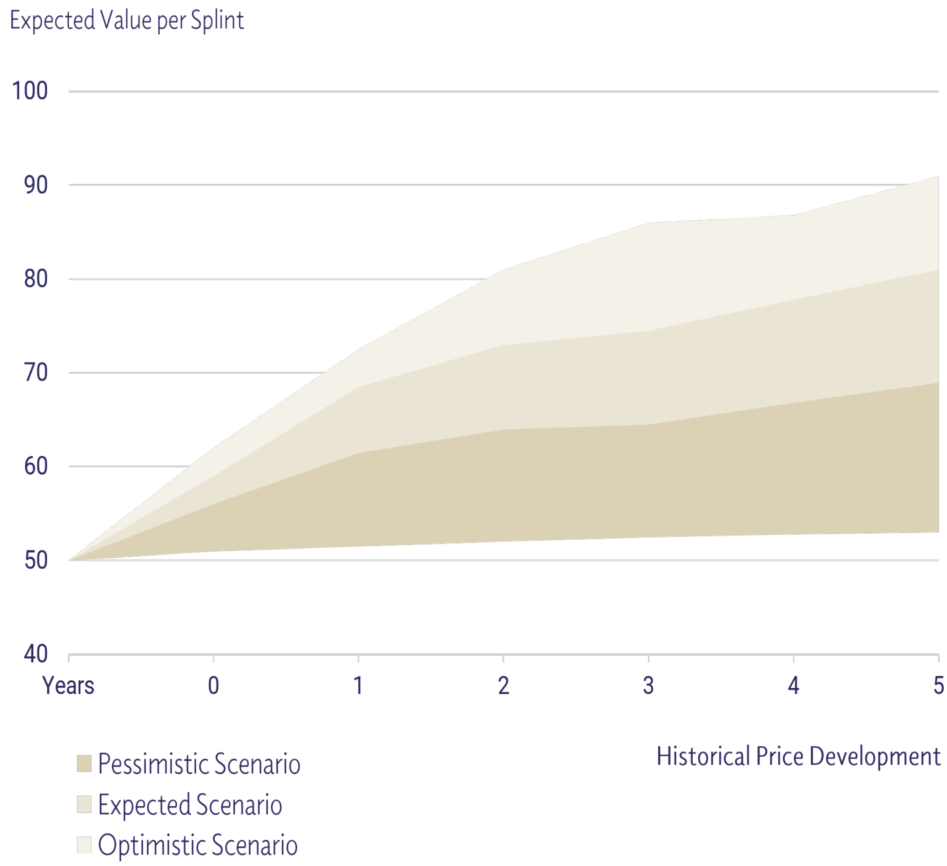
Additional information

€9,000 is the cost of the watch including 4 years of storage and insurance.

At the end of the investment period, a sale can be organised privately or via an auction house. Generally speaking, the first preference for Splint invest is a private sale. This is because auctioneer fees tend to be more costly. However, if we realise that the offers we receive privately are insufficient and below the third-party estimate, we will approach the auction house.

Splint Invest will charge an exit fee of 2% applied to the proceeds from the sale of the asset. Each Splint Holder bears a proportional part of the costs.

8 Investment Forecast



Forecast assuming the investment horizon of 3 to 5 years

For a Splint worth €50, we expect a share of the sales proceeds of €70-€80 after full cost deduction using historical prices*. However, depending on how the investment performs, the return may be higher or lower.

*Watch prices can change, and historical data is not a guarantee of future performance.

Supply
Adam decides to exit before the end of the investment period and offers his Splints for sale on the secondary market.

Demand
Anna would like to participate in the investment opportunity and buys the Splints by accepting Adam's offer.

Exit before the end of the investment period

If a Splint Holder decides to exit the investment early either by arranging a sale via Contact Form or our Secondary Market (to be introduced during Winter 2021/2) then the new owner of the Splint takes on the remainder of the variable cost.

For example, if 4 years of storage and insurance are paid in advance but the investor chooses to exit after 1 year, then the new owner of the Splint takes over 3 years of those costs. This will be reflected in the price.

9 ESG Considerations

The investment in exclusive watches generally complies with international ESG standards. As Omega is part of the Swatch Group, it strictly adheres to the Swatch Group's sustainability claims. These claims include environmental protection, reduction of CO_2 emissions and energy production from renewable resources, recycling of batteries, reduction of water consumption, sourcing of raw materials and occupational safety of employees. In addition to Swatch's sustainability requirements, Omega has its own special arrangements with regard to sustainability. The company is also committed to various projects.

Production – Omega's production facility - or „eco-friendly factory" - was designed by the renowned Japanese architect Shigeru Ban. Thanks to a special indoor climate and energy concept, the building is largely self-sufficient in terms of energy, thanks to photovoltaic solar panels installed on the roof of the building. Excess energy is recycled. The building was constructed using sustainable building materials such as cardboard and local, fast-growing spruce wood. All company processes such as manufacturing, logistics and training take place in the same sustainable and dynamic building.

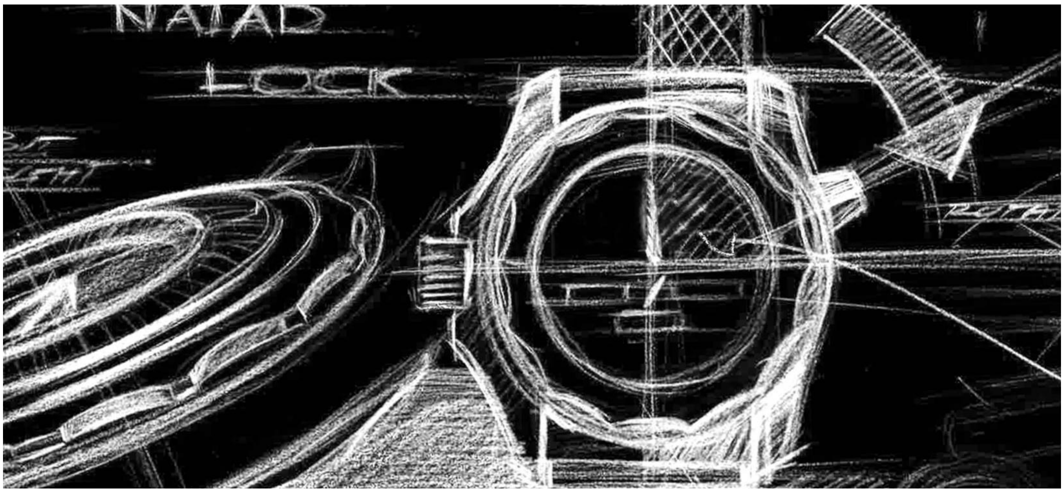
Precious metals – As various precious metals are used in the production of highend watches, it is of great importance to know exactly where these raw materials come from. Omega only sources precious metals from individual, selected suppliers who are members of the Responsible Jewellery Council (RJC). This guarantees that the raw materials are mined in conflict-free areas and in strict compliance with ethical standards.

Collaborations – Omega not only ensures that it produces and markets its products in accordance with international ESG standards, but also actively campaigns against overfishing, water pollution and global warming. Through its collaboration with the GoodPlanet Foundation, Omega is helping to raise awareness of environmental issues worldwide. Omega first supported the Foundation by helping to organise worldwide screenings for a documentary film on our planet and human impact. As a result of the film, two projects were launched to which Omega contributes. These projects are concerned with the protection of marine areas in northern Sulawesi and the restoration of mangroves and biodiversity on Tanakeke Island.

10 Asset Class Information

Investing in watches is something that has been around for generations. They are small, easy to store, not so difficult to maintain and most importantly, increasing in value over time. It is estimated that luxury watches appreciated in value by 89% in the last decade. Watches also serve as collectibles and are commonly used to make a statement in the world of fashion. These factors help to generate enough interest whenever we are looking to sell a timepiece.

Of course, that is not to say that every watch that we see on the market is going to be a success story.



As with other Alternative Investments there are various criteria that need to be considered:

Key factors for watches as an investment:

Luxury Watches are an asset class with deeply rooted traditions. Only the highest quality timepieces produced by the most iconic brands should be considered for an investment. It's important to be aware of the top brands in the game and stick to them. A very high-quality watch made by an unknown producer is unlikely to meet our expectations from an investment perspective.

Uniqueness Brand selection is the first and primary condition that should be met before choosing a watch. However, it is also useful to consider special circumstances such as special editions. This ensures that the quantity available is much lower which has a positive impact on the future price. Another area to consider would fall under the category of "fun facts". There are many collectors willing to pay really high premiums on watches that played a part in history like being "the first watch in space" or "the watch owned by celebrity X". This makes the watch unique and affects its valuation.

Source It is crucial to purchase the right watch at the right time and from the right source. The ideal purchase would be as early and close to the manufacturer as possible. The reason for this is that every time the watch changes hands, the previous owner is realising a part of the profits. This erodes the profit that could potentially be ours. For example, if a watch that originally cost €10,000 is expected to increase in value to €20,000 after 10 years, it is much better to buy it for €10,000 on the release date rather than for €15,000 on the secondary market a few years later. However, this rule might not be applicable if we are buying some of the historical timepieces mentioned in the previous section. A Rolex Daytona 6239 owned by actor Paul Newman recently sold for $17.8m.

11 Investment Evaluation

The Omega Brand

Achieving the status of "one of the most iconic brands" is an immensely difficult and timeconsuming task in most market sectors but it is even more challenging in the luxury watch industry which tends to be rather conservative.

Omega as we know it was originally founded in Switzerland in 1903, but its history dates back to 1848. However, it took much more than just the passage of time to get where they are now.

Omega are technically advanced when it comes to the quality of their watches. The design remains minimalistic in many ways after so many decades, and the marketing strategy has proved to be very successful indeed. Over the course of its history, Omega watches have been in space, as well as on the moon, used during the Olympic Games, featured in international film productions such as numerous James Bond movies or Fifty Shades of Grey.

This rich history has contributed to Omega being perceived as one of the key players in the industry. As a result, buying an Omega watch as an investment is the preferred way of diversifying into that asset class without spending an excessive amount of money.

Sales Partner

In this case, we have purchased the watch directly from Omega, meaning that we have avoided an interaction with the secondary market.

Such a purchase has numerous advantages compared to buying a pre-owned watch. First of all, we no longer have to worry about counterfeit goods. The Secondary Market for watches is often compared to a minefield or Wild West due to the sheer number of potential difficulties that a buyer can encounter. Even an original watch that was serviced by an unauthorised person using non-original parts is far from investment-grade. Such watches are in fact called "Frankenwatches" and it's not always easy to spot one if you don't know what to look for.

Even an online seller with 100% positive reviews or a renowned auction house is no guarantee for getting the watch that fully matches the description and meets the expectations.

In this case, however, we are buying from the original source and have a relevant warranty in place.

It is also preferable to buy a watch from the original shop to pay the minimum initial entry price and therefore maximise the return. Whenever you buy a watch on a secondary market, you can be sure that the person selling it is also trying to make a profit – profit that could have otherwise been pocketed by you.

Stability
Another aspect that makes investing in Omega particularly attractive is their pricing strategy. Omega is known for increasing their retail prices on a regular basis.

This implies that the starting price of the watch is never going to drop while buying on a primary market. This is great news for investors because the secondary market prices will follow this trend, albeit with a small delay.

As a result, making an investment in an Omega watch is a very safe option within this asset class. As long as the model in question is in demand, the price is not going to drop. Omega Seamaster Diver is one of the most iconic models which increases its attractiveness on the secondary market.

Scarcity
This particular model of Omega is a special edition released to celebrate the new James Bond movie. This is an ongoing tradition that started in 1995 and has resulted in a collection of Omega watches worn by one of the most iconic spies.

Each item in the collection is only available to buy when a new James Bond movie is released. As a result, they are very easy to miss. There are also younger generations who only want to start a collection today and therefore wait for sales via the secondary market.

This limitation is what makes this watch such a good investment. It is scarce, extraordinary and popular.

Large Secondary Market
A sizeable secondary market plays a pivotal role when it comes to selling an alternative investment. According to Boston Consulting Group the market size for pre-owned luxury watches is approximately $19bn, compared to the primary market size of $50bn. The secondary market is actually growing much faster than the primary market, especially due to the recent boom in some of the iconic models.

What this implies for our investment is that there is a growing demand for watches of this type which can further accelerate the price growth.

Condition
When it comes to buying a watch on the secondary market, the ultimate dream of a watch collector is to find a timepiece that has never been worn, unpacked and that comes with all of its original paperwork. This is very difficult to find, mainly because it is a common practice to wear the watches that form a part of the collection. After all, it is a passion investment, and many collectors wear their watches to make a statement.

Fortunately, at Splint Invest, our philosophy is much different. We actively seek to maximise the growth potential of our investments and do not make emotional decisions. As a result, we keep all the paperwork and store the watch in a safe without ever opening it. This is something that many collectors pay a hefty premium for because it gives them an opportunity to include extraordinary and limited editions of watches no longer available on the primary market without losing the emotional experience of unboxing and being the first person to wear the purchased timepiece.

12 Potential Risk Factors

Oversupply of watches
If watchmakers start to mass-produce their timepieces without considering limited editions, eventually the supply will meet the demand and the secondary market won't be so attractive anymore. Because what would be the point of paying a premium for a preowned watch if you could get the exact same one at a lower price from the original store?

However, this is not likely to happen. Companies such as Omega and Rolex are in this business for a very long time, and they know exactly what to do in order to keep the demand high. Waiting for a watch release is a very standard activity for certain models.

Recession
Recession implies that people have less discretionary income to spend, therefore they are less likely to buy luxury watches. On the other side of the spectrum, it also implies that a lot of people need some extra cash, and they are more likely to sell their existing timepieces. As a result, the demand decreases and the supply increases, thus negatively affecting the prices.

However, at Splint Invest we constantly monitor the market and never commit to selling an asset at a particular point in time. Our Investment Horizons are provided in the form of a range which gives us enough flexibility to avoid selling during recessions.

Other risks
It is impossible to list every single potential risk that exists in relation to this investment. Investors must understand that the above list includes only the main ones. Investors should always seek to verify all the information using multiple independent sources.